



## JERA Sustainable Finance Framework

### 1. Background of the Framework and JERA's Strategy

JERA Co., Inc. (hereinafter, "JERA") has established the Sustainable Finance Framework (hereinafter, "this Framework") as follows.

The framework addresses the key elements recommended in the following Principles and Guidelines.

< Principles and Guidelines applied >

Principles and Guidelines	Scheme owner
1. Climate Transition Finance Handbook	International Capital Markets Association (ICMA), 2023
2. Basic Guidelines on Climate Transition Finance	Financial Services Agency, Ministry of Economy, Trade and Industry, and Ministry of the Environment, 2021
3. Green Bond Principles	International Capital Markets Association (ICMA), 2021
4. Sustainability-Link Bond Principles	International Capital Markets Association (ICMA), 2023
5. Green Bond Guidelines and Sustainability-Link Bond Guidelines	Ministry of the Environment, 2022
6. Green Loan Principles	LMA, APLMA, LSTA, 2023
7. Sustainability-Link Loan Principles	LMA, APLMA, LSTA, 2023
8. Green Loan Guidelines and Sustainability-Link Loan Guidelines	Ministry of the Environment, 2022

The four key elements to the recommended disclosure of Transition Finance and the corresponding sections are as follows.

< Four Elements of Transition Finance >

Four Elements of Transition Finance	Sections
1. Issuer's climate transition strategy and governance	1.2, 1.3, 1.4, 1.5, 1.6
2. Business model environmental materiality	1.2, 1.3, 1.4, 1.5, 1.6
3. Climate transition strategy and targets to be science-based	1.2, 1.5
4. Implementation transparency	1.2, 1.3, 1.4, 1.5, 1.6

Alignment with Green Bond/Loan Principles, etc. is described later in "2. When specifying the use of proceeds: Alignment with Green Bond/Loan Principles, etc." and Alignment with Sustainability-Link Bond/Loan Principles, etc. is described later in "3. When not specifying the use of proceeds: Alignment with Sustainability-Link Bond/Loan Principles, etc."

The framework has obtained a second party opinion from DNV BUSINESS ASSURANCE JAPAN K.K. (hereinafter, "DNV"), an independent external reviewer, on its compliance with the Principles and Guidelines described above.

Through execution of Sustainable Finance based on the framework, JERA will promote initiatives to achieve zero CO2 emissions.

## 1.1 Overview of JERA

### 1.1.1 JERA's Origins

JERA Co., Inc. was established on April 30, 2015 to form a comprehensive alliance between Tokyo Electric Power Company (as it was known then) and Chubu Electric Power Co., Inc. for their entire supply chains from fuel upstream and procurement business to power generation.

With the aim of becoming a Japan-based global energy company, JERA proceeded to consolidate businesses in stages after its establishment, and with the April 1, 2019 consolidation of existing thermal power generation businesses established a continuous value chain from fuel upstream and procurement business to power generation and electricity and gas wholesaling, earning its status as an energy company with power generation capacity equivalent to half of Japan's thermal power generation output and a fuel transaction volume among the world's highest.

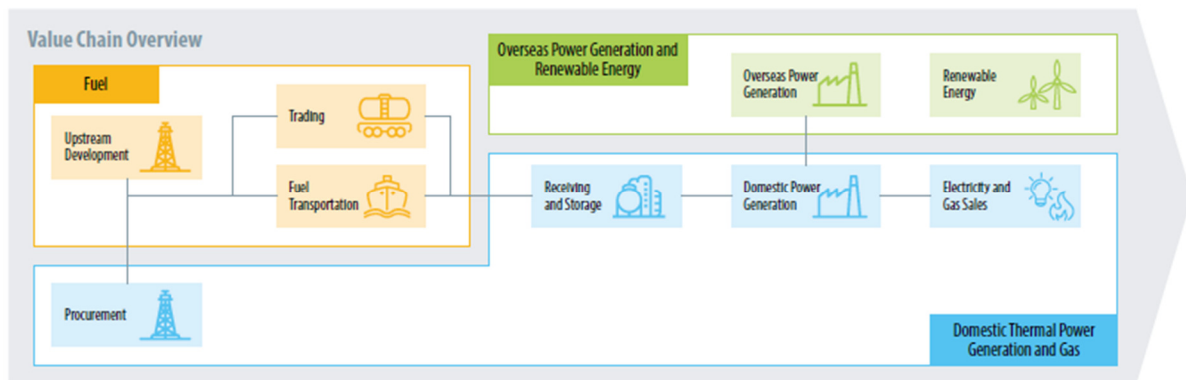


Completed the consolidation of value chains in April 2019 after expanding the scope of consolidation four years after establishment in April 2015

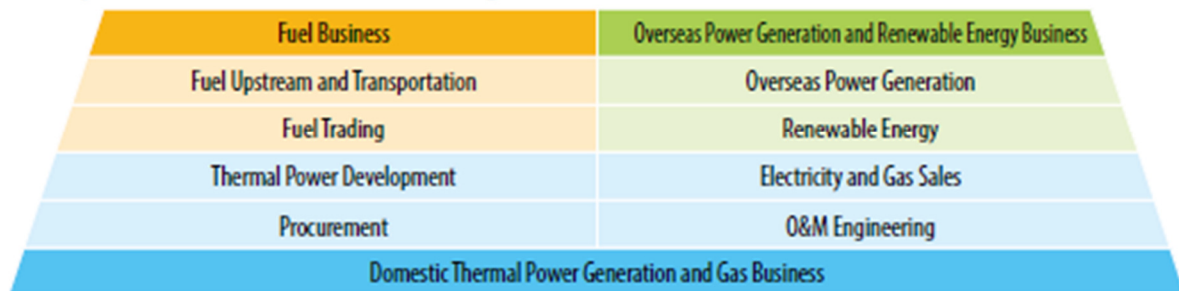
April 2015	October 2015	July 2016	June 2017	May 2018	April 2019
JERA established	Fuel transportation and fuel trading businesses consolidated	Fuel upstream and procurement, overseas power generation, and energy infrastructure businesses consolidated	Joint-venture agreement concluded to consolidate existing thermal power generation businesses	Absorption-type company split agreement concluded to consolidate existing thermal power generation businesses	Existing thermal power generation businesses consolidated

### 1.1.2 JERA's Business Model

JERA's reporting segments are comprised of our Fuel Business, Overseas Power Generation and Renewable Energy Business, and Domestic thermal power generation and gas business. Our fuel business uses the market to optimize the production and transport of LNG - a primary fuel for thermal power generation - as well as the assets of the JERA group (including LNG upstream operations and fuel procurement contracts for our domestic thermal power generation and gas business). Our Overseas Power Generation and Renewable Energy Business comprises our power generation ventures outside Japan as well as renewable energy development projects both domestically and internationally. Our Domestic thermal power generation and gas business manages essential fuel procurement contracts, receives fuel based on those contracts, and performs operation and maintenance (O&M) and engineering functions (development and construction), offering high-quality energy services while fulfilling its primary responsibility of ensuring a stable energy supply for the domestic market.



### Principal Business Activities of Each Segment



### 1.1.3 JERA's Mission and Vision

#### <Mission>



**Mission** – Why do we exist?

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**To provide cutting edge solutions  
to the world's energy issues**

#### <Vision>



**Vision**  
Describe JERA in 2035

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**To scale up its clean energy platform of renewables  
and low greenhouse gas thermal power, sparking  
sustainable development in Asia and around the world**

## 1.2 JERA's Transition Strategy

### 1.2.1 JERA Zero CO2 Emissions 2050

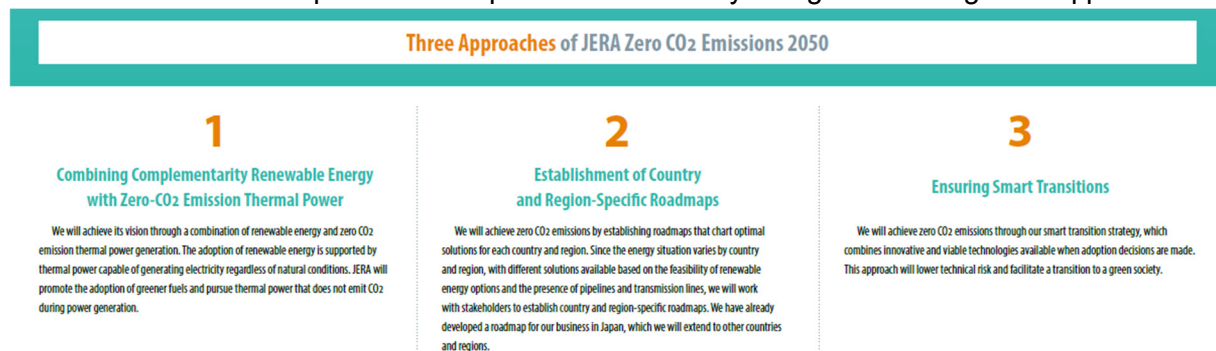
As a global company solving energy issues not only in Japan but also throughout the world, JERA considers global warming countermeasures to be one of its most important management issues. Thermal power generation using fossil fuels accounts for about 80% of Japan's electricity demand but about 40% of its total CO2 emissions. Reducing CO2 emissions from thermal power generation is essential to realizing a low-carbon society.

As Japan's largest power producer, JERA is in a position to actively lead the way in realizing a low-carbon society. To further accelerate its initiatives so far, and to clarify its long-term vision, JERA has established "JERA Zero CO2 Emissions 2050", the goal of achieving zero CO2 emissions by 2050.

- ▶ **JERA's mission is to provide cutting edge solutions to the world's energy issues.**
- ▶ **We are taking on the challenge of achieving net-zero CO2 emissions in Japan and around the world in hopes of creating a more sustainable society for us all.**

\* JERA Zero CO2 Emissions 2050 is premised on steady advances in decarbonization technology, economic viability, and consistency with government policy. We are developing its own decarbonization technologies and taking the initiative to ensure economic viability.

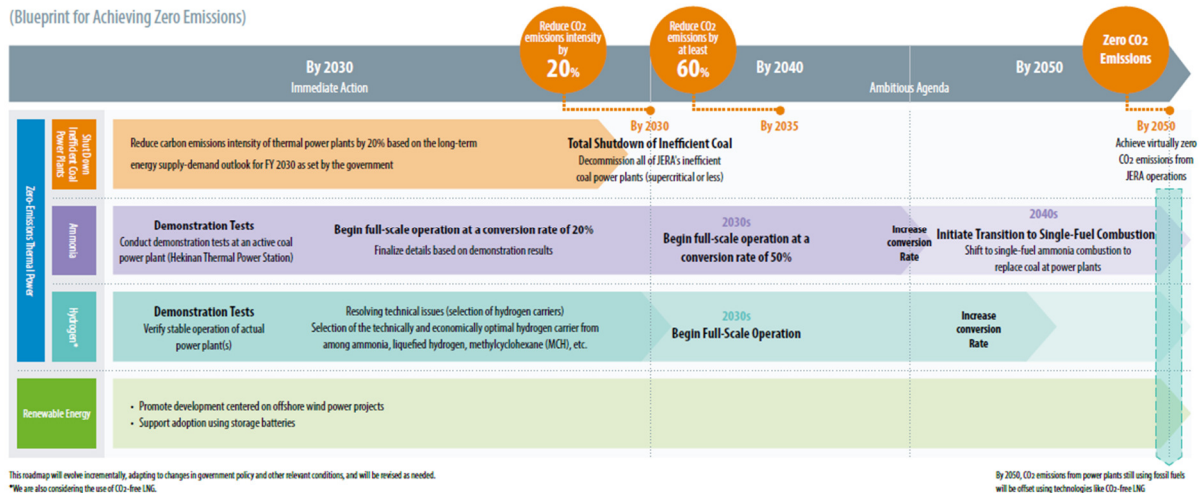
Under “JERA Zero CO2 Emissions 2050,” JERA aims to achieve, by 2050, virtually zero CO2 emissions from JERA’s operations in Japan and overseas by taking the following three approaches.



In addition, JERA’s first step in aiming to achieve zero CO2 emissions in its domestic and overseas businesses by 2050 was to establish a "JERA Zero CO2 Emissions 2050 Roadmap for its Business in Japan.";

### JERA Zero CO2 Emissions 2050 Roadmap for Its Business in Japan

(Blueprint for Achieving Zero Emissions)



(As of September 2023)

The main pillars of the roadmap are the shutdown of all inefficient coal power plants (supercritical or less) by 2030, the usage of ammonia and hydrogen as decarbonization fuel at coal thermal power plants and gas thermal power plants, a gradual increase in the ratio of usage of those, a promotion of development of renewable energy centered on offshore wind power, and a spread of renewable energy through a support for its introduction of battery storage. In developing specific initiatives, the relevant negative environmental and social external effects will also be taken into account. Going forward, JERA will gradually develop the roadmap in greater detail (including the contribution to CO2 reduction in each pillar) based on relevant conditions such as government policies. CO2 emissions from power plants that cannot be switched to dedicated firing by 2050 will be managed by offset technologies and CO2 free LNG, etc. JERA has a plan to disclose the details of each technology.

## 1.2.2 JERA Environmental Target

JERA is actively working to reduce CO2 emissions. In its domestic operations, JERA will achieve the following by FY2030 and FY2035.

### <JERA Environmental Target 2030>

#### JERA Environmental Target 2030

JERA is actively working to reduce CO2 emissions. For domestic operations, we will achieve the following by FY2030:

- Decommission all inefficient coal power plants (supercritical or less) and conduct demonstration tests of conversion to ammonia at high-efficiency (ultra-supercritical) coal power plants.
- Promote the development of renewable energy centered on offshore wind power projects and work to further improve the efficiency of LNG thermal power generation.
- Reduce carbon emissions intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY 2030 as set by the government.

### <JERA Environmental Target 2035>

#### JERA Environmental Target 2035

JERA aims to reduce CO2 emissions from domestic operations relative to FY2013 by at least 60% by FY2035 through the following initiatives:

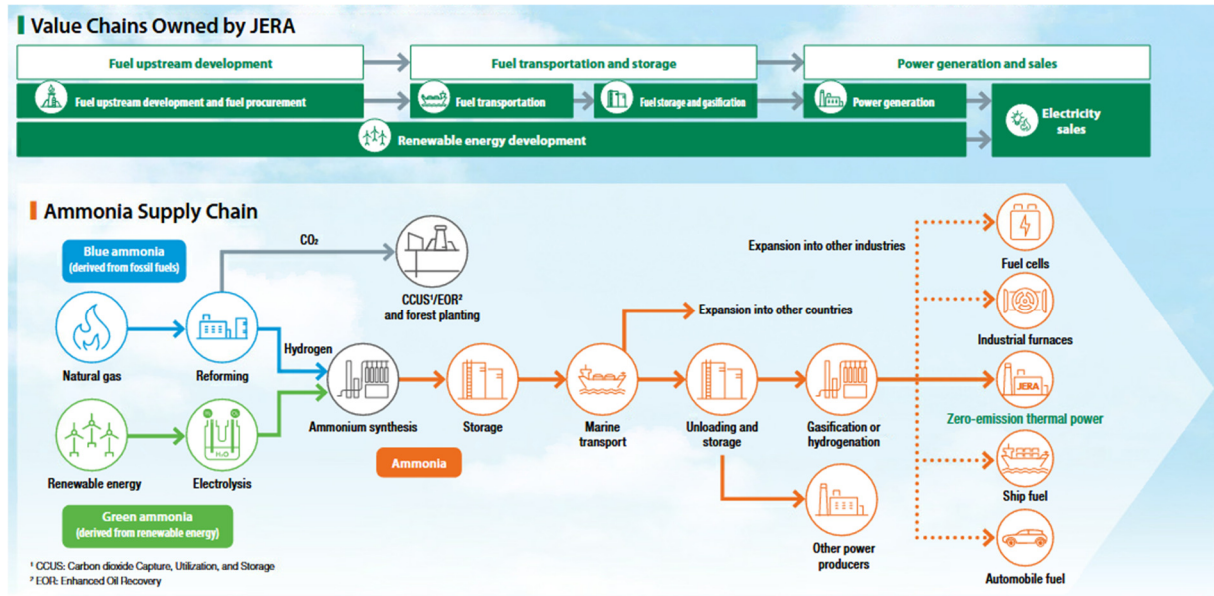
- Strive to develop and adopt renewable energy in Japan, given expanded adoption under the national government's 2050 carbon-neutral policy.
- Commit to reducing carbon emissions intensity from thermal power generation by promoting hydrogen and ammonia conversion.

※JERA Environmental Target 2030・2035 are premised on steady advances in decarbonization technology, economic rationality, consistency with policy, and the business environment under which they will be realized.



### 1.2.3 Initiatives to Manufacture, Transport, and Institutionalize Green Fuels

JERA is actively involved in business throughout the value chain from the upstream development, transportation, and storage of fuel to the generation and sale of electricity. We intend to leverage these advantages to begin establishing entire supply chains for green fuel, and will consider expanding our business domains with our sights set on endeavors such as selling green fuel not only for electricity but for other uses such as transportation.



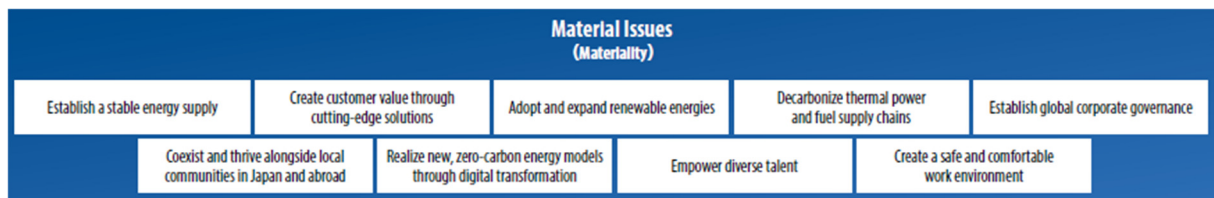
### 1.2.4 Disclosure of data

JERA discloses our data related to environment on JERA's website.  
<https://www.jera.co.jp/en/sustainability/data/e>

## 1.3 JERA's Materialities and Governance System

### 1.3.1 Materialities

JERA identified and published our material issues starting in 2020 based on the goals set forth in our April 2019 business plan. We continue to review our material issues in response to changes in the internal and external environment, and in FY2022 we pinpointed nine issues guided by the new corporate vision and JERA Environmental Target 2035, which were both announced in May 2022. To achieve our mission and vision, we are committed to management conscious of these material issues.





● Major Initiatives ◎ KPI

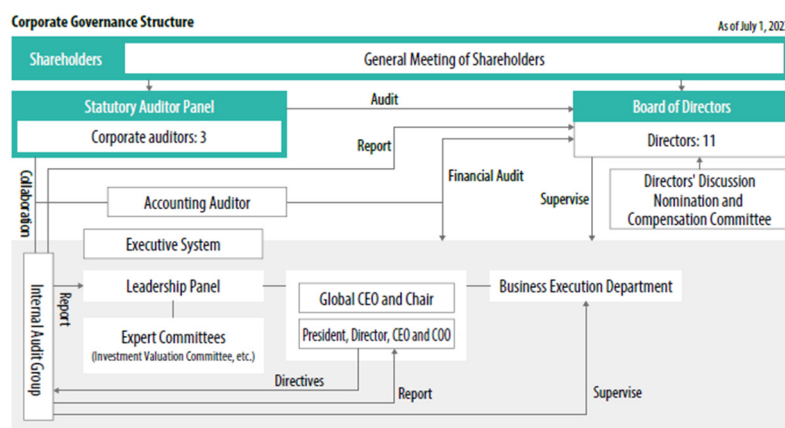
	Material Issues	Major Initiatives & KPIs	Related SDGs
1	Establish a Stable Energy Supply	<ul style="list-style-type: none"> <li>● Stabilize supply and demand management</li> <li>◎ Replace domestic facilities representing 7-9 GW of energy (at 5-7 sites)</li> <li>● Optimize security measures and monitoring systems in line with global standards</li> <li>● Enhance JERA's business continuity plan (BCP) and business continuity management (BCM)</li> <li>● Improve disaster preparedness through systematic education and training</li> <li>● Build a disaster prevention infrastructure by maintaining reserves</li> </ul>	1. NO POVERTY 3. GOOD HEALTH AND WELL-BEING 7. AFFORDABLE AND CLEAN ENERGY 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE 10. REDUCED INEQUALITIES
2	Create Customer Value through Cutting-Edge Solutions	<ul style="list-style-type: none"> <li>● Develop new technologies that can spearhead a sustainable society</li> <li>● Further innovate by combining new technologies with power generation technology</li> <li>● Strategically acquire intellectual property in Japan and abroad and apply it to new business</li> <li>● Develop and deliver solution selling that ties in with company business</li> </ul>	9. INDUSTRY, INNOVATION AND INFRASTRUCTURE 12. RESPONSIBLE CONSUMPTION AND PRODUCTION 13. CLEAN ACTION
3	Adopt and Expand Renewable Energies	<ul style="list-style-type: none"> <li>◎ Target renewable energy development representing 5 GW of energy by FY2025</li> <li>● Acquire essential know-how about offshore wind power</li> </ul>	7. AFFORDABLE AND CLEAN ENERGY 13. CLEAN ACTION
4	Decarbonization of Thermal Power and Fuel Supply Chains	<ul style="list-style-type: none"> <li>● Establish hydrogen and ammonia supply chains</li> <li>◎ Utilize ammonia effectively, with demonstration tests of conversion rates of 20% at Hekinan Thermal Power Station Unit 4 planned for FY2023, commercial operation of conversion rates of 20% targeted for the late 2020s, and commercial operation of conversion rates of 50% intended to begin in the early 2030s</li> <li>◎ Utilize hydrogen effectively, with commercial operation planned for the 2030s</li> <li>● Pursue carbon capture and storage (CCS) know-how and project opportunities</li> </ul>	7. AFFORDABLE AND CLEAN ENERGY 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE 12. RESPONSIBLE CONSUMPTION AND PRODUCTION 13. CLEAN ACTION
5	Establish Global Corporate Governance	<ul style="list-style-type: none"> <li>● Improve board effectiveness</li> <li>● Instill and put into practice a compliance culture and strengthen the JERA Group compliance system</li> </ul>	16. PEACE, JUSTICE AND STRONG INSTITUTIONS

		<ul style="list-style-type: none"> <li>● Make improvements to reporting of financial and non-financial information</li> </ul>	
6	Coexist and Thrive alongside Local Communities in Japan and Abroad	<ul style="list-style-type: none"> <li>● Take action to coexist with the environment, educate the next generation, and resolve issues in local communities based on our Social Contribution Activity Policy</li> <li>● Build good relationships with stakeholders through cooperative efforts with the community</li> <li>● Strengthen systems for the prompt and proper reaction in response to domestic and international crises</li> <li>● Practice global corporate social responsibility (CSR) founded on the needs of overseas sites</li> </ul>	<p>3. GOOD HEALTH AND WELL-BEING</p> <p>8. DECENT WORK AND ECONOMIC GROWTH</p> <p>10. REDUCED INEQUALITIES</p> <p>11. SUSTAINABLE CITIES AND COMMUNITIES</p> <p>17. PARTNERSHIPS FOR THE GOALS</p>
7	Realize New, Zero-Carbon Energy Models through Digital Transformation	<ul style="list-style-type: none"> <li>● Acquire cutting-edge IT technologies such as AI and machine learning by upgrading our R&amp;D environment and building relationships with leading technology companies, among other efforts</li> <li>● Establish the foundation for maximizing data usage, defining parameters, and promoting data education</li> <li>● Promote the digitalization of data at power plants, including those overseas</li> <li>● Offer digital education to all employees</li> </ul>	<p>9. INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>12. RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>13. CLEAN ACTION</p> <p>17. PARTNERSHIPS FOR THE GOALS</p>
8	Empower Diverse Talent	<ul style="list-style-type: none"> <li>● Disseminate major talent initiatives both internally and externally</li> <li>● Evolve and expand mechanisms to attract diverse talent (e.g., broaden the pool of new graduate and mid-career candidates and strengthen partnerships with educational institutions)</li> <li>● Establish systems that promote self-driven career development (e.g., create structures for skill advancement and career paths, provide consultation services, and expand internal promotion efforts)</li> <li>● Build attractive compensation package (introduce a job-based HR system, revise retirement benefit schemes and seniority systems)</li> <li>● Realize borderless human resources (e.g., increase global mobility irrespective of hiring location)</li> <li>● Cultivate corporate culture (e.g., promote diversity and inclusion, health management)</li> </ul>	<p>3. GOOD HEALTH AND WELL-BEING</p> <p>5. GENDER EQUALITY</p> <p>8. DECENT WORK AND ECONOMIC GROWTH</p> <p>10. REDUCED INEQUALITIES</p> <p>16. PEACE, JUSTICE AND STRONG INSTITUTIONS</p>

		<ul style="list-style-type: none"> <li>⊙ Increase the percentage of female employees in leadership positions (targeting 15% in officer positions and 8.5% in management positions by FY2025)</li> <li>⊙ Maintain and improve employee engagement (employee satisfaction survey index for FY2022: 68.8%)</li> </ul>	
9	Create a Safe and Comfortable Work Environment	<ul style="list-style-type: none"> <li>● Continuous leadership from top management and raising individual safety awareness</li> <li>● Construction of a robust management system to lead our safety efforts</li> <li>● Effective safety activities to address changes in the environment</li> <li>⊙ Number of fatalities: 0</li> <li>● Establish contingency plans for overseas operations</li> <li>⊙ Continued selection under the Certified Health &amp; Productivity Management Outstanding Organizations Recognition Program</li> <li>⊙ Promotion of work-life balance (reduce overtime hours, promote taking leave)</li> </ul>	<p>3. GOOD HEALTH AND WELL-BEING</p> <p>8. DECENT WORK AND ECONOMIC GROWTH</p>

### 1.3.2 Governance System

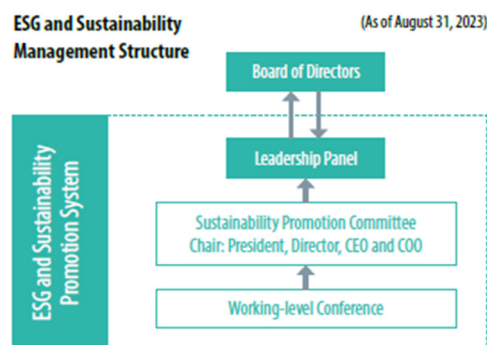
In order to expand business throughout the world in a wide range of fields, the Board of Directors consisting of directors from JERA who are intimately familiar with JERA's business, and outside directors who have extensive knowledge and experience - make material business decisions and supervise the execution of business operations. Further, JERA has corporate auditors as independent officers (the "Corporate Auditors") who are responsible for auditing the execution of the Directors' duties. Additionally, we have established a Statutory Auditor Panel to ensure effective communication among corporate auditors. This panel facilitates the exchange of opinions and provides relevant information related to audits, management, business, and other related matters. In addition, JERA has adopted a system in which executive officers are responsible for business execution based on the decisions made by the Board. This separates important decision-making and supervision of management from business execution and produces accurate, prompt decision-making and efficient business execution.



### 1.3.3 ESG and Sustainability Management

Under the supervision of the Board of Directors, JERA's ESG and Sustainability Promotion System has been reorganized into the Sustainability Promotion Committee, chaired by the Leadership Panel and the President, Director, CEO and COO to examine internal and external issues regarding ESG, Sustainability, and SDGs. This will improve both the speed and effectiveness of management decisions.

In addition, our four subcommittees that had functioned in separate domains under the Sustainability Promotion Committee (the Environmental Subcommittee, Society and Human Rights Subcommittee, Governance Subcommittee, and PR and IR Subcommittee) have been consolidated as the Working-level Conference. The newly established unit dedicated to ESG and sustainability supports the Working-level Conference, promoting ESG and sustainability from a company-wide, cross-functional perspective.



## 1.4 Financial Strategies (announced in May, 2022 "Financial Strategy and New Management Targets for FY 2025")

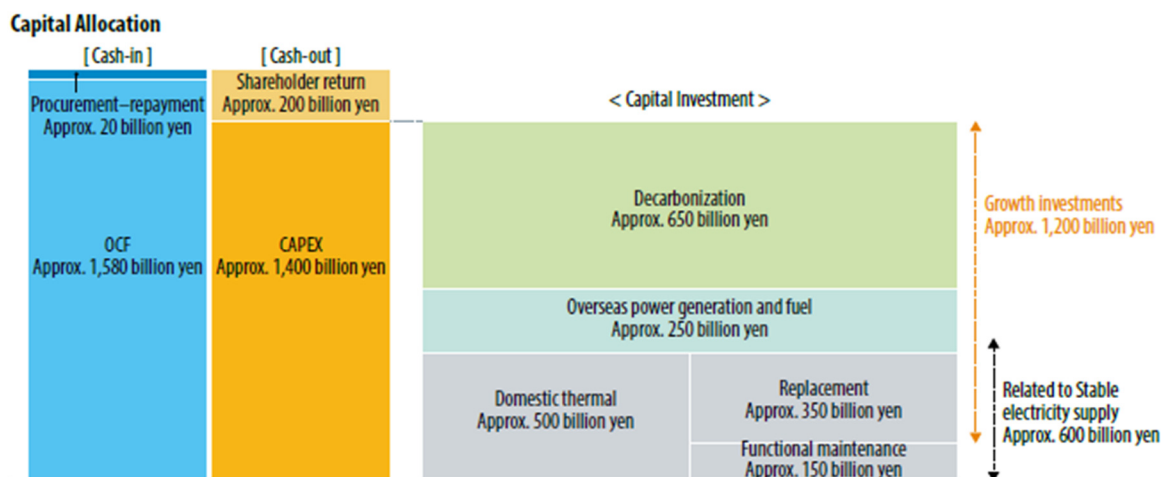
### 1.4.1 Capital Allocation

As a capital allocation to show JERA's direction to aim at sustainable growth, approximately 1.6 trillion yen of cash-in, mainly from operating cash flow will be actively allocated to approximately 1.4 trillion yen of CAPEX.

Capital Investment represents a "breakdown of CAPEX".

Firstly, approximately 1.2 trillion yen will be allocated to growth areas from FY2022 to FY2025. Of this, approximately half, JPY 650 billion yen will be allocated to renewable energy and decarbonization-related sectors such as hydrogen and ammonia, in order to promote decarbonisation initiatives at the same time as growth.

In addition, although there is some overlap with the growth areas, we plan to allocate approximately JPY 600 billion yen to areas related to the stable supply of domestic electricity. We will actively work to fulfil its responsibilities as Japan's largest power generation company.



## 1.5 Participation in External Initiatives

- Participation in the UN Global Compact

To further promote ESG and sustainability management, JERA endorsed the objectives of the United Nations Global Compact and joined its network in July 2023. By joining the network, we hope to pursue further advances in ESG management and work towards the realization of a sustainable society.

- Endorsement to the TCFD Recommendations

As a global enterprise that solves energy problems not only in Japan but also around the world, JERA considers climate change measures to be a priority issue and specifies them in its Materiality. For the purpose of appropriately evaluating climate-change-related risks and opportunities and sustainably enhancing corporate value, we have summarized our climate-change-related systems and businesses in general and the efforts represented by the "3 approaches" set forth in "JERA Zero CO2 Emissions 2050" into four elements (governance and risk management, strategy, metrics, and targets) in line with the TCFD recommendations. In September 2021, JERA endorsed the TCFD Recommendations and joined the TCFD Consortium.

- Participation in the GX League

Green transformation (GX) refers to the transformation of the entire economic and social system to achieve emission reductions and increase industrial competitiveness by viewing initiatives to achieve greenhouse gas reduction targets as an opportunity for economic growth.

In line with JERA's mission to provide cutting edge solutions to the world's energy issues, we have announced our target of JERA Zero CO2 emissions from our operations in Japan and abroad by the year 2050. We believe that our efforts align with the objectives of the GX League and have continued our involvement, announcing our formal participation in the league following our endorsement of the GX League Basic Concept in 2022.

We will continue to take the lead in the decarbonization of the energy industry by proactively developing decarbonization technologies and by working with related institutions, organizations, and stakeholders to resolve various issues.

## 1.6 Rationale for Funding through execution of Sustainable Finance

### 1.6.1 Rationale for Funding

JERA believes that our transition strategy is consistent with the Japanese government's 2050 Carbon Neutral Declaration, the Basic Energy Plan, the IPCC 1.5°C Report, and the Transition Roadmap for the Electric Power Sector established by the Ministry of Economy, Trade and Industry, and will contribute to the Paris Agreement. The funds raised through the execution of Sustainable Finance will be used to carry out various green/transition projects to realize JERA Zero CO2 Emission 2050 and Environmental Targets 2030 and 2035. We believe that the execution of Sustainable Finance will provide us opportunities to communicate our initiatives to our stakeholders and will support the realization of a carbon-neutral and decarbonized society. JERA's long-term strategy will be reviewed in light of changes in policies and other preconditions.



**2. When specifying the use of proceeds: Alignment with Green Bond/Loan Principles, etc.**

**2.1 Use of Proceeds**

**2.1.1 Eligibility Criteria**

JERA will use the proceeds of Sustainable Finance with Use of Proceeds instruments to finance and refinance new and existing expenditures (R&D, CAPEX, operation and maintenance, investment, and other related expenditure) relating to Eligible Projects falling within the following Eligibility Criteria. In the case of existing expenditures, allocation is limited to expenditures made within past three years from the execution of the Sustainable Finance with Use of Proceeds instruments. Depending on the type of finance to be executed, the funds will be allocated to the following project categories.

- Green finance: green project
- Transition finance: green project and/or transition project

<b>Project Category</b>	<b>Eligibility Criteria</b>	<b>SDGs</b>
<b>Transition Project</b> <b>Projects for the realization of zero CO2 emission thermal power</b>	<ul style="list-style-type: none"> <li>• The expenditures related to demonstration projects to substitute ammonia/hydrogen for fuels at thermal power plants</li> </ul>	7. AFFORDABLE AND CLEAN ENERGY 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE 12. RESPONSIBLE CONSUMPTION AND PRODUCTION 13. CLIMATE ACTION 17. PARTNERSHIPS FOR THE GOALS
	<ul style="list-style-type: none"> <li>• The expenditures related to decommissions of inefficient thermal power plants, with the aim of replacement for high-efficiency thermal power plants</li> </ul>	
<b>Green project</b> <b>Renewable energy</b>  <b>ICMA GBP:</b> <b>Renewable energy (Environmental objectives: Climate change mitigation)</b>	<ul style="list-style-type: none"> <li>• The expenditures related to renewable energy (onshore/offshore wind, solar)</li> </ul>	7. AFFORDABLE AND CLEAN ENERGY 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE 12. RESPONSIBLE CONSUMPTION AND PRODUCTION 13. CLIMATE ACTION 17. PARTNERSHIPS FOR THE GOALS
	<ul style="list-style-type: none"> <li>• The expenditures related to battery storage<sup>(*)</sup></li> </ul>	

<sup>(\*)</sup>Depending on the project, it may be referred to as a "transition project".

**2.1.2 Exclusion Criteria**

The proceeds of Sustainable Finance with Use of Proceeds instruments will not be allocated to projects related to:

- Unfair transactions that do not comply with the laws and regulations of the country, such as bribery, corruption, blackmail, embezzlement, etc
- Transactions that can cause social problems relate to human rights and the environment

## **2.2 Process for Project Evaluation and Selection**

JERA's Global Finance Group will select nominated Eligible Projects as specified in section 2.1, and the related business departments will analyze and review the financial risks, technical and operational risks, market environment and ESG risks comprehensively. After that, Executive Officer, Head of the Global Finance Group will be responsible for selecting the Eligible Projects.

During the operation and implementation of the projects, the related business departments are working on the conservation of the surrounding environment and monitoring the overall processes regularly.

## **2.3 Management of the Proceeds**

JERA's Global Finance Group will manage the allocation of the net proceeds of the Sustainable Finance with Use of Proceeds instruments on at least an annual basis, using the internal accounting management system until the proceeds have been fully allocated. Such allocation to the Eligible Projects will be made within 3 years from the execution of the Finance. The unallocated proceeds will be managed in cash or cash equivalents until the proceeds have been fully allocated.

**2.4 Reporting**

**2.4.1 Allocation Report**

JERA will report the allocation of the proceeds of the Sustainable Finance on JERA's website annually until the proceeds have been fully allocated to Eligible Projects.

The report will include the aggregated amount of proceeds allocated to the Eligible Projects at Eligibility Criteria level, the amount of unallocated proceeds and the amount of proceeds used for existing investments.

JERA will report timely in the event of a significant change in the allocation plan.

**2.4.2 Impact Report**

Where possible, JERA will report the following impact metrics of Eligible Projects on JERA's website annually, at least until the proceeds of Sustainable Finance have been fully allocated.

<b>Project Category</b>	<b>Eligibility Criteria</b>	<b>Impact Metric</b>
<b>Transition Project</b> <b>Projects for the realization of zero CO2 emission thermal power</b>	<ul style="list-style-type: none"> <li>• The expenditures related to demonstration projects to substitute ammonia/hydrogen for fuels at thermal power plants</li> </ul>	<ul style="list-style-type: none"> <li>• The outline and the progress of the eligible project</li> </ul>
	<ul style="list-style-type: none"> <li>• The expenditures related to decommission of inefficient thermal power plants, with the aim of replacement for high-efficiency thermal power plants</li> </ul>	<ul style="list-style-type: none"> <li>• The outline and the progress of the eligible project</li> </ul>
<b>Green project</b> <b>Renewable energy</b>  <b>ICMA GBP:</b> <b>Renewable energy (Environmental objectives: Climate change mitigation)</b>	<ul style="list-style-type: none"> <li>• The expenditures related to renewable energy (onshore/offshore wind, solar)</li> </ul>	Report the following Metric by renewable energy type <ul style="list-style-type: none"> <li>• Installed capacity (MW)</li> <li>• Annual power generation (MWh)</li> <li>• Annual CO2 emission reductions</li> </ul>
	<ul style="list-style-type: none"> <li>• The expenditures related to battery storage<sup>(*)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• The outline and the progress of the eligible project</li> <li>• Installed capacity (MWh)</li> </ul>

<sup>(\*)</sup>Depending on the project, it may be referred to as a "transition project".

**2.5 Annual Review**

JERA will obtain a review from DNV, an independent external reviewer, to evaluate whether its reporting of Sustainable Finance aligned with this Framework. This review will be conducted annually until the proceeds of the Sustainable Finance have been fully allocated. The first Annual Review will be published in the next fiscal year following the execution of the Sustainable Finance.

**3. When not specifying the use of proceeds: Alignment with Sustainability-Link Bond/Loan Principles, etc.**

**3.1 Selection of KPI**

To achieve JERA Zero CO2 Emissions 2050 and Environmental Target 2030 and 2035, the following KPI is used for Sustainable Finance with General Corporate Purpose instruments executed under the framework.

KPI
Scope 1 CO2 emissions intensity in JERA Group’s domestic power generation business (Hereafter, "JERA group's domestic emissions intensity")

< Definition of KPI >

CO2 emissions intensity (Scope 1) in the JERA Group's<sup>(\*1)</sup> domestic power generation business in the relevant fiscal year <sup>(\*2)</sup>

\*1 Equivalent to JERA’s investment ratio in JERA Group Companies and Joint Thermal Power Business

\*2 Calculated on a sending-end power basis

**3.2 SPT setting**

Sustainable Finance with General Corporate Purpose instruments executed under the Framework uses the following SPT. JERA has set "Reduce carbon emission intensity by 20% compared to that of thermal power plants in Japan as a whole, based on the long-term energy supply and demand outlook for FY2030 set by the government" as a target for FY2030 in “JERA Zero CO2 Emissions 2050 Roadmap for its Business in Japan” and “Environmental Target 2030”, and the SPT is set at a value of 0.477 kg- CO2/kWh<sup>(\*3)</sup> or less after 20% reduction calculated using the latest long-term energy supply-demand outlook.

JERA, which is at the core of the domestic thermal power generation business, considers the SPT to be ambitious in terms of helping to reduce CO2 emissions from thermal power plants in Japan as a whole.

As each initiative that contributes to reduce the company's emissions intensity is medium- to long-term and does not necessarily progress at a constant speed, it is considered appropriate to set and evaluate SPT in the medium-to long-term, and no annual SPT will be set. However, milestone SPT may be set separately for each finance, taking into account the finance period.

SPT
JERA group's domestic emissions intensity in FY2030 to be 0.477 kg- CO2 /kWh or less

\*3 The SPT is set at a value of 0.477 kg- CO2 /kWh or less after a further 20% reduction from the estimated national emissions intensity from thermal power generation, based on the estimated value of CO2 emissions from electricity-derived energy, total electricity generation, and the ratio of thermal power generation in the "2030 Outlook for Energy Supply and Demand" released by the Japanese government in October 2021.

### 3.3 Bond/Loan Characteristics

Sustainable Finance with General Corporate Purpose instruments executed under the framework will have financial and structural characteristics that will change depending on the achievement of the SPT. Each time a finance is executed, details including conditions will be disclosed in the disclosure documents for the bonds or the loan agreement.

However, JERA intends to disclose an explanation of the changes in the event of unforeseen events (such as significant changes in regulatory or other systems or the occurrence of unusual events) that may materially affect the measurement method and scope of KPI, the setting of SPT, and assumptions due to circumstances unforeseeable at the time of the execution of Sustainable financing (general corporate purpose), either in the disclosure documents for the bonds or the loan agreement.

In addition, if there are material changes in the SPT settings, JERA will discuss with the parties concerned the establishment of SPT with a level of ambition equal to or greater than the existing evaluation standards based on the changes, and will obtain a second party opinion from a third-party assessment agency as necessary.

### 3.4 Reporting

JERA plans to disclose SPT achievement status annually on its website.

### 3.5 Verification

JERA plans to obtain verification from an external institution at least once a year after execution of Sustainable Finance with General Corporate Purpose instruments regarding SPT achievement status to which the final reporting date belongs, and the verification results will be disclosed on its website. The disclosure method will be disclosed either in the disclosure documents for the bonds or the loan agreement, each time the finance is executed.

#### (Revision History)

Date	Remarks
February,2022	Initial
May,2022	Partially updated descriptions due to changing the business execution system in April 2022, setting "JERA Environmental Target 2035" and updating "JERA Zero CO2 Emissions 2050 Roadmap for its Business in Japan" in May 2022
August,2022	Partially updated descriptions to accommodate Transition Finance with General Corporate Purpose instruments
November,2023	Updated to add green projects, to apply to Climate Transition Finance Handbook 2023/Sustainability-Link Bond Principles 2023/Green Loan Principles 2023/Sustainability-Link Loan Principles 2023, and for the organization change