Climate Change Initiatives - Response to the TCFD* Recommendations -

*TCFD: Task Force on Climate-related Financial Disclosures

For details, please visit our website. Climate Change and TCFD-Aligned Reporting https://logisteed-holdings.com/en/csr/environment/climate-change/

As the LOGISTEED Group's corporate philosophy is "to deliver high-quality services that will help make the world a better place for people and nature for generations to come," we position climate change response as one of our highest priority management themes and have designated "Contribute to decarbonized society" as one of our material issues. We have also defined "Contribute to decarbonized/recycling-oriented society" as one of the Focus Areas to promote initiatives to address climate-related risks and opportunities and reduce CO_2 emissions. In addition, we expressed our support for the TCFD recommendations in September 2021, and based on those recommendations, we are promoting initiatives and information disclosure regarding climate change.

Basic Policy on Climate Change

Governance

The LOGISTEED Group reports to the Board of Directors on an annual basis regarding climate change initiatives (actual greenhouse gas (CO_2) emissions and reduction targets, and climate-related risks and opportunities).
In FY2025, regarding climate change initiatives included in management strategies and business plans, the Board of Directors provided guidance and supervision through the Chairman and CEO, who is the officer responsible for climate change initiatives, including consistency with management strategies and the Mid-term Management Plan, key performance indicators (KPIs), and final decisions on large-scale capital investments.
The Sustainability Promotion Department within the Corporate Strategy Headquarters oversees all aspects of environmental management under the supervision of the Executive Officer serving as the Chief Strategy Officer. The Environmental Promotion Conference and the Overseas Environmental Officer Meeting, comprised of the environment officers of each group company including the Chief Strategy Officer, are held semiannually to confirm the achievement level of energy consumption and CO_2 emissions targets, manage the progress of climate change measures, determine necessary corrective measures, and discuss future measures. Based on the decisions at the Environmental Promotion Conference and the Overseas Environmental Officer Meeting, and with the approval of the Chief Strategy Officer, the status of climate change initiatives and proposed future strategies are reported or proposed to the Executive Committee semiannually or as needed.

Meeting Bodies/Departments	Roles
Board of Directors	• Provides guidance and supervises initiatives to address management issues related to climate change • Approves reduction targets/measures/budgets
Executive Officer*	• Assesses the progress of initiatives to address management issues related to climate change, and reports to the Board of Directors
Sustainability Promotion Department*	• Oversees overall environmental management work, holds the Environmental Promotion Conference and Overseas Environmental Officer Meeting, and reports and makes proposals to the Executive Committee based on decisions at these conferences
Environmental Promotion Conference and Overseas Environmental Officer Meeting*	• Confirms the achievement level of measures related to climate change, determines corrective measures, and discusses proposed measures

* Established at LOGISTEED. ▶P53 Environmental management structure

Risk Management

The LOGISTEED Group has selected "climate change" as a priority risk, as it is a significant risk related to "contribution to a decarbonized society," which is one of our materialities. Led by the Sustainability Promotion Department of the Corporate Strategy Headquarters, we conduct evaluations in line with the TCFD recommendations annually or as needed, and manage them qualitatively and quantitatively alongside other management risks on a heat map for each company-wide risk factor to ensure consistency with our management strategy.

Metrics and Targets

Medium-to-long-term environmental targets 2030/2050
For the purpose of addressing climate change risks and opportunities, the LOGISTEED Group has set the medium-to-long-term targets for reduction of greenhouse gas (CO_2) emissions and is actively promoting initiatives in the decarbonization projects in five areas (energy saving, electrification, procurement of renewable energy, energy creation, and emissions trading).

▶P54 Trend of LOGISTEED Group CO_2 emissions

Strategy

The LOGISTEED Group uses a scenario analysis to identify and assess climate-related risks and opportunities that are expected to affect our medium-to-long-term business activities and also assess resilience and examine response measures.

(1) Scenario analysis process
The LOGISTEED Group conducts scenario analyses following the procedures outlined below. Under the scenario that assumes the goal of the Paris Agreement is achieved (1.5℃/2℃ scenario) and the one that assumes that no new policies are implemented but each country's announced policies are achieved (4℃ scenario), we have assessed financial impacts of identified climate-related risks and opportunities based on the information such as the trend of key parameters.



* Reference scenario: 1.5℃ scenario: IEA Net Zero Emissions by 2050 Scenario 2℃ scenario: IEA Sustainable Development Scenario/IPCC RCP2.6
4℃ scenario: IPCC RCP8.5

(2) Assessment of climate-related risks and opportunities and financial impacts
For the 11 items identified as important climate-related risks and opportunities for the LOGISTEED Group, we used scenario analysis to quantitatively estimate the potential financial impact, and for items that could not be calculated, we organized them qualitatively. In addition, we re-evaluated the priority based on the timeline and the degree of impact. Furthermore, we examined the resilience of our current response measures and future initiatives.
We are examining and implementing response measures to reduce risks and seize opportunities that have a particularly large financial impact, and we have confirmed that we possess sufficient resilience at this time.

❶ Transition Risks (1.5℃ Scenario/2℃ Scenario)

Types	Timeline*	Risks	Impact* (Financial Impact)	Priority	Measures
Policy and Legal	Mid- to Long-term	Increased carbon costs due to tightening climate regulations and growing demand for carbon offsets	Large (up to 5.6 billion yen)	Medium	Develop and implement environment strategies toward carbon neutrality ①Implement renewable energy ②Implement EVs/FCVs ③Establish and implement an internal carbon pricing (ICP) mechanism
	Short- to Mid-term	Increased compliance costs resulting from insufficient adaptation to new disclosure obligations	Medium	Medium	①Promote emissions data collection and control structures ②Expand the scope of emissions verification conducted by external parties
Technology	Mid-term	Increased cost of introducing low-carbon vehicles and equipment	Large	Medium	Facilitate decarbonization investment and new technology deployment through the development and operation of an internal carbon pricing (ICP) mechanism
	Mid-term	Reduced operational efficiency due to changes in business model and operations associated with the introduction of new technologies	Large (up to 0.8 billion yen)	Medium	Roll out company-wide in phases based on the pilot site trial results
Market	Mid-term	Missed business opportunities or the loss of customers due to insufficient or delayed response to decarbonization efforts	Large	Medium	Promote decarbonization measures alongside strengthened disclosure practices ①Execute energy conservation efforts in a proactive manner supported by the decarbonization investment scheme ②Disclose information on an ongoing basis via the company website, Integrated Reports, and related publications ③Strengthen sustainable marketing communications
Reputation	Short- to Mid-term	Lower investor and customer confidence driven by perceived gaps in climate change response or inadequate disclosure	Large	High	

❷ Physical Risks (4℃ Scenario)

Types	Timeline*	Risks	Impact* (Financial Impact)	Priority	Measures
Physical-Acute	Short- to Mid-term	Amplified risk of business interruption and revenue loss linked to the increased severity of extreme weather events causing supplier and customer shutdowns, as well as damage to our own facilities and infrastructure	Large	High	Strengthen BCP measures against hazard risks ①Diversify sites ②Install solar power generation/storage battery facilities ③Relocate to regions posing lower risk ④Adjust transportation plans ⑤Secure a diverse base of business partners ⑥Implement returnable packaging materials
Physical Chronic	Mid-term	Increase in cost of work environment measures due to rising temperatures	Medium	Low	Promote worker-friendly logistics operation ①Provide a comfortable workplace environment ②Promote automation/labor-saving/unmanned operations

❸ Opportunities

Types	Timeline*	Risks	Impact* (Financial Impact)	Priority	Measures
Resource Efficiency	Mid-term	Opportunity to reduce energy consumption by vehicles and CO_2 emissions with advanced decarbonization	Medium	Low	Reduce energy cost by promoting decarbonization measures ①Promote energy-saving measures ②Introduce and expand renewable energy ③Introduce and expand non-fossil fuel vehicles (EVs/FCVs, etc.) ④Promote modal shift and collaborative logistics
	Short- to Mid-term	Cost reduction by introducing efficient logistics operations such as Smart Logistics and collaborative logistics	Large	High	
	Mid- to Long-term	Establishing and strengthening our brand reputation as an environmentally responsible company by advancing 3R initiatives in packaging and waste reduction	Large (up to 8.0 billion yen)	Medium	①Establish a 99% resource recovery target and consistently meet the target ②Promote the 3Rs in packaging and packing materials
Energy	Mid-term	Explore efficient and stable implementation schemes for renewable and low-carbon energy	Medium	Low	Explore efficient and stable implementation schemes for renewable and low-carbon energy
	Short- to Mid-term	Improvement of operational performance by leveraging AI, IoT, and big data for energy usage visualization and optimization	Medium	Medium	①Expand internal deployment of the EcoLogiPortal service for visualizing CO_2 emissions during transportation ②Investigate and consider the adoption of EV energy management technologies
Products and Services	Short- to Long-term	Market expansion through focused research and development into decarbonization logistics technology and delivery of low-carbon services	Large (up to 0.8 billion yen)	High	Provide low-carbon services using the Company's unique Smart Logistics ①Smart Warehouses ②EcoLogiPortal ③SSCV-Safety
Market	Short- to Mid-term	Creation of revenue streams in climate change-focused markets via CO_2 emissions visualization solutions and energy infrastructure	Medium	Medium	Expand external sales of EcoLogiPortal and accumulate heavy machinery know-how
Resilience	Long-term	Securing and maintaining of customer trust by promoting BCP	Large	Low	Provide resilient operations that enable logistics services "that never stop"

* Timeline definitions: Short-term: Up to one year; Mid-term: Two to five years; Long-term: Six years or more
* Definition of impacts: Large: It has a significant business and financial impact Medium: It has some business and financial impact Small: It has a small business and financial impact

(3) Transition Plan to Achieve 1.5℃ target
The LOGISTEED Group has incorporated the five initiatives toward the realization of the medium-to-long-term environmental targets (energy saving, electrification, procurement of renewable energy, energy creation, and emissions trading) in the Mid-term Management Plan "LOGISTEED2027" and will promote CO_2 emission reduction measures to limit the temperature increase to 1.5℃ above pre-industrial levels.

▶P54 Examples of CO_2 Emission Reduction initiatives