

TOKYO GAS GROUP SUSTAINABILITY REPORT 2021





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Taking up the Challenge of Net-Zero CO₂

The novel coronavirus pandemic has shaken the world in an unprecedented way, and has threatened the security and safety that we took for granted. These circumstances have made us, as a major energy business operator, even more aware of our mandate, namely to “never ever stop the energy supply.” We have made every effort to ensure a stable supply of gas and electricity. At this time of a national crisis, Tokyo Gas has served its customers as faithfully and reliably as in the past.

The world is steadily moving toward a more sustainable society, despite being shaken by the COVID-19 pandemic. In particular, the trend toward decarbonization is accelerating, and since Prime Minister Suga declared in October 2020 that Japan aims at becoming carbon neutral, widespread efforts to achieve decarbonization have begun and are gaining momentum. This trend can be said to be a paradigm shift that will significantly change the economy and society. It is incumbent on Tokyo Gas to be alert to this and act accordingly.

In November 2019, Tokyo Gas announced in its statement of its future management vision, Compass 2030, a goal of “taking leadership in the effort to achieve Net-Zero CO₂ emissions” as one of the company’s management issues and has started to take up this challenge.

Reducing CO₂ emissions during transition to Net-Zero CO₂

We foresee several stages before reaching Net-Zero CO₂. We are now in a transition period toward full energy transition and decarbonization, during which an emphasis is assigned to the reduction of CO₂ emissions. This is just a beginning; we know it will be a long haul on the road to decarbonization. That journey will require innovation and large-scale investment extending across diverse areas and over a long time. In the near term, our emphasis is on reduction of CO₂ emissions, and of the amount of CO₂ stored in the atmosphere. Tokyo Gas considers the transition period to last to around 2030, and is working on the following initiatives.

The first is the advanced use of natural gas. For example, we anticipate use of energy in urban redevelopment areas and industrial parks will be advanced by adopting smart energy network technology. We also introduce high-efficiency gas equipment, such as our residential-use fuel cell ENE-FARM and promote replacement of industrial fuels from heavy oil and coal with natural gas. By doing so, our customers will be able to significantly reduce CO₂ emissions.

The second initiative is the separation and recovery of CO₂. Carbon dioxide capture and storage (CCS) and carbon dioxide capture, utilization and storage (CCUS), which separate, collect, and bury deep in the ground or reuse emitted CO₂, can effectively reduce CO₂ emissions without them being directly dispersed in the air.

The third is the expanded use of carbon neutral LNG (CNL). Inevitably, the process from the extraction of natural gas to its burning generates greenhouse gases, but they will be offset by CO₂ emissions reduction through support of reforestation and other renewable projects. In March 2021, the Tokyo Gas Group established the Carbon Neutral LNG Buyers Alliance with 14 other companies with the aim of advancing toward a sustainable society by this third initiative. Specifically, Tokyo Gas will procure and supply CNL and the Alliance companies will purchase and use it as fuel for office buildings and factories, with the aim of spreading the use of CNL and increasing its utility value.

Strengthening the development of hydrogen technology

The ultimate decarbonization of city gas is zero CO₂ emission when city gas is burned. Hydrogen has our attention as it can be used as an industrial fuel, as a power generation fuel, or as a transportation fuel. However, its use is limited at present due to high production cost and the fact that its production generates CO₂. As such, we are developing a device that produces hydrogen by electrolysis of water, using electricity generated by sunlight and renewable energy. This is a way we can apply fuel cell technology -- that we have developed and applied for years -- and has the prospect of substantially reducing hydrogen prices by manufacturing the cell stack, which is central to the electrolysis process, at an affordable cost. Based on the assumption that electricity generated by renewable energy will be sufficiently inexpensive, we are currently working on the development of such a hydrogen-producing device in an alliance with SCREEN Holdings, Co. We are hoping this will help achieve the government’s 2030 hydrogen price target by the mid-2020’s.

We are also developing methanation technology for producing synthetic methane by reacting hydrogen with CO₂. The synthetic methane emits CO₂ when burned, but because it takes in a similar amount of CO₂ during manufacturing, this carbon recycling results in Net-Zero CO₂.

The main component of LNG is methane. This means that feasible synthetic methane produced by using inexpensive renewable energy power sources overseas can potentially be conveyed, stored, and provided to customers by using our existing equipment such as LNG liquefaction facilities, shipping facilities, LNG tankers, receiving facilities and pipelines. While huge investment is said to be required for decarbonization, we can foresee that decarbonization may potentially be economically achieved by replacing some city gas with synthetic methane.

We established a Hydrogen & Carbon Management Technology Strategy Dept. in April 2021 to accelerate the development of hydrogen and methanation technologies.



Expanding the use of renewable energy

Expansion of renewable energy supply is another area of high concern to us. As an electric power company, we own high-efficiency combined cycle natural gas-fired power stations. We plan to expand our renewable energy supply to 5 million kW in sum of Japan and overseas. In 2020, we acquired full ownership of the Aktina Solar Project in Texas, U.S.A. which will have a maximum output of 630,000 kW when development is completed. The Tokyo Gas Group will manage the project from construction to commercial operation. In Japan, we acquired biomass power generation projects in Takaoka City, Toyama Prefecture, and Ichihara City, Chiba Prefecture. These efforts have resulted in increasing our volume of renewable energy power supply handled to approximately 1.4 million kW.

We will also promote offshore wind power generation with a particular focus on the floating type of installation. This focus was decided upon because the floating type system can be located even in deep water and have high potential in Japan, where there are few shallow areas in littoral locations. In 2020, we invested in Principal Power, Inc. in the U.S.A. and began acquiring its technology. We intend to use that company's technology to develop floating-type offshore wind power generation projects in both domestic and foreign sea areas.



Augmented promotion of ESG management

Our initiative on decarbonization is one of the “Three Challenges” of our management vision Compass 2030: “Leadership in the effort to achieve Net-Zero CO₂,” “Establishment of a value co-creation ecosystem,” and “Transformation of the LNG value chain.” It is also identified as one of the key components of ESG management. Acceleration of Net-Zero CO₂ efforts is a priority area for solving not only environment [E] but also social [S] problems, such as by improving resilience. The “Establishment of a value co-creation ecosystem” is also an effort to create social value together with our stakeholders. Further, from the governance [G] perspective, we will carry out group formation reforms in order to achieve group growth even in an uncertain environment. By doing so, we intend to make the “Transformation of the LNG value chain” effective and ensure the steady growth of the Tokyo Gas Group.

Specifically, all functions, from acceptance of LNG to its transportation and sales, are positioned as profit centers. At the same time engineering and real estate businesses are being given attention so that they can grow better and at a faster rate. Also important is that we have decided to significantly expand the range of delegation power of the execution, to expedite decision-making, and to reinforce the supervisory function of the Board of Directors. In other words, these changes mean the establishment of a holding company-type group structure and the transition to a “Company with a Nominating Committee, etc.”

We believe that this will intensify management and provide a governance system that is easy to understand for international investors.

Throughout its 135-year history, the Tokyo Gas Group has taken on diverse social issues. This includes achieving the stable supply of energy needed to support people's lifestyles through our introduction of LNG and expansion of the use of natural gas in Japan and abroad, as well as addressing issues such as pollution and climate change. Our core policy on promoting sustainability is to contribute to the realization of a sustainable society by creating social and financial value from the solution of social issues through our business activities, and by engaging in enduring corporate management. By putting our management vision Compass 2030 into action, we will continue to widely contribute to the achievement of the SDGs, and to create diverse value for a broad spectrum of stakeholders.

Aiming to become a new utility business

In our management vision Compass 2030 we make “Three Promises” to our current and future colleagues who are and will be working on the “Three Challenges”. The promises are (1) to “produce work that will have a major impact on society,” (2) to “create a venue for encounters with diversity and friendly competition,” and (3) to “emphasize the self-fulfillment of each person.” I believe the delivery of these promises would lead to steady implementation of the vision.

The Tokyo Gas Group is indeed in a period of reforms. It is up to each and every member of the Group to overcome the challenges of this period of dramatic changes and open the way to the future. I would like us to become a corporate group that continues to actively contribute to society by supporting individual growth while emphasizing diversity. To that end, we will also work to restructure our corporate philosophy. While respecting our founder Shibusawa Eiichi's book, Rongo to Soroban (The Abacus and the Abacus), Tokyo Gas is determined to make a leap forward, toward becoming a new type of a public utility business.

We are ahead of other companies in declaring our position on Net-Zero CO₂ and have begun efforts for decarbonization. We will continue to contribute to the future of the Earth and the future of energy, and will do what is necessary to ensure the company's sustainable growth. I hope that our stakeholders will look forward to the future development of the Tokyo Gas Group and continue to support us for years to come.

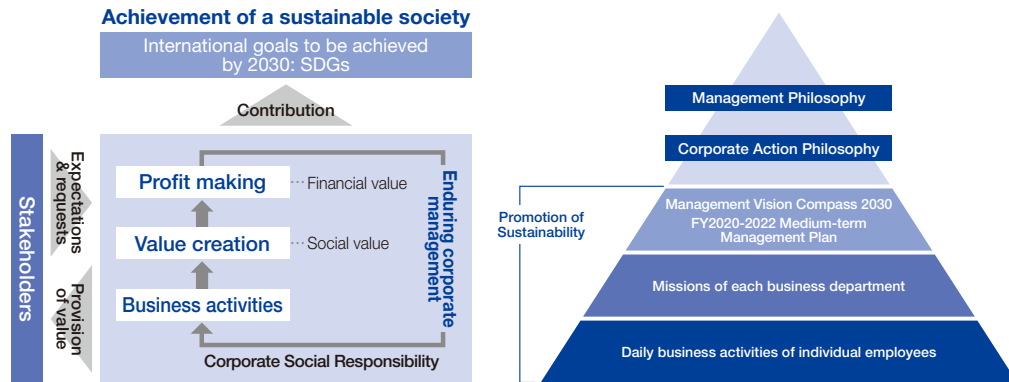
The Tokyo Gas Group's Sustainability

Approach to Promoting Sustainability

The Tokyo Gas Group contributes to the achievement of a sustainable society by creating social and financial value from the solution of social issues through its business activities, and by engaging in enduring corporate management.

In promoting sustainability, we identify materialities (key sustainability issues) based on the Global Reporting Initiative Standards, which are global standards for sustainability reporting, and the ISO 26000 international social responsibility standards.

■ Approach to Promoting Sustainability



Management Philosophy

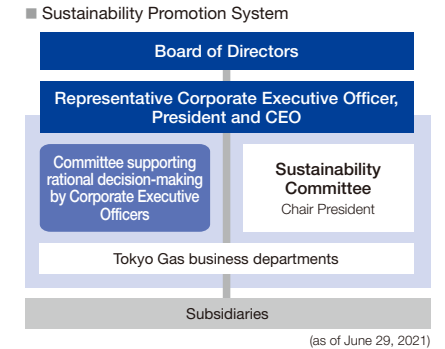
As a leading energy company with focus on its natural gas businesses, the Tokyo Gas Group shall actively contribute to create a pleasant lifestyle and environmentally friendly society, maintain and enhance its trust from our customers, shareholders, and society.

Corporate Action Philosophy

1. We will continue to grow while maintaining awareness of our company's public mission and social responsibilities.
2. We will provide quality products and services, and always endeavor to improve customer satisfaction.
3. We will hold ourselves to high ethical standards, and fairly and transparently conduct corporate activities while observing both the letter and the spirit of related laws and ordinances.
4. We will contribute to alleviating global environmental problems as a leader in environmental management.
5. We will remain keenly aware of our obligations to be a good corporate citizen and work towards the betterment of society by contributing to community activities.
6. We will pursue continual innovation to promote a cost effective business approach that is both flexible and resilient.
7. We will aspire to build organizations that are based upon the full exercise of and respect for the talents, desires, and creativity of each and every employee.

Sustainability Promotion System

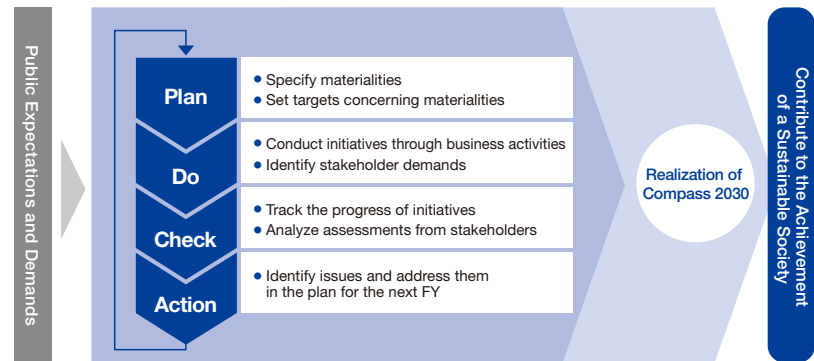
The Tokyo Gas Group considers the promotion of sustainability to be an integral element of its business operations. We thus strive to expeditiously make the right decisions and efficiently carry out our operations with respect to sustainability. To facilitate this process, deliberations on specific issues are conducted by a committee that supports rational decision-making by Corporate Executive Officers. Also, directors request status reports as needed regarding the execution of operations in line with Board of Directors decisions, and, if necessary, discuss those matters. We have also established the Sustainability Committee as a council that deliberates on issues related to the promotion of sustainability. This committee is chaired by the President and reports on important matters to the Board of Directors.



Management

While always remaining attuned to changing public expectations and demands, Tokyo Gas specifies materialities in line with the business direction, set targets concerning materialities, and implement initiatives through its business activities. Moreover, we contribute to the achievement of a sustainable society by disclosing information regarding the content and progress of these initiatives and by gathering opinions from wide-ranging stakeholders and reflecting these in our business activities.

■ PDCA Cycle



▶ Materialities

Participation in External Initiatives

UN Global Compact

The UN Global Compact comprises ten principles to be observed by enterprises and organizations in the four fields of human rights, labor, environment, and anti-corruption. Tokyo Gas announced its support of the UN Global Compact in March 2016 as a responsible member of international community promoting sustainability from a global perspective.

▶ The Ten Principles of the UN Global Compact [Web](#)





Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are 17 international goals toward achieving a sustainable world by 2030. They were presented in “Transforming Our World: The 2030 Agenda for Sustainable Development,” which was adopted at the September 2015 UN Summit. The Tokyo Gas Group contributes to the achievement of the SDGs by seeking to resolve social problems through its business activities.

▶ Contribution to Achieving the SDGs



Task Force on Climate-related Financial Disclosures (TCFD)

Climate-related risks and opportunities could significantly affect many companies' financial positions and destabilize financial conditions. In order to reduce such risk, in response to the request from the G20, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosure (TCFD) in December 2015 and the TCFD released its recommendations in June 2017. We regard the TCFD as an effective framework for promoting information disclosure and dialogue with stakeholders on climate-related issues. We therefore signed the statement of support for the TCFD in May 2019. We have been disclosing information in line with the TCFD since FY2020, and will continue appropriately disclosing information regarding the impacts of climate change on our Group business activities, and our efforts to deal with those impacts.

▶ TCFD: The Tokyo Gas Group's climate-related initiatives
(Integrated Report P.34) [Web](#)



Education and Awareness-raising

The Tokyo Gas Group disseminates information on sustainability via various training programs, our intranet, Group newsletters and internal social media tools, and other channels in order to raise employees' awareness of how they can contribute to the achievement of a sustainable society through their daily work.

We also deepen understanding of the SDGs among employees through SDGs-focused training and a video.

■ Training Programs in FY2020

Training	Participants	Reach
Training by job level	At hiring, third year, and promotions to managerial positions	1,322 participants
Training by workplace	Workplaces that request training	5 sessions

Materialities

Specifying Materialities

The Tokyo Gas Group specifies key sustainability issues as materialities. We enhance our activities and initiatives by setting targets and assessing performance for each materiality.

Process for Specifying Materialities

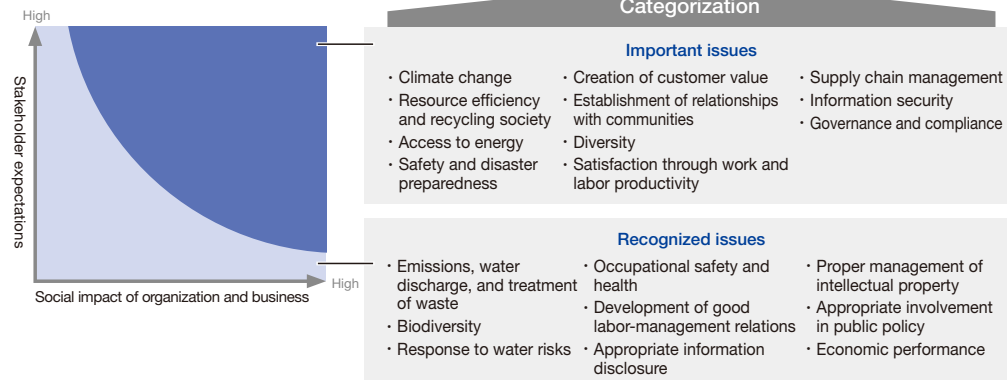
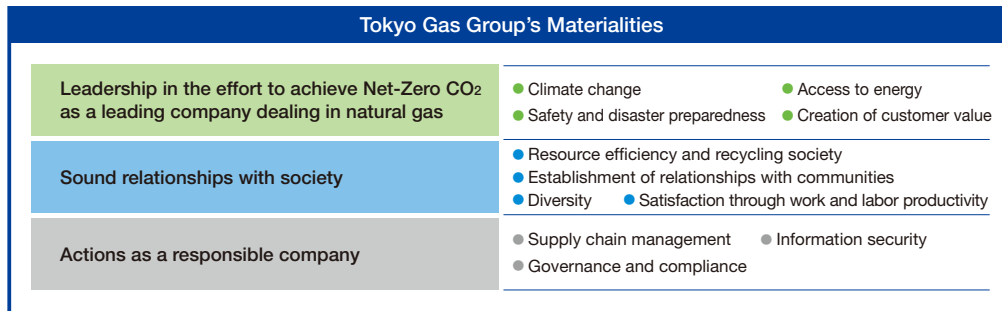
- **STEP 1 Sort social issues**
 - Comprehensively identify issues to be examined referring to GRI standards, ISO 26000 and other representative international guidelines concerning the social responsibility of organizations, as well as the SDGs and criteria used by institutions that assess ESG.
- **STEP 2 Prioritize**
 - Assess and prioritize each issue on the two axes of stakeholder expectations and social impact of the organization and business.
 - Specify the important issues that the Tokyo Gas Group should address on a priority basis through in-house consultations.
- **STEP 3 Confirm validity and decide**
 - Have experts assess the validity of the identified important issues, and specify these as materialities. Decide these with the confirmation of the sustainability promotion body.
 - Set targets for the specified materialities through consultations with the related divisions.
- **STEP 4 Review**
 - Conduct activity assessments on the materialities based on the targets and outcomes, and disclose these in the Sustainability Report.
 - Conduct a review considering the results of internal and external questionnaires, the opinions of outside experts, the SDGs and other international targets and guidelines, as well as the criteria used by institutions that assess ESG. Use these for revision of materialities and targets, incorporation into business, and improvement of reporting content.

FY2020-2022 Materialities

In FY2019, the Tokyo Gas Group identified new materialities based on changes in public expectations and demands, as well as the formulation of our management vision Compass 2030.

We have organized the materialities into three categories. The pillar is “Leadership in the effort to achieve Net-Zero CO₂ and continuing to create customer value while ensuring stable supply and energy access as a leading company dealing in natural gas.” The other two are “Sound relationships with society,” which supports that pillar, and “Actions as a responsible company,” which is the foundation of our business activities.

■ FY2020-2022 Materialities



■ Reasons for Specification of Materialities, and Scope of Impact

	Materiality	Reasons for Specification	Scope of Impact	
			Internal	External
Leadership in the effort to achieve Net-Zero CO ₂ as a leading company dealing in natural gas	Climate change	Corresponds to Compass 2030 Challenge 1 “Leadership in the effort to achieve net-zero CO ₂ ”	○	○
	Access to energy	Corresponds to Compass 2030 Action 4 “Enhanced resilience functions through the use of natural gas” and Action 5 “overseas expansion”	○	○
	Safety and disaster preparedness	Corresponds to Compass 2030 Action 4 “Enhanced resilience functions through the use of natural gas”	○	○
	Creation of customer value	Corresponds to Compass 2030 Challenge 2 “Establishment of a value co-creation ecosystem” and Challenge 3 “Transformation of the LNG value chain”	○	○
Sound relationships with society	Resource efficiency and recycling society	Corresponds to Compass 2030 Challenge 1 “Leadership in the effort to achieve net-zero CO ₂ ” and Challenge 2 “Establishment of a value co-creation ecosystem”	○	○
	Establishment of relationships with communities	Corresponds to Compass 2030 Challenge 2 “Establishment of a value co-creation ecosystem”	○	○
	Diversity	Corresponds to Compass 2030 “Engagement with current and future colleagues”	○	○
	Satisfaction through work and labor productivity	Corresponds to Compass 2030 “Engagement with current and future colleagues”	○	○
Actions as a responsible company	Supply chain management	Corresponds to Our Code of Conduct “3. We will deal with customers, business partners, shareholders, and all our stakeholders sincerely and equitably”	○	○
	Information security	Corresponds to Our Code of Conduct “7. We will handle information appropriately”	○	○
	Governance and compliance	Corresponds to all items in Our Code of Conduct		○

Opinions from experts

I think it is really important to directly connect materialities with the bold efforts toward net-zero CO₂ emissions set forth in the management vision Compass 2030, and to make it really clear what the important issues are. The role of the Tokyo Gas Group is to lead the transition to net-zero CO₂ while maintaining the stable supply of energy and resilient social infrastructure. In that sense, I think the specification of the materialities this time was right on the mark. Going forward, I expect the Tokyo Gas Group to show itself as a company working toward the target of limiting average temperature rise to 1.5°C and to reveal how it will participate in the reform of Japan's energy society.



Peter David Pedersen
Representative Director
NELIS
(Next Leader's Initiative for Sustainability)

Contribution to Achieving the SDGs

The Tokyo Gas Group's approach to promoting sustainability is to contribute to the achievement of a sustainable society by creating social and financial value from the solution of social issues through our business activities, and by engaging in enduring corporate management. Through actions based on this approach, we seek to broadly contribute to the achievement of the SDGs through the Tokyo Gas Group's business activities. The Tokyo Gas Group will contribute further to the realization of the SDGs by creating business opportunities originating from social issues.

Contribution to SDGs via Initiatives for Materialities

■ Relationships between Materialities and SDGs

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Leadership in the effort to achieve Net-Zero CO ₂ as a leading company dealing in natural gas	Climate change					●			●		●		●					●
	Access to energy						●		●		●							●
	Safety and disaster preparedness						●		●		●		●					●
	Creation of customer value		●	●	●	●	●		●		●	●	●	●				●
Sound relationships with society	Resource efficiency and recycling society						●						●		●			●
	Establishment of relationships with communities	●	●	●	●		●	●		●	●	●	●	●	●	●	●	●
	Diversity				●	●			●		●							●
	Satisfaction through work and labor productivity				●				●									●
Actions as a responsible company	Supply chain management				●			●		●		●	●	●	●	●	●	●
	Information security																	●
	Governance and compliance				●					●							●	●

* The relationships portrayed above are subject to revision as appropriate according to changes in the Tokyo Gas Group's actions.

▶ Video "Tokyo Gas Group and SDGs" [Web](#)

Targets and Outcomes

Leadership in the effort to achieve Net-Zero CO₂ as a leading company dealing in natural gas

Materiality	Targets concerning materiality (FY2022)	FY2020 Major Outcomes
Climate change	Contribution to CO ₂ emissions reductions through solutions combining renewable energies with natural gas: contribution to CO ₂ emissions reductions of 6.5 million tons*1	· Contribution to CO ₂ reduction: 6.68 million tons
	CO ₂ emissions reduction through expanding renewable energy transaction volume: renewable power source transaction volume of 2 million kW	· Renewable power source transaction volume: 1.383 million kW
	Contribution to CO ₂ emissions reductions through development of LNG infrastructure business overseas	· Signed joint cooperation agreement with First Gen to pursue construction and operation of a floating LNG Terminal in the Philippines · Acquired stake in gas distribution company in Indonesia
	Contribution to CO ₂ emissions reductions through economized environmental value	· Took actions to supply carbon-neutral LNG and city gas, including establishment of the Carbon Neutral LNG Buyers Alliance · Began handling effective renewable energy electricity using FIT non-fossil fuel energy certificates
	Promotion of technology innovation contributing to decarbonization	· Began manufacturing the world's first CO ₂ -absorbing concrete that uses exhaust gas emitted during the use of city gas devices · Conducted hydrogen demonstration experiment using megawatt-class water electrolyzer · Verification test for methanation, a city gas decarbonization technology
	Contributions to national efforts to conserve energy and reduce CO ₂ emissions	Streamlining of energy use in business activities Procurement of high-efficiency power sources as electricity retailer
Access to energy	Number of serious supply disruptions: maintain at 0 cases Natural gas transaction volume: 17 million tons	· Number of serious supply disruptions: 0 cases · Natural gas transaction volume: 18.2 million tons
Safety and disaster preparedness	Percentage of main and branch gas pipelines with improved earthquake resistance: 89.3% Supply Command Center emergency measures drills: maintain 100% participation rate	· Main/branch gas pipelines with improved earthquake resistance: 88.8% · Supply Command Center emergency measures drills: 100% participation rate
Creation of customer value	Promotion of value co-creation related to the environment Continuously create customer value in line with the change and diversification of customer values	· Establishment of Ekimachi Energy Create Co., Ltd. (promotion of use of diverse renewable energy sources, redundancy in electrical power systems, highly reliable power supply through actions such as introduction of gas cogeneration systems and backup generators, and urban development designed to support business continuity in disasters) and other actions
	Number of customer accounts (total number of contracts for gas, electricity, and services): 14.8 million	· Number of customer accounts (total number of contracts for gas, electricity, and services): 12.31 million

*1 Calculated using FY2013 as the baseline year.



Sound relationships with society

Materiality	Targets concerning materiality (FY2022)	FY2020 Major Outcomes
Resource efficiency and recycling society	Promotion of the conservation of biodiversity, collaborating with business partners in the electric power and LNG value chains	<ul style="list-style-type: none"> Management of ballast water during LNG transport Reduction of ecosystem impact of gas pipeline laying by promoting the 3Rs for soil excavation (reduction of use of pit sand) Biodiversity survey of Sodegaura LNG Terminal green areas, and greenification/conservation efforts at all four LNG terminals ESG risk surveys that include assessment of biodiversity risks across the entire electricity/LNG value chain
	Maintenance of industrial waste recycling ratio: 95% or more	<ul style="list-style-type: none"> Industrial waste recycling ratio: 98%
	Limiting the volume of soil excavated during gas pipeline construction: Reduction of percentage of residual excavated soil carried away to no more than 16% (by FY2020)	<ul style="list-style-type: none"> Percentage of residual excavated soil carried away: 15.5%
	Recycling of plastic waste: Maintain polyethylene pipe recycling ratio of 100%	<ul style="list-style-type: none"> Polyethylene pipe recycling ratio: 100%
	Water risk countermeasures (maintenance of water consumption volumes, BCP for disasters, etc.)	<ul style="list-style-type: none"> Timely tracking of actual water use (tap water, industrial water, etc.) versus planned quantity of use Implementation of company-wide disaster training for storm/flood damage preparedness
Establishment of relationships with communities	Sound relations with stakeholders regarding the environment	<ul style="list-style-type: none"> Participation in environmental events hosted by local governments; spotlighting of Tokyo Gas Group efforts by projecting information via workshops, tours, and our museums and website; proposal of energy-saving lifestyle solutions*1 Implementation of environmental and social contribution activities through community cleanups at operating sites, Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project activities, etc.*1 Cultivation of environmental-mindedness through initiatives such as environmental training for employees (e.g., seminars on environmental laws/regulations) and awards honoring efforts to advance environmental activities
	Reinforcement of engagement through the strategic disclosure of ESG information	<ul style="list-style-type: none"> Disclosure of the Group's ESG activities and their outcomes in our Integrated Report, Sustainability Report, Corporate Governance Report, and Securities Report Ongoing information disclosure in line with TCFD recommendations Responding to various ESG surveys and communicating with the rating institutions Hosting of media seminars on our technological development-related efforts to achieve Net-Zero CO₂
	Continuous implementation of social contribution and volunteer activities	<ul style="list-style-type: none"> Social contribution activities: 213 activities Donations provided through redemption of my TOKYOGAS Paccho Points: ¥17,372,420 donated to five projects (5,626,100 points redeemed in 16,992 transactions)
	Continuous implementation of activities to support school education	<ul style="list-style-type: none"> Classes taught by Tokyo Gas employees: 291 classes, attended by 8,713 participants (including online classes) Teacher training: 3 sessions, attended by 73 participants

*1 Thorough COVID-19 safety measures were implemented for these projects.

Materiality	Targets concerning materiality (FY2022)	FY2020 Major Outcomes
Diversity	Promotion of the activities of diverse personnel	<ul style="list-style-type: none"> Ratio of women in management: Tokyo Gas Co., Ltd., 9.2%; consolidated, 9.7% (as of April 1, 2021) Ratio of employees with disabilities: 2.54% (as of June 1, 2021; Tokyo Gas Co., Ltd.) Diversity & Inclusion 2020 attendance: 3,150 participants Formulation of new action plan for promoting female employee empowerment
Satisfaction through work and labor productivity	Promotion of systems and work environments leading to job satisfaction	<ul style="list-style-type: none"> Improvement of quality of management and communication for telework Enhancement of programs supporting flexible work styles: Introduction of hour-based annual paid leave, expansion of flextime hours Implementation of initiatives for energizing talent recruitment and internal mobility programs
	Promotion of initiatives toward boosting labor productivity	<ul style="list-style-type: none"> Promotion of business process re-engineering

Action as a responsible company

Materiality	Targets concerning materiality (FY2022)	FY2020 Major Outcomes
Supply chain management	Promotion of supply chain management	<ul style="list-style-type: none"> CSR survey of suppliers: 505 suppliers surveyed, responses received from 90.7% Supplier survey ascertained whether policy governing the supply chain was in place, among other findings Issuance of "Declaration of Partnership Building"
Information security	Promotion of information security initiatives	<ul style="list-style-type: none"> Implementation of information security training and voluntary inspections Promotion of measures for strengthening supply chain security
Governance and compliance	Enhancement and reinforcement of corporate governance	<ul style="list-style-type: none"> Announcement of conversion to a company with a nominating committee, etc.
	Promotion of compliance	<ul style="list-style-type: none"> Implementation of level-specific compliance training: 1,322 participants Workplace discussions of compliance topics: 21,966 participants Service provided by compliance consultation desks: 92 consultations Conducting of compliance awareness survey Informing employees about revisions to laws and regulations

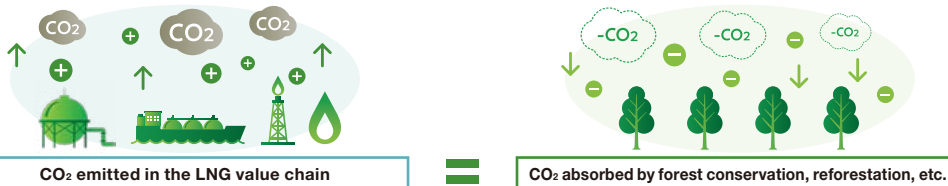
Leadership in the effort to achieve Net-Zero CO₂ as a leading company dealing in natural gas

Topic ① Expanding the Use of Carbon-neutral LNG *Climate change*

Natural gas has the lowest CO₂ emissions among all fossil fuels. The Tokyo Gas Group has contributed to the reduction of CO₂ emissions by converting customers' fuel sources to city gas made from natural gas and by promoting sophisticated usage of natural gas. Also, in FY2019 we became the first company in Japan to start supplying carbon-neutral city gas made from carbon-neutral LNG (CNL) sourced from the Shell Group.

CNL is LNG for which the greenhouse gases emitted in the processes from natural gas exploration to combustion have been offset by carbon credits (carbon offsets) gained from environmental protection projects carried out in emerging countries and elsewhere. As a result, this gas is globally considered to be carbon neutral, even if combusted. Moreover, the environmental protection projects also help to add jobs to the local economy and conserve biodiversity, among other benefits.

In March 2021, we formed the CNL Buyers Alliance with 14 partner enterprises. This consortium is taking action to broadly raise public awareness of CNL, improve the evaluation of CNL by institutional investors, and establish CNL's positioning within various systems in Japan. By offering new solutions like this, we endeavor to achieve Net-Zero CO₂ together with our customers.



CNL deemed carbon neutral on a global scale

Net-zero emissions



CNL Buyers Alliance

Examples of adoption of carbon-neutral city gas

October 2019	Marunouchi Building and Otemachi Park Building began using carbon-neutral city gas
October 2020	Hotel New Otani in Tokyo switched its cogeneration system's fuel source from normal city gas to carbon-neutral city gas
February 2021	Tamagawa Academy & University switched to carbon-neutral city gas for all its on-campus city gas needs
March 2021	Lumine Omiya began using carbon-neutral city gas
April 2021	Yakult Honsha switched to carbon-neutral city gas for all city gas supplied to its Yakult Central Institute

Social Impacts

- Reduction of CO₂ emissions through effective use of natural gas helps to mitigate climate change.
- Environmental protection projects contribute to local job creation and the protection of biodiversity and ecosystems.



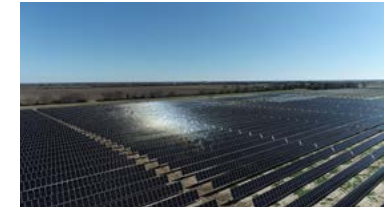
Topic ② Expanding the use of renewable power sources *Climate change*

The Tokyo Gas Group is leading the way toward Net-Zero CO₂ by introducing and expanding the use of renewable power sources globally through the acquisition of those sources and technologies supporting them. Our goal is to achieve a renewable power source transaction volume of 5 million kW worldwide in 2030 (including procurements).

We acquired the Aktina Solar Project (630,000 kW) in Texas, USA, in FY2020, and are leading the project from construction to commercial operation. In Japan, we have acquired Fushiki Manyofuto Biomass Power Plant (approx. 51,000 kW) and Ichihara Yawatafuto Biomass Power Plant (approx. 75,000 kW). Our renewable power source transaction volume has increased to 1.383 million kW as of March 2021.

In addition, we have invested in Principle Power, Inc., which has developed and owns WindFloat® technology, a floating foundation system for offshore wind power plants. This was because we recognize the strong potential offered by floating offshore wind power plants, which can be established in deep waters and thus are feasible for placement in Japan's coastal waters, which lack extensive shallow areas. As WindFloat® offers excellent floating stability, we will leverage this technology to advance the development of floating offshore wind power in waters off Japan and other countries.

In December 2020, we issued our first-ever green bonds for funding renewable energy projects. A portion of the funds raised from these bonds will be directed to the Aktina Solar Project and certain other projects.



Aktina solar power plant



Fushiki Manyofuto Biomass Power Plant



Floating foundation system for offshore wind power plants (Photo courtesy of Principle Power. Artist: DOCK90)

Social Impacts

- Our introduction of renewable power sources contributes to the mitigation of climate change.
- Our acquisition of renewable energy-related technologies contributes to promotion of clean energy.



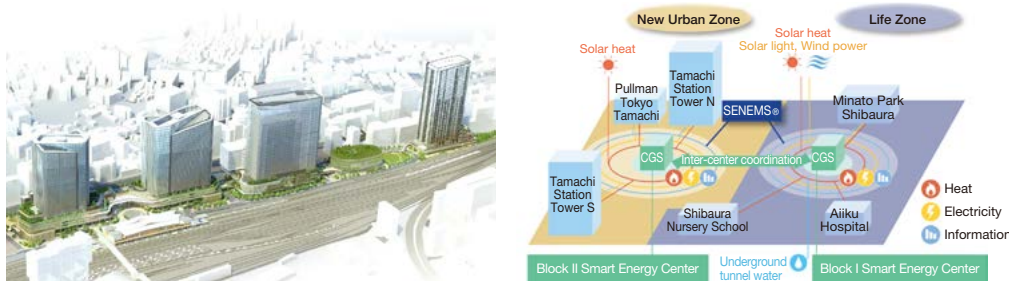
Topic 3 Expanding Smart Energy Networks Climate change / Safety & disaster preparedness

Smart energy networks are systems for networking a community's heat and electricity supply (provided mainly from gas cogeneration systems^{*1}) and for better managing those energy sources through the use of ICT. The Tokyo Gas Group is establishing and expanding smart energy networks as part of its commitment toward achieving Net-Zero CO₂ emissions and enhancing resilience functions through the use of natural gas.

In April 2020, we established Ekimachi Energy Create Co., Ltd. with the JR East Group to carry out energy supply and management for the Shinagawa Development Project. This project has realized highly reliable power supply and support for business continuity in disasters through the use of diverse forms of renewable energy—including photovoltaic, wind, sewage heat, geothermal, and solar heat—as well as the addition of redundancy to electrical systems, and the deployment of cogeneration systems and backup generators.

Moreover, in July 2020, a smart energy network in the Northern District Adjacent to the East Exit of Tamachi Station was completed by the completion of msb Tamachi Station Tower N, the completion of energy coordination between Block I Smart energy Center and Block II Smart energy Center, and the enhancement of energy-saving facilities. This has realized the optimal supply of power and heat for the entire area while saving energy and reducing CO₂ emissions. Also, the area's disaster resiliency is now stronger since either Smart Energy Center can provide backup in the event that one experiences a failure.

^{*1} Gas cogeneration systems are distributed energy systems that generate electricity using high-efficiency engines, turbines, and fuel cells fueled by clean-burning natural gas, and produce steam or hot water by using waste heat recovered from the generation process. The electricity and steam/hot water are supplied to the local area.



Shinagawa Development Project (Image courtesy of East Japan Railway Co.)

Tamachi Smart Energy Project area layout

Social Impacts

- Reduction of CO₂ emissions through effective use of natural gas helps to mitigate climate change.
- Local energy production for local consumption and the use of distributed energy systems contribute to the realization of sustainable cities.

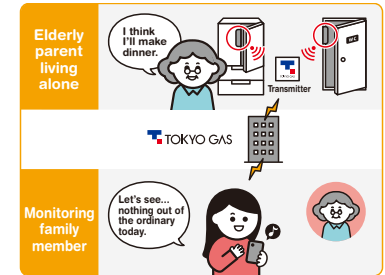


Topic 4 Monitoring Services Creation of customer value

Over the years, the Tokyo Gas Group has contributed to the realization of safe and reassuring living environments by stably supplying energy and ensuring the safety of gas equipment and appliances. In recent years, we have also endeavored to support safe and reassuring living for Japan's rapidly aging society by enhancing our monitoring services designed to provide peace of mind to families with an elderly member living alone.

Our Residential Monitoring Services help users to check up on the safety of an elderly family member living alone via their smartphones. Sensors at the elderly person's home detect whether the refrigerator, lavatory, and other doors are opened/closed, and notifications are sent to the user's smartphone. Also, Mamo-Room for Supporting Rental Property Management, a new service launched in April 2021, safeguards elderly people living alone by sending email notifications to up to five accounts of family members or caregivers whenever a door in the residence has remained open or closed for a certain amount of time.

Moreover, we began offering the senior care support service Life Rhythm Navi + Home with EcoNaviSta Co., Ltd. in February 2021. Using technologies developed by EcoNaviSta, this service analyzes metrics collected via contactless mat sensors, room temperature sensors, and other devices installed at an elderly family member's home, and sends the information to a special app on the user's mobile device. The user can use the app to track the family member's sleep and lifestyle patterns, and to remotely operate the air conditioning at the home. Using daily sleeping habits as a barometer, this service enables monitoring of seniors' quality of sleep and lifestyle rhythm at any time, without imposing physical or emotional stress on them. It thus supports care for them in a way that helps both the user and the senior to notice changes in the latter's routines. It was made possible by merging EcoNaviSta's know-how, data, and analytical technologies with the home and lifestyle expertise that we have cultivated for years.



Example of usage of Residential Monitoring Services



Example of Life Rhythm Navi + Home app screen

Social Impacts

- Digital technologies and communication infrastructure are used to help ensure healthy lives for people.
- The mutual sharing of expertise with a business partner helps ensure healthy lives for people.



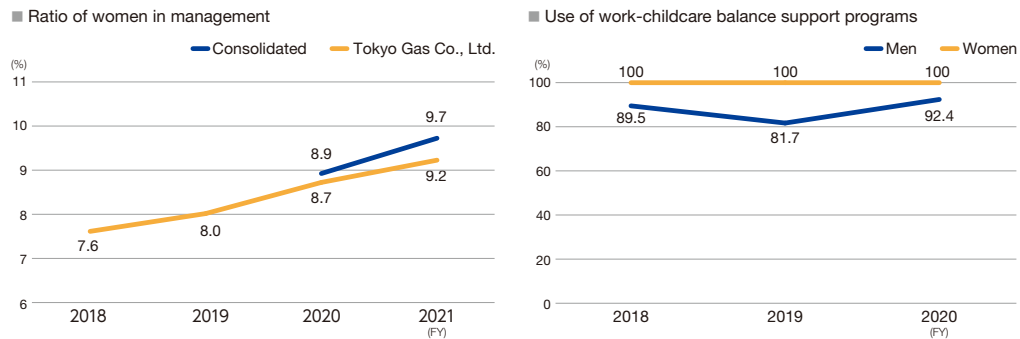
Sound Relationships with Society

Topic ① Formulating a New Action Plan for Empowering Women *Diversity*

In order for us to satisfy our diversifying customers, employees must excel by making the greatest possible use of their knowledge, abilities, and experience, and manifesting teamwork. Accordingly, we strive to promote diversity and inclusion in the workplace, starting with actions for advancing the empowerment of our female employees. Our efforts in this regard have already achieved strides forward, including a steady increase in the ratio of women in management.

In FY2020, we formulated a new action plan for further advancing women's empowerment, based on not only analysis of data such as the degree to which women use support programs, but also interviews with female employees. The issues identified were sorted into two challenges: the insufficiency of personal growth opportunities, and the difficulty of managing work-life balance. We then defined specific actions and indicators for tackling each challenge. To address the deficiency of growth opportunities, we laid out three actions: (1) creating opportunities for women to utilize their talents, (2) supporting career development, and (3) providing information on diverse role models. As the indicator for gauging our progress in this area, we set the goal of increasing the ratio of women in management positions to 11% or higher by FY2025. With regard to the difficulty of work-life balancing, we specified two actions: (1) promoting flexible work styles, and (2) supporting the balancing of work with parenting and other family responsibilities. The indicator for success here is to achieve 100% use of work-childcare balance support programs by both male and female employees.

By steadily advancing these actions while sharing best practices and coordinating efforts across the Tokyo Gas Group, we will endeavor to evolve as an employer that provides women of every age with greater choice, excellent role models, and the ability to autonomously grow and perform in their own way.



Social Impacts

- Ensuring women's participation and equal opportunities for leadership in economic activity contributes to gender equality.
- Enhancement of programs that support childcare and other family responsibilities contributes to employment that is productive and decent.

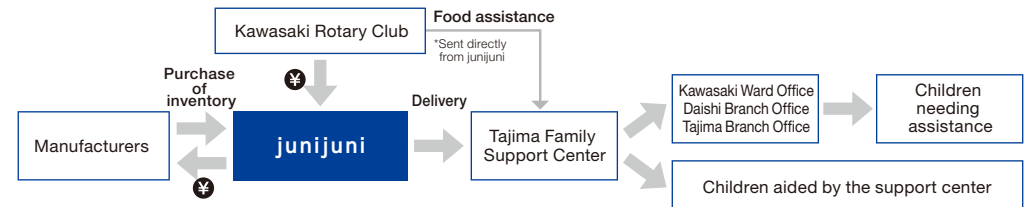


Topic ② Contributing to Local Communities during the Coronavirus Pandemic *Establishment of relationships with communities*

The Tokyo Gas Group seeks to maintain its position as a trusted provider of essential services that delivers safety and peace of mind to all stakeholders, including in any time of emergency. To do so, we must fulfill not only our public mission as an energy company, but also our social responsibilities as a corporate citizen.

As part of this commitment, we have supported the Japan Platform (JPF), a nonprofit aid organization that has been providing emergency assistance for responding to COVID-19. On May 27, 2020, we designated JPF as an eligible beneficiary for our Paccho points donation program, through which customers can have the reward points earned on their gas and electricity bill payments converted into monetary donations to a designated organization. In the time from then until March 31, 2021, we received 7,903 customer requests to exchange their points (a total of 2,703,400) for donations to JPF. We donated a sum of 3,203,400 yen (the converted points, plus our own contribution) to the nonprofit. The money will help fund activities in Japan that support healthcare professionals, seniors, people with disability, and children, among others.

In addition, the social contribution shopping site "junijuni sponsored by TOKYO GAS"*1 supported a food assistance project launched by the Kawasaki Rotary Club to help feed children whose access to food has been impaired by pandemic. The food assistance was originally handled by Kawasaki Ward in Kawasaki City and the Kawasaki Ward Council of Social Welfare. To address the challenge of maintaining a stable supply of food for children, a framework was established whereby the Kawasaki Rotary Club, of which our Kawasaki branch office is a member, purchases food from junijuni at low prices and regularly supplies it to children in need.



*1 junijuni sponsored by TOKYO GAS contributes to the reduction of food waste as a shopping site that inexpensively sells food that is perfectly edible but formerly would have been disposed of for reasons such as approaching best-before dates or aged packaging.

Social Impacts

- Support for healthcare professionals helps ensure healthy lives for people.
- The partnership with civil society contributes to stable food supply to the vulnerable.



Actions as a Responsible Company

Topic 1 Corporate Governance Reforms Governance and compliance

In June 2021, Tokyo Gas became the first*1 general gas pipeline service provider in Japan's city gas industry to transition to a company with a nominating committee, etc.

Over the years, we have endeavored to enhance and strengthen our corporate governance through diverse actions, including adopting an executive officer system, reducing the number of directors, establishing an Advisory Committee for deliberation on matters such as the officer remuneration system, and formulating our basic policy on corporate governance.

Our transition to a company with a nominating committee, etc. represents the latest major step forward in the bolstering of our corporate governance. This transformation is intended to empower our management to tackle challenges and drive innovation for addressing the unprecedented changes occurring in our Group's business environment. Specifically, it aims to strengthen the Board of Directors' supervisory functions and our executives' ability to agilely make the right decisions, vis-à-vis the changing business landscape and the further expansion of our businesses.

*1 According to internal research.

History of Tokyo Gas in enhancing corporate governance

- 2002**
 - Adopted an executive officer system and reduced the number of directors
 - Started appointment of outside directors
- 2005**
 - Established an advisory committee (to establish ad hoc committees concerning nomination and compensation, and to improve transparency)
- 2016**
 - Established the Basic Policy on Corporate Governance
 - Started the evaluation of effectiveness of the Board of Directors
- 2017**
 - Revised the Regulations of the Board of Directors (Orientation toward a monitoring model)
- 2021**
 - Made a transition to a Company with a Nominating Committee, etc. (Established Nominating, Compensation, and Audit Committees with a majority being outside directors)

There are nine directors. Six are outside directors, and three are women. The Nominating Committee, Auditing Committee, and Remuneration Committee are each formed of a majority of outside directors and chaired by an outside director.

Outside director Inside director
*Each committee is chaired by an outside director and formed of a majority of outside directors.

● Nominating Committee

The Nominating Committee makes decisions on proposals to the Shareholders Meeting concerning appointments and dismissal of directors and on proposals to the Board of Directors concerning corporate executive officers, among other matters.



● Audit Committee

The Audit Committee audits the execution of duties by directors and Corporate Executive Officers, determines audit reports, and also determines agenda items concerning appointment, dismissal, or refusal of reappointment of independent auditors, among other matters.



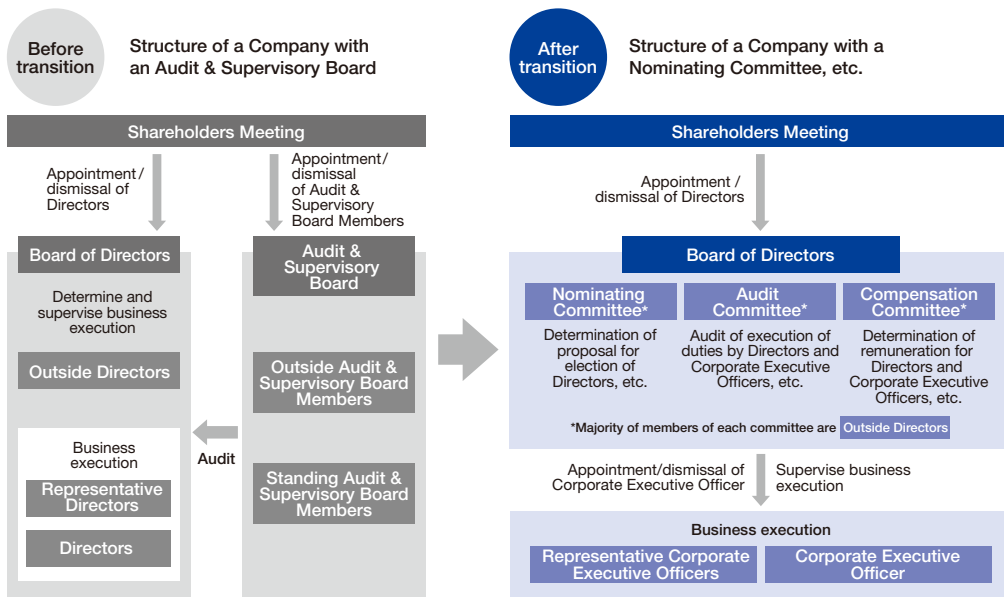
● Compensation Committee

The Compensation Committee sets policy related to remuneration of directors and corporate executive officers, and makes decisions on remuneration of each director and each corporate executive officer, according to the policy, among other activities.



Social Impacts

- Our transition to a company with a nominating committee, etc. helps us to build effective and accountable institutions.



Environmental Management

Environmental Policies and Environmental Goals

The Tokyo Gas Group is working to promote environmental management throughout the Group in accordance with Environmental Policies formulated based on its Management Philosophy and Corporate Action Philosophy, and Environmental Goals that set out challenges to be addressed and set quantitative targets.

● Environmental Policies

Philosophy

The Tokyo Gas Group will promote more sustainable ways of energy use to contribute to the protection of regional and global environments as well as to the sustainable development of society.

Policies

1. Reduction of the Environmental Impact of Customers' Energy Use
2. Reduction of the Total Environmental Impact of Tokyo Gas's Business Operations
3. Strengthening of Environmental Partnerships with Local and International Communities
4. Promotion of Green Technology R&D Programs
5. Biodiversity Conservation and Sustainable Use
6. Compliance with Environmental Law and Fulfillment of Social Responsibilities

● Environmental Goals

- (1) Strive toward Net-Zero CO₂ emissions
- (2) Promote environmental value co-creation
- (3) Develop a resource-efficient recycling society
- (4) Cultivate sound stakeholder relationships regarding the environment



▶ FY2020-2022 Materialities

Environmental Management Promotion System

The Sustainability Committee and the Meeting of General Managers Responsible for Sustainability lead the Group's environmental management by defining environmental goals, tracking progress toward them, and taking other actions.

▶ Sustainability Promotion System

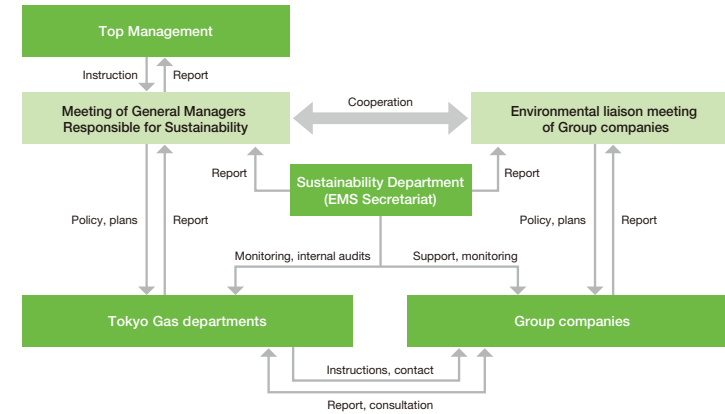
Environmental Management System

Tokyo Gas has conducted environmental management under the leadership of top management since establishing its Group-wide environmental management system in 2005 based on ISO 14001. In FY2020, we evolved our system into TG-EMS, which further enhances efficiency, effectiveness, and continuity by building on our experience with ISO14001. Implementing PDCA cycles under the EMS makes our environmental protection activities both systematic and substantive, ensuring legal compliance and reduction of environmental impact.

To strengthen our Group's environmental governance, we constructed the environmental management system described below and support the operation of environmental management systems at each Group company.

Environmental Management System

■ System Structure



Internal Audit, etc.

We conducted an internal audit in accordance with our plan for FY2020. In addition, the assessments of each department's activities verified that TG-EMS operated properly and effectively during FY2020.

Compliance with Environmental Laws

As in the previous year, the Group was not involved in any accidents that significantly impacted the environment nor was it cited for any violations of environmental laws or regulations in FY2020.

Management of Chemical Substances and Pollutants

The Tokyo Gas Group properly manages the chemical substances handled in its business operations in accordance with environmental laws and regulations.

Compliance with PRTR Act and Other Laws and Regulations

Our places of business that use Class I Designated Chemical Substances file the reports required by the PRTR Act and the Tokyo environment ordinance.*1

*1 PRTR Act: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof; Tokyo environment ordinance: Environment Ordinance to Ensure Tokyo Citizens' Health and Safety

Measures to Address Fluorocarbons

We identified Class I Specified Products (commercial air conditioners, refrigerators and freezers) and carried out the inspections and other procedures required by the Act on Rational Use and Appropriate Management of Fluorocarbons.

Also, we advanced the installation of electric chillers that use low GWP*1 fluorocarbons.

*1 GWP: Global warming potential, a rating that indicates the greenhouse effect of a substance as a factor of the greenhouse effect of CO₂.



Anti-VOC Measures

We strive to reduce volatile organic compounds (VOCs), which are released during the painting of gas holders and other gas facilities, and have shifted to a painting method that achieves lower VOC emissions by utilizing a weaker paint solvent, among other measures.



Gas holder painting work

PCB Waste Management

We properly store polychlorinated biphenyl (PCB)-containing hazardous waste and process it by the required deadlines in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

NOx and SOx Measures

The nitrogen oxides (NOx) and sulfur oxides (SOx) released by our business operations are managed in compliance with environmental laws and regulations. We also continuously strive to reduce their emissions through actions such as improvement of combustion processes.

Water and Wastewater Management

The water used in our business operations and the pollutants in wastewater are properly managed in accordance with environmental laws and regulations.

Water Management

We rigorously measure the quantity of tap water, industrial water, and other water we use, and regularly monitor usage to ensure that water is not being wasted.

Wastewater Pollutant Management

Our management of pollutants in wastewater released by our places of business includes chemical oxygen demand (COD)*1 testing and is carried out in compliance with environmental laws and regulations.

*1 Chemical oxygen demand (COD): A measure of the amount of oxygen required to chemically break down pollutants in wastewater. It is used as an indicator of pollutant concentration.

Education and Awareness-raising

Environmental Education for Group Employees

The Tokyo Gas Group's system of environmental education for employees comprises: (1) training for new employees to learn about the environmental activities they should practice as soon as they start work, (2) Group-wide training for deepening the basic understanding of environmental issues as well as our Group's environmental initiatives, and (3) EMS training to build the knowledge necessary for environmental management and enhance expertise as leaders and responsible staff at each workplace.

Additionally, we have offered a class for eco-cooking instructors to learn eco-friendly diets, and other practical programs that are helpful in reducing environmental impact and facilitating environmental communication.

We encourage employees to learn at their convenience through the corporate intranet about climate change-related issues and developments in and out of the company and considerations for handling waste.

■ Main Environmental Education Programs in FY2020

Type	Period	Number of participants	
EMS education	TG-EMS rollout briefings	June	134
	Training for EMS promoters	July	66
	Study group on environmental laws and regulations	January	326

Environmental Program Promotion Award System

This is an award system launched in FY1999 to honor workplaces and partner companies that have implemented initiatives that will serve as a model for the Tokyo Gas Group, such as reducing environmental impact, increasing brand value, and contributing to local communities. It also aims to raise environmental awareness within the Group by sharing these good practices. In FY2020, we presented 19 awards, which consisted of 2 Eco-Friendly Business Promotion Awards, 3 Eco-Office Activity Awards, 7 Eco-Rookie Awards, 2 Smart Plastic Awards, and 3 Environmental Goal Excellence Awards.



Award winners at the FY2020 presentation ceremony



Environmental Risk Management

Basic Policy

All business offices of the Tokyo Gas Group operate environmental management systems under which they annually assess the environmental risks of all operations. We endeavor to improve high-risk operations by setting specific targets and also conduct employee training, including study groups on relevant laws and regulations, to mitigate risks by raising environmental awareness. In the event any violations of environmental laws occur, we seek to prevent any recurrence by sharing information and applying the learnings to similar operations across the Group.

As part of our crisis management system, we have formulated the Emergency Response Regulations to provide the foundation for rapid formation of an Emergency Response Organization whenever a major crisis occurs. In addition, we are further strengthening the system by conducting periodic training and formulating business continuity plans to address major risks.

Climate Change Mitigation and Adaptation Measures

The Tokyo Gas Group recognizes concerns that climate change may affect our business activities in the following ways and is responding appropriately.

Climate Change Countermeasures (Climate Change Mitigation)

To reduce greenhouse gas emissions, the Tokyo Gas Group has formulated Environmental Goals and is working to reduce energy use and CO₂ emissions at city gas production facilities, power plants, district heating and cooling centers, and offices, as well as customer sites, which account for the largest share of CO₂ emissions in the LNG value chain. Specifically, we are taking actions such as promoting switching to natural gas as a fuel source, developing and popularizing high energy utilization efficiency equipment and systems, expanding smart energy networks and other distributed energy systems, and spreading the use of renewable energy power sources.

▶ Climate Change Actions

Natural Disaster Response (Adaptation Measures)

Climate change-induced disasters, such as localized torrential downpours and storm surges, may damage city gas production facilities and delay or halt LNG transport. We have formulated disaster preparedness plans at production, supply and other facilities as well as business continuity plans to prepare for a major accident, large-scale power outage or outbreak of disease caused by a major typhoon. In addition, we believe that diversifying the suppliers of the LNG used to produce city gas will help minimize the risk of supply chain disruption when any single source is affected by a natural disaster.

Managing Water Risks

Recognizing water risks as a key management concern, we set water risk Environmental Goals, conduct water stress and risk studies, and address issues such as flooding and water management.

Water Stress/Risk Studies and Engagement

For the three years from FY2016 through FY2018, we combined the use of such international indicators as the WRI Aqueduct, WWF-DEG Water Risk Filter, and WWF-DEG Water Risk Filter (Map) to conduct comprehensive assessments and analyses on current risks, such as water demand, flooding, public health, and biodiversity as well as future risks, including the impact of climate change and securing water resources. The results showed that there currently are no major water stress or risk issues at LNG supply source projects or the Group's key operating centers in Japan and abroad.

In FY2019, we began using RepRisk to gauge the water risks and other ESG risks of our overseas projects. RepRisk is a database used by the Government Pension Investment Fund (GPIF) and other institutions to set ESG investment indices. This service employs AI to automatically collect ESG data on past projects, and expert analysts score the ESG risks. Through this service, we determined that there were no major water stress or risk issues in our overseas projects in FY2020.

Going forward, we will continue addressing any risks that may be identified in the future through remedial actions driven by engagement with the risk-affected site.

As part of our supply chain engagement, we are also working to identify any potential risks at our domestic suppliers by conducting a questionnaire that includes questions on their efforts to reduce water use.

Water-related Disaster Preparedness

To ensure stable energy supply, we have taken steps to protect production, supply, and other vital facilities from flooding associated with climate change, such as localized torrential downpours and storm surges, as part of our overall actions against natural disasters and climate change.

Our efforts for protecting production facilities have included elevating electrical systems and other key equipment at our four LNG terminals in the Tokyo Bay area and on the coast of Ibaraki Prefecture. The equipment has been raised to a height greater than the predicted maximum tsunami height. Our operational preparedness actions include formulation of a business continuity plan for preventing suspension of supply in water-related disasters, and implementation of measures for sustaining city gas production based on the plan.

Our supply-related preparedness actions include subdividing areas with risk of liquefaction or tsunami damage into blocs to prevent damage from affecting a wide area.

Water Management and Planning for Reducing Water Use/Intake and Wastewater

We are striving to use water resources sustainably by monitoring the volume of water use and conservation as well as appropriately managing wastewater.

Advances in Water Resource Usage, Management, and Planning

In FY2020, we used a total of 4,422 thousand m³ of freshwater (tap water and industrial water) at LNG terminals where city gas is produced, district heating and cooling centers, power plants using LNG, offices, and other facilities in Japan, with no significant changes in the quantity used.

We are working to reduce process water consumption at LNG terminals, district heating and cooling centers and power plants through such means as optimizing boiler operation, reducing steam loss, and replacing chillers with more efficient electric turbo types. To reduce our use of tap water at offices and similar facilities, we are increasing our use of recycled water, installing water-saving toilets, and encouraging employees to conserve water. Regarding wastewater, we measure discharges and manage water quality through the use of indicators, such as pH, COD*1, and nitrogen and phosphorus concentrations, in accordance with national laws and regulations, local government ordinances, agreements and other rules.

We use seawater mainly at LNG terminals and power plants as a heat source and then return the entire amount to the sea.

*1 COD: Chemical Oxygen Demand

► Environmental Data

Compliance with Regulatory Standards

As in previous years, the Group had no violations of water-related regulatory standards in FY2020.

Combating Soil Pollution

Since FY1999, we have been conducting soil tests and groundwater surveys on land owned by Tokyo Gas, such as former plant sites, with potential soil pollution. When contaminants were found, we proactively disclosed information through reports to the relevant authorities, briefings for nearby residents, press releases, and other channels, and took measures to contain the contamination.

Depending on specific circumstances, we have paved over or excavated and removed contaminated soil to prevent its dispersal. Also, we have installed impermeable walls or pumped out contaminated underground water to prevent it from spreading. We continue to control soil pollution, reporting excavation work to authorities and conducting surveys in accordance with the Soil Contamination Countermeasures Act and relevant ordinances. Furthermore, we ensure that contaminated dirt is not dispersed and that excavated soil is handled properly.

With the revision of the act in April 2010, we have taken action to address soil pollution caused by natural factors or landfill with the same commitment as legally mandated interventions for pollution associated with our business operations.

Climate Change Actions

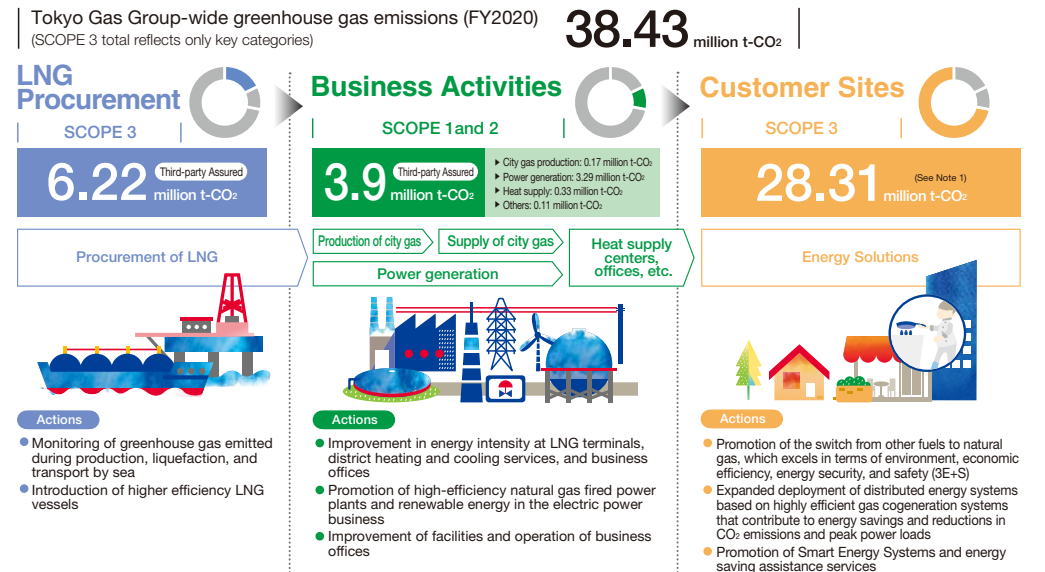
Basic Policy

The Tokyo Gas Group has been striving Group-wide to address climate change challenges by setting specific numerical targets as environmental goals that apply to our business operations as well as to customer sites where the portion of CO₂ emissions are the largest across our LNG value chain. In addition, in view of the accelerating trend of decarbonization, etc. following the adoption of the Paris Agreement at COP21, we have set, in our Group's management vision "Compass 2030" formulated in November 2019, "Leadership in the effort to achieve Net-Zero CO₂" as one of the specific challenges to be tackled.

To lead in the endeavor to achieve net-zero CO₂ emissions, we will continue our efforts to promote wider use of natural gas, which has a lower CO₂ emission factor, and highly effective use of natural gas by gas cogeneration systems and fuel cells. We will also contribute the reduction of greenhouse gas emissions by developing and expanding smart energy networks and by using digital technologies.

In our electric power business, in addition to decarbonization through increased use of renewable energy sources, we will use digital technology to combine centralized energy sources (thermal, renewable, etc.) and distributed energy sources (solar, storage batteries, gas cogeneration systems, etc.), increasing the scale of virtual power plants (VPP) that integrate varied energy sources at the customer site. Outside Japan, deploying the Group's carbon-saving and energy-saving technologies will contribute to reductions in CO₂ emissions throughout the LNG value chain.

■ Greenhouse Gas Emissions along the LNG Value Chain (FY2020)



Note 1: The total for FY2020 is the sum of the gas sales volume multiplied by emission intensity, plus emissions from power plants in which the Group holds a stake (excluding consolidated subsidiaries) and from power plants from which the Group purchases all electricity generated. The CO₂ emissions resulting from the use of city gas sold was 24.42 million t-CO₂. (Third-party Assured)

SCOPE 1: Business's own direct emissions of greenhouse gases.

SCOPE 2: Indirect emissions from consumption of electricity, heat, and steam supplied by others.

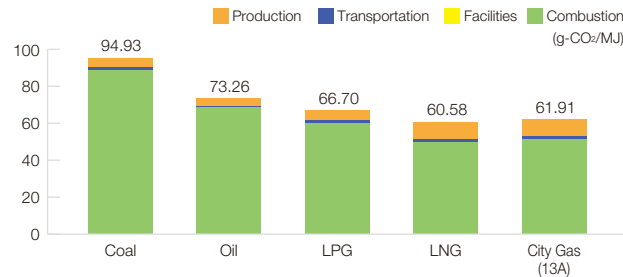
SCOPE 3: Indirect emissions other than covered in SCOPE 2 (emissions by other parties involved with business's activities).

► The Tokyo Gas Group Business Activities and Material Balance



Environmental Advantages of Natural Gas in Terms of Lifecycle CO₂ Emissions

Regarding greenhouse gas emissions from fossil fuels, it is important to evaluate not only during combustion, but also during the life cycle, including emissions from each stage of extracting, processing and transportation. From the comprehensive perspective, natural gas generates the lowest CO₂ emissions of any fossil fuel.



Source: "Future Forecast for Life Cycle Greenhouse Gas Emissions of LNG and City Gas 13A" (Japan Society of Energy and Resources, presentation report 28 (2), 51-56, 2007)
The life cycle greenhouse gas emissions of city gas (13A) announced by the Japan Gas Association in July 2020 is 60.54 g-CO₂/MJ.

Support for TCFD Recommendations and Information Disclosure

Climate-related risks and opportunities could significantly affect many companies' financial positions and destabilize financial conditions. In order to reduce such risk, in response to the request from the G20, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosure (TCFD) in December 2015 and the TCFD released its recommendations in June 2017.

We regard the TCFD as an effective framework for promoting information disclosure and dialogue with stakeholders on climate-related issues. We therefore signed the statement of support for the TCFD in May 2019. In FY2020, we began disclosing information on the impact of climate change on the Group's business activities and the measures we are taking.

▶ TCFD: The Tokyo Gas Group's Climate Change Initiatives (Integrated Report, p. 34) [Web](#)



Cutting Customer CO₂ Emissions: Residential Sector

Popularization of Highly Efficient Kitchen Stoves

In 1998, Tokyo Gas began selling a kitchen stove equipped with highly efficient burners that reduced heat loss from beneath the pan. We actively promoted the product, and by 2006, almost all stoves were equipped with burners of this type. The high-efficiency burner excels in energy conservation and helps reduce household CO₂ emissions. At the same time, it is safer and easier to use since the flames are less likely to extend from beneath the pan, even when the flame level is raised.

Popularization of Highly Efficient Eco-JOES Water Heaters

While conventional residential gas water heaters have a maximum heating efficiency of 83%*¹, the Eco-JOES highly efficient, home-use latent heat recovery water heaters are equipped with an exhaust heat and latent heat recovery system that boosts efficiency to as high as 95%*². Assisted by the industry-wide Eco-JOES Adoption Campaign to promote the introduction of Eco-JOES, the number of residential installations is rising every year. As of the end of March, shipments reached about 11.26 million units in Japan, according to data compiled by the Japan Industrial Association of Gas and Kerosene Appliances.

Due to their efficient use of heat, the Eco-JOES water heaters reduce the amount of waste heat released into the air and help reduce CO₂ emissions and combat global warming as well. Their remote controllers incorporate the Ene-Look feature, which visualizes gas and hot water usage information and thus motivates users to save water and energy.

*¹ Performance of RUF-A2405AW (B), a conventional water heater.

*² Performance of RUF-E2406AW, an Eco-JOES water heater.

* Calculations for *¹ and *² were made using the JIS S 2109-stipulated methods. (However, actual heating efficiencies depend on the conditions of use.)

Residential Fuel Cell: ENE-FARM

In May 2009, Tokyo Gas introduced the world's first fuel cell cogeneration system for detached housing, called the ENE-FARM, developed jointly with Matsushita Electric Industrial Co., Ltd. (now Panasonic Corporation). Since then, we have released a stream of ENE-FARM models featuring new functions.

In April 2015, we launched a resilient model, which incorporated a continuous power generation function that allows residents to use lighting and communication equipment during power outages caused by natural disasters. This feature is now included as standard. In resilient models, the system continues to supply electricity during a power outage as long as ENE-FARM is generating power. This enables the system to help society meet the growing need to enhance energy security.

In October 2019, we launched the ENE-FARM Mini (produced by Kyocera and rated at 400 W). This is the smallest model in the world, which makes installation easier, and has enabled a growing number of households to take advantage of ENE-FARM systems.

In April 2021, we began marketing an ENE-FARM model standard equipped with always-on network connectivity (produced by Panasonic and rated at 700 W) that contributes greater resiliency. Whenever it receives a grid power outage risk forecast from Weathernews Inc. via its always-on connection, it automatically switches to a standby operational mode that begins emergency generation of power if the grid power supply is lost.



Blue & Green Project: Popularizing Highly Efficient Gas Appliances and Planting Trees

Tokyo Gas, along with other members of the gas industry, participates in the Blue & Green Project organized by the Center for Better Living to promote the use of gas water heaters and room heaters that offer energy savings and benefits for the betterment of society. Under the project, we have sought to popularize our highly energy-efficient ENEFARM and Eco-JOES appliances (hereafter, “specified appliances”) in combination with tree planting activities since June 2006 so we can hand over a verdant planet to the next generation.

During the first phase, which started in 2006, we planted one tree in Vietnam for each specified appliance sold. We planted about 3.9 million trees over the ensuing ten years, an achievement that was recognized with a certificate of gratitude from the Vietnamese government.

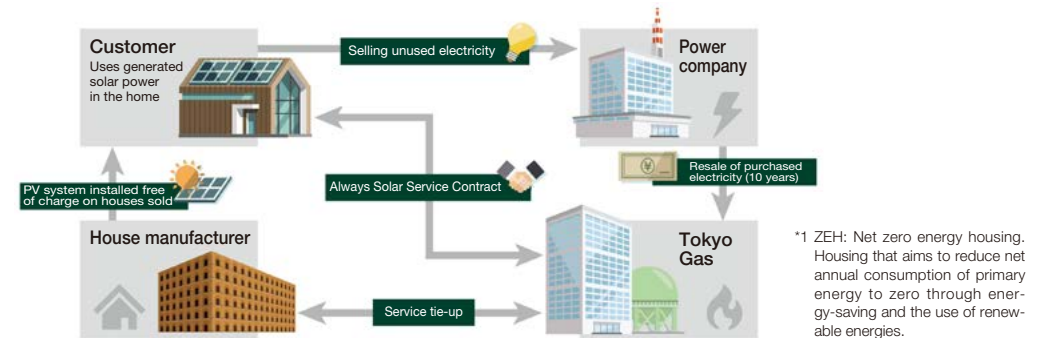
During the current second phase launched in April 2014, we have been supporting reforestation activities in Rikuzentakata City in Iwate Prefecture to restore the pine forest of Takata-Matsubara, which had been destroyed by the Great East Japan Earthquake. At present, we are continuing to raise and supply the pine saplings that are being planted mainly by volunteers from the local community. To date, some 9,000 saplings of the approximately 10,000 planned have been planted.

Surplus Solar Power Purchasing Service

Since November 2019, we have offered a service for purchasing surplus photovoltaic power from customers who are no longer able to use the feed-in-tariff (FIT) system to sell their electricity. The FIT purchasing system is a national initiative that comes to an end after ten years, but afterwards the solar panels are still able to generate electricity. By using this service, the customers can continue to affordably use the solar panels after the end of the FIT system, and thus further contribute to the reduction of CO₂ emissions. Moreover, in October 2020 we added a new plan that supports the introduction of storage cells for aiding the use of solar power in homes, and we will continue to explore opportunities to add other diverse services that contribute to the effective use of solar power.

Always Solar Service for Free-of-charge PV Systems

In October 2019, we launched our Always Solar service in conjunction with house manufacturers, providing PV systems free of charge to customers building new houses, and we are continuing to expand the supply of those systems. In addition to reducing customer energy costs and enhancing disaster resilience, this service contributes to the reduction of CO₂ emissions through the promotion of the use of ZEH*1 and PV systems.



Promotion of Energy-saving Behavior

As part of our efforts to advance energy conservation in the home, we have continuously conducted research on ways to spread and promote energy-saving behavior. Using our findings from this research, we have published the “The Ultra Energy-Saving Book” as a compendium of useful information for helping residential customers save energy. In addition, we have collaborated with the Japan Gas Association and other partners to develop board/card games and other aids designed to help customers have fun while gaining insights on how use energy more wisely.

Working under a Ministry of the Environment demonstration initiative,*1 we have developed an energy conservation education program for use in school lessons. The project verified that this education leads to a roughly 5% reduction in home CO₂ emissions.

*1 Our project was conducted as part of a four-year (FY2017-2020) initiative commissioned by the Ministry of the Environment, the “Initiative for Promoting Voluntary Actions in the Home, etc. through Information Sharing (Nudging), etc. for Encouraging Low-carbon Behavioral Changes (Construction of a Japanese Nudge Model for Achieving Win-win-win Outcomes for Consumers, Enterprises, and Local Communities)” (<https://www.env.go.jp/press/105325.html>).

Cutting Customer CO₂ Emissions: Commercial Sector

Promotion of Highly Efficient Gas Engine Heat Pump Air Conditioners

Tokyo Gas is promoting the GHP XAIR III series of gas engine heat pump (GHP) air conditioners, which achieve the highest level of efficiency. The development and deployment of new engines, compressors, and heat exchangers enhances operating efficiency, providing an approximately 10% increase in annual energy efficiency APFp compared to the previous generation. This series was honored with the Agency of Natural Resources and Energy Director-General Award of the FY2020 Energy Conservation Grand Prize (Product and Business Model Category).



“Green Help Smart”^{*1} Energy-Saving Operation Service for Gas Heat Pump Air Conditioners

Our Green Help Smart service achieves energy savings without sacrificing comfort by enabling gas heat pump air conditioners to be remotely controlled over the Internet so users can operate them more efficiently and track their status at a glance.

^{*1} Green Help Smart is a registered trademark of Tokyo Gas Co., Ltd.

Smart Multi Hybrid Air Conditioner, ENESINFO Optimal Control Service^{*1}

The Smart Multi is a hybrid air conditioning system jointly developed with Osaka Gas Co., Ltd., Toho Gas Co., Ltd., and Panasonic Corporation. It is the world’s first air conditioning system to integrate a GHP and an electric heat pump (EHP) into the same refrigerant line, and thereby achieve the optimal gas and electricity mix for individual air conditioning. It received the Special Judging Committee Award of the FY2018 Energy Conservation Grand Prize (Product and Business Model Category).

The ENESINFO is our originally developed service for remotely controlling optimal operation of the Smart Multi. The service effectively balances GHP and EHP operation to reduce energy costs, monitoring the status of their operation, energy demand and supply situations and energy prices, which vary by season and time of day. It helps to save energy and reduce CO₂ emissions by adjusting the operation ratio of the GHP to the EHP to minimize energy consumption and CO₂ emissions in accordance with the customer’s pattern of system use. Looking ahead, we intend to adapt the service as we anticipate changes in power demand and supply and in electricity prices associated with such factors as the increasing use of solar and wind power and other renewable energy as well as the deregulated electricity retail market. We will also respond to requests for saving electricity in the face of a tight demand and supply balance as our contribution to society as a whole.

^{*1} Smart Multi and ENESINFO are registered trademarks of Tokyo Gas Co., Ltd.

Popularization of Natural Chiller Commercial Air Conditioner Using Vaporization of Water

Natural Chiller systems cool air inside rooms by producing cold water in a cycle of water evaporation, absorption, recovery, and condensation. The system uses water as a refrigerant and a lithium bromide^{*1} water solution as an absorbent that does not include fluorocarbons.

Natural Chiller systems can effectively use renewable energy such as solar heat and low-temperature untapped energy sources such as sewage water, river water, seawater, and groundwater, thereby achieving additional reductions in energy use and CO₂ emissions.

Using clean city gas as backup for an unstable supply of renewable energy maintains reliable performance of the system as a whole.

The latest green models^{*2} boast a higher efficiency than that of conventional units. Using these models as replacements ensures significant cuts in energy use and CO₂ emissions.

^{*1} An absorbent absorbs water and a lithium bromide water solution exhibits the properties of saltwater.

^{*2} Green models are the most eco-friendly and reliable gas-using natural chillers and Genelink natural chillers that use waste hot water from gas cogeneration systems, selected by Tokyo Gas, Co., Ltd., Osaka Gas Co., Ltd., and Toho Gas Co., Ltd.

Combining Natural Chillers with Gas Cogeneration Systems

Natural Chiller systems are capable of recovering heat energy in a variety of different forms, enabling it to be used for cooling or heating. Combining natural chillers with gas cogeneration systems allows for the effective use of exhaust heat and reduces gas consumption, which leads to further energy savings.

Active Use of Solar Thermal Energy

We support the introduction of renewable energy with a solar cooling system for commercial applications that is based on a Natural Chiller system using solar thermal energy.

Cool Kitchens to Reduce Air Conditioning Load

For hot kitchens, we recommend “Suzuchu” cool kitchen equipment that provide efficient ventilation in addition to air conditioning. “Suzuchu” cool kitchen systems reduce air conditioning load by 30%^{*1} compared to conventional kitchen equipment. This helps to improve the kitchen environment while saving energy and cutting CO₂ emissions.

● Simulation Conditions

- Calculation is based on a school lunch kitchen with a floor area of 18 × 8.5 meters and a height of 2.5 meters
- Displacement ventilation method is used
- Air supply amount comes to 40 kQ
- Equipment: 5 tilting cookers, 4 multi-deck rice cookers, 1 oven, 1 gas stove
(For Suzuchu: tilting cookers, multi-deck rice cookers, oven and gas stove share common specifications)

^{*1} Sourced from presentation materials of Nishikawa and Omori at Society of Heating, Air-Conditioning and Sanitary Engineers of Japan (Sept. 2009).

Reducing CO₂ Emissions by Switching to Natural Gas, and Using it More Efficiently

The industrial sector is significantly lowering its CO₂ emissions by switching from fuels such as fuel oil and LPG to natural gas, and by making sophisticated use of natural gas. This fuel switching can achieve emission reductions of about 15–25%, and emissions can be curbed even further by switching to more efficient equipment and systems and making more sophisticated use of natural gas, resulting in enormous reduction of emissions.

Promotion of Highly Efficient Burners for Industrial Furnaces

Regenerative burner systems capture heat from exhaust gas into a heat storage unit and use it to preheat an air feed. They boast extremely high combustion efficiency and low nitrogen oxides (NO_x) emissions. Also boasting energy savings up to 50%, they have been drawing attention as the ultimate industrial furnaces for reducing CO₂ emissions.

Promotion of Highly Efficient Steam Boilers

We offer energy savings by replacing conventional large-capacity boilers with small, highly efficient once-through boilers and controlling multiple units. We meet needs for sustainably saving energy, cutting CO₂ emissions, and reducing costs by promoting and expanding the use of our Steam Fit energy service, which combines the installation of high-efficiency boilers, the supply of steam, and consumer-side energy conservation diagnostics.



Development and Deployment of Gas Cogeneration Systems

Gas cogeneration systems are distributed energy systems that generate electricity by natural gas-fueled highly efficient engines, turbines or fuel cells, and supply the steam or hot water produced by using the exhaust heat from power generation. The systems are eco-friendly, and also contribute to the business continuous plan and power reduction in an emergency.

Cogeneration systems are distributed systems that achieve high energy efficiency because they generate power on users' sites, which realizes no transmission loss and effectively use of exhaust heat from power generation.

The pursuit of greater power generation efficiency through R&D allows most cogeneration systems to achieve an efficiency rate that exceeds the average rate of conventional power generation and supply systems (on the demand side at substations, including transmission loss) and to significantly save energy and reduce CO₂ emissions.

As of March 2021, cogeneration systems with a total output of 2,367,000 kW (excluding residential systems) were operating in our service area.

Promotion of Energy Saving and Reduction of CO₂ Emissions through Energy Services

Concluding package contracts that cover customer energy usage and problem analysis, finance, design and construction work, equipment ownership, energy procurement, maintenance, and other matters allows us to not only solve customer challenges but also save energy and cut CO₂ emissions.

We provide plants with utility services involving a range of plant-wide solutions based on digital communications, digital control, and AI technology to meet their needs for saving energy, cutting CO₂ emissions, and reducing cost. These include our TG Miru-Net Service that saves energy by using online instrumentation and analysis of equipment to provide a visual representations of energy use, the Steam Fit service that provides comprehensive, ongoing support for steam systems from design to operation, the Furnace Fit service that provides support for energy saving and maintenance of industrial furnaces, the Water Fit service for resolving issues with in cooling water and wastewater treatment, and the Air Fit service that provides support for compressed air and related areas.

Low Flow Rate Hydrogen Generator Suidel

Tokyo Gas, Tokyo Gas Chemicals Co., Ltd., and Miura Co., Ltd. launched Suidel, a hydrogen generator for customers that use hydrogen at low flow rates, such as semiconductor, metal, and chemical manufacturers, in March 2021. Suidel is a space-saving and low-cost (including running costs) solution that enables on-site hydrogen generation for low flow rate users that otherwise rely on external suppliers. It realizes affordable hydrogen supply and saves labor by reducing the frequency of external sourcing.

Cutting Customer CO₂ Emissions: Best Practices of Smart Networks

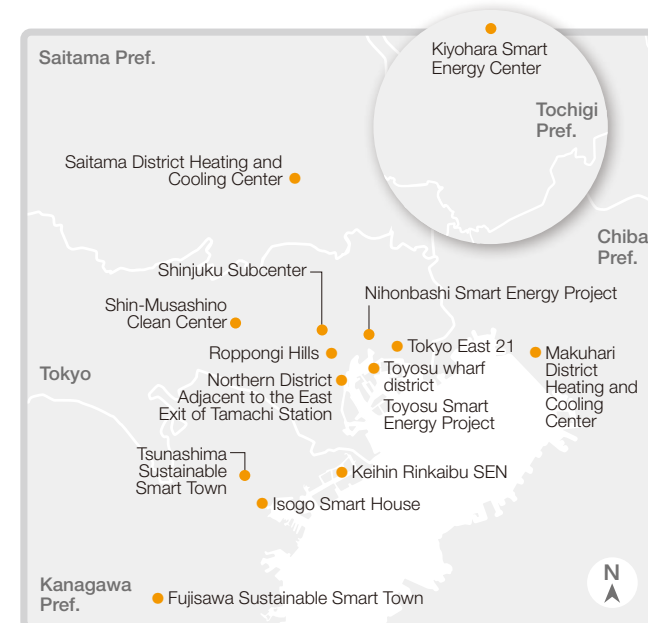
Promoting Visualization of Energy

Visualizing energy helps customers to save energy, cut costs, and use their equipment wisely.

We offer services such as TG Miru-Net, which supports energy conservation by visualizing the energy use of customers' plants through online measurement and analysis of the equipment, and TG Green Monitor, which measures the use of gas, electricity, and other energy at customers' commercial buildings and visualizes the energy usage and the status of equipment operation. The latter service allows customers to view their data shown in simple charts on a dedicated website designed so they can easily track energy consumption, and use the information effectively to save energy and cut costs.

Advancing Community-wide Smart Energy

The Smart Energy Network, one focus of Tokyo Gas Group efforts, uses the characteristics of gas cogeneration systems to build communities with strong environmental performance and high resilience. In addition to networking heat and electricity use in the district, with the cogeneration system as the nucleus of the network, we attempt to maximize the use of renewable and unutilized energy, and to provide sound management of such energy and of the demand side through ICT (Information and communications technology), including data on usage status, constructing an optimal energy system. This enhances disaster resilience functionality, and contributes to BCP, raising the value of the city. This approach is being deployed in urban redevelopment projects in the Greater Tokyo Area, including the smart energy network project in Tamachi, which received the Minister of Economy, Trade and Industry Award in the Successful Case of Energy Conservation category at the Energy Conservation Grand Prize awards for FY2016.





Developing a SEN in the Northern District Adjacent to the East Exit of Tamachi Station

The Tokyo Gas Group has been promoting the construction of a smart energy network (SEN) in the Northern District Adjacent to the East Exit of Tamachi Station in Minato City, Tokyo in collaboration with the Minato City government. In July 2020, we completed a SEN in this area in conjunction with the completion of construction of msb Tamachi Station Tower N. Along with the development of this business complex area on a Tokyo Gas-owned site, we established a Smart Energy Center plant at each of the two districts, and coordinate the operation of both plants. As a result, we have reduced the area's total CO₂ emissions by around 30% (compared to the 2005 levels), and have improved resiliency in emergencies through energy flexibility between the plants.

SEN Development in the Toyosu Wharf District

The Tokyo Gas Group is pursuing urban development in a redevelopment area located around land the Group holds in the Toyosu wharf district of Tokyo's Koto Ward. This project is guided by three concepts: "smart energy," "smart green," and "smart community."

The district's smart energy center is equipped with one of the world's most efficient cogeneration systems, which supplies electric power to Toyosu Market while using its exhaust heat to power equipment at the center. Also, environmental friendliness has been enhanced by adopting gas pressure differential power generation.*¹ By using cogeneration systems with blackout start specifications,*² laying independent power lines,*³ and employing disaster-resistant medium-pressure gas pipelines, we have enhanced the district's resilience to disaster. The network also has a "SENEMS"*⁴ for centrally managing and controlling energy throughout the district using ICT. SENEMS automatically optimizes energy demand and supply for the area. We plan to progressively expand the heat and power network as the development project progresses.

*1 Power generation based on the use of gas supply pressure.

*2 Method for independently restarting generators during a power outage. The installation of independent power lines and disaster-resistant medium-pressure gas pipelines ensure supply of electricity and heat, even during interruptions in the power grid.

*3 Power lines laid independently by an operator. They can be used at a customer's discretion when grid power has been interrupted.

*4 Abbreviation for Smart Energy Network Energy Management System.

Kiyohara Industrial Park Smart Energy Network Project

The Kiyohara Industrial Park Smart Energy Network Project, a collaboration between Calbee, Inc., Canon Inc., Hisamitsu Pharmaceutical Co., Inc., Tokyo Gas, and Tokyo Gas Engineering Solutions Corporation, became fully operational in December 2019.

This is Japan's first integrated energy-saving project serving multiple operations*¹ in an inland industrial park. It supplies a combination of electricity and heat in the form of steam and hot water. The project is located in the Kiyohara Industrial Complex on the outskirts of Utsunomiya City in Tochigi Prefecture, and involved construction and operation of supply infrastructure using independently operated power grids and district steam/hot water pipes to connect seven existing plants*² to the Kiyohara Smart Energy Center, which is responsible for supplying energy and operates cogeneration, PV, and other facilities within the complex.

The SENEMS optimally tailors the system's operation to fluctuations in demand of the seven operations, which have differing demand. This results in operational efficiency that would be difficult to achieve by the plants operating independently, achieving energy savings of approximately 20% and an approximately 20% cut in CO₂ emissions.*³ The project also benefits from the disaster resilience of medium-pressure gas pipelines, and blackout-start specifications for the cogeneration system, ensuring an uninterrupted supply of energy even if grid power is down for long periods.

*1 Integrated energy-saving project serving multiple operations: Project for saving energy by sharing utilities (integrating supply facilities for electricity, heat, etc.) between multiple existing plants to facilitate the mutual use of energy and achieve energy savings as a whole.

*2 The seven existing plants are
Calbee: Shin-Utsunomiya Factory, Kiyohara Factory, R&D Center
Canon: Utsunomiya Plant, Utsunomiya Optical Products Plant, Optics R&D Center
Hisamitsu Pharmaceutical: Utsunomiya Factory

*3 Rate of reduction compared to the combined electricity and gas usage data in FY2015 for seven plants operated by Calbee, Inc., Canon Inc. and Hisamitsu Pharmaceutical Co., Inc. This is equivalent to a crude oil equivalent cut of 11,400 kl/year and CO₂ cut of 23,000 t/year.

Nihonbashi Smart Energy Project: Japan's First SEN to Include Existing Buildings

A large high-efficiency cogeneration system is installed in the redevelopment zone in Nihonbashi Muromachi 3-chome to serve as an independent distributed power source. In April 2019, it commenced supplying electricity and heat from the Nihonbashi Energy Center to office buildings and commercial facilities in the surrounding area as well as within the redevelopment zone, making it the first such project in Japan. New projects of this kind will encourage the area-wide adoption of smart energy technologies and contribute to the development of cities that are much more resilient to disasters. This project aims to reduce CO₂ emissions in the supply area by approximately 30% through effective use of waste heat, highly efficient equipment and optimization of supply.

The project is operated by Mitsui Fudosan TG Smart Energy, Inc., a joint venture formed by Mitsui Fudosan and Tokyo Gas.

Toyosu Smart Energy Project: Energy for Core Facilities around the Station

This project includes construction of the Toyosu Energy Center, primarily to provide cogeneration-based independent distributed energy, which in April 2020 started supplying electricity and heat to core facilities in the compact area around the station where city functions come together. By supplying energy to existing facilities as well as to the redevelopment zone, the project contributes to efforts to create a resilient and environmentally friendly neighborhood. This project aims to reduce CO₂ emissions in the supply area by approximately 20% through the effective use of waste heat by the cogeneration system.

The project is operated by Mitsui Fudosan TG Smart Energy, Inc., a joint venture formed by Mitsui Fudosan and Tokyo Gas.

Cutting Customer CO₂ Emissions: Establishing Infrastructure for Hydrogen Supply

Construction and Operation of Hydrogen Stations

We construct and operate hydrogen stations to popularize fuel cell vehicles (FCVs) and help establish the infrastructure for supplying hydrogen. We want to create a hydrogen society that makes use of zero-emission hydrogen energy. CO₂ emissions for which FCVs are liable do not differ significantly from those for electric vehicles in terms of mileage, and the use of FCVs helps to reduce environmental impact.

Tokyo Gas produces hydrogen through the conversion of city gas, which emits only a limited amount of CO₂ and has a low impact on the environment.

In February 2018, Japan H2 Mobility, LLC (JHyM) was jointly established by 11 companies*¹ to enhance convenience for FCV users, increase the number of FCVs, put the operations of hydrogen stations on an independent footing, and create "a virtuous cycle between FCVs and hydrogen stations." This is the world's first initiative for accelerating the installation of hydrogen stations through collaboration among partners such as infrastructure operators, automakers, and private investors.

Tokyo Gas will construct and operate hydrogen stations as an infrastructure company in collaboration with JHyM. Looking ahead, we will also continue to pursue efforts to create a sustainable hydrogen society in collaboration with other companies.

*1 The 11 founding companies are three automakers (Toyota, Nissan, Honda), six infrastructure operators (ENEOS Corporation, Idemitsu Kosan Co., Ltd., Iwatani Corporation, Tokyo Gas Co., Ltd., Toho Gas Co., Ltd., and Air Liquide Japan), and two private investors, etc. (Toyota Tsusho Corporation, Development Bank of Japan).

■ Status of Efforts towards the Realizing a Hydrogen Society

Time	Action
Status at the End of March 2021	FCVs popularization to approximately 5,300 vehicles, with 140 hydrogen stations
Targets for 2030 (Ministry of Economy, Trade and Industry)	FCV diffusion to approximately 800,000 vehicles, and development of around 900 hydrogen stations



■ Milestones in Tokyo Gas' Construction and Operation of Hydrogen Stations

Time	Outline	Hydrogen Supply Method *1
May 2003	Senju Hydrogen Station opened in a pilot R&D project	
December 2010	Haneda Hydrogen Station opened in a pilot project, becoming Japan's first hydrogen station with a natural gas stand (operated until 2015)	On-site
December 2014	Nerima Hydrogen Station opened as the first commercial station in the Kanto region	Off-site
January 2016	Senju Hydrogen Station converted into a commercial facility	
February 2016	Urawa Hydrogen Station started commercial operations	On-site
February 2018	Tokyo Gas sets up JHyM with other companies to promote hydrogen stations	—
January 2020	Toyosu Hydrogen Station opened Became Japan's first station to supply carbon-neutral hydrogen in April 2020 by using carbon-neutral city gas and green electricity generated from renewable energy	On-site

*1 Hydrogen stations supply hydrogen produced on location from city gas (on-site method) or hydrogen produced elsewhere (off-site method).

Development of Hydrogen Technologies

We conducted research and development on hydrogen stations for supplying hydrogen to fuel cell vehicles as a participant in a New Energy and Industrial Technology Development Organization (NEDO) project on research and development of hydrogen utilization technology from FY2013 to FY2017.

We will continue exploring ways to control the quality of hydrogen fuel injected into FCVs, assess the accuracy of hydrogen injection quantity measurement and inject hydrogen into FCVs other than passenger cars, such as buses and motorcycles. In addition, we will help formulate industry guidelines for these methods in the hope of incorporating them into international standards. We are further exploring efficient ways to run commercial hydrogen stations and reduce their maintenance costs.

Cutting Customer CO₂ Emissions: Popularization of Natural Gas Vehicles

We have been working on popularizing the use of natural gas vehicles (NGVs), which are clean and feature low CO₂ emissions. NGVs, fueled by natural gas instead of diesel or gasoline, emit only small amounts of nitrogen oxides (NOX) and release virtually no black smoke, particulate matter (PM) or sulfur oxides (SOX), which are known to cause respiratory diseases such as asthma. They release about 10% to 20% less CO₂ emissions than gasoline vehicles and are recognized as eco-friendly vehicles.

Contribution to National Resilience

The transportation sector is highly dependent on oil, which accounts for as much as 98% of the fuel it uses, and thus is seeking to improve its energy security by diversifying fuel sources, including through the use of natural gas.

Almost all the gas supplied to natural gas refueling stations is medium-pressure gas, and the pipelines that carry it are built to withstand earthquakes of a magnitude equivalent to that of the Great East Japan Earthquake. The gas stations are capable of continuously supplying natural gas to fuel vehicles even in the aftermath of a major disaster and thus contribute significantly to maintaining the resilience of transport and logistics.

Actions in Business Operations: City Gas Production and Supply

Highly Efficient City Gas Production and Supply

Natural gas extracted abroad is liquefied at -162°C and transported by tanker as LNG. We produce city gas at the Negishi, Sodegaura, Ohgishima, and Hitachi LNG terminals and deliver it to customers via our extensive pipeline networks.

The energy efficiency in producing city gas from LNG stands at 99% or more. Energy loss is also extremely low in city gas supply because the gas is transmitted directly through pipelines to consumption areas.

In addition, we are making further efforts to save energy, such as by using LNG cold energy.

Using Cold Energy at LNG Terminals

Making effective use of cold energy of -162°C LNG at various temperatures, we engage in cryogenic power generation, operate cold storage warehouses and produce dry ice.

Reducing Methane Emissions

Methane emissions released by our business operations mainly come from city gas production and gas pipeline construction work. We are firmly making progress in our efforts to reduce these emissions, including recovering and cutting the amount of sampling gas used in analysis of produced gas, preventing venting during the startup and shut-down of calorific value adjustment systems, and planning pressure reductions to curb methane emissions during pipeline construction work.

Actions in Business Operations: Electric Power Business

Most Advanced, Highly Efficient Natural Gas-Fired Thermal Power Plant

All Tokyo Gas-affiliated power plants are highly energy-efficient natural gas-fueled power plants that generate electricity using cutting-edge gas turbine combined cycle technology. Generating electricity at these newly built highly efficient power plants in place of conventional thermal power plants helps reduce CO₂ emissions.

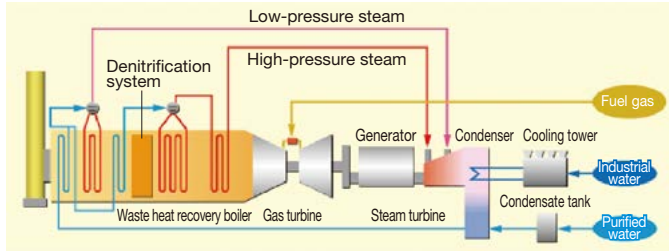
■ Development of Natural Gas-fueled Power Plants (as of March 2021)

	Capacity Owned (rounded to nearest 10,000 kW)
Japan	287
Overseas	123
Total	410

Gas Turbine Combined Cycle Technology

Combined cycle power plants that use LNG as fuel achieve higher power generation efficiency as they draw upon the heat from gas turbines to convert water to steam, which is then collected to run power-generating turbines.

■ The process of combined cycle power generation



▶ Ensuring the Stability of Power Sources

Promoting Renewable Energy

The Tokyo Gas Group has been involved in solar power, onshore wind power, and biomass power generation both domestically and internationally, and is actively supplying power derived from renewable energy sources. In addition to our ongoing efforts to further develop and procure renewable power sources in collaboration with business partners, we will become more actively involved in offshore wind power, which has strong growth potential. Our goal is to acquire access to renewable energy sources capable of generating electricity at the scale of 5 million kW (global total) by 2030.

■ Development of Renewable Power Sources*1 (as of March 2021)

	Capacity Owned (rounded to nearest 10,000 kW)
Japan	28
Overseas	108
Total	136

*1 Total for solar, wind, and biomass; does not include procurement.

Wind Power Generation

Leveraging our experience in onshore wind power generation at facilities constructed on our own sites in 2005, we invested in Shonai Wind-Power Generation Co., Ltd., which operates the Yuza Wind Power Plant in Yamagata Prefecture, and we buy electricity from two wind power plants operated by Kuroshio Furyoku Hatsuden K.K. in Chiba Prefecture. We are working on the development of fixed-foundation offshore wind turbines at Kashima Port in Ibaraki Prefecture, and also plan to become actively in floating offshore wind power, which is expected to grow.

■ Major Projects in Recent Years

April 2011	Acquired a stake in Shonai Wind-Power Generation Co., Ltd., which operates the Yuza Wind Power Plant in Yamagata Prefecture (30.2% owned by Tokyo Gas, 14,560 kW generating capacity)
January 2015	Signed a power purchasing agreement with Kuroshio Furyoku Hatsuden K.K.
April 2015	Began purchasing approximately 12,000 kW of electricity generated by plants operated by Kuroshio Furyoku Hatsuden K.K. in Choshi, Chiba Prefecture: Choshi Takada-cho Wind Power Plant, which entered service in 2006 with one 1,990 kW turbine, and Shishiba Wind Power Plant, which entered service in 2009 and has five 1,990 kW turbines
April 2018	Acquired a stake in Kashima Offshore Wind Farm project run by Wind Power Energy in Ibaraki Prefecture
May 2020	Acquired a stake in Principle Power, developer and owner of wind float technology, which provides a floating foundation system for offshore wind power plants
November 2020	Acquired a stake in Chiba Offshore Wind Inc., which is being developed by Northland Power Inc. and Shizen Energy Inc.
April 2021	Began development for Kashima Offshore Wind Farm project under a new partner arrangement

Solar Power Generation

In addition to operations focused on tie-ups with business partners, another initiative in the area of renewable energy is our operations to actively acquire existing power plants. We were the first to notice and take advantage of the potential of solar power sources that are no longer eligible for the fixed-price purchasing system.



Annaka Solar Power Plant, one of the largest-capacity PV plants in the Kanto Region

■ Major Projects in Recent Years

February 2017	Entered a capital partnership with Shizen Energy Inc.
August 2017	Established Prominet Power Co., Ltd.
May 2018	Prominet Power and Kyudenko Corporation separately acquired shares in solar power plant operator SKF Power Co., Ltd., which had been wholly owned by Tokyo Century Corporation (39% owned by Tokyo Gas, 9,717 kW generating capacity)
June 2018	Prominet Power acquired six solar plants developed by Photon Japan (all wholly owned by Tokyo Gas, 9,172 kW generating capacity in total)
January 2019	Prominet Power acquired Kyoto Ayabe Solar Power Plant (Kyoto Prefecture, wholly owned by Tokyo Gas, 4,872 kW generating capacity)
December 2019	Shikamachi Inotani Reservoir Solar Power Plant (Ishikawa Prefecture, wholly owned by Tokyo Gas, 2,589 kW generating capacity) and Hakui City Shimbo Town Solar Power Plant (Ishikawa Prefecture, wholly owned by Tokyo Gas, 2,746 kW generating capacity) commenced commercial operations
January 2020	Acquired Annaka Solar Power Plant, one of the largest-capacity PV plants in the Kanto Region (Gunma Prefecture, wholly owned by Tokyo Gas, 63,206 kW generating capacity)
July 2021	Completed construction of Iwakuni-Yu Solar Power Plant and launched commercial operation (Yamaguchi Prefecture, wholly owned by Tokyo Gas, 23,490 kW generating capacity)



Biomass Power Generation

We are collaborating with business partners to develop our own power plants. Biomass is advantageous as a fuel for power generation because it can be sustainable, playing a part in our contribution to achieving the SDGs.



Fushiki Manyofuto Biomass Power Plant

Major Projects in Recent Years

September 2018	Tokyo Gas Engineering Solutions Corporation acquired a stake in the Nakagusuku Biomass Power Plant Project in Uruma City, Okinawa (2.7% owned by Tokyo Gas Engineering Solutions, 49,000 kW generating capacity, due in service July 2021)
March 2020	Acquired a stake in Ishinomaki Hibarino Biomass Power Plant (Ishinomaki City, Miyagi Prefecture, 34% owned by Tokyo Gas, 74,950 kW generating capacity, due in service May 2023)
July 2020	Acquired a stake in the food recycling biomass project Tohoku Bio Food Recycle Sendai Plant (Sendai City, Miyagi Prefecture, 21% owned by Tokyo Gas, 780 kW generating capacity, due in service Spring 2022)
August 2020	Acquired Fushiki Manyofuto Biomass Power Plant (Takaoka City, Toyama Prefecture, 51,500 kW generating capacity, due in service October 2021) and Ichihara Yawatafuto Biomass Power Plant (Ichihara City, Chiba Prefecture, 75,000 kW generating capacity, due in service January 2024)

Overseas Renewable Energy Initiatives

Overseas Initiatives

Actions in Business Operations: District Heating and Cooling Services

The Tokyo Gas Group operates district heating and cooling services, including small-scale heat supply, in 44 districts. We supply steam and hot/cold water with gas cogeneration systems consisting of absorption chillers and boilers, powered by natural gas. We seek to enhance energy efficiency by fine-tuning operations and working to achieve even higher efficiency with our equipment.

Makuhari District Heating and Cooling Center

We upgraded the Makuhari District Heating and Cooling Center to a regional energy center for power generation and heat supply that promotes region-wide reductions of energy use and CO₂ emissions, from a conventional district heating and cooling center that supplied only heat by upgrading the heat source equipment. We have optimally mixed the use of the latest highly efficient large-scale cogeneration system with a total capacity of 15.7 MW, an electric turbo chiller, a boiler and an absorption chiller while also reducing fuel consumption by 19% and CO₂ emissions by 19% (compared with FY2015 results).

Actions in Business Operations: Business Offices

Effective Energy Use through Gas Cogeneration Systems

Tokyo Gas started its energy-saving efforts with the introduction of gas cogeneration at the Hamamatsucho Head Office Building as early as in 1984. In FY2008, we upgraded the system to the best available technology*¹ and started operation in April 2009. It contributed to significant energy savings by reducing the building's annual CO₂ emissions by about 1,400 tons.

When Japan's electricity supply was severely strained in the summer of 2011 due to the impact of the Great East Japan Earthquake, we significantly reduced our electricity use by putting all the Group's cogeneration systems to work.

*¹ Upgraded CHP system: Two 930 kW-class gas engines, total efficiency of 72% (38% power generation, 32% exhaust heat capture).

Reconstruction of Aging Buildings into Energy-Saving and Environmentally Friendly Offices

As part of our commitment to advancing environmentally friendly practices, we formulated the "Design Guidelines" in 2010 as a set of policies for energy conservation, seismic safety and durability. We follow these guidelines when drawing up plans to reconstruct buildings owned by the Group.

TG Hiranuma Building: Recognized with the Environment Minister's Award for Global Warming Prevention Activity

The TG Hiranuma Building is a middle-scale, energy-saving, and ecofriendly office building (five stories above ground, about 7,200 m²). The building uses about 30% less energy than other office buildings of similar scale, owing to its systems and equipment, including a solar cooling system that utilizes solar energy and exhaust heat from its gas cogeneration system, the highly efficient gas heat pump GHP XAIR, solar power generators, and natural ventilation systems.

The building was selected as a Leading Project for CO₂ Reduction*¹ by the Ministry of Land, Infrastructure, Transport and Tourism in FY2011. It was recognized with the Environment Minister's Award for Global Warming Prevention Activity (Early Adopter of Solution Technology category) in December 2015. In FY2016, it obtained the BELS*² certification for buildings that meet the government's energy-saving criteria. (The assessment was four stars, out of five.) In January 2020, the building was certified as a CASBEE*³ Wellness Office (graded S, the top rank), and certified as a CASBEE Smart Wellness Office with five stars out of five.

*¹ The government gives subsidies for leading housing and construction projects for CO₂ emission reduction after publicly soliciting applications.

*² The Building Energy-Efficiency Labeling System. In the system, a third-party evaluation body assesses and certifies the energy-saving capabilities of green buildings under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act).

*³ Comprehensive Assessment System for Built Environment Efficiency: assesses the environment performance of buildings and gives ratings on a scale of five. The TG Hiranuma Building had also been ranked S under CASBEE-Yokohama, an assessment required by the local authority. This, together with the new S ranking, led to certification as a CASBEE Smart Wellness Office.



Earth Building Tachikawa: Holder of top rank (S) CASBEE certification for buildings

Earth Building Tachikawa (TG Tachikawa Building) was reconstructed in July 2015 into a middle-scale office building (five stories above ground, about 10,600 m²). Designed to be a ZEB, it features diverse environmental considerations, including the use of renewable energy and highly efficient facilities and equipment. Moreover, it offers superb business continuity functionality because it combines seismic base isolation and vibration control in a total system that dramatically reduces the risk of earthquake damage.

It received the top S certification in CASBEE for buildings, the first for a Tokyo Gas building. In FY2016, it acquired BELS certification, earning a rating of four stars out of five.

Earth Port as ZEB

In 2010, we began renovating the Tokyo Gas Kohoku New Town Building, dubbed Earth Port, in the City of Yokohama's Tsuzuki Ward. The primary goal is to achieve zero net primary energy consumption on an annual basis by 2030 by increasing the efficiency of equipment and optimizing energy use. We were able to reduce the building's primary energy consumption by about as much as 40% and CO₂ emissions by around 47% in FY2014 by incorporating renewable energy sources such as solar thermal and photovoltaic power generation and optimizing the operation of the cogeneration system.

Saving Energy through Better Management of Equipment and Facilities

We hold an energy-saving committee meeting at each building where we lease an office, including the building's owner and equipment administrator and the relevant Tokyo Gas section. The committee helps examine energy use, optimize temperature and humidity and arrange energy conservation patrols, encouraging each of our employees to promote energy-saving activities.

The Tokyo Gas Group as a whole engages in energy conservation through campaigns in the summer and winter, when power use peaks. In capital spending, we promote the introduction of more efficient lighting equipment at our offices and facilities, such as LED and high frequency-ballast fluorescent lights, to increase energy-saving.

Use of Electricity Generated by Renewable Energy (FIT) with Non-Fossil Fuel Certification

In July 2018, the Gas Science Museum began purchasing electricity generated by renewable energy under the FIT*1 program with non-fossil fuel certification to cover approximately 30% of the electricity used at the facility. The remaining 70% of the energy used at the facility is generated by highly efficient fuel cells using clean natural gas.

*1 A Green Menu offered under the ENNET program based on a CO₂ emission factor of zero. Of electricity provided under the program, Tokyo Gas purchases electricity from renewable energy sources under the FIT program with non-fossil fuel certification.

Actions in Business Operations: Reducing CO₂ Emissions with Our Stakeholders

Forest Conservation Activities at Nagano Tokyo Gas Forest

Tokyo Gas owns a 194-hectare forest in the town of Miyotamachi in Kitasaku-gun of Nagano Prefecture. As part of our efforts to achieve a sustainable society through activities such as action to mitigate global warming, we engage in conservation activities, such as planting and thinning trees under a forestry management plan. The forest is also used to provide environmental education to Tokyo Gas Group employees.

▶ Biodiversity Conservation Activities at Nagano Tokyo Gas Forest

Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project *1

In addition to its role as an initiative for fighting global warming, the Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project is beneficial in many different areas, including preservation of diversity, regional revitalization, education, and development of the local community. Those benefits produce connections between regions, and connections to the world as whole, leading to anticipation that this project will contribute to sustainability in a broader swathe of society.

In FY2020, employees joined local teams in the spring and autumn to restore eelgrass, which provides shelter for small fish and other marine creatures, to help clean up the sea and reduce CO₂ emissions. We purchased Japan Blue Credits, marine carbon credits for eelgrass restoration and other blue carbon*2 efforts, from various sellers such as the Association for Shore Environment Creation, an NPO that we assist as part of our project, and used the credits to offset the CO₂ emissions of our Yokohama showroom, receiving a Japan Blue Credit Carbon Offset Certificate in recognition of this contribution. Also, customers who supported the project joined through their Paccho (Tokyo Gas's mascot character) point*3 contributions, which are channeled to donations for organizations engaged in social contribution activities for forests, villages, the ocean, and rivers.

Forests, villages, and the ocean are all parts of Japan's diverse natural environment. We will continue to use these connections in attempts to enhance the sustainability of our lives and to play a part in community development.

*1 For this project, we set up the Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project Committee in cooperation with the Japan Philanthropic Association to discuss and determine which subsidies and contributions are in the public interest and fair.

*2 A 2009 UNEP report used the term blue carbon to refer to the carbon stored in marine ecosystems, and presented it as a new option for CO₂ sequestration.

*3 This reward point program is for myTOKYOGAS members and therefore requires prior registration. Members earn Paccho points by using various Tokyo Gas services and participating in campaigns. The points can be exchanged for those of the loyalty programs of tie-in companies. Contributions to the project begin with 100 points.

Pursuing the Effective Use of Biomass

We are developing technologies that make use of biomass*1 in a bid to reduce greenhouse gas emissions.

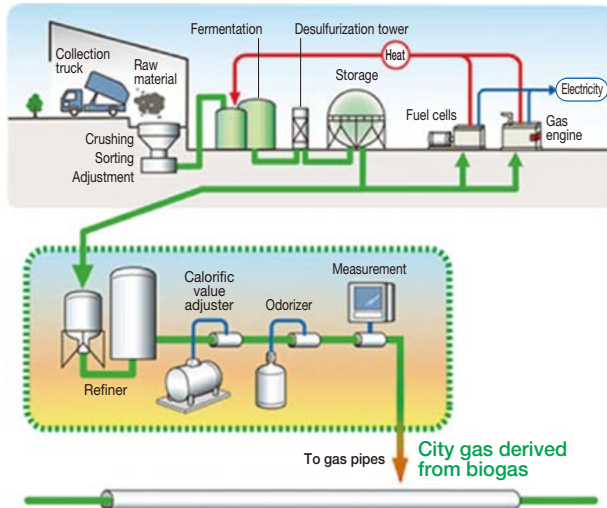
We plan to promote the wider use of biomass and its diffusion by working on the biogas utilization technologies we have developed through combustion of city gas and biogas as well as technologies for extracting biogas through less costly and more efficient methane fermentation of biomass, such as food waste, and upgrading biogas to a higher quality gas by removing impurities.

Specifically, the Tokyo Gas Group possesses technologies for converting biomass such as food waste and sewage sludge into gas for use as fuel for boilers and power generation. Biogas generated at customer sites is mainly used as fuel for cogeneration systems. We participated in the Demonstration of Injection of Biogas into City Gas Grid project for manufacturing biogas from food waste, adjusting its calorific value and odorizing it so that it could be injected into city gas pipelines. Between FY2010 and FY2019, we took in such biogas derived from food waste.

We carried out joint research with the city of Yokohama from FY2013 to FY2018 on ways to expand the use of biogas from sludge at a sewerage facility in northern Yokohama. We set up test equipment for refining biogas at the North Yokohama Sludge Recycling Center and are developing technologies for removing CO₂ in sewage sludge biogas using a separation membrane to concentrate the methane.

*1 Biomass is a generic term for plant and animal-derived organic resources (excluding fossil resources) that can be recycled into energy or material. Burning biomass releases CO₂, but CO₂ absorbed from the atmosphere by plants during photosynthesis offsets this release. This is the greatest advantage of using biomass. It can be used as an energy source in a number of ways, such as obtaining heat or electricity with the use of steam generated by burning it, and using biogas acquired from fermented biomass for gas cogeneration systems (gas cogeneration systems generate electricity and recover exhaust heat generated as a by-product).

How Biogas Is Fed into Gas Pipelines



Biogas refining test equipment installed at North Yokohama Sludge Recycling Center

Promotion of Resource Recycling

Basic Policy

The Tokyo Gas Group has established environmental goals for developing a resource-efficient recycling society to promote resource recycling, and rigorously practices the 3Rs of reduction, reuse, and recycling of waste across the Group. Specifically, we seek to maintain or raise recycling rates for industrial waste products, reduce the amount of soil excavated during gas pipeline construction, reuse old gas meters, and recycle used gas pipes (steel, cast-iron, and polyethylene pipes), incorporating resource recycling into every stage of our business activities.

Total Volume of Generated Waste, and Recycling Rate

The Group's environmental goals in this area are to maintain a recycling rate of at least 95% for industrial waste as a whole, and 100% for polyethylene pipes.

At offices, we reduce the use of copy paper, recycle used paper, and make other efforts to produce less paper waster on a daily basis.

► Targets and Outcomes

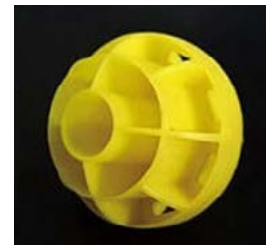
Promoting the 3Rs

Waste Reduction

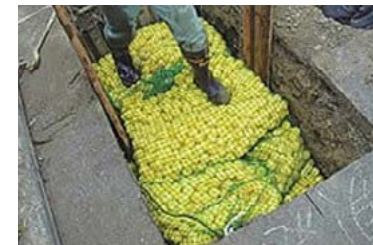
Efforts Concerning Excavated Soil

Construction of underground gas pipelines entails excavating roads and refilling the gaps with pit sand. Reducing the use of pit sand suppresses environmental destruction and lowers CO₂ emissions generated by the vehicles transporting sand to construction sites. The Tokyo Gas Group strives to reduce the volume of excavated soil and the use of pit sand by laying pipes in shallow, narrow trenches and by using the non-open-cut construction method.

To reduce the use of pit sand further, we are pursuing 3R efforts such as increasing the use of excavated soil (reuse), improved soil, recycled road surface materials (recycle), and Eco-balls (reduce, reuse) for refill work.



"Eco-ball," an innovative temporary backfiller



Gas pipeline installation work using Eco-balls

Reuse

Reuse and Recycling of Gas Meters

We have played a leading role in reusing gas meters immediately after initial introduction of gas meters, prior to other gas service companies and companies in other industries.

Gas meters installed at customer sites are regularly replaced before the expiration of their 10-year certified life. However, we collect such retired gas meters, replace consumable parts, recalibrate them and reuse them for up to three cycles, which means they can be used for up to 30 years. Gas meters reused for three cycles have been materially recycled through our own channel and effectively used as material for new products by electric furnace makers and other companies.



Gas meter



Disassembled gas meter

Recycling

Recycling of Used Gas Pipes

In FY1994, we established a system for recycling used gas pipes, which are recovered during gas pipeline installation work. We have achieved an annual recycling rate of 100% for polyethylene (PE) pipes*1, which are recycled into raw materials for plastics, and for steel and cast-iron pipes that are reused as materials for metals. We also use some of the recycled PE pipe material for in-house purposes, such as making instruction tags that show how to restart gas delivery after emergency shut-off.

*1 PE pipes have been in widespread use since the Great Hanshin-Awaji Earthquake in 1995 because of their earthquake resilience and corrosion-resistant properties.

■ Recycling Rate for Used Gas Pipes

		FY2016	FY2017	FY2018	FY2019	FY2020
Gas pipes	PE pipes	100	100	100	100	100
	Steel and cast-iron pipes	100	100	100	100	100

■ PE pipes are reborn as useful plastic material



Plastics Smart: Campaign led by Japan's Environment Ministry to promote efforts aimed at resolving the global issue of marine plastic pollution through broad collaboration and cooperation among individuals, local governments, NGOs, companies and research institutions. Tokyo Gas has registered its initiative as a Plastics Smart campaign.

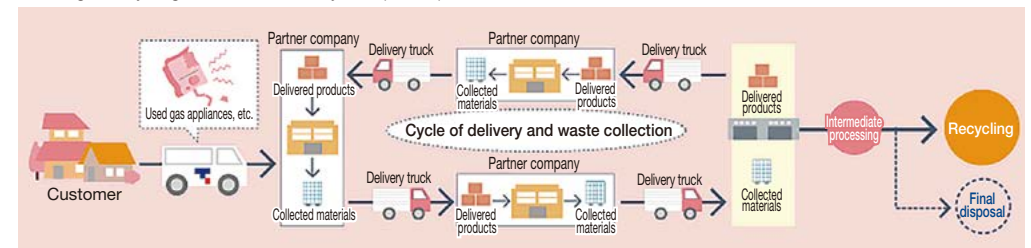
Dealing with Waste at Customer Sites

We promote the 3Rs at customer sites as well by controlling waste generation through the business value chain from the design stage, reducing container and packaging waste, to collecting used appliances.

System for Collecting and Recycling Waste such as Used Gas Appliances (SRIMS)

We collect used gas appliances and waste from replacement works at customers and gas installation or home renovation work. Since August 1994, we have been operating our own Saving & Recycling Innovative Model System (SRIMS), which offers the combined benefits of reducing environmental impact and cutting costs. Under the system, we collect waste when we deliver gas appliances, parts, and piping materials to partner companies.

■ Saving & Recycling Innovative Model System (SRIMS)





Assisting Recycle Home Electric Appliances

The so-called “A Group,” mainly organized by Panasonic Corporation and Toshiba Corporation, collects and recycles Tokyo Gas-brand household gas air conditioners and clothes dryers. These are eligible for recycling under the Act on Recycling of Specified Kinds of Home Appliances (Home Appliance Recycling Act).

Reducing Waste of Containers and Packaging

We have made it a rule to collect discarded containers and packaging to reduce waste at customer sites when partner companies sell and install gas appliances.

Collected containers and packaging are recycled in the Saving & Recycling Innovative Model System (SRIMS).

In addition, we work to reduce the quantity of containers and packaging for gas appliances. These efforts include reducing cushioning through the re-designing of cardboard packaging, cutting back on the use of cardboard through shrink wrapping in plastic film, and adopting returnable packaging, in which packaging materials are collected and reused repeatedly.



Shrink wrapping



Returnable packaging (repeatedly used containers)



Cardboard boxes designed to require less cushioning

Working to Achieve Zero Mixed Waste in Gas Equipment Renewal Work

Replacement of equipment or pipes for our gas-fueled HEATS residential central water heating and air heating/cooling system installed at condominiums requires dismantling and removal work. While the scale of the work is relatively small, constraints on time and space limit waste separation, often resulting in disposal as mixed waste (which has a low recycling rate, and mainly ends up in landfills). We have therefore reinforced our efforts to formulate a waste separation protocol at the planning stage of construction work in coordination with relevant parties and educating staff on waste separation. Consequently, we have achieved zero mixed waste from construction work and reduced the volume of landfill waste disposal.

Best Practices in Dealing with Waste from Business Activities

Working to Reduce Waste in Installation Work for New Gas Equipment

We have adopted the prefabrication and pre-cut method for piping work for the TES (Tokyo gas Eco System) gas water/air heating equipment and ENE-FARM. Pipes and joints as well as other materials are processed at manufacturing plants and supplied as piping sets in time for installation work at each house. The only work necessary at the worksite is connecting and fixing the pipes to appliances.

In addition, we are cooperating with manufacturers and installation contractors to promote this method, which generates less waste by requiring no onsite processing.

Biodiversity

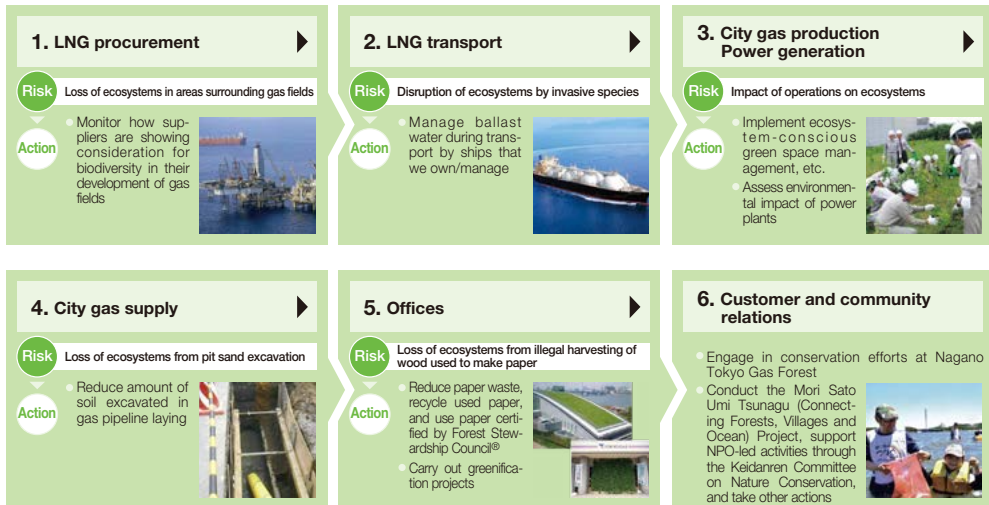
Basic Policy

Recognizing the critical value of nature's blessings and to ensure that we continue to enjoy these blessings into the future, the Tokyo Gas Group has established "Biodiversity Conservation and Sustainable Use" as an environmental policy. Based on this policy, we strive to understand and alleviate the impact of our business activities on biodiversity, promote the sustainable use of resources, and partner with local communities in biodiversity conservation activities.

In addition, Tokyo Gas is a promotion partner of the "Declaration of Biodiversity by Keidanren (Japan Business Federation)" initiative.

Environmental Impact Assessment

Natural gas extraction and construction of LNG terminals or power stations have a considerable impact on the landscape and natural environment. We review the state of biodiversity conservation at overseas gas fields from which it procures LNG and confirms that local ecosystems are being considered. In Japan, we conduct the required environmental assessments for the construction of LNG terminals and power plants and cooperate with nongovernmental organizations to undertake such activities as managing green spaces with due consideration for ecosystems.



Measures in Our LNG Value Chain

We are working to conserve biodiversity by accurately understanding the impact of each segment of our LNG value chain, from natural gas procurement to transportation, production and supply.

Procurement

Our LNG suppliers implement measures to conserve biodiversity around their LNG projects, including afforestation projects and efforts to protect endangered species, forests, and marine ecosystems.

For example, in our LNG project in Malaysia, we installed 1,500 artificial reef balls in a national park. It was subsequently confirmed that sea turtles last seen along the park's coast in 2010 have been returning since 2015 to lay eggs. And in our LNG project in Australia, we are working jointly with the Australian Institute of Marine Science to record the status of the coral reef and marine life in the area of our business activities and to conduct research on bleaching and rehabilitating the coral reef.



Installing artificial reef balls
Source: Petronas, "Bringing life to a barren ocean"

Transport

Concerns have risen over the potentially adverse ecosystem impact of aquatic organisms contained in the ballast water^{*1} of LNG vessels, as they are transported outside their normal habitat and discharged at ports where LNG is loaded. Although we have already taken some steps, such as discharging ballast water on the high seas, we are also installing ballast water treatment equipment on LNG vessels that we own and manage to reduce the impact on ecosystems under the International Convention for the Control and Management of Ship's Ballast Water adopted by the International Maritime Organization (IMO), which came into effect in September 2017.

*1 Seawater taken into a vessel as a counterweight to maintain stability after LNG is unloaded.



Hard clams not previously found in Japanese waters

Production

The Tokyo Bay area is an extensive nexus of water and greenery that is populated by a diverse array of organisms. Regions like this are important stopovers or habitats for many forms of wildlife, including migratory birds and insects. Our Sodegaura LNG Terminal has a relatively large amount of green space among the various installations operating in the Tokyo Bay industrial belt, and thus is a significant interface of aquatic and green environments in that area. For this reason, we implement green space management practices that support biodiversity.

With the support of the nonprofit organization Jumoku Kankyo Network Society, we regularly conduct assessments of the biodiversity impact of our green space maintenance and management, thin trees to improve land surface exposure to sunlight, and utilize the resulting timber as habitats for insects or compost it with grass clippings for use as fertilizer.

As a result of these and other actions, our green spaces have been confirmed to be feeding grounds, stopovers, and habitats for diverse wildlife, including butterflies, various insects that live in soil, and birds such as zitting cisticolas and little ringed plovers. In addition to improving biodiversity, our efforts have also reduced waste and chemical fertilizer use through the effective use of timber from felled trees.



Logs from felled trees are used to provide habitats for insects.



Before thinning: Ground is constantly damp due to poor sunlight exposure.



After thinning: Improved sunlight exposure allows plants to thrive.

Supply

When laying new pipes, we strive to reduce the ecosystem impact by using approaches that minimize the amount of soil excavated and pit sand used as backfill, such as by digging trenches that are shallower and narrower than customary, or by using non-open cut construction, which avoids making cuts in roads.



Offices

We plant trees on rooftops and create green curtains at our offices and museums.

Biodiversity Activities with Our Customers and Local Communities

We have been making efforts to conserve biodiversity through the forest preservation activities at the Nagano Tokyo Gas Forest, which opened in 2005, and the Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project, which started on June 1, 2017.

Biodiversity Conservation Activities at Nagano Tokyo Gas Forest

We have been monitoring the environment at the Nagano Tokyo Gas Forest since 2007 in an effort to conserve biodiversity. We have confirmed a total of 447 species of living organisms in the forest (351 plants, 17 mammals and 79 birds) based on our flora survey and biota monitoring conducted in 2018. We are steadily accumulating data on how we managed the trees, and on the number of animals and birds. This information is very useful when we draw up new plans for forest and biodiversity conservation.

► Forest Conservation Activities at Nagano Tokyo Gas Forest

Environmental and Social Contribution Activities in the Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project

► Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project

Supplying Energy

Procurement of LNG

Diversification of LNG Procurement

The growth in global LNG demand centered on Asia and the potential for larger fluctuations in LNG demand in Japan from liberalization and other developments have given rise to the need for greater competitiveness and flexibility in LNG trading. The Tokyo Gas Group is striving to achieve stable and affordable LNG supply through the diversification of three elements of procurement: sources, contract conditions, and the LNG network.

As of end-March 2021, the Tokyo Gas Group imports LNG under long-term contracts from 16 projects in six countries: Australia, Malaysia, Brunei, Russia (Sakhalin), Qatar, and the United States.

▶ Tokyo Gas Main Long-term LNG Projects (p. 4 of Investors' Guide) [Web](#)

Expansion of LNG Trading

As LNG demand continues to increase worldwide, we will optimize LNG supply and demand by utilizing the Tokyo Gas Group assets and deepening cooperation with other companies in order to expand transaction volumes. As our KPI, we have set a natural gas transaction volume target of 20 million tons in 2030.

Currently, we are stepping up our partnering with various LNG buyers such as Centrica LNG in the United Kingdom, RWE in Germany, and Kansai Electric Power and Kyushu Electric Power in Japan, while increasing the flexibility of procurement and sales contracts. Moreover, we are leveraging our LNG vessels, LNG terminals, thermal power plants, and other Group assets to expand our use of LNG swaps in an effort to enhance LNG transport efficiency and reduce costs.

In September 2020, we established TG Global Trading Co., Ltd. as an LNG trading subsidiary that enables us to engage in agile LNG trading. Our natural gas transaction volume for FY2020 totaled 18.2 million tons.

Stable Production of City Gas

Stable Production of City Gas

We have ensured the overall reliability of our supply infrastructure by producing city gas through a four-terminal network that comprises our three LNG terminals in the Tokyo Bay area*1 as well as the Hitachi LNG Terminal. With this network, the four terminals back each other up, thus enabling us to continue stably supplying city gas even if one of the terminals experiences a power outage or other disruption.

Each terminal is able to stably produce city gas because all are equipped with highly reliable facilities and incorporate dual redundancy in their key systems. We are steadily upgrading aging facilities, strengthening earthquake resistance, and making every effort to ensure safety.

Construction of a second LNG tank was completed at Hitachi LNG Terminal in FY2020. The commissioning of this tank has further enhanced the resiliency of our natural gas infrastructure.

*1 Negishi LNG Terminal (Yokohama City, Kanagawa), Sodegaura LNG Terminal (Sodegaura City, Chiba), and Ohgishima LNG Terminal (Yokohama City, Kanagawa).

Compliance with Statutory Requirements

To ensure delivery of high-quality city gas to customers, we conduct statutory tests of calorific value, combustibility, and other properties on a daily basis. We also strive to further improve quality through not only regular voluntary monitoring, but also facility maintenance and management, including periodic repairs and daily inspections.

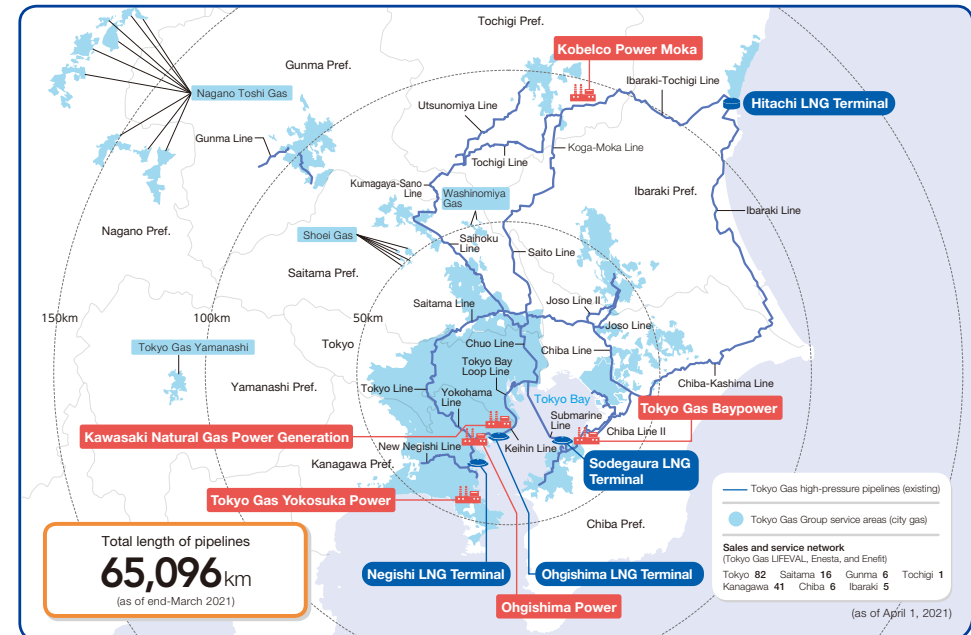
Safe Supply of City Gas

Pipeline Network Development

We are developing our gas pipeline network to ensure the long-term stability of city gas supply in step with increased demand and the expansion of our service area. In FY2020, we completed construction of the Ibaraki Line, a high-pressure pipeline in Ibaraki Prefecture, and began supplying gas through it. Along with the LNG tank capacity expansion at the Hitachi LNG Terminal, the looping of our high-pressure pipeline network in the northern Kanto Region in addition to the Tokyo metropolitan area has further increased the stability of supply and strengthened gas transportation capacity. Going toward 2030, we will work to strengthen the resiliency of the natural gas infrastructure in the Tokyo metropolitan area through stronger cooperation with local governments and other infrastructure companies.

Moreover, we are laying medium- and low-pressure pipelines while ensuring supply stability in areas where we already supply city gas and in the northern Kanto region and other areas with vigorous demand. As we continue to expand our city gas transportation capacity through these initiatives, we will also seek to achieve cost structure reform through drastic review of operations and mechanisms, and to utilize digitalization to build a system that achieves a balance between ensuring stable supply and achieving low costs.

■ The Tokyo Gas Group's Energy Supply Infrastructure





Supply Control Center

The Supply Control Center uses a highly reliable dedicated wireless transmission network to collect data on the operational status of city gas production and transportation facilities in the Tokyo metropolitan area in real time and centrally monitor those facilities 24 hours a day, 365 days a year. Also, in order to stably transport city gas while accounting for the impact of periodic regular inspections and maintenance of LNG terminals and high-pressure pipelines, the center accurately controls governor station pressure and gas holder storage and withdrawal, among other parameters, in addition to regulating the gas feed for transportation service clients and the production volume of manufacturers (LNG terminals, etc.).

Maintenance of Gas Pipelines

Replacement of Aging Gas Pipes, etc.

In order to address aging buried gas pipes, We formulate a prioritized replacement and upgrade plan for each fiscal year and firmly execute the measures set forth in it. In our effort to deal with aging underground house gas pipes (galvanized steel pipes) at buildings that are a high safety priority, we are informing customers of the need for replacement and working toward completing all upgrades by FY2030, as much as possible.

Periodic Gas Leak Inspections

In accordance with the Gas Business Act, we conduct periodic inspections to ensure the early detection of gas leaks from pipes buried under roads. We carry out repairs promptly at any locations where leaks are detected. We rigorously comply with the Gas Business Act and related laws and regulations and notices when we plan, conduct, and manage periodic inspections. In addition, we plan and implement our own ongoing gas leak inspections over and above the legally mandated periodic leakage inspections.

Patrolling High-pressure Gas Pipelines

To ensure the stable transportation of city gas, we conduct periodic patrols along routes above high-pressure gas pipelines. During the patrols, we check whether any businesses are implementing construction work above buried gas pipelines without inquiring with Tokyo Gas in advance, and look for any road cracks, depressions, or other damage that may affect gas pipelines. The patrols also inspect gas supply equipment and make sure there are no abnormalities in the pressure regulators that adjust gas pressure and the valves that shut off gas flow.

Maintaining Neutrality

We established Tokyo Gas Network Co., Ltd. on April 1, 2021 as a spin-off preparatory company in preparation for the legal separation of our pipeline business in April 2022 under the government's electric power and gas systems reforms. We are steadily carrying out preparations and procedures for the separation to enable pipeline business operations to be properly carried out in a manner ensuring fairness and transparency.

In addition, we have established the Transmission Service Center to accept applications for transmission service contracts, including provider switching. By constructing a system to handle contracts for transmission services using our pipelines and to bill customers after the contract begins, we seek to facilitate the provision of services to new transmission service clients. We maintain the neutrality of the center's operations through features designed to treat all transmission service clients fairly. These include physical isolation of the office to ensure appropriate management of information on the clients, and prohibition of the use of transmission service-related information for other purposes.

Ensuring the Stability of Power Sources

Building an Optimal Portfolio of Power Sources

We recognize that it is now more important than ever before to provide a stable source of electricity, taking into account major changes in the energy landscape such as electric power and gas system reforms, and growth in our sales stock. To answer that need, we must secure stable power sources, and thus we are establishing an optimal power source portfolio that combines our own power sources with power purchased from other companies.

Expanding Power Sources

We are advancing the construction of natural gas-fired power plants toward reinforcing the foundations of our electric power business. In this construction, we realize stable supply by (1) locating power plants close to demand areas, (2) using state-of-the-art, high-efficiency combined cycle power generators to reduce the load on the environment, and (3) locating power plants near our LNG terminals to achieve efficient and stable management maximizing synergies.

With the receipt, from October 2019, of all the electric power generated by the Moka Power Plant operated by Kobelco Power Moka, Inc. (a subsidiary of Kobe Steel, Ltd.), the Tokyo Gas Group's own power source capacity, in terms of equity ratios, has expanded to around 3 million kW. Anticipating future system design requirements and the market environment, we will continue to expand our power sources to secure a total capacity on the scale of 5 million kW in the 2020s.

■ Tokyo Gas Group-related Power Plants (domestic, as of March 2021)

Power Plants	Output Capacity (10,000 kW)	Our Stake (%)	Capacity Owned (10,000 kW)
Tokyo Gas Yokosuka Power	10	100	10
Tokyo Gas Baypower	24	75	18
Kawasaki Natural Gas Power Generation	84	49	42
Ohgishima Power	122	75	92
Moka Power Plant *1	125	0	125
Total	365		287

*1 Purchased total capacity.

▶ Actions in Business Operations: Electric Power Business

Stable Power Generation

The Tokyo Gas Group's thermal power plants are fueled by natural gas produced at our LNG terminals, which have achieved stable operation. These power plants maintain a stable supply of electricity through operational and monitoring activities as well as daily checks and periodic inspections. Capitalizing on expertise acquired in the gas and power generation businesses, we will supply more affordable electric power while doing our best to ensure safety and stable supply and address environmental concerns through collaboration with our alliance partners.

Overseas Initiatives

By making use of our strengths and performance record in the LNG value chain to focus on the development of the LNG infrastructure business in Asia, where the demand for natural gas is rising, the Tokyo Gas Group is contributing to the access to energy in Asia. We are also working to expand the scale of renewable power generation.

► Overseas Project (p. 12 of Investors' Guide) [Web](#)

Development of LNG Infrastructure Business

The Group will collaborate with leading local companies in Asia, where natural gas demand is rising, to accelerate business development focused on midstream and downstream operations. We will leverage our technology and expertise to expand effective use of natural gas and to contribute to the construction of infrastructure.

■ FY2020 Milestones

October 2020	Signed joint cooperation agreement with First Gen to pursue construction and operation of a floating LNG Terminal in the Philippines (Tokyo Gas)
November 2020	Acquired stake in gas distribution company Super Energy in Indonesia (Tokyo Gas Asia)
January 2021	Along with Nippon Koei, jointly awarded contract from Bangladesh Oil, Gas & Mineral for conducting feasibility study, engineering services, and tender management for land-based LNG terminal in Bangladesh (Tokyo Gas Engineering Solutions)

Expansion of Scale of Renewable Power Generation

To advance toward Net-Zero CO₂ on a global scale, the Tokyo Gas Group is engaged in efforts to expand the scale of renewable energy power sources overseas. We aim to handle 5 million kW of renewable power source transactions in Japan and overseas in 2030.

■ FY2020 Milestones

August 2020	Acquisition of 630,000-kW Aktina Solar Project, which was developed in Texas by the US-based renewable energy development company Hecate Energy (Tokyo Gas America)
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Ensuring Customer Safety

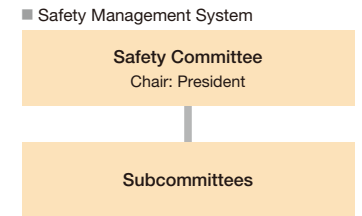
Basic Policy

Securing customer safety is our fundamental mission as an energy company. To fulfill this commitment, we have established a safety management system, and we strive to ensure customer safety by periodically inspecting customer gas equipment and by operating an emergency dispatch system 24 hours a day, 365 days a year.

System for Ensuring Safety

Management System

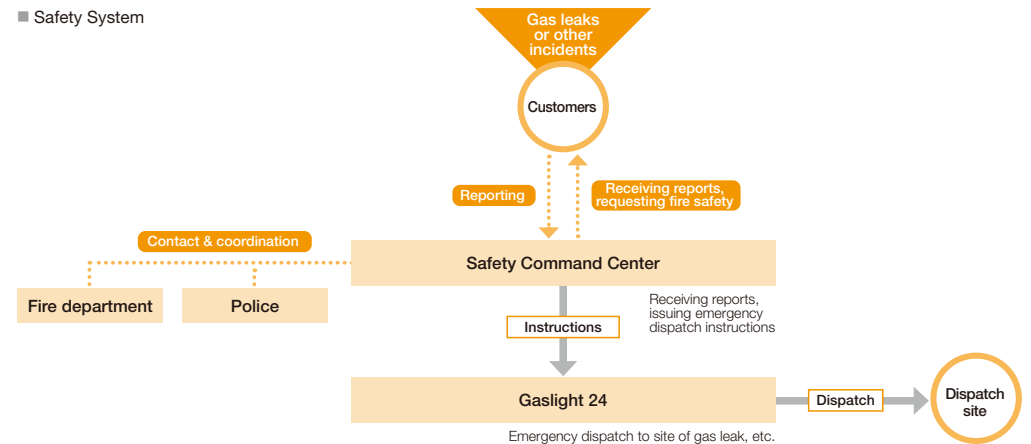
Our safety management system rests upon our firm belief that safety must be at the heart of our duty as an energy company and must directly involve top management. We have established a Safety Committee (chaired by the President) for studying specific measures to ensure safety—including basic safety policy and the emergency safety operations formation—and promoting the implementation of them. Several subcommittees have been formed under the Safety Committee.



Safety System

We operate an emergency dispatch system 24 hours a day, 365 days a year to deal with gas leaks and other problems that may arise. This comprehensive system is designed to respond to all situations to ensure the safety of our customers.

■ Safety System



► Safety Structure [Web](#)



Periodic Safety Inspections of Gas Equipment

Under the Gas Business Act, the Tokyo Gas Group periodically inspects gas equipment at all customer sites at intervals mandated by law. As a general gas pipeline business operator, we check for gas leaks on customer premises. As a gas retailer, we visit customers to inspect gas appliances as well as air supply and exhaust equipment. In addition, we recommend the installation of gas alarms as necessary, and provide contact information for occasions when an industrial ventilation alarm is activated.

Enhancing the Safety of Gas Appliances

Launch of Voluntary Action Plan on Product Safety

In accordance with the Consumer Product Safety Act, we have formulated the Tokyo Gas Voluntary Action Plan on Product Safety to fulfill our responsibility as a company that repairs, installs, and sells household gas appliances. Our aim is to ensure product safety and foster a culture of product safety.

Moreover, in our drive to promote a culture of gas appliance safety, we post important notices on the use of household gas appliances on our website to enable customers to quickly find important, accurate information on the correct use of products. We also post bulletins on recalls and reported problems so that customers can use their household appliances safely.

Tokyo Gas Voluntary Action Plan on Product Safety

Launched on November 7, 2007

Tokyo Gas defines the following Voluntary Action Plan on Product Safety to ensure product safety and establish a culture of product safety, thereby strengthening our group values of “Safety, Security, and Reliability” in our role as a company that sells, repairs and installs home gas appliances.

1. Compliance with laws

We shall comply with laws and regulations concerning product safety, formulate in-house voluntary standards for repair and installation work, and strive to ensure product safety.

2. Establishment of a product safety promotion system

We shall improve our company's product safety promotion system to ensure product safety.

3. Risk reduction of product-related accidents

We shall contribute to reducing the risk of product-related accidents by sending feedback on product-related accidents and problems that come to our attention to the manufacturers and importers of gas appliances.

4. System for collecting and transmitting information on product-related accidents

Whenever we learn of a product-related accident we will promptly forward the information to senior management and related departments in the company, as well as to manufacturers and import companies.

5. Maintenance and enhancement of product safety

We shall promote awareness and disseminate information to our customers on the proper use of gas products, follow-up on questions from customers on product safety and commit to the cultivation of a culture of product safety.

6. Cooperation with manufacturers and importers

Whenever manufacturers or importers recover products due to recalls or other reasons, we shall cooperate with them to efficiently facilitate product recovery.

Gas Appliance Safety Improvements

We have established quality assurance and response units tasked with addressing gas appliance failures and accidents by swiftly identifying the causes and formulating response measures.

In the event of any gas appliance failure that requires the identification of a technical cause or results in an accident, we immediately investigate the cause and take the necessary actions in cooperation with the manufacturer. We also share with manufacturers the insights gained from analysis of appliance failure causes and repair data so that this information can be used to prevent recurrence and improve quality in future products.

Promoting Switchover to Safer Appliances

Tokyo Gas has been encouraging the switchover to safer appliances since 2007. We use direct mail and periodic safety inspections of gas equipment to recommend early switchover to customers using water heaters or bath boilers not equipped with devices to prevent incomplete combustion.

■ Progress in the Switchover to Safer Appliances

Air supply and exhaust type	Target appliances	Number of units targeted for replacement at campaign start	Number of target units remaining at end of FY 2020
Open-type gas appliances	Small water heaters	37,000	1,966
	Wire mesh stoves	4,200	387
Semi-closed-type gas appliances	Conventional flue-type water heaters and bath boilers / forced exhaust-type water heaters (with downdraft diverters)	120,000	9,471
Total		161,200	11,824

Disaster Countermeasures

Basic Policy

The Tokyo Gas Group carries out earthquake disaster countermeasures under the three pillars of prevention, emergency, and recovery so that customers can use gas safely and conveniently 24 hours a day, 365 days a year. We strive to minimize the impact on customers in the event of a disaster. We have also developed a full system for minimizing the impact of storm and flood damage on customers.

Earthquake Disaster Countermeasures

Prevention Measures

In order to ensure strong earthquake resistance of our gas production and supply systems, we reinforce LNG tanks, gas holders, gas pipelines, and other facilities themselves, and implement multiple layers of safety measures. Our main facilities are designed to withstand earthquakes as powerful as the 7.3-magnitude Great Hanshin-Awaji Earthquake in 1995 and the 9.0-magnitude Great East Japan Earthquake in 2011.

Emergency Measures

We promptly shut off gas supply during major earthquakes in order to prevent secondary disasters. Our gas meters for homes are equipped with safety devices that automatically shut off the gas supply to each home or building when they detect earthquakes measuring 5 or greater on the Japanese seismic scale.

Also, all the approximately 4,000 district pressure regulators in our supply area are equipped with seismographs so that gas supply can be shut off automatically or remotely at each district pressure regulator when a major earthquake is detected. Our disaster-prevention system facilitates the safe shutoff of gas supply throughout the entire region.

Moreover, customer inconvenience is minimized by the division of the gas pipeline network into small blocks so that gas supply to unaffected areas can continue uninterrupted.

Recovery Measures

Tokyo Gas strives to restore gas supply as soon as possible by making full use of IT systems and cooperating with other gas utilities nationwide. Immediately after an earthquake occurs, our earthquake disaster prevention system SUPREME collects data from all district pressure regulators and rapidly determines the optimal recovery method. Furthermore, since FY 2014 we have introduced a system for remotely operating district pressure regulators toward realizing same-day gas supply restoration in areas with no earthquake damage.

We provide information to customers through the Gas Service Restoration Map, a color-coded digital map that makes it easy to quickly find out the status of gas supply suspensions and the progress of recovery operations. In addition, we are able to provide emergency supply of gas to hospitals and other critical facilities that require rapid restoration of supply, using mobile gas equipment to provide gas as a relief measure until normal supply is recovered.

1 Prevention Measures

Highly earthquake-resistant facilities

Minimize potential damage by continuing to further strengthen earthquake/tsunami countermeasures for critical facilities.



2 Emergency Measures

Quick shutdown of gas supply to prevent secondary disasters

We have systems for shutting off gas supply to individual buildings and for remote shutoff of area gas supply.



3 Recovery Measures

Safe and swift restoration of gas supply

We reduce the time it takes to restore gas supply in affected areas by leveraging IT systems to their fullest and streamlining recovery operations.



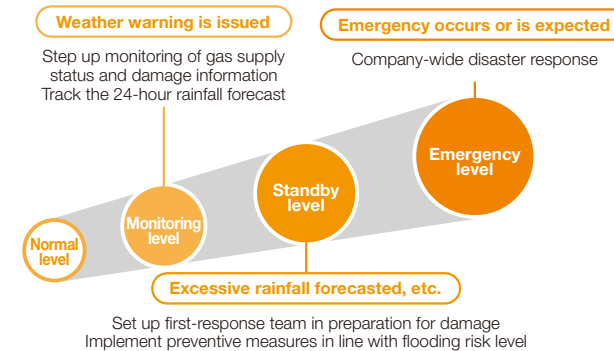
Storm and Flood Damage Countermeasures

Gas Supply Facilities

Our gas supply facilities have an airtight design that impedes water intrusion, and our district pressure regulators do not require electrical power to operate. Because of this, gas supply is, in principle, maintained even in the event of floods or power outages.

Establishment of Situational Response Formation

Whenever a major typhoon or other large storm is forecast to approach our supply area, we set up a response formation in advance. If an emergency occurs or is expected to occur, we swiftly respond as needed, including by escalating the response level.





Disaster Preparedness

Business Continuity Planning

We regularly review all of our more than 600 operational procedures to prioritize our disaster response actions, so that we can efficiently shut off gas supply to prevent secondary disasters while continuing to safely supply less affected areas.

When the gas supply to an area is interrupted, we promptly suspend nonessential operations and assign their personnel to recovery operations, and take other company-wide actions to restore service as quickly as possible.

Establishment of a Backup Center

Our systems are located in a data center that meets high earthquake resiliency standards. We have also established a backup center in case of a major disaster. The backup center maintains systems concerning customer information and emergency safety operations, as well as extra equipment and data backups for swift restoration of services. Emergency drills are conducted regularly, and redundancy is built into the power supply and communication systems to minimize the impact on customers during an emergency.

Comprehensive Disaster Prevention Drills

We conduct comprehensive disaster prevention drills once a year to further strengthen our disaster response capabilities. These exercises are intended to verify that all Emergency Response Organization teams are capable of acting in accordance with the guidelines to provide an initial response, facilitate smooth transition to recovery, and ensure effective collaboration with other gas retailers.

Disaster Response System

We operate an integrated system for monitoring the real-time status of our disaster response activities. This enables all employees to share accurate information and swiftly take appropriate action to minimize damage. Earthquake data collected by our earthquake disaster prevention system SUPREME is sent to employees' mobile phones within minutes of an earthquake. This system can also be used to confirm employee safety and deliver instructions on reporting for duty during an emergency. We also share our earthquake data with local and national authorities to aid their disaster operations.

Also, our Supply Control Center is equipped with a dedicated contact system for sharing disaster damage information and discussing responses with the Cabinet Office, Tokyo Metropolitan Government, and other authorities.

▶ Earthquake Disaster Prevention Measures [Web](#)

Value Co-creation

Lifestyle Services

Tokyo Gas creates value that resolves the various challenges faced by society. We flexibly combine diverse products, technologies, and services to offer solutions that serve the needs of individual lifestyles or local communities.

Residential Monitoring Services

We offer the "Gas Monitoring" service, which monitors gas safety 24 hours a day, 365 days a year, and the "Home and Family Monitoring" service, which enables customers away from home to check various security and safety concerns, such as whether their doors are locked. These services provide customers with greater security and convenience, including the ability to make sure that the gas has been turned off when away from home. Moreover, the services can be used to check the safety of elderly family members living alone, and thus help increase safety and peace of mind in today's rapidly graying society.

Because of the contributions that Home and Family Monitoring makes to the resolution of social challenges, some local governments have designated it as a gift provided by the Hometown Tax system.*¹

*1 This is a system whereby taxpayers can allocate a portion of their tax payments to a rural municipality of their choice and receive certain gifts in return.

Mamo-Room for Supporting Rental Property Management

This service is designed for rental property owners who have concerns about leasing to elderly persons who live alone. It alerts them to the possibility that a tenant has become incapacitated by monitoring whether the lavatory door has remained open or closed for 24 hours (or 48 hours) via a door sensor. Alerts are sent by email to the address specified by the service user. This service places no burden on the tenants and allows rental property owners and management agencies to help solve a growing social challenge—the shortage of rental housing for senior citizens living alone. The service also provides health consultation to tenants 24 hours a day, 365 days a year.

Gas Equipment Special Support

We have added a new option to Gas Equipment Special Support, a warranty service for repairing sudden malfunctions in gas equipment. The option expands the warranty to include repair of plumbing and electrical equipment. In addition to freeing customers from worries about unexpected problems in their plumbing and electrical problems, the option helps them to extend the service life of equipment covered by the warranty, as the equipment can be repeatedly repaired regardless of how much time has passed since purchase or installation.



Life Rhythm Navi + Home

In February 2021, we launched Life Rhythm Navi + Home, a new service that enables users to monitor the health and living conditions of elderly family members residing elsewhere. Codeveloped with the biosensor and IT company EcoNaviSta, this service tracks the sleep and lifestyle patterns of the family member by analyzing metrics collected via devices such as contactless mat sensors and room temperature sensors. The features also include a mobile app that enables remote control of air conditioning. The service helps users to care for an elderly family member without placing emotional or physical stress on that person, and thus supports healthy living in our aging society.

Heat Shock Forecasts

Tokyo Gas has been providing heat shock forecasts*1 jointly developed with the Japan Weather Association via their “tenki.jp” weather forecast site since 2017 to help prevent heat shock accidents that can occur when taking a hot bath, especially in colder months. This service calculates temperature differentials inside the home based on weather forecast data and presents a “heat shock risk estimate” which can be used for safe bathing practices in winter.

Tokyo Gas also led the launch of the STOP! Heat Shock project as a collaborative corporate initiative in 2018 to raise awareness of heat shock, and continues efforts to further educate the public on prevention.

*1 Forecasts are normally provided from October through March each year.

Vacant House Management Service “Care for Your Parents’ Home”

The rise in the number of unoccupied houses in Japan not being properly managed is resulting in various problems for society, including worsening of public hygiene and public safety. In addition, many of those houses were vacated because the elderly occupants were placed in nursing homes, which highlights the heavy burden faced by adult children who have to look after both their aging parents and the parents’ homes. Under this service, staff visit vacant houses once per month to confirm that there are no visible abnormalities outside or inside. They also air out the house, run water, turn on electricity, collect mail, and give a simple cleaning of the rooms and garden. This periodic maintenance slows building deterioration and prevents the degradation of public safety (such as illegal entry) and the worsening of public hygiene from weeds and offensive odors. As a result, it reduces the burden on those who manage the houses and gives them peace of mind, while also contributing to safe, sustainable urban development.

Tokyo Gas Housecleaning Service

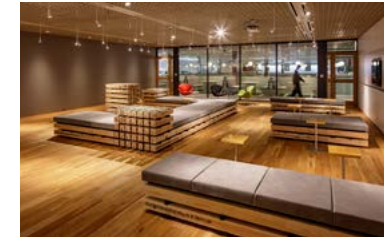
Demand for housework support services has skyrocketed in recent years with changes in the structure of society—namely, the rise in dual-earner households and the elderly population. For dual-earner households, housework, especially cleaning, consumes large amounts of time and is a significant source of stress. We have started offering a high-quality housecleaning service to assist such households by easing customers’ workload and enabling them to repurpose the time otherwise spent on chores. This service also leads to recognition and valuation of domestic work, and thus helps to advance gender equality.

Social contribution shopping site “junijuni sponsored by TOKYO GAS”

Tokyo Gas and SynaBiz Co., Ltd. jointly operate the social contribution shopping site “junijuni sponsored by TOKYO GAS,” which aims to assist with the resolution of social issues. The site collects and markets food products and daily goods from manufacturers that were discarded in the past because of changes in packaging, the conclusion of limited-time promotions, or approaching the expiration of freshness dates. The product prices include a donation to an organization working to resolve social issues. Customers get to choose which group receives the donation when they purchase their product, and can thus contribute to the resolution of social problems by linking the product purchase with donations. The site is named “junijuni” (which means “12 12” in English) after SDG 12 “Responsible consumption and production.”

Carbon Stock Furniture

Co-developed by Tokyo Gas Communications and architect Mitsuyoshi Miyazaki, Carbon stock furniture is wood furniture designed to store CO₂ under the concept of “returning the city to the forest reservoir.” By leveraging the ability of trees to absorb CO₂ and continue locking it in as carbon after being transformed into wood products, this project seeks to limit carbon in the atmosphere through promotion of the furniture’s use in many locations, including shops, offices, and public spaces. Carbon stock furniture abundantly uses wood that has sequestered atmospheric CO₂. In order to minimize carbon emissions from transportation, the wood is harvested from forests near the cities where the furniture is sold. To enhance recyclability, the wood parts are joined by metal fittings sandwiched between them, without any openings or notches cut into them. Moreover, the furniture employs the square timbers typically used in construction, which means they can be repurposed for a broad range of applications. The assemblage of timbers with the same cross-sectional size makes it easy to determine the total amount of carbon stored in a piece of furniture, and that amount is printed on part of the furniture as a visual reference. Going forward, we will actively promote the deployment of Carbon stock furniture in urban spaces to contribute to the reduction of atmospheric CO₂ and create strong bonds between cities and the forests that supply the wood.



Carbon stock furniture



Regional Development Service

At the Tokyo Gas Group, we strive to contribute to the creation of a pleasant lifestyle and environmentally friendly society. This includes regional development projects, in which we work for the effective use of energy through the development, utilization, and management of real estate and for safe and secure urban development that is highly resistant to disasters by making use of our strengths as an integrated energy company.

Office Rental Business

Tokyo Gas engages in the construction, ownership, and rental management of several buildings, mainly in central Tokyo, to provide high-quality office spaces. In FY2020, construction of msb Tamachi Station Tower N, a building jointly developed by Tokyo Gas Real Estate Co., Ltd., Mitsui Fudosan Co., Ltd., and Mitsubishi Estate Co., Ltd., was concluded, bringing to completion the entire msb Tamachi area development. This area features optimized energy supply and demand through networking of heat, electricity, and data, an approach that not only reduces environmental impact but also supports the business continuity planning of tenant companies because the energy center is able to supply them with electricity whenever the commercial electricity supply is disrupted by a disaster.



msb Tamachi

Residential Leasing Business

Tokyo Gas is developing the LA TIERRA series of rental condominiums, primarily in central urban areas, to offer housing that supports comfortable living. Since beginning construction of LA TIERRA Nerima in 2019 as our first medium-scale project on land owned by Tokyo Gas, we have continued to proactively develop our land. As of end-March 2021, we owned 22 residential buildings with a total of 843 living units.

Building Relations with Stakeholders

Stakeholder Engagement

Basic Policy

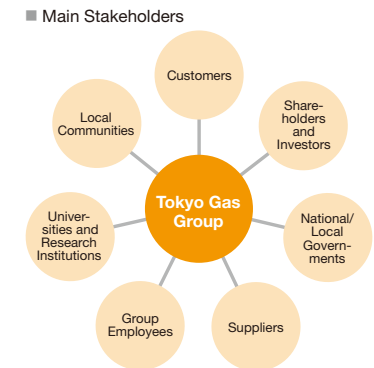
The Tokyo Gas Group engages with diverse stakeholders in the conduct of its business activities. Based on our Corporate Action Philosophy and Our Code of Conduct, all Group officers and employees seek to develop good relationships with stakeholders and to work toward achieving a sustainable society.

Purpose of Engagement

When conducting business activities, as one judgment factor to maximize value creation in decision-making and business activities, and to minimize any negative impacts, it is necessary to understand stakeholders' expectations and assessments of the Tokyo Gas Group, as well as the responsibilities we should fulfill toward stakeholders. We also emphasize building up appropriate relations and partnerships with stakeholders and enhancing the transparency of our business activities. We engage with stakeholders through interactive communication to achieve these goals.

Identifying Our Stakeholders

In order to make our engagement more meaningful, we identify stakeholders from the perspectives of (1) being, or possibly being, directly or indirectly impacted by the decision-making or business activities of the Tokyo Gas Group, or impacting, or possibly impacting, the Tokyo Gas Group, (2) economic, social, and environmental responsibility, and (3) providing diverse perspectives on our management, products, and services.



Implementing Engagement

The division or operating center with the closest relations with a particular stakeholder becomes the responsible contact and engages with the stakeholder through interactive communication. The results of engagement are shared with the relevant divisions, and with the Sustainability Committee and other committees as necessary, and are used to guide actions for further improvements. We disclose information through our website and execute the PDCA cycle. We also promote understanding of stakeholder engagement among our employees through trainings, etc.



Stakeholders	Main Expectations and Requests	Main Communications Methods
Customers	Safe and stable supply of energy, appropriate disclosure, environmentally friendly products and services	Customer contact opportunities, calls to Customer Center, website
Shareholders and Investors	Increase of corporate value, fair shareholder returns, timely and appropriate disclosure	General Shareholders Meetings, financial results briefings, IR events and one-on-one meetings, IR website
Local Communities	Solution of social issues in the community, sustainable urban development, provision of information and awareness-raising on disaster prevention and the environment	Service formation closely tied to the community, community disaster prevention and environmental events, volunteer activities
National/Local Governments	Payment of taxes, compliance with laws and regulations, cooperation with public policies to solve social issues	Participation in policy boards, etc., participation in business and industry associations, dialogue with local governments
Suppliers	Fair and equitable business transactions, development of better partnerships and information sharing	Disclosure and sharing of Purchasing Guidelines for Suppliers, etc., briefings for suppliers, surveys of CSR initiatives
Universities and Research Institutions	Collaboration and innovation in solving social issues and building a better way of life and society	Diverse forms of joint research and information exchange
Group Employees	Job satisfaction, human resources development, promotion of diversity, occupational safety and health	Workplace visits by the president, intranet, labor-management consultations, health support

Contacts for Stakeholders

Shareholders and investors	Investor Relations website
Local communities	Tokyo Gas Customer Center Local service outlets, Tokyo Gas showrooms Fax service Online inquiries
Government agencies	Department in charge
Suppliers	Purchasing Department inquiries desk
Employees	Tokyo Gas Labor Union, compliance consultation desks

Enhancement of Customer Satisfaction

Basic Policy

The Tokyo Gas Group believes that delivering customer satisfaction and being valued by the customer is more important than what products or services we deliver to the customer. With this understanding, the Group has prescribed “customer satisfaction orientation” as our basic stance, as stipulated in Tokyo Gas: Our Code of Conduct. This customer satisfaction orientation is the criteria for decision-making and the guideline for action for all Tokyo Gas Group employees. We continue working to ensure that all employees understand this commitment, and to become a customer-oriented corporate group.

Customer Satisfaction Orientation

- **Do More for Customers**
We always take a customer-centric approach to our work.
- **Achieve Satisfaction that Exceeds Expectations**
We act with the customer's point of view in mind to provide unparalleled service that exceeds customer expectations.

Initiatives for Increasing Customer Satisfaction

Gathering Feedback

We acquire information on customer opinions through customer phone calls, face-to-face contact, and other channels, and maintain a database of this information. We received 5,656 items of customer feedback in FY2020.

Breakdown of Customer Feedback

Expressions of gratitude	313 (5.5%)
System requests	4,756 (84.1%)
Complaints	587 (10.4%)

Analyzing Feedback

We analyze the information in our customer feedback database using digital technologies, and implement actions that enable us to promptly respond to customer requests and complaints. In addition, we use customer surveys and analysis of feedback received through social media to better understand customer perceptions and expectations regarding the Tokyo Gas Group.

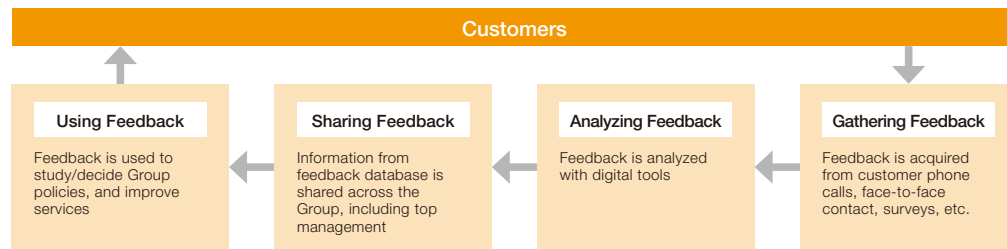


● Sharing Feedback

The insights gained from analysis of customer feedback are shared with our top management and the relevant divisions of our Group.

● Using Feedback

After receiving customer complaints, we ascertain the facts of the matter, analyze the cause, and implement measures for preventing recurrence. We share these cases as examples of improvements made, and we also share customer expressions of gratitude as examples of what we are doing right. This information is used as a resource for further improving our services and as a compass for our professional behavior. In addition, we use system requests from customers as a guide for re-examining the content of our operations and services, and for studying and making decisions on our policies.



Dialogue with Shareholders and Investors

Timely and Appropriate Disclosure

We place a high priority on the proactive disclosure of information in a timely, fair, and consistent manner as a means to ensure sound, transparent management and to gain understanding and trust from our shareholders and investors.

We actively disclose on a timely basis our business results, stock price trends, and financial status through briefings, personal meetings, our website, and other channels. Furthermore, we announce all our strategies and action plans for achieving the Tokyo Gas Group's short-term and medium-term targets and publish progress reports and results each time.

We focus on preparing various reports which are important IR tools. In FY2020, we produced the Tokyo Gas Integrated Report, Investors' Guide, and Tokyo Gas Tsushin (shareholder newsletter), in addition to the annual securities report and quarterly securities reports. All these publications are available at the IR Library on our website.

▶ Integrated Report [Web](#)

▶ Investors' Guide [Web](#)

Interactive Communication

We hold the Ordinary General Shareholders' Meeting in June of each year and financial results briefings on a quarterly basis. These are venues for reporting on business performance, plans, and strategies, and also important opportunities for communicating with shareholders, institutional investors, and analysts.

In addition, we actively hold personal meetings with domestic and international institutional investors and analysts, briefings and facility tours for individual investors, as well as other communication opportunities. We strive to maintain and further enhance our corporate value through the intimate dialogue and discussion that take place at these events.

Communications with Our Suppliers

Communications with Our Suppliers

We strive to interactively communicate with our suppliers through diverse means, including by sharing information during routine meetings and conducting annual surveys. In addition, we established a contact desk for materials procurement inquiries that is patterned after supplier consultation desks and whistle-blower systems.

- ▶ Purchasing [Web](#)
- ▶ Supply Chain Management

Establishment of relationships with communities

Basic Approach

The Tokyo Gas Group implements activities for creating a sustainable society together with local communities based on the following guidelines.

Social Contribution Guidelines

1. Basic Policy

At the Tokyo Gas Group, we aim at the realization of a sustainable society where diverse people can live comfortable and fulfilling lives. To those ends, we work together with local communities to resolve social issues and pursue activities that can only be implemented by the Tokyo Gas Group as a company that people continue to trust and choose.

2. Three Priorities

- (1) Building lifestyles and communities that are safe and secure
- (2) Building lifestyles and a society that are environmentally friendly
- (3) Building an enriched culture of everyday life



Disaster Preparedness Programs

We run diverse programs such as: Hiiku fire education, which teaches the disaster survival skill of how to start and use a fire, and the ways that fire benefits people's lives; Prepare an Emergency Toilet, which explains the setup and use of emergency toilets following a disaster; and Daily Meals and Emergency Meals, which provides tips for how to prepare for disasters, mainly in regard to cooking. Also, in FY2020 we added Disaster Preparedness for Kids pages to our website to raise children's understanding and awareness of disaster preparedness through a quiz, a video, and other content. Through these programs, we seek to help people to become better prepared to survive and assist others following a disaster.

Contributing to the Community (disaster preparedness, beautification, crime prevention)

We support the improvement of community disaster preparedness in various ways, including by taking part in local disaster drills and providing information on the Group's disaster preparedness measures. We also play our part in helping to enhance the liveability of local communities through active collaboration with the local government and residents in neighborhood beautification and cleanup projects, and through crime prevention measures such as attaching crime prevention stickers to company vehicles, and having our periodic safety inspection and meter reading staff wear crime prevention armbands and badges. In FY2020, we participated in 46 local disaster drills and 6 community beautification/cleanup projects.



Participating in a disaster prevention event



Community cleanup

Environmental Contributions

We run the Mori Sato Umi Tsunagu (Connecting Forests, Villages and Ocean) Project, which seeks to mitigate global warming and protect biodiversity through actions targeting forests, villages, and the ocean. In addition, we plant, thin, and care for trees at the Group-owned Nagano Tokyo Gas Forest under a forest management plan.

Food Projects

We carry out food education and other activities aimed at bringing happiness to all through food. This includes working together with food professionals and experts to develop solutions for food issues affecting society—such as ideas for healthy and environmentally friendly dietary lifestyles—and broadcasting those solutions through the mass media and online channels. In particular, we run the ECO COOKING*1 program for promoting eco-friendly practices in everyday cooking and dining, and train instructors to lead the program's public seminars. As of end-March 2021, some 4,000 people were serving as instructors.

*1 ECO COOKING is a registered trademark of Tokyo Gas Co., Ltd.

School Education Support Activities

We teach children about the importance of energy and the environment, cultivate their zest for life, which is the goal of school education, and support their personal growth.

Workshops for Teachers

We hold workshops for teachers that incorporate facility tours and group work to provide them with information about the relations between city gas and other energy sources and environmental issues that they can use in their own lesson plans. We held three of these workshops in FY2020, and these were attended by 73 teachers.

Classes in Schools

We have been dispatching Tokyo Gas employees to teach classes in schools since 2002. In addition to offering our visiting lecture programs "Energy That Sustains Daily Life," "What Are Fuel Cells?" and "Let's Start ECO COOKING," we launched some new activities in FY2020, including a class on the SDGs, and online interviews linking schoolchildren with the staff at our gas production and supply sites. We also posted videos of the lectures and other content on our website to enable children to study on their own amidst the coronavirus pandemic. As of end-March 2021, our visiting lectures have reached out to a total of 1,153,216 pupils.

Next-generation Education at Our Museums

We operate the Gas Science Museum, which features hands-on exhibits for learning about the energy that supports everyday life and about societal challenges such as global warming, as well as the Gas Museum, which showcases the history of the gas industry and the ways that gas is tied to daily living. By offering these museums as opportunities for field trips and other learning experiences, we contribute to the education of the next generation. The coronavirus pandemic led to a decline in attendance in FY2020. The Gas Science Museum drew 68,672 visitors, while the Gas Museum received 10,478 visitors.



Support for Employee Volunteer Activities

Para Sports Events Volunteers

As part of our support for para sports, we have been providing volunteers for para athletic competitions since 2015. The volunteers help set up and clear venues, staff reception desks, and serve as interpreters. To date, a total of 243 Group employees have participated.

Collecting Spoiled Postcards and Used Stamps

The Tokyo Gas Group began collecting spoiled postcards from FY2003 and used stamps and cards from FY2017.

The used stamps and cards are donated to the Minato Council of Social Welfare for redemption into money that is used to promote welfare and volunteer activities in local communities. The spoiled postcards, which are also redeemed for money, are donated to the Darunee Scholarship Fund administered by EDF-Japan, which supports the education of disadvantaged children in Vietnam, Thailand, Myanmar, Laos, and Cambodia through international one-on-one educational sponsoring. We are presently supporting the education of five junior high school students in Laos, Vietnam, Thailand, and Myanmar.

Initiatives for the Tokyo 2020 Games

Basic Policy

As a company operating in the Tokyo metropolitan area, where the Olympic and Paralympic Games Tokyo 2020 took place, Tokyo Gas signed an agreement with the organizing committee on July 27, 2015 to serve as an Official Partner in the Gas and Gas Utility Services category under the Tokyo 2020 sponsorship program.

We have been promoting diverse initiatives recognizing the Tokyo 2020 Games as an opportunity to create an inclusive society in which people show mutual respects and live in peace.

Contributing to the Success of the Tokyo 2020 Games

As an Official Partner of the Tokyo 2020 Games, we worked to build momentum for their success and made preparations to support the running of the Games, which took place in our hometown.

Building Momentum for the Success of the Tokyo 2020 Games

Tokyo Gas placed special emphasis on activities for the success of the Paralympic Games Tokyo 2020. We organized all types of events related to culture, education, and sports and health as part of the Tokyo 2020 Participation Program to build momentum toward the Games.

We also held Paralympic sports experience events inside and outside the company, arranging opportunities for employees to view Paralympic sports competitions, and otherwise worked to spread Paralympic sports and the recognition of Paralympic sports.



Volunteers clearing a sports venue

Supporting the Running of the Tokyo 2020 Games

We made preparations to support the running of the Tokyo 2020 Games by maintaining a robust energy supply system for the continuous stable supply of energy to Games facilities. Security measures are important, so in addition to protecting infrastructure (including LNG terminals, pipelines, and governor stations) against terrorism and other contingencies, we worked closely with the central government, the Tokyo Metropolitan Government and other local governments, and the Tokyo Metropolitan Police to guard against cyberterrorism.

Toward the Realization of an Inclusive Society

We are aiming to achieve the creation of an inclusive society that builds on the success of the Tokyo 2020 Games. Toward this end, we will work to raise employee awareness and strive to address customer needs more closely by improving people's lives, developing communities, and providing services.

Fostering Employee Awareness

We appointed Olympic and Paralympic Ambassadors at each workplace to lead our in-house initiatives for creating an inclusive society. Around 100 of these ambassadors participated as volunteers to support the running of the Tokyo 2020 Games.

Moreover, we have held Para Sports Viewing Days since 2016 to increase understanding and recognition of para sports among as many employees as possible. To date, we have held 24 of these events and have also provided opportunities for our employees and their families to meet athletes sponsored by Tokyo Gas at the major events in which they compete. During the coronavirus pandemic, we held Online Para Sports Viewing Days as a new approach to fostering excitement for para sports. We also implement various other initiatives toward an inclusive society, including encouraging employees to take basic training on how to assist and engage with seniors and people with disability. To date, some 1,000 Group employees have undergone this training.

■ Number of Olympic and Paralympic Ambassadors

FY	2016	2017	2018	2019	2020
Number appointed	150	273	301	274	274

Note: This role was called "Para Sports Support and Promotion Leaders" up through FY2017.



Together with our Customers

Tokyo Gas actively works to raise public awareness outside the company toward the realization of an inclusive society. We educate the next generation by organizing out-of-school learning where elementary school children participate in simulated experiences of disability and para sports as an opportunity to learn about the importance of diversity in society as well as mutual understanding and respect. In addition, we provide various tools for people with disabilities. These include pamphlets and business cards in Braille for visually-impaired customers, a sign language version of our online video on the Tokyo Gas website that explains how to restart gas meters after emergency shutdown, and publication of the One-Handed Cooking recipe collection, which is filled with ideas for cooking that can easily be enjoyed by people who can use only one hand due to paralysis or injury.

We also implement initiatives that respond to the needs of diverse customers. These include universal design diagnostic trials in which wheelchair users are asked to maneuver through restricted pedestrian passages at our construction sites to provide advice on ways to improve safety and accessibility, the introduction of a multi-lingual speech translation smartphone app for interactions with foreign customers, and involvement of people with disability in the planning of renovations of our museums so that we can redesign them to be universally accessible.



Video instructions for restarting gas meters (with sign language interpretation)



The One-Handed Cooking recipe collection



Introduction of multi-lingual speech translation app

Communications with Employees

Building Positive Labor-Management Relations

Our labor union operates under a union shop system. All employees except for those in management are members of the Tokyo Gas Labor Union based on a union shop agreement*1 and therefore the labor union participation rate of subject employees is 100%.

The Company and the union build up sound and amicable labor-management relations based on mutual understanding and trust, and engage in frank exchanges of opinions regarding management issues and working conditions through regular labor-management discussions. We strive to arrange an environment where contract employees, who are not union members, can also work with security, and have concluded a minimum wage agreement. At our overseas sites, we observe the local laws and regulations, and respect workers' rights.

*1 Union shop agreement: A labor agreement under which workers employed by the company must join a certain labor union within a certain period of time.

■ Main Labor-Management Consultations and Topics in FY2020

Consultation	Period	Main Topics
Spring intensive labor-management consultation	February through March	Economic working conditions, personnel system, rules of employment and other working conditions
Special Subcommittee of the Management Council (policy related)	December	Current status and future direction of business strategies and key policies
Special Subcommittee of the Management Council (financial results)	May	Financial results performance and forecast
Working Hours Committee	May and November	Working hours and productivity improvement performance and forecast
Employee Pay and Benefits System Committee	December	Current status and future direction of personnel systems and policies
Departmental labor-management councils	June	Current status and future direction of departmental/divisional policies

Communication between Top Management and Employees

Ever since July 2018, the President of Tokyo Gas has visited Tokyo Gas divisions and subsidiary companies to exchange opinions with workers who lead the company on the front lines. This provides an opportunity for the President to directly convey the management vision and expectations to group employees in the field, and to discuss issues regarding each workplace and operation, and plan the necessary improvements. The President made a total of six visits in FY2020.

Also, when the Tokyo Gas Group Management Vision "Compass 2030" was announced, 41 briefings (38 inside Japan, 3 overseas) were held within the Group to deepen the understanding of employees regarding the Vision's details, with the participation of approximately 5,000 employees. Videos with the President's greetings and briefings have been posted on the Company's intranet and articles explaining the Vision have been published in the Group in-house magazine, in an effort to further instill understanding of the Vision throughout the Group.



Human Resources

Human Resources Development

Basic Policy on Personnel Affairs

Tokyo Gas develops its personnel affairs measures with the understanding that people are the source of corporate vitality and that the company cannot grow without the personal growth of our employees.

We strengthen human resources through hiring and training and prepare a work environment where employees with different values can fully manifest their abilities to create and provide diverse value for customers and boost competitiveness.

Tokyo Gas uses a completely performance-based compensation system. We aim to boost employee motivation and satisfaction through compensation that rewards results, and to become an organization that is lively and dynamic.

Basic Policy on Human Resources Development

With the belief that people grow through their work, Tokyo Gas develops the skills of our employees by effectively combining on-the-job training by their supervisors with off-the-job education and training, self-education, transfers, and job rotations. We also conduct career planning and open recruitment so that employees can experience satisfaction through self-realization in their work.

Evaluation System

Tokyo Gas has adopted a goal management system. After each employee understands the company and division goals and the employee's own roles and responsibilities, we set individual performance goals and evaluate goal achievement and contribution to the organization to determine appropriate compensation.

In addition to evaluation based on goal management, we also assess performance using "role achievement evaluation," which tracks the achievement of expected roles and is used for skills development and training, and by using "360-degree evaluations" (behavioral diagnostics, multifaceted evaluation) by colleagues and subordinates as well as superiors.

Education and Training Structure

Our Human Resources Development Program combines education on basic and common abilities as businesspeople with a wide range of specialized skills training. By expanding, upgrading, and increasing abilities, we work to foster employees who think for themselves and draw others into their actions, and who can respond flexibly to changes in the business environment. We aim for employees to maximize their individual abilities and strengths for improved productivity through the growth of each employee, and to proactively take initiative as leaders at the Tokyo Gas Group.

Developing Basic and Common Abilities Required as Businesspeople

In addition to job transfers and rotations for professional development, we conduct employee training for basic education, management skills development, and career planning support. Tokyo Gas Group employees also participate in some training to foster common abilities.

■ Training Program

Training	Objectives & Content
Employee Fundamentals	Training for new recruits and other young employees to equip them with the mentality and fundamental knowledge they need to have as professionals and members of Tokyo Gas
Management Skills Development	Training for managers and recently promoted employees at all levels to instill awareness of the expected roles of managers who make different types of contributions and to foster managerial abilities
Human Network Development	Programs for in-depth discussions centered on young employees to promote networking inside the company
Next Generation Leaders Development	Training for managers centered on exchanges with other companies to foster leadership with a high and broad perspective for times of change
Digital and Innovation Personnel Development	Open training sessions to develop human resources for the digital and innovation fields
Study Abroad System	Program for study abroad at graduate schools and technical schools to enable employees to broaden their views, gain business knowledge, and develop networks of contacts
Self-development Support Program	Seminars, external training, online training, and other types of education to support employee self-development by enhancing expertise and building skills in problem identification/solving, collaboration, and task execution

Development of Residential Services Human Resources

Our Human Resources Development Centers provide education and training for the Tokyo Gas Group, mostly for employees in the residential services field. The centers run some 160 courses taught by around 50 instructors. The courses include technical training to guarantee quality in field operations (safety inspection, equipment repair, installation of gas appliances and water heaters) based on internal credential systems, training for acquiring the fundamental knowledge of products/installation and the skills needed to repair water valves and toilets, and e-learning courses for credential renewal, among other courses. In FY 2020, 9,187 Group employees and other participants took part in 776 training sessions.





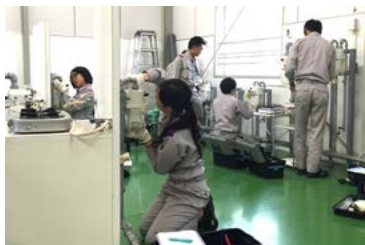
Development of Pipeline Human Resources

Tokyo Gas strengthens specialized skills in the pipeline field by providing on-the-job training centered on day-to-day guidance and off-the-job training at our training centers and elsewhere to ensure the development of human resources who are able to contribute to the safe and stable supply of gas.

In FY2020, we launched a talent management system on a trial basis to improve employee performance through visualization of their skillsets. As we continue running this pilot program, we will seek to put it to effective use in each employee's career development and in the visualization of our organizational competitiveness.

Human Resources Development Programs

Program	Objectives & Content
Technology and Technical Skills Recognition System	A system whereby work is performed by employees certified to have a certain level of technologies and technical skills, so that each employee has the necessary technologies and skills to continue fulfilling our responsibility to customers and to society
Meister Instructor System	An in-house credential system that supports the development of personnel by certifying employees with a high level of skills in order to improve workplace capabilities and for the smooth transmission of skills to the next generation. The system clarifies the image of a professional in emergency safety operations, maintenance and management, and construction management. It aims at motivating young employees to strive to boost their skills levels, and at having the certified instructors gain greater awareness of their roles in the transmission of skills to young employees
Training Centers	The Tokyo Gas Group operates five training centers for different lines of work as off-the-job training facilities. The regular courses for the employees of Group companies and affiliates are Introductory Basic Training, Job Performance Improvement Training, and Common Training. In addition, the centers implement customized training and on-site training, lend out training tools and videos, and provide access to facilities



Development of Production Human Resources

The Tokyo Gas Group actively promotes knowledge management by sharing and utilizing the valuable know-how, technology, and skills it has acquired over many years of operating terminals. This strengthens each worker's skills and technical expertise, and thus enhances both their competencies and performance. In addition, we systematically and effectively develop our human resources so that skills are smoothly transferred to each succeeding generation. These knowledge management and talent development programs undergo a detailed PDCA cycle that includes periodic committee meetings in order to further improve their content and efficacy.

Development of Human Resources at Group Companies

The Tokyo Gas Group conducts training for subsidiaries to reinforce the development of human resources and advance networking at Group companies.

Training Programs for Tokyo Gas Group Companies

Training	Objectives & Content
Training for Newly Appointed Directors	Training for newly appointed directors to help them acquire the required knowledge to understand the importance of corporate governance for the Tokyo Gas Group
Training for Reform Execution Leaders	Training for managers so they can learn the leadership skills for driving the organization forward, with the aim of facilitating the self-development of their management abilities and business perspective through examination of their own challenges
Training for Managers	Training for enabling managers to acquire performance assessment and staff training skills and learn about diversity management, so as to gain fundamental management knowledge and recognize their roles as managers

Transfers and Job Rotations

We endeavor to place the right person in the right position so that employees will find their work rewarding and worthwhile. Every year, employees have interviews with their supervisors to discuss their career plans. Their self-evaluations are recorded in the personnel system along with remarks by the supervisors, and used for transfer and rotation plans and career development.

As supplements to our regular personnel rotation system, Tokyo Gas also has an "open recruitment system" in which employees can apply for transfer to new businesses, as well as a "free agent system" in which employees can apply for their desired work position. In FY2020 we expanded these programs to strengthen our support for self-led career development.



Diversity & Inclusion

Management Commitment to Diversity & Inclusion

Since 2018, the advancement of diversity and inclusion has been positioned as a core commitment of the Tokyo Gas Group's top management. We have been promoting diversity in working styles and talent in order to evolve into a vibrant organization where each and every employee can use their knowledge, abilities, and experiences to the fullest.

The Tokyo Gas Group pursues diversity toward our future growth and development. The Tokyo Gas Group seeks to grow and develop as a global comprehensive energy corporate group which contributes to creating a safe and comfortable life and society for customers and remains the customer's choice in the energy competition era.

The promotion of diversity is a key issue which the entire Group must address. To satisfy our diversifying customers, employees must excel by making the greatest possible use of their knowledge, abilities, and experience, and manifesting teamwork.

The Tokyo Gas Group will continue actively advancing diversity by upgrading and expanding systems, fostering employee awareness, and instilling organizational culture toward being a corporate group where employees can excel regardless of sex, age, disability, type of employment, nationality, sexual orientation, or gender identification.

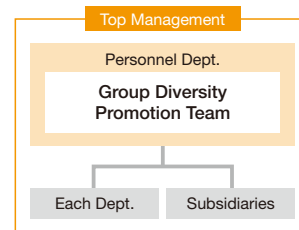
UCHIDA Takashi
Representative Corporate Executive Officer, President and CEO
Tokyo Gas Co., Ltd.

Basic Policy and Promotion System

The Tokyo Gas Group promotes workplace diversity and inclusion toward becoming a corporate group where employees excel by fully applying their knowledge, abilities, and experience.

- (1) We aim to be an organization where employees show mutual respect for diverse work styles while enhancing productivity.
- (2) Our promotion of diversity and inclusion begins with promoting the professional careers of women. Going forward, we will continue to actively promote the advancement of women.
- (3) We have established a Group Diversity Promotion Team to advance diversity and inclusion throughout the Group together with management.

■ Diversity & Inclusion Promotion System



Education and Awareness-raising (Diversity Month)

We hold various seminars and other activities during our annual Diversity Month to further enhance the diversity awareness and behavior of Group employees. Our Diversity & Inclusion 2020 program featured activities such as lectures, a communication course & an e-learning session on communication, and a wide array of online seminars. More than 3,000 Group employees participated.

■ Diversity & Inclusion 2020

Seminar	Content	Number of Participants (subsidiaries and affiliates)
Lecture: "Building a strong team that leverages the diversity of all members"	Lecture on how to produce results by leveraging the diversity of all members of a team, by Susumu Hara, long-distance division director of Aoyama Gakuin University's track and field team	1,328 (359)
Communication course & e-learning	Video presentation and e-learning on strategies for improving communication with young employees, senior coworkers, and managers	All Group employees
Various online seminars	Online seminar on childcare, nursing care, and LGBT topics	1,259 (103)
Film screening/streaming	Viewing and discussion of My Hero, a film depicting a man's experiences with parenting	326 (22)
Video on Paccho Farm	Video presentation on a Tokyo Gas-operated farm that employs people with mental and intellectual disabilities	1,213
Para sports experience	Opportunity to experience boccia, with a quiz on universal design	973 (73)
Information sharing via Group-wide web magazine	Special feature on diversity and inclusion in the Group's newsletter-in-house web magazine, including interviews with male employees who took childcare leave, and diversity initiatives at various workplaces	6,500+ readers

Promoting the Advancement of Female Employees

Group-wide Initiatives

We hold career development seminars for women and make other efforts to foster employee awareness and build up a supportive organizational culture.

■ Seminars and Lectures in FY2020

Seminar	Content	Number of Participants (subsidiaries and affiliates)
Career Seminar for Young Female Employees ^{*1}	Participants consider their own strengths and career plans from a medium- to long-term perspective in preparation for life events	44 (12)
Seminar for Employees Returning to Work after Childcare Leave ^{*1}	Employees who have returned to work after childcare leave and spent some time balancing work and childcare consider their long-term career development	46 (12)
Seminar for Supervisors with Subordinates Who Are Raising Children ^{*1}	Supervisors who have subordinates who are raising children deepen their understanding of supporting them in balancing work and childcare, and learn management methods to encourage and support their success	57 (13)
Training for Managers	New managers learn about promoting the advancement of diverse personnel beginning with women as diversity management	204 (22)
Seminar for employees preparing to return to work after childcare leave	Facilitation of successful return to work by sharing with the returning employees the Management Vision, information on the current business environment, and the experiences and advice of other employees who have already made the transition	38 (9)

^{*1} Held as part of Diversity & Inclusion 2020.



Initiatives by Group Companies

■ Tokyo Gas

Systems that Exceed Legal Requirements	We offer systems for childcare leave and shorter working hours for parents of small children that exceed the legal requirements. Nearly 100% of employees taking leaves return to work each year. We also run other support programs, including a leave of absence system for employees who accompany their spouses when they are posted overseas
Expanding Opportunities for Female Employees to Succeed	Female employees are taking active roles in a wide range of areas and posts, including maintenance and management of city gas pipelines, positions overseas, and sales division management
Mentor System	We have arranged a mentor system for consultation with senior employees as part of our efforts to help female employees develop their careers and network with others
Support for Work-Childcare Balancing	We have created the "Handbook for Employees on Childcare Leave" to provide female employees raising children with tips on how to balance their careers with parenting
Advertising for Women when Hiring	The Tokyo Gas Group implements PR activities targeted at female students, including a website for recruiting women and consultation booths for women at career fairs
Action Plan Formulation	We formulate an action for promoting the advancement of women's careers

▶ Formulating a New Action Plan for Empowering Women

■ Tokyo Gas Living Holdings Co., Ltd., Tokyo Gas LIFEVAL, Enesta

Preparing women's work uniforms and making tools lighter	With the increase in female employees engaged in field operations at Tokyo Gas LIFEVAL (hereafter, "LIFEVAL") and Enesta, women's work uniforms have been created to improve work safety. Also, many tools and equipment that were previously heavy have been made lighter
Seminars for Young Female Employees	Seminars are held for young female employees at LIFEVAL and Enesta each year so they can think about their future careers and build up networks among women
Seminars for the supervisors and colleagues of female employees	These seminars are held for the supervisors and colleagues of female employees at LIFEVAL and Enesta to share hints for better communication with them

■ Tokyo Gas Customer Support Co., Ltd.

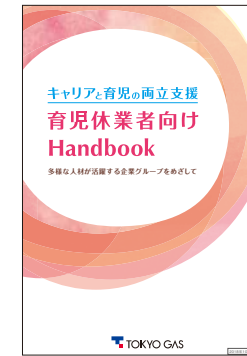
Roundtables for Employees Returning to Work after Childcare Leave	These roundtable discussions are held for employees with reduced working hours for childcare and employees returning from childcare leave to enable them to network with other employees balancing work and childcare. (This program was suspended in FY2020 due to COVID-19 precautions)
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■ Tokyo Gas iNet Corp.

Systems That Support Diverse Work Styles	In addition to providing systems related to childcare that surpass the legal requirements, Tokyo Gas iNet has established a welcome back system that positively accepts former employees who retired because of life events, and offers options for employees to choose their work styles in accordance with changes in their living environment
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Female employee working at a pipeline construction site.



"Handbook for Employees on Childcare Leave" for assisting career-childcare balancing



LIFEVAL women's work uniform

Support for Balancing Work with Childcare and Nursing Care

Tokyo Gas strives to create a workplace environment that is supportive of employees at different life stages. We provide systems for childcare leave, shorter work hours for parents of small children, and nursing care leave that exceed statutory requirements. For employees seeking to balance work with nursing care, we made revisions that enable them to work with greater flexibility by introducing a flex-time system for nursing care with no core time periods.

We also offer systems that allow employees to take leaves of absence for fertility treatment, to attend events at their children's and grandchildren's schools, and to provide nursing care for family members. These systems are widely used by employees.

We have introduced other arrangements to further increase the options for employee work styles, including leaves to allow employees to accompany spouses working overseas and various systems offering shorter work hours for employees receiving medical treatment.

Support for Childcare by Male Employees

The Tokyo Gas Group recognizes that the active participation of male employees in childcare is extremely important for employees to work with vitality and improve their performance. We provide a five-day special leave within 180 days after a spouse gives birth. In FY2020, 92.4% of the eligible employees made use of this leave.

In addition, we hold seminars and lectures on work-childcare balancing for male employees raising young children and for their supervisors. The FY2020 program was attended by 293 participants, including those who watched the video version. We have also added a section on supporting male employees in balancing work and childcare in our Handbook for Managers to Support Balancing Careers and Childcare.



Supporting Career Development for Employees in their 50s

In April 2016, Tokyo Gas established the Grand Career Support System, which replaced our program that had primarily focused on enriching the life of employees in retirement. This new system provides detailed support for developing the careers of employees who are in their 50s, with the aim of raising their motivation and performance by clarifying the work they can contribute to through training, one-on-one meetings with supervisors, and interviews with career consultants in the Personnel Department. We are creating an environment so that employees can continue to work actively after becoming 60 years old by appointing career consultants from various divisions with work expertise and enhancing career consultation offices. As we consistently offer such support, many employees are opting for re-employment when they retire. Nearly all have been rehired by the Tokyo Gas Group or other employers.

Employment of Persons with Disabilities

At Tokyo Gas, the ratio of persons with disabilities employed was 2.54% as of June 2021, which is well above the statutory rate, and these individuals are actively engaged at each workplace. Working through our Liaison Committee to Promote Employment of Disabled People, we strive to foster understanding for creating more opportunities for persons with disabilities so they can succeed professionally, and continue to develop safer, more accessible working environments. As part of our efforts to realize an inclusive society, we opened a farm in 2018 to provide a safe and lively workplace for persons with intellectual and mental disabilities.

We have installed multipurpose restrooms equipped to accommodate people using wheelchairs and ostomates^{*1} at three locations in our head office building. Throughout the Group, we have installed nine of these accessible restrooms at seven locations.

*1 An ostomate is a person who has undergone surgery to create an artificial opening in the body (a "stoma") to discharge waste due to damage to the digestive or urinary tract caused by illness or accident.



Multipurpose, accessible restroom

Initiatives Addressing LGBT Discrimination

Our Code of Conduct, which defines the values and standards of behavior expected of everyone at the Tokyo Gas Group, explicitly prohibits discrimination and harassment on the grounds of sexual orientation or gender identity. Top management's commitment to diversity clearly states that we are committed to be a corporate group where every employee can excel, regardless of sexual orientation or gender identity.

The Tokyo Gas Group provides a sound working environment by setting up consultation offices to address employee concerns related to the personnel system and benefits. These are in addition to our consultation offices for issues related to compliance and communications in the workplace. We also organize human rights training and talks by outside lecturers on LGBT themes.

Work Style Reform

To enable every employee to work with enthusiasm and fully manifest their potential, we actively carry out work style reforms targeted at rules (systems), tools, and mindsets, with an eye on enhancing productivity and responding to the diversification of work styles.

Since 2016 we have offered a teleworking option, and in FY2019 we replaced the personal computer terminals of all Tokyo Gas employees with ones suited for remote work. In FY2020, the COVID-19 pandemic led to a sharp increase in the number of employees working remotely. In response, we thoroughly reminded employees of the established rules for proper use of the teleworking program, and shared with them tips for avoiding the tendency for communication with other employees to drop off when teleworking.

Major Initiatives for Reforming Work Styles at Tokyo Gas

Item	Key Actions
Reduction of Long Working Hours	We manage the working hours of employees on a daily basis, confirm the conditions during the month, and seek improvements when employees accumulate a given number of hours of overtime
Premium Friday & Leave-on-Time Day	Tokyo Gas has designated Friday of each week as "Premium Friday" and encourages employees to leave work early on Fridays by taking a half day off or using flex time. We also designate one day each month as "Leave-on-time Day" as an opportunity to reflect on working productively to achieve high results in a limited time
Business Process Re-engineering	We strive to enhance the efficiency and sophistication of Group operations by reviewing the operations of each department from the process level and making active use of digital technology
"Work from Anywhere" System	This remote working system was introduced at selected workplaces in FY2016. In FY2018, it was expanded to other locations and the restrictions on the number of times employees can work remotely were eliminated. Work from parents' homes and elsewhere was also permitted to help employees balance nursing care with work
Flex-time System (Super Flex-Time System)	This system enables employees to flexibly alter their reporting and leaving time each day as long as they include the required core time. It applies to all employees except for shift workers and certain other personnel. We also run a "super flex-time system," which is a flextime system without a core time that is available for eligible employees under special operational conditions or when the work schedule has predictable fluctuations
Introduction of Hour-based Annual Paid Leave	We have introduced a system that allows employees to use their annual paid leave on an hourly basis
Arrangement of Workplaces	We have signed agreements with outside satellite office operators to develop an environment where employees can work on location without limitations. We are also preparing office spaces optimized to each workplace's operations and work style
Provision of tools that do not limit where employees work	Enabling electronic approvals via laptop computer and smartphone facilitates speedy approval



Occupational Safety and Health Initiatives

Basic Principles

Occupational safety and health, which protects workers' lives and wellbeing, is the foundation of a company's existence and a fundamental corporate social responsibility. The Tokyo Gas Group believes that the "safety, security, and reliability" that we advocate for our customers as our corporate brand can only be accepted when we consistently secure our own occupational safety and health, and we view this as the most important corporate management issue. The Tokyo Gas Group places the highest priority on ensuring safety and health. We enforce compliance, including adherence to all related laws and regulations, and make every effort to eliminate the risk of disasters and accidents and to ensure a high level of safety and health toward becoming a company that excels in safety and health.

Basic Policy

To put its Basic Principles into practice, the Tokyo Gas Group takes concerted action to promote safety and health in line with policies presented by workplace leaders in each organization based on our Group-wide Occupational Safety and Health Policy. This policy is revised every year. In FY2021, we will aim for zero traffic and occupational accidents through efforts guided by the following policy.

FY2021 Group-wide Occupational Safety and Health Policy

All employees, from top management down, will actively promote safety and health activities to safeguard the safety and health of each individual.

1. Compliance with Laws and Rules

With full awareness of its public mission and social responsibilities, the Tokyo Gas Group will strictly enforce compliance with internal rules on safety and health and work procedures, as well as legislation such as the Industrial Safety and Health Act and the Road Traffic Act. Furthermore, the Group will fully comply with the "13th (FY2018–2022) Occupational Safety and Health Program" set by the Ministry of Health, Labour and Welfare as well as the revisions to Industrial Safety and Health Act.

2. Implementation of OSHMS

To maintain a high level of occupational safety and health, the Tokyo Gas Group will work to eliminate work-related accidents by certainly implementing the PDCA cycle using its occupational safety and health management system (OSHMS).

3. Prevention of Work-related Accidents

Workplace leaders will take the initiative in preventing work-related accidents to firmly maintain the Tokyo Gas corporate brand of safety, security, and reliability.

- We will seek to eliminate work accidents by fully implementing pointing and calling out of procedures, hazard prediction, and other fundamentals, and by carrying out safety awareness training and safety measures that are tailored to each workplace.
- We will endeavor to put an end to traffic accidents by analyzing telematics data on daily driving habits and using the findings to provide guidance to the drivers, and by enhancing our analysis of accident causes, and strengthening our measures for preventing accident recurrence.

4. Health Management Initiatives

We will proactively strive to develop workplace environments that enable employees to remain healthy and enthusiastic, and to help them build and maintain their mental and physical health.

- We will seek to prevent mental and physical illness through actions focused on: (1) ensuring that all employees undergo health examinations, which are the foundation of health management, and take steps to respond to health issues identified by those checkups; (2) advancing mental health measures; and (3) bolstering passive smoking prevention and smoking cessation support.
- We will endeavor to increase every employee's health literacy, and encourage them to take ownership for their health tracking, maintenance, and improvement.

- We will implement appropriate measures for preventing infectious diseases, including COVID-19, so as to support employees' health management and the safety consciousness of workplaces.

5. Coordination and Support across the Tokyo Gas Group

We will support the self-led health and safety initiatives of Tokyo Gas Group companies, including coordination of compliance efforts, issue sharing, and education, to help them smoothly and thoroughly implement those initiatives.

Structure for Promoting Occupational Safety and Health

The Tokyo Gas Group has established a Central Safety and Health Committee, which is chaired by the executive officer in charge of the Personnel Department. To advance the safety and health and wellbeing of Group employees, the Committee drafts safety and health activities policies, examines measures to prevent accidents and disasters and measures to promote mental and physical health, and works to instill these policies. The Committee also presents a Safety Prize and a Health Promotion Prize as Central Safety and Health Committee Chairman's Prizes. The matters examined by this committee are reported to the Corporate Executive Committee and to the Board of Directors, as necessary, for deliberations and decisions.

■ Safety and Health Management Structure

Central Safety and Health Committee

Chair: Executive Officer in charge of Personnel Dept.
Deputy: General Manager, Personnel Dept.
Members: Divisional General Managers
Secretariat: Personnel Dept.

Announcement, evaluation, and improvement of company-wide policies on safety and health activities

Divisional Health and Safety Committee

• Announcement of each division's policies on safety and health activities
• Drafting, evaluation, and improvement of each division's safety and health activities plan

Regional Office Safety and Health Committee

• Drafting, notification, evaluation, and improvement of each regional office's safety and health activities plan

General Safety and Health Administrator
Safety Administrator
Safety and Health Promoter / Health Promoter
Occupational Physician
Health Administrator
Safe Driving Administrator
Assistant Safe Driving Administrator

Occupational Accident Prevention

Occupational Safety and Health Management System

Tokyo Gas manages safety and health through a company-wide occupational safety and health management system (OSHMS) to reinforce the everyday industrial safety and health activities undertaken by each workplace.

All workplaces proactively implement safety and health activities that reflect their particular circumstances, and we continuously raise our safety and health standards by following a PDCA cycle for all related activities. Using a common framework throughout the Group for safety and health activities facilitates periodic confirmation and checks of the management system. We will continue to strengthen our OSHMS administration to prevent occupational accidents.

Risk Assessment

Tokyo Gas conducts risk assessment to quantify potential accident risks and take action to reduce or eliminate them. We have been complying with the chemical substances risk assessments made mandatory in 2016 and working to raise awareness of their risks.



Preventing Traffic Accidents

Driving training is conducted at outside facilities as part of the in-house driver's license system developed and administered by Tokyo Gas. In order to ensure safe driving at all times, we have been reviewing past driving data acquired through telematic dashcams introduced in FY2020 and using the findings to improve the skill level of each driver.

Accident Investigations and Prevention of Recurrence

Whenever a traffic accident occurs, the affected department is expected to promptly report the situation to all relevant departments, which enables us to determine the facts of each accident and track the details. As a measure for preventing accident recurrence, the safe-driving instructors of each workplace and other personnel provide guidance based on review of the drivers' telematic data, and in-vehicle driving skills training. When necessary, the drivers undergo training at external facilities to gain the awareness and skills for avoiding further accidents.

Advancing Health Management

Tokyo Gas proactively strives to promote work-life balance based on work style reform throughout the company, have all employees undergo health examinations which are prerequisite for health management, and otherwise enhance the physical and mental health of employees.

Under our Group-wide Occupational Safety and Health Policy, safety and health activities policy, industrial physicians, public health nurses, and other occupational health staff who belong to the Personnel Department serve as the core for advancing various initiatives toward maintaining and improving the health of employees, and we transmit those initiatives and health-related information throughout the Group. Tokyo Gas has expanded the number of items covered by health checkups, and implemented activities to increase the ratio of female employees receiving cancer screenings, and we are collaborating with labor unions and the Tokyo Gas Health Association in implementing kenko keiei (health management).^{*1}

^{*1} Kenko keiei (health management) is a registered trademark of the NPO Kenko Keiei Kenkyūkai.

Safety and Health Management Initiatives

1. Health examinations
2. Health examination follow-up measures
3. Interview and guidance for employees working long hours
4. Workplace return support
5. Establishment of physical and mental health consultation desks
6. Confirmation of the health conditions of employees with in-house driver's licenses
7. Promotion of workplace safety and health activities
8. Health support for employees with disabilities

Mental Health Measures

The Tokyo Gas Group is strengthening its ongoing efforts to manage mental health, since about 60% of all sick leaves taken are due to mental health issues.

1. Stress checks
2. Support for employee care by line managers
3. Individual support

Health Support for Employees Posted Overseas and Employees on Business Trips Overseas

Health management support is offered to the growing number of employees posted overseas and taking overseas business trips from the development of our overseas business

1. Full implementation of statutory health checkup before and after posting, and consultation with an industrial physician.
2. Measures to prevent infectious diseases according to location of posting (prevention education and recommendation of vaccinations)
3. Ongoing health consultation for employees and their families

Initiatives for Health Issues and Improvement

Tokyo Gas follows a highly refined approach in line with the issues so that employees can grasp their own health problems and voluntarily act to improve their own health.

1. Promotion of Regular Exercise
2. Reduction of smoking rate
3. Preparation of a Framework toward Health Maintenance and Management



Human Rights

Respect for Human Rights

Human Rights Policy

At Tokyo Gas, we recognize respect for human rights as a prerequisite for all our business activities toward achieving sustainable development in an increasingly globalized society. We consequently established the Tokyo Gas Group Human Rights Policy in April 2018 through a resolution of the Board of Directors for promoting human rights initiatives and fulfilling our obligations in this regard. The policy is based on the United Nations Guiding Principles on Business and Human Rights and other global standards to guide the efforts of the Tokyo Gas Group, comprising Tokyo Gas Co., Ltd. and its consolidated subsidiaries.

We prescribe Purchasing Guidelines for Suppliers and make certain that our suppliers thoroughly understand and observe these guidelines and that their subcontractors also comply with these same standards. In addition, we conduct due diligence on human rights and continuously work to promote respect for the human rights of the diverse stakeholders involved in all processes of our business activities.

Tokyo Gas Group Human Rights Policy

Established April 2018

Introduction

The Tokyo Gas Group (Tokyo Gas Co., Ltd. and its consolidated subsidiaries) believes that creating a society that respects human rights is essential in fulfilling its public mission and social responsibilities through its energy business. We recognize that respecting human rights must therefore be prerequisite to all our business activities.

We established the Tokyo Gas Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights to guide our Group-wide efforts to promote human rights and fulfill our obligations. Our Human Rights Policy is directly linked to the Group's Management Philosophy and Corporate Action Philosophy, and was determined with the approval of the Board of Directors of Tokyo Gas Co., Ltd. to stand as our public commitment to respect human rights.

1. Our Commitment to Respect Human Rights

The Tokyo Gas Group upholds and respects international norms on human rights, including the UN International Bill of Human Rights, which stipulates the basic human rights of all persons, the OECD Guidelines for Multinational Enterprises, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Moreover, we strive to implement the UN Guiding Principles on Business and Human Rights in our daily operations. We comply with all applicable laws and regulations in each country and region where we operate. In cases where we face inconsistencies between internationally recognized standards of human rights and national or regional laws and regulations, the Tokyo Gas Group seeks ways to honor the principles of international norms on human rights.

2. Scope of our Human Rights Policy

Our Human Rights Policy applies to all officers and employees of the Tokyo Gas Group.

3. Respect for Human Rights in All the Processes of Our Business Activities

- 3-1 We seek to avert or mitigate adverse impacts on human rights caused by stakeholders of the Tokyo Gas Group throughout our value chain, which encompasses all the processes of our business activities.
- 3-2 We respect the human rights of our employees and the people we work with, and create a healthy and comfortable working environment.
- 3-3 We sincerely respond to customers and strive to ensure safety and improve quality.

3-4 We pay due respect to human rights in our relationships with suppliers. In cases where our suppliers or other related parties are causing or contributing to adverse impacts on human rights that are directly linked to our businesses, products, or services, the Tokyo Gas Group requires the concerned parties to respect human rights and avoid infringing upon human rights.

3-5 We seek to understand how our business activities may impact local communities and strive to cooperate with local communities.

4. Human Rights Due Diligence

We identify and assess any actual or potential adverse impacts on human rights and take action to prevent or mitigate human rights risks through ongoing efforts to develop a human rights due diligence framework and continually put it into practice to ensure respect for human rights.

5. Relief and Rectification

In cases where it becomes clear that the Tokyo Gas Group has caused or contributed to adverse impacts on human rights, we provide relief and rectification through legitimate procedures.

6. Dialogue and Consultation

We engage in dialogue and consultation with relevant stakeholders on measures for addressing potential and actual impacts on human rights.

7. Human Rights Education and Promotion of Awareness

We implement appropriate education and human rights awareness activities to ensure that our Human Rights Policy is understood, embedded throughout all the business activities of the Tokyo Gas Group, and effectively implemented.

8. Information Disclosure

We disclose information on our human rights initiatives through various means, including our corporate website and CSR report.

Accession to the UN Global Compact

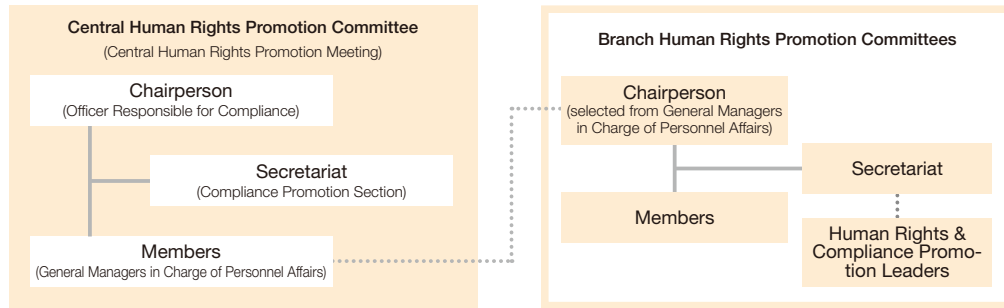
We joined the UN Global Compact in March 2016 to demonstrate our commitment to protecting human rights and respecting the rights of workers.

Human Rights Awareness Promotion System

The Tokyo Gas Group has set up a Central Human Rights Promotion Committee, which is chaired by the officer responsible for compliance and mostly comprises the general managers in charge of personnel affairs in each department. The committee confirms the Group's overall understanding of human rights issues, the outcomes of training, and action plans for raising awareness for the next fiscal year. Branch Human Rights Promotion Committees, chaired by the general manager in charge of personnel affairs at each department, are established as subordinate committees, and branch secretariats and human rights & compliance promotion leaders organize human rights training and related activities at each workplace.

Tokyo Gas has trained human rights & compliance promotion leaders to lead efforts to create a vibrant environment at every workplace since 1995. They serve as promoters of human rights awareness at workplaces and as advisors for consultation desks.

■ Human Rights Awareness Promotion System



■ Training Sessions for Human Rights & Compliance Promotion Leaders: Themes

- Human rights in the context of the SDGs
- Human rights efforts by the Tokyo Gas Group
- Various human rights issues (e.g., assimilation (dowa) issues*1, LGBT, people with disabilities, foreigners, the elderly, women), harassment
- Diversity and an Inclusive Society
- Compliance
- Communications skills (anger management and assertive communications)
- Skills in consultation and dealing with discipline issues
- Mental health in the workplace

*1 Owing to forms of discrimination rooted in social structures that developed in Japanese society in the past, some segments of the population have been forced to endure a lower economic, social, and cultural status and remain subject to various types of discrimination in their daily lives.

Initiatives on Respecting Human Rights

Training on Human Rights and Compliance

Tokyo Gas conducts training sessions for Group employees with the objective of creating vibrant workplaces. Through level-specific training, workplace discussions, and lectures on human rights and compliance, we encourage employees to understand the latest trends in human rights surrounding companies, the significance of supply chain management as a social responsibility required of global companies, and various human rights issues including assimilation (dowa) issues, harassment, and communications in the workplace, and we work to sharpen their personal sensitivity to human rights.

Initiatives on Human Rights Due Diligence

The Tokyo Gas Group strives to develop human rights due diligence in order to identify, prevent, and mitigate human rights issues in various aspects of our business activities. We have consistently implemented the following main initiatives.

■ Main Initiatives for Human Rights Issues

Stakeholders	Main Initiatives
Employees	<ul style="list-style-type: none"> • Address human rights issues through the compliance consultation desks • Conduct training for human rights & compliance promotion leaders who serve as promoters of human rights awareness at workplaces and as human rights counselors • Conduct various training to sharpen sensitivity to human rights toward creating vibrant workplaces • Conduct compliance surveys to identify potential risks • Prevent the occurrence of issues in the working environment through occupational safety and health activities
Suppliers	Survey suppliers to track how they deal with human rights issues
Customers	Monitor the status of personal information management

Human Rights Consultation Desks

Consultation desks have been established both inside the company in the Compliance Department and outside the company at a comprehensive consultation service provider to handle workplace issues on communications and compliance, including human rights. In FY2020, we received 92 requests for consultations, which were addressed appropriately depending on content. First and foremost, we work to protect the person who is seeking consultation from being placed at a disadvantage. We address issues through face-to-face consultations whenever possible, and help create a safe and secure working environment together with employees.

Human Rights Week Initiative

During Human Rights Week from December 4 to 10, we invite Group employees and their families to submit slogans for raising human rights awareness. In FY2020, we received 9,515 entries, and posters of the best entries were displayed at each workplace.

Respecting Human Rights throughout the Supply Chain

As part of our initiatives for respecting human rights throughout the supply chain in Japan and overseas, we present our suppliers with the Purchasing Guidelines for Suppliers, request that they show consideration for human rights, and conduct management activities through supplier surveys, etc. We also use supplier surveys to track how they deal with human rights issues. Among Tokyo Gas Group employees, we seek to ensure understanding and stringent adherence to these guidelines in the Tokyo Gas Group: Our Code of Conduct.

- ▶ Supply Chain Management



Compliance

Basic Policies

The Tokyo Gas Group aspires to be a sound business enterprise that earns society's trust by ensuring all management and employee decisions and actions are rooted in legal compliance, ethical standards, and public expectations. To this end, the Group promotes compliance in accordance with its established basic policies.

Tokyo Gas Group: Our Code of Conduct

This code sets forth the values and standards of conduct for everyone who works at the Tokyo Gas Group. From FY 2003 to FY2016, the code spelled out seven pledges. In FY2017, however, the code was revised in the form of 11 pledges that incorporate international standards such as ISO 26000, the Olympic Charter, legal amendments, and other key developments. In addition, we review the code every year to make any changes that may be needed.

Tokyo Gas Group: Our Code of Conduct

Purpose and vision

1. "Our Code of Conduct" sets forth the values and standards of conduct that everyone who works in the Tokyo Gas Group is expected to share and follow in order to implement our Management Philosophy and Corporate Action Philosophy and ensure a focus on compliance in business.
2. By following this Code of Conduct, we will contribute to the creation of an affluent society through the Tokyo Gas Group's growth and development as a corporate group that people will continue to trust and make their first choice.

Eleven Pledges

1. We will constantly think and act responsibly as individual members of this "energy frontier corporate group" so that people will continue to trust our group and make it their first choice.

- 1) Continual innovation
 - (1) We will pursue continual innovation, unfettered by convention and ever sensitive to the expectations of customers, shareholders, and society.
 - (2) We will create the maximum outputs working in partnership with one another, while being fully aware of our individual roles and responsibilities and committed to self-improvement.
- 2) Doing more for the customer

We will put the customer at the heart of everything we do.
- 3) Everyone is a brand builder

Day in and day out, we will strive to build the security, safety, and trust that underpin the Tokyo Gas Group's brand value.

2. We will constantly conduct business in a clear-cut and fair manner.

- 1) Legal compliance
 - (1) We will constantly conduct business in compliance with laws, internal rules and regulations, and socially accepted rules.
 - (2) We will act swiftly to resolve issues where infringements of laws, internal rules and regulations, or socially accepted rules have occurred or may occur.

2) Separation of professional and private spheres

- (1) We will not use our professional position for personal gain.
- (2) We will not use company property for private purposes.

3) Active disclosure of information

We will enhance the transparency of business activities and actively and promptly disclose accurate information to customers, shareholders, communities, and other stakeholders in order to earn their trust.

4) Firm stand against antisocial forces

- (1) We will stand firm against illegal and improper demands made by sokaiya racketeers, organized crime groups, and other antisocial forces.
- (2) We will not, under any pretext, give benefits to or otherwise accommodate the demands or interests of antisocial forces.

3. We will deal with customers, business partners, shareholders, and all our stakeholders sincerely and equitably.

3-1. Customers

1) Satisfaction beyond expectations

- (1) We will provide high value-added products and services that customers will make their first choice.
- (2) We will always put ourselves in the customer's shoes in order to deliver the best possible work that exceeds customer expectations.
- (3) In the event of a customer complaint or accident, we will respond swiftly and in good faith to prevent a recurrence.

3-2. Business partners

1) Fair business dealings

- (1) We will respect business clients and suppliers as business partners and do business with them in good faith.
- (2) We will comply with the Antimonopoly Act and other applicable laws and ordinances, and will practice fair dealings in accordance with the principles of free competition.
- (3) We will not exploit our position or authority to obtain undue benefit or make unreasonable demands.

2) Maintenance of proper relations

- (1) We will always be conscious of social point of view in our interactions with business partners, and will never commit any act that might cause misunderstanding or distrust from inside and outside the company.
- (2) We will maintain fair relations and do nothing questionable under applicable national and local laws and ordinances in our dealings with government and other public officials and employees.

3) Understanding and observance of the Purchasing Guidelines for Business Partners

We will promote understanding and observance of the Purchasing Guidelines for Business Partners by our business partners and others along our supply chains, and we will require partner businesses involved in transactions with those companies to observe the same standards.

3-3. Shareholders

We will facilitate the appropriate exercise of shareholders' rights through fair, timely, and appropriate disclosure and constructive dialogue.

4. We will respect diversity and individuality among our colleagues and create an inclusive working environment.

1) Respect for human rights

- (1) We will respect human rights, prohibit child labor and forced labor, and not discriminate or harass anyone on the basis of race, nation, religion, gender, age, origin, nationality, disability, education, social status, sexual orientation, gender identity, or other such grounds.
- (2) We will respect one another's positions and treat everyone equally, irrespective of form of employment, gender, title, or any other differences.
- (3) We will not commit sexual harassment, workplace bullying, pregnancy discrimination and other types of harassment, discrimination against employees who take family care leave, or any other acts that infringe the dignity of the individual. We will also not condone such acts.

**2) Attainment of excellent record of occupational safety and health**

We will enforce compliance, including adherence to all related laws and regulations, and make every effort to eliminate the risks of disasters and accidents in order to establish an excellent safety and health.

3) Creation of a cheerful workplace

(1) We will create a lively workplace where everyone can realize their full potential and individual differences are respected.

(2) We will create an open workplace where everyone can share necessary information and engage in free expression and discussion.

4) Promotion of diversity

We will accept one another's values and various work styles, and get the best from our own knowledge, abilities, and experience. We will also all work to raise productivity and meet the diversifying needs of society.

5. We will act for the protection of the global environment.**1) Promotion of environmental protection**

(1) As a leader in environmental management, we will reduce our environmental footprint and endeavor to make sustainable use of natural resources in every aspect of the Tokyo Gas Group's business activities.

(2) We will promote use of highly eco-friendly energy sources centered on use of natural gas, and provide high-efficiency systems and equipment that have a low environmental impact.

(3) We will advocate green lifestyles and value environmental partnerships with local communities.

6. We will contribute to local communities and society as a good corporate citizen.

(1) We will respect and contribute to local communities, building trust with them through active dialogue and cooperation, and making effective use of our business resources.

(2) We will contribute to local communities as good citizens, recognizing that we ourselves are all members of communities.

7. We will handle information appropriately.**1) Prevention of information leaks**

We will properly handle confidential information obtained in the course of business and will not divulge such information during or after our employment at the Tokyo Gas Group.

2) Compliance with the Act on the Protection of Personal Information

(1) We will obtain and manage the personal information of customers, employees, and others by appropriate methods and use such information only insofar as permitted for legitimate purposes.

(2) We will not disclose personal information to third parties except where permitted by law.

3) Appropriate use of information systems

We will use information systems, including email systems and the Internet, in accordance with strict rules on proper use. Company information systems will not be used for non-business purposes.

4) Respect for intellectual property

We will respect patents, trademarks, copyrights, and other intellectual property rights, protect and use rights held by our company, and not infringe the rights of others.

8. While conducting business globally, we will not only comply with national and local laws and regulations and respect international standards on human rights and similar issues, but also engage in business activities in a manner that is sensitive to different cultures, customs, and stakeholders' concerns.**9. We will act with integrity and decency as members of society, and maintain high ethical standards in our private lives.**

In our private lives, too, we will comply with all applicable domestic and foreign laws and regulations, be aware of changes in social expectations, and always be mindful of how we should behave as a model citizen.

1) Compliance with regulations on insider trading

We will not engage in insider trading, such as the purchase or sale of shares and other such transactions, using information obtained in relation to business. We will not communicate information or recommend transactions to other parties to enable them to make a profit or avoid a loss.

2) Prohibition of annoying or disturbing behavior

In our private lives, we will not injure or deceive others, commit indecent acts, or engage in any other annoying or disturbing behavior.

3) Responsible drinking and compliance with traffic rules (including not driving under the influence of alcohol)

We will be careful to drink responsibly and will never drive under the influence of alcohol. We will always stop anyone who attempts to drive while drunk, and we will not encourage anyone who is driving a vehicle to drink and will not provide a vehicle to anyone who has been drinking. We will also obey all other traffic rules.

4) Prohibition of possession and use of illegal drugs

We will not possess or use illegal drugs, and we will not be involved in any way in their manufacture, purchase, sale, distribution, or other such acts.

5) Prohibition of gambling

We will never engage in any acts of gambling, including the betting of even small amounts of money on golf, mahjong, or sporting events.

6) Compliance with rules on use of social media

If communicating information via social media, we will not commit any act, even as individuals, that might harm the reputation or property of the company.

7) Compliance with other laws, regulations, social norms, and standards of ethical conduct, and prohibition of acts that outrage public decency**10. If we transgress this Code of Conduct or learn of a transgression, we will immediately report the matter to our workplace and rectify it.****11. Executives and managers will lead from the front and take action themselves.****1) Awareness of position and conduct as executives and managers**

(1) Executives and managers will themselves provide models of compliance with this Code of Conduct and encourage understanding and practice of the same throughout the workplace.

(2) Executives and managers will lead from the front in working to resolve any problem that may arise and ensure organization-wide action to prevent a recurrence.

(3) Executives will take strict action (including against themselves) where necessary.

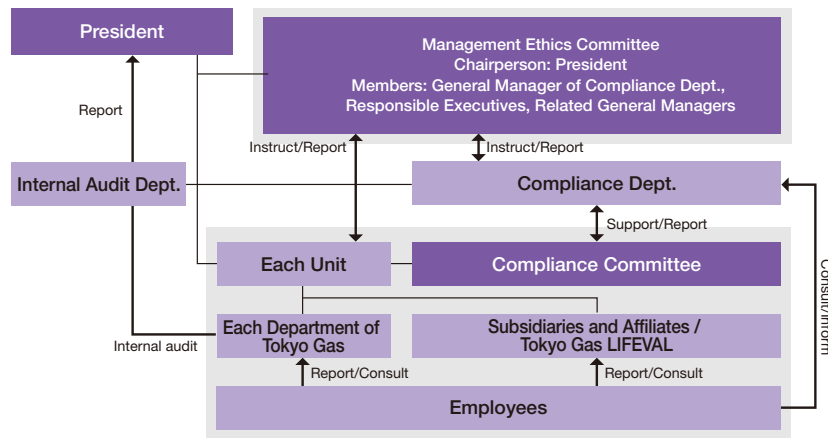
Compliance Promotion System

The Management Ethics Committee, chaired by the president, meets annually to confirm matters such as the handling of inquiries and consultation by the compliance consultation desks and the degree to which compliance has taken root in the Group, and to deliberate on the Compliance Promotion Action Plan.

We have also established Compliance Committees in each unit to consistently and proactively engage in initiatives for promoting compliance.

Over 300 management-level personnel have been appointed as compliance managers and compliance promoters at each workplace to lead in promoting concrete compliance activities.

■ Compliance Promotion System

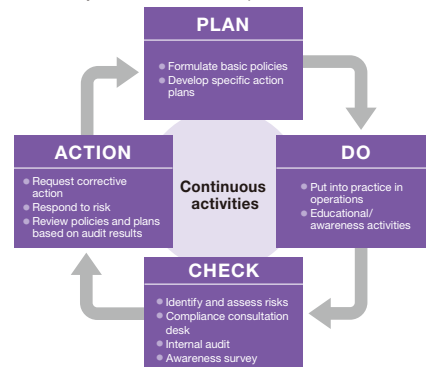


Management

Recognizing the importance of flexible and sustainable business activities in order to continuously adapt to changing business content and legal environments, the Tokyo Gas Group promotes collaborative cross-departmental efforts to strengthen compliance based on the Compliance Promotion Action Plan.

Under that plan, each department of the Tokyo Gas Group establishes and follows a PDCA cycle to review and improve its operations from the perspective of compliance. In the event that compliance violations occur, they are individually dealt with jointly by our legal and risk management departments, among others.

■ PDCA Cycle to Promote Compliance



Compliance Consultation Desks

The Tokyo Gas Group has set up consultation desks internally through its Compliance Department and externally through a law firm and a general consultation service company. All individuals working at the Tokyo Gas Group, including officers, regular and temporary staff members can directly contact these desks by phone or email whenever they feel uncomfortable raising a matter within their organization. The consultation desks also handle consultation for our suppliers. These consultation systems serve as internal points of contact, as stipulated in the Whistleblower Protection Act.

Under the operational guidelines of the consultation desks, advice and solutions are provided to employees who make inquiries or request consultation. The requests are treated in strict confidence, and the employees are protected against any discriminatory treatment for using the desks.

Independent advisory services have also been established at all subsidiaries and Tokyo Gas LIFEVAL (“LIFEVAL”) companies. Annual training sessions are held for the consultation desk staff at the Tokyo Gas Group to strengthen their ability to handle inquiries and consultations.

In addition, we have established a service for responding to compliance inquiries related to supply purchasing, along the lines of a supplier consultation desk or an internal whistleblower program.

▶ Contact [Web](#)

Education and Awareness-raising

The Tokyo Gas Group organizes a range of activities to encourage employees to apply Tokyo Gas Group: Our Code of Conduct to their own situations.

Workplace Discussions

Training sessions led by compliance promoters are held at the level of individual workplaces at the Tokyo Gas Group (21,966 employees participated in FY2020). These sessions utilize awareness-raising resources provided by our Compliance Department that were developed in alignment with Tokyo Gas Group: Our Code of Conduct. The resources are used to help participants learn about the latest trends in corporate compliance and to facilitate discussion of Our Code of Conduct so that they can identify concrete behaviors that should be practiced.

Level-specific Training

Level-specific training for new employees and others is provided to Group employees to foster a compliance mindset (1,322 employees underwent training in FY2020).

Legal Training

Training is provided annually to the Tokyo Gas Group employees to improve their understanding of laws such as the Antimonopoly Act, the Act against Unjustifiable Premiums and Misleading Representations, and the Subcontract Proceeds Act (some 10,600 employees participated in FY2020).

The sessions are designed to provide practical information, including details on the purposes of various laws, and specific cases studies released by organizations such as the Fair Trade Commission and the Consumer Affairs Agency.*1

*1 Case studies include examples of cartels and abuses of superior bargaining position (Antimonopoly Act), and misleading representation (Act against Unjustifiable Premiums and Misleading Representations).



Sharing Information on Compliance

We are working to raise the standard of compliance by widely publicizing across the Tokyo Gas Group up-to-date information on the compliance risks associated with changes in the organization's business environment, including those associated with our evolution as an energy business, acceleration of our global business development, and the revision and stricter enforcement of prevailing legislation.

Specifically, information is shared through the regularly published "Compliance News" newsletter, a resource for compliance managers and promoters who lead activities at Tokyo Gas and its subsidiaries, and for LIFEVAL companies. In FY2020, the newsletter provided Group employees with timely information about enforcement of the Revised Comprehensive Promotion of Labor Measures Act (Power Harassment Prevention Act) and the passage of the Revised Act on the Protection of Personal Information and the Revised Whistleblower Protection Act, and on necessary actions for complying with those laws. The newsletter is also used in workplace workshops to share details about cases in and outside the Company.

Support for Tokyo Gas Group Compliance Promotion

Tokyo Gas promotes compliance by LIFEVAL and other companies providing regional services on behalf of Tokyo Gas. We also make training tools available that are tailored to the circumstances of each company and assist in implementing PDCA cycles.

As part of our compliance promotion activities, we distribute copies of Tokyo Gas Group: Our Code of Conduct and booklets on subjects such as the protection of personal information. We also conduct compliance awareness surveys and provide feedback on their results as a way of sharing news on compliance and information on compliance measures to raise awareness.

Verification and Audit of Penetration of Compliance

Compliance Awareness Surveys

We regularly conduct surveys of all Tokyo Gas Group employees to monitor the effectiveness of compliance promotion activities.

In FY2020, we surveyed the employees regarding mainly the following points.

- Company compliance measures
- Understanding of laws, regulations, and manuals
- Conditions preventing compliance violations in the workplace
- Issue escalation
- Supervisor/workplace efforts to promote compliance
- Sharing of information and opinions on work-related aspects
- Compliance actions of the respondent

The results were analyzed separately for Tokyo Gas, its subsidiaries, and LIFEVAL companies. All have maintained high average scores of at least 3 points on a 4-point scale in every category.

As a reference for future improvement, we offered feedback on the survey results, Group-wide challenges, and challenges specific to each company. The results are posted on the intranet for review by all Group employees.

Compliance Auditing

The Internal Audit Department regularly conducts audits of Tokyo Gas and its subsidiaries and affiliates focusing on the severity of risks and the probability of their materialization from the perspective of legislation related to the audited unit's operations, as well as corporate ethics and social norms.

Prevention of Bribery and Corruption

Basic Policy

The Group is fully committed to preventing bribery and corruption in all domestic and international transactions by complying with the anti-bribery and corruption laws in each country and region. This includes specifying in Tokyo Gas Group: Our Code of Conduct our obligations to comply with laws and be fair and honest with our customers and suppliers.

In line with the expansion in our overseas business, we have established the Basic Policy on Overseas Business Promotion, in which we pledge to play our part in developing a sustainable society, and are carrying out equitable and transparent corporate activities in the international business community. In particular, bribery and corruption not only damages the social credibility of a company but can also become a global issue when it hampers economic growth in developing countries. We have thus formulated the Foreign Public Official Anti-Bribery and Corruption Guidelines in accordance with our Basic Policy in order to outline specific actions necessary for maintaining appropriate relationships with foreign public officials as a means of safeguarding orderly competition.

Foreign Public Official Anti-Bribery and Corruption Guidelines

Summary of Guidelines for Action

- Bribery and corruption of foreign public officials and other individuals and spending on facilitation payments to foreign public officials and other individuals are prohibited.
- The provision of inappropriate hospitality, gifts, donations, and the like is prohibited.
- All hospitality, gifts, donations, and the like made to foreign public officials and other individuals and appointments of certain third parties must first be approved through the procedure described in the guidelines and must be accurately accounted for in a timely manner.
- To prevent the bribery and corruption of agents, consultants, and similar third parties, due diligence must be performed before they are appointed, clauses prohibiting bribery and corruption must be incorporated into their contracts, and other appropriate measures must be completed. The same applies to M&As with foreign firms.



Action Items of the Foreign Public Official Anti-Bribery and Corruption Guidelines

- Prohibition of bribery of foreign public officials
- Prohibition of facilitation payment
- Prohibition of inappropriate hospitality, gifts, invitations, overseas donations, etc.
- Prohibition of bribery (other than foreign public officials)
- Transactions with third parties
- Relationships with partners of joint ventures, etc.
- Prohibition of taking bribes
- Mergers and acquisitions
- Prohibition of fraudulent accounting
- Obligation to whistle-blow and cooperate with investigations
- Emergency response
- Disciplinary action
- Training and monitoring

Operating Structure for Preventing Bribery and Corruption

The chief compliance officer acts as the executive officer with chief responsibility for preventing overseas bribery and corruption. Supervisors responsible for implementing measures to prevent bribery and corruption overseas are appointed in every department and company of the Group that is subject to the guidelines to take responsibility for the approval of hospitality, gifts, donations, and the like, confirmation of the findings of due diligence when appointing third parties, approval of entry into contracts, and other matters. The Compliance Department decides on specific measures for implementing the guidelines.

Education and Awareness-raising

The Tokyo Gas Group provides training to employees primarily involved in business overseas to ensure proper compliance with the guidelines. In FY2020, 425 personnel received this training. We have produced an English version of the guidelines for locally hired employees and have distributed to them the English edition of Tokyo Gas Group: Our Code of Conduct and other informational resources. We have also established a system to enable Group employees working overseas to report and seek advice. We implement PDCA cycles to ensure that bribery and corruption are being prevented by monitoring the situation through internal audits and other means to confirm that the procedures established by the guidelines are being followed.

Tax Compliance

Basic Policy

Our Code of Conduct pledges that we will strive to ensure that our operations always comply with laws, ordinances, internal regulations and rules, and social norms, and that our global businesses will respect local laws and international norms, with our executives and managers leading from the front in these efforts. We will also abide by this code in our tax obligations and contribute to the sustainable growth of local societies and economies through our strict compliance with tax laws and requirements.

Tax Governance System and Risk Management

We have established a system whereby the Accounting Department manages our tax-related matters under the supervision of the executive responsible for accounting. Critical matters are reported to the committee supporting rational decision-making by Corporate Executive Officers and the Board of Directors. To facilitate the appropriate discharge of our tax obligations, we have also set up a system enabling all departments to consult with the Accounting Department regarding tax processes, and we provide employees with tax education through e-learning and other channels. With regard to tax risk management, we identify tax risks in business projects above a certain threshold before they are launched by requiring the risk information to be reported to the Accounting Department in advance. In addition, the Internal Audit Department conducts internal accounting audits that include review of tax compliance.

We further strive to reduce tax risk by selecting the country/region for new subsidiaries based on their purpose of operation, and by following the OECD's guidelines for transfer pricing when carrying out international transactions among our Group companies. Moreover, our overseas subsidiaries enlist the support of external experts to properly comply with the local tax system.

Relations with Tax Authorities

We endeavor to reduce our tax risk by consulting in advance with the tax authorities when necessary. We also build trust with the tax authorities by interacting with them in good faith and by disclosing required information in a timely and appropriate manner.

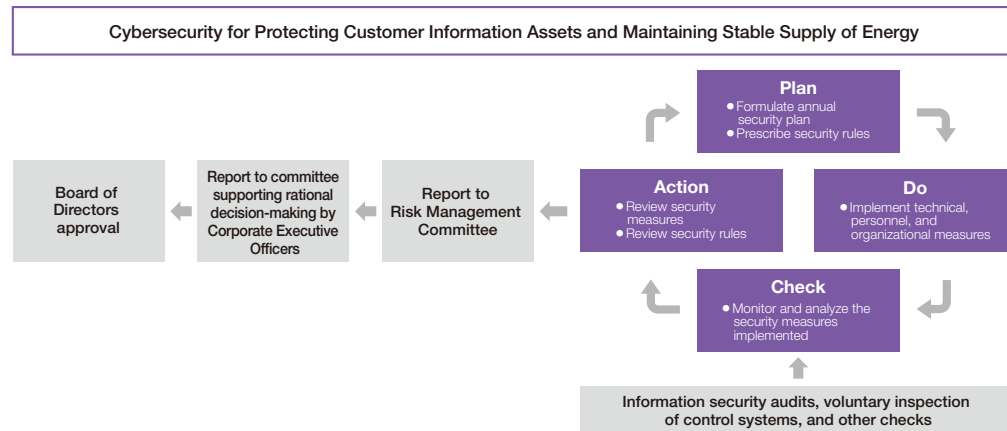
Cybersecurity

Basic Policy

Tokyo Gas has positioned cybersecurity as a management priority out of the belief that it is integral to the fulfillment of our social responsibility as an infrastructure provider. Our management leads efforts to ensure the security of the information systems that handle customer and other data and the control systems for gas production/supply, power generation, and other facilities. Through these efforts we strive to protect the customer information assets under our stewardship and to maintain the stable supply and safety of energy services. Furthermore, we implement measures for preventing cybersecurity incidents and carry out management-involved training sessions and other actions for readying ourselves to respond to a potential intrusion.

In addition, we are seeking to further strengthen our cybersecurity through a PDCA cycle that adapts to recent advances in digital technologies, the growing threat of cyberattacks, and other changes in the cybersecurity landscape.

■ PDCA Cycle for Ensuring Cybersecurity



Aims of Information Security

We have formulated an information security strategy based on analysis of the Tokyo Gas Group's internal environments and changes in external environments. This strategy sets forth the three aims below. Guided by these goals, we are implementing prioritized information security measures,

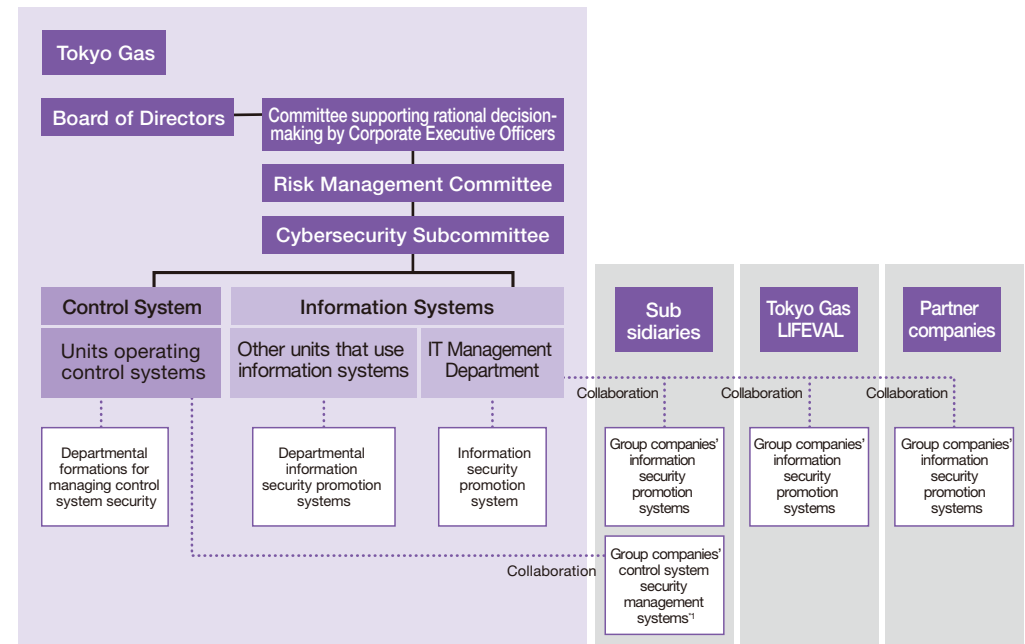
- Fulfill social responsibilities as an infrastructure provider
- Maintain and improve customer satisfaction
- Stay in step with business changes

Cybersecurity Response System

We manage cyberattack risks through efforts informed by the Ministry of Economy, Trade and Industry's Cybersecurity Management Guidelines. These actions are led by our Cybersecurity Subcommittee, which reports to the Risk Management Committee and provides integrated risk management for both information and control systems. The subcommittee regularly updates the Risk Management Committee and the committee supporting rational decision-making by Corporate Executive Officers on the state of cybersecurity measures.

In addition, all Tokyo Gas units and the subsidiaries and some 300 partner companies that support our Group operations strive together to ensure cybersecurity. This concerted effort develops the information security promotion system and control system management system needed to prevent cybersecurity incidents and minimize the damage and other impacts of incidents that do occur.

■ Cybersecurity Organization



¹⁾ Only the companies that operate control systems.

Practices to Ensure Cybersecurity

We take a comprehensive approach to cybersecurity that combines technical measures such as those for preventing system intrusions, personnel measures such as an annual employee training session, and organizational measures such as establishment of security response formations and the holding of cyberattack response training.

In addition, we are taking action to strengthen risk management across our supply chain-including subsidiaries, business partners, and suppliers-and bolster security measures in response to the increase in remote work and meetings.

Through our sustained implementation of these efforts, we raise the level of security across the entire Tokyo Gas Group.



Protection of Personal Information

Basic Policy

We recognize that properly protecting and handling personal information is at the foundation of our business activities and a vital social responsibility. To fulfill these responsibilities, we have established the following policies for guiding our best efforts to protect personal information.

Tokyo Gas Policy on Protection of Personal Information

1. Legal compliance

In addition to observing all applicable laws, regulations, and guidelines governing the protection of personal information, Tokyo Gas establishes and continually improves Company policy and internal rules for protecting personal information.

2. Personal information management

We take necessary actions under relevant laws, regulations, and guidelines and properly manage personal information to prevent any loss, leakage or unauthorized changes to said information. In addition, a person is assigned at each workplace to be responsible for the protection of personal information and to educate and supervise employees in regard to this issue.

3. Collection and use of personal information

We acquire personal information through proper means to conduct our business operations appropriately and efficiently. When collecting such information, we inform the affected person in advance of the purpose for which the information will be used, and obtain only the information specifically needed to achieve that purpose.

4. Provision of personal information to third parties

We do not provide personal information to any third party without obtaining the prior agreement of the person affected, except as allowed under relevant laws, regulations, or guidelines, and in certain cases where, for example, parties receiving the information are not legally defined as third parties. In our operations that require the transfer of personal information to third-party service providers, we select only providers meeting the necessary standards and obligations for managing personal information, establish a set of personal information protection rules for those providers, and supervise their handling of the information.

5. Disclosure, correction, etc., of personal information

When a person requests disclosure, correction, deletion, or other actions on their personal information, we endeavor to promptly respond, within reasonable limits under relevant laws and guidelines, after confirming the person's identity.

► Privacy Policy [Web](#)

System for Promoting Protection of Personal Information

The Tokyo Gas Group retains and utilizes a massive volume of personal information, including information on customers. Accordingly, we established a Group-wide system for promoting the protection of personal information even before the Act on the Protection of Personal Information took full effect on April 1, 2005. In addition to voluntary checks conducted to confirm whether personal information is being properly managed, internal audits are conducted by the Internal Audit Department to assess compliance with the act and other applicable laws, ordinances and guidelines as well as our own policy on the protection of personal information and internal rules.

■ Promotion System

	Performer	Major Duties
Overseer of personal information protection	Executive responsible for department in charge of personal information protection	Formulation, implementation, maintenance, and improvement of measures for managing the protection of personal information
Personal information protection management officers	Department heads	Formulation, implementation, maintenance, and improvement of measures for managing the protection of personal information at the departmental level
Personal information protection executive officers	General managers	Dissemination of information, education, etc. concerning basic matters of personal information protection
Personal information protection promotion managers	Group managers	Appropriate management, etc. of personal information at workplaces

Information Security Audit

The Internal Audit Department audits the Company and its subsidiaries and affiliates to determine whether the audited organizations are taking proper steps to ensure information security, to identify specific information security risks, and to confirm whether controls are being properly developed and implemented to manage these risks.

Education and Awareness-raising

We have established internal rules based on the requirements set forth by the Act on the Protection of Personal Information. In addition, we distribute a pamphlet explaining the practical aspects of personal information protection to all employees of Tokyo Gas, its subsidiaries, and Tokyo Gas LIFEVAL companies in order to increase their awareness by promoting thorough understanding of legal requirements and other matters. In response to the revision of the Act on the Protection of Personal Information, we informed each Group company of the details of the revised act and formulated guidelines for clarifying personal information and handling anonymously processed information.

In order to maintain firm awareness of the importance of personal information protection throughout each employee's career, we provide training at different stages, such as at hiring, third year of employment, and promotions.



Appropriate Information Disclosure

Basic Policy

Tokyo Gas believes that the timely and proper disclosure of information to stakeholders is a core element of its public mission as an energy company. We proactively and appropriately communicate information on our corporation, the safety and usage of our products and services, and other matters to enable customers to enjoy the reliable, safe, and convenient use of the energy and gas appliances we supply.

Appropriate Information Disclosure

Tokyo Gas Website

In addition to providing corporate and lifestyle information, and pages for carrying out gas/electricity service procedures, our website posts important notices, including on home gas appliances, to rapidly provide customers with accurate information on product recalls, defects, and other such matters that require their attention.

Tokyo Gas Official Social Media

We maintain a corporate Facebook page and Twitter account to offer instant access to our information. We post our seasonal information, recipes and other useful information for everyday life, including entertainment content such as Paccho's (Tokyo Gas's mascot character) Diary and disaster preparedness information on the safe use of city gas. In the event of a disaster, we share information through social media on how we are responding.

Proper Information Provision under Statutory and Voluntary Standards

We strive to provide the accurate information that customers need to make informed decisions about Tokyo Gas Group products and services. For example, we have created checklists for making sure that advertising and representations are appropriate and comply with the Act against Unjustifiable Premiums and Misleading Representations. We also strive to thoroughly ensure the accuracy of information in flyers, catalogs, brochures, and other materials through collaboration between the publications production team and the employees responsible for guaranteeing proper representation. Those employees are provided training to enhance their knowledge of this area.

To ensure that customers can safely use our products and services, we also abide by the guidelines for appropriate information provision and other matters that the Ministry of Economy, Trade and Industry has set forth in concert with the full deregulation of the electricity and gas markets.

Supply Chain Management

Basic Policy

Tokyo Gas believes that it must fulfill its social responsibility in cooperation with business partners, rather than doing so on its own when delivering products and services to customers.

Tokyo Gas Group: Our Code of Conduct includes guidelines on our transactions and relationships with business partners, and we strive to ensure awareness of and compliance with those guidelines. We have also established the Purchasing Guidelines to provide a specific code of conduct for realizing highly transparent, fair, and equitable transactions with our business partners, and we endeavor to cultivate trusting relationships with them based on those standards.

Purchasing Guidelines

1. Openness

The Company will procure goods and services, both domestically and internationally, that meet the Company's standards for quality, safety, and cost, through procedures that are simple and easily understood.

2. Fairness and Equality

The Company will select its suppliers in a fair and equitable manner on the basis of economic rationality, with due consideration to quality, price, reliability, guaranteed delivery, after-sales service, suitability with existing facilities, technological ability, financial health, and CSR stance. The Company is fully committed to complying with the laws and regulations prohibiting bribery, corruption, misappropriation, antitrust, and other illegal behavior.

3. Mutual Trust

The Company will establish relationships of trust with its suppliers based on fair and equitable transactions and strive to maintain and enhance the safety, security, and reliability of its brand through mutual prosperity and cooperation. Indispensable to providing stable energy is the stable supply of quality goods and services from suppliers at fair prices and within the designated delivery periods, all based on mutual trust.

4. Commitment to Compliance

The Company and its suppliers must fully comply with the letter and spirit of all relevant laws and regulations, social norms, and corporate ethics when conducting business transactions.

5. Environmental Protection

The Company will work with its suppliers to protect the natural environment toward realizing a recycling society by adopting the perspective of environmental friendliness in addition to economic considerations. The Company will promote Green Purchasing in accordance with its Green Purchasing Promotion Guidebook and also to follow through with its Environmental Policies.

6. Occupational Safety and Respect for Human Rights

The Company will work with its suppliers to ensure occupational safety and respect for human rights.

7. Consideration for Local Communities

The Company will work with its suppliers to preserve the environment and ensure respect for human rights in local communities, while also striving to ensure their safety and security.

The Company will actively engage in activities that contribute to the development of local communities toward the betterment of society.



Issuance of Our “Declaration of Partnership Building ”

We have issued a Declaration of Partnership Building^{*1} as a roadmap for constructing new partnerships by advancing collaboration, co-existence and co-prosperity with our supply chain business partners and with businesses working toward value creation.



^{*1} This is an initiative established by the Council on Promoting Partnership Building for Cultivating the Future, whose members include the Chairman of Keidanren (Japan Business Federation), the Chairman of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation, and relevant Ministers of State (Cabinet Office, METI, MHLW, MAFF, and MLIT).

▶ Declaration of Partnership Building [Web](#)

Sharing Our Standards of Conduct with Business Partners

To further build the trust of our customers and society, it is essential that not only the Tokyo Gas Group but also its business partners practice compliance, preserve the environment, ensure occupational safety, respect human rights, and show concern for local communities. Accordingly, we share our various standards of conduct with business partners and ask them to abide by those standards whenever we purchase from them or contract them to perform construction or other jobs. The standards include Purchasing Guidelines for Suppliers and Green Purchasing Promotion Guidebook, both of which outline requirements for suppliers, as well as the Environmental Common Specifications for contractors, which cover areas such as legal compliance, reduction of environmental impacts, and consideration for occupational safety and health.

Purchasing Guidelines for Suppliers

The Company seeks the cooperation of its suppliers and requests that they understand and act in accordance with the Basic Requirements so as to ensure mutual trust throughout purchasing activities.

1. Quality Guarantee

The Supplier must meet the requirements for quality and performance as set by Tokyo Gas and maintain that level of quality and performance over a reasonable period of time.

2. Reasonable Pricing

The Supplier must offer prices deemed reasonable with respect to quality, performance, specifications, terms of delivery, terms of payment, trends in market prices, and other relevant areas.

3. Compliance with Terms of Delivery

The Supplier must observe the contractual time of delivery specified by the Company.

4. Safety Assurance

The Supplier must ensure the safe use and operation of its products.

5. Maintenance and After-Sales Service

The inspection, maintenance, and repair services that the Supplier is required to provide should be undertaken in a fast and precise manner, an approach that should also be applied to its design and production or implementation of goods and services. In addition, the Supplier must be capable of quickly providing the necessary parts and technical assistance for standard repairs and in the event of an emergency.

6. Risk Management

(1) Quick and appropriate response

The Supplier must be able to respond quickly and appropriately to quality-related issues and emergencies such as natural disasters or accidents.

(2) Personal and confidential information

The Supplier must appropriately handle personal information and confidential information.

(3) Intellectual property

The Supplier must appropriately manage intellectual property, including confidential information and expertise.

7. Commitment to Compliance

The Supplier must comply fully with the letter and spirit of all relevant laws and regulations, including the antitrust law and subcontractor law, and is expected to observe social norms and corporate ethics. The Supplier must also maintain a fully functioning system for the prevention and early detection of illegal behavior.

8. Consideration for Labor, Safety, and Human Rights

The Supplier must act in compliance with laws, regulations, and social norms related to occupational health and safety, working conditions, and human rights, and must engage in initiatives for addressing these issues. Specific requirements include:

- Eliminating all discriminatory practices based on race, ethnicity, religion, gender, age, place of birth, nationality, physical and mental disability, academic background, social status, sexual orientation, gender identity, and other factors, and striving to provide equal opportunities and fair treatment;
- Attending to the health and safety of employees and implementing the necessary measures;
- Properly managing working hours and avoiding forcing work against the will of the employee;
- Respecting employees' right to organize and allowing collective bargaining and labor-management consultations;
- Protecting the rights of workers, complying with minimum wage requirements, and giving due consideration to providing a living wage; and
- Prohibiting child labor and forced labor and preventing illegal labor practices.

**9. Environmental Protection**

The Supplier is required to implement sufficient measures to avoid harming the global environment, pay due consideration to environmental issues, and reduce its environmental impact. The Supplier is also expected to implement initiatives in line with the Company's Green Purchasing Promotion Guidebook.

10. Consideration for Local Communities

The Supplier is required to work with its business partners to protect the environment, respect human rights, and ensure the safety and security of local communities. The Supplier is encouraged to actively engage in activities that contribute to the development of local communities toward the betterment of society.

11. Supply Chain Management

In addition to observing these Guidelines, the Supplier is expected to encourage its business partners to implement the initiatives set forth therein.

12. Prohibition of Involvement with Conflict Minerals

As a precondition to any business transaction, products supplied by the Supplier must not contain conflict minerals (gold ore, coltan, wolframite, and cassiterite) produced to fund militant groups in the Democratic Republic of the Congo and its neighboring countries and regions.

Green Purchasing Promotion Guidebook

The Tokyo Gas Group will promote Green Purchasing in accordance with this Guidebook and by adopting the perspective of environmental friendliness, in addition to common criteria such as cost, quality, and terms of delivery, when procuring and purchasing construction work, services, materials, manufactured goods, and components (hereafter collectively referred to as "goods and services").

1. Purpose of Green Purchasing

- 1.1 Tokyo Gas endeavors to proactively and consistently contribute to protecting the global environment and building a recycling society, not only by reducing the environmental impact of its business activities through initiatives such as energy conservation and waste reduction but also by promoting Green Purchasing in the upstream segment of its business activities toward reducing its overall environmental impact.

2. Considerations for Selecting Goods and Services

- 2.1 In accordance with the Green Purchasing Guidelines laid out by the Green Purchasing Network (GPN), Tokyo Gas will select goods after considering the diverse environmental impacts throughout their life cycles, from extraction of raw materials to disposal, as explained below.
 - 2.1.1 **Reduction of environmental impact**
Reduced use or emission of substances that are harmful to the environment and human health. Proper control of legally designated chemical substances.
 - 2.1.2 **Conservation of resources and energy**
Limited consumption of resources, energy, and water during product manufacture, use, and installation.
 - 2.1.3 **Sustainable extraction and use of resources**
Sustainable extraction methods and effective utilization to prevent depletion of resources.
 - 2.1.4 **Capacity for long-term use**
Enable long-term use based on ease of repair, parts exchange, and other considerations.
 - 2.1.5 **Reusability**
Can be reused.

2.1.6 Recyclability

Can be recycled.

2.1.7 Use of recycled materials

Contains a significant ratio of recycled materials and reused components.

2.1.8 Ease of treatment and disposal

Can be easily treated and disposed of as waste.

2.1.9 Legally compliant waste disposal

Promotes the recycling of resources through reduced waste generation, reuse, and thorough sorting and ensures a legally compliant waste disposal process.

2.1.10 Biodiversity conservation

Mitigates direct and indirect impacts of business operations on the ecosystem.

3. Considerations for Selecting Suppliers

- 3.1 When selecting suppliers, Tokyo Gas will give higher priority to companies that actively pursue environmental protection initiatives, such as implementation of an environmental management system (EMS) that includes:
 - 3.1.1 Establishing environmental principles and guidelines;
 - 3.1.2 Appointing dedicated environmental officers;
 - 3.1.3 Complying with environmental laws and regulations;
 - 3.1.4 Identifying the environmental impacts of business activities;
 - 3.1.5 Disclosing environmental information;
 - 3.1.6 Protecting the environment in collaboration with local communities and NGOs;
 - 3.1.7 Promoting Green Purchasing; and
 - 3.1.8 Asking suppliers to pursue environmental protection activities.

4. Collection and Use of Environmental Information

- 4.1 Tokyo Gas will actively collect, organize, and analyze environmental information on goods and services as well as manufacturers and sales companies. The information will be shared by the Purchasing Department and used to ensure appropriate management of Green Purchasing.

5. Note on Implementing Green Purchasing

- 5.1 When undertaking procurement and purchasing, the Purchasing Department of Tokyo Gas will give priority to selecting the goods and services with the least environmental impact, from among candidates that meet requirements such as quality and terms of delivery, while at the same time striving to contain costs.



Education and Awareness-raising

In promoting CSR procurement, it is important that every staff member responsible understands the purpose.

In FY 2020, we conducted training for responsible staff members and newly assigned staff, basic seminars on purchasing for employees in other departments, workshops on responding to medium-term issues, and self-study sessions. In addition to this core content, we also provided other in-house education programs such as courses on issues expected to emerge in the future, and seminars designed to spread across the Purchasing Department the knowledge and experiences of its purchasers.

Training	Content	Overview
Training for responsible staff members	Purchasing and assessment methods, contracts, relevant laws and regulations, knowledge-sharing study groups	Target: Purchasing Department staff 22 courses
Training for newly assigned staff	Purchasing rules, communication with suppliers, contracts, relevant laws and regulations, risks related to procurement, procurement system, etc.	Target: Newly assigned Purchasing Department staff 9 courses
Basic seminars for employees in other departments	Laws and regulations related to purchasing, basic knowledge for appropriate purchasing practices	Target: All employees 17 courses
Seminars on responding to medium-term challenges	Dealing with policy and institutional challenges such as legal unbundling, transmission cost assessments, and procurement reforms	Target: Purchasing Department staff 10 courses
Self-study sessions	How to select suppliers, obtain detailed estimates, and assess costs.	Target: Purchasing Department staff 3 courses

Supplier Survey

As part of our annual supplier survey, we review the status of CSR efforts at each company. We have been providing feedback across the board to encourage two-way communication and strengthen cooperation with Purchasing Guidelines for Suppliers.

In FY2020, we conducted a wide-ranging survey asking 505 companies to provide information on their policies and codes of conduct for promoting CSR. We received responses from 458 of them. We compiled and analyzed their responses and confirmed specific points directly with them as needed. None of the suppliers demonstrated any serious risks such as legal violations.

The details and results of the survey are as follows.

■ Details of Implementation

Supplier Survey	FY2019	FY2020
Target (companies)	513	505
Respondents (companies)	465	458
Response rate (%)	90.6	90.7

■ Overview of Survey Results

Categories	Typical Questions
1. CSR management and compliance	Establishment of codes of conduct on CSR
2. Risk management	Formulation of business continuity plan
3. Product quality and safety	Establishment of policies on product quality and safety
4. Human rights and working conditions	Establishment of codes of conduct on human rights and working conditions
5. Occupational safety, hygiene and health	Establishment of codes of conduct on occupational safety, hygiene and health
6. Environment	Formulation of environmental policy, efforts on conservation of resources
7. Supply chain	Formulation of policies on the supply chain

Corporate Governance

Basic Policy

As an “Energy Frontier Corporate Group” focused on natural gas, the Tokyo Gas Group will strive to achieve sustainable growth and improve its medium- to long-term corporate value by actively contributing to the creation of pleasant lifestyles and an environmentally friendly society and by working to ensure continued growth while consistently earning the trust of customers, shareholders, and society. Guided by this management philosophy, we will endeavor to enhance and strengthen our corporate governance by clearly delineating management and executive responsibilities, bolstering audit and supervisory functions, engaging in precise, prompt decision-making, and efficiently carrying out operations, all while ensuring legality, soundness and transparency.

▶ Basic Policy on Corporate Governance [Web](#)

Overall Corporate Governance Structure

Following approval of the 221st shareholders meeting, Tokyo Gas has made a transition to a “Company with a Nominating Committee, etc.” and has established three committees: a Nominating Committee to determine director candidates and recommend corporate executive officer candidates; an Audit Committee to audit execution of duties by directors and corporate executive officers; and a Compensation Committee to determine remuneration for directors and corporate executive officers.

The Board of Directors determines management policies, supervises execution of duties by corporate executive officers, delegates decision-making concerning important matters for business execution to corporate executive officers, and asks them to report the status of the execution, when needed. Corporate executive officers are required to contribute to appropriate, prompt decision-making and to ensure efficient business operations by taking up in a committee (generally meeting weekly) that supports the corporate executive officers’ reasonable decision-making matters to be submitted to the Board of Directors and other important managerial matters. Executive officers are assigned responsibility for ensuring prompt business operations by corporate executive officers. Tokyo Gas has thus adopted and established a governance structure that ensures high legality, soundness, and transparency.

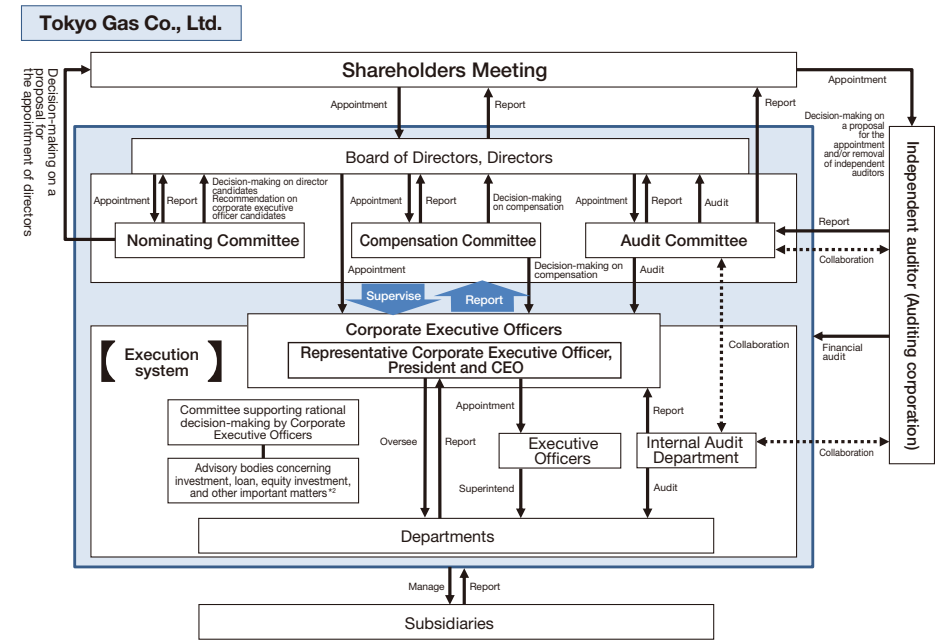
▶ Corporate Governance Report [Web](#)

■ Overview of Corporate Governance System (As June 29, of 2021)

Number of directors	9	Number of meetings of Board of Directors*1	12
Average age of directors	63.8	Attendance rate of Outside Directors at Board of Directors*1 meetings	100%
Number of outside directors	6	Term of office of directors	1year
Number of independent officers	6	Performance-linked remuneration	Yes
Participation of Outside Directors in determination of remuneration	Yes	Share purchase system to reflect the perspective of shareholders in management	Yes
Participation of Outside Directors in selecting director candidates	Yes		

*1 Total for the period from June 2020 to May 2021.

■ System for Promoting Corporate Governance (as of June 29, 2021)



Nominating Committee

The Nominating Committee makes decisions on proposals to the Shareholders Meeting concerning appointments and dismissal of directors and on proposals to the Board of Directors concerning corporate executive officers, among other matters.

○ Outside ○ Internal



Audit Committee

The Audit Committee audits the execution of duties by directors and Corporate Executive Officers, determines audit reports, and also determines agenda items concerning appointment, dismissal, or refusal of reappointment of independent auditors, among other matters.



Compensation Committee

The Compensation Committee sets policy related to remuneration of directors and corporate executive officers, and makes decisions on remuneration of each director and each corporate executive officer, according to the policy, among other activities.





Board of Directors

Role of the Board of Directors

Pursuant to the provisions of the relevant legislation, the Articles of Incorporation, and the Regulations of the Board of Directors, the Board of Directors conducts important decision-making of the Company's management, such as management policy and plans, and supervision of execution of business operations. In addition, the Board of Directors delegates to corporate executive officers a large part of its authority concerning business execution in order to make decisions in an appropriate, prompt manner.

Management and composition of the Board of Directors

In principle, the Board of Directors meets once a month to decide basic policies of management and to supervise execution of duties by corporate executive officers, among activities. At present, the Board of Directors comprises 9 directors, 6 of whom are outside directors.

Appointment of Directors

To ensure that the Board of Directors conducts appropriate decision-making and management supervision, persons who are selected as directors are deemed to be individuals who possess abundant experience, in-depth knowledge, and a high level of expertise. Outside directors shall be individuals who have perspectives on matters including corporate management, social and economic trends, and international affairs. They are also required to meet the Company's Independence Standards for Outside Officers. Concerning the selections of nominees for the position of director, the Nominating Committee, a majority of which is comprised of independent outside directors, determines agenda items of the Shareholders Meeting and the reasons for election of the nominees are disclosed in the reference materials for the Shareholders Meeting. Those materials are included in the notice of convocation of the Shareholders Meeting.

Analysis and Evaluation of Effectiveness of Board of Directors as a Whole

To maintain and enhance the effectiveness of the Board of Directors, we analyzed and evaluated the Board of Directors' effectiveness by holding exchanges of opinions at the meetings of the Board of Directors, using the questionnaire-based self-evaluations completed by the directors as a point of reference.

The effectiveness of the Board of Directors was confirmed to have been further enhanced, mainly because questionnaire-based quantitative evaluations remained satisfactory as before, along with the fact that vigorous discussions were being held through exchanges of opinions at the meetings of the Board of Directors, and that measures such as on-site inspections facilitated the understanding of outside officers on the Company's business operations. To realize further improvement in the effectiveness of the Board of Directors, it will be necessary for efforts to continue without interruption.

To realize further improvement in the effectiveness of the Board of Directors, it will be necessary for efforts to continue without interruption. The evaluation confirmed that, going forward, Directors intended to establish a common recognition on the way the Board of Directors ought to be in terms of its monitoring model and demonstrate its recognition, in addition to continue to carry out initiatives to promote understanding of the Company's business operations.

Officer Remuneration System

Basic Policy on Officer Remuneration

As a Company with a Nominating Committee, etc., a Compensation Committee has been established as stipulated in the Companies Act, and it selects a chairperson from outside directors, secures objectivity and transparency, and determines remuneration of individual officers (directors and corporate executive officers).

1. Role of officers and officer remuneration

The role assigned to officers is to seek to enhance short-term, medium- and long-term corporate value, and officer remuneration shall serve as an effective incentive for them to perform that role.

2. Level of officer remuneration

The level of officer remuneration shall be suitable for the role, responsibility and performance of the officer, and be in consideration of changes in the business environment, and the level of other companies according to the research of an external specialized institution.

3. Composition of annual remuneration

Remuneration of officers shall comprise fixed remuneration (basic remuneration) and incentive remuneration (bonus, share-based compensation).

Basic remuneration:

A fixed amount in accordance with the post of each individual is paid as monthly remuneration.

Bonuses:

As a short-term incentive remuneration, a bonus is paid once a year and its amount reflects the evaluation of individual performance against financial and non-financial indicators* beside the basic amount set by each rank. Indicators are reviewed and selected each year.

Share-based compensation:

As a medium- to long-term incentive remuneration, points are provided based on the base amount set by each rank. The stocks are provided based on the number of points at retirement.

- Remuneration for directors is comprised of basic remuneration and share-based compensation, while remuneration for corporate executive officers (including those who concurrently serve as directors) is comprised of basic remuneration, bonuses, and share-based compensation
- The approximate ratios of each type of remuneration for directors are 90% in basic remuneration and 10% in share-based compensation. The approximate ratios for corporate executive officers (including those who concurrently serve as directors) are 65-70% in basic remuneration, 15-20% in bonuses, and 10-20% in share-based compensation.

* Indicators for bonus evaluation for FY2021

Financial indicators: Profit attributable to owners of parent; Operating profit + equity method income

Non-financial indicators: Contribution to CO₂ emissions reduction; Renewable power source transaction volume; Diversity in human resources; Natural gas transaction volume; Transportation volume; Number of customer accounts

Introduction of a share-based compensation plan using a trust

The Compensation Committee meeting held on June 29, 2021 resolved to introduce a share-based compensation plan for directors and corporate executive officers with the objective of providing incentives encouraging the enhancement of corporate value. Separately, an introduction of a similar share-based compensation plan for executive officers has also been resolved.

1. Overview

The Company has established a share trust (see the "Overview of the trust"). Points are to be granted to officers each year according to their position, and they shall receive company shares based on the points when they retire/resign.

2. Target persons

Directors (including outside directors) and corporate executive officers

3. Overview of the trust (The table below includes executive officers.)

Trust period	From August 2021 to August 2024 (tentative)
Amount to be contributed by the Company as funds for acquiring shares	¥ 461,889,900
Method to acquire shares for the trust	Acquisition via disposal of treasury shares
Number of shares for the trust	224,600 shares

- ▶ “Notice on the Introduction of a Share-based Compensation Plan” (June 29, 2021) [Web](#)
- ▶ “Decisions on Matters related to Share Acquisition for the Share-based Compensation Plan” (July 28, 2021) [Web](#)

Total Remuneration for Directors and Audit & Supervisory Board Members for FY2020 (Reference) (Results of the Remuneration System before transition to a Company with a Nominating Committee, etc.)

Classification of officers	Total value of remuneration (¥ million)	Total value of remuneration by type (¥ million)			Number of eligible officers
		Fixed remuneration (Monthly remuneration)	Performance-linked remuneration (Monthly remuneration)	Bonuses	
Directors (excluding outside directors)	323	241	49	32	6
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board members)	74	74	-	-	2
Outside Directors	45	39	-	6	5
Outside Audit & Supervisory Board Members	35	35	-	-	4

* The number of officers includes one internal director, one outside director, and one outside Audit & Supervisory Board member who retired upon the conclusion of the 220th Annual Shareholders Meeting.
 * It was resolved that the amount of monthly remuneration of all Directors (including Outside Directors) should be under ¥50 million at the 205th Annual Shareholders Meeting and that the amount of annual bonus for all Directors should be under ¥90 million at the 206th Annual Shareholders Meeting.
 * It was resolved that the amount of monthly remuneration of all Audit & Supervisory Board members (including outside members of the Audit & Supervisory Board) should be under ¥12 million at the 190th Annual Shareholders Meeting.

Internal Control System

Ensuring the legality, soundness, and transparency of the management based on our Management Philosophy, we strive to clarify responsibilities of management and execution, enhance supervising and auditing functions, and promote accurate and prompt decision-making, efficient execution of business operations, in order to sustainable growth and improvement in medium- to long-term corporate value. In addition, Tokyo Gas and its subsidiaries direct their efforts toward lasting development by respecting the autonomy of each and sharing the pursuit of total optimization as their common cause.

In order to ensure appropriate business operation of the Tokyo Gas Group, the Basic Policy on Development of Internal Control Systems has been adopted by the Board of Directors and corporate executive officers have accordingly and effectively established the Internal Control Systems and have been operating them.

Overview of Internal Control System

- 1 System to ensure that officers and employees perform their duties in conformance with laws, the Articles of Incorporation, etc
- 2 System to store and manage information regarding the execution of duties by corporate executive officers
- 3 Regulations and other systems on managing the risk of loss of the Group
- 4 System to ensure that the performance of duties by corporate executive officers is conducted efficiently
- 5 System to ensure appropriateness of business operation by the Group subsidiaries
- 6 Items regarding employees assisting with the duties of the Audit Committee
- 7 System concerning reporting to the Audit Committee and system to ensure effective auditing by the Audit Committee

Specific Examples of Internal Control System 1

System to ensure that officers and employees perform their duties in conformance with laws, the Articles of Incorporation, etc

Internal Audit Department

The Internal Audit Department of the Tokyo Gas Group has been established to efficiently and effectively audit the status of execution of business operations. The Department reports audit results to the Audit Committee, directors of the audited subsidiaries, and other parties concerned.

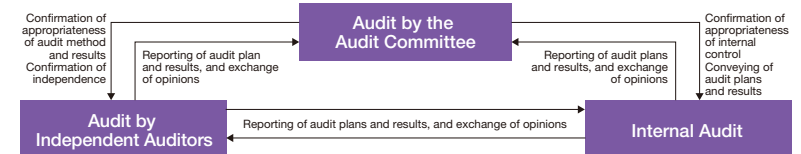
The Internal Audit Department, an organization for internal audit of the Company, has the objective of conducting effective, expert auditing with its composition and number of staff as shown on the right (as of June 29, 2021).

Specific Examples of Internal Control System 7

System concerning reporting to the Audit Committee and system to ensure effective auditing by the Audit Committee

Audit Committee

In addition to the establishment of an organization that enables the Tokyo Gas Group's officers and employees report to the Audit Committee without delay, numerous actions have been taken to facilitate effective audit activities, including collaboration of the Audit Committee, the Internal Audit Department, and Independent Auditors.



Risk Management System

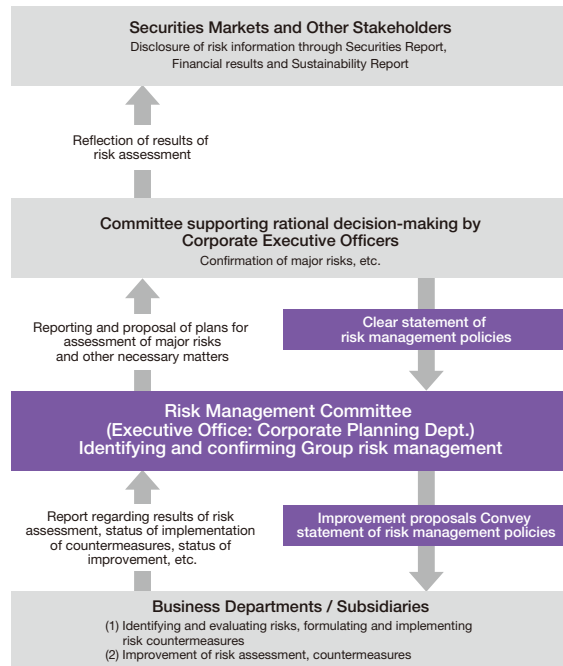
In accordance with the Risk Management Regulations which stipulated basic items of the Tokyo Gas Group's risk management, we have established an enterprise risk management (ERM) system and are using an "ordinary-time response" (to understand risks and device and implement measures against the risks) method, or an "emergency-time response" (to respond when a significant risk emerges) method.

Ordinary-time response

Our Risk Management Regulations have explicitly stated specific initiatives and major risks at ordinary times and an enterprise risk management (ERM) system has been established to undertake them. The Risk Management Committee was established with the aim of improving the management level of the ERM system. The Committee checks progress regarding the establishment and operational status of the ERM system, including periodic risk assessments. It also reports to a committee that supports the corporate executive officers' reasonable decision-making.

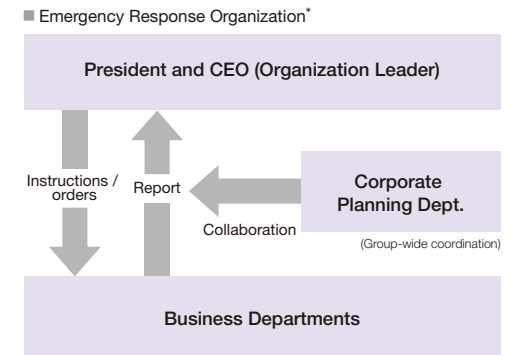
Under the framework, around 150 Risk Management Promotion Officers are deployed in the business departments of Tokyo Gas and its subsidiaries in order to promote ERM. Each year, we assess risks and the implementation and improvement status of countermeasures. This system facilitates the steady implementation of the ERM-PDCA (Plan-Do-Check-Act) cycle.

Enterprise Risk Management (ERM) System



Emergency-time response

Because the company provides public services that comprise a lifeline, for many years it has also had a crisis management system that serves as a response system in case an accident or other risk-related event actually occurs. Specifically, we have formulated Emergency Response Organization Regulations. In case of major crises, including major natural disasters, such as earthquakes, or production or supply disruptions arising from major accidents at pipelines or LNG terminals, as well as spread of highly pathogenic or infectious diseases, terrorism, failures in mission-critical IT systems, and compliance problems, the Emergency Response Organization has been established to respond to the situation immediately in accordance with the Emergency Response Organization Regulations. Periodic training is conducted in relation to response measures against large earthquakes, cyber terrorism, and other major risks. Moreover, the company has also formulated a business continuity plan (BCP) outlining its responses in the event of a major earthquake of the magnitude as assumed by Japan's Cabinet Office, a major accident disrupting gas supply, a widespread blackout, highly pathogenic or infectious diseases, etc. This plan is in place to reinforce the company's risk management system.



* A department in charge of an executive office is predetermined depending on the type of emergency.

Business or other risks which may significantly affect judgment of investors (as of March 31, 2021)

- 1. Risks associated with accidents, disasters, etc.**
 - (1) Energy resource procurement difficulties
 - (2) Natural disasters
 - (3) Accidents and supply impairments accompanying city gas production and supply, and power generation
 - (4) Spread of a highly virulent or contagious infections
 - (5) Unforeseeable, large-scale power outages
 - (6) Problems in securing the safety of city gas and in quality of gas appliances
 - (7) Damage caused by rumors arising from a city gas accident of another company
 - e) Decrease in existing demand caused by changes in the business environment
 - f) Interruption of telephone services at call centers
 - g) Delay in technology development
- 2. Market fluctuation risk**
 - (1) Fluctuation in market prices and interest rates
 - (2) Fluctuation of the electric power market
- 3. Risk associated with business execution**
 - (1) Risks related to existing businesses
 - a) Decrease in demand caused by intensified competition
 - b) Fluctuation in material prices
 - c) Changes in laws, regulations, and national or local energy policy
 - d) Fluctuation in gas sales volume caused by climate change
 - (2) Risks associated with overseas business development
 - (3) Delay in development of new markets
 - (4) Inability to recover investments
- 4. Risks related to information management and system operation**
 - (1) Leakage of personal information
 - (2) Shutdown or malfunction of IT systems
 - (3) Cyber attacks
- 5. Risks related to corporate social responsibility**
 - (1) Compliance violations
 - (2) Response to new environmental regulations
 - (3) Insufficient customer services
 - (4) Insufficient response to human rights issues



Education and Awareness-raising

Provision of Risk Management Training

The Tokyo Gas Group provides training programs to promote appropriate risk management.

We hold training focused mainly on case studies for Risk Management Promotion Officers and newly appointed general managers and managers (newly appointed mid-level managers) in each department of the Company and at subsidiaries, so that they can appropriately perform necessary risk management in their respective positions and enhance their risk management capabilities.

Escalation Rules

To further enhance a corporate and organizational culture that encourages appropriate responses to managing risks, we established our clearly defined Escalation Rules, which require that information on any apparent major risk, such as accidents and disasters, be reported to the appropriate supervisory staff in a timely and appropriate manner.

Compliance with Japan's Corporate Governance Code

Tokyo Gas has formulated the "Basic Policy on Corporate Governance" in compliance with Japan's Corporate Governance Code for listed companies. To achieve sustainable growth and increase its corporate value over the medium- to long-term, we will collaborate with our stakeholders, ensure appropriate information disclosure and transparency, and fulfill the commitment of the Board of Directors, and at the same time, we will pay due consideration to communicating and gaining the understanding of stakeholders including shareholders.

Environmental Data

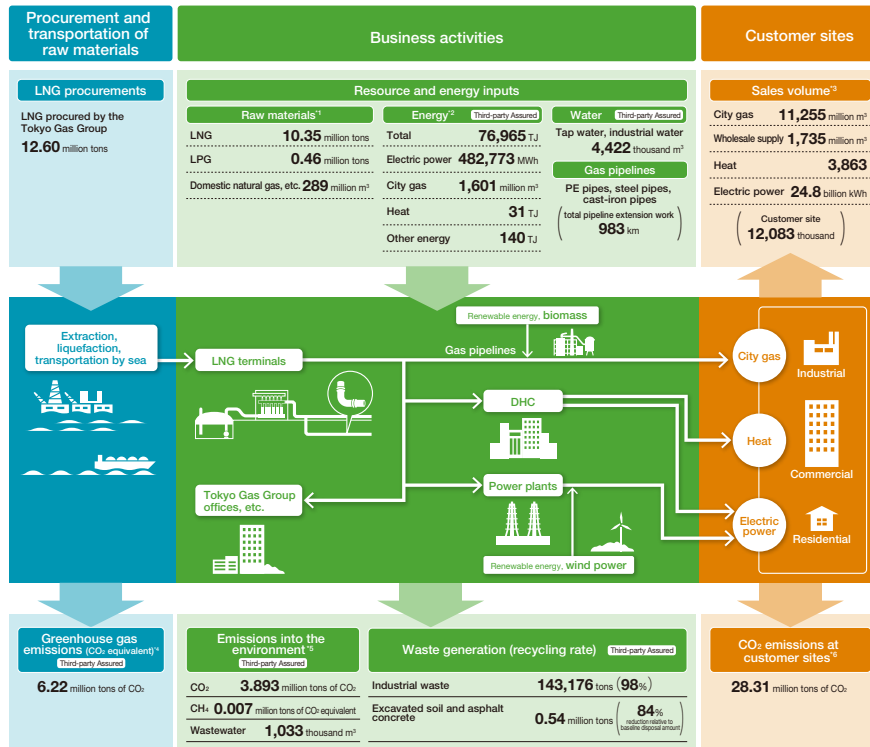
* The sum of individual environmental data may not be equal to the total due to the way figures are rounded.

The Tokyo Gas Group Business Activities and Material Balance

We monitor and manage impacts on the environment at every stage of our LNG value chain to reduce the impact on the environment.

■ Tokyo Gas Group Business Activities and Material Balance (FY2020)

Boundary: Tokyo Gas Co., Ltd. and 44 consolidated subsidiaries in Japan



*1 For city gas production by the Tokyo Gas Group.
 *2 Energy consumption by the Tokyo Gas Group excluding double-counting due to intra-group supply of heat and electricity.
 *3 City gas: Volume of gas sales excluding supply to other gas utilities and sales for internal Group use. Wholesale supply: Volume of gas supplied to other gas utilities. Heat: Includes sales from LNG terminals as well as district heating and cooling centers and spot heat supply. Includes intra-group supply. Electric power: Volume of sales of all electric power, including power purchased for business use from other companies and the market as well as Group power stations.
 *4 "City Gas Life Cycle Assessment (issued July 2020)," Japan Gas Association website. Production: 0.80 g-CO₂/MJ; Liquefaction: 6.77 g-CO₂/MJ; Transportation by sea: 1.48 g-CO₂/MJ, based on gross calorific value
 *5 CO₂, CH₄: Excludes double-counting due to intra-group supply. Volume of wastewater: Specified wastewater and domestic sewage.
 *6 Sum of the gas sales volume multiplied by emission intensity, plus emissions from power plants in which the Group holds a stake (excluding consolidated subsidiaries) and from power plants from which the Group purchases all electricity generated. The CO₂ emissions resulting from the use of city gas sold was 24.42 million t-CO₂. (Third-party Assured)

■ Feedstock and Sales Volume

	Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
City gas feedstock (Note 1)	Feedstock LNG	Thousand tons	11,583	11,407	11,083	10,388	10,352
	Feedstock LPG	Thousand tons	434	491	491	474	457
	City gas sales (Note 2)	Million m ³	15,571	15,380	15,022	13,855	12,786
Production	Heat sales (Note 3)	TJ	3,451	3,496	3,583	3,749	3,863
	Power Sales (Note 4)	Billion kWh	12.7	14.7	15.5	20.6	24.8

Note 1: For city gas production by the Tokyo Gas Group.

Note 2: Volume of gas sales including supply to other gas utilities and excluding sales for internal Group use.

Note 3: Includes sales volume from LNG terminals, in addition to district heating and cooling centers and spot heat supply. Also includes intra-group supply.

Note 4: Volume of sales of all electric power, including power purchased for business use from other companies and the market as well as Group power stations.



Energy

Energy consumption

■ Energy consumption^{1,2} Third-party Assured

Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Energy consumption ^(Note 1)	TJ	79,230	82,651	76,028 ^(Note 4)	73,018	76,965
LNG terminals	TJ	4,169	4,291	4,106	3,815	3,699
District heating and cooling centers	TJ	4,316	4,037	4,173	5,916	6,656
Power plants	TJ	68,250	71,967	65,566 ^(Note 4)	61,321	64,725
Tokyo Gas business offices, etc.	TJ	1,483	1,444	1,419	1,389	1,270
Other Group companies	TJ	1,362	1,368	1,279	1,193	1,158
Vehicles ^(Note 2)	TJ	—	—	—	117	132
(Tokyo Gas Co., Ltd.)	TJ	5,954	6,043	5,877	5,629	5,433
Electric power ^(Note 3)	MWh	626,729	607,725	569,650 ^(Note 4)	528,464	482,773
LNG terminals	MWh	363,053	368,259	357,068	324,660	293,255
District heating and cooling centers	MWh	98,529	84,621	84,722	83,433	76,539
Power plants	MWh	9,775	10,700	12,067 ^(Note 4)	9,311	8,767
Tokyo Gas business offices, etc.	MWh	51,526	49,786	49,629	45,336	42,074
Other Group companies	MWh	103,847	105,089	98,696	95,591	91,036
(Tokyo Gas Co., Ltd.)	MWh	419,502	422,776	416,928	380,112	345,017
City gas	Thousand m ³	1,691,380	1,775,849	1,628,350	1,503,916	1,601,355
LNG terminals	Thousand m ³	14,544	16,206	14,450	14,930	19,163
District heating and cooling centers	Thousand m ³	75,133	72,420	76,216	109,419	127,798
Power plants	Thousand m ³	1,582,434	1,668,543	1,519,617	1,360,735	1,436,492
Tokyo Gas business offices, etc.	Thousand m ³	18,209	17,697	17,082	17,965	16,303
Other Group companies	Thousand m ³	1,060	984	985	867	1,599
(Tokyo Gas Co., Ltd.)	Thousand m ³	38,347	39,676	37,035	38,814	42,288
Heat ^(Note 3)	TJ	71	55	36	34	31
District heating and cooling centers	TJ	232	211	119	119	105
Tokyo Gas business offices, etc.	TJ	93	95	96	96	88
Other Group companies	TJ	195	195	172	164	146
(Tokyo Gas Co., Ltd.)	TJ	102	104	105	105	95

Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Other fuels	TJ	5	4	4	8	9
LNG terminals	TJ	1	1	0	0	0
Tokyo Gas business offices, etc.	TJ	1	1	1	4	3
Other Group companies	TJ	3	3	3	4	5
(Tokyo Gas Co., Ltd.)	TJ	2	1	1	5	4
Vehicles	TJ	—	—	—	117	132
(Tokyo Gas Co., Ltd.)	TJ	—	—	—	46	51

Note 1: Excludes double counting by intra-group supply of heat and electricity.

Note 2: Up through fiscal 2018 the figures for vehicles were included under "Tokyo Gas business offices, etc." and "Other Group companies." Starting with fiscal 2019, they are counted together as a separate item, "Vehicles."

Note 3: Excludes double counting by intra-group supply. Since fiscal 2018, the amount of heat accommodated was deducted for district heating and cooling centers.

Note 4: Revised to correct error in past data.



Greenhouse Gas Emissions

Greenhouse Gas Emissions

Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Scope1+2 (Third-party Assured)		4.020	4.189	(Note 6) 3.848	3.706	3.900
Scope1	Million tons of CO ₂	3.712	3.902	3.588	3.467	3.691
Scope2	Million tons of CO ₂	0.308	0.287	(Note 6) 0.260	0.239	0.209
CO ₂ *1, 2, 3 (Note 1)	Million tons of CO ₂	4.014	4.179	(Note 6) 3.839	3.698	3.893
LNG terminals	Million tons of CO ₂	0.206	0.207	0.192	0.177	0.168
District heating and cooling centers	Million tons of CO ₂	0.217	0.201	0.205	0.294	0.330
Power plants	Million tons of CO ₂	3.466	3.654	(Note 6) 3.333	3.120	3.293
Tokyo Gas business offices, etc.	Million tons of CO ₂	0.074	0.072	0.071	0.067	0.060
Other Group companies	Million tons of CO ₂	0.069	0.068	0.062	0.061	0.059
Vehicles (Note 2)	Million tons of CO ₂	—	—	—	0.008	0.009
(Tokyo Gas Co., Ltd.)	Million tons of CO ₂	0.296	0.294	0.280	0.266	0.252
CH ₄ *3, 4 (Note 3)	Million tons of CO ₂ equivalent	0.005	0.011	0.009	0.008	0.007
Scope3	Million tons of CO ₂	36.40	36.57	35.75	32.66	34.53
Greenhouse Gas Emissions from Feedstock Procurement (Note 4) (Third-party Assured)	Million tons of CO ₂	6.97	6.97	6.83	6.54	6.22
CO ₂ Emissions and Emissions Reduction at Customer Sites (Note 5)	Million tons of CO ₂	29.43	29.60	28.92	26.12	28.31

Note 1: Excludes double counting by intra-group supply.

Note 2: Up through fiscal 2018 the figures for vehicles were included under "Tokyo Gas business offices, etc." and "Other Group companies." Starting with fiscal 2019, they are counted together as a separate item, "Vehicles."

Note 3: About 290 tons of CH₄ emissions

Note 4: Calculated based on greenhouse gas emission intensity throughout the lifecycle, from extraction of natural gas to processing and transportation, as analyzed using LNG procurement volume and the LCA approach.

• Emission intensity from FY2015

Extraction: 0.77 g-CO₂/MJ; Liquefaction: 6.71 g-CO₂/MJ; Transportation by sea: 1.48 g-CO₂/MJ, based on gross calorific value

Source: "Study of Life Cycle Greenhouse Gas Emissions of LNG and City Gas 13A" (Proceedings of the annual meeting of Japan Society of Energy and Resources 35, 23-26, 2016)

• Emission intensity from FY2019

Extraction: 0.80 g-CO₂/MJ; Liquefaction: 6.77 g-CO₂/MJ; Transportation by sea: 1.48 g-CO₂/MJ, based on gross calorific value

Source: "City Gas Life Cycle Assessment (issued July 2020)," Japan Gas Association website.

Note 5: The total for FY2020 is the sum of the gas sales volume multiplied by emission intensity, plus emissions from power plants in which the Group holds a stake (excluding consolidated subsidiaries) and from power plants from which the Group purchases all electricity generated. The CO₂ emissions resulting from the use of city gas sold was 24.42 million t-CO₂. (Third-party Assured)

Note 6: Revised to correct error in past data.

Conversion Factor, etc.

CO₂ Emission Factor

Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
City gas (Tokyo Gas 13A) (Note 1)	kg-CO ₂ /m ³			2.21		
Purchased electricity (average of all power sources) (Note 2)	kg-CO ₂ /kWh	Emission factors of electric power companies, released in accordance with the ministerial ordinance for the Act on the Rational Use of Energy				
Heat (Note 3)	Steam (excluding industrial use), hot water, cold water	kg-CO ₂ /MJ		0.057		
	Industrial steam	kg-CO ₂ /MJ		0.060		
Other fuels (Note 3)	Heavy oil A	kg-CO ₂ /L		2.71		
	Diesel	kg-CO ₂ /L		2.58		
	Kerosene	kg-CO ₂ /L		2.49		
	Gasoline	kg-CO ₂ /L		2.32		
	LPG	kg-CO ₂ /kg		3.00		

Note 1: Calculated based on the typical composition of city gas (type 13A) supplied by the Tokyo Gas (15°C, gauge pressure of 2 kPa).

Note 2: The basic emission factors were used until fiscal 2017 and adjusted emission factors are used since fiscal 2018.

Note 3: Calculated using the unit calorific value released in accordance with the ministerial ordinance stipulated by the Act on Promotion of Global Warming Countermeasures, and multiplying this amount by the emission factor per unit calorific value and by 44/12.



■ Unit Calorific Value

Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
City gas (Tokyo Gas 13A) (Note 1)	MJ/m ³ N			45.00		
Purchased electricity ⁵ (Note 2)	Daytime electricity			9.97		
	Nighttime electricity			9.28		
	Other than general electricity utilities			9.76		
Heat (Note 2)	Steam (excluding industrial use), hot water, cold water			1.36		
	Industrial steam			1.02		
Other fuels (Note 2)	Heavy oil A			39.1		
	Diesel			37.7		
	Kerosene			36.7		
	Gasoline			34.6		
	LPG			50.8		
Crude oil equivalent coefficient (Note 2)	kL/GJ			0.0258		

Note 1: City gas calorific value of Tokyo Gas (0°C, 1 atmospheric pressure)

Note 2: Act on the Rational Use of Energy (the Energy Efficiency Act)

*1 Through FY2018, regarding district heating and cooling centers selling electric power using gas cogeneration systems, the data of energy used for power generation is posted under "Power plants" and the data of energy used for the production of heat is posted under "District heating and cooling centers". From FY2019, the data on all energy used at the above-stated district heating and cooling centers is posted under "District heating and cooling centers". "Tokyo Gas business offices, etc." lists the Company's non-consolidated energy use, less the amounts for LNG terminals and District heating and cooling centers. "Other Group companies" lists the data for other Group companies, less the amounts for district heating and cooling centers and power plants.

*2 Some variance in the data listed under different categories may exist since the data has been processed to properly assess the changes in energy usage intensity for each business activity (such as by reflecting the amounts commissioned by other companies at LNG terminals).

*3 The values are calculated based on the adjusted emission factors since FY2018.

*4 CH₄ (methane) emissions were converted to CO₂ emissions by multiplying by the global warming potential of 25, as stipulated in the Act on Promotion of Global Warming Countermeasures.

*5 For the crude oil equivalent of electricity usage under "District heating and cooling centers" and "Tokyo Gas business offices, etc.," the amounts purchased from power utility companies were all calculated using daytime electricity factors.

Amount of Thermal Power Generation Varies According to Electricity Usage

In Japan, the electricity supplied by electric utilities is generated primarily by thermal power, nuclear power and hydro-electric power plants.

Nuclear power plants operate at full capacity except when undergoing a routine inspection, while the annual power output of hydroelectric power plants is determined by the amount of rainfall. The electricity supply is adjusted by operations at thermal power plants.

Therefore, in terms of total annual output, it is most likely to be thermal power generation that is cut when electricity use is reduced through energy-saving measures.

Lower electricity usage



Lower thermal power output

▶ The Greenhouse Gas Protocol (Guidelines for Quantifying GHG Reductions from Grid- Connected Electricity Projects) [Web](#)

Water

Water Withdrawal

■ Water Withdrawal (Third-party Assured)

Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Tap water and industrial water	Thousand m ³	5,017	5,180	4,952	4,600	4,422
LNG terminals	Thousand m ³	1,138	1,125	1,045	981	959
District heating and cooling centers	Thousand m ³	1,552	1,507	1,780	1,716	1,582
Power plants	Thousand m ³	1,492	1,765	1,325	1,135	1,263
(Tokyo Gas Co., Ltd.)	Thousand m ³	1,726	1,674	1,644	1,580	1,448
Seawater	Thousand m ³	781,879	784,651	738,529	686,350	657,394

Wastewater

■ Water Discharge (Third-party Assured)

Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Wastewater (Note 1)	Thousand m ³	1,090	1,069	988	1,015	1,033
LNG terminals	Thousand m ³	291	242	221	300	285
District heating and cooling centers	Thousand m ³	354	330	362	387	379
Power plants	Thousand m ³	445	498	405	328	369
(Tokyo Gas Co., Ltd.)	Thousand m ³	300	258	254	335	327

Note 1: Data are for wastewater discharges from wastewater treatment facilities and sewage discharges.



Waste

Industrial Waste Third-party Assured

	Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Industrial waste (Note 1)	Generation	Tons	144,230	161,344	144,827	146,243	143,176
	Amount recycled	Tons	140,373	156,810	140,015	141,204	139,945
	Landfill	Tons	1,312	2,001	2,490	1,702	1,655
	Recycling rate	%	97	97	97	97	98
	Landfill rate	%	0.9	1.2	1.7	1.2	1.2
Tokyo Gas Co., Ltd.	Generation	Tons	4,449	5,950	4,767	4,924	3,697
	Amount recycled	Tons	3,701	4,638	3,607	3,464	2,777
	Landfill	Tons	389	981	575	508	471
	Recycling rate	%	83	78	76	70	75
	Landfill rate	%	9	16	12	10	13

Note 1: Including construction work for customers of our subcontractors, subsidiaries and affiliates.

By-products from Gas Pipeline Construction

	Category	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Gas pipe (Note 1)	Amount recovered	Tons	260	283	299	253	265
	Amount recycled	Tons	260	283	299	253	265
	Recycling rate	%	100	100	100	100	100
Excavated soil (Note 2)	Gas pipeline extension work	km	1,026	1,038	967	916	983
	Estimated excavated amount	Million tons	3.88	4.03	3.61	3.55	3.46
	Reduction (by shallower laying of pipes in narrow trenches and non-open-cut method)	Million tons	1.35	1.28	1.26	1.28	1.22
	Reuse (generated soil)	Million tons	0.62	0.61	0.55	0.51	0.48
	Recycle (improved soil, regeneration treatment)	Million tons	1.27	1.27	1.27	1.21	1.22
Tokyo Gas Co., Ltd. (Note 2)	Total reduction amount	Million tons	3.24	3.16	3.09	3.00	2.92
	Rate of reduction amount (comparison to estimated excavated amount)	%	83	79	85	85	84
	Residual soil (actual amount)	Million tons	0.64	0.86	0.53	0.55	0.54
	Rate of residual soil (comparison to estimated excavated amount)	%	17	21	15	15	16
	Gas pipeline extension work	km	973	1,003	934	882	951
Tokyo Gas Co., Ltd. (Note 2)	Estimated excavated amount	Million tons	3.75	3.94	3.53	3.46	3.38
	Reduction (by shallower laying of pipes in narrow trenches and non-open-cut method)	Million tons	1.31	1.24	1.23	1.24	1.18
	Reuse (generated soil)	Million tons	0.61	0.61	0.55	0.51	0.48
	Recycle (improved soil, regeneration treatment)	Million tons	1.26	1.25	1.24	1.18	1.19
	Total reduction amount	Million tons	3.18	3.10	3.02	2.93	2.85
Tokyo Gas Co., Ltd. (Note 2)	Rate of reduction amount (comparison to estimated excavated amount)	%	85	78	85	84	84
	Residual soil (actual amount)	Million tons	0.57	0.85	0.51	0.54	0.52
	Rate of residual soil (comparison to estimated excavated amount)	%	15	22	15	16	16

Note 1: Tokyo Gas Co., Ltd.

Note 2: Data for excavated soil and asphalt concrete.



Social Data

Overview of Employees

■ Number of Full-time Employees by Gender *1, 2, 3

		Unit	FY2018	FY2019	FY2020
Male	Non-consolidated	Persons (%)	6,334 (84.5)	6,311 (84.0)	6,466 (83.4)
	Consolidated		11,300 (82.8)	11,322 (81.4)*4	11,710 (80.9)
Female	Non-consolidated		1,158 (15.5)	1,202 (16.0)	1,283 (16.6)
	Consolidated		2,350 (17.2)	2,581 (18.6)	2,773 (19.1)
Total	Non-consolidated		7,492	7,513	7,749
	Consolidated		13,650	13,903 *4	14,483

*1 Data are as of the end of March of each fiscal year.

*2 Non-consolidated data exclude personnel on loan to Tokyo Gas from other organizations and include personnel on loan from Tokyo Gas to other organizations (hereafter, "registered personnel").

*3 Consolidated data exclude personnel on loan to Tokyo Gas and its subsidiaries from other organizations and include personnel on loan from Tokyo Gas and its subsidiaries to other organizations (hereafter, "registered personnel").

*4 Data for number of employees were revised.

■ Average Length of Employment by Gender *1, 2, 3

		Unit	FY2018	FY2019	FY2020
Male	Non-consolidated	Years	19.5	19.7	19.4
	Consolidated		17.0	16.8	16.7
Female	Non-consolidated		18.5	18.5	17.7
	Consolidated		14.4	14.2	13.6
Total	Non-consolidated		19.3	19.5	19.1
	Consolidated		16.5	16.3	16.1

*1 Data are as of the end of March of each fiscal year.

*2 Non-consolidated data are for Tokyo Gas employees (registered personnel).

*3 Consolidated data are for Tokyo Gas employees and its subsidiary employees for which data are available (registered personnel).

■ Number of Managers *1, 2, 3, 4 Third-party Assured

		Unit	FY2019	FY2020	FY2021
Male	Non-consolidated	Persons (%)	2,687 (92.0)	2,646 (91.3)	2,614 (90.8)
	Consolidated		—	3,355 (91.1)*5	3,345 (90.3)
Female	Non-consolidated		233 (8.0)	251 (8.7)	264 (9.2)
	Consolidated		—	328 (8.9)*5	361 (9.7)
Total	Non-consolidated		2,920	2,897	2,878
	Consolidated		—	3,683*5	3,706

*1 Data are as of April 1 of each fiscal year.

*2 Employees in supervisory positions, or employees of equivalent status.

*3 Non-consolidated data are for Tokyo Gas employees (registered personnel).

*4 Consolidated data are for Tokyo Gas employees and its subsidiary employees (registered personnel).

*5 Number of managers was revised to correct error in past data.

■ Hiring of New Graduates *1, 2, 3

		Unit	FY2019	FY2020	FY2021
Male	Non-consolidated	Persons	162	158	102
	Consolidated		305	296	284
Female	Non-consolidated		62	60	35
	Consolidated		151	137	125
Total	Non-consolidated		224	218	137
	Consolidated		456	433	409

*1 Data are as of April 1 of each fiscal year.

*2 Non-consolidated data are for Tokyo Gas employees (registered personnel).

*3 Consolidated data are for Tokyo Gas employees and its subsidiary employees for which data are available (registered personnel).



■ Hiring of Mid-Career Personnel *1,2,3

		Unit	FY2018	FY2019	FY2020
Male	Non-consolidated		15	17	14
	Consolidated		195	221	375
Female	Non-consolidated	Persons	0	1	3
	Consolidated		76	206	89
Total	Non-consolidated		15	18	17
	Consolidated		271	427	464

*1 Data includes contract employees who became regular employees.

*2 Non-consolidated data are for Tokyo Gas employees (registered personnel).

*3 Consolidated data are for Tokyo Gas employees and its subsidiary employees for which data are available (registered personnel).

■ Number of Employees with Disabilities *1,2

Third-party Assured

		Unit	June 2019	June 2020	June 2021
Number of employees with disabilities		Persons	170	172	167
Percentage of total employees		%	2.46	2.55	2.54

*1 Data are for regular and contract employees at Tokyo Gas.

*2 Figures are as of the first day of the month shown for each fiscal year.

■ Number of Users of Programs for Balancing Work with Childcare/Nursing Care (consolidated) *1

Programs	Item	Unit	FY2019		FY2020	
			Male	Female	Male	Female
Childcare leave			19	152	29	170
Shorter hours for Childcare	Number of users	Persons	—	—	22	367
Nursing care leave			5	7	0	9
Shorter hours for nursing care			—	—	0	7

*1 Data are for Tokyo Gas employees and its subsidiary employees for which data are available (registered personnel).

■ Major Programs and Number of Users (non-consolidated) *1,2

Programs	Outline	Item	Unit	FY2018		FY2019		FY2020	
				Male	Female	Male	Female	Male	Female
Childcare leave	Until the end of April immediately following the child's 3rd birthday (employees are allowed to change the scheduled date of reinstatement if they are unable to enroll their child in a nursery school)	Number of users	Persons	5	70	12	72	18	82
		Percentage returning to work ³	%	100	100	100	100	100	100
Shorter hours for Childcare	During pregnancy and until the child completes the 6th grade Flexitime for childcare is available	Number of users	Persons	9	220	12	220	18	218
Nursing care leave	Up to 3 years for one care receiver within the second degree of kinship	Number of users	Persons	2	0	2	2	0	2
Shorter hours for nursing care	Applicable to a relative within the second degree of kinship for up to 5 years per care receiver Flexitime for nursing care is available	Number of users	Persons	0	3	1	5	0	3
Maternity leave	By employee application, six weeks before birth and eight weeks after birth	Number of users	Persons	—	—	—	—	—	51
Spousal maternity leave	Five days within 180 days after spouse gives birth	Number of users	Persons	—	213	—	188	—	220
Child nursing leave	Ten days in cases where the child suffers injury or illness and requires care, or for the child to receive vaccinations or health examinations, until the child completes the third grade	Number of users	Persons	—	—	—	—	6	5
Leave to accompany partner	For employees accompanying a spouse posted overseas	Number of users	Persons	—	4	—	2	—	6
Community service leave	Granted special leave (paid) for up to 5 days within 1 year	Cumulative number of users	Persons	—	61	—	37	—	2
Sabbatical system	For employees who reach the ages of 30, 35, 40 and 50 Granted commemorative gifts and special leave (paid)	Number of users	Persons	—	509	—	519	—	*4

*1 Data are for Tokyo Gas employees (registered personnel).

*2 Items in bold are company programs that go beyond regulatory requirements.

*3 Percentage of employees who completed childcare leaves each fiscal year and those returned to work at the company.

*4 Not calculated because leave period was extended due to COVID-19 pandemic.



■ State of Reemployment after Mandatory Retirement *1

	Unit	FY2018	FY2019	FY2020
Total number of retired employees *2	Persons	172	130	163
Number of reemployed *3	Persons (%)	155 (90.1)	115 (88.5)	149 (91.4)

*1 Data are for Tokyo Gas employees (registered personnel).

*2 Number of employees who left the company at the mandatory retirement age of 60.

*3 Number of people rehired by Tokyo Gas or its subsidiaries after mandatory retirement.

■ Number of Employees Leaving the Company *1, 2, 3

		Unit	FY2018	FY2019	FY2020
Male (Percentage of employees leaving the company)	Non-consolidated		47 (0.72)	67 (1.03)	35 (0.53)
	Consolidated		216 (1.88)	264 (2.30)	157 (1.32)
Female (Percentage of employees leaving the company)	Non-consolidated	Persons (%)	8 (0.68)	12 (0.98)	6 (0.47)
	Consolidated		90 (3.75)	96 (3.65)	107 (3.94)
Total (Percentage of employees leaving the company)	Non-consolidated		55 (0.71)	79 (1.03)	41 (0.52)
	Consolidated		306 (2.20)	360 (2.55)	264 (1.81)

*1 Non-consolidated data are for Tokyo Gas employees (registered personnel).

*2 Consolidated data are for Tokyo Gas employees and its subsidiary employees for which data are available (registered personnel).

*3 The percentage of people leaving the company is calculated as follows: number of regular employees leaving for personal reasons (as of March 31 of each fiscal year)/number of regular employees (as of April 1 of each fiscal year).

■ Number of Temporary and Contract Employees *1, 2

	Unit	FY2019	FY2020	FY2021
Contract employees		1,495	1,304	1,158
Temporary employees	Persons	589	615	595
Total		2,084	1,919	1,753

*1 Data are for Tokyo Gas.

*2 Data are as of April 1 of each fiscal year.

■ Number of Employees with Right to Collective Bargaining (Employees Excluding Management) *1, 2

	Unit	FY2018	FY2019	FY2020
Number of employees	Persons	6,906	6,919	6,932

*1 Data are for Tokyo Gas employees (registered personnel).

*2 Data are as of the end of March of each fiscal year.

■ Average Annual Training Hours *1, 2

	Unit	FY2018	FY2019	FY2020
Average annual training hours	Hours/person	12.0	11.4	12.6

*1 Data are for Tokyo Gas employees (registered personnel).

*2 Data on training provided by the Personnel Department (excludes training provided independently by other departments).

Implementation of Occupational Safety and Health Education Programs

■ Implementation of Occupational Safety and Health Education Programs *1

		Unit	FY2018	FY2019	FY2020
Level-specific training on safety and health and on safety planning	New employee training	Persons	206	224	218
	Safety and health training for new managers		245	241	204

*1 Data are for Tokyo Gas.

Overview of Accidents and Injuries

■ Number of Work-related Injuries, Number of Traffic Accidents, Rate of Lost Work-time Injuries, and Severity Rate *1

	Unit	FY2018	FY2019	FY2020
Work-related injuries *2		36	34	23
Traffic accidents	Cases	142	117	74
Rate of lost work-time injuries *3, 5	Third-party Assured	0.62	0.31	0.44
Severity rate *4, 5, 6		0.005	0.001	0.014

*1 Data are for regular and contract employees of Tokyo Gas.

*2 Includes accidents not resulting in lost worktime.

*3 Rate of people taking work leave per 1 million total actual working hours.

*4 Number of workdays lost as a result of accidents/injuries per 1,000 total actual working hours.

*5 Includes work related traffic accidents (excludes commuting accidents).

*6 Lost workdays are counted based on standards placed by the Japanese Ministry of Health, Labour and Welfare.



Governance Data

Board of Directors, Advisory Committee, Audit & Supervisory Board, and Compensation Committee

■ Membership of the Board of Directors *1,2

		Unit	As of the end of June 2019	As of the end of June 2020	As of the end of June 2021
Board of Directors	Directors	Persons (Number of female members)	9 (2)	9 (2)	9 (3)
	External		4 (2)	4 (2)	6 (3)

*1 Data shown are for Tokyo Gas Co., Ltd.

*2 External directors are independent officers.

■ Membership of the Nominating Committee, Audit Committee and Compensation Committee *1,2

Note: The transition to a company with a nominating committee, etc. was made based on approval by the 221st Annual General Meeting of Shareholders, held on June 29, 2021.

		Unit	As of the end of June 2021
Nominating Committee	External directors	Persons (Number of female members)	3 (1)
	Directors		1
Audit Committee	External directors	Persons (Number of female members)	3 (2)
	Directors		1
Compensation Committee	External directors	Persons (Number of female members)	3 (1)
	Directors		2

*1 Data shown are for Tokyo Gas Co., Ltd.

*2 External directors are independent officers.

Training and Consultation on Human Rights and Compliance

■ Participants in Training on Human Rights and Compliance *1

Overview		Unit	FY2018	FY2019	FY2020
Level-specific training	Training upon entering the company, during the third year, and during qualification promotions (two levels)	Number of persons	1,291	1,311	1,322
Workplace Discussions	Workplace-level trainings on topics selected and shared Group-wide.		32,796	21,088	21,966
Trainings and follow-up trainings for human rights & compliance promotion leaders	Only follow-up trainings for current leaders were held in FY2020 Note: New leader training was canceled in F2020 due to the COVID-19 pandemic	Number of persons	344	354	124
Human rights & compliance lectures	Human rights lectures by outside speakers for workplace managers, human rights & compliance promotion leaders, etc.		285	300	124

*1 Data shown are for the Tokyo Gas Group.

■ Number of Cases Handled by Consultation Desks *1

Consultation Topics	Unit	FY2018	FY2019	FY2020
Interpersonal relations and harassment	Number of cases	51	35	42
Benefits and working hours		20	14	19
Internal regulations		11	11	23
Laws, regulations, and other matters		16	4	8
Total		98	64	92

*1 Data shown are for the Tokyo Gas Group.



Third-Party Independent Assurance Report

Third-Party Independent Assurance

Some social and environmental data*¹ provided in Tokyo Gas Group Sustainability Report on this PDF have been third-party assured by KPMG AZSA Sustainability Co., Ltd. (a member of the KPMG Japan group) to enhance their credibility.

We will work to further raise the standard of our Sustainability activities in the future, taking account of the issues pointed out in the course of the third-party assurance process and the reader feedback received via our website and other channels.

*1 Third-party assured content is indicated by a box next to the subject title.

Independent Assurance Report on Tokyo Gas Group Sustainability Report



Independent Assurance Report

To the Representative Corporate Executive Officer, President and CEO of Tokyo Gas Co., Ltd.

We were engaged by Tokyo Gas Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with "Third-party Assured" (the "Indicators") for the period from April 1, 2020 to March 31, 2021 included in its Tokyo Gas Group Sustainability Report 2021 (the "Report") for the fiscal year ended March 31, 2021.

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 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 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 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 Tokyo Gas Engineering Solutions Corporation's Kiyohara Smart Energy Center 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 Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the 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.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

October 21, 2021



Key ESG Ratings

Inclusion in ESG Indices

The Tokyo Gas Group has been included in the following ESG indices (as of July 31, 2021).

FTSE4Good Index Series

A series of stock indices developed by FTSE Russell, a subsidiary of the London Stock Exchange Group. These indices assess companies based on their environmental, social, and governance performance. Companies that meet certain criteria are included in the indices.

▶ FTSE4Good Index Series [Web](#)



FTSE4Good

FTSE Blossom Japan Index

The FTSE Blossom Japan Index provides investors with a means of identifying Japanese companies that meet high environmental, social, and governance standards, and it is constructed so that the industry weights align with the Japanese equity market. Since July 2017, the Government Pension Investment Fund of Japan (GPIF), has tracked its investments with this index.

▶ FTSE Blossom Japan Index [Web](#)



FTSE Blossom
Japan

MSCI ESG Leaders Indexes^{*1}

ESG indices developed by MSCI Inc. of the U.S. These are representative stock indices of companies with outstanding environmental, social, and governance performance on a global scale.



MSCI Japan ESG Select Leaders Index^{*1}

This index comprises companies with relatively high ratings in their industries for environmental, social, and governance performance selected from a parent index of the top 700 stocks by market capitalization in the MSCI Japan IMI index of Japanese securities. Since 2017, the Government Pension Investment Fund of Japan (GPIF) has tracked its investments with this index.

2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index (WIN)^{*1}

This index comprises companies in each industry with high scores on gender diversity selected from a parent index of the top 500 stocks by market capitalization in the MSCI Japan IMI index of Japanese securities. Since 2017, the Government Pension Investment Fund of Japan (GPIF) has tracked its investments with this index.

^{*1} MSCI ESG Indexes

THE INCLUSION OF Tokyo Gas Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Tokyo Gas Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

STOXX Global ESG Leaders Index

This index is provided by STOXX Ltd., of Switzerland, a subsidiary of Deutsche Börse AG. It comprises companies selected for their outstanding performance on the environment, society, and governance based on the results of research by Sustainalytics, a Dutch SRI research and analysis firm.



SOMPO Sustainability Index

This Index is based on the results of corporate research on environmental, social, and governance performance conducted by Sompo Risk Management Inc. This index is managed by Sompo Asset Management Co., Ltd.



External Sustainability Ratings

The Tokyo Gas Group has received the following external ratings of its sustainability performance.

2020 CDP

CDP Climate Change: A-
CDP Water: A (on an eight-grade scale from A to D-)

CDP is a U.K.-based NPO that collaborates with institutional investors to operate an international framework asking companies to disclose information on their strategies for climate change and water risk, including concrete data. Scores based on corporate initiatives are published globally and serve as an important index of corporate environmental efforts.





2021 Certified Health and Productivity Management Organization Recognition Program

This is an award granted by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi to large enterprises and to SMEs that conduct particularly outstanding health management based on efforts addressing regional health issues and Nippon Kenko Kaigi's health promotion efforts.



Nadeshiko Brands 2021

These are companies jointly selected by METI and the Tokyo Stock Exchange (TSE) for their efforts to actively advance the employment of women, including the arrangement of working environments that facilitate retention of female talent. Companies are selected in each industry from among those listed on the First Section of the TSE. Tokyo Gas has been selected for five consecutive years.



“Eruboshi” Certification

Enterprises with superior efforts for the advancement of female employees are certified by the Minister of Health, Labour and Welfare under a system based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. There are three levels of certification. Tokyo Gas Customer Support Co., Ltd. was certified at the highest level and Tokyo Gas at the second highest level.



“Kurumin” Certification

This certification system is based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Companies that actively support employees in their parenting duties are certified by the Minister of Health, Labour and Welfare.



4th Infrastructure Maintenance Awards

These awards are conferred by a group of government ministries led by the Ministry of Land, Infrastructure and Transport to recognize excellence in infrastructure maintenance efforts and technological development. The Ministry of Economy, Trade and Industry Special Award was bestowed upon a laser-based remote gas leak detection technology co-developed by Tokyo Gas, Tokyo Gas Engineering Solutions, and Gaster.

FY2020 Energy Conservation Grand Prize

Hosted by the Energy Conservation Center, Japan (ECCJ), these awards honor excellent energy conservation efforts by businesses, workplaces, and other organizations, as well as highly energy-saving products and business models. For the FY2020 awards, the ultra-efficient gas engine heat pump GHP XAIR III received the Director-General of the Agency for Natural Resources and Energy Award (product and business division), and GC-2000AS, an energy-saving fuel-switching boiler that can contribute to the stable supply of steam, earned the ECCJ Chairman's Award.



GRI Sustainability Reporting Standards Index

● Tokyo Gas Group Sustainability Report has been prepared in accordance with the GRI Standards: Core option.

■ GRI102: General Disclosures 2016

Disclosure		Disclosure Pages
1. Organizational profile		
102-1	Name of the organization	▶ Profile Web
102-2	Activities, brands, products, and services	▶ Business Web
102-3	Location of headquarters	▶ Profile Web
102-4	Location of operations	▶ Locations Web
102-5	Ownership and legal form	▶ Profile Web
102-6	Markets served	–
102-7	Scale of the organization	▶ Investors' Guide P.6-13 (City Gas Business - Overseas Business) Web
102-8	Information on employees and other workers	▶ Social Data
102-9	Supply chain	▶ Supply Chain Management
102-10	Significant changes to the organization and its supply chain	▶ A Public Notice (only in Japanese) Web
102-11	Precautionary Principle or approach	▶ Risk Management System
102-12	External initiatives	UN Global Compact Sustainable Development Goals Support for TCFD Recommendations and Information Disclosure
102-13	Membership of associations	UN Global Compact KEIDANREN (Japan Business Federation) The Japan Gas Association Keidanren Committee on Nature Conservation The Tokyo Chamber of Commerce and Industry (TCCI) DOYUKAI (Japan Association of Corporate Executives) The Japanese Para-Sports Association
2. Strategy		
102-14	Statement from senior decision-maker	▶ Top Commitment
102-15	Key impacts, risks, and opportunities	▶ Top Commitment ▶ Materialities ▶ Integrated Report P.34 (TCFD) Web ▶ Business Risk Web
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	▶ Management Philosophy / Behavioral Criteria Web ▶ The Tokyo Gas Group's Sustainability
102-17	Mechanisms for advice and concerns about ethics	▶ Human Rights ▶ Contact Web

Disclosure		Disclosure Pages
4. Governance		
102-18	Governance structure	▶ Corporate Governance ▶ The Tokyo Gas Group's Sustainability
102-19	Delegating authority	▶ Sustainability Promotion System
102-20	Executive-level responsibility for economic, environmental, and social topics	▶ Sustainability Promotion System
102-21	Consulting stakeholders on economic, environmental, and social topics	▶ Stakeholder Engagement ▶ Sustainability Promotion System
102-22	Composition of the highest governance body and its committees	▶ Corporate Governance Report Web
102-23	Nominating and selecting the highest governance body	▶ Corporate Governance Report Web
102-24	Nominating and selecting the highest governance body	▶ Corporate Governance Report Web ▶ Independence Standards for Outside Directors Web
102-25	Conflicts of interest	▶ Corporate Governance Report Web
102-26	Role of highest governance body in setting purpose, values, and strategy	▶ Sustainability Promotion System
102-27	Collective knowledge of highest governance body	▶ Corporate Governance ▶ Sustainability Promotion System ▶ Education and Awareness-raising
102-28	Evaluating the highest governance body's performance	▶ Corporate Governance ▶ Sustainability Promotion System
102-29	Identifying and managing economic, environmental, and social impacts	▶ Corporate Governance ▶ Sustainability Promotion System ▶ Stakeholder Engagement – Basic Policy
102-30	Effectiveness of risk management processes	▶ Corporate Governance ▶ Risk Management System
102-31	Review of economic, environmental, and social topics	–
102-32	Highest governance body's role in sustainability reporting	▶ Sustainability Promotion System ▶ Specifying Materialities
102-33	Communicating critical concerns	▶ Corporate Governance ▶ Compliance
102-34	Nature and total number of critical concerns	–
102-35	Remuneration policies	▶ Integrated Report P.45 (Officer Remuneration System) Web
102-36	Process for determining remuneration	▶ Integrated Report P.45 (Officer Remuneration System) Web
102-37	Stakeholders' involvement in remuneration	–
102-38	Annual total compensation ratio	–
102-39	Percentage increase in annual total compensation ratio	–



Disclosure		Disclosure Pages
5. Stakeholder engagement		
102-40	List of stakeholder groups	<ul style="list-style-type: none"> ▶ Approach to Promoting Sustainability ▶ Stakeholder Engagement
102-41	Collective bargaining agreements	<ul style="list-style-type: none"> ▶ Building Positive Labor-Management Relations ▶ Social Data – Overview of Employees
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> ▶ Approach to Promoting Sustainability ▶ Stakeholder Engagement
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> ▶ Approach to Promoting Sustainability ▶ Stakeholder Engagement
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> ▶ Specifying Materialities ▶ Stakeholder Engagement
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	▶ Major Group Companies Web
102-46	Defining report content and topic boundaries	<ul style="list-style-type: none"> ▶ Specifying Materialities ▶ About This Report
102-47	List of material topics	▶ Specifying Materialities
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	▶ About This Report
102-51	Date of most recent report	▶ About This Report
102-52	Reporting cycle	▶ About This Report
102-53	Contact point for questions regarding the report	▶ Contact Us Web
102-54	Claims of reporting in accordance with the GRI Standards	In accordance with the GRI Standards: Core option
102-55	GRI content index	GRI Content Index
102-56	External assurance	▶ Third-Party Independent Assurance Report

■ GRI103: Management Approach 2016

Disclosure		Disclosure Pages
103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	▶ Specifying Materialities
103-2	The management approach and its components	▶ The Tokyo Gas Group's Sustainability
103-3	Evaluation of the management approach	▶ Sustainability Promotion System

■ GRI200: Economic topics

Disclosure		Disclosure Pages
201: Economic Performance		
201-1	Direct economic value generated and distributed	–
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> ▶ Environmental Risk Management ▶ Integrated Report P.34 (TCFD) Web ▶ Risk Management System
201-3	Defined benefit plan obligations and other retirement plans	–
201-4	Financial assistance received from government	–
202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–
202-2	Proportion of senior management hired from the local community	–
203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported Benefits	<ul style="list-style-type: none"> ▶ Supplying Energy ▶ Ensuring Customer Safety ▶ Disaster Countermeasures ▶ Establishment of relationships with communities ▶ Initiatives for the Tokyo 2020 Games
203-2	Significant indirect economic impacts	–
GRI-204: Procurement Practices		
204-1	Proportion of spending on local suppliers	–
GRI-205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	▶ Compliance
205-2	Communication and training about anti-corruption policies and procedures	▶ Compliance
205-3	Confirmed incidents of corruption and actions taken	No incidents
GRI-206: Anti-competitive Behavior		
206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	No legal actions
GRI-207: Tax		
207-1	207-1 Approach to tax	▶ Tax Compliance
207-2	207-2 Tax governance, control, and risk management	▶ Tax Compliance
207-3	207-3 Stakeholder engagement and management of concerns related to tax	▶ Tax Compliance
207-4	207-4 Country-by-country reporting	–



■ GRI300: Environmental topics

Disclosure		Disclosure Pages
GRI-301: Materials 2016		
301-1	Materials used by weight or volume	▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance
301-2	Recycled input materials used	▶ Promotion of Resource Recycling
301-3	Reclaimed products and their packaging materials	▶ Dealing with Waste at Customer Sites ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Waste
GRI-302: Energy 2016		
302-1	Energy consumption within the organization	▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
302-2	Energy consumption outside of the organization	▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
302-3	Energy intensity	▶ Targets and Outcomes ▶ Environmental Data – Energy
302-4	Reduction of energy consumption	▶ Targets and Outcomes ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
302-5	Reductions in energy requirements of products and services	▶ Cutting Customer CO ₂ Emissions: Residential Sector ▶ Cutting Customer CO ₂ Emissions: Commercial Sector ▶ Cutting Customer CO ₂ Emissions: Best Practices of Smart Networks ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
GRI-303: Water and effluents 2018		
303-1	Interactions with water as a shared resource	▶ Managing Water Risks
303-2	Management of water discharge-related impacts	▶ Managing Water Risks
303-3	Water withdrawal	▶ Environmental Data – Energy
303-4	Water discharge	▶ Environmental Data – Energy
303-5	Water consumption	▶ Environmental Data – Energy ▶ Managing Water Risks
GRI-304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	▶ Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	▶ Biodiversity
304-3	Habitats protected or restored	▶ Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	▶ Measures in Our LNG Value Chain ▶ Biodiversity Activities with Our Customers and Local Communities

Disclosure		Disclosure Pages
305: GRI-305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	▶ Climate Change Actions ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
305-2	Energy indirect (Scope 2) GHG emissions	▶ Climate Change Actions ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
305-3	Other indirect (Scope 3) GHG emissions	▶ Climate Change Actions ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
305-4	GHG emissions intensity	▶ Targets and Outcomes ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Conversion Factor, etc. ▶ Environmental Data – About impact of CO ₂ reduction initiatives, and CO ₂ emission factor for electricity
305-5	Reduction of GHG emissions	▶ Targets and Outcomes ▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Energy
305-6	Emissions of ozone-depleting substances (ODS)	▶ Management of Chemical Substances and Pollutants
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	▶ Management of Chemical Substances and Pollutants
GRI-306: Effluents and Waste 2016		
306-1	Water discharge by quality and destination	▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Water
306-2	Waste by type and disposal method	▶ Environmental Data – The Tokyo Gas Group Business Activities and Material Balance ▶ Environmental Data – Waste ▶ Promotion of Resource Recycling
306-3	Significant spills	▶ Combating Soil Pollution
306-4	Transport of hazardous waste	▶ Management of Chemical Substances and Pollutants
306-5	Water bodies affected by water discharges and/or runoff	▶ Managing Water Risks ▶ Biodiversity
GRI-307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	No Incidents
GRI-308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	-
308-2	Negative environmental impacts in the supply chain and actions taken	▶ Supply Chain Management



■ GRI400: Social topics

Disclosure		Disclosure Pages
GRI-401: Employment 2016		
401-1	New employee hires and employee turnover	▶ Social Data – Overview of Employees
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	▶ Diversity & Inclusion ▶ Social Data – Overview of Employees
401-3	Parental leave	▶ Social Data – Overview of Employees
GRI-402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	–
GRI-403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	▶ Occupational Safety and Health Initiatives
403-2	Hazard identification, risk assessment, and incident investigation	▶ Occupational Accident Prevention
403-3	Occupational health services	▶ Occupational Safety and Health Initiatives
403-4	Worker participation, consultation, and communication on occupational health and safety	▶ Occupational Safety and Health Initiatives ▶ Communications with Employees
403-5	Worker training on occupational health and safety	▶ Occupational Safety and Health Initiatives ▶ Social Data – Implementation of Occupational Safety and Health Education Programs
403-6	Promotion of worker health	▶ Occupational Safety and Health Initiatives
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	▶ Occupational Safety and Health Initiatives
403-8	Workers covered by an occupational health and safety management system	–
403-9	Work-related injuries	▶ Social Data – Overview of Accidents and Injuries
403-10	Work-related ill health	–
GRI-404: Training and Education 2016		
404-1	Average hours of training per year per employee	▶ Social Data – Overview of Employees
404-2	Programs for upgrading employee skills and transition assistance programs	▶ Human Resources Development ▶ Diversity & Inclusion
404-3	Percentage of employees receiving regular performance and career development reviews	–
GRI-405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	▶ Social Data – Overview of Employees
405-2	Ratio of basic salary and remuneration of women to men	–
GRI-406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	▶ Human Rights
GRI-407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	▶ Communications with Our Suppliers ▶ Communications with Employees ▶ Human Rights ▶ Supply Chain Management
GRI-408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	▶ Human Rights ▶ Supply Chain Management

Disclosure		Disclosure Pages
GRI-409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	▶ Human Rights ▶ Supply Chain Management
GRI-410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	–
GRI-411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	–
GRI-412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	–
412-2	Employee training on human rights policies or procedures	▶ Human Rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	–
GRI-413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	▶ Building Relations with Stakeholders
413-2	Operations with significant actual and potential negative impacts on local communities	▶ Environmental Management ▶ Environmental Risk Management ▶ Biodiversity
GRI-414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	–
414-2	Negative social impacts in the supply chain and actions taken	▶ Supply Chain Management
GRI-415: Public Policy 2016		
415-1	Political contributions	We do not make political contribution.
GRI-416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories Launch	▶ Earthquake Disaster Countermeasures ▶ Ensuring Customer Safety ▶ Enhancing the Safety of Gas Appliances
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	–
GRI-417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	▶ Appropriate Information Disclosure
417-2	Incidents of non-compliance concerning product and service information and labeling	No Incidents
417-3	Incidents of non-compliance concerning marketing communications	No incidents
GRI-418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–
GRI-419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	No violation of laws and regulations



Global Compact Content Index

The Ten Principles of UN Global Compact		Pages in 2021 Sustainability Report
Human Rights	Principle One: Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> ▶ Diversity & Inclusion ▶ Work Style Reform ▶ Occupational Safety and Health Initiatives
	Principle Two: Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> ▶ Human Rights ▶ Compliance ▶ Supply Chain Management
Labour	Principle Three: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> ▶ Sound Relationships with Society ▶ Human Resources Development
	Principle Four: Businesses should uphold the elimination of all forms of forced and compulsory labour.	<ul style="list-style-type: none"> ▶ Diversity & Inclusion ▶ Work Style Reform ▶ Occupational Safety and Health Initiatives
	Principle Five: Businesses should uphold the effective abolition of child labour.	<ul style="list-style-type: none"> ▶ Communications with Employees ▶ Human Rights ▶ Compliance ▶ Supply Chain Management
Environment	Principle Six: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> ▶ Leadership in the effort to achieve Net-Zero CO₂ as a leading company dealing in natural gas ▶ Environment ▶ Environmental Contributions ▶ Supply Chain Management
	Principle Seven: Businesses should support a precautionary approach to environmental challenges.	
	Principle Eight: Businesses should undertake initiatives to promote greater environmental responsibility.	
Anti-Corruption	Principle Nine: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
	Principle Ten: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> ▶ Compliance ▶ Supply Chain Management

ISO 26000 Content Index

Guidance on social responsibility core subjects	ISO26000 Issue	Pages in 2021 Sustainability Report
Organizational governance	Organizational governance	<ul style="list-style-type: none"> ▶ Actions as a Responsible Company ▶ Corporate Governance ▶ Stakeholder Engagement
Human rights	Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 4: Resolving grievances Issue 5: Discrimination and vulnerable groups Issue 6: Civil and political rights Issue 7: Economic, social and cultural rights Issue 8: Fundamental principles and rights at work	<ul style="list-style-type: none"> ▶ Diversity & Inclusion ▶ Work Style Reform ▶ Occupational Safety and Health Initiatives ▶ Human Rights ▶ Compliance ▶ Supply Chain Management
Labour practices	Issue 1: Employment and employment relationships Issue 2: Conditions of work and social protection Issue 3: Social dialogue Issue 4: Health and safety at work Issue 5: Human development and training in the workplace	<ul style="list-style-type: none"> ▶ Sound Relationships with Society ▶ Human Resources Development ▶ Diversity & Inclusion ▶ Work Style Reform ▶ Occupational Safety and Health Initiatives ▶ Communications with Employees ▶ Human Rights ▶ Compliance ▶ Supply Chain Management
The environment	Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	<ul style="list-style-type: none"> ▶ Leadership in the effort to achieve Net-Zero CO₂ as a leading company dealing in natural gas ▶ Environment ▶ Environmental Contributions ▶ Supply Chain Management
Fair operating practices	Issue 1: Anti-corruption Issue 2 : Responsible political involvement Issue 3: Fair competition Issue 4: Promoting social responsibility in the value chain Issue 5: Respect for property rights	<ul style="list-style-type: none"> ▶ Compliance ▶ Supply Chain Management



ISO26000		Pages in 2020 Sustainability Report
Guidance on social responsibility core subjects	Issue	
Consumer issues	Issue 1: Fair marketing, factual and unbiased information and fair contractual practices	▶ Leadership in the effort to achieve Net-Zero CO ₂ as a leading company dealing in natural gas ▶ Environment
	Issue 2: Protecting consumers' health and safety	▶ Earthquake Disaster Countermeasures ▶ Ensuring Customer Safety
	Issue 3: Sustainable consumption	▶ Enhancing the Safety of Gas Appliances
	Issue 4: Consumer service, support, and complaint and dispute resolution	▶ Environmental Contributions
	Issue 5: Consumer data protection and privacy	▶ Compliance ▶ Cybersecurity
	Issue 6: Access to essential services	▶ Protection of Personal Information
	Issue 7: Education and awareness	▶ Appropriate Information Disclosure
Community involvement and development	Issue 1: Community involvement	▶ Cutting Customer CO ₂ Emissions: Best Practices of Smart Networks
	Issue 2: Education and culture	▶ Supplying Energy
	Issue 3: Employment creation and skills development	▶ Environmental Contributions
	Issue 4: Technology development and access	▶ Human Resources Development ▶ Diversity & Inclusion
	Issue 5: Wealth and income creation	▶ Work Style Reform
	Issue 6: Health	▶ Occupational Safety and Health Initiatives
	Issue 7: Social investment	

SASB Content Index

Topic	Code	Accounting metric	Pages in 2021 Sustainability Report
Energy Affordability	IF-GU-240a.1	Average retail gas rate for (1) residential	▶ Investors' Guide P.7 (Gas Rate Data) Web
		(2) commercial, (3) industrial customers, and (4) transportation services only	-
	IF-GU-240a.2	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year	▶ Investors' Guide P.7 (Gas Rate Data) Web
	IF-GU-240a.3	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	-
End-Use Efficiency	IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	▶ Investors' Guide P.4 (Gas Resource Data) Web ▶ Integrated Report P.53 (City Gas and LNG Sales Business) Web
	IF-GU-420a.1	Percentage of gas utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM)	-
	IF-GU-420a.2	Customer gas savings from efficiency measures by market	▶ Targets and Outcomes (Climate change)



Topic	Code	Accounting metric	Pages in 2021 Sustainability Report
Integrity of Gas Delivery Infrastructure	IF-GU-540a.1	Number of (1) reportable pipeline incidents	▶ Targets and Outcomes (Number of serious supply disruption)
		Number of (2) Corrective Action Orders (CAO), and (3) Notices of Probable Violation (NOPV)	-
	IF-GU-540a.2	Percentage of distribution pipeline that is (1) cast and/or wrought iron	-
		(2) unprotected steel	-
	IF-GU-540a.3	Percentage of gas (1) transmission	▶ Investors' Guide P.8 (Gas Sales Volume / Sales Data) Web
		Percentage of gas (2) distribution pipelines inspected	-
	IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	▶ Integrated Report P.33 (Safe and stable energy supply infrastructure) Web ▶ Safe Supply of City Gas



About This Report

The Tokyo Gas Group contributes to the achievement of a sustainable society by creating social and financial value from the solution of social issues through its business activities, and by engaging in enduring corporate management. Specifically, we carry out our actions according to three categories of materiality we have defined. The pillar is “Leadership in the effort to achieve Net-Zero CO₂ and continuing to create customer value while ensuring stable supply and energy access as a leading company dealing in natural gas.” The other two are “Sound relationships with society,” which supports that pillar, and “Actions as a responsible company,” which is the foundation of our business activities.

We offer this Sustainability Report to all our stakeholders in the hope that it will aid their understanding of this vision and commitment.

Period

This report contains material primarily from FY 2020 (April 1, 2020 to March 31, 2021), with some additional information from other fiscal years.

Scope

The information herein is mainly for Tokyo Gas Co., Ltd. and its subsidiaries, with some information on Tokyo Gas LIFEVAL and partner companies also included in certain sections. Environmental performance data for fiscal 2020 are for Tokyo Gas and its 44 consolidated subsidiaries in Japan.

Date of Publication

October 30, 2021 (previous: October 2020; next: October 2022 [tentative])

Referenced Guidelines

GRI Sustainability Reporting Standards

Japanese Standards Association, ISO 26000:2010

Ministry of the Environment of Japan, Environmental Reporting Guidelines 2018

The environmental and social performance data provided in this report have been third-party assured by KPMG AZSA Sustainability Co., Ltd. (a member of the KPMG Japan group) to enhance the credibility of the data.

Publication History

FY1994–2004	Published “Environmental Report.”
FY2005–2009	Expanded coverage to include CSR and changed title to “Tokyo Gas CSR Report.” Published on our website and in print.
From FY2009	Broadened scope to include subsidiaries and affiliates (published online only).
FY2010–2014	Issued “Tokyo Gas CSR and Corporate Profile” (in print).
From FY2015	Began issuing full edition of “Tokyo Gas Group CSR Report” on our website, and a digest in print.
From FY2017	Began publishing the online report for each fiscal year in the first half of the following fiscal year, with updates made as needed thereafter.
From FY2019	Discontinued print edition and began publishing both the full report and the digest online. Changed title to “Sustainability Report.”



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