

## Biodiversity — Responding to TNFD Recommendations

### Basic Approach

To conserve biodiversity, we are making efforts to ascertain the impact of our business activities on biodiversity and ameliorate any negative impacts. By promoting biodiversity initiatives across the entire Group, we aim to create a nature-positive society, as outlined in the Kunming-Montreal Global Biodiversity Framework.

To achieve this, we identify and evaluate points of contact with nature, and in promoting initiatives and establishing systems, we utilize the framework provided by the Taskforce on Nature-related Financial Disclosures (TNFD) and organize nature-related initiatives and analysis results in accordance with TNFD disclosure requirements.

In ascertaining our points of contact with nature, determining our dependence and impact on nature, and identifying risks and opportunities related to nature, we conducted analysis based on the LEAP approach\*<sup>1</sup> provided by the TNFD.

\*<sup>1</sup> The LEAP approach is an analytical methodology developed by the TNFD to evaluate and implement corporate activities related to nature, including identifying points of contact between corporate activities and nature, as well as nature-related dependencies, impacts, risks, and opportunities, and the setting of targets. LEAP is an acronym for Locate, Evaluate, Assess, and Prepare.

### Governance

Biodiversity-related initiatives are managed and monitored in the same way as our disclosure efforts regarding climate change based on TCFD recommendations. The Group has also established a Sustainability Policy, based on which we strive to understand the impact of our business activities on local natural environments and promote activities that take biodiversity into consideration.

### Analysis Using the LEAP Approach

To more comprehensively evaluate the relationship between our business and nature—taking into account the scale of our business, and dependency and impact on nature—the LEAP approach scope of analysis covers direct operations and upstream supply chain investments in the Group's mainstay gas business, and direct operations only in other businesses.

In analysis conducted in FY2024, we analyzed items related to “Locate” (discovering points of contact with nature) and “Evaluate” (diagnosing dependencies and impacts) under the LEAP approach.



In FY2024, our analysis only focused on Locate and Evaluate.

### Dependence and Impact on Nature

Using ENCORE,\*<sup>2</sup> one of the analysis tools recommended by the TNFD, we analyzed the relationship between the target business, ecosystem services, and natural capital from the perspectives of potential dependence and impact on nature, obtaining the results shown in the table on the upper right.

Based on the ENCORE analysis results, we published a heat map on our website summarizing the dependencies and impacts between the target business and nature.

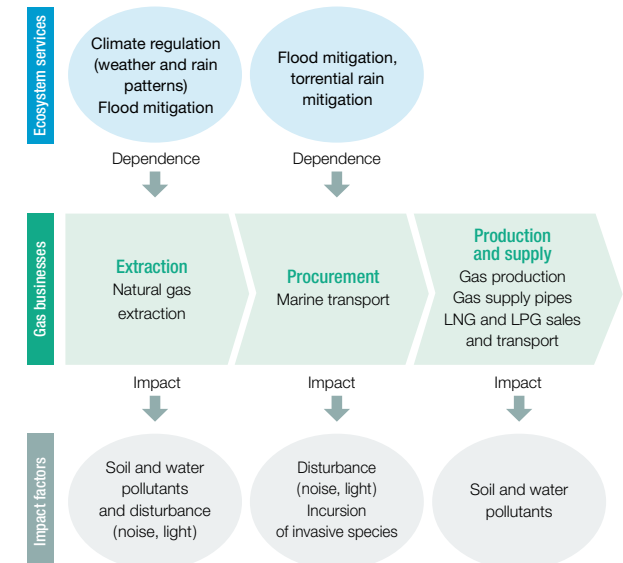
\*<sup>2</sup> ENCORE is a tool supporting the understanding of nature-related dependencies and impacts jointly developed by the United Nations Environment Programme Finance Initiative and other organizations. Based on the International Standard Industrial Classification of All Economic Activities, ENCORE assesses the expected dependence and impact on nature of each economic activity.

Heat Map Showing the Interdependence and Impact of Our Business on Nature  
For details, please visit our website.  
[https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho\\_web\\_en\\_heat-map.pdf](https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_heat-map.pdf)

### Relationship Between Target Business, Ecosystem Services, and Natural Capital

| Business                          | Dependence and impact on nature                                                                                                                                                                                                                                                           |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gas Businesses<br>(including LPG) | There is a strong possibility of soil and water pollution during the natural gas extraction and urban gas manufacturing processes, as well as of impacts on native species from ballast water during the transport of natural gas. See the figure below for details on each supply chain. |
| Electricity<br>Businesses         | There is a strong possibility that greenhouse gas emissions from gas-fired, wind, and solar power generation will have an impact on climate regulation functions.                                                                                                                         |
| Heat Supply<br>Business           | There is a strong possibility of significant impact from greenhouse gas emissions from the manufacturing processes for steam, cold and hot water, etc.                                                                                                                                    |

### Dependence and Impact on Nature for Each Supply Chain in the Gas Business



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### Identifying Areas Requiring Caution

To understand the relationship between the Group's operating bases and core business investment destinations and the surrounding natural environment, we identified areas requiring caution within the Group using various tools recommended by the TNFD as evaluation criteria.

Analytical tools used to identify areas of concern included Integrated Biodiversity Assessment Tool (IBAT) and Global Forest Watch for assessing biodiversity importance, Aqueduct for assessing water stress, and GLOBIOweb for assessing ecosystem integrity.

As a result of the analysis, 32 sites in Japan and overseas were identified as areas of concern due to their proximity to natural parks and wildlife protection areas.

### Initiatives Going Forward

We will continue to contribute to biodiversity conservation while initiating the "Assess" and "Prepare" steps of the LEAP approach as we strive to proactively disclose information. In particular, with regard to FY2024 analysis results, we will conduct a more detailed evaluation of our risks and opportunities analyses and consider countermeasures, targets, and indicators.

### Initiatives Contributing to Biodiversity Conservation

#### Creating Biotopes

In 2000, we established a biotope at the Chita-Midorihamma Works and have strived to preserve the ecosystem by cultivating rare and endemic species, while also asking specialists to conduct surveys of animal and plant species. Additionally, biotopes were created at the Gas Energy Exhibition Hall in 2010 and at Minato AQUUS in 2018, where they are being used for the conservation of local endemic species and environmental education.



Chita-Midorihamma Works Biotope

#### Participation in the Inochi wo Tsunagu Project

The Inochi wo Tsunagu ("Connecting Life") Project is driven by a student executive committee that brings together multiple companies, government agencies, experts, and NPOs in the Chita Peninsula coastal area to create and preserve ecosystems in corporate green spaces and foster students as future leaders in building a sustainable society.

We actively participate in this project, working with neighboring companies to create green spaces and biotopes, eradicate invasive species, and conduct monitoring surveys of wildlife with local companies.

The Chita Peninsula Greenbelt (a group of corporate green spaces along the coast of the Chita Peninsula), where this project is being implemented, was designated as a Nature Coexistence Site for the first half of 2023 by the Ministry of the Environment. We will continue to collaborate with various companies with the aim of enhancing biodiversity on the Chita Peninsula.



Chita Peninsula Greenbelt



Initiatives related to biodiversity  
For details, please refer to our website.

[https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho\\_web\\_en\\_biodiversity.pdf](https://www.tohogas.co.jp/lang/en/approach/eco/pdf/2025toho_web_en_biodiversity.pdf)