

# Four Objectives of the HTS Group and Key Performance Indicators (KPIs)

Closely related SDGs	Objectives	Themes	Initiatives	KPIs	HTS	Domestic	Overseas	Targets/plans for FY2021	Achievements/progress in FY2021 and evaluation for FY2021 targets/plans	Reference**6	
	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	●	●	Enhance the overall system performance by enhancing 7 types of functions such as immediacy of alert for drivers	Enhanced the performance of the entire system by enhancing 12 types of functions such as an instant alert to drivers while driving	★★	Website	
				Increase of EC platform centers	●	●	Expand the scope of business model for EC platform	Expanded work and operation patterns toward the expansion of e-commerce business		Website	
				Number of cases of manufacturing/sales control support (demand forecast)	●	●	Expand the scope of PoC for the inventory and supply optimization solution (2 cases) and introduce the logistics forecasting tool at logistics sites (30 cases: 50 cases in total)	Completed the PoC for the inventory and supply optimization solution (2 cases)/Introduced the logistics forecasting tool at logistics sites (50 cases in total)		P84/Website	
				Expansion of use case of blockchain technology	●	●	Conduct hypothesis verification for trade operations and PoC for financial services for transportation and delivery	Completed hypothesis verification for trade operations		Website	
		(2) Respond to local logistics needs and issues while further boosting response capability	Expansion of high-quality logistics services	Storage and transportation/delivery conforming to GDP Guidelines	●	●	Enhance functions of medical DCs, and expand transportation conforming to GDP	Enhanced temperature control functions in warehouses conforming to GDP Guidelines and conducted tests to establish transportation conforming to GDP	Not subject to assessment	Website	
				On-site implementation of RFID system	●	●	Consider on-site implementation of RFID system	Expanded product management solution services		Website	
				Transportation of social infrastructure-related equipment	●	●	Complete the project to transport social infrastructure-related equipment	Transported wind power generation facilities and other social infrastructure-related equipment in Japan and overseas		P84/Website	
				Workplace accident index/Frequency rate, severity rate	●	●	Reduce frequency rate/severity rate by enhancing initiatives such as safety educations, safety caravan, and introduction of safety technology	Frequency rate: 0.88(0) Severity rate: 0.017(0) *Inside the parentheses are non-consolidated figures		P83/Website	
				Number of traffic accidents (those defined in Article 2 of the Transportation Safety Management Regulation)	●	●*	Maintain zero traffic accidents each year by introducing SSCV and strengthening various safety activities	Number of traffic accidents: None		★★	Website
				Expansion of the use of automated/labor-saving equipment	●	●	Expansion of the use of automated/labor-saving equipment	Implemented various automated/labor-saving equipment (e.g. depalletizer) in domestic and overseas logistics centers		Not subject to assessment	Website
	2 Enhance Occupational Safety and Productivity	(1) Secure safety in operation and transportation	Enhancement of occupational Health and Safety management	Workplace accident index/Frequency rate, severity rate	●	●	Reduce frequency rate/severity rate by enhancing initiatives such as safety educations, safety caravan, and introduction of safety technology	Frequency rate: 0.88(0) Severity rate: 0.017(0) *Inside the parentheses are non-consolidated figures	★★	Website	
				Number of traffic accidents (those defined in Article 2 of the Transportation Safety Management Regulation)	●	●*	Maintain zero traffic accidents each year by introducing SSCV and strengthening various safety activities	Number of traffic accidents: None		Website	
		(2) Minimize workload at logistics sites	Promotion of automation/labor saving in logistics centers	Expansion of the use of automated/labor-saving equipment	●	●	Expansion of the use of automated/labor-saving equipment	Implemented various automated/labor-saving equipment (e.g. depalletizer) in domestic and overseas logistics centers	Not subject to assessment	Website	
				Ratio of female managers	●	●	Continue systematic development of female employees (ratio of female managers in FY2023: 10%)	Ratio of female managers: 5.5%		P85/Website	
				Suggestion of various role models/career path and hosting of networking events with female managers	●	●	Hold rank-based trial trainings for female employees	Implemented leadership trainings for female manager candidates and career development trainings for female assistant manager candidates		P85/Website	
				Manager-level trainings to encourage active participation of women in the workplace	●	●	Continue to hold diversity seminars/Conduct trial trainings for superiors of female manager candidates and assistant manager candidates	Diversity seminars: Approximately 600 attendees including employees of domestic group companies (including online participation) /trial trainings for superiors: Implemented backup trainings for female manager candidates and assistant manager candidates		P85/Website	
				Rate of childcare leave taken by male employees	●	●	Change male employees' mindset and create work environment that makes it easier for employees to take leave (Rate of leave taken in FY2023: 20%)	Acquisition rate: 12.0%		Website	
				Rate of childbirth leave for prospective fathers taken	●	●	Change male employees' mindset and create work environment that makes it easier for employees to take leave	Acquisition rate: 14.0%		★★★	Website
				Measures to reduce overtime hours	●	●	Enhance group-wide initiatives such as to visualize achievements of the entire domestic group and follow up by executive meetings of each company	Overtime hours were on a declining trend due to the spread of enhanced reduction measures such as visualization of achievements (average overtime in FY2021: 27.5h (down by 0.6h from FY2020)*2)		P85/Website	
				Measures to take annual paid leave	●	●	Enhance group-wide initiatives such as to visualize achievements of the entire domestic group and follow up by executive meetings of each company	The rate of paid leave taken increased due to the spread of enhanced measures to encourage employees to take paid leave of five days or more per year (No. of days and rate of paid leave taken in FY2021 (domestic group companies): 15.7 days and 67.9%)		P85/Website	
(3) Promote diversity of the workplace	Encouragement for male employees to take childcare leave	Rate of childcare leave taken by male employees	●	●	Change male employees' mindset and create work environment that makes it easier for employees to take leave (Rate of leave taken in FY2023: 20%)	Acquisition rate: 12.0%	★★★	Website			
		Rate of childbirth leave for prospective fathers taken	●	●	Change male employees' mindset and create work environment that makes it easier for employees to take leave	Acquisition rate: 14.0%		Website			
	3 Ensure Excellent Quality and Resilience	(1) Pursue high quality logistics service	Enhancement of compliance framework	Measures to enhance compliance	●	●	Implement measures to enhance compliance	Conducted various education and compliance meetings as planned to spread the HTS Group Code of Conduct among employees	★★	P73/Website	
				Rate of attendance for information security training course	●	●	Rate of attendance for information security training course: 100%	Attendance rate: 100%		P73/Website	
				Rate of targeted threat emails for simulation trainings opened	●	●	Rate of targeted threat emails for simulation trainings opened: less than 5%	Open rate: 6.0%		P73/Website	
				Number of disaster prevention trainings implemented	●	●	Implement disaster prevention trainings	16 companies conducted initial response trainings		Website	
		(2) Consideration for disposal and emission	Promotion of resource recycling	Overseas BCP Caravan	●	●	Consider implementation of overseas BCP Caravan (group company in Turkey)	Canceled to prevent the spread of COVID-19	★★	Website	
				Procurement compliance education to those engaging in procurement in Japan and overseas	●	●	Enhance and continue to provide procurement compliance education to those engaging in procurement in Japan and overseas	Provided procurement compliance education to those engaging in procurement in 19 domestic companies and 35 overseas companies		P73/Website	
				Ownership ratio of vehicles in compliance with environmental standards	●	●	Eco-friendly vehicle ownership ratio: 100% Ownership ratio of the advanced eco-friendly vehicles: 99%	Eco-friendly vehicle ownership ratio: 100% Ownership ratio of the advanced eco-friendly vehicles: 98.2%		P81/Website	
				Recycling rate	●	●	Recycling rate: 99.0%	Recycling rate: 99.0%		P81/Website	
				Number of non-compliance with environmental laws and regulations	●	●	Number of non-compliance with environmental laws and regulations: 0	Number of non-compliance with environmental laws and regulations: 0		Website	
				Reduction of water consumption intensity per floor space	●	●	Reduce intensity: down 1% from FY2020	Intensity: down 7.3% year on year		Website	
(3) Contribution to disaster recovery assistance	Strengthening of BCP system	Rate of reducing copy paper consumption	●	●	Rate of reducing copy paper consumption: down 1% from FY2020	Reduction rate: down 4.7% year on year	★★★	Website			
		Dissemination of behavioral standard in the event of a disaster to employees	●	●	Disseminate "Disaster Initial Response Manual"	Implemented trainings based on "Disaster Initial Response Manual"/Updated manuals based on the training contents (16 domestic group companies)		Website			
	4 Realize Decarbonized Business Processes	(1) Increase energy efficiency	Reduction of electricity consumption in "buildings"	Number of sites with LED lighting fixtures	●	●	Install LED in all the Group sites by FY2022	Number of sites with LED lighting fixtures: 15	★★	P82/Website	
				Reduction of electricity consumption per floor space (intensity) in "buildings"	●	●	Electricity consumption per floor space in "buildings": down 1.76% from FY2020	Reduction rate: down 8.1% from FY2020		Website	
				Number of sites subjected to energy-saving inspections	●	●	Conduct energy-saving inspections	Number of sites inspected: 171		Website	
				Increase of vehicle fuel efficiency	●	●	Increase of vehicle fuel efficiency by vehicle type: up 1.76 % from FY2020	Vehicle fuel efficiency: up 0.4% from FY2020		P81/Website	
				Support of introducing double-trailer trucks	●	●	Continue operation of double-trailer trucks	Continued operation between Shizuoka and Kyoto prefectures		Website	
				Implementation of joint use of logistics and transportation equipment	●	●	Expand the scope of shared use of logistics facilities and transport equipment	Continued joint use of facilities with SAGAWA EXPRESS CO., LTD./Expanded existing initiatives		Website	
		(2) Introduce renewable energy	Development of new customers/routes for modal shift	Development of new customers/routes	●	●	Expand the scope of and enhance modal shift	Implemented a modal shift of products and raw materials to coastal shipping by utilizing marine containers	★★	Website	
				New shared transportation	●	●	Expand streamlining of transportation range through establishing platform, integrating delivery sites, and container round use, etc.	Increased the number of companies (partner transport companies) using "Mito Transport Center," a joint terminal in Ibaraki Prefecture/Expanded the scope of existing initiatives		Website	
				Maintenance of 100% ownership ratio of eco-friendly vehicles	●	●	Maintenance of 100% ownership ratio of eco-friendly vehicles	Maintenance of 100% ownership ratio of eco-friendly vehicles from the end of FY2016		P81/Website	
				Ownership ratio of the advanced eco-friendly vehicles	●	●	Ownership ratio of the advanced eco-friendly vehicles: 99%	Ownership ratio of the advanced eco-friendly vehicles: 98.2%		P81/Website	
(3) Strengthen Environmental Management	Performance of internal environmental audit	Implement eco-friendly driving trainings in each site	●	●	Implement eco-friendly driving trainings in each site	Cancelled group trainings to prevent the spread of COVID-19	★★★	Website			
		Performance of internal environmental audit	●	●	Perform periodic internal environmental audit	Performed internal environmental audit in 107 domestic group sites		P77/Website			
		Promotion of environmental activities in each site	●	●	Development of voluntary environmental activities in each site	Number of sites inspected: 220		Website			
		Consideration of the design of the environmental management system	●	●	Improve vehicle management system	Completed the introduction of a system to manage CO2 emissions from vehicles		Website			
		Identification of key environmental laws and holding of global environment meetings	●	●	Identify key environmental laws of all relevant countries and regions, and hold Overseas Environment Officers Meetings	Conducted a survey on Germany and France/Held two Environment Officers Meetings		P77/Website			
		Continuous implementation of "Eco Stage 2" obtained by the head office to other domestic offices	●	●	Renew and continue implementation of "Eco Stage 2" obtained by the head office and Hitachi Transport System Central Japan Co., Ltd. to other domestic offices	Renewed certification since FY2017/Hitachi Transport System Central Japan Co., Ltd. renewed its certification acquired in FY2019		P77/Website			
		Attendance rate of environmental e-learning courses	●	●	Attendance rate of environmental e-learning courses: 99%	Attendance rate: 99.0%		Website			
		Communication of environmental-related information to employees	●	●	Communication of environmental-related information to employees	Reported environmental activities in the Group magazine, etc./Shared environment-related information at executive management meetings		Website			
(3) Strengthen Environmental Management	Promotion of employees' understanding through education and enlightenment activities to raise their environmental awareness	Clean-up activities outside the Company and the light-down campaign	●	●	Clean-up activities outside the Company and the light-down campaign	Implemented in each site at a different timing from the HTS Group Environment Month to prevent the spread of COVID-19	★★★	Website			
		Environmental advertisement and disclosure of environmental information	●	●	Continue to respond to CDP**4 and prepare to endorse TCFD**5 recommendations	Responded to CDP questionnaires (received A minus rating for two consecutive years)/ Announced endorsement of TCFD recommendations		P79, 88/ Website			

\*1 Covers 13 group companies: Hitachi Transport System East Japan Co., Ltd., Hitachi Transport System Kanto Co., Ltd., Hitachi Transport System Metropolitan Co., Ltd., Hitachi Transport System South Kanto Co., Ltd., Hitachi Transport System Central Japan Co., Ltd., Hitachi Transport System West Japan Co., Ltd., Hitachi Transport System Kyushu Co., Ltd., and Hitachi Transport System SAGAWA CO., Ltd., VANTEC CORPORATION, VANTEC EAST LOGISTICS CORPORATION, VANTEC CENTRAL LOGISTICS CORPORATION, VANTEC KYUSHU LOGISTICS CORPORATION, TOKIWA KAIUN COMPANY LIMITED \*2 Actual results of Hitachi Transport System, Ltd. only \*3 Dialogue Café: Place to develop human resources who can lead the communication at workplace \*4: CDP is a non-profit organization headquartered in the U.K., which investigates information on "climate change" and other environmental matters of corporations and scores them on a scale of eight from A to D- at the request of investors around the world. \*5 Task Force on Climate-related Financial Disclosures \*6: Page numbers indicate where you can find it in the "Integrated Report 2022"

★★★: Achieved the target/plan for FY2021, showing results  
★★: Almost achieved the target/plan for FY2021, showing some results  
★: Failed to achieve the target/plan for FY2021, not showing results