

**Sustainability  
Data Book  
2023**

 **MITSUMI-SOKO HOLDINGS**

**MITSUMI-SOKO GROUP**

# Editorial Policy/Table of Contents

MITSUI-SOKO Group Sustainability Data Book 2023 discloses information related to MITSUI-SOKO Group’s sustainability, including policies, approach, structure, initiatives, and performance.

## Summary of the Report

### Scope of Performance Data

The data covers MITSUI-SOKO HOLDINGS Co., Ltd. and its consolidated subsidiaries. The specific data scope is detailed individually for each item.

### Reporting Period

April 2022 to March 2023

\* However, some important information outside of this period is also included.

### Issue Date

September 2023 (Next issue scheduled for September 2024)

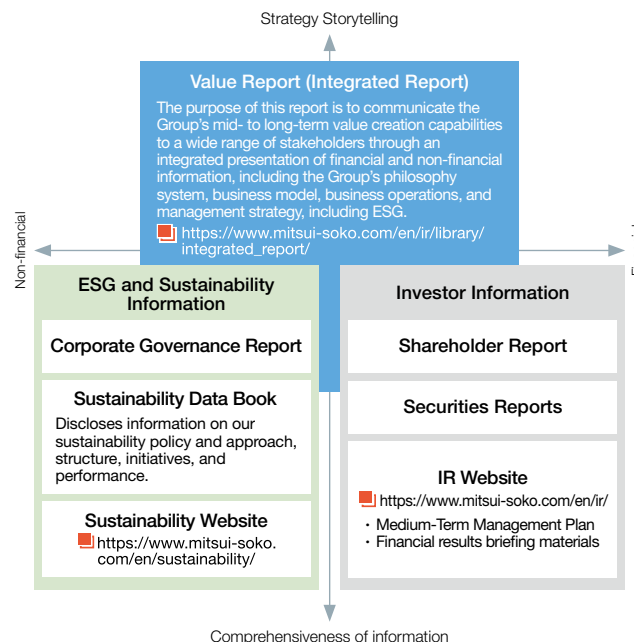
\* Published annually

### Guidelines Referenced

- GRI (Global Reporting Initiative) “GRI Sustainability Reporting Standards”
- Ministry of the Environment “Environmental Reporting Guidelines 2018”

## Reporting Framework

### Framework Diagram for Financial and Non-Financial Information Disclosure



## Disclaimer

This Data Book includes not only historical and current facts of MITSUI-SOKO HOLDINGS Co., Ltd. and MITSUI-SOKO Group companies, but also future forecasts based on plans, projections, and management policies/strategies as of the issuance date. Please understand that changes in various factors could lead to results or events in future business activities that differ from the forecasts.

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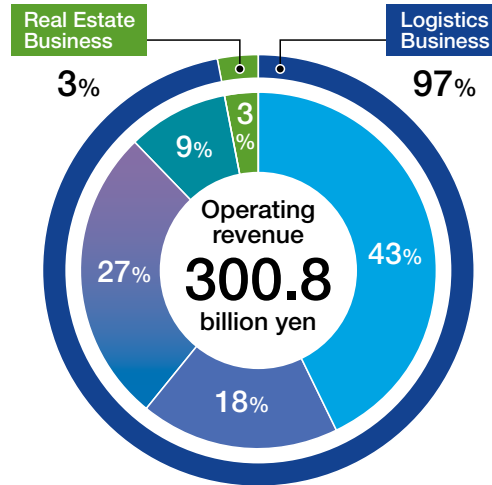
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# Company Summary (as of March 31, 2023)

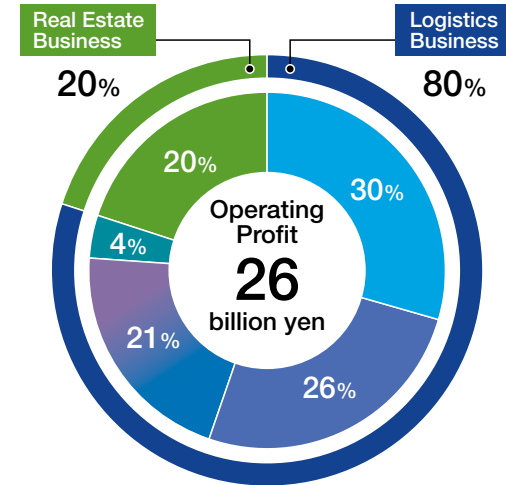
Company Name	MITSUI-SOKO HOLDINGS Co., Ltd.
Establishment Date	October 11, 1909
Headquarters	3-20-1 Nishi-Shimbashi, Minato-ku, Tokyo, 105-0003, Japan
Representative	President & CEO Hirobumi Koga
Capital Stock	11,156 million yen
Main Businesses	Logistics business, real estate business
Consolidated Financial Statements Group Companies	76 Consolidated Subsidiaries 6 Equity Method Affiliates For a list of Group Companies, please visit <a href="https://www.mitsui-soko.com/en/company/group/">here</a> <a href="https://www.mitsui-soko.com/en/company/group/">https://www.mitsui-soko.com/en/company/group/</a>
Employees	8,057 (non-consolidated 887)

## Operating Revenue by Segment



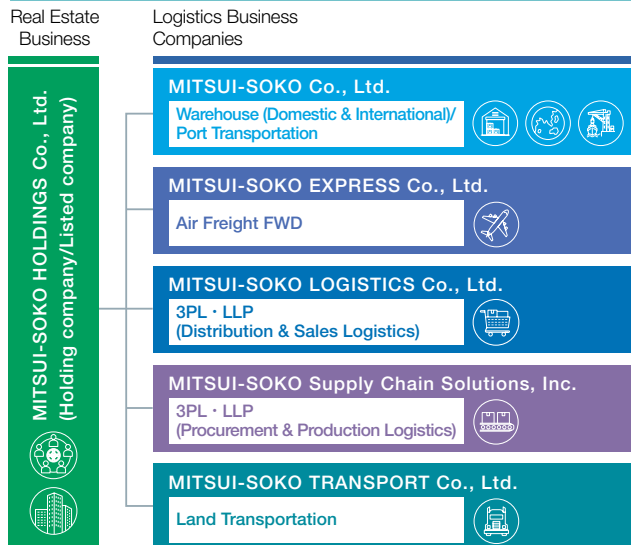
\* Composition ratios are rounded to the nearest whole number.

## Operating Profit by Segment

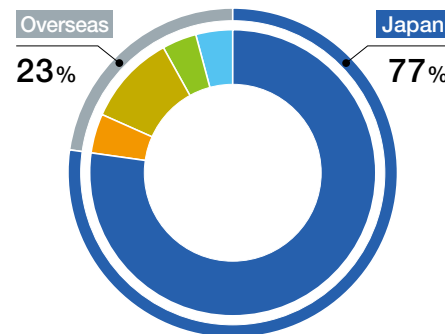


\* Composition ratios are rounded to the nearest whole number.

## Group structure/Main businesses



## Operating Revenue Composition Ratios by Region



Region	Percentage
Japan	77.4%
Northeast Asia	4.4%
South Asia, Southeast Asia	10.1%
Europe, Africa, Middle East	4.0%
America	4.0%

## Global Networks

	Business sites	Operational floor area	Employees
Japan	281 locations	1,662,165 m <sup>2</sup>	4,956 persons
Northeast Asia	52 locations	138,113 m <sup>2</sup>	528 persons
South Asia, Southeast Asia	38 locations	369,070 m <sup>2</sup>	1,985 persons
Europe, Africa, Middle East	30 locations	57,666 m <sup>2</sup>	470 persons
America	16 locations	40,905 m <sup>2</sup>	118 persons
<b>Total</b>	<b>417 locations</b>	<b>2,267,920 m<sup>2</sup></b>	<b>8,057 persons</b>

\* The figures are as of March 31, 2023.

# Group Philosophy

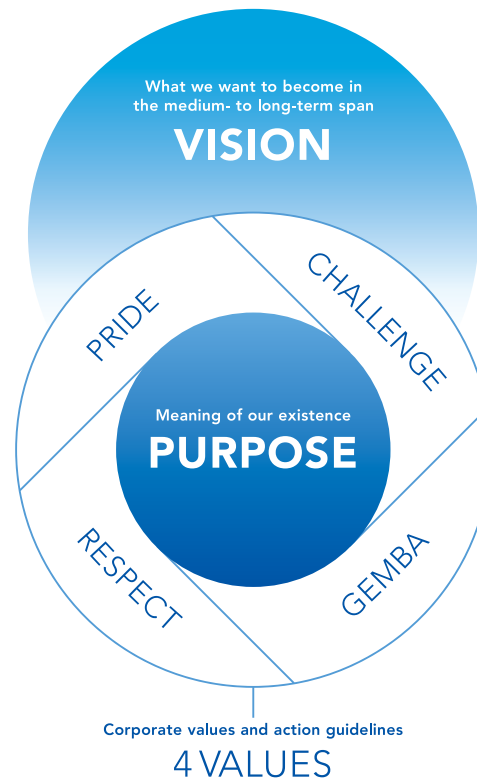
Based on the Group's Philosophy, which reflects our determination to solve problems and create value through logistics in every era, we will implement our medium-term management plan and other management strategies to increase the Group's corporate value and achieve sustainable growth for society and our customers.

\* For more information, please refer to this page.

**Group Philosophy**  
<https://www.mitsui-soko.com/en/company/philosophy/>

## Three Components of the Group's Philosophy

The Group Philosophy is the highest management concept and consists of Purpose (meaning of our existence), Vision (what we want to become in the medium- to long-term span), and Values (corporate values and action guidelines).



**VISION** What we want to become in the medium- to long-term span

**The co-creative logistics solutions partner.  
 For every day, emergency, and always will be**

**PURPOSE** Meaning of our existence

**Empower society, encourage progress**

**4 VALUES** Corporate values and action guidelines

**PRIDE**.....Responsibility and pride in empowering our society

**CHALLENGE**..... Strive to create and execute sustainable proposals for both our customers and society

**GEMBA**.....Our frontline: The base of potential, power, and progress

**RESPECT**..... Embrace diverse ideas, co-create new value

# Sustainability Management

## Our Approach to Sustainability

MITSUI-SOKO Group aims to help achieve a sustainable society and enhance our corporate value by creating new value as a corporate group that supports logistics, an indispensable form of social infrastructure.

1. We will reduce our environmental impact and address social issues such as human rights, occupational health and safety, and diversity through our business activities.
2. We will engage in highly transparent corporate management in order to continue to be a corporate group trusted by society.
3. We will develop and maintain sound and trustworthy relationships through engagement with all of our stakeholders.

June 24, 2021

MITSUI-SOKO HOLDINGS Co., Ltd.

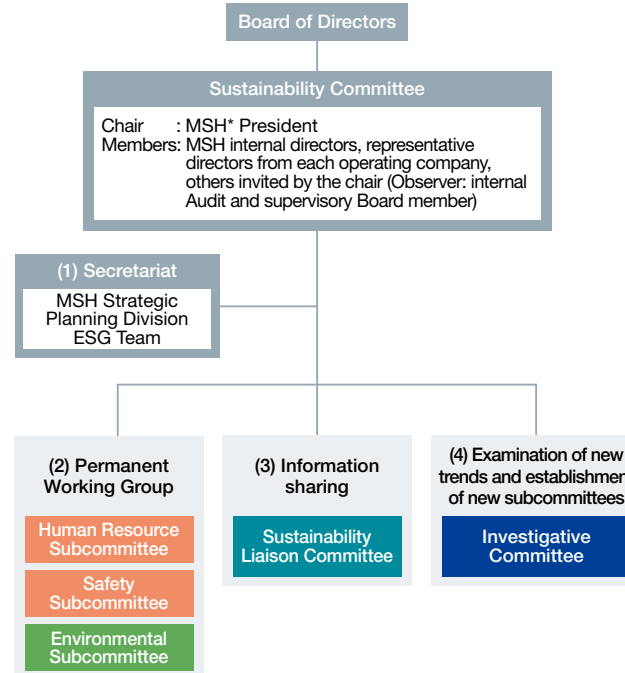
\* For our various sustainability policies, please refer to the List of Policies.  
<https://www.mitsui-soko.com/en/sustainability/management/policy/>

## Sustainability Promotion Framework

The Group is promoting sustainability management in order to realize a sustainable society and increase the Group's corporate value. We have established the Sustainability Committee, which is chaired by the President of MITSUI-SOKO HOLDINGS and includes executive directors and representative directors of the five core operating companies (or persons in equivalent positions appointed by the Chairman). Under the supervision of the Board of Directors, the Committee is responsible for reviewing and formulating strategies and policies related to sustainability, as well as implementing and managing initiatives aimed at achieving materiality, targets and KPIs. In addition, it

incorporates the Board's views and advice into its initiatives through regular reporting to the Board.

### Sustainability Promotion Framework



\* MSH: MITSUI-SOKO HOLDINGS

### Key Roles of the Sustainability Committee:

1. Advancement of the Sustainability Strategy and Committee management.
2. Strategic planning for addressing the challenges of each subcommittee, monitoring progress and managing initiatives to achieve goals and KPIs, reviewing new initiatives, and reevaluating KPIs.
3. Sharing information regarding discussions and decisions made by the Sustainability Committee.
4. Examination of and response to new trends that require addressing in the area of sustainability, and establish new subcommittees.

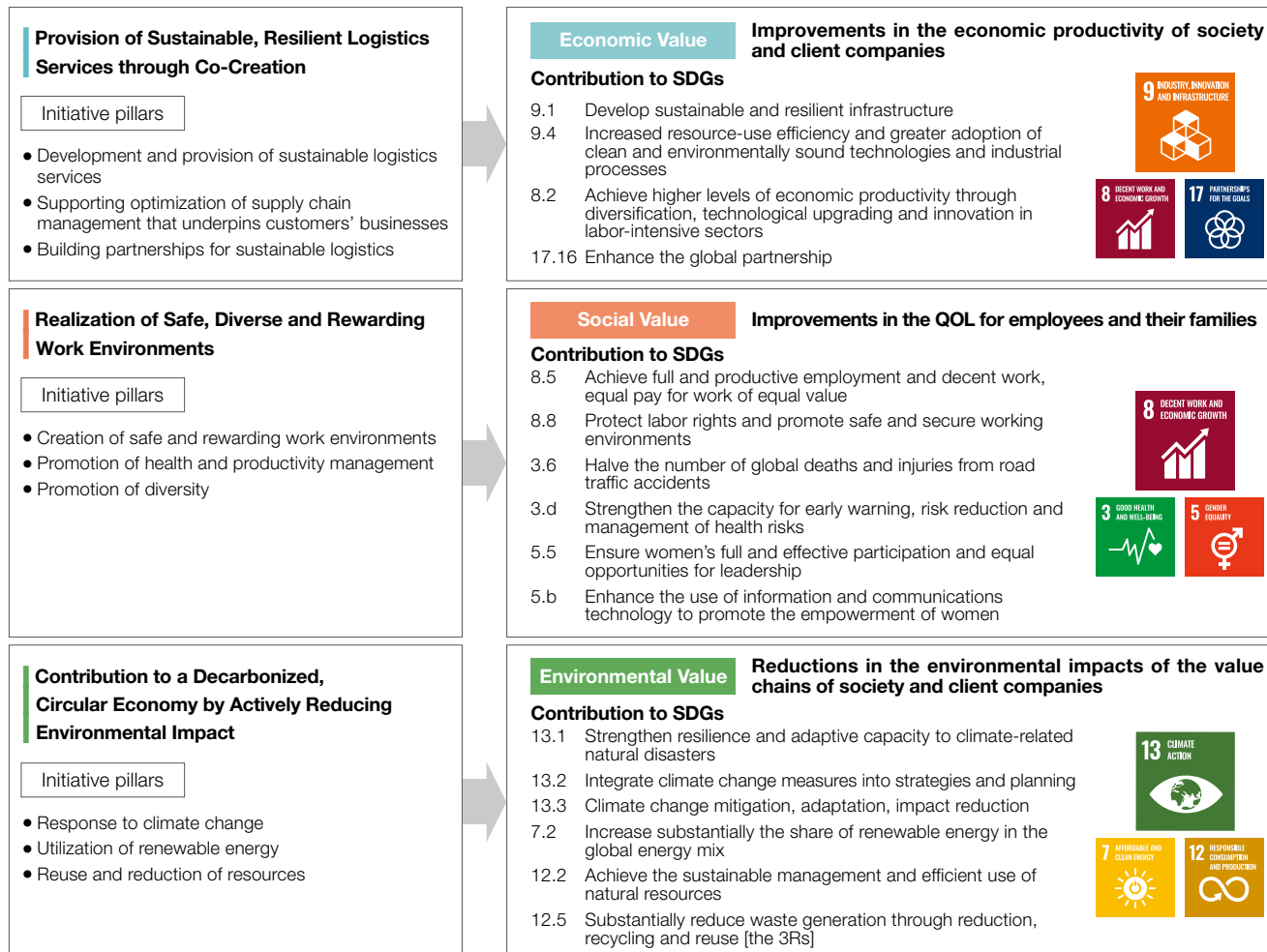
# Sustainability Management

## Materiality

### MITSUI-SOKO Group's Materiality

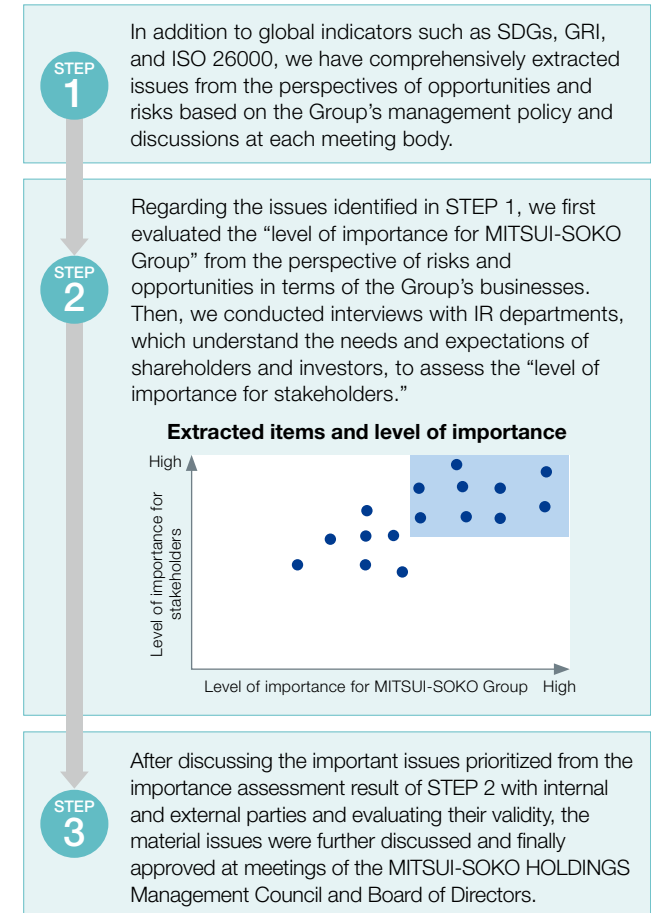
Under the Purpose of "Empower society, encourage progress," MITSUI-SOKO Group identifies materiality with the aim of creating new value through business activities and achieving sustainable growth for both our Group and society. By promoting efforts toward materiality, we contribute to the achievement of SDGs related to our business and strive to enhance the sustainable corporate value of our Group.

### Materiality



### Process for Identifying Materiality

Based on the idea that materiality is viewed from the perspective of enhancing corporate value, and that solving social issues will lead to the creation of medium- to long-term value for the Group, we identified issues that have a major importance in the Group's businesses and are important for stakeholders, especially shareholders and investors, as materiality in 2020.



# Sustainability Management

## KPIs and Progress

Materiality	KPI (Target organizations: MSH*1 and logistics companies)	2023/3 Results
Economy	Expansion of businesses arising from social issues	●Number of CO <sub>2</sub> calculations of customers (cumulative total); Approx. 100,000*2
	Achievement of high economic productivity and efficiency through DX promotion and innovation	●Pilot operation of LVL*3 ●Launch of a large-scale center using robotics
	Expansion of partnerships toward sustainable logistics	●Partnerships for growth areas
Social	Improvement of employee engagement	65
	Maintain zero occupational accidents	3
	Achieve ratio of paid leave taken of 70%*4	60.83%
	Improvement of absentee rate over previous fiscal year's level	0.17% (Increase over prior year)
	Achieve health checkup take-up rate of 100%*4	99.44%
	Achieve male childcare leave acquisition rate of 30%*4	93.33%
	Achieve female manager ratio of 15%*4	9.26%
Environment	Total CO <sub>2</sub> emissions (Scope 1 + 2) 50% reduction by 2031/3 (Compared to 2014/3) Net-zero by 2051/3	59,220 t-CO <sub>2</sub> (15.8% reduction compared to 2014/3)*5
	Total CO <sub>2</sub> emissions (Scope 3) We work to reduce emissions throughout our own and our customers' supply chains.*6	—
	Volume of waste emissions: reduced from the previous fiscal year's level	8,519 t*7

\*1 MSH: MITSUI-SOKO HOLDINGS

\*2 Cumulative total as of August 31, 2023: Approx. 4 million

\*3 Logistics Value Link: SCM digital platform

\*4 Achievement deadline is the 2026/3

\*5 Due to the expansion of the scope for the 2023/3, the figures for the 2014/3 have been revised.

\*6 For information regarding customer initiatives, please visit the following link (Japanese Version Only): <https://www.mitsui-soko.com/sustainlink/>

\*7 The scope has been expanded starting from the 2023/3.

\*8 KPI disclosure items and indicators are based on GRI Standards, SASB Standards, etc.

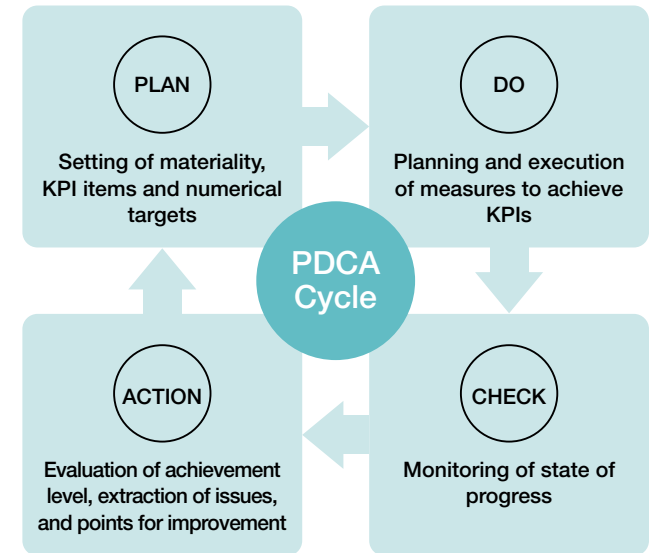
## Group-wide Promotion of Materiality Initiatives

Regarding materiality, it is necessary to promote activities throughout the Group under appropriate governance. Within our Group, we view materiality as a crucial matter contributing to our management, set KPIs for each, and discuss them in the Sustainability Committee and Management Council under the supervision of the Board of Directors. The Sustainability Committee also discusses and reviews the appropriateness of materiality and the KPIs themselves.

Regarding the KPIs: For social and environmental KPIs, we have established cross-Group subcommittees under the umbrella of the Sustainability Committee to develop and implement various initiatives. For economic KPIs, we incorporate them into sales strategies and DX promotion efforts and discuss them in Management Council.

Going forward, we will continue our efforts to revise materiality from the perspective of further enhancing corporate value and human capital by integrating the promotion of sustainability and management.

## PDCA Cycle for Materiality Promotion



## Materiality Promotion System

	Materiality	Economic KPIs	Social KPIs	Environmental KPIs
Supervision/ Approval	Board of Directors			
Meeting body	Sustainability Committee (Chair: President [Group CEO] Members: MSH internal directors; Representatives from each major operating company; Others)	Management Council MSH internal directors Representative directors from each major operating company	Sustainability Committee (Chair: President [Group CEO] Members: MSH internal directors; Representatives from each major operating company; Others)	
			Secretariat MSH Strategic Planning Division ESG Team	
			Human Resource Subcommittee (MSH Personnel, Human Resource Division; Department in charge from each major operating company)	Safety Subcommittee (MSH Operation Management Division; Department in charge from each major operating company)

## Sustainability Management

### Stakeholder Engagement

Stakeholders	Purpose of the Initiative	Means of Communication	
Customers	To continue to pursue highly satisfactory services that are trusted by our customers, and to realize a secure and comfortable society for people around the world through our business.	<ul style="list-style-type: none"> <li>• Daily sales and service activities, information on website (Japanese and English)</li> <li>• Online and phone consultation services</li> <li>• Series of logistics articles</li> </ul>	<ul style="list-style-type: none"> <li>• Business introduction videos on official YouTube channel  <a href="https://www.youtube.com/channel/UCMkUbUq5GQ6PYbIC4Mq4WYQ">https://www.youtube.com/channel/UCMkUbUq5GQ6PYbIC4Mq4WYQ</a></li> <li>• Provision of corporate activity information using digital signage displays</li> <li>• Participation in large-scale exhibitions and conduct online seminars</li> </ul>
Shareholders/ Investors	To continuously improve corporate value and achieve fair market valuation while maintaining good communication that leads to investment decisions through sound business management and timely and appropriate information disclosure.	<ul style="list-style-type: none"> <li>• General meeting of shareholders</li> <li>• Financial results briefings</li> <li>• Dissemination of Information to Shareholders and Investors (Integrated Reports, Sustainability Data Book, Business Reports, Annual Securities Reports, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Small meetings and individual interviews with investors and shareholders</li> <li>• Shareholder surveys</li> </ul>
Employees	To promote systems that allow employees to feel rewarded in their work and the development of safe and healthy work environments, to ensure that each employee's human rights are respected and they are able to maximize their abilities.	<ul style="list-style-type: none"> <li>• Employment engagement surveys</li> <li>• Establishment of human rights policy and implementation of due diligence</li> <li>• Enhancement of training programs</li> <li>• Development of comfortable working environments</li> <li>• Awards and contests (sales and business improvement categories)</li> </ul>	<ul style="list-style-type: none"> <li>• Fair assessment system</li> <li>• Promotion of occupational health and safety and health and productivity management</li> <li>• Stress checks</li> <li>• Dissemination of information on the company intranet, community activities, and in-house newsletters</li> <li>• Compliance Hotline (multilingual support)</li> </ul>
Business partners	To achieve stable and high-quality logistics services by building deep relationships of mutual trust and strengthening cooperation through sound transactions based on fairness and honesty, and co-existence and co-prosperity.	<ul style="list-style-type: none"> <li>• Formulation and disclosure of basic policy on sustainable and responsible procurement</li> <li>• Fair, open, and transparent transactions</li> <li>• Cooperating in the event of a disaster</li> </ul>	<ul style="list-style-type: none"> <li>• Quality improvement initiatives</li> <li>• Response to phone and e-mail inquiries</li> </ul>
Government/ Administration	To co-create a better future for the logistics industry through dialogue and cooperation with government and industry groups, as well as conduct fair corporate activities in compliance with laws, regulations, and social norms.	<ul style="list-style-type: none"> <li>• Legal and regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Dialogue and collaboration with business and industry groups (Ministry of Land, Infrastructure, Transport and Tourism, The Japan Warehousing Association Inc., etc.)</li> </ul>
Local communities	To build good relationships with local communities, operate constructive businesses as a trusted company, and aim to create a society in which diverse people can co-exist in harmony.	<ul style="list-style-type: none"> <li>• Approval of community initiatives</li> <li>• Donation activities (medical, artistic, research fields, etc.)</li> <li>• Lectures at universities</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions to communities and society through volunteer activities</li> <li>• Response to surveys and questionnaires</li> </ul>



## Sustainability Management

### Sustainable Finance

As part of our ESG management efforts, our Group is implementing sustainable finance initiatives.

As an achievement, the “Kanto P&M Center, Annex B,” which was completed in June 2021, is a logistics facility that takes into consideration the reduction of environmental impact. The construction cost for this facility was procured through the issuance of green bonds.

### Participation in Initiatives and External Organizations

The Group is actively participating in various initiatives both domestically and internationally.

External Initiatives and Affiliated Organizations	Participating Business Companies
United Nations Global Compact (UNGC) (2023)	MITSUI-SOKO HOLDINGS Co., Ltd.
Task Force on Climate-related Financial Disclosures (TCFD) (2021)	MITSUI-SOKO HOLDINGS Co., Ltd.
CDP (2022)	MITSUI-SOKO HOLDINGS Co., Ltd.
COOL CHOICE (Ministry of the Environment)	MITSUI-SOKO HOLDINGS Co., Ltd. MITSUI-SOKO Co., Ltd. MITSUI-SOKO EXPRESS Co., Ltd.
Male Leaders Coalition for Empowerment of Women (Cabinet Office, Government of Japan)	MITSUI-SOKO HOLDINGS Co., Ltd.
White Logistics (Ministry of Land, Infrastructure, Transport and Tourism)	MITSUI-SOKO Group
Green Logistics Partnership Conference	MITSUI-SOKO HOLDINGS Co., Ltd. MITSUI-SOKO Co., Ltd. MITSUI-SOKO LOGISTICS Co., Ltd.

Japan Institute of Logistics Systems (JILS)	MITSUI-SOKO Co., Ltd. MITSUI-SOKO LOGISTICS Co., Ltd. MITSUI-SOKO Supply Chain Solutions, Inc.
Japan Association for Logistics and Transport (JALoT)	MITSUI-SOKO Co., Ltd.
The Japan Warehousing Association Inc.	MITSUI-SOKO Co., Ltd.
The Japan Harbor Transportation Association	MITSUI-SOKO Co., Ltd.

### External Evaluations

#### ESG Assessment/ESG Index

Our Group’s sustainability efforts have received high evaluations from external rating agencies and the Company has been selected as constituents of certain indexes.

External Assessments	
MSCI ESG Rating	Rating: ‘A’
Nikkei SDGs Management Survey	Certified with ‘★★★★’ (3 stars)
FTSE Blossom Japan Sector Relative Index	Selected as a constituent of the index
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Selected as a constituent of the index
S&P/JPX Carbon Efficient Index	Selected as a constituent of the index

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### Certification & Recognition

Our Group is actively pursuing certifications and recognition related to sustainability.

Certification & Recognition	Companies
DX Certification System (Ministry of Economy, Trade and Industry) DX Certified Business’ Certification	MITSUI-SOKO HOLDINGS Co., Ltd.
IATA (International Air Transport Association) CEIV Pharma Certification	MITSUI-SOKO EXPRESS Co., Ltd.
Eruboshi Certification (Ministry of Health, Labour and Welfare) Received the Highest Rating of 3 Stars Certification	MITSUI-SOKO HOLDINGS Co., Ltd. MITSUI-SOKO Supply Chain Solutions, Inc.
Kurumin Certification (Ministry of Health, Labour and Welfare) Obtained 2 stars	MITSUI-SOKO Supply Chain Solutions, Inc.
Aichi Josei Kagayaki Company Certification	MITSUI-SOKO Co., Ltd.

### Commendation

Organizer/Award Name	Companies
Logistics Environment Award Advanced Technology Award of the Japan Association for Logistics and Transport (2023)	MITSUI-SOKO HOLDINGS Co., Ltd.
Logistics Environment Award Special Prize of the Japan Association for Logistics and Transport (2023)	MITSUI-SOKO Co., Ltd.
Award for the Excellent Business Entities Working on Modal Shift of the Japan Association for Logistics and Transport (2022)	MITSUI-SOKO HOLDINGS Co., Ltd.

\* For further achievements, please refer to the following.

<https://www.mitsui-soko.com/en/sustainability/evaluation/>

# Environmental Management

## Policy

MITSUI-SOKO Group believes that sustainable growth of the Group cannot be achieved without the sustainability of society. We consider the preservation of the global environment to be an important management issue. In accordance with the Group's Environmental Policy, we are committed to reducing the environmental impact of the value chain. This commitment extends to not only the Group, but also our client companies and society as a whole. We strive to address climate change and reduce waste emissions as part of our efforts.

### MITSUI-SOKO Group Environmental Policy

MITSUI-SOKO Group aims to contribute to creating a decarbonized society and circular economy by proactively reducing environmental impact through logistics.

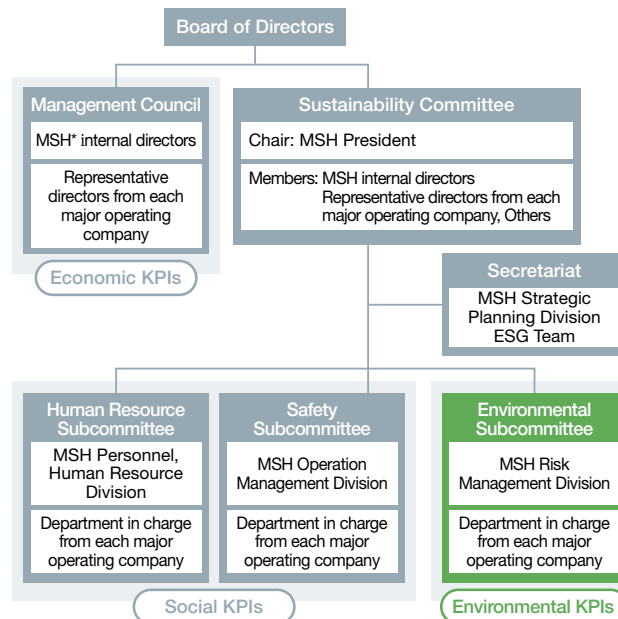
1. We comply with laws and social standards on environmental conservation.
2. In consideration of the impact our business activities have on the environment, we will implement the following initiatives to prevent environmental pollution and reduce our environmental impact.
  - Improve our energy efficiency to mitigate and adapt to climate change by performing inspections and maintenance on facilities and equipment, and by shifting to renewable energy and energy-saving equipment and vehicles
  - Promote reuse and recycling, and enforce waste reduction and appropriate disposal
  - Engage in procurement and product and service development that considers factors such as biodiversity, climate change and environmental pollution
  - Promote partnership with regional communities and reduce environmental impact throughout the value chain as an environmentally responsible company
3. We promote continuous improvement by assessing the status of our environmental initiatives and formulating action plans with targets, implementing and reviewing the initiatives.

4. To support our initiatives, we will use environmental education programs and public relations to promote understanding and awareness among MITSUI-SOKO Group employees about reducing environmental impact in society and our business partners' value chain.

June 27, 2022  
MITSUI-SOKO HOLDINGS Co., Ltd.

## Governance

The Environmental Subcommittee has been established under the Sustainability Committee to promote environmental measures. The Subcommittee is led by the Risk Management Division of MITSUI-SOKO HOLDINGS Co., Ltd. and consists of relevant departments and environmental divisions from each business company. This structure allows for the promotion of initiatives across the entire Group.



\* MSH: MITSUI-SOKO HOLDINGS

## Indicators and Goals

Scope 1 + 2	<ul style="list-style-type: none"> <li>• 50% reduction on CO<sub>2</sub> by 2031/3 (compared to 2014/3)</li> <li>• Net-zero by 2051/3</li> </ul>
Scope 3	<ul style="list-style-type: none"> <li>• We work to reduce CO<sub>2</sub> emissions in our own and our customers' supply chains. The reduction of CO<sub>2</sub> emissions in customers' supply chains, facilitated by our supply chain sustainability support service SustainaLink, also contributes to the reduction of our Scope 3 emissions. Additionally, we will actively promote efforts to achieve a decarbonized society through our own services.</li> </ul>
Volume of waste generated	<ul style="list-style-type: none"> <li>• Improvement from previous fiscal year (t)</li> </ul>

The targets are aimed at MITSUI-SOKO HOLDINGS and major Group companies\*.

\* MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions, MITSUI-SOKO TRANSPORT, Marukyo Logistics (Osaka), and Marukyo Logistics (Ehime).

Please refer to the ESG data for historical emission data and other environment-related KPIs.

<https://www.mitsui-soko.com/en/sustainability/esgdata/>

## Collaboration with the International Community, Japanese Government, and Industry Associations on Climate Change

Our Group's environmental goals were formulated with reference to the 2015 Paris Agreement and the Japanese government's declaration of carbon neutrality.

With regard to public policies and regulations, we support the laws and regulations of each country, and in Japan we support the "Act on Promotion of Global Warming Countermeasures" and the "Energy Conservation Act."

We also confirm that the Group's policies are consistent with the carbon neutral direction promoted by KEIDANREN (Japan Business Federation) and the decarbonization strategies of other industry associations. If the policies of these organizations are significantly weaker or contradict those of the Group, we will take appropriate measures such as prioritizing our own policies.

## Environment Management

### Initiatives & Performance

#### Compliance with Environmental Regulations

■ **Global Warming Countermeasures Report/Plan based on Ordinance of Tokyo Metropolitan Government and Minato Ward**  
 MITSUI-SOKO Group publishes the Global Warming Countermeasures Report and the Global Warming Countermeasures Plan in accordance with the Tokyo Metropolitan Government's Ordinance on the Environment to Ensure the Health and Safety of the People of Tokyo. For more details, please visit our sustainability website.

■ <https://www.mitsui-soko.com/en/sustainability/environment/management/>

#### ■ Status of Environment-Related Fines and Penalties (Unit: Yen)

	Boundary	2019/3	2020/3	2021/3	2022/3	2023/3
Environment-related fines and penalties	Domestic	0	0	0	0	0

\* "Environment-related" means violating laws and regulations related to water intake, wastewater, air quality, waste, and other environmental matters.

#### Sustainability Certifications and Others

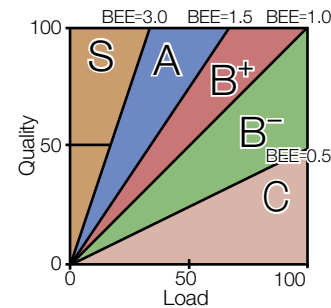
##### ■ Green Management Certification

The Group has obtained Green Management Certification from the Foundation for Promoting Personal Mobility and Ecological Transportation at 11 locations in its trucking business and at 37 locations in its warehousing business. We have also received permanent registration business awards for locations that have been certified and registered consistently for 10 consecutive years from the initial registration date. This includes 11 locations in the trucking business and 35 locations in the warehousing business (as of July 31, 2023).



#### ■ Comprehensive Assessment System for Built Environment Efficiency (CASBEE) A Rank

As of September 2023, four logistics facilities belonging to MITSUI-SOKO Group have achieved A rank\* evaluations, signifying their status as high-level sustainable buildings. These evaluations are based on various factors, including the use of energy-efficient and environmentally-friendly equipment, considerations for indoor comfort and landscape, and a comprehensive commitment to high environmental performance.



\* CASBEE labels buildings with one of five overall environmental performance assessment ratings, ranging from C (poor) through B- (fairly poor), B+ (good), A (very good), and S (excellent).



Kanto P&M Center, Annex A



Minamihonmoku Warehouse



Ibaraki Record Center

\* The Ibaraki Record Center has received a special award of excellence for environmental initiatives from the Japan Association for Logistics and Transport.

# Contribution to a Decarbonized Society

## Disclosure Based on TCFD Recommendations

The Group recognizes that climate change is one of the most critical management issues. We believe that our efforts to reduce our greenhouse gas (GHG) emissions within our Group (Scope 1 + 2) and to contribute to the decarbonization of the entire supply chain, including our customers, will enhance the Group's corporate value. Based on this belief, we have identified "Contribution to a decarbonized, circular society by actively reducing environmental impact" as one of our materiality issues.

## Governance

Under the supervision of the Board of Directors, the Sustainability Committee takes the lead in identifying, analyzing, and evaluating risks and opportunities related to climate change. It facilitates discussions to understand the impact of climate change on our Group operations and devise corresponding strategies. The Environmental Subcommittee, a cross-organizational subsidiary of the Sustainability Committee, carries out more in-depth discussions, concrete initiatives, and considers management metrics. The Director, who is in charge, reports progress and offers recommendations to the Sustainability Committee.

Investments necessary to address climate change are discussed and approved individually by the Management Council, the Board of Directors, and other decision-making bodies in accordance with internal regulations.

## Strategies

We have conducted a scenario analysis of the impact of climate change on our Group's business using several climate scenarios (1.5°C scenario and 4°C scenario). Based on assumptions regarding the impact of climate change on our value chain, we have identified risks and opportunities. We have analyzed and evaluated them and are considering countermeasures. These countermeasures will be reflected in our short-, medium-, and long-term business strategies to enhance the effectiveness of our measures.

### Scenario Analysis

The following assumptions were made for each scenario and analyzed for their possible financial impact as of 2030.

#### ■ Assumptions for Scenario Analysis

##### 1.5°C Scenario

Policies and regulations will be strengthened, and carbon taxes will be introduced to achieve carbon neutrality in 2050. In addition, there will be an increased demand from consumers for decarbonization, which will put even more pressure on business-to-business (B2B) firms to take action against climate change, such as reducing CO<sub>2</sub> emissions.

##### 4°C Scenario

No carbon taxes will be introduced, and more emphasis will be placed on disaster prevention and BCP (Business Continuity Planning) measures as natural disasters become more severe. Consumer behavior will not change significantly from the status quo, and corporate responses to climate change will remain at the current level.

\* Based on IEA-NZE, IPCC-1.5, IPCC AR6 SSP1-1.9, IPCC AR6 SSP3-7.0/SSP5-8.5, etc.

#### ■ Risks, Opportunities, and Financial Impact Related to Climate

Based on the assumed scenarios, we have examined the impact of climate change on the value chain for consumers, customers, our Group, and contractors. We have also estimated the timing of when risks and opportunities may arise, as well as their quantitative and qualitative impacts.

#### ■ Countermeasures

In our quantitative calculations, carbon pricing (carbon tax) under the 1.5°C scenario has the greatest impact on our Group. However, in general, the financial impact of climate change on our Group is minimal, and we believe we are resilient to its effects.

To address the emerging impact of carbon pricing (carbon tax), we will implement measures to reduce emissions in collaboration with our customers and partners, as we have found them to be effective. Additionally, besides analyzing quantitative factors, we will also update and monitor information on qualitative factors to assess their impact on our business.

## Contribution to a Decarbonized Society

### Details of Scenario Analysis and Assessment Using “1.5°C Scenario” and “4°C Scenario”

Transition risk		Financial impact (1.5°C/4°C)	Time of emergence	Countermeasures
Policies & Regulations	<b>Taxes and other regulations on CO<sub>2</sub> emission reductions</b> Increased cost burden due to the introduction/enforcement of carbon pricing <ul style="list-style-type: none"> <li>Fuel and electricity use at transportation and distribution facilities (including contractors)</li> </ul>	Small - Medium/-	Medium term	<ul style="list-style-type: none"> <li>Improved efficiency of transportation</li> <li>Conversion of vehicles to ZEV</li> <li>Promotion of energy-saving equipment and measures</li> <li>Promotion of operations that reduce power use</li> <li>Acceleration of introduction of renewable energy</li> <li>Selection of partner companies</li> </ul>
	<b>Refrigerant regulation</b> Increase in capital investment amount due to stricter regulations on alternative CFCs and other refrigerants <ul style="list-style-type: none"> <li>Refrigeration equipment support for logistics facilities</li> </ul>	Small/Small	Medium term	
	<b>Other regulations</b> Increased cost burden due to the introduction/enforcement of energy conservation regulations <ul style="list-style-type: none"> <li>Regulations related to vehicles, such as the introduction of EVs and the ban on the sale of gasoline-powered vehicles</li> <li>Energy conservation standards for building such as insulation</li> <li>Regulations on renewable energy procurement/introduction ratio targets</li> </ul>	-/-	Long term	
Market & Reputation	<b>Energy transition by transportation subcontractors</b> Increase in transportation consignment costs due to progress in the shift to low-carbon and decarbonized fuels <ul style="list-style-type: none"> <li>Introduction of low environmental impact fuels such as SAF*</li> </ul>	Small/Small	Short to medium term	

\* SAF: Sustainable Aviation Fuel

Transition risk & Opportunities		Financial impact (1.5°C/4°C)	Time of emergence	Countermeasures
Market & Reputation	<b>Customer trends (conditions)</b> Expansion of environmentally conscious response <ul style="list-style-type: none"> <li>Contracts and orders are contingent on the identification and reduction of CO<sub>2</sub> emissions.</li> </ul>	Large/Small	Short term	Development and promotion of logistics solution services originating from social issues, such as SustainaLink, while grasping the needs of existing and potential customers related to climate change
	<b>Customer trends (products)</b> Changes in characteristics of products handled by our customers <ul style="list-style-type: none"> <li>Changes in production volume and location, component composition</li> <li>Emergence of new sustainable commercial products</li> </ul>	Large/Large	Medium to long term	

Physical risks		Financial impact (1.5°C/4°C)	Time of emergence	Countermeasures
Acute	<b>More severe storm and flood damage (direct impact)</b> Damage to assets owned and increase in insurance premiums and repair costs caused by more frequent and larger catastrophic disasters	Small/Small	Medium term	<ul style="list-style-type: none"> <li>Incorporate climate change impacts, such as more severe storm and flood damage, into risk management items</li> <li>Ongoing implementation of BCP and BCM measures</li> <li>Realization of a safe working environment</li> </ul>
	<b>Reputation (indirect impact)</b> Loss of trust due to inadequate understanding of the impact of storm and flood damage and insufficient BCP response	Small/Large	Short to medium term	
Chronic	<b>Sea level rise</b> Damage to assets owned and increase in insurance premium and repair costs caused by more frequent floods	Small/Small	Long term	
	<b>Rise in temperature</b> Increased risk of heat stroke <ul style="list-style-type: none"> <li>Increased health hazards for employees</li> <li>Decreased available working hours</li> <li>Increased air conditioning costs due to higher average temperatures</li> </ul>	Small/Small	Medium term	

Legend Large/Medium/Small: Quantitative and qualitative evaluations based on the results of financial impact estimates

⌈ - ⌋: Potential risk, but not highly likely to emerge in 2030 based on current information •Short term: 3-5 years •Medium term: approx. 10 years (2030) •Long term: more than 30 years (after 2050)

### Risk Management

We establish the recognition and management of risks in the Group’s business activities through the Risk Management Regulations. We have developed a system for each type of risk and implemented risk management strategies. In relation to risks and opportunities associated with climate change, the Sustainability Committee takes the lead in identifying, analyzing, and evaluating these risks and opportunities. They share relevant information within the Group, instruct relevant departments to take necessary actions, and report to the Board of Directors. The ultimate goal is to address and minimize these risks. The Environmental Subcommittee, which is a sub-organization of the Sustainability Committee, is responsible for KPI management and data analysis. They conduct these activities across the entire Group.

### Indicators and Goals

For details, please refer to “[Indicators and Goals \(page 9\)](#)” in the Environmental Management section.

## Contribution to a Decarbonized Society

### Initiatives & Performance

#### Initiatives to Reduce Environmental Impact at Warehouse Facilities

##### Installation of Solar Panels

The Group has installed solar panels on the roofs of warehouses it has built to help reduce CO<sub>2</sub> emissions. In the Kanto P&M Center Annex B, we have installed a self-consumption type photovoltaic (PV) system.

	Actual Power Generation (MWh)	Projected Reduction Effect (t-CO <sub>2</sub> )
Kanto P&M Center, Annex A	398	150
Kanto P&M Center, Annex B*	431	162
Tobishima Terminal Center	293	110
Kansai P&M Center, Annex A	238	90
Kansai P&M Center, Annex B	381	143

\* self-consumption type



#### Initiatives to Reduce Environmental Impact through Business

##### SustainaLink

The Group offers SustainaLink, a service that helps customers achieve supply chain sustainability through logistics. This service focuses on the environment, labor force, and disasters in the logistics industry. Various issues in our customers' supply chains will be resolved through three steps: knowing, visualizing, and improving, utilizing our Group's extensive logistics expertise.



**SustainaLink**  
Supply-chain Sustainability

For more information, please visit

the **SustainaLink special site**. (Japanese version only)  
<https://www.mitsui-soko.com/sustainalink/>

#### Solution Example 1

##### Promoting Container Round-Use Initiatives

**Customers: Kao Corporation ("Kao"),  
Isuzu Logistics Co., Ltd. ("Isuzu Logistics")**

Received Special Award at 24th Logistics Environment in 2023

##### Task assignments

- Reduction of CO<sub>2</sub> generated in international logistics
- Supply of stable drayage services
- Reduction of truck driver workload

##### Solution method

Container round-use utilizing affiliated ICD\*

\* ICD: Short for Inland Container Depot. Container cargo collection point located at the connection/collection/delivery points of inland transportation routes.

##### Effect

###### Kao:

Reduction of approx. 50.9 t-CO<sub>2</sub>/year, labor saving of 720 hours per year

###### Isuzu Logistics:

Reduction of approx. 12.0 t-CO<sub>2</sub>/year, labor saving of 240 hours per year

#### Solution Example 2

##### Modal Shift by Switching from Truck Transportation to Marine Forwarding

**Customer: Construction machinery manufacturer**

Received Grand Prize at 2022 Excellent Business Entities Working on Modal Shift Awards

##### Task assignments

Continuation of stable transportation services for long-distance transportation from the Fukuoka factory to Hokkaido, etc.

- Increase in CO<sub>2</sub> emissions from truck transportation
- Limited number of truck types and drivers suitable for construction machinery transportation

##### Solution method

Switching from truck transportation to roll-on/roll-off (RORO) ships

- Adjustment of transportation scheme for construction machinery with special characteristics in terms of weight and shape
- Carrying out of lashing (securing) of cargo according to type of construction machinery

##### Effect

- Reduction of 56.8 t-CO<sub>2</sub> (69.7%) per year compared to truck transportation
- Driver hours of detention reduced by 928 hours (76.2%)
- Diversification of transportation modes from a BCP perspective

For details, please refer to **page 48 of the Value Report 2023**.  
[https://www.mitsui-soko.com/en/ir/library/integrated\\_report/](https://www.mitsui-soko.com/en/ir/library/integrated_report/)

## Contribution to a Decarbonized Society

### Related Data

	2019/3	2020/3	2021/3	2022/3	2023/3
GHG reduction rate compared to base year	-8%	-7%	4%	5%	16%
CO <sub>2</sub> emissions (Scope 1 + 2) (t-CO <sub>2</sub> )	64,221	63,657	56,883	56,061	59,220
CO <sub>2</sub> emissions (Scope 1)	28,070	27,930	25,857	25,048	25,321
CO <sub>2</sub> emissions (Scope 2)	36,151	35,727	31,026	31,013	33,899
CO <sub>2</sub> emissions (Scope 3) (t-CO <sub>2</sub> )	–	–	–	1,184,705	1,291,580
Total energy usage (GJ)	1,186,487	1,180,755	1,093,309	1,079,887	1,156,005
Electricity (1,000 kWh)	73,742	73,881	69,317	69,513	77,228
In-house renewable energy usage	–	–	–	416	2,615
Gasoline (kl)	244	175	151	124	171
Heavy oil (kl)	2	2	12	3	2
Kerosene (kl)	0	0	0	0	0
Light oil (kl)	10,167	10,161	9,472	9,229	9,315
Petroleum gas (kl)	82	94	68	52	33
City gas (1,000 m <sup>3</sup> )	442	418	333	341	343
Hot water (GJ)	1,916	1,829	1,710	3,898	1,734
Cold water (GJ)	52,074	47,826	32,946	29,072	30,768

\* Starting from the fiscal year ended March 31, 2023, the scope of the data has been expanded to include MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions, MITSUI-SOKO TRANSPORT, Marukyo Logistics (Osaka), and Marukyo Logistics (Ehime).

\* For data up to the fiscal year ended March 31, 2022, the scope is as follows:

Companies subject to the Energy Conservation Act's 'Periodic Report' submission requirement: MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO LOGISTICS, Marukyo Logistics (Osaka), and Marukyo Logistics (Ehime).

### 2023/3 Scope 3 CO<sub>2</sub> Emissions Breakdown by Category

Category	Calculation target	Emissions (t-CO <sub>2</sub> )	Proportion
1	Outsourced transport, warehouse restorage, stationery, etc.	1,206,245	93.4%
2	Capital goods for warehouse construction	42,337	3.3%
3	Consumed electricity and fuel	10,039	0.8%
4	Transportation during procurement of stationery, etc.	–	–
5	Waste generated at own facilities	3,212	0.2%
6	Employee business travel	483	0.0%
7	Employee commuting	837	0.1%
8	Not applicable (leased assets, upstream)	–	–
9	Not applicable (transport and delivery, downstream)	–	–
10	Not applicable (processing of sold products)	–	–
11	Use of sold products	4,393	0.3%
12	Disposal of sold products	55	0.0%
13	Use of leased assets	23,980	1.9%
14	Not applicable (franchisees' Scope 1, 2)	–	–
15	Not applicable (equity investments, debt investments, etc.)	–	–
Total Scope 3 emissions (t-CO <sub>2</sub> )		1,291,580	

\* Scope 3 emissions are calculated based on surveys conducted for MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions, MITSUI-SOKO TRANSPORT, Marukyo Logistics (Osaka) and Marukyo Logistics (Ehime).

\* Category 4 emissions are included in Category 1 calculations.

# Contribution to a Circular and Nature-friendly Society

## Indicators and Goals

For details, please refer to “[Indicators and Goals \(page 9\)](#)” in the Environmental Management section.

## Initiatives & Performance

### Resource Reuse and Waste Reduction

Our Group actively promotes initiatives aimed at contributing to the establishment of a circular society by effectively utilizing finite resources and enhancing economic productivity. In addition to utilizing recycled materials such as biomass based polyethylene film (bio-polyethylene) and recycled resin pallets, we are also involved in the development and utilization of logistics packaging that promotes material recycling while ensuring durability. Taking into account the 6Rs - Reduce, Reuse, Recycle, Refuse, Repair, Remix - we develop logistics packaging to optimize the transportation of our customers' parcels and contribute to reducing logistics costs. Furthermore, as part of our internal efforts, we are transitioning to paperless operations by implementing electronic approvals and encouraging the use of virtual meetings, with the aim of streamlining processes and increasing efficiency.

### Efficient Utilization of Water Resources and Prevention of Water Pollution

Our Group is committed to the responsible use of water and is dedicated to creating a circular society. In several of our office facilities, we have implemented water-saving management systems, actively working toward conserving water resources.

### Initiatives for Biodiversity and Ecosystem Conservation

Our Group, as part of regulatory compliance in port areas, implements measures against invasive species at the water's edge and, as necessary, conducts communication and coordination with relevant parties.

	2019/3	2020/3	2021/3	2022/3	2023/3
Waste emissions (t)	2,481	2,407	2,530	2,372	8,519
Recycled (in-house)	–	–	–	–	4,788
Non-recycled (in-house)	–	–	–	–	3,731
Hazardous waste discharge (t)	–	–	–	–	0
Water usage (m <sup>3</sup> )	245,408	249,159	162,859	173,869	166,823
Water discharge (m <sup>3</sup> )	–	–	–	–	145,553

\* Starting from the fiscal year ended March 31, 2023, the scope has been expanded, and the subject entities for each data category include MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions, MITSUI-SOKO TRANSPORT, Marukyo Logistics (Osaka), and Marukyo Logistics (Ehime).

\* For data up to the fiscal year ended March 31, 2022, the scope of coverage is as follows: Water Usage: MITSUI-SOKO HOLDINGS, MITSUI-SOKO; Volume of waste generated: MITSUI-SOKO's Green Management certified facilities.

\* Regarding wastewater, there is no discharge destination except for the sewage system.



# Human Rights

## Policy

MITSUI-SOKO Group positions the preservation of the dignity of all individuals in society and the respectful recognition of their rights as a crucial foundational element for all business activities. Specifically, this includes efforts to respect the rights related to child labor and forced labor prohibition, the rights to freedom of association and collective bargaining, compliance with minimum wages in each country and the promotion of equal pay for equal work in living wages, and the elimination of all forms of discrimination related to race, nationality, ethnicity (including indigenous peoples), language, gender, and beliefs (including religion and sexual orientation). Through measures such as these, our Group strives to uphold human rights for all stakeholders, not just our workers.

Based on the aforementioned approach, the Group has organized our stance and efforts regarding the respect for human rights, including those within our own operations as well as within our supply chain. We have formulated the MITSUI-SOKO Group Human Rights Policy (hereinafter referred to as “this Policy”), in accordance with the United Nations “Guiding Principles on Business and Human Rights,” as a declaration to society. This Policy is disseminated internally and externally through the Group’s official website. Under the principles of this Policy, the Group collaborates with various stakeholders to uphold the human rights of all stakeholders related to our business activities. In doing so, we fulfill our social mission and contribute to the realization of a sustainable society.

This Policy was developed based on advice from outside experts with expertise and practical experience in human rights, and was approved by the Board of Directors. We will continue to engage in discussions with stakeholders and outside experts on an ongoing basis, and will reflect the results of these conversations in this Policy and respect for human rights initiatives as necessary.

\* In the Group’s efforts concerning human rights, we support and respect International Bill of Human Rights, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights, as well as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. We promote these principles by following the framework of the United Nations “Guiding Principles on Business and Human Rights.”

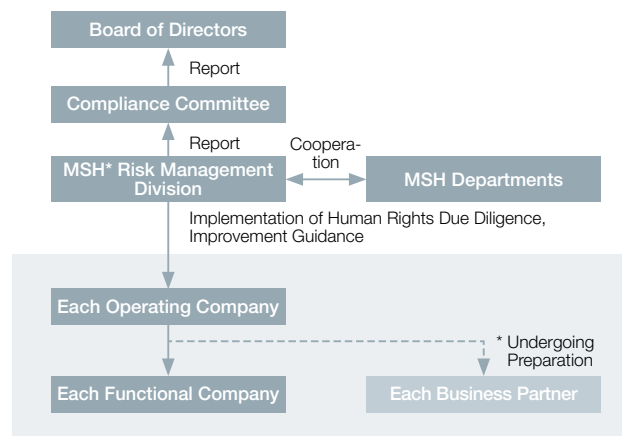
\* The Group will adhere to all laws and regulations applicable in the countries and regions where we conduct business activities. When faced with conflicts between internationally recognized human rights norms and the laws and regulations of specific countries or regions, we will seek ways to prioritize the fullest possible respect for internationally recognized human rights norms. As outlined in the MITSUI-SOKO Group Human Rights Policy, this commitment forms the core of all our efforts related to human rights respect within our Group. It serves as an inherent premise in all individual initiatives aimed at human rights respect, including the prohibition of child labor, the prohibition of forced labor, prevention of excessive workloads, reduction of overtime work, and ensuring wages beyond the minimum wage to achieve living wages.

■ **“The MITSUI-SOKO Group Human Rights Policy” is available at the following link:**  
[https://www.mitsui-soko.com/-/media/pdf/msh/sustainability/social/human\\_rights/human\\_rights\\_en.pdf](https://www.mitsui-soko.com/-/media/pdf/msh/sustainability/social/human_rights/human_rights_en.pdf)

## Governance

The Group designates the MSH Risk Management Division as the responsible unit to prevent, mitigate, and address negative impacts on human rights in our business operations. We are promoting initiatives related to human rights respect, including the human rights due diligence described later.

Reports regarding these efforts to respect human rights are provided to the Compliance Committee and the Board of Directors through the responsible director (Director in charge of Risk Management), recognizing their significance.



\* MSH: MITSUI-SOKO HOLDINGS

## Initiatives & Performance

### Identification of Key Human Rights Issues

The Group assesses the impact of business activities on stakeholders’ human rights and has identified the following as significant human rights issues.

- Prohibition of forced labor and child labor
- Prohibition of all forms of discrimination
- Prohibition of harassment
- Provision of a safe working environment
- Appropriate management of working hours
- Guarantee of rights of foreign workers

As the landscape of human rights is constantly evolving, we regularly review significant human rights issues through ongoing research, information gathering, and dialogue with stakeholders and external experts.

### Process for Identifying Key Human Rights Issues

- STEP 1** Illustrate the value chain of the Group for each major company and sort out relevant stakeholders and human rights issues.
- STEP 2** Examine and evaluate the extracted human rights issues qualitatively and quantitatively in terms of both “severity” and “likelihood of occurrence” in consultation with external experts.
- STEP 3** Identify priority human rights issues to be addressed among those examined and evaluated, taking into account their relevance to us.

# Human Rights

## Implementation of Human Rights Due Diligence

The Group conducts human rights due diligence in order to fulfill its responsibility to respect human rights since 2022. Human rights due diligence is an ongoing process of investigation, remediation, disclosure, and dialogue with stakeholders to identify adverse human rights impacts in business activities including our supply chains and to prevent, mitigate, and address them. The Group conducts human rights due diligence on domestic and overseas Group companies and business partners, and strives to resolve human rights issues in conjunction with education and training related to respect for human rights and the establishment of an effective remedy system.

### Human Rights Due Diligence



### Progress of Human Rights Due Diligence

In the fiscal year ended March 31, 2023, we conducted human rights due diligence targeting both domestic and international Group companies (consolidated subsidiaries\*). As a result, there were no companies with extremely poor human rights responses or cases of human rights violations that require immediate relief for stakeholders at the present moment. On the other hand, challenges have been identified in “education and training on human rights issues” and the proper management of working hours (including the prohibition of excessive overtime work) need to be addressed individually.

In “education and training on human rights issues,” training content was expanded from the fiscal year ended March 31, 2024 (see “Education & Training”). Regarding “the proper management of

working hours (including the prohibition of excessive overtime work),” the department in charge (MSH Risk Management Division) directly surveyed the status at each business site, and encouraged them to formulate and implement corrective action plans as necessary, and confirmed the status after a certain period of time.

Throughout the series of corrective actions, there were proactive inquiries from various company representatives to the responsible departments regarding improvements. Consequently, the MITSUI-SOKO Group as a whole promoted the avoidance, prevention, and mitigation of human rights issues by sharing best practices within the Group companies and beyond.

Furthermore, in collaboration with external experts, we have analyzed the results and confirmed that “prohibition of forced labor and child labor,” “prohibition of all forms of discrimination,” “prohibition of harassment,” “provision of a safe working environment,” “appropriate management of working hours,” and “guarantee of rights of foreign workers” continue to be significant human rights issues within our Group. These issues require ongoing attention and effort.

The process and results of promoting human rights due diligence are reported to the Board of Directors.

\* Human rights DD was conducted at all business locations under the jurisdiction of domestic and overseas Group companies, excluding dormant companies, etc. (100% of all business locations were subject to human rights DD).

### Countries, areas, and items surveyed

Countries and areas surveyed	Japan, China, Thailand, Malaysia, Singapore, Hong Kong, Taiwan, Korea, Vietnam, Indonesia, USA, Brazil, Mexico, Czech Republic, Hungary, Belgium, Turkey, South Africa
Items surveyed	Forced labor, child labor, adequate working hours, adequate wages, prohibition of discrimination, freedom of association and right to collective bargaining, occupational safety, emergency preparedness, occupational accidents and diseases, industrial hygiene, safety measures in the workplace, facility safety and hygiene, worker health care, safety of local residents, effective use of resources and waste management, privacy and personal information protection, responsible procurement, external expression of discrimination, contraband and trafficking in persons, anti-corruption, and improper benefit-sharing

### Remediation

If it becomes clear that the Group has caused, contributed to or is oth-

erwise involved in any adverse human rights impacts, the Group will work to correct and remedy the situation through appropriate means.

### Human Rights Consultation Desk

All employees of the Group (employees, fellows, part-timers, loaned employees, agency contractors, contract employees, and subcontractor employees) have anonymous access to the consultation desk\* in the event of human rights-related concerns, such as harassment and lack of occupational health and safety. We will also establish a contact point to receive feedback from everyone in our supply chain, including our customers and business partners.

\* For more details, please refer to “Internal Reporting System (Group Compliance Hotline) (page 29)” under Governance > Compliance.

### Education & Training

With the aim of proactively avoiding and preventing the emergence of significant human rights issues such as child labor, forced labor, and overwork, and mitigating and minimizing their impact, the Group conducts human rights-related education and training\*. Through these initiatives, we seek to enhance the understanding and reinforcement of this policy among all employees. In the fiscal year ended March 31, 2023, training targeting all employees, including executive officers conducted by responsible departments, involved human rights-related training. About 80% (among the employees of the holding company and domestic consolidated subsidiaries) of the staff participated in these sessions. Furthermore, in optional participation seminars, the theme of business and human rights was discussed, introducing our Group’s initiatives as a basis to reconfirm the necessity of human rights respect. Directly addressing participants’ questions and sharing perspectives facilitated a deeper understanding of human rights issues. Moving forward, we will continue to enhance the content of training, alongside establishing a remediation system, to actively address and resolve human rights issues effectively.

\* For more details, please refer to “Compliance Awareness Surveys and Compliance Training (page 29)” under Governance > Compliance.

## Human Rights

### Addressing Various Human Rights Issues

#### ■ Initiatives toward to Broad-Based Black Economic Empowerment (B-BBEE) in South Africa

The Group operates in the Republic of South Africa and is committed to initiatives aligned with the Black Economic Empowerment (B-BBEE<sup>\*1</sup>) policy, which aims to promote economic development and employment generation in the country. Our local subsidiary, MS EXPRESS SOUTH AFRICA (PTY) LTD. operates in South Africa and has achieved a Level 4 rating in the B-BBEE assessment as of June 30, 2023.

The local subsidiary also establishes target setting and action plans based on the Employment Equity Act (EEA<sup>\*2</sup>) to ensure workplace diversity, fairness, and inclusivity. This action plan is reviewed annually, and progress is reported.

Furthermore, the local subsidiary also aligns its talent strategy with skills development objectives related to B-BBEE. Specifically, the company emphasizes continuous and systematic education and training for its employees, with a focus on hiring individuals from historically disadvantaged backgrounds in South Africa (HDSA<sup>\*3</sup>), particularly among the younger generation. This approach aims to cultivate a skilled workforce that can make long-term contributions. Currently, employees with HDSA backgrounds hold 42.9% of the management positions within the local subsidiary.

<sup>\*1</sup> B-BBEE: Abbreviation for Broad-Based Black Economic Empowerment. It involves scoring the efforts and contributions of companies and organizations toward B-BBEE, with levels ranging from the highest Level 1 to Level 8 and Non-Compliant.

<sup>\*2</sup> EEA: Abbreviation for Employment Equity Act. This is a regulation that stipulates the treatment of employees to ensure equality and fairness for all workers in the workplace.

<sup>\*3</sup> HDSA: Abbreviation for Historically Disadvantaged South Africans.

#### ■ Efforts to Support Children's Rights

The Group is a signatory to the 10 principles of the United Nations Global Compact, respects the rights of children, and is committed to ensuring that children's rights are not violated through its business activities. Specifically, we are participating in the Mitsui 350th Anniversary Project, which promotes initiatives contributing to solving various social issues, including children's rights and equal opportunities. As part of these efforts, the "Junior Red Cross Collaboration Project" collaborates with Junior Red Cross activities to promote awareness through activities such as implementing international exchange programs, SDGs, and creating educational materials related to the environment and disaster prevention. Through these endeavors, we are contributing to the respect for the rights of children who will shape the future and fostering the dissemination of education that empowers them with life skills.

#### ■ Commitment to Engagement or Framework in Labor Standards Initiative

As part of our commitment to engagement with initiatives or frameworks in labor standards, our Group is participating in domestic industry frameworks such as the "White Logistics" promotion campaign\* led by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries, and on an international level, we have expressed our support by joining the United Nations Global Compact.

\* Please refer to "🔴 White Logistics (page 23)" under the section "Creating a Comfortable and Rewarding Work Environment" for more details.

#### ■ Implementation of Risk Assessment for Health, Safety, and Labor Issues in New Business Areas

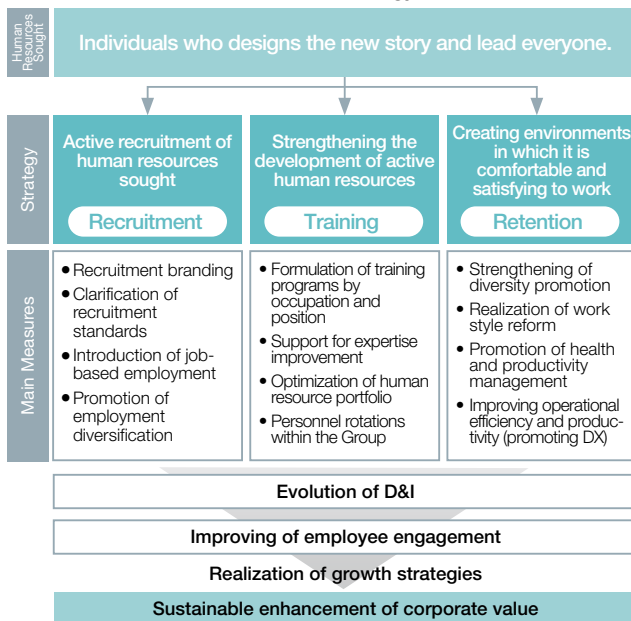
As part of our due diligence process in new business areas, we conduct risk assessments related to employee health, safety, and labor issues for investment projects, considering their significance.

# Human Resources Management

## Approach

The MITSUI-SOKO Group aims to grow while evolving itself and wishes to be a presence that supports the realization of a prosperous and sustainable society. The driving force behind this endeavor is our talent, which serves as the wellspring of value creation. Each of the Group's diverse employees recognizes his or her own strengths and roles in supporting the growth of the organization and the company. Creating an environment where each employee can continue to work vibrantly with pride and responsibility, fostering a corporate culture, and constructing an environment where both the company and the individuals continue to thrive are the steps we will take to achieve this goal.

### Overview of Human Resources Strategy

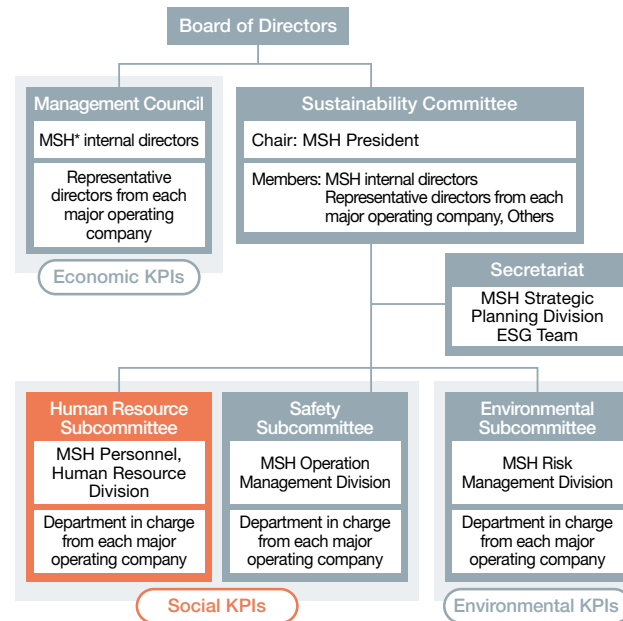


\* Please refer to the following link for details on profile of human resources sought (Japanese Version Only): <https://www.mitsui-soko.com/news/20230424>

## Governance

In our Group, we respect the autonomy of each business while striving to enhance human capital across the entire Group, in line with

each individual company's personnel strategies. Under the Sustainability Committee, we have established a cross-group organization of the Human Resource Subcommittee with the MITSUI-SOKO HOLDINGS Personnel Management Executive Officer as its head. This committee is responsible for formulating and implementing measures to improve employee engagement, as well as initiatives aimed at achieving various key performance indicators (KPIs) related to employee job satisfaction, well-being, and effective management.



\* MSH: MITSUI-SOKO HOLDINGS

\* Initiatives: Diversity & Inclusion, Employee Engagement, Health and Productivity Management, Work Environment, etc.

## Strategy

As a significant focal point within our mid-term talent strategy, we have identified the following key themes: Recruitment: Proactive recruitment of desired talents Development: Strengthening the growth of high-performing individuals, Retention: Establishing a conducive and rewarding work environment.

Recruitment involves clearly defining the required qualifications for talents within our Group and hiring individuals who resonate with our corporate values, our intended direction, and the desired image. We also actively pursue job-type employment by clarifying roles for each job level and function, aiming to recruit highly specialized talents.

In development we define key performers in core businesses and nurtures talents that thrive in various fields through tailored development programs. Moreover, we implement cross-functional and planned personnel rotations across the Group to broaden experiences, skills, and knowledge, enhancing individual capabilities and strengthening organizational effectiveness.

Regarding retention, we established an environment where all employees are motivated and contribute to the organization using their strengths. We cultivate a corporate culture that welcomes diverse talents, flexible work arrangements that aren't bound by time constraints, and a fair evaluation system that matches outcomes. Embracing diversity, we proactively build an organization where everyone can work comfortably and find purpose in their work.

## Indicators and Goals

Item*	Goal	Target Date
Ratio of female among new graduate hires	50%	—
Average education and training costs per person	40,000 yen	2024/3
Ratio of female managerial representation	15%	2026/3
Ratio of female employee	40%	2026/3
Attrition rate of new graduates within 3 years	5% or less	2024/3
Overall employee turnover rate	3% or less	2024/3
Employee engagement	Improvement from previous fiscal year	—
Number of occupational accidents	0	—
Ratio of paid leave taken	70%	2026/3
Absentee rate	Improvement from previous fiscal year	—
Health checkup take-up rate	100%	2026/3
Ratio of employees Men taking childcare leave	30%	2026/3

\* Scope: MITSUI-SOKO HOLDINGS and logistics business companies

## Human Resources Management

### Initiatives & Performance

#### Employee Engagement

In a corporate group where diverse individuals come together, it is important to create an environment that simultaneously enhances the sense of fulfillment for each employee and the growth of the Company in order to sustainably improve corporate value. By promoting mutual understanding between employees and the company and working together to achieve the enhancement of corporate value, we conduct an employee engagement survey. Visualizing engagement creates a positive cycle that leads to mutual growth of employees and the Group companies by identifying challenges and considering appropriate action plans.

#### Active Recruitment of Human Resources Sought

In April 2023, the MITSUI-SOKO Group established the “Profile of Human Resources Sought” as the fundamental policy for recruiting and nurturing talents who will shape the future of the Group. Based on this policy, we are hiring individuals who resonate with our corporate values, our intended direction, and the desired image. For instance, we are hiring and fostering professionals with high expertise to provide optimal logistics solutions to our customers. We are also actively engaged in hiring and developing specialists, such as pharmacists for healthcare logistics, a focal area for our Group, and introducing an IT specialist system (job-based employment) to drive our DX strategy, promoting the recruitment and growth of DX specialists.

## Strengthening the Development of Active Human Resources

### Approach

To ensure the sustainable enhancement of our Group’s corporate value, it is crucial to simultaneously nurture the abilities of each individual employee and strengthen the collective power of the Group. By

implementing strategies that enhance the capabilities of individuals and reinforce the overall strength of the Group, we are establishing a corporate structure that enables the creation of new value.

### Initiatives & Performance

#### Strengthening Individual Abilities

We are engaged in human resource development that strengthens individual abilities by positioning capability development and increasing the motivation of each and every employee as the driving force of value creation.

#### ■ Enhancement of Training System

Each Group company implements training tailored to career stages, such as leadership and team building, so that employees and the Company can grow together while pursuing duties and roles defined by rank. Targeted at young employees, the Group has also put in place an overseas deployment system covering, for example, the United States, China, and Southeast Asia. By having participants engage in tasks with local staff, we are developing global human resources who can learn unique overseas business practices and customs as well as work on problem solving from multiple perspectives.

#### ■ Utilization of Internal Job Posting System

MITSUI-SOKO HOLDINGS has introduced an internal job posting system so that employees can take on the challenges of new careers of their own volition. Enabling employees to carve out autonomous careers is leading improvements in motivation and realizing organizational revitalization.

#### Enhancing the Group’s Comprehensive Strengths

#### ■ Cross-Group Human Resource Assignments

Actively conducting human resource interaction between companies, as a comprehensive logistics company, the Group is cultivating human resources who can perceive things from multiple perspectives and propose a wide range of solutions.

#### ■ Holding Group Contests

We hold an annual contest in the Group to recognize outstanding

cases of business. We establish divisions for Sales Solution and Operations Improvement and are deploying them on a global basis. Recently, there has been an increase in efforts related to Group integration solution services and sustainability. By recognizing and disseminating these good practices of our Group, we share knowledge throughout the Group and create an environment in which we can provide high value-added services from an employee-driven perspective.

#### ■ Group Seminars

We hold Group Seminars where employees serve and give lectures. With the objectives of information sharing, knowledge improvement, personnel exchange, and enhancement of a sense of unity, these seminars introduce the operations of each Group company and provide lectures for the horizontal sharing of logistics expertise. The corporate department also holds lectures on accounting, legal knowledge, and other topics, serving as a venue for acquiring the knowledge necessary for business.

#### Related Data

#### Number of Training Hours and Cost for Developing Human Resources

	Annual Training Hours	Average Annual Training Hours per Person	Average Annual Training Costs per Person
2023/3 (Total)	17,291 hours	9.2 hours	33,461 yen
By level	11,925 hours	–	–
Selective/Optional	2,935 hours	–	–
For target employees/Others	2,432 hours	–	–

\* The figures are based on the training implemented at MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions, and MITSUI-SOKO TRANSPORT.

#### Training Menu

- By level: New employee training, OJT trainer training, new section manager training etc.
- Selective/Optional: Next-generation leader development training/ Next Generation Manager Development Training etc.
- For target employees: Career design training (for middle to senior level) etc.

# Diversity & Inclusion

## Policy

Based on our Diversity & Inclusion Policy, the Group believes that enhancing diversity not only leads to job satisfaction for employees but also serves as a source of competitiveness to address the diverse needs of our customers.

### MITSUI-SOKO Group Diversity & Inclusion (D&I) Policy

MITSUI-SOKO Group will respect diversity and create systems and environments where diverse talent can flourish regardless of personal attributes or values such as gender identity, age, nationality, physical or mental ability and needs, ideology, faith, culture, career, lifestyle or working style, based on the idea that “creating safe, diverse and rewarding work environments for workers” also creates value for the Group.

1. We will create a corporate culture and working environments where each employee’s personal attributes and values are accepted and seen as a strength.
2. We will create systems and opportunities for career development so that each employee can work with motivation and ambition regardless of his/her personal attributes and values.

June 24, 2021  
MITSUI-SOKO HOLDINGS Co., Ltd.

## Initiatives & Performance

### Active Participation of Women

The participation of diverse personnel in the decision-making process is essential for the promotion of diversity. With a particular focus on increasing the percentage of women in management positions, we work as a whole Group to promote the creation of a workplace where diverse human resources can fully demonstrate their abilities. At each Group company, diversity management

training, leadership training for female employees, and a system for male employees to take childcare leave are among the initiatives being implemented.

employment by offering internships to the younger generation and extending the retirement age for senior employees.

### Related Data

	2019/3	2020/3	2021/3	2022/3	2023/3
Ratio of female managers	7.81%	7.65%	7.77%	8.55%	9.26%
Ratio of new graduate female hiring	62.79%	48.39%	54.00%	53.06%	61.54%
Ratio of women taking childcare leave	100.00%	100.00%	100.00%	96.77%	100.00%

\* The scope of related data is MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions and MITSUI-SOKO TRANSPORT.

### Reference

Click here for information on MITSUI-SOKO Group’s efforts to Active Participation of Women.

 **Active Participation of Women | MITSUI-SOKO HOLDINGS Co., Ltd., MITSUI-SOKO Co., Ltd., MITSUI-SOKO TRANSPORT Co., Ltd.**

<https://www.mitsui-soko.com/en/company/overview/women/>

 **Active Participation of Women | MITSUI-SOKO EXPRESS Co., Ltd.**

<https://www.mitsui-soko.com/en/company/group/mse/profile/plan/>

 **Active Participation of Women | MITSUI-SOKO Supply Chain Solutions, Inc.** (Japanese version only)

[https://www.mitsui-soko.com/company/group/mssc/womens\\_careers/](https://www.mitsui-soko.com/company/group/mssc/womens_careers/)

### Promotion of Diverse Human Resources

We are committed to creating a workplace that values diversity, irrespective of gender, nationality, disability status, or age. This commitment is demonstrated through various initiatives, such as hiring talented individuals from around the world and individuals with disabilities, accepting foreign technical trainees, and promoting national staff to leadership positions in our overseas subsidiaries. Moreover, we provide support for young people’s

## Human Resources Management/Diversity & Inclusion

### Related Data

	2019/3	2020/3	2021/3	2022/3	2023/3
Number of employees (Men, Women/ temporary workers included)	1,825 persons	1,823 persons	1,893 persons	1,842 persons	1,875 persons
Male employees	1,252 persons	1,237 persons	1,281 persons	1,203 persons	1,203 persons
Female employees	573 persons	586 persons	612 persons	639 persons	672 persons
Ratio of female managers	7.81%	7.65%	7.77%	8.55%	9.26%
New graduate turnover rate within 3 years	–	–	–	–	7.27%
Overall employee turnover rate	–	–	–	–	3.76%
Total number of new graduate hires (Men/Women)	43 persons	62 persons	50 persons	49 persons	52 persons
Male:	16 persons	32 persons	23 persons	23 persons	20 persons
Female:	27 persons	30 persons	27 persons	26 persons	32 persons
Ratio of female new graduate hires	62.79%	48.39%	54.00%	53.06%	61.54%
Total number of mid-career hires (Men/Women):	–	–	–	–	71 persons
Male:	–	–	–	–	45 persons
Female:	–	–	–	–	26 persons
Employment rate for persons with disabilities:	1.72%	1.96%	2.19%	1.83%	2.43%
Number of reemployment program participants:	–	–	–	–	79 persons
Ratio of employees taking childcare leave (Men):	1.89%	6.12%	13.89%	51.28%	93.33%
Ratio of employees taking childcare leave (Women):	100.00%	100.00%	100.00%	96.77%	100.00%
Ratio of employees returning to work after taking childcare leave:	92.86%	96.67%	100.00%	97.56%	100.00%
Number of employees on parental short-time work	–	–	–	–	82 persons
Number of nursing care leave takers/ reemployment rate	–	–	–	–	0 persons/–
Employee engagement	–	–	–	–	65

\* The scope of related data is MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions and MITSUI-SOKO TRANSPORT.

## Creating a Comfortable and Rewarding Work Environment

### Approach

The Group is promoting the physical and mental health of its employees and advancing the creation of work environments that match their values and lifestyles, so that employees can demonstrate their abilities to the maximum extent.

### Initiatives & Performance

#### Work-Life Management

We promote the use of childcare leave and nursing care leave for both men and women, so that they can maximize their performance even when their life stage changes. Additionally, we have implemented programs such as the “Comeback System” for employees who had to resign for unavoidable reasons and the “Pair Transfer Program”<sup>\*</sup> and other initiatives to support the balance between work and personal life.

<sup>\*</sup> A system designed to support employees who, due to various reasons such as marriage or their spouse’s relocation, find it challenging to continue working in their current location, ensuring that their career progression remains uninterrupted by facilitating transfers to their preferred region (change in workplace location).

#### Promotion of Workstyle Reform

Based on the belief that allowing every employee to fulfill their work-life balance and enabling them to work in a positive and energetic manner will lead to improvement of working productivity, we are promoting work styles tailored to individual values and lifestyles. The creation of what are said to be comfortable working environments necessitates the promotion of both the so-called soft aspects by improving the systems and the hard aspects by improving the comfort of working in the office. As individual initiatives of each Group company, we have introduced a system that enables various work styles, such as the introduction of a flextime system, remote work, and staggered working hours. In addition to renovating aging offices, we are also improving the office environment by abolishing fixed seating at the head office building and other business sites and promoting activity-based working (ABW)<sup>\*</sup>, in which employees can freely choose, for example, their locations and desks.

## Creating a Comfortable and Rewarding Work Environment

In this way, by creating a work environment that is conducive to diverse employees, we are implementing measures to reduce long working hours. Additionally, we are promoting the utilization of annual paid leave.

\* ABW: Abbreviation for Activity Based Working. A way of working in which you choose where you work, your desk, and other office equipment according to the nature of your work.

### Promotion of Health and Productivity Management

In our Group, we consider the promotion of physical and mental health among our Group employees as crucial for the foundation of growth. We are actively advancing the establishment of a framework for health and productivity management across the entire Group. For physical health, we encourage employees to undergo health check-ups and conduct e-learning programs aimed at improving health literacy. Additionally, we implement environmental measurements within our warehouses and take measures to prevent infectious diseases and heatstroke by utilizing tools such as cooling bands and air-conditioned clothing. Regarding mental health, we conduct stress assessments and have established a counseling service for mental health care provided by third-party organizations. We have created a system where employees can comfortably seek assistance and guidance, ensuring their peace of mind.

### Declaration of Health and Productivity Management

We, the MITSUI-SOKO Group, believe that our mission is to guide our customers and communities towards enduring happiness through our PURPOSE: Empower society, encourage progress.

In order to contribute to the creation of a spiritually enriching and sustainable society, it is essential for each employee to demonstrate their full potential.

For the well-being of individuals, companies, and communities, we will actively support the health of our employees and their families so that all employees can work with vitality.

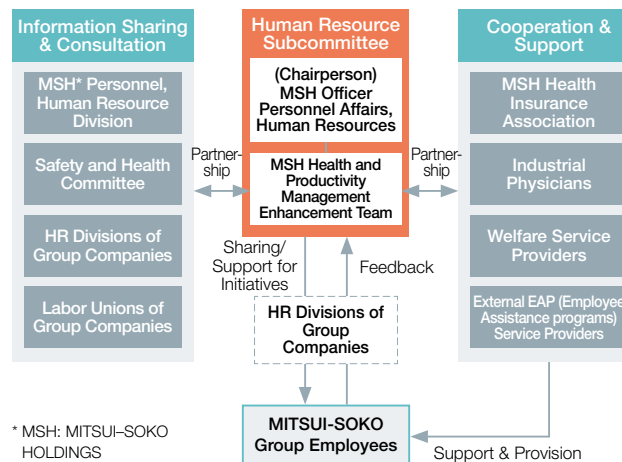
### ■ Infection Control Measures

We have many locations globally and implement measures to protect our employees from global health issues, such as tuberculosis, malaria, and HIV/AIDS. We inform expatriates posted overseas and their accompanying family members, and overseas trainees to receive vaccinations recommended by government quarantine offices for each destination before traveling, provide medical consultation services, including hospital referrals, and ensure clean and safe housing in the destination country, thereby supporting their healthy and safe life there.

In addition, we also offer the following preventive/vaccination services.

- Influenza vaccinations
- Vaccination against the new coronavirus

### Health and Productivity Management Framework



\* MSH: MITSUI-SOKO HOLDINGS

For more information on health and productivity management, please click [here](#).

[https://www.mitsui-soko.com/en/sustainability/social/human\\_capital/#anchor06](https://www.mitsui-soko.com/en/sustainability/social/human_capital/#anchor06)

### White Logistics

MITSUI-SOKO HOLDINGS Co., Ltd. and the Group companies submitted the Declaration of Voluntary Action in support of the White Logistics\* promotion movement advocated by the Ministry of Land, Infrastructure, Transport and Tourism and other governmental offices in 2019. The Group will continue to contribute to the securing and development of sustainable and stable logistics services by engaging in the White Logistics promotion movement.

\* "White Logistics" Promotion Movement

The "White Logistics" promotion movement is an initiative advocated by the Ministry of Land, Infrastructure, Transport and Tourism, and all stakeholders involved in logistics collaborate to propose mutual improvements and work together to achieve them. This movement aims to reduce the workload of those involved in logistics, including drivers, reduce environmental impact, and enhance logistics efficiency and productivity.

### ■ "White Logistics" Movement Declaration of Voluntary Action

(Japanese version only)

[https://www.mitsui-soko.com/-/media/pdf/white\\_logistics/msh/msh.pdf](https://www.mitsui-soko.com/-/media/pdf/white_logistics/msh/msh.pdf)

### Related Data

	2019/3	2020/3	2021/3	2022/3	2023/3
Ratio of employee overtime work	17.41%	16.99%	16.35%	18.31%	17.36%
Ratio of paid leave taken	50.99%	59.50%	52.67%	52.21%	60.83%
Health check-up take-up rate	90.92%	90.84%	92.20%	96.20%	99.44%
Stress check-up rate	-	-	-	-	89.74%

\* The scope of related data is MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions and MITSUI-SOKO TRANSPORT.



# Occupational Safety and Health

## Approach

Based on the concept that logistics quality based on safety and security is one of the sources of our corporate value, the Group strives to create a workplace environment where accidents do not occur.

## Policy

### MITSUI-SOKO Group Occupational Health and Safety Policy

MITSUI-SOKO Group recognizes that ensuring the health and safety of employees, business partners and other stakeholders is of great importance in our business activities, and promotes the creation of safe and healthy working environments.

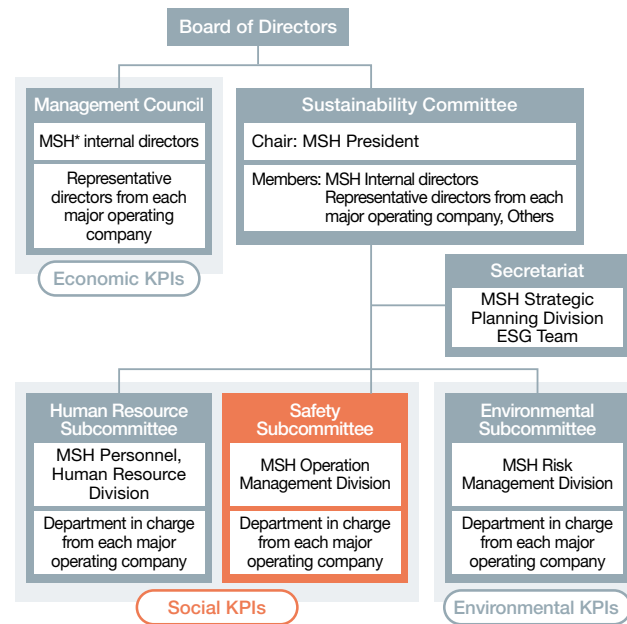
1. We promote the creation of working environments that ensure health and safety, striving for two-way communication with employees, business partners and other stakeholders.
2. We comply with laws and regulations on occupational health and safety.
3. We set targets to enhance our health and safety initiatives and promote health and safety management, accident prevention and recurrence prevention to achieve them. This includes the following:
  - Identifying health and safety risks by investigating and analyzing near misses, and implementing measures to reduce them
  - Raising awareness of health and safety through education and training
  - Promoting continuous improvement

June 24, 2021  
MITSUI-SOKO HOLDINGS Co., Ltd.

## Governance

Based on the Group Occupational Health and Safety Policy, the entire Group promotes to build a logistics system based on safety and security. Under the umbrella of the Sustainability Committee, we have established a cross-group organization of the Safety Subcommittee

responsible for safety across the Group, with The MITSUI-SOKO HOLDINGS Operation Management Officer overseeing it. This committee is tasked with planning, devising, and implementing initiatives aimed at reducing personal accidents and ensuring employee safety.



\* MSH: MITSUI-SOKO HOLDINGS

## Indicators and Goals

Toward our materiality, "Realization of Safe, Diverse and Rewarding Work Environments" we aim to achieve zero occupational accidents and improve the absenteeism rate to the previous year's level.

## Initiatives & Performance

### Safety Promotion Initiatives

Based on the safety activities of each Group company, the Safety Subcommittee shares the progress of activities toward the goal of zero occupational accidents, ascertains issues, and promotes

important measures common to the Group. The Safety Subcommittee works to elevate Group-wide safety activities through the sharing of case studies related to accident prevention activities, near-miss incidents, response to accidents, and improvement efforts in each business, based on the Group's common standards regarding occupational accidents. Additionally, seminars on safe operations are conducted by each Group company at their respective locations to promote improvements in safety activities and operational quality. In the various transportation companies within the Group, we hold regular meetings to address vehicle accident prevention collectively, transcending the boundaries of individual companies. We are also driving activities such as establishing unified standards for safe operations.

Furthermore, we conduct an annual "Business Improvement Contest" throughout the entire Group. By commending outstanding examples within the Group and disseminating this information, we are establishing a corporate structure where the entire Group continues to evolve.

### Related Data

	2019/3	2020/3	2021/3	2022/3	2023/3
Number of occupational accidents	1 case	1 case	4 cases	1 case	3 cases
Lost time injury frequency rate	0.00	0.00	0.82	0.00	0.81
Occupational accident severity rate	0.00	0.00	0.01	0.00	0.00
Lost time injury frequency rate Industry (Transportation and Postal Services)	3.42	3.50	3.31	3.31	4.06
Occupational accident severity rate Industry (Transportation and Postal Services)	0.12	0.14	0.13	0.22	0.21
Absentee rate	0.29%	0.38%	0.37%	0.13%	0.17%

\* The scope of related data is MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions and MITSUI-SOKO TRANSPORT.

# Sustainable Supply Chain

## Approach

MITSUI-SOKO Group believes that achieving a truly valuable and sustainable society through its business activities requires concerted efforts across the entire supply chain. We endeavor to ensure that our suppliers and business partners understand and collaborate in line with the fundamental principles of responsible procurement. With the goal of realizing a sustainable society, we are committed to working toward fulfilling social responsibilities across the entirety of our supply chain.

## Policy

### MITSUI-SOKO Group Policy on Sustainable and Responsible Procurement

MITSUI-SOKO Group aims to fulfill its corporate social responsibility and engage in sustainable growth together with regional communities. To that end, we work on promoting highly transparent corporate management that is committed to compliance and operating our business in a fair and lawful manner, along with pursuing economy and efficiency. To procure responsibly, we also consider societal issues within our own Group procurement practices and strive to reduce environmental impacts and address labor issues within the supply chain.

#### 1. Legal Compliance

- We will comply with laws and social standards.

#### 2. Fair Trade

- We will provide our business partners in and outside Japan with opportunities for fair trade and build relationships of mutual trust and cooperation through honest and fair selection and trading.
- We will prevent corruption, prohibit inappropriate provision of benefits, cut off relations with anti-social forces, and comply with antitrust and subcontracting laws.

#### 3. Quality Management

- We will seek optimal quality, appropriate cost and safety in products and services.
- We will place customers first and handle requests related to our products and services sincerely.

#### 4. Environmental Conservation

- We will actively work to minimize environmental impacts through actions such as promoting energy conservation and increasing the use of renewable energy to lower greenhouse gas emissions and reducing waste.
- We will work to minimize waste by actively promoting waste reduction and material reuse and recycling, and comply with laws and regulations on waste disposal.
- We will work to use water efficiently, process wastewater appropriately, manage hazardous substances appropriately and prevent leakages, and engage in biodiversity conservation.

#### 5. Respect for Human Rights and Labor Practices

- We will comply with all laws and regulations on labor practices.
- We will prohibit inhuman and unjust treatment of workers, including all types of discrimination, harassment and abuse.
- We will prohibit child labor, forced labor, unfair reduction of wages and unreasonably long working hours.
- We will respect workers' freedom of association and right to collective bargaining.

#### 6. Health and Safety

- We will comply with all laws and regulations on occupational safety and health.
- We will work to ensure the safety and health of workers, and to provide and maintain appropriate working environments.

#### 7. Information Management

- We will appropriately protect and manage confidential information and personal data acquired in the course of business activities.

We will disseminate this policy internally and externally and will implement it around the Group as well as ask and encourage our business partners (suppliers, including sub-contractors) to understand and implement the policy.

November 22, 2021  
MITSUI-SOKO HOLDINGS Co., Ltd.

## Initiatives & Performance

We conduct briefing sessions on risk management checklists related to overall operational management, including local procurement, for all department heads of our overseas subsidiaries (including national staff). Additionally, we provide guidance on key considerations for procurement. Moreover, we offer training opportunities to overseas assignees and trainees to ensure proper conduct in areas such as internal environmental risks associated with procurement irregularities, labor management during hiring, and other relevant topics, before their assignments.

Number of Management Checklist Briefing Sessions	14 sessions
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# Engagement with the Local Community

## Approach

To build good relationships with local communities, the Group operates constructive businesses as a trusted company, and aims to create a society in which diverse people can co-exist in harmony.

## Initiatives & Performance

### Community Investment

As part of its social contribution activities, MITSUI-SOKO HOLDINGS donates to various fields, including arts, medicine, and research. The social contribution expenses for the year ended March 31, 2023 were 16 million yen.

\* This amount does not include fundraising and volunteer activities made by employees on a personal basis, as well as political contributions.

### Interaction with Local Communities

MITSUI-SOKO Group actively engages with the local community through activities such as cleaning around our offices and logistics centers, participating in local events. The Group also provides lectures at universities, which aim to foster understanding of the logistics industry among the younger generation. We value our interactions with various aspects of the local community and incorporate them into our daily operations.



Community cleanup




Lectures at universities

### Free Provision of MS CO<sub>2</sub> Navigator for Logistics CO<sub>2</sub> Calculation

As part of our efforts toward a decarbonized society, we offer the MS CO<sub>2</sub> Navigator on our corporate website as a tool that allows customers to easily calculate CO<sub>2</sub> emissions per unit of 1 transportation for free. By simply entering three pieces of information regarding transportation (weight, mode of transportation, and origin/destination), customers can immediately determine the amount of CO<sub>2</sub> emissions and compare the results of calculations for each transportation mode. This tool handles not only domestic but also international transportation.

 **Try MS CO<sub>2</sub> Navigator for free** (Japanese version only)  
[https://www.mitsui-soko.com/sustainalink/emissions\\_calculator/](https://www.mitsui-soko.com/sustainalink/emissions_calculator/)

\* If you want more information on calculating CO<sub>2</sub> emissions using large amounts of transportation data or find solutions to reduce CO<sub>2</sub> emissions, please click here (Japanese version only).

 <https://www.mitsui-soko.com/sustainalink/>

# Corporate Governance

## Approach

Under the Purpose of “Empower society, encourage progress,” MITSUI-SOKO Group is committed to achieving sustainable growth and enhancing medium- to long-term corporate value. With a strong emphasis on Group governance as the foundation of our management, we are advancing the establishment of structures and various initiatives.

For fundamental principles and detailed information regarding Corporate Governance, please refer to the “Corporate Governance Guidelines” and the “Corporate Governance Report.”

### Corporate Governance

[https://www.mitsui-soko.com/en/sustainability/governance/corporate\\_governance](https://www.mitsui-soko.com/en/sustainability/governance/corporate_governance)

## Framework

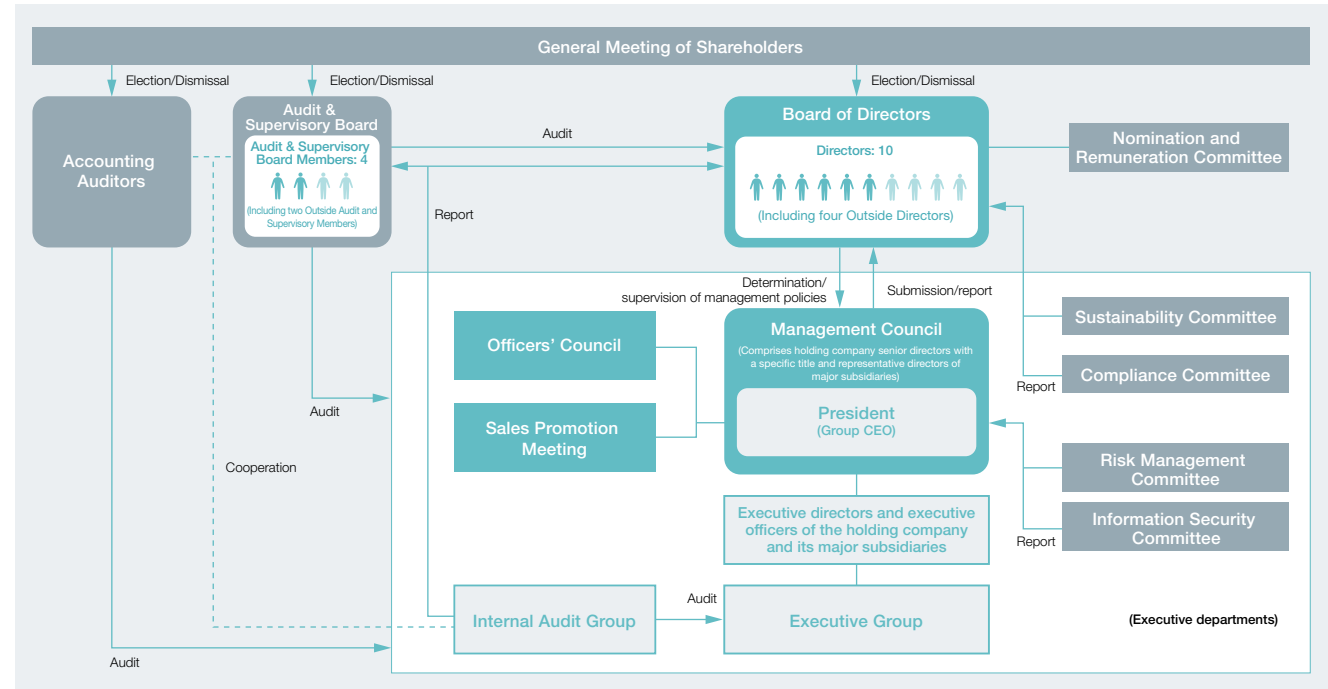
### Corporate Governance System

MITSUI-SOKO HOLDINGS has established a policy regarding Group governance to properly oversee the management and control of each subsidiary within the Group as a holding company. By clearly defining the responsibilities and authorities that each company within our Group should undertake, we strive to strengthen the Group governance system and aim for sustainable enhancement of our corporate value in the medium and long term. We have also taken steps to enhance corporate governance by implementing various committees and an executive officer system, which separates management oversight from business execution, and by clarifying the authority and responsibilities of directors and executive officers. Within the Board of Directors, we are committed to improving its functions, including promoting diversity that encompasses gender and skills.

In terms of internal controls, we have established a fundamental policy for internal controls and foster collaboration between the Audit & Supervisory Board Members and departments responsible for internal auditing and internal controls to maintain an appropriate internal control system.

For more details, please refer to the right.

Corporate Governance System (as of July 1, 2023)



\* For details, please refer to [page 69 of the Value Report 2023](https://www.mitsui-soko.com/en/ir/library/integrated_report/). [https://www.mitsui-soko.com/en/ir/library/integrated\\_report/](https://www.mitsui-soko.com/en/ir/library/integrated_report/)

## Organizational Structure

	2019/3	2020/3	2021/3	2022/3	2023/3
Organizational Structure	Companies with Auditors	Companies with Auditors	Companies with Auditors	Companies with Auditors	Companies with Auditors
Directors	10 persons	8 persons	9 persons	9 persons	9 persons
Among them, Outside Directors	2 persons	2 persons	3 persons	3 persons	3 persons
Among them, Independent Directors	2 persons	2 persons	3 persons	3 persons	3 persons
Among them, Female Directors	0 persons	0 persons	1 person	1 person	1 person
Director's Term	1 year	1 year	1 year	1 year	1 year

	2019/3	2020/3	2021/3	2022/3	2023/3
Chair of the Board of Directors	Chairman	Chairman	Chairman	Chairman	President
Auditors	5 persons	5 persons	4 persons	4 persons	4 persons
Among them, Outside Audit & Supervisory Board Members	3 persons	3 persons	2 persons	2 persons	2 persons
Among them, Independent Directors	3 persons	3 persons	2 persons	2 persons	2 persons
Among them, Female Auditors	1 person	1 person	0 persons	0 persons	0 persons
Audit & Supervisory Board Member's Term	4 years	4 years	4 years	4 years	4 years

## Corporate Governance

### Status of Each Organizational Meeting

	2019/3	2020/3	2021/3	2022/3	2023/3
Board of Directors	17 times	16 times	17 times	16 times	16 times
Attendance Rate of Outside Directors at Board of Directors	100%	100%	100%	100%	100%
Audit & Supervisory Board	16 times	16 times	16 times	16 times	16 times
Attendance Rate of Standing Audit & Supervisory Board Members at Audit & Supervisory Board	100%	100%	100%	100%	100%
Attendance Rate of Outside Audit & Supervisory Board Members at Audit & Supervisory Board	96%	98%	95%	100%	100%
Nomination and Remuneration Committee	2 times	2 times	2 times	2 times	3 times
Management Council	29 times	24 times	24 times	25 times	26 times
Sustainability Committee	-	-	-	1 time	2 times
Compliance Committee	4 times	4 times	4 times	4 times	4 times
Risk Management Committee	4 times	4 times	4 times	4 times	4 times
Information Security Committee	1 time	2 times	4 times	4 times	4 times

### Structure of the Audit & Supervisory Board

Position	Name	Attendance (2023/3)
Senior Standing Audit & Supervisory Board Member	Yukio Ishida	16/16
Standing Audit & Supervisory Board Member	Norio Miyashita	16/16
Outside Audit & Supervisory Board Member	Osamu Sudoh	16/16
Outside Audit & Supervisory Board Member	Motohide Ozawa	16/16

### Structure of the Nomination and Remuneration Committee

Position	Name	Attendance (2023/3)
Representative Director, President and Group CEO	Hirobumi Koga	3/3
Outside Director	Taizaburo Nakano	3/3
Outside Director	Takashi Hirai	3/3
Outside Director	Maoko Kikuchi	3/3

### Structure of the Board of Directors

Position	Name	Attendance (2023/3)
Representative Director, President and Group CEO	Hirobumi Koga	16/16
Representative Director, Senior Managing Director	Nobuo Nakayama	16/16
Executive Managing Director	Hiroshi Kino	16/16
Executive Managing Director	Takeshi Gohara	16/16
Director, Senior Executive Officer	Yuji Itoi	13/13
Director, Senior Executive Officer	Tomoaki Kiriyama	13/13
Outside Director	Taizaburo Nakano	16/16
Outside Director	Takashi Hirai	16/16
Outside Director	Maoko Kikuchi	16/16

### Skill Matrix

Position	Name	Corporate Management	Sales/ Marketing	Global Business	DX/IT	Operation	ESG	Financial Accounting/ Finance	Human Resource Development/ Personnel	Legal/ Risk Management
Representative Director, President and Group CEO, Chairman of the Board of Directors	Hirobumi Koga	○	○	○			○	○	○	○
Representative Director, Senior Managing Director, Responsible for Finance Headquarters	Nobuo Nakayama	○		○			○	○		○
Executive Managing Director, Responsible for Personnel, HR, Real Estate Division	Hiroshi Kino	○			○	○			○	
Executive Managing Director, Responsible for Compliance, Legal and General Affairs, Risk Management	Takeshi Gohara	○	○			○				○
Director, Senior Executive Officer, Responsible for Information Systems	Yuji Itoi				○					
Director, Senior Executive Officer, Responsible for Strategic Sales, Development Administration	Tomoaki Kiriyama		○			○				
Outside Director	Taizaburo Nakano	○	○	○						
Outside Director	Takashi Hirai		○	○	○					
Outside Director	Maoko Kikuchi			○			○			○
Outside Director (newly appointed)	Takashi Tsukioka	○					○		○	

\* The above list is not an exhaustive representation of all the knowledge and experience possessed by the directors.

### Executive Remuneration

	2019/3	2020/3	2021/3	2022/3	2023/3
Director Remuneration (excluding outside directors) (Million yen)	10 persons	9 persons	6 persons	7 persons	8 persons
	248	278	263	307	356
Auditor Remuneration (excluding outside audit & supervisory board members) (Million yen)	2 persons	2 persons	2 persons	3 persons	2 persons
	54	55	57	60	63
Outside Officers (Million yen)	6 persons	6 persons	5 persons	5 persons	5 persons
	54	56	46	45	47

\* The number of applicable officers is the cumulative total.

# Compliance

## Approach

MITSUI-SOKO Group promotes transparent management with a strong commitment to compliance. We strive for economic and operational efficiency while ensuring fair and legal business practices. We fulfill our corporate social responsibility by adhering to a strict compliance framework, establishing Corporate Code of Ethics, and actively promoting initiatives to prevent corruption and ensure fair transactions in compliance with laws and regulations. The Corporate Ethics Framework is available in both Japanese and English and is shared with directors, employees, and all relevant stakeholders.

\* For more information on our Corporate Ethics Framework, please refer to [the following link](https://www.mitsui-soko.com/en/sustainability/governance/compliance/): <https://www.mitsui-soko.com/en/sustainability/governance/compliance/>

## Framework

In order to practice a high level of transparency in our management, our Company has established a Compliance Committee with the aim of strengthening various compliance systems, including legal compliance. The committee meets quarterly and reports its findings to the Board of Directors. Within the Compliance Committee, we address compliance violations that may impact our business, discuss response measures in case of other issues, establish Corporate Code of Ethics, and work toward building a robust compliance framework to prevent any potential violations.

Furthermore, we hold a monthly “Compliance and Risk Management Liaison Meeting” with the attendance of compliance and risk management personnel from our operating companies. Through this meeting, we strive to maintain and improve our Group’s compliance framework by thoroughly implementing Group policies and addressing any challenges that may arise.

### Compliance Promotion Framework Chart



\* MSH: MITSUI-SOKO HOLDINGS

## Initiatives & Performance

### Corruption Prevention

Our Group has established a Corporate Code of Ethics and related guidelines that officers and employees, including directors, must adhere to. The Board of Directors oversees the implementation of these guidelines. They prohibit all forms of corruption and fraudulent activities, including bribery, personal benefits, illegal political contributions, money laundering, embezzlement, and others, in our relationships with business partners, including agents.

In the event of any violation of these standards, we will conduct a thorough investigation to identify the root causes and take measures to prevent recurrence. We are committed to promptly and accurately disclosing information to the public and fulfilling our accountability. We will enforce strict disciplinary actions while clearly defining authority and responsibility.

Furthermore, we strive to enhance training for our employees and establish an internal reporting system to effectively prevent and address corruption.

### Regulation of Donations and Political Contributions

When making donations and contributions\*, we adhere to the relevant laws and regulations, such as the Political Funds Control Act and the Public Offices Election Act, as well as internal rules, and take appropriate measures.

\* The total amount of political contributions for the fiscal year ending in March 2023 was 0.5 million yen. The details are published in the Political Funds Income and Expenditure Report on the Ministry of Internal Affairs and Communications website.

### Internal Reporting System (Group Compliance Hotline)

MITSUI-SOKO Group has established “Rules for the Handling of Internal Reporting” to prevent and detect early violations of laws, corruption, fraudulent activities, harassment, and other misconduct. Additionally, the Group has implemented a “Group Compliance Hotline” to aid employees and others in reporting harassment and other misconduct promptly. The domestic hotline is outsourced to a third-party organization, guaranteeing the anonymity of whistleblowers. Moreover, the hotline is accessible in Japanese, English, and Chinese

via phone or online platforms, expanding the reporting system and mitigating potential risks associated with misconduct.

### Compliance Awareness Survey

Every year, we conduct a compliance awareness survey that targets all employees within the Group, and we share the survey results with the Group members. Based on the analysis of these results, we then discuss and evaluate the appropriate policies and training content for the following year within the Compliance Committee. Finally, we report these findings to the Board of Directors.

### Compliance Training

We conduct annual compliance training for all employees within our domestic Group, with the aim of raising awareness of our anti-corruption policy and deepening their understanding of compliance. The training sessions are interactive and include various case studies and examples to facilitate comprehension.

Furthermore, at MITSUI-SOKO HOLDINGS, we have made completion of harassment-related correspondence education a requirement for promotion to managerial positions. We take proactive measures to prevent harassment at all levels in our organization.

Number of compliance training participants (2023/3)	4,126 persons
Compliance training completion rate (2023/3)	80%*

\* Employees of the holding company and domestic consolidated subsidiaries are eligible.

### Related Data

Number of internal reports (2023/3)	35 cases
Among them, harassment-related	4 cases
Among them, child labor and forced labor	0 cases
Others	31 cases
Number of employees disciplined or terminated for non-compliance with anti-corruption policies (2023/3)	0 cases

\* The scope of related data is MITSUI-SOKO HOLDINGS, MITSUI-SOKO, MITSUI-SOKO EXPRESS, MITSUI-SOKO LOGISTICS, MITSUI-SOKO Supply Chain Solutions and MITSUI-SOKO TRANSPORT. The number of internal reports includes domestic consolidated subsidiaries in addition to these companies.

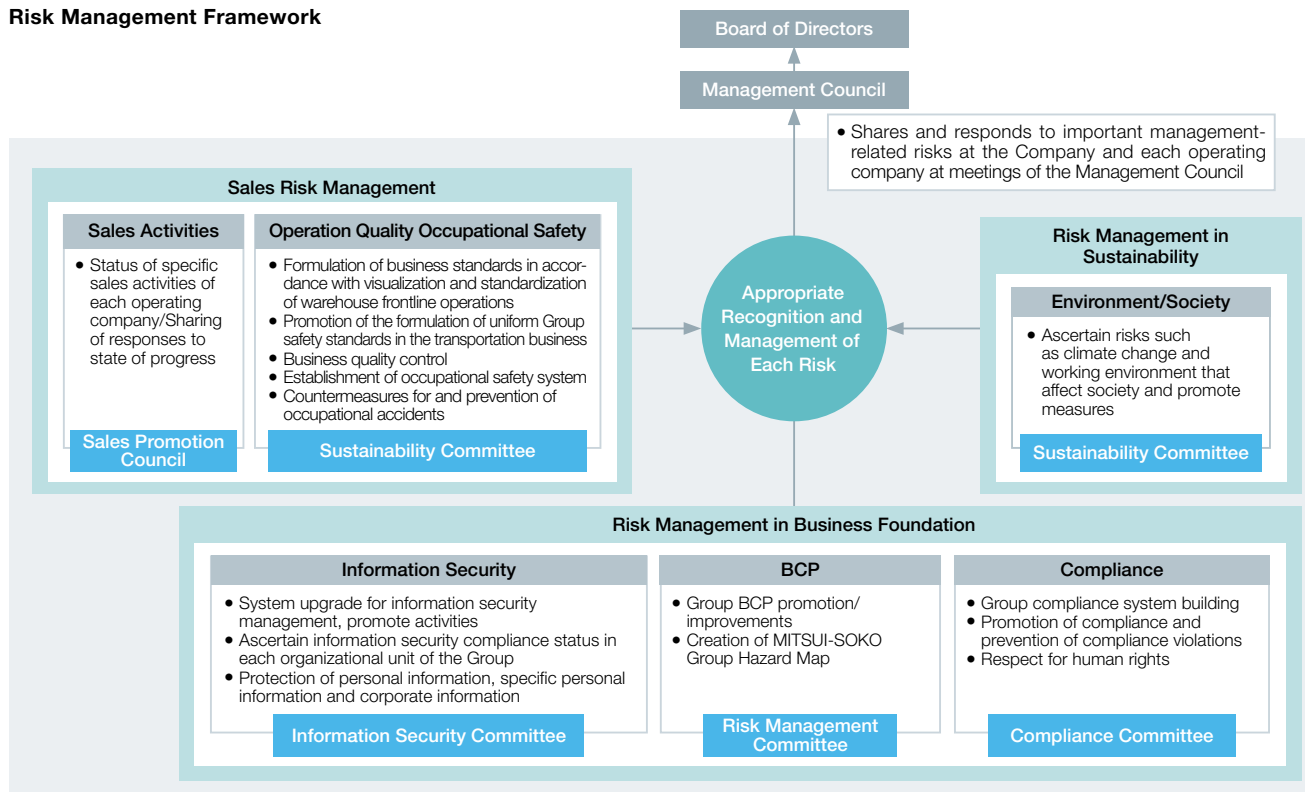
# Risk Management

## Approach

We have established the “Risk Management Regulations” to ensure the recognition and management of risks in the business activities of our Group. To improve and strengthen risk management, we hold quarterly meetings of the “Risk Management Committee.” This committee comprises risk management officers from our Company and major Group companies. They deliberate on the overall risk management status of the Group and establish fundamental measures and policies. For specific risks related to compliance, environment, disasters, quality, finance, accounting, and information security, each department responsible for risk management in respective companies will develop rules and guidelines, conduct training, create manuals, and distribute them. The promotion of cross-organizational risk assessment and response within our Group is supervised by the risk management officer of MITSUI-SOKO HOLDINGS. The Risk Management Division conducts internal audits to mitigate corporate risks.

## Framework

### Risk Management Framework



## Initiatives & Performance

### Initiatives to Address Major Risks

#### ■ Identification of Business and Other Risks

Our Group is primarily engaged in the logistics business, operating in Japan, North America, Europe, Northeast Asia, and Southeast Asia. Additionally, we conduct real estate business exclusively in Japan. The following are important factors that may significantly influence investors' investment decisions.

- Changes in the economic environment
- Changes in public regulations
- Changes in industry structure
- Fluctuations in exchange rates
- Fluctuations in interest rates
- Increasing importance of ESG (Environmental, Social, and Governance) factors
- Occurrence of disasters or hindrances to social infrastructure
- Potential risks associated with international activities and overseas expansion
- Risks related to system vulnerabilities
- Risks of information leakage
- Dependency on specific business partners
- Fluctuations in the market value of held assets
- Pension obligations
- Impairment of fixed assets
- Financial restrictions imposed by debt covenants

\* The above is what our Group determined on the date of submitting the securities report (June 23, 2023), and does not list all the risks associated with the Group.

#### ■ BCP Measures

The Group considers BCP as one of the crucial risk management measures in its business infrastructure, and each company conducts training from reviewing BCP-related documents under the Risk Management Committee. We also promote and improve the BCP for the entire Group, including the formulation of the MITSUI-SOKO Group Hazard Map.

#### ■ Information Security

We have implemented measures to establish and promote a system for managing information security, as well as conducting regular reviews. These efforts aim to protect personal and corporate information.

\* MITSUI-SOKO Group Basic Policy for Information Security available at [https://www.mitsui-soko.com/en/sustainability/governance/risk\\_management](https://www.mitsui-soko.com/en/sustainability/governance/risk_management)



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