

J-POWER Group's Sustainability Initiatives and Management

Basic Policy on Sustainability

In accordance with the Basic Policy on Sustainability, J-POWER has established individual basic policies regarding ESG and is promoting initiatives in these areas. The structure of the policies and rules is shown in the diagram below.

The J-POWER Group's Corporate Philosophy

We will meet people's needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world.

Basic Policy on Sustainability

Under our Corporate Philosophy of "We will meet people's needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world," we, the J-POWER Group, will realize a prosperous society through our business activities both in Japan and the world, based on a relationship of trust with our stakeholders.

Material Issues



Corporate Policies

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|---|-----------------------|---|---|
| • J-POWER Group Environmental Basic Policy | P.67 | • J-POWER Group Basic Policy on Human Rights | P.75 |
| • J-POWER Group's Thoughts on Social Contribution Initiatives | P.73 | • Basic Policy on Occupational Health and Safety | P.85 |
| • Basic Policies for Product Procurement | P.77 | • Declaration of Partnership Building | P.77 |
| • Basic Policy on Corporate Governance | P.87 | • Corporate Conduct Rules and Compliance Action Guidelines | P.98 |
| • J-POWER Group's Basic Policies on Cybersecurity | P.101 | • Basic Policies on Personal Information and Information Security | https://www.jpowers.co.jp/english/privacy/ |

Sustainability and Improving Corporate Value

The J-POWER Group's corporate philosophy aims to solve social issues through the enhancement of corporate value, which is sustainability in and of itself. Among various social issues, the Group has identified five material issues: supply of energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation, and we have set specific goals (KPIs) for each. The initiatives set to achieve the KPIs are closely related to the actions and management strategies laid out in the Medium-Term Management Plan. We will contribute to the continuous enhancement of our corporate value and the advancement of sustainability of society as a whole by achieving our KPIs while enhancing our financial value.

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Signing of the UN Global Compact

In April 2021, J-POWER became a signatory to the UN Global Compact (UNGC), a voluntary initiative undertaken by companies and organizations that act as good members of society and participate in the creation of a global framework for sustainable growth by demonstrating responsible and creative leadership. We will drive forward with our efforts in regard to the Ten Principles of the UN Global Compact, which focus on the four areas of human rights, labor, environment and anti-corruption, as they align with our Corporate Philosophy and policies.

WE SUPPORT



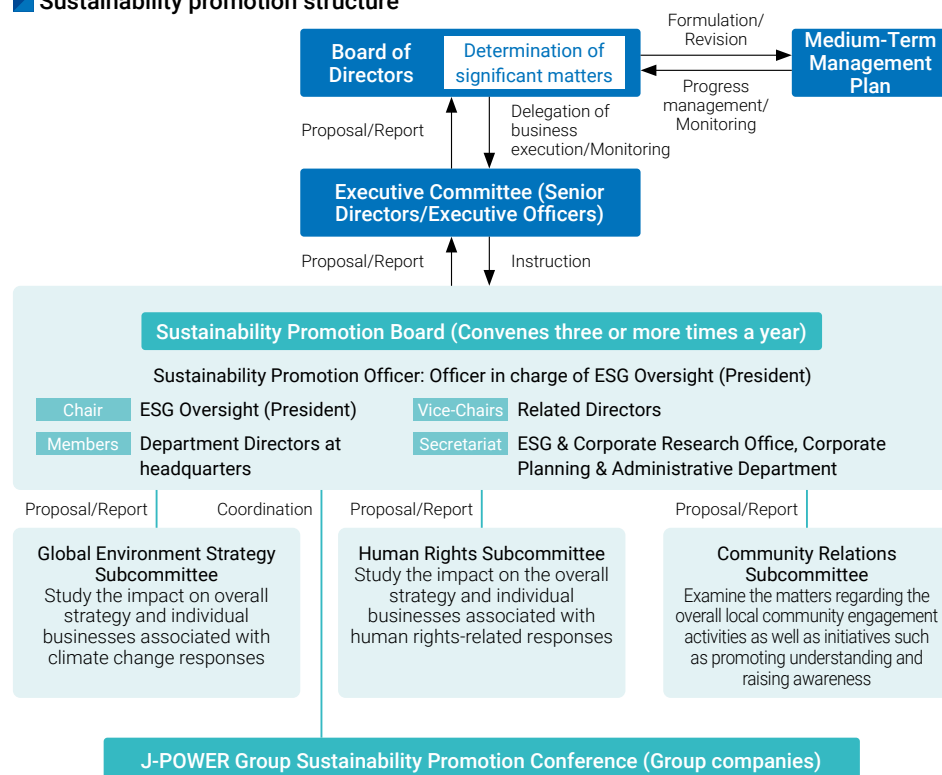
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Management Structures

Because the promotion of sustainability is directly related to the Group's management strategy and management issues, our important matters regarding sustainability, including our Basic Policy on Sustainability and material issues, are decided by the Board of Directors after discussions at the Executive Committee. Specific measures are discussed and promoted by the Sustainability Promotion Board, headed by the ESG Oversight (President), in cooperation with Group companies.

The Sustainability Promotion Board convenes at least three times a year to discuss the drafting of policies to be submitted and reported to the Board of Directors and the Executive Committee. It is also tasked with formulating plans and reviews measures based on policies, risk management, and other matters. In addition, the person in charge of sustainability promotion regularly reports the contents of those deliberations to the Executive Committee and the Board of Directors to allow them to monitor the status of initiatives and reflect them in management and business plans.

Sustainability promotion structure



Recently determined and reported matters

Determined by the Board of Directors	- Replacement of assets in our asset portfolio - Update of our shareholder return policy - Evaluation of effectiveness of the Board of Directors - Appointment of officers/compensation system/appointment of important employees
Matters reported to the Board of Directors	- Domestic and overseas trends on climate change - Status of dialogue with institutional and individual investors - Status of ESG initiatives and evaluation by external organizations - Report on internal audit results - Disclosure policy based on TCFD and TNFD Recommendations - Occurrence status of occupational accidents
Matters reported to/determined at the Executive Committee, Sustainability Promotion Board	- Disclosure of the results of material issue targets (KPIs)/PDCA - Circumstances surrounding sustainability management - Report on the status of initiatives to respect human rights - Review and evaluation of the Environmental Basic Policy and targets - Enhancement of the promotion structure of local community engagement activities and the results of such activities

Dialogue with Stakeholders

We disclose information and engage in dialogue with a variety of stakeholders, including local residents, individual investors, institutional investors and NGOs. The opinions we receive, as well as the expectations and requests of society and the stock market, are shared with our management team and utilized in our sustainability promotion and business operations.

Main initiatives

Stakeholders	Initiative examples
Local communities	- Briefing sessions on environmental impact assessment procedures - Holding events such as tours of our power plants - Participating in community activities - Organizing energy and environmental education events and collaborating with educational institutions
Individual shareholders, institutional investors, analysts	- Disclosure of information on websites, etc. - Holding financial results briefings and individual meetings on IR and ESG - Holding facility tours
Employees	- Holding dialogues between executives and labor unions and site visits to business sites by executives - Conducting employee surveys - Dissemination of information via company newsletter, intranet and other methods
Business partners and other	- Disclosure of Basic Policies for Product Procurement and Declaration of Partnership Building - Launch of inquiry form on the website and participation in organizations and initiatives - Dialogues with NGOs on climate change response, etc.