

Tohoku Electric Power Group

# Sustainability Report 2022

# Message from the President

## Co-creating value with all our stakeholders into future generations

Ever since our founding we at the Tohoku Electric Power Group have recognized that the prosperity of the Tohoku region is essential to our own growth.

Issues like sustainability and ESG have been circulating around the world for some time now. A recent series of developments, from the COVID-19 to Russia's invasion of the Ukraine, have also had major impacts on society and tested our commitment to sustainability initiatives. With these and other issues in mind, the Tohoku Electric Power Group established the Tohoku Electric Power Group Sustainability Policy in October 2021. In July 2022, we identified the priority sustainability topics (materiality topics) we believe must be addressed.

In the process of considering this policy and these materiality topics, thinking about what sustainability means to the Tohoku Electric Power Group made me reflect on our past: we were always trying to contribute to the sustained progress of our communities by tackling societal challenges through our electricity business, based on our understanding that the prosperity of the Tohoku region is essential to our own growth. These accumulated efforts have created strong bonds of trust with local customers, forming a solid foundation of our Company.

We recognize that we face a growing obligation to listen even more intently to the voices of the members of our communities through the community networks we have established, and to respond appropriately through solutions only we can deliver.

Recent years have seen the emergence of issues related to the sustainability of society, ranging from climate change and natural disasters of rising severity to our increasingly aging society, low birth rates, and shrinking population.

By approaching materiality topics as the essence of sustainable management, bringing to life "Working alongside next," the Tohoku Electric Power Group's Medium- to Long-Term Vision, and pursuing the goals of Tohoku Electric Power Group Carbon Neutral Challenge 2050, we will strive to find solutions to the challenges confronting our communities and society at large, with the ultimate aim of co-creating both social and corporate value alongside our stakeholders into the generations to come.



Representative Director &  
President  
Tohoku Electric Power Co., Inc.

*Hojiro Higuchi*

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**Boundary of Report:** 77 member companies of the Tohoku Electric Power Group

**Period addressed by Report:** In principle, this Report covers initiatives during the period FY2021 (April 1, 2021 – March 31, 2022); certain sections include reports on activities in past years and FY2022.

**Date of publication:** September 2022 (previous report: October 2021)

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# Sustainability Initiatives

Positioning sustainability as the core of management under its Sustainability Policy, the Tohoku Electric Power Group has identified the priority sustainability topics (materiality topics) we must address to strengthen corporate value over the medium to long term and to contribute to the sustained progress of society as a whole.

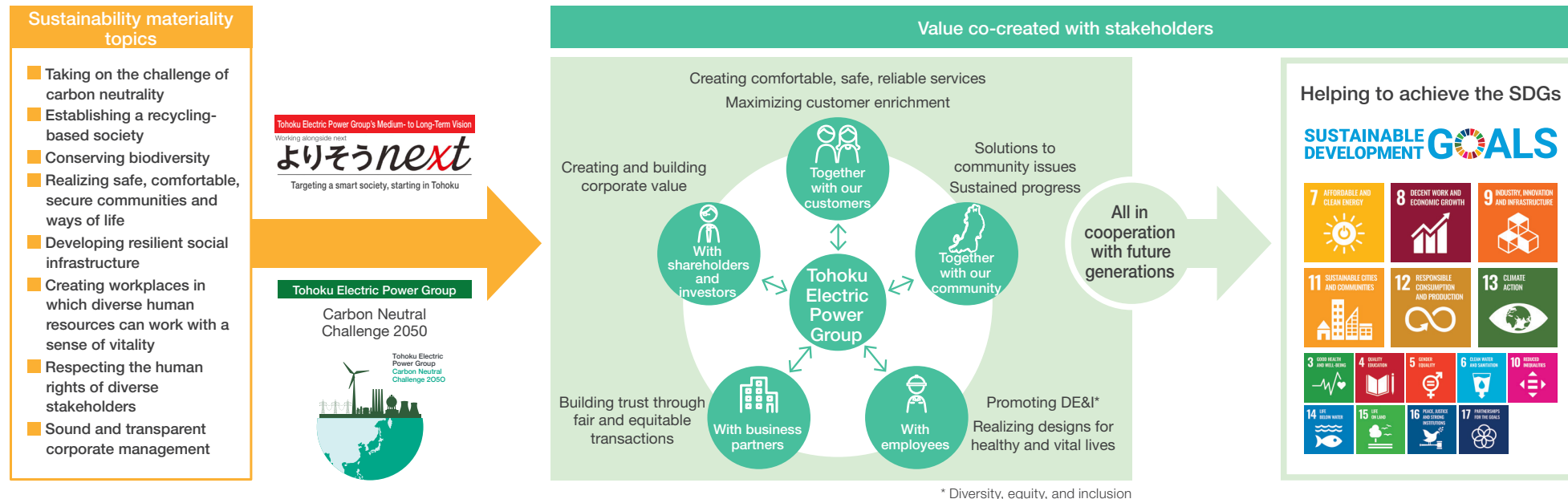
By tackling the materiality topics, realizing “Working alongside next,” the Tohoku Electric Power Group’s Medium- to Long-Term Vision and taking on the challenge of achieving the goals of the Tohoku Electric Power Group Carbon Neutral Challenge 2050, we will help achieve the targets of the Sustainable Development Goals (SDGs) and co-create both social and corporate value together with our stakeholders, into future generations.

## Tohoku Electric Power Group Sustainability Policy

The Tohoku Electric Power Group proactively promotes sustainability through means including realization of the Group’s “Working along next” Medium- to Long-Term Vision and taking on our Carbon Neutral Challenge 2050.

Drawing on our Management Philosophy of Prospering with Local Communities and the Group Slogan Yori, Sou, Chikara (The Strength to Work Alongside), the Tohoku Electric Power Group’s concept of sustainability calls for the Group to work as a cohesive, united team alongside customers and communities to realize a smart society. The Group will provide energy-related services that contribute to growing corporate value over the medium to long term and to the sustainable progress of society as a whole.

Based on the goal of fulfilling its CSRs, the Tohoku Electric Power Group will demonstrate its overall strengths through sincere and fair business activities in accordance with the Tohoku Electric Power Group Code of Conduct while drawing on the unique characteristics of individual group companies, thereby providing powerful support for the value chain of business activities and meeting the expectations of its valuable stakeholders.



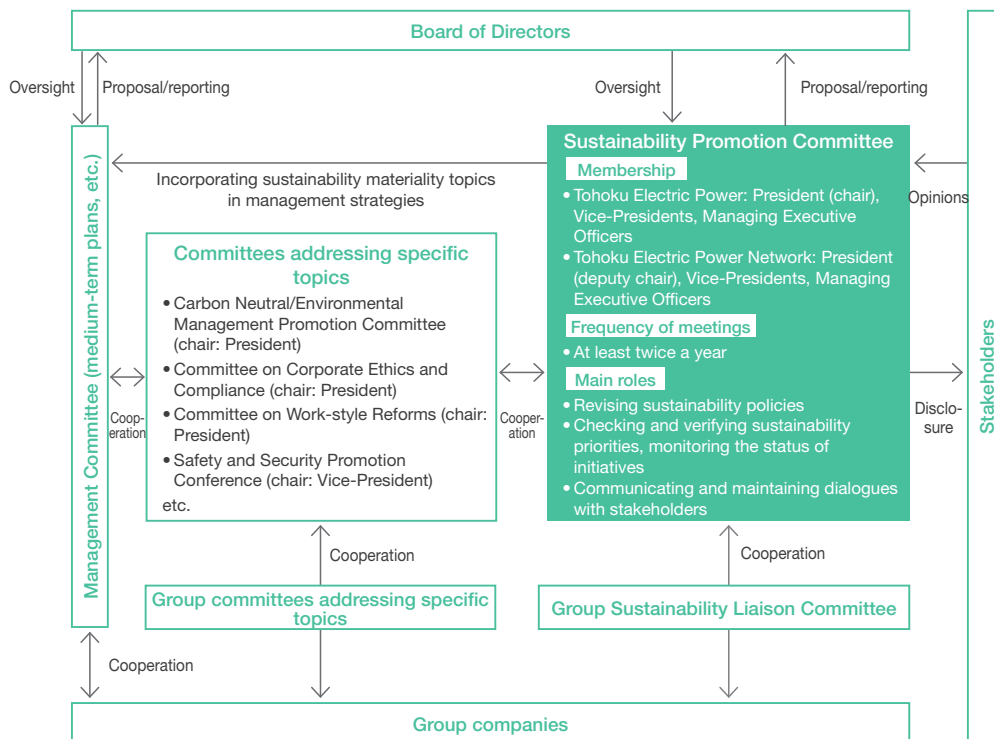
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## A Structure for Promoting Sustainability

Composed of members from both Tohoku Electric Power and Tohoku Electric Power Network, the Sustainability Promotion Committee undertakes comprehensive reviews of initiatives to address the sustainability materiality topics from a stakeholder perspective to ensure future actions reflect the goals of our medium-term plans and other initiatives. The Committee reports the results to the Board of Directors to ensure appropriate oversight, while the Tohoku Electric Power Group Sustainability Liaison Committee and other bodies promote joint efforts among Group member companies.

### Sustainability Promotion Structure



## Meetings of the Sustainability Promotion Committee and other bodies

### 14th CSR Promotion Committee meeting (July 19, 2021)

- Status of Tohoku Electric Power Group CSR initiatives completed in FY2020
- Review of the structure for promoting sustainability in light of domestic and international developments
- Publication of the Integrated Report

### 15th CSR Promotion Committee meeting (October 11, 2021)

- Establishment of Tohoku Electric Power Group Sustainability Policy
- Structure for promoting sustainability (CSR Promotion Committee discontinued and Sustainability Promotion Committee established October 28, 2021)

### First Sustainability Promotion Committee meeting (March 14, 2022)

- Approaches to identifying priority sustainability topics (materiality topics)
- Domestic and international developments and stakeholder evaluations of our initiatives
- Status of response to human rights risks

### Second Sustainability Promotion Committee meeting (May 30, 2022)

- Results of assessment of materiality for identifying priority sustainability topics (materiality topics)

### Third Sustainability Promotion Committee meeting (July 11, 2022)

- Identification of priority sustainability topics (materiality topics)
- Status of Tohoku Electric Power Group sustainability initiatives completed in FY2021
- Publication of the Integrated Report

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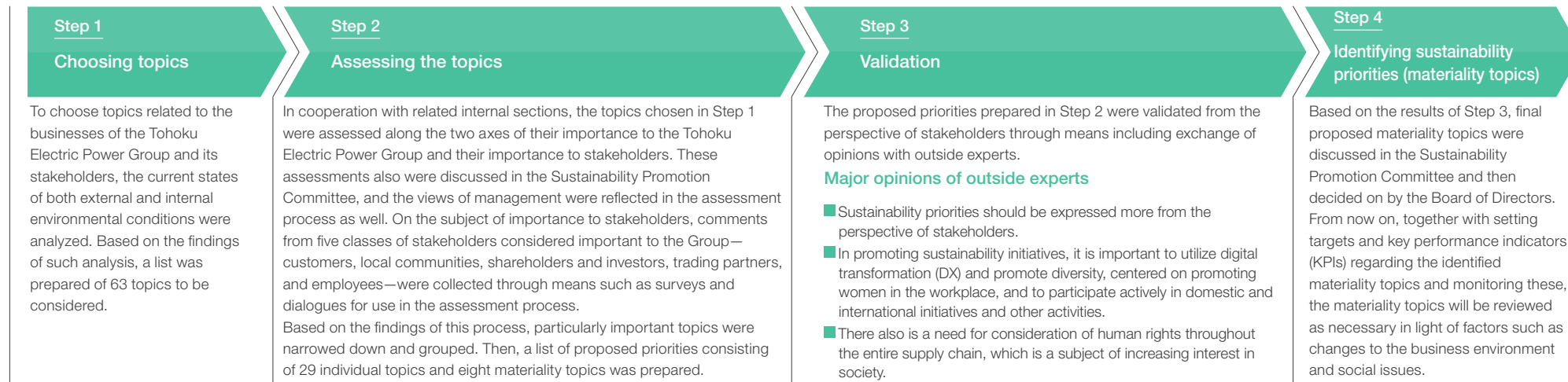
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# Sustainability Priorities (Materiality Topics)

## Sustainability priority (materiality topic) identification process

Seeing the various issues related to the sustainability of society not only as risks but also as opportunities for the sustained growth of both the Group and society as a whole, the Tohoku Electric Power Group is taking on the challenges of realizing Working alongside next, the Tohoku Electric Power Group's Medium- to Long-Term Vision and of the Tohoku Electric Power Group Carbon Neutral Challenge 2050.

Recognizing the importance of clearly identifying specific priorities (materiality topics) in order to promote sustainability through realizing the vision of Working alongside next, the Group has identified eight sustainability priorities through the following process, based on deliberations in the Sustainability Promotion Committee and with reference to the recommendations of outside experts. These priorities will be monitored from now on through deliberations in the Sustainability Promotion Committee and the Board of Directors and used to steer management's course toward realization of the vision of Working alongside next.



### Guidelines, frameworks, and other materials referenced

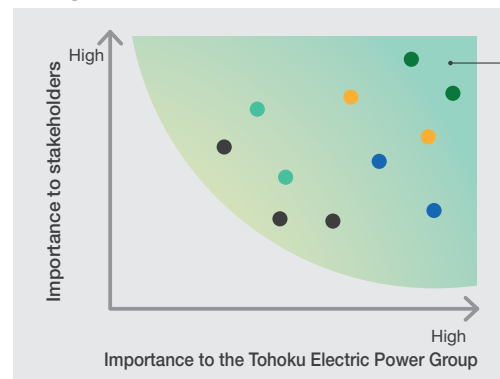
#### External environment

- International frameworks (e.g., Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) frameworks, ISO 26000)
- Items used in assessments by ESG assessment agencies
- Japanese government's Green Growth Strategy
- Social and regional issues in the Tohoku and Niigata region
- Industrywide topics, etc.

#### Internal environment

- The Tohoku Electric Power Group's management philosophy, policies, Medium- to Long-Term Vision, medium-term plans, etc.

### Overview of assessment and grouping along two axes


















### Relationship between identification of sustainability priorities and SDGs

Category	Sustainability priority (materiality topic)	Relevant SDGs
E	Taking on the challenge of carbon neutrality	13, 17
	Establishing a recycling-based society	6, 12, 13, 14, 15, 17
	Conserving biodiversity	14, 15
S	Realizing safe, comfortable, secure communities and ways of life	3, 11, 13, 17, 18, 19, 21
	Developing resilient social infrastructure	9, 11, 13, 17, 18, 19
	Creating workplaces in which diverse human resources can work with a sense of vitality	5, 8, 10, 25
	Respect for the human rights of diverse stakeholders	8, 10, 16, 25
G	Sound and transparent corporate management	16, 17

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# Sustainability Priorities (Materiality Topics)

	Materiality topic	Key topics	Related SDGs	Major risks associated with failure to address	Major opportunities potentially created by addressing	Current main targets and indicators <sup>2</sup>	FY2021 results
E	Taking on the challenge of carbon neutrality	<ul style="list-style-type: none"> <li>Rapid resumption of stable operation of nuclear power stations based on a safety-first approach</li> <li>Increasing adoption of renewable energy</li> <li>Migration toward decarbonization of thermal power</li> <li>Promoting energy conservation solutions and electrification alongside customers</li> <li>Promoting decarbonization technological development and innovations</li> </ul>	  	<ul style="list-style-type: none"> <li>Increasing costs from stricter regulations, loss of society's trust</li> <li>Inability to grow market share in decentralized power sources and declining market value of the Company's conventional power sources</li> <li>Falling share prices due to accelerating divestment from thermal power and rising fundraising costs</li> <li>Damage to facilities and power failures due to increasingly severe weather events</li> <li>Decreased hydroelectric power generation due to changing precipitation patterns</li> </ul>	<ul style="list-style-type: none"> <li>Increased demand for electricity due to expanded use of EVs and other electrification</li> <li>Falling fuel costs due to restricted operation of thermal power</li> <li>Contributions to local economy (e.g., employment)</li> <li>Creation of new business opportunities</li> </ul>	[TD] Targeting CO <sub>2</sub> emissions reductions in FY2030 to one-half actual levels in FY2013 (45.63 million t-CO <sub>2</sub> )	32.55 million t-CO <sub>2</sub> <sup>*1</sup> (-28.7% vs. FY 2013)
	Establishing a recycling-based society	<ul style="list-style-type: none"> <li>Controlling waste generation and using resources effectively</li> </ul>	 	<ul style="list-style-type: none"> <li>Rising waste treatment costs</li> <li>Reputation risk due to negative impact on ecosystems and extinction of rare species</li> <li>Rising fundraising costs, divestment due to lower ESG evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Improved power generating efficiency of hydroelectric power due to effective use of water resources</li> <li>Lower costs due to effective use of waste and reduced waste generation</li> <li>Earning the trust of stakeholders</li> </ul>	[TD/TN] Recycling at least 90% of all industrial waste  [TD/TN] Proactively choosing products that use fewer plastics or substitute materials and maintaining or increasing rates of recycling plastic waste	86.7%  [Waste generated] 1,000 t [Recycling rate] 77%
	Conserving biodiversity	<ul style="list-style-type: none"> <li>Local environmental preservation</li> </ul>	 		<ul style="list-style-type: none"> <li>Accounting for biodiversity in business activities</li> </ul>	Coexistence with plants and wildlife in business activities Sustainability Report 2022 » P32	
S	Realizing safe, comfortable, secure communities and ways of life	<ul style="list-style-type: none"> <li>Promoting the Smart Society Building Business to utilize digital technologies to help find solutions to community challenges</li> <li>Pursuing customer satisfaction</li> <li>Co-creation of vital local communities in Tohoku and Niigata</li> </ul>	   	<ul style="list-style-type: none"> <li>Degradation of revenue foundations due to depopulation and deindustrialization</li> <li>Loss of business opportunities due to failure to adapt to changing societal needs</li> <li>Decreased demand due to lower customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening earnings and customer satisfaction through the development and deployment of services</li> <li>Population growth due to regional vitalization and industrial promotion (market growth)</li> <li>Securing new business opportunities by identifying customer needs</li> </ul>	[G] 10 or more businesses or services implemented groupwide in FY2024  [G] Pilot model businesses fully launched in five or more locations groupwide in FY2024	3  0
	Developing resilient social infrastructures	<ul style="list-style-type: none"> <li>Stable energy supplies</li> <li>Responding rapidly to large-scale disasters</li> <li>Contributing to more advanced social infrastructure through our technologies</li> </ul>	   	<ul style="list-style-type: none"> <li>Loss of society's trust due to lengthening power failures following large-scale disasters</li> <li>Loss of business opportunities due to failure to adapt to changing societal needs</li> <li>Accelerating depopulation as communities become less attractive and public service levels decline</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining and strengthening societal trust through rapid recovery from power failures</li> <li>Preventing depopulation through regional vitalization and industrial promotion (market growth) in Tohoku and Niigata</li> <li>Maintaining and expanding the customer base by earning stakeholder trust</li> </ul>	[TD] Yori, Sou eNet users  [TN] Average number/length of power failures per customer household	1.22 million  0.09 times/9 min.

\*1 CO<sub>2</sub> emissions reflect adjustments under the renewable energy feed-in tariff (FIT) program and other adjustments. \*2 TD: Tohoku Electric Power; TN: Tohoku Electric Power Network; G: Tohoku Electric Power Group

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# Sustainability Priorities (Materiality Topics)

	Materiality topic	Key topics	Related SDGs	Major risks associated with failure to address	Major opportunities potentially created by addressing	Current main targets and indicators <sup>1</sup>	FY2021 results
S	Creating workplaces in which diverse human resources can work with a sense of vitality	<ul style="list-style-type: none"> <li>Enhancement of human capital to support business model transformation</li> <li>Implementing work-style reforms through means such as use of digital technologies</li> <li>Promoting diversity, equity, inclusion</li> <li>Promoting health management</li> </ul>		<ul style="list-style-type: none"> <li>Increasing difficulty in securing human resources</li> <li>Increasing separation, decreased job motivation (productivity), lower performance</li> <li>Loss of business opportunities through decreased ability to meet customer needs</li> </ul>	<ul style="list-style-type: none"> <li>Securing human resources, preventing separation</li> <li>Enhancing ability to adapt to increasingly diverse customer needs</li> <li>Increasing earnings through improving performance and enhancing competitive strengths</li> </ul>	[TD/TN] Training costs per employee	94,000 yen
						[TD/TN] Number of employees earning IT Passports	48
						[TD/TN] Achieving a rate of at least 80% of employees taking ordinary leave by the end of March 2025	TD: 74% TN: 79%
						[TD/TN] At least doubling the number of women managers (vs. the start of FY2019) by the end of FY2024	1.32 times
						[TD/TN] Achieving a rate of at least 5.0% of managers being women by the end of FY2035	2.1%
	Respect for the human rights of diverse stakeholders	<ul style="list-style-type: none"> <li>Ensuring worker safety</li> <li>Preventing discrimination and harassment</li> <li>Ensuring public safety and consumer safety</li> </ul>		<ul style="list-style-type: none"> <li>Accidents involving fatalities or serious injuries</li> <li>Litigation risk and worsening reputation</li> <li>Growing demand loss due to impaired trust among stakeholders or brand damage</li> </ul>	<ul style="list-style-type: none"> <li>Consideration for employee human rights by ensuring worker safety</li> <li>Securing human resources, preventing separation</li> <li>Maintaining and expanding customer base through earning trust from stakeholders</li> </ul>	[TD/TN] Zero fatal accidents	Employees: 0 Subcontractors: 1
						[G] Number of accidents affecting the public	4
						[TD/TN] Achieving a percentage of no more than 20.0% of employees being smokers by the end of FY2024	21.6%
						[TD/TN] Percentage of employees with disabilities (statutory rate: 2.3%)	2.46%
						[G] Number of consultations with whistleblowing hotline	130
G	Sound and transparent corporate management	<ul style="list-style-type: none"> <li>Securing sound foundations for revenues and finances</li> <li>Thorough adherence to corporate ethics and compliance</li> <li>Risk management and response</li> <li>Ensuring information security</li> <li>Protecting and utilizing intellectual property</li> <li>Risk management in the supply chain</li> <li>Expanding two-way communication with stakeholders</li> <li>Enhancing partnerships</li> <li>Developing an effective governance structure</li> </ul>		<ul style="list-style-type: none"> <li>Growing demand loss due to impaired trust among stakeholders or brand damage</li> <li>Falling stock prices, increased difficulty of raising funds, divestment</li> <li>Decreased competitiveness due to failure to ascertain trends in soft law and delays in responding thereto</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining and expanding customer base through earning trust from stakeholders</li> <li>Beneficial fundraising through improved ESG evaluation</li> <li>Rising stock prices</li> </ul>	[TD/TN] Number of patents held	286 patents, 4 utility models, 13 designs, 84 trademarks
						[TD] Percentages of outside directors and women directors	Percentage of outside directors: 44% Percentage of women directors: 19%

<sup>1</sup> TD: Tohoku Electric Power; TN: Tohoku Electric Power Network; G: Tohoku Electric Power Group

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# Stakeholder Engagement

The Tohoku Electric Power Group promotes sustainability initiatives groupwide by enhancing and steadily pursuing various activities based on dialogue with our diverse community of stakeholders.

## Main opportunities for dialogue/Tools for communicating with stakeholders

	Customers	Communities Shareholders	Shareholders and Investors	Business Partners	Employees
Relationships with stakeholders	<p>The Tohoku Electric Power Group strives to maximize customer enrichment through services that help create a smart society in which customers can enjoy safe, secure, comfortable living spaces, primarily through stable provision of affordable energy to support success and fulfillment both in life and business activities.</p>	<p>With the aim of contributing to the sustained progress of our communities, the Tohoku Electric Power Group works alongside local communities to solve the challenges they face and makes good-faith efforts to work with and benefit our communities, through which it builds relationships of trust and harmony and maintains constant dialogue between each of our employees and local stakeholders.</p>	<p>By enhancing disclosure and strengthening corporate governance, the Tohoku Electric Power Group strives to make management more transparent and improve dialogue with our shareholders and investors, thereby strengthening corporate value.</p>	<p>The Tohoku Electric Power Group builds strong relationships of trust with business partners through fair and equitable transactions. It strives to earn the trust of society by making transactions as transparent as possible.</p>	<p>The Tohoku Electric Power Group contributes to enriched, healthy lives for our employees by respecting their diversity and individuality, through providing comfortable workplaces and enjoyable, rewarding work, and promoting self-development through motivation to realize one's individual potential.</p>
Major opportunities for dialogue/Communication tools	<ul style="list-style-type: none"> <li>■ The Customer Center and the Network Call Center receive different kinds of requests, comments, and inquiries.</li> <li>■ Everyday sales activities, including proposals of energy solution services</li> <li>■ Communication with customers near power stations (all household visit activities)</li> <li>■ Online publication of useful information for energy conservation</li> <li>■ Sustainability surveys</li> <li>■ Tours to visit power stations and other facilities</li> <li>■ Swift communication of information on power failures (via Twitter and our smartphone app)</li> </ul>	<ul style="list-style-type: none"> <li>■ Activities promoting local collaboration</li> <li>■ Activities promoting social contributions</li> <li>■ Support for local revitalization</li> <li>■ Facilitating international cooperation and exchange activities</li> </ul>	<ul style="list-style-type: none"> <li>■ General meetings of shareholders</li> <li>■ Briefings for investors</li> <li>■ Visits to institutional investors</li> <li>■ Tours of power stations and other facilities</li> <li>■ Business reports</li> <li>■ Webpages for shareholders and Investors</li> </ul>	<ul style="list-style-type: none"> <li>■ Disclosure of the Basic Policy of Procurement and other materials to provide fair and rightful trading opportunities</li> <li>■ Day-to-day procurement activities</li> <li>■ Presentation of letters of thanks for exemplary practices</li> <li>■ Surveys of business partners</li> <li>■ Dialogue with business partners</li> <li>■ Workshops and safety patrols</li> </ul>	<ul style="list-style-type: none"> <li>■ Office visits by management team members</li> <li>■ Diversity-related seminars</li> <li>■ Periodic dialogue with supervisors</li> <li>■ Discussions with labor union</li> <li>■ Consulting services (on compliance and other matters)</li> <li>■ Interactive Intranet</li> <li>■ In-house newsletters</li> <li>■ Employee surveys (surveys to gauge attitudes toward the Group slogan, corporate ethics, compliance, and stress checks)</li> </ul>

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# System for Learning about Local Communities' Views and Requests

## Surveys on the Tohoku Electric Power Group's sustainability initiatives

We undertake surveys on the Tohoku Electric Power Group's corporate activities and sustainability measures to better grasp customer perspectives on such activities and on the current energy environment. The understanding gained in this way serves as a guideline for future business initiatives and for how to communicate with local communities.

This section gives some examples of the results from the 2022 survey.

**Online survey of Tohoku Electric Power's corporate activities and CSR actions**

**Date**  
April 11 to April 14, 2022

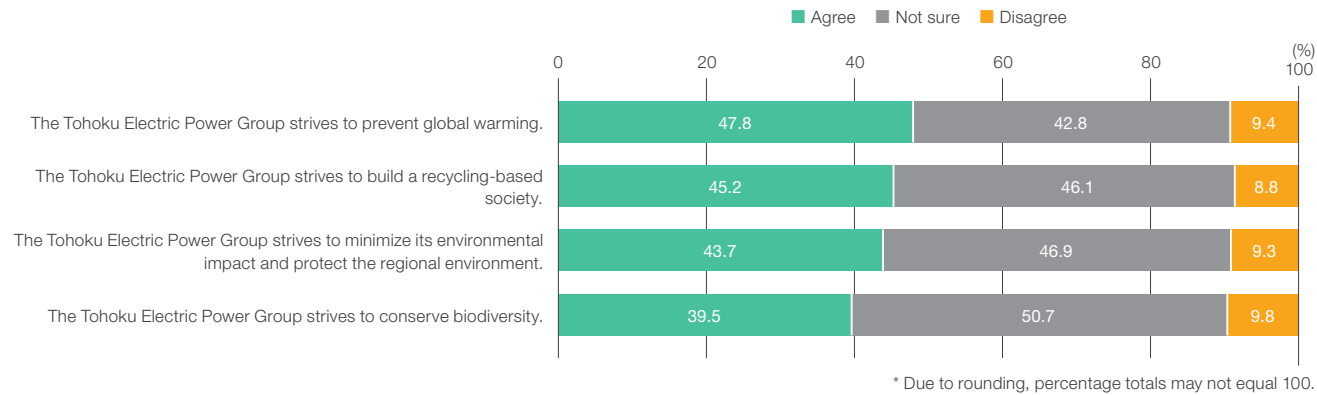
**Subjects**  
2,505 men and women living in the six Tohoku prefectures and in Niigata Prefecture

### Environment

#### Assessing environmental initiatives

To help achieve carbon neutrality by 2050, the Tohoku Electric Power Group promotes wind power and other sources of renewable energy, including solar, geothermal, and biomass. Based on consideration for the environment, we seek to decarbonize thermal power generation and reduce CO<sub>2</sub> emissions of our customers and communities through the Smart Society Building Business.

We are also moving forward to build a recycling-based society and to protect the regional environment based on the Tohoku Electric Power Group Environmental Policy and our four environmental action principles.

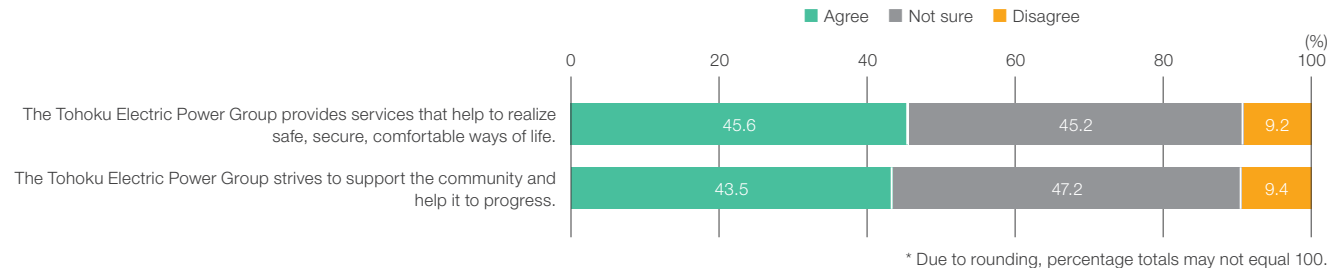


### Social

#### Assessing initiatives to realize safe, secure, and comfortable communities and ways of life

By fusing energy with digital technologies, the Tohoku Electric Power Group is striving to build a smart society in which our customers can enjoy safe, secure, comfortable lives.

We're committed to contributing to the sustainable progress of our communities and delivering solutions to social challenges through our businesses.



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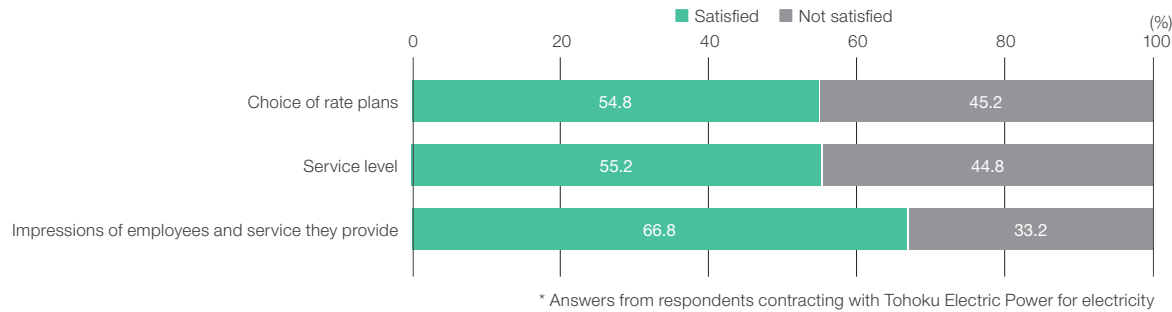
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# System for Learning about Local Communities' Views and Requests

## Assessing customer service and engagement

We strive to offer a wide range of electricity rate plans and services to meet the needs of our customers and to ensure that we remain their first choice.

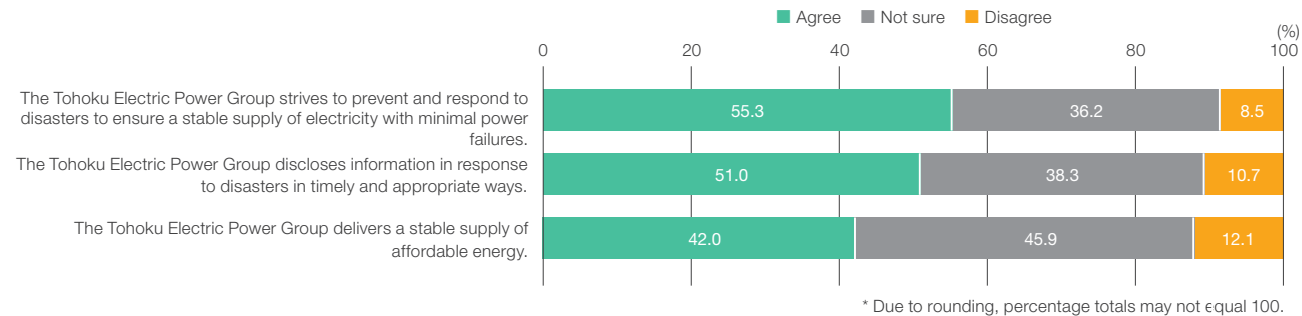
We're committed to enhancing services and improving quality to meet customer needs.



## Assessing initiatives to build resilient social infrastructure

More than one-half of customers surveyed agreed that we strive to ensure a stable supply of electricity by minimizing power failures and through the timely and appropriate disclosure of information in response to disasters.

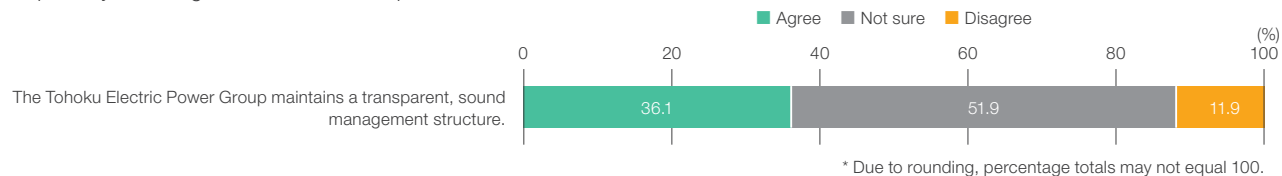
The entire Tohoku Electric Power Group remains committed to working to build resilient social infrastructure.



## Governance

### Assessing corporate governance initiatives

Recognizing improved corporate governance as an important topic of management, Tohoku Electric Power strives toward sustained growth and increased corporate value over the medium to long term through means including increasing the dynamism, soundness, and transparency of management to meet the expectations of our stakeholders.



## Overview

A look at local community impressions of the Tohoku Electric Power and Tohoku Electric Power Network indicates a significant level of approval based on answers of “can rely on” (78.2%) and “can trust” (75.7%) the Group. We earned more positive evaluations than last year on questions concerning the environmental topic of renewable energy initiatives, the customer service topic of impressions left by employees and services, and topics related to efforts to build resilient social infrastructure, including our ability to respond to power failures and disasters. We believe these assessments accurately reflect our image as an organization the community can trust and rely on. We believe these assessments reflect efforts by Group employees to take good-faith action in interactions with community residents and with other stakeholders under the Group Slogan “Yori, Sou, Chikara (The Strength to Work Alongside).”

At the same time, on certain questions concerning our corporate activities, such as efforts related to corporate governance, the majority of those responding had neither positive nor negative evaluations. This suggests our initiatives on these topics are not yet widely acknowledged within the community, which in turn suggests we must enhance each or these initiatives further as well as our efforts to communicate information to stakeholders broadly and openly through press releases, our website, social media, and other channels.

The Group will continue to promote sustainability as a cohesive and united team by advancing and improving various initiatives, based on two-way dialogue with stakeholders, in accordance with the Tohoku Electric Power Group Sustainability Policy and the Tohoku Electric Power Group Code of Conduct.

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# Partnerships, External Evaluations, Etc.

## Participation in initiatives

### UN Global Compact signatory

Seeking to build a sound global society through joint efforts between the United Nations and the private sector (companies and other organizations), the UN Global Compact is the world's largest sustainability initiative. Signatory organizations are required to conform to and put into practice 10 principles in the four areas of human rights, labor, the environment, and anti-corruption.



### Participation in Plastics Smart

Plastics Smart is a campaign launched by the Ministry of the Environment to promote joint efforts and partnership among a wide range of parties including individuals, NGOs, corporations, research institutes, and government agencies, to resolve the issue of ocean plastic wastes.



## Inclusion in ESG indices

### FTSE Blossom Japan Sector Relative Index

This index developed by the global index provider FTSE Russell includes Japanese firms with outstanding ESG (environmental, social, and governance) initiatives in each industry.



### Sompo Sustainability Index

This index developed by Sompo Asset Management Co., Ltd. includes about 300 issues chosen for their outstanding ESG initiatives, through a combination of annual ESG assessments and stock price assessments.



### Participation in Challenge Zero

Challenge Zero is an initiative to communicate across the world and support innovative actions by companies and other organizations to take on the challenge of realizing a carbon-neutral society, a long-term goal under the Paris Agreement, through joint efforts between Keidanren and the Japanese government.



### Support for the Keidanren Initiative for Biodiversity Conservation

The Keidanren Initiative for Biodiversity Conservation is an initiative launched by Keidanren and the Keidanren Committee on Nature Conservation. By promoting the Keidanren Biodiversity Conservation Statement and Guidelines, it strives to promote further mainstream adoption of efforts to preserve biodiversity.



## External evaluations on sustainability

### CDP\* evaluation

We continually respond to the CDP climate change questionnaire. In 2022, we responded to the CDP water security questionnaire. Through these and other efforts, we're proactively disclosing environmental information.



\* An international NGO (formerly known as Carbon Disclosure Project) that promotes and assesses disclosure by companies and local governments on climate change and other fields

### 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program

We've been chosen to the 2022 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category) Recognition Program by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



### Support for the Challenge Initiatives for 30% of Executives to be Women by 2030

The Challenge Initiatives for 30% of Executives to be Women by 2030 program was launched by Keidanren to accelerate efforts to promote diverse human resources for inclusion and co-creation based on diverse values, the key to sustainable capitalism. The goal is to ensure that 30% of executives will be women by 2030.



### Kurumin certification

Under this certification program based on the Act on Advancement of Measures to Support Raising Next-Generation Children, the Minister of Health, Labour and Welfare certifies companies that actively support employees raising children.



### Eruboshi certification

Under this certification program based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, the Minister of Health, Labour and Welfare certifies companies that carry out outstanding initiatives to promote women in the workplace.



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## Partnerships with local governments

### Joining the Akita SDGs Partnership

In November 2021, the Tohoku Electric Power Akita Branch was registered as a Phase One partner of the Akita SDGs Partnership program, a program of Akita Prefecture whereby companies, other organizations, and local governments making active efforts to achieve the Sustainable Development Goals (SDGs) through their business activities and other efforts are registered and publicized for their initiatives. This program is intended to promote the SDGs in the prefecture, build a positive autonomous cycle, and realize a sustainable community powered by public-private partnerships on the SDGs through various efforts, including promoting joint efforts among registered companies and other organizations, increasing their corporate value, and enhancing their competitive strengths. We've announced our aim of contributing to the SDGs as a responsible corporate group in addition to efforts to enhance our competitive strengths in the Power Supply Business and implement efforts in the Smart Society Building Business.



Akita SDGs Partner registration certificate

### Participation in the Fukushima SDGs Promotion Platform

In June 2022, the Tohoku Electric Power Fukushima Branch joined the Fukushima SDGs Promotion Platform, an activity targeting the SDGs. This platform was established in April 2022 to promote prefectural development by creating opportunities for joint efforts and partnership among organizations in the prefecture, founded on the SDGs. It has 155 members (as of July 31, 2022), including municipalities, companies, associations, and NPOs. It also promotes joint efforts and partnership toward the prefecture's own unique additional SDG, "Fukushima's recovery," and addresses community issues such as rapid depopulation and aging. Based on "Working alongside next," the Tohoku Electric Power Group's Medium- to Long-Term Vision, we will contribute to solutions to local issues and achievement of the SDGs through the Power Supply Business and the Smart Society Building Business.



Poster for a Fukushima SDGs Promotion Platform event



In joint efforts with Art Link Uchinoakari, an organization that focuses on supporting artistic expression by people with disabilities and others, we offered the use of our windows to support social participation by people with disabilities and provided opportunities for contact with the community. Works of art on the theme of bubbles, printed on film coatings, were displayed on the windows of our buildings.

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# Environmental Management

## Promoting environmental management

### Tohoku Electric Power Group Environmental Policy

Basic stance

Through our environment-friendly energy services, we work with local communities and our customers to achieve a sustainable society in which future generations can live safely and in peace of mind.

We strive to ensure a stable supply of energy compatible with environmental conservation and economic efficiency, based on the premise that ensuring safety as a corporate group is aligned with the interests of local communities. This is our mission, one that will not change in the future.

We appreciate the earth and its bounty. We respect the traditional values of the people of this region as they coexist with nature. We seek to achieve sustainable growth alongside our local communities and customers. Based on good faith dialogue, we take our commitment to environmental issues seriously and implement actions to achieve our goals.

Four environmental action principles

- 1 Appreciate the earth's bounty and make careful use of its limited resources
- 2 Minimize environmental impact.
- 3 Safeguard and coexist with the rich natural environment.
- 4 Think and act with the local communities and our customers in mind.

### Overview of the Tohoku Electric Power Group FY2022 Medium-Term Environmental Plan (FY2022–2024)

We will deploy various measures based on the following three pillars and priorities:

#### I Measures to counter climate change based on the Carbon Neutral Challenge 2050

**Priorities**  
 CO<sub>2</sub> emissions reductions and contributions to build a carbon-neutral society  
 Securing business opportunities reflecting the trend toward carbon neutrality  
 Studying measures to prepare for climate change risks

- In accordance with the goals of the Tohoku Electric Power Group Carbon Neutral Challenge 2050, we will make steady progress toward CO<sub>2</sub> emissions reductions on both the demand and supply sides through maximizing use of renewables and nuclear power, and verifying efforts to decarbonize thermal power, electrification and energy-conservation proposals toward the FY2030 goal of halving CO<sub>2</sub> emissions (vs. FY2013).
- We will secure business opportunities by identifying societal trends and changing customer needs as society moves towards decarbonization.
- We will identify the impacts and risks posed by climate change for Group businesses and respond appropriately through avoidance and mitigation measures.

#### II Comprehensive environmental protection

**Priorities**  
 Compliance with environmental laws and regulations  
 Promoting initiatives to conserve biodiversity  
 Contributing to building a recycling-based society and circular economy

- We will ascertain information on legal and policy trends and ensure comprehensive compliance with environmental laws and regulations. Our environmental management staff share and deploy information across the entire Group concerning nonconformities to support risk management and enhance governance.
- We will promote activities to conserve biodiversity, including maintaining the initiatives already underway.
- In addition to promoting the recycling of coal ash and other waste we generate, we will strive to recycle and reuse waste plastics in accordance with the Act on Promoting Recycling of Plastic Resources enacted in April 2022.

#### III Communication with the community

**Priorities**  
 Building trust by undertaking environmental activities alongside the community  
 Evaluating environmental activities and identifying community issues through opportunities for dialogue with the community

- We will maintain and improve relationships of trust with the community by deploying environmental activities such as cleanup and tree-planting initiatives. We will further improve our environmental initiatives based on assessments of results of our activities.
- We will take advantage of opportunities to engage in dialogue with our customers and the wider community through various environmental activities and will consider the information on needs and issues gathered to examine ideal community environmental contributions the Tohoku Electric Power Group can make to address the community issues identified.

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## The Tohoku Electric Power Group's environmental management structure

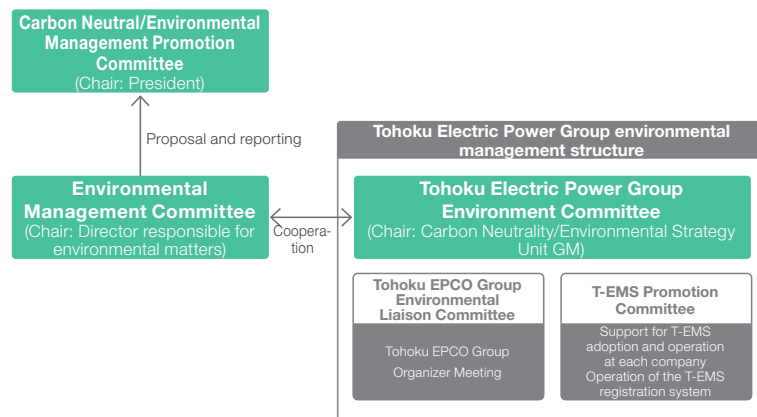
The Tohoku Electric Power Group promotes environmental management to continue building on its management foundations to achieve the Tohoku Electric Power Group's Medium- to Long-Term Vision: "Working alongside next."

Specifically, based on the Tohoku Electric Power Group Environmental Policy and the Medium-Term Environmental Plan formulated as a three-year action plan reflecting consideration for environmental conditions and other matters, we are undertaking environmental initiatives through a unified groupwide structure.

We have established the Carbon Neutral/Environmental Management Promotion Committee to respond to the need for carbon neutrality and other environmental management topics at the Tohoku Electric Power and Tohoku Electric Power Network. Committee members consist of the presidents of both companies, as well as managing directors and all vice presidents. This committee formulates and aggressively promotes policies and plans to devise solutions. The Environmental Management Committee, a subcommittee of the Carbon Neutral/Environmental Management Promotion Committee, whose membership includes the heads of individual departments and offices, carries out environmental measures under the command and control of the director responsible for environmental matters to execute our environmental strategies.

In addition to autonomous environmental measures undertaken by each company based on the Tohoku Electric Power Group Medium-Term Environmental Plan, the Tohoku Electric Power Group Environment Committee, consisting of directors responsible for environmental matters and department general managers from each Group company, is tasked with exploring various methods to promote initiatives and improving environmental management on an ongoing and groupwide basis in cooperation with the Environmental Management Committee.

### Environmental management structure



### Tohoku Electric Power Group Environmental Management System (T-EMS)

The Tohoku Electric Power Group Environmental Management System (T-EMS) is an environmental management system formulated to promote appropriate environmental management across the Tohoku Electric Power Group. We implement this system in accordance with the T-EMS Guidelines, which we formulated in reference to the ISO 14001 international standard for environmental management systems and the Eco-Action 21 program operated by the Ministry of the Environment.

Group companies that meet the requirements of these guidelines are awarded T-EMS certification, subject to annual maintenance reviews and recertification reviews every three years.

In these reviews, qualified ISO 14001 auditors and internal auditors within our Group periodically inspect T-EMS certified companies to assess the state of environmental initiatives, then deliver reports to the T-EMS Promotion Committee, an organization within the Tohoku Electric Power Group Environment Committee, for evaluations of the individual companies inspected.

Based on predetermined requirements, T-EMS aims to continuously improve environmental activities by repeating the PDCA cycle: activities are Planned, Done, then Checked, to enable Actions for overall reviews and revisions.

#### Comparison to other management systems

	T-EMS Guidelines	ISO 14001	Eco-Action 21
Formulation body	Tohoku Electric Power Group Environment Committee	International Organization for Standardization (ISO)	Ministry of the Environment
Scope of application	Companies within the Tohoku Electric Power Group	Organizations of any type or size	Small- and mid-sized enterprises
Requirements and numbers of items	<ul style="list-style-type: none"> <li>Practical requirements based on the Eco-Action 21 program</li> <li>System of steps based on business type to enable efficient reviews reflecting environmental impact</li> </ul> Step 1: 9 items Low environmental impact ↓ Step 2: 14 items ↓ Step 3: 15 items High environmental impact	<ul style="list-style-type: none"> <li>Requires continual improvement, documentation, identification of significant environmental aspects, obligation of compliance, internal auditing, etc.</li> <li>Requirements: 80 items</li> </ul>	<ul style="list-style-type: none"> <li>Specific requirements for environmental initiatives</li> <li>Requirements: 14 items</li> <li>Obligation to prepare and publish environmental reports</li> </ul>

#### Tohoku Electric Power Group Environmental Management System (T-EMS) certification status

(as of March 31, 2022)

Certified companies	Certified companies as a share of consolidated net sales
25	93.7%

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# Climate Change Measures

## Taking on the challenge of carbon neutrality



Considering countermeasures against global warming as important management topics, the Tohoku Electric Power Group has aggressively sought to reduce CO<sub>2</sub> emissions by developing renewable energy, making thermal power generation more efficient, and promoting use of eco-friendly heat pumps. Addressing climate change has become an even more important concern to society as a whole, as seen for example in the Japanese government's pledge to achieve carbon neutrality by 2050.

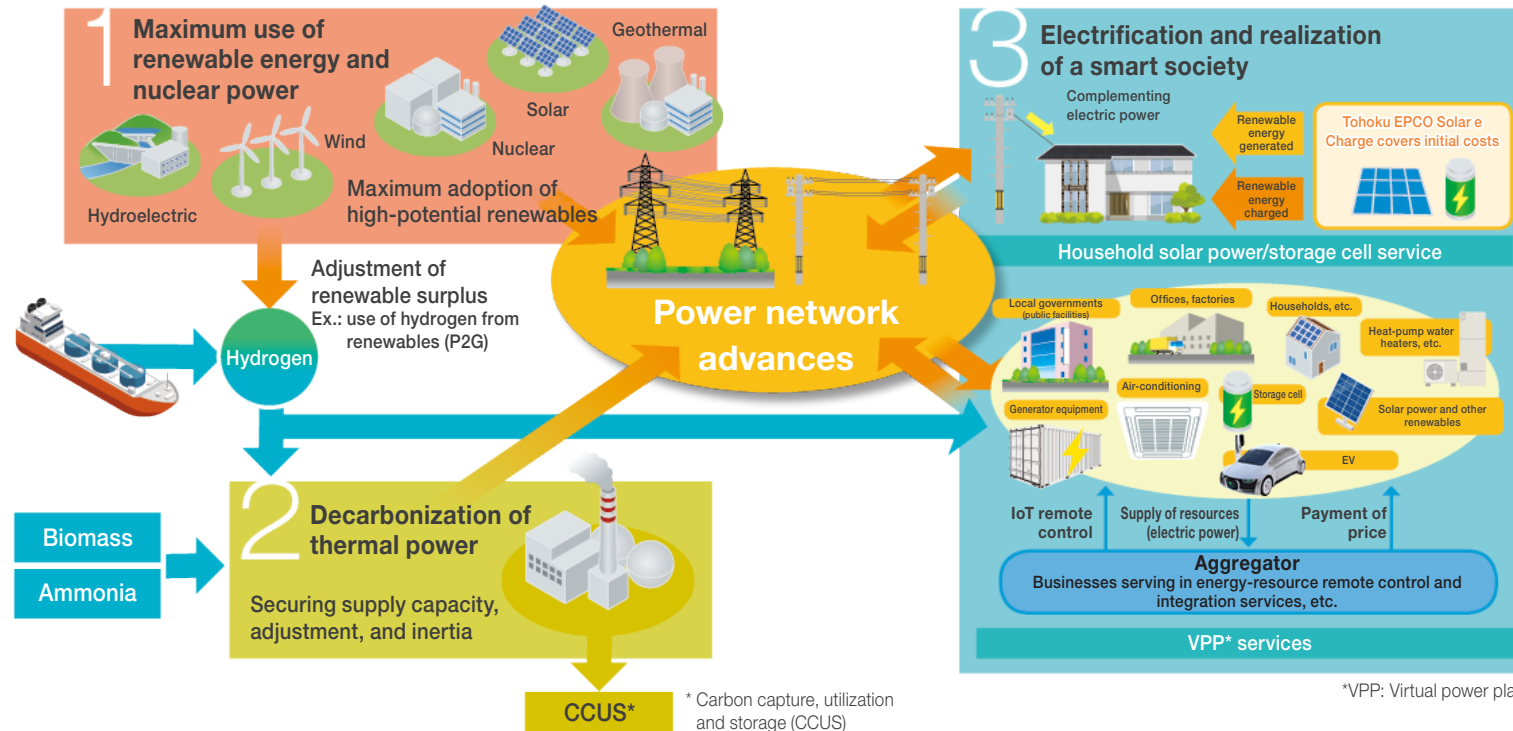
In light of these circumstances, in March 2021 the Group launched the Tohoku Electric Power Group Carbon Neutral Challenge 2050, under which we will accelerate CO<sub>2</sub> emissions reductions based on three main pillars: maximum use of renewable energy and nuclear power; decarbonization of thermal power sources; and electrification and realization of a smart society.

In March 2022, we joined the Green Transformation (GX) League\* under the leadership of the Ministry of Economy, Trade and Industry. We believe that the Basic Vision of the GX League, which calls for tackling the challenge of swiftly achieving carbon neutrality, driving the virtuous cycle of environment and economy, leading the reform throughout the entire economic and social system, including other stakeholders, all aiming at the target of carbon neutrality by 2050, meshes perfectly with the Group's initiatives and thinking on carbon neutrality. The Group will continue actively tackling the challenge of carbon neutrality to realize a sustainable society as a company that works alongside our communities and customers.

\* Green transformation (GX) refers to the transformation of society and the economy through corporate transition from fossil fuels and electricity, sources of greenhouse gas emissions, to renewable energy and carbon-zero gases. The METI has established the GX League as a venue for companies proactively advancing GX initiatives to discuss reforms throughout the entire socioeconomic system and implement measures to create new markets together with other players also tackling the challenge of GX, through industry, academy, and financial cooperation.

## Carbon neutral vision

The Tohoku Electric Power Group seeks to realize a society that simultaneously achieves power generation through large-scale clean energy sources, decentralized energy systems, and efficient energy use.



\*VPP: Virtual power plant

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## Roadmap toward realizing carbon neutrality

The Group is accelerating efforts to reduce CO<sub>2</sub> emissions based on the three main pillars of maximum use of renewable energy and nuclear power, decarbonization of thermal power sources, and electrification and realization of a smart society.

Our goal for FY2030 is to halve CO<sub>2</sub> emissions relative to FY2013 levels. As we advance efforts in the development of renewable energy, resumption of operation of nuclear power plants, and decarbonization of thermal power, we are also ceasing the use of inefficient power sources and decarbonizing our power sources as a whole, while keeping in mind our responsibility to deliver stable supplies.

In the years through 2050, in addition to measures such as maximum use of renewable energy and nuclear power it will be essential to achieve technological breakthroughs in areas

such as carbon-neutral thermal power. Accordingly, we will strive to realize carbon neutrality while also helping customers to use energy more efficiently, through promoting electrification and the Smart Society Building Business, in addition to developing and utilizing innovative technologies from among the unlimited choices available.

We expect these measures to require investment on a scale of approximately 400 billion yen through roughly 2030, centered on renewable energy development (including network construction) and the Smart Society Building Business. Both are growth fields and businesses that contribute to carbon neutrality. We expect this investment to move us closer to our consolidated cash income target of more than 320 billion yen in FY2024 (while targeting future growth by establishing the sustainable foundations for generating cash over the long term).

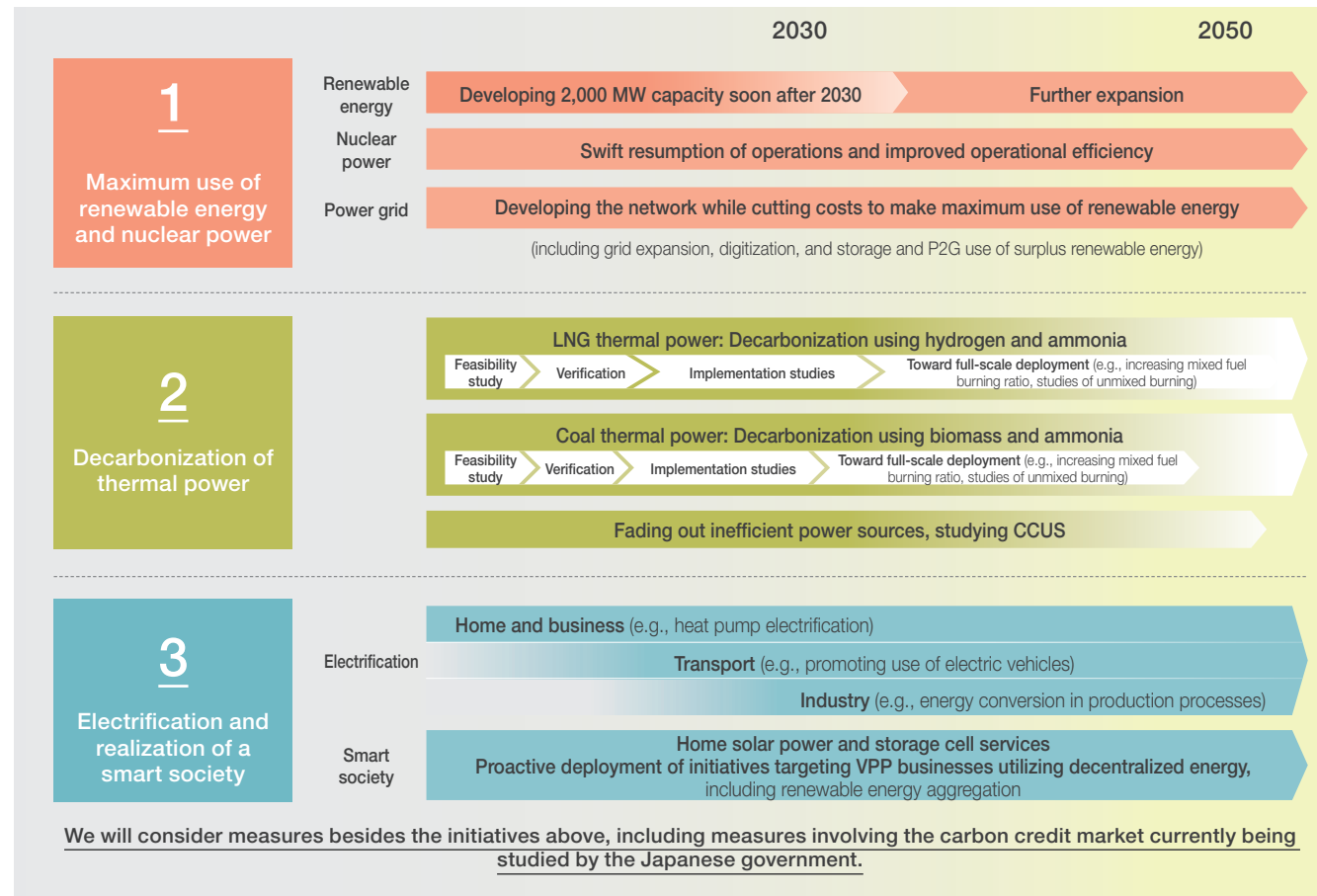
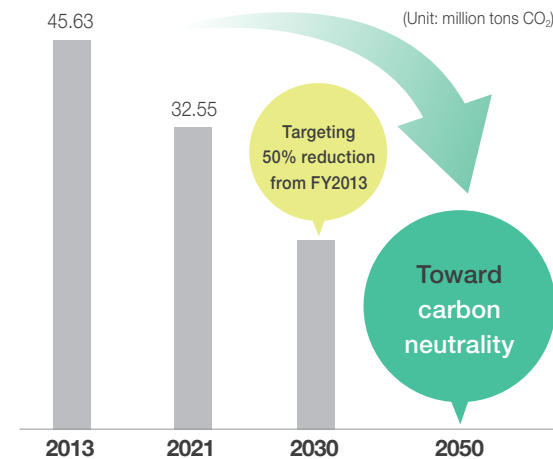
### 2050 carbon neutrality challenge

The Tohoku Electric Power Group will take on the challenge of achieving carbon neutrality by 2050 based on the major prerequisite of securing S+3E\*

\* Safety (S), stable energy supply (energy security) (E), environmental conservation (E), and economic efficiency (E)

### CO<sub>2</sub> reduction target for FY2030

In FY2030, to make progress toward carbon neutrality, we will seek to halve CO<sub>2</sub> emissions from our FY2013 figure.



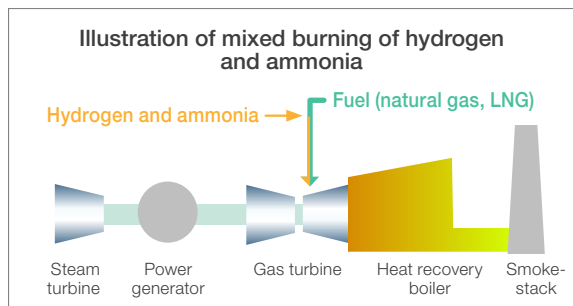
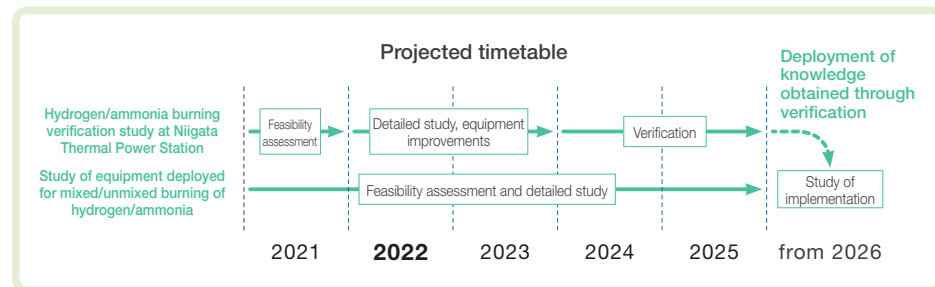
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## Case studies of carbon neutrality initiatives

### Case study 1: Decarbonization of thermal power

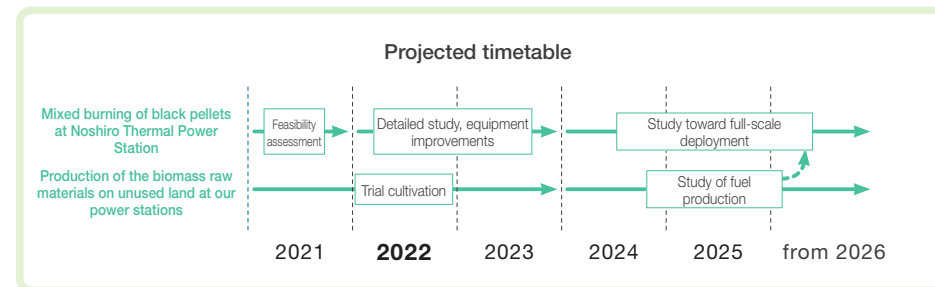
#### ○ Verification study of mixed burning with hydrogen and ammonia to decarbonize LNG-fired thermal power

Expectations are high for hydrogen and ammonia as energy sources to move closer to achieving carbon neutrality. Neither substance releases CO<sub>2</sub> emissions when burned. Since use to generate power requires verification of stability when burning, we will proceed with verification testing at our Niigata Thermal Power Station No. 5 series (a natural gas plant in the city of Niigata, Niigata Prefecture, with a capacity of 109 MW). Another issue raised by the use of hydrogen and ammonia is the lack of supply chains for fuel purchase and supply. It is our hope that the verification of these fuels in an actual power station will advance supply chain development.



#### ○ Verification study of mixed burning with black pellets to decarbonize coal thermal power

In addition to putting to use local resources (wood chips) previously unused, in 2021, the Noshiro Thermal Power Station (a coal-fired station with total output of 1,800 MW located in Noshiro, Akita Prefecture) began verification testing of mixed burning with black pellets—biomass fuel made from partially carbonized wood. Black pellets offer greater thermal energy than wood chips. They also offer properties similar to coal, which means they can be used in existing facilities without major modifications. We estimate potential CO<sub>2</sub> reductions of roughly 300,000 tons over one year from mixed burning with approximately 10% black pellets in a single plant (600 MW) at the Noshiro Thermal Power Station. We consider this to be an effective way to move toward carbon neutrality, and we are aiming to launch full-fledged operation beginning in FY2024.



#### Verification testing of raw material production using unused land on a power station site

At the Akita Thermal Power Station (a station fired by heavy oil and crude oil with total output of 600 MW, located in Akita, Akita Prefecture), test cultivation of plants that can serve as raw materials in biomass fuel began in 2021, to put unused land on the plant site to use and gain knowledge concerning biomass fuels. About 700 saplings were planted in July 2021. These grew quickly, demonstrating that certain varieties of plants were well suited to growing even in the cold Tohoku climate. After harvesting some of the trees, trial pelletizing is underway to verify their properties as biomass fuel. Future plans call for studying the production of black pellets and use in mixed burning at the Noshiro Thermal Power Station based on considerations such as crop yields, conditions and properties, and the pellet properties of the plants grown here.



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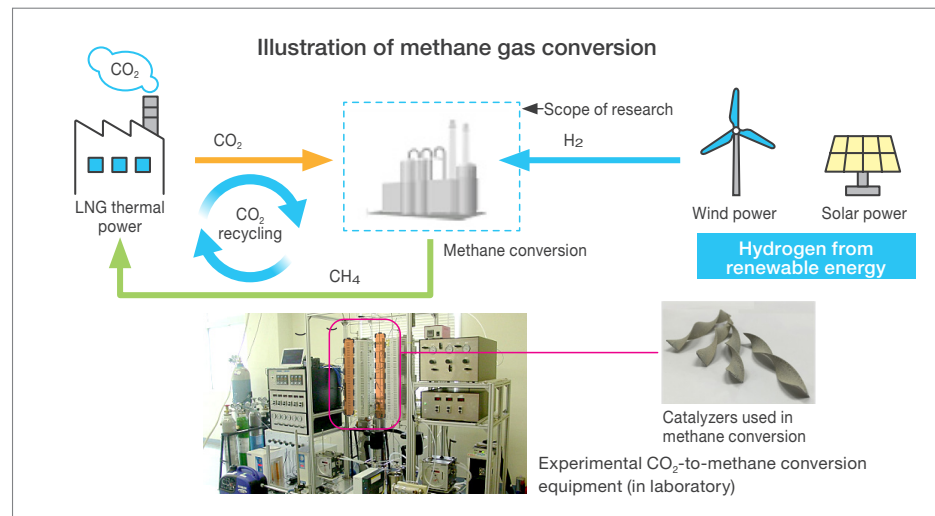
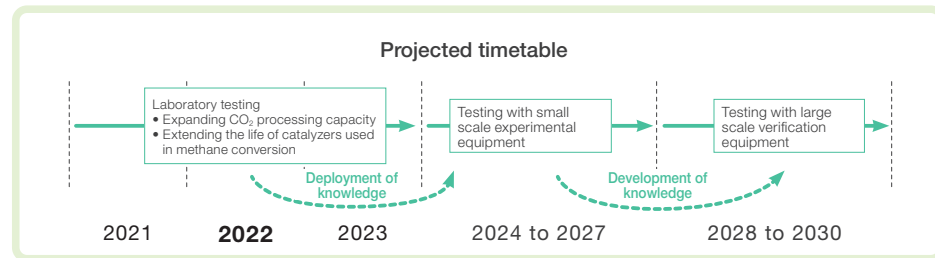
## Case studies of carbon neutrality initiatives

### Case study 2: Research on conversion of CO<sub>2</sub> generated by thermal power to methane gas using hydrogen from renewable energy

We're currently undertaking joint research with Shizuoka University on converting the CO<sub>2</sub> generated by thermal power sources to methane gas—a carbon capture, utilization and storage (CCUS) technology.

This project seeks to synthesize methane gas from CO<sub>2</sub> generated by a thermal power station and hydrogen produced using renewable energy for reuse in mixed burning in LNG thermal power generation. This technology will enable reductions in and more effective use of CO<sub>2</sub> generated by thermal power sources.

This project is currently studying expanding the size of the equipment used to convert CO<sub>2</sub> to methane gas, extending the useful life of catalyzers used in methane conversion, and other approaches.

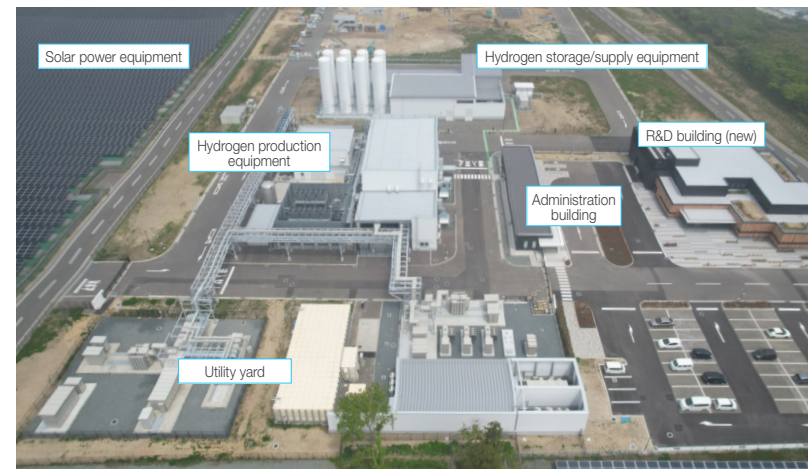


### Case study 3: Initiatives toward realizing a hydrogen society

Alongside the New Energy and Industrial Technology Development Organization (NEDO), Toshiba Energy Systems & Solutions Corporation, Iwatani Corporation, and Asahi Kasei Corporation, Tohoku Electric Power and Tohoku Electric Power Network are taking part in feasibility studies, which began in February 2020, for the Fukushima Hydrogen Energy Research Field (FH2R) in the town of Namie, Fukushima Prefecture. Plans call for this to become one of the world's largest hydrogen production facilities based on renewable energy. This facility will have the capacity to generate 1,200 Nm<sup>3</sup>\* of hydrogen per hour (during rated operation) from renewable energy and other sources. Based on adjustments of grid demand and supply, this is intended both to put renewable energy (which entails considerable output variation) to maximum use and to establish clean, low-cost hydrogen production technologies and technologies to enable practical implementation of the power-to-gas concept. Toward these ends, during the feasibility study period through the end of February 2023 the project seeks to achieve progress in various control systems (hydrogen energy operation systems, control systems on the grid side, and hydrogen-demand forecasting systems) and in water electrolysis.

\* Normal cubic meter (Nm<sup>3</sup>) is a unit indicating volume of gas in a dried state at pressure of 1 ATM and temperature of 0 °C.

This project is part of the NEDO Development of Technologies for Realizing a Hydrogen Society/Development of Hydrogen Energy System Technology/Formulation of Business Model for Renewable Energy-based Hydrogen System and Development of Technologies for Large-scale Verification.



The completed Fukushima Hydrogen Energy Research Field (FH2R) project

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## Case studies of carbon neutrality initiatives

### Case study 4: Preliminary project under the Niigata Prefecture Natural Energy Island Vision

The Tohoku Electric Power Group is participating in the Niigata Prefecture Natural Energy Island Vision, a project that seeks to establish a sustainable recycling-based society and carbon neutrality, invigorate the local economy, improve disaster resilience, and maintain a thriving natural environment based on the adoption of renewable energy.

#### ○ Supplying solar power and storage cell services with zero initial costs and unlimited usage at fixed monthly rates

Tohoku EPCO Solar e Charge is advancing an initiative toward local production and local consumption of energy as well as CO<sub>2</sub> emissions reductions in the household sector, through direct supply of renewable energy by installing solar power and storage cell equipment at homes on Sado Island (in the city of Sado, Niigata Prefecture).

Since September 2021, it has concluded business partnership agreements with home builders on the island (six companies as of the end of July 2022) on sale of the Aozora Charge Service, which offers solar power and storage cell services with zero initial costs and unlimited usage at fixed monthly rates. Under these agreements, these services are provided for newly built homes on the island.

Through these partnerships with home builders, Tohoku EPCO Solar e Charge is delivering safe, reliable, comfortable clean homes in which residents can live in comfort and with peace of mind even in the event of power failures, by combining the Aozora Charge Service with high-performance homes provided by the builders. It also proposes new ways of living to increase electricity self-sufficiency in energy-saving homes.

#### ○ Efforts to realize optimal control over supply and demand

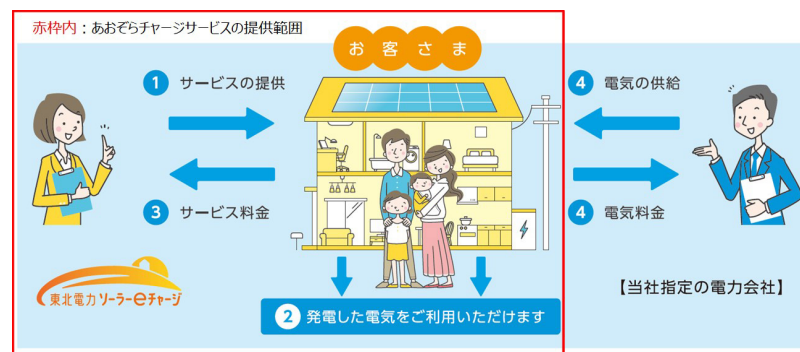
Currently, power supplied on Sado Island is sourced mainly from internal combustion power stations. In addition, since the island is not connected to the power grid on the mainland and its power demand is limited to the island alone, there is a concern that connection of large volumes of renewable energy sources to the island grid could impact stable power supplies due to weather-dependent output fluctuations, making it impossible to maintain a sound balance between power use and generation.

In light of these conditions, to encourage further adoption of renewable energy on Sado Island, Tohoku Electric Power Network is installing solar power and storage cell systems as well as setting up energy management systems (EMSs) for centralized management and control of internal combustion power generation, solar power, storage cell systems, and demand-side equipment, aiming to realize optimal control over supply and demand.

These efforts aim both to mitigate the impact on the power grid of fluctuations in output from renewable energy sources, through optimal management and control of supply-side equipment including storage cell systems and of demand-side systems, and to put renewable energy to maximum use on the island, in order to contribute to decarbonization of power sources.

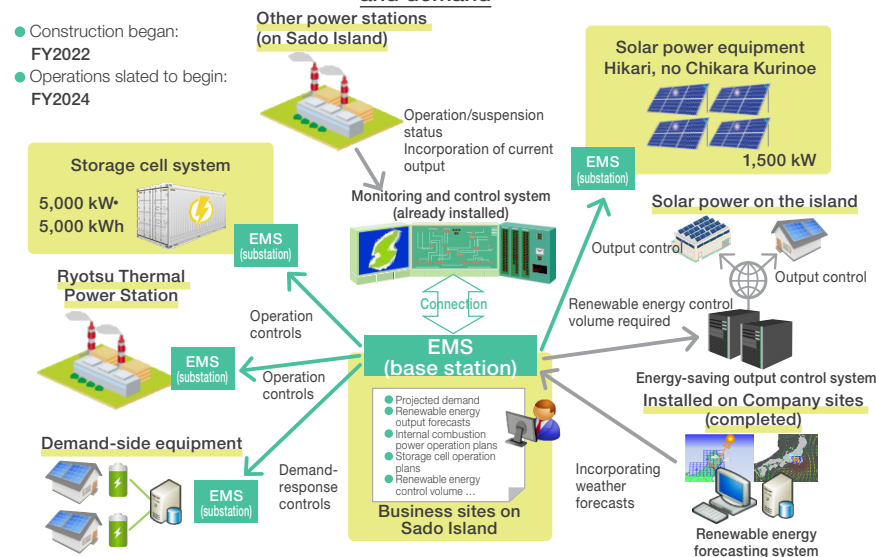
Knowledge gained through this initiative is expected to be useful not just in promoting decarbonization of power supply on remote islands but also in building decentralized grid\* systems.

\* Decentralized grid: A power grid that receives power via a transmission and distribution network but enables autonomous power supply through a combination of renewable and other decentralized power sources capable of operating independently of the network in the event of an emergency.



See > Tohoku EPCO Solar e Charge launched  
Integrated Report 2022 > P54

#### Overview of initiatives toward realization of optimal control over supply and demand



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## Disclosure under the TCFD recommendations

Having long recognized climate change risks and opportunities as important management issues, we've moved forward with measures to reduce emissions of CO<sub>2</sub> and other greenhouse gases in terms of both supply and demand. In addition, since announcing our support for the TCFD\* recommendations in April 2019 we have redoubled efforts to promote environmental management in aspects such as strengthening our responses to climate

change and continually enhancing information disclosure in accordance with the framework of the recommendations.

We believe it is important not merely to disclose information but to reflect in our management strategies the risks and opportunities posed by climate change. In doing so, we also rely on engagement with various stakeholders including institutional investors.

\* Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB) to reflect the aims announced by G20 finance ministers and central bank governors



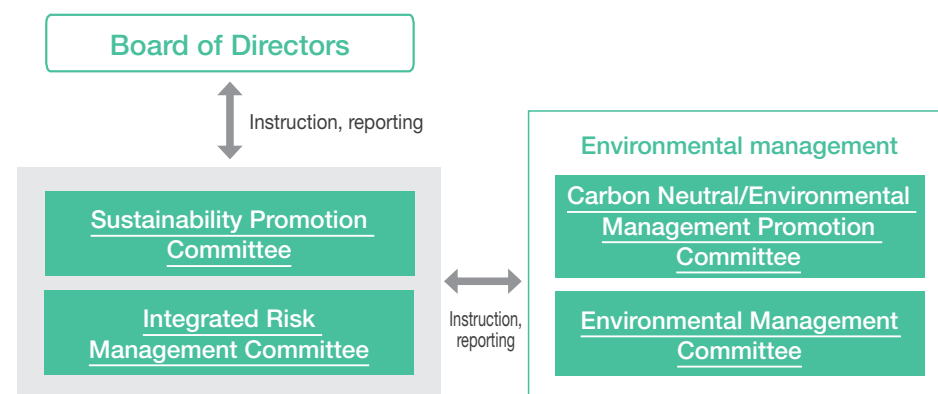
### Governance

The Board of Directors enhances our responses to climate change and makes decisions on their incorporation into management strategy based on a recognition of the risks and opportunities posed by climate change, studies of various response measures, and monitoring and oversight of the state of progress toward our goals.

The President chairs the Carbon Neutral/Environmental Management Promotion Committee and coordinates environmental activities, including responses to climate change.

Following the integration of progress status into the environmental management framework, responses to climate change are reported annually to the Board of Directors as sustainability priorities following deliberations by the Substantiality Promotion Committee. The Substantiality Promotion Committee identifies carbon neutrality as one of the Tohoku Electric Power Group's sustainability priorities (materiality topics) and considers climate-related matters when setting goals and monitoring KPIs.

See » Sustainability promotion structure » P04



Carbon Neutral/Environmental Management Promotion Committee		Environmental Management Committee	
<b>Roles</b>	Receiving proposals and reports from the Environmental Management Committee, issuing/conveying requests to this committee, and coordinating environmental activities and promoting environmental management	<b>Roles</b>	Cross-functional decision-making on and execution of concrete environmental management measures and evaluation of results
<b>Structure</b>	Chair: President Members: Vice Presidents, Managing Executive Officers	<b>Structure</b>	Chair: Executive responsible for environmental matters Members: Managers from the level of business execution section general manager, etc.



### Risk management

Tohoku Electric Power integrates and lists in its environmental management framework the groupwide climate risks and opportunities identified by each business execution section and assessed with regard to financial impact. It then ascertains the priority of responding to each risk based on the projected financial impact. Under the integrated risk management framework, a structure has been developed for reporting on climate-related risks with major impacts on management to the Board of Directors twice annually, together with non-climate-related risks.

See » Risk management » P66

See » Business and other risks FY2021 Securities Report » P16

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## Disclosure under the TCFD recommendations



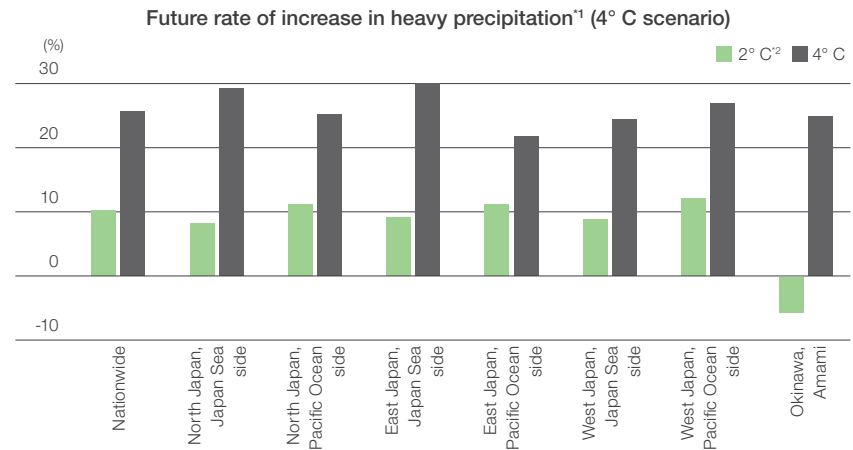
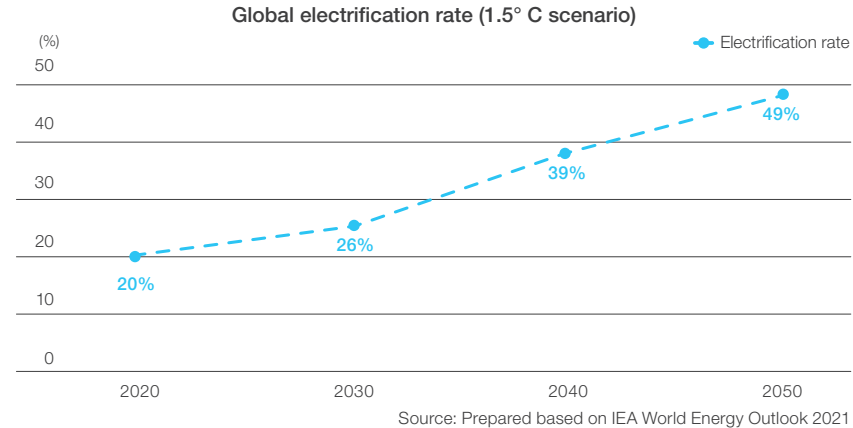
Strategy

### Scenario analysis

We perform ongoing scenario analyses to ascertain the financial impact of future climate change risks and opportunities. In our scenario analyses, we selected the risks and opportunities identified under the environmental management framework deemed likely to have an outsize impact on the Company's businesses and ascertained in particular which risks and opportunities are likely to grow within the scenarios envisioned.

We chose two scenarios: a 4° C scenario under which the shift to a low carbon society fails to advance and countermeasures against climate change are not enhanced beyond current levels, and a 1.5° C scenario under which major changes are made to policy and the behavioral forms throughout society as a whole to achieve greenhouse gas emissions neutrality and limit the global temperature increase to no more than 1.5° C (the scenario of progress toward carbon neutrality in 2050). Our scenario analysis reflects medium- to long-term timelines including the period starting in 2050.

To ensure sustained operations under any scenario, we will continue to analyze climate change risks and opportunities, seeking to minimize management risks and swiftly reflecting opportunities in management strategies, aiming for sustained growth.



\*1 This graph shows rates of increase in heavy precipitation in the future (2080–2100 annual average) under the 4° C scenario, based on current levels (1984–2004 annual average). Heavy precipitation refers to the top 5% average values of daily precipitation on days of precipitation during the year.

\*2 The 2° C scenario refers to RCP2.6.

Source: Based on Ministry of the Environment and Japan Meteorological Agency projections of Japan's climate at the end of the 21st century

1.5° C scenario

→

**Anticipated risks to the Company**

- 1 Enhanced restrictions on CO<sub>2</sub> emissions
- 2 Systems related to adoption of renewable energy
- 3 Energy prices, market prices
- 4 Changing evaluations by stakeholders
- 5 Progress of decarbonization technologies (including electrification and distributed power sources)

Temperature rises by less than 1.5° C since the Industrial Revolution thanks to aggressive action.

Reference scenarios: IEA WEO2021 (NZE Scenario), etc.

Analysis of transition risks associated with more pronounced impacts

4° C scenario

→

**Anticipated risks to the Company**

- 6 Increasingly severe climate disasters
- 7 Changes in precipitation patterns

Temperature at century's end is up 3.2–5.4° C from the Industrial Revolution due to failure to take additional countermeasures.

Reference scenarios: IPCC Fifth Assessment Report (RCP8.5 Scenario), etc.

Analysis of physical risks associated with more pronounced impacts

We're improving our scenario analysis in stages, based on multiple climate change scenarios identified by the International Energy Agency (IEA), Intergovernmental Panel on Climate Change (IPCC), and other bodies. This scenario analysis is intended to consider impacts that may arise under certain assumptions and feasible responses, based on a long-term perspective. No guarantees are made regarding results.

**See » Roadmap toward realizing carbon neutrality » P16**

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## Disclosure under the TCFD recommendations



### Strategy

### Results of analysis of transition risks

Under the 1.5° C scenario, which anticipates growing transition risks, we anticipate political and policy risks (e.g., introduction of carbon pricing) or economic and market risks (e.g., falling market prices of conventional power sources) in each of the short, medium, and long term. This scenario involves risks of thermal power using coal and other fossil fuels becoming less competitive due to rising costs of carbon emissions. Over the medium to long term, we expect advances in decarbonization technologies that

enable improved thermal efficiency and lower costs for the storage cells used in electric vehicles. This involves risks including rising amounts of new capital investment and decreased electricity demand due to progress in energy-conservation technologies. The 1.5° C scenario also anticipates business opportunities for the Group due to growing market shares of carbon-free products and services, rising electrification rates, and other factors.

Scenario	Category	Climate change risk	Anticipated business risks to the Company <sup>*1</sup>	Impact	Timing of occurrence <sup>*2</sup>	Anticipated business opportunities for the Company
1.5° C scenario	Politics (policies)	1 Enhanced restrictions on CO <sub>2</sub> emissions	Increased costs due to adoption of carbon pricing, etc.	Significant	Short/medium/long term	Growth in market share of low carbon and carbon-free products (including power source from renewable energy) and services
		2 Systems related to renewable energy adoption	Decreased recoverability of investment in renewables due to changes to the FIT program, intensifying competition in the renewables business, etc.	Significant	Short/medium/long term	
	Economy (markets)	3 Energy prices, market prices	Decreased market prices of existing power sources due to expansion of distributed power sources	Significant	Short/medium/long term	
	Society (reputation)	4 Changing evaluations by stakeholders	Accelerating divestment from thermal power sources for which decarbonization has not been implemented, rising fundraising costs, falling stock prices	Significant	Short/medium/long term	
	Technology	5 Progress of decarbonization technologies (including electrification and distributed power sources)	Increase in new capital investment involving decarbonization technologies Decreased demand for electricity due to progress on energy-saving technologies	Significant	Medium/long term	

\*1 Business risks that would have pronounced impact on the Company have been identified under certain assumptions.

\*2 Short term: through 2025; medium term: through c. 2030; long-term: through c. 2050

**Our response**

- **Proactively assuming the challenge of carbon neutrality by accelerating CO<sub>2</sub> emissions reductions in the Tohoku Electric Power Group under the Tohoku Electric Power Group Carbon Neutral Challenge 2050**  
■ **Maximum use of renewable energy and nuclear power**
  - Developing projects targeting new development of 2,000 MW in renewable energy
  - Rapid resumption of nuclear plant operations
- **Decarbonization of thermal power sources**
  - Verification testing of mixed burning with hydrogen and ammonia at the Niigata Thermal Power Station
  - Verification testing of mixed burning with black pellets at the Noshiro Thermal Power Station
  - Test cultivation of biomass materials on unused land at power plant sites
- **Electrification and realization of a smart society**
  - Progress on electrifying Company vehicles to promote EV use
  - Business expansion through proposal of electrification including conversion of heat sources and decentralized power sources
  - Promoting the renewables aggregation business\*

\* Services to ensure the aggregation and effective use of community renewable resources
- **Promoting technological development**
  - Technological development toward utilization of hydrogen and ammonia
  - Technological development in grid and storage systems toward increased use of renewables
  - Technological development related to offshore wind power
  - Technological development in carbon recycling

**See » Roadmap toward realizing carbon neutrality » P16**

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## Disclosure under the TCFD recommendations



### Strategy

### Results of analysis of physical risks

Under the 4° C scenario, which envisions high levels of physical risks, we anticipate significant climate change impacts, increasingly severe climate disasters, and changing precipitation patterns.

Acute risks include increased damage to Group facilities and impediments to supply. It will become increasingly important to enhance resilience throughout the power infrastructure. We also anticipate the chronic risk of changes in precipitation patterns to affect hydroelectric power generation and other activities.

We will strive to increase power system resilience through being ready for frequent and severer climate disasters and enhancing the resilience and recoverability of facilities.

Scenario	Category	Climate change risk	Anticipated business risks to the Company <sup>*1</sup>	Impact	Timing of occurrence <sup>*2</sup>	Examples of financial impact of physical risks	Our response
4° C scenario	Acute	6 Increasingly severe climate disasters	Damage to Company facilities and supply impediments resulting from frequent occurrence of increasingly severe strong winds, torrential downpours, etc.	Significant	Short/medium/long term	<ul style="list-style-type: none"> <li>FY2019 Extraordinary losses caused by typhoons in East Japan 6.1 billion yen</li> </ul>	<b>Increasing power system resilience</b> <ul style="list-style-type: none"> <li>Enhancing resilience of power sources and supply equipment (installation of bulkheads, elevating important equipment, dredging)</li> <li>Increasing recovery abilities (implementing disaster drills)</li> </ul>
	Chronic	7 Changes in precipitation patterns	Reduced hydroelectric power production capacity	Medium	Long term	<ul style="list-style-type: none"> <li>Increase in costs due to a 1% decrease in the precipitation rate 600 million yen</li> </ul>	

\*1 Business risks that would have pronounced impact on the Company have been identified under certain assumptions.

\*2 Short term: through 2025; medium term: through c. 2030; long-term: through c. 2050



### Indicators and targets

### CO<sub>2</sub> reduction targets

We will proactively assume the challenge of carbon neutrality by 2050, based on the major prerequisite of securing S+3E.

To achieve the goals of the Tohoku Electric Power Group Carbon Neutral Challenge 2050, the Group will aim to halve CO<sub>2</sub> emissions in FY2030 vs. their actual FY2013 levels.

Based on the Tohoku Electric Power Group Carbon Neutral Challenge 2050 announced in March 2021, we will accelerate CO<sub>2</sub> emissions reductions across the Tohoku Electric Power Group through decarbonization of thermal power, maximum use of renewable energy and nuclear power, and electrification and realization of a smart society.

#### 1. Maximum use of renewable energy and nuclear power

- Seeking to develop 2,000 MW of renewable energy soon after 2030
- Swift operation resumption and increased operation rate of nuclear power based on the essential prerequisite of safety

#### 2. Decarbonization of thermal power

- Expanding mixed burning of biomass in coal thermal power generation
- Testing mixed burning of hydrogen and ammonia at thermal power stations

#### 3. Electrification and realization of a smart society

- Proposing optimal electrification and energy efficiency centered on heat pumps
- Expanding promotion of distributed energy services
- Promoting the renewable-energy aggregation business

#### Example of financial impacts of transition risks

**Cost of purchasing 100 GWh worth of non-fossil-fuel certificates: 60 million yen\***

\* Results of fourth phase of market trading to achieve obligations under the Act on Sophisticated Methods of Energy Supply Structures (0.6 yen/kWh) × volume purchased (assumption)



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## Disclosure under the TCFD recommendations



### Indicators and targets

#### Scope 1, 2, and 3 greenhouse gas emissions

Scope 1 and 2 greenhouse gas (GHG) emissions from Tohoku Electric Power and Tohoku Electric Power Network power stations and other business facilities are calculated pursuant to the following Japanese laws: Act on Rationalizing Energy Use, Act on Promotion of Global Warming Countermeasures.

Scope 3 GHG emissions are calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.4).

Scope 1 emissions are direct emissions from GHG sources in Tohoku Electric Power and Tohoku Electric Power Network. Scope 2 emissions are indirect emissions from the generation of electricity and heat supplied to us by other companies. Scope 3 emissions are indirect emissions from the business activities of Tohoku Electric Power and Tohoku Electric Power Network, not included in Scope 1 and 2 emissions.

Since emissions related to fuel extraction and transport have been added to Scope 3 Category 3 emissions beginning with FY2021, Category 3 emissions are higher compared to FY2020. The corresponding GHG emissions in FY2021 totaled 4.312 million tons CO<sub>2</sub>.

See » Independent Assurance Report, etc.  
» P26

See » CO<sub>2</sub> emissions • Emission factor • Emissions of greenhouse gases other than CO<sub>2</sub>  
» P25

(Unit: 10 thousand tons CO<sub>2</sub>)

Item	FY2020 results	FY2021 results
<b>Scope 1</b> (Direct GHG emissions by the business)	<b>3,114</b>	<b>3,281.5★</b>
<b>Scope 2</b> (Indirect GHG emissions from use of electricity, heat, and steam supplied by other companies)	<b>0.1</b>	<b>0.1★</b>
<b>Scope 3</b> (Indirect GHG emissions other than Scope 1 and 2)	<b>849.1</b>	<b>1,359.9</b>
Category 1 Purchased goods and services	31.0	27.4
Category 2 Capital goods	31.9	15.9
Category 3 Fuel- and energy-related activities	783	1,313.0★
Category 4 Upstream transportation and distribution	1.8	1.8
Category 5 Waste generated in operations	0.4	0.8
Category 6 Business travel	0.2	0.2
Category 7 Employee commuting	0.8	0.8

★: The data have been externally assured by KPMG AZSA Sustainability Co.Ltd.

#### Calculation methods

Emissions in the following categories are calculated in accordance with Japan's Act on Rationalizing Energy Use, Act on Promotion of Global Warming Countermeasures, and Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.4).

Emissions intensities are derived from the Emissions Intensity Database for Calculation of Organizational Greenhouse Gas and Other Emissions through the Supply Chain (Ver. 3.2) and IDEA Ver. 2.3.

- Category 1: (price data on products and services purchased) × (emissions intensity)
- Category 2: (increase in book value of fixed assets) × (emissions intensity)
- Category 3: (volume of power supplied by other companies) × (alternative CO<sub>2</sub> emission factor) + (volume used by type of fuel) × (emissions intensity)
- Category 4: (heat consumption by type of vehicle, vessel, etc.) × (emissions intensity)
- Category 5: (final industrial waste disposal) × (emissions intensity)
- Category 6: (number of employees) × (emissions intensity)
- Category 7: (number of employees by working pattern and urban category) × (number of business days) × (emissions intensity)

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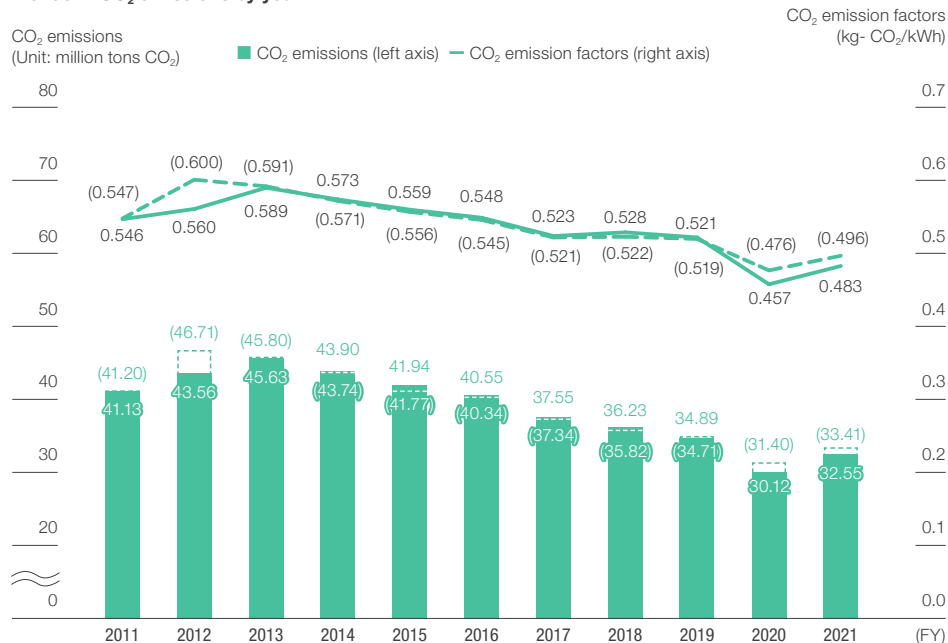
## FY2021 greenhouse gas emissions

### CO<sub>2</sub> emissions for FY2021

Our CO<sub>2</sub> emissions after adjustments under the feed-in tariff (FIT) scheme for renewable energy grew by 8.1% from the previous fiscal year due to increased procurement from the wholesale electricity markets prompted by rising electricity sales volumes. Even so, this level is down 28.7% from actual figures for FY2013.

We will continue to move toward our targets for FY2030 and toward carbon neutrality in 2050 under the Tohoku Electric Power Group Carbon Neutral Challenge 2050.

#### Trends in CO<sub>2</sub> emissions by year



\* Figures in parentheses ( ) represent basic CO<sub>2</sub> emissions and CO<sub>2</sub> emission factors that do not reflect adjustments under the feed-in tariff (FIT) scheme for renewable energy.

\* Figures for FY2016 and later years denote relevant values for the retail electric supply business, not including the portion related to general electricity transmission and distribution (e.g., isolated island service).

### FY2021 CO<sub>2</sub> emissions (preliminary figures)

Shown below is the FY2021 Group<sup>\*1</sup> CO<sub>2</sub> emissions calculated pursuant to the Act on Promotion of Global Warming Countermeasures and CO<sub>2</sub> emission factors used.

<b>CO<sub>2</sub> emissions</b>	<b>32.55 million tons CO<sub>2</sub></b> (33.41 million tons CO <sub>2</sub> ) <sup>*2</sup>
<b>CO<sub>2</sub> emission factor</b>	<b>0.483 kg-CO<sub>2</sub>/kWh</b> (0.496 kg-CO <sub>2</sub> /kWh) <sup>*2</sup>

\*1 Values reported as retail electricity business operator

\*2 Figures in parentheses indicate base CO<sub>2</sub> emissions and CO<sub>2</sub> emissions factor before adjustments made under the feed-in tariff (FIT) scheme for renewable energy and other adjustments.

**CO<sub>2</sub> emission factors used in reports submitted under the Act on Promotion of Global Warming Countermeasures**  
<https://www.tohoku-epco.co.jp/enviro/picup/co.html>

**See » Scope 1, 2, and 3 emissions » P23**

### Emissions of greenhouse gases other than CO<sub>2</sub> for FY2021

We're working to reduce emissions of greenhouse gases besides CO<sub>2</sub> that have significant impact on global warming. One example is sulfur hexafluoride (SF<sub>6</sub>), which is used in gas circuit breakers and other electric power instruments at substations.

#### SF<sub>6</sub> and HFC stockpiles and leakage (2021 results)

	SF <sub>6</sub>	HFC*
<b>Stockpile</b>	822.5 t	56.9 t
<b>Leakage</b>	1.4 t	1.9 t
<b>Main application</b>	Insulators for gas circuit breakers and other electric power instruments	Refrigerants for air conditioning equipment
<b>Countermeasure</b>	Use of SF <sub>6</sub> gas recovery systems to prevent leakage into the atmosphere	Efforts to prevent leakage and promote recovery and reuse HFC when installing or repairing equipment

\* HFC: hydrofluorocarbons

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### Independent Assurance Report

To the Representative Director & President of Tohoku Electric Power Co., Inc.

We were engaged by Tohoku Electric Power Co., Inc. (the “Company”) to undertake a limited assurance engagement of the environmental performance indicators marked with ★ (the “Indicators”) for the period from April 1, 2021 to March 31, 2022 included in its Tohoku Electric Power Group Sustainability Report 2022 (the “Sustainability Report”) for the fiscal year ended March 31, 2022.

#### The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Sustainability Report.

#### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Sustainability Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Sustainability Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Company’s Hachinohe Thermal Power Station selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

#### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Sustainability Report.

#### Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director  
KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
November 9, 2022

## Independent Assurance Report

Some of the environmental data provided in this Sustainability Report (indicated with stars (★)) has been assured by KPMG AZSA Sustainability Co., Ltd.

### Other environmental disclosure materials



Environmental Data Book



Grün Environmental Communication Booklet

**Environmental Data Book**  
<https://www.tohoku-epco.co.jp/enviro/envirodata/index.html>

**Grün Environmental Communication Booklet**  
<https://www.tohoku-epco.co.jp/enviro/grun/>

**Ecolog**  
<https://www.tohoku-epco.co.jp/enviro/ecolog/index.html>

**Integrated Report**  
<https://www.tohoku-epco.co.jp/ir/report/integrated/>

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# Environmental Conservation and Establishing a Society that Recycles Effectively

## Controlling environmental impact

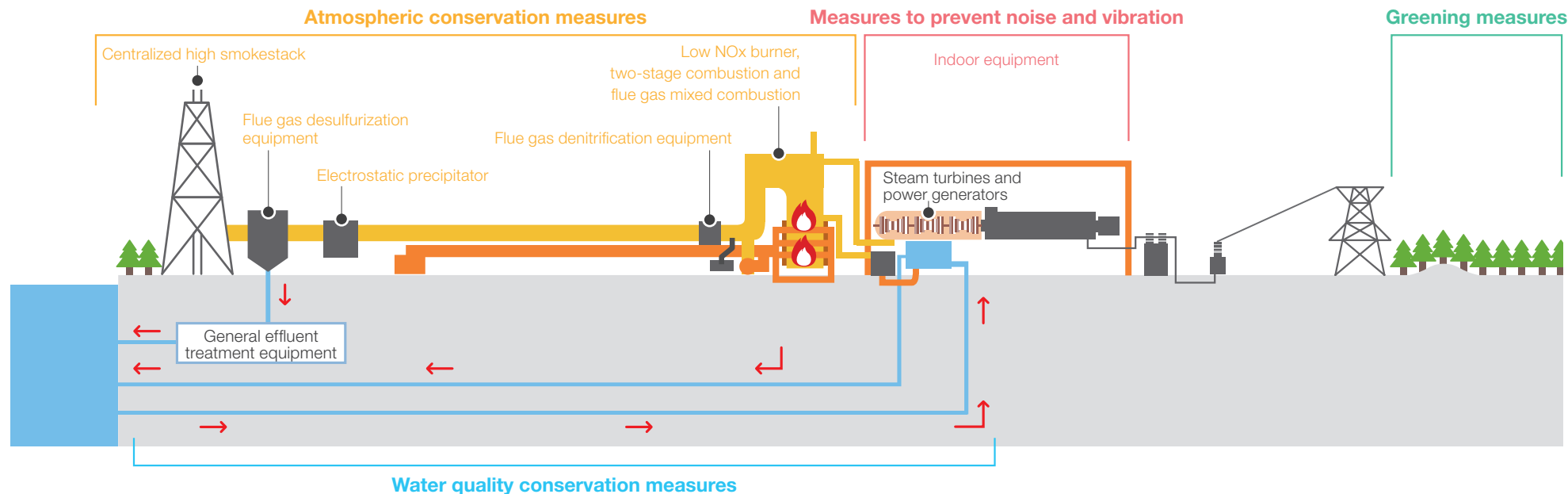
### Compliance with environmental laws and regulations and pollution prevention agreements

We share the latest information on revisions of environmental laws and regulations among Group companies to ensure thorough legal compliance. Apart from compliance with statutes addressing environmental conservation, our thermal power stations and other facilities enter into pollution prevention agreements with related local governments in an effort to preserve local environments. Pollution prevention agreements provide for environmental conservation measures. In consideration of local idiosyncrasies, they set allowable air quality, water quality, noise, and other limits more rigorous than those in national regulations. We periodically carry out environmental measurements and report the results to relevant local governments.

### Environmental assessment

When establishing a new power station, in addition to conducting environmental impact assessments based on the Environmental Impact Assessment Act, we explain the power station in detail to local governments and community residents. Based on the results of environmental impact assessments, we strive to protect the local environment through various measures that reflect concern for the quality of the local air, water, and natural environment. Even where no environmental assessments are required by law or by local ordinances, we implement voluntary assessments before building a power station or other facilities. The statutory environmental assessment for the Joetsu Thermal Power Station, which is currently under construction, was completed in 1996. However, given that the latest technologies are introduced to the plan for the construction of Unit 1, we performed a voluntary study of the surrounding area, forecast and evaluated the environmental impact of power station construction, and provided explanations of these and our environmental conservation measures to local communities in November 2018.

### Examples of environmental measures at thermal power stations



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# Environmental Conservation and Establishing a Society that Recycles Effectively

## Water quality conservation measures at thermal power stations

We treat effluent from our thermal power stations by coagulating sedimentation, filtration, and purification to ensure the discharge meets all applicable standards and to prevent water pollution. We use seawater for the cooling steam used in steam turbines in thermal power stations and elsewhere and discharge it as thermal effluent after heat exchange. To minimize environmental impact, we discharge this water in a manner suited to the characteristics of the surrounding sea zone and implement appropriate controls to account for temperature differences between the water taken in and the water discharged.



## Strict atmospheric conservation measures

Major air pollutants emitted from thermal power stations include nitrogen oxides (NOx), sulfur oxides (SOx), soot, and dust.

To reduce the emissions of these substances, we install environmental equipment\* and implement operational measures, including stringent combustion management aimed at preventing air pollution.

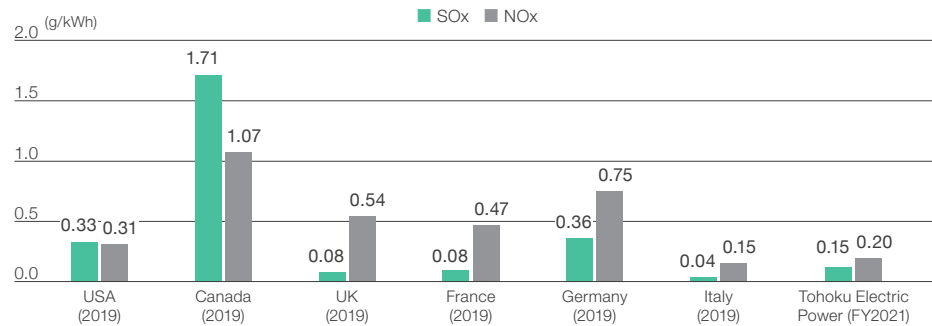
NOx emissions from all thermal power stations in FY2021 totaled 0.20 g/kWh. SOx emissions totaled 0.15 g/kWh. These figures are quite low compared to rates in other countries.

\* Flue gas denitrification equipment, flue gas desulfurization equipment and electrostatic precipitator

Results of analysis of effluent from thermal power stations in FY2021

Measurement items	Hachinohe		Akita		Higashi-Niigata		Sendai		Shin-Sendai		Niigata		Noshiro		Haramachi	
	Agreed level	Maximum Minimum	Agreed level	Maximum Minimum	Agreed level	Maximum Minimum	Agreed level	Maximum Minimum	Agreed level	Maximum Minimum	Agreed level	Maximum Minimum	Agreed level	Maximum Minimum	Agreed level	Maximum Minimum
Hydrogen ion concentration [pH]	5.8-8.6	7.4 7.0	6.0-8.0	7.2 7.0	6.0-8.0	7.5 6.9	6.0-8.0	7.3 6.6	6.0-8.0	7.4 7.1	5.8-8.6	7.3 6.7	6.0-8.0	7.2 6.7	6.0-8.0	7.3 6.8
Chemical oxygen demand (COD) [mg/l]	40 or less	8.4 1.3	20 or less	3.5 1.1	15 or less	3.2 1.1	15 or less	1.8 0.8	15 or less	5.9 2.3	15 or less	5.5 1.3	15 or less	9.4 2.9	15 or less	9.3 1.0
Suspended solids [mg/l]	40 or less	6 1	30 or less	8 <1	20 or less	2 <1	20 or less	<1 <1	20 or less	3 <1	20 or less	6 <1	20 or less	<1 <1	15 or less	2 <1
Normal hexane extract content [mg/l]	5 or less	<0.5 <0.5	2 or less	<0.5 <0.5	1.5 or less	<0.5 <0.5	1.5 or less	<0.5 <0.5	1.5 or less	<0.5 <0.5	1.5 or less	<0.5 <0.5	2 or less	<0.5 <0.5	1 or less	<0.5 <0.5

SOx and NOx emissions per unit of generated power



Source: The Federation of Electric Power Companies of Japan, FEPC INFOBASE

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## Proper control of chemical substances and harmful substances

### Systematic asbestos removal

We periodically monitor points sprayed with asbestos-containing materials in our own facilities and systematically implement removal work and other measures to prevent asbestos scattering.

Other products containing asbestos do not result in asbestos scattering in their normal state. They are successively replaced with asbestos-free products during building removals and facility repair works.

### Managing release and transfer amounts of specific chemical substances

We monitor the release and other amounts of all chemical substances used in power stations and other facilities and report them to the administrative authorities in accordance with the pollutant release and transfer register (PRTR) scheme.<sup>\*1</sup> We create and maintain records of the amounts purchased, consumed, stored, and other aspects to ensure proper control and to minimize their release into the environment.

<sup>\*1</sup> This scheme is intended to encourage businesses to make voluntary efforts to minimize the release of chemical substances. Business operators subject to this scheme are required to report data, including amounts of potentially hazardous chemicals released into the environment to administrative authorities, which then publish the reported data.

#### Release and transfer amounts of specific chemical substances in FY2021 (tons)

Substance (main applications)	Release and transfer amounts <sup>*2</sup>			
	Atmosphere	Water	Soil	Transfer
Asbestos (heat insulators)	0.0	0.0	0.0	10.8
Ethylbenzene (fuel for power generation and coating)	2.5	0.0	0.0	0.0
Xylene (fuel for power generation and coating)	2.2	0.0	0.0	0.0
Toluene (fuel for power generation and coating)	8.1	0.0	0.0	0.0
Hydrazine (treatment chemical for water supply)	0.0	<0.1 <sup>*3</sup>	0.0	0.0
Normal hexane (fuel for power generation)	0.6	0.0	0.0	0.0
Benzene (fuel for power generation)	<0.1 <sup>*3</sup>	0.0	0.0	0.0
Methylnaphthalene (fuel for power generation)	0.4	0.0	0.0	0.0

<sup>\*2</sup> The data in this table address offices and facilities meeting statutory conditions, as per reporting obligation requirements

<sup>\*3</sup> At emission rates of less than 0.1 t/year

### Management and detoxification processing of PCB waste

We implement appropriate management and detoxification processing of polychlorinated biphenyl (PCB) waste in accordance with applicable laws and regulations.

High level PCB waste	Low level PCB waste
We outsource the treatment of high level PCB waste to Japan Environmental Storage & Safety Corporation (JESCO).	We outsource the treatment of low level PCB waste, including waste generated in large transformers, to processing facilities recognized by the national government. Technologies appropriate for the items treated are used for treatment purposes. We completed detoxification processing of pole-mounted transformers with trace PCB contents at our Sakata Recycling Center by March 2016.

## Building a society that recycles effectively

### Appropriate waste management and treatment

Our waste management system allows centralized and companywide control of emitted waste. In addition to appropriate waste treatment, we're moving ahead with studies of individual waste items based on a wide range of perspectives, including cutting emissions and final treatment volumes, recycling, and reuse.

For coal ash in particular, which accounts for some 80% of total waste emissions, we're enhancing recycling initiatives to allow use in land reclamation as landfill materials, in addition to use as a component of cement and roadbed materials.

In FY2021, we made effective use of 86.7% of the waste we generated, below the rate of 91.9% for FY2020. Contributing factors included lower demand related to earthquake recovery efforts for coal ash, which accounts for a large portion of the waste generated, and lower shipments to cement companies due to worsening oceanic conditions.

### Putting coal ash and gypsum to effective use

The coal ash generated by coal-fired thermal power stations is put to effective use as fly ash that meets JIS standards\* for use in concrete for architectural construction, civil engineering, and other applications. The gypsum generated as a byproduct of the exhaust desulfurization process is used in gypsum boards and other products.



JIS-standard fly ash

Work on the foundation of Unit No. 3 at the Noshiro Thermal Power Station built using fly ash

\* JIS standards: The Japanese Industrial Standards, national standards specifying matters such as standards and measurement methods for industrial products in Japan.

### Contributing to recovery in disaster-stricken areas of Fukushima by providing fly ash

Fly ash at the Haramachi Thermal Power Station is supplied to Fukushima Eco-crete Co., Ltd., which is undertaking a project to produce materials containing fly ash as part of Fukushima Prefecture's plans to achieve recovery from the 2011 Great East Japan Earthquake.



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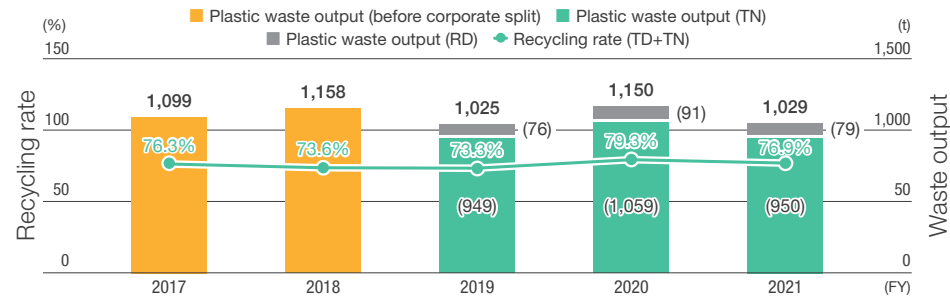
### Targets for reducing and recycling industrial wastes from products using plastics

- Choosing products that use fewer plastics or substitute materials as much as possible
- Striving to promote recycling of plastic wastes, and maintaining and increasing the recycling rate

### Plastic waste output

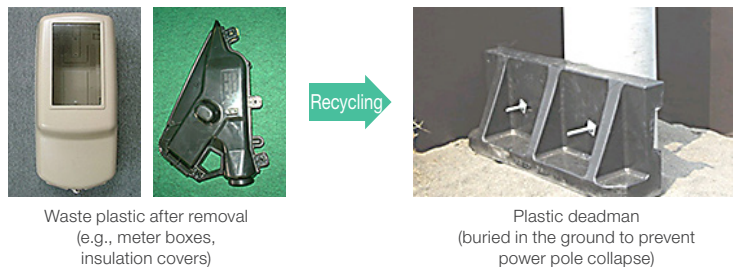
Our volume of plastic waste output is trending around the level of 1,000 tons/year. The bulk of this waste consists of wiring materials generated by the Tohoku Electric Power Network. At least 80% of this waste is recycled. We maintain an overall recycling rate of at least 70% for all plastic waste.

#### Plastic waste output and recycling rates



### Making effective use of waste plastic

With the goal in mind of establishing a society that recycles effectively, in addition to reducing, recycling, and reusing plastic waste, we strive to purchase products made from waste plastic. Examples of recycled products include the plastic deadman units needed to help prevent the collapse, subsidence, and inclination of power poles. We've replaced concrete deadman units with plastic units made from waste plastic removed during wiring construction.



### Use of eco-friendly products

We formulated the Tohoku Electric Power Group Green Procurement Guidelines to reduce environmental impact through the use of environmentally-friendly products and to contribute to a green shift in the market. In fiscal 2021, 93.4% of our purchases of fixtures, materials, and equipment subject to green procurement met guidelines.

### Initiatives in collaboration with group companies

We're cooperating with group companies to establish a society that recycles effectively.

#### Repair and reuse of power line materials and equipment

Our collected watt-hour meters and pole-mounted transformers are repaired and reused at our group companies. Similarly, we strive to reuse voltage regulators and breakers with the goal of utilizing resources effectively.



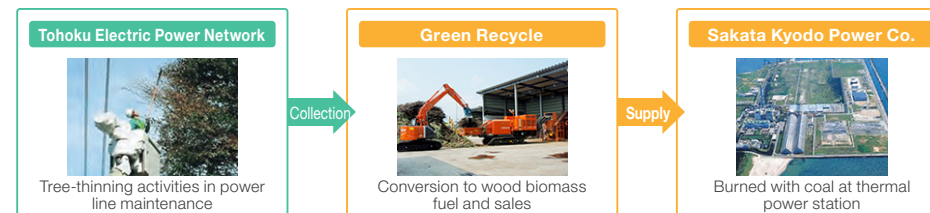
#### Recycling used power cables

We recycle waste copper derived from electric wires removed in power distribution line work into electric wires. Part of the polyvinyl chloride (PVC) coating is subsequently recycled into wire coating materials and resins.



#### Effective use of unused lumber materials

We convert lumber from tree-thinning activities related to power line maintenance into wood biomass fuel used to generate power.



Supporting the Plastics Smart Campaign cleanup activities  
<https://www.tohoku-epco.co.jp/enviro/disclosure/>

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# Consideration for Water Resources

## Our thinking on water resources

Of our four environmental action principles, one calls for us to “appreciate the earth’s bounty and make careful use of its limited resources.” In line with this principle, we carry out diverse business activities with consideration for efficient use of the resources employed in our business operations.

In addition to use of river water in hydroelectric power generation, we also use industrial water to power steam turbines at thermal and nuclear power stations and sea water to cool steam after use in turbines.

We strive to control volumes of industrial water used in power stations by recycling and reusing the water before releasing it as wastewater. We also monitor the volumes of water used at offices in reviews of environmental activities at each site. We undertake our own water conservation initiatives seeking to put water resources to effective use.

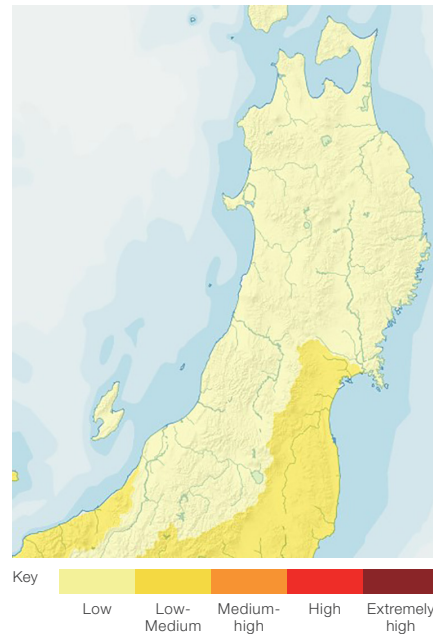
## Water risk evaluation

We use the WRI Aqueduct 3.0 Water Risk Atlas as a tool to assess water risks in our service area.

According to this tool’s Overall Water Risk, the level of water risk in the six Tohoku prefectures and Niigata Prefecture, where our power-generation facilities are located, is “Low-Medium” at the highest. On this basis, we believe the water risk in the region is relatively low.

\* Prepared by the Tohoku Electric Power Group based on Aqueduct Water Risk Atlas/Overall Water Risk (as of May 31, 2022).

Source: <https://www.wri.org/aqueduct>



## Effective use of water resources at hydroelectric power generation facilities

As a renewable energy resources that generates zero CO<sub>2</sub> emissions during electricity production, hydroelectric power helps prevent global warming. The Tohoku Electric Power Group operates 223 hydroelectric power stations (with output of approximately 2.56 million kW), of which Tohoku Electric Power alone operates 205 power stations (with output of approximately 2.45 million kW). Through continual efforts including development of new hydroelectric power generation facilities and renovation of aging facilities, we strive to secure water resources and put them to effective use.

### Efficiency improvements through renovation



#### Kanose Power Station

The Kanose Power Station in the town of Aga, Higashikambara-gun, Niigata Prefecture, began operating in 1928. After work to address the aging that occurred over this time—work involving the replacement of the water turbine generators and buildings—it returned online in 2017. The renovations reduced the number of turbines from six to two, thanks to more efficient turbines. This and other efficiency improvements boosted maximum output from 49,500 kW to 54,200 kW.



#### Obonai Power Station

The Obonai Power Station in the city of Semboku, Akita Prefecture, has also aged considerably since first coming online about 80 years ago in 1940. In response, we are replacing the three water turbine generators in succession. The new Unit No. 3 came online in 2019. The new Unit No. 1 came online in 2021. Repairs to this facility will end when the new Unit No. 2 comes online in 2023.

We will strive to put water resources to more effective use by increasing water turbine power generating efficiency after the renovations are complete.

### New development



Source: An artist’s rendering of Komagome Dam from the Aomori Prefecture website

#### Shinkamimatsuzawa Power Station

We’re currently participating in the power-generation component of the new Komagome Dam project (an auxiliary multipurpose dam) planned for construction by Aomori Prefecture on the Komagome River in the watershed of the Tsutsumigawa River, designated a class-two river. Studies are underway on construction of the new Shinkamimatsuzawa Power Station (in the city of Aomori, Aomori Prefecture). Plans call for operation to begin in 2031, with maximum output of 9,400 kW.

We will continue working to secure water resources by developing new hydroelectric power plants.

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# Conserving Biodiversity

## Our position on biodiversity

One of our four environmental action principles calls for us to “safeguard and coexist with the rich natural environment.” Emphasizing the spirit of coexistence with nature that characterizes the Tohoku and Niigata region, we advance various business activities that reflect due consideration for the environment, including a sense of gratitude for the various blessings and benefits generated by biodiversity and implement measures to prevent our business activities from damaging biodiversity.

We will continue to seek to avoid and minimize the impact of power station operations on biodiversity.

## Biodiversity considerations at power stations

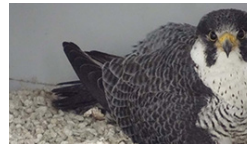
### Coexistence with peregrine falcons, a rare wild animal species in Japan at thermal power stations

Peregrine falcons, one of Japan’s rare wild animal species, are found in the areas of the Sendai Thermal Power Station and the Shin-Sendai Thermal Power Station. To further the level of biodiversity, we’re working to preserve their living habitats.

At the Sendai Thermal Power Station, we revised the schedule for Unit 4 replacement work to avoid disturbing their daily life patterns. These birds can now be found perching on a new stack, even after Unit 4 came online. Visitors to the power station are delighted to see peregrine falcons living there.

At the Shin-Sendai Thermal Power Station, we discovered that peregrine falcons had built their nests on the centralized smokestacks of Units 1 and 2. When these were replaced with the Unit 3 system in 2015, we placed nesting platforms on the new Unit 3 stacks to make up for the removal of Units 1 and 2. We have observed peregrine falcons making their nests on the nesting platforms, as well young birds that have already fledged and left the nests.

We will continue to make every effort to preserve the habitat of these birds.



Peregrine falcon nursing chicks on a nesting platform; photographed in April 2020 (Shin-Sendai Thermal Power Station)



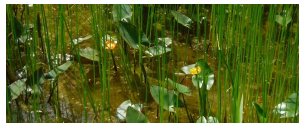
Peregrine falcon chicks photographed in May 2021 (Shin-Sendai Thermal Power Station)

### Creating a waterside environment on the premises of a thermal power station

The Sendai Thermal Power Station reconstructed a biotope around the reservoir on its premises following damage in the 2011 Great East Japan Earthquake, as part of our actions to conserve biodiversity. *Cercion sexlineatum*, *Oryzias* fish, and other valuable species can be found in the Maejima Pond for Wild Birds, positioned at the center of the biotope.



*Cercion sexlineatum*



The reservoir and the waterside environment on the premises of the Sendai Thermal Power Station



A pair of greater scaup arrived at the waterside

## Preventing intrusion of sandfish in thermal power stations

In addition to installing nets on its water intakes to keep fish out, the Noshiro Thermal Power Station in Akita Prefecture deploys channels to return to the sea any fish that make it through the nets. These are part of efforts to prevent the intrusion of sandfish—the prefectural fish—which congregate in large numbers near the coast to spawn during winter.

While sandfish eggs adhere to the nets, we remove the nets after incubation is confirmed, reflecting our concern to preserve local fishery resources.



Sandfish eggs

## Setting up fish ladders at hydroelectric power stations

Fish ladders are installed at hydroelectric power stations to protect aquatic life and to allow fish to pass over dams.

These fish ladders have been installed at Kamigo Dam in the town of Asahi, Yamagata Prefecture. Observations have confirmed the presence of salmon believed to have navigated these ladders in waters upstream from the dam.



Kamigo Dam



Fish ladder at dam

## Preserving wetlands on the premises of a nuclear power station

Numerous rare animal and plant species are found in the wetlands on the premises of the Higashidori Nuclear Power Station. Protecting them requires controlling the growth of reeds and other plants. We carry out regular weeding to ensure that habitats for rare animals and plants remain unchanged.



*Hemerocallis esculenta* in bloom in the wetlands



*Maculinea teleius*, a rare butterfly species



### Biodiversity initiatives

<https://www.tohoku-epco.co.jp/enviro/seibutsu/index.html>

## Installing crow nesting boxes on power poles (Tohoku Electric Power Network)

In light of the risk of crows’ nests causing power failures by coming into contact with power lines, Tohoku Electric Power Network is taking steps including strengthening patrols during early spring, the nesting season for crows, and removing nests from power poles. Of the six Tohoku prefectures and Niigata Prefecture, Yamagata Prefecture has the largest number of nests on power poles. Accordingly, in addition to standard nest removal activities the Yamagata Branch has installed nesting boxes for crows on the power poles lower than the power lines, where there is less of a risk of causing power failures and is verifying the results of this measure. We will continue to seek out effective measures through trial and error involving a wide range of initiatives.



Nesting box installed on a power pole

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# Environmental Communication with the Community

At Tohoku Electric Power and Tohoku Electric Power Network, employees engage in community cleanup activities and afforestation efforts as Yori, Sou Eco Partners. We will continue to pursue various environmental activities alongside members of the community.

## Releasing landlocked cherry salmon fry in the Heigawa River



At Miyako Power Network Center and Iwate Sanriku Customer Services Office, together with children from a nearby kindergarten in the local community of Miyako, Iwate prefecture we released landlocked cherry salmon fry into the Heigawa River. Accompanied by riverbed cleanup activities, this activity raises awareness of the need to protect the natural environment.

## Millennium Hope Hills tree-planting festival



The Tohoku Electric Power Group participates in activities to restore protective coastal woods destroyed by the tsunami caused by the 2011 Great East Japan Earthquake. As part of these activities, we participated in the 2019 Millennium Hope Hills tree-planting festival, held in the city of Iwanuma, Miyagi Prefecture.

## Cleanup on the north shore of Shimokita Geopark



The Mutsu Customer Services Office, Higashidori Nuclear Power Station, and Mutsu Power Network Center jointly took part in cleanup activities on the north shore of Shimokita Geopark in the city of Mutsu, Aomori Prefecture. Implemented alongside a demonstration of a micro-plastics survey, this activity deepened participant understanding of ocean pollution.

## Environmental beautification activities in the vicinity of Onagawa Station



As part of environmental beautification activities in the vicinity of Onagawa Station, a JR East railway station, staff from the Onagawa Nuclear Power Station and other Group companies worked energetically with other members of the community to pick up litter and pull weeds in the square in front of this railway station, gateway to the town of Onagawa.

## Environmental education for the next generation

### Visiting energy classes

Tohoku Electric Power Group personnel visit elementary schools, middle schools, educational facilities in the community, and other facilities to lead hands-on classes using supplies such as hand-powered generators and models of power stations. These classes explain the electricity system in enjoyable ways, focusing on subjects including the roles of electricity in our daily lives, the routes that electricity takes to get to our homes, power-generation systems, and the relationship between energy and the environment.



### Power station tours

We offer tours to help inform people how the electricity they use every day is produced at power stations—“factories” for electricity. They also help create opportunities to reflect on environmental issues based on the advantages and disadvantages of each power generation method.



## Initiatives by Group member companies

### Preserving the local environment through Tohatsu no Mori (Tohoku Electric Power Engineering & Construction Co., Inc.)

In April 2008, as a measure to preserve the local environment, we began work on Tohatsu no Mori, a prefectural forest in the town of Rifu, Miyagi Prefecture.

To date, in addition to planting some 1,000 trees and shrubs, including cherry, satsuki azalea, and Japanese kerria, we have cleared trails, set up trail maps (stone monuments), and installed benches so that local residents can enjoy beautiful views and peaceful walks in this forest.



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# Product Liability

## Basic concept on product liability

Our Customer Center handles applications for starting and discontinuing electricity contracts when customers relocate, as well as inquiries concerning billing plans and services. Our goal is to provide a fast, responsive telephone service. The Tohoku Electric Power Network's Network Call Center receives urgent phone inquiries, such as those regarding power outages and electrical facilities, and strives to take actions that reassure customers.

## Customer feedback

These centers perform daily analyses of the service provided over the phone to assess telephone etiquette, effective response to phone inquiries, appropriate processing of applications, and to confirm that their actions comply with the operational rules for reception to identify issues that need to be addressed. We incorporate customer comments and feedback to improve our operations. We will continue these efforts to enhance reception skills and operational quality and to offer services that meet community needs.



Service at Our Customer Center

### TOPICS

## Setting up contact points for various applications and inquiries to meet customer needs

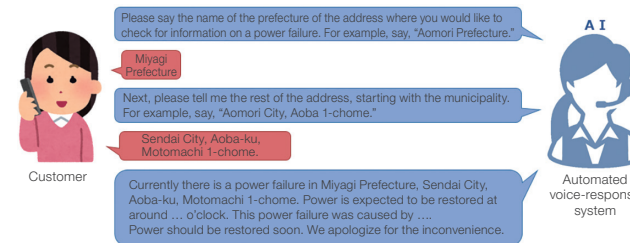
### Tohoku Electric Power

In addition to applications and inquiries by telephone, use can also be made of the Tohoku Electric Power Kurashi Support LINE smartphone app, which may be more convenient. With this app, applications and inquiries can be made at any time of the day. Beyond improving customer convenience, we will continue to respond to customer needs based on feedback.

### Tohoku Electric Power Network

In April 2021, we introduced an AI-powered automated-response system to provide information in response to customer calls to the Network Call Center concerning power failures. This system provides information on power failure status, projected recovery times, and the cause of failures. Through the dedicated lines we have deployed for this purpose, we strive to provide the latest information on power failures and to eliminate customer wait times. Since June 2021, Tohoku Electric Power Network has participated in chat-based services launched jointly with Japan's ten general power transmission and distribution business operators to respond to inquiries on power-transmission/distribution equipment. While these general power transmission and distribution business operators have in the past worked together in the area of power restoration of transmission/distribution equipment in response to major disasters like earthquakes and typhoons, this marks the first time for them to work together in the handling of inquiries as well. Our goal is to provide customers with peace of mind by offering a wide range of contact points for inquiries, including ways to contact us in the event of an emergency.

Illustration of the AI-powered automated response system



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## Enhancing actions to boost customer energy efficiency

We propose energy systems providing superior environmental, energy-saving, and safety features to help customers conserve energy and live comfortable and productive lives.

### Encouraging household energy savings

For household users, we offer information on ways to cut energy consumption without reducing comfort when using electrical systems for hot water supply, heating, lighting, and other general electrical uses. To meet the customer need to shift to electrical appliances and support household energy conservation, we offer the EcoCute heat pump system and other products with outstanding environmental and energy-saving features.

For households in the Tohoku region, hot water supply and heating account for a large part of the energy consumed. Achieving efficient energy use for these applications is key to energy conservation in households. We create proposals for super-insulated housing and energy-saving measures, in addition to highly efficient hot water supply and heating systems that incorporate heat pumps to support safe and comfortable lives with high environmental and energy-efficient performance for buildings, household appliances, and daily life.



Brochure on energy conservation

### Proposals on total energy solution services that resolve customer issues

Acting in their capacity as energy solution partners, our employees propose highly energy efficient heat pumps, electrical systems, and energy management systems so business customers can conserve energy and cut costs. Heat pump systems aren't just environmentally friendly and energy efficient. They're combustion free and boast superior safety. These electrical systems are widely adopted by commercial users at hospitals, welfare facilities, nursery schools, kindergartens, restaurants, cafes, agricultural facilities, and other sites. We propose electrical systems for production processes to factory operators and other business customers to help them achieve both high economic efficiency and advanced environmental performance.

To meet the diverse environmental needs of our customers, we recently proposed photovoltaic (PV) power services for home consumption based on a third-party ownership model that requires no initial investment. Through this and other means, we are enhancing our efforts to achieve carbon neutrality.



Inspecting customer facilities

**Sho-Ene Life (Energy Efficient Life)**  
<http://www.tohoku-epco.co.jp/suggestion3/index.html>

### Sustainable agriculture starting in Tohoku: Launching a power generating/saving indoor farm system service

In recent years, the agricultural industry has faced numerous issues related to sustainability, including a shrinking and aging agricultural workforce, increasing scale of damage due to more intense natural disasters, and the impacts of climate change, including unstable production quality and yields.

To deliver solutions to such issues, Tohoku Electric Power has partnered with Plants Laboratory to introduce a power generating/saving indoor farm system as a solution-based service.

The project's test facility that uses this system, created through the joint project between Plants Laboratory and Nishino Farm, grows vegetables (lettuce) using carbon-free electricity and ships the produce to the York Benimaru supermarket chain for retail sales in Miyagi Prefecture. This lettuce has been well-received by consumers.

This farming facility combines solar power and storage cell facilities with 100% renewable energy supplied by Tohoku Electric Power to create carbon-free electricity. We plan to expand this business, with a focus on the Tohoku and Niigata region.

We will continue to deliver solutions to the energy issues that face our customers as part of efforts to meet their needs in the Tohoku region.

<p><b>PLANTS LABORATORY</b> 省エネ屋内農場システムの提供</p> <p>省エネ性能に優れた屋内農場システムの提供により省エネで安定した栽培環境を簡易な方法で提供</p>	<p><b>東北電力</b> エネルギー関連サービスの提供</p> <p>太陽光発電、蓄電池、エネルギーマネジメントシステムの導入により、カーボンフリーの電気で効率的な電気の運用を実現</p>
<p>宮城県「園芸サブライチエン」推進事業」補助金活用</p>	
<p><b>フードマイレージを最小化し 店舗で販売</b></p> <p>従来の地場野菜の販売拡大、店舗への太陽光パネルの設置、プラスチック使用削減などの取り組みに加え、本取り組みにより生産した野菜を宮城県内の61店舗で販売</p>	<p><b>西野農園</b> 高品質な野菜の栽培</p> <p>これまでの高品質な野菜の栽培に加え、本実証施設での野菜の育苗等の実施や、その苗を活用した名取市での露地栽培など、地域連携の取り組みを推進</p>

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## Enhancing safety measures in both tangible and intangible aspects with safety enhancement facilities and constant training

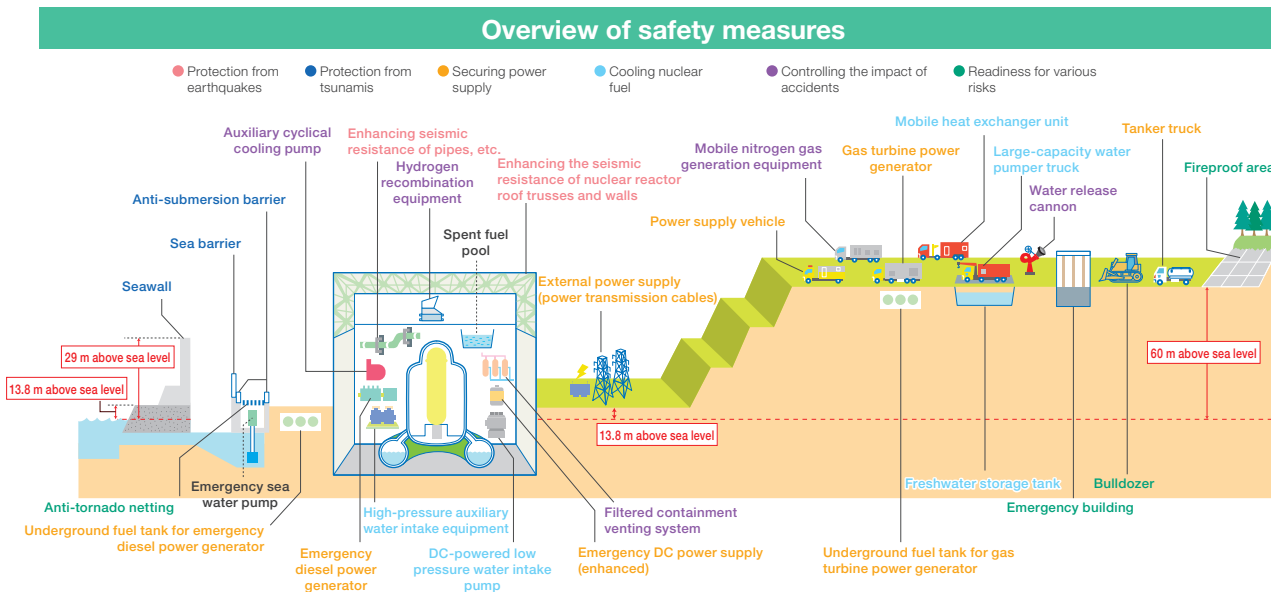
### Facility initiatives (tangible aspects)

At the Onagawa Nuclear Power Station, construction work to raise the seawall (up to about 29 meters above sea level and about 800 meters in length) is underway to protect the station from tsunamis. Also underway at the power station is the installation of watertight doors against overflow and a filtered containment venting system. This system prevents the discharge of radioactive materials during the venting done to prevent damage to reactor containers due to overpressure. At the Higashidori Nuclear Power Station, the installation of

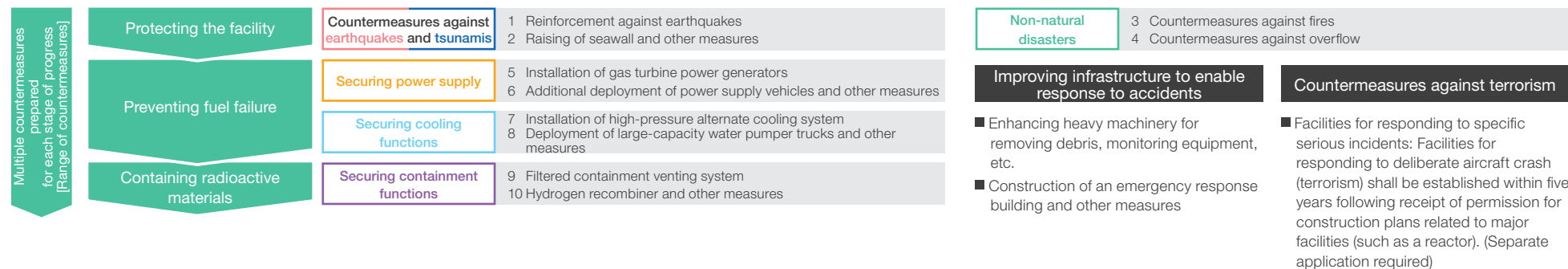
three freshwater tanks (with a storage capacity of approx. 3,600 m<sup>3</sup> each), which are used to secure the amount of cooling water needed in the event of an accident, is nearly complete. Operational procedures are currently being examined. We're also working on maintenance for facilities at both power stations, including safety inspections during shutdowns and various other inspections.



Progress on seawall construction (Onagawa Nuclear Power Station)



### Preparing countermeasures against the progress of accident [Defense in depth]



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**Initiatives related to operations (intangible aspects)**

To ensure safety measures and the proper functioning of the facility, we've established operating procedures for and provide comprehensive training on equipment operations. Based on established procedures, we provide ongoing training on operations at power station emergency headquarters, alerts and communication, water injection into reactors, securing a power supply, and other topics. All this represents efforts to improve our emergency response.

**Training on connecting to power supply vehicles**



Training on connecting cables to a power supply vehicle for emergency power supply to the power station (Onagawa Nuclear Power Station)

**Training simulating accidents**



Operational training using a simulator, assuming an accident in which all AC sources are rendered unusable (Nuclear Power Operation and Maintenance Training Center)

**Training on pumping water to a water pump truck**



Training on extending hoses from a water pump truck to pump seawater or other water sources for supply to a nuclear reactor (Higashidori Nuclear Power Station)

**TOPICS**

**Nuclear power information on our website**

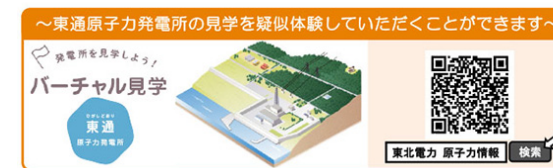
The nuclear power information section on our website provides detailed information on topics like safety measures and compatibility reviews at the Onagawa and Higashidori nuclear power stations and the decommissioning of Unit No. 1 at the Onagawa Nuclear Power Station. Pages for virtual tours (Virtual Kengaku) explain safety measures at Onagawa and Higashidori nuclear power stations, using videos, photos, and computer graphics to enable virtual tours around power stations. We will maintain such initiatives as part of efforts to provide information in an easy-to-understand manner.

Virtual tour of Onagawa Nuclear Power Station



<http://www.tohoku-epco.co.jp/electr/genshi/safety/virtual/onagawa/index.html>

Virtual tour of Higashidori Nuclear Power Station



<http://www.tohoku-epco.co.jp/electr/genshi/safety/virtual/higashidori/index.html>

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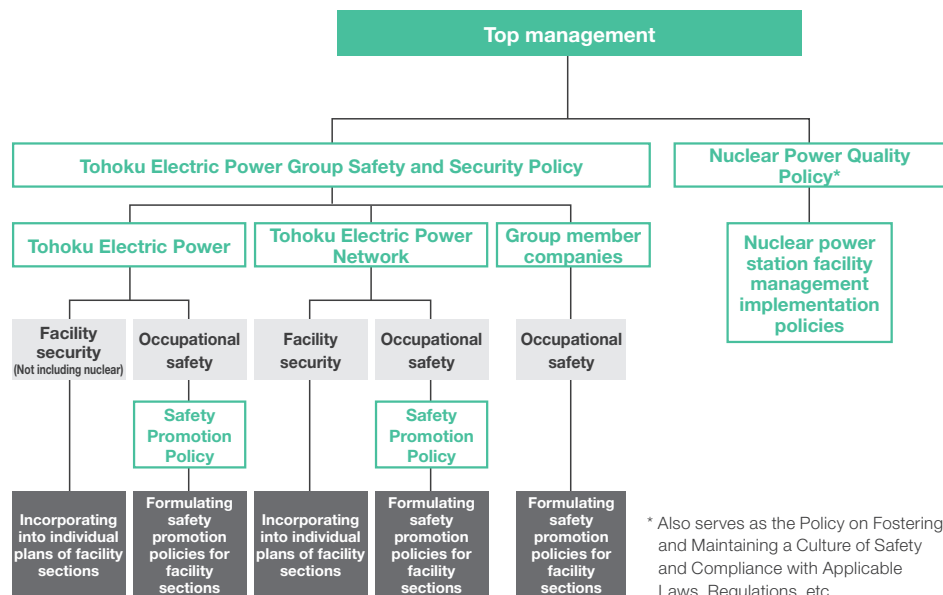
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## Initiatives to ensure safety and improve business quality

Based on the goal of establishing a robust corporate culture based on safety and improving business quality, Tohoku Electric Power and Tohoku Electric Power Network strive at all times to strengthen security companywide and to improve quality management in nuclear power. These efforts are primarily handled by the Safety and Security Promotion Conference and Nuclear Power Safety Promotion Conference.

We run through the plan-do-check-act (PDCA) cycle in various activities, including periodic assessments of related activities, as we strive to establish these as an integral part of our corporate culture.

### Positioning of safety and security policies



### Tohoku Electric Power Group Safety and Security Policy

In November 2008, we established the Safety and Security Policy as a set of guidelines to ensure all employees take appropriate action based on a shared understanding of safety and security. (The policy was partially revised in April 2017.) Since then, we've further enhanced initiatives related to occupational safety and facility security.

With the spinoff of the power transmission segment into a separate company in April 2020 in accordance with the amended Electricity Business Act, the business environment in which the Tohoku Electric Power Group operates reached a major turning point. Based on our recognition that safety is the highest priority in all our business activities, we believe it is even more important now to establish a corporate culture under which the entire Group works together while putting safety first. For this reason, we've established the Tohoku Electric Power Group Safety and Security Policy to expand the Safety and Security Policy on a groupwide basis.

### Tohoku Electric Power Group Safety and Security Policy

- 1 Acting with safety as the highest priority at all times
- 2 The courage and initiative to say: "Stop"
- 3 Making it a practice to ask and re-ask questions at all times
- 4 Acting based on an awareness of our own roles and responsibilities
- 5 Sharing information to ensure effective communication at all times

### Safety-first initiatives led by top management

We established the Safety and Security Promotion Conference, a body chaired by the Executive Vice President to strengthen safety and security. Actions include recommendations promoting initiatives to build a safety-first corporate culture.

These meetings were held 19 times in FY2021, to study, deliberate on, and review important matters and accidents from a cross-sectional management perspective, as well as to share information on matters such as safety initiatives and issues at each group company and to improve safety management groupwide.

A summary of the proceedings of this Conference is provided to the Board of Directors as a report on sustainability priorities (materiality topics) via the Sustainability Promotion Committee.

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### Safety Promotion Policy

We've established a Safety Promotion Policy that describes our approach to and philosophy on safety and guidelines for initiatives addressing related priorities. We implement our safety activities through the PDCA cycle.

Under the capable leadership of business site management, we will promote safety activities to eliminate fatalities, serious injuries, and accidents involving electric shock or falling accidents while promoting sound and effective communication among managers and employees and teamwork companywide.

#### FY2022 Safety Promotion Policy (excerpted)

As part of efforts to eliminate fatal accidents in FY2022, we resolved to eliminate all serious injuries, including accidents involving electric shock or falls. In addition to ongoing efforts to implement concrete action based on the Tohoku Electric Power Group Safety and Security Policy, we will implement the following measures to foster a safety culture based on mutually reinforced awareness promotion efforts and to prevent all accidents at our business facilities and job sites:

#### I. Implementing safety activities based on the Safety and Security Policy

- Office general managers will demonstrate leadership on safety and promote action through various opportunities to ensure that activities pursuant to the Tohoku Electric Power Group Safety and Security Policy are implemented steadily throughout their office.
- We will promote action through various opportunities to ensure that office general managers demonstrate leadership on safety and establish activities based on the Tohoku Electric Power Group Safety and Security Policy.
- In cooperation with office general managers, safety staff will strive to strengthen safety awareness independently and to establish various safety activities. These measures will ensure that activities pursuant to the Tohoku Electric Power Group Safety and Security Policy are implemented steadily throughout all facilities.
- Based on line management, section managers will strive to raise safety awareness independently to ensure that activities pursuant to the Tohoku Electric Power Group Safety and Security Policy are implemented steadily and to achieve high safety awareness among the staff they lead. In addition, efforts will target the prevention of accidents involving employees in various ways, including sharing information on case studies of serious accidents across the group and striving to prevent similar accidents in their own facilities. These activities will also provide appropriate continuing guidance on topics such as everyday operations, commuting, working, and vehicle operations.
- Staff will implement concrete activities daily based on their awareness of the Tohoku Electric Power Group Safety and Security Policy.

#### II. Safety activities undertaken jointly with contractors

- We will implement the Tohoku Electric Power Group Safety and Security Policy in a sustained and steady manner in partnership with all parties involved in construction work.

#### III. Implementing safety promotion campaigns to prevent seasonal industrial accidents

- Offices will run timely and effective campaigns to prevent accidents. We will work with Group companies on the following safety promotion campaigns targeting periods of unusual heat or cold, when the marked worsening of the working environment increases accident risks.
  - Summer workplace safety promotion campaign (July 1 – September 30) [priority period: August 1 – 31]
  - Winter workplace safety promotion campaign (December 1 – February 28) [priority period: January 15 – February 15]

### Actions on safety management to achieve zero accidents

To reduce industrial accidents, we introduced a safety and health management system that independently and continuously improves safety management. Under this international standard method of safety and health management, each office performs management independently and works to address and reduce latent risks and harmful factors to prevent industrial accidents.

In addition, we provide support for the management system (system audit) to check safety management actions taken by each office. In this way, we're working to strengthen companywide safety management. If any industrial accident occurs, we probe the fundamental causes and background factors to develop effective measures to prevent recurrence. We also share information within the Company to prevent similar future accidents. In selecting safety managers, we will make every effort to comply with applicable laws and regulations, including providing training on the Industrial Safety and Health Act and other laws and regulations.

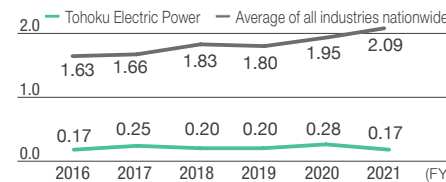
#### Quantitative targets (FY2021)

Fatal accidents and serious injuries involving employees (including accidents sustained during commutes)	
Target	0 fatal accidents, 0 serious injuries
Actual	0 fatal accidents, 5 serious injuries

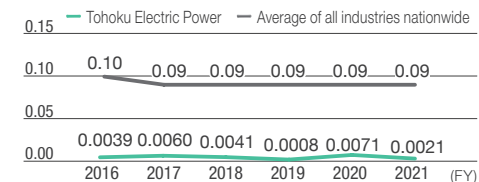
#### Training on laws and regulations (FY2021)

Safety managers	42 persons
Health and safety promotion staff	13 persons

#### Trends in industrial accident frequency rates<sup>\*1</sup>



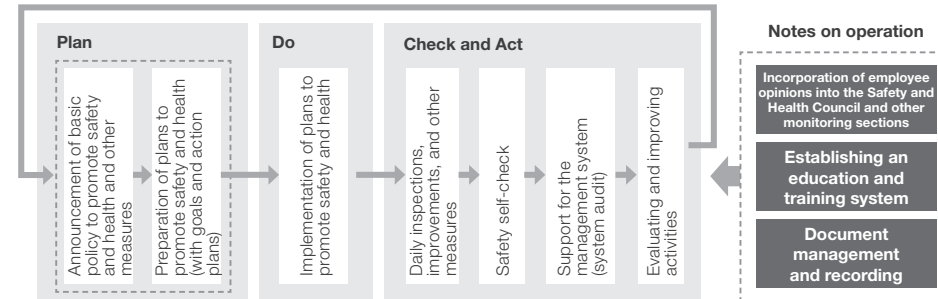
#### Trends in industrial accident severity rates<sup>\*2</sup>



\*1 Number of industrial accidents resulting in lost work time per million working hours

\*2 Number of working days lost per thousand working hours

#### Implementation of safety and health management system



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**Quality policies for nuclear safety**

Our quality policies on nuclear safety place top priority on nuclear safety and provide for the unflinching implementation and continuous improvement of the nuclear power quality management system. We will steadily implement actions to achieve sustained safety enhancement.

**Quality policies for nuclear safety**

We have a duty to enhance nuclear safety and reduce risks based on the keen safety awareness inherited from our predecessors and the many lessons gained from the Great East Japan Earthquake and other disasters.

For this objective, each employee has resolved to gain the understanding and trust of society by demonstrating a strong sense of responsibility, contributing to the safety culture, and continually conducting PDCA activities, based on the formulated policies set forth below.

- 1 Put safety first at all times.**
- 2 Comply with laws, regulations, and rules.**
- 3 Establish a habit of constant review.**
- 4 Enhance information sharing**
- 5 Take a proactive approach to improvements.**

**Policy on Fostering and Maintaining a Culture of Safety and Compliance with Applicable Laws, Regulations, etc.**

The Nuclear Power Quality Policy also serves as the Policy on Fostering and Maintaining a Culture of Safety and Compliance with Applicable Laws, Regulations, etc.

**Policy on Maintaining and Managing Nuclear Power Stations**

In accordance with the Quality Policies for Nuclear Safety, we formulated a policy on maintaining and managing nuclear power stations to ensure stable operations and safety.

**Policy on Maintaining and Managing Nuclear Power Stations**

Maintenance and management are key factors in ensuring safety at nuclear power stations. To ensure maintenance and management pursuant to the Quality Policies for Nuclear Safety, we established the following policy on maintaining and managing nuclear power stations based on their current suspended status.

- 1. Check on the soundness of facilities after an earthquake and unflinchingly implement the restoration.**
- 2. Never forget to implement facility maintenance and inspections during the suspension period.**
- 3. Implement safety measures that aggressively incorporate new findings.**
- 4. Renewed awareness of the importance of inspection records and checks without omission.**
- 5. Improving capacity through skills transfers**

Based on these actions, we will develop a sense of personal responsibility for the power stations and implement persistent PDCA activities as part of efforts to continuously improve maintenance and management.

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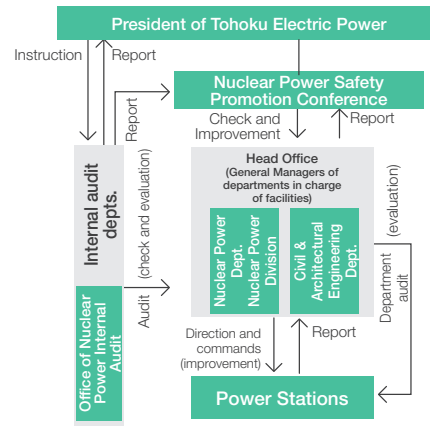
## Operation of nuclear power generation without compromising safety

### Establishing and strengthening systematic risk management

Tohoku Electric Power recognizes the need to establish and strengthen its risk management systems to further improve nuclear safety. We are currently working to develop and strengthen these internal systems.

#### Establishing the nuclear risk management system

In July 2014, given the importance of nuclear risk management, we set up the nuclear risk management system led by the President to ensure more direct engagement with nuclear risk management among senior executives. Among other duties, this commission is tasked with analyzing and evaluating nuclear risks and deliberating on measures to mitigate risks, approaches to establishing dialogue with local communities, and the overall direction and management of nuclear risk management.



### Enhancing risk communication

We're working to strengthen nuclear risk communication. This means engaging local communities in dialogue concerning the basis of the risks posed by nuclear power generation, an approach that seeks to share information while carefully attending to community concerns and opinions on nuclear energy to help forge mutual understanding and build trust. On these occasions, we continue to provide detailed presentations on and measures to reduce nuclear risk as part of efforts to maintain two-way dialogue with local communities. Furthermore, we also proactively communicate information via social media to help people to understand our initiatives to reduce the risks of nuclear power. We will also reflect the opinions of outside experts and other stakeholders in our nuclear risk management. We plan to reorganize risk information into various categories to improve clarity and to develop the personnel who will be responsible for risk communication. In these and other ways, we plan to continue enhancing risk communication.

### Visiting all local households to reflect community feedback in power station operations

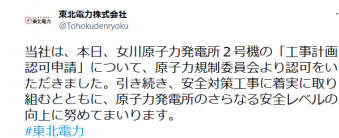
It is vital for nuclear power station operators to gather community feedback based on two-way dialogue. Twice each year, as part of the continuing Konnichiwa Visit (Onagawa) and All-household Visit (Higashidori) programs, plant personnel from the Onagawa and Higashidori nuclear power stations visit each household within local communities. These in-person activities provide residents with more information on power stations and help gather valuable feedback for subsequent reflection into station operations. We visit some 3,800 households around the Onagawa Nuclear Power Station (in the town of Onagawa and the Oshika Peninsula area of the city of Ishinomaki) and 2,300 households around the Higashidori Nuclear Power Station. We will continue these efforts to ensure these power stations are trusted by and have firm roots in their communities.



A Konnichiwa Visit at the Onagawa Nuclear Power Station

### Providing information on nuclear power via social media

We use our official Twitter and YouTube accounts to communicate to the broadest possible audience information on our nuclear power stations and efforts to improve plant safety. We also continually strive to enhance and improve the nuclear power information provided on our website. To expand public understanding of nuclear power, we've added a Q&A page with questions and answers on nuclear power. We're committed to continuing to advance communication activities that will inform and reassure community residents and the general public by providing timely information and making effective use of social media.



Communicating information via Twitter



A 360° video introduction to the Onagawa Nuclear Power Station Public Relations Center's exhibits on YouTube

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## Community safety initiatives

### Implementing work with an emphasis on community safety

Many electric power facilities, including utility poles and electric wires that supply electricity, are located close to the residential environments.

When engaging in any work involving electrical facilities, we make every effort to ensure safety in the areas around worksites. For example, we install safety barriers and deploy personnel to guide and direct traffic.



Placing safety barriers around the work area



Positioning traffic guide personnel

### TOPICS

#### Visiting elderly households to inspect electric facilities

In cooperation with group companies, our offices visit elderly single-person households to inspect electrical facilities, clean lighting fixtures, and render other services in partnership with local governments, social welfare councils, and other institutions.



Towada Network Center performs electric facility inspections and cleanup activities for elderly single-person households.

### Patrols and calls for attention to protect community members from electric shock

Approaching or touching transmission or distribution lines may result in serious and life-threatening electric shock, power outages, and incidents with serious repercussions for society.

To prevent such accidents, we implement timely patrols at popular fishing sites and locations where use of streamers, kites, or other objects may result in hazards. We also visit customers engaged in ground work, construction, logging, and agriculture and associations and organizations for these businesses, as well as fishing tackle stores to provide safety advice and distribute attention-grabbing posters and flyers.

Our website also presents information on preventing electric shock to raise general public awareness.



**Preventing electric shock**  
<https://nw.tohoku-epco.co.jp/accident/>

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# Communicating with Business Partners

## Basic concept

To deliver a stable supply of affordable, high-quality electricity, we procure economical materials and services from a wide range of business partners, both in Japan and around the world—all premised on stable procurement and quality assurance.

We've established a Basic Policy of Procurement to ensure thoroughgoing efforts to fulfill our responsibilities to society in various aspects: compliance with laws, regulations, and societal norms; ensuring safety; consideration for the environment; and appropriate management of information. We have formulated a Request to Material Suppliers to reflect the need for joint efforts with suppliers undertaken as partners.

## Pursuing fair and equitable procurement activities in accordance with the Basic Policy of Procurement

We treat business partners fairly and equitably, in accordance with the Basic Policy of Procurement and other provisions. We disclose details of our procurement procedures on our website and remain receptive at all times to product proposals from those who wish to trade with us.

## Training for procurement personnel

We implement periodic training for employees involved in procurement operations to impart a better understanding of corporate ethics and to ensure rigorous compliance with laws and regulations. In this and other ways, including improving knowledge of legal and regulatory compliance through the development of manuals and other materials, we strive to maintain appropriate relationships with our business partners.

### Basic Policy of Procurement

#### 1 Openness

In addition to maintaining relationships with suppliers with proven track records, the Company is always working to procure from new suppliers. The Company keeps an open door to companies within and beyond Japan and provides business opportunities open to all.

#### 2 Fairness

The Company will select suppliers for procurement by considering overall quality, pricing, delivery time, supply stability, after-sales service, technical compatibility with existing equipment, transaction records, corporate stance, and other aspects, as determined based on a fair and impartial evaluation.

#### 3 Adherence to Laws and Societal norms

In procurement operations in Japan and overseas, the Company will respect human rights and comply with all applicable laws and regulations, as well as the spirit underlying such laws and regulation.

The Company firmly eschews engagement with antisocial forces, which threaten social order and public safety, and requires all suppliers to do the same

#### 4 Safety

The Company will comply with all laws and regulations related to safety to ensure safety and prevent accidents.

#### 5 Concern for the Environment

The Company will implement green procurement to further environmental conservation, make effective use of resources, and strive to build a resource recycling society.

#### 6 Proper Information Management

The Company appropriately manages and safeguards all confidential information, personal information, and other sensitive information obtained in the procurement process.

#### 7 Mutual Trust

The Company will seek to build favorable relationships of mutual trust with suppliers through fair procurement procedures.

#### 8 Contributing to Society

Through procurement, the Company will seek to contribute to society alongside its suppliers.

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## CSR surveys

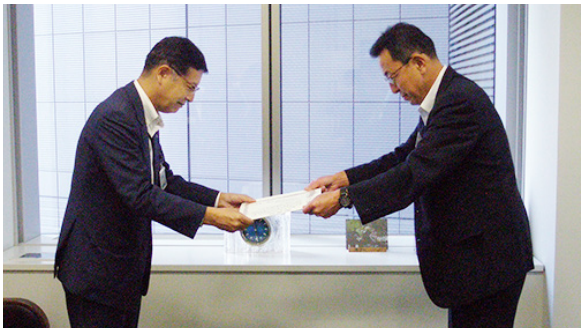
We view our suppliers as partners and work with them to meet our corporate social responsibilities. The Request to Material Suppliers specifies seven measures we ask suppliers to implement, including adherence to applicable laws, regulations, and societal norms. We undertake CSR surveys of major suppliers to assess their activities in these aspects, quantify the survey results, and engage in dialogue as needed.

In FY2021, we undertook CSR surveys of 347 suppliers. Based on a process characterized by open dialogue, we requested appropriate improvements from suppliers who presented apparent room for improvement as necessary.

## Presenting letters of thanks for exemplary practices

Along with the request for cooperation in our proper procurement activities, we are also striving to enhance communication with our suppliers. We seek proposals through various programs announced on our website to incorporate their ideas and requests.

We express forthright gratitude for contributions to the Company by presenting letters of thanks for exemplary practice proposals.



Presentation of letter of thanks

### Request to Material Suppliers

#### 1 Adherence to Laws and Societal Norms

- Adherence to all applicable laws and regulations, including civil laws, commercial laws, antitrust laws, subcontracting laws, and the equivalent, as well as the societal norms that apply in the regions in which suppliers conduct business activities, whether in Japan or overseas
- Respect for human rights and measures to prevent child labor, forced labor, and discrimination
- Exclusion of antisocial forces, which threaten social order and safety

#### 2 Safety

- Adherence to laws and regulations pertaining to health and safety
- Maintaining health and safety and preventing accidents through proper management

#### 3 Environmental Consciousness

- Actions to help achieve an environmental management system that complies with ISO 14001 and other standards
- Proactive actions that promote eco-friendly manufacturing, including reducing toxic chemical substances, and green procurement
- Constructive approaches to the three Rs (reduce, reuse, recycle)

#### 4 Fair Pricing and Quality Assurance

- Providing materials at fair prices
- Ongoing provision of materials meeting quality and other standards demanded by the Company
- Sustained improvements in technical capabilities

#### 5 After-sales Service

- Cooperation in maintenance
- Appropriate measures and warranties against defects
- Response to disasters, accidents, and other emergencies

#### 6 Delivery System

- Unfailing adherence to delivery dates and work deadlines
- Development of a stable supply system

#### 7 Proper Information Management

- Proper management of confidential, personal, and other information

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# Respect for Human Rights


## Basic concepts and initiatives

One core principle of the Tohoku Electric Power Group Code of Conduct is to build an open and vital corporate culture based on respect for individuals. We act in accordance with the following guidelines to strengthen trust and relationships with stakeholders and Group employees. We regard these principles and the guidelines that emerge from these principles as the fundamental concepts underlying respect for employee human rights.

### Tohoku Electric Power Group Code of Conduct (excerpts)

<b>Building an open and vital corporate culture based on respect for individuals</b> <b>We promote efforts to build an open and vital corporate culture characterized by mutual cooperation and the free and lively exchange of opinions, based on respect for the personality and individuality of each employee.</b>	
<b>Respect for individuals</b>	We hold in esteem the rights, personality, individuality, and privacy of each and every employee. The Group will not disclose personal information held on employees without the consent of the employee in question, except as required by laws or regulations or as necessary for sound business reasons.
<b>Prohibition of discrimination based on gender</b>	Discrimination against employees on the basis of attributes such as gender, age, disability, ethnicity, nationality, place of origin, beliefs, creed, or religion is strictly prohibited. Instances of violence, intemperate language, sexual harassment, or other such actions will not be tolerated in the workplace.
<b>Fostering the organizational culture needed to build and improve an open and vital corporate culture</b>	In addition to deepening cooperation among companies, sections, and related parties both inside and outside the organization and ensuring a free and lively exchange of opinions in the workplace, we will make progress on building an open and vital corporate culture in which diverse human resources are free to boldly take on new challenges and to demonstrate their individuality and abilities. We will foster an organizational culture that proactively addresses and rectifies any improprieties, thereby preventing the emergence of legal or ethical issues.

We strive to ensure that suppliers undertake the business activities with an approach grounded in respect for human rights through clear provisions regarding human rights in our Basic Policy of Procurement and Request to Material Suppliers.

 See » **Communicating with Business Partners**  
» P43,44

## Raising awareness of human rights

We believe the flexibility required to respond effectively to a changing business environment requires conditions that maximize the potential and ability of a diverse corps of employees and connects this to new value creation.

Based on this perspective, we are making progress on strengthening employee awareness of human rights and on building an environment characterized by zero toleration of discrimination.

Since FY1994, we've organized lectures and other activities to raise awareness of human rights issues and to build workplaces in which diverse employees can thrive across the Group.

	FY2019	FY2020	FY2021
<b>Participation in training on human rights (companywide)</b>	<b>2,130</b>	<b>2,845</b>	<b>2,448</b>

(Number of participants)

We are implementing activities to ensure a thorough understanding and raise awareness of human rights among all employees, including those of Group companies, through posting the content of lectures on human rights and e-learning materials on the T-next internal educational platform. We will continue striving to raise the awareness of every Group employee on human rights issues.

## Preventing harassment

We publish the Handbook for a Comfortable Workplace on our internal bulletin board, issue warnings, and engage in periodic discussions. We also offer training at various levels, from newcomers to managers.

In training for managers in particular, in addition to learning about basic information on harassment, practical examples, and responses to actual cases of harassment, we distribute Subordinate Training Handbooks to help managers acquire knowledge and skills in areas such as countermeasures against power harassment. We seek at all times to raise awareness of harassment prevention.

## Appropriately operated harassment hotlines

Consultations on harassment require consideration of interpersonal relations, including issues concerning the individual consulting on the matter. We've established both internal and external hotlines for consultations related to workplace harassment to ensure rapid response while protecting the confidentiality and privacy of the parties involved.


Based on the consultation, the hotline will investigate the facts of the matter and consider the response after determining whether harassment has taken place.

In addition to receiving related training and acquiring the necessary skills, hotline staff comply with strict rules on the handling of personal information and unfavorable treatment of those consulting with the hotline to ensure the hotline functions as intended.

	FY2019	FY2020	FY2021
<b>Consultations via the harassment hotlines</b>	<b>25</b>	<b>17</b>	<b>24</b>

\* The totals for FY2020 and later include figures for the Tohoku Electric Power Network.

Response to consultations on actual or potential violations of business ethics and compliance are made through the Corporate Ethics Hotline.

 See » **Compliance**  
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## Ascertaining and responding to potential human rights risks

The Tohoku Electric Power Group implements various initiatives to identify and prevent or minimize potential human rights risks in our business activities, including procurement.

In addition, the Sustainability Promotion Committee (chaired by the President) deliberates on responses to human rights risks from the perspective of the sustainability of both the Group and society. With the cooperation of outside experts, the Committee is currently drawing on self-evaluation surveys and on-site inspections to assess and analyze the impacts of human rights risks across the supply chain from the perspectives of severity, likelihood of occurrence, and Group involvement.

	Employees	Customers and communities	Suppliers
<b>Examples of potential human rights risks</b>	<ul style="list-style-type: none"> <li>● Long working hours</li> <li>● Workplace accidents</li> <li>● Inadequate consideration for health</li> <li>● Workplace harassment</li> <li>● Discrimination against sexual minorities</li> </ul>	<ul style="list-style-type: none"> <li>● Impact on residents and health damage due to worsening environmental conditions caused by business operations</li> <li>● Leakage of personal information or violations of privacy</li> <li>● Harm due to improper sales activities</li> </ul>	<ul style="list-style-type: none"> <li>● Child labor, forced labor</li> <li>● Discrimination and other human rights violations</li> <li>● Poor working environments</li> <li>● Improper labor management (e.g., long working hours, wrongful dismissal, failure to pay salary)</li> </ul>
<b>Policies</b>	<ul style="list-style-type: none"> <li>● Tohoku Electric Power Group Code of Conduct</li> <li>● Tohoku Electric Power Group Safety and Security Policy</li> <li>● Tohoku Electric Power Group Corporate Ethics and Compliance Activity Policy</li> <li>● Basic Policy for Health Promotion</li> </ul>	<ul style="list-style-type: none"> <li>● Tohoku Electric Power Group Code of Conduct</li> <li>● Tohoku Electric Power Group Environmental Policy</li> <li>● Tohoku Electric Power Group Social Media Policy</li> <li>● Standards for Personal Information Protection</li> </ul>	<ul style="list-style-type: none"> <li>● Basic Policy of Procurement</li> <li>● Request to Material Suppliers</li> <li>● Green Procurement Guidelines</li> </ul>
<b>Major initiatives</b>	<ul style="list-style-type: none"> <li>● Efforts to promote diversity and realize a sound work-life balance</li> <li>● Practicing health management</li> <li>● Implementing human rights training</li> <li>● Deployment of an occupational health and safety management system</li> <li>● Establishing corporate ethics consultation contacts</li> </ul>	<ul style="list-style-type: none"> <li>● Environmental assessment, environmental countermeasures (e.g., protecting air and water quality, consideration for biodiversity)</li> <li>● Developing systems to manage the security of personal information and implementing security measures</li> <li>● Establishing customer contact points (telephone and Internet) and establishing rules on internal handling to prevent improper solicitation and sales activities</li> <li>● Patrols and calls for attention to prevent accidents involving electric shock</li> </ul>	<ul style="list-style-type: none"> <li>● Asking suppliers to implement human rights initiatives and checking on the state of such initiatives through CSR surveys</li> <li>● Requesting active improvements by suppliers based on the results of CSR surveys</li> <li>● Establishing the Corporate Ethics Hotline</li> </ul>

## Supplier human rights risk assessment

In our CSR surveys targeting suppliers, in addition to improvements in the area of human rights in requests to materials suppliers, we check on human rights initiatives on various topics, including respect for human rights, prohibition of child labor and forced labor, and prohibition of discrimination.

Specifically, we check on internal policies on human rights, consultation systems related to human rights, and periodic surveys on human rights. We analyze the results of these surveys. Where we identify room for improvement, we engage in dialog with suppliers, including confirming and exchanging opinions and knowledge on survey contents as well as requests for improvements.

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# Building Workplaces that Reflect Respect for Diversity

## Diversity, equity, and inclusion (DE&I)

### Our perspective on DE&I

To enhance our capacity to meet increasingly diverse customer needs and to continue growing as a company amid dramatic change in the business environment, we believe we must build workplaces in which diverse human resources feel free to demonstrate their capabilities to the fullest—regardless of gender, age, disability status, form of employment, nationality, ethnicity, religion, creed, culture, sexual orientation, or sexual identity. To implement our Top Management Commitment to Diversity, we’re making progress on various DE&I themes, including promoting women in the workplace and employing those with disabilities.

 **Diversity, equity, and inclusion (DE&I)**  
<https://www.tohoku-epco.co.jp/sustainability/diversity/>

### Building workplaces where diverse human resources can thrive

To build workplaces where diverse human resources can thrive and demonstrate their capabilities to the fullest, we implement training and other activities to foster a career-planning orientation and seek to help employees balance their work with family life. These efforts have earned us Eruboshi (level two) certification from the Miyagi Prefecture Labour Bureau, a recognition of our efforts to promote the roles and advancement of women in the workplace under the Act on Promotion of Women’s Participation and Advancement in the Workplace.



 **Tohoku Electric Power’s Plan of Action for a General Employer**  
[https://www.tohoku-epco.co.jp/information/1214339\\_2521.html](https://www.tohoku-epco.co.jp/information/1214339_2521.html)

### Promoting diversity management

In addition to strengthening awareness among managers of the need to promote diversity, we strive to encourage their understanding of how to effectively provide appropriate support and convey expectations to subordinates, based on an understanding of differing values. We’ve formulated an Action Plan that targets the awareness managers need to build workplaces where all employees can work with a sense of vitality. We’re also moving forward with related initiatives in each workplace.

### Support for employees balancing work and family life

We provide training for employees returning from childcare leave to foster a career-planning orientation and strengthen motivation while accounting for life events. This training creates opportunities to share information on concerns and issues employees face in their child-rearing years and for active exchange of opinions on solutions. After this training, employees engage in dialogue with their managers to help achieve a good balance between work and family life and to help build their careers in their workplace. Another effort to help employees balance work and family life involves the distribution of the Manual for Managers on Support for Balancing a Career and Childcare, a pamphlet on supporting women employees in their child-rearing years.

### A meeting for exchange among new women employees in technical sections



Sharing information on a wide range of topics, including work and career insecurities



Dialogue with a senior woman colleague contributes to future cooperation across section boundaries.

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## Building Workplaces that Reflect Respect for Diversity

### Groupwide efforts to promote the role of women in the workplace

Groupwide meetings that further dialogue and promote the exchange of information among women managers also link diversity to new value creation to achieve the goals of the Group's Medium- to Long-Term Vision, "Working alongside next." These events raise motivation, help employees thrive in the workplace, and spark inspiration to pursue career improvements. In FY2021, this meeting featured a lecture by Outside Director Akiko Ide and an active exchange of opinions on future career improvements, the state of the Company's management as viewed from the perspective of an Outside Director, and other topics. We plan to continue pursuing groupwide efforts to build workplaces in which diverse human resources can work with a sense of vitality.

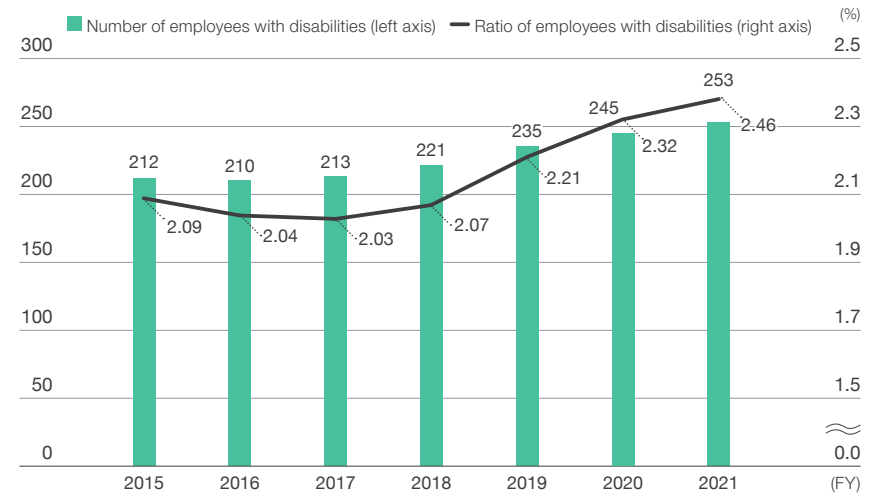


Participants in groupwide meeting for exchange of information among women managers, held online, and Outside Director Ide (upper right)

### Actions for disability employment

To provide more options for employees with disabilities to experience rewarding work and to help them participate in society, we're active in recruitment efforts undertaken in partnership with educational and other institutions. We assign more vocational and lifestyle counselors for those with disabilities to our offices than required by law, respond to individual working life inquiries, and seek to improve working environments, including renovations to make them barrier-free for workers with disabilities based on the concept of reasonable consideration for people with disabilities. Established in July 2018 to recruit more workers with disabilities and recognized in May 2019 as a special subsidiary company, Tohoku Electric Power Friendly Partners launched office support activities to add support for clerical operations. Our disability employment rate now surpasses the legal requirement of 2.3%. We plan to continue working with Tohoku Electric Power Friendly Partners to create working environments in which workers with disabilities can work in safety and peace of mind and to expand disability employment.

### Numerical trends and ratio of employees with disabilities



\* Includes estimated basic figures for Tohoku-Electric Power Friendly Partners Co., Inc. beginning with FY2019

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## Work-life balance

### Perspective on work-life balance

We believe in the importance of achieving a work-life balance and allowing all employees to address their duties to produce positive results while ensuring health and spiritual fulfillment. Workstyle reforms are a significant factor in achieving this goal. We're seeking to introduce different systems and to manage working hours to make it easier to create a harmonious balance of professional and private life.

### Introducing different systems to ensure a worklife balance

We've introduced several programs to ensure the work-life balance of our employees. These include a childcare leave system that permits employees to take leaves until a child turns three; a care leave system that provides up to two years of leave; and childcare and care support working hours systems that reduce working hours by up to three hours.

We've established a volunteer leave system to help employees achieve self fulfilment. The system allows employees to take leave of work to participate in social welfare, social contribution, or community-based activities.

We strive to create working environments that will support employees in raising their children without forcing them to give up their jobs or careers. On reaching the goal set in the General Employers Action Plan pursuant to the Act for Measures to Support the Development of the Next Generation, we were recognized in 2008, 2015, and 2020 by the Miyagi Labour Bureau as a next-generation development support company.

In FY2020, we expanded the number of offices to which flextime systems apply. We plan to proceed with initiatives to realize diverse work styles for employees in various ways, including revisions to systems that allow employees to work from home. We are also seeking to establish workplaces in which taking childcare leave is a matter of course—part of efforts to create an environment in which both men and women find it easy to take childcare leave.

### Proper management of working hours

We're working to optimize management of working hours to improve operational quality and to ensure employee morale and vitality.

In response to the amendment of the Labor Standards Act in April 2019, we've enhanced measures to reduce working hours, including setting limits on overtime and management to ensure that employees take paid vacation.

The General Employers Action Plan identifies the goal of achieving a rate of at least 80% of employees taking paid leave by the end of March 2025. We are preparing to accelerate initiatives to encourage employees to take paid leave.

#### Examples of specific actions:

- Clarifying daily work schedules and goals to be met at start of meetings
- Designating one no-overtime day per week
- Making meetings more efficient by clarifying in advance the purpose of the meeting, points to be discussed, and the duration
- Training for managers to enhance labor management and communication skills
- Matching staff assignments to workloads
- Encouraging employees to take time off through systematic scheduling management

Kurumin certification as a company supporting childcare



An employee on childcare leave

### Systems to further employee work-life balance and number of beneficiaries

		FY2019	FY2020	FY2021
Childcare support systems	Childcare leave system (for women)	43	45	42
	Rate of beneficiaries	97.7%	97.8%	100%
	Childcare leave system (for men)	5	13	37
	Rate of beneficiaries	1.4%	3.8%	10.6%
	Childcare support working hours system	141	147	133
	Partner maternity leave system	322	316	283
Care support systems	Rate of beneficiaries	88.5%	92.1%	81.1%
	Child nursing leave system	540	531	551
	Care leave system	4	2	3
	Care support working hours system	2	4	4
	Family care leave system	212	122	141
Volunteer leave system		87	5	7

## Sound labor-management relationship

Excluding those representing our corporate interests, all employees are members of Tohoku Electric Power's labor union. In 1956, before other companies, management and the labor union concluded a Productivity Collective Contract.

The contract includes provisions whereby both management and workers work jointly to boost productivity. In accordance with this contract, individual offices have established Productivity Councils to deliberate on business implementation plans and operations to develop the Company's business activities and to improve its operations. These bodies work to deepen understanding and trust between the management and the union, thereby contributing to the pursuit of business operations.

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# Securing and Training Human Resources

## Developing human resources to drive growth in corporate value

### Perspective on developing human resources

We see our employees as the driving force in raising corporate value. We're undertaking an array of human resource development measures to bolster our human resource foundations and to cultivate independence in learning, thinking, and actions. Securing human resources who offer diverse values and experiences while also helping them learn new knowledge, skills, and techniques is vital to realizing the Group's Medium- to Long-Term Vision. We believe the growth of individual employees contributes significantly to corporate growth and the social contributions our businesses can make.

### Ongoing recruitment of human resources and strengthening motivation and vitality

In FY2021, Tohoku Electric Power and Tohoku Electric Power Network recruited 322 new employees (total of new graduates and midcareer hires) to secure a reliable supply of human resources capable of reforming our business structure and creating new value—human resources who will demonstrate their skills and capabilities to contribute not just to the stable supply of electric power, but to the progress and efficiency of the Power Supply Business, capable of delivering solutions to management issues groupwide.

Beyond these measures, we must ensure the effective transfer of the experience accumulated by employees to retain vital technologies and expertise. We've launched a system for reemploying employees who have reached the age of retirement to make effective use of their skills. We offer a wide range of work opportunities that meet the needs of individual workers. In FY2021, we rehired 189 personnel under this system, and as of the end of the fiscal year our pool of employees included 564 reemployed individuals.

### Skills development for human resources capable of rising to the challenge of reform

"Working alongside next," the Tohoku Electric Power Group's Medium- to Long-Term Vision, positions the discovery and development of human resources needed to support business model transformation as a key element of management foundations that support corporate value creation.

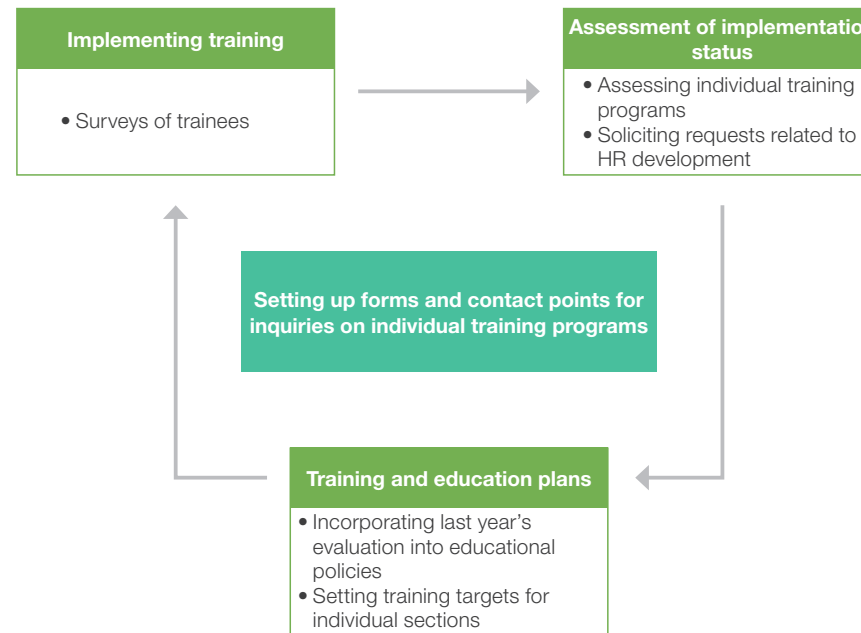
In training undertaken across multiple sections to help employees master technologies and methods, we are systematically developing the digital skills needed to effect corporate innovation through digital technologies.

### Major training initiatives

Sections in charge		
Business Creation Division	Information Systems and Communications Dept.	HR sections
Digital transformation (DX) training	Artificial intelligence (AI) engineer training	Basic data literacy training
DX business training	Data scientist training	Training to foster business creation capabilities
Basic DX training	AI-business human resource training	

### The human resource development cycle

Based on combination of the three pillars of (i) on-the-job training (OJT), (ii) off-the-job training (off-JT), and (iii) self-improvement, we're striving to implement effective human resource development. We review the status of common and specialized training programs every year and incorporate our findings into training plans for the following year, with the goal of improving individual training programs and enhancing training quality.



### On-the-job (OJT) training

Employees set skills-development targets based on dialogue with their supervisors in accordance with a roadmap for growth, a tool that specifies the required levels of knowledge, techniques, skills, and experience. Employees receive on-the-job training and participate in training programs to meet these targets.

Our development of human resources is based on the plan-do-check-act (PDCA) cycle. Supervisors monitor progress toward targets in daily on-the-job training and provide guidance and advice to help employees achieve further growth.

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## Off-the-job training (off-JT)

We offer a broad range of off-the-job training programs, including training for new recruits, training for employees in their third year, training for new managers, and other level-specific training, training for different duties, and programs that allow employees to attend domestic or overseas graduate schools or other educational institutions.

Since the advent of COVID-19 we've adopted numerous training methods that reflect the "new normal" in life, including online training using web conferencing tools and self-training through e-learning based on a learning management system.

### Common-education programs in off-the-job training

<b>Manager training</b>	Training to develop next-generation leaders	Training for newly appointed executives and office/division GMs
<b>Level-specific training</b>	New managerial staff training	Training for front-line office general managers
	Training for new recruits	Training for employees in their third year
<b>Specialized training</b>	Advanced electric power specialist academy	Business creativity training
	Domestic and overseas study training (domestic and overseas graduate schools)	
	Training based on exchange among sections and affiliates (training across sections, joint training of affiliates, training for participants from affiliates)	
<b>Diversity</b>	Shine-Up Forum	Diversity management training
<b>Fundamentals</b>	T-next (learning management system promoting self-learning and integrated training management)	

## Systematically training the next generation of managers

The sustained growth of the Tohoku Electric Power Group requires the systematic training of human resources capable of generating a vision of the future, formulating creative business models, making sound decisions, achieving goals based on a clear sense of mission.

Desirable capabilities also include an acute intuition to identify business opportunities. We're training the next generation of leaders as the human resources central to the Group's future. By having employees of affiliate companies participate in this training as well, we seek to enhance the overall capabilities of the Tohoku Electric Power Group.

### Structure of training to develop the next generation of leaders

Level	Training	Goals
<b>Chief class</b>	Innovation leadership training	Acquiring corporate reform capabilities
<b>Deputy GM class</b>	Middle management training	Acquiring a groupwide perspective
<b>Manager class</b>	Business management training	Acquiring a groupwide optimization perspective
<b>Division deputy GM class</b>	Executive leadership training	Fostering the perspectives needed of managers
<b>Executives and office/division GMs</b>	Newly appointed executive and office/division GM training	Enhancing the capabilities of top management

## T-next educational platform for autonomous human resource development

We provide the T-next learning-management system to give employees the opportunity to build their own careers by looking for and learning the skills and capabilities they need to achieve self-actualization. This involves working with a sense of vitality and demonstrating their abilities to the fullest. As a foundation for supporting employees who want to build their careers, this platform is optimized for each individual by AI and makes it possible for employees to learn skills and knowledge from inside and outside the organization.

We also offer congratulatory cash gifts in recognition of self-development efforts for employees who acquire official certification or show achievement in other areas.

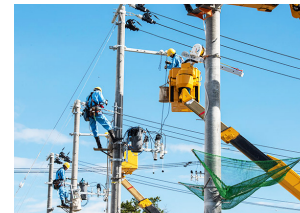


## Job-specific departmental education and skills training

Job-specific departmental education seeks to enhance technical knowledge and skills with the aim of improving work quality and retaining accumulated expertise in individual departments.

For the three departments of power supply, substation engineering, and transmission engineering, an annual joint skills competition promotes the transfer of techniques and skills as well as awareness of safety measures.

The thermal power, civil and architectural engineering, distribution engineering, and other sections organize periodic hands-on drills and online technical drills and competitions to improve and pass on everyday techniques and skills and to enhance skills related to emergency response. These activities help build on the specialized knowledge and capabilities accumulated since our founding.



A distribution engineering skills competition



An online lecture on passing on skills at a thermal power section



A transmission engineering drill

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# Health Management

## Actions for health management

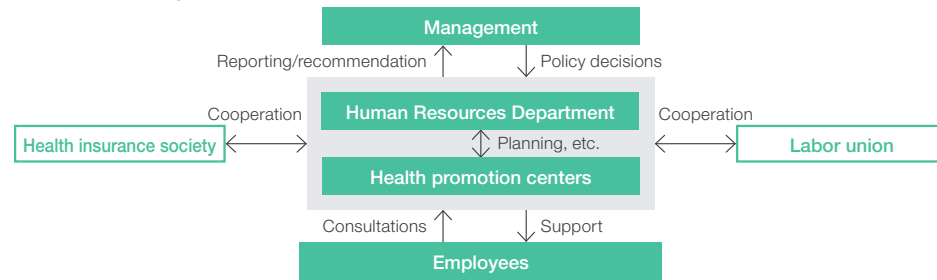
### Basic concept

We implement the health management needed to ensure we remain a company in which all employees can work energetically and in good health by enhancing early measures to prevent and/or treat illnesses.

We plan to continue pursuing the health management needed to improve employee physical and mental health and to boost productivity, thereby increasing corporate value.

### Health promotion structure

Based on policy decisions made by management, industrial physicians and public health nurses in the Human Resources Department and at all ten health promotion centers work together on measures to maintain and promote employee health in partnership with the health insurance society and the labor union.



### Formulating the basic health promotion policy

We've formulated a basic health promotion policy to promote physical and mental health improvements for each and every employee by establishing and maintaining a healthy working environment. Based on a long-term perspective, this policy identifies numerical targets for each of three priority areas. We're implementing a wide range of initiatives in a systematic and sustained manner.

Priority	Target details	FY2022 target	FY2024 target
<b>1. Countermeasures against lifestyle-related conditions</b>	Reducing obesity rates (i.e., BMI of 25 or above)	27.7% or lower	27.1% or lower
<b>2. Smoking cessation programs</b>	Reducing percentage of smokers	21.0% or lower	20.0% or lower
<b>3. Mental health measures</b>	Reducing numbers of days on illness or injury leave due to mental health issues	14,206 days or fewer	12,780 days or fewer

### Major initiatives

<b>1 Countermeasures to lifestyle conditions</b>	<p>We offer health guidance based on the results of annual health checkups, with a special focus on lifestyle improvements. For employees aged 40 and older diagnosed with metabolic syndrome, we provide specified health checks, specified health guidance, and related support in partnership with the health insurance society. We seek to emphasize personal guidance for young employees required to strengthen prevention awareness.</p> <p>During National Occupational Health Week, organized by the Ministry of Health, Labour and Welfare, and Health Emphasis Month, organized by the National Federation of Health Insurance Societies, we hold health promotion campaigns to inspire employees to modify their lifestyles and to begin exercising regularly.</p>
<b>2 Smoking cessation programs</b>	<p>Anti-smoking measures include the separation of smoking areas to prevent exposure to second-hand smoke, completed in FY2006. Ongoing measures during the three years through FY2009 reduced the number of employees who smoke by decreasing the number of smoking areas, based on a policy of making all buildings non-smoking.</p> <p>In response to the April 2020 amendment of the Health Promotion Act, we implemented initiatives to reduce smoking, including prohibiting smoking on the grounds of the head office building and all other offices. These and other efforts cut the employee smoking rate from 44.3% in FY2004, when the anti-smoking measures guidelines were formulated, to 21.6% in FY2021.</p>
<b>3 Mental health measures</b>	<p>To maintain the mental health of our employees, in accordance with the Guidelines for Maintaining and Promoting the Mental Health of Workers established by the Ministry of Health, Labour and Welfare, we're working to identify and prevent mental health issues in the early stages based on activities in four areas of mental healthcare: self-care, line care, staff care, and external care.</p> <p>Specific measures include seminars on communication and other skills; training for newly appointed management staff on line management; training for newly recruited employees and other young staff on recognizing and responding to stress; counseling for employees facing changes in their working environment due to personnel transfers; and counseling provided by outside specialist organizations.</p> <p>Under the stress check system, we urge employees to assess their health and improve working environments based on the results of group analysis. Employees identified as experiencing high stress are encouraged to meet with industrial physicians to identify mental health conditions early.</p> <p><b>Stress check response rate: 98.9% (employees identified as experiencing high stress: 6.5%)</b></p>

### External evaluations

Starting in 2020, we've been selected to the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program for three years in a row in recognition of efforts to support employee health.

We will continue to promote health management through joint efforts with individual workplaces, the health insurance society, and other related parties, backed primarily by efforts among the industrial health staff (industrial physicians and public health nurses).



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# Contributing to Communities

## Community contribution activities that contribute to sustainable growth and improve corporate value in the medium to long-term

### Deploying groupwide measures alongside the community

Based on our management philosophy of prospering with local communities and Yori, Sou, Chikara (The Strength to Work Alongside), our Group slogan, the entire Tohoku Electric Power Group strives to establish a smart society by providing services based on energy and to advance initiatives that deliver solutions to challenges facing our communities and society. In this way, we hope to contribute to the sustained growth and progress of society.

Based on this outlook, we implement various social contribution activities, including

### Supporting solutions to community challenges and community revitalization

#### Machizukuri Genki Juku®

Machizukuri Genki Juku® training courses dispatch appropriate expert Machizukuri Partners to organizations working to solve issues faced by individual communities, thereby contributing to community revitalization and

autonomy in the six Tohoku prefectures and Niigata Prefecture. This program supports highly individual community development in the region.



**Machizukuri Genki Juku®**  
<https://www.tohoku-epco.co.jp/genki/>

#### Social Contribution Activities

As a member of the community, Tohoku Electric Power engages in numerous initiatives intended to build even stronger relationships of trust with local communities, including activities that promote the healthy growth of children, who will play key roles in the future of the region, and activities in the vicinity of business sites.



**Houkago Hiroba**  
[https://www.tohoku-epco.co.jp/kids/after\\_school/](https://www.tohoku-epco.co.jp/kids/after_school/)

#### Tohoku and Niigata Revitalization Support Program

The subsidies granted under this program support organizations engaged in voluntary activities to resolve issues in local communities across the six Tohoku prefectures and Niigata Prefecture, including local industrial promotion, local community restoration and revitalization, and expanding the numbers of visiting non-residents.

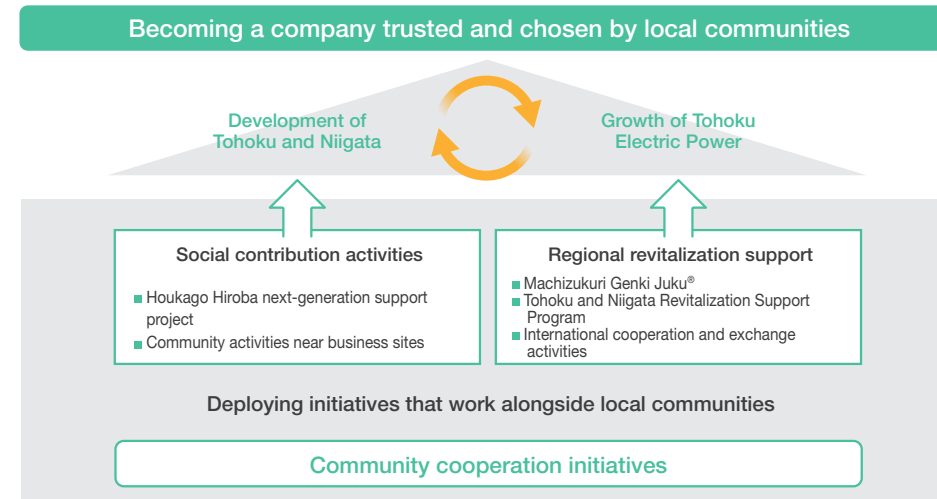


**Tohoku and Niigata Revitalization Support Program**  
<https://www.tohoku-epco.co.jp/sprogram/>

#### Promoting International Cooperation and Exchange Activities

We promote various international joint efforts and exchange activities. These activities include online seminars for technical trainees from various ASEAN countries, helping to operate the Tohoku Canada-Japan Society, and working with various other organizations to promote international exchange in the Tohoku region.

Machizukuri Genki Juku® training courses designed to help identify solutions to community challenges and the Tohoku-Niigata support program to support community vitality. Through these and other measures, we strive to play a role as a member of the community in its sustained progress and to build relations of trust with local communities based on ongoing dialogues in which individual employees take part.



**Examples of results achieved in these initiatives**

Social contribution activities	Regional revitalization support
<b>FY2021 social contribution activities</b>  Actions implemented: <b>799</b>  Participants from the community around <b>50,400</b>	<b>Machizukuri Genki Juku® support organizations</b> Between FY2006 and FY2021: <b>41 organizations</b>  <b>Tohoku and Niigata Revitalization Support Program aid organizations</b> Between FY2017 and FY2021: <b>36 organizations</b>

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## Activities of Group member companies

Individual member companies in the Tohoku Electric Power Group also carry out numerous initiatives to identify solutions to society's challenges as members of their communities.

### Tohoku Information Systems Co., Inc.

#### Efforts to reduce food loss



Tohoku Information Systems has participated in the Sendai Food Drive program since FY2020, donating in FY2021 over 40 kg of unused food products contributed by employee families to organizations and welfare facilities that assist those in need. It also donated 1,680 bottles of self-stable water stocked at company facilities in preparation for disasters to university co-ops, to ensure the water was put to use before its best-by date.

### Tohoku Sustainable & Renewable Energy Co., Inc.

#### Participation in event to plant beech trees on Mt. Chokai



Tohoku Sustainable & Renewable Energy participated in the 27th event held by this association, planting 385 beech saplings on Mt. Chokai. This activity began in 1994 with the goal of reviving the beech forests on Mt. Chokai. Tohoku Sustainable & Renewable Energy has participated every year since 2015.

### Tohoku Development Consultant Co., Ltd.

#### Participation and cooperation in a Yamagata Prefecture program to conserve rural rivers



Tohoku Development Consultant has signed up as a participant in a river conservation project under a program organized by Yamagata Prefecture. Activities included weeding and collecting litter from some 200 meters along the left bank of the Mamigasaki River in the city of Yamagata, well known for its imoni-kai outdoor cooking events, in which people visit the riverside to enjoy taro root stew over an open fire. Participation will continue with the aim of preserving the beauty of the riverside environment.

### Tsuken Electric Ind. Co., Ltd.

#### Blood drive



Tsuken has held a blood drive twice a year (in February and September) since 1971. In September 2021, it received a commendation from the Minister of Health, Labour and Welfare for a half-century of blood-drive efforts. It plans to maintain these activities as a life-saving volunteer program.

### Yurtec Corporation

#### Assisting community healthcare as a landing pad for medevac helicopter takeoff and landing



Since 2016, in response to a request from Miyagi Prefecture Yurtec Corporation has provided athletic fields at its HR Development Center as a landing pad for medevac helicopters. This program allows emergency squads and medevac helicopters to meet in various locations across the prefecture. The center serves as an emergency landing pad in the event of illness or injury requiring a medevac helicopter.

### HNK Co., Inc.

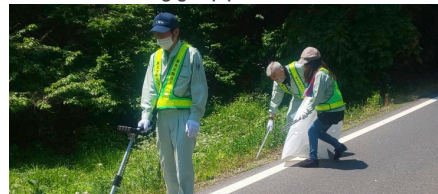
#### EcoCap Activities



With the cooperation of Group member companies and other tenants in the Denryoku Building, HNK Co. helps deliver vaccines to children in developing countries using the proceeds generated by collecting and selling plastic bottle caps. This initiative also promotes cap recycling and environmental protection and supports the employment of those with disabilities through subcontracting of cap washing and other activities. HNK plans to continue this activity.

### Tohoku Natural Gas Co., Inc.

#### Landscape beautification activities along gas pipeline routes



From spring through summer every year, Tohoku Natural Gas engages in cleanup initiatives during walking patrols along 50 km of the gas pipelines that supply natural gas to city gas utilities and major customers in the three prefectures of Miyagi, Yamagata, and Fukushima.

### Sakata Kyodo Power Co., Ltd.

#### Cleanup activities near Sakata North Port



Every spring and fall from 1986 Sakata Kyodo Power has undertaken its Sakata North Port 530 litter removal activity. Each event, in which some 150 people from Tohoku Electric Power Group and port administrative agencies take part, gathers some 200 kg of waste.

### Tohoku Electric Power Engineering & Construction Co., Inc.

#### Supporting art by people with disabilities



Tohoku Electric Power Engineering & Construction supports Art to You, a local nonprofit that seeks to empower those with disabilities by publicizing and promoting their artistic endeavors. Tohoku Electric Power Engineering & Construction donates to the organization as part of its social contribution activities. The seventh Art to You! National Disability Arts Exhibition in Tohoku was held in October 2021 at Sendai Mediatheque in the city of Sendai.

### Tohoku Intelligent Telecommunication Co., Inc.

#### Donating emergency food supplies to children's dining halls



To put food products to more effective use, Tohoku Intelligent Telecommunication donates emergency food supplies as their best-by dates approach. It donated 1,300 emergency food packages through the Sendai Social Welfare Council to children's dining halls in the city of Sendai.

### Joban Joint Power Co., Ltd.

#### Nakoso Dream illumination activities



In cooperation with local government and related organizations, Joban Joint Power helps make possible the Nakoso Dream illumination activities, which involve illuminating a group of smoke stacks. A wide range of illumination designs, changed monthly, were created by local high school students. Special illumination themes in FY2021 included activities promoting traffic safety and marking Hazardous Materials Safety Week.

### Kitanihon Electric Cable Co., Ltd.

#### Subcontracting operations to social welfare facilities



Kitanihon Electric Cable subcontract recycling operations for wire and cable scraps generated in the production process and other materials to three social welfare facilities in Miyagi Prefecture, a program it has undertaken for more than 40 years since 1981. The goal is to help people with disabilities experience the joys and rewards of work and strengthen their sense of independence and motivation to participate in society. The copper wire conductors recovered through this process are recycled for various uses, including use as materials for producing new wires and cables.

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# Corporate Governance

 **Corporate Governance**  
<https://www.tohoku-epco.co.jp/ir/policy/governance/index.html>

## Basic concepts of corporate governance

The Tohoku Electric Power Board of Directors establishes basic corporate governance policies to clarify our basic corporate governance concepts and related practical initiatives. Under our management philosophy of prosperity in partnership with the community, as identified in Working alongside next, the Tohoku Electric Power Group’s Medium- to Long-Term Vision and the Group slogan Yori, Sou, Chikara (The Strength to Work Alongside), we seek to grow in step with sustained progress within society by helping to establish a smart society in various ways: providing services centered on energy, working alongside customers, and engaging in sustained dialogue with stakeholders.

To ensure appropriate management consistent with this heading, the Company implements initiatives that enhance corporate governance, including those that ensure exhaustive compliance with corporate ethical standards and laws and regulations, promoting fair, honest, and transparent business administration, and improving internal control and risk management. The Company sees strengthening and improving corporate governance as one of its priority management issues. Based on this perspective, the Company will advance initiatives to ensure sustained growth and enhanced corporate value on a medium- and long-term basis to meet the expectations of its stakeholders. Company initiatives will include activities that make management more flexible, sound, and transparent.

### 1 Guarantee of shareholder rights and equitable standing

The Company handles all matters based on laws and regulations, thereby guaranteeing shareholder rights and equality in real terms. At the same time, the Company advances efforts to prepare conditions that permit shareholders to exercise their rights, with due regard for minority and foreign shareholders.

### 2 Appropriate joint efforts with stakeholders beyond shareholders

Based on safety, consideration for the environment, and compliance with corporate ethical standards, laws, and regulations, we stress activities based on two-way dialogue with a diverse array of stakeholders. The Company targets sustained growth and medium- to long-term growth in corporate value.

### 3 Appropriate information disclosure and transparency

(1) In addition to the appropriate disclosure of information pursuant to laws and regulations, we engage in the timely disclosure of accurate and highly useful information through our website and various other media, in addition to press conferences and, as necessary, briefings, held by the representative director.

- (2) We disclose financial, non-financial, and other information through fair, detailed, and simple methods, in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other laws and regulations, as well as our own Disclosure Policy and other policies.
- (3) To the extent feasible, we also strive to disclose this information in English.

### 4 Responsibilities of the Board of Directors

- (1) The roles and responsibilities of the Board of Directors include measures to achieve the sustained growth of the Company and increasing corporate value over the medium to long term while soliciting diverse neutral and objective opinions from independent outside Directors, in light of the duties entrusted to them by shareholders and associated accountability and responsibilities. The Board of Directors also strives to foster a culture that encourages free and constructive debate and exchange of opinions and welcomes issues raised by outside Directors.
- (2) In addition to its important role as a Company supervisory body, the Audit and Supervisory Committee serves as a statutory independent body charged with auditing the discharge of management responsibilities on behalf of shareholders by the Representative Director and other Executive Directors. By fulfilling these responsibilities, it contributes to a sound corporate governance structure commensurate with society’s trust in the Company and promotes sound, sustained growth and medium- to long-term value creation.  
 (See p. 56 for more information on management organizations.)

### 5 Shareholder dialogue

To further sustained growth and medium- to long-term growth in corporate value, the Company establishes opportunities for dialogue with shareholders beyond the General Meetings of Shareholders, while Directors and other members of top management strive to explain clearly in management policies and elsewhere matters such as the Company business environment and initiatives. The ultimate goal is to ensure understanding, and to promote constructive dialogue with shareholders.

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## Internal Control and Corporate Governance Diagram (Tohoku Electric Power)

### 1 Board of Directors

The Board of Directors consists of 16 Directors, including seven independent outside Directors unimpeded by potential conflicts of interest that may arise with general shareholders. In principle, the Board meets once a month to decide on important matters related to management and matters and essential for Company operations. The Directors also report on the status of business execution to the meetings of the Board of Directors and monitor these reports and business implementation carried out by other Directors. The Board of Directors delegates certain important decisions on business execution to the Directors through a system whereby the Representative Director & President, Representative Directors & Executive Vice Presidents, and Managing Executive Officers (collectively referred to as "Executive Officers with titles") take charge of business execution.

### 2 Nomination and Compensation Advisory Committee

The Company has established a Nomination and Compensation Advisory Committee comprised of two internal Directors (Representative Director & Chairman of the Board Jiro Masuko and Representative Director & President Kojiro Higuchi) and four independent outside Directors (Directors Tsutomu Kamijo, Osamu Kawanobe, and Mikito Nagai who do not sit on the Audit and Supervisory Committee, and Director Ikuko Miyahara, a Committee member). To ensure the objectivity, timeliness, and transparency of nomination and compensation, the organization of this body is based on a majority of its membership consisting of independent outside Directors and an independent outside Director serving as its chairperson. It deliberates and advises on consultation received from the Board of Directors regarding nomination and compensation of Directors and other executives. The Nomination and Compensation Advisory Committee fulfills the functions of both a voluntary committee equivalent in function to a nomination committee and a voluntary committee equivalent in function to a compensation committee.

### 3 Management Committee

Consisting of Executive Officers with titles, the Management Committee meets weekly to discuss overall business administration policies and plans and the execution of important business based on basic management policies set by the Board of Directors. The Management Committee also promotes the development of effective, efficient business processes through an in-house company system, in which the Power Generation Company, Sales Company, Renewable Energy Company, the Nuclear Power Division, and the Internal Services Division independently explore autonomous business expansion.

### 4 Audit and Supervisory Committee

To ensure objectivity and neutrality in management supervision functions, three of the four members of the Audit and Supervisory Committee are outside members. One full-time member of the Committee is appointed to carry out, on a daily basis, activities such as attending important meetings of the Executive Committee and other bodies, inquiring with business execution sections concerning the state of business execution, inspecting sites, and joint efforts with internal audit sections, thereby making auditing and supervisory functions more effective. In addition to meeting monthly, the Audit and Supervisory Committee meets at other times when necessary to deliberate and report on matters relevant to its functions as an auditing and supervisory body.

In addition to attending meetings of the Board of Directors, the Executive Committee, and other important meetings, the full-time member also inquires with business execution sections concerning the state of business execution, reviews important documents, inspects the state of business and finances at business sites, and otherwise strives to ensure that auditing of matters such as the performance of Directors' duties and the maintenance and operation of internal control systems is fully addressed. He or she also strives to improve audit results by attending discussions with the Representative Director and engaging in the periodic exchange of viewpoints with the internal audit sections and the accounting auditors, as well as enhancing cooperation with the statutory auditors of affiliate companies. In particular, in the area of enhancing cooperation with internal audit sections and accounting auditors, tripartite auditing meetings are held among the full-time member, the Director with responsibility for internal auditing, and the accounting auditors. By providing information obtained through auditing activities and other activities, the full-time member helps ensure full and effective cooperation with outside members.

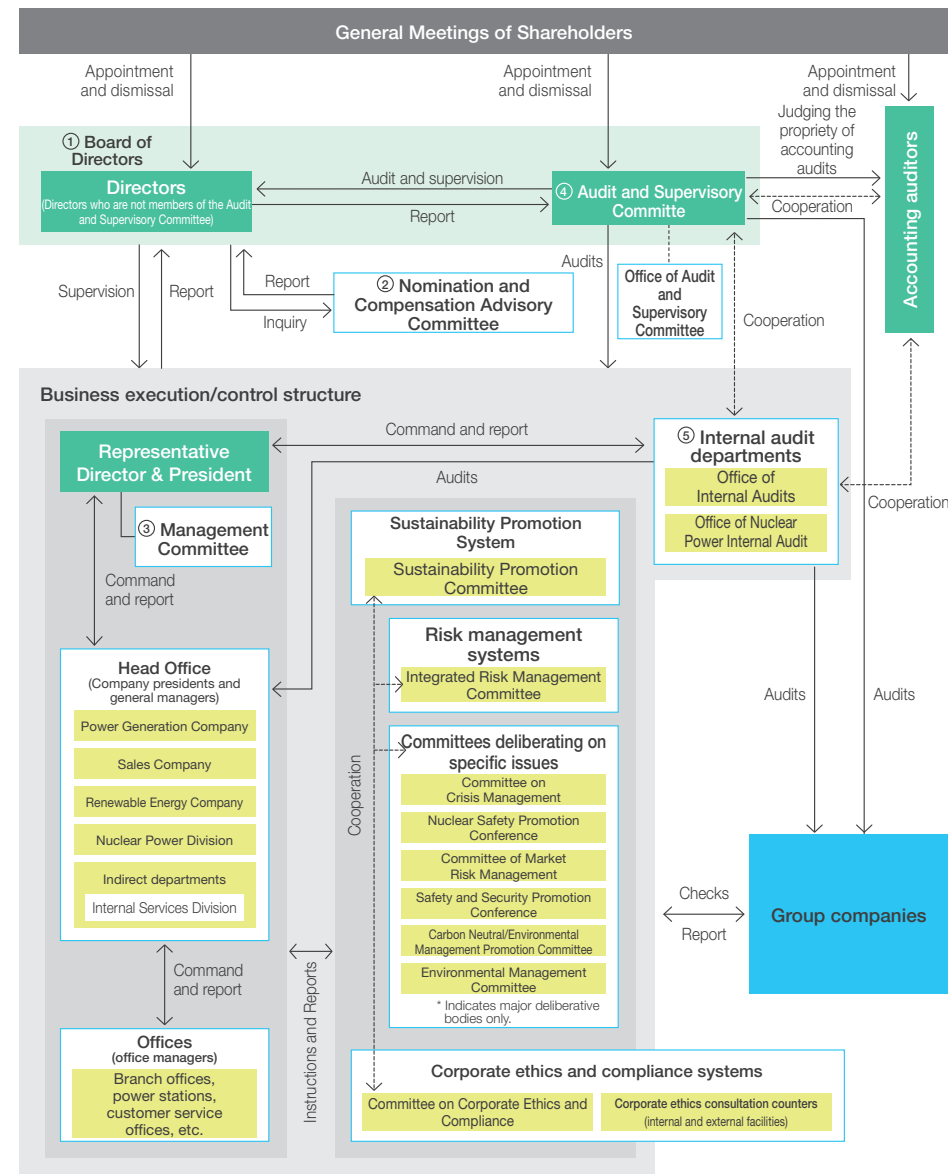
The outside members of the Audit and Supervisory Committee attend discussions of the Board of Directors and Representative Directors, asking questions and presenting views based on a wide range of perspectives and drawing on their wealth of personal experience, as well as touring facilities to inspect the state of operations. Member Miyahara attends the voluntary Nomination and Remuneration Advisory Committee as a member.

In addition to the assignment of specially appointed auditing officers responsible for assisting in the duties of the Audit and Supervisory Committee, the Audit and Supervisory Committee Office functions as an organization charged with supporting the Committee in its duties.

### 5 Internal audit departments

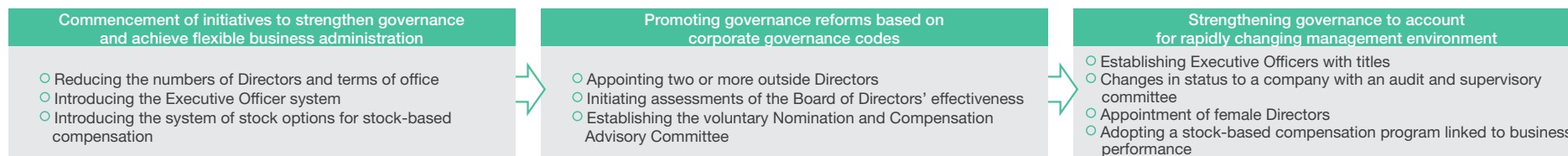
At the Company, the Office of Internal Audits conducts internal audits on businesses from various perspectives, including the effectiveness and appropriateness of organizations and management systems, the economy and efficiency of business administration, and the effectiveness and efficiency of facility preservation activities. The Office of Nuclear Power Internal Audit performs internal audits associated with safety guarantees and reliability enhancements for nuclear power generation within the Company. These internal audit departments perform internal audits through interviews with the individuals concerned at the Company, its subsidiaries, and principal affiliates, documentary research, and on-site confirmation. The internal audit departments report their internal audit findings to the Representative Director & President, the Management Committee, the Board of Directors, and the Audit and Supervisory Committee. In addition, the departments urge the divisions concerned to resolve problems and issues that require improvement or correction. The departments also seek to raise the effectiveness of internal audits in cooperation with the Audit and Supervisory Committee and accounting auditors.

The internal audit departments are independent from the respective executive bodies. The Office of Internal Audits and the Office of Nuclear Power Internal Audit fall under the direct control of the Representative Director & President.



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## Changes in corporate governance systems



	April 2005 to March 2015	April 2015 to March 2018	April 2018 to the present
Governance system	■ Company with an audit and supervisory board	■ Company with an audit and supervisory board	<b>June 2018</b> ■ Changes in status to company with an audit and supervisory committee
Committee		<b>January 2017</b> ■ Establishing the voluntary Nomination and Compensation Advisory Committee (consisting of two members from the Company and two additional members from outside the Company)	<b>June 2018</b> ■ Increase in the number of Nomination and Compensation Advisory Committee members from outside the Company (to change the numbers of members from the Company and those from outside the Company to two and four, respectively) <b>January 2020</b> ■ Outside Director chosen as Chair of the Nomination and Compensation Advisory Committee
Chairman of the Board of Directors	■ Representative Director & Chairman of the Board	■ Representative Director & Chairman of the Board	■ Representative Director & Chairman of the Board
Separation of supervision and execution	<b>June 2005</b> ■ Introducing the Executive Officer system ■ Decrease in the number of Directors specified in the Articles of Incorporation from 25 or fewer to 18 or fewer		<b>April 2018</b> ■ Establishing Executive Officers with titles <b>June 2018</b> ■ Delegation of a portion of the Board of Directors' authorities to Directors <b>April 2020</b> ■ Expanding the authority delegated by the Board of Directors to Directors
Nomination of Directors	<b>June 2007</b> ■ Reducing the term of office for Directors from two years to one year	<b>November 2015</b> ■ Establishing criteria for judging the independence of outside Directors ■ Establishing policies for nominating Directors	<b>November 2020</b> ■ Clearly defining the abilities and qualities demanded of Directors
Compensation for Directors	<b>June 2007</b> ■ Abolishing Retirement Benefits for Directors <b>June 2010</b> ■ Introducing the system of stock options for stock-based compensation	<b>November 2015</b> ■ Establishing policies for determining compensation for Directors	<b>June 2020</b> ■ Adopting stock-based compensation program linked to business performance ■ Stock option compensation program abolished
Assessment of the Board of Directors' effectiveness		<b>February 2016</b> ■ Start of the assessment of the Board of Directors' effectiveness (using a questionnaire survey)	
Basic policies regarding corporate governance		<b>November 2015</b> ■ Establishment	<b>March 2020</b> ■ Basic Policy on Corporate Governance established
Outside Directors (Figures in □ are the ratios of outside Directors to total number of Directors.)		<b>From June 2013</b> 1 outside Director 6%	<b>From June 2016</b> 2 outside Directors 13%
			<b>From June 2018</b> 6 outside Directors 35% Including three outside Directors serving as members of the Audit and Supervisory Committee
			<b>From June 2019</b> 6 outside Directors 35% Including three outside Directors (one female Outside Director) serving as members of the Audit and Supervisory Committee
			<b>Since June 2020</b> 6 outside Directors 40% Including three outside Directors (one female outside Director) serving as members of the Audit and Supervisory Committee
			<b>Since June 2021</b> 7 outside Directors 44% Including three outside Directors (two female outside Directors) serving as members of the Audit and Supervisory Committee
Outside Statutory Auditors	3 outside Statutory Auditors		

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## Policies and procedures for appointing and dismissing executive team members and nominating candidates for Directors by the Board of Directors

The Company seeks to administer businesses to reshape their value alongside local communities by adapting to anticipated changes in the management environment and engaging in sustained dialogue with stakeholders, thereby maintaining the role of Tohoku Electric Power Group a group of companies that grow alongside and provide essential functions within communities. The Company has adopted the following policies and procedures for nominating and dismissing Directors to administer its businesses appropriately.

### Policies

- The Board of Directors shall have members whose numbers are necessary and appropriate for building effective management systems in a company active in the electricity business and for monitoring substantive discussions and business execution. The Board of Directors shall consist of an appropriate number of members, totaling 18 or fewer, as specified in the Articles of Incorporation.
- In selecting and dismissing Directors, the Nomination and Compensation Advisory Committee, including two or more independent outside Directors, shall convene discussions to secure the objectivity, timeliness, and transparency of their selection and dismissal.
- Candidates for internal Directors (excluding candidates for Directors serving as members of the Audit and Supervisory Committee) are chosen from individuals with a wealth of experience in each field, based on a consideration of a sound balance of specialties, technical expertise and business experience in particular in the electric power industry, which involves high specialization and a broad range of business domains, knowledge concerning the electricity business in general, and new business fields, among others, thereby helping to achieve Working alongside next, the Tohoku Electric Power Group's Medium- to Long-Term Vision. The desired traits are:
  - **The imagination needed to envision a forward-looking vision and creative business models and to lead the organization**
  - **The decisiveness needed to take personal responsibility for decision-making based on knowledge, experience, and principles**
  - **The tenacity needed to achieve goals without giving up, tackling challenges boldly, while bringing together wisdom and resources from inside and outside the organization**
  - **The sensitivity needed to identify business opportunities without overlooking signs indicating risk**
  - **The character needed to combine a strong sense of mission with lofty ethics as leaders of a business serving the public interest**
- Candidates for outside Directors (excluding candidates serving as members of the Audit and Supervisory Committee) shall be selected by evaluating whether candidates can work to realize proper decisionmaking and management supervision by the Board of Directors, based on practical experience grounded in corporate management and other factors and insights into social, economic, and other trends.
- Candidates for Directors serving as members of the Audit and Supervisory Committee shall be selected by evaluating whether the candidates can apply their respective experience and insights to the proper execution of their duties as Audit and Supervisory Committee members and to the audit and supervision of job execution by Directors. Candidates for outside Directors serving as members of the Audit and Supervisory Committee shall be selected by evaluating whether the candidates can perform audits and supervision from an objective and neutral perspective.
- Whether candidates for outside Directors are independent or not shall be judged on the basis of the Independence Criteria for Outside Directors set by the Company.

### Procedures

- Based on the above policies, to enable more objective, timely, and transparent decision-making, the Nomination and Remuneration Advisory Committee, whose members include multiple independent outside Directors, including the chair, deliberates on the appointment. A decision is made by the Board of Directors. For candidates for Directors serving as members of the Audit and Supervisory Committee, the consent of that Committee is obtained before submission to the Board of Directors. The Audit and Supervisory Committee may also present opinions on candidate Directors (not including candidates for Directors serving as members of the Audit and Supervisory Committee) and submit them to the General Meeting of Shareholders

## Policies and procedures for determining compensation for Directors

Policies and procedures for determining compensation for Directors (excluding Directors serving as members of the Audit and Supervisory Committee) are as follows:

### Policies

- To help realize Working alongside next, the Tohoku Electric Power Group's Medium- to Long-Term Vision, decisions are made on the remuneration of Directors (not including Directors serving as members of the Audit and Supervisory Committee) in accordance with the following policy, intended to strengthen motivation among Directors to improve business performance and contribute to improvements in business performance over the medium to long term, by clarifying the relationship between remuneration and business performance and stock prices.
- The remuneration structure consists of fixed remuneration, remuneration linked to short-term performance, and remuneration linked to medium-/long-term performance. Remuneration amounts are determined for each position based on a consideration of Company business results, the business environment, and other factors, while also referring to remuneration at other publicly traded firms.
  - To incentivize improved business results, the percentages of total compensation accounted for by fixed remuneration, remuneration linked to short-term performance, and remuneration linked to medium-/long-term performance are set to roughly 70%, 10%, and 20%, respectively, at the time the goals are achieved.
  - Fixed remuneration is paid monthly as monetary remuneration in annual amounts determined so as not to exceed the total approved by the General Meeting of Shareholders.
  - Remuneration linked to short-term performance is paid as annual remuneration that varies with the degree to which business performance objectives are achieved, so as not to exceed the total approved by the General Meeting of Shareholders.
  - Remuneration linked to medium-/long-term performance is paid by awarding one share of Company common stock per point based on the total points earned annually during the time of service, at the time of retirement or resignation through an investment-trust- based remuneration system. This, too, is not to exceed the total approved by the General Meeting of Shareholders. Points are awarded as fixed points and variable performance-linked points awarded in accordance with the extent to which business performance objectives are achieved. If a recipient becomes ineligible to receive this remuneration, for example by having committed any of the acts prohibited under the Rules on Issue of Shares, and such fact has been discovered prior to the date of finalization of beneficiary rights, then the shares of common stock will not be issued. If the violation has been discovered after the date of finalization of beneficiary rights, then the Company may demand return of the amount corresponding to the remuneration paid.
  - The indicator used in the portion corresponding to variable performance-linked points in remuneration linked to short-term and medium-/long-term performance is the financial target of consolidated cash income (excluding factors such as time lag effects of the fuel-cost adjustment system, an external variable factor) identified in Working alongside next, the Tohoku Electric Power Group's Medium- to Long-Term Vision. The target is set to 320 billion yen for each fiscal year. Amounts paid and other matters vary with the extent of achievement of this target and other factors.
  - Remuneration of outside Directors, whose perspectives are independent of business execution, consists of fixed remuneration only.
  - Allotments for the respective Directors shall be decided in accordance with the sizes of the roles assigned to the respective title holders, the details of deskwork and duties assigned to the respective Directors and their respective scopes of responsibility.

### Procedures

- Overseeing the business as a whole, the President makes decisions each year regarding the amounts paid to each individual and other matters, through a Board of Directors resolution delegating full authority to him or her. To ensure its objectivity and transparency, the resolution on delegation of authority to the President is deliberated on by the Nomination and Remuneration Advisory Committee, whose members include multiple independent outside Directors, including the chair. The amounts paid to each individual and other matters, decisions related to which are delegated to the President as described above, cannot exceed the total payment amounts and other amounts for Directors (excluding Directors serving as members of the Audit and Supervisory Committee) as specified in advance through deliberation by the Nomination and Remuneration Advisory Committee. The actual amounts paid are reported to the Nomination and Remuneration Advisory Committee.
- The Audit and Supervisory Committee may state its decided opinion on compensation for Directors (excluding Directors serving as members of the Audit and Supervisory Committee) at a General Meeting of Shareholders.

Policies and procedures for determining compensation for Directors serving as members of the Audit and Supervisory Committee are as follows:

- Remuneration for Directors serving as members of the Audit and Supervisory Committee, whose positions are independent of business execution, consists of fixed remuneration only, paid monthly so as not to exceed the total approved by the General Meeting of Shareholders. The amount paid to each Director is determined through negotiation among the Directors serving as members of the Audit and Supervisory Committee.

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## Compensation for Directors, etc.

(FY2021)

Classifications for Directors	Monetary remuneration				Nonmonetary remuneration	
	Fixed remuneration		Remuneration linked to short-term performance		Remuneration linked to medium-/long-term performance	
	Number of compensation recipients	Amount paid (millions of yen)	Number of compensation recipients	Amount paid (millions of yen)	Number of compensation recipients	Amount paid (millions of yen)
Directors (excluding Directors serving as members of the Audit and Supervisory Committee and Outside Directors)	13	347	—	—	11	41
Members of the Audit and Supervisory Committee	5	73	—	—	—	—

- (Notes)
- As of March 31, 2022, there were 12 Directors (including four outside Directors), excluding those serving as members of the Audit and Supervisory Committee. The Company has four additional Directors serving as members of the Audit and Supervisory Committee, including three outside Directors. Compensation for the Directors specified above includes compensation for one Director not serving as members of the Audit and Supervisory Committee, who stepped down at the end of the 97th Ordinary General Meeting of Shareholders held June 25, 2021 and for one Director serving as a member of the Audit and Supervisory Committee who resigned.
  - The total compensation paid to the eight outside Directors above was 81 million yen, all paid as fixed remuneration.
  - In light of the consolidated ordinary loss recorded this fiscal year, we have not paid the entire amount of remuneration linked to short-term performance and the portion corresponding to performance-linked points of remuneration linked to medium-/long-term performance. In addition to the figures shown above, we also recorded as expenses in this fiscal year a 2 million yen difference between the amount recorded last year for remuneration linked to short-term performance and the amount actually paid, for eight Directors (including two Directors [excluding Directors serving as members of the Audit and Supervisory Committee] who resigned on March 31, 2021).
  - The Company has issued a total of 122,800 shares of stock as payment for execution of duties to two Directors (excluding Directors serving as members of the Audit and Supervisory Committee) who resigned on March 31, 2021 and one Director (excluding Directors serving as members of the Audit and Supervisory Committee) who stepped down at the end of the 97th Ordinary General Meeting of Shareholders held June 25, 2021. Each of these was paid under the stock-based compensation program linked to business performance.

### Fixed remuneration, remuneration linked to short-term performance

<b>Directors</b> (excluding Directors serving as members of the Audit and Supervisory Committee) (Based on resolution passed at the 96th Ordinary General Meeting of Shareholders held June 25, 2020. The resolution affects 11 Directors.)	<b>Up to 516 million yen/year</b> (including up to 60 million yen/year for outside Directors)	<b>Directors serving as members of the Audit and Supervisory Committee</b> (Based on resolution passed at the 94th Ordinary General Meeting of Shareholders held June 27, 2018. The resolution affects four Directors.)	<b>Up to 12 million yen/month</b>
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### Remuneration linked to medium-/long-term performance

<b>Directors excluding outside Directors</b> (excluding Directors serving on the Audit and Supervisory Committee) (Based on resolution passed at the 96th Ordinary General Meeting of Shareholders held June 25, 2020. The resolution affects eight Directors.)	Under the investment-trust- based remuneration system, Company stock and monetary amounts equivalent to the convertible value of Company stock are issued/granted at the time of resignation. The trust contribution amount per three fiscal years is not to exceed 540 million yen in total; the total number of points awarded to Directors per fiscal year is not to exceed 400 thousand points (equivalent to 400 thousand shares of stock).
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## CEO (President) succession plan

The Board of Directors oversees the development of successors to the position of Chief Executive Officer (President) to ensure this occurs systematically and with an adequate investment of time and resources. The Nomination and Remuneration Advisory Committee, whose members include multiple independent outside Directors, including the chair, deliberates on the development of successors in a systematic and continuous manner, to ensure its objectivity and transparency, while taking into consideration matters such as the Company's changing business conditions.

## Message from the chair of the Nomination and Remuneration Advisory Committee

### About the Nomination and Remuneration Advisory Committee

Our Nomination and Remuneration Advisory Committee was established in 2016. This marks its seventh year. The committee's membership currently stands at four outside Directors, including myself, and two internal Directors. The committee met eight times in FY2021. Each meeting featured active discussions among internal and outside Directors.

### Initiatives in FY2021

In FY2021, based on the five abilities and qualities required for candidate Directors chosen last year—imagination, decisiveness, tenacity, sensitivity, and high character—we deliberated on ways to develop the next generation of management so that it will possess these abilities and qualities, among other properties, and began initiatives toward establishment of concrete succession plans, including training for core members of management.

In consideration of executive appointments, we assessed human resources based on the above five abilities and qualities through means including opportunities for dialogue between the executives and outside Directors. We also used the newly formulated skills matrix to select appointments with consideration for balance in terms of the skills, specializations, and other qualities needed of the Board of Directors as a whole.

Furthermore, to ensure transparency in management and improve corporate governance, we discussed which roles to delegate to former chairpersons and presidents. In these ways, our governance structure is steadily evolving to become ever more effective

### Matters considered in FY2022

In FY2020, we adopted a stock-based compensation program linked to business performance, as an incentive toward achieving medium- to long-term performance on the way

toward "Working alongside next," the Tohoku Electric Power Group's Medium- to Long-Term Vision goals. This is the third year of this program. We will continue discussing ways to increase the Board of Directors' motivation to contribute to improving medium- to long-term business performance and growing corporate value.

Alongside efforts to improve the succession plan for purposes such as training the next generation of management, we believe that we must promote reforms to raise the level of employee awareness of the need to increase the percentage of women as managers.

### Message for stakeholders

I believe the mission of the Nomination and Remuneration Advisory Committee is evolving from one of securing objectivity, transparency, and fairness in the process of making decisions on executive nomination and remuneration to one that covers a broader range of deeper responsibilities. These include developing the next generation of management and studying remuneration programs to improve incentives to executives.

To ensure sound governance, it is vital to have an awareness of issues at all times and look at current conditions from new perspectives. As chair of the Nomination and Remuneration Advisory Committee, I will continue to value new insights from an external perspective.

Director  
(Independent Outside Director)  
Chairperson, Nomination and Remuneration Advisory Committee  
Tsutomu Kamijo



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## Assessment of the Board of Directors' effectiveness

The Company undertakes a questionnaire survey of Directors to assess the Board of Directors' effectiveness and reports the findings of the survey to the Board of Directors annually. Based on the survey findings, the Board of Directors shares its understanding of the existing conditions and opinions for bettering the conditions and the like, assesses the effectiveness of the Board of Directors as a whole, and confirms initiatives for improving the Board's effectiveness, among other things.

### Survey topics

The survey questions are grouped into the following main categories. Directors are asked to choose one of five answers for each question. A space is provided in each category for freeform comments.

- |  |  |
|--|--|
| I. Number of members and composition of the Board of Directors | V. Support structures for Directors and members of the Audit and Supervisory Committee, provision of information to them, etc. |
| II. Scope of matters submitted to the Board of Directors       | VI. Operation of the Nomination and Remuneration Advisory Committee  |
| III. Decision-making and oversight at the Board of Directors   | VI. Priority initiatives for FY2021  |
| IV. Operation of the Board of Directors, etc.                  |  |

### FY2021 initiatives

In FY2021, we sought to increase the efficacy of the Board of Directors via the following initiatives:

- 1 Providing outside Directors with summaries of deliberations in the Management Committee, in which internal Directors participate, and other efforts to deepen further the content of Board deliberations
- 2 Efforts to achieve a shared understanding of the issues among both internal and outside Directors, through means including providing opportunities outside of the regular Board meetings for internal Directors to explain to outside Directors matters such as the management issues the Company faces

### Process of assessing the efficacy of the Board



### Overview of results of evaluation

The results of the survey carried out in February 2022 showed improvements from the two previous surveys in terms of overall average scores, as well as strong results in all evaluation categories. Based on this survey we have judged the efforts conducted in FY2021 to increase the efficacy of the Board to have generated positive results.

Referring to the results of exchange of opinions among all outside Directors in March 2022, after totaling the results of this survey, deliberations in a May 2022 Board of Directors meeting confirmed that the Board had demonstrated satisfactory efficacy in FY2021.

At the same time, to increase efficacy even more they recognized the need for initiatives on the following matters:

- 1 Implementing validation of the plan-do-check-act (PDCA) cycle concerning business administration to enhance monitoring of the medium-term plan
- 2 Systemically holding colloquia and other activities outside of the Board of Directors, to enhance free discussions and exchange of opinions among inside and outside Directors

The Company Board of Directors will continue to strive to maintain and improve the efficacy of the Board of Directors on these and other points, thereby ensuring appropriate management oversight by the Board and to realize sustained growth in corporate value.

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**Directors** (as of July 2022)

\* Actual attendance is shown for FY2020. Sadahiro Ohno and Satoshi Isagoda took office on June 28, 2022.  
 \* Attendance for Kazuhiro Ishiyama, Hiromitsu Takano, and Isao Kato is for meetings of the Board held since June 25, 2021.



Representative Director & Chairman of the Board  
**Jiro Masuko**

Status of attendance at Board of Directors meetings .....11/11 (100%)

**Reasons for appointment**  
 Since joining the Company, Masuko has worked in businesses centered on those assigned to the nuclear power divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as an Executive Officer and the General Manager of the Aomori Branch Office, and as Executive Officer and General Manager of the Nuclear Power Department. Masuko has served as Managing Director since June 2015, as a Representative Director and Executive Vice President since April 2018, and as a Representative Director and Chairman of the Board since April 2021. The Company reappointed him as Director in light of his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & President  
**Kojiro Higuchi**

Status of attendance at Board of Directors meetings .....11/11 (100%)

**Reasons for appointment**  
 Since joining the Company, Higuchi has worked in businesses centered on those assigned to the thermal power divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as the General Manager of the Haramachi Thermal Power Station and as an Executive Officer and General Manager of the Thermal Power Department. He has served as Managing Director from June 2016, as a Director and Managing Executive Officer from April 2018, as a Representative Director and Executive Vice President from June 2019, and as a Representative Director and President since April 2020, in light of his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & Executive Vice President  
**Toshinori Abe**

Status of attendance at Board of Directors meetings .....11/11 (100%)

**Reasons for appointment**  
 Since joining the Company, Abe has worked in businesses centered on those assigned to the human resources divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as General Manager of the Human Capital Department and as Executive Officer and General Manager of the Tokyo Branch Office. Abe served as Managing Director from June 2017, as Director and a Managing Executive Officer from April 2018, and as a Representative Director and Executive Vice President from April 2021. The Company reappointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & Executive Vice President  
**Kazuhiro Ishiyama**

Status of attendance at Board of Directors meetings ..... 9/9 (100%)

**Reasons for appointment**  
 Since joining the Company, Ishiyama has worked in businesses centered on those assigned to the planning divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as Executive Officer and General Manager of the Corporate Planning Department and Managing Executive Officer. Ishiyama served as Director and Managing Executive Officer from June 2021 and as a Representative Director and Executive Vice President from April 2022. The Company reappointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & Executive Vice President  
**Hiromitsu Takano**

Status of attendance at Board of Directors meetings ..... 9/9 (100%)

**Reasons for appointment**  
 Since joining the Company, Takano has worked in businesses centered on those assigned to the general-affairs divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as General Manager of the General Affairs Department, Senior Executive Officer and General Manager of the Niigata Branch Office, and Managing Executive Officer. Takano served as Director and Managing Executive Officer from June 2021 and as a Representative Director and Executive Vice President from April 2022. The Company reappointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Director & Managing Executive Officer  
**Isao Kato**

Status of attendance at Board of Directors meetings ..... 9/9 (100%)

**Reasons for appointment**  
 Since joining the Company, Kato has worked in businesses centered on those assigned to the nuclear power divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as Executive Officer and General Manager of the Nuclear Power Department and Managing Executive Officer. Kato served as Director and a Managing Executive Officer from June 2021. The Company reappointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Director & Managing Executive Officer  
**Sadahiro Ohno**

Status of attendance at Board of Directors meetings ..... —/— (—%)

**Reasons for appointment**  
 Since joining the Company, Ohno has worked in businesses with a focus on those assigned to the thermal power divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as an Executive Officer and General Manager of the Thermal Power Department and a Managing Executive Officer. The Company appointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Director & Managing Executive Officer  
**Satoshi Isagoda**

Status of attendance at Board of Directors meetings ..... —/— (—%)

**Reasons for appointment**  
 Since joining the Company, Isagoda has worked in businesses with a focus on those assigned to the business administration divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as an Executive Officer and General Manager of the Human Resources Department, an Executive Officer and General Manager of the Iwate Branch, and a Managing Executive Officer. The Company appointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.

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## Directors (as of July 2022)



Director (Outside Director) (Independent Director)

### Tsutomu Kamijo

Status of attendance at Board of Directors meetings ..... 11/11 (100%)

#### Reasons for appointment and summary of anticipated roles

Kamijo has served in positions including Chairman and Director of Sapporo Holdings Ltd. and brings experience in managing a company that manufactures and sells beverages, foods and other products. The Company appointed Kamijo as an Outside Director based on expectations that he will apply his extensive experience and rare insights to the management of the Company based on his past career and performance record.

Kamijo brings a wealth of experience as a corporate manager, playing a leading role in areas including large-scale domestic and international M&A and business alliance activities and global business development. He is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director & Audit and Supervisory Committee Member

### Katsuaki Fujikura

Status of attendance at Board of Directors meetings ..... —/— (—%)

Status of attendance in Audit and Supervisory Committee meetings ..... —/— (—%)

#### Reasons for appointment

Since joining the Company, Fujikura has worked in businesses with a focus on those assigned to the fuel divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as an Executive Officer and General Manager of the Fuel Department, an Executive Officer and Special Remuneration Audit Executive, and a Senior Executive Officer and General Manager of the Niigata Branch. The Company appointed him as Director & Audit and Supervisory Committee Member based on his extensive business experience within the Company and general knowledge of electricity business management.



Director (Outside Director) (Independent Director)

### Osamu Kawanobe

Status of attendance at Board of Directors meetings ..... 11/11 (100%)

#### Reasons for appointment and summary of anticipated roles

Kawanobe is Representative Director and President of JR East Mechatronics Co. Previously held positions include those of Representative Director and Vice President of the East Japan Railway Company. He brings a wealth of experience in managing public-interest businesses and in other areas. The Company appointed Kawanobe as an Outside Director based on expectations that he will apply his extensive experience and rare insights to the management of the Company based on his past career and performance record.

Kawanobe brings a wealth of experience as a corporate manager, playing a leading role in business diversification efforts based on the rail transportation business. He is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director & Audit and Supervisory Committee Member (Outside Director) (Independent Director)

### Ikuko Miyahara

Status of attendance at Board of Directors meetings ..... 11/11 (100%)

Status of attendance in Audit and Supervisory Committee meetings ..... 13/13 (100%)

#### Reasons for appointment and summary of anticipated roles

As university professor, Miyahara has experience in the real-world use of regional resources, research on support for reconstruction following major earthquakes, and joint industry, government, and academic projects. The Company appointed Miyahara as Outside Director and Audit and Supervisory Committee Member based on expectations she will apply her extensive experience and rare insights gained in her academic career toward the objective of providing impartial audits and supervision, drawing on her past career and performance record. Miyahara brings a wealth of insights as an experienced academic and experience based on involvement in disaster recovery in the Tohoku region. She is expected both to audit and oversee Company management from an independent perspective.



Director (Outside Director) (Independent Director)

### Mikito Nagai

Status of attendance at Board of Directors meetings ..... 8/9 (89%)

#### Reasons for appointment and summary of anticipated roles

Nagai's previous positions include Representative Director and President of Nippon Steel Kowa Real Estate. He has also served as a Director and Vice President of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.), and he brings a wealth of experience in managing the real estate and banking businesses and in other areas. The Company appointed Nagai as an Outside Director based on expectations that he will apply his extensive experience and rare insights to the management of the Company based on his past career and performance record.

Nagai brings a wealth of experience and financial insights as a corporate manager. He is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director & Audit and Supervisory Committee Member (Outside Director) (Independent Director)

### Kazuo Kobayashi

Status of attendance at Board of Directors meetings ..... 11/11 (100%)

Status of attendance in Audit and Supervisory Committee meetings ..... 13/13 (100%)

#### Reasons for appointment and summary of anticipated roles

Kobayashi is a Standing Statutory Auditor of the Nippon Life Insurance Company. He offers considerable knowledge of financial affairs and accounting. He has also served in posts including a Representative Director and Executive Vice President of the Nippon Life Insurance Company, and he has experience in management of the life insurance business. The Company reappointed him as an Outside Director and an Audit and Supervisory Committee Member based on expectations that he will apply his extensive experience and rare insights toward the objective of providing impartial audits and supervision of the Company based on his past career and performance record.

Kobayashi brings knowledge of financial affairs and accounting and financial insights. He is expected both to audit and oversee Company management from an independent perspective.



Director (Outside Director) (Independent Director)

### Keiko Uehara

Status of attendance at Board of Directors meetings ..... —/— (—%)

#### Reasons for appointment and summary of anticipated roles

Uehara's previous positions include Executive Director of Daiwa Securities Business Center Co. Ltd., where she managed back-office business operations, and Executive Officer of Daiwa Securities Group Inc. The Company appointed Uehara as an Outside Director based on expectations that she will apply her extensive experience and rare insights to the management of the Company based on her past career and performance record.

Uehara brings a wealth of experience and financial insights as a corporate manager. She is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director & Audit and Supervisory Committee Member (Outside Director) (Independent Director)

### Akiko Ide

Status of attendance at Board of Directors meetings ..... 9/9 (100%)

Status of attendance in Audit and Supervisory Committee meetings ..... 10/10 (100%)

#### Reasons for appointment and summary of anticipated roles

Ide's previous positions include Standing Statutory Auditor of Nippon Telegraph and Telephone Corporation, Statutory Auditor of NTT, Inc., and Executive Officer of NTT Docomo, Inc. The Company appointed her as an Outside Director and an Audit and Supervisory Committee Member based on expectations that she will apply her extensive experience and rare insights toward the objective of providing impartial audits and supervision of the Company based on her past career and performance record.

Ide brings a wealth of experience in management of public utilities and auditing experience and insights. She is expected both to audit and oversee Company management from an independent perspective.

\* Actual attendance is shown for FY2021. Keiko Uehara and Katsuaki Fujikura were appointed on June 28, 2022.

\* Attendance for Mikito Nagai and Akiko Ide is for meetings of the Board held since June 25, 2021.

\* Attendance for Akiko Ide is for meetings of the Audit and Supervisory Committee held since June 25, 2021.

\* The independence of independent Directors is judged based on the standards for independence established by the financial instruments exchange on which Company shares are listed.

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Areas of specific expectations for skills individual Directors have (skills matrix)

Our outlook on areas of expectations for individual Directors

The seven items below have been identified as skills essential to Company Directors in general and skills essential for future strategic implementation to realize “Working alongside next,” the Tohoku Electric Power Group’s Medium- to Long-Term Vision:

● Chair ○ Member | ● Male ○ Female

Name	Title	Nomination and Remuneration Advisory Committee member?	Gender	Areas of particular expectations <sup>1</sup>						
				Planning and management	Technology <sup>2</sup>	Finance and accounting	Legal and risk management	Business development and marketing	Social communication <sup>3</sup>	Personnel and human resource development
Jiro Masuko	Representative Director & Chairman of the Board	○	●	●	●				●	
Kojiro Higuchi	Representative Director & President	○	●	●	●		●			
Toshinori Abe			●	●				●		●
Kazuhiro Ishiyama	Representative Director & Executive Vice President		●		●	●	●			
Hiromitsu Takano			●				●		●	
Isao Kato			●		●				●	
Sadahiro Ohno	Director & Managing Executive Officer		●		●				●	
Satoshi Isagoda			●			●		●		●
Tsutomu Kamijo		●	●	●			●	●		
Osamu Kawanobe	Director (Outside Director)	○	●	●	●		●			
Mikito Nagai		○	●	●		●	●			
Keiko Uehara			○			●			●	●
Katsuaki Fujikura	Director & Audit and Supervisory Committee Member		●				●		●	
Ikuko Miyahara		○	○					●	●	●
Kazuo Kobayashi	Director & Audit and Supervisory Committee Member (Outside Director)		●	●		●		●		
Akiko Ide			○	●				●	●	

\*1 The above list describes the top three areas of particular expectations based on the skills possessed by individual Directors. It does not indicate all areas of specialization and experience of each Director.

\*2 Technology refers to capabilities related to electricity, machinery, and other technologies in general, including environmental knowledge, to contribute to carbon neutrality.

\*3 Social communication refers to capabilities related to communication with local communities and other stakeholders.

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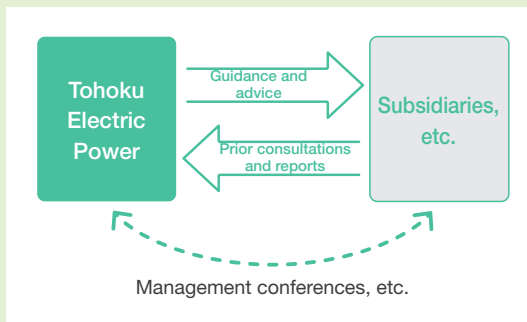


## Enhancement of Group governance

The Board of Directors has established a basic policy on a structure to secure appropriate business operations, under which we're striving to enhance governance at subsidiaries and other members of the Group.

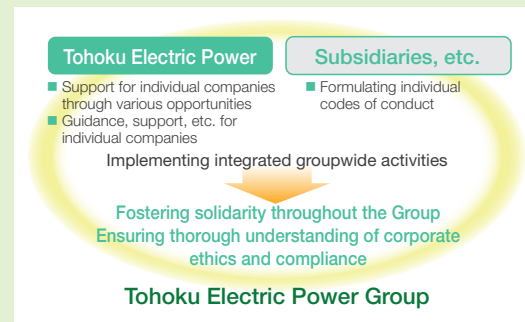
### Business administration structure

We've established Affiliate Business Rules and Affiliate Business Standards, and we demand prior consultations and reports from subsidiaries and affiliates concerning important matters, as well as providing appropriate guidance and advice. Alongside ensuring a thorough understanding of the Group's Medium- to Long-Term Vision "Working alongside next" through means such as periodic Group management conferences, we're studying and implementing measures to improve efficiency and productivity on a continual basis.



### Corporate ethics and compliance structure

By providing support to individual companies through means such as Tohoku Electric Power Group Corporate Ethics Month and Group liaison meetings, we're fostering solidarity throughout the Group and ensuring thorough understanding of corporate ethics and compliance, as well as formulating codes of conduct by individual companies based on the Tohoku Electric Power Group Sustainability Policy and the Tohoku Electric Power Group Code of Conduct.



### Structure for management of risks of losses

In accordance with the Affiliate Business Rules and Affiliate Business Standards, we demand prior consultations and reports from subsidiaries and affiliates concerning significant risks, as well as provide appropriate guidance and advice. We have also established the Risk Management Response Manual and the Tohoku Electric Power Group Emergency Communication Rules, through which we have set up a structure for risk management and emergency response. Any legal violation or other such incident identified at a Group company through consultations with the Tohoku Electric Power Group Ethics Hotline or other means is duly reported to the Board of Directors and the Committee on Corporate Ethics and Compliance, followed by appropriate response.



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## Communication with shareholders and investors

### Policy on constructive dialogue with shareholders

To contribute to sustained growth and medium- to long-term increases in corporate value, we respond to various topics that interest and concern shareholders through opportunities for dialogue, in addition to opportunities provided by the general meetings of shareholders. Core members of management and directors strive to explain management policies as clearly as possible, to ensure that shareholders understand our efforts in light of our business environment.

We are also advancing the following initiatives as we continue to promote constructive dialogue with shareholders.

- 1 Appointment of a director in charge of IR, to coordinate dialogue with shareholders and investors overall
- 2 Organic coordination with individual sections through IR Promotion Committee meetings in which personnel from internal accounting, planning, legal, environmental, and other sections participate in addition to the director in charge of IR
- 3 Holding events such as shareholder colloquia and briefings on financial results, to enhance dialogue other than individual meetings
- 4 Sharing information with executives and related internal parties on summaries of dialogue with shareholders and investors and striving to put comments and requests received to use in Company management
- 5 Establishing Standards on Control of Insider Trading and asking executives, executive officers, employees, and others to manage material facts thoroughly as well as carrying out timely, fair, and appropriate disclosure in line with the Disclosure Policy of information that could have a material impact on decisions by shareholders and investors

### Posting IR information to the Company website

We proactively disclose information on topics such as management policies, financial and business results, and documents used in briefings on financial results.



**Shareholders and investors**  
<https://www.tohoku-epco.co.jp/ir/>

### IR activities

Audience	Initiative	Details of FY2021 activities
Analysts, institutional investors	<ul style="list-style-type: none"> <li>■ Holding briefings on financial results for analysts and institutional investors twice annually (at the end of the second quarter and the fiscal year)</li> <li>■ Holding individual meetings on ESG and stewardship and individual meetings with bond investors to grow ESG finance</li> <li>■ Timely feedback to the Management Committee, IR Promotion Committee, and other bodies of views and requests from investors and the latest trends related to ESG investment and disclosure</li> <li>■ Efforts to enhance disclosure to improve our evaluations in capital markets</li> </ul>	<ul style="list-style-type: none"> <li>■ Briefings on financial results held for analysts and institutional investors</li> <li>■ Small meetings</li> <li>■ Individual meetings held on ESG and stewardship</li> <li>■ ESG briefings on the Integrated Report</li> <li>■ Individual meetings with bond investors (debt IR)</li> </ul>
Individual shareholders, individual investors	<ul style="list-style-type: none"> <li>■ Holding online briefings to maintain and secure new individual shareholders</li> </ul>	<ul style="list-style-type: none"> <li>■ Company briefings for individual investors</li> </ul>

### A Company briefing (on the Web) for individual investors



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# Risk Management

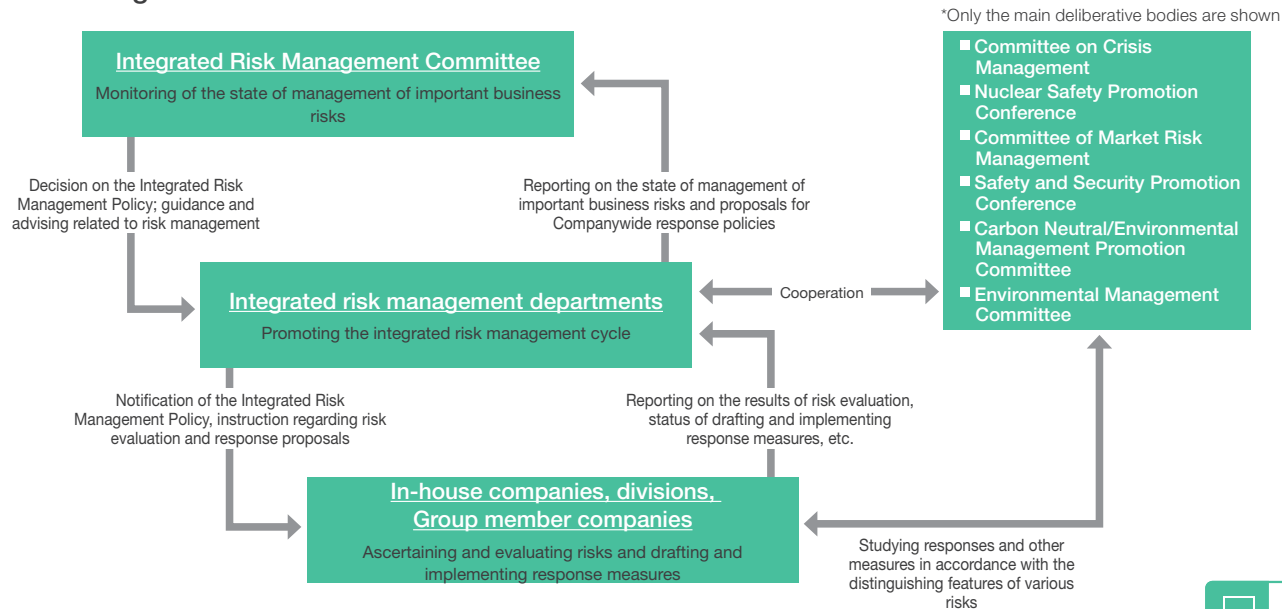
## Risk management initiatives

In addition to establishing an Integrated Risk Management Policy, the Company periodically reviews business and financial risks to identify, analyze, and evaluate risks and to study and implement responses.

Particularly for factors that pose major risks to Company businesses, the integrated risk management departments cooperate with various committees and other organizations in accordance with risk characteristics, based on monitoring and risk management by the Integrated Risk Management Committee. Business execution departments such as in-house companies and divisions also identify and evaluate risks periodically and incorporate responses and other measures into their annual business plans to deploy risk management activities specific to their own organizations.

As an example of cooperation with individual committees, the Committee of Market Risk Management appropriately manages market risks in the Company's business activities, including those related to fluctuating fuel prices and wholesale electricity trading prices, in light of the growing importance of revenue management as the Company's business environment changes. It then studies and implements responses as necessary, including hedge transactions.

## Risk management structure



## Integrated Risk Management Committee

Established this fiscal year, the Integrated Risk Management Committee is a joint committee with Tohoku Electric Power Network chaired by the President of Tohoku Electric Power whose membership consists of all directors of both companies. Its purpose is to promote the Company's integrated risk management activities and to deliberate on and study responses to important business risks in the Group from a management perspective.

Specifically, it meets twice annually to evaluate the state of management of important business risks and to provide guidance and advice on deployment of risk management activities while striving to enhance risk management activities through feedback to individual business execution sections and related deliberative bodies. It also reports periodically to the Board of Directors and other parties on the state of risk management.

## Basic outlook underlying integrated risk management

- We advance risk management activities in which the Integrated Risk Management Committee serves as the leading organization based on the Integrated Risk Management Policy.
- While the sections closest to where risks occur conduct autonomous risk management as our basic policy, we carry out management to keep measured value at risk within a range that the Company finds tolerable. Based on a recognition that securing stable revenues requires appropriate risk-taking, we also strive to keep value at risk within the amount of consolidated equity capital, thereby achieving management that strikes a healthy balance between soundness and profitability.
- For risks and other matters for which it is difficult to measure value at risk, we qualitatively analyze their nature and maintaining systems capable of withstanding them to minimize the impact of the actual emergence of risks.

See "Business and Other Risks" in the Securities Report for specific examples of important business risks.  
<https://www.tohoku-epco.co.jp/ir/report/security/>

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## Crisis management standards

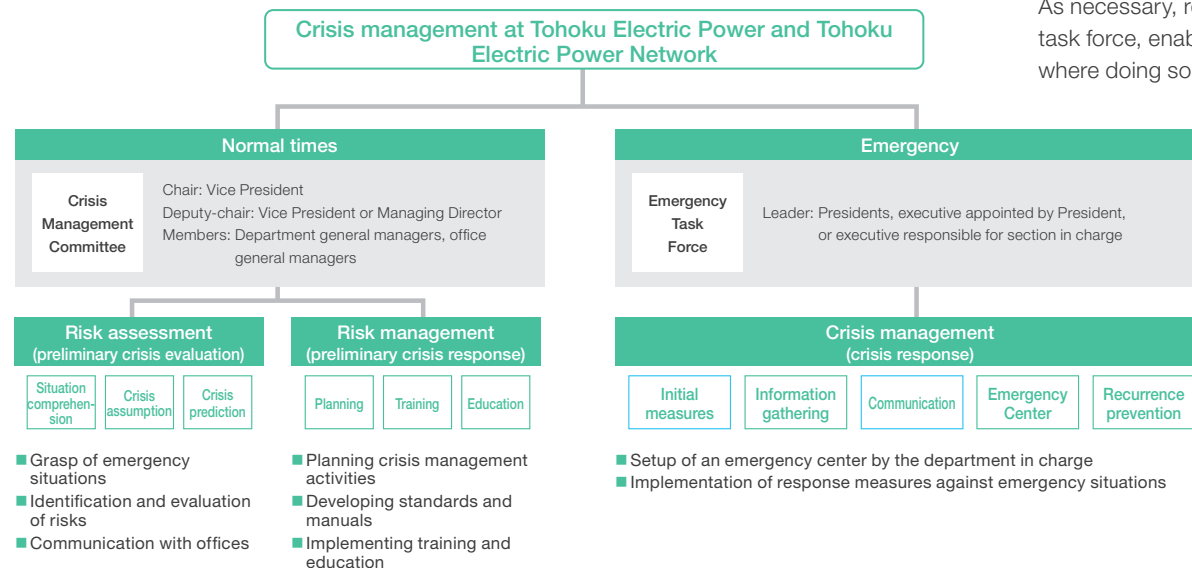
Based on prior anticipation of various crises with potential serious impacts on company management, Tohoku Electric Power and Tohoku Electric Power Network have each established crisis management standards intended to prevent crises from occurring and to minimize damage in the event that they arise.

## Crisis Management Committees

We have also established individual Crisis Management Committees (chaired by the respective Vice Presidents) to promote crisis management activities and to run through the corresponding plan-do-check-act (PDCA) cycles. Meeting twice annually, these Crisis Management Committees carry out activities such as assessing activities during the fiscal year and sharing risk information, as well as deliberating on action plans for the next fiscal year. The results are reported to the Management Committee.

In light of the need for a crisis management structure under which both Tohoku Electric Power and Tohoku Electric Power Network can work together even after the statutory division into separate entities, the Crisis Management Committees will meet jointly for both companies.

## Crisis management structure



## Preparedness during normal times

During normal times, each section and site strives autonomously to increase sensitivity to risks through awareness raising activities, drills, and other activities, including preventive measures such as equipment-related measures to prevent crises from occurring.

In addition, the Crisis Management Committee Secretariat follows up on the autonomous activities of each section and site through e-learning on crisis management and drills on communication of information in an emergency for all employees. Crisis risks are identified and assessed from multifaceted perspectives through considering the major risks inherent to the Company's business from the three perspectives of financial risks, business risks, and emergencies.

To promote awareness of risk management groupwide, activities seek to intensify cooperation through dialogue with individual Group member companies and drills on communicating information in the event of an emergency.

## Responding to emergencies

In the event of an emergency, in addition to performing the necessary initial actions, various actions based on swift and appropriate response are taken in cooperation with related parties to minimize damage.

In the event of an emergency requiring immediate judgement and decision-making by top management, an emergency task force is set up under the leadership of the president of the relevant company or director or other person appointed by the president.

As necessary, related executives or sections of the other company will also join the emergency task force, enabling the two companies to respond to the matter as a united team (except where doing so would violate restrictions on their behavior).

### Response system and duties of offices and departments

#### Crisis managers (Division managers, and General Managers of offices and departments)

Overall control of crisis management operations, including crisis prediction and prevention

#### Crisis management promotors (deputy general managers of offices, departments, and others)

Overall control of reporting operations in the event of an emergency and implementation of activities to promote awareness of crisis management

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## Our response to COVID-19

The Company has implemented a wide range of health management measures for both employees and their family members to counteract the spread of COVID-19. These include use of flextime and staggered working hours, working from home, decentralizing working areas, and reminding employees to wash their hands, gargle when possible, and to wear a mask at all times.

At institutions involved in ensuring the stable supply of electricity in particular, in addition to thorough preparations to ensure that substitute staff are available if a positive COVID-19 case is identified among employees, substitute facilities are secured for especially important facilities. These are part of thoroughgoing measures to eliminate any obstacles that might affect the stable supply of electricity.

We're dedicated to protecting employee health and safety and ensuring the stable supply of electricity through measures to stop the spread of COVID-19, implemented based on circumstances. Factors considered include the prevalence of the virus in each community and requests from local governments.

### Our roles as a designated public utility

As a designated public utility under the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response, we are required to prepare business plans for responding to pandemic influenza and new infectious diseases.

These plans specify the rapid and effective implementation of measures by Tohoku Electric Power and Tohoku Electric Power Network in the event of a novel influenza outbreak or similar infectious disease to ensure a stable supply of electricity, based on a safety-first outlook. Accordingly, we strive to maintain internal systems and rigorously implement the required measures.

Operations essential to business continuity—even in the midst of efforts to counter a novel influenza outbreak or similar infectious disease—are identified as priority operations. We will fulfill our roles in ensuring a stable supply of electricity even in the event of such infectious diseases.

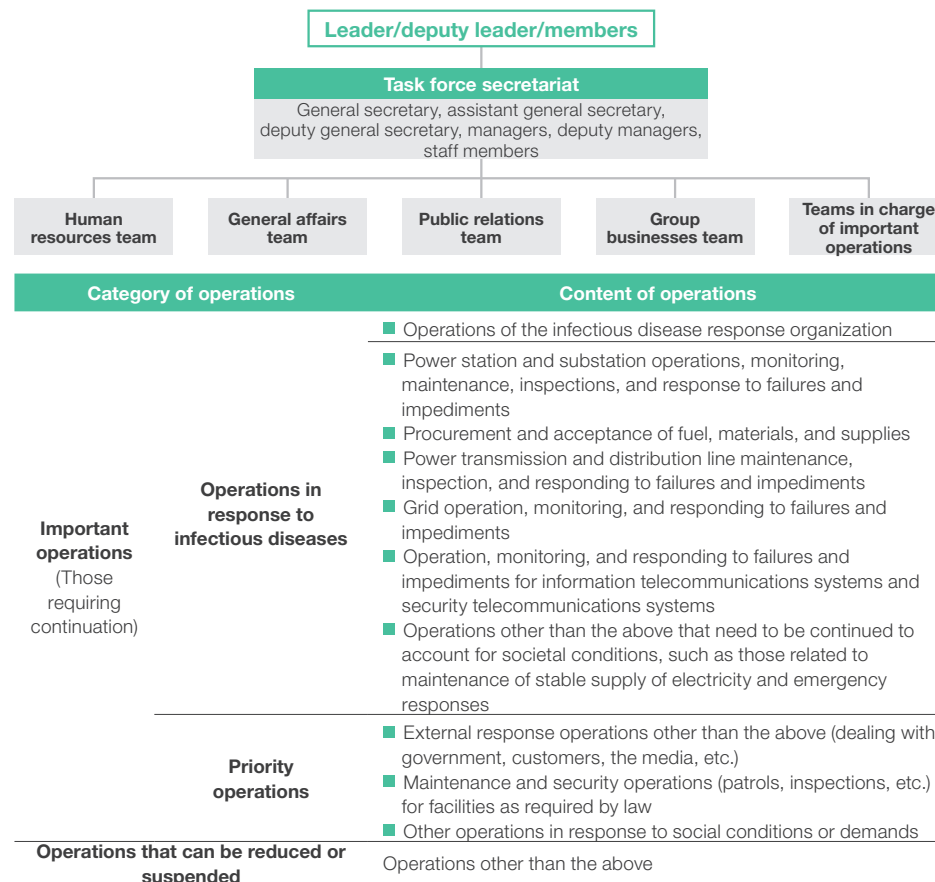
### Workstyles during and after the COVID-19 pandemic

Through means such as promoting remote work and other initiatives introduced as part of workstyle reforms, which include recommending the use of online platforms for meetings and training as well as distributing next-generation information and communications technology (ICT) tools, we are striving both to prevent the spread of COVID-19 and to adopt workstyles tailored to the “new normal.”

### Support for customers in response to the COVID-19 pandemic

For corporate customers, we have begun offering ICT adoption support services as we work alongside customers to meet their needs while realizing solutions to various challenges. We have also introduced various special measures, including deferred payments of electricity charges for customers who meet certain criteria, such as those who have been placed on leave or lost their jobs due to COVID-19.

### The novel influenza task force at the head office



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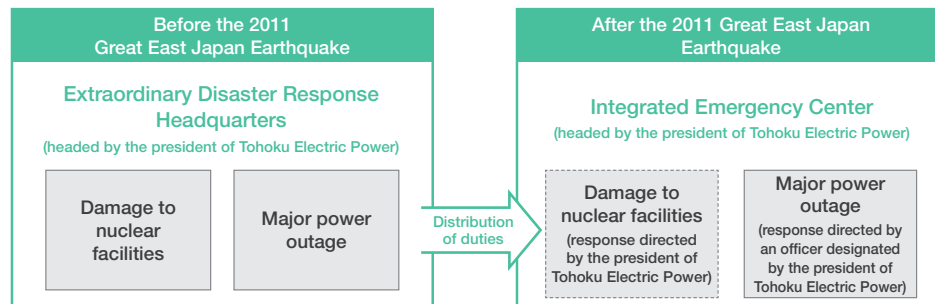
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## Governance structure for disasters

To deliver a stable supply of electricity to customers, Tohoku Electric Power and Tohoku Electric Power Network have developed a governance structure intended to enhance their abilities to respond to major disasters such as earthquakes and typhoons. While Tohoku Electric Power Network has succeeded to the power transmission and distribution business since its statutory separation into a separate entity in April 2020, to account for the state of damage and social impact of an emergency, both companies respond together to disasters.

## Distribution of duties in the event of a complex disaster

Learning from the accident at the Fukushima Daiichi Nuclear Power Station following the Great East Japan Earthquake, Tohoku Electric Power and Tohoku Electric Power Network distribute emergency center duties to ensure an effective response at their head offices in the event of a complex disaster—for example, a nuclear disaster combined with a major power outage. Accordingly, the President of Tohoku Electric Power will prioritize actions to respond to the nuclear disaster, while officers assigned by the President will oversee measures to tackle other disasters. This system is intended to ensure the preparedness needed to respond effectively to multiple concurrent disasters.



## Periodic Large-Scale Disasters Countermeasure Meetings

Because we understand the importance of minimizing the impact of any large-scale disaster and achieving early restoration, we hold periodic Large-Scale Disasters Countermeasure Meetings to strengthen the involvement of top executives. Chaired by the President, the meetings engage in companywide studies on business continuity planning (BCP) and various measures to address issues identified from recent emergency disaster training sessions, actual disaster response actions, and discussions of disaster control and management. All these measures are intended to enhance PDCA activities.

## Enhancing the capacity to respond to disasters in cooperation with outside organizations

Tohoku Electric Power and Tohoku Electric Power Network have concluded agreements on cooperation with outside organizations, including local governments, the Japan Self-Defense Forces, and the designated public utility East Nippon Expressway Co., Ltd. to facilitate mutual cooperation in the event of a disaster.

Under these agreements, practical drills are carried out to enhance cooperation. The drills carried out to date include drills on the air transport of Company vehicles using Japan Self-Defense Forces helicopters, drills on sea transport using convoy vessels, drills on recovery work in the event of blocked roadways, and drills on transporting emergency teams via expressways, undertaken with East Nippon Expressway Co., Ltd.

By continuing to establish and maintain personal contact with related parties through drills and other activities, we will enhance readiness for natural disasters of growing severity.



Recovery work drills assuming blocked roadways [Ground Self-Defense Force]



Drills on transporting emergency teams via expressways [East Nippon Expressway Co., Ltd.]

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# Information Security

## Actions for information security

Tohoku Electric Power works to maintain and improve the security of its corporate group and to control the personal information of its customers in accordance with applicable laws and regulations. We implement technical measures and establish the systems needed to safeguard against the latest cyberattacks.

### Tohoku Electric Power Group's actions for maintaining and improving security

We implement technical and organizational measures to maintain and improve security in accordance with the Tohoku Electric Power Group Information Security Fundamental Policies. Technical measures include steps to prevent unauthorized access, data leakage and falsification. Organizational measures include the development of internal standards for information security, construction of a management system under which the management assumes responsibility, awareness promotion activities for employees and information management, including contractors.



**Tohoku Electric Power Group Information Security Fundamental Policies**  
<https://www.tohoku-epco.co.jp/privacy/security.html>

### Appropriate management of personal information in accordance with laws and regulations concerning the protection of personal information

In compliance with the Act on the Protection of Personal Information and the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures, we've formulated the Standards for Personal Information Protection to ensure the appropriate management of personal information concerning customers, shareholders, and business partners.



**Tohoku Electric Power Standards for Personal Information Protection**  
<https://www.tohoku-epco.co.jp/privacy/index.html>

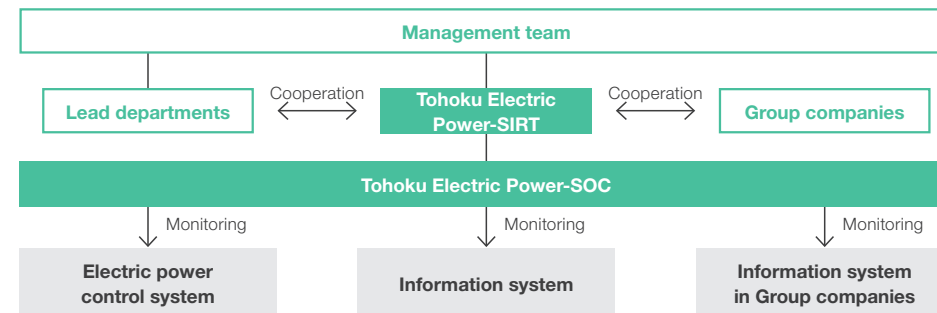


**Tohoku Electric Power Network Standards for Personal Information Protection**  
<https://nw.tohoku-epco.co.jp/privacy/index.html>

### Technical measures and building a system to safeguard against the latest cyberattacks

We implement the latest technical measures to address increasingly sophisticated cyberattacks, including those that block computer viruses and authorized access. We've established the Tohoku Electric Power Security Incident Response Team (SIRT)<sup>\*1</sup> as a security crisis management system and the Tohoku Electric Power Security Operation Center (SOC)<sup>\*2</sup> for 24-hour security monitoring operations. In this way, we're working to prevent security incidents and to minimize damage in the event of an occurrence in cooperation with our Group companies.

#### Security Implementation System



\*1. SIRT: Security Incident Response Team. Tohoku Electric Power Network has implemented a similar structure.

\*2. SOC: Security Operations Center

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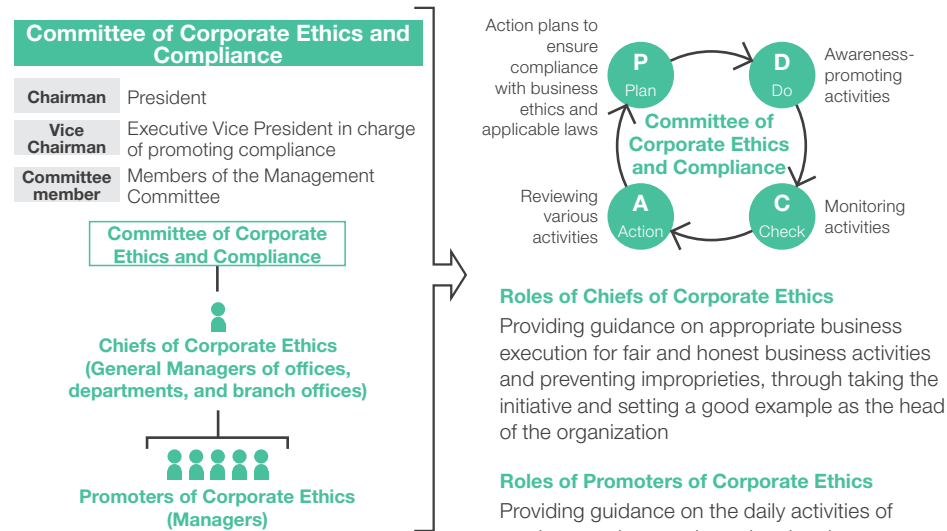
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# Compliance

## Stringent compliance with business ethics and applicable laws and regulations

We believe compliance with business ethics and applicable laws and regulations is essential to all business activities. To maintain and enhance related activities, we've established the Committee of Corporate Ethics and Compliance, chaired by the President, and appointed Chiefs of Corporate Ethics and Promoters of Corporate Ethics at the head and other offices. The Committee of Corporate Ethics and Compliance formulates action plans to ensure compliance with business ethics and applicable laws and regulations in accordance with the Tohoku Electric Power Group Corporate Ethics and Compliance Activity Policy. It also implements awareness-promoting activities in partnership with the Chiefs of Corporate Ethics and other personnel. Examples of these activities include training sessions and Corporate Ethics Month. The committee also examines various activities to review specific aspects.

### Structure to ensure compliance with corporate ethics and applicable laws and regulations\*



\* Since April 2020, Tohoku Electric Power Network has established a similar structure under which both companies engage in joint activities.

## Tohoku Electric Power Group Corporate Ethics and Compliance Activity Policy

### 1 Intensive efforts to prevent misconduct

We regard the Tohoku Electric Power Group Code of Conduct as the basis of all employee actions within the Tohoku Electric Power Group. As part of intensive efforts to prevent misconduct, we're committed to activities targeting ever-growing awareness of risks related to compliance with corporate ethics and applicable laws and regulations.

### 2 Socially acceptable actions

By engaging in the basic processes of noticing, engaging in dialogue, and correcting courses of action, we will proceed in accordance with appropriate values and criteria for judgment and engage in sincere and sound business implementation in society to maintain and boost the trust of local communities.

### 3 Encouraging the culture of volunteering at workplaces

To prompt and improve activities throughout the Group, individual companies within the Tohoku Electric Power Group will engage in activities to ensure compliance with corporate ethics and applicable laws and regulations and to distribute information on their positive efforts.

## Awareness promotion and monitoring activities

To enhance knowledge and awareness as the foundations for ethical behavior and to encourage self-discipline, we regularly carry out awareness promotion activities to strengthen compliance with corporate ethics and applicable laws and regulations. We also carry out monitoring and other activities to assess ethical behavior is put into practice. Through these activities, we're working to improve our organizational self-discipline.

## Providing appropriate education for different ranks

Our induction education for new employees focuses on the need to comply with corporate ethics, applicable laws and regulations, as well as the basics, whereas training for newly appointed managers focuses on points to note in management. In top seminars for the management team members, lectures are given by invited outside experts, in addition to opinion exchange sessions. In this way, we provide appropriate target-focused education for trainees to reinforce knowledge and awareness as the foundations for ethical behavior.

## Implementing the Tohoku Electric Power Group Corporate Ethics Month

We define October as Tohoku Electric Power Group Corporate Ethics Month. During this month, the president delivers a message to all Group employees, a top seminar is organized and held, and workplace discussions are carried out based on case methods. The discussions seek to strengthen awareness of observing corporate ethics and applicable laws and regulations, as well as promote such as part of corporate culture.

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### Groupwide surveys on adherence to corporate ethics and applicable laws and regulations

We have undertaken surveys of employees on the observance of corporate ethics and applicable laws and regulations since FY2017. These surveys monitor current employee perceptions regarding the observance of corporate ethics and applicable laws and regulations and the organizational culture, and help us check, assess, and improve related actions. Since FY2020, the scope of these surveys has been expanded into a groupwide survey program.

### Appropriate operation of consultation contact points

We've operated a Corporate Ethics Consulting Service inside and outside the Company since April 2003. This ethics body is a reception point for all inquiries or reports of potential violations of corporate ethics or laws or regulations (such as regarding business operations, management, employee conduct or other dishonest, inappropriate or workplace practice) from anyone in the Company or its affiliates. It investigates such incidents and takes corrective and recurrence prevention measures as necessary.

The Company strives to ensure the appropriate operation of consultation contact points, including measures to ensure the rigorous management of personal information and to bar disadvantageous treatment of any individuals making use of the service. In accordance with the amended Whistleblower Protection Act enacted in June 2022, we're also improving this service to enable users to consult with even greater peace of mind. These improvements include designation of employees assigned to handle whistleblowing reports who are bound to thorough nondisclosure obligations. We also report periodically to the Board of Directors on the state of operation of the contact points.

We're striving to establish and appropriately operate various consultation contact points, including a Harassment Hotline for consultation on harassment.

 **See » Respect for human rights » P45**

### System for using the Corporate Ethics Consulting Services<sup>\*1</sup>



### Number of inquiries to the Corporate Ethics Consulting Services

FY2019	16
FY2020	14 <sup>*2</sup>
FY2021	14 <sup>*2</sup>

In FY2021, the Corporate Ethics Consulting Services received two inquiries on inappropriate operational processing and 12 other inquiries.

<sup>\*2</sup> The number of inquiries for FY2020 represents the combined total together with Tohoku Electric Power Network.

### Actions to ensure fair competition

To create new value through market competition and maintain our position as No.1 choice for customers, it is important to ensure fair competition, a basic tenet of market competition. We've therefore prepared the Antitrust Compliance Manual and a resource for the Guidelines for Correct Power Trading. We're making them available to all employees to deepen their understanding of the applicable laws and regulations.

### Initiatives to prevent bribery and corruption

#### Tohoku Electric Power Group Code of Conduct (revised February 2020)

The following provisions related to anticorruption were added to the Tohoku Electric Power Group Code of Conduct to further adherence to corporate ethics and compliance throughout the Group.

#### Sound relationships to politics and administration

As a company engaged in a public interest business, the Group shall maintain sound and appropriate ties to political and administrative figures, keeping in mind the spirit of the law and corporate ethics.

#### Gifts and entertainment

Executives and employees must refrain from accepting gifts or entertainment from or providing them to transaction counterparties beyond the socially acceptable extent.

#### Establishing a consultation center for exchange of money, goods, etc.

We established a consultation center in November 2019 based on the recognition that individuals may not know how to react or may have concerns about how others react regarding the exchange of money, goods, or favors that may amount to bribery. The center is intended to enable a systematic response to related incidents. We're striving to ensure a consistent understanding of the need to prevent corruption throughout the organization by sharing information about the system and reference case studies at various educational events, including training for young employees and managers.

The contents of such notifications are reported to the Committee on Corporate Ethics and Compliance. Particularly serious cases are reported as appropriate to the Board of Directors and the Audit and Supervisory Board.

#### Initiatives to ensure thorough awareness of corporate ethics and compliance

A Corporate Ethics and Compliance Guidebook has been established and distributed groupwide containing reference case studies, explanations, and other content to ensure fair transactions, gifts and entertainment, and related matters. Through autonomous activities in each workplace, including use of this Guidebook in dialogues during Tohoku Electric Power Group Corporate Ethics Month, we are striving to ensure thorough awareness of the need to maintain appropriate relationships and engage in fair practices with transaction counterparties.

In addition, those responsible for promoting corporate ethics in each workplace receive training to deepen awareness of various policies and guidelines, including the Tohoku Electric Power Group Corporate Ethics and Compliance Activity Policy and the Tohoku Electric Power Group Code of Conduct and their understanding of compliance. By putting what they learn in this training into practice at individual workplaces, they contribute to a thorough understanding of anticorruption efforts, corporate ethics, and compliance matters.

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<sup>\*1</sup> Since April 2020, Tohoku Electric Power Network has established a similar structure under which both companies engage in joint activities.

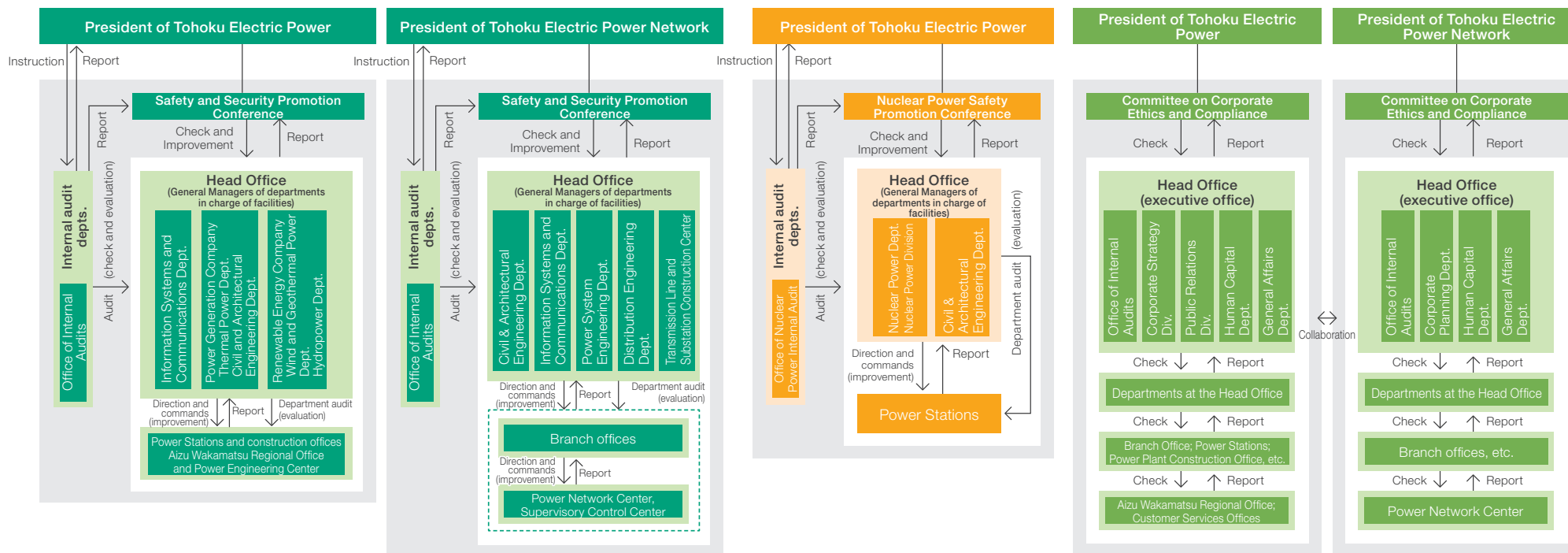
## Actions for entrenching voluntary security activities

To avoid repeating any unfortunate past incident, we report the status of voluntary security activities of individual departments to the Safety and Security Promotion Conference, the Nuclear Power Safety Promotion Conference and the Committee on Corporate Ethics and Compliance. We check if the activities are implemented as planned, voluntary actions of noticing and correcting are carried out and whether active communication, such as dialogue activities, is guaranteed.

We will continue to comply with all laws, regulations, and rules through awareness of, discussing, and applying corrections in day-to-day security activities, and ensure that PDCA activities are implemented. We will continue to keep past actions in mind and strive to further entrench voluntary security activities.

We also are working to ensure the safety of our customers and our communities through voluntary facility security activities.

### Structure for reviewing and improving voluntary security activities



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# Performance Data

		(FY)				
Category	Item	Boundary of data collected <sup>2</sup>	2019	2020	2021	
Facilities	Facility Overview <sup>1</sup>	Number of hydroelectric power stations	G	227	227	227
		Hydroelectric power generation output (MW)	G	2,560	2,560	2,560
		Number of thermal power stations	G	13	13	13
		Thermal power generation output (MW)	G	12,030	12,070	12,070
		Number of geothermal power stations	G	5	5	5
		Geothermal power generation output (MW)	G	212	212	212
		Number of nuclear power stations	G	2	2	2
		Nuclear power generation output (MW)	G	3,270	2,750	2,750
		Number of solar power stations	G	13	13	13
		Solar power generation output (MW)	G	17	17	17
		Number of wind power stations	G	1	1	1
		Wind power generation output (MW)	G	14	14	14
		Route distance of transmission facilities (km)	TN	15,363	15,385	15,460
		Circuit length of transmission facilities (km)	TN	25,036	25,106	25,196
		Number of supports for transmission facilities	TN	58,388	58,511	58,504
		Number of substations	TN	631	634	635
		Substation output (MVA)	TN	79,410	79,770	79,970
		Route distance of power distribution facilities (km)	TN	144,665	148,734	149,120
		Extended wire distance of power distribution facilities (km)	TN	583,507	590,566	591,824
	Number of supports for power distribution facilities	TN	3,137,078	3,147,400	3,159,229	
	Power outage frequency and duration	Average power outage frequency per customer house (number of instances)	TN	0.09	0.14	0.09
		Average power outage duration per customer house (minutes)	TN	13	21	9
	Regional characteristics and load density in Tohoku	Population density (per km <sup>2</sup> )	—	142	136	134
		Electricity sales per unit area (MWh per km <sup>2</sup> )	—	849	830	850

<sup>1</sup>The power stations included are the main facilities of the Tohoku Electric Power Group. <sup>2</sup>G: Tohoku Electric Power Group; TD: Tohoku Electric Power; TN: Tohoku Electric Power Network

		(FY)				
Category	Item	Boundary of data collected <sup>2</sup>	2019	2020	2021	
Facilities	Facility construction costs	Power sources (billion yen)	G	160.6	134.9	152.6
		Distribution (billion yen)	G	112.8	112.7	106.5
		Other (billion yen)	G	40.3	61.2	52.1
		Total (billion yen)	G	313.8	309.0	311.4
Nuclear energy	Nuclear power station facilities use	Nuclear power station facilities rate of use (%)	TD	0.0	0.0	0.0
		Average radiation dose per worker	at the Onagawa Nuclear Power Station (mSv)	TD	0.1	0.3
	at the Higashidori Nuclear Power Station (mSv)		TD	0.0	0.0	0.0
	Solid waste at the Onagawa Nuclear Power Station	Generation (drums equivalent)	TD	2,824	2,832	2,772
		Volume reduction (drums equivalent)	TD	2,024	1,732	732
		Total cumulative storage (drums equivalent)	TD	34,772	35,872	37,912
		Storage capacity (drums equivalent)	TD	55,488	55,488	55,488
	Solid waste at the Higashidori Nuclear	Generation (drums equivalent)	TD	516	544	404
		Volume reduction (drums equivalent)	TD	0	0	0
		Total cumulative storage (drums equivalent)	TD	13,764	14,308	14,712
		Storage capacity (drums equivalent)	TD	18,360	18,360	18,360

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		(FY)			
Category	Item	Boundary of data collected <sup>8</sup>	2019	2020	2021
Company power generated <sup>1</sup>	Nuclear (TWh)	TD	-0.2	—	—
	Thermal (TWh)	TD	52.2	50.9	51.9
	Hydroelectric (TWh)	TD	8.1	7.9	8.0
	New energy and other sources (TWh)	TD	0.7	0.7	0.6
Transmitted and Purchased electricity <sup>2</sup>	Power received from other companies (TWh)	TD	37.2	33.4	32.8
	Power transmitted to other companies (TWh)	TD	-6.5	-6.4	-5.1
Electric power consumption	Power consumed at power stations <sup>3</sup> (TWh)	TD/TN	2.6	—	—
	Power consumed for water pumping (TWh)	TD/TN	0.08	0.11	0.13
	Power consumed at internal offices <sup>4</sup> (TWh)	TD/TN	0.08	0.08	0.08
	Electric power sales	TD	67,167	65,952	67,346
Fuel consumption for power generation	Coal (thousand tons)	TD/TN	8,390	8,260	9,200
	Heavy oil (thousand kl)	TD/TN	150	150	380
	Crude oil (thousand kl)	TD/TN	70	60	40
	Natural gas (billion Nm <sup>3</sup> )	TD/TN	0.15	0.06	0.04
	LNG (thousand tons)	TD/TN	4,120	4,080	3,700
	Nuclear fuel (tons)	TD/TN	0	0	0
Water consumption	Industrial water (thousand tons)	TD/TN	10,730	11,050	10,500
	Household water (m <sup>3</sup> )	TD/TN	—	278,780	301,505
Vehicle fuel consumption	Gasoline (kl)	TD/TN	2,047	2,004	1,830
	Diesel oil (kl)	TD/TN	487	547	668
Consumption of other materials	Limestone (thousand tons)	TD/TN	110	110	130
	Ammonia (thousand tons)	TD/TN	10	10	10
CO <sub>2</sub> emissions <sup>5</sup>	CO <sub>2</sub> emissions (thousand tons CO <sub>2</sub> )	TD/TN	34,890 (34,710)	30,120 (31,400)	32,550 (33,410)
	CO <sub>2</sub> emission factors (kg-CO <sub>2</sub> /kWh)	TD/TN	0.521 (0.519)	0.457 (0.476)	0.483 (0.496)

<sup>1</sup> Volume of electricity generated at the transmission end, excluding power used at power stations offline since FY2020 <sup>2</sup> Including grid operations <sup>3</sup> Excluded from total since FY2020 <sup>4</sup> Excluding power for business use inside power stations since FY2019  
<sup>5</sup> Figures in parentheses represent basic CO<sub>2</sub> emissions and CO<sub>2</sub> emission factors that do not reflect adjustments under the feed-in tariff (FIT) scheme for renewable energy. <sup>6</sup> Calendar year results <sup>7</sup> Figures shown are for the area served by Tohoku Electric Power Network.  
<sup>8</sup> TD: Tohoku Electric Power; TN: Tohoku Electric Power Network

		(FY)				
Category	Item	Boundary of data collected <sup>8</sup>	2019	2020	2021	
Emissions of greenhouse gases other than CO <sub>2</sub> included in Scope 1	SF <sub>6</sub> stockpiles (t)	TD/TN	—	812.2	822.5	
	SF <sub>6</sub> leakage (t) <sup>6</sup>	TD/TN	—	1.1	1.4	
	HFC stockpiles (t) <sup>6</sup>	TD/TN	56.0	58.8	56.9	
	HFC leakage (t) <sup>6</sup>	TD/TN	—	2.4	1.9	
	N <sub>2</sub> O emissions (t-CO <sub>2</sub> )	TD/TN	—	42,334	46,329	
	Waste	Waste generation (thousand tons)	TD/TN	1,126	1,167	1,324
Waste final disposal amount (thousand tons)		TD/TN	89	95	176	
Industrial waste recycling amount (thousand tons)		TD/TN	1,036	1,072	1,149	
Waste effective use rate (%)		TD/TN	92.1	91.9	86.7	
Line transformers treated for PCB contamination (cumulative)		TD/TN	710,190	710,197	710,210	
Insulation oil treated with trace PCB contamination (kg)		TD/TN	—	114,634	213,072	
Plastic wastes generated (t)		TD/TN (TN)	—	1,151	1,029 (950)	
Plastic recycling rate (%)		TD/TN (TN)	—	79.7 (72.8)	76.9 (78.9)	
Other emissions		SOx emissions (thousand tons)	TD/TN	7	6	8
		SOx emission intensity (g/kWh)	TD/TN	0.13	0.12	0.15
	NOx emissions (thousand tons)	TD/TN	11	11	11	
	NOx emission intensity (g/kWh)	TD/TN	0.21	0.20	0.20	
	Water discharge (thousand tons)	TD/TN	3,180	3,050	2,880	
Prevention of global warming	CO <sub>2</sub> emitted by vehicles (thousand tons CO <sub>2</sub> )	TD/TN	6	6	6	
	Total thermal power integrated efficiency (low calorific value standard) (%)	TD/TN	46.5	46.3	46.0	
	Electricity purchase from solar power generation (MW)	TD/TN	5,761	6,570	7,490	
	Transmission and distribution loss rates (%) <sup>7</sup>	TD/TN	5.31	5.76	5.58	
	Cumulative total number of EcoCute units sold in the region served by Tohoku Electric Power	TD/TN	524,712	569,187	620,940	

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	Performance Data



# Performance Data

						(FY)
Category	Item	Boundary of data collected*	2019	2020	2021	
Number of employees	Male	TD/TN	11,146	11,102	10,888	
	Female	TD/TN	1,385	1,248	1,049	
Percentage of women in key management positions	Percentage of women in key management positions (%)	TD/TN	1.50	1.74	1.52	
Number of management staff (executives)	Male	TD/TN	4,661	4,723	4,685	
	Female	TD/TN	93	105	102	
Number of new employees recruited	Male	TD/TN	264	266	234	
	Female	TD/TN	39	59	56	
Average age	Male (years)	TD/TN	43.4	43.5	43.7	
	Female (years)	TD/TN	42.0	41.6	40.5	
Average tenure	Male (years)	TD/TN	21.4	21.5	21.3	
	Female (years)	TD/TN	11.7	13.2	14.7	
Separation rate	(%)	TD/TN	0.67	0.45	0.61	
Other than permanent full-time employees	(%)	TD/TN	8.8	8.0	7.0	
Personnel re-employed under the re-employment system for the elderly	Number of personnel re-employed	TD/TN	110	157	189	
	Ratio of personnel re-employed to those eligible for the system for the fiscal year (%)	TD/TN	64.7	75.8	70.3	
Training costs per employee and total number attending training classes	Training costs per employee (thousand yen)	TD/TN	111	79	94	
	Total number attending training classes (hundred)	TD/TN	179	150	132	
Percentage undergoing training	(%)	TD/TN		123.6	110.2	
Working hours	Total number of working hours (excluding night duty, etc.)	TD/TN	1,941	1,953	1,945	
	Number of overtime labor hours (excluding night duty, etc.)	TD/TN	285	280	288	
Paid leave	Number of average days taken as paid leave	TD/TN	13.8	14.8	15.1	

\* G: Tohoku Electric Power Group; TD: Tohoku Electric Power; TN: Tohoku Electric Power Network

						(FY)
Category	Item	Boundary of data collected*	2019	2020	2021	
Systems for work-life balance and number of beneficiaries	Number of beneficiaries of childcare leave system	TD/TN	48	58	79	
	Number of beneficiaries of childcare support working hours system	TD/TN	141	147	133	
	Number of beneficiaries of partner maternity leave system	TD/TN	322	316	283	
	Number of beneficiaries of child nursing leave system (special leave)	TD/TN	540	531	551	
	Number of beneficiaries of care leave system	TD/TN	4	2	3	
	Number of beneficiaries of care support working hours system	TD/TN	2	4	4	
	Number of beneficiaries of family care leave system	TD/TN	212	122	141	
	Number of beneficiaries of volunteer leave system	TD/TN	87	5	7	
	Number of beneficiaries of personal leave systems	TD/TN	2	0	0	
	Disability employment	Number of employees with disabilities	TD/TN	235	245	253
Disabled person employment rate (%)		TD/TN	2.21	2.32	2.46	
Participation in human rights education	Number of participants	TD/TN	2,130	2,845	2,448	
Labor safety and health	Fatal employee accidents	TD/TN	0	0	0	
	Employee accidents involving time off work	TD/TN	14	15	15	
	Employee accidents not involving time off work	TD/TN	74	54	58	
	Total employee fatal accidents, accidents involving time off work, and accidents not involving time off work	TD/TN	88	68	73	
	Contractor fatal accidents	TD/TN	2	3	1	
	Frequency rate	TD/TN	0.20	0.28	0.17	
	Severity rate	TD/TN	0.0008	0.0071	0.0021	
Local communities	Actions involving joint efforts with local communities	Number of employees undergoing mandatory training (safety managers)	TD/TN	—	—	42
		Number of employees undergoing mandatory training (health and safety promotion staff)	TD/TN	—	—	13
	Energy communication activities	Frequency of internal communication activities (number of instances)	TD/TN	92	47	53
		Community investment under the Tohoku-Niigata vitalization support program (million yen)	TD	2.8	2.8	3.5
	Frequency of events such as facilities tours, lectures, and briefings on energy and the environment (number of instances)	TD/TN	2,372	605	606	

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Governance	Corporate Governance Risk Management Information Security Compliance
Performance Data	Performance Data

# Performance Data

		(FY)					
Category	Item	Boundary of data collected*	2019	2020	2021	(Reference: FTSE assessment items)	
Governance	Number of directors	Male	16	14	14	• Number of board directors (GCG03)	
		Female	1	1	2		
	Number of outside directors	Male	5	5	5	• Number of independent directors on the board (GCG04) • Number of women on the board (GCG05)	
		Female	1	1	2		
	Percentage of outside directors	Percentage of outside directors (%)	35	40	44	• Number of independent directors on the board (GCG04)	
	Number of Board of Directors meetings	Number of Board of Directors meetings	TD	12	11	11	Disclosure of annual frequency of meetings of the board and individual committees: a. Board of Directors
	Number of Nomination and Remuneration Advisory Committee meetings	Number of Nomination and Remuneration Advisory Committee meetings	TD	3	6	8	Disclosure of annual frequency of meetings of the board and individual committees: b. Individual committees
Number of Audit and Supervisory Committee meetings	Number of Audit and Supervisory Committee meetings	TD	12	12	13	Disclosure of annual frequency of meetings of the board and individual committees: b. Individual committees	
Shareholders and investors	Percentage of ownership	National and local governments (%)	4.0	4.0	4.0		
		Financial institutions (%)	37.1	32.5	32.3		
		Other corporations (%)	4.4	7.3	8.4		
		Foreigners (%)	20.0	21.2	13.3		
		Individuals and other parties (%)	34.5	35.0	42.0		
	Total number of issued shares		TD	502,882,585	502,882,585	502,882,585	
		Number of shareholders	TD	173,712	170,655	189,131	
	Major achievements of investor relationships activities	Number of participants in financial results briefings	TD	132	99	114	
Number of institutional investors visited		TD	94	83	105		

\* TD: Tohoku Electric Power

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