

Sustainability initiatives

JR-West Group's approach to sustainability

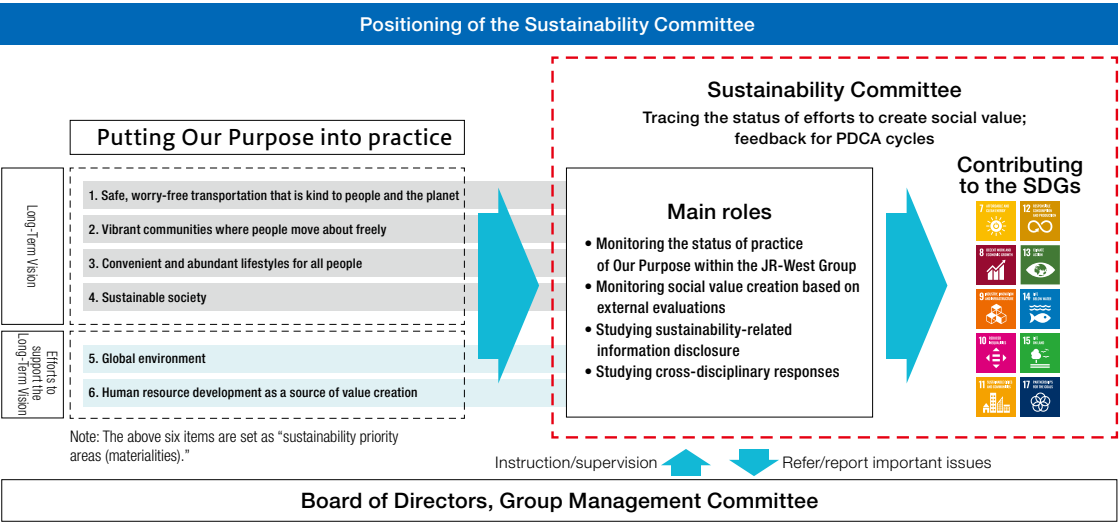
The JR-West Group develops various businesses such as wide-area infrastructure services, prioritizing safety above all, and has contacts with many customers and connections with communities. Based on Our Purpose, from the perspective of sustainability, which is important for sustainable social development and sustained corporate growth, we will face social challenges, evolve our connections, create social and economic value through our business, and contribute to the achievement of the SDGs.

Sustainability promotion system

The Sustainability Committee discusses risks, opportunities, and initiatives related to sustainability. In principle, the committee meets twice a year, with the president as the chair and comprising executive directors in charge of Head Office departments and general managers of related departments in charge of sustainability initiatives and information disclosure. The contents of the deliberations are reported to and discussed at Board of Directors meetings, which are also attended by outside directors, to enhance the transparency of the efforts.

The JR-West Group has formulated a Long-Term Vision to achieve Our Purpose and set four social issues to focus on (safe, worry-free transportation that is kind to people and the planet; vibrant communities where people move about freely; convenient and abundant lifestyles for all people; and the planet; vibrant communities where people move about freely; convenient and abundant lifestyles for all people; and

a sustainable society). We recognize the creation of social value in the JR-West Group means putting Our Purpose into practice and realizing our Long-Term Vision. The Sustainability Committee comprehensively evaluates the status and challenges of these initiatives based on external evaluations and the degree of achievement of goals, and it provides necessary feedback to the main departments that run specific PDCA cycles. We have set six priority areas for sustainability (materialities) with the addition of the “global environment” and “human resource development as a source of value creation,” which are the foundations for tackling social issues listed in the Long-Term Vision.



Third-party ESG evaluations

We have been selected as a constituent stock of the following ESG indices.

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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Identifying sustainability priority areas (materialities)

From the perspective of effectively utilizing limited resources, we discussed at the management level the priority areas (materialities) that are particularly relevant to our company's corporate value enhancement. In identifying the materialities, we studied social issues, created a candidate list, and evaluated them on two axes: social value (impact on society) and economic value (impact on JR-West), extracting issues with high social and economic value.

Based on the discussions held to formulate Our Purpose, Long-Term Vision, and Medium-Term Management Plan, we set the materialities in conjunction with the issues of the “global environment” and “human resource development as a source of value creation” to support the realization of the four priority issues (= Long-Term Vision), in anticipation of the emergence of various social issues in the next 10 years.

Specific process leading to materiality identification

STEP 1

Comprehensive understanding of social issues

We identified social issues to be addressed from an ESG perspective, referring to the FTSE ESG external evaluation items and the SASB Standards for ESG disclosure. We also identified social issues from the perspective of the SDGs and created a candidate list of materialities.

STEP 2

Prioritizing issues from the perspective of the JR-West Group

We prioritized the issues to be addressed by comparing the list of materiality candidates identified in Step 1 with risks, opportunities, and relationship with our corporate philosophy.

STEP 3

Prioritizing issues based on the degree of impact on society and JR-West

Based on evaluations and comments from stakeholders, including investors, and ESG rating agencies, we prioritized issues to be addressed from the perspectives of impact on society and our company.

STEP 4

Identification of materialities

Based on the list of materiality candidates compiled in Step 2 and Step 3, we selected six materialities as priority areas with high social and economic value in discussions at the management level (Board of Directors). In the selection process, the discussions on the formulation of Our Purpose, Long-Term Vision, and Medium-Term Management Plan were also reflected. The Board of Directors will regularly review the status of initiatives, and the Sustainability Committee will monitor whether they lead to the creation of social value.

STEP 1 / STEP 2

Listing materiality candidates

Identification of social issues based on ESG external evaluation items and ESG disclosure standards (example)

	E (environment)	S (social)	G (governance)
FTSE	• Biodiversity • Climate change	• Customer responsibility • Human rights and the community	• Anti-corruption • Transparency of taxes
SASB Standards	• Greenhouse gas emissions • Energy management	• Product and quality safety • Employee health and safety	• Business ethics • Critical incident management

Identification of social issues based on the SDGs (example)

Relevance to JR-West Group businesses	E (environment)	S (social)	G (governance)
Especially high	• Climate change measures • Conserving marine resources	• Employment and motivating work • Sustainable tourism	• Efficient public-private-civil society partnerships
High	• Ensuring the sustainability of water and sanitation • Securing sustainable energy • Preventing loss of biodiversity	• Ensuring women's participation and equal leadership	
Low		• Poverty eradication • Ensuring healthy lives • Ensuring high-quality education	

STEP 3

Prioritizing materialities

Identifying issues that have high social value and economic value

(Example)

- Initiatives related to railway safety
- Initiatives related to the global environment
- Initiatives related to human resource strategy, etc.

STEP 4

6 materialities

Long-Term Vision

- (1) Safe, worry-free transportation that is kind to people and the planet
- (2) Vibrant communities where people move about freely
- (3) Convenient and abundant lifestyles for all people
- (4) Sustainable society

Efforts to support the realization of the Long-Term Vision

- (5) Global environment
- (6) Human resource development as a source of value creation