



# SUSTAINABILITY REPORT 2022



**NRS** CORPORATION

# TABLE OF CONTENTS

NRS GROUP, a Leader in Chemical Logistics	
Message from the President and COO	3
Philosophy	4
Vision of the NRS GROUP	5
History	6
Strengths of the NRS GROUP	8
Our Aims for Sustainability	9
Environment	
To Achieve Carbon Neutrality	14
Initiatives to Reduce CO <sub>2</sub> Emissions	15
Waste Reduction	17
Prevention of Environmental Pollution	17
Society: Safety and Quality	
To Provide Safe and High-Quality Logistics	18
Aiming to Provide Services that Satisfy Customers	22
Opening of Vietnam's First Warehouse Dedicated to Chemical Products	23
Four Strategies of Logistics DX to Create New Value in Chemical Logistics	24
Society: Human Resources	
Work That Makes Employees Proud and Happy Both Materially and Mentally	26
Society: Social Contribution Activities	
Governance	
A Company Trusted by Society and Capable of Making Sustainable Growth	32
Ensuring Compliance	33
Risk Management	34
ESG Data	

## Company Profile

Company Name  
: NRS CORPORATION

Representative  
: Shingo Togi, President and COO

Head Office  
: Kowa-Hitotsubashi Building 8F, 7-1  
Kanda-Nishikicho, 3-chome, Chiyoda-  
ku, Tokyo 101-0054 Japan

Founded  
: December 1946

Primary Business  
: Warehousing, custom clearance,  
international transportation, truck  
transportation, consigned truck  
transportation, rail transportation,  
marine transportation, air  
transportation, equipment lease,  
rental and sale, 3PL (third-party  
logistics service), and logistics IT  
system development

Capital  
: 2 billion yen

URL : <https://www.nrsgr.com>

## Editorial Policy

We compiled this report with the aim of communicating our sustainability initiatives to our stakeholders in an easy-to-understand manner. It consists of information about the NRS GROUP, the Group's sustainability initiatives, and its environmental, social, and governance efforts to date, as well as ESG data.

## Period Covered in This Report

- FY 2022 (from October 1, 2021, to September 30, 2022): However, this report also contains some relevant information from outside of this period.

## Organizations Covered in This Report

NRS CORPORATION and its Group companies

## Date of Publication

December 2022

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## Message from the President and COO

**Shingo Togi,**

President and COO  
NRS CORPORATION



Chemical products are indispensable to the development of our lives in terms of affluence, convenience, and functionality, and the logistics functions of NRS play an important role in the global supply chain of such chemicals. Based on our corporate philosophy, “Like a shining diamond, to share happiness with everyone,” we created our management vision, “To be a leading chemical-logistics company in the world.” Under these philosophy and vision, we will continue to evolve and enhance our corporate value by pursuing higher added-value services to achieve our corporate mission of “To provide the optimal solution to the world’ s chemical logistics industry, NRS has the answer.” With safety and legal compliance as the foundation of our business, we are committed to building a business that supports the sustainable growth of society while gaining the trust of our customers and all stakeholders.



## Philosophy

### **Like a shining diamond, to share happiness with everyone**

Logistics is essential to connect suppliers and consumers and plays fundamental roles in industry. Chemical products are used extensively for a healthy human life—automobiles, home electric appliances, IT, healthcare, foods, and energy. On the other hand, the material of chemical goods bears the risks of being flammable, explosive, or toxic. We take on safety and compliance as the most important for chemical logistics. As a chemical logistics company that provides comprehensive services, our mission is to provide high-quality, high-efficiency logistics services based on safety and legal compliance. NRS employees are always ready to learn and to act in accordance with the customer needs and are committed to building a company of high quality and scale that can accurately and promptly meet the demands of its customers. By doing so, we aim to contribute to our customers, business partners, and society and to be widely trusted by the public.

By working with pride in a company where people can feel happiness both materially and mentally, we believe that will lead to our founding principles set out in the company philosophy of “Like a shining diamond, to share happiness with everyone.”

## **Shifting from Nichiriku to NRS CORPORATION**

### **October 2022 – Japanese company name change and brand integration**

We changed the Japanese company name from Nichiriku to NRS CORPORATION on October 1, 2022. We also changed the names of our Group companies and unified them under the NRS brand in order to strengthen the sense of unity worldwide. The NRS GROUP has been globally operating the transportation business in the chemical logistics field, tank terminal and warehousing business, leasing and sales of ISO containers and IBC tanks, and the forwarding business for ocean and air international transportation. However, we used to have different company names and brand names within our own Group companies. We thus decided to use the new company name NRS, which is well known as our main brand, and unify our brands, including those overseas, to further solidify our global position in the chemical logistics industry.



# Vision of the NRS GROUP

We, NRS CORPORATION have established a new vision, mission, and values based on our corporate philosophy, “Like a shining diamond, to share happiness with everyone.” The vision is the management goal based on the corporate philosophy, the mission is the purpose of our existence, and the values are the core beliefs and principles that each and every employee values and acts upon to realize our vision, mission, and a guideline to connect our corporate philosophy and our corporate code of ethics. This is also a strong statement of our commitment through the company name change to strengthen the unity of the Group and to connect the world together as "One NRS".

The chemical products handled by NRS are an important element of global development. In addition to meeting customer demand for safe handling, we also tackle environmental issues and social challenges. By fulfilling our responsibilities to society, customers, business partners, employees, families, and all other stakeholders, we will pursue the material and mental happiness of all those involved with us.



# History

<p>1940-</p>	<p><b>1946 Nippon Riku-un Sangyo Co., Ltd., founded for the purpose of selling transportation of petrochemicals using restored tank cars that had been damaged in the war</b></p> <ul style="list-style-type: none"> <li>■ Nichiriku Transportation Co., Ltd., and Nichiriku Warehouse Co., Ltd., established</li> </ul> <p>We constructed a large warehouse for hazardous materials in the petrochemical complex of the Keiyo Industrial Zone. This contributed to the development of the chemical industry through our tanker truck transportation business and the operation of the tank terminal in the Kansai area</p>
<p>1980-</p>	<p><b>Paved the way for safe, high-efficiency ISO tank container operations in Japan</b></p> <ul style="list-style-type: none"> <li>■ Takaishi Chemical Co., Ltd., established. Custom clearance business begins.</li> <li>■ Tank container business begins, established the International Tank Container Division.</li> </ul> <p>We focused on ISO tank containers for international transportation, which were not allowed for use within Japan at that time. We developed vehicles with a maximum load capacity of 24 tons jointly with an automotive manufacturer. We strongly promoted the then government for the relaxation of fire safety regulations and obtained a domestic transit permit for a 24-ton ISO tank container for import/export cargo only. Additional promotions resulted in the relaxation of the above permit to increase the maximum load capacity to 30.48 tons in 1999 and elimination of the limitation on the use of the cargo for import/export purposes in 2004, contributing to the making of efficient and resource-saving logistics.</p> <ul style="list-style-type: none"> <li>■ As the import and export to and from Japan increased, many trailer rollover accidents occurred throughout Japan. We approached a car manufacturer for joint development. We jointly developed a specialized chassis for international tank containers with a rollover-prevention system, which was provided in all of our offices in the following year.</li> <li>■ US subsidiary NRS America Inc. founded in New York [Current NRS LOGISTICS AMERICA INC.]</li> <li>■ Interflow (Tank Container System) Ltd. (UK) acquired and Non-Vessel Operating Common Carrier (NVOCC) business begins [Current NRS OCEAN LOGISTICS LTD.]</li> <li>■ Rental and sales of IBC (Intermediate Bulk Container) begins</li> <li>■ We established NRS Singapore Pte. Ltd. as a local company in Singapore [current NRS LOGISTICS SINGAPORE PTE. LTD.]</li> </ul>



Transportation business



Warehouse business



Tank terminal business



Container business



Freight forwarding business



2000-	<p><b>Established a full-scale hazardous materials warehouse at the request of the Ministry of Transport of the People's Republic of China</b></p> <ul style="list-style-type: none"> <li>■ Shanghai joint venture, Shanghai Nichiriku Wailianfa Logistics Co., Ltd., established</li> <li>■ Transportation of inorganic cyanide compounds, hydrogen fluoride, or preparations containing them used to be restricted to 10 kl or less. However, after years of sincere communication with the relevant authorities through the Japanese Dangerous Goods Container Association, for which we serve as the secretariat, the capacity regulation in the IMO Standard was eliminated for the transportation of such chemicals in ISO tank containers. We then became the first company to transport hydrogen fluoride in Japan.</li> <li>■ Dangerous and Bonded warehouse opened in Shanghai, China Back then, hazardous materials warehouses in China were small buildings with only a fire extinguisher. Since we accompanied a visit by the Chinese Ministry of Transport to Japan to inspect the logistics of hazardous materials, we received a request to operate a hazardous materials warehouse in Shanghai. We thus constructed a bonded hazardous materials warehouse in the Port of Shanghai.</li> <li>■ Air cargo business begins</li> </ul> <p><b>2008 Japanese company name changed to K.K. Nichiriku (NRS Corporation in English)</b></p> <ul style="list-style-type: none"> <li>■ We obtained manufacturing license (packaging, display, and storage) for pharmaceuticals, quasi-drugs, and cosmetics. Approval of IATA Cargo Sales Agent acquired.</li> <li>■ Invented the online roll call system Roll calls, which are the foundation of the health management and safety assurance of driving crews, are often conducted late at night and early in the morning. They have thus been a huge financial and labor burden for transport operators. Therefore, we devised an online roll call system using information technology (IT), obtained approval from the Ministry of Land, Infrastructure, Transport and Tourism, and used it to enhance safety and improve operational efficiency.</li> <li>■ Became the first company in Japan to be accredited as AEO* Custom Brokers by Tokyo Customs</li> <li>■ ISO 14001 certification acquired</li> </ul>
2010-	<p><b>Expanded our expertise in safe high-quality logistics developed in Japan to other countries.</b></p> <ul style="list-style-type: none"> <li>■ Established NRS Logistics Korea Corporation in Seoul, Korea [current NRS LOGISTICS KOREA CO., LTD.]</li> <li>■ Established NRS Logistics (Thailand) Co., Ltd. in Bangkok, Thailand [current NRS LOGISTICS (THAILAND) CO., LTD.]</li> <li>■ NRS Corporation Taiwan Branch established in Taipei [current NRS CORPORATION TAIWAN BRANCH]</li> <li>■ NRS Logistics Vietnam Co., Ltd., established</li> <li>■ Obtained approval from Tokyo Customs as AEO* Warehouse Operators.</li> <li>■ Established NRS Raiza Logistics Vietnam, JSC. in Vietnam. Opened the first Japanese-quality hazardous materials warehouse in Vietnam.</li> </ul>
2020-	<p><b>2022 Japanese company name changed to NRS K.K.</b></p>



Online roll call system



The first Japanese-quality hazardous materials warehouse in Vietnam

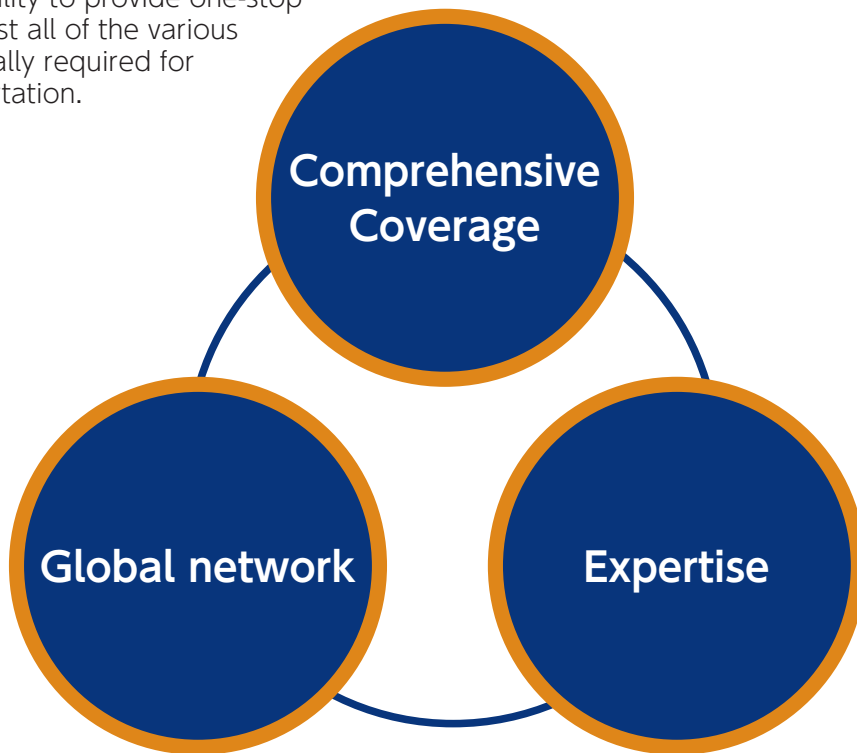
\*AEO: Authorized Economic Operator. AEO system is a system in which customs approves and certifies operators that have established cargo security management and compliance systems and provides relaxed and simplified form of customs procedures.



# Strengths of the NRS GROUP

In the business environment in which the NRS GROUP is involved, the importance of the supply chain has increased because of the spread of COVID-19 pandemic and the Ukraine crisis. With safety and legal compliance as our foundation, we will continue to enhance the Group's strengths of "Comprehensive Coverage," "Global network," and "Expertise" and keep providing services with higher value.

We are engaged in a wide variety of businesses, including domestic and overseas transportation of chemicals, warehouse and tank terminal operation, leasing, and sales of containers, such as ISO tank containers and IBCs, multi-workstation operation, customs clearance, and logistics DX. Our strength is our ability to provide one-stop service with almost all of the various functions specifically required for chemical transportation.



We have group companies in the UK, the Netherlands, France, Germany, the USA, China, Taiwan, Korea, Singapore, Thailand, and Vietnam to meet the needs of our customers globally. Under the slogan "One NRS," the Group is further strengthening its scale and unity.

We are proud of our professionalism in handling hazardous materials that enables our safe and high-quality logistics. In addition, we not only educate our employees in the knowledge of chemical logistics, which had always been our principal, but also nurture human resources to become global leaders. By strengthening and enhancing our investment in human resources more than ever before, we are developing talent who will always create new value while tackling social issues.



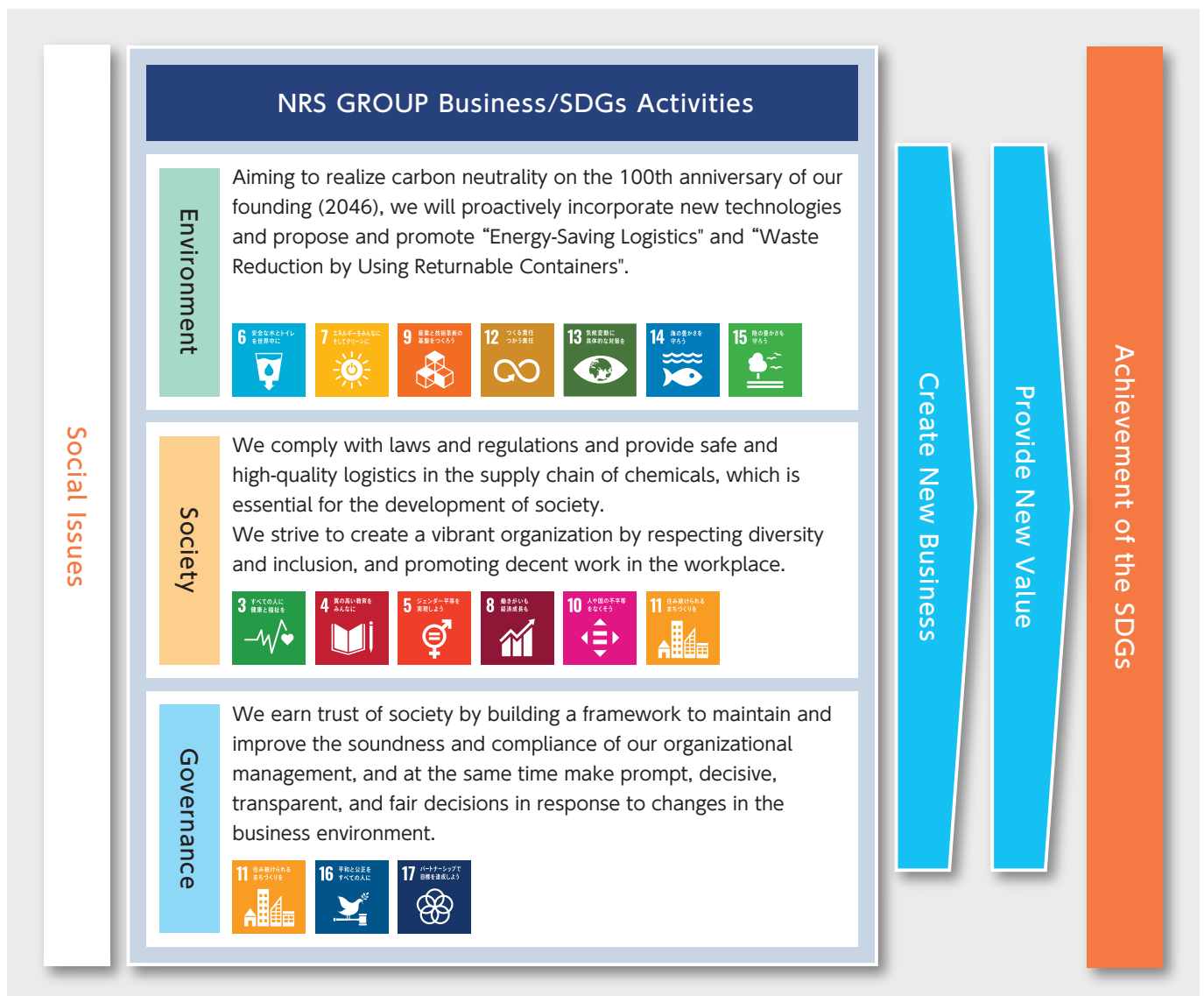


# Our Aims for Sustainability

## Our Approach to Creating a Sustainable Society (Sustainability)

As a leading company in the field of comprehensive logistics of chemicals and hazardous materials, the NRS GROUP is thoroughly committed to business activities that reduce the burden on the community and the environment. We have been and will continue to contribute to the creation of a sustainable society through our SDGs/ESG-conscious corporate activities. The following is the SDGs/ESG activities that the NRS GROUP is aiming to implement:

### NRS GROUP Initiative for the SDGs/ESG Management



# Our Aims for Sustainability

## Sustainability Roadmap of the NRS GROUP

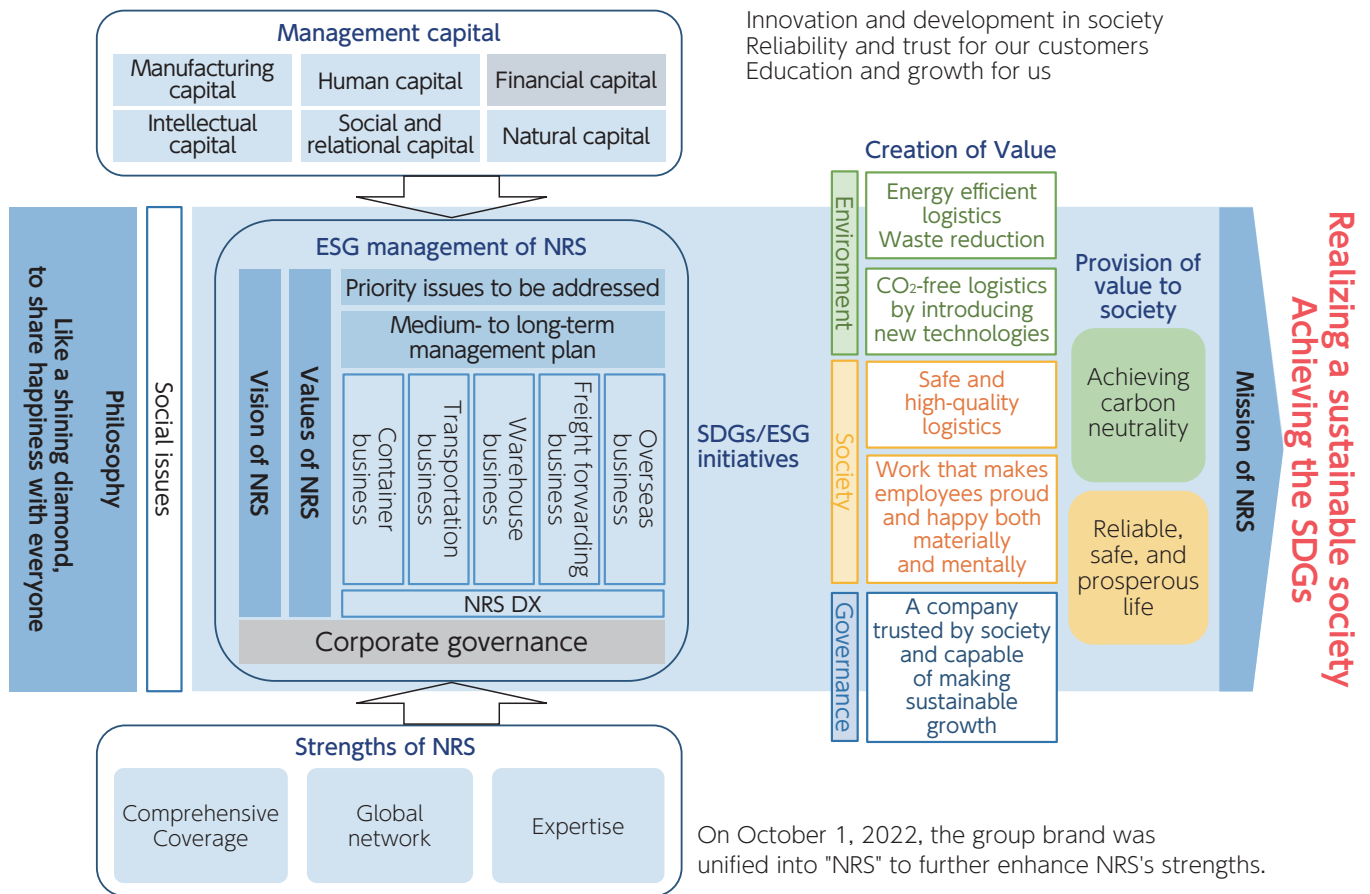
We take pride in the fact that the logistics industry plays a key role in the supply chain of chemicals, which is indispensable for the development and advancement of human society. Each and every one of our employees is committed to enhancing the NRS Values to provide safe, high-quality logistics services, aimed to solve social issues and contribute to the development of a sustainable society.

**Vision of the NRS GROUP** To be a leading chemical-logistics company in the world

**Mission of the NRS GROUP** To provide the optimal solution to the world's chemical-logistics industry NRS has the answer

**Values of the NRS GROUP** Safety and legal compliance come first

Innovation and development in society  
Reliability and trust for our customers  
Education and growth for us



On October 1, 2022, the group brand was unified into "NRS" to further enhance NRS's strengths.

### SUSTAINABLE DEVELOPMENT GOALS

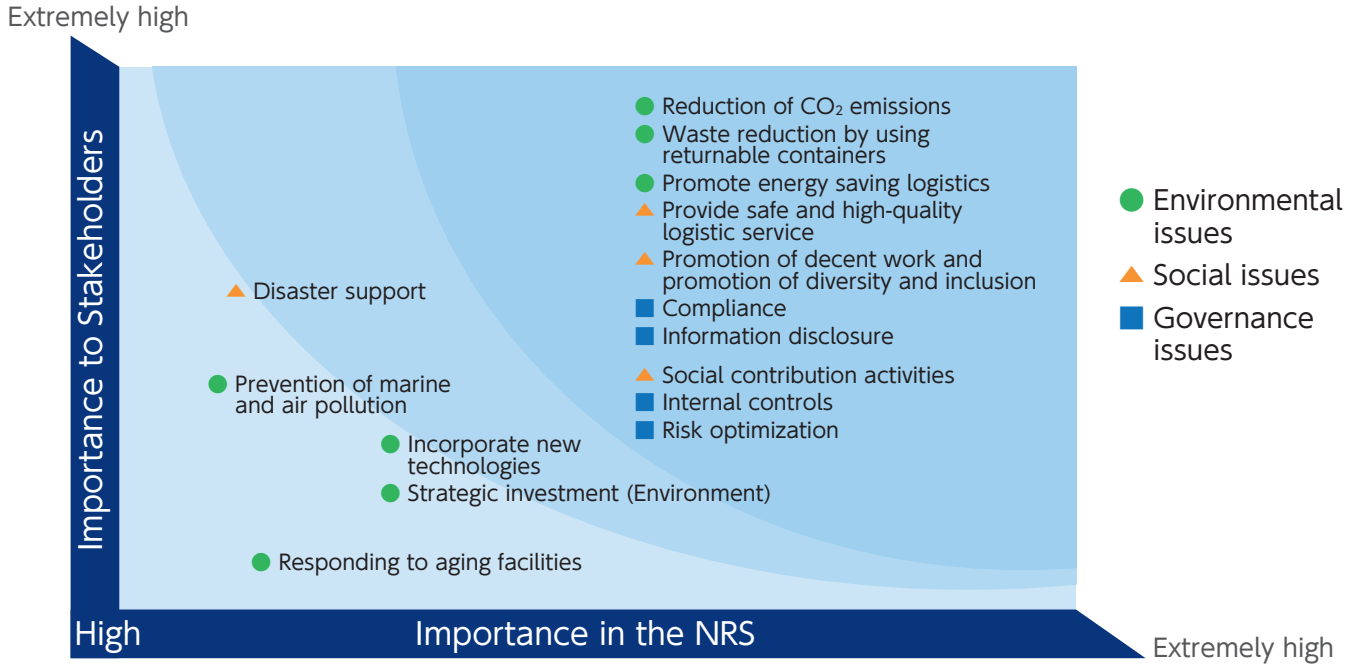


\* The SDGs are the Sustainable Development Goals adopted by the United Nations in September 2015 as common global goals to solve society's issues by 2030 consisting of 17 goals and 169 targets.



# Our Aims for Sustainability

## The NRS GROUP's Materiality Issues for Achieving the SDGs (2030)



### Reduction of CO<sub>2</sub> Emissions

One of the variable factors is GHGs (mainly CO<sub>2</sub>), the main sources of which are the use of fossil fuels and electricity. As for fuels, our mission is to switch to fossil-free fuels and promote substitution with hydrogen, EVs, biomass, and other fuels. As for electricity, we will systematically promote the use of solar power generation and the switching of electricity suppliers to those who provide renewable energies. We will also strive to make it a daily routine to engage in energy saving and resource conservation efforts.

### Ensuring Compliance

In addition to compliance with applicable laws and regulations, we ensure that all rules, from company regulations to operational manuals, are strictly adhered to. Through the Compliance Committee, we check the status of compliance with laws and regulations and implement appropriate management, supervision, and correction whenever necessary.

### Respect for Diversity and Making of Comfortable Workplace

In order to secure and nurture excellent human resources and continue to grow as a company in the midst of an aging society with a declining birthrate, we will actively respect diversity, such as by recruiting foreign nationals and extending the retirement age. In addition, to enable employees, who are the driving force of the organization, to fully demonstrate their abilities, we are working to create a decent workplace by expanding systems that focus on creating a good work-life balance and promoting the planning and implementation of a wide variety of education and training programs.

### Provision of Safe and High-quality Logistics

Chemical products contribute greatly to the development of society. However, it is essential to consider their risk of adverse effects on the environment, including air, water, and soil, and the risk of large-scale accidents. The handling of chemical products thus requires specialized knowledge, skills, and experience. The NRS GROUP is actively engaged in human resource development, maintenance and preventive maintenance of logistics cargo handling facilities, and further promotion of digital transformation (DX) in order to provide safe and high-quality logistics as a professional chemical logistics provider.



# Our Aims for Sustainability

## Sustainability Promotion Activity

In January 2021, we established the SDGs promotion structure, including the SDGs Committee, and have engaged in various activities. Then in November 2022, we changed the committee name to the Sustainability Committee in order to further strengthen and promote management based on a sustainability perspective. The Sustainability Committee is chaired by the president and composed of members of the Board of Directors. It is responsible for formulating policies and other matters related to the promotion of sustainability. The Sustainability Promotion Committee has the mission to share the activity policy, action plan, and other information to each office in order to implement the company's policy and to disclose information to stakeholders. The outcome of its activities conducted so far includes the formulation of the initiatives described earlier, revision of the company website (revision to the sustainability page), and response to an external evaluation (EcoVadis evaluation). For employees within the company, the Sustainability Promotion Committee is regularly publishing newsletters to share information on its activities and disseminate information through a variety of communication media. The Sustainability Promotion Committee also responds to the development of an action plan for the company's 2046 carbon neutrality declaration.

### Organization Chart of the Sustainability Committee



## Evaluation from International Sustainability Rating Agencies

In October 2021, the NRS GROUP received a Bronze rating in a sustainability investigation conducted by EcoVadis of France. EcoVadis is an independent and reliable collaborative platform that evaluates the sustainability initiatives of more than 90,000 companies and organizations worldwide according to its own CSR criteria and based on thousands of external sources (NGOs, labor unions, international organizations, local governments, auditing bodies, etc.). The NRS GROUP will further strengthen its efforts to promote sustainability with each and every employee being aware of the SDGs/ESGs.



### Participating Initiatives

- JH2A - Japan Hydrogen Association
- Clean Fuel Ammonia Association
- Japan Dangerous Goods Container Association
- White Logistics Movement Declaration



# Environment

An environmental impact is unavoidable in the logistics business. Taking this fact deeply and seriously into consideration, the NRS GROUP will continue to pursue how we can reduce our environmental impact and realize environmentally friendly and sustainable business operations.

## Environmental Policy

We promote a logistics system that ensures the prevention of environmental pollution as we develop our transport, storage, and other related services, mainly for chemical products.

We comply with all environmental laws, regulations, ordinances, and other agreements and arrangements that we have concluded. Considering the impact of our business activities on the environment, we will focus on the following key issues, including the reduction of CO<sub>2</sub> emissions, which have a significant impact on global warming and air pollution. (This includes the support, promotion and management of environmental activities undertaken by sales offices and group companies.)

This environmental policy shall be disseminated to employees and related parties by posting and by other means and shall be disclosed to the public upon request.

1. Measures to prevent air pollution, water pollution and global warming
2. Reduction of waste through appropriate waste management and promotion of recycling
3. Promotion of resource saving, energy saving and green purchasing.

## I To Achieve Carbon Neutrality

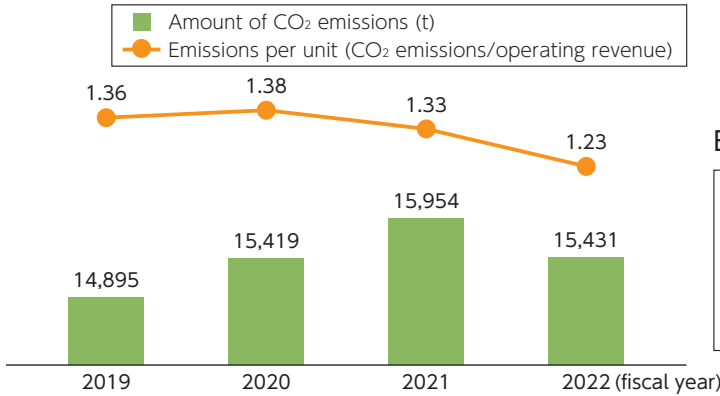
We have declared that we will achieve carbon neutrality by 2046, the 100th anniversary of our founding, ahead of Japan's nationally determined contribution (NDC), which calls for achieving carbon neutrality by 2050. In 2030, when we plan to complete our SDGs initiatives, the entire NRS GROUP will work toward the goal of making purchased electricity CO<sub>2</sub>-free and completing the conversion of cargo handling equipment and company-owned vehicles to EVs. To achieve this goal, it is essential to collaborate with related companies and organization as there are limits to what can be accomplished by the efforts of a single company. First, we will participate in the external organizations that promote carbon neutrality and make efforts to clarify the role we are to play.

As of FY 2022, we have already started working on the first-phase plan for solar power generation facilities and have completed the development of a system for promoting energy and resource conservation. In addition, we manage the electricity consumption of the entire Group and are converting it to the amount of CO<sub>2</sub> emissions. As a measure to reduce CO<sub>2</sub> emissions from fossil fuels, a switch to hydrogen and other clean fuels is inevitable. Thus, as part of our recent activities, we have begun considering the use of new fuels to reduce CO<sub>2</sub> emissions.



# Initiatives to Reduce CO<sub>2</sub> Emissions

The NRS GROUP is monitoring energy consumption and CO<sub>2</sub> emissions from its business activities. In FY 2022, our domestic environmental target was 3% improvement in the CO<sub>2</sub> emission reduction rate per million yen of operating revenue from the previous year, but we have achieved an improvement of more than 7%.



## Environmental targets for FY 2022

Energy consumption rate compared to FY 2021  
 Target: -3.0%  
**Actual: -7.5%**

## Green Management Certification

Since 2005, we have been registered for Green Management Certification for trucking and warehousing businesses. We currently have ten trucking and two warehousing facilities which are registered and certified, and we continue to renew the registrations and certifications. The environment surrounding the trucking industry has undergone major changes in recent years. Issues are piling up in front of us, such as a shortage of drivers, soaring fuel prices, and the need to reduce CO<sub>2</sub> emissions. We are particularly working on eco-driving as a solution to these issues.

< Main initiatives of eco-driving >

- Turning off the engine while loading and unloading cargoes.
- Avoiding sudden start, acceleration, and braking.
- Avoid loading unnecessary items.
- Shifting up quickly.
- Driving at economic speed.
- Avoiding unnecessary journeys (e.g., by checking the driving route and plan in advance).
- Maintaining the proper tire pressure.
- Preventing idling.
- Using the air conditioner moderately and set the temperature in an energy efficient way.



## Installation of Solar Power Generation Equipment

In addition to the Yokohama Logistics Center, which is already equipped with a solar power generation system, we are considering installing solar power generation systems at five other Logistics Centers: the Chiba Logistics Center Sodegaura Warehouse, Gunma Logistics Center, Toke Distribution Center, Osaka Logistics Center, and Chubu Logistics Center. Construction is scheduled to begin in November 2022 with use of the system in February 2023. With the installation of the solar power generation system, we expect to reduce 330 tons of CO<sub>2</sub> emissions in FY 2023. We will continue to consider installing solar power generation system at remaining locations.



## Completed Conversion of All Domestic Warehouses to LED lights

We have completed installing LED lights in six of our nine business sites in Japan. More than 80% of lights in the remaining three sites have also been switched to LEDs. At the Chiba Logistics Center, the complete conversion to LED lights has resulted in a reduction of 600,000 kWh of energy use (reduction of 600 tons of CO<sub>2</sub> emissions).

## Use of Green Power at Business Sites in Japan

Our target is to make purchased electricity CO<sub>2</sub>-free in 2030 when we plan to complete our SDG initiatives. In FY 2022, we are switching to 100% renewable electricity at the Chiba Office and the Gunma Office starting in August 2022. This is the first time we will use green energy in the NRS GROUP. There are concerns about power supply shortages in the international fuel market due to the situation in Ukraine and other factors. We will thus continue to switch to green power in the next fiscal year and beyond.

## Awarded for the Seventh Consecutive Year in the Award for Excellent Business Entities Working on Modal Shift

By shifting the means of logistics from truck transportation to marine and rail transportation, which are capable of mass transportation, we are helping to reduce our environmental impact by reducing CO<sub>2</sub> emissions and energy consumption. In FY 2021, we converted the transportation of chemical products from Gunma to Hokkaido from truck transportation to marine transportation. This enabled us to operate one-day trips, thereby reducing CO<sub>2</sub> emissions and the burden on truck drivers. In November 2021, in recognition of these efforts, we received the FY 2021 Excellent Business Award in the New Development Category in the Excellent Modal Shift Company Award Program.





## | Waste Reduction

### Reduction of Waste Using Returnable Containers

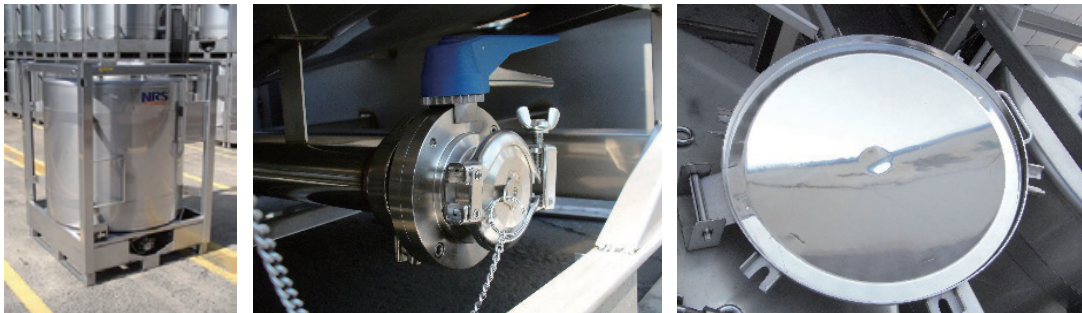
Returnable containers, such as ISO tank containers and the IBCs, are environmentally friendly transport containers that can be cleaned and reused repeatedly. For example, if transport is switched from drums to ISO tank containers, this can contribute to a reduction in waste of approximately 80 drums, pallets, and other supplies used for transport.

### Promotion of Proper Waste Management and Recycling

In accordance with the Waste Management and Public Cleansing Act, we have established the Waste Management Regulations, which are applicable to the head office, all bulk logistics offices, logistics centers, sales offices, and branch offices. We will strive to reduce the volume of waste and ensure proper management, aiming to achieve zero final waste emissions and achieve carbon neutrality.

### Development of New Environmentally Friendly Container, Green IBC

Our sanitary IBCs are returnable containers that can be used repeatedly and have high chemical resistance. Its effectiveness in maintaining the quality of loaded products and antimicrobial effect after container washing have been recognized, and the containers are now used widely in toiletries industry, including the transportation of cosmetic products. We have developed a new environmentally friendly container, the Green IBC, by applying a titanium dioxide photocatalyst coating to the outer surface of this container. Titanium dioxide photocatalytic coating purifies the surrounding air by oxidizing and decomposing nitrogen oxide, a type of air pollutant. It also has a self-cleaning function that cleans itself with the action of sunlight even if the outer surface gets dirty, keeping the container clean and hygienic.



## | Prevention of Environmental Pollution

### Initiatives to Prevent Air Pollution

To prevent air pollution, we use scrubbers to reduce odors generated at our container depots (container cleaning, repair, and maintenance facility) and tank terminal.

### Initiatives to Prevent Water Pollution

At the container depot, wastewater from container washing operations is reliably treated in wastewater treatment plants in accordance with standards.

### Acquisition of Environmental ISO Certification

On February 21, 2022, Kawasaki ConTech, which provides container depot services, acquired the environmental ISO 14001 certification. This is the sixth facility to obtain the ISO 14001 certification, following the head office, Chiba Logistics Center, Chiba Logistics Center Sodegaura Warehouse, Yokohama Logistics Center, and Takaishi Chemical. In May 2022, Kobe ConTech and Shunan ConTech also started to work toward the acquisition of the environmental ISO. After the audit, they are scheduled to acquire the certification in February 2023.



# Society: Safety and Quality

For the NRS GROUP, which handles hazardous materials, safety is the foundation of our business and our responsibility to society. We conduct systematic and thorough safety and quality control so that each employee can foresee hazards and prevent accidents.

## To Provide Safe and High-Quality Logistics

### Safety Promotion Committee

Chaired by the president, the Committee formulates the NRS GROUP Management Program that provides annual environmental, safety, and quality targets and plans for achieving those targets. Based on this program, business sites formulate safety and quality activity plans, systematically engage in safety activities, and periodically report on the status of implementation. The formulation of the annual safety and quality activity plans is an important task because these are the plans that govern the safety activities for the year.

#### Environmental, Safety, and Quality Targets for FY 2022

Target	Actual performance
1. Zero environmental accidents	Achieved (zero)
2. Zero serious accidents	Achieved (zero)
3. Sixteen or less class A accidents	Achieved (13 accidents)

### Thorough Management of Chemical Substances

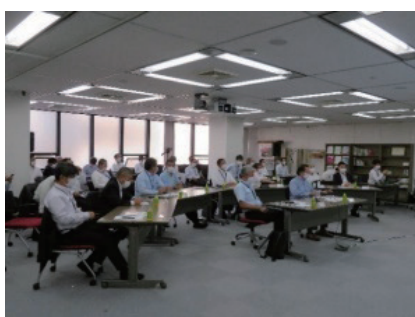
To prevent accidents involving chemical substances, we have established risk assessment management rules and thoroughly implement risk management when handling new or changed chemical substances.



## Safety Convention

We are conducting safety conventions by dividing our departments into four divisions: Bulk Transportation Division, Package Solutions Division, Tank terminal Division, and Container Depot Division, and alternately inviting two divisions each year to participate. The convention is conducted in a demonstration style and presentation style under a designated theme. In the last two years, the COVID-19 pandemic has made it difficult to hold the convention outdoors. Still, we are continuing the convention believing that we should not stop safety-related activities and changing the style of the convention to the presentation of each division.

In FY 2022, seven offices of the Package Solutions Division and four offices of the Tank Terminal Division gave presentations. The theme was safety activities, including the prevention of accidents, and by reproducing past accidents and demonstrating preventive measures, information for safety was shared for effective implementation.



## Safety Patrol

We are implementing annual safety patrol by dividing the NRS GROUP's 25 offices within Japan into regions. In FY 2022, we conducted the safety patrol in the Kansai region (Osaka and Kobe) and the Kanto region (Chiba, Yokohama/Kawasaki, and Gunma). The chairman, president, supervisors of relevant departments, and other managers visit the warehouse premises, vehicle garages, and offices of each business site to identify hazardous areas and discuss problems, leading to operational improvements. After the patrols, a safety meeting is held to exchange opinions, which is useful for further strengthening safety activities.



## Serious Accident Prevention Awareness Month

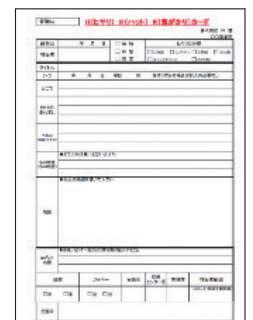
In order to keep the lessons learned from the past from fading away, we designate some months each year during which a serious accident has occurred as Safety Months to raise awareness through posters and online training to relearn about the circumstances, causes, and countermeasures of the accident. All

January	Prevention of falling accidents
February	Prevention of oxygen deficiency accidents
May	Prevention of rollover accidents
July	Prevention of accidents involving pressure/liquid exposure, and loading/unloading equipment
August	Prevention of accidental mistakes in shipment and delivery

employees check the implementation status of the countermeasures and identify similar operations to ensure that similar accidents would not recur.

## HHK Card (Hiyari, Hatto, and Kigakari Card [near-miss, close-call, and concern card])

We have created the HHK Card to note actual near-misses and close calls that have occurred during work, and distribute them within the company to raise awareness of hazards and reduce accidents. In FY 2022, a total of 445 HHK Cards were submitted, leading to accident prevention and improvement activities.



## Accident-Free Awards, Early Detection of Abnormalities Awards

We have award systems to maintain and improve the safety and quality of logistics. One is the Accident-Free Award that commends employees (including employees from subcontractors) who have contributed to continuous zero-accident operation and those who have set good examples to other employees. Another is the Early Detection of Abnormalities Award that commends cases in which abnormalities in facilities, vehicles, contracted products, documents, and other aspects were detected early, leading to the prevention of the leakage of hazardous materials, damage to contracted products, mistakes in delivery, and other incidents. In FY 2022, 133 employees received the Accident-Free Award, and three cases received the Early Detection of Abnormalities Award.

## Leakage Accident Training

We conduct training based on a procedure created so that employees can quickly respond to the leakage of hazardous or toxic substances and minimize environmental impact. We also ensure proper management of materials and equipment we use to respond to leakage accidents.



## Acquisition of G-Mark Certification for Being a Business with Excellent Safety

All of our transportation offices and logistics centers with transportation sections have acquired the G-Mark certification for being a business with excellent safety, as recommended by Ministry of Land, Infrastructure and Transport and Japan Trucking Association. The G-Mark is a sign that we are a safe and excellent transportation operator.



## Transportation Safety Management

In response to a large number of accidents and troubles that occurred in 2005 among transportation operators in many fields, the government established a system to monitor the safety management system of transportation operators. The system was then put into practical use in 2006 to enhance the safety of transportation operators through the joint effort of both the government and the operators. All of our transportation offices and logistics centers with transportation sections are using this system. We also disclose the conceptual diagram and implementation outline of management system on the company website.

## External Awards for Safety

Month and year	Award name	Award given by	Award given to
October 2021	Award for continued certification as an Excellent Safety Business	Kanto District Transport Bureau, director of Gunma Transport Branch	Gunma Logistics Center
April 2022	Regular Awards (Groups)	Aichi Prefecture Association for Safety of Hazardous Materials	Tokai Warehouse
June 2022	Excellent hazardous materials safety supervisor	Mayor of Sakai City	Employee of Osaka Logistics Center
June 2022	Award for excellent businesses that handle hazardous materials	Director General of Fire and Disaster Management Agency	Osaka Logistics Center
June 2022	Award for the prevention of occupational accident	Land Transportation Safety & Health Association	NRS BUTSURYU Gunma Office
June 2022	Award of Chiba Prefecture Fire Chiefs' Association	Chairman of Chiba Prefecture Fire Chiefs' Association	Employee of Chiba Logistics Center
July 2022	Gold Award for Excellent Safety Operation Business	Director of Traffic Department, Osaka Prefectural Police Headquarters Chairman of Japan Safe Driving Center	NRS BUTSURYU Osaka Office

## Aiming to Provide Services that Satisfy Customers

### Quality Policy:

**"Contributing to society by providing logistics quality and plans that satisfy customers"**

### Initiatives to Reduce Mis-Shipping

The NRS GROUP is working to reduce mis-shipping by using the rate of mis-shipping (ppm), which is the number of mis-shipping per one million shipments we handle, as a quality indicator. We are promoting digital transformation (DX) by digitizing order processing and the mechanization of cross-checking. In addition, we are conducting various preventive activities by providing education to prevent mis-shipping, training to foresee hazards, and implementing risk assessment.

### Enforcement of Safety Rules and Educational Guidance

Hazardous material logistics involves a variety of regulations and requires specialized knowledge. We regularly hold study sessions for all employees every year to discuss domestic laws and regulations related to hazardous materials, the IMDG Code (regulations for the transport of hazardous materials set by the United Nations Committee), the AEO system, and other relevant topics. In addition to this, each department also conducts specialized training to ensure the provision of safe and high-quality logistics services.

### Encouragement to Acquire the Qualification as a Hazardous Materials Engineer

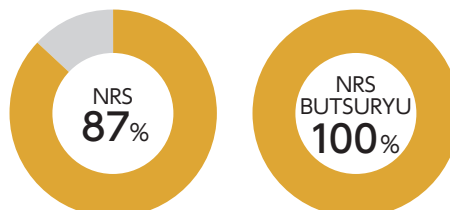
The hazardous materials engineer is a national qualification required to handle hazardous materials as specified in the Fire Service Act. In our company, we encourage employees to acquire the qualification, even those who do not directly handle hazardous materials, such as head office employees, general affairs, and accounting staff, and subsidizes their costs when they acquire qualifications. The acquisition of the qualification not only improves individual competence, but also adds value to the company by providing better service to customers.

Percentage of employees who acquired the hazardous materials engineer Class B-4 (including Class A)

(As of the end of September 2022)

NRS 87%

NRS BUTSURYU 100%



## Realization of Safe and Reliable Chemical Logistics of Japanese Quality

### Opening of Vietnam's First Warehouse Dedicated to Chemical Products

In November 2021, our group company NRS Raiza Logistics Vietnam, JSC. opened the Socialist Republic of Vietnam's first provincial government-approved warehouse dedicated to chemical products. We spent about two years discussing and negotiating with the relevant ministries and agencies on "safety and the environment" in order to enable the storage of a variety of hazardous materials. As a result, the warehouse was officially approved by the provincial government on May 16, 2020, as Vietnam's first warehouse dedicated to chemical products, storing them by IMDG classes.

This warehouse is a dedicated chemical warehouse with a high-floor explosion-proof structure and explosion-proof equipment. It is designed in accordance with Japanese fire safety standards and NRS's safety standards based on our 75 years of know-how accumulated since its establishment and complies with Vietnamese laws and regulations. Japanese personnel have been stationed at the warehouse since its opening to provide safe services under a Japanese-quality management system.



The NRS GROUP will contribute to Vietnam that is going through a remarkable growth from a safety perspective as a hazardous materials logistics company that can provide optimal proposals to customers, together with the hazardous materials transportation, forwarding, and IBC/ISO tank container operations of NRS Logistics Vietnam established there in 2018.



## Four Strategies of Logistics DX to Create New Value in Chemical Logistics

### Visions on DX

Create new value in chemicals logistics by using digital to review processes and using data.

#### Strategy 1 Thorough Productivity Improvement

Maximize the efficiency of productivity in people and goods by reviewing the entire logistics process. To do so, mechanize everything that can be mechanized.

#### Strategy 2 Transform Chemical Logistics

By using a platform and collaborating with other companies in the same industry, we will use data to lead the transformation of the whole chemical logistics industry.

#### Strategy 3 Provide New Value to Customers

Provide new value by combining logistics, software, and data to contribute to the efficiency of customers' supply chains.

#### Strategy 4 Developing Digital Talent

Using digital technology, we provide new value to chemical manufacturers, trading companies, and the hazardous materials logistics industry. We believe that new logistics services can realize a significant transformation. To achieve this, we will implement four strategies.

#### Strategy 1: Thorough Productivity Improvement

We review the entire logistics process to provide accurate and speedy logistics services to our customers. Specifically, we will move away from the current communication using fax or email and manage customer service using data-based standardized processes. By doing this, we provide safe and high-quality logistics services globally by eliminating our reliance on the knowledge and experience of specific persons.

#### Strategy 2: Transform Chemical Logistics

We will address the 2024 issue and other challenges facing the chemical logistics industry as a whole. Through our efforts, we will improve the productivity of the entire chemical logistics process and create new value, resulting in the provision of more advanced logistics services to chemical manufacturers and trading companies. Specifically, we are introducing the hazardous materials warehouse vacancy information platform system (Anywarehouse). In addition to this, we are currently developing a platform system for truck transportation and ISO container sharing. These new developments will be used in actual operations in the future.

#### Strategy 3: Provide New Value to Customers

In addition to conventional logistics services of transport and storage, we will use the data to improve the efficiency of our customers' supply chains. To this end, we have begun offering a platform-based software called X-Track. X-Track provides manufacturers and suppliers with the functions of in-plant management; tracking, inspection, and management of shipping containers; and logistics arrangements for manufacturers. From these daily transaction data, we visualize storage turnover rates and logistics lead times and work to improve the efficiency of cargo and shipping containers throughout the supply chain. In the future, we will further utilize AI, IoT, and blockchain technologies to create new value.





#### **Strategy 4: Developing Digital Talent**

In order to promote DX in sustainability throughout the NRS GROUP, we will also focus on nurturing digital human resources. We will continue to contribute to all of our customers and the entire chemical logistics industry by understanding the essence of DX and combining logistics, software, and data.



# Society: Human Resources

## Work That Makes Employees Proud and Happy Both Materially and Mentally

Each of our employees, with their diverse personalities, is an important asset to our company. We believe that diversity within an organization is essential for the sustainable development of a company. We thus promote diversity and decent work in order to create a workplace where everyone can play an active role. We also strive to maintain sound and positive relationships with a wide range of society, including customers, business partners, employees, and shareholders. While doing so, we aim to be a good corporate citizen and a global citizen who respects the culture and customs of other countries.

### | Respect for Diversity

#### Promoting Active Roles for Seniors

##### Establishment of NRS VALUE CREATE CORPORATION

In light of Japan's declining birthrate and aging population, as well as our intention of supporting the success of diverse human resources, we have extended the retirement age to 65 years old effective October 2022. In addition, we established NRS VALUE CREATE in October 2021 with the aim of providing a workplace where each individual can work actively and for a long time. The company name reflects our desire to contribute to the creation and enhancement of the NRS GROUP's value and to be a company where each and every one of our employees can feel the joy and pride of working. NRS VALUE CREATE will establish its position as a company that will further enhance the value of the NRS GROUP. To this end, the company will quickly and efficiently carry out tasks that have previously been outsourced, such as facility and equipment repairs and inspections, IBC container inspections, and the visualization of educational materials, which used to take time to perform because of personnel and labor constraints. It will also create diverse new operations that will contribute to the productivity improvement of the entire Group by consolidating peripheral and routine operations in our business.

#### Women's Participation and Advancement in the Workplace

##### Acquisition of Eruboshi

The NRS GROUP has been awarded Three Stars, the highest rank of Eruboshi Certification, a certification by the Ministry of Health, Labour and Welfare for companies promoting women's careers.

We have been working to create a workplace that is comfortable for both men and women to work in by providing career advancement training and developing systems to increase the ratio of women in management positions and reduce the gender gap in continued employment. We will continue to increase diversity in our corporate culture and to create a workplace where diverse human resources can play an active role, leading to changes in employee behavior.



## Recruitment and Support of Non-Japanese National Employees

In line with the globalization of our business, we are actively hiring foreign employees. For new graduate recruitment, we hold selections not only for those who intend to start working in April but also for those who start in October for the convenience of graduates of foreign schools. Since 2019, we have been conducting recruitment interviews mainly in Taiwan. Besides the Taiwanese, we now have foreign employees from China, Vietnam, and France. In addition, the company supports the employees so that they can live most comfortably in daily lives outside of their work as well and provides necessary training after they join the company. They build their careers based on the training plan after the initial training.

## Encouraging Employment of People with Disabilities

We are committed to employing people with disabilities with the goal of being a company where both people with and without disabilities can work together. We strive to support people with disabilities so that they can feel a part of the organization, improve their skills, and play an active role in the company so that they can work safely and with confidence.

## | Promoting Decent Work

### Acquisition of "Employee-friendly Workplace Certification System"

In 2021, NRS CORPORATION and NRS BUTSURYU CORPORATION received the One Start Certification under the Employee-friendly workplace certification system. This certification program was established by the Ministry of Land, Infrastructure, Transport and Tourism in August 2020. Using this certification program, job seekers can easily check the working conditions and environment of certified companies. This program thus aims to facilitate truck, bus, and taxi drivers to find jobs and encourages automotive transport companies to create more comfortable working conditions and environment by making various improvements to satisfy the certification standards.



## Safety and Health Committee

We have installed the Safety and Health Committee to study and deliberate on matters related to the occupational safety and health of employees. The Committee meets monthly to discuss the prevention of occupational accidents and basic measures to prevent health problems of employees.

Our workplace safety and health management activities include workplace patrols by health managers, safety patrols by Safety and Quality Department, and training and education.

## To Realize a Good Work-Life Balance

In order to realize an environment where diverse people can maximize their potential and all employees can work actively for a long time, we have established systems specifically to improve work-life balance and are encouraging our employees to use the systems.

- Expansion of a system to allow shorter work hours for childcare
- Flexible work hours for childcare and nursing care
- Re-employment system
- Hourly paid leave system
- Leave system due to accompanying a spouse
- Encouragement for male employees to take childcare leave



## Project to Create a Happy and Motivated Workplace

We are developing human resource policies to create an open, happy, and motivated workplace in order for each of our diverse employees to build successful career and grow. In April 2022, we conducted an employee engagement survey with the advice of our outside directors. We aim to be a resilient company that grows together with our employees by visualizing and analyzing their thoughts toward the company and their work and linking them to the formulation of effective measures. In addition, we have been conducting a campaign to call each other by the friendly “-san” suffix, send simple emails, and avoid overuse of excessively polite expressions. We are implementing these measures by receiving ideas from our employees.

## Establishment of Fresh Ideas Trading (FIT), a Forum for Young People to Exchange Ideas

In 2021, a group of willing young employees took the initiative to create an internal opinion exchange group called FIT, or Fresh Ideas Trading. They provide a forum to exchange opinions and ideas about company issues around them and work together to make positive changes in the company.

The first workshop was on “Work motivation” and the second on “What I want to be evaluated.” Participants exchanged opinions on these themes, issues, and proposed solutions, and made positive proposals to the Human Resources & General Affairs Department. The Human Resources & General Affairs Department considered the proposals received and are working with relevant parties to resolve the issues. The third workshop held in 2022 was in the form of a friendly get-together where opinions were exchanged more casually and that was attended by more than 30 people, mainly from the head office. The workshop encouraged the participants to engage in communication outside of daily work, and steps have been taken to identify and improve mutual issues that transcend age and job type. These activities are reported to all employees to create a better workplace.



## Promotion of Health Management

We have been promoting health management since FY 2021 with the aim of improving the physical and mental health of our employees.

1. Shortened health checkup schedule, simplified management
2. Contract with industrial nurses
3. Increased health screening options and subsidy
4. Health management system

Industrial nurses visit the head office on a regular basis to provide physical and mental health counseling in person and online, in addition to managing regular medical checkups and recommending reexaminations. In addition, the Safety and Health Committee holds meetings to discuss occupational safety and health.

## Enhancement of Education and Training System

Under the medium-term management plan NRS 2024, which began in October 2021, one of the management policies is to make employees shine like diamonds through self-improvement, and human resource development is positioned as a top priority issue. In order to grow and leap forward in a rapidly changing and more diverse global market, we have introduced education and training programs to further strengthen our human capital and facilitate growth of our employees. The FY 2022 education and training budget allocates an average of approximately 100,000 yen per year per employee in Japan, well above the average.\* In the next year, we aim to expand this initiative globally and make our employees shine like diamonds.

\*Based on the AIST FY 2020 (44th) Survey of Education and Training Expenditures

### Example of Education and Training in FY 2022

- |                                  |  |                         |
|----------------------------------|--|-------------------------|
| - Women's empowerment            | - Training for new managers                                    | - Life planning seminar |
| - Training by job classification | - Follow-up training for the first to the fifth-year employees | - Anger management      |
| - Global leadership training     | - Self improvement   | - IT literacy education |
| - Manager training               |  |                         |



Follow-up training for the second year employees



Training for new managers



Training for mid-career employees to strengthen their communication skills

# Society: Social Contribution Activities



To realize our business philosophy "Like a shining diamond, to share happiness with everyone," we are engaged in a wide range of social contributions.

## Disaster Support

- Great Hanshin-Awaji Earthquake (January 1995)
- Large Earthquake in Sichuan Province, China (May 2008)
- Great East Japan Earthquake (March 2011)
- Heavy Rain in Western Japan (June-July 2018)

## Matching Gifts

We conduct matching donations in which the company matches the amount donated by employees. Since its launch in 2009, we have made donations to Médecins Sans Frontières Japan, the Japan Committee for UNICEF, the Scholarship Foundation for Traffic Accident Orphans, and the Japan Powerchair Football Association. In 2021, we also expanded our support to Katariba, a certified nonprofit organization that supports underprivileged teenagers.

In March 2022, we donated a total of 3,881,380 yen to the UNHCR as humanitarian aid to Ukraine.



## Organizations We Support

### ● Katariba, certified nonprofit organization

Katariba is an educational NPO that provides a safe place to stay and diverse learning opportunities, aiming to build a society where teenagers born and raised in any environment can nurture their creativity and desire to create their own future. Since May 2021, we have been supporting their activities in many ways, including making matching donations and providing food and stationery.

### ● Japan Powerchair Football Association

We signed a sponsorship agreement with the Japan Powerchair Football Association in 2017. In addition to contributing to the promotion of sports for people with disabilities, we provide our employees with opportunities to deepen their understanding and positive attitude toward supporting people with disabilities. We received an award of appreciation for our contribution to Japanese football at the 100th anniversary awards of the Japan Football Association in September 2021.



### ● Japan National Trust, public interest incorporated foundation

The Japan National Trust is an organization dedicated to the preservation and utilization of Japan's outstanding cultural properties and natural landscapes for the benefit of future generations. From 2022, we began supporting their activities as a supporting company.



- **WWF Japan**

We support WWF's environmental conservation activities as a corporate member of WWF Japan since 2008.

- **The Japanese Red Cross Society**

We have been conducting blood drives as a blood donation supporter since May 2017.

- **Second Harvest Japan**

We donate surplus emergency food to Second Harvest Japan.



## Contributing to the Local Community

We are actively involved in community cleanups at our head office and other offices. Chiyoda Ward, where our head office is located, has designated twice a year as Chiyoda-ku Simultaneous Cleanup Days and is implementing cleanup activities and educational activities on environmental beautification, in which we also participate. We are a member of the Chiyoda Volunteer Club run by the Chiyoda Ward Council of Social Welfare and are working to strengthen cooperation with the local community through volunteer activities.

## Contributing to Society at Global Sites

Our group companies in the United States, Europe, Asia, and other regions are engaged in environmental protection activities and disaster relief that are needed in each region. In March 2022, 12 local staff members conducted a beach cleanup in the Island of Ko Ngai, Krabi Province, Thailand.



# Governance

## A Company Trusted by Society and Capable of Making Sustainable Growth

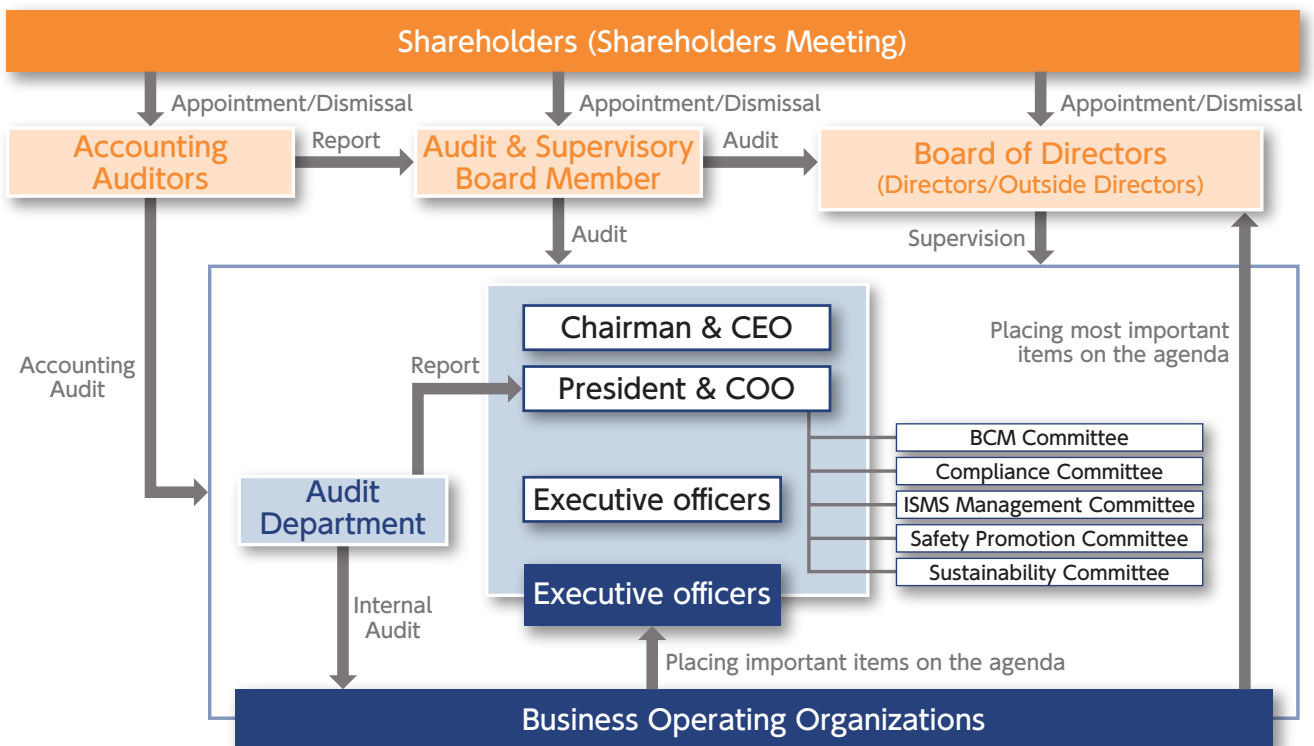
The chemical products we handle bring enrichment and happiness to society and our logistics business is the core of the chemical industry. We take pride in this and fulfill our social responsibility.

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.

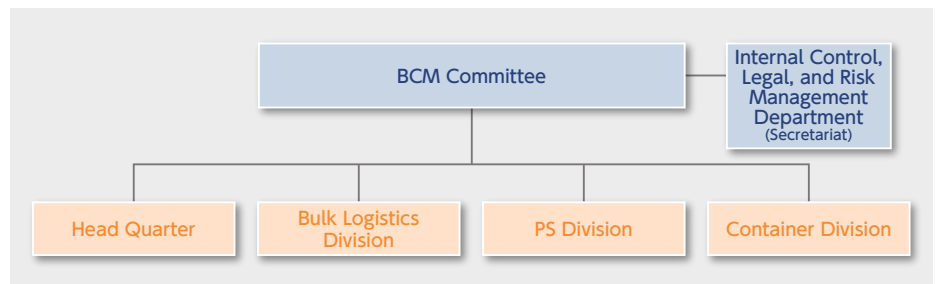
## Risk Management

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.



# ESG Data



# Environment

## CO<sub>2</sub> Emissions of the NRS GROUP

(unit: t- CO<sub>2</sub>)

	FY 2020	FY 2021	FY 2022
Scopes 1+2	–	–	17,615

## CO<sub>2</sub> emissions of the Group companies in Japan

(unit: t- CO<sub>2</sub>)

	FY 2020	FY 2021	FY 2022
Scopes 1+2	15,419	15,954	15,431
Scope 1	9,087	9,867	9,761
Scope 2	6,332	6,087	5,670

Emissions from NRS AIR LOGISTICS is aggregated from FY 2022.

From April to September 2022, we use the emission coefficient by electric utility company for FY 2021.

## Industrial waste emissions

(unit: t)

	2020	2021
Total emissions	937	1,017
Amount of general industrial waste	865	914
Amount of industrial waste requiring special control	72	103

The calculation covers Group companies in Japan.

Calculation period is from April to March.

### ISO 14001 Certification List

Head Office	Yokohama Logistics Center
Chiba Logistics Center	Kawasaki ConTech
Chiba Logistics Center Sodegaura Warehouse	Takaishi Chemical

### Green Management

Chiba Office	Kitakyushu Office
Osaka Office	Niigata Office
Kawasaki Office	Nagoya Office
Kobe Office	Gunma Logistics Center
Gunma Office	Osaka Logistics Center



# Society

## Number of employees in the NRS GROUP (including overseas employees and non-regular employees) (unit: persons)

	FY 2020	FY 2021	FY 2022
Number of employees in the NRS GROUP	1,088	1,064	1,104

## Data related to human resources

	FY 2020	FY 2021	FY 2022
Number of employees (persons)	759	742	766
Male	615	593	604
Female	144	149	162
Average age (years old)	40	42	41
Average years of employment (years)	12	14	13
Number of new graduates hired (persons)	28	23	25
Male	21	13	17
Female	7	10	8
Number of mid-career hires (persons)	28	21	25
Male	18	14	20
Female	10	7	5
Number of employees leaving the company*1 (persons)	20	21	24
Ratio of female managers (%)	7.9	7.2	8.4
Number of foreign employees (persons)	16	15	19
Ratio of employees with disabilities*2 (%)	1.75	1.86	1.94
Average number of paid leaves taken*3 (days)	7.8	8.1	9
Ratio of childcare leaves taken (%)	15	25	38
Male	0	0	17
Female	100	100	100
Ratio of employees who returned to work after taking a childcare leave (%)	100	100	100

The data covers NRS, NRS BUTSURYU, and Takaishi Chemical.

This does not include overseas and domestic nonregular employees

\*1 Excluding retirees

\*2 Covers NRS only

\*3 Calculation period is from April to March.

## Social contribution activity expenditures (including matching donations)

	FY 2022
Social contribution activity expenditures	4,746,000yen

The data cover NRS, NRS BUTSURYU, and Takaishi Chemical.

## Occupational accident index - Frequency rate

	FY 2020	FY 2021	FY 2022
Occupational accident index - Frequency rate	3.18	1.22	1.69

The data covers NRS, NRS BUTSURYU, and Takaishi Chemical.

**Average frequency rate in 2021** (from the Survey of Occupational Accident Trends, Ministry of Health, Labour and Welfare)

Transportation and postal services: 3.31, Average for all industries: 2.09

## Percentage of employees who acquired the hazardous materials engineer Class B-4 (including Class A)

	FY 2022
NRS	87%
NRS BUTSURYU	100%



## ISO 9001 Certification List

Head Office	Chubu Logistics Center	Osaka Office
Chiba Logistics Center	Chubu Logistics Center Tokai Warehouse	Takaishi Chemical
Chiba Logistics Center Sodegaura Warehouse	Kyushu Logistics Center	NRS Chemical Center
Yokohama Logistics Center	Kawasaki ConTech	Tokyo Chemical Center Kawasaki Terminal
Osaka Logistics Center	Kobe ConTech	Tokyo Chemical Center Nagoya Terminal
Gunma Logistics Center	Kawasaki Office	

# Governance

## Management structure

(unit: persons)

	FY 2020	FY 2021	FY 2022
Directors (of which women)	7 (0)	9 (1)	8 (1)
Outside director	0	1	1
Auditor	2	2	2

The data covers NRS.

## Number of whistle-blowing cases

(unit: number of cases)

	FY 2020	FY 2021	FY 2022
Number of whistle-blowing cases	9	4	5

The data covers NRS, NRS BUTSURYU, and Takaishi Chemical.

