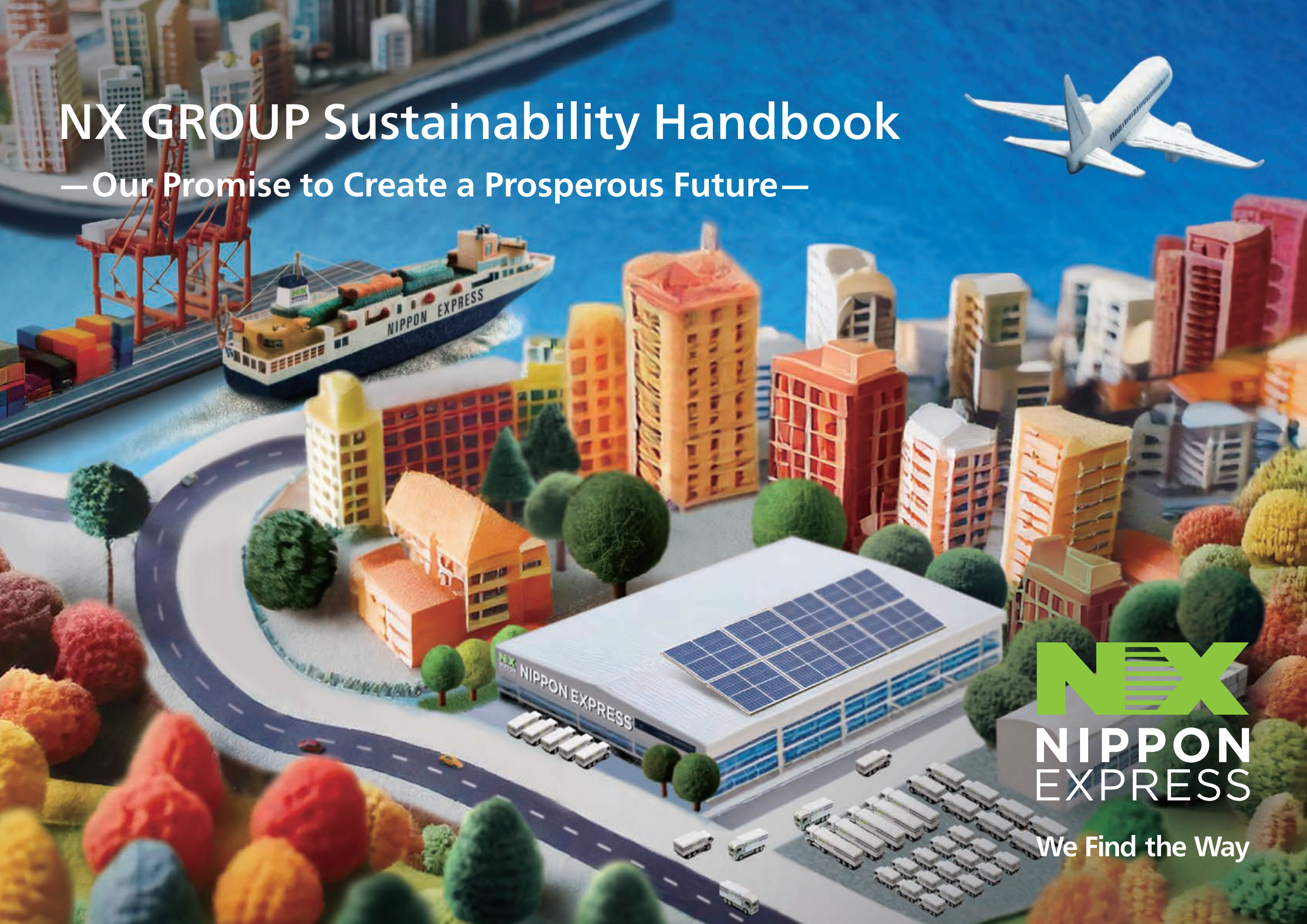


NX GROUP Sustainability Handbook

— Our Promise to Create a Prosperous Future —



We Find the Way

Introduction

NX GROUP Promise

Our corporate philosophy includes our intention to contribute to achieving a sustainable society through logistics.

The definition of abundance changes with the times. To be a presence needed by society in this era of rapid change, we must continue to create the type of value required by the times, maintaining a close eye on the state of humanity and society.

Over the years, we have created new value through logistics to support customer businesses and supply chains around the world. We are proud of the high degree of attention we have always paid to safety, compliance, and quality—areas of focus since our beginnings. We are also proud of the fact that we have continued to support social infrastructure while continuing to seek and apply the best available methods. These are values that we believe we must pass on to future generations.

In addition to these unchanging values, sustainability is the type of abundance in greatest demand today. We aim to fulfill our responsibility in this regard as an industry leader in the unique spirit of NX GROUP.



We will continue to be creative and innovative, always pioneering new paths, believing that logistics is the driving force for social development.



Since its founding in 1937, NX GROUP has been connecting customers and contributing to the sustainable development of society through the transportation of goods. Across decades and in locations throughout the world, we continue to embrace new challenges driven by an unwavering mission.



Contributing to the Sustainable Development of Society through Logistics

Transporting for the Tokyo Olympics

As the official transporter for the Olympic Games, we met diverse demands for transportation.



Transporting the Mona Lisa

We transported this masterpiece to the Tokyo National Museum in Ueno, previously only ever loaned to the U.S.



Transporting relief supplies after the Great East Japan Earthquake

We transported 6,810 truckloads of relief supplies in total, using land, sea, and air transportation modes on a 24-hour basis.



Award received for excellent business operator engaged in modal shift initiatives (sustained effort category)

We received an award for the 12th year in exceeding a 40% ratio of rail and marine transportation to total cargo transport volume on trunk lines.



Transporting the Shinkansen

We have transported railcars ever since the Shinkansen went into operation in 1964.



Transporting relief supplies after the Great Hanshin-Awaji Earthquake

As a designated public institution, we deployed 3,200 trucks and 225 cargo ships in total to transport relief supplies.



Transporting the Subaru Telescope for the National Astronomical Observatory of Japan

We handled the transportation of almost all cargo related to the original Subaru project.



Full-scale entry into pharmaceutical logistics

We assembled personnel and put in place infrastructure in Japan and overseas dedicated to supporting the stable supply of pharmaceuticals globally in compliance with GDP (Good Distribution Practices).



1964

1974

1995

1998

2011

2015

2021

Supporting Supply Chains Globally

- 1937 Nippon Express Co., Ltd. founded
- 1962 First overseas subsidiary established —NIPPON EXPRESS USA, Inc.
- 1973 NIPPON EXPRESS SINGAPORE PTE., LTD. established
- 1977 NIPPON EXPRESS (NEDERLAND) B.V. established
- 1994 NIPPON EXPRESS (SHANGHAI) CO., LTD. established
- 2007 Nippon Express (India) Private Limited established
- 2014 Number of overseas offices exceeds 500
- 2015 Number of overseas employees exceeds 20,000
- 2022 Switchover to holding company structure



The transportation of goods connects people and societies, linking today and tomorrow.
We will continue to evolve, building a better future and a robust world.

Our corporate philosophy includes our intention to contribute to achieving a sustainable society through logistics. NX GROUP Sustainability Vision states how we aim to achieve this goal—by creating three values.

NX GROUP Corporate Philosophy

- Our Mission** Be a Driving Force for Social Development
- Our Challenge** Create New Ideas and Value that Expand the Field of Logistics
- Our Pride** Inspire Trust Every Step of the Way

NX GROUP Sustainability Vision (Creating Three Values)

Supporting a Better Life for People Around the World and the Development of a Sustainable Society through our Business



Social Value

Providing security and stability & the happiness of workers

We respect human rights and occupational health throughout our supply chains and remain aware of our social and public missions in an effort to make society safe and secure for everyone.

Environmental Value

Preservation of the global environment

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.

Economic Value

Our sustainable growth

We will achieve sustainable growth for NX GROUP by creating new value and being trusted by society through collaboration and co-creation with other companies and by deepening our ties with local communities.

The basis of all of our actions is guided by the values we cherish, an unwavering resolve to meet our goals, and a firm grasp by all employees of our code of conduct.

Every company is expected to address social issues in a range of areas.

We have identified five Material Issues that need to be addressed in order to grow sustainably together with society.

We will take on these challenges through our business activities to realize our sustainability vision.

Respect for Human Rights and Realization of Responsible Corporate Activities



Develop and Strengthen Sustainable Solutions



Enhancement of Human Capital to Foster Innovation



Solidify Global Supply Chains



Strengthen Response to Climate Change



We promise to take on these five challenges together as a group to meet society's expectations and the needs of the times.



Develop and Strengthen Sustainable Solutions

Society's Expectations

Building a sustainable society is a shared challenge for all of humankind, and a high level of expectation is placed upon corporations to take meaningful social and environmental action to meet this challenge.

Through logistics, we support social development and are committed to developing and providing services that help our customers resolve the many issues they face.

Types of Value Creation Closely Involving NX GROUP

Environmental Value Economic Value

Our Challenges

Strategies	Actions
Strengthen materiality solutions	<ul style="list-style-type: none">Grasping key issues for customers and investigating solutions NEXT PAGE
Strengthen decarbonization logistics solutions	<ul style="list-style-type: none">Expansion of modal shiftsDevelop and provide low-carbon transportVisualization of customer CO₂ emissions
Strengthen logistics solutions by promoting DX	<ul style="list-style-type: none">Excavating the seeds for and creating co-creator partners and new businesses NEXT PAGEFoster and strengthen DX human resources

Our Promise

We will continue to create new value from logistics to realize sustainability in society

Key Examples of Initiatives

Develop and Strengthen Sustainable Solutions

Nippon Express

Joint Transportation with Asahi Soft Drinks and NISSIN FOOD PRODUCTS

Asahi Soft Drinks Co., Ltd., and NISSIN FOOD PRODUCTS CO., LTD., both of which have production plants in Ibaraki Prefecture, have partnered with Nippon Express on a business arrangement using mixed pallet loading of Nippon Express trucks to transport their products between the Kanto and Kyushu regions together. This arrangement significantly reduces the driver workload and reduces the number of trucks needed by 20% compared with conventional methods of separate product transportation. This initiative addresses the shortage of truck drivers, contributing to the sustainable logistics services we provide to customers. It also helps us reduce Scope 1 CO₂ emissions and Scope 3 CO₂ emissions for our customers.



"We are approaching this venture as a way to better utilize trucks and also for the environmental benefits. We are receiving help in the areas of mixed loading and product preservation, but are still having to decide which products to include in the mixed loads in light of production schedules and inventory levels, which is where the expertise of the people in charge here at Asahi Soft Drinks really comes into play."

"Nippon Express used its expertise in cargo transportation to successfully manage challenges like the height differences of stacked products, enabling us to transport our goods with high efficiency using mixed loads of heavy and light products."



NIPPON EXPRESS HOLDINGS

Joint Development with NEC Corporation of Autonomous Remote-Controlled Transport Forklifts

NIPPON EXPRESS HOLDINGS, INC. and NEC Corporation have jointly developed an autonomous remote-controlled transportation system for warehouse operations using forklifts.

This solution will improve the efficiency and safety of transport operations in logistics warehouses through the automated design of transport routes and autonomous transport. Also, by enabling a small number of people to centrally manage multiple forklifts at multiple locations from a remote location, it compensates for labor shortages, ensures stable operations for customers, and promotes more efficient and flexible working conditions for employees.



Forklifts compatible with autonomous remote control

"NX GROUP has offices throughout the world. In the future, time zone differences can be leveraged to enable 24-hour remote operations.

NEC has advanced technologies in the fields of AI, image recognition, and networking. By combining these complementary capabilities, we hope to establish new markets that would be difficult for either company alone to manage."



Click here to see other group company initiatives.

<https://www.nipponexpress-holdings.com/en/sustainability/materiarity/sustainable-solutions/initiatives.html>



Solidify Global Supply Chains

Society's Expectations

Logistics plays an indispensable role in supporting economic activities and daily life. In recent years, we have seen natural disasters, infectious diseases, cyberterrorism, and chronic labor shortages emerge as the source of risks that call for a greater degree of resilience and efficiency in logistics systems.

NX GROUP is committed to addressing these challenges through risk management, business continuity planning, and further streamlining of logistics operations. Such efforts allow us to provide uninterrupted logistics services, help maintain and strengthen our customers' supply chains, and support social infrastructure.

Types of Value Creation Closely Involving NX GROUP

- ✔ Social Value
- ✔ Economic Value

Our Challenges

Strategies	Actions
Strengthen the business foundation to reduce risks	<ul style="list-style-type: none">● Risk management for stable business continuity in times of crisis NEXT PAGE● Crisis management for business continuity in times of crisis
Improve IT infrastructure and security levels	<ul style="list-style-type: none">● Strengthen measures for handling emergencies in IT infrastructure● Cybersecurity enhancement
Improve efficiency, quality, and profitability of logistics by promoting DX	<ul style="list-style-type: none">● Improve business efficiency NEXT PAGE● Use data for optimal distribution of resources● Foster and strengthen DX human resources

Our Promise

We will support people's lives and social development around the world with uninterrupted logistics services



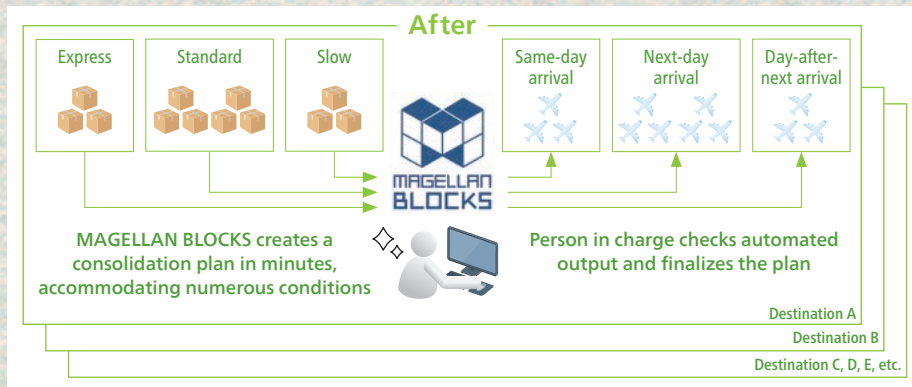
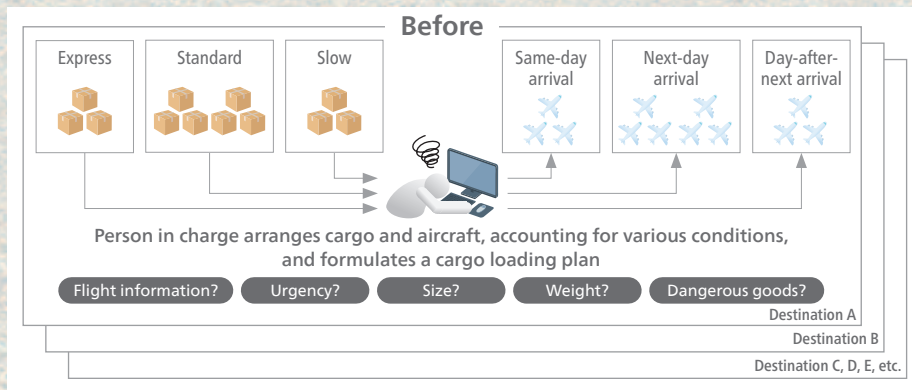
Key Examples of Initiatives

NX GROUP

Trials Underway to Automate Air Cargo Consolidation Operations

Using the MAGELLAN BLOCKS cloud platform provided by Groovenauts, Inc., whose strengths lie in the use of AI and quantum technologies, we are working to automate the consolidation of air cargo*, which has been considered difficult to achieve up to this point.

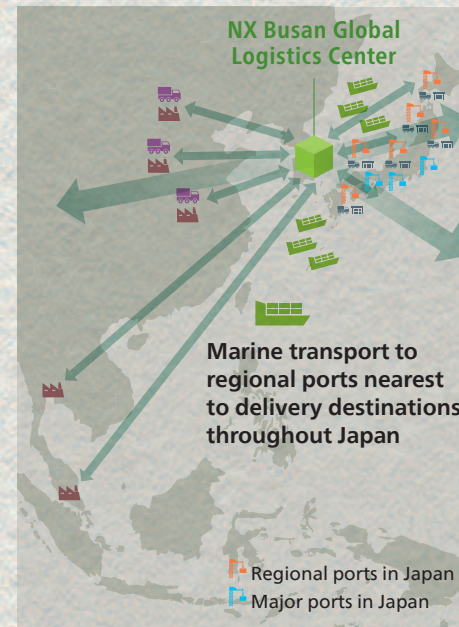
* Air cargo consolidation: Combining cargo from multiple customers by destination, organized into transportation units such as pallets and containers for efficient air transport



NX China/NX Korea

Addressing the “2024 Problem” by Utilizing Regional Ports

NIPPON EXPRESS (CHINA) CO., LTD. and Nippon Express Korea Co., Ltd. have launched a new service—Busan Hub x Japan Regional Ports—that involves storing inventory in Busan, South Korea, which has well-established shipping routes to and from regional ports in Japan, and transporting this inventory by sea when ordered. The shipping routes go directly to the regional port nearest the delivery destination in Japan rather than through major ports in the suburbs of major cities. This service is an effective solution to the “2024 problem” (the impact from new rules capping overtime hours for truck drivers in Japan). It also reduces CO₂ emissions by shortening domestic trucking distances within Japan.



“We released this service in September 2023 to leverage our strengths as part of Japan’s regional port network, using the capabilities of our global hub warehouse in Busan, South Korea. We expect to utilize this service even more as it addresses both driver shortages and environmental concerns.”



Toshiaki Konomi
Global Business Headquarters,
NX China East Asia Regional Head Office



Strengthen Response to Climate Change

Society's Expectations

As climate change grows more serious, the challenge of decarbonization continues for logistics firms, which are significant contributors to CO₂ emissions. Logistics providers face heightened expectations to take measures across their entire supply chain, no matter the country, region, or organizational boundaries.

NX GROUP regards the preservation of the global environment to be an essential condition for business sustainability. We are thus committed to reducing CO₂ emissions across our entire supply chain to help bring about a carbon-neutral society.

Types of Value Creation Closely Involving NX GROUP

Environmental Value

Our Challenges

Strategies	Actions
Scope 1 reduction	<ul style="list-style-type: none"> Introduction of eco-friendly vehicles NEXT PAGE
Scope 2 reduction	<ul style="list-style-type: none"> Energy conservation: Switchover to LED lighting, etc. Energy creation: Promotion of the introduction of renewable energy power generation facilities NEXT PAGE Use of electricity derived from renewable energy through the purchase of environmental value
Scope 3 reduction	<ul style="list-style-type: none"> Modal shift Supplier engagement initiatives

Our Promise

To decarbonize our business faster and help preserve the global environment

Key Examples of Initiatives

NX GROUP

Promoting the Switch to Eco-friendly Vehicles in the Group and Globally

NX GROUP is actively introducing eco-friendly vehicles such as EVs, FCVs, and hybrids across its global operations, and as of the end of December 2023, the number of eco-friendly vehicles owned by group companies in Japan totaled 12,811.

Examples of Eco-friendly Vehicles at Group Companies

Nippon Express Introduced a total of 20 FCEV trucks (hydrogen fuel cell vehicles) at the FBU of the Kanto-Koshin'etsu Region's Tokyo Branch (aviation and shipping)

NIPPON EXPRESS USA Introduced the first electric vehicle (EV truck) in May 2024; plans to introduce 14 EV trucks by the end of FY2024

Nippon Express Logistics (Thailand) Introduced first electric vehicle (EV truck) in January 2024



EV tractor unit and 53-foot container introduced at NIPPON EXPRESS USA



Kenji Kameya

Logistics Management Division, NIPPON EXPRESS USA

"EV trucks cost more than diesel trucks, but it is possible to reduce overall transportation costs by developing better routes. In December 2024, we will introduce a new system under which, through customer use of our EV trucks, calculation of the reduction in the amount of CO₂ emissions will be made easier."

Nippon Express Europe

Expanding Eco-Friendly Logistics Centers

NX GROUP is working to reduce CO₂ emissions by equipping logistics centers with renewable energy systems such as solar and wind power systems.

The Schiphol Airport Logistics Center (Netherlands) of Nippon Express Europe GmbH has gone a step further, earning BREEAM (Building Research Establishment Environmental Assessment Method) certification, one of the first certification systems in the world for the environmental performance of a building, addressing not only environmental but also social issues.



Schiphol Airport Logistics Center



Enhancement of Human Capital to Foster Innovation

Society's Expectations

In the rapidly changing world we live in, expectations are continually growing for companies to have good "human capital management" to serve as a framework for carefully nurturing employees, enhancing engagement, and growing hand in hand.

NX GROUP understands that personnel are the source of our competitive strength in logistics, which supports social infrastructure. When our employees work happily and with strong engagement, this diverse and talented human resource base will thrive, fostering innovation and helping to create value for our customers and society.

Types of Value Creation Closely Involving NX GROUP

✓ Social Value

Our Challenges

Strategies	Actions
Secure and develop talented human resources	<ul style="list-style-type: none">Training of group business management human resources NEXT PAGESecure and train global human resources
Enhancing well-being	<ul style="list-style-type: none">Improve engagementEmployee career supportEnhance careers with re-skilling
Promoting DE&I	<ul style="list-style-type: none">Promote women's participation in the workplacePromote the hiring of foreign nationals in the workplace NEXT PAGEPromote the employment of people with disabilities NEXT PAGECreation of inclusive workplace climates

Our Promise

We will create value for our customers and society by leveraging the strengths of every employee

Key Examples of Initiatives

Enhancement of Human Capital to Foster Innovation

Nippon Express

Training Skilled Logistics Professionals

Skilled logistics professionals are the key to unlocking accelerated business growth in the global marketplace, which NX GROUP aims to achieve.

Nippon Express Co., Ltd. is developing these expert human resources through the following programs to be the key source of the company's competitive strength and enhance the ability to deliver end-to-end logistics solutions.

Logistics Boot Camp

A program that develops core personnel with the expertise to proactively manage the set-up and stable operation of warehouse facilities, encompassing everything from warehouse operations design to continuous improvement methodologies.

Logistics Academy

A program to equip managers with the ability to continuously improve performance at our logistics centers



Yuichi Kubota
Nippon Express Miyazaki Branch
(Sales)

"Through the application of the methods and data analysis skills I picked up at the Logistics Boot Camp along with sustained efforts to share issues and improve communication, a culture of improvement and autonomy has already taken root. I will continue to spread this culture going forward as an agent of change."

NX GROUP

Utilization of Foreign National Resources

NX GROUP fosters collaboration among employees with diverse backgrounds in work experience and home culture. In sales activities, for instance, the knowledge of team members from different countries with varied international experience is integrated with the group's established practices. This creates positive change by intermixing the unique qualities of many individuals.

"I am confident that I will be able to use my expertise in green logistics and sustainability that I developed by working at other international logistics companies to benefit both the company and our clients. I feel that the integration of domestic and global talent will be the key to success."



NX Career Road

Expanding Employment of People with Disabilities

NX Career Road, Co., Ltd. is working to expand the employment of people with disabilities by appointing employment support coordinators at branches and offices nationwide.



Sachiko Ogata
Business Support Dept., NX Career Road

"The active participation of employees with disabilities as essential team members has strengthened unity within the workplace. It has also helped foster a culture in which people respect different views and opinions, which has improved employee engagement."



Respect for Human Rights and Realization of Responsible Corporate Activities

Society's Expectations

Protecting the fundamental rights of everyone involved in business activities is a corporate responsibility, especially for companies with global supply chains, which are examined closely.

NX GROUP places an emphasis on respect for human rights, safety, compliance, and quality as core values. It is the foundation of our operational strength that allows us to create value and earn the trust of customers and society. We are committed to maintaining this trust as an entire group by carrying out responsible corporate activities.

Types of Value Creation Closely Involving NX GROUP

Environmental Value Governance*

* The foundation for all three created values

Our Challenges

Strategies	Actions
Thorough enforcement of compliance	<ul style="list-style-type: none">Introduction of a global whistleblowing system at each group companyCompliance training NEXT PAGEMonitoring
Ensure safety and security	<ul style="list-style-type: none">Promoting occupational health and safety on a group-wide basis NEXT PAGE
Initiatives to respect human rights	<ul style="list-style-type: none">Establish a human rights policy and procurement policyIdentify and assess human rights risksPrevent and correct human rights risksEstablish a system to promote human rights initiatives NEXT PAGE

Our Promise

We will carry out responsible corporate activities to uphold the trust of society

Key Examples of Initiatives

Nippon Express

Partnership Safety Meetings with Affiliates and Partner Companies

Nippon Express Co., Ltd. holds an annual Partnership Safety Meeting with affiliates and partner companies at each branch to address safety and quality issues, assuring safe and reliable transportation services for customers across the entire supply chain.



Partnership safety meeting



"The phrase 'safety takes precedence over everything else' resonated with me. I realized that ensuring safe and secure transportation is the ultimate service we can provide."

Respect for Human Rights and Realization of Responsible Corporate Activities

NX GROUP

Implementation of Respect for Human Rights Across the Supply Chain

NX GROUP places respect for human rights at the core of all its corporate activities. As a foundation for responsible business practices, the group has established a Human Rights Policy and Sustainable Procurement Policy.

We will conduct self-assessment surveys on human rights risks at all group companies and their suppliers, and take action to prevent and mitigate those risks based on the survey results. By doing so we can reduce human rights risks across the supply chain and help build a sustainable society.

NX GROUP

Compliance Training

We distribute NX GROUP Compliance Handbook (available in 16 languages) to all group employees. The handbook presents the Code of Conduct and specific examples of compliance in an easy-to-understand format. The handbook is an effective tool for employee training that we accompany with e-learning and other training programs to raise awareness of compliance.





We Find the Way

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Sustainability Page

<https://www.nipponexpress-holdings.com/en/sustainability/>



External Evaluations

<https://www.nipponexpress-holdings.com/en/sustainability/management/>



Sustainability Data Book

https://www.nipponexpress-holdings.com/en/pdf/sustainability/report/NXsustainableDB2024_EN_ALL.pdf?202411

Customers Who Cooperated with This Publication

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