

Governance

A Company Trusted by Society and Capable of Making Sustainable Growth

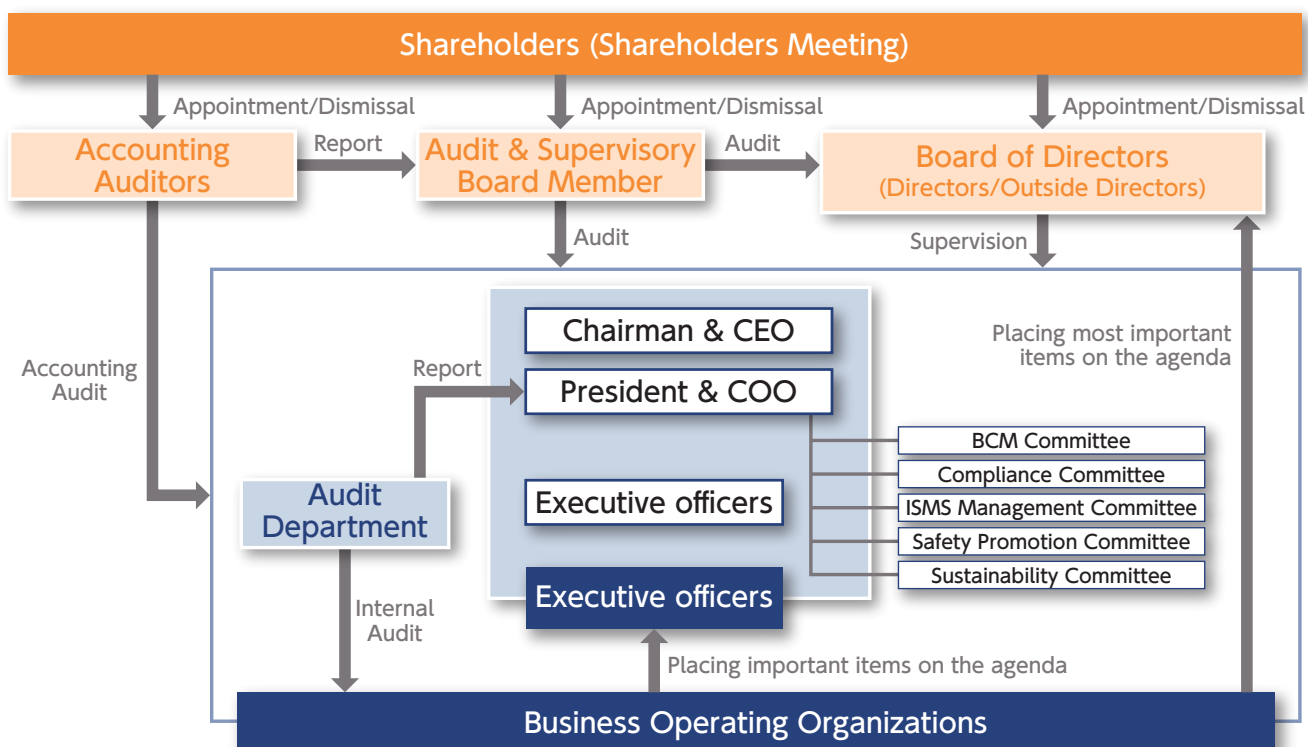
The chemical products we handle bring enrichment and happiness to society and our logistics business is the core of the chemical industry. We take pride in this and fulfill our social responsibility.

The NRS GROUP Corporate Code of Ethics is the foundation on which the NRS GROUP conducts its business activities. We aim to be widely supported by society as an excellent company through sensible and fair actions based on initiative and self-responsibility with ethical behavior, compliance with the law, and emphasis on safety as our basic principles.

Corporate Governance Basic Policy

We are committed to ethical business conduct, compliance with the law, and safety and quality. We respect diverse personalities and individuality, and build sound and fair relationships with all stakeholders, including customers, business partners, employees, and shareholders. In order to achieve these goals, we continue to strive for optimal corporate governance that enables us to make sound, transparent, fair, and prompt decisions.

Corporate Governance System



Board of Directors

The Board of Directors as the decision-making body for management, and implements important business decisions, management strategies, and policies. It supervises the execution of business by directors and is responsible for sound business operations, including the establishment of internal control systems.

Executive Board

The Executive Board deliberates regularly on matters other than those to be resolved by the Board of Directors for the purpose of prompt business execution. The results are reported to the Board of Directors.

Audit & Supervisory Board

The Board audits the business execution of directors and executive officers. It also audits whether appropriate management is being carried out in terms of compliance and accounting.

Audit Department

The Audit Department is responsible for the verification and evaluation of the legitimacy, efficiency, economy and effectiveness of business operations from the standpoint independent of business execution departments and reports the results to the Board of Directors. The Office assists the Audit & Supervisory Board in the execution of their duties in accordance with their instructions.

Internal Control, Legal Affairs, and Risk Management Departments

The Internal Control, Legal Affairs, and Risk Management Departments are responsible for the establishment, operation, and management of the NRS GROUP's internal control system, as well as the gathering and analysis of information related to management risks and overall management of efforts to respond to such risks.

Corporate Governance Training

We conducted a corporate governance training for board members on July 4, 2022. We invited outside instructors to deepen our understanding of corporate governance with the recognition of our goal of realizing sound and law-abiding corporate management and the need to strengthen our system as an important corporate issue.

Ensuring Compliance

Compliance Committee

The Compliance Committee, chaired by the president, meets regularly to share, deliberate, and review important matters related to the promotion of compliance throughout the company, including group companies, and reports to the Board of Directors. The Committee also strives to strengthen the compliance system to detect problems early and prevent them from occurring through various activities, such as the acquisition of knowledge on laws and regulations through seminars and e-learning, prevention of problems through continuous improvement of the corporate culture, development of an organization capable of detecting problems early, utilization of operational audits and internal control liaison, and the activities of the Compliance Committee.

Internal Reporting Desk

We have established the internal reporting desk for the early detection and correction of violations or suspected violations of the Code of Ethics, laws, regulations, and internal rules.

- Internal reporting desk: Installed within the company and outside the company (at a lawyer's office). We plan to expand its activities by installing it in overseas subsidiaries in the future.
- Protection of the rights of whistleblowers: Stipulated in the Whistleblower Protection Regulations
- Guidelines for the Revised Whistleblower Protection Act: Conforming.



Strengthening Security Trade Controls Through New Import/Export Control System

In order to reaffirm the company's recognition of the importance of the international community's efforts to prevent the proliferation of weapons of mass destruction and related cargo, as well as to strengthen security trade control, we have been working under a new system since November 2021.

1. Establishment of Security Export Control Regulations and clarification of organizational structure, procedures, audits, training, and document management.
Establishment of a new department to oversee import/export management.
2. Systematized export approval procedures (Name: Rakuraku Workflow Export Management).
Paperless management of documents including import records on the Web
3. Study sessions for new employees. We are working to raise awareness through e-learning for all employees.
4. Acquisition of information on amendments to laws and regulations and notification of the information in a timely manner. We are going to make further improvements through internal audits.

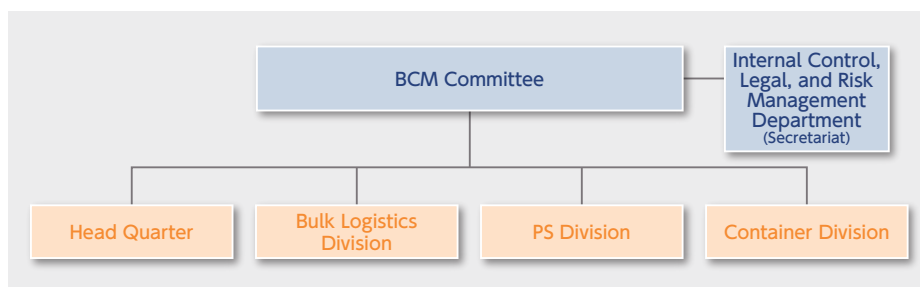
Risk Management

We have established a system under the direct control of the president to manage risks in a cross-sectoral manner. For example, (1) we have established BCM Committee that deliberates and makes decisions on policies and measures for activities related to the business plan. Also, (2) we have obtained ISO 27001 certification for information equipment management and installed the ISMS Management Committee.

BCM Committee

The NRS GROUP, which has the industry's leading market share in the transportation and storage of hazardous materials, chemical products, as well as tank

container leasing, considers the early restoration and continuation of its operations in the event of a large-scale disaster or under the risk of infectious diseases to be an important social responsibility. Based on discussions by the BCM Committee, chaired by the president, we inspect and review the Business Continuity Plan (BCP) of each business site to ensure that we can continuously provide services and products to our customers.



Information Security

We obtained the ISO 27001 certification for information equipment management in 2020. Under the Information Security Policy, we have established an Information Security Management System (ISMS) and practice activities to maintain information security. In October 2022, we published the fifth edition of the Information Security Handbook to ensure that all employees understand the contents. In addition to account management using multi-factor authentication and measures on conventional endpoints, such as PCs and servers, we are planning to introduce zero-trust tools globally by September 2023 and will implement both human and mechanical measures. We strive to further improve the level of security with the commitment of “never leaking important customer information” and “never stopping the systems that support advanced logistics.”



Response to COVID-19

Under the direction of the top management, we established the COVID-19 Response Committee to ensure the safety of the employees of the NRS GROUP and their families, prevent the spread of the infection, and ensure the continuity of our business. We check the situation at each site and provide necessary supplies such as masks, hand sanitizers, and COVID-19 test kits. In addition, we were among the first to extend the company-based vaccination program to employees, their family members up to the second degree of kinship (whether living together or living separately), and employees of partner companies in Japan.

Responding to Emergencies

The NRS GROUP has established Emergency Response Regulations to ensure that the NRS GROUP responds to such emergencies as serious accidents and disasters in an organized manner. These regulations consist of the level of countermeasures, establishment, structure, and command of response headquarters, dispatch of offices to areas in need of support, on-site command, communication system, preparation of disaster management materials, education and training, and accident and disaster reports. In addition, we have provided a total of 45 Hazard Talk (name of device), an emergency communication device, at the head office and all offices within Japan in preparation for situations in which landlines and cell phones are not available in an emergency, and we conduct communication drills once a month. We have a system that allows us to quickly determine whether we can continue our operation in an emergency, restore our business through the cooperation within the Group if business continuation is not possible, and quickly reestablish our operation to continue providing our services and products to our customers.

