

# RESPONSIBLE CARE



## CSR Report 2021

Corporate Social Responsibility Report

04-Feb-2022



I would like to express my deepest sympathy to those who have been affected by COVID-19, their families and everyone involved. My sincere appreciation goes out to all those who are making daily efforts to prevent the spread of the infection. While the impact of the pandemic is prolonged due to the repeated emergence of new variants of the virus, AST Group will strive to fulfill its corporate social responsibility and public mission by paying more attention to preventing the spread of the infection and ensuring the safety of all parties concerned. We strongly hope that the pandemic will come to a swift end and wish everyone good health.

AST INC.  
 President Akira Ishibashi  
 All employees and all groups

## Responsible Care Activities

Responsible Care Activities are voluntary activities for the companies, which handle chemical substances to implement and improve activities relating to environment, safety and health throughout a lifecycle of products. (development, manufacture, distribution, use, final consumption and disposal.)

RC activities were born in Canada in 1985. Since The International Council of Chemical Association (ICCA) was established in 1990, each country’s chemical industrial association has started to promote RC activities depending on individual circumstances based on common principles and they have expanded to 53 countries as of October, 2007.

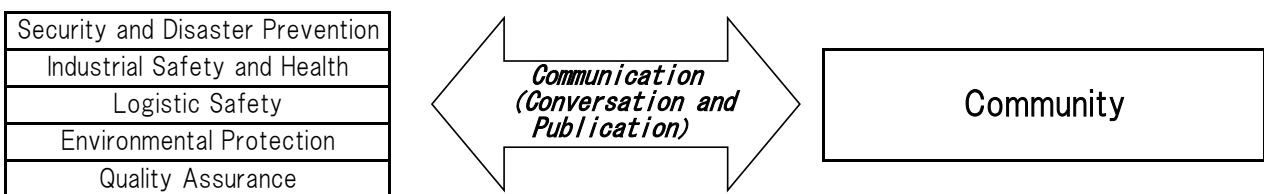
In Japan, Japan Responsible Care Council (JRCC) was established in 1995 and the activities officially started.

### CSR Report 2021

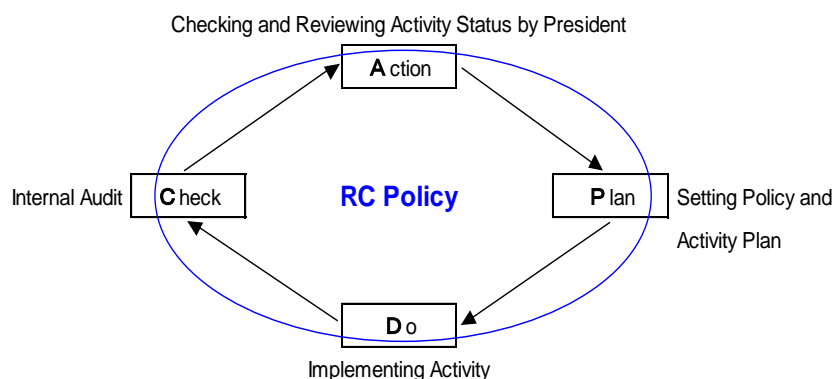
Since 2008, we have issued a CSR report annually to announce results of RC activities and to improve communication with the society. This is the 14th issue of the report.

### Basic Responsible Care

Our company’s RC activities are implemented in five main categories as follows.



RC activities are implemented in accordance with the PDCA cycle mentioned below.

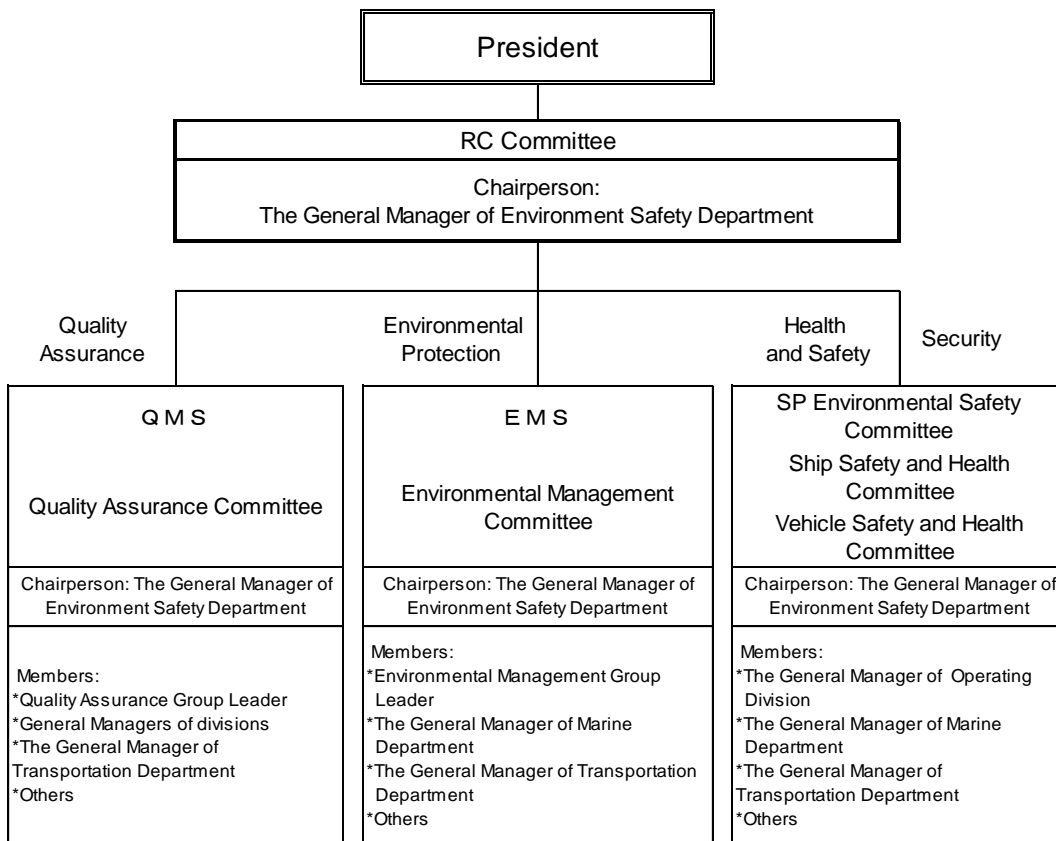


Responsible Care Policy

Our Responsible Care Activities are conducted in accordance with “Code of Conduct” and “Management Principles.”

**System of Responsible Care Activities**

The President established the RC Committee to promote RC activities effectively and appointed the General Manager of Environment Safety Department as the chairperson of the committee.



**Report Period**

January 1st to December 31st, 2021.

**Report Scope**

Three divisions of AST Inc. (Terminal and Warehouse, Marine Transportation, Land Transportation)

**Contact Information**

AST Inc. (Advanced Storage & Transportation)  
 Environment Safety Department  
 4-17-23, Kita-horie, Nishi-ku, Osaka city, Osaka 550-0014 Japan  
 TEL 81-6-6538-2845/FAX 81-6-6534-0536

## Risks and Its Measures in Our Operating Activities

Our company's main operating activities are based on transportation in three major business fields including marine transportation by tanker ships, land storage in tank terminal and warehouse and land transportation by truck, tank lorry and bulk container. Our activities consist of operate packing operations, custom works and others. We mainly handle petrochemical products and inorganic chemical products. Our logistical activities have general risks in the process of transportation and storage, such as fire, leakage accidents, industrial accidents, traffic accidents and marine accidents.

We not only comply with laws and regulations, but also regulate internal rules, which are more strict than laws and regulations and administrative guidance. Sufficient safety measures to all possible risks are taken by all employees with strict compliance with the internal rules.

### Possible Risks in Our Operations

#### Marine Transportation

- ① Marine accidents as ship collisions and groundings.
- ② Thefts, leakages and fire accidents of cargoes.
- ③ Industrial accidents in handling cargoes and other operations

#### Land Transportation

- ① Traffic accidents, such as vehicle collisions
- ② Thefts, leakages and fire accidents of cargoes.
- ③ Industrial accidents in handling cargoes and other operations.

#### Storage

- ① Damages of tanks and warehouses by accidents.
- ② Thefts, leakages and fire accidents of stored products.
- ③ Industrial accidents in handling stored products and other operations.

#### Handling Products :

- ① Flammable liquid regulated as class 4 hazardous goods under the Fire Service Act.  
Risks : Ignition and explosion by static electricity or other fire sources.
- ② Deleterious substances regulated under the Poisonous and Deleterious Substances Control Act  
Risks : Injuries, poisoning, oxygen deficiency, health hazard by touching, sucking and ingesting.
- ③ Organic solvent and specified chemical substances regulated under the Industrial Safety and health act.  
Risks : Injuries, poisoning, oxygen deficiency, health hazard by touching, sucking and ingesting.

### Risk Management

- ① Full compliance with applicable laws and regulations, controls and guidance by related authorities.
- ② Establishment of internal rules and full compliance with them.
- ③ Monitoring deviation by the Compliance Committee and Responsible Care Committee.
- ④ Sharing information by close communication with various organizations and applying the same method internally.
- ⑤ Establishment of systems for safety and health, quality assurance and environmental management by acquiring certifications of various standards.

## Safety Information of Products

We keep documents about characteristics and safety information of our handling products (SDS and other documents) at each operating office and the head office.

We provide these information on demand of external stakeholders. Please contact the following, if necessary.

|   |   |                |
|---|---|----------------|
| Head Office Environment Safety Department | 4-17-23 Kita-horie Nishi-ku Osaka city      | 81-6-6538-2845 |
| Hommachi Office Business Department       | 1-6-1 Awaza Nishi-ku Osaka city             | 81-6-6538-2783 |
| Tokyo Branch                              | 12-7 Nihonbashi Koami-cho Chuo-ku Tokyo     | 81-3-3664-9440 |
| Kizugawa Terminal                         | 1-4-20 Hirao Taisho-ku Osaka city           | 81-6-6552-0561 |
| Kobayashi Terminal                        | 1-1-5 Kobayashi-higasi Taisho-ku Osaka city | 81-6-6551-7850 |
| Chishima Terminal                         | 1-1-7 Hirao Taisho-ku Osaka city            | 81-6-6552-8484 |
| Namihaya Terminal                         | 1-1-15 Tsurumachi Taisho-ku Osaka city      | 81-6-6554-2760 |
| Funamachi Terminal                        | 1-6 Funamachi Taisho-ku Osaka city          | 81-6-6554-7682 |
| Hokko Terminal                            | 2-4-67 Hokko Konohana-ku Osaka city         | 81-6-6463-7301 |
| Umemachi Terminal                         | 2-5-4 Umemachi Konohana-ku Osaka city       | 81-6-6468-5281 |
| Takaishi Terminal                         | 2-2-1 Takasago Takaishi city Osaka          | 81-72-268-0616 |
| Land Transport Section Osaka              | 2-4-67 Hokko Konohana-ku Osaka city         | 81-6-6464-6184 |
| Land Transport Section Mizushima          | 3-13 Ushiodori Kurashiki city Okayama       | 81-86-475-0567 |
| Marine Transport Department Osaka         | 1-6-1 Awaza Nishiku Osaka city              | 81-6-6538-2784 |
| Marine Transport Department Tokyo         | 12-7 Nihonbashi Koami-cho Chuoku Tokyo      | 81-3-3664-9440 |

## Complaints and Inquiries

We take all possible measures for the SHEQSS (Safety and Health, Environmental Management Quality Assurance, Security and Service) including risks and measures in our operations.

However, please contact the following responsible persons if there is any complaint or inquiry.

|  |  |                |
|--|--|----------------|
| Safety and health, security  | Safety and Health Representative               | 81-6-6538-2845 |
| Environmental Management   | Environmental Management Representative        | 81-6-6538-2845 |
|  | Environmental Management Group Leader          | 81-6-6538-2845 |
| Quality Assurance  | Quality Management Representative              | 81-6-6538-2845 |
|  | Quality Assurance Group Leader                 | 81-6-6538-2845 |
| Services (Sales Operations)  | General Manager of Business Department         | 81-6-6538-2782 |
|  |  | 81-3-3664-9440 |
| No.1 Terminal Group<br>(Kizugawa, Kobayashi, Chishima, Namihaya, Funamachi Terminal) | General Manager of No.1 Terminal Group         | 81-6-6552-0561 |
| No.2 Terminal Group<br>(Hokko, Umemachi, Takaishi Terminal)                          | General Manager of No.2 Terminal Group         | 81-6-6463-7301 |
| Transportation Department  | General Manager of Transportation Department   | 81-6-6464-6184 |
| Marine Transport Department  | General Manager of Marine Transport Department | 81-6-6538-2784 |
| General Affairs Department(for general inquiries of the company)                     | General Manager of General Affairs Department  | 81-6-6538-2788 |

## CSR Activity Report

### Safety and Disaster Prevention

#### Company-Wide

Terminals quickly took measures when the North Osaka Earthquake occurred in June 2018, by the result of monthly emergency training, reviews of preventive measures, preparedness against earthquakes in view of the damage of the 2016 Kumamoto Earthquake and the 2011 Tohoku Earthquake and Tsunami.

Upon learning the lesson from the North Osaka Earthquake and No.21 Typhoon in September 2018 and considering the damage from No.15 Typhoon and No.19 Typhoon occurred in September and October 2019 respectively, we continue to reinforce emergency training and to review our BCP for operating the company with a high-level disaster-prevention system.

- \* completed the seismic evaluation for dangerous goods facilities (under the Fire Service Act) in 2015.
- \* reviewed measures for earthquakes and tsunamis with added measures for high tidal waves, gales and floodings.
- \* reviewed our BCP (Business Continuity Plan).
- \* In addition to drills for earthquakes, we decided to conduct drills for tsunamis, evacuation and safety confirmation (at least once a year). We have installed satellite telephones and LINE WORKS applications for safety confirmation.

#### Countermeasures Against the Novel Coronavirus (COVID-19)

In 2021, we continued our efforts to make countermeasures against the COVID-19 pandemic. We will continue to implement countermeasures against COVID-19.

- \* Strict adherence to wearing masks, washing hands and mouth and disinfecting using alcohol.
- \* Acrylic boards and PVC curtains are installed at the reception desk of the office to prevent droplet infection. Acrylic boards are also installed at the adjacent desks in all offices.
- \* Implemented Antibacterial, antiviral and deodorant installation on the walls of conference rooms at several Terminals.
- \* Revised BCP (Business Continuity Plan) regulations and newly established guidelines for when an infection occur among our employees.
- \* Expanded telecommuting, flextime and commuting by car or bicycle.
- \* Actively conducted meetings using the video conferencing system.  
Purchased peripherals (cameras for online meetings and document cameras) for those meetings.
- \* Significantly expanded the stockpile of masks, alcohol disinfectant, hand soap etc and purchased non-contact thermometer, face shield, mouth shield, Pulse Oximeter etc.
- \* Distributed non-cloth masks to employees.

#### Disaster and emergency contact training

All operating offices conducted these drills at least once a month with our subcontracting companies. The Marine Department and the Land Transport Department, in conjunction with our subcontracting companies, have conducted these drills at least three times a year.

All operating offices have organized the self-defense fire brigade.

The operating offices in the Sakurajima, Hokko area and the Takaishi area regularly conducted joint training with the Cooperative Fire Prevention Association and the Public Fire Department. Our operating offices in other areas regularly conducted cooperative training with the Public Fire Department as well.

All operating offices implemented precautionary measures against COVID-19 and conducted drills for disaster, namely self-protection and joint disaster drills based on the 2021 annual drill plan.

In addition, we have participated in emergency drills and technical competitions organized by the Public Fire Department to develop emergency drills with local companies and communities.

As for the Marine Department and the Land Transport Department, precautionary measures against COVID-19 was taken during drills for lifesaving at sea and accidents, such as fire or leakage and was conducted independently with their neighboring communities based on the annual drill plan.

Excerpts of Our Disaster Drill Records

January 20th, 2021/ Road Accident Drill with One of Our Partnering Companies at Mizushima Office.



February 25th, 2021/ Life-Saving Drill on Tanker Vessel, "Atago," Owned by the Marine Department.



April 14th, 2021/ Drill for Expanding a Floating Boom at Hokko Terminal.



November 25th, 2021/ Disaster Drill with Cooperative Fire Prevention Association at Umemachi Terminal.



November 29th, 2021/ Hazardous Chemical Leak Drill at Namihaya Terminal.





December 14th, 2021 / Fire Drill, while Fire Department Personnel present at Hokko Terminal.



#### Terminals and Warehouses

\* The latest renewal inspection of CDI-T(\*1) was completed in November, 2021.

The valid period of CDI-T is three years. After three years from the initial inspection (conducted based on the 4th edition questionnaire), we took the first renewal inspection in November, 2012, the second renewal inspection in November, 2015, the third renewal inspection in November, 2018 and completed the fourth renewal inspection in November, 2021.

The first renewal audit was conducted in accordance with the 5th edition questionnaire on January, 2012. 69 items were added from the previous edition.

The second and third renewal audit was conducted in accordance with the 6th edition questionnaire on November, 2015 and 2018, respectively. 126 items were added from the 5th addition.

The fourth renewal audit was conducted in accordance with the 7th edition questionnaire on November, 2018. 25 items were added from the 6th edition.

The next (the fifth) renewal audit is scheduled on November, 2024.

(\*1) Chemical Distribution Institute – Terminal

First audit : November 24th to 28th, 2009

Auditor JC Bae(JC Marine Services/Korea)

First renewal audit : November 19th to 23rd, 2012

Auditor JC Bae(JC Marine Services/Korea)

Second renewal audit : November 16th to 20th, 2015

Auditor Tatsuyoshi Demizu (Tokyo Chemical Safety Operations/Japan)

Third renewal audit : November 26th to 30th, 2018

Auditor Tatsuyoshi Demizu (Tokyo Chemical Safety Operations/Japan)

Fourth renewal audit : November 8th to 12th, 2021

Auditor Tatsuyoshi Demizu (Tokyo Chemical Safety Operations/Japan)

Report No. : Kizugawa Terminal 2013

Hokko Terminal 2014

Scope : Head office (Headquarters)

Hokko Terminal (Including a part of the Osaka Land Transport Division)

Kizugawa Terminal

Result : Kizugawa Terminal 93.81%

Hokko Terminal 94.14%

All items : 2,027(Management : 939, Technical : 1,088)



Uncleared items : Kizugawa Terminal : 109(Management : 14, Technical : 95)  
Hokko Terminal : 106(Management : 13, Technical : 93)  
※There were many uncleared items, which comply with the Japanese law, but CDI-T takes account of the international standard.  
Except for these items comply with the standard, 97% of the CDI-T questionnaires are cleared.  
※Generally, a 60% match to all items is the standard value of safety management, however we will aim to conform with all items given and seek further improvement.

Reference : All items (First audit) : 1,807(Management : 807, Technical : 1,000)  
Uncleared items : 177(Management : 67, Technical : 110)  
All items (Second renewal audit) : 1,876(Management : 860,  
Technical : 1,016)  
Uncleared items : 163(Management : 68, Technical : 95)  
All items (Third renewal audit) : 2,002(Management : 925,  
Technical : 1,077)

Uncleared items

Kizugawa Terminal : 64(Management : 9, Technical : 55)

Hokko Terminal : 54(Management : 7, Technical : 47)

All items (Fourth renewal audit) : 2,002(Management : 925,  
Technical : 1,077)

Uncleared items

Kizugawa Terminal : 110(Management : 20, Technical : 90)

Hokko Terminal : 102(Management : 19, Technical : 83)

※Kizugawa and Hokko Terminal conducted the first audit and the second renewal audit simultaneously, however they have been inspected separately since the third.

Internal audit : On October 2021, the internal voluntary audit was implemented and then 98% of the CDI-T questionnaires (7th) were cleared by self-audit.  
※We expand the inspection targets that are recommended for safety to mutatis mutandis Terminals and Departments – Terminals (Kobayashi, Chishima, Takaishi, Namihaya, Umemachi), Osaka Land Transport Section and Osaka Sales Department and the General Affairs Department.

Next audit : The fourth renewal audit is scheduled on November, 2024, which is in three years from the fourth renewal audit.

\* We join the committee for Oil Prevention and Control in Osaka Bay and Harima Sea and cooperate to prevent marine pollution in compliance with related laws and regulations.

Members : Kizugawa Terminal, Kobayashi Terminal, Chishima Terminal  
Namihaya Terminal, Hokko Terminal, Umemachi Terminal, Takaishi Terminal

※The Ministry of Land, Infrastructure, Transport and Tourism has been conducting on-site inspections of emergency response manuals and other documents, since March, 2011 starting with the Kizugawa Terminal and has confirmed that emergency response and other measures are being taken.

\* Terminals that own jetties where ocean-going ships frequently berth are designated as international harbor facilities and have all received approval of port facility security plans in accordance with laws and regulations related to International Ships and Port Facility Security (ISPS) Code ratified by the International Convention for Safety of Life at Sea (SOLAS).

Scope : Hokko terminal (Q-4B,Q-2 Piers)

※The on-site regular inspection for international harbor facilities was conducted by the Kinki District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism on December, 2021 and was confirmed that the Terminal is fully prepared for emergencies.

Takaishi Terminal (Takaishi Chemical Pier)

※The on-site regular inspection for international harbor facilities was conducted by the Kinki District Transport Bureau of the Ministry of Land, Infrastructure, Transport and Tourism on September, 2021 and was confirmed that the Terminal is fully prepared for emergencies.

\* The ships safety check list of ISGOTT(\*2)

ISGOTT provides the checklists for "discussion and agreement" between terminals and ships for loading operations. In our terminals, a marine loading confirmation form (started operating in July, 2010) that combines all requested items of ISGOTT and existing check lists are used to improve the relationship between terminals, ships and International Standard Compliance. We also secure the safety loading operation according to the epistle for safety, written as "to make an effort to secure safety and to consider the safety and efficient operations" (began operating in September, 2011), in the fair position between terminals and ships.

(\*2) ISGOTT=International Safety Guide for Oil Tankers and Terminals

\* We join the various safety and security organizations and contribute to neighborhood safety.

\*Improvement of terminal safety by using KPI

We use the KPI (Key Performance Indicator) to assess important facilities and equipments to judge its sustainability and necessity of improvement. It helps to find malfunctions in advance and prevents troubles and accidents caused by aged deterioration and obsolescence.

The KPI method is being used since 2013.

\* 24-hour surveillance cameras are installed in combination with the manned security system in main operating offices and garages of Land transport Department.

Installed : 6 operating offices(24 points)

Details : At the Hokko terminal

- around-the-clock surveillance and audio warning as necessary
- accessible at the supervisor's desk and home via the internet
- around-the-clock recording on host computers

At the head office

- All footages of security cameras checked by Environment Safety Department during business hours

Recording : At 6 operating offices recording on their computers around-the-clock.

※ It has been 12 years since monitoring cameras were operated. To resolve obsolescence of these cameras, we added new cameras and replaced existing cameras with new ones while rebuilding the network and enforcing to update the whole system of surveillance. (have been completed in March, 2018)

\* We changed the security system from our company's security section to a professional security company in 2013 to improve security quality.

#### Marine Transportation Division

\* We operate safety navigation according to safety regulation of Ministry of Land, Infrastructure, Transport and Tourism.

Establishment : October 1st, 2006

Commencement date : December 20th, 2006

(Reported to Kinki District Transport Bureau on December 6th.)

Administrative audit : August 7th, 2007

(The initial Transportation Safety Assessment was conducted by the Kinki District Transport Bureau.)

Prev. Administrative audit : February 14th, 2019

Good items : 2

Items pointed out : 0

Suggested items : 1 (Improved items : 0 / Items under consideration : 1 / Unresolved items : 0)

In 2020 and 2021, the Ministry of Land, Infrastructure, Transport and Tourism, the Kinki District Transport Bureau and the Maritime Safety Environment Department conducted the Administrative audit. Transportation Safety Assessment was not conducted by the Director of Safety Management and Seafarers Labour Inspection.

Internal audit : April 7th, 2021 (Compliance with the Safety Management Code was confirmed.)

\* We have joined various safety and security organizations and are promoting marine safety.

#### Land Transportation Division

\* G-Mark (Certification for safe and exemplary companies) was certificated in December, 2005 and we have strived for safety operations.

Validity Period : January 1st, 2019 to December 31st, 2022 (4 years)

Evaluation items : I . Compliance with Laws and Regulations for safety

II . Status of accidents and violations

III . Aggressiveness for safety activities

※ We gained the 10 year-award from Osaka Transportation Bureau for continuing to update G-mark for many years on December 16th, 2016.

\* We have joined various safety and security organizations and have contributed to the safety of our neighborhood.

### Industrial Safety and Health

\* Each division sets a Safety and Health Committee and make effort to secure industrial safety and health.

\* Various internal audits are conducted to secure industrial safety and health.

Terminals : SP Safety Audit (Stock Point)

9 offices (10 divisions) September 7th to November 18th, 2021

Items pointed out : 29 (Improved items : 28 / Items under consideration : 1 / Unsolved items : 0)

Due to the spread of the Novel Coronavirus, we will take the situation of the pandemic into consideration when conducting SP Safety Audits for departments located far from Osaka.

Land Transport Division : SHEQS Audit

11 operating offices and 10 companies October 15th to November 19th, 2021

Items pointed out : 29 (Improved items : 29 / Items under consideration : 0 / Unsolved items : 0)

Marine Transport Division : Audit of the Safety Management Code

Audit conducted on April 7th, 2021

Items pointed out : 0

Suggested items : 0 (Improved items : 0 / Items under consideration : 0 / Unsolved items : 0)

Total number of visits made by all ships : 274 times (15 ships, in total)

Average total number of visits per ship : 18 times (23 visits per ship, every month)

\* We conduct medical examination once a year and special medical examinations twice a year to ensure employees health.

In addition, information on health management is issued once a month to ensure employee health as well as to raise health awareness.

\* Assessment of employees' condition and ability.

All employees and sailors and drivers of cooperating companies' have taken breath alcohol tests and physical checks everyday to judge if they can work, since December 2006.

Since December 2008, Kizugawa terminal, Hokko terminal and Osaka Land Transport Section have installed advanced alcohol checkers, which can save test results with photo IDs in computer databases.

Alcohol checkers in the Land Transport Division have certification systems, which check if drivers have proper licenses and has systems to notify expired licenses. All drivers are required to take the breath alcohol test at the time of arrival in advance due to the law amendment.(\*3)

No drivers failed breath alcohol tests and physical condition checks in 2021. In addition, blood-pressure manometers are introduced in all offices. Employees are recommended to measure their blood pressure with an aim to keep their health and to notice changes in body condition.

(\*3) In accordance with the revision of safety rules of Motor Truck Transportation Business Act, all drivers have been regulated to take alcohol checks before departing and after returning, since April 1st, 2011.

At Hokko terminal and Osaka Land Transport Division, the drug tests are conducted by a third party institution in accordance with customer's requests.

Scope : Managers, Field Operators, Drivers of tank lorries.

Frequency : When hired, once in 2 years

Method of inspection : Measure the drug in urine.

## Safety Transportation

\* Accidents and near misses of the whole company are compiled and analyzed monthly and annually and their feedbacks are given to the whole company to secure safety.

\* S&E circulations about safety, health and environment to the whole company and all partnering companies have been issued to share the measures preventing future accidents and used for horizontal communication and warnings.

In 2021, we issued 39 SHEQSS information and 89 other articles, such as accidents of other companies.

\* Encouraging Employees to Get Qualifications

As a company which handles hazardous materials, we positively promote workers to gain national qualifications relating to the Fire Service Act, the Poisonous and Deleterious Substances Control Act and the Occupational Safety and Health Act. We have a total of 72 people gaining national certifications out of 83 candidates in 2021. (The pass rate is 87%.)

\* Standard education

Every year, we have educated all employees from the basic to the advanced level, which is required for working. We have conducted internal and external educational training by specialists for all employees to bridge the gap of individual knowledge and to raise the working level.

In 2021, as a precautionary measure against COVID-19 all employees participated in online seminars using Google Meet Video Conferencing in Google Work Space.

August 5th, 2021  
Forklift  
Safety Training Course



September 1st, 2021  
Study Session on Ship Insurance  
by an Insurance Company



\* Safety Activity with a Representative from a Chemical Company

We revised the rules, the procedures and the equipments with a representative from a chemical company in light of accidents that have occurred at other companies.

July 28th, 2021 / A Representative of a Chemical Company Paid a Visit to Hokko and Kizukawa Terminal.



#### Terminals and Warehouses

\* We hold the SP safety environment committee meeting to secure safety four times a year.

The annual schedule of next years safety activities are approved at the end of the year and implemented in accordance with the PDCA cycle.

The progress status and results are verified in regular meetings and internal audits.

Committee meeting : Four times (March 26th, June 25th, October 15th, December 21st, 2021)

※In order to prevent the spread of COVID-19, we took precautionary measures, such as limiting the number of attendees, wearing masks and creating a space between seats.

In addition, from June onwards, the committee meetings were held using Google Meet Video Conferencing in Google Work Space.

#### Agendas

\* Planning annual schedule of safety education and confirmation of progress status.

\* Announcement and verification of serious accidents and near-misses and considering measures.

\* Sharing information of measures and so forth for accidents and near-misses.

\* Educational training according to the amendment of laws and regulations.

\* Educational training for accidents, troubles, safety documents and regulations.

\* Result report of each audit and its improvement status.

\* Correspondence to the President's instructions.

\* Confirmation of reporting status to the government.

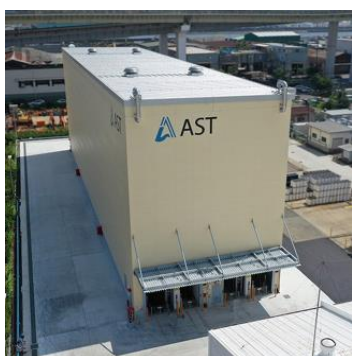
\* Others.

\* Construction for enlarging the south jetty (Q-2) at Hokko terminal was completed in December 2013 and maximum dock ability specifically for hazardous material was increased from 1800D/Wt to 6842D/Wt.

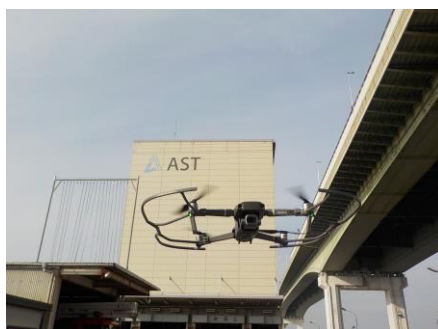
\* 3 Chemical Tanks for Ordinary Products, auxiliary facilities and tank lorry loading area were completed at the North Port Terminal on March 26th, 2021.



\* Construction for the Automated Storage and Retrieval System (Warehouse H) at Hokko Terminal was completed on August 17th, 2020.



\* We have adopted drones technology in 2020 to improve documentation of disaster drills, facility inspections, maps of our stock points etc.



#### Marine Department

\* The Ship Safety and Health Conference is held to secure safety three times a year.

The annual schedule of next years safety activities are approved at the end of the year and implemented in accordance with the PDCA cycle.

The progress status and results are verified in a regular meeting and an internal audit.

Convention : Held once on paper (March 31st, 2021)

Regular conference : Twice a year (First Half: July 5th, 2021)

(Second Half: September 26th, 2021)

※ The Convention was held on paper due to COVID-19. Regular conferences was conducted online using Google Meet Video Conferencing in Google Work Space.

## Agendas

- \* Planning the annual promotion schedule for safety and health activities and confirmation of implementation status.
- \* Commendation for no accident.
- \* Educational training according to casa studies of accidents/troubles, safety documents and regulations.
- \* Information and requests from Terminals.
- \* Opinions and requests from ship owners.
- \* Safety management regulations, safety navigation, propriety decisions of workers and strengthening of visiting ships activities.
- \* Others.

## Land Transport Division

- \* The vehicles safety and health conference is held three times a year to secure safety. The annual schedule of next years safety activities is approved at the end of the year and implemented in accordance with the PDCA cycle. The progress status and results are verified in regular meetings and internal audits.
  - Convention : Held once on paper (May 6th, 2021)
  - Regular conference : Twice a year (First Half: July 20th, 2021)  
(Second Half: December 3rd, 2021)
- ※ The Convention was held on paper due to COVID-19. Regular conferences was conducted online using Google Meet Video Conferencing in Google Work Space.

## Agendas

- \* Planning the annual schedule for safety and health activities and confirmation of implementation status.
- \* Educational training according to accidents, troubles, safety information documents and regulations.
- \* Information and requests from terminals.
- \* Opinions and requests from subcontracting companies.
- \* Sharing problems and information about safety and health.
  - \* All of the company's heavy vehicles have a digital tachometer and a dashboard camera installed.

## Compilation of Accidents and Near-misses

The Environment Safety Department compiles reports of accidents and near-misses of all divisions.

- \* Each terminal and operating office reports details and measures of accidents and near-misses to the Environment Safety Department every Monday.
- \* The Environment Safety Department compiles reports and gives feedbacks to the whole company.

The system to nip potential big accidents in the bud is established by taking measures of small accidents and near-misses. The Environment Safety Department offers suggestions, if necessary.

## Environmental Preservation

- \* We acquired ISO14001(JISQ14001 : 2015) certification and make an effort towards environment protection.
  - Organization : JAPAN CHEMICAL QUALITY ASSURANCE LTD.
  - Date of certification : November 25th, 2008
  - Certification number : JCQA-E-0844
  - Scope : Environment Safety Department in the head office



Business Department in Hommachi office, ※Domestic Ship Operator Operation Division  
※Tokyo Business Department in Tokyo branch(mutatis mutandis as point of contact for customers)

No1 Terminal Group Kizugawa Terminal, Namihaya Terminal

※Kobayashi Terminal ※Chishima Terminal

No2 Terminal Group Hokko Terminal, Umemachi Terminal ※Takaishi Terminal

Osaka Land Transport Section of the Land Transport Department

※ : ISO Mutatis mutandis application

External audit : Renewal audit(renewal: 4 – maintain: 1) was conducted from  
October 6th to 7th, 2021.

After the audit, renewal registration was approved by the Register Committee of  
Registered Probation Organization.

In 2021, we have the new following environmental objectives and attempts to achieve all of it.

Three-year plan : January 2020 to December 2022

1. Reduction of waste
2. Promotion of zero emission(Recycling of waste)
3. Fullfillment of disaster-resistant facilities
4. Contribution and promotion of SDGs(sustainable development objectives)

\*Prevention of marine pollution

Marine : Chemical tankers have made an outsourced contract with the Maritime Disaster  
Prevention Center to prevent marine pollution.

Land : Terminals which have jetties or berths join the member of the Committee for Oil  
Prevention and Oil Control in Osaka Bay and the Harima Sea, which is a mutual  
organization for an emergency. We stock equipment for an emergency and we actively join  
educational training, table top exercises and share its contents to the whole company.

The General Manager of Environment Safety Department serves as a director of the Committee  
for Oil Prevention and Oil Control in Osaka Bay and the Harima Sea since this committee  
was initiated and has also been serving as a manager of newly established executive committee  
since 2014.

\*Umemachi terminal has an industrial waste treatment facility to discharge washing water, which  
occurs in the washing operation of chemical tankers.

The terminal discharges washing water of hazardous substances, which is regulated under the  
Maritime Pollution Control Act or oil classified by Ministry of Land, Infrastructure, Transport and  
Tourism and operates the intermediate treatment of disposing industrial waste by oil separation.

The terminal accepts not only our company's ships, but also ships of other companies.

The industrial waste treatment facility handling oil washing water is one of the few facilities in  
Osaka Bay. We have reduced the environmental damage by treating washing water of chemical  
tankers properly at Umemachi terminal in accordance with related laws and regulations.

\*Hokko Terminal has a washing facility (Cleaning station) of tank lorries and ISO containers.

This terminal enforces the washing operations of products, such as hazardous substances  
without affecting the environment by completely collecting Volatile Organic Compound (VOC),  
waste water and washing water and disposing them properly.

\*Kizugawa Terminal have installed the electric facility to supply a power source to ships, while at  
berth. Since it has helped them turning off the engine during cargo handling, they have  
improved inboard environment and reduced negative effects to its neighborhood and CO2 emission.

\*All tank lorries of the Land Transport Department are equipped with tachometers and dashboard  
cameras. Tachometers show driving results in numerical data and dashboard cameras record  
driving situations at all times, which helps to contribute towards safety driving management,  
improvement of fuel efficiency and reduction of CO2 emission.

\* We have sequentially installed insulation coating that reduces 97% of solar heat on warehouses and tanks where chemical products are stored at each terminal. By reducing the temperature fluctuations in the chemical tanks, volatilization of chemical substances and tank ventilation are controlled and VOC emissions are reduced. It is as effective as an air abatement equipment by using both insulation coating and atmos valves. It also improves the freezing effect in low temp. warehouses, saving power consumption.

Current status

|                    |                      |                                    |
|--------------------|----------------------|------------------------------------|
| Hokko Terminal     | : 42Tanks( 30,318KL) | 6 warehouses(3,726m <sup>2</sup> ) |
| Kizugawa Terminal  | : 11Tanks( 6,220KL)  |                                    |
| Namihaya Terminal  | : 12Tanks( 5,062KL)  | 1 warehouse(294m <sup>2</sup> )    |
| Umemachi Terminal  | : 11Tanks( 5,375KL)  |                                    |
| Takaishi Terminal  | : 2Tanks( 1,900KL)   |                                    |
| Kobayashi Terminal | : 2Tanks( 1,650KL)   |                                    |

\* Our newly own vessel, "Washu"(Chemical Tanker : 498G/T), is put into service on May, 2020. CO2 emission is reduced due to increased efficiency of fuel consumption.

\* Windows at the head office and all main operating offices are replaced with heat insulations. By improving cooling and heating effects, we can save the operating time and control the preset temperature of air conditioners, which result in saving the power consumption.

\* We promote to replace the lightning to LED type.

The head office : Installation of LED for all lightning was finished in February, 2011.

Operating offices : Approximately 98% of lighting in the operating offices was replaced with LED lightning.

※All mercury lamps in main terminals are replaced with LED lightning.

※The power consumption of LED lightning is about a quarter of mercury lamp's and a major effect on energy saving is expected.

\* We promote energy-efficient air-conditioners

The head office : All old air-conditioners were replaced with energy-saving types in 2011 and insulation coating on all air-conditioner outdoor units was completed in 2012. We have reduced about 20% power consumption of air conditioners and about overall 35% of power consumption by installing LED lightning and heating insulation on the receiving facilities.

Offices : 95% of old air-conditioners are replaced with energy saving types and completed insulation coatings on 80% of all air-conditioner outdoor units .

We continue to promote the replacement of energy saving type air-conditioners and insulation coatings on the remaining air-conditioner outdoor units.

\* We have promoted to replace engine type forklifts with battery type ones for environmental protection. However, by considering BCP power failure by natural disasters, we have kept 30% of engine type forklifts since 2012.

## Quality Assurance

\* We have acquired ISO9001(JISQ14001 : 2015) certification and make an effort for quality assurance.

Organization: JAPAN CHEMICAL QUALITY ASSURANCE LTD

Date: April 6th 1998

Certificated Number: JCQA-0324

Scope:

|                           |   |
|---------------------------|---|
| Headquarters              | Environment Safety Department in the head office              |
| Business Department       | ※Domestic Ship Operator Operation Division in Hommachi office |
| Tokyo Business Department | ※Domestic Operation Division at the Tokyo branch              |
| No.1 Terminal Group       | Kizugawa Terminal, Kobayashi Terminal, Chishima Terminal      |

|                           |   |
|---------------------------|---|
|                           | Namihaya Terminal, ※Funamachi Terminal                      |
| No.2 Terminal Group       | Hokko Terminal, Umemachi Terminal, Takaishi Terminal        |
| Land Transport Department | Osaka Land Transport Section                                |
| Mizushima office          | Mizushima Land Transport Section and Pier operation section |
| Other offices             | ※Hachinohe office ※Chiba office ※Nobeoka Office             |

※: Mutatis mutandis terminal/division

The kickoff meeting was held to apply mutatis mutandis to Nobeoka office on November 13th, 2019. As of 2020, Nobeoka office has started to be operated as a mutatis mutandis Terminal.

(※ISO Mutatis mutandis Application)

External audit : Renewal audits(renewal: 7 – maintain: 2) were completed between March 10th and 12th, 2021.

Proper operations were approved by the Register Committee of Registered Probation Organization. In 2021, we had the following objectives and achieved them at all terminals.

1. Further reduction of logistic accidents.  
Set the accident rate at each operating office.
2. Improvement of quality of logistic operations.  
Set the detailed objectives at each operating office.
3. Improvement and maintenance of 5S.  
Set the detailed objectives at each operating office.
4. Fullness of Improvement and preventive activities.  
Set the detailed objectives at each operating office.

In 2022, we set the same objectives above and operate in accordance with it.

\* Marine Department

7 ocean-going ships are certified under the International Safety Management Code (ISM).  
2 ocean-going ships are certified under the Chemical Distribution Institute Marine (CDI-M).  
The Domestic Ship Operation Division of Marine Department has acquired ISO 9001 certification.

\* The Domestic Ship Operation Division of the Marine Department has managed and operated ISO 14001 standards as a mutatis mutandis division, since 2017.

\* BCP (Business Continuity Plan)

We established the BCP basic regulations to continue and recover the operation quickly from emergencies, such as pandemics, earthquakes, tsunamis and typhoons.

The effect of BCP was shown in emergency contacts and safety confirmations during the North Osaka Earthquake in June 2018 and typhoon No.21 in September 2018.

In December 2013, we installed satellite telephones in main offices to improve communication in light of big disasters, such as earthquakes and tsunamis and personal safety confirmation.

As of January 2019, we constructed the company-wide contact system by LINE WORKS (smartphone application) for improvement of the emergency contact and quick confirmation of safety of employees in the case of large-scale disasters. In addition to uses in daily operations, it has been used for the emergency drills twice a year.

\* Sales activities

Since July 4th, 2016, the Hommachi office opened to improve business activities and serviced operations to satisfy customer's demand. Business Department and Marine Department are designated in the office.

Additionally, The Shunan office opened to satisfy customer's demands in the Shunan area, since February 2017.

## Communication with Customers and External Stakeholders.

\* Awards from Government Agencies, Industry Groups and Customers.

- March 7th The General Manager of the Environment Safety Department received a Letter of Gratitude by the Chief of Osaka Municipal Fire Department and the Chairman of Osaka Hazardous Goods Fire Protection Liaison Council for his contribution to the growth and development of the association as an Officer of the Taisho Hazardous Goods Fire Protection Council as well as to the promotion of the firefighting administration of Osaka City.
- March 7th The President of Daimaru Sekiyu Co. Ltd. received an award from the Mayor of Osaka for his contribution to the promotion of the firefighting administration of Osaka City as Vice-Chairman of Taisho District Association of Fire Protection for many years.
- March 13th The President of Daimaru Sekiyu Co. Ltd. Received an award from the Governor of Osaka for contributing to the safety of society by promoting fire protection for many years.
- March 31st Our owned vessel, "Rokko," received an Excellent Safety Ship Award from a chemical company for achieving 5 consecutive years of accident and disaster-free operation of the ship.
- March 31st Our owned vessel, "Kyokuho Maru No.22," received an Excellent Safety Ship Award from a chemical company for achieving a year of accident and disaster-free operation of the ship by complying with the safety management and operation manual for offshore cargo handling.
- April 14th Our owned vessel, "Rokko," received an Accident-free Operation Award from a chemical company for achieving a year of accident and disaster-free operation of the ship.
- May 14th The Manager of Hokko Terminal received an Achievement Award from a chemical company for contributing greatly towards quality improvement in logistics.
- May 14th The Manager of Hokko Terminal received an Achievement Award from a chemical company for contributing greatly towards quality improvement in logistics.
- May 17th The Manager of Hokko Terminal received an Excellent Long Serve Commendation from the Osaka Industrial Chemicals Association.
- May 17th The Deputy Manager of Kobayashi Terminal received an Excellent Long Serve Commendation from the Osaka Industrial Chemicals Association.
- May 27th Our owned vessel, "Asahi," received an award for from Japan Barge Loading Safety Association for achieving a year of disaster-free operation of the ship.
- June 18th Our owned vessel, "Rokko," received an Accident-free Operation Award from a chemical company for achieving a year of accident and disaster-free operation of the ship.
- June 25th The Osaka Land Transport Section received a Fire Fighting Distinguished Service Award by the Konohana-Ku Hazardous Goods Fire Protection Council and the Fire Marshal of Konohana Fire Department for its efforts in safety management of hazardous goods facilities (Mobile Tank Storage) in Konohana-Ku.
- August 10th Kobayashi Terminal received a Letter of Gratitude by a chemical company for operating as a tank storage base that has ensured safe operations and a safe supply of products for many years.
- November 26th The President of AST Inc. received an Osaka Prefecture President's Award of Distinguished Service in Measurement by the Osaka Measurement Association for contributing to the progress of the business and industry related to measurement and to the development of the industry in the Measure Control Business, Metrology Certification Division and the Section of Management for many years.

\* Customer Satisfaction Survey

We have conducted customer satisfaction surveys to improve communication with customers and external stakeholders, which are the key elements of both ISO 9001 and ISO 14001 since the end of 2010.

We conducted a questionnaire in December, 2020 and received various opinions, requests and praises without any type of complaints.

The results of survey have been compiled and analyzed at Business Departments and these feedbacks have been sent to all employees to improve communication with external stakeholders.

\* Communication with Local Communities

Every year, we receive a request from our neighboring fire departments to participate in joint seminars and local traffic safety campaigns and conduct facility tours. Due to COVID-19 however, most events have been cancelled.

We have thrived and will continue to improve communication with the aim of strengthening ties with our neighboring fire departments and local residents.

June 25th, 2021 / Fire Fighting Distinguished Service Award awarded to the

Osaka Land Transport Section of the Land Transport Department

This award was presented jointly by the Konohana-Ku Hazardous Goods Fire Protection Council and the Fire Marshal of Konohana Fire Department in Osaka.



(Source: Homepage of Konohana Fire Department, Osaka-Shi)

November 25th, 2021 / Fire Fighting Practical Skills Training Session was Held at Hokko Terminal.

The training session was held to make up for the annual technical competition organized by the Public Fire Department.



## Environment and Safety Investment

We have invested necessary management resources for RC activities.

Details of investment for main environment and safety facilities in 2021 are stated in logistic Safety and Environmental Preservation.

We are planning for 2022 and beyond, while giving due consideration to the environment and safety.

## Compliance

In 2006, the Compliance with the General Principles was established.

We added prohibition of drunken, drugged and dangerous driving in 2007.

In 2008, we revised the policy of RC activities and decided to keep the record of RC activities.

At the end of 2010, "The Alcohol and Drug Policy" was established and it has been in effect from January, 2011.

### \*The Compliances with The General Principles

#### Attached Documents

- \*Management Principles
- \*AST Group's Code of Conduct
- \*AST Group's Approach to Safety and Health
- \*AST Group's Approach to Environment
- \*Responsible Care Activities
- \*Alcohol & Drug Policy
- \*The Management Organization Chart of Safety, Health and Environment

### Compliance Status

AST Inc. promotes to operate business activities based on our Business Philosophy and Code of Conduct. We have never been instructed, commanded or punished by authorities.

Our employees have never been arrested or investigated by the police and we never had any complaint on our actions against the public order and morality or any lawsuit by customers, external stakeholders and neighborhood residents.

## **Management Principle (Business Philosophy and Network Construction)**

### **Business Philosophy**

**Safety, Speed and Sincerity are our fundamental commitment upon which we expand our leading transportation business globally.**

Since the foundation of our Company in 1934, we have been developing ourselves into the most comprehensive transportation company with the motto of "Safety, Speed, and Sincerity."

In order to cope with a further innovation in an "Advanced Storage and Transportation" in our business, we have re-launched our Company, Kinki Transportation & Warehouse Co., Ltd., under a new name on August 1st, 2005.

To take advantage of our 70 years accumulated business assets, know-how, and technical expertise, we firmly seek the future of our customers needs, and develop and offer to the customers

We will continue to serve our three major business fields in marine transport, storage, and land transport, and will extend our service into a more consolidated distribution and a more globalized transportation, which are surely the demand of our customers in future.

### **Network Construction**

**Using our nation-wide framework as information satellites we promote our ability to provide consulting services**

Using our nation-wide framework we are actively promoting our business and consulting services.

Leading edge techniques and skills have been adopted by making our time developed distribution know-how available.

As professionals in an advanced storage and transportation industry, we plan to offer to our customers to meet their every need in distribution systems in future, from quality control, safety, and efficient transport to cost saving measures.



## **AST Group's Code of Conduct**

AST Group's board members and employees (hereinafter referred to as we) comply with all laws and regulations faithfully with an awareness of corporate social responsibility and mission. And we firmly act with corporate ethics and public decency as people engaged in the industry.

### **1. Compliance with laws and regulations**

As well as complying with the laws and regulations of both domestic and overseas, we respect for social norms and strive to conform our business activities to normal business practices and social ethics.

### **2. Management of information**

We will use any internal/external information which may come to our knowledge in the course of business for business purposes only and strictly maintain it to prevent leakage.

### **3. Health and safety of the employees**

We ensure the health and safety of our employees in the workplace and establish a comfortable work environment.

### **4. Respect for human rights and characters**

We respect for individuals' human rights and characters.

### **5. Relationship with politics and the administration of government**

We maintain a transparent and healthy relationship with politics and the administration of government.

### **6. Coping with antisocial forces and organization**

We do not have any relationship with antisocial forces and organization which might pose a threat to the social order and healthy business activities.

### **7. Living together with local communities**

We recognize the importance of the communication with local community, and establish a good relationship.

We are aiming to live together with local communities by cooperating for its development and activities to contribute to the safe and comfortable life.

### **8. Environment protection**

We recognize the importance of environmental issues, and strive for an effective use of resources and environmental protection through the business activities.

# **AST Group's Approach to Safety and Health**

## **Safety and Health Ideal**

Safety is the foundation of business activities. AST group complies with the relevant laws and regulations, and places the highest priority on safety and health of the public and our company in business activities.

We create a workplace environment that allows our employees to work with peace of mind and stay coordinated with local communities through the business activities which mission is to ensure the safety. We maintain social responsibility as a reliable member of the community.

## **Safety and Health Policy**

1. We give the highest priority to safety.
2. We promote the health control of our employees to maintain a healthy body and mind.
3. We secure the safety with the slogan, "Maintaining the state of no work accidents and injuries in accordance with the rules and fundamentals".

## **Safety and Health Objective**

1. No absence due to work accidents
2. General health checkups: Once a year, All employees
3. Special health checkup: Twice a year, All subject employees
4. Maintaining the state of no work accidents and injuries

## **Establishment of security system**

1. Our terminals' premises are surrounded by the structure that can prevent invasion by outsiders from outside and the important facilities/equipment are protected against invasion and theft with lockup and guard.
2. The security cameras are installed to monitor around the clock in the terminals that have and handle dangerous goods.
3. The security guards are deployed to monitor around the clock in the terminals that have and handle dangerous goods.
4. The security guards are limited to the employees directly employed by AST Inc. or the staffs of the reliable security company signed a contract with us.
  - 1) We provide education and training required for security to the guards directly employed by AST
  - 2) The security company provides education and training required for security to the staffs of the security company under the supervision of AST Inc.
  - 3) The education on "Compliance with the General Principles" stipulating the prohibited matter for the employees is included in education and training required for security.
  - 4) If intake of alcohol or drugs is suspected on duty, alcohol/drugs testing are conducted.
5. The guards should be engaged in the development of objectives and plans for security.

# AST Group's Approach to Environment

## Environmental Ideal

The global environment protection is high-priority issue for everyone around the world. AST group complies with the environmental laws and regulations, and promotes the business activities with environmental consideration.

We work together for mutual understanding and benefit with local communities through the business activities with harmony between people and environments. We maintain social responsibility as a reliable member of the community.

## Environmental Policy

1. The environment protection is our mission.
2. We assure continuous improvement of environmental impact in the business activities, and actively promote the following action to prevent of global warming and environmental pollution.

### (1) Prevention of Environmental Pollution

#### a) Warehouse/ Terminal

The control equipments for air emissions are actively installed to reduce gas emissions from tanks.

The drainage equipments which comply with effluent regulations are installed to prevent sewage contamination.

#### b) Land Transportation

The low-emission vehicles are actively installed and the vehicles which comply with the new regulations are replaced to reduce gas emissions from vehicles.

#### c) Marine Transportation

The low sulfur fuel is used and the vessels which comply with the new regulations are replaced to reduce gas emissions from vessels.

We actively promote waste treatment on land to reduce disposal from vessels to the oceans.

### (2) Prevention of Global Warming

#### a) Promotion of eco-driving

#### b) Promotion of energy saving

#### c) Promotion of modal shift

### (3) Waste Reduction and Proper Disposal

3. We raise our employees' awareness of environmental problems, and make an active contribution to environment protection.

## Environmental Objective

1. Reduction in gas emission from tanks
2. Discharging of wastewater from terminals based on the effluent regulations
3. Use of high quality fuels and reduction in the consumption and gas emission due to safe driving.
4. All waste from vessels is collected and treated on land.
5. Introduction of the Cool and Warm Biz campaign as a means to help reduce electric consumption.
6. Proposition of modal shift to the customers
7. Separation of waste and recycling of paper and iron scraps
8. The planned education on environment is provided to our employees to raise their awareness.

# Responsible Care Activities

Responsible Care (RC) activities are voluntary activities to implement and improve practices relating to environment, safety, and health throughout a life cycle of products; development, manufacture, distribution, use, final consumption and disposal, on the initiative of companies that handle chemical substances.

In 1985, RC activities started in Canada. The International Council of Chemical Associations (ICCA) was established in 1990. Since then, each country's chemical industrial association has promoted RC activities, depending on individual circumstances and based on common principles.

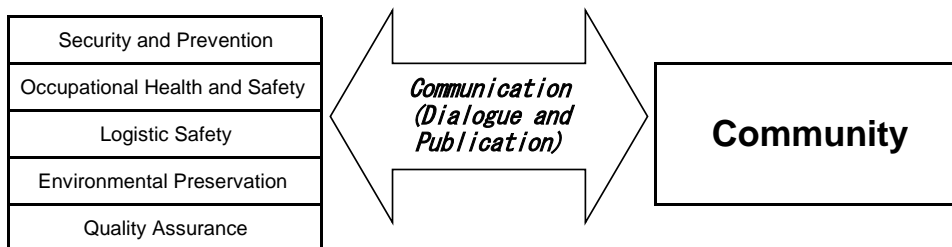
The activities have been developed in 53 countries as of October 2007. The Japan Responsible Care Council (JRCC) was founded and officially started activities in 1995.

## Corporate Social Responsibility (CSR) Report

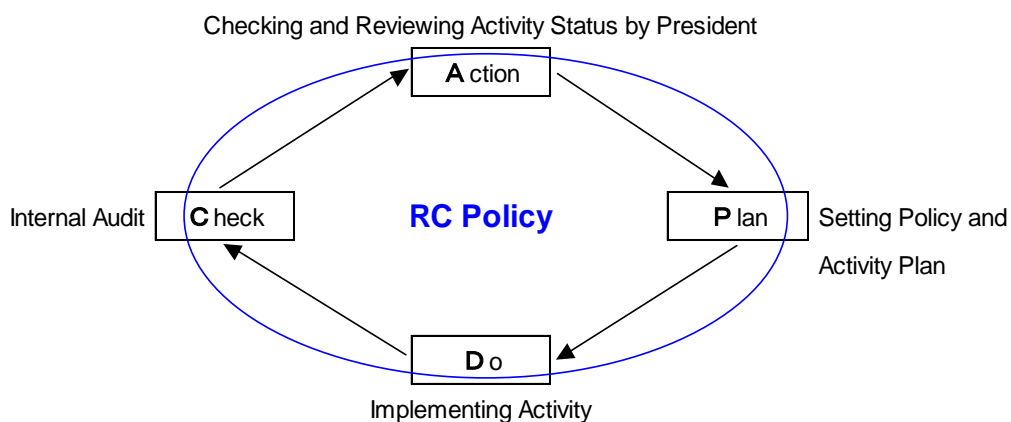
CSR report of three divisions (Warehouse and Terminal, Marine Transportation, and Land Transportation) is made and released annually to enhance social communication and to announce results of our responsible activities.

## Basic Responsible Care

Our RC activities are implemented in five categories as follows:



RC activities are implemented according to the PDCA cycle.



## Responsible Care Policy

Our RC activities are based on the Code of Conduct and the Management Principles.

## System of Responsible Care

The RC Committee is internally established to promote RC activities effectively.

# Alcohol & Drug Policy

Acts in violation of internal rules and policies and laws and regulations in their own is defined in Article 5 (Prohibited Matter for the Employees) - (1) in our "Compliance with the General Principles", and the details of the Article 10 (Compliance Monitoring) on "Alcohol and Drugs" which is especially disruptive and may affect their operations directly are stipulated as follows:

## 1. Prohibited acts concerning alcohol and drugs

All employees should not act as below;

- 1) Driving of vehicles, navigating of vessels and monitoring sailing conditions after drinking/ under the influence of alcohol.
- 2) Performing work duties after drinking/ under the influence of alcohol.
- 3) Dealing, possession and consumption of illicit drugs; such as hallucinogens, stimulants, opiates, marijuana, thinner, etc.
- 4) Dealing, possession and consumption of drugs which have limited use by laws and regulations for purpose other than the original intent, and dealing, possession and consumption of any other disruptive drugs
- 5) Using of prescriptions and therapeutic drugs for purpose other than the original intent
- 6) Driving of vehicles, navigating of vessels and monitoring sailing conditions while taking medicinal drugs with sleep-inducing or hallucinogenic properties.
- 7) Operation of cargo-transporting equipment and fieldwork while taking medicinal drugs with sleep-inducing or hallucinogenic properties.
- 8) Obstructing of alcohol and drug testing
  - a) Proxy test-taking
  - b) Replacement of the sample for testing and adding a foreign substance into it
  - c) Unreasonable refusal of the testing

## 2. Compliance monitoring for the prohibited acts

- 1) The company may conduct the following test to constantly monitor to make sure that the items 1), 2), 6) and 7) in the preceding paragraph are being complied with. The employees and the members of business partners shall give consent for the testing to prove that they comply with these items.
  - a) Test items and criteria
    - (1) Check for availability of operation before work
      - 1) Physical condition  
"Best criteria": No health problems, and no sleep-inducing or hallucinogenic symptom
      - 2) Breath alcohol test  
"Best criteria": Zero value of measurement
    - (2) Breath alcohol test for professional vehicle drivers after returning to the offices  
"Best criteria": Zero value of measurement
  - b) Examinees
    - (1) The employees and the members of business partners engaged in driving of vehicles, navigating of vessels, operation of cargo-handling equipment and fieldwork
    - (2) The employees engaged in office work required by the director/ terminal manager
  - c) Examiners and records
    - (1) Managers of the operations section or the environment safety section in each terminals, managers of the transportation department and the captain or chief officers of the marine department

(2) Only if the director/ terminal manager requires, the employees should take each test by themselves, and their managers should confirm immediately after the tests are completed.

(3) The examiners should record the test results on the designated form.

d) Examination period

(1) All working days

(2) When the influence of alcohol or drugs is suspected as the cause of an accident or abnormal behavior

e) Availability of operation and penalties

(1) Availability of operation

1) Available: To meet all of the conditions before or during work as follows;

i ) The stipulated tests are completed before or during work.

ii ) All test results meet "Best criteria".

2) Not available: To meet any of the following conditions, and if so, working on the day is prohibited.

i ) The employees who neglect or refuse the tests

ii ) Either test result is not "Best criteria".

However, if results of retesting are "Best criteria" and the director/ terminal manager determines that the failure of "Best Criteria" in the previous test was caused by mechanical error or a trivial reason that does not affect the safety directly(\*1), the employee is allowed to work from that point on.

(\*1) A trivial reason that does not affect the safety directly;

\*Poor physical condition that does not affect operations, but uninfluenced by medicines

\*Alcohol response from other than alcohol in the mouth

(2) Penalties

1) The company should take measures regarding the employee who violates prohibited acts concerning alcohol and drugs in accordance with the company rules.

2) If a serious consequence has occurred in the light of the public order and morals especially, chapter 10 (disciplinary action) in the company rules will be enforced.

2) The company may conduct the following test when the external interested parties (hereinafter referred to as the "customers") require that alcohol and drug testing be implemented by the third party organization. However, written consent of the employee or the business partner and its member is required to implement these testings.

a) Requirements for testing

(1) When the customers require alcohol and drug testing, and the company understand the necessity and agrees.

(2) The testing cost shall be borne by the customers.

(3) The company considers the customer's stipulation to determine the examinee.

(4) The total number of the examinees and examiners, and the testing cost should be reported to and approved by customers.

b) Test items and criteria

(1) Urine testing for alcohol detection

"Best criteria": Negative test result

(2) Urine testing for drug detection

"Best criteria": Negative test result

| Object      | Method         | Allowable Value (ng/ml) |
|-------------|----------------|-------------------------|
| Amphetamine | Screening Test | 1,000                   |
| Cocaine     | Screening Test | 300                     |
| Marijuana   | Screening Test | 50                      |

|               |                |       |
|---------------|----------------|-------|
| Opium         | Screening Test | 2,000 |
| Phencyclidine | Screening Test | 25    |

c) Examinees

- (1) The director/ the terminal manager, managers of the environment safety section, managers of operation section, and the general manager and manager of the transportation department in the terminal who handle products of the customers requiring the testing.
- (2) The employees and the members of business partners engaged in driving of vehicles, navigating of vessels, operation of cargo-handling equipment and fieldwork who handle products of the customers requiring the testing.
- (3) The examinees who took completely the check for availability of operation before work and have got the normal test result over the past year are exempted from the urine testing for alcohol detection.

d) Examiners and records

- (1) The third party organization designated/ suggested by the customer and agreed by the company
- (2) The third party organization determined by the company in the absence of a designation/ suggestion by the customer
- (3) Managers of the operation section or the environment safety section in each terminal and managers of the transportation department should receive and record the test results from the examiners.

e) Examination period

- (1) From one month to one day before the employee is in charge of the subject operation.
- (2) From one month to one day before two years passes since the previous testing when the employee keeps being in charge of the subject operation.
- (3) From one month to one day before two years passes since the previous testing when the employee is in charge of the subject operation again.
- (4) Within two years since this policy is established when the testing is agreed between customers and us in particular.
- (5) When the influence of alcohol or drugs is suspected as the causes of an accident or abnormal behavior
- (6) An unannounced testing shall not be implemented from a human-rights perspective.

f) Availability of operation, retesting and penalties

(1) Availability of operation

1) Available: To meet all of the conditions before work as follows;

- i ) The tests are completed within the stipulated period.
- ii ) All test results meet "Best criteria".

2) Not available: To meet any of the following conditions, and if so, working on the day is prohibited.

- i ) The employees who neglect or refuse the tests
- ii ) Either test result is not "Best criteria".

However, if results of retesting are "Best criteria" and the director/ terminal manager determines that the failure of "Best Criteria" in the previous test was caused by mechanical error or a trivial reason that does not affect the safety directly(\*1), the employee is allowed to work from that point on.

(\*2) A trivial reason that does not affect the safety directly;

\*Positive test result from the effect of medicinal drugs taken properly

\*Positive test result from the effect of poor physical condition, and detection of tiny amount of alcohol



(2) Retesting

- 1) When the examinee himself makes objection with rational reasons
- 2) When the company gets suspicious about the test results
- 3) When the company considers the retesting is necessary.

(3) Penalties

- 1) The company should take measures regarding the employee who violates prohibited acts concerning alcohol and drugs in accordance with the company rules.
- 2) If a serious consequence has occurred in the light of the public order and morals especially, chapter 10 (disciplinary action) in the company rules will be enforced.

3. Storage, management of the test results and report to the customers

1) Storage, management of the test results

Managers of the operation section or the environment safety section, managers of the transportation department and the captain or chief officers of the marine department should store and manage the test results as personal information.

2) Report the test results to the customers

a) When the test results are reported to the customers, personal information such as individual name must not be disclosed.

b) The following test results are reported to the customers.

- (1) The total number of examinees who are taking tests.
- (2) The number of examinees who took tests.
- (3) The number of examinees whose test results are negative.
- (3) The number of examinees whose test results are positive.
- (5) Testing organization, Cost, Date

date of establishment: 5th Jan 2011

date of revision: -

**AST Inc.**