

Information Disclosure Based on the SASB Standards

October 31, 2023 / Update on December 25, 2023

The table below outlines the achievements of the initiatives of the Chugoku Electric Power Group based on the standard developed by the Sustainability Accounting Standards Board (SASB) for the Electric Utilities & Power Generators industry.

Since the SASB standards was created for primarily companies and markets in the United States, it includes accounting metrics that do not apply to business activities in Japan. Nonetheless, we have made efforts to disclose as much information as possible.

Note 1: The company's fiscal year begins on April 1 and ends on March 31 of the following year. FY2023 is used to denote the year ended March 31, 2023.

Note 2: Throughout this report, "ton," or its abbreviation "t," refers to a metric ton, i.e. 1,000 kilograms.

Topic	Accounting metric	Category	Unit of Measure	Code	FY2023 Results and Initiatives
Environment					
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Quantitative	Metric tons (t) CO ₂ -e, Percentage (%)	IF-EU-110a.1	(1) 19,610,000 [t-CO ₂] (2) 0 [%] (There is no "regulated market" in Japan) (3) 100 [%] * Scope 1 emissions are direct emissions of GHG (CO ₂ , N ₂ O, SF ₆ and CH ₄) based on the Act on Promotion of Global Warming Countermeasures.
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	Metric tons (t) CO ₂ -e	IF-EU-110a.2	24,360,000 [t-CO ₂] (24,720,000 [t-CO ₂]) * The figure in parentheses indicates the amount of CO ₂ emissions after reflecting the feed-in tariff scheme, etc. based on the Act on Promotion of Global Warming Countermeasures.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	IF-EU-110a.3	We have incorporated "mitigating climate change" as one of the important issues in the Chugoku Electric Power Group Corporate Vision of ENERGIACHANGE 2030 and are implementing measures for our goal in FY2031. Furthermore, we formulated the Basic Policy of the Chugoku Electric Power Group Carbon Neutral Strategy, policy, goals and priority measures to help bring shape to our carbon neutrality initiatives. [Initiatives to reduce emissions] <ul style="list-style-type: none"> Renewable Energy <ul style="list-style-type: none"> Newly introduce 300-700 MW of renewable energy by FY2031 (compared to FY2020) Maximize introduction of renewable energy by FY2051 Nuclear Power <ul style="list-style-type: none"> Swift activation and stable continued operation, having put utmost priority on safety Investigation and utilization of cutting-edge Thermal Power <ul style="list-style-type: none"> Fade-out of non-efficient coal-fired power Utilization of highly-efficient coal-fired power and biomass generation Development of CO₂ separation and capture / IGFC and carbon recycling technology Preparation for implementation of hydrogen and ammonia power generation by 2030 Utilization of carbon-free power sources [Hydrogen mono-firing power generation / ammonia mono-firing power generation / IGFC + CCUS / Carbon recycling etc.] [Emissions reduction targets] <ul style="list-style-type: none"> Halve CO₂ emissions by FY2031 for both retail and power generation businesses (compared to FY2014) Undertake the challenge to achieve the national emissions factor based on the FY2031 Forecast for Energy Supply and Demand [Decarbonization for the customer and community] Develop services and deploy business contributing to decarbonization for the customer and community [Analysis of performance against targets] Through the expanded use of renewable energy and efficient use of fossil energy, we significantly cut CO ₂ emissions for our electricity retail business from 42.28 million tons in FY2014 to 24.72 million tons in FY2023.
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Quantitative	Number, Percentage (%)	IF-EU-110a.4	(1) N/A (2) N/A * Japan's RPS law that set out RPS regulations was abolished in 2012, and we have shifted to a feed-in tariff scheme. * We purchase electricity generated by renewable energy at a fixed price.
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Quantitative	Metric tons (t), Percentage (%)	IF-EU-120a.1	(1) 6,000 [t], 100 [%] (2) 3,000 [t], 100 [%] (3) – (5) Not disclosed

Topic	Accounting metric	Category	Unit of Measure	Code	FY2023 Results and Initiatives
Environment					
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m³), Percentage (%)	IF-EU-140a.1	(1) Fresh water: 6,260 [1,000m³], 0 [%] ; Seawater: 6,260,000 [1,000m³], 0 [%] * The above does not include hydroelectric power water (fresh water). (2) 6,260 [1,000m³], 0 [%]
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	0
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	IF-EU-140a.3	We carry out risk management as described below for the use of water resources that are essential for our power generation business. In our thermal power stations and nuclear power station, we strive to reduce the amount of water intake by recovering and re-using water used for power generation. We also strictly observe standards based on laws, regulations, and agreements with municipalities, including using drainage treatment facilities to appropriately treat drainage before release and monitoring the difference in temperatures at intake and release of the seawater used to cool our power generation equipment. At our hydroelectric power stations, we strictly observe the water intake amounts for which we have been granted permission based on laws and regulations, and we release the water necessary to maintain the river environments downstream of our dams and weirs. Also, when river swelling is expected due to heavy rain, we implement preliminary release and the like at our dams based on flood control agreements with the national government and other parties, cooperating the fullest extent possible to prevent disasters in the region. Furthermore, the World Resources Institute's Aqueduct tool evaluates the water stress in communities where our power stations are located as "Low-Medium". We believe that the impact from water-related risks posed on our business is low.
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	IF-EU-150a.1	704,000 [t], 98.9 [%]
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	Number	IF-EU-150a.2	We re-use 98.9% of the coal ash produced at our thermal power stations (results for FY2023).
Social capital					
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Quantitative	Rate	IF-EU-240a.1	(1) 27.40 [JPY/kWh] Total for (2) and (3) : 21.71 [JPY/kWh] * Excluding consumption tax and shared charge imposed under the renewable energy feed-in tariff scheme and including fuel cost adjustment charge.
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	Reporting currency	IF-EU-240a.2	(1) 18,959 [JPY], (2) 37,918 [JPY] * Calculated using a "Gutto Zutto. Simple Plan". * Including consumption tax, fuel cost adjustment charge and shared charge imposed under the renewable energy feed-in tariff scheme.
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	Number, Percentage (%)	IF-EU-240a.3	(1) 74,366 * Number of electric disconnections based on the Specified Retail Supply Agreement. (2) 86.3 [%] * In 64,146 cases, payment was confirmed and reconnection was made within 15 days after disconnection.
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	n/a	IF-EU-240a.4	According to Japan's Electricity Business Act, "A general electricity transmission and distribution utility must not refuse to provide a wheeling service in its service area without justifiable grounds." Thus, because, in principle, we supply electricity to all customers who desire it in the service areas of Chugoku Electric Power Transmission & Distribution, there are no differences in the area of access to electric power. With that, we recognize that external factors that impact electricity rates are shared charge imposed under the renewable energy feed-in tariff scheme and fuel cost, etc. adjustment charges that reflects fluctuations in the price of thermal power fuels as well as in purchasing costs based on the feed-in tariff scheme.
Human Capital					
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	(1) Employees : 0.08 [%] * We calculated the rate of incidents only involving employees. (2) Employees : 0, Contractors : 0 * We show the number of cases as quantitative data in place of fatality rate since we do not use the calculation method recommended by the SASB standards. (3) Not disclosed * Not disclosed because we do not use the measurement method recommended by the SASB standards.

Topic	Accounting metric	Category	Unit of Measure	Code	FY2023 Results and Initiatives
Business Model and Innovation					
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Quantitative	Percentage (%)	IF-EU-420a.1	N/A (No customers subject to decoupling and LRAM system in Japan)
	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.2	Deployment rate of smart meters in the service area Chugoku Electric Power Transmission & Distribution: 89 [%] (As of the end of March 2023)
	Customer electricity savings from efficiency measures, by market	Quantitative	Megawatt hours (MWh)	IF-EU-420a.3	We disclose the following quantitative data instead of customer electricity savings. <Supply of solution services> - Number of electrification / energy-saving solution proposals: Results of 170 proposals * Chugoku Electric Power provides various solution services to meet customer needs. (Reference) Chugoku Electric Power website for corporations, "Gutto Zutto. Biz" : https://biz.energja.co.jp/ (in Japanese only)
Leadership and Governance					
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Number	IF-EU-540a.1	3 [units] (Shimane Nuclear Power Station's 3 units) *1 Unit 1 already ceased operation and is under the decommissioning process. *2 Units 2 and 3 (under construction) are undergoing a review by the Nuclear Regulation Authority to confirm compliance to the new regulatory requirements.
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	n/a	IF-EU-540a.2	Assuming chief responsibility for nuclear power safety, we not only observe the rules of laws, regulations, and other requirements in the construction, operation, and decommissioning of nuclear power stations, but also independently carry out thorough quality assurance activities under the Three Actuals principle, which emphasizes the actual place, the actual part, and the actual situation, as we aim for the highest standard of nuclear power safety in the world. We also actively engage in organization-wide efforts to recognize threats, understand responsibility, and work towards continual improvement to foster a culture of nuclear security.
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	Not disclosed * We do not disclose this data given the risks associated with disclose.
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	Minutes, Number	IF-EU-550a.2	(1) 12 [minutes] (2) 0.14 [number of times] (3) 83.9 [minutes/time]

Activity Metric	Category	Unit of Measure	Code	FY2023 Results and Initiatives
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	IF-EU-000.A	(1) 4.50 million Total for (2) and (3) : 0.35 million * As of the end of March 2023.
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Quantitative	Megawatt hours (MWh)	IF-EU-000.B	(1) 15,507 million [kWh] Total for (2) and (3) : 29,821 million [kWh] Total for (4) and (5) : 9,275 million [kWh]
Length of transmission and distribution lines	Quantitative	Kilometers (km)	IF-EU-000.C	Transmission line length: Overhead - 8,150 [km], Underground - 687 [km] Distribution line length: Overhead - 81,341 [km], Underground - 3,249 [km] * As of the end of March 2023.
Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	Megawatt hours (MWh), Percentage (%)	IF-EU-000.D	(1) 33,503 million [kWh] (2) Hydroelectric power: 9.2 [%], Thermal power: 90.7 [%], Nuclear power: none, New energy sources: 0.0 [%] (3) N/A (There is no "regulated market" in Japan)
Total wholesale electricity purchased	Quantitative	Megawatt hours (MWh)	IF-EU-000.E	Not disclosed * Not disclosed from the perspective of competition.