

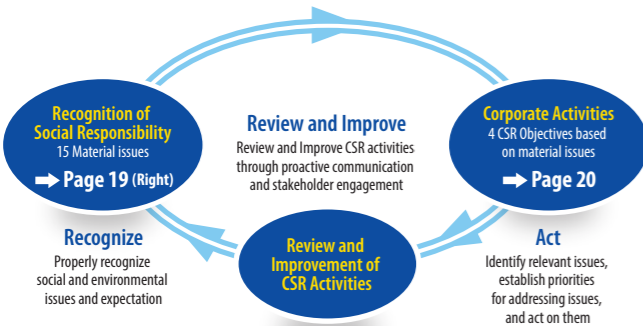
# HTS Group CSR Initiatives

At the HTS Group, we are all about treating people and nature with great respect. In this connection, our fundamental policy is to do our part to help create an affluent society through fair business practices, as we boost our value for all of our stakeholders.

## Basic CSR Policy

Under our Corporate Philosophy, the HTS Group strives to promote integration of CSR and management through communication with our various stakeholders, with the aim of realizing a sustainable society. In implementing a cycle of the Basic CSR Policy as a guideline, we will proactively disclose ESG (Environment, Social and Governance) information and collaborate with various stakeholders for the aim of achieving SDGs.

### HTS Group Basic CSR Policy



### Basic CSR Policy

<http://www.hitachi-transportssystem.com/en/profile/csr/management/>

## HTS Group's Contribution to SDGs

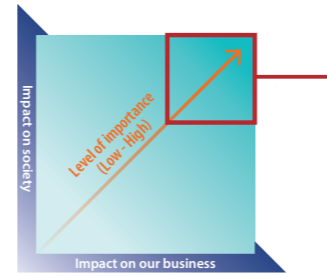
SDGs (Sustainable Development Goals) are 17 universal goals for the international community to be attained by 2030. The HTS Group is fully aware of the importance of achieving the SDGs. Among 17 goals of SDGs, the following eight goals are especially relevant to our CSR objectives. We will work to do our part in achieving these SDGs as we move into high gear to reach our CSR objectives.

### SDGs especially relevant to CSR objectives



## Material Issues and CSR Objectives

We identified material issues as CSR issues highly important to the HTS Group and recognized them as our social responsibility that we should fulfil in order to accurately recognize social and environmental issues and expectations. To decide specific activities, we developed four CSR objectives that we should address with priority based on material issues and the viewpoint of CSV (Creating Shared Value), and then set specific activity themes and key performance indicators (KPIs) (Refer to page 20).



### 15 material issues of the HTS Group

- Social**  
Safe and healthy work environment (occupational Health and Safety)/Social and environmental responsibility in supply chains (socially responsible procurement)/New technologies (creating/utilizing innovations and cutting-edge technologies)/Diversity and employee development/Job creation (promoting employment in the local community)/Dialog with employees (labor-management relations, collective bargaining) / Respect for human rights (addressing global human rights issues)/ Quality and safety (service quality and safety)/Environmentally and socially responsible logistics services
  - Environment**  
Carbon (low carbon)/Stopping pollution/Renewable energy (use of clean energy)
  - Governance**  
Compliance/governance/BCP\* (including climate change adaptation)/ Information disclosure (operational transparency)
- \* BCP: Business Continuity Plan  
A plan designed to ensure that core functions are not interrupted (or are rapidly reinstated) in the event of major disaster scenarios.

## HTS Group's Stakeholders

The HTS Group manages and maintains its business activities through interaction with our broad array of stakeholders including customers, shareholders, local communities, and local administrations.



## CSR Promotion Structure



## CSR Objectives of the HTS Group – Initiatives and Key Performance Indicators (KPIs)

In FY2018, the HTS Group identified key activities for the CSR objectives to be started in FY2019 and relevant KPIs, based on which we will strengthen our initiatives using PDCA cycle.

Related SDGs	CSR objectives	Key activities	Initiatives	KPIs	Reference
8 ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS	1 Pursue Next-generation Industries and Lifestyles	(1) Promote total optimization of supply chain by making full use of advanced technologies	Enhancement of logistics platform	Type of SSCV-safety functions Increase of EC platform centers Number of cases of manufacturing/sales control support (demand forecast) Expansion of use case of blockchain technology	Page 14 Pages 13, 36 Page 36 Website*1
		(2) Respond to local logistics needs and issues while further boosting response capability	Development of trainings that promptly meet business needs	Number of attendees of data scientist training course	Page 36
			Expansion of high-quality logistics services	Storage and transportation/delivery conforming to GDP*	Website*2
		5 GENDER EQUALITY, 8 ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS	2 Enhance Occupational Safety and Productivity	(1) Secure safety in operation and transportation	Enhancement of occupational Health and Safety management
(2) Minimize workload at logistics sites	Strengthening of transport safety management			Number of traffic accidents (those defined in Article 2 of the Transportation Safety Management Regulation)	Pages 18, 26/Website
	Promotion of automation/labor saving in logistics centers	Expansion of the use of automated/labor-saving equipment	Page 36		
	Systematic development of female employees	Ratio of female managers	Page 17/Website		
9 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS	3 Ensure Excellent Quality and Resilience	(3) Promote diversity of the workplace	Support for career formulation of female employees	Suggestion of various role models/career path and hosting of networking events with female managers Manager-level training to encourage active participation of women in the workplace	Website Website
			Encouragement for male employees to take childcare leave	Rate of childcare leave taken by male employees Rate of childbirth leave for prospective fathers taken	Pages 18, 37 Pages 18, 37
			Reduction of overtime hours	Implementation of measures to reduce overtime hours	Pages 18, 37
			Encouragement to take annual paid leave	Implementation of measures to take annual paid leave	Pages 18, 37
		(1) Pursue high quality logistics services	Development of OPEX designers	Number of OPEX designers developed	Page 37
			Implementation of social contribution activities for local community	Activities based on the social contribution activity guideline	Pages 18, 39, 40
			Enhancement of compliance framework	Implementation of measures to enhance compliance	Pages 18, 50
				Boosting information security level/ management structure	Rate of attendance for information security training course Rate of targeted threat emails for simulation trainings opened
			Strengthening of BCP system	Number of training implemented Number of places visited by overseas BCP Caravan	Pages 18, 51 Pages 18, 51
			Enhancement of domestic and overseas procurement compliance	Implementation of procurement compliance education for persons in charge of procurement in Japan and overseas	Page 34
(2) Consideration for disposal and emission	Reduction of air pollutants	Ownership ratio of vehicles in compliance with environmental standards	Pages 17, 30		
	Promotion of resource recycling	Recycling rate	Pages 17, 32		
		Number of non-compliance with environmental laws and regulations	Page 17		
	Reduction of water consumption intensity per floor space	Page 17/Website			
Green purchasing rate	Page 17				
Rate of reducing copy paper consumption	Page 17				
(3) Contribution to disaster recovery assistance	Strengthening of BCP system	Dissemination of behavioral standard in the event of a disaster to employees	Pages 18, 51		
	Implementation of social contribution activities for local community	Activities based on the social contribution activity guideline	Pages 18, 39, 40		
7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS	4 Realize Low-carbon Business Processes	(1) Increase energy efficiency	Reduction of electricity consumption in "buildings"	Number of sites with LED lighting fixtures Electricity consumption per floor space in "buildings" (Compared to FY2018) Number of energy-saving inspections conducted	Pages 17, 30 Pages 17, 30 Website
			Increase of vehicle fuel efficiency	Increase of vehicle fuel efficiency by vehicle type (Compared to FY2018)	Page 30/Website
			Promotion of introducing double-trailer trucks	Support of introducing double-trailer trucks	Page 30/Website
			Promotion of joint use of logistics and transportation equipment	Implementation of joint use of logistics and transportation equipment	Page 30
			Development of new customers/routes for modal shift	Development of new customers/routes	Pages 17, 31/Website
			Proactive promotion of streamlining transportation through establishing platform, integrated delivery sites, and container round use	Implement new shared transportation	Page 30/Website
		(2) Introduce renewable energy	Shift to eco-friendly vehicles with better environmental performance	Maintenance of 100% ownership ratio of eco-friendly vehicles	Pages 17, 30
			Ownership ratio of the advanced eco-friendly vehicles	Page 30	
			Ongoing eco-friendly driving training	Implementation of eco-friendly driving training in each site	Page 32
			Performance of internal environmental audit	Performance of internal environmental audit	Website
			Development of voluntary environmental activities in each site	Promotion of environmental activities in each site	Page 32/Website
			Review of the environmental management system	Consideration of the design of the environmental management system	Page 31
(3) Strengthen environmental management	Enhancement of overseas environmental management	Detailed investigation of material environment-related laws and holding environmental meeting with overseas group companies	Pages 31, 32		
	Promotion of continuous improvement by the environmental management system	Continuous implementation of "Eco Stage 2" obtained by the head office to other domestic offices	Pages 17, 32		
	Promotion of employees' understanding through education and enlightenment activities to raise their environmental awareness	Attendance rate of environmental e-learning courses	Pages 17, 32		
	Communication of environmental-related information to employees	Page 32			
	Clean-up activities outside the Company and the Light-Down Campaign	Website			
	Environmental advertisement and disclosure of environmental information	Page 32/Website			

Website: CSR/Environment <http://www.hitachi-transportssystem.com/en/profile/csr/>

Website\*1: Mid-term Management Plan "LOGISTEED 2021" [http://www.hitachi-transportssystem.com/en/ir/library/presentations/pdf/midtermmanagementplan\\_190524enR.pdf](http://www.hitachi-transportssystem.com/en/ir/library/presentations/pdf/midtermmanagementplan_190524enR.pdf)

Website\*2: Medical/Pharmaceutical Platform <http://www.hitachi-transportssystem.com/en/3pl/joint/case1.html>

\*GDP: Good Distribution Practice