

# Environmental Value

## Management Approach

### Make positive contributions to climate change, resource recycling, and biodiversity as a logistics company

We are pursuing the mitigation of climate change through the reduction of greenhouse gas emissions from our business activities, and are committed to emergency transport in the event of a disaster or other contingencies, regarding it as the responsibility of a designated public institution. Through our business activities, we are also proactive in recycling resources and protecting biodiversity.



## Management Indicators



### Target

2030 Target

Reduce NX GROUP Scope 1 and 2 CO<sub>2</sub> emissions by 50% (compared with 2013)  
(Scope 1: 408,000 t-CO<sub>2</sub> Scope 2: 42,000 t-CO<sub>2</sub>)

### Results

FY2023:

**749,417 t-CO<sub>2</sub>**  
(Scope 1: 547,000 t-CO<sub>2</sub> Scope 2: 203,000 t-CO<sub>2</sub>)



### Target

Ensure that all facilities are lit by LED **100%**

### Results

FY2023: **100%**  
(on a business location basis)

\* LED shift-related figures are indices of Nippon Express Co., Ltd.

## Main Sustainability Issues

- Strengthen Response to Climate Change
- Develop and Strengthen Sustainable Solutions
- Recycling of Resources
- Preventing Pollution of the Atmosphere, Soil, Etc.
- Preserving Ecosystems
- Appropriate Use of Water

## Description in the Sustainability Data Book

- Environmental management
- Reduce CO<sub>2</sub> emissions by reinforcing controls on climate change
- Provide logistics technologies and services with low environmental impact
- Strengthen adaptive capacity and resilience in the face of climate change
- Environmental data (climate change)
- Recycling of Resources
- Protect terrestrial and marine ecosystems
- Environmental data (resource recycling)

## NX GROUP's Approach

- Reduce greenhouse gas emissions by facilitating the shift to LED, introducing eco-friendly vehicles and encouraging modal shifts and eco-driving
- Save resources by promoting the 3Rs and increasing the number of eco-friendly products and services
- Thoroughly prevent the cross-border movement of non-native species in compliance with relevant ordinances and treaties



Environmental value information on NIPPON EXPRESS HOLDINGS website

Material Issues



Environmental Value



Environmental Data



## Environmental Management

### NX GROUP Environmental Charter

Policies and Targets

NX GROUP has established NX GROUP Environmental Charter in order for the entire Group to protect the global environment and is actively working to prevent global warming, preserve biodiversity, and build a recycling-based society.



Please see our website for details of NX GROUP Environmental Charter.

### Environmental Management System

Organizations and Systems

To further advance activities for environmental conservation, NX GROUP's offices are working to obtain ISO 14001 certification, the international standard for environmental management systems, and Green Management Certification, a certification system for transportation companies that have implemented initiatives for environmental conservation.

#### ● Obtaining Green Management Certifications

Numerous offices throughout NX GROUP have been obtaining Green Management Certification, which is granted to companies that engage in business with a minimal environmental impact. As of the end of February 2024, 16 Nippon Express Co., Ltd. trucking offices and two warehousing offices have received this certification. Among Group companies, 16 trucking offices have been granted Green Management Certification.

#### ● Increasing ISO 14001-certified Business Locations

Starting with the Air Freight Business Branch receiving ISO 14001 certification for its operations in the Baraki area (Ichikawa, Chiba Prefecture) in June 1998, Nippon Express Co., Ltd. has been promoting the acquisition of ISO 14001 certification and is working to expand and enhance ISO acquisition in the future.

### Environmental Targets

Policies and Targets

In January 2023, NX GROUP set new medium- and long-term targets for reducing CO<sub>2</sub> emissions, stepping away from the reduction targets of non-consolidated Nippon Express, with the aim of contributing to a carbon-neutral society and preserving the global environment.

#### 2030 Target

Reduce NX GROUP Scope 1 and 2 CO<sub>2</sub> emissions by 50% (compared with 2013)

#### 2050 Target

Contribute to the creation of Scope 1, 2, and 3 carbon-neutral societies as a corporate group

Nippon Express non-consolidated target and result to date are as follows.

#### Nippon Express Co., Ltd. Non-consolidated Target and Result

**Target:** Reduce annual carbon dioxide emissions to 350,000 t-CO<sub>2</sub> or below by FY2023

**Result:** 418,438 t-CO<sub>2</sub>

Note: Includes emissions figures from NX Cash Logistics Co., Ltd., which was formed from a corporate spin off.

### Sustainability Promotion Structure

Organizations and Systems

The Group is working to implement environmental management in accordance with NX GROUP Environmental Charter. Within our sustainability promotion structure, we promote cross-sectional environmental management throughout the Group and engage in risk management.

## Environmental Management

### ISO 14001-certified Business Locations (as of the end of December 2023)

Business Planning Unit Management Division	Hiroshima Air Service Branch (Shikoku Area in Charge)	NX Automotive Logistics USA,INC	APC Logistics AB (Sweden)
Forwarding Business Unit Baraki International Logistics Town No.1, No.2	Takamatsu Air Service Branch Takamatsu Air Cargo Center	NIPPON EXPRESS (DEUTSCHLAND) GMBH	NIPPON EXPRESS (SINGAPORE) PTE. LTD.
Forwarding Business Unit Narita Airport Logistics Center	Fukuoka Air Service Branch	Nippon Express (Istanbul) Global Logistics A. S.	NX LOGISTICS PHILIPPINES, INC
Nagoya Forwarding Branch	Fukuoka Air Service Branch Fukuoka Cargo Center	NX Logistics Europe GmbH	NIPPON EXPRESS ENGINEERING (VIETNAM) CO., LTD.
Nagoya Forwarding Branch Nagoya Distribution Center	Sendai Branch Corporate Solutions Division (General Affairs)	NIPPON EXPRESS (NETHERLAND) B.V.	Nippon Express (India) Private Limited
Osaka Air Service Branch	Sendai Branch Sendai Airport Logistics Center	NIPPON EXPRESS (BELGIUM) N.V./S.A.	
Osaka Air Service Branch Nanko Air Cargo Center	Mobility Business Sales Division (Automotive)	NIPPON EXPRESS (ITALIA) S.p.A	
Hiroshima Air Service Branch	Kantou-Kosinetsu Region Forwarding Business Unit	NIPPON EXPRESS EURO CARGO B.V.	
Hiroshima Air Service Branch Hiroshima Domestic Air Cargo Center	International Ocean Cargo Division Mercedes-Benz Logistics Center	NIPPON EXPRESS LOGISTICS (CHINA) CO.,LTD.	
		Nippon Express Automotive Logistics (China) Co.,Ltd.	

## Reduce CO<sub>2</sub> Emissions by Reinforcing Controls on Climate Change

### Our View on Climate Change

#### Policies and Targets

NX GROUP recognizes climate change as a social issue of global scale.

Abnormal weather resulting from climate change may pose obstacles to logistics infrastructure by causing the suspension of flight, shipping and railway services and the closure of highways. Worse, it may lead to an increase in our operating costs. Abnormal weather may also bring about decreases in production and shipment quantities for our clients, possibly leading to decreases in the amount of cargo we handle and our profits.

By securing two or more modes of transport, NX GROUP will enhance the resilience of its operations against climate change. We are also working proactively in cooperation with clients to make modal shifts from joint distribution and truck-centered transport to ships, railroads and other modes of transport with a low impact on the environment.

### Accurately Controlling Fluorocarbons

#### Organizations and Systems

Fluorocarbons not only harm the ozone layer but also have an extremely high greenhouse effect. Nippon Express Co., Ltd. strives to preserve the ozone layer and prevent global warming by reducing CO<sub>2</sub> emissions and accurately controlling fluorocarbons. There were no major leaks in FY2023.

#### ECO-FREONTIA® Fluorocarbon Management System

The Act on Rational Use and Proper Management of Fluorocarbons ("Fluorocarbons Management Act") came into force in April 2015. We comply with the Act by operating ECO-FREONTIA®, our proprietary system for controlling fluorocarbons, in an effort to prevent the leakage of fluorocarbons. This system prevents the omission of inspections and calculates the volumes of leaked fluorocarbons from the inspection data by creating a database of information about the professional-use freezers, refrigerators

and air conditioners (Class I Specified Products) that are regulated under the Fluorocarbons Management Act and by sending out e-mail alerts whenever the relevant equipment undergoes a simple or periodic inspection.

### Environmentally Friendly (Low-emission) Vehicles

#### Activities and Achievements

NX GROUP actively introduces environmentally friendly vehicles that mainly include low-emission diesel trucks such as those complying with the post-new long-term regulations, as well as CNG, hybrid and LPG trucks. As of December 31, 2023, NX GROUP has a domestic (Japan) fleet of 12,811 such vehicles in total.

## Reduce CO<sub>2</sub> Emissions by Reinforcing Controls on Climate Change

### TOPICS

#### Nippon Express Introduces Hydrogen Fuel Cell-Powered Trucks for the First Time

Nippon Express Co., Ltd. has introduced the first zero-CO<sub>2</sub> hydrogen-powered fuel cell trucks (FCEV) as part of its efforts to combat climate change. To date, NX GROUP has worked to reduce CO<sub>2</sub> emissions in its own operations by introducing more than 12,000 eco-friendly vehicles in Japan, including hybrid vehicles, clean diesel vehicles, and electric vehicles. In addition, as there is a growing requirement from customers to reduce CO<sub>2</sub> emissions during the transportation of cargo (customer Scope 3 emissions), NX GROUP has positioned this as an important issue to be addressed for sustainable business growth. Since July 2022, the Company has been participating as a member of a consortium, with Commercial Japan Partnership Technologies Inc. serving as the lead company in the “Green Innovation Fund Project: Building a Smart Mobility Society,” a project subsidized by the New Energy and Industrial Technology Development Organization (NEDO).



Please see our website for details.



#### Increasing the Number of Environmentally Friendly Facilities

Activities and Achievements

NX GROUP is increasing its number of environmentally friendly facilities. Among standards for the installation of equipment that are applicable to the construction of logistics facilities and offices, NX GROUP has established standards that require our equipment to be more effective in utilizing recyclable energy and reducing the amount of GHG emissions by promoting LED use, reflect our consideration for biodiversity, enhance the safety and health of staff members and people in the neighboring communities and contribute to the continuation of our business operations.

Power generated from renewable energy resources in Japan in FY2023

Total amount	6,889,793.6 kWh
Solar power generation	6,888,737.6 kWh
Wind power generation	1,056.0 kWh

#### Promotion of Environmentally Friendly Facilities at Nippon Express Co., Ltd. Bases

In 2013, Nippon Express Co., Ltd. established the Standards for Installation of Environmentally Friendly Equipment with the aim of reducing GHG emissions at its facilities as part of its efforts to reduce CO<sub>2</sub> emissions.

In addition to setting specific installation standards for CO<sub>2</sub> reduction, heat load reduction, energy saving, rainwater reuse, effective use of resources, water saving, and waste reduction, we have also selected specific equipment for biodiversity, BCP, and working environment improvement.

Based on these standards, Nippon Express Co., Ltd. promoted initiatives based on the premise of installing solar power generation facilities in construction ordered from the Head Office (installation of new equipment at company-owned facilities involving costs of 500 million yen or higher) implemented from FY 2022. Additionally, NX GROUP buildings have been using electricity derived from renewable energy since January 2024.



NX GROUP Building



## Reduce CO<sub>2</sub> Emissions by Reinforcing Controls on Climate Change

### ● Matsumoto/Nirayama Solar Power Generation Plant Environmental Considerations

NX Real Estate Co., Ltd. owned two solar power generation plants, namely, the Matsumoto Solar Power Generation Plant (launched into operation in November 2013) and the Nirayama Solar Power Generation Plant (launched into operation in March 2014). However, as a result of the restructuring of the business by transferring its real estate business to NX Shoji Co., Ltd. in April 2023, since that time, NX Real Estate Co., Ltd. only owns one solar power generation plant, the Nirayama Solar Power Generation Plant. In 2023, the Matsumoto Solar Power Generation Plant generated 1,519,874 kWh and the Nirayama Solar Power Generation Plant generated 1,076,963 kWh.

Annual Power Generation at Power Generation Plants Unit: kWh

	2021	2022	2023	Total
Matsumoto Solar Power Generation Plant	1,442,687	1,416,972	1,519,874	4,379,533
Nirayama Solar Power Generation Plant	1,125,529	1,090,650	1,076,963	3,293,142
Total	2,568,216	2,507,622	2,596,837	7,672,675



Matsumoto Solar Power Generation Plant



Nirayama Solar Power Generation Plant

## TOPICS

### Nippon Express Starts Operations at NX Hakata Island City Global Logistics Center located at Hakata Port (March 2023)

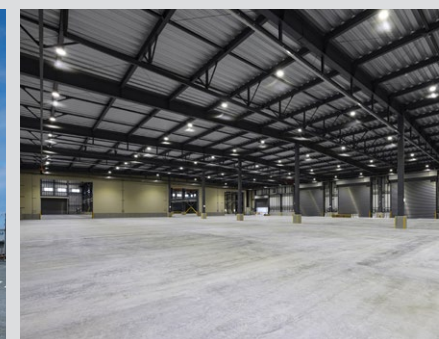
Nippon Express Co., Ltd. has established NX Hakata Island City Global Logistics Center, a new warehouse which is located adjacent to the Hakata Port Island City Container Terminal (IC). The new facility began operations on March 11. In addition to reducing transportation time, costs, and the risk of cargo damage through the use of an adjacent packaging plant, the center also handles semiconductor equipment, large cargo, and heavy loads using an overhead crane, which is one of the largest in the Kyushu region. In addition, solar panels on the roof generate more than 50% of the electricity used in the facility, which contributes to reducing environmental impact.



Please see our website for details.



Exterior of the warehouse



Interior of warehouse

## Provide Logistics Technologies and Services with Low Environmental Impact

### Promotion of Modal Shift

#### Activities and Achievements

NX GROUP facilitates cooperation between customers and logistics companies to make numerous modal shifts, switching from truck-centered transport to transport using railways and ships. Modal shifts to organically link different modes of transport such as trucks, trains, ships and aircraft reduce the environmental impact and make transport more efficient, and they also provide alternatives within business continuity plans (BCP).

### ● Modal Shift to Rail Transport

The larger the cargo volume and the longer the distance it is hauled, the more efficient and reliable railway transport is found to be in comparison to truck transport. Being eco-friendly and highly energy-efficient, rail transport is effective in reducing CO<sub>2</sub> emissions. By working with customers to make modal shifts to secure and reliable railway transport across a wide range of cargo from bulk to small lots, Nippon Express Co., Ltd. addresses social challenges such as the reduction of environmental impact. We also putting efforts into the visualization of environmental figures, allowing customers to check CO<sub>2</sub> emissions and energy consumption via the Company's proprietary railroad container information service, Rail Container NAVI. CO<sub>2</sub> reduction effects can be simulated on Nippon Express Co., Ltd. website simply by entering where cargo will be picked up and its destination.

To address the 2024 logistics problem, which is a social issue, NX GROUP is promoting the NX Train service to charter sections of trains running between the Kanto and Kansai regions for stable transportation of railroad cargo in the future, and the Sea & Rail service, which combines rail and coastal services using proprietary hybrid containers. We are promoting modal combinations that propose optimal transportation by taking advantage of the characteristics of each transport mode.

### ● Modal Shift to Domestic Marine Transport

Maritime transport is a mode of low-cost, long-haul transport for large cargo volumes, and it has a low impact on the environment.

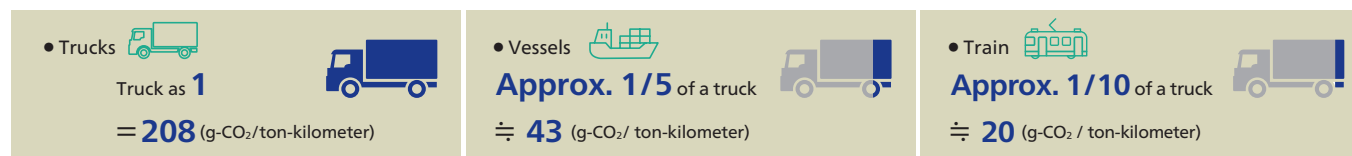
In 1964, NX GROUP put Japan's first container vessel, Dai-ichi Tennichi Maru, into service between Tokyo and Muroran, followed by Dai-ni Tennichi Maru between Osaka and Muroran, thereby launching integrated land and sea transport services. The Group currently operates five large state-of-the-art vessels, including Himawari 8 and Himawari 9, which were launched in September and December 2017 respectively, along two scheduled routes that serve eight ports around Japan.

Cargo departing from and arriving at locations far inland from the port can be transported using dual-use containers in conjunction with rail transport in an effort to reduce CO<sub>2</sub> emissions from fuel consumption.



Himawari 8

#### CO<sub>2</sub> emissions intensity by transport mode



Source: "CO<sub>2</sub> emissions in the transportation sector" from the Ministry of Land, Infrastructure, Transport and Tourism website  
[https://www.mlit.go.jp/sogoseisaku/environment/sosei\\_environment\\_tk\\_000007.html](https://www.mlit.go.jp/sogoseisaku/environment/sosei_environment_tk_000007.html)



## Provide Logistics Technologies and Services with Low Environmental Impact

### TOPICS

#### Promoting a Modal Shift by Expanding Sea & Rail, Our Unique Integrated Domestic Transportation Service

As part of its efforts to promote a modal shift, Nippon Express Co., Ltd. is working to expand its Sea & Rail service (modal combination transportation service), a unique domestic intermodal transportation service that combines ocean and rail transportation. Nippon Express Co., Ltd. offers nine domestic integrated transportation lineups using containers extending from Hokkaido to Kyushu, and plans to continue creating new routes in the future.

This intermodal transport service utilizes RSV (Rail and Sea Ventilation) containers, which are proprietary hybrid containers, making it easy to shift between sea and rail transport without having to reload cargo when changing transport mode. Also, these containers are also designed for durability and safety while ensuring cargo ventilation.

Modal shift promotion was also taken up as one of the urgent measures in the Policy Package for Logistics Innovation announced by the Japanese government in June 2023 to improve the working environment for truck drivers. This includes a specific initiative to support the popularization of large containers that can be used jointly by ships and railways in order to boost transportation capacity through a modal shift. Nippon Express Co., Ltd.'s Sea & Rail service is in line with this initiative.

Modal shift promotion is expected to contribute to the reduction of CO<sub>2</sub> emissions and sustainability management, for which there is an increasing demand from customers, and to lead to BCP measures through the diversification of transportation modes. As a driving force of the modal shift in the logistics industry, Nippon Express Co., Ltd. will promote the construction of eco-friendly logistics systems.



### TOPICS

#### Nippon Express (South Asia & Oceania) Pte. Ltd. Conducts Transport Trials Using Dedicated Trains on Malaysian Railways

Nippon Express (South Asia & Oceania) Pte. Ltd. conducted rail freight transport trials between Kuala Lumpur and Padang Besar in Malaysia using dedicated trains running on Malaysian rail lines from September 20 to September 22, 2023. Growing demand for international logistics resulting from economic cooperation among countries in the ASEAN region and rising demand for consumer goods due to improved purchasing power have prompted companies to consider restructuring their supply chains. At the same time, specific initiatives to realize a carbon-neutral society and the enhancement of transportation capacity have become major issues in the region. Against this backdrop, NX GROUP has developed an "SS7000" overland transport service that connects Shanghai to Singapore over a distance of approximately 7,000 km, and it offers regular consolidated trucking services. In April 2022, the Group launched a new intermodal transport service linking up ASEAN and neighboring countries via international railways running between China and Laos. The purpose of these transportation trials is to develop logistics services that help further reduce CO<sub>2</sub> emissions and build an international rail transport network in the ASEAN region in the future.



Trial transport underway



Map of trial transport route



Please see our website for details.

## Provide Logistics Technologies and Services with Low Environmental Impact

### Encouraging Eco-driving

#### Activities and Achievements

Aiming to reduce the environmental impact of truck transport, NX GROUP encourages eco-driving to curb CO<sub>2</sub> emissions and fuel consumption, and is committed to improvements in safety.

### Safe Eco-driving Education

In fiscal 2023, Nippon Express Co., Ltd. conducted safe eco-driving education, mainly by distributing materials and providing advice on eco-driving.

In fiscal 2024, in order to raise drivers' awareness of eco-friendly driving, we will introduce a system to evaluate eco-driving among drivers (measure the performance of eco-driving by drivers and reflect their performance in policies after providing guidance).

### Digital Tachographs

Nippon Express Co., Ltd. uses the Operation Support System that links digital tachographs with work terminals (smartphones) to manage vehicle operations, cargo handling, and other operations as well as worktime and attendance. We started the sequential upgrading of digital tachographs since October 2021. Reports compiled and output after daily driving are evaluated for safe driving using the functions of the digital tachograph, as well as economic driving = eco-driving. We are also pairing IoT technology with our unique education and training to eliminate traffic accidents and cut CO<sub>2</sub> emissions through greater fuel efficiency. Since November 2023, NX GROUP companies other than NX Cash Logistics Co., Ltd. have been introducing new operation support systems and updating digital tachograph systems.

Rate of introduction of digital tachographs	
Nippon Express Co., Ltd.	100%
NX Cash Logistics Co., Ltd.	100%

### Expanding Sales of Products that Contribute to Countering Soaring Electricity Prices and Reducing CO<sub>2</sub> emissions

Through the sale of system equipment that controls the output of outdoor unit of air conditioners, NX Shoji Co., Ltd. has started initiatives to reduce the amount of CO<sub>2</sub> emissions by reducing electricity use and curbing soaring electricity bill expenditures while maintaining customer working environments. In the projects that have already been completed, CO<sub>2</sub> emissions have been reduced by approximately 15% and electricity costs have been reduced by approximately 10%. We will continue to provide solutions that reduce energy consumption.

## Strengthen Adaptive Capacity and Resilience in the Face of Climate Change

### Social Responsibility as a Designated Public Institution

#### Organizations and Systems

NX GROUP contributes to society by fulfilling its mission as an entity that helps to keep society functioning, playing a role in the supply chain even in emergency situations caused by natural disasters, pandemics, etc.

Nippon Express Co., Ltd. is a designated public institution in the transport industry under the Disaster Countermeasures Basic Act, the Citizens Protection Act (Act Concerning Measures to Protect the Public in Cases of Armed Attack), and the Act on Special Measures for Pandemic Influenza.

Just after the Noto earthquake, which occurred in January 2024, we transported emergency supplies such as food, beverages, and blankets to Ishikawa Prefecture, which suffered extensive damage, based on a request from the government.

Nippon Express Co., Ltd. has developed its crisis management and various other systems so that it is capable of continuing its business operations while safeguarding the lives and safety of employees and their families even during an emergency. Nippon Express Co., Ltd. fulfills its social responsibility as a designated public institution by transporting emergency supplies amongst other responses at the request of the national or prefectural governments.

### Strengthened Resilience at Logistics Hubs

#### Activities and Achievements

Tokyo C-NX, Nippon Express Co., Ltd.'s largest logistics hub located in Koto-ku, Tokyo, has an earthquake-proof structure and a large emergency power generator to ensure that, in the event of a blackout, electric power can be used for eight hours per day for three days. This will facilitate the early restoration of logistics functions after a large-scale disaster.



Tokyo C-NX exterior view



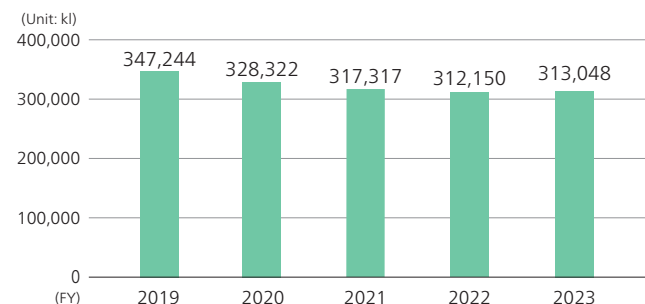
Please see Nippon Express Co., Ltd.'s website for details.



## Environmental Data (Climate Change)

Unless otherwise stated, environmental data results are listed for April to March (of the following year) until FY2020 and for January to December for FY2021 and beyond.

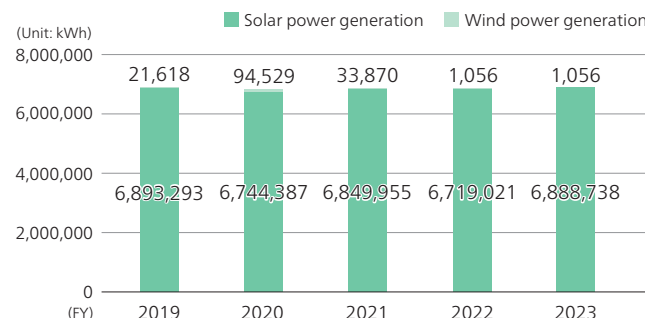
### Energy consumption in NX GROUP (crude oil equivalent)



\*1 The data shown here aggregate the energy consumption by Nippon Express and its consolidated companies in Japan and overseas (equivalent to Scope 1 and 2).

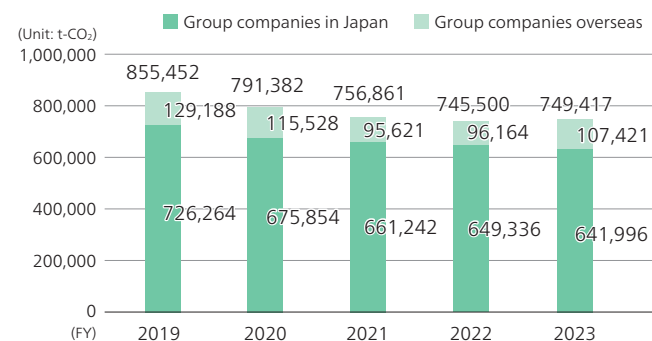
\*2 For natural gas, 13A city gas (heat value of 45 GJ/thousand cubic meters) applies.

### Power generated from renewable energy resources (Group companies in Japan)

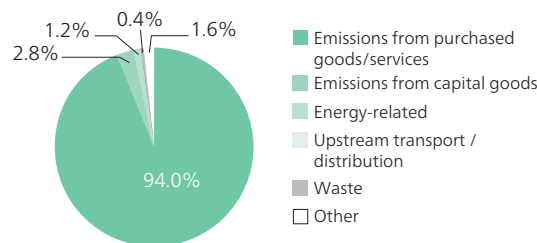


\*3 Renewable power generation, electricity used in-house and electricity sold are not included in NX GROUP's energy use.

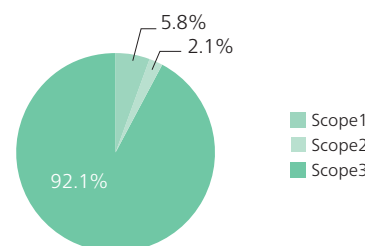
### CO<sub>2</sub> Emissions (Scope 1 and 2)



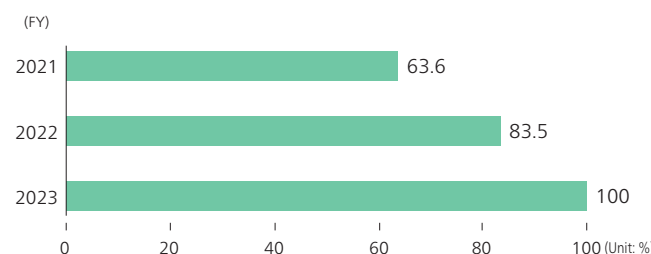
### Component ratio for Scope 3 (NX GROUP)



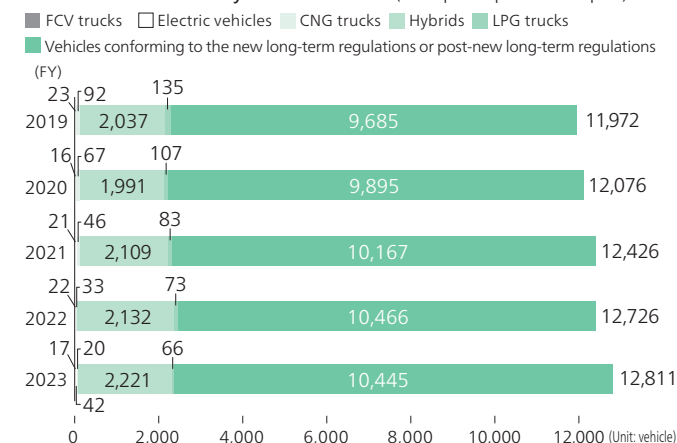
### GHG emissions across all supply chains (NX GROUP)



### LED lighting for facilities (Nippon Express Co., Ltd. bases)



### Number of eco-friendly vehicles owned (Group companies in Japan)



\* Calculated at the end of each fiscal year based on number of vehicles registered on the Operation Support System.

### Fluorocarbon Emission Control Act

(April 2023 to March 2024: Nippon Express Co., Ltd.)

(Act on Rational Use and Appropriate Management of Fluorocarbons)

		Applicable equipment (number of systems)
Class I specified products		9,956
Types of fluorocarbon	Actual fluorocarbon leakage amount (kg)	Calculated fluorocarbon leakage amount (tons CO <sub>2</sub> )
R401A	70	79
R410A	19	28
R134a	1	1
Total	—	118

### Third-party Verification of CO<sub>2</sub> Emissions Data

Nippon Express Co., Ltd. commissioned SGS Japan Inc. to conduct third-party verification of CO<sub>2</sub> emissions data (CO<sub>2</sub> emissions from fossil fuel use in Japan) for FY2022 based on ISO 14064-3:2019. We are planning to obtain third-party verification also on CO<sub>2</sub> emissions data for FY2023.

We will ensure accuracy and reliability by receiving verification from a third party and will continue to work on further reducing CO<sub>2</sub> emissions.



Please see our website for details of the Third Party Verification Report.

## Recycling of Resources

### Perspective on Resource Recycling

Policies and Targets

NX GROUP has been reducing the waste generated through its business activities and advancing the 3Rs (reduce, reuse, and recycle) with the objective of realizing a recycling-based society. In particular, NX GROUP focuses its efforts on reducing the waste from its business locations as well as thoroughly sorting paper and other waste for easy recycling.

### Reducing and Properly Managing Waste

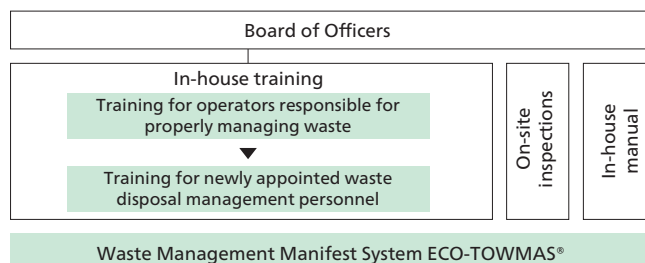
Organizations and Systems

#### Waste Management System

To properly manage waste, Nippon Express Co., Ltd. shares information regarding waste with the Board of Officers and disseminates instructions. In addition to providing in-house training and conducting work site inspections, Nippon Express uses a system of managing waste manifests to confirm that the waste generated by the Company is being disposed of properly.

In October 2002, because of a violation of the Waste Disposal Act, Nippon Express Co., Ltd. received a penalty, with its designation as a wide-area recycling industrial waste processor revoked by the Ministry of the Environment. Accordingly, Nippon Express Co., Ltd. suffered significant repercussions, such as being required to withdraw from those operations and being suspended from entering competitive government bidding processes. To prevent such errors from recurring from here on, Nippon Express Co., Ltd. has strengthened its structures and is committed to properly managing the waste generated by the Company through means such as establishing a system and conducting training for all employees. There were no major accidents in FY2023.

#### Reducing and Properly Managing Waste



#### Release Amounts Subject to Notification Under the PRTR Act

Although none of Nippon Express' business locations are required to submit notifications under the Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (the "PRTR Act"), business sites that handle chemical substances subject to the Act are listed in the "Environment Data" section (P. 22) of this publication and on our website.



Environmental Data section on our website

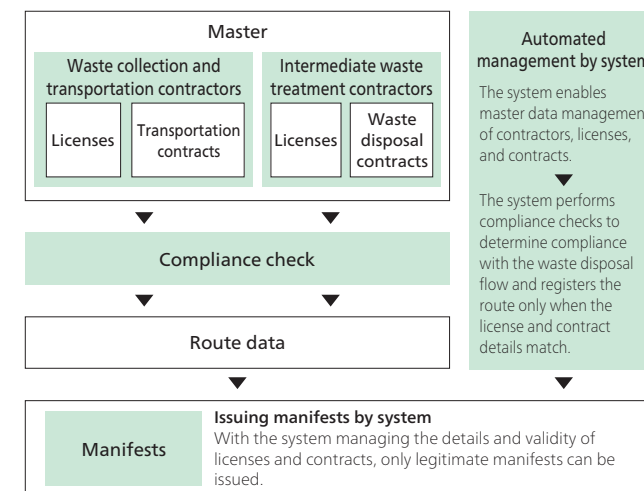
#### ECO-TOWMAS® Waste Management Manifest System (Registered trademark)

Since October 2014, Nippon Express Co., Ltd. has been employing the ECO-TOWMAS® Waste Management Manifest System to properly manage industrial waste generated by the Company.

When Company's business locations dispose of industrial waste, ECO-TOWMAS® automatically performs compliance checks to determine whether the disposal is being properly outsourced by comparing the information entered at the locations with the license and contract details of the Company to whom disposal is to be entrusted. If ECO-TOWMAS® determines that there is a lack of compliance, the system will not issue manifests.

ECO-TOWMAS® also supports electronic manifests. After the Company transitioned to electronic manifests, the use rate of electronic manifest routes reached 99.6% and the issue rate of electronic manifests was 96.1% as of December 2023.

#### Waste management manifest system



#### Industrial Waste Reduction Targets (set by Nippon Express Co., Ltd.)



Target	Annually reduce industrial waste emissions versus the previous year (vis-à-vis sales)
	<b>1% reduction</b>
Results	FY2023 Results
	<b>16% increase</b> (compared to FY2022)

## Recycling of Resources

### Resource Recycling

Activities and Achievements

Nippon Express Co., Ltd. undertakes the transport of waste, which plays a role in resource recycling. Using rail and marine containers, we engage in the wide-area transport of mercury waste from municipalities and companies around the country and deliver the waste to disposal facilities. In addition, PCB (polychlorinated biphenyl) waste entails significant hazards, and its transport to disposal facilities must be carried out by trained personnel. Using rail containers which have a low environmental impact, we performed wide-area transport of enormous amounts of waste resulting from the Great East Japan Earthquake, the Kumamoto Earthquake, the Reiwa 1 East Japan Typhoon and other recent disasters.

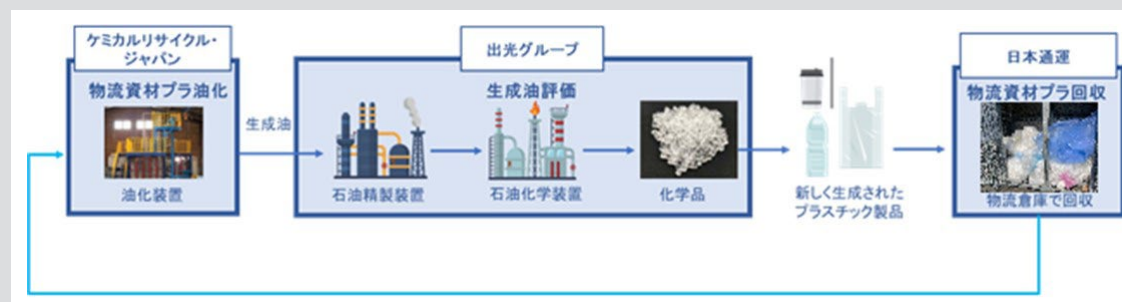
## TOPICS

### Nippon Express and Idemitsu Kosan Start a Demonstration Experiment Aimed at Recycling Plastics Used for Logistics

Chemical Recycle Japan Co., Ltd., a subsidiary of Idemitsu Kosan Co., Ltd., has started a demonstration experiment in which used plastic used for logistics materials generated at Nippon Express Co., Ltd. logistics bases are used to produce oil produced using chemical oil recycling technology. In the future, Idemitsu aims to use the generated oil as a raw material to produce "renewable chemicals" and "renewable fuel oil" using its petroleum refining and petrochemical equipment.



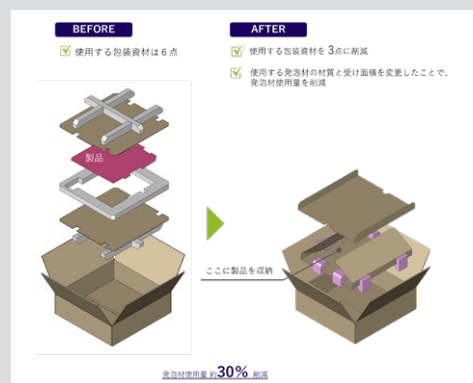
Please see our website for details.



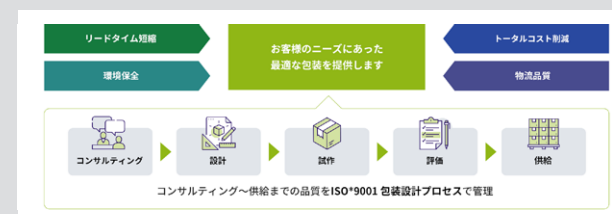
## TOPICS

### The Quality Evaluation Center Centralizes Packaging Design to Reduce Environmental Impact

Nittsu NEC Logistics, Ltd.'s packaging design service helps customers reduce CO<sub>2</sub> emissions by proposing appropriate packaging designs that are not excessive or insufficient, thereby reducing the amount of materials used for packaging and improving storage and transportation efficiency by slimming down the size of packaging. In the case of product packaging design, if the design company and the evaluation testing company which performs strength and durability tests are different, the prototype that was designed and created will be sent to and returned to the evaluation testing company. Since we handle design, prototyping, and evaluation in-house, we can reduce the environmental burden without unnecessary transportation.



Packaging design service





## Recycling of Resources

### Environmentally Friendly Products

Activities and Achievements

#### ● Reusable Protection Materials for Moving Operations

NX GROUP makes active use of reusable protection materials (packing materials that can be used repeatedly) in its moving services, thereby achieving environmentally-friendly removals operations. For example, our self-developed reusable protection materials protect customers' precious household items and allow for items to be packed quickly. In addition, since the protection materials can be used repeatedly, their use reduces garbage associated with moving, a factor that has been well received by customers.



#### ● Proposal and Delivery of Environmental Products

NX Shoji Co., Ltd. is moving forward with proposals to switch materials used in logistics to commercial materials with lower environmental impact. As an example, we support our customers' efforts to reduce their environmental impact by proposing that shipping bags used in the EC market be switched to products with the Biomass Mark certified by the Japan Organics Recycling Association. Since launching this initiative in the summer of 2022, together with the cost benefits of switching, we have achieved a 25% reduction in oil consumption (25% biomass content) compared to conventional products, contributing to a reduction in CO<sub>2</sub> emissions.

## TOPICS

### NX Energy Kyushu reduces CO<sub>2</sub> Emissions by using B5 Biodiesel for Vehicles (November 2023)

From November 15, NX Energy Kyushu Co., Ltd. started using B5\* automobile fuel mixed with 5% biodiesel fuel (BDF) as fuel for LPG delivery vehicles. The use of this fuel leads to a reduction in CO<sub>2</sub> emissions during LP gas distribution. In February 2024, we began trial operations using B24, a 24% BDF mixture, as a fuel for our own oil tanker, the Aikomaru.

\* B5 is a fuel that can reduce CO<sub>2</sub> emissions by about 5% by using waste edible oil as a raw material and guarantees the same quality as diesel oil specified by the Japanese government.



Please see our website for details.



The Aikomaru (side view)

## TOPICS

### NX Europe Develops the NX-GREEN SAF Program

Nippon Express Europe GmbH developed the NX-GREEN SAF Program, which utilizes SAF (Sustainable Aviation Fuel) for air cargo transportation with a lower environmental impact, in order to provide more sustainable and future-oriented services to its customers.

When a customer chooses to participate in the NX-GREEN SAF Program, a third-party certified CO<sub>2</sub> Reduction Certificate is issued in accordance with the book and claim (certification traded between SAF producers, end-product manufacturers and sellers), enabling the customer to reduce the CO<sub>2</sub> emissions saved by the SAF program from their Scope 3 emissions.

In order to ensure the use of SAF in air cargo transportation, in NX Europe purchased SAF from Lufthansa Cargo in June 2023, equivalent to a CO<sub>2</sub> emission reduction of 3,150 t and coordinated with the company.

These financial contributions will help to expand sustainable airfreight transportation and realize low-carbon freight transport in the future.

## Protect Terrestrial and Marine Ecosystems

### Preventing Alien Species from Crossing Habitat Boundaries

Organizations and Systems

Nippon Express Co., Ltd. makes the utmost efforts to prevent the unexpected transportation of invasive alien species that threaten ecosystems, the lives and health of humans, and the agriculture/livestock industries. In particular, with regard "Specified Invasive Alien Species Requiring Urgent Action," including fire ants, each business site pays close attention to the invasion of these creatures based on information from the Ministry of the Environment, Ministry of Land, Infrastructure, Transport and Tourism, and local governments, in accordance with the applicable laws and regulations set forth by the government. If alien species are detected, we will take measures to prevent the spread of the invasive alien species, as well as promptly respond to the situation by disinfecting cargo, killing insects, fumigating containers, etc., in accordance with the response guidelines.

### Conservation of Marine Ecosystems

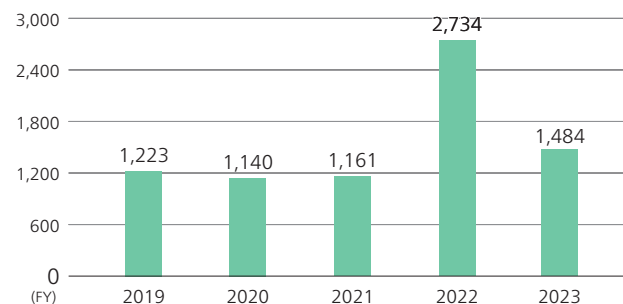
Organizations and Systems

For the conservation of marine ecosystems, Nippon Express Co., Ltd. tries to reduce emissions of contaminated water, waste, ballast water and other pollutants from its ships into the sea. Hi-mawari 8, one of our ships, is equipped with a marine instrument from an incorporated nonprofit organization, VOS Nippon, to provide salinity, temperature and pH measurements of the water along the coasts of Japan. The data is used to make forecasts of meteorological, hydrographic and fishing conditions and for research on ocean currents, biological environments and other phenomena in coastal waters.

## Environmental Data (Recycling of Resources)

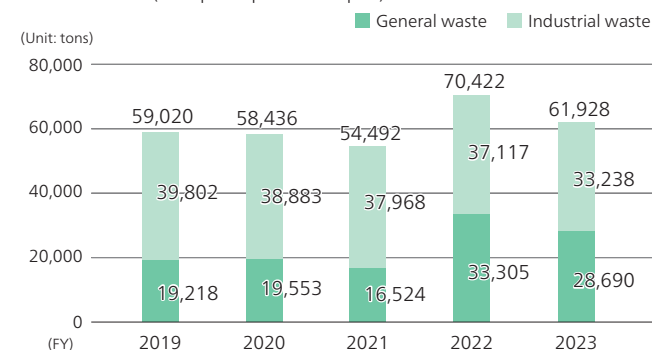
### Water usage (Group companies in Japan)

(Unit: thousand cubic meters)



### Waste volume (Group companies in Japan)

(Unit: tons)



### PRTR-related emissions of substances reportable

(April 2023 to March 2024: Nippon Express Co., Ltd.)

Business segment	Number of offices	Total amount of substances handled (kg/year)	Main substance name	Main use
Targeted business category but amount handled is below the threshold (1t/year) subject to notification	4	74	Fenitrothion	Insecticide and insect control in warehouses
Not reportable business category but office uses reportable substance	14	6,924	Methyl bromide	Fumigation work in operations incidental to import customs clearance