

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

Objectives	Themes	Initiatives	KPIs	HTS	Domestic	Overseas	Achievements/progress in FY2020 and evaluation for FY2020 targets/plans	Targets/plans for FY2021	Reference	
1 Pursue Next-generation Industries and Lifestyles	(1) Promote total optimization of supply chain by making full use of advanced technologies	Enhancement of logistics platform	Type of SSCV-Safety functions	●	●		Enhanced the overall system performance by enhancing 7 types of functions such as vital signs alert	Enhance the overall system performance by enhancing 7 types of functions such as immediacy of alert for drivers	P31-32/Website	
			Increase of EC platform centers	●	●		Completed functional verification of Kasukabe EC Platform Center with a view to increasing EC platform centers	Expand the scope of business model for EC platform	Website	
			Number of cases of manufacturing/sales control support (demand forecast)	●	●		Conducted on-site PoC for the inventory and supply optimization solution (1case)/Introduced and developed the logistics forecasting tool at logistics sites (20 cases)	Expand the scope of proof of concept (PoC) for the inventory and supply optimization solution (2 cases) and introducing the logistics forecasting tool at logistics sites (30 cases: cumulative 50 cases)	P86/Website	
			Expansion of use case of blockchain technology	●	●		Completed development of hypothesis for trade operations and PoC for accelerating payment of transportation cost	Conduct hypothesis verification for trade operations and PoC for financial services for transportation and delivery	Website	
			Development of trainings that promptly meet business needs	Number of attendees of data scientist training course	●	●		Total 16 (cumulative 72)	Development of data scientists	P9/Website
	(2) Respond to local logistics needs and issues while further boosting response capability	Expansion of high-quality logistics services	Storage and transportation/delivery conforming to GDP Guidelines	●	●		Opened East Japan II Medical DC/Enhanced quality assurance through internal audit/Conducted transport tests with a view to building transport network conforming to GDP	Enhance functions of medical DCs, and expand transportation conforming to GDP	P86/Website	
			Optimization/management of supply chains	On-site implementation of RFID system	●	●		Provided asset management solution service for experiential consumption using RFID system	Consider on-site implementation of RFID system	P86/Website
			Promotion of transportation of social infrastructure-related equipment	Transportation of social infrastructure-related equipment	●	●	●	Transported 3 finished subway cars from Japan to Vietnam	Complete the project to transport social infrastructure-related equipment	P86/Website
			Enhancement of occupational Health and Safety management	Workplace accident index/frequency rate, severity rate	●	●		Frequency rate: 0.78(0) Severity rate: 0.019(0) *Inside the parentheses are non-consolidated figures	Reduce frequency rate/severity rate by enhancing initiatives such as safety educations, safety caravan, and introduction of safety technology	P14, 85/Website
				Strengthening of transport safety management	Number of traffic accidents (those defined in Article 2 of the Transportation Safety Management Regulation)	●	●		Number of traffic accidents: None	Maintain zero traffic accidents each year by introducing SSCV and strengthening various safety activities
2 Enhance Occupational Safety and Productivity	(1) Secure safety in operation and transportation	Enhancement of occupational Health and Safety management	Workplace accident index/frequency rate, severity rate	●	●		Frequency rate: 0.78(0) Severity rate: 0.019(0) *Inside the parentheses are non-consolidated figures	Reduce frequency rate/severity rate by enhancing initiatives such as safety educations, safety caravan, and introduction of safety technology	P14, 85/Website	
			Strengthening of transport safety management	Number of traffic accidents (those defined in Article 2 of the Transportation Safety Management Regulation)	●	●		Number of traffic accidents: None	Maintain zero traffic accidents each year by introducing SSCV and strengthening various safety activities	P85/Website
	(2) Minimize workload at logistics sites	Promotion of automation/labor saving in logistics centers	Expansion of the use of automated/labor-saving equipment	●	●		Implemented various automated/labor-saving equipment (e.g. AGV) in domestic and overseas logistics centers	Expansion of the use of automated/labor-saving equipment	P45-46/Website	
			Systematic development of female employees	Ratio of female managers	●			Ratio of female managers: 4.9%	Continue systematic development of female employees (ratio of female managers in FY2023: 10%)	P14, 87/Website
	Support for career formulation of female employees	Suggest various role models/career path and set up networking events with female managers		●	●		Participated in a career seminar organized by Hitachi, Ltd. for young female employees of the Hitachi Group	Hold rank-based trial training for female employees	Website	
		Manager-level training to encourage active participation of women in the workplace	●	●		Held a diversity seminar focusing on active participation of women by external lectures (approx. 1,000 attendees including online)	Continue to hold diversity seminars/Conduct trial training for superiors of female candidates for managers/assistant managers	P87/Website		
	(3) Promote diversity of the workplace	Encouragement for male employees to take childcare leave	Rate of childcare leave taken by male employees	●			Rate of leave taken: 2.2%	Change male employees' mindset and create work environment that makes it easier for employees to take leave (Rate of leave taken in FY2023: 20%)	P87/Website	
			Rate of childbirth leave for prospective fathers taken	●			Rate of leave taken: 15.6%	Change male employees' mindset and create work environment that makes it easier for employees to take leave	P87/Website	
		Reduction of overtime hours	Measures to reduce overtime hours	●	●		Reduced work hours by enhancing domestic group-wide initiatives such as to visualize achievements and follow up by executive meetings and by promoting working from home under the state of emergency (Average overtime in FY2020: 28.1h, a decrease of 0.5h year on year*)	Enhance group-wide initiatives such as to visualize achievements of the entire domestic group and follow up by executive meetings of each company	P87/Website	
			Measures to take annual paid leave	●	●		Achieved zero violation of laws and regulations in the entire domestic group by enhancing initiatives to encourage employees to take paid leave for more than 5 days (No. of days and rate of paid leave taken in FY2020: 16.7 days and 69.8%*)	Enhance group-wide initiatives such as to visualize achievements of the entire domestic group and follow up by executive meetings of each company	P87/Website	
Dialogue through Logistics OPEX		Number of OPEX designers developed (by FY2020)	●	●		Number of OPEX designers developed: cumulative 47	Dialogue through Logistics OPEX	P33-34/Website		
		Number of participants in the Digital Dialogue Café*3 (from FY2021)	●	●						
3 Ensure Excellent Quality and Resilience	(1) Pursue high quality logistics service	Enhancement of compliance framework	Measures to enhance compliance	●	●	●	Continued supports in 3 areas and initiated new supports in 2 areas based on the social contribution activity guideline	Continue and expand existing supports	P88/Website	
			Rate of attendance for information security training course	●	●	●	Conducted various education and compliance meetings as planned to spread the HTS Group Code of Conduct among employees	Implement measures to enhance compliance	P71/Website	
		Boosting information security level/management structure	Rate of targeted threat emails for simulation trainings opened	●	●		Open rate: 9.6%	Rate of attendance for information security training course:100%	P71/Website	
			Number of disaster response training implemented	●	●		Implemented once in Hokuriku area while taking measures to prevent the spread of COVID-19	Rate of targeted threat emails for simulation trainings opened: less than 5%	P71/Website	
		Strengthening of BCP system	Overseas BCP Caravan			●	Canceled to prevent the spread of COVID-19	Implement disaster prevention training	P88/Website	
	Procurement compliance education to those engaging in procurement in Japan and overseas		●	●	●	Provided procurement compliance education to those engaging in procurement in 19 domestic companies and 35 overseas companies	Consider implementation of overseas BCP Caravan (group company in Turkey)	P88/Website		
	(2) Consideration for disposal and emission	Reduction of air pollutants	Ownership ratio of vehicles in compliance with environmental standards	●	●		Eco-friendly vehicle ownership ratio:100% Ownership ratio of the advanced eco-friendly vehicles: 97%	Enhance and continue to provide procurement compliance education to those engaging in procurement in Japan and overseas	P71/Website	
			Recycling rate	●	●		Recycling rate: 99.0%	Eco-friendly vehicle ownership ratio:100% Ownership ratio of the advanced eco-friendly vehicles: 99%	P83/Website	
		Promotion of resource recycling	Number of non-compliance with environmental laws and regulations	●	●		Number of non-compliance with environmental laws and regulations: 0	Recycling rate: 99.0%	P83/Website	
			Reduction of water consumption intensity per floor space	●	●		Intensity: down 6.1% year on year	Number of non-compliance with environmental laws and regulations: 0	Website	
Green purchasing rate		●	●		Purchasing rate: 87.6%	Reduce intensity: down 1% from FY2020	Website			
Protection of forest timber resources	Rate of reducing copy paper consumption	●	●		Reduction rate: ±0% year on year	Green purchasing rate: 85%	Website			
(3) Contribution to disaster recovery assistance	Strengthening of BCP system	Dissemination of behavioral standard in the event of a disaster to employees	●	●		Distributed "Emergency Handbook" to all domestic group employees	Rate of reducing copy paper consumption: down 1% from FY2020	Website		
		Dissemination of "Disaster Initial Response Manual"	●	●	●			Website		
4 Realize Decarbonized Business Processes	(1) Increase energy efficiency	Reduction of electricity consumption in "buildings"	Number of sites with LED lighting fixtures	●	●	●	Number of sites: 24	Continue and expand existing supports	P88/Website	
			Reduction of electricity consumption per floor space (intensity) in "buildings"	●	●		Reduction rate: down 8.3% from FY2018	Install LED in all the Group sites by FY2022	P84/Website	
		Increase of vehicle fuel efficiency	Number of sites subjected to energy-saving inspections	●	●		Number of sites: 169	Electricity consumption per floor space in "buildings": down 1.76% from FY2020	Website	
			Vehicle fuel efficiency by vehicle type	●	●		Vehicle fuel efficiency: down 2.3% from FY2018	Conduct energy-saving inspections	Website	
		Promotion of introducing double-trailer trucks	Support of introducing double-trailer trucks	●	●		Continued operation between Shizuoka and Kyoto prefectures	Increase of vehicle fuel efficiency by vehicle type: up 1.76 % from FY2020	P83/Website	
	(2) Introduce renewable energy	Promotion of joint use of logistics and transportation equipment/facilities	Joint use of logistics and transportation equipment/facilities	●	●	●	Carried out logistics operation of multiple EC business operators at Kasukabe EC Platform Center	Continue operation of double-trailer trucks	Website	
			Development of new customers/routes for modal shift	Development of new customers/routes	●	●	●	Transported industrial equipment, etc. from Chiba Prefecture to various locations in Japan by using 12-foot containers	Expand the scope of shared use of logistics facilities and transport equipment/facilities	P84/Website
		Promotion of streamlining transportation through establishing platform and integrated delivery sites, etc.	New shared transportation	●	●		Opened a joint terminal "Mito Transport Center" in Ibaraki Prefecture in February/Expanded the scope of existing initiatives	Expand the scope of and enhance modal shift	Website	
			Maintenance of 100% ownership ratio of eco-friendly vehicles	●	●		Maintained 100% ownership ratio of eco-friendly vehicles since the end of FY2016	Expand streamlining of transportation range through establishing platform, integrating delivery sites, and container round use, etc.	P32, 84/Website	
		Ownership ratio of the advanced eco-friendly vehicles	●	●		Ownership ratio of the advanced eco-friendly vehicles: 97%	Maintenance of 100% ownership ratio of eco-friendly vehicles	P83/Website		
(3) Strengthen environmental management	Ongoing eco-friendly driving training	Eco-friendly driving training in each site	●	●		Cancelled group trainings to prevent the spread of COVID-19	Ownership ratio of the advanced eco-friendly vehicles: 99%	P83/Website		
		Performance of internal environmental audit	Performance of internal environmental audit	●	●		Performed internal environmental audit in 84 domestic group sites	Implement eco-friendly driving training in each site	Website	
	Development of voluntary environmental activities in each site	Promotion of environmental activities in each site	●	●		Number of sites: 184	Perform periodic internal environmental audit	P79/Website		
		Consideration of the design of the environmental management system	Started new operation of the industrial waste management system	●	●		Conducted a survey on Australia, Philippines, Vietnam, and Hong Kong/Held two Environment Officers Meetings	Development of voluntary environmental activities in each site	Website	
	Enhancement of overseas environmental management	Identification of key environmental laws and holding of global environment meetings			●	Conducted a survey on Australia, Philippines, Vietnam, and Hong Kong/Held two Environment Officers Meetings	Improve vehicle management system	Website		
Promotion of continuous improvement by the environmental management system	Continuous implementation of "Eco Stage 2" obtained by the head office to other domestic offices	●	●		Renewed certification since FY2017/Hitachi Transport System Central Japan Co., Ltd. renewed its certification acquired in FY2019	Identify key environmental laws of all relevant countries and regions, and hold Overseas Environment Officers Meetings	Renew and continue implementation of "Eco Stage 2" obtained by the head office and Hitachi Transport System Central Japan Co., Ltd. to other domestic offices	P79/Website		
	Attendance rate of environmental e-learning courses	●	●		Attendance rate: 99.5%	Attendance rate of environmental e-learning courses: 99%	Website			
	Communication of environmental-related information to employees	●	●		Reported environmental activities in the Group magazine/Shared environment-related information at executive management meetings	Communication of environmental-related information to employees	Website			
	Clean-up activities outside the Company and the light-down campaign	●	●		Implemented in each site at a different timing from the HTS Group Environment Month due to the spread of COVID-19	Clean-up activities outside the Company and the light-down campaign	Website			
Environmental advertisement and disclosure of environmental information	●	●		Responded to CDP (A minus rating)/Enhanced disclosure of environmental information via the website	Continue to respond to CDP and prepare to endorse TCFD recommendations	P90/Website				

*1 Covers 13 group companies: Hitachi Transport System East Japan Co., Ltd., Hitachi Transport System Kanto Co., Ltd., Hitachi Transport System Metropolitan Co., Ltd., Hitachi Transport System South Kanto Co., Ltd., Hitachi Transport System Central Japan Co., Ltd., Hitachi Transport System West Japan Co., Ltd., Hitachi Transport System Kyushu Co., Ltd., and Hitachi Transport Direx Co., Ltd., VANTEC CORPORATION, VANTEC EAST LOGISTICS CORPORATION, VANTEC CENTRAL LOGISTICS CORPORATION, VANTEC KYUSHU LOGISTICS CORPORATION, and TOKIWA KAIUN COMPANY LIMITED. *2 Actual results of Hitachi Transport System, Ltd. only *3 Dialogue Café: Place to develop human resources who can lead the communication at workplace

★★★ : Achieved the target/plan for FY2020, showing results
 ★★ : Almost achieved the target/plan for FY2020, showing some results
 ★ : Failed to achieve the target/plan for FY2020, not showing results