

Activity Theme	2017 Results and Future Focal Points	Goal (Towards 2030)	Related SDGs
<p>Provision of safe and secure services</p>	<p>Results: Unfortunately, despite the target of “reduction of the number of traffic accidents in certain domestic subsidiaries (year-on-year),” the number increased by two in FY2017 compared to the previous fiscal year.</p> <p>Future focal point: Failing to assign sufficient instructors for the increase in the number of new employees hired was identified as the cause. For this reason, we will increase the number of instructors and revise the method of instruction to reduce the number of accidents from FY2018.</p>	<p>Achieving a Safe and Secure Transportation Society</p>	
<p>Reduction of environmental impact of business (Reduction of CO2 emissions and effective utilization of resources)</p>	<p>Results: Sagawa Express set the targets of reducing CO2 emissions by 1% year-on-year, both in total and per unit, and reducing waste output and water consumption year-on-year. To achieve these targets, the company introduced environmentally friendly vehicles and engaged in various measures to streamline logistics. As a result, the total volume was 95.4% of the previous fiscal year’s level.</p> <p>Future focal points: The SG Holdings Group will formulate medium- to long-term targets for further reduction of environmental impact, and promote measures to ascertain and reduce CO2 emissions in supply chains throughout the entire Group.</p>	<p>Promoting Environmentally Friendly Business Activities</p>	
<p>Implementation of environmental preservation activities</p>	<p>Results: The Group owns forests in Tokyo, Kochi, and Tokushima, and is continuously conducting forest preservation activities. Expolanka in Sri Lanka is also conducting tree planting activities.</p> <p>Future focal points: In addition to strengthening the involvement of employees, we will aim to coexist with nature while working with local governments and local communities.</p>		
<p>Creation of a work-friendly organization (Personnel systems and education)</p>	<p>Results: As part of fostering a comfortable work environment, in FY2017 all Group companies in Japan had the target of reducing overtime compared to the previous fiscal year, and achieved a 1.6% reduction. We believe that this was attributed to the promotion of flexible work styles such as the delivery supporter system to offer home-delivery jobs with specific hours, the four-day work week and telework, in addition to initiatives to improve the efficiency of operations.</p> <p>Future focal points: In addition to establishing an employee-friendly work environment by expanding various personnel systems, we will also link these to the acquisition of new human resources.</p>	<p>Building an Organization of Diversity and Inclusion</p>	

<p>Promotion of diversity and inclusion</p>	<p>Results: We aim to have women occupy 35% of Group employees in Japan and 10% of managerial positions in Japan by 2020. In FY 2017, the female employee ratio broke through the 30% mark, and the women’s share of managerial positions increased to 4.2%.</p> <p>Future focal points: In addition to continuing to conduct activities to raise awareness, we will engage in issues such as the expansion of occupational areas and the establishment of systems.</p> <p>We are also fostering an organizational culture enabling not only women but a diverse range of human resources to work actively.</p>		
<p>Provision of services that meet stakeholders’ needs</p>	<p>Results: The Medium-term Management Plan states that we will aim for “advanced logistics solutions and productivity improvement” and “employ the latest technology to deliver superior solution to our customers and streamline business activities.” In FY2017, we improved work efficiency and saved manpower through introduction of an RFID automated recognition system for wirelessly reading and writing data and collaboration with Hitachi Transport System, among other efforts.</p> <p>Future focal points: In addition to proceeding with research aimed at the utilization of the latest technologies, we will strengthen coordination with customers and other companies to find value that logistics can provide to society.</p>		
<p>Expansion of international logistics</p>	<p>Results: In addition to conducting freight forwarding operations that are our core business centered on Asia, we provide logistics services covering the entire supply chain. Sri Lanka-based Expolanka Freight (EFL) introduced the new “CargoWise” operation management system in order to improve efficiency and visualize logistics from customers to business partners. The new system was put into first use in the United States and Vietnam.</p> <p>Future focal points: We will expand our international logistics network by strengthening existing locations in various counties and also entering into new markets.</p>	<p>Creating New Value Through Comprehensive Logistics Solutions</p>	
<p>Provision of high-quality services</p>	<p>Results: Sagawa Express implemented measures with targets for eight quality items in the three categories of time quality, cargo quality, and response quality to improve the quality of transportation.</p> <p>Future focal points: In addition to executing the above measures, we will improve systems that link opinions from customers to our initiatives, and promote the group-wide deployment of quality-related measures.</p>		

<p>Provision of services leading to the development of local communities</p>	<p>Results: In FY2017, we concluded “comprehensive partnership agreements” spanning from regional revitalization initiatives to disaster support with 10 local governments. We are also promoting mixed freight and passenger transport in cooperation with regional transportation networks that are difficult to maintain due to an aging, declining population with a lower birthrate.</p> <p>Future focal points: In future, we will actively engage in the establishment of our logistics network overseas and the promotion of tourism in Japan, where inbound demand is expected to continue to increase.</p>	<p>Contributing to Communities</p>	
<p>Engagement of existing business partners and selection of new suppliers</p>	<p>Results: We conducted safety patrols and seminars for long-haul transport partners primarily with the aim of preventing traffic accidents and vehicle breakdowns.</p> <p>Future focal points: We will revise the “Business Partner CSR Guidelines” summarizing the SG Holdings Group’s approach to CSR, and ask business partners to cooperate in order to accelerate the promotion of CSR throughout the entire supply chain.</p>	<p>Promoting Sustainable Procurement</p>	
<p>Establishment of corporate governance system</p>	<p>Results: The Board of Directors of SG Holdings, consisting of nine Directors, including two Outside Directors, oversees the overall management and business execution of the entire Group. An executive officer system has also been introduced to clarify authority and responsibility by separating the management oversight function from business execution.</p> <p>Future focal points: We will strengthen disclosure of information on corporate governance to achieve transparent management.</p>		
<p>Ensuring compliance</p>	<p>Results: We implemented code of ethics and conduct training, insider education, and education on human rights and harassment for Group companies in Japan and some overseas offices. Furthermore, we established a system enabling employees to report issues with peace of mind by setting up an external Compliance Hotline from FY2017.</p> <p>Future focal points: We will work to conduct appropriate business operations and to maintain and improve the trust of society by implementing effective education measures.</p>	<p>Building a Responsible Management Foundation</p>	
<p>Risk management system enhancement</p>	<p>Results: We conducted safety check training sessions, information security training sessions, and targeted e-mail attack response training sessions in Group companies in Japan and certain overseas offices.</p> <p>Future focal points: In addition to short-term risks, we will view the identification and handling of longer term risks as an issue for the entire Group, and engage in integrated risk management.</p>		