













## Identifying Major CSR Challenges Facing the Kyuden Group

International awareness of global-scale social problems is growing rapidly, as reflected in the growing adoption of Sustainable Development Goals (SDGs) set forth by the UN, as well as the spread of ESG investment activities. In this environment, enterprises are also strongly expected to play a role in solving problems.

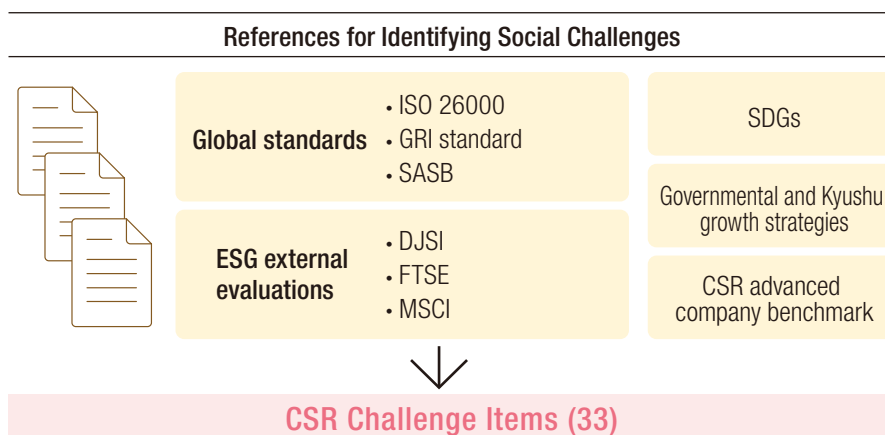
With awareness of this management environment, the Kyuden Group has identified 14 major CSR challenges for which stakeholder expectations are particularly high. Going forward, the Kyuden Group will work actively to address these major CSR challenges.

### Kyuden Group Major CSR Challenges

Theme	Charting a Path to a Sustainable Society	Relevant SDGs	Major CSR Challenges
Realization of a sustainable society through energy services	Energy is essential for customers' lives and economic activities, and we will continue to deliver it in a stable, reliable way. We will also anticipate changes in our environment, including energy availability and the diversifying needs of our customers, and evolve our energy services accordingly.	  	Reduce CO <sub>2</sub> emissions Develop/adopt renewable energy Provide energy reliably Operate nuclear power stations safely and reliably Meet customer needs and challenges with energy services
Sustained development of Kyushu leveraging local characteristics	A vigorous, growing Kyushu means more demand for electric power. The Kyuden Group is committed to earnestly addressing the challenges facing Kyushu and devising solutions that reflect the region's unique characteristics.	     	Promote local industry and create jobs Expand number of visitors to Kyushu Preserve biodiversity Help create a society that is equally welcoming for the elderly and children Create urban development for safe, strong neighborhoods
Ongoing personnel and organizational development	A pioneering spirit is part of the history of the Kyuden Group. We regard rapid change in our management environment as an opportunity, and will continue to break new ground.	  	Create innovation Develop personnel Create work-friendly environments Ensure effective corporate governance

## STEP 1 Identifying Social Challenges (CSR Challenge Selection)

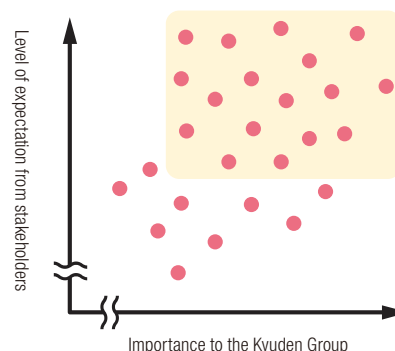
The process of identifying social challenges took items given importance by global CSR standards as its foundation and included reference to SDGs and ESG external evaluations as well as growth strategies formulated by the national government and Kyushu administrative entities. This yielded a list of challenges for further consideration.



## STEP 2 Prioritizing CSR Challenge Items

We then formed a draft list of Major CSR Challenges by giving the CSR Challenge Items in Step 1 a relative evaluation along two axes, Stakeholder Expectations vs. Importance to the Kyuden Group. In making selections, we gave deliberate priority to Stakeholder Expectations. For example, items that were high in terms of Stakeholder Expectations were included in the list even when Importance to the Kyuden Group was relatively low.

### ● Plotting the Major CSR Challenge proposals



## STEP 3 Verifying Appropriateness (Discussions with Experts)

Based on the Major CSR Challenges selected in Step 2, we held discussions with external experts to obtain opinions from the standpoint of their specialist knowledge. The results of these discussions were used to help draw up a draft list of 14 Major CSR Challenges.

Organization/Title	Name	Organization/Title	Name
Director of Business Development Division, Kyushu Economic Research Center Director, BIZCOLI Hall	Hideyuki Okano	Representative, Biznet Corporation External Director, Aeon Kyushu Co., Ltd.	Yuriko Hisadome
Representative Director, Psy's Learning Chairman, GEWEL	Machiko Takami	Sustainability & CSR Director, Mitsubishi Corporation	Takehiro Fujimura
Deputy Chief Research Officer, Chief Manager of Sustainability Management Office, Corporate Planning & Coordination Department, Development Bank of Japan	Keisuke Takegahara	Fellow, Chuo Graduate School of Strategic Management, Chuo University Supervising Lecturer, Japan Management Association	Etsuhiro Hosoda

Topic

### Principal Opinions Received

#### ● Formulation Process, Major CSR Challenge

- Using global standards, opinions sent directly to the Kyuden Group, and other references, a wide range of social challenges were identified, and all areas were covered
- Objective materials were used to determine Stakeholder Expectations, and the results were appropriate

#### ● Efforts to Address Challenges

- It is important to solve Major Challenges through active efforts of the unified Kyuden Group based firmly on its management strategy, including its management vision
- It is vital that efforts to solve regional challenges be adapted to the characteristics of each locality

#### ● Items Selected for Major CSR Challenges

- Items like “promote local industry” and “expand the number of visitors to Kyushu” conveyed the message that the Kyuden Group wants to grow along with Kyushu by invigorating its economy
- The list of items is a good representation of the Kyuden Group’s culture

#### ● Message to Society

- The Major Challenges represent a commitment by the Kyuden Group. It is important that they follow through on this commitment to be better regarded by society, and their active messaging is encouraging
- Demonstrating how the Group’s efforts to solve the Major Challenges will tend to deliver value for society will facilitate communication with society

## STEP 4 Identification of Major CSR Challenges (review and approval by deliberative bodies)

The draft list of Major CSR Challenges selected in Step 3 was reviewed for appropriateness by the CSR Promotion Committee, which is chaired by the president and composed of senior management, and 14 Major CSR Challenges were selected. The list of challenges will be reviewed as required in light of changes in social trends and the Kyuden Group’s operating environment among others.

For more details regarding the Kyuden Group’s efforts to address Major CSR Challenges, please refer to the Kyuden Group Sustainability Report 2019.