

## **Basic Policy on Corporate Governance**

### Article 1 (Purpose)

Yusen Logistics Co., Ltd (YLK), a global supply chain/logistics company, establishes this Basic Policy with the aim of implementing its Group Management Philosophy as described in the following Articles, and with the awareness that as a company, developing and building a corporate governance system that ensures management transparency is vital to the interests its customers, business partners and employees and other diverse stakeholders.

### Article 2 (Group Corporate Vision)

The group corporate vision established by YLK is as follows.

## **OUR VISION • OUR MISSION**

### OUR VISION

Connecting people, businesses and communities to a better future - through logistics.

### OUR MISSION

To become the world's preferred supply chain logistics company – applying insight, service quality and innovation to create sustainable growth for business and society.

## **OUR VALUES**

### CONNECTED

We invest in insight to get to the heart of our customers' challenges We are open and transparent in the way we work

### COMMITTED

Deeply involved in building relationships – everything we do is with the long-term in mind Our dedication to quality is the cornerstone of our success – we get every detail right

### CREATIVE

We are constantly developing better ways of working

If we find a better way of working, we act upon it and proactively share it

## **OUR BRAND PROMISE**

"Create Better Connections"

#### Article 3 (Governance System)

YLK has adopted be a company with an Audit & Supervisory Committee as part of the enhancement of its corporate governance.

The Board of Directors has responsibility for management of YLK, makes the major decisions for the Company, and the Audit & Supervisory Committee audits and supervises the execution of duties by directors and others. Further, an "Core Management Board" is established comprising Executive Officers appointed by the Board of Directors to ensure timely and efficient decision-making and to deepen discussion concerning the business execution of the YLK Group. NYK's Internal Audit Department (hereinafter referred to as "NYK IAD"), which the Company outsources internal audit services, carries out systematic internal audits for the Company and its group subsidiaries, and may optionally establish an "Internal Control Committee", a "Compliance Committee, a "Personal Information Protection Committee" and an "Investment Study Meeting", in order to respond to various corporate risks.

#### Article 4 (Role, Responsibilities and Management of the Board of Directors)

- 1 The Board of Directors has the following responsibilities:
  - (1) Formulation of the Group Management Philosophy and ensure its thorough dissemination and familiarization throughout the Group
  - (2) Formulation of the Business Plan and, if not achieved, analysis of the causes, countermeasures and their reflection in the next period's business plan
  - (3) Development of a systems that supports timely and successful decision-making and oversight of business execution organizations
  - (4) Maintenance and oversight of internal control systems and risk management systems
  - (5) Monitoring of conflict of interest transactions
  - (6) Performance evaluation and personnel assignment of Directors and Executive Officers
  - (7) Decisions on major business execution and other matters related laws and regulations, the Articles of Incorporation and the Board of Directors Rules
- 2 The Board of Directors Meeting is held once per month in principle, and an Extraordinary Board of Directors Meeting is held when necessary.
- 3 The Chairman of the Board has responsibility for the effective management of the Board of Directors and will strive to foster an ethos that values open-minded and constructive discussions and opinions, including the raising of issues by outside directors.,
- 4 To ensure the efficacy of internal controls, the Board of Directors will collaborate with the NYK IAD, outside Accounting Auditor, Core Management Board as well as advisory bodies such as the Internal Control Committee and others.

Article 5 (Audit & Supervisory Committee)

The Audit & Supervisory Committee, having sufficient understanding of the intent of this Basic Policy, will execute its duties appropriately in accordance with the Audit & Supervisory Committee Audit Standards set by the Committee.

Article 6 (Executive Officers Board)

The Core Management Board Meeting is held twice per month at Head Office in principle, to discuss and make decisions on overall YLK Group business execution in accordance with the "Core Management Board Rules".

Article 7 (Accounting Auditors)

- 1 Outside Accounting Auditors are responsible for appropriate auditing.
- 2 Where the Accounting Auditor finds irregularities and demands an appropriate response, or points out deficiencies or problems, the Board of Directors and the Audit & Supervisory Committee, together with related departments, will establish a system to discuss countermeasures without delay.

Article 8 (Outline of Internal Controls)

YLK, as a company establishing with an Audit & Supervisory Committee, in addition to implementing the resolutions of the Board of Directors on the establishment of a system (internal control system) to ensure the appropriateness of business in accordance with the Companies Act, and practicing corporate management that complies with laws and regulations and the "Articles of Incorporation". In addition to the institutional design of the company stipulated by the Company Act, we will utilize any institution such as Internal Control Committee, Compliance Committee, and Personal Information Protection Management Committee to enhance the governing function of the Company and our corporate group.

Article 9 (Compliance Activities)

The Compliance Committee establishes, executes and verifies a Compliance Program every fiscal year. In addition, through various training based on the Program, it strives to acquire knowledge of and foster awareness of compliance.

Article 10 (Internal Audit Activities)

NYK's IAD confirms the effectiveness and efficiency of business execution through systematic internal audits of the YLK and its subsidiaries. As the result of the internal audit, NYK IAD will report the same content of the audit results to the YLK's Board of Directors, Audit & Supervisory Committee, and NYK's Board of Directors, and their pointing out, proper advice and propose improvements to ensure the appropriateness of business operation.

#### Article 11 (Whistleblowing)

- 1 YLK will establish multiple contact points for internal whistleblowing window so that employees, etc. of YLK Group can convey information or sincere legitimate suspicion with respect to illegal or inappropriate acts of information disclosure to the Board of Directors and Audit & Supervisory Committee. In addition to this YLK will also set up an external reporting contact point with based on Compliance Help Line Rule under the whistleblowing system, in consideration of the feelings of whistleblowers.
- 2 YLK will establish a system for reporting to the Compliance Committee chaired by the President and Representative Director in order to objectively verify information and legitimate suspicion brought to the contact window under the preceding paragraph will be examined objectively, and properly utilized.
- 3 The Board of Directors must supervise the operational status of the whistleblowing system of YLK such as whether or not the handling and responding to reported cases of the information or suspicion conveyed was proper, or whether or not the whistleblower has unfairly suffered disadvantages, etc.

#### Article 12 (Appropriate Consultation with Stakeholders other than Shareholders)

YLK recognizes that the source of corporate activity over the medium to long term lies in various stakeholders including customers, employees, customers, business partners, creditors and regional communities including foreign countries, and strives for appropriate cooperation with stakeholders other than shareholders.

#### Article 13 (Group Code of Conduct Establishment and Implementation)

Based on the recognition under the preceding article, the Board of Directors must stipulate a Code of Conduct that will be applicable to all directors, officers and employees of YLK and YLK Group companies, and cause it to penetrate deeply into business activities inside and outside Japan, and be observed.

#### Article 14 (Executive Education)

- 1 YLK will establish opportunities for education and training in finance, accounting, law, organizations and other study regarding YLK business by Directors and Executive Officers.
- 2 The Audit & Supervisory Committee provides opportunities for Directors who are Audit & Supervisory Committee Members to study finance and accounting, and supports a system where at least one person holds appropriate knowledge of finance and accounting.

- 3 Directors and Executive Officers should not only understand their duties and be familiar with YLK management strategy and financial status but should also study to deepen their own insight into management, operations, finance, accounting, and laws and regulations.

#### Article 15 (Sustainability)

YLK recognizes that sustainability related issues such as, social, environment, and governance, will not only reduce risks, but also lead to earning opportunities, so that we proactively and willingly to tackle with the issues from the prospective of our medium to long-term improvement of our corporate values, and to actively publicize the contents of efforts as well. In addition, as a global supply chain logistics company, we must be aware of the significance of our social existence and contribute to the sustainable development of society and the economy as a whole.

#### Article 16 (Ensuring Diversity)

YLK recognizes that for its sustainable growth, diverse viewpoints and values are necessary, reflecting different experiences, skills, and characteristics inside the YLK, and make efforts so that each person can play an active role depending on the experience, skills, and characteristics possessed, unaffected by race, skin color, religion, gender or place of origin, etc.

#### Article 17 (Publication of Policy regarding Risk Management and Internal Control Systems, etc.)

- 1 The Board of Directors will, based on the Company Act and other applicable laws and regulations, decide the YLK policy regarding risk management, internal control systems, and compliance with laws and regulations for YLK and the YLK Group companies, and make it public in a timely and appropriate manner.
- 2 YLK will make public such matters that relate to finance and operations in accordance with the Companies Act and other applicable laws and regulations, and the Articles of Incorporation.

#### Article 18 (Revision and Abolition)

This Basic Policy can be revised or abolished by resolution of the Board of Directors.

#### Supplementary provisions

Formulated November 27, 2015

Revised July 31, 2018

Revised April 01, 2019

Revised June 30, 2020

Revised July 30, 2021