The HTS Group Environmental Management

**Environmental Policy**

The HTS Group is promoting business activities with less environmental load based on the following four policies. As measures for global warming, we are working to enhance green logistics including collaborative logistics and modal shift together with our partner companies.

1. Reduce Environmental Load Generated at All Our Places of Business
   - Reduce consumption of electricity, gasoline and LPG as well as waste.
2. Provide Logistics/Services with Less Environmental Load
   - Contribute to customers through CO₂ emission reduction and resource recycling.
3. Improve Eco-Mind Level and Enhance Eco-Management System
   - Increase global environmental awareness. Observe environmental laws, ordinances and company regulations.
4. Promote Synergy with Nature and Environmental Communications
   - Promote biodiversity and ecosystem. Maintain environmental collaboration with customers and local communities.

**Environmental Management Structure**

Since the establishment of a department dedicated to environmental issues in the head office in August 1992, we have worked on reducing environmental load and are currently promoting group-wide activities toward the global “environment-conscious business operations.”

Under the supervision of the Board of Directors and the Executive Committee, Sustainability Promotion Department, Corporate Strategy Office chaired by Executive Vice President and Executive Officer in charge of environmental issues, is responsible for overall environmental management work and oversees the entire group.

**Strengthen Environmental Management**

We utilize management systems to understand and monitor actual data. In overseas, we conduct research on important environmental laws and regulations for the purpose of managing environmental load and legal compliance.

- **Holding Environmental Promotion Conference**
  - We share environmental information in Japan and overseas to improve environmental awareness and the management level.
  - Number of environmental conferences held (FY2021):
    - Domestic: 2 times
    - Overseas: 3 times
    - Officers Meeting 2 times

- **Performance of internal environmental audit**
  - We perform internal audit to prevent or promptly correct violations of the environmental compliance and improve the management level.
  - Number of sites subjected to internal environmental audits (Japan: FY2021): 107

- **Ensuring compliance in overseas offices**
  - We identify important environmental laws and regulations related to “Transport and Warehouse Business” in overseas sites and conduct research on their outline in 29 countries and regions from FY2017 to ensure proper operations management in each site. In FY2021, we completed research on Germany and France, bringing the total number of researched countries and regions to 20.

- **Third-party certification initiatives**
  - The Group seeks third-party certification and Sustainability Promotion Department has acquired the “Eco Stage” certification. From FY2017, we have upgraded the certification level to “Eco Stage II” which is equivalent to ISO14001.

- **Efforts to Raise Environmental Awareness**
  - We are working to raise the environmental awareness of employees by promoting environmental activities linked to VC activities. In FY2021, we started new programs including holding “Green Action Workshop” on the theme of environmental protection and “Environment Prize in VC Award” to recognize initiatives contributing to reducing environmental load.

The HTS Group Medium-to-Long-term Environmental Targets 2030/2050

The HTS Group developed the medium-to-long-term environmental targets 2030/2050 in FY2020 to contribute to the realization of sustainable society, and are striving to reduce CO₂ emissions. Amid the accelerating movements to realize a decarbonization society around the world, the Group updated the medium-to-long term environmental targets 2030/2050 developed in FY2020 with more aggressive targets in FY2021.

**Medium-to-Long-term Environmental Targets**

<table>
<thead>
<tr>
<th>Target</th>
<th>Base year (FY2013)</th>
<th>FY2030 target</th>
<th>FY2050 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of CO₂ emissions (Scope 1 and 2 in Japan*)</td>
<td>527</td>
<td>513</td>
<td>204</td>
</tr>
<tr>
<td>Net Zero Carbon*</td>
<td>100%</td>
<td>2050</td>
<td>2050</td>
</tr>
</tbody>
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*Scope 1: Direct emissions from in-house energy (fuel, etc.) use (e.g., CO₂ emitted by company vehicle)
*Scope 2: Indirect emissions from the use of energy supplied by other companies (e.g., CO₂ emitted by a third party’s power plant due to electricity use in the company’s facility)
*Scope 3: Indirect emissions by supply chain (e.g., Scope 1 and 2 of all 15 subsidiaries, including transportation outsourcing and business trip of employees)

**Decarbonization Promotion Project – Initiatives to Reduce CO₂ Emissions**

The HTS Group has launched a decarbonization promotion project to achieve the medium-to-long-term environmental targets and is working proactively on initiatives in five areas.

**Trend of HTS Group CO₂ Emissions**

<table>
<thead>
<tr>
<th>Year (FY)</th>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Scope 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Base</td>
<td>647</td>
<td>527</td>
<td>78</td>
</tr>
<tr>
<td>2019</td>
<td>610</td>
<td>497</td>
<td>72</td>
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<tr>
<td>2020</td>
<td>624</td>
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<td>2021</td>
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<td>2024 M/T plan target</td>
<td>513</td>
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<td>2050 Target</td>
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<tr>
<td>2050 Target</td>
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<tr>
<td>5. Emissions trading</td>
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For details about environmental information, please visit our website.