## Sustainability Management

## Aiming for sustainability management that contributes to the building of a sustainable society

#### **ASAI** Tomonori

Managing Executive Officer Japan Post Holdings Co., Ltd.

The Japan Post Group has 24,000 post offices, a nationwide delivery network, 400,000 employees, and a vast amount of financial assets entrusted to it by its customers. It is our social responsibility as a group to apply these resources and assets toward helping resolve social and environmental issues under proper governance. It is also the foundation of the Group's existence to have vibrant local communities and a society where a wide variety of customers can enjoy their lives.

If the Japan Post Group fails to fully meet its social responsibilities, there is a greater risk of losing stakeholder support. On the other hand, we can increase its corporate value by addressing such issues as quickly as possible. The Group will continue to manage our business of aiming for these two aspects of sustainability: contributing to the creation of a sustainable society and achieving sustainable growth and development as a company.

Specifically, in the current Medium-Term Management Plan "JP Vision 2025," the ESG goals are "To build a sustainable society, the Group will provide lifelong support in an era of the 100-year lifespan, and contribute to the development and revitalization of regional communities all over Japan, and build a sustainable society." Furthermore, as one of the quantitative targets for ESG, the Japan Post Group as a whole is currently aiming to achieve carbon neutrality in greenhouse gas (GHG) emissions by 2050 and, as a milestone, to reduce GHG emissions by 46% compared to the fiscal year ended March 31, 2020 by the fiscal year ending March 31, 2031.

To achieve this goal, Japan needs to promote the spread of renewable energy and smoothly switch to electricity with a low carbon emission factor. As a group, we are also promoting efforts to reduce GHG emissions across society through the use of our available resources. As part of this, we have conducted demonstration experiments such as the operation of electric vehicles (EVs) with a long range in local areas and the opening of rapid chargers in local communities, in collaboration with other companies. These experiments are well underway, and based on the results we plan to advance our plans to deploy EVs for collection and delivery.

In this way, the Japan Post Group will strive to achieve sustainable growth and create medium- and long-term corporate value by contributing to local communities and addressing social issues such as the Sustainable Development Goals (SDGs) through its business operations by utilizing the post office network.

On the other hand, in order to improve the value of the Company in the medium and long term, efforts to support human resources are essential, and their importance has increased further in recent years. Lately, the international movement toward the disclosure of information on "human capital," which has traditionally been the focus of attention as non-financial information, is accelerating and the debate is deepening. People are the driving force behind better ways of supporting communities, businesses, nations, and the planet.

In our group, we will contribute to resolving issues through our nationwide network of post offices by making each and every employee more aware of the SDGs and other issues, particularly social and environmental issues, and by encouraging them to take action on these issues as a company. In the future, we will continue to create these virtuous cycles together while passing the baton on to the next generation.



#### Concept of Sustainability Management

By promoting Sustainability Management, the Japan Post Group will strive to attain its Group Management Philosophy. It will also contribute to the sustainable growth of the Group and the realization of a sustainable society, while taking a medium- to long-term perspective on the impact of the business environment and social issues surrounding the Group on its management. Under the current Medium-Term Management Plan JP Vision 2025, we will promote sustainability management while setting the ESG goals of providing lifelong support in the era of the 100-year lifespan, and contributing to the development and revitalization in local communities across Japan to build a sustainable society.

#### Sustainability Promotion System / Environmental Management System

In January 2021, Japan Post Holdings Co, Ltd. reorganized its CSR Committee, an advisory body to the Management Meeting, into the Japan Post Holdings Sustainability Committee, and the Corporate Planning Department Sustainability Management Office was established as its secretariat. This move reflects the need for more in-depth consideration of management strategies and governance systems that incorporate ESG and sustainability concepts, as well as financial analysis of the impact of climate change risks and other factors on the core of management.

In addition, to strengthen the structure for promoting sustainability across the entire Group, the Japan Post Group Sustainability Liaison Conference, whose members include the executive officers in charge of the Corporate Planning Department of each Group company, is held with the aim of promoting sustainability management as a unified Group. In JP Vision 2025, we have discussed and built into the plan such issues as the attainment of carbon neutrality, increasing the ratio of women in management roles, and promoting ESG investments. The committee will continue to deliberate on matters such as the formulation of longterm strategies for the Group's sustainability management, and important deliberations will be presented and reported to the Management Meeting and the Board of Directors.

From April 2022, the Sustainability Management Office was reorganized into the Sustainability Management Department in order to strengthen our commitment to sustainability. In addition to enhancing the Group's ESGrelated initiatives, the Sustainability Management Department and the relevant departments at each Group company will work together to accurately respond to the information disclosure requirements of ESG rating organizations, provide easy-to-understand information about the Group's initiatives, and encourage dialogue with stakeholders.



#### Convening of the Sustainability Committee

Year convened	Agenda				
2021/3	<ul> <li>Toward the realization of ESG Management in the Group's Medium-Term Management Plan</li> <li>Review of targets for carbon neutrality</li> <li>Consideration of ESG in the Group's real estate business</li> </ul>	<ul> <li>Expansion of ESG investments</li> <li>Increasing the ratio of women in management roles</li> <li>Public relations activities for sustainability</li> </ul>			
2022/3	<ul> <li>Efforts to increase the score from ESG assessors</li> <li>Promotion status of ESG Management in JP Vision 2025</li> </ul>	<ul><li>Setting non-financial targets for ESG Management</li><li>Issues to strengthen efforts on ESG</li></ul>			

#### Promotion of Sustainability Management

We will aim for the Group's sustainable growth and the creation of medium- to long-term corporate value by leveraging our network of post offices to contribute to local communities through our business and address social issues such as the SDGs.

### Sustainable Growth / Creation of Medium- to Long-Term Corporate Value

SUSTAINABLE DEVELOPMENT GCALS	Active Contribution to	.ش. Issues such as the SDGs .ش.	<ul> <li>Japan Post Group</li> <li>Japan Post</li> <li>Japan Post Bank</li> <li>Japan Post Insurance</li> </ul>	
	Vision toward 2026/3	Specific efforts (initiatives	3)	
<ul> <li>Providing lifelong support in an era of the 100-year lifespan</li> <li>Maintain post office network and provide universal services</li> <li>Quality financial services that meet customers' needs / Safe and secure financial services</li> <li>Realize healthy and bountiful lifestyles (Radio-Taiso exercises, health support app)</li> <li>Next-generation education (promotion of letter-writing, financial education)</li> </ul>		<ul> <li>User-friendly services utilizing digital technologies</li> <li>Establish foundations needed for a diverse society and lifest 100-year lifespan through establishment of daycare centers, cultural facilities</li> <li>Enhance Mimamori (Watch Over) and End-of-life Planning Se utilizing digital technologies)</li> <li>Giving our top priority to making peace of mind and safety by take into account the needs of the elderly and socially disadv</li> <li>Provide basic protection and services for all generations</li> <li>Develop products in light of the social needs of the era of the Support our customers' efforts to stay healthy, such as the R support apps</li> </ul>	facilities for senior citizens, and ervices (elderly welfare services expanding digital services that antaged people, etc. 100-year lifespan	
2. Supporting local communities across Japan	<ul> <li>Maintain post office network and provide universal services</li> <li>Establish resilient logistics infrastructure in response to expansion of EC market</li> <li>Resolve local issues through provision of diverse products and services that meet needs of local communities</li> <li>Provide sustainable universal services through thorough low-cost operations</li> <li>Flow of money to regions</li> </ul>	<ul> <li>Support for revitalization and creation of excitement in local communities and for building communities, contribute to sustainable town development in partnership with local municipalities, such as construction of disaster-resilient buildings, with the aims of prevention and mitigation of disasters</li> <li>Expand comprehensive administrative work contracts from local governments, strengthen cooperation with regional financial institutions, and promote integrated management of post offices and local train stations</li> <li>Promotion of P-DX, utilization of advanced technology</li> <li>Contribute to local communities and support recovery at times of disaster</li> <li>Flow of money to regions         (Financing through investment to Regional Fund and various frameworks)</li> <li>Respond to financial neds that correspond to actual circumstances in the regions by strengthening regional relations functions</li> </ul>		
<ul> <li>3. Reduction of environmental footprint</li> <li>7. #IDENDERIC TO ADDRESS OF THE DATE OF THE DATE</li></ul>		<ul> <li>Reduce environmental footprint and address climate change by expanding introduction of renewable energy and environmentally responsible technologies</li> <li>Gradually shift to renewable energy and electricity with low carbon emission factor</li> <li>Promote paperless operations</li> <li>Promote carbon neutrality in local communities using the post office network (environmentally responsible post offices, combining electric vehicles, renewable energy utilization, charging / storage facilities, CLT, wood biomass, solar power generation, and LED)</li> <li>Promote ESG investments on climate change and other environmental issues, promote investments in consideration of various international agreements</li> </ul>		
<ul> <li>4. HR strategy</li> <li>Fromote work-style reform from the perspective of employees</li> <li>Promote diversity (create an organization where diverse human resources can play active roles)</li> <li>Enhance labor productivity (ability and motivation)</li> </ul>		<ul> <li>Create a comfortable workplace (Reduce overtime work, promote telework, support balance between work and caring for children / elderly relatives or treatment of illness, realize HR schemes that accommodate environmental changes, eradicate harassment (abuse of power and sexual harassment), and promote health management)</li> <li>Promote diversity (Awareness raising, behavioral reform, promotion of women's advancement (increase percentage of women in management roles), promote employment of senior citizens, promote employment of people with disabilities, respond to gender diversity)</li> <li>Human resource development (Train human resources capable of providing customer-oriented services and who will support the growth of the Japan Post Group)</li> </ul>		
5. Governance	<ul> <li>Strengthen the governance of the Group</li> <li>Strengthen the management functions of branches and the front line</li> <li>Manage risks of the Group as a whole</li> </ul>	<ul> <li>Introduction of the Group CxO system</li> <li>Integrated management of Japan Post Holdings and Japa</li> <li>Transfer of authority to branches</li> <li>Reviewing governance to create an integrated management s</li> <li>Build a system that can promptly detect and respond to cond</li> </ul>	system of post offices	

#### Providing Lifelong Support in an Era of the 100-Year Lifespan

#### Providing lifelong support in an era of the 100-year lifespan with next-generation education and services

To provide lifelong support in an era of the 100-year lifespan, Japan Post is working to expand nextgeneration education through letter-writing workshops, the construction and operation of nurseries and facilities for senior citizens that take into account the social challenges of nursery school waiting lists and an aging society, and provision of the Watch Over Service and End-of-life Planning Services.

#### Letter-Writing Workshop Programs

Japan Post conducts letter-writing workshops for elementary, junior high, and high school students in the hope that they will learn to enjoy writing letters and experience the joy of receiving letters through the exchange of actual letters in school classes. In addition, various events are held in cooperation with schools and local residents.

In the fiscal year ended March 31, 2022, a total of approximately 4.953 million children took part in the letter-writing workshops at 14,316 primary schools (70.3% of the total), 4,775 junior high schools (42.4% of the total), and 2,320 high schools (34.0% of the total).

#### Providing safe and secure financial services to all residents of Japan

Japan Post Bank is working to make goal-oriented proposals in line with the life plans of individual customers, and based on the wishes and inclinations of the customer, proactively proposing products suitable for long-term, diversified, and installment investments as well as preferential tax treatment systems such as installment-type NISA and iDeCo. Additionally, we are continuing to enhance our services, such as having launched the "Yucho Fund Wrap" service in May 2022.

In addition, the "Yucho Bankbook App," which can be used instead of a traditional paper bankbook to check your current balance and deposit and withdrawal details at any time on your smartphone, is now used by 4.81 million account holders as of the end of March 2022. In the fiscal year ended March 31, 2022, we added features that can be conveniently used by customers, such as collateral fixed amount and fixed-time savings, investment trust inquiry, and remittance functions. We will continue to utilize the nationwide post office network, prioritize safety and security, and expand digital services that are easy for all customers to use.

#### Protecting customers' lives with insurance

Japan Post Insurance has been protecting the lives and happiness of customers through life insurance for over 100 years since its predecessor, the Postal Life Insurance service, began. Through our accessible network of post offices spread throughout the country, we have been able to stay close to each individual customer in each region and provide support in times of need.

Even during the COVID-19 pandemic, to fulfill our social mission we have made efforts such as double payment of death insurance benefits. We have made 129,863 payments totaling 24,599.2 million yen for COVID-19.

We started selling insurance products with extended insurance period and

established a policy conversion system in 2021, and on April 1, 2022, we launched a new medical care rider. We will continue to provide insurance products and services that fully cover the security needs of customers of all generations in an era of the 100-year lifespan.





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We distribute textbooks free of charge to all schools from elementary to high school.

#### **P** JAPAN POST BANK



"Yucho Bankbook App"

#### JAPAN POST INSURANCE

#### Supporting Local Communities

#### Supporting local communities across Japan

At Japan Post, in response to social issues such as a decrease in the working population, the marginalization of rural areas, and changes in the business environment such as an increase in parcels, we are working to utilize new technologies such as drones, delivery robots, autonomous driving, and the use of Al for delivery operations in order to realize the provision of stable and sustainable postal and logistics services.

While valuing the relationships of trust we have built up so far, we are also working to build nurseries and facilities for senior citizens that take into consideration social issues such as waiting lists for nursery schools and an aging society. In addition, as part of efforts to revitalize communities by utilizing the space of the post office, we are providing East Japan Railway Company shared office service private room booth "STATION BOOTH" at the Shinjuku Post Office (Shinjuku-ku, Tokyo), as well as a community lounge that utilizes the vacant space of the Aobadai Post Office (Yokohama City, Kanagawa Prefecture).

In addition, in the event of a major disaster, while we provide a variety of emergency handling services to support customers affected by the disaster, we are working with Warehouse TERRADA to provide "Bosai-You-Storage," an unprecedented disaster prevention service that stores necessary items in advance in preparation for long-term evacuation and delivers them when and where they are needed.

## Enhancing funds flow to regional communities and regional relationship functions through various frameworks

To flow precious funds entrusted by our customers to regional communities, we will strive to contribute to the vitalization of regional communities, with particular emphasis on expanding the supply of equity funds.

In an effort to contribute to regional vitalization through cooperation with regional financial institutions, we participated in the Regional Vitalization Fund in July 2016, and by the end of March 2022 the cumulative number of fund contributions came to 39. In addition, we will contribute to regional vitalization and achievement of the SDGs through investment in Japan Post Investment Regional Development and Impact Fund I, ILP, established in April 2022 by Japan Post Investment Corporation, our consolidated subsidiary.

As a regional finance initiative, we will respond to the risk money needs of regional communities through local government bonds and loans to regional governments as well as participation in syndicate loans such as PFI<sup>\*</sup> and project financing.

In addition, in collaboration with regional financial institutions, as a "regional financial platform," we will continue to work on ATM collaboration and aggregation of operational processes encompassing tax and public money collection.

\* Abbreviation for Private Finance Initiative. A method that conducts construction of public facilities, and other similar efforts, utilizing the funding and capabilities of the private sector.

#### Popularizing and promoting "Radio-Taiso" exercise

The Radio-Taiso Program was created by our predecessor, the Postal Life Insurance Bureau of the Ministry of Communications, and will mark its 100th anniversary in 2028. In an era of the 100-year lifespan, we have taken various initiatives to help resolve social problems such as promoting health and revitalization of local communities.

As regional events, we hold the Radio-Taiso and *Minna no Taiso* ("Exercise for Everyone") Tour and the Festival of 10 Million People's Radio-Taiso and *Minna no Taiso* all over Japan, with people of all generations taking part. In addition, we hold the All-Japan Elementary School Radio-Taiso Competition with the aim of contributing to the development of children's physical fitness.

Festival of 10 Million People's Radio-Taiso and Minna no Taiso

#### P JAPAN POST



It is recommended that you store emergency supplies and important items in preparation for longterm evacuation.

#### **P** JAPAN POST BANK

#### Reference Areas targeted for regional vitalization funds invested by the fiscal year ended March 31, 2021 (excluding financing investments invested by the fiscal year ended March 31, 2021 Breas targeted for major regional financing investments invested by the fiscal year ended March 31, 2021 Breas targeted for major regional fiscal year ended March 31, 2021 Breas targeted for major regional fiscal year ended March 31, 2021 Breas targeted for major regional fiscal year ended March 31, 2021 Breas targeted for major regional fiscal year ended March 31, 2021 Breas targeted for major regional fiscal year ended March 31, 2021 Breas targeted for major regional Breas targeted for major regional fiscal year ended March 31, 2021 Breas targeted for major regional Breas targeted for major regional

JAPAN POST INSURANCE

Also, as a new initiative, we have been conducting joint research with the Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology, Tokyo Medical University, and NPO Zenkoku-Rajiotaisou-Renmei (Japan Radio-Taiso Federation) to verify the health effects of Radio-Taiso since October 2021.

#### Responding to Climate Change

Global warming is causing climate change that not only increases temperatures but also significantly changes the global climate, and impacts and damage are already beginning to appear in natural environments and people's livelihoods around the world.

The Japan Post Group recognizes climate change as a key issue and is committed to mitigating and adapting to its impacts.

#### Japan Post Group's Efforts to Achieve Carbon Neutrality

One of the drivers of climate change is the increase in greenhouse gases (GHGs) emitted by people's daily lives and corporate activities.

The Japan Post Group promotes various initiatives to achieve carbon neutrality by setting as its ESG target under JP Vision 2025 an ultra-long-term goal aiming to achieve carbon neutrality by 2050, with the milestone for steadily promoting this goal set as a 46% reduction in GHG emissions by the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2020).

Additionally, to achieve these goals, it is necessary to promote the spread of renewable energy in Japan, thus the Group will also utilize its management resources to support carbon neutrality in Japan and around the world.



Notes: • The goal includes Scope 1 (emissions directly emitted by the Company) and Scope 2 (emissions associated with the use of electricity, etc., supplied by other companies).
 We will not target Scope 3 (indirect emissions from supply chains and investments) in the Medium-Term Management Plan, but will promote efforts to achieve SBT certification after the release of the financial sector guidance' by Science Based Targets (SBT).
 \* This financial sector guidance is expected to be released in the near future.

Increases due to new business such as the real estate business are excluded.

#### Endorsement of the TCFD Recommendations

The Japan Post Group operates in close proximity with local residents through its network of 24,000 post offices nationwide, and we recognize that climate change is a challenge that has a significant impact on the Group's business, including the possibility of the post office network and the provision of associated services being cut off.

In addition to our commitment to reducing GHG emissions as part of our efforts to achieve the SDGs in the Japan Post Group Sustainability Basic Policy, the Group has also contributed to the realization of a sustainable society through investments in green bonds. In addition, in April 2019 we announced our support for the recommendations of the Task Force on Climaterelated Financial Disclosures (TCFD), and based on the recommendations we deepened our analysis of the impact of climate change on the business of each company in the Group and are promoting disclosure of information.

TCFD

#### Banking

Japan Post Bank's Response to the TCFD Recommendations	
https://www.jp-bank.japanpost.jp/en/sustainability/environment/tcfd/index.html	

Japan Post Bank Annual Report

https://www.jp-bank.japanpost.jp/en/ir/financial/en\_ir\_fnc\_index.html

#### Life Insurance Services

Japan Post Insurance's Response to the TCFD Recommendations

https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/tcfd.html

Japan Post Insurance Annual Report

https://www.jp-life.japanpost.jp/english/aboutus/financial/en\_abt\_fnc\_ar.html







TASK FORCE ON

CLIMATE-RELATED FINANCIAL

# Data Compilation

## Status of the Japan Post Group's Response Based on TCFD Recommendations

Item	Japan Post Group's response
Governance	<ul> <li>The Japan Post Group's response to climate change is appropriately supervised by the Board of Directors, which has the Group CEO (Representative Executive Officer, President and CEO of Japan Post) as the highest officer and the Group companies' CEOs as its members.</li> <li>Supervision Process of the Board of Directors on Climate Change Response&gt;</li> <li>At the Sustainability Committee, established as an advisory body to the Management Meeting (the chairperson is the executive officer in charge of the Sustainability Management Department, and the Committee meets about four times a year), Committee members deliberate on the progress of the Group's climate change risk and opportunity identification, response policies, targets, and initiatives.</li> <li>The deliberations of the Sustainability Committee are reported to the Management Meeting and the Board of Directors and approved by the Board of Directors.</li> </ul>
Strategy	<ul> <li>The Japan Post Group has set the reduction of GHG emissions to achieve carbon neutrality as one of its main goals in JP Vision 2025 and is promoting climate change responses as part of its management strategy.</li> <li>The Group has conducted a scenario analysis to identify climate change risks and opportunities related to the Group's main business and to understand their impact on the business portfolio.</li> <li>Going forward, we will further deepen our consideration of specific countermeasures to identified climate change risks and opportunities, and analyze the quantitative impact on the business portfolio.</li> </ul>
Risk management	<ul> <li>The Japan Post Group has determined the Group's critical risks disclosed in the Annual Securities Report "Risks to Business, etc." based on the results of a management questionnaire survey.</li> <li>When implementing the questionnaire survey, Japan Post's Risk Management Department selected a certain number of risks to be evaluated and confirmed their relative importance in the questionnaire survey. In the fiscal year ended March 31, 2022, climate change risks were ranked high by management as a "top risk" of particular importance.</li> <li>Organizations responsible for climate change risk are aware of management-level issues related to climate change and are working to improve them. They discuss promotion plans, reduction effects, and improvement measures, etc., for achieving the GHG emission reduction targets listed in JP Vision 2025 at the Sustainability Committee, etc., and report the results to the Management Meeting and the Board of Directors.</li> </ul>
Metrics and targets	<ul> <li>The Japan Post Group has set the ultra-long-term goal of "aiming to achieve carbon neutrality by 2050" in JP Vision 2025, and as a milestone to steadily promote this goal it has set a target of "46% reduction (2031/3 vs. 2020/3)" based on the 1.5°C scenario and promotes climate change responses as part of its business strategy.</li> <li>Japan Post Group's Scope 1, Scope 2, and Scope 3 emissions https://www.japanpost.jp/en/sustainability/library/data/</li> </ul>

Scenario Analysis

#### Postal and Domestic Logistics Business and Post Office Business

Scenarios     IPCC RCP 2.6 Scenario / RCP 8.5 Scenario     Relevant period     2050						
Classif	fication	Expected occurrence period <sup>*1</sup>	Financial impact <sup>*2</sup>	Critical risks and opportunities, possible impacts (Scenario analysis)		
Physical Risks	Acute	Short Term	Large to Small	<ul> <li>Due to the increase of short-time heavy rain, river flooding and high tides may occur, and some or all of the post office buildings in river basins or coastal areas where flooding occurs may collapse, requiring time and money to repair.</li> <li>In addition, there is a risk that businesses cannot continue due to damage to post office buildings and roads, etc., which may hinder the provision of universal services, and sales may drop.</li> <li>[RCP 2.6 Scenario]</li> <li>Due to the increase in heavy rainfall, it is expected that river flooding, high tides, and landslides will have a certain impact on post office buildings.</li> <li>[RCP 8.5 Scenario]</li> <li>Due to significant increases in heavy rainfall, there is a possibility that there will be impacts such as the collapse of post office buildings on a wider scale than in the case of the RCP 2.6 scenario.</li> </ul>		
Phys	Chronic	Short Term	Small	<ul> <li>Climate change will increase the risk of heat stroke for employees engaged in outdoor work by increasing the number of days on which the temperature exceeds 30°C (hot summer days) and days on which the temperature exceeds 35°C (extremely hot days). This will increase labor costs, etc.</li> <li>[RCP 2.6 Scenario]</li> <li>The risk of employee heatstroke is expected to increase due to an increase in average annual temperature and an increase in the number of hot summer days.</li> <li>[RCP 8.5 Scenario]</li> <li>The risk of employee heatstroke is expected to increase significantly as the average annual temperature rises significantly and the number of hot summer days also increases significantly.</li> </ul>		
Transition Risks	Policy Regulation	Medium to Long Term	Medium to Small	<ul> <li>If GHG emissions regulations are introduced and strengthened, the cost of changing equipment and vehicles and switching the fuel used to reduce GHG emissions and energy use may increase.</li> <li>In addition, if a carbon tax based on amount of fossil fuel used is imposed, costs may increase. [RCP 2.6 Scenario]</li> <li>It is assumed that the government will impose a carbon tax as a measure to reduce GHG emissions.</li> <li>[RCP 8.5 Scenario]</li> <li>It is thought that a carbon tax is unlikely to be introduced.</li> </ul>		
Tran	Reputation	Short Term	Small	<ul> <li>If investors view the Group as being reluctant to take action on climate change, there may be a negative vote against the election of directors at the General Meeting of Shareholders and related proposals, or investors may stop investing in Japan Post.</li> <li>In addition, as customers become increasingly aware of the environment and choose products and services with a lower environmental impact, products and services judged to have insufficient environmental credentials may be rejected by customers, leading to a drop in sales.</li> </ul>		
Opportunities				<ul> <li>By expanding the installation of rapid chargers for EVs, encouraging use by everyone in local communities, and developing and providing environmentally friendly delivery services and products, we may be able to increase sales by responding to customer needs (taking advantage of climate change as a business opportunity).</li> <li>Also, by taking steps such as renovating facilities and equipment, and introducing and expanding EVs, we may be able to reduce the increase in cost if a carbon tax is imposed (enabling the avoidance of risk).</li> </ul>		

\* 1 Expected occurrence period: Classified as short term (to approx. 1 year), medium term (to approx. 3 years), and long term (more than 3 years). \* 2 Financial impact: At present, we have classified risks into [large (more than 10 billion yen), medium (more than 1 billion yen, less than 10 billion yen), and small (less than 1 billion yen), but we will continue to analyze the quantitative impacts in the future.

#### **Real Estate Business**

Scenarios

#### IPCC RCP 1.9 Scenario / RCP 8.5 Scenario IEA WEO NZE 2050 Scenario / WEO STEPS Scenario

Relevant period 2050

Classification Expected occurrence Financial impact <sup>*2</sup> Critical risks an period <sup>*1</sup>		Financial impact <sup>*2</sup>	Critical risks and opportunities, possible impacts (Scenario analysis)				
	Acute	Short Term	Medium to Small	<ul> <li>If climate change progresses, river flooding and high tides due to the increase of intensive rainfall may occur, the assets we hold in flooded areas may be damaged, and repairing th take time and money.</li> <li>[RCP 1.9 Scenario]</li> <li>Due to the increase in heavy rainfall, it is expected that river flooding and high tides will certain impact on the assets we hold.</li> <li>[RCP 8.5 Scenario]</li> <li>The significant increase in heavy rainfall is expected to have a greater impact than in th 1.9 scenario.</li> </ul>			
Physical Risks	Chronic	Short Term	Medium to Small	<ul> <li>If climate change progresses, there is a possibility of an increase in operating costs due to an increase in the cooling load of the properties we operate resulting from increased average temperatures, a risk of flooding damage due to an increase in sea level, and a risk of reduced asset values.</li> <li>There is a risk of delays in the construction period of newly developed properties due to decreased efficiency of outdoor work and there is a possibility that operating costs will increase due to decreased productivity in maintenance and management work for buildings and equipment in the properties we operate, resulting from increased temperatures in summer. [RCP 1.9 Scenario]</li> <li>We expect various risks to increase as average annual temperatures rise and the number of hot summer days increases.</li> <li>[RCP 8.5 Scenario]</li> <li>We expect various risks to increase significantly due to significant increases in average annual temperatures and a significant increase in the number of hot summer days.</li> </ul>			
Medium to Long Term C C C C C C C C C C C C C C C C C C C				It is assumed that the government will impose a carbon tax as a measure to reduce GHG emissions.			
Transition Risks	Market Trends	Medium to Long Term	Medium to Small	<ul> <li>If the trend toward decarbonization intensifies, the vacancy rate of old-style real estate properties with poor energy-saving performance may increase due to a drop in demand.</li> </ul>			
Transit	History Constraints of Medium to Small		Medium to Small	<ul> <li>If demand shifts to real estate with high energy-saving performance, various technology development costs and construction costs to increase the energy efficiency of real estate development properties may increase.</li> </ul>			
Reputation		Short Term	Small	<ul> <li>If investors view the Company as being reluctant to take action on climate change, there may be a negative vote against the election of directors, including Representative Executive Officer, President and CEO of Japan Post, and related proposals at the General Meeting of Shareholders, or investors may stop investing in Japan Post.</li> <li>Information disclosure related to climate change in the real estate development business and efforts to save energy in owned assets may be considered insufficient and criticized by stakeholders.</li> </ul>			
Opportunities				<ul> <li>In addition to preparing for disasters by taking measures against flood damage, etc., it is assumed that, while cooperating with local governments, etc., post offices will serve as recovery bases for regions, such as by stockpiling emergency supplies and accepting temporary evacuees. Such efforts may be appreciated by stakeholders and lead to an increase in the Group's corporate value and the value of assets held.</li> <li>We aim to obtain environmental certifications such as Comprehensive Assessment System for Built Environment Efficiency (CASBEE) by carrying out real estate development in an environmentally friendly manner, and this may lead to an increase in the demand for the Group's assets due to the growing environmental awareness of tenants and customers.</li> </ul>			

Value Oreation Strategy

Top Commitment

\*1 Expected occurrence period: Classified as short term (to approx. 1 year), medium term (to approx. 3 years), and long term (more than 3 years)

\*2 Financial impact: At present, we have classified risks into large (more than 10 billion yen), medium (more than 1 billion yen, less than 10 billion yen), and small (less than 1 billion yen), but we will continue to analyze the quantitative impacts in the future.

#### Initiatives of Each Company

## JAPAN POST HOLDINGS JAPAN POST

#### Promotion of Carbon Neutrality in Communities Using the Post Office Network (Collaboration with Other Companies)

Japan Post Holdings, Japan Post, and Tokyo Electric Power Company Holdings formed a strategic alliance in April 2021 to work collaboratively to promote carbon neutrality.

Based on this alliance, a demonstration experiment has been conducted since November 2021 at the Oyama Post Office (Oyama City, Tochigi Prefecture) and the Numazu Post Office (Numazu City, Shizuoka Prefecture).

To meet the challenge of making regional post offices' EVs compatible with long-distance driving, the two post offices installed rapid chargers to be used when EVs return temporarily to the post offices to extend the range. In addition, the post offices made these rapid chargers available to the community, contributing to the promotion of regional EVs, and are making efforts to utilize solar power generation and to switch the post offices' electricity to renewable energy.

Mitsubishi Motors is also involved in this demonstration experiment, and we will contribute to the spread of EVs across Japan by analyzing driving data and changes in the battery levels of the EVs and by working to improve the overall driving performance of commercial EVs.

We will continue to work with a variety of partners and consider further developments to ensure that our post offices become hubs for regional carbon neutrality.



#### Promotion of Regional Carbon Neutrality Using the Post Office Network (+Eco Post Offices)

At Japan Post, we are promoting the establishment of "+Eco Post Offices" that reduce environmental impact by using renewable energy such as solar panels and wood biomass, and recycled resources.

In March 2022, when the Maruyama Post Office (Minamiboso City, Chiba Prefecture) was relocated and opened as the first post office as +Eco Post Office, we opened a new post office building utilizing CLT'.

<sup>\*</sup> CLT (Cross-Laminated Timber): Thick wood panels made from gluing together layers of long planks of wood at perpendicular angles to each other to give them excellent strength and insulation, curbing the generation of CO<sub>2</sub> compared with concrete and iron



Maruyama Post Office (Minamiboso City, Chiba Prefecture)

## **JAPAN POST**

#### Initiatives to Introduce and Expand EVs

Japan Post plans to switch 12,000 light automobiles and 21,000 motorcycles to EVs in the five years up to 2025 in JP Vision 2025.

Under this EV switching plan, we decided to increase the target by 1,500 light automobiles and 7,000 motorcycles based on the fact that range extension was verified in the



EVs for the delivery of mail and parcels

demonstration experiment conducted in collaboration with other companies from November 2021, and that the battery performance of EV motorcycles was improved.

As a result, we expect to switch 50% of our light automobiles and 40% of our motorcycles to EVs by the fiscal year ending March 31, 2026.



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Conservation of Forests and Biodiversity and FSC<sup>®</sup> Certified Postcards





Japan Post uses FSC<sup>®</sup> certified paper, an international certification system that seeks to promote appropriate forest management, for New Year's postcards and regular postcards<sup>\*</sup>.

We are also revising some of our manufacturing processes to reduce greenhouse gas (GHG) emissions from postcard manufacturing processes.

FSC is an international forest certification system that identifies well-managed forests and the forest products that originate from those forests, reclaimed materials, and other products made from raw materials from controlled sources. To be FSC<sup>®</sup> certified, the products must be properly managed from various perspectives in all processes from production to processing and distribution, including not only protecting the rich natural environment and mitigating adverse effects but also ensuring the rights and safety of workers and building a good relationship with the local community.

In other words, the adoption of FSC® certified paper will promote the conservation of the world's forests and biodiversity, as well as the sustainable use of forest resources. \* Normal postcards will be switched to FSC® certified paper sequentially from 2022 onwards.

## JAPAN POST BANK

#### **ESG Investment**

Considering the growing demand from stakeholders, as well as Japan Post Bank's endorsement of the TCFD recommendations, Japan Post Bank formulated a policy to make ESG investments that heed international agreements when advancing diversified international investments.

We are also investing in green bonds, etc.<sup>-1</sup>, issued by companies in countries throughout world. These funds are used for green projects that assist in resolving environmental problems, including global warming. In our Medium-Term Management Plan (FY2021–FY2025), we have set the target to increase the balance of our ESG-themed investments to 4 trillion yen<sup>\*2</sup>.

While enhancing returns on assets under appropriate risk management, we will contribute to forming a sustainable society through investment in green bonds, etc.

- \*1 Green bonds, social bonds (including pandemic bonds), sustainability bonds, loans to the renewable energy sector, and regional vitalization funds, etc.
- \*2 Balance target increased from 2 trillion yen to 4 trillion yen in March 2022.

#### Japan Post Bank GHG Emission Net Zero Declaration

Japan Post Bank has announced the "Japan Post Bank GHG Emission Net Zero Declaration," which aims to achieve net zero GHG emissions from the Bank's own activities and the investment portfolio by 2050.

#### Japan Post Bank GHG Emission Net Zero Declaration

- Recognizing that climate change is a serious challenge that has a serious impact on society and the economy, Japan Post Bank endorses the Paris Agreement, implements initiatives that contribute to climate change mitigation and adaptation, and supports these efforts.
- Japan Post Bank aims to achieve net zero GHG emissions from its own activities and its investment portfolio by 2050.

Going forward, Japan Post Bank will continue to strive to reduce the environmental impact of its business and contribute to the realization of a decarbonized society by supporting efforts to reduce GHG emissions in society as a whole through engagement (constructive dialogue) with investee companies.



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## JAPAN POST INSURANCE

#### **ESG Investment**

Based on its ESG investment approach, Japan Post Insurance, as a universal owner that conducts long-term asset management, aims to realize a sustainable society as well as improve long-term investment results.

Considering the various factors of ESG for all management assets, we will promote investments that create a sense of warmth unique to Japan Post Insurance, with the themes of "enhancement of well-being," "development of local communities and society," and "contribution to environmental protection" as the focus of our efforts.

#### **ESG Investment Initiatives**

We are committed to ESG investment based mainly on the following four methods.

ESG Integration	In making investments and loans, we, taking each asset's characteristics into account, comprehensively evaluate the ESG initiatives of the investee and incorporate these into our decision-making process.
Engagement and exercising shareholder voting rights	We accurately grasp the conditions of investees to engage constructively with them. Our voting activities are based on our Policy on Exercise of Shareholder Voting Rights. When voting, we take into consideration non- financial information and information gained from dialogues with companies.
ESG-themed and impact- oriented investments	We implement themed and impact-oriented investments that take into consideration our priority initiative themes of ESG investments.
Negative screening	We adhere to negative screening criteria that excludes controversial weapons and coal-fired power from project finance.

Contribution to Environmental Protection Businesses and technologies that contribute to supporting renewable energy and reducing GHG emissions

Development of Local Communities and Society Revitalizing local businesses and attracting companies Shaping regional communities Enhancement of Well-Being Support for facilities and

companies that contribute to health promotion Creating an environment where children, the elderly, and people with disabilities can live safely and securely

#### **ESG Investment Examples**

In addition to traditional themed investments, we are promoting impactoriented investments by certifying investments that meet certain conditions, such as being able to measure KPIs, as "Impact 'K' projects" with the intention to create social impact.

Investment in a green bond to support green recovery (realization of a sustainable society after the COVID-19 crisis) (May 2021) ©Alex Profit/SNOF Investment in a fund to attract excellent nursery operators to urban areas with long waiting lists (March 2022) Investment in a fund that seeks to combine

social and economic returns by investing with a long-term perspective in domestic companies that are actively engaged in creating social impact (May 2022)



Climate Change Initiatives as an Institutional Investor

Japan Post Insurance, reflecting risks and opportunities related to global climate change onto our investment strategy, aims to improve the investment performance in the medium to long term and contribute to achievement of the SDGs.

#### Setting of GHG emission reduction target for investment portfolio

With regard to the GHG emissions in our investment portfolio, while aiming for carbon neutrality in 2050, we set an interim goal of reducing GHG emissions by 50% by the fiscal year ending March 31, 2030 (compared to the 2021/3 level).

GHG emissions in our investment portfolio\*



\* Total emissions of Scope 1 and Scope 2 from investee companies (domestic and foreign equities and credits including corporate loans) after calculating by the ratio of our holdings

## Setting of KPIs related to the total power generation output from renewable energy facilities

As a KPI of the Medium-Term Management Plan, we have set a target of 1.5 million kW by the end of March 2026 for the total power generation output of renewable energy facilities, increasing from the level of 0.6 million kW as of the end of March 2021, and we are actively promoting investment.

Total power	generation	output of	renewable	enerav	facility investments*1	

		End of March 2021	End of March 2022	
Domestic	Equity	18.8	20.6	1
Domestic	Debt	14.0	24.0	ID Vision 0005 Davied
Overseas	Equity	19.7	19.1	JP Vision 2025 Period
01013643	Debt	8.2	9.3	Aiming for output
Total		60.7	73.0	of 1.5 million kW*2

\*1 Unit: 10,000 kW, outputs are after calculating by the ratio of our holdings \*2 Limited to electricity output from the renewable energy facility investments

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## Human Resource Strategy

## Creating workplaces with a thorough customer orientation enabling employees to maximize capabilities

#### **MAKI Hirohisa**

Executive Officer Senior General Manager of Human Resources Department Japan Post Holdings Co., Ltd.

In May 2021, the Japan Post Group announced its new Medium-Term Management Plan "JP Vision 2025." The plan aims to achieve a "Cocreation Platform" that supports customers and local communities and new growth for the Group. To realize this, it is of paramount importance that we conduct customer-oriented business operations. We must work together to create an environment in which they can work sincerely and honestly.

First, as a Group, we will thoroughly implement customer-oriented business operations and comprehensively review the sales goals and personnel evaluations of financial operations-related employees in order to raise the customer-oriented mindset of our employees. In particular, with regard to personnel evaluation, we have reviewed evaluation weightings that were biased toward new sales results, and have revised them to evaluate customer-oriented sales activities in a balanced manner. Specifically, from the fiscal year ended March 31, 2022, we are reducing the evaluation weighting of sales performance and expanding the evaluation weighting of sales processes, sales quality, and after-sales follow-up, as well as introducing and expanding evaluation based on customer feedback (satisfaction).

Next, to meet the diverse needs of our customers, it is necessary to manage the business as a Group and create an open organization. We will strive to foster a sense of unity within the Group, including facilitating proactive personnel exchanges within the Group (between the head offices, and between subsidiary head offices, regional headquarters, and branches, etc.), while also actively utilizing outside human resource specialists to create new value. With regard to the strengthening of digital transformation (DX) human resources, we will provide DX training for the planning personnel of each Group company, and actively promote the development of internal human resources with the aim of improving understanding and proficiency in DX.

For the postal business, which is highly dependent on the workforce, it is important to create an environment in which each employee can work in a healthy and vibrant environment, as human capital is indispensable for carrying out business activities. In order to maximize employees' capabilities, as part of work-style reform, we are working to develop an environment that makes it easier for diverse employees to work, such as proper management of working hours, reduction of overtime work, active support for childcare, nursing care, and illness, etc., promotion of diversity management (active roles for women, gender equality, employment of persons with disabilities, active roles for elderly persons, etc.), promotion of teleworking, and improvement of the treatment of fixed-term employees. We are also working to raise awareness of work-style reform through training and seminars.

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In particular, with regard to childcare and nursing care, we are developing a system that exceeds the legal obligation and various support measures, aiming to create a workplace where employees can balance work and home life, so that both men and women can continue to work without leaving their jobs, in situations ranging from pregnancy to childbirth, childcare, and caring for family members. In preparation for the implementation of the revision of the Act on Childcare Leave, Caregiver Leave, and Other Measures scheduled for October 2022, the Group introduced some measures in advance from October 2021 and will vigorously promote efforts to enable men to take childcare leave by declaring that we will achieve a "father's childcare leave rate of 100%."

In addition, with regard to the health of employees, as well as promoting health management in which employees and the Company work together to maintain and promote health, we will strive to prevent the loss of experienced and productive personnel by improving sick leave and the leave system and expanding the leave system for fertility treatment, so that employees can focus on treatment even if they become ill.

Furthermore, with regard to efforts to respect human rights at companies that are gaining prominence with the globalization of corporate activities, we are building and implementing a framework of human rights due diligence. We will fulfill our responsibility to respect human rights as a company so that everyone can have their human rights respected, live a fulfilling life with peace of mind, and fully develop their capabilities and personalities.

We will continue to strive for the growth and development of the Group by creating an inspiring workplace environment in which all employees can demonstrate their capabilities, as well as developing human resources.

#### Customer-Oriented Sales Targets and Personnel Evaluations

The Group will comprehensively review financial operationsrelated employees sales targets and personnel evaluations to thoroughly implement customer-oriented sales activities that include proposals in line with customer profit and intentions.

Regarding sales targets, in terms of individual contracts sales targets, from the fiscal year ending March 31, 2023, we will incrementally introduce revisions to sales targets enabling a transition away from an emphasis on conventional (the fiscal year ended March 31, 2020 or earlier) new contracts sales targets, to a focus on the amount of net increase (sales amount less extinguished amount) to give new policies and ongoing policies the same weight.

At the same time, we will increase the weight of insurance solicitation quality and activities evaluations within sales targets, transitioning to a target structure emphasizing customer-oriented sales activities. Regarding personnel evaluations, in line with individual policy sales target revisions, to facilitate a balance between the emphasis on conventional (the fiscal year ended March 31, 2020 or earlier) new contracts sales achievements and customer-oriented sales activities to reduce the weight of sales achievements while at the same time increasing the weight of sales processes, sales quality, and after-sales follow-up evaluations.

In addition, we introduced evaluation based on customer feedback (satisfaction) from the fiscal year ended March 31, 2022, and from the fiscal year ending March 31, 2023, we will evaluate activities that seek to build contact with customers with the aim of further activating customer-oriented sales activities.

These revisions to financial operations-related employee sales target and personnel evaluation systems will enhance the customer-oriented mindset among employees, leading to the restoration of customers' trust.

#### Group Personnel Exchanges

#### Promoting personnel exchanges to enhance openness throughout the Group

The Japan Post Group is characterized by the integrated provision of postal, logistics, banking, and insurance services through its nationwide network of post offices. Therefore, it is extremely important to support the lives of customers in local communities while strengthening the unity and coordination of the Group. In addition, in order to improve the efficiency of operations and optimize personnel allocation that goes beyond the boundaries between companies, the Group actively promotes personnel exchanges throughout the Group.



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#### Improvement of Employees' Abilities (Ability x Motivation)

(Development of internal human resources, proactive recruitment of outside specialists)

The Japan Post Group is a highly public corporate group functioning as social infrastructure centered on post offices, so we seek personnel who are sincere with strong aspirations and passion.

In addition, each Group company sets roles expected for each course according to employee work styles and conducts training according to position and skill improvement training according to function. Also, in order to foster a sense of unity among Group employees, we have established an organization called the Postal College within Japan Post Holdings, and provide joint Group training for the officers of Group companies, head office planning staff, and new hires for general positions, etc. Further, to acquire highly specialized capabilities in line with business characteristics, the Group attempts to recruit and retain mid-career personnel with experience in real estate, legal affairs, IT fields, investment and market management, market risk management, actuaries, and other specializations especially for head office positions.

Going forward, to further enhance human resources within the creation of new value through the promotion of DX, the Japan Post Group will be more proactive in terms of hiring outside specialists by utilizing human resource recruitment companies, and in terms of developing internal human resources, we will implement DX training for planning staff within each Group company to improve their skills.

#### Promoting Diversity

The Japan Post Group employs more than 400,000 people in various workplaces. We believe that respecting the diverse perspectives and values that reflect the experience, skills, and attributes of the Group's employees, and enabling each employee to fully demonstrate their skills and abilities, is a source of the Group's sustainable growth, and we are actively working to promote diversity.

#### Promoting the Active Participation of Women

In recognizing that the further participation of female employees is indispensable for the growth and development of the Group amid diversifying consumer needs, work styles, and other changes in the social environment, we established targets for the ratio of female managers among head office managers. In addition, while evaluating and reflecting as we work toward achieving our goals, we formulate an initiative plan for each year, and work toward improving the environment to make it more comfortable for employees to work in by (1) reducing overtime work and improving work and childcare balance support systems, (2) raising awareness through manager seminars aimed at creating a work environment that allows both men and women to be active, and (3) providing training to develop career awareness among female employees.

At the same time, we are working to develop human resources and an internal environment that is comfortable to work in so that diverse groups such as women, foreign nationals, and mid-career recruits can maximize their abilities.



# Data Compilation

## Recruitment and Appointment of Mid-career and Foreign Nationals

Regarding mid-career recruits, we have been working on recruiting and hiring managers mainly in specialized fields, and we will continue to implement more proactive recruitment and hiring in the future.

With regard to foreign nationals, although we do not intend to expand recruitment given the content of our current business, we will recruit foreign nationals and appoint managers as necessary for business development in the future.

It should be noted that we do not differentiate candidates based on nationality when hiring foreign nationals or appointing them for managerial positions.

#### **Promoting Senior Employment**

As the labor force is shrinking due to declining birthrates and an aging population, the Group aims to further leverage the abilities and experience of senior employees. Recognizing the need to create an environment where employees can work while maintaining motivation, we raised the retirement age to 65 years old from the fiscal year ended March 31, 2022. Further, going forward, we will proceed with specific examinations on securing employment opportunities up to the age of 70 years old.

## Promoting the Employment of People with Disabilities

Recognizing that it is our social responsibility as a corporation to provide appropriate employment opportunities to people with disabilities, the Japan Post group promotes (1) the proactive recruitment of persons with disabilities, (2) the establishment of work environments and training aimed at job retention, (3) the establishment and proactive utilization of a special subsidiary company, and (4) the acceptance for work training and employment of persons from special needs schools, with the immediate goal of raising the Group's employment rate for persons with disabilities to 2.5% (2.35% as of June 2021).

#### Addressing Sexual Diversity

The Japan Post Holdings' Basic Policy on Corporate Governance advocates the promotion of diversity management aimed at creating a work environment where sexual minority employees can work comfortably. Specifically, we provide a hotline for employees to report human rights violations or harassment incidents, we attempt to raise awareness and understanding regarding LGBT issues, including awareness seminars conducted by LGBT-related parties and training at each workplace, we enacted the Japan Post Holding's Basic Policy on Human Rights, and we sponsor and participate in Tokyo Rainbow Pride.

In addition, from May 2022, we expanded the application of allowances such as dependent allowances and family care leave, as well as the holiday system and company housing to same-sex partners.

## Voice

#### JAPAN POST HOLDINGS

Through various measures such as promoting the active role of women, ensuring that both men and women take parental leave, and working on gender equality, we aim to create an organization where diverse human resources can play an active role, and we together with entire group strive to create comfortable workplaces.



OHASHI Motohiro, Department Manager, Human Resources Department, Japan Post Holdings Co., Ltd.

#### JAPAN POST BANK

We are developing activities to resolve various problems through the 14 organizational Diversity Committees nationwide. We are promoting these activities autonomously and proactively, such as when employees themselves organize dialogue events with top management.



UZUI KOUYA, Group Leader, Diversity and Inclusion Department, Japan Post Bank Co., Ltd.

#### 🕵 JAPAN POST

We will promote the understanding, popularization, and practice of diversity management in order to create workplaces where diverse human resources can maximize their abilities, which will lead to sustainable business growth.



WADA Takayuki, Manager, Diversity Promotion Office, Personnel Affairs Division, Japan Post Co., Ltd.

#### JAPAN POST INSURANCE

We will maximize the capabilities of our employees and improve customer service by further promoting diversity and creating a workplace where employees can respect each other's diversity and work with peace of mind.

MORIYA Ayumi, Section Manager, Diversity Promotion Office, Human Resources Development Department, Japan Post Insurance Co., Ltd.



#### Creating Comfortable Workplaces

In addition to respecting the human rights of all people involved in the Group's business activities, the Japan Post Group will contribute to the realization of a diverse and inclusive working environment for society as a whole by

## Balancing Work with Childcare, Nursing Care, and Illness

Regarding childcare and nursing care, the Japan Post Group has established a support system exceeding the regulations set out by law and is implementing various support measures so that both male and female employees can continue working during times they are needed at home, including from pregnancy to childbirth, for childcare, and for nursing family members.

In particular, we are working to spread understanding in order to foster an organizational culture in which it is normal for both men and women to take childcare leave, as indicated by the declaration by the four Group presidents that aims to achieve a "100% childcare leave rate for both men and women."

Additionally, with regard to employee healthcare treatment, we are taking steps to improve work environments and a work-life balance, including the enhancement of paid sick leave, paid holiday, infertility treatments, and other paid leave systems so that employees can continue working with peace of mind.



Reference: Results for the fiscal year ended March 31, 2021: Men 70.8% Women 98.8%

#### Reducing Overtime Work, Promoting Telework

Japan Post Holdings is making efforts to reduce overtime work and introduce a system of an interval between working and reduce overtime work through improved work efficiency (utilization of RPA and AI, revised job descriptions). Further, in promoting telework with the aim of improving productivity and realizing diverse work styles, we have reaffirmed its importance as a COVID-19 countermeasure, thus we will continue to effort work environment improvements. working to establish systems and create a work culture that allows each employee in charge of business activities to choose a diverse work style according to their life stage so that they can fully demonstrate their abilities.

## Realizing a Human Resource System Adaptive to Environmental Changes

In light of rapid changes in the business environment, the Group is reviewing its labor force composition with an eye on future business and responding to laws and regulations related to equal pay for equal work. Regarding employee treatment, we will continue to promote employees from contract worker to full-time employee status, further improve employee treatment, and make efforts to realize a simple and more acceptable salary system.

#### **Eradicating Harassment**

At the Japan Post Group, efforts to eradicate harassment include messages from senior management pertaining to harassment, enlightenment and edification of all employees, supervisory training using case studies, and the distribution of booklets and other materials. We also set up a consultation hotline as a trustworthy method for reporting harassment inside and outside the Group companies.

In addition, based on the verification report of the JP Reform Execution Committee in January 2021, as well as the establishment of rules for implementing thorough consultation protection for whistleblowers, we introduced a "one-stop consultation and internal reporting platform" to enable consultation and reporting to the harassment consultation desk and internal reporting desk at any time under robust security.

The Japan Post Group will continue to promote initiatives related to respect for human rights and will work toward eradicating harassment.

#### **Promoting Health Management**

We believe that a healthy body and mind are vital for each individual employee to take full advantage of his or her skills and work energetically. Therefore, the Group companies are working together with employees to implement health maintenance and promotion measures. These measures include "reducing long work hours," "health guidance toward prevention of lifestyle diseases," and "mental healthcare" while establishing the Japan Post Group Health Management Promotion Representatives. In May 2022, we established the "Japan Post Group Declaration on Health" to promote Group-wide health management.

#### Japan Post Group Declaration on Health

The Japan Post Group believes that the foundation of our management lies first and foremost in the physical and mental well-being of our employees in order to realize our Management Philosophy, which aims for the happiness of our customers and employees.

The employees will personally maintain and enhance their "healthy minds and bodies" and the Japan Post Group will work to build work environments that support such endeavors.

Furthermore, each individual employee will take full advantage of his or her skills and work energetically and, in turn, aim to realize the happiness of the customers.

#### Initiatives Related to Respecting Human Rights

#### **Developing a Human Rights Policy**

Considering the growing social demand for companies to respect human rights, the Japan Post Group formulated the Japan Post Group Human Rights Policy in April 2019 based on the United Nations Guiding Principles on Business and Human Rights and other concepts.

Through this policy, we demonstrate our respect for human rights and through building a framework for human rights due diligence and

### Implementing Human Rights Due Diligence

In order to respect the human rights of those affected by its business activities, the Japan Post Group conducts the following human rights due diligence process.

identifying negative impacts on human rights, we promote human

rights awareness activities to foster a sense of human rights among

all employees. The Company's Sustainability Committee and the

Group Sustainability Liaison Conference periodically review our human

rights awareness activities based on factors such as corporate

Group Human Rights Policy

Human Rights Due Diligence

Preventive and Corrective Actions

Monitoring of Efforts

activities and changes in the business environment.

Human rights due diligence overview

Human Rights Impact Assessment

Information Disclosure

#### Human Rights Impact Assessment

We strive to understand the full range of potential and perceived human rights risks that arise in connection with the Group's business, assess these risks based on their frequency and impact, and identify priority risks. We will continue to monitor and manage the identified risks.

#### Preventive and Corrective Actions

The status of implementation of preventive and corrective actions for the negative impacts of potential and perceived human rights risks is as follows. In the future, we will review and expand various activities in line with the actual situation of our human rights impact assessments.

#### Implementation of education/training

- Training of all employees on how to use internal reporting channels, human rights awareness, and prevention of harassment
- Diversity-related seminars (multiple times a year)
- Training for harassment counselors, etc.

#### Establishment of internal environment/systems

- Efforts to promote diversity Efforts to create comfortable workplaces Prevention of child and forced labor
- · Efforts to eradicate harassment
- Promotion of health management, etc., by discouraging long work hours, etc.

#### Supply chain management

- Established the "Japan Post Group's Approach to Procurement Activity"
- Since 2018, we have supported the 10 principles set out in the four areas of the United Nations Global Compact (human rights, labor, environment, and anti-corruption).
- We have formulated the "Japan Post Group CSR Procurement Guidelines," which show the specific efforts required of suppliers with regard to the matters listed in the above policy, and promote procurement activities that take into account social responsibilities such as human rights, labor standards, and the environment throughout the supply chain.

#### Implementation of monitoring of efforts

We monitor human rights risks using methods such as employee and workplace environment surveys based on check sheets, regular exchanges of opinions with trade unions, and the implementation of the Supplier CSR Procurement Questionnaire Survey (December 2021, 75 companies). In the future, we will review the monitoring items and methods in line with the actual situation of our human rights impact assessments.

#### Remedies

We have established internal and external contact points for consultation on various types of harassment and human rights violations, and have set up a system where employees can share their concerns in confidence.