

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 CO₂ 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.)

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.

To Achieve Carbon Neutrality

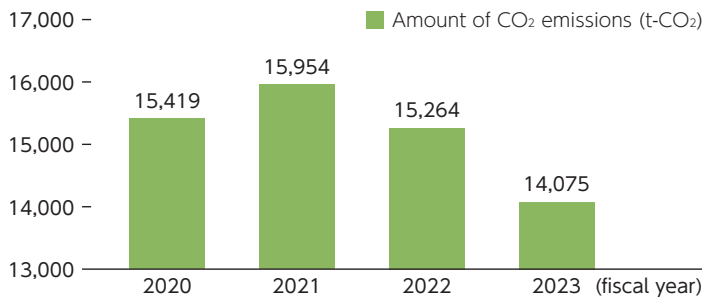
NRS aims to attain carbon neutrality by its 100th anniversary in 2046 before the government policy targets.

Working towards our near-term objective of achieving electricity decarbonization by 2030, we started solar power generation at five sites in Japan during FY 2023. Additionally, we finalized the review of power contracts (introduction of green power) at six sites in Japan. We have initiated carbon footprint management as a measure to visualize ongoing operations, thereby systematically advancing the decarbonization of our business operations.



Initiatives to Reduce CO₂ Emissions

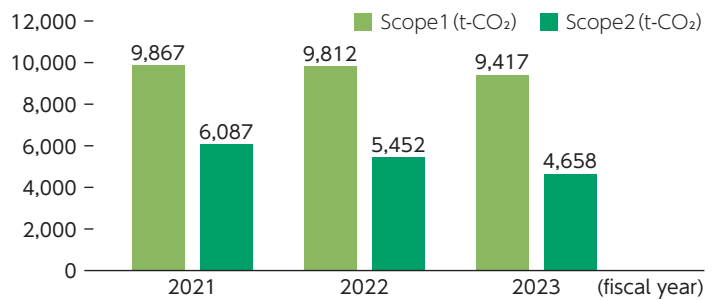
The NRS GROUP is monitoring energy consumption and CO₂ emissions from its business activities. In FY 2023, we achieved a 7.6% reduction in emissions, surpassing the 4% target from FY 2022. We will continue our efforts to achieve carbon neutrality.



Environmental targets for FY 2023
: 4% reduction of CO₂ emissions from FY 2022
Actual reduction: 7.6%

Amount of CO₂ Emissions by Scope

NRS has been calculating Scope 1 and Scope 2 emissions since 2019 with the aim of achieving carbon neutrality by 2046. The amount of CO₂ emissions over the past three years has shown a steady decline. We will maintain this momentum and remain committed to implementing various measures to realize carbon neutrality.



Amount of CO₂ Emissions by Scope in FY 2023
Scope 1 9,417 t -CO₂
Scope 2 4,658 t -CO₂

Detailed measures regarding our efforts to promote energy conservation and the use of renewable energies are outlined below.

- 1) Promotion of eco-driving
: We obtained Green Management Certification for 10 trucking bases and 2 warehouses in Japan.
- 2) Switching to LED lighting
: We installed LED lighting in all warehouses in Japan.
- 3) Use of green power
: Six business bases in Japan have switched to green power.
- 4) Installation of solar power generation systems
: The solar power generation systems installed at five logistics centers are currently operational.
- 5) Modal shift
: We received the Modal Shift Excellent Business Award in 2022.



Solar panels installed at the Toke Distribution Center



Reduction of Waste through the Use of 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.

● Development of IBCs Designed for Double Stacking in Marine Containers

We have developed IBCs that can be double stacked in marine containers. The previous IBCs were unable to be vertically stacked in marine containers, resulting in open and unused spaces. By reducing the height of these newly developed IBC containers, they became stackable in marine containers and could be stored in rack warehouses as well. This enhances transportation efficiency, minimizes the disposal of secondary materials, and optimizes storage efficiency in warehouses.

● Introduction of 40 Feet ISO Tank Containers

NRS has adopted the use of 40 feet ISO tank containers for transportation destined for Southeast Asia. Goods previously transported by tank cars can now be shifted to these 40 feet ISO tank containers, reducing transportation frequency, enhancing efficiency, and lowering CO₂ emissions. We will persist in minimizing the environmental impact and waste by incorporating a variety of different types of returnable containers.



● Recovery and Recycling of CFCs

We started the recovery and recycling of residual CFC gas at Kawasaki ConTech. The recovered CFC gas is recycled in this scheme. This realizes higher energy and resource efficiency compared to conventional fuel waste disposal, contributing to lightening our environmental burdens.

Prevention of Environmental Pollution

We are ensuring the maintenance and improvement of the quality of air and water. Because of our diligent environmental value management, we have maintained zero environmental issues. We are also obtaining environmental ISO certifications for an expanded scope of our business operations. In FY 2023, we obtained additional certifications for Kobe and Shunan ConTech. We are currently in the process of acquiring certifications for logistics centers as well.

