

## Communication on Progress (COP)

March 31, 2022

Japan Renewable Energy Corporation

The following are reports on the activities that we conducted during the target period from January to December 2021.

### 1. Executive statement on our continued support for the UNGC

The CEO of JRE wishes to reiterate that the company continues to support the UNGC Principles through its website. This time, the statement is repeated below.

<https://www.jre.co.jp/english/sustainability/statement/>

Curbing global warming and expanding the use of clean energy are issues that countries worldwide should address in common, and these are also listed as main themes for the Sustainable Development Goals (SDGs) adopted at the United Nations Conference in 2015. The Paris Agreement at COP21 came into force in 2016. Japan also ratified this agreement and pledged to significantly expand its use of renewable energy to curtail emissions of greenhouse gases.

The year 2020 marked a historic turning point for the entire world. Along with changes resulting from the spread of COVID-19 in social life and the advance of digitization, the momentum toward a decarbonized society also accelerated. Additionally, in October 2020, Prime Minister Yoshihide Suga declared in his first policy speech that he would commit to cutting greenhouse gas emissions to virtually zero by 2050, thereby setting the 2050 goal of achieving a carbon-neutral society. In working to attain this goal, Japan has declared it will reduce greenhouse gas emissions by 46% by FY2030 compared with the level of FY2013. Besides Japan, over 120 countries have declared their commitments to becoming carbon neutral in 2050.

Japan Renewable Energy Corporation (JRE) was founded in August 2012 in the aftermath of the Great East Japan Earthquake and is entrusted with the mission of “changing the world with renewable energy” to solve the issues of preventing global warming and improving Japan’s energy self-sufficiency rate.

During the following years up to the present, we have built or are operating more than 50 power plants in various locations, including solar, onshore wind, and biomass projects. Looking ahead, we will widely cover the entire range of renewable energy, including offshore wind power and hydroelectric power, and strive to develop our business as a leading company in the industry.

Developing and operating power plants requires the understanding and support of the residents of local communities, government agencies, construction companies, and fund providers. All employees place utmost importance on dialogue with society and earnestly undertake their work to earn the trust of stakeholders.

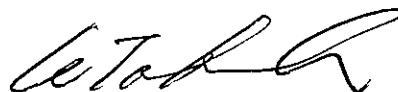
In 2016, JRE became the first renewable energy company in Japan to support the United Nations Global Compact and join the Global Compact Network Japan. As a member of this global community, we commit to upholding The Ten Principles of the UN Global Compact, which cover human rights, labor, environment, and anti-corruption.

In 2019, JRE conducted its inaugural materiality analysis, and in doing so, established the basis of its sustainability approach and disclosures. I am confident that the results of this analysis will create a strong foundation for JRE as it fulfills its responsibilities and makes contributions to solving global issues.

The safety and health of our employees are indispensable for ensuring the sustainable growth of our business. In 2020, we strengthened workplace safety and health to prevent the spread of COVID-19 and also created an environment that realizes diverse workstyles such as promoting remote work.

Looking ahead, we will continue to expand and strengthen our initiatives toward sustainability and will promote and expand our renewable energy business in a manner compatible with the local community and society.

March 31, 2022



Takeuchi Kazuhiro  
President and CEO, Representative Director  
Japan Renewable Energy Corporation

## 2. Activities

We commit to providing affordable clean energy (Goal 7) and preventing global warming (Goal 13), two of the individual goals presented in the Sustainable Development Goals (SDGs), through operating our main business.

During the target period, we began operating solar and wind power plants at three new sites. As of December 31, 2021, power plants are in operation at 51 sites in Japan and Taiwan (with an installed capacity of approx. 540,000 kW in total), and additional power plants are under construction at nine sites (with an installed capacity of approx. 330,000 kW in total).

Following our foundation in 2012, we created in-house rules to embody the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. Since then, we have used these rules to prevent the occurrence of problems in relation to safety, the environment, and fair business dealings.

In 2020, we revised these rules, including the addition of the prohibition of child labor and forced labor to our original Environment, Health, and Safety (EHS) Policy as well as the start of a telework system; and in 2021, we established an external contact desk for our business partners and renewed the internal contact desk for employees, thereby enhancing our efforts.

## Human Rights

Policy	Implementation status	Assessed? / Achieved?
Ensuring the health and safety of employees	<ul style="list-style-type: none"> <li>● Having established EHS* Management Rules (Dec. 2015), we conduct our management in accordance with these rules. (*"EHS" stands for "Environment, Health, and Safety.")</li> <li>● The EHS Committee meets every quarter to check the management status, extract issues, and implement improvement measures by using the PDCA cycle method.</li> </ul>	Yes
Taking into consideration the living environment of residents who live near the power plants	<ul style="list-style-type: none"> <li>● We have held discussions with local residents and municipalities to gain their agreement since the preliminary survey stage. We operate our business by minimizing the impact that power generation has on the living environment of local residents.</li> </ul>	Yes
Providing safe and healthy working conditions for our employees and other related parties who are engaged in the construction or operation of the power plants	<ul style="list-style-type: none"> <li>● Since March 2016, we have established the Health and Safety Management Rules, the Disaster Prevention Management Rules, the EHS Construction Management Guidelines, and the Power Plant Management Rules. In compliance with these rules and guidelines, we provide safe and healthy working conditions for our employees and other parties related to our operations.</li> </ul>	Yes (Refer to the information provided below.)

### Results:

Health and safety indicators / year	2018	2019	2020	2021
Number of employee-related incidents* <sup>1</sup> (including lost-time injuries)	1 (0)	3 (1)	2 (0)	1 (0)
Number of construction contractor-related incidents * <sup>1</sup> (including lost-time injuries)	1 (1)	2 (2)	3 (2)	5 (0)
Number of fatalities	0	0	0	0

\*<sup>1</sup> Total number of labor injuries of lost-time accidents (lost for one day or more) and lost occupational accidents caused by labor, and the number of sufferers of commuting injuries

Labor

Policy	Implementation status	Assessed? / Achieved?
Eliminating long work hours	<ul style="list-style-type: none"> <li>We have improved our work efficiency by conducting a reorganization and reduced the workload per worker by increasing our staff. In addition, we have reduced the monthly maximum overtime hours from 100 hours to 80 hours since February 2017 by amendment of the labor-management agreement on overtime and working on holidays. Consequently, we have been able to reduce the average annual overtime hours of all employees by 37% in 2018, 30% in 2019, 23% in 2020, and 14% in 2021 (base year: 2017), which shows the decrement has decreased every year since 2018.</li> </ul>	Half-achieved
Promoting the adoption of a flexible work hours system (introduced in 2014)	<ul style="list-style-type: none"> <li>At company and departmental meetings, we are encouraging management-level staff, as a first step, to make proactive use of the system.</li> </ul>	Yes
Promoting the adoption of a compassionate sick leave system and a volunteer leave system and encouraging the taking of annual paid leave	<ul style="list-style-type: none"> <li>The practice of taking sick leave, which had been piloted since 2017, was institutionalized in 2018. We are promoting the use of this system and encouraging employees to proactively take annual paid leave. The practice of taking volunteer leave, which had been piloted since 2017, was also institutionalized in 2018. This rule grants five days of paid sick leave annually. However, in 2021, two days were added and seven days were granted taking into account the COVID-19 pandemic and the side effects of vaccinations.</li> <li>Consequently, the rate of paid leave reported in 2016 was 53%, 62% in 2017 and 2018, 57% in 2019, 51% in 2020, and 54% in 2021. These results show a rate of 50% or more has been maintained, while flexible work options, such as working from home, became available.</li> </ul>	Yes

<p>Implementing COVID-19 disease control measures</p>	<ul style="list-style-type: none"> <li>● We have established Disease Control Guidelines as employee guidelines for behavior during the coronavirus crisis.</li> <li>● Anti-droplet protective panels have been set up in all meeting rooms, and sanitizer dispensers have been set up at the entrances to and inside all meeting rooms.</li> <li>● Under Japan's declaration of a state of emergency, the percentage of employees working in our buildings has been kept to 30% or less.</li> </ul>	<p>Yes</p>
<p>Implementing a telework system</p>	<ul style="list-style-type: none"> <li>● To encourage diverse work styles, we have employed a telework system since 2020. We continue using this system after the COVID-19 pandemic ends.</li> </ul>	<p>Yes</p>

Environment

Policy	Implementation status	Assessed? / Achieved?
Contributing to a reduction in CO <sub>2</sub> emissions through our business operations	<ul style="list-style-type: none"> <li>● We have expanded our renewable energy power generation business (by increasing the number of power plants that we operate) and increased our power generation through the stable operation of our power plants to help reduce CO<sub>2</sub> emissions. During the target period, we increased our power generation by approximately 11% and the CO<sub>2</sub> reduction effect by 6% compared with the figures for the same period of the preceding year.</li> </ul>	<p style="text-align: center;">Yes (Refer to the information provided below this table.)</p>
Minimizing the environmental impact at power plant sites and their surrounding areas	<ul style="list-style-type: none"> <li>● We operate our business by implementing measures that eliminate or minimize our environmental impact, if any, and achieving environmental protection levels that are the same as or, as necessary, higher than those specified under the applicable laws and regulations from the preliminary survey stage.</li> <li>● We conduct environmental impact assessments in compliance with the applicable laws and regulations and seek the opinions of experts, the relevant authorities, and local residents. We are developing power plants based on the results of these efforts.</li> <li>● In compliance with the EHS Management Rules, we are operating our business in consideration of the surrounding environment.</li> <li>● In compliance with the EHS Construction Management Guidelines, we pay attention to environmental protection during the construction of power plants together with the contractors.</li> </ul>	<p style="text-align: center;">Yes</p>
Conducting development, adoption and research of environmental protection technologies	<ul style="list-style-type: none"> <li>● Having held discussions with the construction companies and equipment manufacturers from the planning stage, we are developing and introducing various environmental protection technologies, such as employing designs that</li> </ul>	

	<p>maximize power generation during our development and operation of power plants (e.g., for solar power plants, we have employed a design that uses improved ring main units and a design that involves installing solar panels on a slope to mitigate the impact of land development on the environment).</p> <ul style="list-style-type: none"> <li>● With the aim of achieving a stable supply of renewable energy, we are constructing solar power plants equipped with large storage batteries. (By employing a large-scale energy storage system in a solar power plant and using trading optimization methods, we will demonstrate various measures, such as energy time-shifting, production/demand imbalance mitigation, and enhancement of forecast technology.)</li> <li>● We are conducting joint-research projects on offshore wind condition analysis with universities and other institutions (such as the study of a new method of wind field measurement with the University of Tokyo, and the study of wake flows behind wind turbines with Kyushu University).</li> </ul>	Yes
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Results (In Japan):

Climate and energy-related indicators / year	2018	2019	2020	2021
Total capacity in operation (MW) as of December 31	295	345	403	542
Total renewable energy sold (MWh)	345,091	505,075	598,211	663,532
Annual amount of CO <sub>2</sub> reduction effect *1 (t-CO <sub>2</sub> )*1	165,904	227,984	267,763	284,449

\*1 Calculated using emission factors for each electric power utility as of December 31 each year, in accordance with the Act on Promotion of Global Warming Countermeasures



Anti-Corruption

Policy	Implementation status	Assessed? / Achieved?
Observing laws, regulations and corporate ethics	<ul style="list-style-type: none"> <li>● By positioning the "Compliance with laws, regulations and corporate ethics" at the head of the JRE Group's Code of Conduct, we prioritize this policy among our corporate activities. We are enhancing employee awareness of this policy by presenting executive messages and providing in-house training events repeatedly to all of our employees.</li> </ul>	Yes
Conducting fair business dealings	<ul style="list-style-type: none"> <li>● Our Procurement Control Rules mandate that every transaction and relationship with a trade partner be checked for unfairness. We eliminate the possibility of unfair business dealings by promoting different departments to check on each other.</li> </ul>	Yes
Eliminating business dealings with antisocial forces	<ul style="list-style-type: none"> <li>● We employ a multilayered checking system that requires the department of the person in charge of a transaction to coordinate with representatives from other departments in checking each transaction for any problems in advance. To avoid any and all business dealings with antisocial forces, the system checks that each contract includes a representation and warranty by the relevant trade partner denying that it is an antisocial force as well as an antisocial forces exclusion clause.</li> </ul>	Yes
Maintaining transparent, fair and impartial relationships with politicians and public officials	<ul style="list-style-type: none"> <li>● Our in-house rules prohibit any exchange of money or other valuables with politicians or public officials. Political contributions are also prohibited.</li> <li>● Whenever a member of staff holds talks with a politician, we require that multiple other members of staff attend and keep minutes of the meeting.</li> </ul>	Yes

<p>Establishing contact desks</p>	<ul style="list-style-type: none"> <li>● We have established a contact desk to allow employees (including persons who left the company within the last one year) to report violations or suspected violations of corporate compliance by our staff members or officers.</li> <li>● We have also established an external contact desk on our website for our business partners (since January 2021).</li> </ul>	<p>Yes</p>
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<Company overview>

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Location	Roppongi Hills North Tower 10F, 6-2-31 Roppongi, Minato-ku, Tokyo, 106-0032, Japan TEL : +81-3-6455-4900 FAX : +81-3-6455-490
Founded	August 20, 2012
Capital, etc.	40 billion yen
Major Shareholders	ENEOS Corporation, Sumitomo Mitsui Trust Bank, Limited
Number of employees	207 (as of December 31, 2021)
Description of business	Preliminary surveys, planning, design, materials procurement and sales, civil engineering, electrical service, construction, operation, maintenance and inspection work, and electric power sales pertaining to power generation plants (wind, solar, biomass, and other natural energy-based power generation)