

# 1. Major improvements for disclosure of climate change information (2022)

1

◆ Disclosed information in the Integrated Report was enhanced based on engagement with institutional investors and contents of the revised TCFD Guidance

Description	Integrated Report
Disclosure of primary topics related to climate change discussed by and reported to the <b>Board of Directors</b>	P33
Disclosure that degree of achievement of ESG-related objectives is reflected in <b>executive remuneration</b>	P33
Preparation and disclosure of TEPCO's original scenarios taking IEA's <b>NZE</b> scenario into account	P34
Analysis and disclosure of 2050 carbon neutrality measures <b>cost</b>	P36
Disclosure of carbon neutrality-related <b>investment</b>	P36,40
Enhancement of <b>financial impacts of risk/opportunity</b> and response strategies	P37
Disclosure of <b>internal carbon pricing</b>	P38
Disclosure of <b>climate-related assets</b>	P38
Disclosure of the <b>transition plan</b>	P40
Description of the <b>progress rate</b> against the goal, and <b>impact by approach</b> toward goal achievement (renewable energy, nuclear power, low thermal power)	P40
Enhanced description of carbon neutrality initiatives of <b>JERA</b>	P41

## 2. Institutional investor survey result and specific opinions

- ◆ Carbon neutrality strategy (climate change information disclosure) had the highest score among all contents
- ◆ In particular, there were specific compliments about the major improvements in many cases

Note) Result of the survey on the Integrated Report by institutional investors and intellectuals

Contents	Score (out of 4 points)
1. Executive Summary	2.8
2. History and business development / Strengths and capital	2.6
3. Value creation process	2.6
4. Message from the President	2.8
5. Message from the CFO	2.6
6. Message from the Chairman	3.0
7. Board effectiveness	2.8
8. Materiality evaluation	2.5
9. Carbon neutrality strategy	3.4
10. Urban development by TEPCO	2.8
11. Restructuring our business portfolio	2.2
12. Human capital	3.1
13. Efforts to Respect Human Rights	2.7
14. Biodiversity	2.5
15. Companies	2.7
16. Fukushima	3.2
17. Risks and opportunities / ESG Committee	2.7
(Design)	3.6
Overall	2.8

**【Good】**

- It is highly commendable that **executive remuneration** is mentioned first
- It is highly commendable that **scenarios are analyzed** carefully and quantitatively
- It is good that **analysis of impacts of risk/opportunity and response strategies are in detail**
- Disclosure of **internal carbon pricing, the transition plan, details of resilience, and 1.5°C scenario** is very advanced
- It is commendable that the Zero Emissions Roadmap of **JERA** was included

# 3. [Selection of a good example] Transition plan concerning CN

◆ TEPCO's transition plan was introduced as a good example in the TCFD Consortium seminar, **with recommendation from institutional investors**

(Source) P31 [https://tcfcd-consortium.jp/pdf/en/news/22100501/TCFD\\_Guidance\\_3.0\\_Case\\_Examples\\_e.pdf](https://tcfcd-consortium.jp/pdf/en/news/22100501/TCFD_Guidance_3.0_Case_Examples_e.pdf)

Strategies for creating value | Carbon neutrality strategy

The Oze National Park in the background is one of Japan's special natural monuments and a registered wetland under the Ramsar Convention. For approximately 60 years the TEPCO Group has been involved in activities to conserve the natural environment. (See page 59).

TCFD Strategy TCFD Metrics and Targets

### Transition Plan

In the future, the role that electricity supplied using CO<sub>2</sub>-free energy plays will grow. In order to turn this opportunity into increased revenue, the TEPCO Group is shifting to a business model that revolves around carbon neutrality. As we aim for our midterm goal of "cutting half of carbon by 2030," we also aim to invest approximately ¥9 trillion in carbon neutrality under the assumption that we will form alliances. We will then steadily reduce CO<sub>2</sub> emissions while growing our business by leveraging the strengths of "electricity" in the various fields of society, grids and supply as we create profits on the order of ¥450 billion as stipulated in the 4th Comprehensive Special Business Plan. The TEPCO Group will utilize all of its resources to contribute to the creation of a carbon neutral society by 2050.

**Standards**

**CO<sub>2</sub>**  
**139.2 million tons**

Scope1	Scope2	Scope3
20	613	10,214

The targets of FY2030 CO<sub>2</sub> reduction goals are Scope 1, 2 and 3 emissions that originate from the sale of power

**Green finance (FY2021)**

Green innovation fund	Green bonds <sup>4</sup>
Five years/¥10 billion (hydrogen projects)	3-year bonds: ¥30 billion 5-year bonds: ¥10 billion

<sup>4</sup> Other, Third bond issuance in September 2022 (procured capital: ¥29.9 billion)

**Society**

Promoting electrification  
CO<sub>2</sub>-free contract options  
Spread of EV fast chargers  
Electric vehicles used for all company vehicles

**Grid**

Optimize/expand distributed resources/grid use

**Supply**

Use renewable energies as primary power sources  
Leverage nuclear power generation  
Leverage highly efficient thermal power, which includes JERA

Pioneered household demand: 9.7 TWh  
FY2030 10 TWh (corporate clients)  
FY2025 15,000 units  
FY2030 100% (EV100)

CO<sub>2</sub> reductions: 600,000-800,000 tons<sup>1</sup>, FY 2030: 6-7 million kW (Net profit: Approx. ¥100 billion annually)  
CO<sub>2</sub> reductions: 2.5 million tons, Revenue improvement affect: Approximately ¥110 billion annually  
CO<sub>2</sub> reductions: 2 million tons<sup>2</sup>

<sup>1</sup> Around 1 GW/year (Federation of Electric Power Companies estimate) <sup>2</sup> Annual CO<sub>2</sub> reduction amount if thermal power heat efficiency is increased by 1%.

**Progress<sup>3</sup>**

**43% reduction in CO<sub>2</sub>**  
**80 million tons**

**Investment in carbon neutrality by FY2030**

**Maximum: ¥3 trillion**

Nuclear power  
Power System  
Hydro power  
2 trillion yen

Strategic investment in  
renewable energy, etc.  
1 trillion yen

**Goal**

**50% reduction in CO<sub>2</sub>**  
**69.6 million tons**

**Carbon Neutral**

We aim for more than three times that amount in investment under the assumption that alliances will be formed

2013
2021
2030
2050

<sup>3</sup> preliminary figures.

## 4. Future disclosure of climate change information (2023)

4

- ◆ Although disclosure of climate change information is highly commendable, it is a recognized issue that quantification of the disclosed performance and progress of the initiatives for the future is insufficient, so efforts will be made to enhance disclosure

Note) Since disclosure of climate change information is under review, it shows the proposed direction of the contents and no commitment is made at this time.

### <Main comments of institutional investors>



[Bad]

- It is difficult to see the performance of the disclosed carbon neutrality roadmap and the progress of the strategies
- Please quantify and visualize the financial impacts and degree of achievement and contribution for CO2 reduction