

Environmental Management

Basic Concept

We set Environmental Action Principles and Environmental Action Guidelines to help the realization of a sustainable society, including carbon neutrality. Having set environmental action goals, we are engaging in a wide range of environmental actions, including global warming countermeasures, resource recycling, and making environmental and social contributions in cooperation with the region. Furthermore, in addition to engaging in compliance with environmental laws and environmental education by constructing Environmental Management Systems, we are managing the progress of initiatives through a PDCA cycle.

Environmental Action Principles

The Environmental Action Principles (established in 1993; latest revision in 2022) are regarded as Toho Gas's business policy.

Environmental Action Principles

Basic Policy

Toho Gas and its Group companies recognize the importance of preserving the environment on a regional and global basis. The Group contributes to the realization of a sustainable society through the resolution of social issues relating to the environment.

Principles

- Principle 1** The Group will contribute to reducing the environmental impacts of its business on customers and society as a whole.
- Principle 2** The Group will reduce the impacts of its business activities on the overall environment.
- Principle 3** The Group will contribute to environmental preservation in collaboration with local communities and the global community.
- Principle 4** The Group will promote technological development related to the environment.

Environmental Action Guidelines

Our Environmental Action Guidelines, established in 2011 and most recently updated in 2022, outline the concept and action details of the environmental activities implemented by the Group.

Environmental Action Guidelines

Global Warming Countermeasures

The Group aims to achieve carbon neutrality in the entire supply chain through the expansion, highly efficient use, and high-degree application of environmentally friendly energy, including natural gas, and the utilization of renewable energy and the decarbonization of gas itself.

Resource Recycling

The Group will promote the effective use of resources in each stage of business activities and reduce, reuse, and recycle waste to minimize external emissions.

Biodiversity Conservation

The Group recognizes the importance of biodiversity, which is the foundation of society and the economy, and will work to grasp and analyze the impact of business activities on biodiversity as well as promoting biodiversity-friendly activities.

Environmental and Social Contributions

The Group will contribute to the resolution of social issues by participating in environmental activities/projects in collaboration with local communities and society at large.

Technology Development

The Group will promote technology development toward realizing carbon neutrality, such as the highly efficient and high-degree application of energy, the use of hydrogen and renewable energy, the capture and separation of CO₂, and methanation.

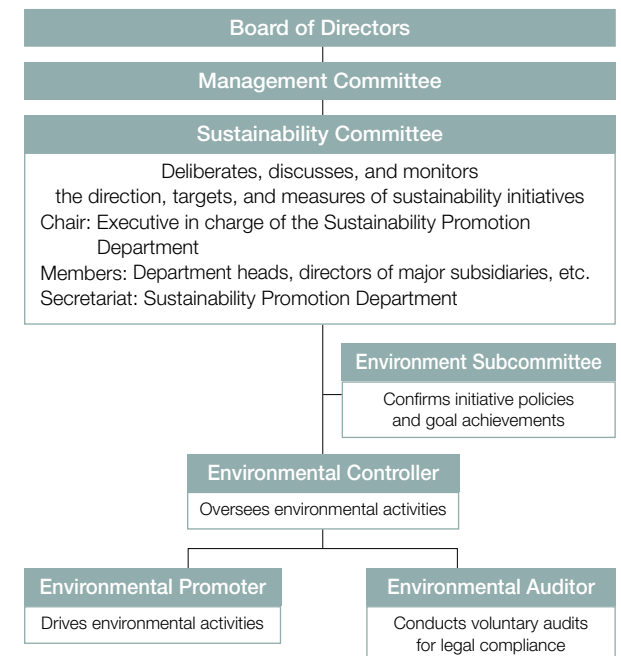
Environmental Management

Recognizing the impact of its business activities on the overall environment, the Group will rigorously enforce environmental management and develop human resources who are environmentally conscious and can act on their own initiative. We comply with the demands of laws, ordinances, and agreements relating to the environment.

Environmental Management System

The Sustainability Committee, comprising Toho Gas and major affiliates, deliberates, discusses, and monitors the direction, targets, and various measures of key environmental activities to reduce the Group's environmental impact and comply with environmental laws and regulations. The Environment Subcommittee confirms the policies of initiatives for environmental action goals and the achievements of each department. In addition, each department and affiliate has specific roles to promote environmental activities, including an "environmental promoter" responsible for driving specific activities, an "environmental auditor" responsible for voluntary audits for compliance with environmental laws and regulations, and an "environmental controller" responsible for overseeing these roles.

Environmental Management Organizational Structure



Environmental Management

● Environmental Action Goals (FY2022–FY2025)

We set environmental action goals for FY2022–FY2025 as shown in the table below, and are promoting initiatives to achieve them. Our performance in FY2024 is also shown in the table.

Regarding our targeted reductions of CO₂ emissions intensity in business activities, reductions improved 2.2% year on year although the target was not achieved during the target period due to the impact of worsening emissions intensity in FY2022. We will continue to improve emissions intensity through comprehensive energy conservation measures. Progress remains steady on all other target items.

Type		Goal	FY2025 target value	FY2024 results
Environmental impact reduction	Global warming countermeasures	Contribution to CO ₂ reduction volume	1 million t compared with FY2020 levels	550 thousand t
		Volume of renewable energy sources handled	250 thousand kW	146 thousand kW
		Reduction of CO ₂ emissions intensity in business activities	CO ₂ emissions intensity: −2%/year	−2.2% YoY ⁺¹ (total for FY2022–FY2024: +1.4%/year)
	Resource recycling	Zero emissions of industrial waste at city gas plants	Maintain current level (final disposal rate of 1% or less)	Final disposal rate of 0.73% (total for FY2022–FY2024)
		Recycling rate of waste generated from gas pipeline construction	99% or more	99.4%
		Promotion of the 3Rs in business activities		 Initiatives related to resource recycling For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/environment/pdf/2025toho_tougou_en_p60.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_circular-economy.pdf
Biodiversity conservation		Reduction of use of natural sand and crushed rock in gas pipeline construction	15% or less compared to conventional construction methods	11.8% compared to conventional construction methods
		Contribution to maintaining and restoring biodiversity through business activities and regional activities, conserving <i>satoyama</i> ⁺² and forests, and protecting local species		 Initiatives related to biodiversity For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/environment/pdf/2025toho_tougou_en_p61-62.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_biodiversity.pdf
Environmental and social contributions		Environmental contribution activities in collaboration with local communities, and contribution to resolving regional and social issues		 Initiatives related to environmental and social contributions For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/social/pdf/2025toho_tougou_en_p65.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_coexistence.pdf
Technology development		Promotion of technology development for advanced use of energy and carbon neutrality		 Initiatives related to technology development For details, please refer to our website. https://www.tohogas.co.jp/lang/en/approach/eco/environment/pdf/2025toho_tougou_en_p39-42.pdf https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_carbon.pdf

*1 CO₂ emissions intensity calculation conditions for city gas emissions (temperature and pressure revisions) have been standardized in line with FY2024 conditions to calculate the rate of change from the previous fiscal year.

*2 Traditional agricultural area located near the foothills of mountains and forests


 Initiatives related to environmental management
 For details, please refer to our website.
https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_e-management.pdf