

ESG Information on S&P Global CSA 2022

A content index of "Corporate Sustainability Assessment (DJSI)" for our ESG information is as follows.
The information provided covers the performance of TEPCO and it is updated in each of linked section periodically.

As of July, 2022

1. Economic Dimension	
1.1.1	Since TEPCO employs the "Company with Nominating Committee, etc." form of corporate governance, the target share of independent directors on its Nominating Committee, Audit Committee and Compensation Committee that are incidental to the Board of Directors is 50% or higher.
1.1.2	<p><Non-executive Chairman/Lead Director> Board of directors/supervisory board is headed by a non-executive and independent chairman and this approach has been adopted for 10 years.</p> <p>Tokyo Electric Power Company Holdings, Inc. switched to a "Company with a Nominating Committee, etc." system in June 2012 and has been promoting management reforms under a corporate structure where execution is separate from supervision. The Board of Directors is chaired by an outside directors/independent directors and comprised of people of both genders with expert knowledge and diverse backgrounds, and 46% of board members are outside directors/independent directors. Additionally, members from the Board of Directors serve as the chairs of the Nominating, Audit, and Compensation Committees, and provide supervision of executive action by executives.</p>
1.1.3	<p><Board Diversity Policy> The Board of Directors consists of a diverse group of Directors with varying backgrounds in terms of expertise and experience, etc., and the actual number of Directors elected is to be an appropriate number within the maximum number of 13 stipulated in the Articles of Incorporation. Among this number, regarding Outside Directors, by comparing candidates against the "Standards for Independence of Outside Directors," the Company selects candidates based on whether they fulfill the criteria for independence. The following is TEPCO's policy for the selection of board members. The diversity mentioned in the selection policy includes gender, race, nationality, place of birth, and cultural background.</p>
1.1.5	<p><Method of resolution by the Board of Directors> A resolution of a meeting of the Board of Directors shall be effective when a majority of the Directors present at the meeting are present.</p> <p><Board Performance Review> TEPCO strives to improve the effectiveness of the Board of Directors, which is the cornerstone of governance, by utilizing the rich experience and wide-ranging insights of its diverse outside directors. We also evaluate the effectiveness of the Board of Directors through self-assessments such as annual questionnaires to directors and deliberations at Board of Directors meetings, as well as independent assessments using a third-party organization about once every three years.</p> <p><Board Election Process> The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one year after their election, and Board members are elected individually.</p>
1.1.6	<p>Average tenure of board members is 3.2 years. *Number of years excluding directors elected at the current year's annual general meeting of shareholders.</p>
1.1.8	<p><CEO Compensation> In determining the productivity-linked remuneration, based on the policy for the determination of the contents of remuneration, etc. for CEO, which was set forth by the Compensation Committee, aiming to achieve the targets of the Revised Comprehensive Special Business Plan (the Third Plan), to ensure that CEO is willing and responsible and the results of these efforts are appropriately reflected, results of the Company (consolidated ordinary income before deducting the amount of special contribution paid under the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act) and individual performance (cost reduction indicators and other KPIs for each division in charge) in the management plan are set out as indicators in the productivity-linked remuneration. The amount to be paid varies from 0 to 150%, assuming a 100% payment rate at the time of achievement of the target, and is determined by the Compensation Committee after calculation as follows. Results of the Company: Calculated by multiplying the base amount by the achievement level Individual performance: Calculated by multiplying the base amount by the achievement level or evaluation by the Compensation Committee</p>

1.1.9	<p>In the wake of the incident that occurred at the TEPCO Kashiwazaki-Kariwa Nuclear Power Station in September of last year during which site personnel used another worker's ID card to gain unauthorized access to a power station building, managerial responsibility has been clarified in accordance with internal regulations and the parties involved, including the CEO, were subjected to disciplinary action in order to thoroughly implement recurrence prevention measures.</p>
1.1.10	<p>CEO multiple calculation: $403 * 17,009 / 22,588,235 = 0.303$ Other executives' multiple calculation: $(403 * 73,186 / 22,588,235 + 403 * 16,559 / 22,588,235 + 403 * 1,602 / 22,588,235 + 403 * 11,032 / 22,588,235 + 403 * 31,646 / 22,588,235) / 5 = 0.478$</p> <p>*The calculation is conditional on the average of disclosed compensation for executive officers.</p>
1.1.12	<p>TEPCO is owned by Nuclear Damage Compensation and Decommissioning Facilitation Corporation, which is 50% owned by the Japanese government, and has 50.09% of the voting rights, so the government effectively has 25.045% of the voting rights. In addition, TEPCO doesn't have any golden shares for governmental institutions.</p>
1.1.15	<p>The ratio between the total annual compensation of the Chief Executive Officer and the mean or median employee compensation: $28,210,000 / 8,190,000 = 3.44$</p> <p>*The calculation is conditional on the average of disclosed compensation for executive officers.</p>
1.2.1	<p><Executive Compensation> At TEPCO, a Compensation Committee comprised of three outside directors discusses and assigns policies for determining the compensation of individual directors and executives, and also the compensation amounts for individual directors and executives. The compensation systems for directors and executives differ, and those individuals that serve as both directors and executives receive executive remuneration only. Executive remuneration is performance-based and the index that indicates performance includes both company and individual performance. Individual performance includes the degree of achievement of important business objectives managed by the Board of Directors. For example, in the case of a director in charge of ESG, ESG performance would be included in the index.</p>
1.3.1	<p><Audit Committee> The Audit Committee, comprising 5 Directors meets once a month in principle and holds additional special meetings as necessary to conduct its activities including audits of the business execution of Directors and Executive Officers and preparation of audit reports. All members of the Audit Committee have expertise in risk management.</p> <p><Director and Auditor Training> To ensure that the Company's Directors and Executive Officers are able to sufficiently fulfill their duties, the Company has outside experts conduct various forms of training as appropriate, including training in areas such as legal affairs and finance, as well as media training, and also has its Directors and Executive Officers take part in workshops outside the Company as necessary. Moreover, Outside Directors are provided with opportunities to gain a deeper understanding of the Company's business operations through briefings held regarding details of the Company's business operations as well as organizational and management issues, and through inspections of the Company's power stations, offices and other locations, as appropriate. This includes regular risk management training.</p> <p><Risk Management Committee> The TEPCO Group's Risk Management Committee, chaired by the President, evaluates and analyzes risks associated with business operations. The results discussed and evaluated by the Committee are reported to the Board of Directors, and are used as reference information in making decisions on important management issues and other important resolutions. The Committee is convened twice a year to unify risk management of the TEPCO Group and to develop countermeasures based on risk scenario analysis. In addition, six specialized subcommittees have been established under the Committee to conduct intensive deliberations on specific issues. The Risk Management Committee is distinguished from business execution.</p>
1.4.1	<p><TEPCO Group Charter of Corporate conduct> https://www.tepco.co.jp/en/wp-content/uploads/hd05-01-09-000-kensyou.pdf</p> <p>The following is TEPCO Group Charter of Corporate conduct. The conduct includes corruption and bribery, discrimination, confidentiality of information, conflicts of interest, antitrust/anti-competitive practices, money-laundering and/or insider trading/dealing, environment, health and safety, and whistleblowing.</p>

1.4.2	<p><Basic Policy on Procurement> https://www.tepco.co.jp/en/hd/about/procurement/policy-e.html</p> <p><Sharing corporate behavior guidelines> We may ask you to understand our corporate behavior guidelines set forth in the TEPCO Group Charter of Corporate Conduct and Basic Policy on Procurement. We may also ask you to conduct corporate activities in-line with the spirit of the guidelines.</p> <p><Sharing corporate behavior guidelines across the supplier chain> With regard to carrying out corporate activities in accordance with the spirit of our corporate behavior guidelines in order to contribute to the sustainable development of society throughout the supplier chain, we may ask your cooperation in the same way as for business partners and for related parties of business partners like subsidiaries and joint ventures.</p>
1.4.3	<p><Political contributions> During the fiscal year 2018-2021, our company's expenditures on political contributions, lobbying, and other activities were zero.</p> <p><Charitable contributions and sponsorship> In order to engage in business activities rooted in the region, the TEPCO Group believes that it is important to contribute to the region such as by continually developing regional society along with the community as a member of that community, and as such we have donated to projects put forth in the FY2019 Aomori Prefecture Higashidori Village Regional Revitalization Plan. On the other hand, our charitable contributions and sponsorship for fiscal years 2018 and 2021 were zero.</p>
1.4.4	<p><Political contributions> During the fiscal year 2018-2020, our company's expenditures on political contributions, lobbying, and other activities were zero.</p> <p><Charitable contributions and sponsorship> In order to engage in business activities rooted in the region, the TEPCO Group believes that it is important to contribute to the region such as by continually developing regional society along with the community as a member of that community, and as such we have donated to projects put forth in the FY2019 Aomori Prefecture Higashidori Village Regional Revitalization Plan. On the other hand, our charitable contributions and sponsorship for fiscal years 2018 and 2020 were zero.</p>
1.5.1	<p>In order to realize "enhancement of corporate value" and "creation of social value," TEPCO Holdings discloses financial and non-financial information in TEPCO Integrated Report based on integrated thinking. The IIRC framework is used as a reference in the production of the integrated report. We are also a member of the IIRC's Business Network and pay 15,000 euros in membership fees annually.</p>
1.5.2	<p>TEPCO dispatches its workforce and pays membership fees to organizations that contribute to addressing climate change issues and ESG information disclosure.</p>
1.6.6	<p><Supply chain management approach> The TEPCO Group is enhancing the effectiveness of its supply chain management by implementing the following items.</p> <ol style="list-style-type: none"> 1. Supply chain spend analysis 2. Supply chain awareness 3. Supply chain risk assessment and corrective actions 4. ESG integration in supply chain management strategy <p><Reporting quantitative KPIs and targets> In order to contribute to the sustainable development of society, we may ask for your cooperation, as well as that of our business partners and business partners' related parties, in conducting corporate activities in accordance with the spirit of the Corporate Action Guidelines and achieving zero violations throughout the supplier chain. Incidents that occur at the company are announced in TEPCO press releases, and in FY2020 there was one incident.</p>
1.7.1	<p>Cyber Security risk management is conducted by the Cyber Security Subcommittee established under the Risk Management Committee, which is chaired by the President and Representative Executive Officer and consists of members of the Board of Directors. In addition, the Cyber Security Subcommittee is to be chaired by the executive CIO.</p>
1.7.2	<p>Compliance, including cyber security, is included in the category of employee performance evaluation and disciplinary action.</p>

1.9.4	<p><Smart Meter Penetration></p> <ul style="list-style-type: none">·The percentage of metering devices that are smart meters: 100% (March.2022) <p>*All households except for those where replacement is difficult.</p>
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2. Environmental Dimension

<p>2.4.1</p>	<p><Biodiversity></p> <p>The TEPCO Group recognizes that the various blessings born from the natural environment and biodiversity (ecosystem services) are indispensable for our business. As a member of the Federation of Electric Power Companies of Japan (FEPC), we are engaging in biodiversity conservation and sustainable use initiatives, such as reducing the burden on the environment, conserving rare species on company-owned land, etc., and promoting awareness about biodiversity conservation in accordance with the FEPC's Electric Utility Industry's Action Guidelines for Biodiversity (created in April 2010, revised in June 2020)*, which serves as principles of conduct for sustainable business, in order to contribute to the creation of a symbiotic society.</p> <ul style="list-style-type: none"> · Biodiversity Action Plan for the Electric Industry (June 2020 revision) [External site, Japanese only] https://www.fepec.or.jp/resource_sw/200619_seibutsu.pdf · Environmental Action Plan by the Japanese Electric Utility Industry (September, 2012) [External site] https://www.fepec.or.jp/english/library/environmental_action_plan/_icsFiles/afieldfile/2013/03/27/actionplan_E_2012.pdf <p>The Oze National Park, which extends across the four prefectures of Gunma, Fukushima, Niigata and Tochigi, is symbolic of the TEPCO Group's biodiversity conservation initiatives. TEPCO owns 16,334ha of land in this region and has worked with regional partners for more than 60 years to enable the ecosystem to recover and engage in sustainable forest management. In 2010, the TEPCO Group obtained an FSC® Forest Certificate for the forests it owns in Oze. The 16,334ha of land owned by TEPCO accounts for approximately 4% of the total 416,319ha (as of June 15, 2021) of FSC® certified forests in Japan. It is the second-largest plot of land owned by a private company and the sixth largest when you include lands owned by the government. Please click the link for more information on the relationship between Oze and TEPCO. (Please look at our 2.4.3. "No Deforestation Commitment" for details on how the TEPCO group obtained its FSC® Certificate.)</p> <ul style="list-style-type: none"> · What is Oze? https://www.tepco.co.jp/en/hd/about/esg/environment/oze/what-e.html · Oze and TEPCO https://www.tepco.co.jp/en/hd/about/esg/environment/oze/index-e.html · Measures to Protect Oze https://www.tepco.co.jp/en/hd/about/esg/environment/oze/efforts-e.html <p>Furthermore, the TEPCO Group has estimated/assessed the ecosystem services provided by the previously mentioned natural capital it owns in Oze from four perspectives, "carbon sequestration by forests and wetlands," "groundwater replenishment," "soil runoff prevention," and "economic effect as a tourist destination." Please refer to Pages 83-84 of the TEPCO Integrated Report 2019 for details.</p> <ul style="list-style-type: none"> · TEPCO Integrated Report 2019 https://www.tepco.co.jp/en/hd/about/esg/environment/oze/what-e.html <hr/> <p><Biodiversity Commitment></p> <p>The TEPCO Group has publicly announced its commitment to maintaining, strengthening, and conserving the biodiversity/ecosystems of land that it uses for its business activities. According to the various laws about the environment in regions we do business and through agreements with third parties and scientific evidence-backed environmental assessments, TEPCO Group is implementing appropriate nature conservation measures following the mitigation hierarchy to minimize the negative impact of development on biodiversity.</p> <p>We are currently formulating TEPCO Group Biodiversity Policy, that we aim to publish by the end of 2022.</p> <p>This Policy commits to realizing the "conservation of biodiversity" as written in the TEPCO Group Environmental Policy, and sets out the measures we will implement in paying due consideration to the region, reducing the impact of our business activities, complying with laws and regulations, disseminating information, engaging in dialogue, and educating our employees.</p> <ul style="list-style-type: none"> · Initiatives to Conserve Biodiversity https://www.tepco.co.jp/en/hd/about/esg/environment/coexistence-e.html#anchor01
	<p><Sites containing globally or nationally important biodiversity></p> <p>The mission of the TEPCO Group is to provide a stable supply of power to citizens of Japan. In Japan, people live right next to areas that are important to maintaining biodiversity such as world heritage sites. We also need to do our business activities in these areas to provide those people with electricity.</p> <p>However, while complying with environmental laws and regulations in the areas of our business, the TEPCO Group works with regional partners to minimize the damaging impact on biodiversity from development activities while promoting projects to contribute to improving the quality of life of residents. The TEPCO Group commits to contribute to the sustainable use of the natural environment into the future while giving consideration to biodiversity, which is the foundation for our economy and society.</p> <p>Let's look at an example of our initiatives to conserve biodiversity when engaging in business in areas near world heritage sites. The TEPCO Group has a diesel power station in the Ogasawara archipelago, which is next to a world natural heritage site, to provide power to the residents on the islands. We also are engaged in the following renewable energy initiatives on Haha Island in the Ogasawara archipelago.</p> <ul style="list-style-type: none"> · In accordance with the agreement signed between Tokyo, Ogasawara Village and the TEPCO Group, we are engaged in a demonstration project on Haha Island to provide power from only renewable energies. [External site, Japanese only] https://www.vill.ogasawara.tokyo.jp/kankyo/hahaene100/ · The plan calls for the installation of PVs and storage batteries in abandoned rice fields, etc. outside of the world natural heritage site area by 2022. · In accordance with the plan, for approximately three years from 2019 natural environment surveys will be conducted and opinions sought from experts with the objective of revising the plan as necessary in the future so as not to impact rare species of animals or the landscape.

	<p><Mitigation hierarchy> In order to minimize the damaging impact on biodiversity through development activities, the TEPCO Group complies with environmental laws in our areas of business and engages in conservation measures based on the mitigation hierarchy through agreements with third parties and environmental assessments that have scientific basis to suitably conserve the natural environment. The following are assessment standards used to quantify the impact on biodiversity that have been proven in Japan to be explainable. In Japan, basic assessment standards include the Environmental Impact Assessment Act, laws and ordinances issued by local governments, and, in particular, the Environmental Impact Assessment Manuals for Power Stations issued by METI for the construction of power stations. Our biodiversity impact assessments are conducted based on the standards. The TEPCO group also employs similar standards to voluntarily conduct environmental impact assessments when engaging in large-scale development that is beyond the scope of these laws and regulations.</p> <ul style="list-style-type: none"> · Environmental Impact Assessment in Japan[External site] http://assess.env.go.jp/files/1_seido/pamph_e.pdf
2.4.1	<p><Main External Partners> The TEPCO Group is working with external partners in an effort to maintain its commitment to conserving biodiversity. One example of these external partners is the Oze Preservation Foundation with which the TEPCO Group works to conserve the Oze National Park. The Oze Preservation Foundation is a public interest foundation established by Japan's Ministry of the Environment, regional governments, the mountain cabin union, nature conservation foundations and the TEPCO Group in order to centralize management of Oze conservation activities and provide models for managing and conserving national parks. In 2009, TEPCO funded ¥310 million, together with Oze Corporation (now Tokyo Power Technology Co., Ltd.; one of the TEPCO Group's companies). Click the following links for details on investment in the Oze Preservation Foundation.</p> <ul style="list-style-type: none"> · Outline of the Oze Preservation Foundation [External site] https://www.oze-fnd.or.jp/en/about/ · Efforts to promote the conservation and appropriate utilization of Oze [External site] https://www.oze-fnd.or.jp/en/efforts/
	<p><Target> The TEPCO Group takes into consideration the biodiversity of each business site according to the environmental impact it has on the region, and confirms every year that the initiatives are being implemented appropriately. Quantitative progress made was determined to be 100% as confirmation of initiatives was conducted also in FY2021. One of our major projects is the conservation of Oze National Park. We own roughly 40% (roughly 70% of the special protection zone) of the Oze National park and have been conducting nature protection activities with related agencies on the ground over many years. We consider this to be a symbolic project with a 60-year history and we will continue to work on and are focusing our efforts on this project that will contribute to the realization of #15 of the SDGs by FY2030. In a corner of the Oze National Park sits Ayame Daira where the wetland flora has been devastated by years of trampling by hikers. Since 1969, we have been working on revitalizing the destroyed plants by planting and nurturing indigenous seeds (nature restoration). At present, plant life in 0.9 ha of the 1 ha Ayame Daira area has been restored. We will keep on running PDCA cycles and working on restoring nature, paying close attention to the changing needs of the environment.</p> <ul style="list-style-type: none"> · Measures to Protect Oze https://www.tepco.co.jp/en/hd/about/esg/environment/oze/efforts-e.html
	<p>Furthermore, in accordance with the treaty signed between Tokyo, Ogasawara Village and the TEPCO Group, we plan to install PVs and storage batteries in abandoned rice fields, etc. outside of the world natural heritage site region by 2022 and for approximately three years from 2019 natural environment surveys will be conducted and opinions sought from experts with the objective of revising this plan as necessary in the future so as not to impact rare species of animals or the landscape.</p> <ul style="list-style-type: none"> · Click here for information on the treaty to provide power from only renewable energies on Haha Island[External site, Japanese only] https://www.vill.ogasawara.tokyo.jp/kankyo/hahaene100/
	<p><Scope of commitment> In order to enlarge the scope of our commitment to avoid biodiversity loss, the TEPCO Group, of course, does not engage in illegal trapping or sampling and requires that its own operations do not threaten life in business areas without good reason, and it also requires the same actions be taken by tier-1, and non tier-1 suppliers, when entering into agreements. In concrete terms, we have been applying the mitigation hierarchy in our direct operations to prioritize and implement conservation measures in the order of avoidance, mitigation and offset. With our tier 1 supplier and non-tier 1 suppliers, we have been working on implementing an environment management system in accordance with the aforementioned green procurement guideline, explaining the concept of the mitigation hierarchy as a conservation measure and the safety measures to be employed in development to construction companies.</p>
	<p><Biodiversity Exposure & Assessment> <Overall and Assessment> The TEPCO Groups operates in 1,891 sites that span a total of 26,330 ha. In June 2022, we conducted a biodiversity impact assessment on 56 of the 1,891 sites that span 19,564 ha, with major equipment in existing facilities and facilities that have yet to come online. Please see the table below for details.</p>

Total number of/total floor area of sites used in business activities and assessment

Classification	Type of facility	# of sites	Floor area (ha)	Assessment	Notes
Existing facilities	Nuclear power	3	969	Conducted	TEPCO HD (3)
	Water protection forest	1	16,334	Conducted	TEPCO RP (1)
	Hydroelectric (major)	13	1,491	Conducted	TEPCO RP (13)
	Hydroelectric (non-major)	227	4,856		TEPCO PG (1), TEPCO RP (149), Tokyo Electric Generation Company (77)
	Renewables (solar, wind)	5	23	Conducted	TEPCO RP (5)
	Internal combustion	10	8	Conducted	TEPCO PG (10)
	Transmission	-	973		TEPCO PG (support structures 50,021 units)
	Transformation (major)	5	146	Conducted	TEPCO PG (5)
	Transformation (non-major)	1,608	910		TEPCO PG (1,608)
	Distribution	-	28		TEPCO PG (support structures 5,991,666 units)
Not yet online	Operations (major)	13	102	Conducted	TEPCO PG (13)
	Nuclear power	1	450	Conducted	TEPCO HD (1)
	Renewables (solar, geothermal, wind)	5	N/R	Conducted	TEPCO PG (1), TEPCO RP (4)
Total		1,891	26,330	56 site, 19,564 ha	

2.4.2

Note 1: This chart was created based on the latest reports disclosed as follows:

- 98th Valued Securities Reports (FY2021) [Japanese only]
https://www.tepco.co.jp/about/ir/library/securities_report/pdf/202206-j.pdf

- TEPCO Illustrated - Electricity Supply Facilities
<https://www.tepco.co.jp/en/corpinfo/illustrated/electricity-supply/index-e.html>

Note 2: The biodiversity assessment was conducted on the following facilities in June 2022.

Existing facilities: Major TEPCO facilities as listed in the latest securities report

Not yet online: Facilities disclosed in the business plan and environment assessment

Note 3: N/R stands for “not reported”, and the floor area of these sites are undisclosed.

<Exposure, and Management plans>

Seven of the 56 sites on which biodiversity assessment was conducted include important biodiversity sites or sites adjacent to areas of important biodiversity. The total land area of the 7 sites is 17,123 ha.

Of the seven sites that contains important biodiversity sites or sites adjacent to areas of important biodiversity, three—Oze, Higashi-dori and Ogasawara—have biodiversity conservation management plans. Regarding the three sites, the total land area known at present is 16,784ha. Please see the table below for details.

Assessed sites that are adjacent to areas of important biodiversity, their land area, and their management plans

Classification	Type of facility	Area assessed	# of sites	Area (ha)	Existence of a management plan	Notes
Existing facilities	Water protection forest	Inside	1	16,334	Yes	Oze Tokura forest: IUCN I, II, Ramsar sites
	Hydroelectric (major)	Inside	1	216	N/R	IUCN I, II
	Hydroelectric (major)	Adjacent area	1	120	N/R	IUCN I, II
	Internal combustion	Adjacent area	2	2	N/R	Ogasawara: IUCN I, II, World Heritage Site
Not yet online	Nuclear	Inside	1	450	Yes	Higashi-dori: Wetlands of local importance
	Solar	Adjacent area	1	N/R	Yes	Ogasawara: IUCN I, II, World Heritage Site
Total			7	17,123	3 sites, 16,784ha	

2.4.2	<p>Note 1: Whether an area is qualified as having a large impact on biodiversity or not is determined based on (1) proximity to world heritage sites, Ramsar sites, IUCN I and II sites, and other sites that are included in or adjacent (0 -2 km from the closest point) to important biodiversity areas, (2) existence of information about significant local biodiversity. Implications of UNESCO MAB are currently being investigated.</p> <p>Note 2: Biodiversity was assessed in June 2022.</p> <p>Note 3: N/R stands for “not reported.” These land area and management plans of these sites are undisclosed or are being investigated.</p> <p>Within the aforementioned Oze National Park, Ozegahara in particular is a habitat to around 1,000 types of plants, insects such as dragonflies and butterflies, birds, and mammals due to its unique typography and weather patterns in a high mountain area. Oze is strictly protected as a National Park special protection area, cultural property and special national treasure, and Ramsar Site as there are species unique to Oze and the area has academic value.</p> <p>The TEPCO Group set a forest management plan, which can be called a biodiversity management plan, every five years in the Oze Tokura forest near Ozegahara, and based on this, we continue to implement sustainable forest management. As a result, we received FSC® forest certification in 2010.</p> <ul style="list-style-type: none"> · FSC® Forest Certificate for Oze Tokura forest [External site] https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Ffsc.secure.force.com%2Fservlet%2Fservlet.FileDownload%3Ffile%3D00P4y00001ZS6KcEAL&wdOrigin=BROWSELINK <p>We have also been conducting a post-survey of the biotope network and environmental monitoring of noise/vibration, water quality, effluent, terrestrial organisms, and marine organisms, in accordance with the environment assessment scheme since FY2007 for the Higashidori Nuclear Power Station currently under construction. We will continue monitoring the site even after the plant goes online and will publish the results periodically.</p> <ul style="list-style-type: none"> · Higashidori Nuclear Power Station Environmental Conservation Measures http://www.tepco.co.jp/en/hd/about/esg/environment/higashi-dori-conservation-e.html <p>Furthermore, as described in 2.4.1. <Sites containing globally or nationally important biodiversity>, the renewable energy conversion plan in the Ogasawara Islands also shows a plan for biodiversity conservation.</p> <ul style="list-style-type: none"> · Click here for information on the treaty to provide power from only renewable energies on Haha Island https://www.vill.ogasawara.tokyo.jp/kankyohaahaene100/
2.4.3	<p><No Deforestation Commitment></p> <p>The TEPCO Group commitment to preventing deforestation has been publicly available. If forestry development is necessary as a result of facility construction, the TEPCO Group complies with regulations, etc. stipulated in forestry laws and ordinances for the region and implements conservation measures that prevent the loss of the multifunctional roles of forests in order to directly prevent deforestation. We also continue to conserve and maintain regional watershed protection forests like the Oze National Park. As an indirect measure to prevent deforestation, the TEPCO Group engages in Green procurement through which we strive to use products that consider forest management and the sustainability of paper and wood resources.</p> <ul style="list-style-type: none"> · Coexistence with Nature https://www.tepco.co.jp/en/hd/about/esg/environment/coexistence-e.html#anchor01 <hr/> <p><Extent></p> <p>The TEPCO Group conducts environment assessments when installing, operating and managing facilities, following laws and regulations related to the conservation of nature including forest reserves, and as a rule does not engage in deforestation. Every year, we confirm that relevant departments are routinely reporting, communicating and implementing measures in line with the nature conservation systems in place. Quantitative progress status was evaluated to be at 100% as commitment was confirmed to be fulfilled for FY2021.</p> <p>In addition to the environment assessments and anti-deforestation efforts in compliance with related laws and ordinances, the TEPCO Group is also planting trees. After logging the larch (<i>Larix kaempferi</i>) that wasn't growing well, we have been planting and growing the indigenous Japanese beech (<i>Fagus crenata</i>) in its place on a 7.0 ha plot of land. Please visit the links below for details about related volunteer activities.</p> <ul style="list-style-type: none"> · Beech tree planting in the Oze Tokura forest (1997) [Japanese only] https://www.tepco.co.jp/cc/press/97060601-j.html · Beech tree nurturing in the Oze Tokura forest (2016) [Japanese only] https://www.tepco.co.jp/oze/mamoru/column/column05-j.html <hr/> <p><Scope of commitment></p> <p>In order to enlarge the scope of our commitment to avoid the biodiversity loss, the TEPCO Group does not engage in businesses that result in illegal logging and also requires the same actions be taken by tier-1, and non tier-1 suppliers, when entering into business agreements.</p> <p>To include consideration for the environment in our supply chain, the TEPCO Group prioritizes the purchasing of equipment and materials that leave a small environmental footprint (Green procurement) and strives to build a circular economy in cooperation with its vendors. In particular, we have established TEPCO Green Procurement Guidelines in accordance with which the Green purchasing of office products is promoted and the environmental management systems of vendors are examined when entering into supply agreements. The following is an overview of the TEPCO Green Procurement Guidelines.</p>

- Copy paper and printed material must contain at least 70% recycled pulp and have a whiteness level of approximately 70% or less.
- Copy paper and printed material that contains 15% or more recycled pulp, has a whiteness level of approximately 70% or less, and contains virgin pulp must be manufactured from forests that are being managed in a sustainable manner. Efforts must also be made to procure paper that contains high percentages of forest certificate help or pulp from forest thinning.
- Purchased office furniture must comply with the Green Purchasing Act.
- If purchased office furniture contains wood, effort must be made to ensure that the wood comes from forests that are being managed in a sustainable manner.
- Green procurement
<https://www.tepco.co.jp/en/hd/about/procurement/green-e.html>
- TEPCO Green Procurement Guidelines
<https://www.tepco.co.jp/en/wp-content/uploads/green.pdf>

<Monitoring>

The TEPCO Group has a monitoring system in place to prevent deforestation and strictly follows related laws and regulations.

1. Commitment of the Group and a monitoring system to comply with regional forest-related laws and regulations

<Directly operated businesses>

i. Prevention of deforestation through environment assessment

We conduct surveys and impact assessments according to the Environmental Impact Assessment Act, issue press releases and hold meetings for the residents at each phase of the study to ensure there are no problems.

ii. Compliance with regional forest-related laws and regulations

We comply with forest conservation-related ordinances and agreements of municipalities and other regional forest-related laws and regulations.

iii. Introduction of environment management systems

The TEPCO Group has implemented an environment management system in accordance with ISO14001 that aims to contribute to creating a sustainable society and fulfill TEPCO's corporate responsibilities by reducing environmental risk, improving and conserving the regional and global environment through appropriate management of the environmental impacts of our business activities. We are operating, maintaining, and continuously improving the system. This also functions as a mechanism to ensure forest-related regulations are being complied with, and the aforementioned framework to report/improve upon non-conformances can be considered as a part of this system.

iv. Governance

The President, who is a member of the Board of Directors, serves Chairman of the ESG Committee, which is the highest committee body dedicated to discussing issues related to ESG issues including biodiversity and deforestation management. Managing Executive Officer, who is ESG Officer, is in charge of ESG action plan including biodiversity policy. Within the next two years, as a subordinate body of the ESG Committee, we plan to establish a system to consolidate and share information on biodiversity across the TEPCO Group, and promote information and issue sharing and policy discussions with each company.

2.4.3

<Supplier>

We also promote sustainable procurement according to the TEPCO Green Procurement Guideline and ensure that the measures suppliers are taking are in line with the environment management system when we sign contracts with them.

2. Deforestation risk management of/recommendations through appropriate forestry operation management system

As described in 2.4.1 <Target>, the TEPCO Group owns 16,334 ha of forest and wetlands, which is about 40% of the area of Oze National Park. For this forest (called Oze Tokura forest), as described in 2.4.2 <Management Plan>, forest operations are set every 5 years to carry out sustainable forest management. Through these efforts, the TEPCO Group acquired FSC® forest certification in 2010. Approximately 77% (12,550ha) of the TEPCO Group's forests covered by this FSC® Forest Certificate are for conservation purposes and strictly protected/managed from commercial harvesting, and approximately 8% (1,345ha) of the remaining area is a produced forest classified as a man-made forest. This produced forest is trimmed in order to promote growth, and the thinned woods are used by TEPCO to build wooden walkways to protect the valuable wetlands on the Oze plain from being trampled by visitors. You can find more information about forestry operations in Oze Tokura forest in the following details about the FSC® Forest Certificate.

· What is Oze?

<https://www.tepco.co.jp/en/hd/about/esg/environment/oze/what-e.html>

· FSC® Forest Certificate for Oze Tokura forest [External site]

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fsc.secure.force.com%2Fservlet%2Fservlet.FileDownload%3Ffile%3D00P4y00001ZS6KcEAL&wdOrigin=BROWSELINK>

· FSC® Domestic FM Certified Forests TEPCO HD [External site, Japanese only]

<https://jp.fsc.org/jp-jp/4-fsc/4-2-fm/2226920869fm3546935388265193205720171/-06>

TEPCO provides Managing Executive Officer in charge of ESG with monetary incentives for the attainment of climate change targets.

The incentivized KPIs are below;

- Acquisition of the highest ESG evaluation in Japanese electric power companies. This KPI is comprehensive evaluation from some external institutions. TEPCO set an emission reduction target of reducing by 50% in 2030 compared with 2013, so the ESG evaluations from external institutions are heavily influenced by situation of this target's progress.
- Development of electric vehicle businesses, which contributes emission reduction. KPIs of this issue are sales and operating profit.

The results of these issues are reflected in its personal remuneration.

TEPCO provides Business Unit Managers in charge of ESG with monetary incentives for the attainment of climate change targets.

Some of Business Unit Managers related to ESG or to TEPCO's emission reduction target, which aims to reduce by 50% in 2030 compared with 2013, set their performance objectives. Their performances compared with them are evaluated and their wages rise and fall depending on this evaluation.

2.5.2	<p>For the purpose of promoting TEPCO's climate-related activities, TEPCO has a scheme that employees who have acquired national qualifications (such as "Qualified Person for Energy Management") related to climate change such as energy conservation or CO2 emissions reduction are given monetary reward in addition to an award.</p> <hr/> <p>Identifying, assessing and managing climate-related risks, as well as other kinds of ones, are conducted throughout companies-wide (i.e. including TEPCO Holdings and 4 main subsidiary companies), then risks assessed as important are reported to "Risk Management Committee" and managed there. In addition, climate-related issues including not only risks but also opportunities are discussed in "ESG Committee" deeply. These committees are held a few times a year, respectively.</p> <p>Both committees' chairman is Representative Executive Officer and President, who are appointed by the board of directors. And important contents of them are reported to the board of executive officers appropriately, and of course the board of executive officers are monitored and supervised by the board of directors. This managing structure is described in page 17 and page 91 of "TEPCO Integrated Report 2019".</p> <p>TEPCO Integrated Report 2019: https://www.tepco.co.jp/en/wp-content/uploads/TP19_FIX_web_eng_security2.pdf</p> <p>In addition, TEPCO internally documents details about two Committee, respectively.</p> <p>As just described, treating climate-related issues is integrated into the risk management framework throughout TEPCO.</p>
2.5.4	<p>Our electricity retail business is conducted 100% in Japan, where electricity retailers are required by law to "have non-fossil power sources account for 44% of procured electric power by FY2030." In FY2019, non-fossil power sources accounted for only 12% of TEPCO's electricity sales volume, including FIT power sources, since its nuclear power stations are shut down. Meanwhile, since Japan's non-fossil power source ratio is approximately 26%, TEPCO's non-fossil power source ratio is subordinate to its competitors. Therefore, the cost to TEPCO of achieving the country's goal may be higher than that of other competitors. TEPCO's task is to reduce this cost.</p> <p>If it is difficult to achieve a non-fossil power source ratio of 44%, this target can be achieved by procuring a non-fossil certificate. In 2019, non-fossil power sources accounted for approximately 12% of electricity sales.</p> <p>If we assume that the deference between the target and TEPCO's performance of non-fossil power source ratio (44%-12%=32%), TEPCO's electricity sales volume (209.7 billion kWh) and non-fossil certificate price (¥1.3/kilowatt hour) in 2030 are all the same as they were in 2019, the estimated cost increase would be approximately ¥87.2 billion at most.</p> <p>209.7 billion kWh x 32% x ¥1.3/kWh=¥87.2 billion</p> <p>Non-fossil certificates procured consists of ones designated as renewable and ones non-designated.</p> <p>If it is difficult to achieve a non-fossil power source ratio of 44%, this target can be achieved by procuring a non-fossil certificate, but achieving this target by procuring a non-fossil certificate poses the risk of enormous cost.</p> <p>In order to mitigate this risk, it is important to develop renewable energy power sources and increase the amount of power that can be generated by improving efficiency, because doing this will mitigate the need to procure non-fossil certificates.</p> <p>TEPCO is striving to reduce the financial impact on the company in 2030 by aiming to newly develop 2~3 million kW of offshore wind power in Japan, and increasing even a little the amount of power generated by the 164 hydroelectric power stations it owns in Japan, which are located in Gunma Prefecture and Tochigi Prefecture, etc., through repowering, suitable daily management, and efficient operation. In FY2020 we increased the amount of power generated from hydro by 979 million kWh.</p> <p>In FY2020, ¥16.727 billion of capital investment in renewable energies, etc., were appropriated for management expenses. The target of this investment consists of hydro power, wind power and solar power.</p> <hr/> <p>TEPCO provides power to mainly the Kanto region, which includes the capital, Tokyo, and owns many facilities spread out over a wide area. TEPCO owns 164 hydroelectric power stations along mainly the rivers in Tochigi and Gunma Prefectures that produce approximately 9.87 million kW of power and have a book value of ¥357.774 billion. TEPCO also owns 385,239km worth of transmission and distribution facilities that have a book value of ¥3.733625 trillion.</p> <p>The Cabinet Office has made the following estimate of damage that will occur if the Tone and Ara Rivers that run through the Kanto region, which is TEPCO's main area of operation, were to overflow due to heavy rains that have a probability of occurring only once every two hundred years.</p> <p>"The number of houses to which the supply of power would be halted as a result of flooding of power equipment would be at most approximately 590,000 homes if the Tone River were to overflow into the metropolitan area, and at most approximately 1.21 million homes if the Ara River were to overflow into low-lying areas on the right bank. In addition, it is expected that the number of homes to which power would be halted would increase further as a result of the intentional shut-off of power to flooded homes and apartment buildings in order to prevent secondary damage, such as blackouts and short circuits."</p> <p>Furthermore, according to global warming observations/predictions and impact assessment integrated reports (planning/editing: Ministry of Education, Culture, Sports, Science and Technology, Japan Meteorological Agency, Ministry of the Environment), it is expected that global warming will cause an increase in the number of extremely strong typhoons.</p> <p>Therefore, risks such as the damage to, or destruction of, hydroelectric power stations and transmission/distribution facilities by natural disasters, such as typhoons and heavy rains, etc., have the potential to greatly impact TEPCO's financial situation by decreasing asset value, etc., and there is also the risk that social trust in TEPCO, which supplies power necessary for daily living, may decrease. Addressing these risks is therefore an important issue for TEPCO.</p> <p>It is difficult to convert the loss of social trust in TEPCO that may occur if supply was hindered by damage or destruction of equipment into a monetary figure. Therefore, the following explains the financial impact using equipment damage amounts.</p> <p>The maximum potential impact amount is ¥4.0914 trillion, which is the total of the book values of TEPCO's renewable energy company (¥357.8 billion) and its transmission/distribution network (¥3.7336 trillion).</p> <p>In addition, following the above estimate by the Cabinet Office, we adopt 200 years as the estimated time frame for financial implications of the risk.</p>

	<p>To address this risk, we take measures to minimize damage to facilities and to mitigate the financial impact of damage to facilities.</p> <p><Countermeasure></p> <p>1. Measures to minimize damage to facilities</p> <ul style="list-style-type: none"> - Implement regular training and create a business continuity plan - Elevate equipment and install tide protection plates - Utilize mobile wireless and satellite communications to ensure means of communication with affected areas - Implement measures to prevent flooding of buildings that house power and communications equipment - Install generator truck connection panels <p>The capital investment spent on these initiatives is ¥271.5 billion. This amount has been broken down into investment for power transmission equipment, transformation equipment, and distribution equipment.</p> <p>2. Measures for mitigating financial impact</p> <ul style="list-style-type: none"> - Disaster loss reserves have been appropriated in order to mitigate detrimental financial impact during any singular fiscal year. The amount appropriated in FY2020 was ¥502.4 billion. -In FY2019, ¥57 million was appropriated for damage insurance fees. This amount was used for property insurance on hydroelectric power stations, and profit insurance, which would be used to compensate for lost profit in conjunction with power outages caused by a disaster. Purchasing this insurance enables us to alleviate the risk of disasters that may only occur once every couple of years. <p>We did not experience any large-scale equipment damage during FY2020, but we are confident that any detrimental financial risk would be mitigated if such damage was to occur.</p> <p><Cost calculation></p> <p>The estimated ¥ 773,957,000,000 as the cost of response consists of the amount of capital investment, the allowance for disaster loss, and the non-life insurance premium.</p>
2.5.5	<p>In Japan, electricity retailers are required to have 44% of their power produced from non-fossil power sources by FY2030 in accordance with the Act on Sophisticated Methods of Energy Supply Structures, so we believe that as we approach FY2030 the demand for renewable energies will gradually increase.</p> <p>We are the largest renewable energy power generation company in Japan, developing and owning a total of approximately 10 million kW, including the Higashiizu Wind Power Plant, Ukishima Solar Power Plant, and Shinanogawa Hydroelectric Power Plant. Since we have been operating and maintaining the equipment for many years, we have the technology to predict the amount of power generation using advanced weather forecasting and the operational know-how to increase the amount of power generation while maintaining safe dam operation.</p> <p>Based on technology and experience, TEPCO is further promoting its renewable energy businesses as it aims to newly develop 6~7 million kW of power generation facilities within and outside of Japan by FY2030.</p> <p>This 6~7 million kilowatts of new renewable energy facilities that TEPCO plans to develop can be broken down as follows. 2~3 million kilowatts of hydroelectric power plants will be developed overseas, 2~3 million kilowatts of windfarms shall be developed overseas, and 2~3 million kilowatts of windfarms shall be developed in Japan. If we are able to develop these facilities as planned, we expect to earn net profits of approximately ¥100 billion per year at most. This ¥100 billion will comprise revenue from electricity wholesales, sales revenue of non-fossil certificates, etc., and share dividends.</p> <p>Including expenses to turn this opportunity into a reality, we invested ¥16.727 billion in a hydroelectric and renewable energies in FY2020. We assumed that this amount of money would be the cost to realize the opportunity. This breakdown consists of power generation equipment improvement costs, power generation equipment development costs, and others.</p>
2.5.6	<p>In April 2019, TEPCO Holdings became the first domestic energy company to endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and conducted a scenario analysis to quantitatively and qualitatively assess the risks. Scenario analysis referenced IEA's WEO 2019 and created three scenarios (current scenario, 2.0 °C scenario, and 1.5 °C scenario),but the physical risk were identified using RCP2.6, RCP4.5, RCP6 and RCP8.5.</p> <p>Physical risks related to climate change are integrated with company-wide risks by the Risk Management Committee, and are determined to be significant risks, taking into account their impact and frequency of occurrence. Determined significant risks are overseen by the Board of Directors.</p> <p>This risk management scopes all related area from upstream to downstream, and from short span to long span.</p>
2.5.7	<p>In April 2019, TEPCO Holdings became the first domestic energy company to endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and conducted a scenario analysis to quantitatively and qualitatively assess the risks. Scenario analysis referenced IEA's WEO 2019 and created three scenarios (current scenario, 2.0 °C scenario, and 1.5 °C scenario). These three scenarios are consistent with the IEA's SDS, CPS, NPS and NDCs,transition risks was identified using these.</p> <p>Transition risks related to climate change are integrated with company-wide risks by the Risk Management Committee, and are determined to be significant risks, taking into account their impact and frequency of occurrence. The identified risks are classified into legislation, technological development or market conditions, etc. and organized. Determined significant risks are overseen by the Board of Directors.</p> <p>This risk management scopes all related area from upstream to downstream, and from short span to long span.</p>
2.5.8	<p>Based on the Disaster Countermeasures Basic Law, TEPCO formulate and publish the disaster prevention work plan for preventive measures, disaster emergency measures, and disaster recovery related to electric power facilities.</p> <p>The disaster prevention work plan includes preventive measures against extreme weather events such as floods and storm surges caused by climate change, and is designed to adapt to physical climate risks.</p> <p>Specifically, preventive measures against floods, storm surges, typhoons, and other disasters are defined for hydroelectric power generation facilities, power transmission facilities, power distribution facilities, power substation facilities, communication facilities, and nuclear power generation facilities, as well as disaster response measures and disaster prevention systems.</p> <p>In addition, preventive measures for these facilities cover 47.2% of the total revenue of the existing business.</p> <p>This percentage is calculated from the total sales of TEPCO HD, TEPCO PG, and TEPCO RP against the total sales of the TEPCO Group.</p> <p>In addition, the disaster prevention work plan stipulates that "it will be constantly reviewed and revised when deemed necessary," which means that the goal is to implement adaptation measures for more than 10 years.</p>

2.5.9	<p>We have set a goal of reducing CO2 emissions from electricity sold by 50% in 2030 compared to 2013.</p> <p>In addition to the above goal answered in S & P Global CSA 2021, we have set a goal to challenge Net-Zero CO2 emissions from energy delivered to our customers in 2050. https://www.tepco.co.jp/en/hd/newsroom/press/archives/2021/pdf/210721e0203.pdf</p>
2.5.10	<p>Estimated annual CO2e savings = Power generation volume increase seeing in FY2020 (9.79 million kWh) x the average emission intensity in Japan (0.444kg-CO2/kWh). Required investment = FY2020 investment in Hydro and renewable energies: ¥16.7 billion. This consists of expenses incurred from improving power generation facilities and also R&D expenses, etc. Annual cost reduction = Power generation volume increase seeing in FY2020 (9.79 million kWh) x (thermal power average unit price: ¥13 - Renewable energies average unit price: ¥11) = ¥1.958 billion</p>
2.5.12	<p>In the case of procuring electricity generated from thermal power plants by bidding, we evaluated the bid price including the cost of carbon credits to offset CO2 emissions when the bidder exceeds required carbon intensity. In specific, we set the condition of CO2 emission factor as 0.550kg-CO2/kWh or less, and if the emission factor exceeds this level, we added the estimated cost of carbon credits for adjusting to 0.550 kg-CO2/kWh into the bid price. The reference price of carbon credit at that time is 15 USD/t-CO2 based on the estimated value in 2020 of IEA World Energy Outlook 2013 edition. Taking the exchange rate and inflation rate through 15 years of the power supply period into account, the carbon credit price was 1,992 yen/t-CO2. This price does not differ depending on the area and related departments. In addition, the price is adopted as a fixed (unchanged) price reflecting future price change forecasts. This carbon pricing mechanism provides incentives for bidders to bid on power sources that are highly efficient and emit little carbon, and as a result the approximate 1.5 million kW of power won by the four companies is the best available technology in terms of power generation efficiency. Actual purchasing of the power sources one during the auction began in FY2020.</p>
2.8.3	<p><Water-Related Regulatory Changes & Pricing Structure></p> <p><input type="checkbox"/> Regulatory changes at the local level Legislative amendments may have some impact on our business. We are working on getting a situation of status change in close communications with regulators concerning water issues, especially Ministry of Environment or Ministry of Land, Infrastructure, Transport and Tourism. Results of these communications are reflected in our risk analysis. For example, in the operation of hydroelectric power stations, a status change in river basin management plan may have some impact on our facilities' operations. We maintain close communication with local river management authorities of the Ministry of Land, Infrastructure and Transport on water issues and are working on information exchange. In addition, we monitor the fact that the hydroelectric power plants is conducting water discharge with minimum flow based on the River Law, and submit annual data to the local river management authorities.</p> <p><input type="checkbox"/> Estimates of future potential regulatory changes on a local level Our hydroelectric power plants are not located in water stressed areas and the risk of drought is low. Therefore, it is considered unlikely that the river law will be amended. In particular the allowable amount of water withdrawals specified at the local level in the guidelines based on this law would not be changed in 20 years. We continually watch the situation and regulatory changes, and communicate with local river management authorities.</p> <p><input type="checkbox"/> Scenario analysis with potential impact of regulatory or tariff changes on operations at local level Our hydroelectric power plants are not located in water stressed areas and the risk of drought is low. Therefore, it is considered unlikely that the river law will be amended. In particular the allowable amount of water withdrawals specified at the local level in the guidelines based on this law would not be changed in 20 years. We continually watch the situation and regulatory changes, and communicate with local river management authorities.</p>
2.8.4	<p><input type="checkbox"/> Systematic tracking and monitoring of existing stakeholder conflicts Water risks are common issues for local users. We have established plant siting and regional relationship management office in order to ensure appropriate relationship with local stakeholders. Also TEPCO renewable power has a specific team whose are in charge of water local engagement and manage the water usage right. In dialogue with them, we are working on information exchange and sharing countermeasures especially in case of water shortages. Sufficient amounts of freshwater are important for our direct operations because they are necessary for electricity production, and any stakeholder conflicts concerning water resources including fishery resources may have some negative impact on our business. We keep collecting information on potential conflicts from various sources, especially our internal company knowledge accumulated in our power plants, and prepare to deal with them as our risk management.</p> <p><input type="checkbox"/> Estimates of future potential stakeholder conflicts Our hydroelectric power plants are not located in water stressed areas and the risk of drought is low. Therefore, we believe that there is a low possibility of conflict with stakeholders due to water resources competition. Relationship with local communities are essential to our business. We conduct mutual communication on water related issues with the local communities where our facility locates so as to reflect their opinions and secure transparency. Results of these communications are reflected in our risk analysis. We recognize that good relations with fishery related persons, local residents, etc. are an important foundation for power station management on continuing.</p> <p><input type="checkbox"/> Scenario analysis with potential impact of stakeholder conflicts on operations Our hydroelectric power plants are not located in water stressed areas and the risk of drought is low. Therefore, we believe that there is a low possibility of conflict with stakeholders due to water resources competition. On the other hand, if our facilities are washed away into rivers due to typhoon, heavy rain and flood in the future, there is a possibility that conflicts will occur with fisheries, local river authorities, and downstream river authorities. Therefore, assuming the event that our facility is washed away, we carry out an impact assessment on the downstream area and take measures to prevent it from being washed away.</p>

	<p>-----</p> <p><input type="checkbox"/> Active engagement with key stakeholders We maintain close communication with local river management authorities of the Ministry of Land, Infrastructure and Transport on water issues and are working on information exchange. River basin management authorities considers the water quality, and we are cooperating in the improvement of water quality. For example, in the Agatsuma River in the Tone River water system, we cooperated with the Ministry of Land, Infrastructure, Transport and Tourism's business for improvement of water quality, because rainwater infiltrated into the sulphur mine mountain and penetrated underground, and water in which Sulphur components are dissolved flows into the river. So we put lime juice into the river and neutralize the river water. This project contributes not only to establishing a good relationship with river basin management authorities but also to reducing the deterioration of our hydroelectric power facilities.</p> <p>-----</p> <p><input type="checkbox"/> Participation in integrated watershed management initiative in locations with key operations In dialogue with NGOs, we are working on reflecting opinions from them and securing transparency. We are working on promptly disclosing correct data and accurate information on contaminated water in which NGOs seem keenly interested. Results of these communications are reflected in our risk analysis. For example, in the Oze area located upstream of the Tone River water system where the hydroelectric power plants are located, about 40% of the Oze area designated as a national park is owned by TEPCO. While we implement nature conservation through discharge of river maintenance flow, we maintain the natural environment of the Oze area through two-way communication with the Oze Conservation Foundation, and it also contributes to water source conservation in the Tone River water system.</p>
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3. Social Dimension	
3.1.2	Our fiscal year is from April to March of the following year. We have any external assurance on our environmental reporting in FY2020, and our environmental reporting in FY2021 has not yet been shown on our website because it is under third-party verification.
3.2.2	<p><Diversity Indicator></p> <ul style="list-style-type: none"> •Female share of total workforce: 13.1% •Females in all management positions, including junior, middle and senior management: 5.8% Public target for 2025 10% •Females in junior management positions: 5.8% Public target for 2025 10% •Females in top management positions: 11% •Females in management positions in revenue-generating functions: 11.3% Public target for 2025 10% •Share of women in STEM-related positions (as % of total STEM positions):4.6% •Breakdown of workforce based on other minority group(s): Yes
3.2.3	<p><Race/ Ethnicity & Nationality></p> <ul style="list-style-type: none"> •Share in total workforce (as % of total workforce) Japanese 99.86% Chinese 0.08% Vietnamese 0.01% Korean 0.01% American 0.004% Other 0.01% <p>The addition does not add up to 100%, and that is due to rounding.</p> <ul style="list-style-type: none"> •Share in all management positions, including junior, middle and senior management (as % of total management workforce) Japanese 100%
3.2.4	<ul style="list-style-type: none"> People with disability:1.6% LGBTQI+ :8.9% assuming same as general number Age groups: <30 years old 10.5% 30-50 years old 50.0% >50 years old 39.5%

3.2.5	<p><Equal Remuneration> ・Currency: JPY-Yen ・Average Executive level (base salary only) :Women 16,170,000 Men16,170,000 ・Average Executive level (base salary + other cash incentives): Women 22,550,000 Men 22,550,000 ・Average Management level (base salary only) :Women 6,840,000 Men 6,840,000 ・Average Management level (base salary + other cash : Women 10,920,000 Men 11,160,000 ・Average Non-management level: Women 3,480,000 Men 3,840,000</p>
3.2.6	<p><Freedom of Association> 100 % of employees represented by an independent trade union</p>
3.3.1	<p>same as above 3.2.1</p>
3.3.2	<p>same as above 3.2.1</p>
3.3.4	<p>same as above 3.2.1</p>
3.4.1	<p><Training & Development Inputs> Average hours per FTE of training and developmen:13hours/ FTE Average amount spent per FTE on training and development: 98,000 JPY/ FTE ・Breakdown of workforce based on other group(s): Yes</p>
3.5.1	<p>Total number of new employee hires FY2018:295 FY2019:387 FY2020:598 FY2021:721 Percentage of open positions filled by internal candidates (internal hires) FY2018:220 FY2019:276 FY2020:135 FY2021:155 ・Breakdown of workforce based on other group(s): Yes</p>
3.5.6	<p><Employee Support Programs> <input type="checkbox"/>Flexible working hours The company has flexible working hours program. ----- <input type="checkbox"/>Working-from-home arrangements The company has working-from-home arrangement program. ----- <input type="checkbox"/>Part-time working options The company has part-time working options for staffs raising children. ----- <input type="checkbox"/>Childcare facilities or contributions The company has a company-run childcare center. ----- <input type="checkbox"/>Breast-feeding/lactation facilities or benefits The company has assistance in purchasing baby bottles, formula, etc. ----- <input type="checkbox"/>Paid parental leave for the primary caregiver in excess of the minimum legal requirement. Employees who are raising children or nursing caregivers are entitled to a certain period of leave. ----- <input type="checkbox"/>Paid parental leave for the non-primary caregiver in excess of the minimum legal requirement. Employees who are nursing the non-primary caregivers are entitled to a certain period of leave. ----- <input type="checkbox"/>Paid family or care leave beyond parental leave (care for a child, spouse, partner, dependent, parent, sibling, or other designated relation with a physical or mental health condition) Additional leave is granted to employees for nursing needs, such as when a child develops a fever.</p>

3.5.7	<p><Employee Turnover Rate> Total employee turnover rate FY2018:3.7 FY2019:4.5 FY2020:4.8 FY2021:5.2 Voluntary employee turnover rate FY2018:1.03 FY2019:1.01 FY2020:0.88 FY2021:1.08</p> <p>·Breakdown of workforce based on other group(s): Yes</p>
3.5.8	<p><Trend of Employee Engagement> ·Standard Method: Employee Engagement(the percentage of actively engaged employees): FY2018: 60% FY2019: 72% FY2020: 74% FY2021: 75% Target for FY2021: 6.4</p> <p>·Data Coverage(the percentage of total employees): Every year 100%</p> <p>·Breakdown of workforce based on other group(s): Yes</p> <p>·Survey Methodology: Since FY 2019, TEPCO has started the employee happiness survey for scaling the employee engagement. In the employee happiness survey, employees are asked "happiness level" out of 11 points(0="Not satisfied at all" at all, 5=neutral, 10="Very satisfied"). The target rate for FY 2021(6.58) is an average rate of performance in the past three years.</p> <p>·Scale or options used in the survey : 11 points scale(0="Not satisfied at all" at all, 5=neutral, 10="Very satisfied")</p>

<p>3.6.2 3.6.3</p>	<p>Preservation for Oze National park 300million yen/year https://www.tepco.co.jp/en/hd/about/esg/environment/oze/index-e.html The Oze National Park, which sprawls across four prefectures - Gunma, Fukushima, Niigata and Tochigi - is known for its well-preserved and vast yet delicate nature. Designated as a Special National Monument of Japan, Oze is also included in the List of Wetlands of International Importance under the Ramsar Convention. In the early 20th century, the electric power supplier to the area at that time acquired some land in Oze for generating electricity and that land was passed on to TEPCO when the company was founded. For around 60 years since then, together with the local communities and our group company Tokyo Power Technology Ltd., we have been working to protect this natural environment as well as to provide visitors with opportunities to enjoy its nature. Our specific activities include restoration of the wetland vegetation, installing and maintaining wooden paths, building and managing public toilets and mountain lodges, and offering guided nature tours.</p> <p>Regional revitalization of Higashidori Village, Aomori 200million yen/year TEPCO seems to have the aim of strengthening relations with the local community, as the resumption of construction work for the nuclear power plant is not foreseen and there are growing calls for support from the local community. https://www.tepco.co.jp/en/hd/ourbusiness/nuclear/higashi-dori/index-e.html</p>
<p>3.7.1</p>	<p><OHS Policy> <input type="checkbox"/>Is applicable to the company's entire operations/ employees as well as contractors or individuals under the company's supervision. YES</p> <p>-----</p> <p><input type="checkbox"/>Compliance with relevant OHS international standards and regulations, voluntary programs and/or collective agreements on OHS. YES</p> <p>-----</p> <p><input type="checkbox"/>Consultation with and participation of workers, and, where they exist, workers' representatives. YES</p> <p>-----</p> <p><input type="checkbox"/>A commitment to continually improve the performance of the OHS management system. YES</p> <p>-----</p> <p><input type="checkbox"/>Setting up prioritization and action plans. YES</p> <p>-----</p> <p><input type="checkbox"/>Establishment of quantitative targets for improving OHS performance metrics. YES</p> <p>-----</p> <p><input type="checkbox"/>Endorsement of the implementation of the OHS policy. Please select the highest endorsing decision-making body: Executive management</p> <p>Code of Conduct Related to the Corporate Ethics and Compliance Policies of the TEPCO Group declares the following and sets forth our policy of placing the highest priority on safety. This code was endorsed by executive management.</p> <p>1. Respecting all people (1) Making safety our top priority - We are committed to thinking and acting with safety as our top priority. - In addition to complying with all relevant safety regulatory laws as well as safety rules and regulations, we shall strive to:</p> <ul style="list-style-type: none"> · Comprehensively implement safety assurance measures in all facilities that we operate. · Carry out suitable safety measures if signs of abnormalities or danger are discovered. · Provide rapid relief and restoration measures in the event of an accident or disaster. · Ensure the safety of workers and the general public through safety-first initiatives applied to all working environments and procedures. <p>In addition, with the goal of zero fatalities, we have established safety officers and safety staff at each of our core operating companies to horizontally disseminate safety-related information and countermeasures. To prevent accidents, we formulate "Safety Activity Plans" based on risk assessments and other factors, and deploy activities accordingly. In addition, we check and evaluate the implementation status of safety activities and review them as necessary to implement the PDCA cycle for safety management and to make continual improvements. In labor-management negotiations with the union, representatives of the company and the union regularly exchange opinions on safety at each worksite.</p>
	<p><OHS Programs></p> <p>-----</p> <p><input type="checkbox"/>OHS risk and hazard assessments to identify what could cause harm in the workplace. YES</p> <p>-----</p> <p><input type="checkbox"/>Prioritization and integration of action plans with quantified targets to address those risks. YES</p> <p>-----</p> <p><input type="checkbox"/>Integration of actions to prepare for and respond to emergency situations. YES</p> <p>-----</p> <p><input type="checkbox"/>Evaluation of progress in reducing/preventing health issues/risks against targets. YES</p> <p>-----</p> <p><input type="checkbox"/>Internal inspections. YES</p> <p>-----</p> <p><input type="checkbox"/>Independent external verification of health, safety and well-being: please provide the names and standards used (such as ISO 45001): YES</p>

3.7.2	<p>----- <input type="checkbox"/> Procedures to investigate work-related injuries, ill health, diseases and incidents. YES</p> <p>----- <input type="checkbox"/> OHS training provided to employees and/or other relevant parties to raise awareness and reduce operational health & safety incidents. YES</p> <p>----- <input type="checkbox"/> OHS criteria introduced in procurement and contractual requirements. YES</p> <p>To prevent accidents, we formulate a "Safety Action Plan" based on risk assessment and hazard evaluation, and also set quantitative targets and prioritize action plans to develop activities. We monitor the number of disasters, check and evaluate the status of safety activity planning and implementation, and make continuous improvements.</p> <p>For emergency disaster response, we have prepared a basic manual for disaster investigation and reporting, and conduct periodic disaster drills.</p> <p>When a disaster occurs, an investigation is conducted by in-house safety staff in accordance with the company's internal investigation manual. In addition, we strive to understand the actual situation onsite with the cooperation of external organizations as necessary.</p> <p>To prevent disasters, we conduct various training programs for all employees, including e-learning and on-site training at training centers, in accordance with the basic safety training manual.</p> <p>OHS criteria introduced in procurement and contractual requirements. TEPCO's procurement policy stipulated consideration for human rights, safety and occupational health.</p>
3.7.3	<p><Fatalities> The number of work-related fatalities for employees and contractors</p> <p>·Employees: FY2018: 0 FY2019: 0 FY2020: 0 FY2021: 0</p> <p>The number of employee fatalities has remained at zero.</p> <p>·Contractors: FY2018: 1 FY2019: 2 FY2020: 0 FY2021: 2</p> <p>The number of contractor fatalities has remained at a few.</p>