

Promoting Sustainability Management

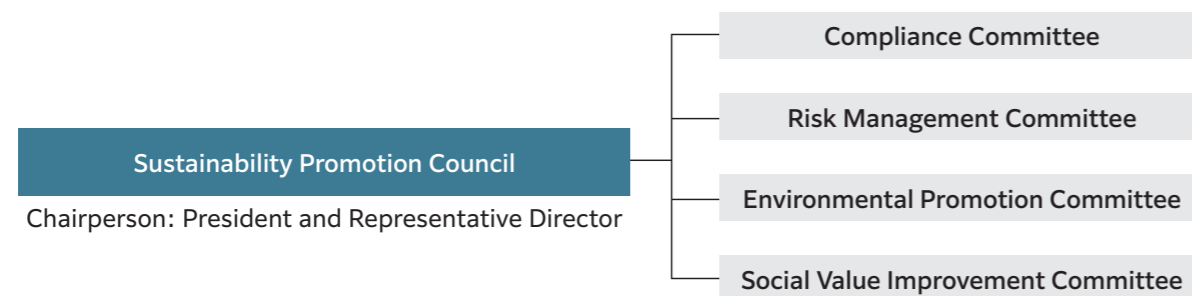
SENKO Group Sustainability Policy

The SENKO Group has adopted a Sustainability Policy that commits it to strive to deliver new value by helping realize a sustainable environment and society, working to achieve sustained growth for the Group, and connecting people and society through its various businesses.

Governance

In keeping with the above policy, we will provide value that helps facilitate the resolution of a variety of issues. To implement the policy, Compliance, Risk Management, Environmental Promotion, and Social Value Improvement Committees are involved in a variety of activities related to sustainability. Furthermore, our Sustainability Promotion Council, which meets twice a year and which oversees those committees as well as the Sustainability Promotion Department, discusses important matters and reports to the Board of Directors on topics such as the content of its discussions and the results of related activities. The Board of Directors, which oversees the Council, accepts reports from the Sustainability Promotion Council on topics such as the content of its discussions and the results of related activities.

The Sustainability Promotion Council, which is chaired by the president and representative director, who has final responsibility for all sustainability-related initiatives, consists of outside directors and other executives. The Sustainability Promotion Department, which is overseen by the Sustainability Promotion Council, works on an operational level with sustainability officers and sustainability coordinators from major Group companies and business headquarters to undertake various initiatives and reports on related matters to the Sustainability Promotion Council.



Risk management

The Group strives to deliver new value by connecting people and society through its various businesses in line with its basic policy of helping realize a sustainable environment and society and working to achieve sustained growth for the Group. In keeping with the above policy, we work to resolve environmental (E), social (S), governance (G), and health (H) issues and consider addressing climate change to be a top-priority issue.

Strategy

Our basic policy is to operate with a strong sense of ethics in accordance with a variety of laws and international norms, and to that end we approved the United Nations Global Compact in October 2020 and formulated the SENKO Standards of Business Conduct in April 2021.

We also formulated the SENKO Group Basic Procurement Policy as a series of policies that suppliers are expected to understand and comply with.

Going forward, we will continue to strive to realize sustained growth for the environment and society and to increase our corporate value in line with the above policies.

Indicators and targets

Climate change

We are taking a variety of steps to reduce our CO₂ emissions in order to realize the goal of achieving a carbon-neutral society by 2050 as set forth in the Paris Agreement. Under the five-year Medium-term Business Plan that began in FY2023, we are striving to realize sustained business growth through environmentally oriented activities such as strategic investments using CO₂ emissions per unit of revenue in our ground transport business as the principal indicator, with a FY2027 target of realizing a 10% reduction relative to FY2021. We are not only assessing Scope 1 and 2* CO₂ emissions, but also calculating emissions both upstream (via procurement) and downstream (via shipment and beyond) of our corporate activities (i.e., Scope 3* emissions) in a more detailed manner. We are also moving ahead with an effort to calculate Scope 3 emissions for logistics operations in our customers' supply chains and recommend efficient logistics measures.

*Scope 1: Greenhouse gases directly emitted by the company in question as a result of its fuel use.
 *Scope 2: Greenhouse gases emitted as a result of the use of supplied electricity.
 *Scope 3: Greenhouse gases emitted indirectly by the company via its supply chains.

Human capital

We've established quantitative targets for the implementation of diversity and inclusion as well as health management, and we're working towards those goals.

The following table summarizes indicators related to our policies on human resources development, including workforce diversity, and the development of the company's internal environment as well as FY2023 results using the indicators in question and FY2027 targets.

Indicator	FY2023 result	FY2027 target*1
Percentage of management positions held by females*2	10.7%	15.0%
Utilization of childcare leave by male employees*3	9.9%	50.0%

*1 FY2027 targets include SENKO as well as all consolidated subsidiaries.
 *2 Includes SENKO as well as all consolidated subsidiaries. In the context of this indicator, management positions include employees in assistant manager and higher positions (or their equivalents).
 *3 The FY2023 result for utilization of childcare leave by male employees includes only companies that announced their results in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015) and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991) as the figures do not include some overseas and domestic consolidated subsidiaries. Percentage utilization of childcare leave and related programs and time off taken for the purpose of childcare was calculated for each company as defined in Article 71 Paragraph 4 Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), and the average of those figures was used to calculate the disclosed percentage.

Analysis of materialities

Against the backdrop of the growing global importance of sustainability-related initiatives such as Environment-Social-Governance (ESG) management and the Sustainable Development Goals (SDGs), we analyzed material factors (materiality) based on the continual evolution of megatrends with the potential to impact the Group's businesses. Specifically, we determined that the Group's business segments are related to 28 of 77 sectors identified by the Sustainability Accounting Standards Board (SASB) in its standards. We estimated each industries' importance as a percentage of our sales and its potential impact on our businesses and then identified issues that need to be addressed through our businesses based on the materiality required for those 28 sectors. We established material factors (materiality) related to environment (E), social (S), governance (G), and health (H) management based on a close examination of their relationships with key measures in the Group's management.

<p>E</p> <p>Environment</p> <ul style="list-style-type: none"> ● Climate change measures ● Circular economy 	<p>G</p> <p>Governance</p> <ul style="list-style-type: none"> ● Risk management ● Compliance ● Information disclosure
<p>S S</p> <p>Social</p> <ul style="list-style-type: none"> ● Diversity and inclusion ● Assurance of safety ● Responsible procurement structures 	<p>H</p> <p>Health</p> <ul style="list-style-type: none"> ● Infectious disease measures ● Management of employees' physical and mental health

ESG+H Initiatives

E Environment

TCFD initiatives

Governance and risk management

For more information about governance, please see "Promoting Sustainability Management" (page 31).
 With regard to risk management, the Risk Management Committee has created a Natural Disaster Risk Subcommittee, which is working to increase the SENKO Group's resilience by inspecting and reviewing its business continuity plan (BCP) and through other initiatives to address climate change. The committee reports on the identified risks, risk prevention measures, risk amelioration measures, and related topics to the Sustainability Promotion Council.

In addition to establishing an Environmental Initiative Policy to guide the Group's efforts to protect the environment and reduce environmental impacts and spreading awareness of the policy among employees and other workers, the Environmental Promotion Committee manages environmental targets in areas including CO₂ reductions, renewable energy use, and waste recycling. The Committee also reports on progress towards the Group's environmental targets to the Sustainability Promotion Council.

The Sustainability Promotion Council discusses important matters based on reports from the Risk Management Committee, Environmental Promotion Committee, and other bodies and reports to the Board of Directors on topics such as the content of its discussions and the results of related activities. The Board of Directors accepts reports related to risk management from the Sustainability Promotion Council, which it oversees.



Strategy

Basic approach

We recognize that dealing with climate change is a key priority in the effort to protect the global environment and a material factor (materiality) in our implementation of sustainable management. Consequently, the Group has undertaken a serious effort to address climate change. It signed the United Nations Global Compact in October 2020, and takes action in support of the implementation of principles related to addressing environmental issues and other priorities. Having endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in September 2022, we disclosed information related to climate change to facilitate good communication with a broad range of stakeholders, including shareholders and investors.

Scenario analysis and scenario analysis results

Scenario analysis

During FY2023, we conducted a scenario analysis of risks and opportunities associated with climate change based on the TCFD framework for our flagship Logistics business, as well as our Trading & Commerce, Living Support, and Business Support businesses, where climate change is likely to have a smaller impact. This effort entailed identifying specific transition and physical risks and opportunities and studying medium- and long-term measures to address them.

With regard to our flagship Logistics business, deepened our scenario analysis and evaluated the extent of financial impacts under the 1.5°C and 4°C scenarios for 2030 and 2050 for those risks and opportunities we anticipated facing in FY2022 which we deem to be serious and studied how to apply the results to strategies affecting investment and financing. In the future, we plan to conduct similar analyses for the Products Business, which was created following our acquisition of Chuo Kagaku Co., Ltd. as a consolidated subsidiary.

Scenario analysis results

We are working to ascertain the risks and opportunities posed by climate change in order to boost the resilience of our management, and we are involved in ongoing initiatives to maximize opportunities while dealing with the risks we have identified.

Among the serious risks we identified, an FY2023 assessment of the financial impact of the adoption of carbon tax throughout the Group calculated an impact of about 5 to 6 billion yen in 2030 assuming carbon tax pricing of USD 130 per ton of CO₂ in 2030 under the 1.5°C scenario. With regard to the adoption of carbon tax, we will both participate in the GX League and assess associated trends while taking a variety of steps to reduce various CO₂ emissions, for example through use of renewable energy and active adoption of environmentally friendly vehicles and resource-friendly tires, in an effort to lower our tax burden.

In addition, we will work with other companies to develop truck bodies and containers that help improve loading efficiency and contribute to the Group's transport applications in an effort to develop technology for environmentally friendly vehicles. With regard to adoption of such vehicles, we will provide even lower-carbon logistics services to customers while actively undertaking investments to lower CO₂ emissions.

Through these initiatives, we will work to go beyond merely mitigating risk so that we can secure and expand opportunities.

Scenario analysis (Logistics Business)

Category	Anticipated risks and opportunities	Impact on the Group	Business impact ^{*1}				Countermeasures	
			2030		2050			
			1.5°C	4°C	1.5°C	4°C		
Transition risks	Public policy, law, and regulations (Carbon pricing)	<ul style="list-style-type: none"> Abrupt changes in fuel prices Electrical fees due to adoption of environmentally friendly vehicles 	Fluctuations in shipping fuel costs	Intermediate (+) ^{*2}	Intermediate	Intermediate	Intermediate	<ul style="list-style-type: none"> Promotion of transition to environmentally friendly vehicles (EVs, HVs, LNG-powered vehicles, environmentally friendly DSLs, etc.) and tandem-trailer trucks Promotion of modal shift Study of the introduction of FCVs and LNG- and ammonia-fueled ships Initiatives as a GX League member company
	Technologies (Delays in renewable energy and energy-saving technologies)	<ul style="list-style-type: none"> Introduction of regulations such as carbon taxes Difficulty in achieving GHG reduction targets 	<ul style="list-style-type: none"> Rising cost burdens Increased cost of procuring renewable energy, energy savings, and carbon credits 	Significant	—	Significant	—	<ul style="list-style-type: none"> Management of the Group's energy use and energy-saving measures Assurance of power from renewable sources
	Markets (Changes in the size of the customer base)	<ul style="list-style-type: none"> Selection of lower-carbon services by customers 	<ul style="list-style-type: none"> Stagnation in market share if we fail to provide low-carbon services 	Significant	—	Significant	—	<ul style="list-style-type: none"> Disclosure of CO₂ emissions, including Scope 3 Pursuit of the visualization of CO₂ emissions Provision of options geared to further decarbonization, for example use of environmentally friendly vehicles and ships, implementation of a modal shift, and consolidation of logistics facilities
Physical risks	Acute risks (Extreme weather)	<ul style="list-style-type: none"> Interruptions in the operation of road, rail, marine, and air transport 	<ul style="list-style-type: none"> Rising cost of continuing Logistics business operations (Equipment damage not covered by insurance, etc.) 	—	—	Low	Low	<ul style="list-style-type: none"> Development of BCPs and staging of associated training Purchase of supplies Collaborative support among facilities Dispersion of facilities Provision of alternative transport routes
	Chronic risks (Sea level rise)	<ul style="list-style-type: none"> Need for measures to prevent flooding at logistics facilities and reassess siting 	<ul style="list-style-type: none"> Increased costs, for example to assess risk at, and relocate, logistics facilities 	—	—	—	—	<ul style="list-style-type: none"> Development of a safe workplace environment Promotion of automation and labor-free operations Cultivation of employee awareness of health and safety, strengthening of initiatives to promote health
	Chronic risks (Rising temperatures)	<ul style="list-style-type: none"> Risk of heat illness Increased employee attrition 	<ul style="list-style-type: none"> Increased employee health impacts Increases in insurance premiums, hiring costs, etc. 	—	—	—	—	<ul style="list-style-type: none"> Development of a safe workplace environment Promotion of automation and labor-free operations Cultivation of employee awareness of health and safety, strengthening of initiatives to promote health
Opportunities	Technologies (Adoption of renewable energy and energy-saving technologies)	<ul style="list-style-type: none"> Increased use of renewable energy and energy-saving technologies, for example switching to renewable energy 	<ul style="list-style-type: none"> Stable supply of low-cost, low-CO₂ energy Revenue from the sale of power generated at group facilities 	—	—	—	—	<ul style="list-style-type: none"> Installation of solar power facilities and shift to private consumption of generated power Transition to LED lighting and environmentally friendly air-conditioning control Transition to solar power, wind power, etc.
	Technologies (Development of next-generation technologies)	<ul style="list-style-type: none"> Increased adoption of next-generation logistics technologies that improve vehicle loading and operational efficiency, for example joint logistics services 	<ul style="list-style-type: none"> Savings in logistics costs, for example due to implementation of a modal shift and adoption of tandem-trailer trucks Reduced CO₂ emissions 	Intermediate	—	Intermediate	—	<ul style="list-style-type: none"> Proposal of logistics services that take into account climate change risk, for example optimized shipping patterns and optimized shipping routes
	Markets (Next-generation energy transport)	<ul style="list-style-type: none"> Growing demand for transport of liquefied hydrogen by trucks with the widespread adoption of fuel cell trucks Growing demand for transport of liquefied ammonia by ships 	<ul style="list-style-type: none"> Increased revenue related to liquefied hydrogen and liquefied ammonia shipment 	Low	—	Intermediate	—	<ul style="list-style-type: none"> Expansion of existing businesses and development of next-generation energy transport structures
	Markets (Circular economy)	<ul style="list-style-type: none"> Increased reuse and recycling of EV batteries, solar panels, and waste plastic 	<ul style="list-style-type: none"> Increased revenue related to logistics services associated with reuse and recycling 	Low	—	Low	—	<ul style="list-style-type: none"> Targeting of existing and new customers based on demand for climate change countermeasures Development of logistics platforms
	Reputation (Stakeholder reputation)	<ul style="list-style-type: none"> Praise from investors and others in response to accurate disclosure of information about how we are addressing climate change risk 	<ul style="list-style-type: none"> Increased corporate value and fund procurement under better terms 	—	—	—	—	<ul style="list-style-type: none"> Deepening of disclosure of information to stakeholders Fund procurement through means such as green bonds

*1 • We evaluated business impacts by calculating financial impacts on SENKO under each scenario in terms of effects on operating profit and evaluated the results using a three-stage scale (significant, intermediate, and low). "Significant" indicates an impact of greater than 5 billion yen; "intermediate," an impact of 1 to 5 billion yen; and "low," an impact of less than 1 billion yen. A dash indicates that impacts were not evaluated based on our assessment that the magnitude of any impact at present would be small.

*2 • The scenario analysis drew on resources including "World Energy Outlook 2022" (crude oil prices) and "World Energy Outlook 2021" (carbon tax prices), both published by the IEA.

*3 • Since fuel costs are expected to decline under the 1.5°C scenario, the financial impact is positive despite being classified as a risk.

ESG+H Initiatives

E Environment

Scenario analysis (Trading & Commerce, Living Support, and Business Support businesses)

Category	Anticipated risks and opportunities	Impact on the Group	Impacted businesses			Countermeasures
			Trading & Commerce	Living Support	Business support	
Transition risks	Public policy, law, and regulations (Carbon pricing)	• Increased logistics costs	○			• Consolidation of logistics in SENKO's logistics group • Reassessment of shipment frequency
		• Increased shipping and procurement costs • Increased costs associated with regulatory strengthening	○	○	○	• Use of solar power self-consignment at SENKO Group facilities
		• Increased energy procurement costs	○	○		• Pursuit of joint procurement within the SENKO Group
Transition risks	Technologies (Development of environmentally friendly products and services)	• Increased product development costs	○			• Development of structures for developing environmentally friendly products and services • Pursuit of joint research within the SENKO Group
		• Increased service development costs	○	○	○	
Transition risks	Markets (Increased demand for environmentally friendly products and services)	• Selection of environmentally friendly products and services by customers • Displacement from markets due to environmentally unfriendly products	○	○	○	
		• Stagnating market share if SENKO fails to supply environmentally friendly products and services	○	○	○	
Physical risks	Acute risks (Extreme weather)	• Extensive damage to facilities, equipment, inventory, real-estate properties, etc.	○	○	○	• Development of BCPs and staging of associated training • Purchase of supplies • Dispersion of vendors and facilities • Collaborative support among facilities
		• Interruptions to business due to supply chain disruptions	○	○	○	
	Chronic risks (Sea level rise)	• Increased human toll for employees and customers due to extreme weather	○	○	○	• Development of a safe workplace environment • Cultivation of employee awareness of health and safety; strengthening of initiatives to promote health
		• Need for measures to prevent flooding at outlets and facilities and reassess siting • Development of structures (information and logistics networks) for supplying products in a sustainable manner	○	○	○	
Chronic risks (Rising temperatures)	• Increased costs, for example to assess risk at, and relocate, stores and facilities	○	○	○	• Increased employee health impacts and attrition	
	• Increase in heat illness risk experienced by employees due to rising temperatures • Human toll of increased tropical infectious diseases	○	○	○		
Opportunities	Technologies (Adoption of renewable energy and energy-saving technologies)	• Increased demand for accurate assessment of CO ₂ emissions, including Scope 3			○	• Development and provision of services that utilize expertise accumulated through SENKO's logistics business
		• Use of green energy • Progress in equipment incorporating energy-saving technologies		○	○	• Research into, and active adoption of, next-generation energy and next-generation technologies
	Markets (Circular economy)	• Increased demand for services related to the accurate assessment, visualization, and reduction of CO ₂ emissions				• Strengthened development of products that use recycled plastic and plastic alternatives
		• Reduced costs due to SENKO's adoption of equipment with green energy and state-of-the-art energy-saving technologies at its facilities				• Development of resource recycling mechanisms through use of the Group's aggregate capabilities, from collection through reuse
Markets (Increased catastrophic damage)	• Increased demand for alternative products due to progress in reduced use of plastics	○			• Strengthening of disaster measures and resilience at existing facilities	
	• Increased revenue from accommodating growing customer demand for environmentally friendly products and services	○				
Reputation (Stakeholder reputation)	• Increased demand for facilities that can better withstand frequent typhoons and torrential rainfall				• Deepening of disclosure of information to stakeholders • Fund procurement through means such as green bonds	
	• Improvement in reputation as a result of providing environmentally friendly products and services • Improvement in reputation as a result of factors including improvements in the labor environment • Improvement in reputation from the perspective of business partners as a result of ensuring a stable supply in the event of a natural disaster	○	○	○		

Environmental targets and results

CO₂ reduction initiatives and results

We assess energy use and CO₂ emissions associated with our business activities and apply the results to our environmental protection activities. We're currently implementing a variety of initiatives to reduce environmental impacts while working to achieve the CO₂ reduction target set forth in the five-year Medium-Term Business Plan that started in FY2023, specifically a 10% reduction from FY2021 levels in CO₂ emissions from the land transport business per unit of revenue (expressed as tons of CO₂ emissions per million yen of revenue). Results for FY2023 were 0.98, a 3% reduction compared to FY2021.

Breakdown of FY2023 CO₂ emission sources

	INPUT		OUTPUT		
	Fuel use* ¹ (kL)	Power use (Thousands of kWh)	Scope 1 (t-CO ₂)	Scope 2 (t-CO ₂)	Total (t-CO ₂)
SENKO Group total* ²	129,212	210,744	347,622	87,518	435,140

*¹ Fuel use is calculated in terms of crude oil (kL). *² The SENKO Group total encompasses all consolidated companies in Japan, including SENKO Co., Ltd.

CO₂ emission results, annual trend*³

		FY2021	FY2022	FY2023
SENKO Group total	(t-CO ₂)	—	420,648	435,140
CO ₂ emissions per unit of revenue	(t-CO ₂ /¥1 million)	—	0.86	0.79
Of which, ground transport business emissions	(t-CO ₂)	245,179	271,439	268,288
CO ₂ emissions per unit of revenue	(t-CO ₂ /¥1 million)	1.01	1.05	0.98

*³ Segment classifications and tabulation methods changed starting in FY2023. Since the ground transport business as well as CO₂ emissions per unit of revenue have been redefined, figures for past fiscal years have been recalculated.

FY2023 CO₂ emission reduction target and results (t-CO₂)

CO ₂ reduction target	Results	Achievement rate
4,000	4,065	102%

FY2023 priority measures and reductions (t-CO₂)

Priority measure			CO ₂ reduction (t-CO ₂)
Scope 1	Fuel savings	(1) Promoting the transition to energy-saving vehicles (2) Promoting the transition to environmentally friendly forklifts (3) Installing other environmentally friendly equipment	2,100
Scope 2	Power savings	(1) Switching to a new power company and revising fees (2) Transition to energy-saving equipment (LEDs, air conditioning) (3) Utilizing renewable energy from solar power installations	1,670
Scope 3	Recycling-based society	(1) Recycling discarded wood pallets (2) Promoting use of retread tires	295
Total			4,065

FY2023 green logistics proposals and CO₂ emission reductions

	Number of contracts	CO ₂ reduction (t-CO ₂)
CO ₂ emission reduction benefits from proposed improvements to customers' logistics systems, including modal shifts, facility consolidation, joint transport and deliveries, and use of larger vehicles	42	1,270



We participated in the GX League, which provides a venue for companies to collaborate while embracing the challenge of transforming social systems by realizing economic growth through initiatives designed to achieve carbon neutrality by 2050. We're working to lower environmental impacts and protect the environment, for example by adopting advanced, environmentally friendly trucks; installing rooftop solar power systems on our logistics centers; and pursuing initiatives to protect biodiversity.

ESG+H Initiatives

E Environment

Broad praise for SENKO's green transformation (GX)

We're actively pursuing a variety of initiatives to reduce CO₂ emissions. Those initiatives have won broad praise, and we were recognized once again in FY2023 as a business with noteworthy achievements in this area.

Runtec receives the 2022 Minister's Award for Excellence in Environmental Protection by a Transportation Business

Runtec Corporation has been actively introducing trucks with patented hybrid electric freezers developed jointly with the manufacturer as well as large hybrid trucks. The company received the 2022 Minister's Award for Excellence in Environmental Protection by a Transportation Business in recognition for the leading role its activities play in the industry, including a variety of ongoing initiatives to lower CO₂ emissions, for example installing refrigeration equipment that uses energy-saving natural refrigerants and private-consumption solar power systems at logistics facilities and implementing a modal shift from truck transport to JR container transport and marine transport, and offering environmental protection education to employees.



At the award ceremony (from right, Runtec president Yoshiki Kanaga and Minister of Land, Infrastructure, Transport and Tourism Tetsuo Saito)

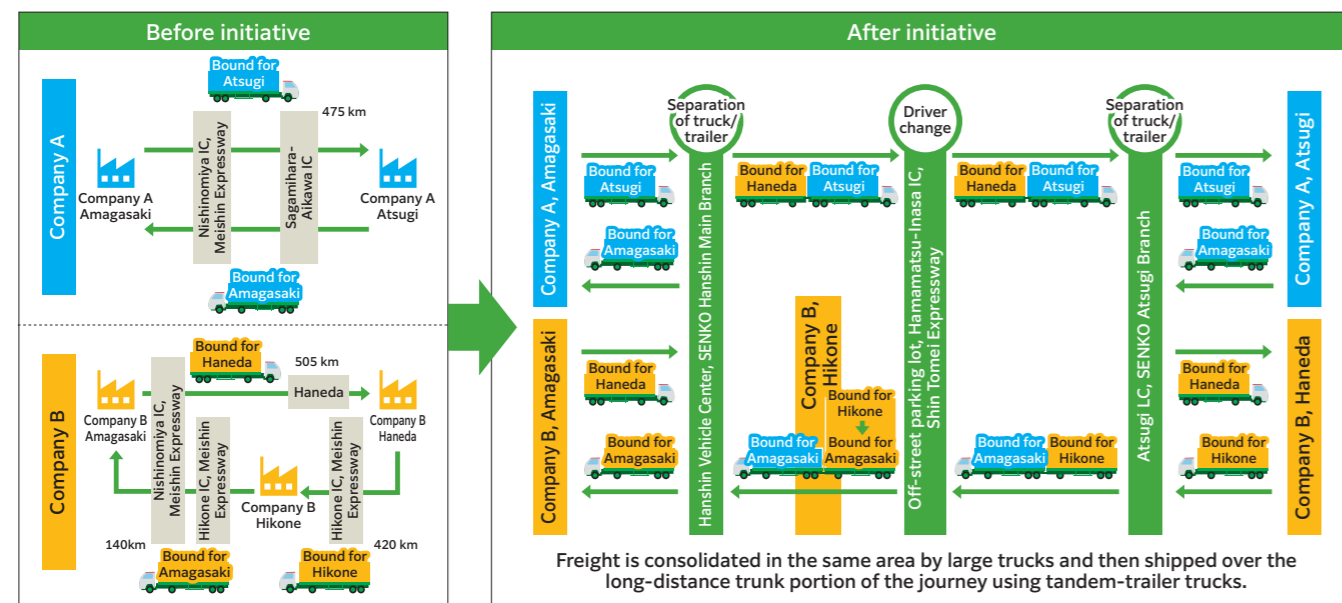
SENKO receives an Excellence in Logistics Partnership category award

Working with customers, SENKO Co., Ltd. has reduced CO₂ emissions while using fewer vehicles and drivers by consolidating freight being shipped between the Kanto and Kansai regions and transporting it together with dolly-linked tandem-trailer trucks.

Freight trailers are connected to cargo trucks with a dolly that allows them to be split apart near their respective destinations so that cargo can be simultaneously delivered to its respective suppliers. Drivers can be changed at relay stations along the route, allowing them to make day trips.



Tandem-trailer trucks



Initiatives to reduce environmental impacts

We're working to lower environmental impacts and protect the environment, for example by adopting advanced, environmentally friendly trucks; installing rooftop solar power systems on our logistics centers; and pursuing initiatives to realize a recycling-based society.

Deploying advanced environmental trucks

7 EVs	Number of vehicles	Date of introduction
Tokyo Nohin Daiko Nishinohon Co., Ltd.	1	April 2022
Tokyo Nohin Daiko Co., Ltd.	2	June 2022
Tokyo Nohin Daiko Co., Ltd.	1	September 2022
Saitama Main Branch, SENKO Co., Ltd. (currently the Urawa Branch)	2	December 2022
ACROSS TRANSPORT Corp.	1	January 2023
4 NGVs		
Hokkaido SENKO Co., Ltd.	2 (LNG)	June and July 2022
Tokai Senko Transport Co., Ltd.	1 (CNG)	July 2022
Esaka Logistics Service Co., Ltd.	1 (CNG)	December 2022

*LNG: Liquefied natural gas truck CNG: Compressed natural gas truck



An electric truck used by ACROSS TRANSPORT Corp.



A liquefied natural gas (LNG) truck used by Hokkaido SENKO Co., Ltd.

Developing a solar power business using rooftop space at logistics centers

In 2022, we began self-consignment of surplus power generated by a solar power system covering the roof of SENKO Sennan PD Center among SENKO Group companies. Then in April 2023, we installed the Group's first system consisting of Solar Mobiway, a line of solar panels designed to be installed on road surfaces developed by Mirai-Labo Co., Ltd.; Repurposed EV Storage Battery, which consists of used EV batteries; and G-CROSS, a system that combines a generator with replaceable battery modules, at Wangan-Yatomi PD Center. Working through a capital tie-up, Mirai-Labo and the SENKO Group plan to help realize a decarbonized society through iterative improvements to the Mirai-Labo's Solar Mobiway line of road surface solar panels, which make it easy to retrofit existing parking lots, with a view towards installing the panels throughout the Group.



Wangan-Yatomi PD Center



Solar Mobiway



Repurposed EV Storage Battery



G-CROSS

Initiatives to realize a recycling-based society

The Group is undertaking initiatives to realize a recycling-based (circular) economy that reduces new natural resource use and encourages the recycling and reuse of existing resources, by utilizing an approach known as "waste distribution" to collect resources.

We're collecting plastic garment bags used to protect apparel, which used to be discarded as waste, at the time of product delivery; compressing them so they take up less space at our logistics centers; delivering them to recyclers; and then distributing them again as recycled garment bags.

Apparel waste plastic recycling



Tokyo Nohin Daiko Co., Ltd.

ESG+H Initiatives

S Social

Human capital

Strategy

Basic approach

Our mission is as follows: As a corporate group fostering people and supporting people's lives, we contribute to achieve a genuinely productive global society by continuously challenging efforts to create new trends in terms of products and services that shift the future; centering on our physical and commercial distribution business. In order to continue to realize this mission and continue to provide new value to people and society through our involvement in people's lives and in industry, we believe it's important to increase motivation and realize personal growth among individual employees. Based on the above, we've codified the Group's basic approach to human capital in a human resources development policy that focuses on training human resources so that employees themselves can tap their individuality and abilities to the maximum extent possible. By adopting the policy of "respecting human rights and working to create workplaces where employees can do their jobs in a safe, energetic, and healthy manner while manifesting their individuality" to guide our development of SENKO's internal environment, we're striving to realize a relationship where both the company and its employees can help one another reach greater heights of performance.

SENKO's vision of the ideal employee, as the outcome of its human resources development program

The SENKO Group, which exists to create new value in the world in keeping with its slogans of "go beyond logistics," "make the world go round," and "revolutionize business," needs human resources who continuously embrace new challenges while valuing passion.

In addition, as a corporate group operating businesses that provide direct support for people's lives, we require human resources who can act in a spirit of good faith with a sense of responsibility.

Furthermore, to transcend generations and connect the world, we need a diverse range of human resources who encompass a variety of attributes and who can respect the diversity of others.



Specific initiatives

Development

The SENKO Group offers various types of training that align with the career stages and individual characteristics of individual trainees for all employees in an effort to secure and endow them with the desired traits described in our vision. In addition, in order to become a corporate group that fosters employees' development, it's necessary to create spaces for learning that let participants get away from daily work so they can concentrate. We've established purpose-driven educational and training facilities to help all SENKO Group employees, from executives to drivers and other workers on the front lines of our logistics facilities, to embrace challenges and change themselves.

Human resources development at Crefeel Koto

We offer a variety of training programs at Crefeel Koto, a traffic safety and logistics training facility dedicated to ensuring that logistics skills accumulated in the course of operating its businesses will be passed down and refined.

Crefeel Koto, one of the largest training facilities of its kind in Japan, offers professional driver training programs using its driving course, and trainees who have prepared to offer such instruction (truck drivers and forklift operator instructors) go on to become instructors by offering guidance tailored to meet the needs of various Logistics Business operations at facilities nationwide.



Opening of SENKO University

SENKO University opened in 2016 as part of an effort to ensure the more robust future development of not only the Logistics Business, but all the Group's businesses.

The University serves as a venue for intellectual exchange within the Group and as a place where human resources who will occupy executive leadership positions in the future can undergo prioritized education designed to endow them with advanced knowledge and skills. The program currently consists primarily of two courses: a Department of Executive Human Resources and a Department of Advanced Professional Human Resources. The Department of Executive Human Resources seeks to prepare students to rebuild SENKO's business portfolio by getting to the bottom of new social and customer issues, while the Department of Advanced Professional Human Resources seeks to prepare students to play a leading role in digital innovation. A total of 491 students had graduated from the University's courses by FY2023.

Courses and number of graduates

Fiscal year	Number of graduates
FY2017 to FY2022	131
FY2023	360*
Total	491

*Including 261 e-learning students.



One-on-one meetings

In order to build equal relationships between the company and individuals, respect each and every employee's personal values and individuality, and help individual workers extend their skills and abilities, it's essential to create spaces that foster "flat" dialog with supervisors so that subordinates can realize self-growth through the lessons of experience. In FY2021, we introduced biweekly one-on-one meetings as a venue for dialog with supervisors to foster subordinates' growth, and we're working to roll out the program throughout the Group.

Number of employees with coaching certifications for one-on-one meetings

Fiscal year	Number of certified employees
Through FY2023	24

Future Design Project

The Future Design Project was launched in FY2023 to provide a venue for connecting the individual characteristics (strengths) of the close to 180 Group companies and creating future synergies. We will continue the project, both to provide a place where young people with diverse values can stimulate one another as they trace a vision for the Group's future and to serve as a venue for identifying candidates for future executive leadership positions and orchestrating exchanges of human resources.

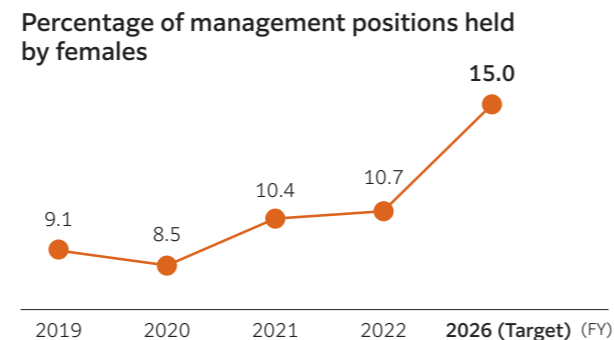


ESG+H Initiatives

S Social

Diversity and inclusion

The Group's Medium-term Business Plan (which covers FY2023 to FY2027) sets the goal of increasing the percentage of management positions held by women (including those in assistant manager positions) to 15%. We're undertaking various initiatives so that we can build workplaces where employees can make the most of their individuality and abilities without regard to gender or nationality. The effort to implement those initiatives goes beyond existing executive- and management-level employees. In addition, we're pursuing this project, which targets female managers and manager candidates in a broad range of operating companies, including in the Logistics, Trading & Commerce, Living Support, and Business Support Businesses, and which seeks to foster participants' motivation and leadership skills, while holding discussions on a broad variety of themes, including management, human resources programs, hiring, and training, from the female perspective and ultimately advising the company's executive-level leadership.



*As of FY2023, the scope of tabulation for Group companies was changed to consolidated subsidiaries only.

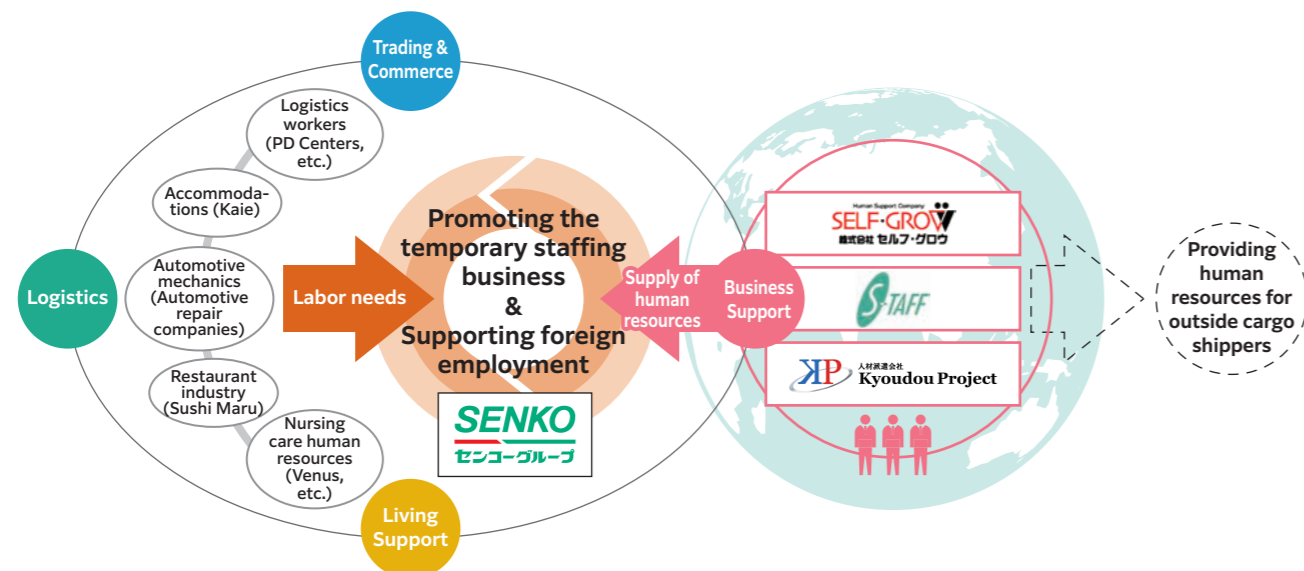
Promoting hiring of foreigners and mid-career hires

The Group began accepting foreign human resources via a technical intern training program administered by the Japanese government in FY2018 to deal with labor shortages, and the program has accepted more than 200 trainees to date in areas including logistics and automotive repair work.

In addition, the number of foreign workers in the Group has been growing with each passing year since 2021 with the addition of Self Grow Co., Ltd. and Kyoudou Project Co., Ltd., which have strengths in temporary staffing with foreign workers.

Going forward, the Group will continue to actively hire skilled foreign workers in businesses affected by labor shortages while accommodating the establishment of new programs resulting from a current, government-led effort to revamp the technical intern training program.

Working to meet foreign workers' needs on an organizational level through staffing agencies and other companies in the Group



Creation of a position responsible for mid-career hiring and foreigner worker support

We created a position in the Human Resources Department to oversee mid-career hiring and support for foreign workers, and we're working both to secure human resources with a diverse range of experience and insight and to expand the Group's hiring of foreigners and acceptance of technical trainees.

Human rights initiatives

Basic approach

The Group supports the United Nations Global Compact, which encompasses 10 principles spanning four areas, and we respect the International Bill of Human Rights, including the Universal Declaration of Human Rights, as well as the basic rights described in the International Labour Organization (ILO) core conventions as set forth in the ILO Declaration on Fundamental Principles and Rights at Work as the minimal acceptable level of rights. We support guidelines such as the OECD Guidelines for Multinational Enterprises, the ILO Multinational Enterprises Declaration, and the United Nations Human Rights Council's Guiding Principles on Business and Human Rights, and we conduct our business activities in accordance with those principles. We also comply with all national and regional laws in the conduct of our business activities.

SENKO Group Human Rights Policy

We established and published this Human Rights Policy with advice from outside experts in March 2023 to facilitate related initiatives by clarifying the SENKO Group's approach to human rights.

The policy has been approved by the Board of Directors. The SENKO Group strives to respect the human rights of all stakeholders involved in its business activities and to work with everyone involved with those activities, including business partners.

SENKO Group Human Rights Policy

- (1) Scope of the policy
- (2) Human rights risks associated with our business activities
- (3) Human rights due diligence
- (4) Corrective action and relief
- (5) Complaint resolution mechanisms
- (6) Education and training
- (7) Information disclosure

Enacted in March 2023

SENKO Group Human Rights Policy
https://www.senkogrouphd.co.jp/ir/pdf/human_rights.pdf

Human rights due diligence

To identify and evaluate negative impacts of the Group's business activities on human rights in line with our Human Rights Policy, we launched an effort in FY2024 to identify human rights risks by business by holding advance training and workshops for the executive leadership of divisions and major Group companies under the guidance of outside experts and the Sustainability Promotion Department and pursuing engagement (dialog) with the SENKO Group Labor Union Federation. Based on the results of that effort, we will offer feedback to business sites and undertake initiatives according to the nature of risks identified.

In addition, progress on human rights due diligence and information about associated issues are reported to the Sustainability Promotion Council, which meets twice a year and whose membership includes SENKO directors and officers, among others.

Overview of our approach to human rights



Due diligence process and the means that support it
 Source: OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct

ESG+H Initiatives

S Social

SENKO Group Social Contribution Promotions Policy

To provide new value to people and society, the SENKO Group will effectively utilize its management resources (human resources and business infrastructure) to pursue activities centering on the following three areas in order to help realize a sustainable society. In addition, we will encourage active participation in related activities by the Group's employees and support voluntary action by them.

Contributing to local communities

Addressing environmental issues

Contributing to society through culture and sports



Principal FY2023 initiatives

Updating the Children's Traffic Park, a park where kids can raise their traffic safety awareness while having fun with their families, on the seventh anniversary of its opening

In 2016, we built Children's Traffic Park at Crefeel Koto, a facility that opened in 1996 to help professional drivers master safe driving techniques. In May 2023, we updated the park, which consists of an EV Driving Course, Athletic Zone, Kids' Train, and Center House, with a new educational attraction called "A Driving Adventure: Adventure on SENKO Island" designed to let children have fun while raising their traffic safety awareness to mark the seventh anniversary of the park's opening.



Aerial view of the Children's Traffic Park



A Driving Adventure: Adventure on SENKO Island

Participating in the Children's Museum Project

Saitama Senko Logiservice Co., Ltd. and ACROSS TRANSPORT Corp. are participating in the Children's Museum Project, an initiative to raise drivers' awareness of the need to reduce the number of traffic accidents, by wrapping a truck with graphics depicting children's wishes for traffic safety.

In January 2023, Saitama Senko Logiservice unveiled the truck at its Ranzan Center. Local kindergarten students participated in the event and viewed the completed truck.

In February 2023, ACROSS TRANSPORT held a reception at Kamo Elementary School in the city of Fukuyama, Hiroshima Prefecture, and sent a letter of thanks to the children who drew pictures for the truck.



Ranzan Center, Saitama Senko Logiservice Co., Ltd.



ACROSS TRANSPORT Corp.

FY2023 result

Expenditures on social contribution activities: **¥193.6** million

ESG+H Initiatives

S Safety

SENKO Group's Safety Policy

Safety Philosophy	<p>The SENKO Group will "achieve an eventual goal of zero workplace accidents" based on the spirit of respect and by prioritizing safety over everything else.</p> <ol style="list-style-type: none"> 1. We can and must prevent all accidents and disasters. 2. Managers are responsible for the safety of employees. 3. Every employee must believe in "eliminating all accidents." 4. Safety ensures high quality and high productivity.
Basic Approach	<ul style="list-style-type: none"> ○ The SENKO Group deeply recognizes the social mission of the logistics business and promotes efforts that all employees understand correctly and that contributes to the improvement of safety by ensuring safety in business activities is the basis of our business. ○ The top management will actively lead the field from the bottom to the top to unite and strive to secure safety and improve safety in business activities. ○ The basis of safety is to be strongly conscious of each person working in the SENKO Group to be healthy mentally and physically, to practice proper health management.
Priority Measures	<ol style="list-style-type: none"> 1. We comply with relevant laws and regulations and fulfill our social responsibilities. 2. We thoroughly carry out risk assessment and reduce all safety risks. 3. We prevent health problems by enhancing health management system and promoting independent health. 4. We actively disclose information on safety and health activities.

Achievement of safety goals (FY2023)

	FY2022 result	FY2023 target	FY2023 result
Vehicle accident frequency rate	0.979	0.930	0.859
Occupational accident frequency rate	1.829	1.575	1.983

Priority Measures

1. Improving health and safety management structures and creating safety synergies
2. Putting in place an environment so that SENKO becomes a company where employees can work with peace of mind
3. Strengthening visualization of safety management
4. Promoting continued adoption of advanced safety technologies
5. Expanding education and training and revamping educational methods based on lessons learned from the pandemic

Medium-term safety goals (FY2023 to FY2027)

Based on the Medium-Term Business Plan that started in FY2023, we will promote group-wide safety programs, including using the latest driver assistance technology and other measures.

<p>We aim to reduce vehicle and occupational accidents by 25% from the FY2023 level.</p>	<p>Vehicle accident frequency rate (On-road accidents)</p>	<p>FY2023 result</p> <p>0.859</p>	<p>FY2027 target</p> <p>0.735 or less</p>
	<p>Occupational accident frequency rate (Occupational accidents resulting in at least four lost workdays)</p>	<p>FY2023 result</p> <p>1.983</p>	<p>FY2027 target</p> <p>1.244 or less</p>

ESG+H Initiatives

S Safety

Building a foundation for safety

Ensuring internal sharing of information using the company's systems

In keeping with our Health and Safety Management Rules, we set annual targets, implement and review associated measures, practice the PDCA improvement cycle, and conduct internal audits of our level of performance in each area (Safety Skills Evaluations). We've established a robust foundation for safety by using the company's systems to visualize the results of those efforts.



Aggressively offering safety education that brings together the company's technologies

Trainer program

We introduced the trainer program in 2004 to ensure that workers in the field involved with logistics quality have a uniform skill level. Drivers and forklift operators who have been trained and educated at Crefeel Koto, SENKO's in-house training facility, are appointed to serve as trainers to help reduce accident rates by spreading what they've learned at branches and sales offices. The program has earned high praise from customers.



Skill Contest

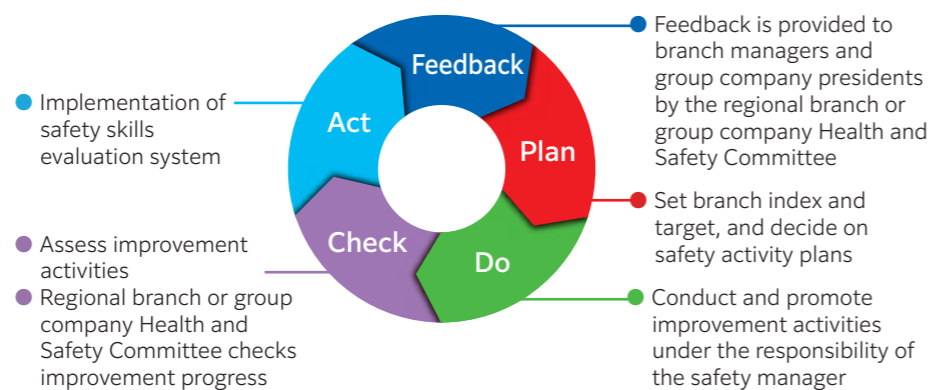
We've been holding the SENKO Group Skill Contest since 2006 to improve the skills of drivers and operators. Employees from throughout Japan and around the world compete on the basis of their logistics skills in truck and forklift driving events so that SENKO can provide safety and peace of mind to its customers.



Implementing our safety management system

We conduct "Safety Skills Evaluations" (internal audits) every year in accordance with legislation, and publish the progress of improvements as improvement ranking charts which are distributed to branch managers and presidents of group companies on a regular basis. We apply the specific results to management in each region, and run a PDCA cycle for resolving issues to ensure safety.

Safety Skills Evaluation Operating Cycle



Principal FY2023 initiatives

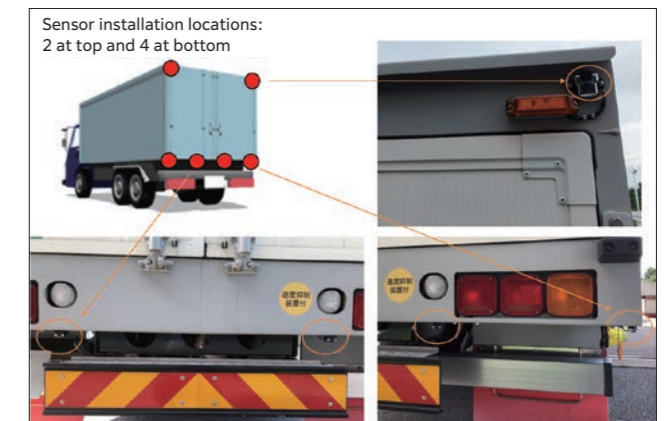
Introducing arch-shaped light displays to give workers visual warnings of nearby forklifts

Stored products create blind spots in warehouses, posing the risk of collisions between workers and forklifts. To address this risk, we had installed arch-shaped light displays on 478 forklifts (8% of our total fleet) to warn workers of nearby forklifts as of the end of FY2023. In this way, we're working to prevent accidents involving collisions between workers and forklifts in warehouses, which are characterized by high noise levels and numerous blind spots.



Installing sonar to detect obstacles when backing up

A large proportion of truck accidents occur while the vehicle is backing up. To provide greater safety, SENKO had installed sonar sensors to warn drivers of obstacles behind their truck on 602 trucks (44% of our total fleet) as of the end of FY2023.



Acquiring "Safety Excellence Workplace" certification

As part of safety programs in line with the safety management system, the SENKO Group is aiming to have all workplaces that operate vehicles acquire "Safety Excellence Workplace certification." As of the end of March 2023, 100% of all workplaces had acquired certification, marking the second consecutive year of 100% coverage.

*Workplaces that have been certified as having an outstanding level of safety under the Truck Shipping Business Safety Evaluation Program are entitled to display the "G Mark." The Japan Trucking Association launched the program, which is being promoted by the Ministry of Land, Infrastructure, Transport and Tourism, in July 2003 as the government-designated organization responsible for its implementation.

100% of all SENKO Group workplaces have acquired certification.



G-Mark issued by the Japan Trucking Association



Structures for managing hazardous goods areas

We strive to differentiate ourselves from other companies by assigning a hazardous goods area administrator to each of five geographic areas so that we can provide low-risk logistics services.

The number of hazardous goods found among products being shipped to consumers is trending up, and we're working to differentiate ourselves from other companies by fostering awareness of how products can cause accidents and providing low-risk logistic services.

Hazardous goods administrators are assigned to five geographic areas.



Building management structures for each area

Assigning and training area administrators

- Offering practical education through study groups (videoconferences) and guidance during patrols
- (1) Ascertaining storage quantities and implementing appropriate management (oversight)
- (2) Ensuring appropriate handling and storage
- (3) Educating employees (providing education that's useful at home, too)

ESG+H Initiatives

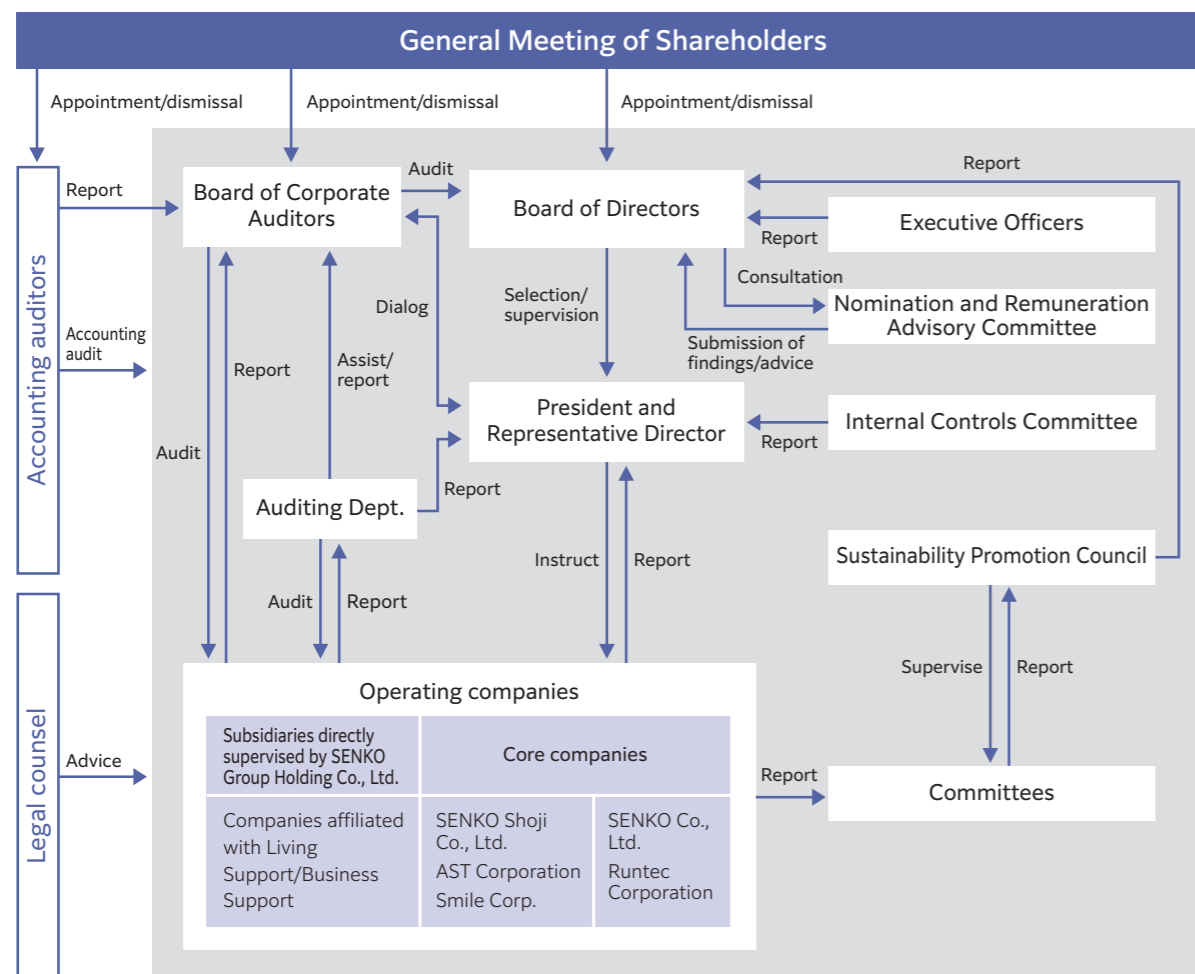
G Governance

Basic Policy

SENKO is a logistics company involved in highly public work that fosters people’s development and supports their lives. We make every effort to ensure that all corporate activities thoroughly comply with laws, based on the awareness that good corporate governance is the foundation of business, as well as regarding governance as a high priority for management.

Corporate Governance System

We have adopted the following corporate governance system, one that we consider to be optimal, in order to ensure management transparency and legal compliance based on the company’s size, lines of business, organizational structure, and other features.



- 1 The Company’s Board of Directors meets at least once a month and deliberates on issues as required by laws and regulations as well as important management concerns in addition to being an organization that oversees the execution of business. Furthermore, so that the Directors, Executive Officers, and key employees execute their duties appropriately and efficiently, the Company has established the Regulations of the Board of Directors and the Regulations for Administrative Authority to clarify authority and responsibility. We also verify the status of the implementation of operations and strive to have even more transparent management.
- 2 To implement the sustainable management of the entire group, the Group has established a Sustainability Promotion Council to oversee the activity policies and plans that guide committees related to compliance with applicable business laws, corporate risk, the environment, and social contribution activities. We’ve also established an Internal Controls Committee to increase the sophistication of the Group’s internal control activities and ensure their thorough implementation. The committee’s responsibilities include oversight of the evaluation of the development and administration of the internal control system.

- 3 Our Board of Corporate Auditors, which meets at least once a month, reports on, discusses, and makes decisions about legally mandated matters as well as important matters related to audits.
- 4 The Company has concluded an audit contract with Grant Thornton Taiyo LLC as the accounting auditor, under the terms of the Companies Act and the Financial Instruments and Exchange Act, and will receive guidance in relation to accounting. Our audit staff includes six certified public accountants and another 18 employees.
- 5 The Auditing Department performs internal audits at the Company and subsidiaries with the aim of verifying the status of risk countermeasures, identifying the status of managing operations and of improvements, and ensuring the effectiveness of the operation management system. As well, the Auditing Department reports its findings to the Representative Director and the Board of Corporate Auditors.
- 6 We established the Nomination and Remuneration Advisory Committee to enhance corporate governance by increasing the fairness, transparency, and objectivity of procedures related to director nominations, compensation, and similar tasks. The Committee deliberates matters related to those tasks in response to requests for advice from the Board of Directors and reports its findings to the Board.

Policy on determining compensation for officers

Compensation for officers includes basic compensation, performance-based pay (bonuses), performance-based stock, and restricted stock compensation. Guided by internal rules, we determine the specific amounts of the compensation and number of assigned shares, taking into account factors such as the position of the officer, the performance in the individual fiscal year, and the level of contribution to performance made by each person. In addition, the Nomination and Remuneration Advisory Committee deliberates the general approach to remuneration structures and related decisions and reports on its findings to the Board of Directors, which makes final decisions while respecting the Committee’s findings.

The performance-based stock compensation program was revised in FY2024 to add achievement of ESG goals to the evaluation criteria.

Total FY2023 remuneration by officer category and number of corresponding officers

Officer category	Total compensation (millions of yen)	Total amount of each type of compensation, etc. (millions of yen)				Number of eligible officers
		Basic remuneration	Performance-based pay (bonuses)	Performance-based stock compensation	Restricted stock compensation	
Directors (excluding outside directors)	168	82	58	15	12	9
Corporate auditors (excluding outside corporate auditors)	45	33	11	-	-	2
Outside officers	55	44	10	-	-	6

The Financial Services Agency and the Tokyo Stock Exchange began applying a number of major principles that contribute to the realization of effective corporate governance as the Corporate Governance Code in June 2015. SENKO includes all elements of the Corporate Governance Code on its website to clarify the Company’s position on working to enhance corporate governance based on this code.

●Corporate governance report ●Initiatives based on corporate governance principles
<https://www.senkogrouphd.co.jp/ir/governance/>

Compliance-based management
















Compliance-based management, which complies with laws and regulations and engages in ethical business activities, is the base for a company to fulfill its social responsibility and earn the trust of stakeholders.

The SENKO Group has established, based on a thorough understanding of the Group’s social obligations, the SENKO Standards of Business Conduct, which prescribe all items that executives and employees must observe for every aspect of their jobs.

ESG+H Initiatives

G Governance

List of directors and corporate auditors

<p>Yasuhisa Fukuda</p> <p>President and Representative Director General Manager of Strategic Planning HQ. General Manager of Products Business Promotion HQ.</p> 	<p>Noburo Sasaki</p> <p>Director Managing Executive Officer General Manager of Administration HQ.</p> 	<p>Shigeru Ono</p> <p>Director Managing Executive Officer General Manager of International Business Operation HQ.</p> 
<p>Yasuhiro Masuda</p> <p>Director Managing Executive Officer General Manager of Living Support Business HQ.</p> 	<p>Hideki Tsutsumi</p> <p>Director Managing Executive Officer Responsible for Trading & Commerce</p> 	<p>Kenji Sugimoto</p> <p>Director Responsible for Logistics</p> 
<p>Yoshiki Kanaga</p> <p>Director Responsible for Refrigerated & Frozen Logistics</p> 	<p>Hiroko Ameno</p> <p>Director (Outside)</p> 	<p>Yasuyuki Sugiura</p> <p>Director (Outside)</p> 
<p>Yoko Araki</p> <p>Director (Outside)</p> 	<p>Fumiko Okuno</p> <p>Director (Outside)</p> 	<p>Masanobu Uenaka</p> <p>Full-time Corporate Auditor</p> 
<p>Masami Washida</p> <p>Full-time Corporate Auditor</p> 	<p>Sinichiro Kohara</p> <p>Corporate Auditor (Outside)</p> 	<p>Yoshiro Okano</p> <p>Corporate Auditor (Outside)</p> 

Skill matrix

Position	Name	Independent outside	Corporate management and management strategy	Human resources and human resources development	Financial and accounting	Legal affairs and risk management	Global	IT-DX	Sustainability (ESG+H)
Director	Yasuhisa Fukuda		●	●	●		●	●	
	Noburo Sasaki		●	●		●			●
	Shigeru Ono		●				●		
	Yasuhiro Masuda		●		●			●	
	Hideki Tsutsumi		●				●		
	Kenji Sugimoto		●	●	●			●	●
	Yoshiki Kanaga		●	●	●				
	Hiroko Ameno	★	●	●					●
	Yasuyuki Sugiura	★	●	●	●		●		●
	Yoko Araki	★		●					●
Fumiko Okuno	★		●					●	
Corporate Auditor	Masanobu Uenaka		●		●		●		
	Masami Washida					●			●
	Sinichiro Kohara	★	●						●
	Yoshiro Okano	★			●	●			

Note: The above table is not meant to serve as an exhaustive list of all individuals' knowledge, experience, and skills.

Business risks

Risks related to the condition of SENKO's businesses, accounting, and other operations that could have a material impact on the judgment of investors are described in its securities reports.

Risk Management System

SENKO's key management issues include ensuring stable earnings and establishing a sound management base by managing all risks associated with the execution of operations. The risk management system is described below.

1	To systematically and effectively mitigate the risks that the Group faces, and to take corrective action, we have established the Risk Management Regulations. Every department that controls risk is also tasked with formulating and distributing regulations, etc., aimed at reducing risks that affect the entire group and for taking effective action when such risks materialize.
2	When a risk materializes and is expected to cause serious damage, the department controlling this risk and the department in which the risk is expected to arise collaborate on reporting to the Board of Directors.
3	The Auditing Department verifies the status of risk countermeasures, etc., and reports to the Representative Director and the Board of Corporate Auditors.

Establishing business continuity plans (BCPs)

Every Group location has established a business continuity plan (BCP) in order to swiftly recover logistics in the event of a disaster. In an emergency, support and recovery activities will be carried out promptly under the direction of the head office and the manager of the department taking countermeasures on the ground using the BCP. We use cloud services to ensure information systems will continue to be available in the event of a natural disaster, allowing logistics structures to be maintained.

ESG+H Initiatives

H Health

Health management vision

Health Management Declaration

Reflecting our effort to become a group that creates the trends of the future through innovation, we've identified ESG+H (health) management as a key issue in our Medium-Term Business Plan, and we consider promoting employee health to be a top management priority.

As part of our ongoing implementation of health management, we've communicated the SENKO Group Health Management Declaration both inside and outside the company to help the Group come together to achieve its goals concerning this issue. The Health Management Declaration incorporates our wish that employees enjoy lifelong health and happiness, both while they work in a healthy and happy manner as employees and after they retire as working adults.

Health management strategy map

To guide our implementation of health management, we've formulated a health management strategy map that illustrates the connections between specific initiatives by linking management issues that the Group wishes to resolve through health management and employee health issues that merit improvement.

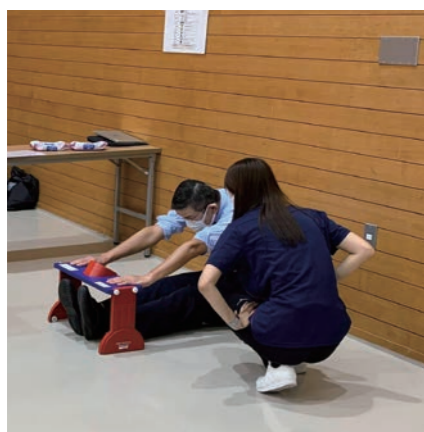


Principal health management initiatives

Hosting seminars, study groups and events

We host a variety of seminars and health events based on the health management strategy map and leverage them to improve employees' health literacy, maintain and improve physical and mental health, and boost work engagement.

- Women's health seminar
- Line care seminars
- Workplace environment improvement study groups
- Nursing staff training study sessions
- Establishment of a consulting service for diseases specific to women
- Adult-onset disease prevention seminars
- Strength and gait measurement sessions
- Health improvement activities planned in each geographic area of Japan



At a strength measurement session



Employees listen to their gait measurement results.



A poster advertising the consulting service for diseases specific to women

SENKO Group Culture Festival held for the first time in 2023

SENKO is involved with a variety of programs designed to revitalize employees and the organization through enjoyment of culture and sports and to create a smile-filled future. As part of those programs, the SENKO Group Culture Festival was held for the first time in 2023. More than 300 employees participated in the event, whose main theme was "strengthening connections between employees." It was livestreamed, which helped make it a major success by allowing as many workers as possible to participate. It served as a meaningful chance to provide connections and new-employee experiences through culture.



Employees who aren't able to meet each other in the course of their normal work were able to deepen their bonds.



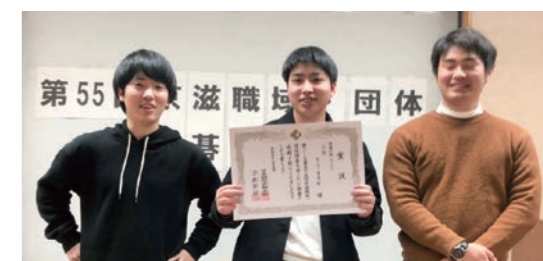
Participants drew on their respective strengths in different areas to bring excitement and fun to the venue.

Culture and sports activities led by various operational teams

Various operational teams related to culture and sports helped deepen the connections between people and between people and the organization, boosting many employees' interest in culture and sports by letting them experience what it's like to push human potential to the limits as an athlete and by sharing excitement and enthusiasm.

■ Go Club

The Senko Group is helping popularize the culture of the game of go by hosting a go festival and sponsoring the Senko Cup, a professional tournament for female players, and the Senko Cup International Go Tournament. Members of the Go Club, which was formed in 2015, participated in a variety of tournaments in FY2023, with one member placing as runner-up in individual competition at the Shizuoka Go Festival (an "amateur champion" tournament) and the team notching a second-place finish in the 55th Kyoto-Shiga Occupational Group Go Tournament. They continue to work to boost their performance.



■ Golf Club

SENKO's Golf Club won the 9th Japan Club Team Golf Tournament for the second year in a row, placing first out of 257 teams from around Japan (including 1,028 players). In addition, the club worked with Gamo Golf Club, which the Group owns, to host the facility's first charity golf tournament. Proceeds were donated to the town of Hino, Shiga Prefecture, which is using them to fund youth development programs.



■ Judo Club

SENKO's Judo Club competed at the FY2022 All-Japan Senior Judo Weight-class Championship, with members placing second and third in women's individual competition. The team is working together so that they can achieve even more ambitious goals while balancing training with their job responsibilities.

