

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.

Safety Policy

Accident-free company

Sustaining the legacy of trust through the commitment of our dedicated workforce

To Provide Safe and High-Quality Logistics

Safety Promotion Committee

The Safety Promotion Committee, chaired by the president, formulates safety targets and the NRS GROUP Management Program. The committee convenes biannually and adheres to a PDCA cycle.

FY 2023 Safety Target

Target	Actual performance
1. Zero environmental accidents	Achieved (zero)
2. Zero serious accidents	Achieved (zero)
3. 10 or less class A accidents	Achieved (4 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

Held on May 20, 2023

During the Safety Convention, 11 worksites from the Bulk Logistics Division and Container Division in Japan presented their daily accomplishments. They introduced safety protocols applied at product delivery destinations, safety measures for on-site maintenance work, and drills simulating accident scenarios.



Photo: Participants of the Safety Convention



President's Safety Patrol Implementation Status in FY 2023

We are implementing annual safety patrol by dividing the NRS GROUP's 26 offices within Japan into regions. In FY 2023, we conducted the safety patrol in the Niigata, Chubu, and Kyushu/Shunan areas. The president, department supervisors, and other managers conduct visits to the warehouse premises, vehicle garages, and offices at each business site. During these visits, they identify hazardous areas and discuss issues, ultimately leading to operational improvements. Following the patrols, a safety meeting takes place to facilitate the exchange of opinions, contributing to the continuous enhancement of 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

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

through posters and online training to relearn about the circumstances, causes, and countermeasures of the accident. All employees check the implementation status of the countermeasures and identify similar operations to ensure that similar accidents would not recur.

Utilization of the HHK Card (Hiyari, Hatto, and Kigakari Card, meaning near-miss, close-call, and concern card)

By utilizing the HHK Card, we document near-miss incidents, close calls, and concerns. Subsequently, we share the insights obtained from these recorded incidents horizontally within the company, aiming to prevent future accidents. In FY 2023, we introduced the monthly HHK Award, designed to incentivize employees to submit more HHK Cards by presenting awards to departments.

Number of HHK Cards submitted
 FY 2020: 381, FY 2021: 412
 FY 2022: 454, FY 2023: 1,001

Implementation Status of Scenario-Based Drills

Between September 1 and September 6, 2023, we conducted an emergency drill simulating a massive earthquake scenario at our warehouse and ConTech. Apart from the evacuation drill, we carried out a fire hydrant drill to ensure that we can respond appropriately in the event of an emergency.



A comparable fire hydrant exercise is also conducted at our warehouse in Vietnam.



General view of the newly built warehouse

External Awards Received for Safety and Health Promotion Aspects October 2022 to September 2023

Month and year	Award name	Award given by	Award given to:
December 2022	Award for Excellent Business Entities Working on Modal Shift	Japan Association of Logistics and Transport	NRS CORPORATION
May 2023	Director's Award	Niigata Prefectural Association for Safety of Hazardous Materials	Niigata Office
	Partnership Council Award at the General Meeting	S Partnership Council	Nagoya Chemport
June 2023	Logistics Manager Award	Company M	Kitakyushu Office
July 2023	Excellent Safety Award	Company M	Chiba Office
	Excellent Health Promotion Office (Gold Award)	Health Insurance Association for Petroleum Product Retailers	NRS CORPORATION

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.

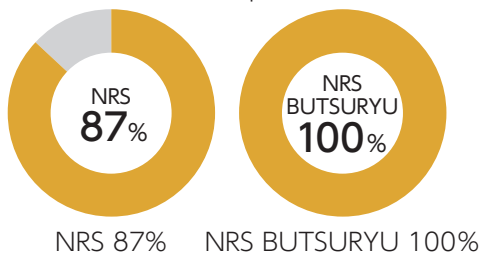
Enforcement of Safety Rules and Educational Guidance

We provide study sessions annually for employees interested in enhancing or acquiring the technical knowledge necessary for handling hazardous materials logistics. The study session covers legal frameworks concerning hazardous materials, the IMDG CODE (regulations governing the transport of hazardous materials as designated by the United Nations agency), and the AEO system. It also offers technical training to individual departments, ensuring our capacity to deliver logistics services that are both safe and of high quality.

Encouragement to Acquire the Qualification as a Hazardous Materials Engineer

NRS also encourages employees in indirect departments to acquire the qualification and licenses.

Percentage of employees who acquired the hazardous materials engineer Class B-4 (including Class A)
(As of the end of September 2023)



Our Commitment to High-Quality Logistics

This section introduces our initiatives, starting with education and training, aimed at providing optimal solutions for chemical logistics worldwide.

■ **We offer the optimal solutions to chemical logistics in Kyushu.**

The Kumamoto Branch commenced cargo reception on August 1 and attained full-scale functionality in December, implementing a system to supply raw materials to Silicon Island Kyushu. This system is particularly targeted for semiconductor production sites in Kumamoto, where semiconductor-related industries are experiencing rapid growth. To embody the concept of being environmentally and people-friendly while enhancing productivity with sustainable perspectives, the Kumamoto Branch implemented the following measures primarily.

To enhance the sustainability features of the facilities, we entered into a contract with an electric power company to use renewable energy sources for electricity. Furthermore, solar panels were installed on the roof of the general products warehouse, contributing to around 30% of the branch's electricity consumption. Furthermore, we installed street lighting powered by both solar and wind energy, along with solar-powered streetlights, to illuminate the surroundings outside the site. These are small steps we have chosen options with a lower environmental impact. Practically, we utilize handheld terminals to conduct inventory management by scanning QR codes attached to the cargo. To prevent errors in shipments, we are implementing a system for managing incoming and outgoing shipments that does not solely rely on human oversight.

Our future objective is to create a people-friendly workplace while enhancing productivity. This will be achieved by minimizing labor through the adoption of Radio Frequency Identification (RFID) technology.

Additionally, we introduced a gate system and an admission reservation system to alleviate waiting times during cargo handling, particularly emphasizing smoother cargo reception to address challenges associated with the "24-year problem." We have also established a theme for our office buildings with the aim of motivating employees, enhancing recruitment efforts, and instilling a sense of security for customers. Under this theme, we design office buildings featuring relaxing spaces, including green-filled cafe areas, while fostering communication throughout the entire premises.

The Kumamoto Branch comprises NRS assets, encompassing warehouses, transportation facilities, and depots. The majority of the inventory at Kumamoto comprises sensitive cargoes necessitating meticulous product control. The Kumamoto Branch boasts state-of-the-art facilities that fully leverage manufacturing, human resources, and intellectual capital, offering optimal solutions for chemical logistics and facilitating the delivery of goods from Kyushu to the world.

