



Corporate ethics and human rights

JR-West Group's approach to corporate ethics and human rights

For the JR-West Group, corporate ethics and human rights are at the foundation of our business activities. We believe that it is important to go beyond mere legal and rule compliance to show ourselves deserving of the confidence (trust and expectations) that society has in us. Towards that end, we have established an Employee Code of Ethics and other resources, which we disseminate among all executives and employees.

Given this, it is with great regret that the JR-West Group caused successive compliance violations in fiscal 2024, including working hours-related legal violations and business contracting-related improper billing and expiration date manipulation. We are thoroughly investigating the causes of this noncompliance and working to ensure it does not happen again, as well as applying the lessons learned throughout the entire Group and making other efforts to bolster compliance levels.

Also, in recognition of the heightened importance of human rights in business activities, and in conjunction with the formulation of Our Purpose and JR-West Group Long-Term Vision 2032, we revised the JR-West Group Human Rights Policy in April 2023. We will continue to work with stakeholders both inside and outside the Group as we strive to respond appropriately to the increasingly diverse and complex human rights issues we face.

We have issued a signed declaration in support of the United Nations Global Compact (UNGC) and were registered as a UNGC corporate participant on January 30, 2023. We will continue contributing to the creation of a sustainable society through adherence to the 10 principles advocated by the UNGC with regard to human rights, labor, the environment, and anti-corruption.



Corporate ethics and human rights efforts

Structures

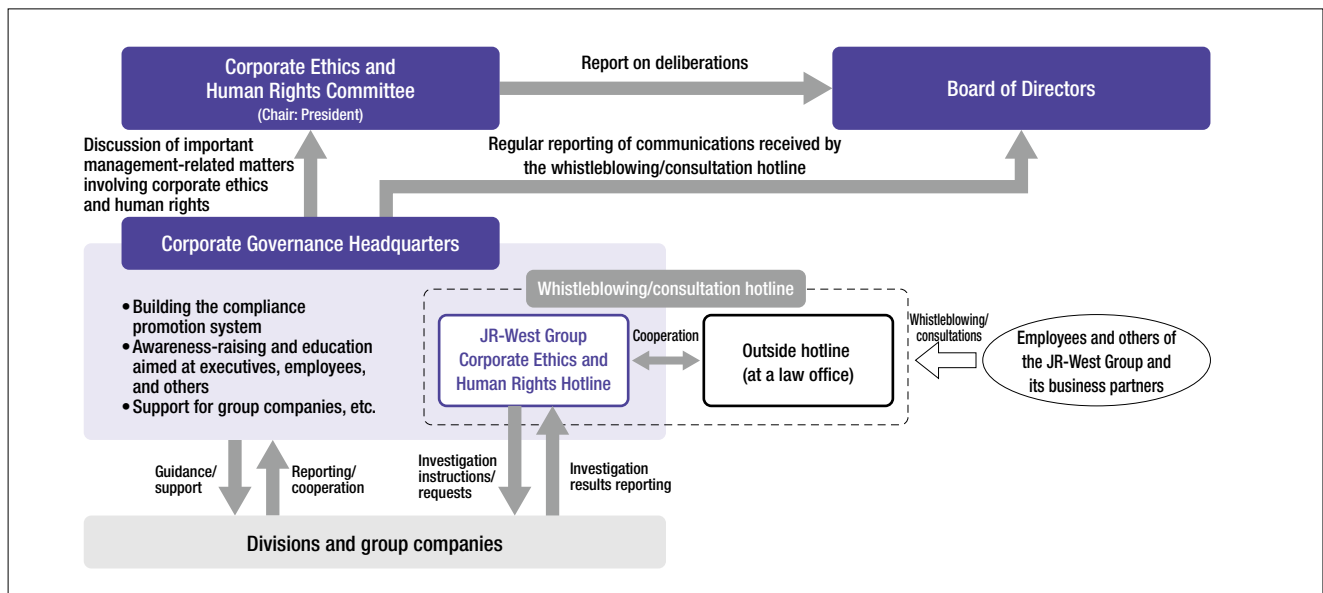
In line with our compliance promotion regulations, our Corporate Governance Headquarters plays a central role in building corporate ethics and human rights-related systems and in providing guidance and support to each department and group company.

In addition, important management matters are deliberated by the Corporate Ethics and Human Rights Committee, which

is chaired by the president and which includes outside experts. The content of these deliberations is reported to the Board of Directors, who then take appropriate action to mitigate risks related to corporate ethics and human rights.

Additionally, the number of whistleblowing and consultation cases received, as well as summaries of those cases, are regularly reported to the Board of Directors.

JR-West Group's corporate ethics and human rights-related system



Corporate ethics and human rights

Education and awareness raising

We offer rank-specific training each year to executives, managers, and general employees of the JR-West Group on corporate ethics and human rights.

In particular, we are working hard to improve our corporate culture and prevent harassment, based on the belief that increasing psychological safety in organizations and workplaces is the first step in preventing scandals. We actively utilize case studies received through the corporate ethics questionnaire and whistleblowing system (described below) to

educate and raise awareness among executives and managers.

In recent years, we have not only worked to prevent misconduct, as we have done before, but also have given priority to measures that deepen understanding in keeping with global trends, such as the relationship between business and human rights.

We also regularly publish a compliance newsletter as a way to provide education and awareness-raising at each workplace.

Corporate ethics questionnaire

Each year, the JR-West Group administers a corporate ethics questionnaire to monitor our corporate culture and look for signs of misconduct. In addition to reporting the questionnaire results to top management, such as those on the Corporate Ethics and Human Rights Committee, and sharing information about compliance issues, we use the results of the questionnaire to

study measures for preventing misconduct at each company and workplace, such as utilizing a free writing submission system as a “second whistleblowing hotline.”

With regard to harassment violations, which had a high reporting rate across the Group, we are working to reduce these by setting KPIs for the medium-term management plan period.

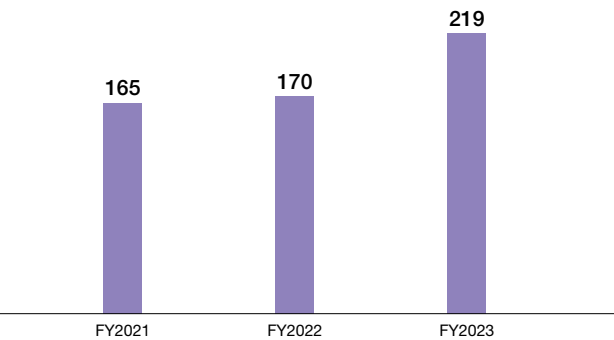
Whistleblower system

The JR-West Group has established hotlines inside and outside the company to accommodate contacts from whistleblowers and requests for advice concerning corporate ethics and human rights in keeping with the provisions of the Whistleblower Protection Act and other regulations.

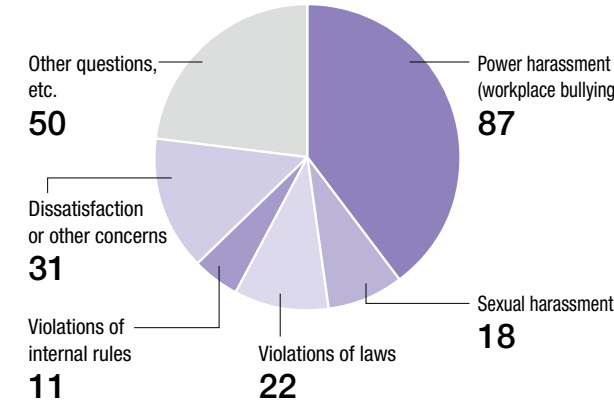
In April 2023, in an effort to improve confidence in the whistleblowing/consultation hotline, we changed the name of the internal hotline from the Ethics Office to the JR-West Group Corporate Ethics and Human Rights Hotline. We increased the number of hotline representatives, and we revised the system such that the diversity and expertise of our members is leveraged in handling reports. And, when handling reports, we ensure whistleblowers are thoroughly protected in accordance with the regulations for whistleblowing and consultations.

These hotlines also serve as contact points for redressing any negative impacts on human rights that occur in business activities. We accept reports and consultations from a wide range of stakeholders, including not only JR-West Group executives and employees, but also business partner employees. This way, we are striving to build a “self-cleansing” corporate culture by quickly identifying and dealing with fraud and human rights abuses within the JR-West Group.

Number of incidents reported from FY2021 to FY2023



Breakdown of whistleblower reports and requests for advice received during FY2023



Business and human rights-related efforts

JR-West Group Human Rights Policy

To ensure that all executives and employees of the JR-West Group share, and act on, important values related to respect for human rights, we established the JR-West Group Basic Policy on Human Rights in April 2019 and have also been pursuing human rights-related efforts Group-wide. Given the expanding scope and target of human rights issues that companies need to consider in their business activities, in April 2023, based on advice solicited from multiple outside

experts, we revised the JR-West Group Basic Policy on Human Rights, renaming it as the JR-West Group Human Rights Policy.

In addition to presenting policies that pertain to the JR-West Group’s efforts to respect human rights, such as human rights due diligence, improving access to remedies, and pursuing dialogue with stakeholders, we ask for the understanding and cooperation of suppliers and others as well in implementing these policies.

Human rights due diligence

The JR-West Group conducts human rights due diligence as a means of identifying and mitigating human rights violation risks in the course of business activities.

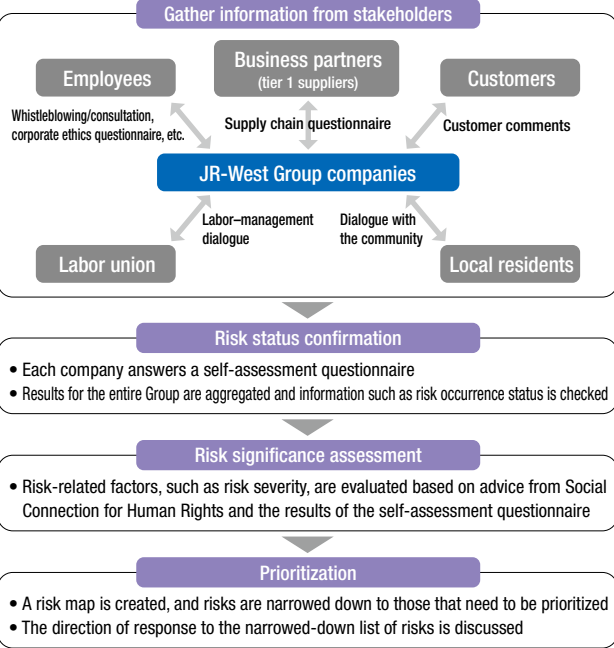
With regard to human rights issues like harassment and discrimination, we have been working to reduce risks at each workplace. Starting in fiscal 2024, we will work to identify and mitigate risks and evaluate effectiveness on a three-year cycle, based on a repositioned focus on human rights as a key management issue and acting in accordance with the Japanese government’s Guidelines on Respecting Human Rights in Responsible Supply Chains and other relevant guidelines.

Currently, we collect information from stakeholders through corporate ethics questionnaires for employees, dialogue with labor unions, supply chain questionnaires for tier 1 suppliers, and other means. Based on these, we conduct self-assessment questionnaires at each group company and,

with advice from Social Connection for Human Rights, an NGO specializing in human rights, we identify risks to be prioritized.

We will begin implementing specific initiatives during fiscal 2024 to mitigate the identified human rights violation risks.

Risk identification process in human rights due diligence



Access to remedies

The JR-West Group has established the JR-West Group Corporate Ethics and Human Rights Hotline, as well as an outside hotline, to serve as points of contact in seeking relief for human rights violations (i.e., as grievance mechanisms). For more information, see “Whistleblower system” (P87).

Message from an outside expert

Osaka University of
Economics and Law
Emi Sugawara, Professor

Management that respects human rights is essential for responsible corporate activity. In April 2023, the JR-West Group revised its human rights policy and, to contribute to a sustainable society, has taken a stance and established a system for respecting human rights in all of its business activities, including those of its business partners. The challenge for the future is to effectively implement this policy. As part of its human rights due diligence, the JR-West Group conducts human rights impact assessments via questionnaires given to its group companies and tier 1

suppliers. A diversity of industries means a diversity of human rights risks. It is expected that the opinions and input of stakeholders will be utilized in conducting human rights risk assessment and identification. In terms of procedures for seeking remedy, hotlines are in place that workers at group companies and business partners can access, but creating a system that is available to a wider range of stakeholders and that is highly professional and transparent will help to ensure the effectiveness of remediation. I look forward to seeing how these efforts will grow and develop in the future.