

Chubu Electric Power Green Bond Framework

1 Introduction

The Chubu Electric Power Group's core business is supplying electricity, gas, on-site energy, and other power needs. We have leveraged the know-how developed in our domestic operations to expand into the energy business overseas as well as other sectors and subsectors including construction to expand, improve and maintain electricity business-related facilities, and manufacturing to supply equipment and materials.

2 Initiatives for realizing a carbon-free society

In accordance with the Chubu Electric Power Group Basic Environmental Policy, the Chubu Electric Power Group is seeking to realize a carbon-free society.

- We will prioritize safety improvements and gaining the trust of local communities in promoting utilization of nuclear power generation.
- In addition to hydroelectric power, solar power, land-based wind power, and biomass, we will proactively promote the renewable energy business, including offshore wind power, geothermal power generation, and other new areas (development of over 2 million kW by approximately 2030).
- We will promote initiatives to ensure electric power at a level of quality that allows for effective utilization of renewable energy power sources and storage batteries.
- We will strive to construct and operate facilities in a rational manner with digital technology that will enable optimal energy use. We will also contribute to electrification and decarbonation by creating a customer-centered community support infrastructure to meet society's needs.

[Environmental Management System]

The Chubu Electric Power Group develops environmental management activities across the PDCA cycle for management goals and other initiatives that are grounded in the Chubu Electric Power Group Basic Environmental Policy. In addition, we also have implemented self-declared environmental management activities in accordance with our ISO14001 certification (2004).

Chubu Electric Power Group companies regularly exchange views and share information in venues such as the Chubu Electric Power Group Environmental Measures Committee, and promote effective environmental management activities in line with each company's business structure.

[Endorsement of the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations]

In May 2019, we declared our support for the objectives detailed in the TCFD's Final Report.

The Chubu Electric Power Group recognizes that responding to climate change is an important management issue and we diligently assess such risks and opportunities. We view the various changes unfolding with climate change as opportunities and proactively address these so as to enhance our corporate value. We will appropriately disclose these efforts in accordance with TCFD recommendations to better communicate our commitments to stakeholders.

3 Purpose & Significance of Issuing Green Bonds

The Chubu Electric Power Group views Green Bond issues as a means of procuring financing to promote initiatives for realizing a low-carbon society. We believe these issues will be an opportunity for us to once again communicate our commitments to stakeholders.

[Referenced Principles, etc.]

This framework was developed in accordance with the following principles, etc.

- Green Bond Principles 2018
- Green Bond Guidelines 2020

4 Use of Procured Funds

Funds procured through Chubu Electric Power Green Bonds will be allocated to new investments and refinancing for projects meeting the following eligibility criteria ("eligible projects"). Refinancing will focus on projects defrayed up to 36 months prior to a Green Bond issue.

[Eligibility Criteria]

Renewable energy-related projects.

Projects related to the development, construction, operation or renovation of hydroelectric power, biomass, wind power, solar power, and geothermal renewable energies.

5 Project Assessment and Selection Process

Candidates will be selected after the competent department overseeing the renewable energy-related project conducts an assessment based on the eligibility criteria specified in numeral 4 above. The competent department responsible for financing will make the final decision on eligible projects.

6 Management of Procured Funds

The competent department responsible for financing will allocate and manage procured funds. It will verify at least once annually the balance of any unallocated funds and manage the total amount for eligible projects so that it does not fall below the amount of Green Bonds issued during the term until fund allocation is completed. The total amount of procured funds will be managed in cash or cash equivalents until such time as they are allocated to eligible projects.

7 Reporting

Chubu Electric Power Group will disclose the following items pertaining to Green Bond issues in our annual Chubu Electric Power Group Reports (integrated reports) or on our website during the period of time until the full amount of procured funds has been allocated. In addition, we will also disclose any significant change that have occurred in fund allocation status or impacts until such time as the bonds are redeemed.

(1) Reporting on Fund Allocation Status

- Balance of unallocated funds
- Allocated amounts
- Estimates (or percentages) of amount of procured funds allocated to refinancing

(2) Impact Reporting

The effect that eligible projects have on improving the environment will be disclosed using some or all of the following indices within the scope of confidentiality and to the extent that such reporting is reasonably feasible.

- Installed capacity according to type of renewable energy (MW)
- Power generated according to type of renewable energy (kWh)
- CO₂ emission reductions according to type of renewable energy (t-CO₂/y)