

Tokyo Gas and Tokio Marine Group Establish "Framework for Respecting Human Rights" to Enhance Integrity of Carbon Credits

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President and CEO: SASAYAMA Shinichi) has, in collaboration with Tokio Marine & Nichido Fire Insurance Co., Ltd. (President & CEO: Hiroaki Shirota; hereinafter "Tokio Marine & Nichido") and Nippon Koei Co., Ltd. (Representative Director and President: Tomohisa Fukuoka; hereinafter "Nippon Koei"), formulated the "Framework for Respecting Human Rights by Business Enterprises Involved in Carbon Credit Generation Projects" (hereinafter the "Framework").

Within the Tokyo Gas Group, the evaluation items and other criteria which are sorted out and organized in the Framework will be incorporated into the company's internal risk assessment standards for carbon credits. This will contribute to strengthening the evaluation and management system in the aim of enhancing the integrity of carbon credits provided to customers.

[Background]

In recent years, carbon credits are attracting attention as one of the methods by which companies offset their greenhouse gas (GHG) emissions. However, there have also been reports of concerns about human rights violations related to some carbon credit generation projects conducted in developing countries, such as unfair treatment of local employees and the forced relocation of Indigenous Peoples. Ensuring respect for human rights in such projects has now become an international issue.

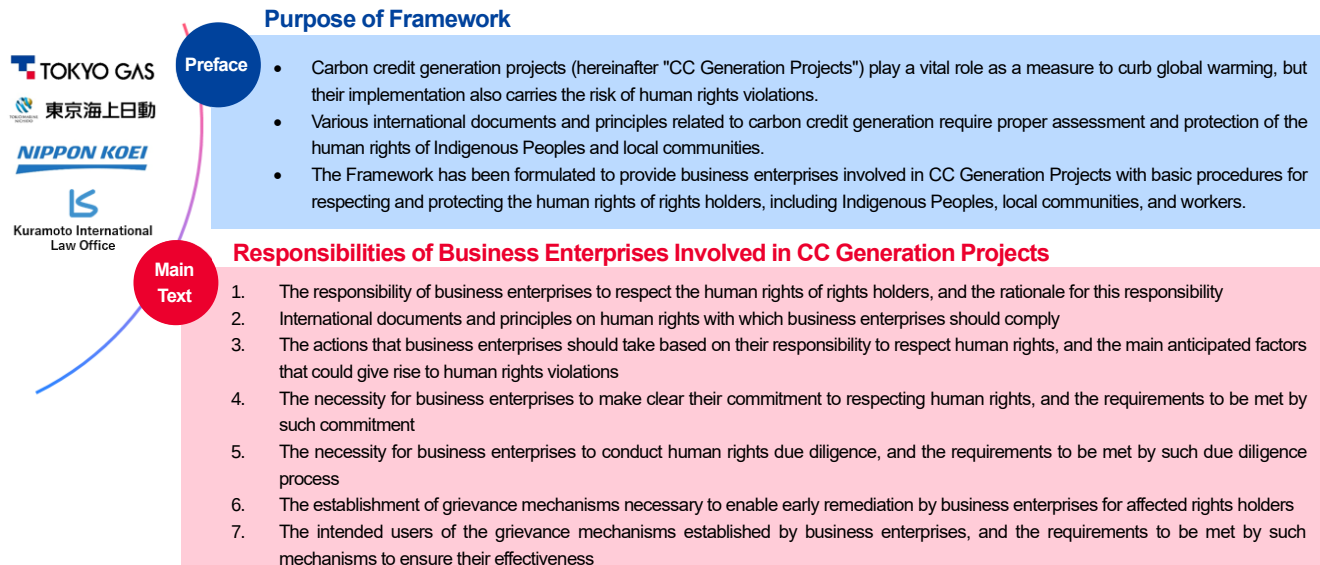
However, current international guidelines focus primarily on securing GHG emissions amount, while evaluation items and management systems regarding human rights considerations need to be sorted out for practical use.

For this reason, Tokyo Gas, in collaboration with Tokio Marine & Nichido and Nippon Koei, has formulated the Framework, which clearly specifies the evaluation items and management systems that carbon credit developers should comply with regarding respect for human rights.

[Framework Development Structure]

In formulating the Framework, Tokyo Gas contributed its practical knowledge of carbon credit generation projects, Tokio Marine & Nichido brought its expertise in risk management cultivated through the provision of insurance products and services, and Nippon Koei added its knowledge gained through the provision of environmental and social due diligence services, all of which, with the cooperation of experts including Sakon Kuramoto (Kuramoto International Law Office), a lawyer who has extensive knowledge of sustainability and human rights issues, made the content of the Framework even more practical for use.

[Framework Structure]



[How to Utilize Framework]

The Framework has been developed based on international standards including the UN Guiding Principles on Business and Human Rights, and can be used as guidance to promote human rights initiatives taken by parties involved in CC Generation Projects in line with international discussions. In addition, the three companies that formulated the Framework have also established internal operational standards within their respective organizations to enhance the Framework's effectiveness.

The Tokyo Gas Group will incorporate the content of the Framework and the practical standards for the Framework into the company's risk assessment standards for carbon credits to sort out and organize evaluation items and management systems related to human rights considerations in the endeavor to ensure the quality and enhance the integrity of carbon credits generated by the CC Generation Projects the company is involved in.

How the Framework is Incorporated into Carbon Credit Assessment Standards



[Looking Ahead]

The Tokyo Gas Group positions the use of high-integrity carbon offsets in addition to current initiatives to decarbonize heat as an important means for leading the transition to a carbon-neutral society and has contributed to the expansion of carbon offsets, including the supply of Carbon Offset City Gas.^{*1} Moving forward, the Tokyo Gas Group will continue to provide customers with high-integrity carbon credits and related solutions utilizing them.

The Tokyo Gas Group is undertaking ongoing initiatives to respect the human rights of stakeholders across all of its business activities,^{*2} and the formulation of the Framework is being promoted as part of these ongoing initiatives.

The Tokyo Gas Group has announced its "Challenge to achieve Net-Zero CO2" in its Group management vision, Compass 2030. By creating and providing a variety of services to resolve diverse issues faced by individuals in their daily lives as well as by local communities, the Group will proceed toward realizing a carbon-neutral society in partnership with its customers. This October, the Tokyo Gas Group celebrates the 140th anniversary of its founding. We are a company that stays ahead of the times, looking beyond Tokyo and beyond gas, in the continuing endeavor to take on new challenges moving into the future.

<Reference>

- About our solution business brand "IGNITURE" *3



In November 2023, Tokyo Gas launched a solution business brand "IGNITURE" to drive the full-scale expansion of its solution services. Solutions developed and offered under the IGNITURE brand enable households, businesses, and local communities to effortlessly balance 'a more prosperous future driven by optimization that improves cost-efficiency, convenience, and operational efficiency' with 'sustainable lifestyles and businesses that leverage decarbonization and enhanced resilience.'

*1: For information on the Tokyo Gas Group's carbon offset initiatives, click [here](#)

*2: For information on the Tokyo Gas Group's human rights initiatives, click [here](#)

*3: For details on IGNITURE, click [here](#)

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