

# Third-Party Review



## Socially responsible in thoughts and actions as seen from the value creation and the path reported in Chubu Electric Power's 2017 CSR Report

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A CSR report is a tool that businesses and other corporate organizations use to compile and publicize core issues related to their social responsibilities (ISO/SR26000) and activities they implement based on the presumed perspective of stakeholders. They use it to explain how, as a member of society, they acknowledge and respond to the hopes and expectations society places on them. The underlying purpose is to carry out and evaluate the effectiveness of the fundamental philosophy and principles that guide their sound development and growth, the management policies and business processes that materialize that, and the environmental, social and governance (ESG) efforts that are a part of those processes.

As is elucidated in the editing policy, this report lays emphasis on the path (story) from the management policies that are supported by Chubu Electric Power's philosophy and principles, extending to the business processes that lead to value creation. In addition to prior practices of making each page highly readable and the presented information readily identifiable and easy to follow, Chubu Electric Power has tried to develop the content and layout so that the policy formulation process, business resources and the correlations between stakeholders and value creation are loud and clear. This approach, in my opinion, goes one step further towards improving the "readability" on which the reader's understanding of Chubu Electric Power's CSR activities hinges. The report also focuses on the workforce because their sense of duty and responsibility have been the driving force behind organizational reforms, and looks at and evaluates the actions intended to adapt Chubu Electric Power to a new business environment of liberalized trading in electric power and gas.

In order to balance their responsibility to "accomplish an unchanging mission" with the need to "create new values," Chubu Electric Power is promoting nuclear power via diverse

measures with equipment and stronger on-site response capabilities that minimize the risks associated with potential uncertainties. They are also promoting JERA projects intended to secure a stable supply across the value chain from fuel procurement to power generation in order to realize an energy mix of various power source scenarios. Both of these endeavors serve to meet market demands and are offering promising results.

Two CSR issues of a total energy service company are to gain the approval of one's business partners, workforce and other stakeholders via multifaceted, continuous communications, and to create an organizational culture capable of learning. CSR activities proactively question mankind's way of living and function as an important medium for fostering understanding between Chubu Electric Power and everyone else.

Moreover, in order to stay one step ahead of the game, Chubu Electric Power must look ahead to life in the 22nd century and propose viable energy solutions therefor. This means—for example—converting from a "factual premise" that stands on facts in the past to a "value premise" that pictures the way one wants to be in the future, and then plans how to achieve that. Another example may be sharing governance in which the next generation in high-tech is used by the company or group to meet society's needs, or creating a corporate atmosphere that nurtures spontaneity and autonomy in employees, as they are the source of corporate vitality and value creation.

More importantly, by creating self-guided workplace environments, the quality of corporate activities determined by compliance, internal controls, and internal audits can be internally assured and the improvement in that quality should lead to profitability.

### In response to the third party opinions

At Chubu Electric Power, we are very grateful to listen to the opinions of others. In regards to steering business activities in a direction that creates value, we have been highly praised for story-telling and typographical improvements that make our messages easier to understand. We have also been praised for the constructive steps we have taken to adapt to market liberalization and other changes in our business environment, and our creation of new values while remaining committed to our unchanging mission.

Still, for future CSR issues, the importance of continuously communicating with stakeholders and creating an organizational culture that can learn was emphasized by our stakeholders. In addition, we received feedback that stronger coordination within the Chubu Electric Power Company Group and building a corporate atmosphere where employees think and act on their own would help Chubu Electric Power develop into a "total energy service company that is one step ahead of the game".

We take this good advice seriously and will use it for delivering values that meet stakeholder expectations and preserve their trust, and for contributing to a better world through our business activities.



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