

NNR Global Logistics  
**Sustainability Report 2023**

NNR Global Logistics, a Division of Nishi-Nippon Railroad Co., Ltd.





## NNR Group Corporate Philosophy

### Basic Philosophy

The NNR Group will keep providing confidence, comfort, and enjoyment through our businesses, which connect people and carry their expectations, walk hand in hand with communities, and develop together.

### Management Philosophy

- Management to bring out the best in people  
We create a vibrant corporate climate where people are respected for their humanity, the best in people is brought out, and they are fostered.
- Creation of our customers' expectations  
We put ourselves in our customers' shoes, respond to their expectations, and provide products and services that create their expectations.
- Creation of new business values  
We accurately ascertain the demands of the present age and create new business value that we can share with society.
- Harnessing the NNR Group's collective strength  
We respect independence and individuality, cooperate with each other, and harness the NNR Group's collective strength.

### Code of Conduct

- The joy of our customers is our joy.  
We put ourselves in our customers' shoes.
- We value can-do spirit.  
We act positively with originality and ingenuity.
- We are proud to be members of the NNR Group.  
We improve ourselves, play our roles, and take responsibility.
- We create vibrant workplaces.  
We talk with our colleagues and deepen mutual trust and partnership.

## History of NNR Global Logistics

▶ [Nishitetsu Group History](#)

1908	▶ Kyushu Electric Railway, one of the predecessors of Nishi-Nippon Railroad, is established and registered
1942	▶ Under wartime consolidation policies for transportation businesses, five companies merged and named Nishi-Nippon Railroad
1948	Started airline agency business (Concluded agency contract with Pan American Airways)
1957	Three companies established Japan Aircargo Consolidators Ltd. (JAC) to handle consolidated shipment services
1961	Opened New York liaison office
1971	Established NNR Air Cargo Service (USA) Inc. (now NNR Global Logistics USA Inc.)
1980	Opened the Baraki Logistics Center
1983	Launched a standalone consolidation service handling shipments from origin to destination Joined WACO (World Air Cargo Organization)
1984	Renamed the Air Cargo Division to Air Cargo Business HQ and opened Tokyo and Kansai sales divisions
1985	Started ocean freight business
1993	▶ Established Corporate Philosophy
1997	International logistics division certified for ISO 9001 (Quality Management System)
1998	Opened the Narita Logistics Center
2001	Established the Global Sales Division
2004	Unified overseas group company names under the NNR Global Logistics brand
2005	Opened the Rinku Logistics Center
2008	Renamed Air Cargo Business HQ to NNR Global Logistics
2009	Certified as an AEO Bonded Warehouse Operator
2011	Certified as an AEO Customs Broker
2012	Established the Ocean Sales Division and the Logistics Sales Division
2014	▶ Adopted the new corporate message "Connecting your dreams" Certified as an AEO Specified Bonded Transportation Provider
2021	▶ Established the ESG Promotion Committee
2022	▶ Formulated the long-term vision "NNR Group CYD Vision 2035" (see page 2) Opened the Fukuoka Logistics Center
2023	Formulated the NNR Global Logistics Sustainability Policy

# NNR Group CYD Vision 2035

The NNR Group Corporate Philosophy states, “The NNR Group will keep providing confidence, comfort, and enjoyment through our businesses, which connect people and carry their expectations, walk hand in hand with communities, and develop together.” In line with this, the Nishi-Nippon Railroad Group upholds the corporate message “Connecting your dreams,” operating a diverse range of businesses closely connected to local communities, centering on our railway and bus transportation businesses.

The Nishi-Nippon Railroad Group has recently established the “NNR Group CYD Vision 2035: Grow in Harmony with You,” a long-term vision with a target year of 2035.

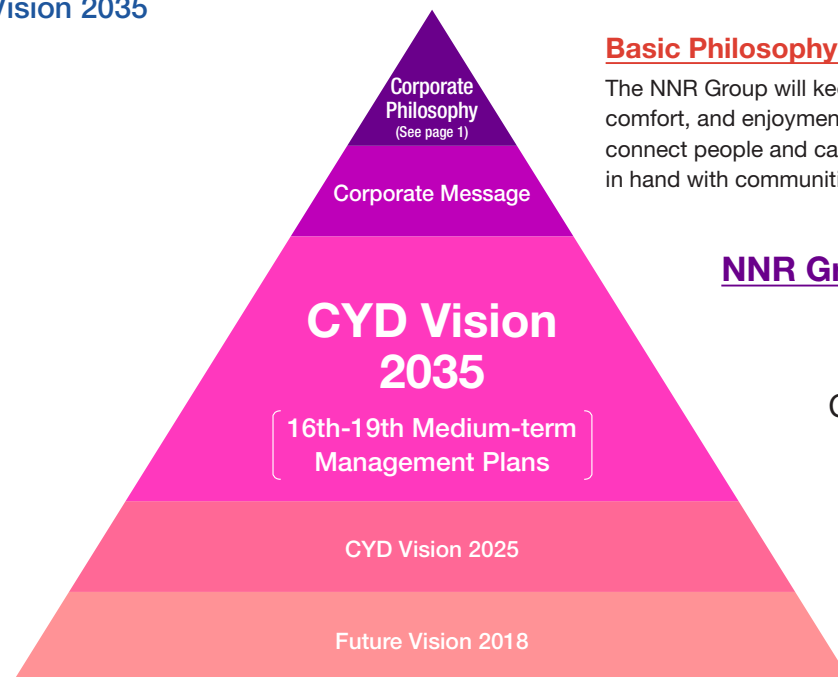
## Long-Term Vision Formulation Policy

Regarding the Nishitetsu Group’s management landscape over the long term, we expect to see acceleration in several trends, such as a fall in Japan’s population, an increase in the global population (particularly within developing nations), dramatic progress of technology, and changes in social systems and customer needs in line with globalization, as well as climate change and global warming.

To achieve sustainable growth during this unpredictable era, we will not simply continue along the same path with the existing business models. Rather, we have defined our ideal position for the future, applying backcasting to set the long-term vision. This vision encompasses the kind of society we seek to realize as a Group, the value we want to provide, and the fundamental business strategies for achieving these goals.

By growing in harmony with you, we will strive to create value for all stakeholders.

## Positioning of CYD Vision 2035



### Basic Philosophy

The NNR Group will keep providing confidence, comfort, and enjoyment through our businesses, which connect people and carry their expectations, walk hand in hand with communities, and develop together.

### Corporate Message

Connecting your dreams

### NNR Group CYD Vision 2035

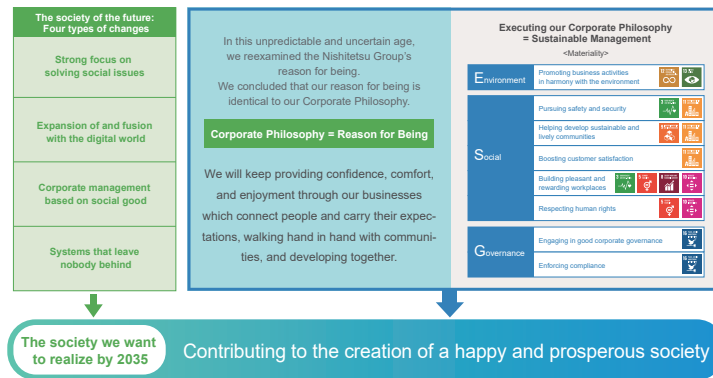
Grow in harmony with you  
Contributing to a happy and prosperous society

## NNR Group CYD Vision 2035

### CYD Vision 2035 Overview

#### ● The Kind of Society the NNR Group Aspires to Realize

Based on the four changes and our raison d'être derived from envisioning the future of society, we have determined the kind of society the NNR Group aims to realize by 2035.



#### ● Basic Stance

We have defined the basic stance the NNR Group cherishes and four specific actions.

## Grow in harmony with you

By compassionate behavior that comes from the heart, we will take social and regional issues as our own and act accordingly. By utilizing the power of internal and external partnerships with stakeholders, we will solve issues. By "Grow in harmony with you," we aim to create a happy and prosperous world.

<b>Staying closer to communities and individuals than anyone else</b> <ul style="list-style-type: none"> <li>Focus on each community and individual, and identify their issues.</li> <li>Provide personalized services with digital technologies to solve issues.</li> </ul>	<b>Maintaining an open mindset that embraces differences</b> <ul style="list-style-type: none"> <li>Unite with partners and incorporate new technologies, structures, and philosophies.</li> <li>Communicate regardless of hierarchical relationships and departments and enjoy their favorite things.</li> </ul>
<b>Taking the lead in building communities</b> <ul style="list-style-type: none"> <li>Develop communities to solve issues and work to lead them.</li> <li>Take an active role in communicating information and building communities with a unique concept for each area.</li> </ul>	<b>Taking on challenges and embracing failure</b> <ul style="list-style-type: none"> <li>Become a decisive company that takes on challenges with our own initiative.</li> <li>Foster a corporate culture that respects the challenges people take on whether they succeed or fail and that encourages them to apply what they learned in future initiatives.</li> </ul>

#### ● The Value We Wish to Provide

We aim to contribute to "a happy and prosperous society" by engaging with each and every stakeholder and providing value to them respectively.



#### ● Sustainable and Customer-Oriented B-to-B Logistics

We will provide valuable solutions for customers' diverse B-to-B logistics needs.

**Providing optimal one-stop solutions for various B-to-B logistics needs**

- Logistics for anything, anywhere at competitive prices and leadtimes
- Resilient in face of global crises, changes and issues while being environmentally and human friendly
- Identification and handling of clients' obstacles to their goals with a range of excellent solutions

**Building robust, flexible distribution solutions with satisfying cost and speed**

Aiming for a virtuous cycle of boosting DX use and HR capabilities, expanding the product lineup and quantities with added value through alliances, and gaining greater storage space

Further expansion & close cooperation	Multi-mode transportation	Expanding warehouses	Highly specialized logistics	Ready with sustainability
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**Major strategies**

- Further expansion & close cooperation**  
M&A and alliances to increase cargo volume. Gain first-mover advantage by entering the markets of Africa & South America.
- Investment in our logistics network**  
Evolve logistics locations with an "intra-regional" approach. Build an advanced network with multi-functional warehouses.
- Sustainability**  
Achieve carbon neutrality along with supply chains. Share EV and automated driving tech. Provide environment-friendly logistics options.

# Delivering dreams and expectations around the world as a **Global Logistics Service Provider**



NNR Global Logistics, a Division of Nishi-Nippon Railroad Co., Ltd., headquartered in Tokyo, is committed to building a green logistics network that connects the world in an environmentally conscious way under our “NNR Global Logistics” brand. We aim to help forge a society where everyone has access to logistics services with the reasonable expectation that their goods will be delivered reliably, safely, and securely.

We have prioritized providing services that meet our customers’ needs while always upholding the same standards of quality that define our mission in logistics: connecting the dreams of senders to

receivers. We are proud to have created, as a result, a positive cycle of satisfaction among our customers, our numerous partners worldwide, and our employees.

Looking ahead, we will continue to measure environmental impact across our entire value chain and expand our contribution range to more stakeholders and nature through information disclosure. Moreover, by embracing diversity and working to eliminate all forms of discrimination, we are determined to contribute to a society where people everywhere can enjoy comfort and happiness, fulfilling our role as a sustainable global logistics service provider.

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## Editorial Policy

NNR Global Logistics, a Division of Nishi-Nippon Railroad Co., Ltd., has published the NNR Global Logistics Sustainability Report 2023 to further strengthen communication and relationships with all stakeholders. This report aims to cultivate a shared understanding among stakeholders about NNR Global Logistics’ role in fostering a sustainable society and the direction of our business.

## Reporting Period

April 1, 2022 – March 31, 2023  
(Focusing primarily on the fiscal year 2022 results, supplemented by select updates from the fiscal year 2023)

## Organizations Covered

NNR Global Logistics, a Division of Nishi-Nippon Railroad Co., Ltd.

## Guidelines Referenced

- GRI Sustainability Reporting Standards
- Ministry of the Environment, Japan Environmental Reporting Guidelines, 2018 Edition

\* The future outlook and other forward-looking statements in this report are based on information currently available to NNR Global Logistics and certain reasonable assumptions; they are not a guarantee of achievement. Actual results could differ materially due to various factors.

# NNR Global Logistics Business

NNR Global Logistics is a comprehensive logistics provider with a network spanning 29 countries and 123 cities worldwide. Centered on air and ocean transport, we provide international intermodal transport services as well as international comprehensive logistics services such as inventory management and other logistics operations. Our commitment to delivering high-quality, secure and reliable services, while promoting eco-friendly logistics throughout the supply chain, enables us to fulfill the diverse transportation requirements of our global customers.

## International Air Freight

As a pioneer in Japan's air freight industry, we have handled air cargo since 1948. In 1957, we established the country's first consolidation company through joint investment and have grown alongside developments in air transport. As an air freight forwarder, we have secured strategic global contracts with multiple major airlines, ensuring cost advantages and access to routes across the world. We offer services catering to wide-ranging customer needs, including the transportation of general cargo as well as precision devices, hazardous materials, temperature-controlled shipments, and more.

### PICK UP NNR's Own ULD<sup>\*1</sup> Intact Service

This service transports customer cargo using containers and pallets specially designed for loading onto aircraft from the CFS<sup>\*2</sup> at the origin to the CFS at the destination. Operations conducted at NNR Global Logistics facilities, with NNR staff at both the origin and destination, ensure consistent, high-quality transport.

\*1 ULD: Unit Load Devices, equipment (specialized containers or pallets) for aircraft loading

\*2 CFS: Container Freight Station, a facility for sorting less-than-container-load cargo by destination, containerizing it and handling the unloading and deconsolidation of cargo from mixed containers



## IT Solutions

We provide various IT solutions that contribute to the optimization of customer supply chains. Today, timely transport and proper inventory management are urgent concerns for all companies, not only for profitability but also for advancing decarbonization initiatives. NNR Global Logistics supports customers through logistics services tailored to their needs by offering a cargo tracking system that provides visibility on the location of cargo in transit regardless of country, a warehouse management system that ensures timely and accurate inventory information and shipping/receiving control, and more. Our data centers manage customer information securely with robust measures against information leakage and large-scale disasters.

## Logistics Services

NNR Global Logistics operates six logistics centers in Japan, serving as vital hubs in our customers' supply chains, connecting Japan with the rest of the world. We pack and ship boxes, from as small as one IC, and provide third-party logistics services, including inspections, kitting, online inventory information provision, and more. Moreover, our general and bonded warehouse spaces are integrated, a strength enabling inventory management of exports and domestic cargo in one warehouse, reducing costs. Exports move quickly into the bonded warehouse after packing/labeling, shortening lead times.

Our Narita Logistics Center (Shibayama, Chiba Prefecture) and Rinku Logistics Center (Izumisano, Osaka Prefecture) in Japan and seven logistics centers outside Japan are certified CLASS A under TAPA<sup>\*</sup> standards for security management of high-tech products.

\*TAPA (Transported Asset Protection Association)

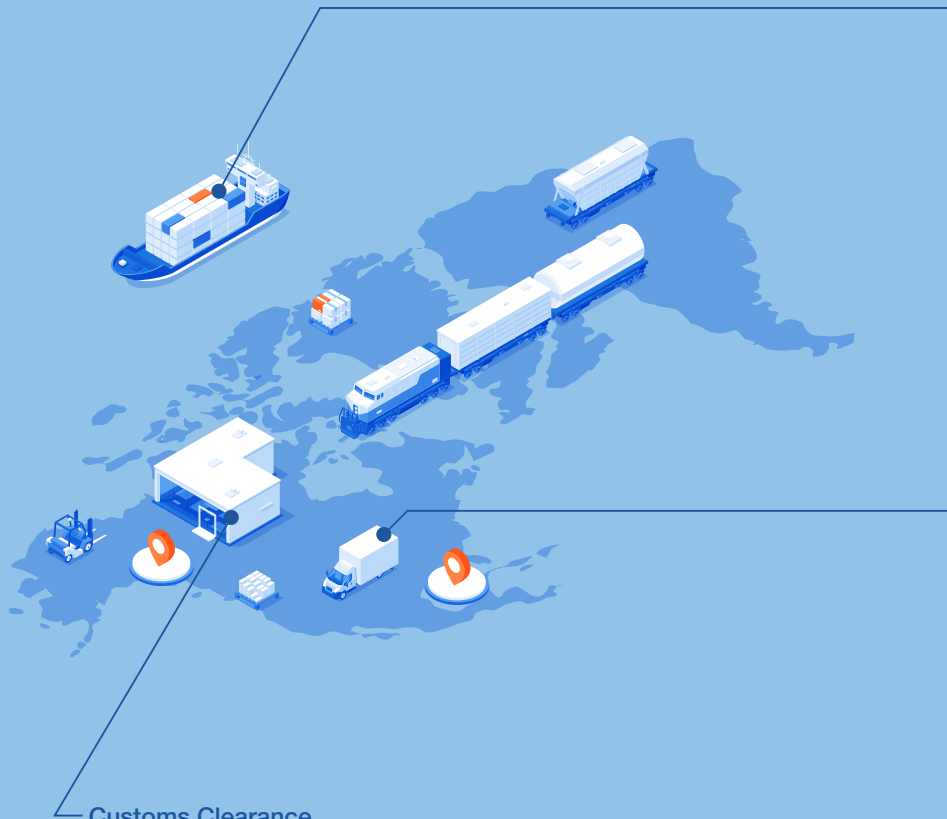
TAPA is a non-profit organization comprising high-tech manufacturers, logistics providers, consulting firms, and others. It establishes Freight Security Requirements (FSR), its unique security standards for cargo, and certifies logistics facilities that meet these criteria.

The main requirements are: (1) perimeter security, (2) facility access control, (3) warehouse/facility security equipment, and (4) security systems. The requirements encompass over 70 items.

CLASS A signifies logistics facilities meeting the highest security requirements.

### PICK UP Flower Transport

Japanese flowers, known for their high quality and variety, are highly valued in international markets. However, flower transport poses various technical and cost challenges, including maintaining freshness and handling with care, making it a field with much room for future growth. NNR Global Logistics staff trained in flower transport reliably perform quality inspections and sampling for quarantine while preserving freshness. We provide integrated services from plant quarantine and customs clearance to sorting and domestic shipping arrangements, ensuring smooth and accurate delivery to final destinations.



### Customs Clearance

Export/import customs clearance for ocean and air cargo requires preparing customs paperwork based on various regulations varying by country/region and examination by a licensed customs specialist. With abundant expertise and experience in customs clearance and related procedures, NNR Global Logistics' customs specialists ensure proper import/export processing based on the latest information, including legal revisions. Also, by leveraging IT (customs systems + AI-OCR), we have boosted declaration efficiency for swift processing. Additionally, we provide study sessions to address customers' inquiries and questions about customs, working to deliver safe and reassuring customs services. Under the Authorized Economic Operator (AEO) program (see page 28), NNR Global Logistics is a certified customs broker with systems established for cargo security management and compliance.

### International Ocean Freight

As a Non-Vessel Operating Common Carrier (NVOCC), we offer door-to-door ocean export/import transport such as FCL (full container load for a single customer) and LCL (less than container load with cargo from multiple customers consolidated into one container). We also have a procurement department dedicated to ocean freight that can arrange competitive rates, cargo collection, and domestic transport. Our ocean freight service has steadily expanded, ranking 42nd globally in the 2022 Ocean Freight Forwarders Ranking by Armstrong & Associates, Inc.

#### PICK UP Buyer's Consolidation

Goods from multiple suppliers are packed together in one container for shipping to receivers overseas. This approach reduces logistics costs and enables optimization of inventory levels. Consolidating at the origin also allows for centralized management and operational efficiency improvements.

### Domestic Transport in Japan

Leveraging a diverse fleet of vehicles belonging to Nishitetsu Group companies Nishitetsu-unyu Co., Ltd. and Nishitetsu Logistics Co., Ltd., we safely and reliably transport everything from ultra-precision equipment to general cargo. We are also advancing the adoption of environmentally friendly EV vans.



# NNR Global Logistics: A Statistical Overview (Fiscal Year Ending March 2023)

## Business (International Logistics)

Operating  
Revenue



**¥247.34 billion**

Countries/  
Regions of Operation



**29 countries/regions,  
123 cities worldwide**

(As of April 1, 2023)

Air Cargo Volume/  
Shipments



Air Exports **127,000 tons**  
Air Imports **375,000 shipments**

Ocean Cargo  
Volume



Ocean Exports **102,000 TEU**  
Ocean Imports **140,000 TEU**

\*TEU: Twenty-foot Equivalent Unit Indicates the number of containers converted to the unit of 20-foot containers

## Environment

CO<sub>2</sub> Emissions  
(Scope 1+2)



**1,478.05 tons**

## Human Resources

Number of Employees



**3,363 (Male: 1,822, Female: 1,541)**

(As of April 1, 2023)

## Diversity

Percentage of  
Female Employees



**45.8%**

(As of April 1, 2023)

## Quality

AEO Certifications  
Acquired



**3 types<sup>\*1</sup>, 12 locations<sup>\*2</sup>**

\*1 Bonded warehouse operator, certified customs broker, and specified bonded transportation provider

\*2 Overseas local subsidiaries  
(As of April 1, 2023)





## WACO (World Air Cargo Organization)

WACO is an international organization of independent forwarders that provides seamless global transport. Established in 1973, WACO leverages the strengths of local and multinational groups to deliver high-quality services. While anchored in the WACO network, NNR Global Logistics also actively partners with agents with strengths in areas beyond WACO, implementing a strategy to cover broader geographies.



### Opening of the Fukuoka Logistics Center

In September 2022, we opened the Fukuoka Logistics Center in Higashi-Naka, Hakata-ku, Fukuoka City, to serve as a new logistics hub in Japan. The center consolidated multiple warehouses around the Fukuoka area to improve operational efficiency. It will also allow us to expand our export/import handling in Kyushu by leveraging its excellent location close to Fukuoka Airport and Hakata Port, enhancing services and quality.

The center has temperature-controlled refrigeration facilities, enabling fresh produce and flower storage. Together with Nishitetsu-unyu Co., Ltd., a member of the Nishitetsu Group, we are using the center to expand sales of Kyushu agricultural products. We will continue working to increase handling volume. In addition to robust BCP measures like emergency power generators, we promote environmental initiatives, including joint transport for delivering export/import cargo and adopting reusable equipment.



Fukuoka Logistics Center

### Building a New Kanto Logistics Center

With all three of our existing logistics centers in Kanto area continuously operating at full capacity, we plan to open the Kanto Logistics Center in Narashino, Chiba Prefecture, as a new hub for our logistics business in the Greater Tokyo Metropolitan area. We plan to enhance added value, such as with a dedicated semiconductor area and expanded cold storage. We also plan to install advanced security features, and CASBEE\* green building certification has already been obtained. Thus, the facility will be a sustainable hub that considers both safety and the environment when completed and operations start in the first half of fiscal 2024.

\*CASBEE: Comprehensive Assessment System for Built Environment Efficiency



Kanto Logistics Center

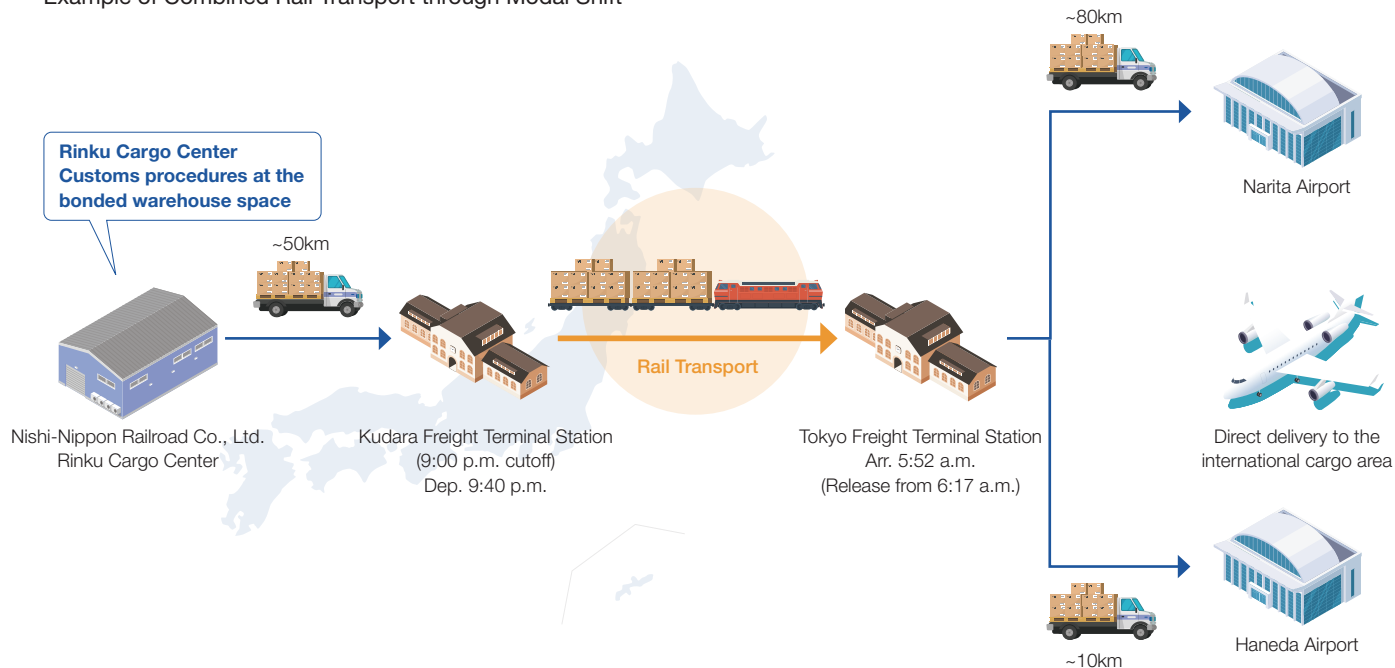
## Special Feature 2: Green Logistics Initiatives

All business activities on Earth have varying impacts on the global environment. The logistics industry has been increasingly focused on environmentally-friendly transportation ("green logistics") which aims to reduce environmental impact when compared to traditional transportation methods.

Implementing sustainable business practices is one of Nishi-Nippon Railroad Group's top priorities across all of its business units.

NNR Global Logistics works with customers to build sustainable logistics systems, reducing environmental impact and boosting logistics productivity by providing green logistics solutions, including a modal shift to rail transportation, container round use, consolidated truck deliveries, and the use of reusable packaging materials.

### Example of Combined Rail Transport through Modal Shift



### Modal Shift Initiatives

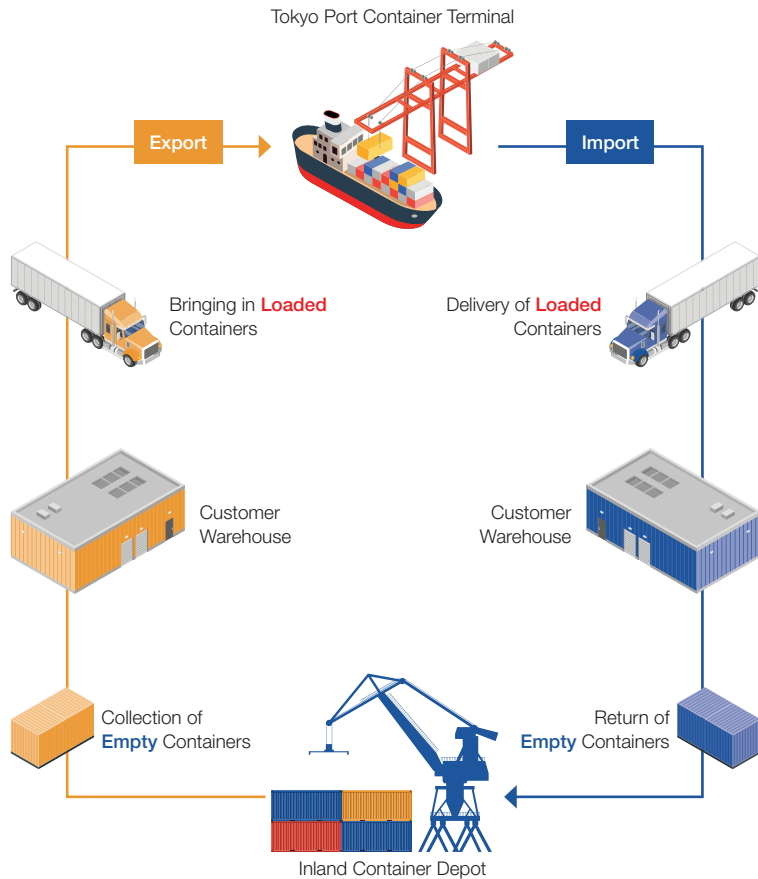
Modal shift refers to switching cargo transport from trucks to more eco-friendly modes like rail and ship.

According to fiscal 2021 estimates by Japan's Ministry of Land, Infrastructure, Transport and Tourism, rail freight can be expected to emit around 1/11th the CO<sub>2</sub> of trucking over the same route. With tighter regulations on truck driver overtime coming in April 2024 (the "2024 Problem" in logistics), a shortage of truck transportation capacity is anticipated, raising expectations for a modal shift from this perspective as well.

For domestic transport in Japan (especially long-haul), NNR Global Logistics proposes that customers shift from truck to rail transport. In fiscal 2023, our rail freight volume grew 20% year on year. We will continue promoting a modal shift to contribute to reducing CO<sub>2</sub> emissions.

# Modal Shift

## Concept-Image: Container Round Use

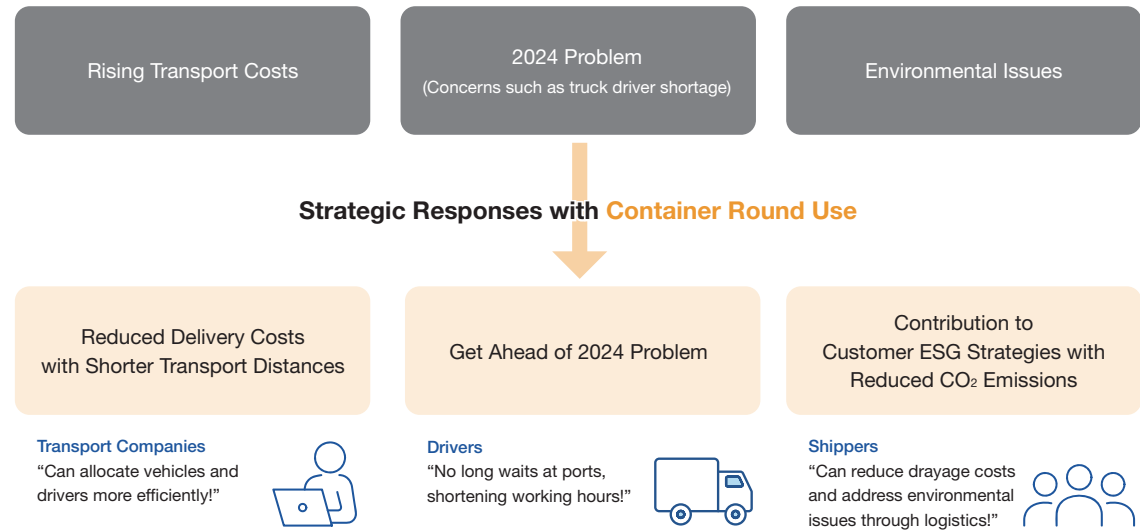


## Container Round Use Through Inland Container Depots

The transportation distance of empty containers can be reduced by returning empty import containers to an inland container depot after cargo delivery rather than to the port. Similarly, collecting empty containers from an inland container depot shortens the transportation distance for exports. This round use of containers can

reduce CO<sub>2</sub> emissions in import–export activities, ease labor shortages, and help realize work-style reforms.

In fiscal 2022, NNR Global Logistics facilitated 590 TEU of container round use. We expect to increase this handling volume further from fiscal 2023 onwards.



# Container Round Use



**Message from the Managing  
Executive Officer**

**Creating and Supporting  
Prosperous Tomorrows  
Together with Our  
Customers, Partners,  
and Employees**

Managing Executive Officer,  
NNR Global Logistics  
Nishi-Nippon Railroad Co., Ltd.

Keiichi Utaka

## The Importance of International Logistics as Reaffirmed by the Pandemic

I am pleased to present the NNR Global Logistics Sustainability Report, the first-ever sustainability report published by NNR Global Logistics, a member of the Nishitetsu Group. We would not have reached this point for sharing our business activities without the understanding and support of all our stakeholders, especially our customers. Thank you sincerely.

Over the past few years, the COVID-19 pandemic caused tremendous damage to all economic activity worldwide. With people's movement severely constrained, the crisis underscored the importance of logistics not only for corporate activity but also for delivering goods essential for people's lives. Under unprecedented challenges, such as disruptions in traditional supply chains and limited transport options, NNR Global Logistics staff have served with pride and purpose as "essential workers," fulfilling our social mission of "transporting" and "delivering." More than anyone, we were profoundly reminded that even if the flow of people stops, the flow of goods does not, rekindling in us a sense of mission and responsibility as part of the global logistics infrastructure.

Continuously meeting customer requests and societal demands requires ESG initiatives and efforts to realize a sustainable society—commitments we will steadfastly advance as integral to our business activities. This report is a milestone documenting our efforts. We welcome candid feedback from all our stakeholders.

## Achieved Record-High Operating Revenue and Operating Profit in Fiscal 2022

NNR Global Logistics commenced business in 1948, shortly after WWII, as an air freight sales agent for Pan American Airways with GHQ (General Headquarters of the Allied Powers) approval. Since then, we have expanded our business in air/ocean transport and logistics in tandem with global air transport network expansion and larger aircraft, paralleling Japan's economic growth and industrialization. Today, we are a core Nishitetsu Group business alongside the company's railway and bus operations based in northern Kyushu. Driven by increased cargo volumes and enhanced profitability, we achieved record operating revenue and profit in fiscal 2022 (April 1, 2022, to March 31, 2023).

The Nishitetsu Group launched its 16th Medium-term Management Plan in fiscal 2023. As a division within the Group, NNR Global Logistics will collaborate with other divisions, such as real estate and hotels, especially in overseas markets, complementing each other's functions in pursuit of further growth.

In Japan, we opened a new logistics center in Fukuoka in September 2022 to capture the expected rising demand for cargo originating from and terminating in Kyushu. We will help to stimulate Kyushu's regional economy by meeting diverse transportation needs and developing new transportation demand. In the Tokyo metropolitan area, our new logistics center in Narashino City, Chiba Prefecture, is scheduled to commence operations in the first half of fiscal 2024.

For upcoming new and expanded facilities, we are exploring the introduction of automated conveyance systems, robot picking systems, and other operation methods that can address anticipated labor shortages.

## Identification of Six Key Issues as Priority Themes

Today's business activities cannot be separated from various societal challenges. This year, NNR Global Logistics identified six key issues (materialities), out of various societal issues, as priority themes to tackle, aligned with the Nishitetsu Group's Key Issues for Sustainable Management. Addressing each issue with a sense of ownership, we will drive forward initiatives while remaining conscious of contributing to the creation of a happy and prosperous society.

### ● Contribution to a Decarbonized Society Across the Entire Supply Chain

With climate change growing ever more apparent globally, there is a need to reduce CO<sub>2</sub> emissions to curb global warming. As Japan aims for carbon neutrality by 2050, initiatives toward achieving a decarbonized society are urgent and among the most critical issues today.

As NNR Global Logistics does not directly own production facilities or transportation vehicles, we focus primarily on Scope 3 emissions, setting numerical targets and striving for reduction. To cut CO<sub>2</sub> emissions across supply chains, we promote container round use through inland container depots, improving transport efficiency by avoiding empty container forwarding. We also participate in Sustainable Aviation Fuel (SAF) programs implemented by various airlines and other initiatives with partner companies to pursue CO<sub>2</sub> emissions reductions hand-in-hand with business expansion.

\*SAF: Sustainable Aviation Fuel, made from sustainable sources like plants and waste oil, reduces CO<sub>2</sub> emissions by around 80% compared to conventional jet fuel.



### ● Creating A Rewarding Workplace Where Diverse Talent Can Excel

A pressing issue in human talent utilization is developing environments for female employees to excel fully. Recently, we often hear the metaphor of the “glass ceiling” that hinders women’s career advancement. But I also feel that companies have “glass walls” that hamper transferring to different occupations or departments. For example, there might be unspoken assumptions like “that job involves lots of overtime and weekend work, so women with childcare duties just can’t handle it.” Such notions and so-called considerations surrounding women wishing to take on new challenges may dampen their motivation—a major loss for both individuals and the organization. We aim to foster a corporate culture that empowers women’s adventurous spirit and to provide environments for them to thrive.

In addressing this key issue, the crucial thing is to provide opportunities for challenges suitable to each employee, not just women. Career development paths within the company vary. While some may wish to build their career at a rapid clip, others hope to advance at their own measured pace. We will establish personnel and training systems to address diverse needs, avoiding a one-size-fits-all approach.

### ● Respecting All Human Rights

In Japan, responding to the “2024 Problem” in logistics—anticipated transportation capacity shortages due to tightened regulations on truck driver overtime—poses an urgent challenge. This is not an issue that NNR Global Logistics can regard with indifference. We must work closely with our partners with a sense

of shared ownership to establish efficient transportation methods. While helping customers understand the logistics industry’s challenges, we must propose alternatives and persistently work together to find optimal solutions.

### ● Providing High-Quality and Safe Services

Logistics’ fundamental mission is to safely and reliably deliver cargo entrusted to us by our customers to the intended destination. However, the globalization of transport exposes shipments to more risks that may impede smooth delivery, such as geopolitical factors. By leveraging digital transformation (DX) and other tools, we will continue pursuing optimal shipping methods for each customer’s needs.

### ● Innovating Logistics Services Through DX

AI and other technologies can take over roles previously filled by people to improve operational efficiency. We can shift the liberated workforce to growth areas or work enhancing existing customer satisfaction. Recognizing DX as effective not only for efficiency gains but also for resolving various problems down the road, NNR Global Logistics regards it as one of our top priority issues.

## Earnestly Supporting and Journeying Together with All Our Stakeholders

“Fairness” is crucial in corporate management. Fair judgments and decision-making earn stakeholder acceptance, allowing us to progress together facing the same direction.

The age of “as long as our company alone prospers” has ended. To survive the drastic changes ahead, we must join hands and move in step together. In our international logistics business, cooperation with airlines, shipping companies, trucking companies, and other partners is essential.

Naturally, satisfying our customers is paramount. Employee satisfaction also matters enormously. Rather than existing separately, these “satisfactions” cyclically affect each other. Our business activities must keep turning this cycle in the right direction.

NNR Global Logistics may not be the largest international logistics provider in Japan, but we take pride in our unrivaled ability to closely align with each customer’s needs while maintaining high service quality. The Nishitetsu Group’s “NNR Group CYD Vision 2035,” released in 2022, set forth the concept, “Grow in harmony with you.” This harmony implies thoughtful, thorough dedication to our customers, which I believe gives us an edge over competitors. Going the extra mile, we sometimes propose ideas to customers and partners, such as, “We could also offer this additional service” or “Why not try this?” By carefully addressing every demand and responding thoroughly, we will continue to grow in harmony with our customers’ and partners’ businesses.

### Logistics Contributes to Regional Economic Development and Enriches People’s Lives

International logistics is a business sector that drives tremendous ripple effects. Consider market entry into a new country or region

as an example; it requires establishing facilities equipped with necessary vehicles, equipment, furnishings, etc. These facilities generate substantial employment, and potentially spark the emergence of new businesses catering to these workers. Once operational, facilities enable the shipment of numerous products produced in the region and make products from around the world available for local consumption. Establishing a cold chain\* may nurture new industries and enrich the dining experience of local households.

Currently, NNR Global Logistics maintains 123 business locations across 29 countries and regions globally. This means more than just setting up offices and staffing them; by developing deeply rooted businesses in each country and region, we walk hand-in-hand alongside local communities to co-create and support regional economic growth.

NNR Global Logistics aspires to address social challenges worldwide by leveraging the vast potential of international logistics. This requires understanding from customers and all stakeholders. Passing on to future generations a prosperous world that is safe and where people live free of anxiety and with hope is the responsibility entrusted to those of us living in the present day. I sincerely invite you to share in NNR Global Logistics’ vision so that we may build and support the society of tomorrow together.

\*An integrated supply chain process encompassing procurement of raw materials, production, distribution, and sales for products requiring temperature control





# NNR Global Logistics Sustainability Policy

For the Nishitetsu Group, sustainable management means practicing our corporate philosophy.

In other words, it means contributing as “a good corporate citizen” to the sustainable development of local communities. This entails continually meeting the expectations of various stakeholders, including local communities, customers, and employees, as we conduct our business activities.

In June 2023, we established the NNR Global Logistics Sustainability Policy to clarify our social responsibilities as a member of the Nishitetsu Group and further advance sustainable management.

Based on the Nishitetsu Group's<sup>\*1</sup> basic policies on sustainable management<sup>\*2</sup>,  
we will help build sustainable societal systems in collaboration with our customers and suppliers  
by addressing social issues through our global logistics services.

## Preserving the Global Environment

To realize a carbon-neutral society, we provide clean logistics across supply chains, thereby contributing to the preservation of the global environment.



## Creating Value Exceeding Expectations

By offering high-quality, innovative logistics services, we pursue the creation of new value that exceeds customer expectations.



## Sincere Dialogue

We appropriately disclose information and engage in sincere dialogue to enhance stakeholder trust.



## Respecting Human Rights

We respect the human rights of all stakeholders involved in our business activities.



## Promoting Compliance and Strictly Managing Information

We comply with societal norms, laws and regulations, and international rules in every country/region and conduct business fairly and with integrity. We also strictly manage confidential information, including customer data.



## Establishing Workplaces Where Diverse Talent Excels

We promote diversity and provide workplace environments where every employee can excel.



\*1 The Nishitetsu Group: Eighty-five companies, including Nishi-Nippon Railroad Co., Ltd., and one educational institution

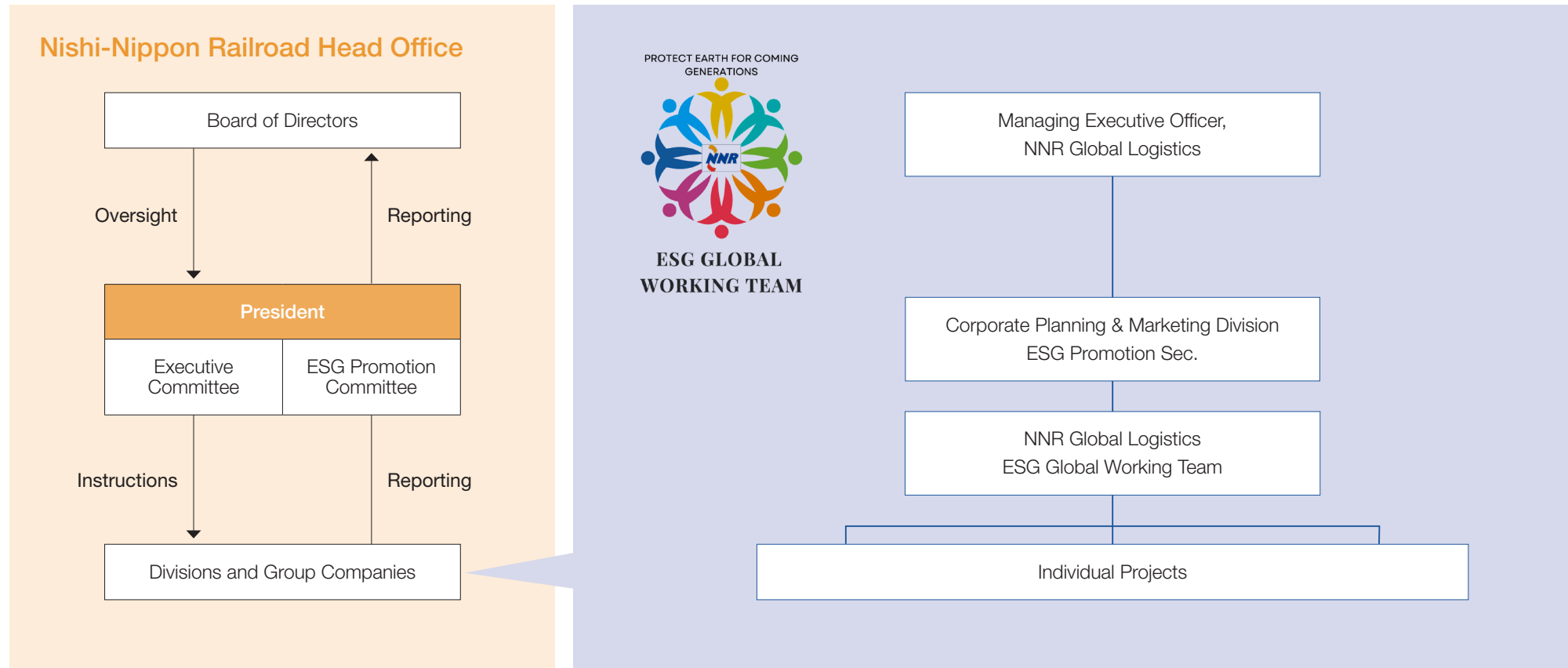
\*2 Includes Compliance Policy, Environmental Policy, Basic Customer Satisfaction Policy, Human Rights Policy, Basic Policy on Safety, Personnel Development Policy, and Basic Procurement Policy

# Sustainable Management Promotion Structure

Centered on the ESG Promotion Committee, which comprises the President, Executive Officers, and others, the Nishitetsu Group sets ESG direction and key themes, in addition to deliberating related measures for key themes.

At NNR Global Logistics, the ESG Promotion Section of the Corporate Planning & Marketing Division takes the lead in driving activities in coordination with the ESG Promotion Committee. To advance sustainable, ESG-conscious business activities globally, we established the NNR Global Logistics ESG Global Working Team in July 2023. Meeting regularly, the team consists of 44 members representing group companies in and outside Japan. The working team collaborates with the relevant departments to implement and promote its decisions.

In fiscal 2023, the first year of activities, our goals are to disseminate sustainability information, share activity data from each company, and work on addressing challenges.



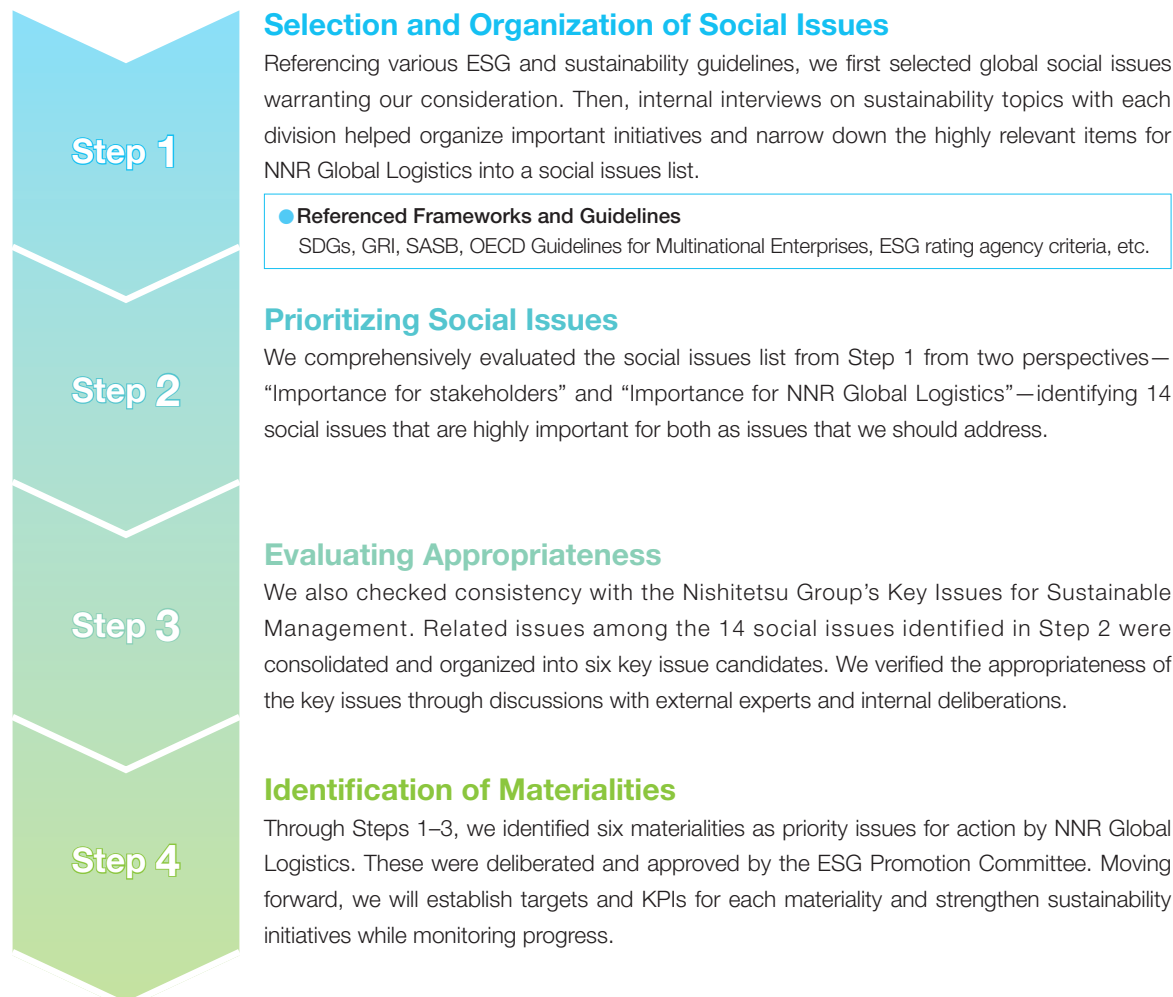
# Materiality (Key Issue)

## Identification Process

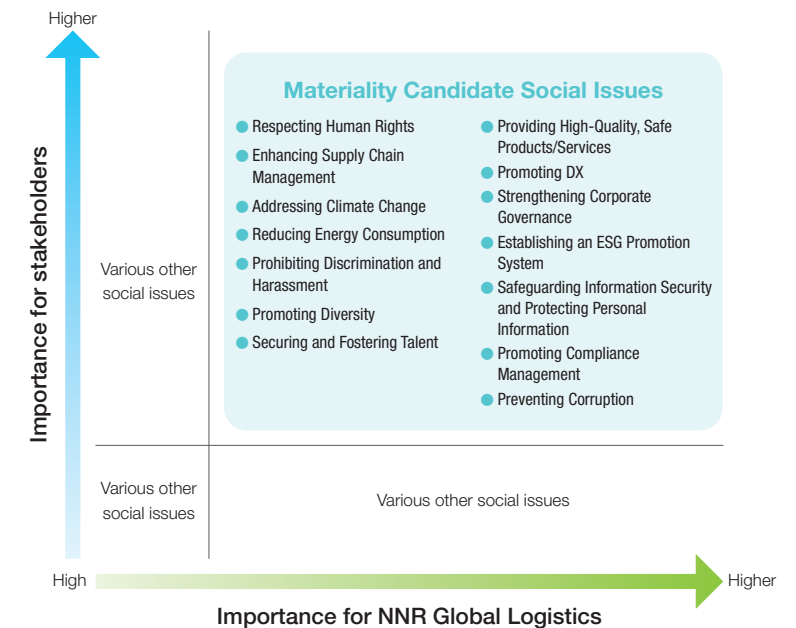
The Nishitetsu Group is committed to “providing confidence, comfort, and enjoyment” as part of the Basic Philosophy of its Corporate Philosophy.

To help realize a sustainable society through business activities grounded in this Basic Philosophy, in 2023, NNR Global Logistics identified priority social issues to address as materialities.

We will continue advancing initiatives targeting these materialities as we aim to resolve social challenges and contribute to societal development through our business activities.



### Materiality Map



## NNR Global Logistics Materialities (Key Issues)



\*The Nishitetsu Group: Eighty-five companies, including Nishi-Nippon Railroad Co., Ltd., and one educational institution

## KPIs and Action Plans

Based on the identified materialities (key issues), we have established our direction of effort as action plans. All departments, related companies, and employees, both in and outside Japan, will work on addressing social challenges through our business based on these action plans.



## KPIs and Action Plans

NNR Global Logistics Materialities (Key Issues)	Action Plans (FY2023 Initiatives)	Targets
<p><b>Innovating logistics services through DX</b></p> <p>Even just in Japan, the logistics industry faces numerous challenges, including coping with driver shortages and improving efficiency. To resolve these, we pursue internal and external operational efficiency gains and logistics optimization through digitalization and also enhance services through digital technology to provide new value to customers.</p>	<p><b>Strengthening the foundation for DX promotion</b></p> <ul style="list-style-type: none"> <li>● Boost sales, improve operational efficiency, enhance service quality through digital operations, establish tighter data connectivity with external systems/platforms</li> </ul>	<p>Quantitative targets for DX promotion in FY2023:            Reduced operational work hours: 10,000 hours/year            Reduced printing volume: 40,000 sheets/year</p>
<p><b>Respecting all human rights</b></p> <p>We seek to avoid causing or contributing to adverse human rights impacts and address such impacts if they occur. We also endeavor to prevent or mitigate adverse human rights impacts directly linked to our global international logistics business and trading relationships.</p>	<p><b>Raising human rights awareness</b></p> <ul style="list-style-type: none"> <li>● Continually implement human rights education/training and awareness activities</li> <li>● Reinforce communication with partners (disseminate procurement policy)</li> </ul>	<p>FY2022:            Conduct human rights education/training</p>
<p><b>Creating rewarding workplaces where diverse talent can excel</b></p> <p>With services spanning the globe, NNR Global Logistics needs many kinds of diversity, including diverse nationalities and ethnicities, and the flexibility to meet diverse needs. We aim to secure and cultivate talent with varied mindsets and backbones and create workplaces where everyone's strengths are utilized, and collaboration is encouraged.</p>	<p><b>Securing talent with diverse experience            Career development respecting employees' wishes            Enhancing talent development</b></p> <ul style="list-style-type: none"> <li>● Implement career interviews and actively rotate jobs</li> <li>● Start a short-term overseas assignment system</li> <li>● Promote diverse work styles incorporating business continuity management (BCM) perspectives (standard telework, staggered hours, etc.)</li> <li>● Encourage male parental leave uptake</li> </ul>	<p>FY2022:            Encouraging male parental leave uptake            Uptake rate: 30%</p>
<p><b>Promoting fair and honest business activities</b></p> <p>We pursue strengthened compliance controls (including information security) across all bases, including locations outside Japan, along with enhanced sustainability initiatives on a global basis.</p>	<p><b>Improving ICT literacy</b></p> <ul style="list-style-type: none"> <li>● Implement information security education/training and testing                Japan: November 2023, Overseas: March 2024 (scheduled)</li> <li>● Conduct internal audits at overseas local subsidiaries</li> </ul>	<p>FY2023:            Internal audits at overseas local subsidiaries            Information security training implementation</p>

# Environment

## Materiality (Key Issue) Contributing to a Decarbonized Society Across the Entire Supply Chain

### Action Plan (Initiatives for FY2023)

- Expanding modal shift
  - Expand business through JR freight transport services
- Strengthening container round use initiatives using inland container depots
  - Reinforce collaboration with container depot businesses, shipping lines, and container trucking companies
- Providing service to calculate CO<sub>2</sub> emissions in international transport
  - Launch service to “visualize” CO<sub>2</sub> emissions in international transport services
  - Cooperate and develop rules with external organizations such as environmental groups

## Approach to the Environment

To realize a sustainable world, companies must conduct business operations that consider environmental issues like climate change as their social responsibility.

The Nishitetsu Group has established the Nishitetsu Group Environmental Policy and promotes environmental management as a united group across all business divisions and companies.

NNR Global Logistics recognizes that reducing CO<sub>2</sub> emissions in logistics is an urgent challenge among various environmental initiatives. To fulfill our corporate responsibility as a member of the global community, we will help curb climate change and contribute to the formation of a recycle-oriented society by continuing to advance efforts, including CO<sub>2</sub> emission reduction.

### Nishitetsu Group Environmental Policy (Established April 28, 2005)

Recognizing environmental conservation as a vital issue, we will reduce environmental impact through business activities in harmony with the environment, contributing to realizing a recycling-oriented society and suppression of global warming.

- (1) Raise environmental awareness
- (2) Correctly understand and comply with laws and regulations
- (3) Utilize resources and energy efficiently and reduce emissions
- (4) Encourage the use of energy-efficient public transport
- (5) Provide products and services with environmental quality

We will continually improve our environmental efforts based on the above policy.

## Environmental Management

### Environmental Management

The Nishitetsu Group practices unified environmental management. Supervised by the ESG Promotion Section of Nishi-Nippon Railroad's Corporate Planning & Marketing Division, each division, including NNR Global Logistics, and group companies implement environmental activities based on an Environmental Impact Reduction Plan, carried out by their environmental administrators, promoters, and employees.

At NNR Global Logistics, the ESG Promotion Section of the Corporate Planning & Marketing Division chiefly oversees environmental initiatives with specific efforts advanced in each department. Environmental training is provided for all employees, including non-regular staff, to raise environmental awareness. Additionally, the NNR Global Logistics ESG Global Working Team launched in July 2023 has embarked on CO<sub>2</sub> emissions reduction work encompassing the entire value chain and overseas group companies. Collaborating with various suppliers, we aim to grasp our global Scope 3 emissions by 2025 and will thereafter establish targets and plans to drive concrete measures.

## Environmental Impact Reduction Plan

In November 2022, the Nishitetsu Group established the “NNR Group CYD Vision 2035: Grow in Harmony with You,” a long-term vision with the target year of 2035, clearly laying out a roadmap for achieving carbon neutrality by 2050.

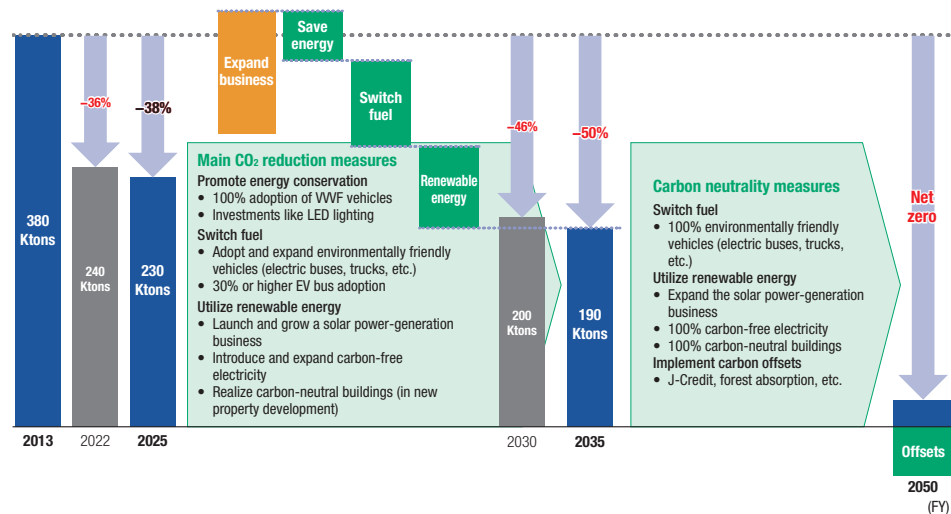
The reduction targets in our 16th Medium-term Management Plan (FY2023–2025) have been set in line with this roadmap. NNR Global Logistics has developed an Environmental Impact Reduction Plan based on this overall group policy and established environmental targets.

### ▶ Nishitetsu Group CO<sub>2</sub> Emissions (Scope 1+2) Reduction Targets

- 38% reduction from FY2013 levels by FY2025 (16th Medium-Term Management Plan)
- 50% reduction from FY2013 levels by FY2035 (long-term vision)

With these targets, we aim to achieve the national target of “46% reduction in CO<sub>2</sub> emissions from FY2013 levels by FY2030” and realize Group-wide carbon neutrality by 2050.

### ▶ Reducing CO<sub>2</sub> Emissions (Scope 1+2): Aiming for Carbon Neutrality (by 2050)



## Initiatives to Realize a Decarbonized Society

### ▶ Results Against Targets in the 15th Medium-term Management Plan

	Targets (4-year targets)	Results (FY2022 results)
Nishitetsu Group overall	Reduction in CO <sub>2</sub> emissions (total*)	
	vs. FY2009: 12% reduction	vs. FY2009: 21.9% reduction
NNR Global Logistics	Reduction in electricity consumption	
	vs. FY2009: 3% reduction	vs. FY2009: 11.3% reduction
	Reduction in gasoline consumption	
	vs. FY2009: 50% reduction	vs. FY2009: 74.2% reduction

\*The CO<sub>2</sub> emissions (total, unit-based) targets are set on the premise that the CO<sub>2</sub> emissions conversion factor for electricity will not change from the base year level (FY2009).

### ▶ Targets in the 16th Medium-term Management Plan

	Targets
Nishitetsu Group overall	Reduction in CO <sub>2</sub> emissions
	vs. FY2013: 25% reduction (by the end of FY2025)
NNR Global Logistics	Reduction in electricity consumption
	vs. FY2013: 3.1% reduction (by the end of FY2025)
	Reduction in gasoline consumption
	vs. FY2013: 69% reduction (by the end of FY2025)

\*The CO<sub>2</sub> emissions targets are set using the emission conversion factor for electricity of 0.37 kg-CO<sub>2</sub>/kWh announced in July 2015 by the Federation of Electric Power Companies of Japan in the “Low-Carbon Society Implementation Plan for the Electric Power Industry” as the control value.  
\*Total: Scope 1+2 emissions

## Initiatives for Realizing a Recycling-oriented Society

### ▶ Results Against Targets in the 15th Medium-term Management Plan

	Targets (4-year targets)	Results (FY2022 results)
Nishitetsu Group overall	Reduction in copy paper usage	
	vs. FY2014: 5% reduction	vs. FY2014: 26.2% reduction
	Reduction in water usage	
	At or below FY2014 results	vs. FY2014: 16.4% reduction

### ▶ Targets in the 16th Medium-term Management Plan

	Targets
Nishitetsu Group overall	Reduction in copy paper usage
	vs. FY2014: 25% reduction
	Reduction in water usage
	vs. FY2014: 15% reduction (by the end of FY2025)



## Initiatives to Realize a Decarbonized Society

### Participating in SAF Programs

The aviation industry is introducing Sustainable Aviation Fuel (SAF) as one initiative to achieve carbon neutrality by 2050. Currently, safety considerations limit SAF to a 50% blend with conventional jet fuel, but leading aircraft manufacturers have announced the target of 100% SAF capability by 2030. The Japanese government aims for a 10% domestic SAF supply by 2030, with demand for SAF rising globally.

In July 2023, NNR Global Logistics began participating in the cargo program of All Nippon Airways Co., Ltd.'s SAF Flight Initiative Program to reduce CO<sub>2</sub> emissions from air cargo transport. In August, we used this program for shipments to Shanghai, China, and received certified CO<sub>2</sub> reduction credits from a third-party organization.

\*SAF: Sustainable Aviation Fuel, made from sustainable sources like plants and waste oil, reduces CO<sub>2</sub> emissions by around 80% compared to conventional jet fuel.



Photo provided by ANA Cargo Inc.

### Expanding Renewable Energy Use

To switch to electricity from a low-environmental-impact renewable energy source at our Narita Logistics Center and Rinku Logistics Center, we plan to install solar panels within the first half of fiscal 2024.

	Narita Logistics Center	Rinku Logistics Center
Installation area	594.32m <sup>2</sup>	1,290.91m <sup>2</sup>
Number of panels	272	672
Power conditioners	2	4
System capacity	127.84kW	275.52kW
Annual power generation	149,559kWh	260,068kWh
Annual usage rate	97%	79%
Self-sufficiency rate	14.1%	26%

### Reducing Copy Paper Usage

The Nishitetsu Group's Environmental Impact Reduction Plan includes reducing the use of copy paper as part of efforts to achieve a recycling-oriented society. Specific efforts include promoting output reduction measures like double-side printing and multiple pages per sheet along with digitizing documents and using monitors to advance paperless operations across the group.

At NNR Global Logistics, systems implementation and digitization helped us substantially surpass our initial 7% reduction target (vs. fiscal 2014) by achieving a 15% reduction in fiscal 2022. We will continue reducing copy paper usage to help realize a recycling-oriented society and protect forest resources.

	Reduction target	Results (FY2022)
Nishitetsu Group Overall	vs. FY2014: 5% reduction (by the end of the medium-term management plan's final year (FY2022))	vs. FY2014: 26.2% reduction
NNR Global Logistics	vs. FY2014: 7% reduction (by the end of the medium-term management plan's final year (FY2022))	vs. FY2014: 15.2% reduction

### Switching Company Vehicles to EV

NNR Global Logistics France SAS has been switching company vehicles to electric vehicles (EV) in an effort to decarbonize transportation. It plans to introduce six EVs by March 2024.



NNR GLOBAL LOGISTICS FRANCE SAS / PRESIDENT DIRECTEUR GENERAL / FRANCK AIME



# Quality Management

## Materiality (Key Issue) Providing High-Quality, Safe Services

Safely delivering customers' goods without harming their value is one of NNR Global Logistics' vital roles. As globalization increases, we must further enhance the quality of our international logistics services.

### Action Plan (Initiatives for FY2023)

- Strengthening quality management system
  1. Strengthen educational system related to quality
  2. Implement quality training for employees

## Approach to Quality Management

Sustainable, customer-attentive services are essential in today's logistics industry. However, we must go beyond providing meticulous, high-quality services that meet customer needs by working with customers to jointly resolve the challenges they face. Moreover, as a global enterprise, fulfilling our social responsibility requires harmonious coexistence with partners, local communities, and the broader society.

To deepen relationships with all stakeholders, NNR Global Logistics emphasizes maintaining and improving customer-oriented service quality and reinforcing its quality management system to provide premier service.

### NNR Global Logistics ISO Quality Policy

We seek to be an organization that meets societal, customer, and employee expectations by delivering high-quality services and achieving sustainable growth.

Keiichi Utaka

Managing Executive Officer, NNR Global Logistics (April 1, 2023)

### ▶ Quality Management Certifications Acquired

Field	Certification	Number of certified locations
Overall quality	ISO 9001	19 companies (14 countries/regions)
Aerospace management	EN/AS9120	7 locations in Japan (incl. head office), 5 locations outside Japan
	EN/AS9100	3 locations outside Japan

## Quality Policy

ISO 9001 is an international standard for quality management systems that promotes customer satisfaction through product and service quality assurance. As of April 1, 2023, NNR Global Logistics has 19 overseas local subsidiaries\* in 14 countries/regions certified for ISO 9001. Guided by this standard, we strive to continually improve service quality and provide services exceeding customer expectations.

Furthermore, seven Japanese and five overseas locations hold EN/AS9120:2018 certification while three overseas locations hold EN/AS9100 certification. These are the standards for aerospace and defense quality management systems that augment ISO 9001 with additional aviation/aerospace and defense industry-specific requirements like safety and reliability.

\*Includes NNR Global Logistics (Japan) and Nishitetsu Logistics

## Quality Management System

With every department in Japan ISO 9001-certified, each NNR Global Logistics location has established a quality management system conforming to the standard and implements the processes below.

### Quality Management Targets and Monitoring

ISO 9001 quality targets are specific targets set under the company's quality policy for improving customer satisfaction and quality.

At NNR Global Logistics, the Managing Executive Officer establishes overall targets at the beginning of the fiscal year in April. Individual departments then define specific targets that align with these overall targets for their respective operations. Efforts are made to ensure that targets are achieved, with each department striving to meet its goals. Progress is reported at management review meetings, and top management issues instructions accordingly.

### Responding to Incidents Related to Service Quality

If incidents arise concerning service quality, the relevant departments and the department overseeing quality control collaborate on corrective actions. They identify causes and respond appropriately, while establishing a PDCA system to confirm the effectiveness of countermeasures and make continual improvements. We also record incident case studies in a dedicated in-house system for companywide sharing to help prevent recurrences.

### Quality Training

To continuously provide customers with high-quality, safe, and reliable services, all employees must be aware of and constantly improve their understanding of quality. NNR Global Logistics provides quality training to acquire ISO 9001 knowledge and a mindset of elevating quality, thereby fostering human resources who understand the importance of quality. Rank-based training sessions, from new recruits to executive staff, cover ISO standards and other topics related to quality. These sessions are initially provided to new hires upon joining the company and are then offered regularly starting from their second year. We also regularly conduct training focused mainly on the importance of compliance, including training on the AEO program and transporting dangerous goods.

Laterally sharing case studies of near misses collected from each department helps prevent accidents.

## Improving Customer Satisfaction

### Gathering Customer Feedback

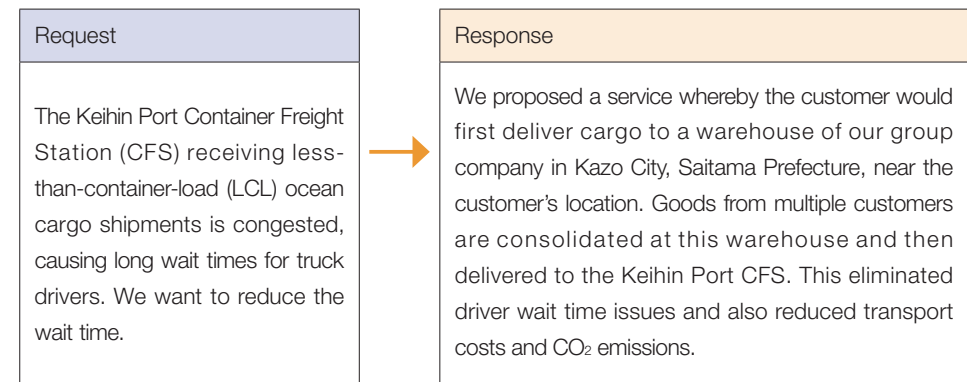
NNR Global Logistics prioritizes customer communication to improve quality, services, and product planning capabilities. We continually gather customer requests, opinions, complaints, and other feedback shared in daily operations and share them internally.

Periodic customer satisfaction surveys are also conducted, and responses are analyzed to enhance services. As per the ISO 9001 system, survey results are announced at internal management review meetings and shared within the company, contributing to improved service quality. We recognize areas that receive high praise as strengths to further polish for offering even better services to our customers.

### Example of Reflecting Customer Feedback

Here is an example of a new service proposed and implemented in response to customer requests.

#### ■ Example



# Supply Chain Management

## Basic Approach to Supply Chain Management

With increasing focus on corporate supply chain responsibility, international logistics providers operating globally face mounting pressure to establish responsible supply chains as integral members of society. In line with the Nishitetsu Group Basic Procurement Policy, NNR Global Logistics conducts responsible purchasing and procurement that is mindful of society and the environment. We also request understanding and cooperation from all business partners regarding Nishitetsu Group and NNR Global Logistics policies through our “Requests to Business Partners.”

### Nishitetsu Group Basic Procurement Policy

In partnership with our suppliers and other stakeholders across our supply chain, we practice responsible procurement that is mindful of society and the environment, as outlined in the following policy. Through these practices, we aim to provide safe and secure services while addressing societal challenges and contributing to society's sustainable growth and development.

#### 1. Fair and Impartial Business Relations

We select suppliers through a fair and impartial process, considering factors such as legal compliance, environmental awareness, quality, pricing, and corporate reliability.

#### 2. Pursuing Safety and Security

While prioritizing safety, we practice responsible procurement, emphasizing quality, appropriate pricing, supply stability, on-time delivery, adequate aftercare service, and integrity in fulfilling contractual obligations to ensure products and services are used with peace of mind.

#### 3. Environmental Consideration

Through environmentally conscious procurement practices, we aim to minimize the environmental impact while contributing to the development of a recycling-oriented society and the mitigation of global warming.

#### 4. Consideration for Human Rights, Work Environments, Safety, and Health

We conduct procurement that respects human rights and prioritize safe and healthy work environments.

#### 5. Compliance with Laws, Regulations, and Societal Norms

We do not seek any gains through legal violations or unethical behavior. We ensure that we understand and comply with laws, industrial standards, and societal norms related to procurement.

#### 6. Precluding Ties with Anti-Social Forces

We take a firm stand against forces or groups threatening social order and sound business activities. We reject unjust demands and threats and preclude all such ties.

#### 7. Thorough Information Security

We stringently and properly manage confidential and personal information.

#### 8. Building Relationships of Trust

Through good communication, we foster relationships of trust with business partners, aiming for mutual growth and development.

### Requests to Business Partners

We request your understanding of the intent and content of the Nishitetsu Group Basic Procurement Policy along with cooperation on the following when transacting with the Nishitetsu Group encompassing supply chain partners:

#### 1. Ensuring Safety

Complying with safety laws and regulations, ensuring public safety, and establishing safe work processes and environments

#### 2. Ensuring Quality, Fair Pricing, and Stable Supply

Delivering excellent quality at reasonable prices through a stable supply system that ensures on-time delivery

#### 3. Fulfilling Agreements

Fulfilling contractual obligations with integrity

#### 4. Environmental Consideration

Complying with environmental laws and regulations and conducting business in an environmentally friendly manner

#### 5. Consideration for Human Rights, Work Environments, Safety, and Health

Complying with labor laws and regulations, including prohibition of child labor and forced labor, providing safe and comfortable work environments, and respecting the human rights of all people

#### 6. Complying with Laws, Regulations, and Societal Norms

Understanding and complying with all laws and regulations, industrial standards, and societal norms applicable in the countries and regions where business activities are conducted

#### 7. Precluding Ties with Anti-Social Forces

Refusing any association with forces or groups threatening social order and sound business activities

#### 8. Ensuring Information Security

Stringently and properly managing confidential and personal information

#### 9. Building Relationships of Trust

Fostering trust-based relationships through effective communication with the Nishitetsu Group to enable mutual sustainable development

## Realizing Responsible Purchasing and Procurement

### Purchasing and Procurement System

Guided by the Nishitetsu Group Basic Procurement Policy, NNR Global Logistics has established a sustainable supply chain management system that thoroughly considers matters such as safety, quality, the environment, human rights, and information security. Rules stipulated in internal documents prescribe procedures for partner and supplier management, including their selection and oversight.

### Evaluating Suppliers

In addition to service and product quality, supplier selection criteria encompass quality control systems and commitment to legal compliance. Scoring the evaluation results enhances objectivity and transparency behind choices.

Where suppliers fall short of NNR Global Logistics' quality management standards, we request improvements through Business Improvement Requests, providing training or conducting audits where necessary.

#### NNR GLOBAL LOGISTICS USA INC. Won Bronze EcoVadis Medal

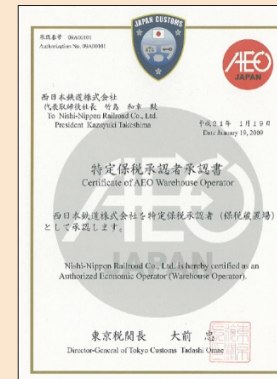
In its 2023 assessment, EcoVadis awarded a Bronze Medal to NNR Global Logistics USA Inc. for its initiatives under four themes: environment, labor practices, human rights & ethics, and sustainable procurement.



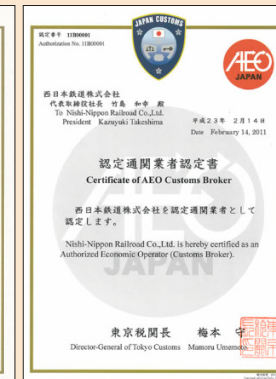
\*EcoVadis is a rating organization that assesses corporate sustainability. It provides comprehensive corporate social responsibility (CSR) assessment services through a global cloud-based platform.

## Achieving AEO “Triple Crown”

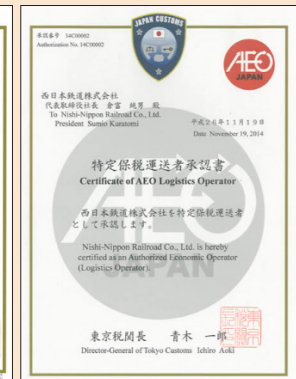
The Authorized Economic Operator (AEO) program aims to balance security and streamlining in logistics. It enables logistics operators certified by the customs director regarding cargo security management and legal compliance systems to enjoy relaxed and simplified customs procedures. In January 2009, NNR Global Logistics was certified as a Bonded Warehouse Operator, followed by a Customs Broker in February 2011 and a Specified Bonded Transportation Provider in November 2014, becoming the first major forwarder to receive all three certifications available to logistics companies. In acquiring these certifications, we have established systems for balancing security, streamlining and ensuring legal compliance across our supply chain.



Bonded Warehouse Operator Certification



Certified Customs Broker Certification



Specified Bonded Transportation Provider Certification

# Innovating Logistics Services through DX

## Materiality (Key Issue)

### Innovating Logistics Services through DX

Numerous challenges confront the international logistics industry, including increasingly complex global supply chains, environmental impacts like carbon dioxide (CO<sub>2</sub>) emissions associated with transportation, addressing labor shortages due to demographic changes and a focus on work-life balance, and improving efficiency. To resolve these, we pursue internal and external operational efficiency gains and logistics optimization through digitalization and also enhance services through digital technology to provide new value to customers.

#### Action Plan (Initiatives for FY2023)

- Use digital operations to boost sales, improve operational efficiency, and enhance service quality; and establish tighter data connectivity with external systems/platforms

## Basic Approach to DX Promotion

In our vision of the future society, we expect further expansion and integration with the digital world. Digital transformation (DX) is an important theme to address societal changes and meet emerging needs. Under its 16th Medium-term Management Plan, the Nishitetsu Group identifies "Strengthen sales and improve operational efficiency by promoting DX" as a critical management strategy. By promoting DX, NNR Global Logistics will seek to resolve various social challenges, including providing new value to customers, improving operational efficiency, creating comfortable workplaces, and contributing to a decarbonized society to satisfy all stakeholders.

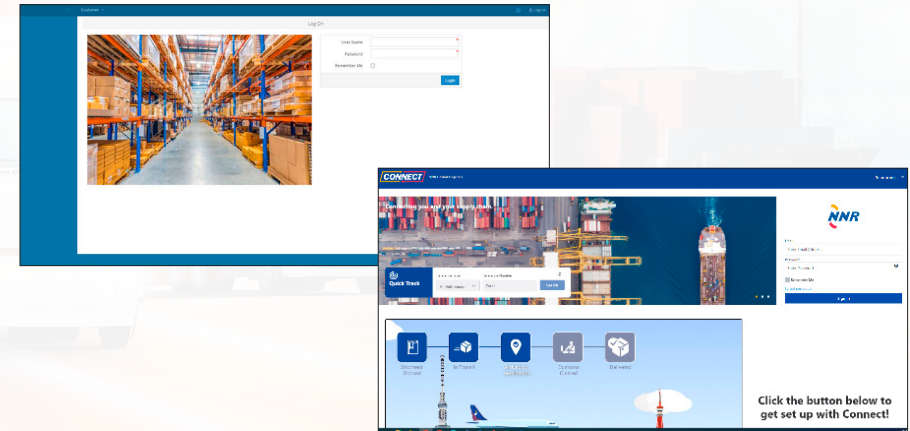
## Key Initiatives for Promoting DX

Recognizing that IT solutions fitting each customer's supply chain are essential, NNR Global Logistics has established supportive global services and infrastructure. For instance, we participate in consortiums building trade information linkage platforms connecting shippers and airlines. We also plan and implement various internal and external platform integrations and developments to deliver new value creation and enhanced services to customers. Internally, we also work on improving productivity through business automation using AI, RPA, and other digital technologies.

### Enhancing our Customer Portal Website

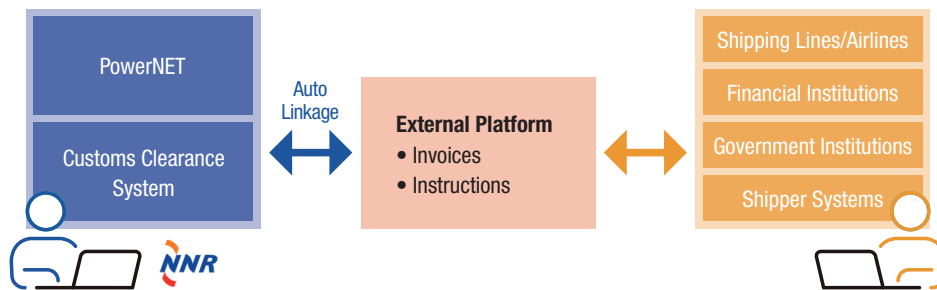
To enhance the functionality of our customer portal website in fiscal 2023, we added the ability to receive customer documents such as invoices and shipping instructions, boosting two-way communication with shippers and improving operational efficiency.

We will continue to increase customer convenience in the future by enhancing and expanding features like estimates and cargo tracking.



## Connecting with a Cargo Information Platform

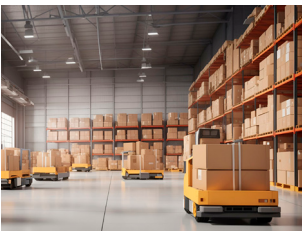
By linking our in-house PowerNET System with external trade information platforms, we create a centralized way to share information amongst all stakeholders, consequently improving operational efficiencies.



## Promoting Digitalization, Labor Saving, and Automation in Warehouse Operations

Introducing AI for location management, automated guided vehicles, and driverless forklifts helps enhance warehouse operations by overcoming labor shortages and reduce long working hours and cargo handling time, enhancing warehouse operations.

Automated guided vehicles



Driverless forklift



Shelf transport robots



## Developing Solutions Catering to Customer Needs

### Calculation and Visualization Service for CO<sub>2</sub> Emissions in Transportation

Reducing CO<sub>2</sub> emissions is imperative for preserving the global environment. We build sustainable supply chains through logistics services, working with customers and partners to achieve carbon neutrality by 2050.

In 2023, we introduced the EcoTransIT World calculation tool from IVE mbh and set up the NNR CO<sub>2</sub> Calculator on our website to reduce CO<sub>2</sub> emissions across supply chains. This tool calculates CO<sub>2</sub> emissions for land, ocean, and air transport based on origin/destination, weight, and transport mode, providing this information to customers. Additionally, linked with NNR PowerNET System shipment data, it quantifies and visualizes CO<sub>2</sub> emissions by shipment or organization, proposing environmentally friendly logistics services to aid customer decarbonization efforts.



The screenshot shows a web form for calculating CO<sub>2</sub> emissions. It includes fields for 'Cargo Volume' (Quantity and Unit), 'Origin' (Location Type, Country, Postal CODE, City Name), and 'Destination' (Location Type, Country, Postal CODE, City Name). Below these are 'Transport Mode' buttons for Truck, Air, Sea, Train, and River. There are also input fields for 'Air Line' and 'Shipping Line'.

# Creating Rewarding Workplaces Where Diverse Talent Can Excel

## Materiality (Key Issue)

### Creating rewarding workplaces where diverse talent can excel

With services spanning the globe, NNR Global Logistics requires a range of diversity, including nationalities and ethnicities as well as the flexibility to meet varied needs. We aim to secure and cultivate talent with varied mindsets and backbones; creating workplaces where everyone's strengths are utilized and collaboration is encouraged.

#### Action Plan (Initiatives for FY2023)

- Securing talent with diverse experience
  - New graduate and mid-career hiring
- Career development tailored to employee's preferences
  - Conducting career interviews
  - Facilitating proactive job rotation
- Enhancing talent development
  - Transitioning from an overseas trainee system to a short-term overseas assignment system

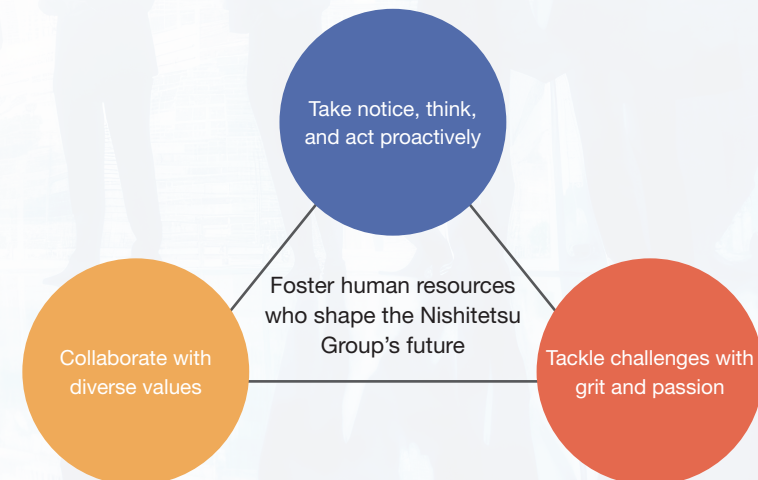
## Human Resource Development Policy

The Nishitetsu Group aims for "management to bring out the best in people," respecting the diversity of employees and promoting joy and fulfillment at work. Based on the Nishitetsu Group Human Resource Development Policy, which outlines employee's ideal self-image and development attitude, we conduct training to foster "human resources who shape the Nishitetsu Group's future." We also respect diverse experiences and values and actively utilize them to realize sustainable growth for the Group.

Under these policies, we work to secure diverse talent and create an environment and culture where each employee can grow with an eye to the future, take on challenges, and perform at their best.

NNR Global Logistics also conducts training at the job level to equip employees with the essential knowledge, mindset, and behavior required for their position, strengthening our human capital.

#### ▶ Image of Human Resource Development Policy

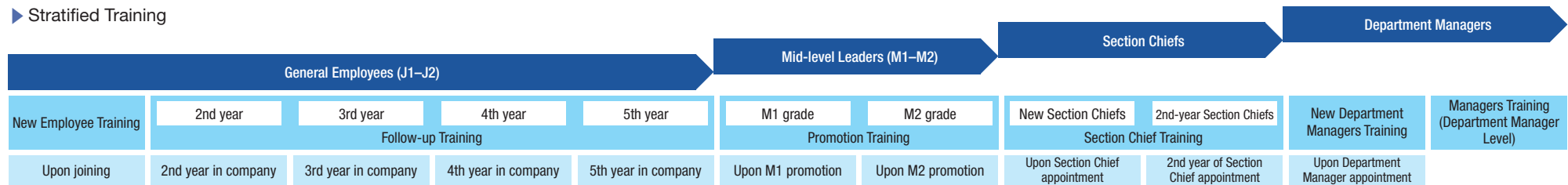




## Initiatives to Strengthen Human Capital

NNR Global Logistics conducts training for each employee specialized to their department and position. Depending on the content, some training sessions are held jointly with the head office in Fukuoka. We also provide e-learning and open college courses.

### ► Stratified Training



### Expatriate System

NNR Global Logistics has an expatriate system for employees with three or more years of service to develop staff who can play an active role on the global business stage. Trainees selected through an internal screening process are assigned to work at an overseas subsidiary, handling a wide range of tasks ranging from meeting arriving air cargo at airports to arranging export/import cargo transport, preparing import/export declaration documents, and visiting customers. Most recently, five employees were sent as overseas trainees to Group companies in the U.S., U.K., Germany, and the Netherlands in October 2022.

### Support for Self-Development

We have systems for the company to support employees' self-development efforts.

Diploma	We encourage acquiring this international qualification for the air cargo industry with financial incentives.
Customs Specialist	We encourage acquiring this national qualification with an allowance.
Certified Logistics Master	We support internally selected candidates to take courses aimed at fostering logistics specialists.
CASEC (English Exam)	An annual test to maintain and improve English proficiency.
Other correspondence education, e-learning, etc.	Employees can take various business-related courses at discounted corporate rates.

## Promoting Diversity

The Nishitetsu Group is committed to creating workplaces where employees with various backgrounds can all maximize their abilities and work with peace of mind regardless of gender, age, or other attributes. The success of diverse employees is a source of growth and value creation for the company. Appointments to core positions are made based on individual competence, without consideration of gender, nationality, or whether the person was hired as a new graduate or mid-career hire, to ensure diversity. We also work to enhance initiatives catering to diverse values and life stages.

### Promoting the Advancement of Female Employees

The Nishitetsu Group strives to create more female-friendly workplace environments that enable all employees, women included, to succeed while finding fulfillment in their work. As of April 1, 2023, the percentage of female employees was 45.8% worldwide (36.4% in Japan). Of the employees NNRR Global Logistics hired (including new graduates and mid-career hires) in fiscal 2022, 56.5% were women.

### Active Participation of Local Staff

As part of its diversity promotion efforts, the Nishitetsu Group proactively recruits local staff. Overseas subsidiaries develop and actively promote locally hired talent to strengthen local management capabilities, with some overseas subsidiaries where a locally hired employee has been appointed president.

## Systems Supporting Diverse Work Styles

### Supporting Work–Life Balance

The Nishitetsu Group strives to enhance various systems and measures so employees can adopt flexible work styles suited to their life stage.

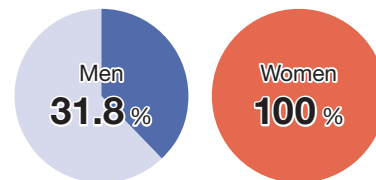
#### ► Overview of Internal Systems Supporting Diverse Work Styles

Flextime System	Working hours are set flexibly according to business fluctuations and situations to help shorten working times and achieve work–life balance. The core time was eliminated in 2017 to allow more flexibility in work styles.
Special Working Hours System for Childcare/Family Care	Allows selecting shortened working hours or fewer working days according to individual childcare or family nursing care circumstances. Childcare: Until the child enters junior high school (for crew members until the child graduates junior high school) Family Care: As long as nursing care is required (no upper limit)
Paid Leave Accumulation System for Nursing Sick Children/Family Members	Employees with children not yet in junior high or family members requiring nursing care can accumulate up to 50 days of lapsed paid leave for use when nursing sick children or providing family member care (can take up to 55 days total per year combined with child or family nursing care leave).
Long-term Care Leave	Leave period: 3 years (1,095 days)
Career Return System	A system for employees who resigned due to marriage, childcare, or nursing care responsibilities to rejoin the company (introduced in 2012)

To balance childcare/family nursing care with work, we have original company systems that go beyond legal mandates and allow the selection of shortened working hours or fewer working days.

Currently, 53 NNR Global Logistics employees are utilizing these systems to balance work with childcare/family nursing care.

#### ► FY2022 Childcare Leave Uptake Rates at NNR Global Logistics



## Strengthening Employee Engagement

The concept of “engagement,” or employees’ attachment to and willingness to contribute to their organization, has gained increasing attention recently. Nishi-Nippon Railroad will undertake various initiatives to build highly engaged organizations, focusing on “optimal people management to maximize job performance,” “system reforms enabling self-growth and new challenges,” and “creating vibrant workplace environments that raise work motivation and satisfaction.”

As an original initiative, NNR Global Logistics holds roundtable discussions where executive officers explain management policies, visions, and strategies to employees, and employees communicate their opinions and requests to officers.

## Occupational Safety and Health Initiatives

The Nishitetsu Group has established a unified management system to improve the health of employees—the foundation of our business—and the occupational safety and health environment. Every year, Group targets and activity policies are established for health and productivity management, safety, and health to secure employee safety and maintain/enhance employee health.

NNR Global Logistics also continually makes improvements to create safe and healthy workplaces.

#### FY2023 Group Safety and Health Activity Goal Reduce total lost work days by 5% year on year

FY2023 Nishitetsu Group Safety Activity Plan	FY2023 Nishitetsu Group Health Activity Plan	FY2023 Nishitetsu Group Health and Productivity Management Plan
<b>Target</b> Zero serious accidents	<b>Target</b> Reduce year-on-year cases of mental illness	<b>Target</b> Achieving KPI targets set in Group companies’ health and productivity management promotion plans
<b>Priority Initiatives</b> (1) Promote the Zero Accident Project (2) Reduce fall accidents due to slipping, tripping, or missteps	<b>Priority Initiatives</b> (1) Strengthen mental healthcare (line care and self-care) (2) Strengthen infection control measures	<b>Priority Initiatives</b> (1) Raising the rate of follow-up examinations after health checkups (2) Prevention, early detection, and treatment of stress-related diseases (3) Increasing exercise opportunities and improving drinking and dietary habits (4) Motivating smoking cessation

## Health and Productivity Management (Promoting Employee Health)

The Nishitetsu Group established the Nishitetsu Group Health Declaration in September 2022 and works to improve employee health from various angles.

In fiscal 2023, NNR Global Logistics added health consultations by contracted public health nurses to periodic employee health examinations.

We also convene a monthly Health and Safety Committee within NNR Global Logistics. In addition to monitoring progress on health and safety issues, the committee also arranges workplace visits by industrial physicians and health-related lectures. A fiscal 2023 initiative had employees run with Nishitetsu Track & Field Team athletes on days off.

### Mental Health Initiatives

The Nishitetsu Group has formulated a Mental Health Development Plan to maintain and enhance employee mental health. We disseminate mental health information internally and have set up an external consultation service to address individual inquiries and concerns. We also regularly train managers to improve their understanding of mental health. Additionally, high-stress employees have been receiving interview guidance from industrial physicians since fiscal 2016.

# Respecting All Human Rights

## Materiality (Key Issue)

### Respecting All Human Rights

We avoid causing or contributing to adverse impacts on human rights and address any such effects that occur. We also endeavor to prevent or mitigate adverse human rights impacts directly linked to us through our global logistics operations and business relationships.

## Basic Policy on Respecting Human Rights

Human rights are rights based on the human dignity inherent in everyone and deserve respect. To respect the human rights of all people involved in the Group's activities, the Nishitetsu Group has established a [Nishitetsu Group Human Rights Policy](#) outlining its basic approach and critical themes. The Group requires executive officers, employees, and stakeholders to understand and comply with this policy. Also, no business activities leading to discrimination or human rights violations are ever engaged in. NNR Global Logistics' operations rely on relationships with all our global stakeholders. We recognize that human rights initiatives encompassing not just our own company but also our supply chain are essential.

### Launched 24-Hour Consultation Helpline in the UK

In 2023, NNR Global Logistics UK Limited introduced an employee assistance program (EAP) to improve employees' mental health and well-being. The EAP allows employees to consult experts via online phone or chat 24 hours a day about personal issues without people in the company knowing. A downloadable app is also available to check one's health status daily on a mobile device. Employee physical and mental health is a top priority, so we will continue considering and implementing what more we can do.

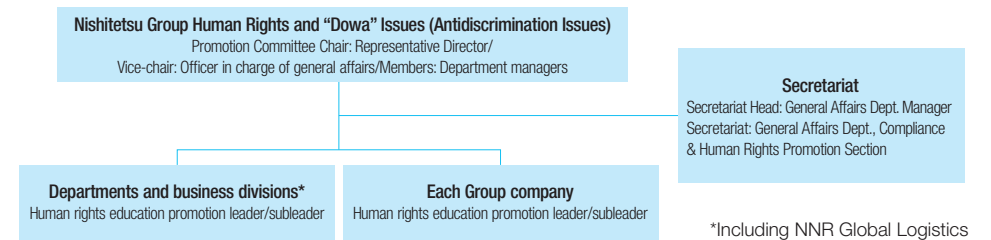
NNR GLOBAL LOGISTICS UK LIMITED / HEAD OF ADMINISTRATION /  
LEE WOODWARD



## Human Rights Initiatives

### Promotion System

The Nishitetsu Group has established a Nishitetsu Group Human Rights and "Dowa" Issues (Antidiscrimination Issues) Promotion Committee to advance initiatives related to human rights issues. NNR Global Logistics has appointed human rights education promotion leaders responsible for human rights respect activities. The leaders communicate appropriately with the committee and conduct in-house training and awareness activities.



### Conducting Training, Education, and Awareness Activities

To develop leaders for internal workshops on human rights and dowa (antidiscrimination) issues, the Nishitetsu Group conducts Human Rights Education Promotion Leader Training, then implements training by the trained leaders throughout workplaces. In fiscal 2022, 826 leaders conducted training on dowa issues, harassment, disability, LGBTQ+ issues, and other human rights topics in their respective workplaces.

NNR Global Logistics also conducted power harassment training for managers and general employees in fiscal 2022. We provide periodic training on human rights issues in the workplace and promote the creation of comfortable work environments.

We also issue bulletin board newsletters on human rights and strive to cultivate human rights awareness among employees.

### Establishing a Consultation Service

As an original NNR Global Logistics initiative, we have established an internal human rights consultation service to respond to individual stakeholder inquiries, including from business partners and employees. We circulate information internally each month and respond flexibly, conducting hearings depending on individual cases.

# Information Security

## Basic Approach to Information Security

To safely and securely handle important customer information and the Nishitetsu Group's information assets, we have established an information security management system, based on ICT Regulations and Information Security Rules, that is followed group-wide.

As NNR Global Logistics shoulders the critical infrastructure of global logistics, we recognize that increasingly advanced and complex cyberattacks, information leaks, and other threats pose significant risks. We pursue safe and reliable service provision by strengthening information security countermeasures and implementing thorough management/guidance.

## Security Management System

The Nishitetsu Group has established an information security management system based on ICT Regulations and Information Security Rules. NNR Global Logistics has also independently formulated a business continuity plan (BCP) manual outlining procedures for preventing information incidents and initial responses should an incident occur. We are working to manage and strengthen this system.

## Information Security Goals

The Nishitetsu Group's 16th Medium-term Management Plan identifies "strengthening governance in overseas operations" as a key strategy. Incorporating this into action plans, we plan and promote the enhancement of information security countermeasures, management, and guidance encompassing overseas Group companies.

### Action Plans

- Review and establish information security rules
- Raise information security awareness and literacy (conducting information security testing, etc.)  
(Information security training implementation)
- Strengthen overseas site information security

## Information Security Enhancement Efforts

### Further Strengthening Core Business Systems and Infrastructure

NNR Global Logistics has built an integrated core business system, encompassing overseas Group companies, that is centrally managed and operated from Japan. This system handles important shipment, transaction, and other data globally. External attacks on this system could disrupt operations or lead to leaks of confidential information. Recognizing this significant risk, NNR Global Logistics continually works to enhance information security countermeasures and make improvements.

Infrastructure enhancement measures include formulating and implementing a plan to transition to a next-generation security model.

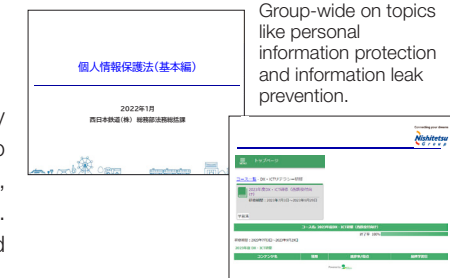
### Enhancing Overseas Information Security

As part of the Nishitetsu Group's key mid-term management plan strategy of "strengthening governance in overseas operations," NNR Global Logistics is reviewing and examining information security rules at each overseas Group company in fiscal 2023. We will then formulate rules and work to firmly establish them from fiscal 2024 onward.

To reduce security risks, we will create a globally unified information security environment for overseas Group IT infrastructure similar to Japan.

### Information Security Training for Employees

To improve employees' information security awareness and IT literacy, the Nishitetsu Group provides annual training to all employees, including overseas staff, through e-learning. We also conduct training against targeted attack emails.



E-learning is conducted Group-wide on topics like personal information protection and information leak prevention.

## Social Contribution Activities

The Nishitetsu Group has designated September, its founding anniversary month, as “Nishitetsu Social Contribution Month,” during which it promotes Group-wide social contribution activities. These have included clean-up activities, Bus Day events, traffic safety classes, blood drives, and food drives.

NNR Global Logistics also undertakes various activities at business sites in Japan and overseas.

### Examples of Social Contribution Activities

#### Donating Unneeded Books, CDs, DVDs and Games (Japan)

To support NPOs, employees donate books, CDs, DVDs, and games from their home. We utilize BookOff Corporation Ltd.'s “Kimochi to” platform to make donations. In fiscal 2023, we donated to the Disaster Volunteer/NPO Support Fund (“Volunteer Support”) through this company. While valuing each employee's support, we will continue efforts like this initiative in fiscal 2024 and beyond.

\*Collection period: September 11–25



Goods donated at collection boxes set up at five locations in the Tokyo metropolitan area are monetized by the company and donated to NPOs.

#### Tree Planting for Local Contributions (Guangzhou)

In early 2023, NNR Global Logistics (Guangzhou), Co., Ltd., a local subsidiary in Guangzhou, planted trees at Nansha Wetland Park. Thanks to the efforts of 25 staff members and nine of their children, beautiful trees now stand in the wetland park.



#### Supporting Young People and Children with Down Syndrome Through Football (UK)

NNR Global Logistics UK Limited sponsors Queens Park Rangers Football Club (QPR), an English professional league football club. In the summer of 2023, the company supported a charity event organized for the Tiger Cubs, a QPR football team that supports young people and children with Down syndrome. Donations from the charity match support their living expenses and will help fund future projects.



As a corporate sponsor, we support the social contribution activities of a professional football league club

# Compliance and Risk Management

## Materiality (Key Issue)

### Promoting Fair and Honest Business Activities

We are dedicated to strengthening compliance controls and sustainability initiatives across all sectors of our business on a global scale.

#### Action Plan (Initiatives for FY2023)

- Conduct internal audits at overseas subsidiaries
- Appoint internal control officers at overseas subsidiaries and implement education and training

## Basic Policy and System for Promoting Compliance

The Nishitetsu Group launched a compliance promotion system in 2003 with the Nishitetsu Group Compliance Policy, which outlines 15 action guidelines for employees to follow.

#### Nishitetsu Group Compliance Policy

The Nishitetsu Group never pursues any profit derived from illegal or unethical conduct. The Nishitetsu Group correctly understands all laws and regulations, industry standards, and social norms that apply to the countries and regions where the NNR Group operates its businesses (hereinafter referred to as “laws and regulations, social norms, etc.”) and complies with them.

→ [Refer to the website for the full text](#)

#### Principles for Nishitetsu Group Employees to Follow

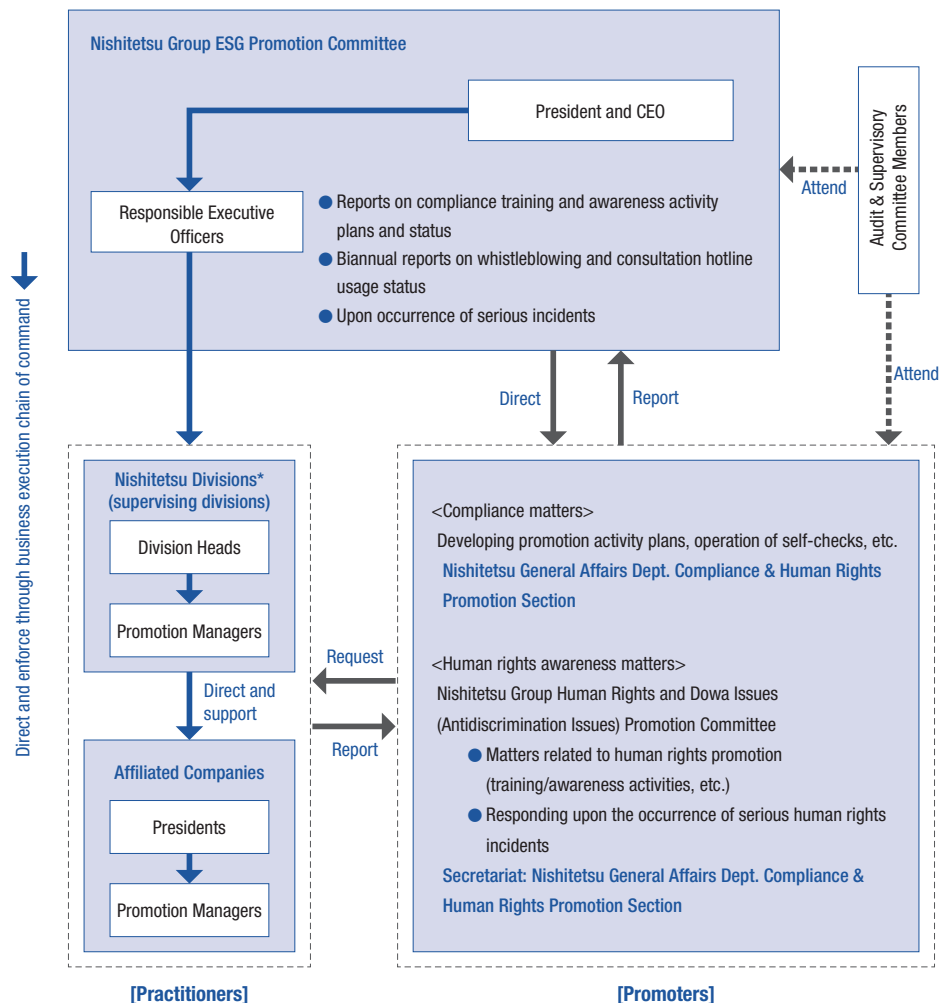
- Compliance with Laws and Regulations, Social Norms, etc.
- Provision of Safe and Reliable Products and Services
- Appropriate Information Disclosure and Communication
- Fair Trade and Competition
- Prohibition against Bribery and Restriction of Gifts and Entertainment
- Prohibition against Conflicts of Interest
- Stance against Antisocial Forces and Organizations
- Appropriate Handling of Assets and Information
- Disseminating Information Outside of the Company and Social Media
- Respect for Human Rights
- Respect for Industrial Safety and Health and Labors Rights
- Harmony with Society and Contribution to the Society
- Efforts concerning Environmental Issues
- Ask Clients for Cooperation
- Promoting and Improving Compliance

Additionally, a Nishitetsu Group Compliance Manual has been formulated detailing the basic policies, judgment criteria, and standards of conduct for practicing the Compliance Policy and distributed to all employees.

Based on this Compliance Policy and manual, NNR Global Logistics has independently established an NNR Global Logistics Compliance Manual to ensure a correct understanding of compliance policies and principles and guide behavior based on them.

International cargo transport entails great social responsibility. Operators in this business also gain access to critical customer information. Given the importance and particularity of such information, the Customs Business Act requires confidentiality and prohibition of actions breaching trust. Relevant laws and regulations (like the Consigned Freight Forwarding Business Act and the Customs Act) also impose stricter requirements than general laws. NNR Global Logistics and its employees naturally have a responsibility and obligation, as expected by society, to comply with relevant laws, regulations, and social norms.

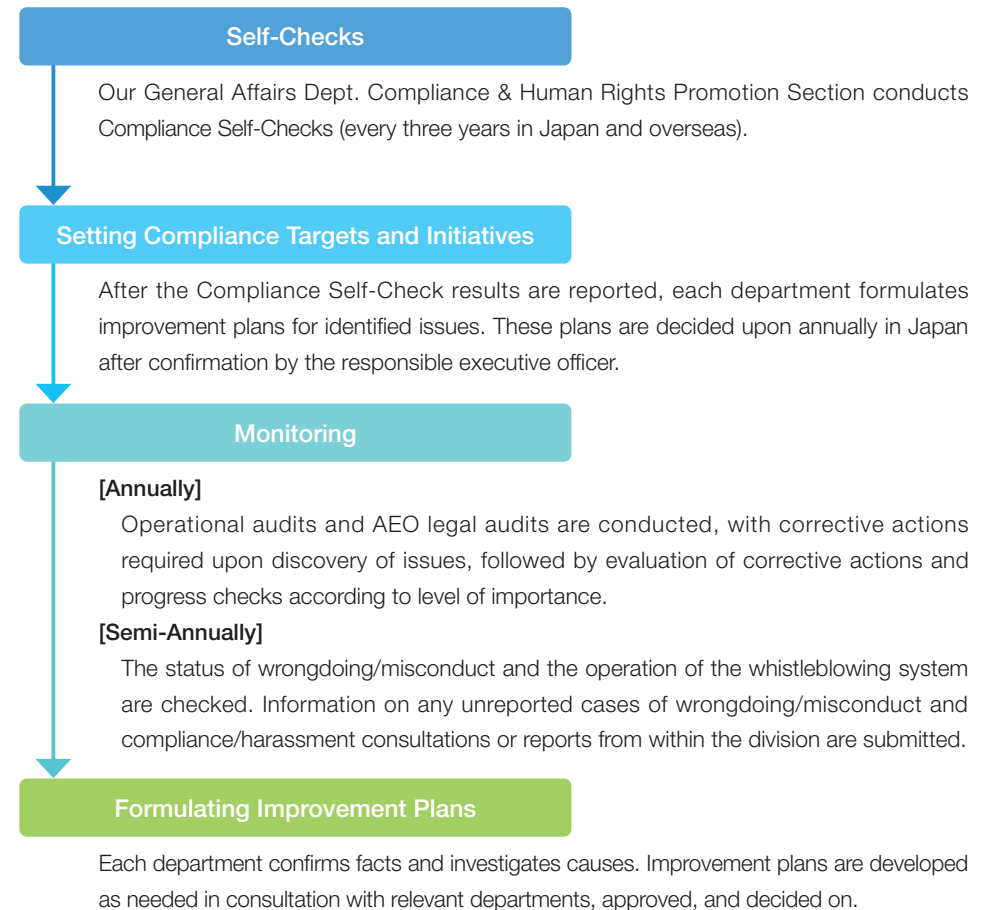
### ▶ Nishitetsu Group Compliance Promotion System



\*Including NNR Global Logistics

### PDCA Cycle for Compliance

Under the compliance policy and promotion system mentioned above, NNR Global Logistics follows the cycle below to ensure compliance.



## Compliance Training/Awareness Efforts

We conduct stratified training for new employees, section chiefs, department heads, pre/post-assignment, and company presidents to improve and instill compliance awareness. We also publish a Compliance Bulletin internally through our intranet and email around 10–12 times yearly.

## Responses to Compliance Violations

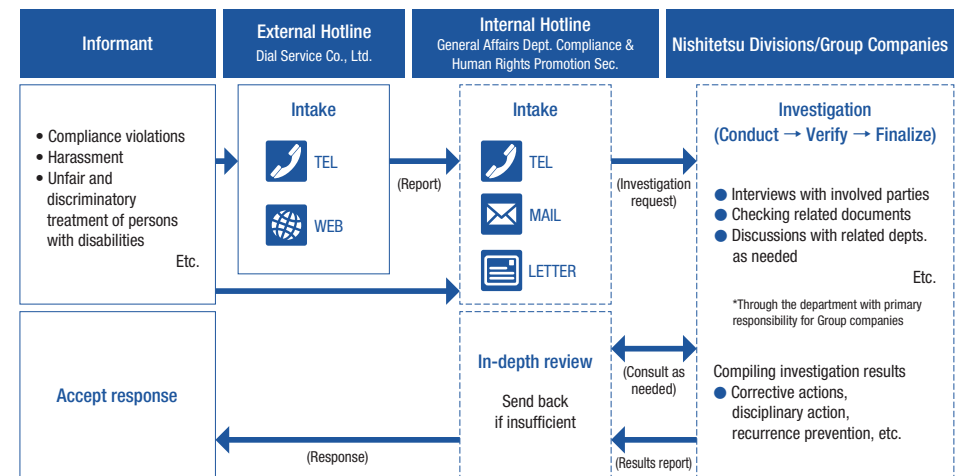


## Whistleblowing System

The Nishitetsu Group has set up internal and external whistleblowing hotlines for reporting compliance violations. NNR Global Logistics has also independently established consultation services for overseas Group companies.

Designated personnel follow-up on all reported cases by conducting interviews to investigate details. Corrective actions, appropriate disciplinary measures, and steps to prevent recurrence are taken for confirmed compliance violations. The privacy of informants is protected, and company rules prohibit any retaliation or unfavorable treatment.

### ▶ Nishitetsu Group Whistleblowing/Consultation Process: Intake Through Response



\*After responding, checks are made as needed for any unfavorable treatment  
 \*Investigation results reported to president and auditors, hotline operation status reported to the Board of Directors  
 \*Personal information only used for investigation, corrections, and preventing recurrence  
 \*If information needs to be shared with an involved Group company for investigation, etc., consent obtained from the person concerned

## Risk Management Efforts

### Formulating Business Continuity Plans (BCPs)

We have compiled guidelines for action in the event of crises like terrorism, disasters, system failures, or scandals at Japan offices (Kanto/Kansai regions), as well as measures, steps, and procedures for daily preparation into an NNR Global Logistics Risk Management/BCP/Crisis Management Manual and shared it internally.

### Risk Management at Overseas Subsidiaries

Like Japan offices, overseas subsidiaries also undergo internal audits encompassing accounting, general affairs, and HR using checklists. In fiscal 2023, audits were conducted at five companies in Malaysia, India, China (Beijing and Waigaoqiao), and the Netherlands.

We also conduct compliance training through internal control officers in each subsidiary. In fiscal 2022, each subsidiary was asked to conduct training on anti-monopoly and subcontract laws. Additionally, a compliance seminar for overseas subsidiary presidents was held in May 2023, with an external lawyer brought in as the instructor.



# NNR Global Logistics ESG Data

Green: Combined Japan and overseas figures Orange: Japan only

## Business

		As of April 1, 2023	As of April 1, 2022
Number of countries and regions with operations		29	29

		FY2022	FY2021
Air cargo volume	Exports (tons)	127,000	146,000
	Imports (units)	375,000	394,000
Ocean cargo volume	Exports (TEU)	102,000	960,00
	Imports (TEU)	140,000	130,000

## Environment

	FY2022	FY2021
CO <sub>2</sub> emissions (Scope 1+2) (tons)	1,478.05	1,508.93
Electricity consumption (kWh) <sup>*1</sup>	4,118,988 Of which renewable energy-derived 82,303	4,144,055 Of which renewable energy-derived 0
Gas consumption (m <sup>3</sup> ) <sup>*2</sup>	198	181
Gasoline consumption (L) <sup>*3</sup>	26,325	23,212
Diesel consumption (L) <sup>*4</sup>	0	128
Copy paper consumption (sheets)	21,830,507	23,899,000
Water consumption (m <sup>3</sup> )	3,470	3,691

\*1 Total for transport/vehicles and buildings

\*2 Total for city gas for buildings and propane gas for transport/vehicles and buildings

\*3 Transport/vehicles

\*4 Transport/vehicles

## Human Resources

	Scope	As of April 1, 2023	As of April 1, 2022
Number of employees	Japan/overseas	3,363	3,234
	Male	1,822	1,762
	Female	1,541	1,472

	Scope	FY2023	FY2022
Number of new graduate hires assigned (persons)	Japan	50	43
	Male	22	22
	Female	28	21

	FY2022	FY2021
Overseas trainee dispatches (persons)	5	0*

\*Program canceled in FY2021 due to COVID-19

## Diversity

	Scope	As of April 1, 2023	As of April 1, 2022
Percentage of female employees (%)	Japan/overseas	45.8	45.5
Percentage of female managers (%) <sup>*</sup>	Japan	1.9	1.8

\*Department head level and above (in Japan)

## Work-Life Balance

	FY2022
Percentage of male employees taking childcare leave (%)	31.8
Percentage of female employees taking childcare leave (%)	100

## Quality

	As of April 1, 2023	
Number of ISO 9001 certified entities	Japan sites (companies)	2
	Overseas subsidiaries (companies)	17
Number of EN/AS 9120 certified sites	Japan sites (sites)	7
	Overseas subsidiaries (sites)	5
Number of EN/AS 9100 certified sites	Overseas subsidiaries (sites)	3
	Number of AEO certifications	3 <sup>*</sup>
Number of overseas subsidiaries with AEO certification (sites)	12	
Number of TAPA CLASS A-certified sites	Japan sites (sites)	2
	Overseas subsidiaries (sites)	7

\*Bonded Warehouse Operator, Customs Broker, Specified Bonded Transportation Provider

## Information Security

	FY2023 <sup>*2</sup>
Information security training <sup>*1</sup> participants (persons)	1,823
Information security training <sup>*1</sup> completion rate (%)	95.8%

\*1 e-learning, etc.

\*2 Covering the period from April 2023 to October 2023.

## Compliance

	FY2022	FY2021
Number of serious compliance violations (cases)	0	0
Number of information security incidents (cases)	0	0

# Organizational Information

## NNR Global Logistics

### A Div. of Nishi-Nippon Railroad Co., Ltd.

**Headquarters** Mainichi Nihonbashi Building, 2-5 Nihonbashi, 3-chome, Chuo-ku, Tokyo, 103-0027, Japan

**Established** November 15, 1948

**General Manager** Keiichi Utaka, Managing Executive Officer, NNR Global Logistics

**Businesses** Freight forwarding  
Customs clearance

**Certifications/Authorizations** AEO business operator (Bonded Warehouse Operator, Customs Broker, Specified Bonded Transportation Provider)  
Regulated Agent  
ISO 9001 (Quality Management System)  
TAPA FSR 2017 CLASS A (warehouse/storage facility security certification – highest level)  
Target facility: Narita Logistics Center  
TAPA FSR 2020 CLASS A (warehouse/storage facility security certification – highest level)  
Target facility: Rinku Logistics Center  
EN/AS 9120 (quality management system for aerospace and defense organizations)  
Target sites: Head Office, Narita, Baraki, Tama, Nagoya, Chubu Centrair International Airport

**Industry Groups** The Waco System  
International Air Transport Association (IATA)  
Japan Aircargo Forwarders Association (JAFA)  
Japan International Freight Forwarders Association (JIFFA)  
Japan Customs Brokers Association  
Nippon Automated Cargo and Port Consolidated System, Inc., etc.

**Number of Sites** 29 countries/regions, 123 cities (as of April 1, 2023)

