

ESG Information on S&P Global CSA 2023

A content index of "Corporate Sustainability Assessment (CSA)" for our ESG information is as follows.
The information provided covers the performance of TEPCO and it is updated on a regular basis in each of the linked sections.

As of July, 2023


1. Governance & Economic Dimension

1.1.1	<p>Sustainability Reporting Boundaries The Integrated Report, a key tool for sustainability disclosure, discloses the reporting boundary in the same scope as financial reporting and in the scope of consolidation.</p>
1.2.1	<p>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.</p>
1.2.3	<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 11 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>
1.2.4	<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," we select candidates based on whether they fulfill the criteria for independence. The diversity mentioned in the selection policy includes gender, race, nationality, place of birth, and cultural background. Board of Directors comprised of diverse personnel with different genders (2 females), specialist knowledge, and backgrounds.</p>
1.2.6	<p><Method of resolution by the Board of Directors> The resolution of a meeting of the Board of Directors shall be effective when a majority of the Directors present at the Board 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 the Directors and deliberations at Board of Directors meetings, as well as independent assessments using a third-party organization once every three years approximately.</p> <p><Board Election Process> The term of Board 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>
1.2.7	<p>Average tenure of board members is 2.8 years. *Number of years excluding directors elected at the current year's annual general meeting of shareholders.</p>
1.2.11	<p>CEO's Multiplier Calculation (Currency: Yen) $473 * 19,465 / 20,000,000 = 0.460$ Multiplier calculation for other executives $(473 * 27,294 / 20,000,000) + (473 * 1,865 / 20,000,000) + (473 * 2,092 / 20,000,000) + (473 * 11,522 / 20,000,000) + (473 * 0 / 20,000,000) / 5 = 0.202$</p> <p>*The calculation is conditional on the average of disclosed compensation for executive officers.</p>
1.2.13	<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>
1.2.15	<p>The ratio between the total annual compensation of the Chief Executive Officer and the mean or median employee compensation: $26,888,889 / 8,144,373 = 3.30$</p> <p>*The calculation is conditional on the average of disclosed compensation for executive officers.</p>

	<p><Material Issue 1> FY2030 Target ·profit of around ¥100 billion per year from renewable energy businesses. Progress : Net income 51.9 billion yen ·FY2030 Target2 : Develop 6 to 7 GW of new renewable energy in Japan and overseas by FY2030 Progress : Overseas hydroelectric power development of 330 MW, overseas offshore wind power development of 2.49 GW in progress</p> <p><Material Issue 2> FY2030 Target ·Created power demand volume: More than 9.7 TWh Progress : 0.47 TWh ·Sales volume from CO2-free options: More than 10 TWh Progress : 6.3 TWh ·Reduce CO2 emissions originating from the sale of power to 50% of FY2013 levels* Progress : CO2 emissions were reduced from 139.2 million tons in FY2013 to approximately 80 million tons in FY2021, a 43% reduction, and progress toward the FY2030 target is approximately 85%.</p> <p>1.3.3 * From Scope 1, 2 and 3 power sales. Scope 1 and 2 emissions will be reduced to FY2019 levels</p> <p><Material Issue 3> FY2025 Target ·charging network*13,000 stations Progress : 7,400 stations ·50% of our approximate 3,800 work vehicles (excluding emergency and special construction vehicles) with electric vehicles Progress : Progress toward target 42%.</p> <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. The degree of achievement of ESG-related objectives is reflected in executive remuneration. As we aim to promote ESG-based operation, KPI pertaining to non-financial ESG performance are included in indicators for the performance-related remuneration for executives involved, and as such, achievement level, such as the aforementioned KPI, etc., is considered when the Compensation Committee determines salary. A percentage is set based on the executive's title, whether or not they have representative rights, and the duties of their position. The amount paid also reflects company performance and personal performance. Payout rate varies from 0 to 145%.</p>
1.4.1	<p><Risk Management System> Highest ranking person with dedicated risk management responsibility on an operational level (not CEO): Executive Vice President & Daisuke Sakai, Executive Vice President Mitsushi Saiki, and CRO Masayuki Kishino, vice chairmen of the Risk Management Committee.</p> <p>Highest ranking person with responsibility for monitoring and auditing risk management performance on an operational level (not CEO): Chairman of the Audit Committee Seiji Moriya.</p> <p>Number of non-executive members of board of directors/supervisory board with expertise in (enterprise) risk management: Audit Committee consisting of five non-executive directors.</p> <p>Regular risk management education for non-executive directors ensured: 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>The risk management function is structurally independent of the business lines: 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> <p style="text-align: center;"><Structure></p> <div style="text-align: center;"> <pre> graph TD Board[Board of Directors] --- Risk[Risk Management Committee (Chairman: President) CRO(Chief Risk Officer)] Risk --- DP[Disaster Prevention] Risk --- NDP[Nuclear Disaster Prevention] Risk --- DD[Decommissioning Disaster Prevention] Risk --- SD[Supply and Demand] Risk --- DSS[Data System Security] Risk --- UE[Utility Equipment] </pre> </div>
1.4.2	<p><Business risks are reviewed in the summary of financial results at the end of each fiscal year.> Business risks are reviewed in the summary of financial results at the end of each fiscal year.</p>

1.4.3	<p><Emerging Risk 2> Carbon pricing</p> <p>Description : Japan's GX Promotion Law includes the introduction of carbon pricing. Since approximately 80% of our electricity sales are from thermal power generation, which emits CO2, this poses a very significant risk depending on the details of the carbon pricing system.</p> <p>Impact : The impact of the introduction of carbon pricing can be calculated by multiplying the amount of CO2 emissions from our company's electricity sales by the increased cost per CO2 emissions from the carbon pricing mechanism to be introduced. Assuming that our company's CO2 emissions from electricity sales are approximately 80 million t-CO2, which is the actual amount for FY2021, and that the cost increase per CO2 emission is 1,000-10,000 yen/t-CO2, at least 80 million t-CO2 x 1,000 yen/t-CO2 = 80 billion yen per year financial impact could occur. Also, a maximum annual financial impact of 80 million t-CO2 x 10,000 yen/t-CO2 = 800 billion yen could occur.</p> <p>Mitigating actions : To avoid the impact of carbon pricing, it is necessary to increase the amount of non-fossil power and reduce CO2 emissions derived from the amount of electricity sold. Compared to solar power, which has already been introduced in Japan, wind power is expected to be a promising non-fossil power source with large potential for future development. MHI aims to develop 2 to 3 million kW of new offshore wind power in Japan and to reduce CO2 emissions from electricity sales by 50% from the fiscal 2013 level by fiscal 2030. For example, if we achieve this goal, it will be equivalent to 70 million tons of CO Since this is a 10 million ton reduction from the FY2021 actual level of 80 million tons, the annual adverse financial impact of the carbon pricing mechanism of 10 million tons x 1,000-10,000 yen/t-CO2 = 10-100 billion yen can be avoided.</p>
1.4.4	<p><Risk Culture> Financial incentives which incorporate risk management metrics: TEPCO regards important risk management as an important management issue and has appointed a responsible officer. The degree of achievement of important management issues greatly affects the performance evaluation of the responsible officer. In addition, the responsible officer decides the line manager who will work on important management issues. The degree of achievement of important management issues will greatly affect the performance evaluation of line managers.</p> <p>Focused training throughout the organization on risk management principles: TEPCO is conducting training to improve the quality of risk scenario extraction, which is the basis of risk management. For example, the company requires all employees to take risk management training via e-learning at least once a year.</p> <p>Inclusion of risk management criteria in the HR review process for employee evaluations: TEPCO has set up a corporate ethics section in its personnel evaluation process for employee assessment, which also includes risk management as a criterion.</p> <p>Measures allowing individual employees to proactively identify and report potential risks throughout the organization: Individual employees can proactively identify and report potential risks in advance when developing risk scenarios.</p> <p>Measures allowing continuous improvement in risk management practices through the involvement of employees in structured feedback process.: Individual employees can proactively identify and report potential risks in advance when developing risk scenarios, and are informed of risk scenarios. We conduct this cycle and review risk scenarios at least twice a year, therefore we can continuously improve risk management.</p> <p>Incorporating risk criteria in the product development or approval process: Decisions about strategic investment in new areas of business are made by the Investment Committee established within TEPCO Holdings. Investment Committee makes investment decisions based on five evaluation criteria: risk, strategy, business model, management resources, and return. In particular, the Committee sets hurdles for each type of business and region that consider business risks and country risks, and makes investment decisions after evaluating the profitability and strategic advantage of each project based on those hurdles. Projects that have been invested in are monitored quarterly and investment is withdrawn if necessary.</p> <p>Other means of measuring or innovating for an effective risk culture: As a party to the Fukushima Daiichi Nuclear Power Plant accident, TEPCO is working to foster a risk culture by holding a sit-down dialogue on the accident for each group or office, all employee attend, at least once a year.</p>
1.5.2	<p><TEPCO Group Charter of Corporate Conduct> https://www.tepco.co.jp/en/hd/about/corporate/pdf/corporate_conduct_01-e.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>

1.5.3	<p><Political contributions> During the fiscal year 2018-2022, 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>
1.5.4	<p><Codes of Conduct: Systems/ Procedures > In order to make the Code of Conduct more effective, TEPCO is taking the following actions.</p> <ol style="list-style-type: none"> 1. Responsibilities, accountabilities and reporting lines are systemically defined in all divisions and group companies. 2. A dedicated help desk has been set up. 3. Compliance linked to employee remuneration. 4. TEPCO has set up a corporate ethics section in its personnel evaluation process for employee assessment. 5. TEPCO has stipulated in its employment regulations that if a person is offered money or other goods in connection with his/her duties without a justifiable reason, he/she will be subject to serious disciplinary action, including "disciplinary dismissal." 6. The Corporate Ethics Committee, whose members include outside experts (one lawyer and two academics), meets about once a quarter to receive third-party certification, audit, and verification of the compliance system
1.6.1	<p>Contributions & Other Spending 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 <IR> Business Network and pay GBP 10,000 in membership fees annually.</p>
1.6.2	<p>Largest Contributions & Expenditures TEPCO dispatches its workforce and pays membership fees to organizations that contribute to addressing climate change issues and ESG information disclosure.</p> <ul style="list-style-type: none"> - <IR> Business Network Annual contribution; GBP 10,000 (JPY 1,655,800 (FY2022)) - General Incorporation Association of ESG Disclosure Study Group Annual contribution; JPY 1,500,000 (FY2022)
1.6.3	<p><Lobbying and Trade Associations - Climate Alignment> TEPCO is a member of the Federation of Electric Power Companies of Japan (FEPC), a trade association of electric utilities established to facilitate the operation of electric utilities in Japan. FEPC is committed to "decarbonizing power sources" on the supply side and "promoting electrification" to the maximum extent possible on the demand side in order to achieve carbon neutrality. These efforts are consistent with the Paris Agreement. Similarly, we are working to develop renewable energy sources and sell electrification packages for households in a manner consistent with the Paris Agreement.</p> <p>TEPCO is a member of The Electric Power Council for a Low Carbon Society (ELCS), a trade association of electric utilities in Japan. The purpose of ELCS Electricity is to promote and support member companies to work independently and individually on their action plans in order for the industry to take effective measures against global warming, thereby promoting effective global warming measures in the electric power industry as a whole.</p> <p>Both of a trade association have management system and governance framework for lobbying. They also review and monitor process to assess whether public policy engagements and lobbying are aligned with the Paris Agreement and report the progress.</p> <p>TEPCO has a board member discharged to ELCS and conducts direct lobbying.</p>
1.7.3	<p>Supplier Screening We respect the following aspects in our screening process for significant suppliers:</p> <ul style="list-style-type: none"> - Environmental - Social - Governance - Business relevance (e.g. share of spend) <p>And the methodologies for the process are follows;</p> <ul style="list-style-type: none"> - Country-specific risk: most of our suppliers are located in Japan, relatively low risk - Sector-specific risk (e.g. construction sector) - Commodity-specific risk (e.g. mineral material)
1.7.4	<p>Supplier Development</p> <ul style="list-style-type: none"> - ESG training We provided to all significant suppliers ESG information especially human rights for supplier training when we feedback the sustainable procurement score for each supplier. - ESG benchmarks We provided the benchmarks for sustainable procurement score, in detail we plotted on the radar chart their own score, average score in all suppliers and average score in similar size suppliers for their comparison. - Supplier Support We provided to the specific supplier on-site ESG lecture, the part of the supplier's improvement actions, that assisted to develop knowledge in the supplier.

1.7.5	<p>KPIs for Supplier Screening The coverage and progress for our supplier screening is as follows;</p> <table border="1" data-bbox="304 290 779 507"> <thead> <tr> <th>Supplier Screening</th> <th>FY 2022</th> </tr> </thead> <tbody> <tr> <td>Total number of Tier-1 suppliers</td> <td>1500</td> </tr> <tr> <td>Total number of significant suppliers in Tier-1</td> <td>300</td> </tr> <tr> <td>% of total spend on significant suppliers in Tier-1</td> <td>80</td> </tr> <tr> <td>Total number of significant suppliers in non Tier-1</td> <td>0</td> </tr> <tr> <td>Total number of significant suppliers (Tier-1 and non Tier-1)</td> <td>300</td> </tr> </tbody> </table>	Supplier Screening	FY 2022	Total number of Tier-1 suppliers	1500	Total number of significant suppliers in Tier-1	300	% of total spend on significant suppliers in Tier-1	80	Total number of significant suppliers in non Tier-1	0	Total number of significant suppliers (Tier-1 and non Tier-1)	300
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1.7.6	<p>KPIs for Supplier Assessment and Development</p> <ul style="list-style-type: none"> - Desk assessments; we sent the questionnaire regarding sustainable procurement to all our significant suppliers, 300 suppliers (FY2022). - On-site assessments; based on the response for the questionnaire, we selected 6 suppliers and had ESG engagements with them. - Total number of suppliers assessed via desk assessments/on-site assessments (FY2022); 300 suppliers - % of significant suppliers assessed (FY2022); 100% 												
1.8.1	<p>Cyber Security risk management is conducted by the Data System 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 Data System Security Subcommittee is to be chaired by the executive CISO.</p>  <pre> graph TD A[Board of Directors] --> B["Risk Management Committee (Chairman: President) CRO(Chief Risk Officer)"] B --> C1[Disaster Prevention] B --> C2[Nuclear Disaster Prevention] B --> C3[Decommissioning Disaster Prevention] B --> C4[Supply and Demand] B --> C5[Data System Security] B --> C6[Utility Equipment] </pre>												
1.8.2	<p>Compliance, including cyber security, is included in the category of employee performance evaluation and disciplinary action.</p>												
1.10.4	<p><Smart Meter Penetration> ·The percentage of metering devices that are smart meters: 100% (March.2022) *All households except for those where replacement is difficult.</p>												

2. Environmental Dimension

<p>2.5.5</p>	<p><Quantity & Quality-Related Water Risks> <input type="checkbox"/> Corporate water management policy and plan in place By Group Environmental Policy, we mention an efficient utilization of water and reduction of environmental impacts by ensuring measures against environmental pollutions and risk management. Through our environmental management system, we ascertain emissions, consumption, and retention volumes for PCB waste, toxic substances, ozone depleting substances, and asbestos. Substances are managed appropriately in accordance with laws and we reduce emissions by promoting switching to products without toxic substances. By installing waterproof barrier and oil film detection shutoff valves etc., leakage risk is sufficiently reduced. In addition, we strictly handle leakage countermeasures and waste disposal appropriately for our power producers in the value chain as well as us. Measures of heavy rainfall, we manage and check the equipment near the river and increase the priority of replacement and detoxification treatment so as not to flow out hazardous waste when the river flood occurs.</p> <p>----- <input type="checkbox"/> Systematic tracking and monitoring of availability at local level Water withdrawals are measured and monitored at all of our power plants and offices every fiscal year as INPUT/OUTPUT material flow in our environmental management system. At all of our hydroelectric power plants power plants, we submit data of yearly water withdrawals based on the agreement with national or prefectural governments depended on river manager where they are located. Total volumes of water withdrawals are always monitored by watching water level, flowmeters, and operation hours of pumps.</p> <p>----- <input type="checkbox"/> Estimates of future changes in water availability at local level According to the evaluation by WRI Aqueduct, the hydroelectric power generation area is evaluated as Medium-High at the maximum in the entire Kanto region, Yamanashi prefecture and Shizuoka prefecture, and because the maintenance flow rate is able to be secured at all hydropower stations, we judge that there is no power station located in water stressed area. We recognize that this tool will be able to evaluate in the next 20 years and this situation has not changed since last year. In the current and future prospects we continuously collect information on the fact that power stations are not located in water stressed areas. We are confirmed that water related risks are sufficiently low by conducting the same assessment for businesses who operate power generation business in the value chain.</p> <p>----- <input type="checkbox"/> Scenario analysis with potential impact on operations We operate based in Kanto, including the capital Tokyo. With regard to the Tonegawa river and Arakawa river that flow through the area, the Cabinet Office has also made an assumption of damage if there is a flood due to a heavy rain every 200 years, and we have taken measures to reduce the damage according to that assumption. It is estimated that there will be about 1.8 million blackouts when Arakawa and Tonegawa have flooded. Assuming that the market share of our company is 80% and it takes one week to resume the supply of electricity, it is the largest decrease in sales power. Potential financial impact by decreasing of electricity sales is assumed below: 1.8 million houses × share ratio 0.8 × 260 kwh / month × 7/30 days × 26yen / kWh = approximately 2,271.36 million yen.</p>
<p>2.5.6</p>	<p><Water-Related Regulatory Changes & Pricing Structure> <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 We have confirmed that the supply chain that operates the hydroelectric power generation business complies with the minimum maintenance water volume stipulated by law, and evaluates that there are no compliance issues. We believe that the risks have been sufficiently reduced. Those who intend to use the running water of a river must obtain the permission of the river manager pursuant to the provisions of the Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism. Regarding the construction and management of water and sewage, the responsibilities of the national government, local governments, and the people are stipulated by the Water Supply Law. When the "WRI Aqueduct Water Risk Atlas" tool was used to evaluate the baseline regulation and reputation risk of the intake area, and the water supply forecast for 2030, the former was "low" and the latter was "100-300 cm", and this confirms that the risk is low.</p>
<p>2.6.2</p>	<p>Governance b)</p> <p><management's role in assessing and managing climate-related risks> TEPCO has constructed processes for the centralized and comprehensive management of risks throughout the entire Group, even in times of non-emergency, as well as processes for suitably handling manifested risks and formulating preventative measures. In particular, the secretariat of The Risk Management Committee, which is chaired by the President, periodically (more than once a year) asks all departments within the company to identify, assess, and examine countermeasures for risks that take into account changes in the social environment and business environment. In accordance with this request, each department identifies, assesses, and formulates measures to address risks. Identification and assessment of risks are not only performed for in-house direct operations, but also the upstream/downstream in the value chain. The assessment is performed by a unified method based on the severity of risks and on the possibility of occurrence, which are quantified by using our own formula based on the assessed degree of social impact and economic loss, such as power supply, loss of life and hinderance to daily living. The Risk Management Committee examines measures for preventing the manifestation of, and mitigating, risks that have the potential to greatly impact business operations. Furthermore, Board members and a managing executive officers periodically, and as necessary, ascertain and assess risks related to business activities, and suitably reflect these risks in the business plans for each fiscal year. Additionally, internal oversight departments periodically, and as necessary, perform audits of the effectiveness of this risk management system, and report the results to the executive board. The process for identifying, assessing, and addressing risks that is mentioned above also looks at climate-related risks.</p> <p>< management's role in assessing and managing climate-related opportunities> In the course of the daily operations of all departments, TEPCO identifies business opportunities from all short-term, medium-term, and long-term perspectives, not only in our direct operations but also in the upstream and downstream of the value chain. We have an integrated process for assessing opportunities identified by individual departments using common assessment criteria. This assessment is performed by the Investment Management Committee, which is a body that oversees all group companies and is chaired by the Executive Vice President. If an opportunity is deemed worthy of investment by the Investment Management Committee, the department that identified it engages in the investment. The above process for identifying, assessing, and addressing opportunities also includes climate-related opportunities. The ESG Promotion Office is a department dedicated to examining ESG business strategies. The basic strategy of the ESG Promotion Office is to expand TEPCO's business while solving social issues in consideration of ESG trends, and the department also provides in-house education on identifying risks and internally shares ESG-related information, including information pertaining to climate change. It is in this way that the ESG Promotion Office devotes energy to identifying new opportunities related to climate, in particular.</p>

Risk Management a) ,b) ,c)

<Process for identifying, assessing, and addressing risks>

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The assessment is performed by a unified method based on the severity of risks and on the possibility of occurrence, which are quantified by using our own formula based on the assessed degree of social impact and economic loss, such as power supply, loss of life and hinderance to daily living.

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<Process for identifying, assessing, and addressing opportunities >

2.6.2

In the course of the daily operations of all departments, TEPCO identifies business opportunities from all short-term, medium-term, and long-term perspectives, not only in our direct operations but also in the upstream and downstream of the value chain. We have an integrated process for assessing opportunities identified by individual departments using common assessment criteria. This assessment is performed by the Investment Management Committee, which is a body that oversees all group companies and is chaired by the Executive Vice President. If an opportunity is deemed worthy of investment by the Investment Management Committee, the department that identified it engages in the investment.

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Metrics & Targets c)

The TEPCO group aims to electrify all of its 3,600 company vehicles, with the exception of specialized construction vehicles and emergency vehicles, by 2030.

We have set "50% in 2025" as an intermediate target toward the target of 100% in 2030. At the moment, there are an issue that a number of EV models is limited and issues related to charging and so on, but we are proceeding with the introduction of EVs while trying to solve these issues. As of the end of FY 2022, about 720 EVs have been introduced, and the progress is about 21% of about 3,600 target vehicles.

2.6.3

The achievement of CO2 reduction targets is set as a KPI in the performance-linked compensation index for all members of the Executive Board.

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 FY2030 compared with FY2013, set their performance objectives. Their performances compared with them are evaluated and their wages rise and fall depending on this evaluation.

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 commendation.

2.6.5

<Transition Risk>

Our electricity retail business is 100% conducted in Japan. In Japan, electricity retailers are required by law to procure non-fossil power sources and purchase non-fossil certificates from a nationwide non-fossil value trading market to meet their obligations to achieve a 44% ratio of non-fossil power sources in electricity sales by FY2030. In FY2021, the ratio of non-fossil power sources to our electricity sales was low at about 5%. As a result, our task is to lower this cost.

If achieving 44% non-fossil power is not feasible, we can achieve it by procuring non-fossil certificates. our non-fossil power share of electricity sold in 2021 is about 5%.

In 2030, assuming that the ratio of non-fossil power sources (44% - 5% = 39%) and the amount of electricity sold (177.1 billion kWh) are at the same level as in 2021 and the price of non-fossil certificates (the latest contracted price of ¥0.6 /kWh) is the same as in 2022, the cost will increase by approximately ¥41.4 billion at most.

The result of the estimation is as follows.

177.1 billion kWh x 39% x ¥0.6 /kWh ≈ ¥41.4 billion

The breakdown of non-fossil certificates to be procured is the designated non-fossil value certificate for renewable energy and the non-designated non-fossil value certificate.

If the company is able to achieve a non-fossil ratio of 44% with its own power sources, it will no longer be necessary to purchase non-fossil certificates, and the financial impact will be ¥0.

In Japan, the law requires electricity retailers to "increase the ratio of non-fossil power sources in electricity sales to 44% by 2030.

If it is difficult to achieve 44% non-fossil power, it is possible to achieve it by procuring non-fossil certificates, but there is a risk that procuring non-fossil certificates will cost a large amount of money.

To limit this risk, it is important to expand renewable energy sources. We have set a target of developing about 6 to 7 million kW of new renewable energy power sources in Japan and abroad by FY2030, mainly from offshore wind power, and through FY2022 we have developed a cumulative total of 6.862 million kW of new sources (including those under development). In addition, ¥20,176 million of investment in renewable energy and other equipment was recorded as administrative expenses. This includes hydroelectric power generation, wind power generation, and photovoltaic power generation.

<Risks driven by change in physical climate parameters or other climate-change related developments>

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 have approximately 9.88 million kW of power and a book value of ¥3526.21billion. TEPCO also owns 387,272km worth of transmission and distribution facilities that have a book value of ¥3.696940 trillion.

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.

"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."

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.

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.

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.

2.6.5

<Minimum> If there is no damage to, or destruction of, power equipment, and power supply was not hindered, the financial impact amount would be ¥0.

<Maximum> The maximum potential impact amount is ¥4.0495 trillion, which is the total of the book values of TEPCO's hydroelectric power stations (¥352.6 billion) and its transmission/distribution network (¥3.6969 trillion).

To address this risk, we take measures to minimize damage to facilities and to mitigate the financial impact of damage to facilities.

<Countermeasure>

1. Measures to minimize damage to facilities

- Elevate equipment and install tide protection plates

- Utilize mobile wireless and satellite communications to ensure means of communication with affected areas

- Others

The capital investment spent on these initiatives is ¥316.8 billion. This amount has been broken down into investment for power transmission equipment, transformation equipment, and distribution equipment.

2. Measures for mitigating financial impact

- Disaster loss reserves have been appropriated in order to mitigate detrimental financial impact during any singular fiscal year. The amount appropriated in FY2022 was ¥500.6 billion.

<Cost calculation>

The estimated ¥ 817,400,000,000 as the cost of response consists of the amount of capital investment, the allowance for disaster loss.

TEPCO owns a total of seven nuclear reactors in Kashiwazaki City and Kariwa Village, that can produce approximately 8.212 million kW of power, but none are in operation.

Thermal power accounts for approximately 80% of TEPCO's electricity sales volume, which is much higher than other electric utilities in Japan, so by operating nuclear power stations, which is cheaper in terms of power generation costs, we can reduce the amount of power procured from the thermal power stations of other companies, which is expensive, and ultimately reduce procurement costs.

Furthermore, if operation of these nuclear power stations were to commence by social decarbonization demand, we could meet the needs of our customers for low/zero-carbon sources of electricity. In the liberalized electricity market, customers choose us because of our low emission intensity, therefore we may get the opportunity to increase our electricity sales volume greatly.

The annual financial impact can be estimated by multiplying the amount of thermal power that is replaced by nuclear power by the unit cost difference of each form of power generation. The amount of power produced annually after replacing thermal power with nuclear power can be calculated by multiplying the capacity of nuclear power stations newly put into operation by 8,760 hours and the facility operating rate.

The single-year expenditure improvement is estimated below assuming that the unit price of thermal power production to be replaced is ¥10/kilowatt hour (average unit price of LNG-fired power generation and coal-fired power generation), the unit price of nuclear power production is ¥5/kilowatt hour, and the facility operating rate of nuclear power stations newly put into operation is 85%. In other words, the cost improvement effect when replacing thermal power with nuclear power is ¥5 / kilowatt hour.

2.6.6

<Maximum potential impact>

The maximum single-year revenue/expenditure improvement if TEPCO's all nuclear reactors (8.212 million kW) were to be put into operation is estimated at ¥305.7 billion.

Estimate equation: ¥5/kWh×8.212 million kW×8,760h/year×85%≈¥305.7 billion/year

The breakdown is Units 1 to 7 of the Kashiwazaki-Kariwa Nuclear Power Station.

<Minimum potential impact>

If none of TEPCO's nuclear power stations were put into operation, the revenue/expenditure improvement would be ¥0.

Furthermore, according to the Federation of Electric Power Companies, it is estimated that an annual CO2 emission reduction of approximately 2.4 million tons per reactor (1 million kW) could be achieved. In addition to the financial impact caused by the difference in power generation unit price, TEPCO is also aware of the CO2 emissions reduction effect that could be achieved and the financial impact from the amount of power produced from non-fossil power sources.

In Japan, new regulatory requirements on a nuclear power station harsher than any other country in the world have been created by the Nuclear Regulation Authority, which is an independent body.

After complying with these requirements, on the major premise to ensure safety, restore trust and understanding from local communities and society, recommencing operation of nuclear power stations is a vital strategy for us. Therefore, in FY2022 we invested ¥160.827billion in these facilities, which includes money spent for safety measure renovations. In FY2023 we continue to engage in safety measure renovations in order to pass the new regulatory requirements.

2.6.7	<p>Scenario analysis referenced three scenarios (IEA CPS, IEA NZE 2050, TEPCO original scenario), and the physical risks were identified using RCP1.9, 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>
2.6.8	<p><Physical Climate Risk Adaptation> In our scenario analysis, we identify physical risks.</p> <p><u>Envisioned details</u> Damage to power facilities by fiercer natural disasters <u>Financial impact on TEPCO (estimated)</u> • Approximately ¥20.8 billion of special loss shall be incurred if the impact is approximately the same as the typhoon in FY2019 (no appropriation of special loss from natural disasters in FY2020 onward) <u>Overall plan to adapt to potential physical climate risks</u> • Raise facility bank heights, install tide wall plates, waterproof power facilities, etc. • Appropriate disaster loss reserves • Purchase damage insurance</p>
2.6.11	<p>Our CO2 reduction efforts are comprehensively described on page 7 and after of the document published below; https://www.tepco.co.jp/en/hd/newsroom/press/archives/2022/pdf/220428e0201.pdf For TEPCO, which is an electric power company with few ownership of thermal power generation, reduction efforts related to Scope 3 are especially important.</p> <p>We joined EV100 initiative and aim to convert 100% of commercial vehicles—excluding special construction and emergency vehicles—to EV by 2030, thereby reducing Scope 1 emissions. In addition, we have obtained Green Power Certificates to offset the CO2 emissions derived from the electric power required to drive an electric vehicle, thereby reducing Scope 2 emissions.</p> <p>On page 10 of URL mentioned above, "Reduce CO2 emissions from the supply of energy to net zero" is stated as our goal for 2050. If CO2 emissions from the supply of energy remain in 2050, we assume offsetting through the use of carbon credits.</p>
2.7.1	<p><Biodiversity Risk Assessment> Process Description TEPCO has completed a biodiversity risk assessment.</p> <p><u>We publicly report on the process steps of our biodiversity risk assessment</u> YES The TEPCO Group discloses information on the negative impact risks that its various business operations may pose on the natural environment through environmental impact assessments, and the Group also suitably reports such information in accordance with environment management system measurements/management, and related laws and regulations.</p> <p><u>Use of location-specific approach</u> YES The TEPCO Group recognizes that the various blessings born from the natural environment and biodiversity (ecosystem services) are indispensable for our business. TEPCO has identified Oze National Park as a key location for our company, as it is the source of water for our hydroelectric power plant, which is an important asset for us. TEPCO has promoted natural conservation activities for over approximately 60 years. This contributes to conserving the flora and fauna, forest functions of carbon fixation and groundwater conservation.</p> <p><u>References to methodologies or frameworks used for assessment</u> YES In anticipation of the TNFD, and based on our Group Environmental Policy, the TEPCO Group has formulated and deliberated guiding principles pertaining to the conservation of biodiversity, performed significance assessments of natural capital, identified risks and opportunities, and disclosed information pertaining to natural capital and biodiversity.</p> <p><u>Integrated into multi-disciplinary company-wide risk management processes</u> YES Risks in biodiversity are integrated between risk management committees. TEPCO has built a risk management system for which the President serves as General Manager and the Chief Risk Management Officer serves as Risk Manager thereby enabling centralized management of TEPCO Group risks during times of normalcy and when risks manifest.</p> <p><u>Dependency-related biodiversity risks considered in risk assessment</u> YES As part of headwater conservation for our hydroelectric power stations, TEPCO has promoted natural conservation activities for over approximately 60 years. TEPCO evaluate Dependency-related biodiversity risks. Our activities contribute to conserving the flora and fauna, forest functions of carbon fixation and groundwater conservation. Precious flora and fauna (red list): 12 species of birds, 11 species of plants, 1 species of insects Amount of carbon fixation by the forest: Approx. 7,400t-CO2/year</p> <p><u>Impact-related biodiversity risks considered in risk assessment</u> YES TEPCO has created risks scenarios that examine natural disasters and safety management to assess the negative impact risks that the natural environment poses on our business (impact on business caused by the collapse of the regional ecosystem), and for this purpose we have noted preventative measures/countermeasures that address current and future issues, as well as situations where such issues manifest.</p>

	<p><u>Scope of biodiversity risk assessment</u> We publicly report on the scope of our biodiversity risk assessment in Own operations, Adjacent areas to own operations, Upstream activities, and Downstream activities. Land modifications made when constructing power facilities, such as power stations and transmission/distribution equipment, etc., have the potential to impact biodiversity. 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 measures to suitably conserve the natural environment. These measures are implemented based on the mitigation hierarchy approach to conservation according to which we strive to avoid, reduce, and compensate, in that order, through agreements with third parties and environmental assessments that have scientific basis. Environmentally hazardous substances emitted from facilities have the potential to impact biodiversity. In addition to complying with emission standards and regulations for environmentally hazardous substances, the TEPCO Group also engages in initiatives to reduce the burden on the environment over the long-term, such as initiatives to turn renewable energies into the main power sources, by reducing greenhouse gas (GHG) emissions. We also suitably manage the green area around our facilities and strive to maintain the environment and landscape.</p>
2.7.2	<p><Biodiversity Commitment> <u>Policy or Commitment aspects</u> Achievement of a net positive impact (NPI) on biodiversity year:2023 <u>Definition of biodiversity-related targets for priority areas to work towards no net loss</u> YES 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. <u>Commitment required of value chain to avoid operational activities near sites containing globally or nationally important biodiversity</u> YES 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.</p> <p><u>Application of a mitigation hierarchy</u> YES 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.</p> <p><u>Conducting a biodiversity risk assessment</u> YES Land modifications made when constructing power facilities, such as power stations and transmission/distribution equipment, etc., have the potential to impact biodiversity. 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 measures to suitably conserve the natural environment. These measures are implemented based on the mitigation hierarchy approach to conservation according to which we strive to avoid, reduce, and compensate, in that order, through agreements with third parties and environmental assessments that have scientific basis.</p> <p><u>Engagement with stakeholders on biodiversity</u> YES For TEPCO, Oze is also a place of further communication with our stakeholders. We provide environmental education support with activities a particular focus on future generations, elementary and junior high school students, to provide experiences in the precious nature of Oze and learn about the importance of nature conservation and biodiversity.</p> <p><u>Scope of Commitment</u> Own Operations, Suppliers, and Partners are also included, as the entire value chain is covered by biodiversity.</p> <p><u>Policy Endorsement</u> This policy endorsed by a member of entire Executive Management.</p>
2.7.3	<p><No Deforestation Commitment> 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> <p><u>Extent of Policy or Commitment</u> End all deforestation (no gross deforestation) Our target is 2023.</p> <p><u>Scope of Commitment</u> Own Operations, Suppliers, and Partners are also included, as the entire value chain is covered by biodiversity.</p> <p><u>Policy Endorsement</u> This policy endorsed by a member of entire Executive Management.</p> <p><input type="checkbox"/> Coexistence with Nature https://www.tepco.co.jp/en/hd/about/esg/environment/coexistence-e.html#anchor01</p>

<Biodiversity Exposure & Assessment>

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.

2.7.4

	Number of sites	Area (Hectares)
a) Overall	1893	26355
b) Assessment	56	19593
c) Exposure	7	17123
d) Management plans	3	16784

2.7.5	<p><Biodiversity Mitigating Actions></p> <p>Avoid The conservation of storks in Kamisu City, Ibaraki Prefecture is a good example of avoidance measures. In order to protect storks, which is a nationally protected species and also an endangered species, since October 2020, we have been working with local governments and nature conservation NGOs on a project to build artificial nesting towers for storks in order to prevent them from building nests in transmission line towers and protect this rare species.</p> <p>Reduce / Regenerate Our conservation of wetlands during the construction of the Higashidori Nuclear Power Station, which is currently underway, is a good example of reduction and compensation measures. Based on our environmental impact assessment strategy, we have minimized the scope of wetlands to be modified in conjunction with development and have also established a biotope corridor as compensation in order to reduce the impact on living creatures. We continue to engage in post-surveys/environmental monitoring and regularly disclose the results of monitoring.</p> <p>·Environmental Conservation Measures at the Higashidori Nuclear Power Station http://www.tepco.co.jp/en/hd/about/esg/environment/higashi-dori-conservation-e.html</p> <p>Restore Our Ayame Daira restoration project in the Oze National Park is a good example of our restoration measures. In the Ayame Daira, wetland vegetation had been devastated by countless hikers as they trampled upon it. So, since 1969, we have been engaged in activities to restore the vegetation by planting seeds for herbaceous plants that had died off and cultivating this vegetation (natural regeneration). Today, vegetation in approximately 0.9ha of the total 1ha region of devastation has regenerated,</p> <p>Transform A good example of transformation is our joint project with local governments and the Ministry of the Environment to simultaneously develop biodiversity while achieving carbon neutrality. Conventionally, different approaches are taken to achieving carbon neutrality and conserving the natural environment, however, in light of the trend to approach these objectives simultaneously, the TEPCO Group has taken on new challenges. One of these challenges is a project that pertains to the carbon-free park registration of the Oze National Park. In April 2022, the local government of Katashina Village registered their region of Oze as a carbon-free park, and this spurred the TEPCO Group to utilize Oze as a national park decarbonization model that gives consideration to ecosystem conservation by, for example, promoting renewable energies/energy conservation in cooperation with the village and the Ministry of the Environment, and engaging in sustainable tourism that includes SDG-related environmental education.</p>
2.8.2	<p>Our power generation capacity as of the end of 2022 is as follows;</p> <ul style="list-style-type: none"> - Nuclear power . . . 8,212,000kW - Oil-fired power . . . 58,360kW - Wind power . . . 20,770kW - General hydroelectric power . . . 2,202,482kW - Solar power . . . 30,000kW

3. Social Dimension

3.1.2	<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 top management: 6.29% Public target for 2025 10% •Females in junior management positions, i.e. first level of management: 5.8% Public target for 2025 10% •Females in top management positions: 12.3% •Females in management positions in revenue-generating functions: 12.3% 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
3.1.3	<p><Race/ Ethnicity & Nationality></p> <ul style="list-style-type: none"> •Share in total workforce (as % of total workforce) Japanese 99.85% Chinese 0.022% Vietnamese 0.018% Korean 0.004% American 0.004% Other 0.1% <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 managementworkforce) Japanese 100%
3.1.4	<p><Equal Remuneration></p> <ul style="list-style-type: none"> •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
3.1.5	<p><Freedom of Association></p> <p>100 % of employees represented by an independent trade union</p>
3.2.2	<p>[Human Rights Due Diligence Process]</p> <ul style="list-style-type: none"> - Risk identification in new business relations (mergers, acquisitions, joint ventures...) <p>When we discuss new investments in Investment Committee, we analyze and identify the risks, including human rights, related new business</p> <ul style="list-style-type: none"> - Systematic periodic review of the risk mapping of potential issues <p>At least every fiscal year, we review and revise the risk mapping for common risks (compliance, human resources, safety, supply chain (including human rights) ...) and each segment (e.g. power generation, T&D, retail...) .</p> <p>[Identified risks]</p> <p>We identified risks in our due diligence process as follows;</p> <ul style="list-style-type: none"> - harassment - working hours - personal information - discrimination (women, foreign labor) <p>Groups at risk of human rights;</p> <ul style="list-style-type: none"> - Own employee - Women - Third-party employees
3.2.4	<p>Human Rights Mitigation & Remediation</p> <p>[Process]</p> <p>We used the following process to conduct human rights impact assessments on nine departments of our three core companies in FY2022.</p> <p>(1) We carried out the Self-Assessment on Respect for Human Rights, which has around 70 items covering 25 human rights issues that could have an impact within our business activities, including the specific issues to which we declare our commitment in the Policy.</p> <p>(2) External experts conducted interviews based on the results of those self-assessments in order to identify items that each department considers to be potential issues.</p> <p>(3) We used the findings from (1) and (2) to assess issues in terms of the potential, scale, scope, and irremediability of human rights violations, identify and prioritize critical human rights issues, and formulate an action plan.</p> <p>[The number of sites with mitigation plans]</p> <p>13 sites, the number of office related to hydroelectric plants in TEPCO Renewable Power Inc,</p> <p>[The type of remediation actions taken]</p> <p>It was learned that female employees felt hesitant to use the restrooms at hydroelectric plants and dam facilities in mountainous regions due to their inadequately inclusive design. As a step toward expanding diversity-minded facilities at the power plants, a working group comprising mostly female employees is studying and implementing remedial measures.</p>

3.3.1	<p><Training & Development Inputs> Average hours per FTE of training and development:19.8hours/ FTE Average amount spent per FTE on training and development: 115,000 JPY/ FTE</p> <p>•Breakdown of workforce based on other group(s): Yes</p>
3.3.2	<p><Employee Development Program> <u>Program 1</u> Name:Sales training for renewable energy Program objective:To strengthen the ability of sales staff to propose renewable energy and raise the level of knowledge of renewable energy in the entire TEPCO Group. Quantitative impact of business benefits:Gas/new service business earnings 300 billion yen and Gas/new service business Ordinary Income 11billion yen % of FTEs participating in the program:5.3</p> <p><u>Program 2</u> Name:New business creation training Program objective:The goal is to become a business leader, a business creator, a power professional, a DX professional, or a global player. We are developing training and education programs that fit the qualities and goals of each and every employee while providing opportunities for them to become self-aware and challenge themselves by applying for different positions within the company. Quantitative impact of business benefits:New business earnings 68 billion yen and New business Ordinary Income 11.9billion yenmillion yen % of FTEs participating in the program:0.3</p>
3.3.3	<p><input type="checkbox"/> Total employee-related expenditure (salary + benefits) 2019-2022</p> <ul style="list-style-type: none"> • 2019: 313.5 billion yen • 2020: 300.5 billion yen • 2021: 278.4 billion yen • 2022: 270.6 billion yen <p><input type="checkbox"/> FTE 2019-2022</p> <ul style="list-style-type: none"> • 2019: 37,892 • 2020: 37,891 • 2021: 37,936 • 2022: 38,027
3.4.1	<p>Total number of new employee hires FY2019:387 FY2020:598 FY2021:721 FY2021:719</p> <p>Percentage of open positions filled by internal candidates (internal hires) FY2019:71.3% FY2020:77.4% FY2021:78.5% FY2022:72.3%</p> <p>Average hiring cost/FTE FY2019:685,664 yen FY2020:685,664 yen FY2021:651,412 yen FY2022:753,544 yen</p> <p>•Breakdown of workforce based on other group(s): Yes</p>

3.4.2	<p><Type of Performance Appraisal> Type of Individual Performance Appraisal Below are annually exercised for all of employees. <input type="checkbox"/> Management by objectives: systematic use of agreed measurable targets by line superior 100% of all employees <input type="checkbox"/> Multidimensional performance appraisal (e.g. 360 degree feedback) 100% of all employees <input type="checkbox"/> Formal comparative ranking of employees within one employee category 100% of all employees</p> <p>Performance Appraisal Frequency: At least yearly</p>
3.4.4	<p><Employee Support Programs> <u>Employee Benefits</u> <input type="checkbox"/> Workplace stress management Check-ups and stress checks are opportunities to ascertain our physical and mental condition. The results of check-ups are reviewed by industrial doctors/nurses, and detailed health guidance and interviews are provided as necessary. Through these efforts, we are working to prevent disease and detect early symptoms of serious diseases in order to prevent them from worsening.</p> <p>----- <input type="checkbox"/> Sport & health initiatives The company offers programs that promote employee health. Yoga Classes by In-house: Yoga Instructors are offered to promote health and in-house communication.</p> <p><u>Work Conditions</u> <input type="checkbox"/> Flexible working hours The company has flexible working hours program.</p> <p>----- <input type="checkbox"/> Working-from-home arrangements The company has working-from-home arrangement program.</p> <p>----- <input type="checkbox"/> Part-time working options The company has a program that allows rehired employees to reduce their work days to three days per week. The company has part-time working options for staffs raising children.</p> <p><u>Family Benefits</u> ----- <input type="checkbox"/> Childcare facilities or contributions The company has a company-run childcare center.</p> <p>----- <input type="checkbox"/> Breast-feeding/lactation facilities or benefits The company has assistance in purchasing baby bottles, formula, etc.</p> <p>----- <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. Total number of paid leave in weeks offered to the majority of the employees: 1week</p> <p>----- <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. Total number of paid leave in weeks offered to the majority of the employees: 1week</p> <p>----- <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. Total number of paid leave in weeks offered to the majority of the employees: 1week</p>
3.4.5	<p><Employee Turnover Rate> Total employee turnover rate FY2019: 4.5 FY2020: 4.8 FY2021: 6.1 FY2022: 4.9</p> <p>Voluntary employee turnover rate FY2019: 1.01 FY2020: 0.88 FY2021: 1.08 FY2022: 1.00</p> <p>• Breakdown of workforce based on other group(s): Yes</p>

3.4.6	<p><Trend of Employee Wellbeing> ・Standard Method: Employee Engagement(the percentage of employees with top level of engagement): FY2019: 72.0 FY2020: 74.9 FY2021: 75.2 FY2018: 75.4 Target for FY2021: 74</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 2022(74) 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>・In tracking employee metrics, the company it applies to Job satisfaction, Purpose, Happiness and Stress.</p>
3.5.1	<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 Ensure the safety of workers and the general public thorough safety-first initiatives applied to all working environments and procedures.</p> <p>----- <input type="checkbox"/>Compliance with relevant OHS international standards and regulations, voluntary programs and/or collective agreements on OHS. YES</p> <p>----- <input type="checkbox"/>Consultation with and participation of workers, and, where they exist, workers' representatives. YES We are promoting good health in cooperation with the TEPCO Health Insurance Association. In labor-management negotiations with the union, representatives of the company and the union regularly exchange opinions on safety at each worksite. Please refer to our web site:https://www.tepco.co.jp/en/hd/about/esg/health/index-e.html [TEPCO Health Insurance Association]</p> <p>----- <input type="checkbox"/>A commitment to continually improve the performance of the OHS management system. YES We have safety first as a corporate value, and our top management is personally committed to its continuation and improvement.</p> <p>----- <input type="checkbox"/>Setting up prioritization and action plans. YES To prevent accidents, we formulate "Safety Activity Plans" based on risk assessments and other factors, and deploy activities accordingly. 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.</p> <p>----- <input type="checkbox"/>Establishment of quantitative targets for improving OHS performance metrics. YES 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.</p> <p>----- <input type="checkbox"/>Endorsement of the implementation of the OHS policy. Please select the highest endorsing decision-making body: Executive management The Executive Director of Fushimi is appointed as the officer in charge of safety, and safety-related discussions are held at the Safety and Occupational Health Committee.</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: ・ 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 thorough safety-first initiatives applied to all working environments and procedures.</p> <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>

3.5.2	<p><OHS Programs></p> <p>----- <input type="checkbox"/>OHS risk and hazard assessments to identify what could cause harm in the workplace. YES</p> <p>----- <input type="checkbox"/>Prioritization and integration of action plans with quantified targets to address those risks. YES</p> <p>----- <input type="checkbox"/>Integration of actions to prepare for and respond to emergency situations. YES</p> <p>----- <input type="checkbox"/>Evaluation of progress in reducing/preventing health issues/risks against targets. YES</p> <p>----- <input type="checkbox"/>Internal inspections. YES</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> <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. For emergency disaster response, we have prepared a basic manual for disaster investigation and reporting, and conduct periodic disaster drills. 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. 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. OHS criteria introduced in procurement and contractual requirements. TEPCO's procurement policy stipulated consideration for human rights, safety and occupational health.</p>																								
3.5.3	<p><Fatalities> The number of work-related fatalities for employees and contractors</p> <p>•Employees: FY2019: 0 FY2020: 0 FY2021: 0 FY2022: 0</p> <p>The number of employee fatalities has remained at zero.</p> <p>•Contractors: FY2019: 2 FY2020: 0 FY2021: 2 FY2022: 2</p> <p>The number of contractor fatalities has remained at a few.</p>																								
3.5.4	<p><Lost-Time Injury Frequency Rate (LTIFR) - Employees> •Lost-time injury frequency rate for employees (per one million hours worked): FY2019: 0.06 FY2020: 0.18 FY2021: 0.08 FY2022: 0.20</p> <p>Data Coverage:(Percentage of Employees): Every year: 100%</p>																								
3.5.5	<p><Lost-Time Injury Frequency Rate (LTIFR) - Contractor> FY2019: 0.62 FY2020: 0.39 FY2021: 0.48 FY2022: 0.64</p> <p>Data Coverage:(Percentage of Contractor): Every year: 100%</p>																								
3.6.1	<p><Customer Satisfaction Measurement></p> <table border="1" data-bbox="275 2567 1570 2668"> <thead> <tr> <th></th> <th>FY2019</th> <th>FY2020</th> <th>FY2021</th> <th>FY2022</th> <th>Target for FY2022</th> </tr> </thead> <tbody> <tr> <td>Satisfaction result</td> <td>66.0%</td> <td>67.7%</td> <td>70.4%</td> <td>72.3%</td> <td>72.0%</td> </tr> <tr> <td>Response rate</td> <td>9.4%</td> <td>12.0%</td> <td>12.8%</td> <td>14.7%</td> <td></td> </tr> <tr> <td>Contents</td> <td colspan="5">Overall satisfaction, ease of understanding explanations, etc. from TEPCO customer service</td> </tr> </tbody> </table>		FY2019	FY2020	FY2021	FY2022	Target for FY2022	Satisfaction result	66.0%	67.7%	70.4%	72.3%	72.0%	Response rate	9.4%	12.0%	12.8%	14.7%		Contents	Overall satisfaction, ease of understanding explanations, etc. from TEPCO customer service				
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3.7.1	<p><Privacy Policy: Systems/ Procedures> <u>Privacy policy applies to the entire operations, including suppliers</u> Our Privacy Policy applies to all of our operations because it has no provisions limiting the scope of its application.</p> <p><u>Designated person or department responsible for privacy issues</u> Comment With support from the Chief Human Resources Officer, Tomomichi Seki is responsible for privacy issues and personal information as Chief Information Security Officer.</p> <p><u>Privacy policy system embedded in group-wide risk/compliance management</u> Troubles related to personal data, etc. has been managed by the Data System Security Subcommittee of the Risk Management Committee.</p> <p><u>Disciplinary actions in case of breach (i.e. zero tolerance policy)</u> Basic Policy for the Handling of Personal Information. Please refer to Basic Policy for the Handling of Personal Information (Personnel safety management measures). Rules of employment include nondisclosure clauses pertaining to personal data.</p> <p><u>We conduct third-party audits of the privacy policy compliance.</u> Ensuring the Safety and Accuracy of Personal Information in Basic Policy for the Handling of Personal Information. <excerpt> (Organizational safety management measures) Self-inspections of the status of personal data handling shall be regularly conducted and audits by other departments, or third-parties, shall be implemented.</p> <p><u>We conduct internal audits of the privacy policy compliance.</u> Self-inspections of the status of personal data handling shall be regularly conducted and audits by other departments, or third-parties, shall be implemented.</p>
3.7.2	<p>The following items are informed to customers in our "Basic Policy for the Handling of Personal Information" and "Procedures for Disclosing, Correcting, Stopping Use, and Obtaining Notification of the Use-Purpose of Personal Information" on our web site:</p> <p><u><Nature of information captured> and <Use of the collected information></u> Please refer to "Basic Policy for the Handling of Personal Information" - 2. Acquisition and Use of Personal Information</p> <p><u><Possibility for customers to decide how private data is collected, used, retained and processed></u> Please refer to "Procedures for Disclosing, Correcting, Stopping Use, and Obtaining Notification of the Use-Purpose of Personal Information". With respect to personal information provided to outsourced ad-serving providers, subsidiary of our company publicly announces that the delivery of advertisements by outsourced ad-serving service providers can be stopped by following the opt-out procedures on the opt-out page of the ad-serving service provider.</p> <p><u><How long the information is kept on corporate files></u> Please refer to " Basic Policy for the Handling of Personal Information" -3. Ensuring the Safety and Accuracy of Personal Information</p> <p><u><How the information is protected></u> Please refer to "Basic Policy for the Handling of Personal Information" -3. Ensuring the Safety and Accuracy of Personal Information</p> <p><u><Third-party disclosure policy (private and public entities)></u> Please refer to "Basic Policy for the Handling of Personal Information" - 4. Disclosure and Provision to Third Parties</p>
3.8.1	<p><Stakeholder Engagement Governance> POLICY / PROCEDURE <u>Objective of Stakeholder Engagement / Guidance for communicating the results of your Stakeholder Engagement</u> In order to fulfill its social responsibilities, the TEPCO Group has created "Code of Conduct Related to the Corporate Ethics and Compliance Policies of the TEPCO Group," which specifies concrete conduct guidelines related to our corporate ethics that our employees and directors must observe. We also revise these guidelines as necessary according to the changes that take place inside or outside the company. These guidelines can be roughly divided into three groups: 1. Observing the rules We cherish and respect other people more than anything else. We always obey the law and observe social rules. 2. Acting in good faith We always act in good faith in order to gain trust from the society and fulfill our customers' needs. 3. Communicating openly We use open communication to create a positive and healthy work environment. Our goal is to provide quick solutions and gain trust from the society.</p> <p><u>Scope of policy/procedure / Guidance for identifying stakeholders / Guidance for prioritizing stakeholders / Guidance for communicating the results of your Stakeholder Engagement</u> We shall promote transparent business activities through thorough communication in order to gain the understanding of society at large. We shall also maintain appropriate relationships with politics and government, take a resolute stance against antisocial forces, and engage in fair and just business activities.</p> <p><u>Guidance for handling Stakeholder Engagement risks</u> We shall identify and assess risks pertaining to our business activities to prevent them from materializing, and, if they do materialize, we shall respond promptly and appropriately to minimize the impact on our business activities and society. We shall also leverage the knowledge gained from our risk management as an opportunity to contribute to the development of society.</p> <p>ACCOUNTABILITY</p> <ul style="list-style-type: none"> •Human Rights Reporting Desk:TEPCO HD has a Human Rights Reporting Desk open not only to employees but also to all other stakeholders, including our customers, local community members, clients, and people who work in the supply chain. •Contact forms is available on our website for any stakeholder to report directly to the department in charge of stakeholder engagement.