

Compliance

Basic Concept

For the Toho Gas Group, compliance includes complying with laws and internal regulations, action based on good sense and ethics, and meeting the expectations of customers and society. By ensuring thorough implementation of the Corporate Code of Ethical Conduct and the Compliance Code of Conduct, we hope that each employee will live up to the trust of customers.

Corporate Code of Ethical Conduct (excerpted)

(1) Basic guidelines

Toho Gas Group, desiring in earnest to keep the trust of its customers, shareholders, local communities, business partners, and other stakeholders, makes every effort to comply with both the letter and the spirit of all laws and regulations in contributing to local communities by undertaking honest and fair corporate activities while demonstrating common sense and respect for societal norms in our behavior. We also strive for coexistence and co-prosperity through timely and appropriate information disclosure and proactive dialogue with all concerned parties.

(2) Guidelines for corporate officers and employees

- ① In addition to complying with all laws and regulations, we strive to demonstrate common sense and respect for societal norms in our behavior as well as to conduct ourselves as a good corporate citizen.
- ② In the course of our corporate activities, we will treat our customers, shareholders, local communities, business partners, and other stakeholders with sincerity and fairness, and maintain sound relationships with them.
- ③ We are committed on a broad scale to respecting human rights and embracing diversity as well as maintaining a friendly, safe, open, and comfortable workplace.
- ④ We will make every effort to contribute proactively to the community as one of its citizens.
- ⑤ We refuse to engage with antisocial forces that threaten the order or safety of the community, nor will we undertake any action that would benefit such forces.
- ⑥ All executive officers and other personnel responsible for leading our organization are to take the initiative in implementing this Code as well as to make every effort to foster awareness of ethics within the Toho Gas Group and ensure that this Code is followed by all our employees.
- ⑦ All executive officers and other personnel responsible for leading our organization are to take it upon themselves to proactively address any and all violations of this Code by resolving the problem, investigating the cause, and taking action to prevent its reoccurrence. In addition, we will remain accountable to the community, clarify our authority and responsibility, and take strict corrective action even against ourselves.

Compliance Code of Conduct

(Extracted from "Establishing a Relationship of Trust with Society")

[Social-contribution activities]

- As an enterprise having close involvement with local communities, we actively contribute in projects conducive to regional development. We also support social-contribution activities, such as the volunteer activities that each of our employees perform.

[Initiatives against anti-social forces]

- We sever all connections to antisocial forces that threaten the order and safety of civil society and hinder sound business activities, and resolutely deny demands therefrom.

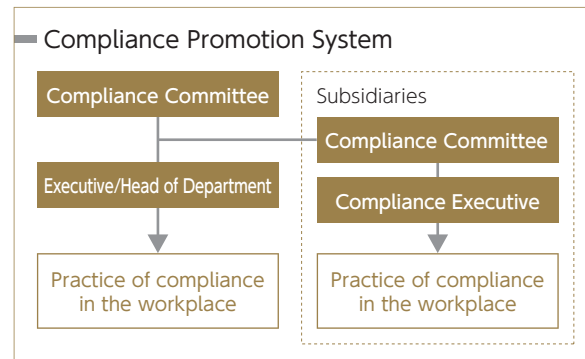
[Association with Related Parties and Anti-Corruption]

- Corporate entertainment and gifts that might pervert the occupational fairness or that go beyond the boundaries of what is socially-acceptable are not provided to related parties, including that which has the objective of acquiring or maintaining unjust profit or preferential treatment.
- In associating with public officials, including foreign public officials, we accept nothing that is contrary to the spirit of the National Public Service Ethics Act, Unfair Competition Prevention Act (Prohibition against the Provision of Wrongful Gains to Foreign Public Officials) or the relevant laws of other countries. Association with persons treated as public officials and the officers and staff members of organizations subject to provisions concerning bribery in special laws also conforms to this.

Compliance Promotion System

The Toho Gas Compliance Committee is chaired by our president and includes all executive officers, general managers, and others responsible for overseeing compliance, meets at least twice a year to deliberate compliance activity plans and their results, and reports its findings to the Board of Directors. The general manager of a department is responsible for promoting compliance, while managers and section managers are responsible for implementing compliance activities.

We have also established a system for continuous oversight at each of our affiliated companies by naming a compliance executive and establishing a compliance committee.



Compliance Consultation Service (Whistleblowing Hotline)

Toho Gas Group has set up Compliance Consultation Service both within the company and outside the company at a lawyer's office, where employees can consult directly in person, by e-mail, or by phone about legal compliance, maintaining a sound work environment (including harassment issues), and fair business activities. This service is available to all Toho Gas Group employees, whether permanent or temporary, as well as to retirees, business partners, and others.

In accordance with our rules for handling compliance consultations, Toho Gas will promptly investigate the facts of all matters raised during a compliance consultation. In the event that an investigation reveals noncompliance, we will take the necessary corrective actions and implement preventative countermeasures immediately. Additionally, we will provide employees who work at the Compliance Consultation Service with training and make every effort to ensure confidentiality, prohibit retaliatory treatment, and otherwise protect whistleblowers.

The reported information is strictly managed and monitored by an auditor, reported to management, and handled appropriately.

During FY2022 there were 43 consultations.

Education and Enlightenment Activities

Toho Gas Group conducts a wide variety of compliance training programs for employees at all levels. During FY2022, approximately 150 executive- and management-level personnel attended compliance seminars, roughly 30 attended labor management training for managers at affiliated companies, and a total of 16,500 employees participated in one of three online training sessions. In addition, we hold compliance meetings at each workplace and regularly publish a Compliance NEWS newsletter for all employees.

Inspection and Survey Activities

Toho Gas Group conducts inspections of all its facilities on a regular basis to ensure compliance with all applicable laws and regulations. We also conduct annual surveys of all Toho Gas Group employees to ascertain their awareness of compliance and workplace culture issues and reflect the results of these surveys in our action plans. During FY2022, 6,484 employees responded for a response rate of 89.4%.

Protection of Personal Information

Based on the Act on the Protection of Personal Information and various guidelines, we have established a personal information protection policy, personal information protection rules, and other internal regulations and manuals in an effort to take safety management measures and to handle personal information appropriately.

As part of our system for protecting personal information, we have established a Personal Information Protection Committee, which is chaired by the Personal Information Protection Manager, who is an executive officer appointed by the company president. The Committee also includes those supervisors responsible for protecting customer, shareholder, employee, and other types of personal information, who meet to deliberate on action plans for the protection of personal information and their results.

All Toho Gas Group facilities regularly conduct self-audits on the management of personal information, and we make every effort to ensure the security of our information systems by restricting access to personal information and preventing unauthorized access via the Internet.

Fair business activities

In April and October of 2021, Toho Gas was subject to on-site inspections and review of the terms and conditions of its electricity and gas transactions by the Japan Fair Trade Commission. We take this issue very seriously, and in addition to having established rules for handling contact with competitors, we have once again conducted training for executive officers and managers on compliance with the Antimonopoly Law. We are committed to strengthening compliance not just with antitrust laws but with all applicable laws and regulations at Toho Gas and at all our affiliated companies.