

Contents

	This chapter contains the corporate profile, messages, HEPCO's management philosophy, and the like.			
	Profile	03	Corporate Governance	06
	Business Fields	04	The HEPCO Group CSR Behavior Charter	07
	In a Bid to Repay Our Stakeholders' Trust Message from the President of the Company	05	At the Time of the Publication of the HEPCO Sustainability Report Message from the General Manager of the Corporate Communication Division	08

Society	This chapter covers supplying inexpensive electricity in a stable manner, pursuing compliance thoroughly within the company and engaging in philanthropic activities. This chapter also introduces activities that we have undertaken to make the workplace more rewarding to our employees.			
	Relationship with Stakeholders	09	Appropriate Corporate Behavior	17
	Stakeholders' Meeting	11	Philanthropic Activities	22
	Illegal Operation of Power Generation Equipment and Data Fabrication	13	Partnerships among Local Residents, Businesses and Government	24
	Stable Supply of Electricity	15	Making the Workplace More Rewarding Occupational Safety and Health	25 27

Environment	This chapter comprehensively explains the impact on the environment of business activities, and measures for reducing environmental burdens in conformity with the HEPCO Group Environmental Policies.			
	HEPCO Group Environmental Policies and Promotional Structure	29	Action Items of HEPCO Group Environmental Policies	
	Environmental Accounting	30	1 Promoting Measures to Prevent Global Warming	35
	Material Balance of Business Activities	31	2 Promoting Environmental Conservation in Business Areas	42
	FY2007 Performance and Targets	33	3 Promoting the Formation of a Recycling-Based Society	48
			4 Improving the Level of Environmental Management	54
			5 Developing "Environmental Relations" Activities	57

Economy	This chapter sheds light on the outline of HEPCO's business performance in FY2007, the transition of financial data, the Mid-Term Management Policy and reduction of electric rates.			
	Outline of Business Performance in FY2007	59	State of Progress of the Mid-Term Management Policy	62
	Financial Data (Unconsolidated)	60	Reduction of Electricity Rates	63
	Mid-Term Management Policy	61		

	Description of HEPCO Group Companies and Their Environmental Activities	64	Third Party Viewpoints	67
			Independent Assurance	68
	Performance Data	65	Index	69
			Tables Cross Referenced with the Guidelines	70

Environmental Reporting Guidelines

The Environmental Reporting Guidelines were formulated by the Ministry of the Environment to show criteria for reporting on environmental conservation-related management. Such management includes policies, targets and plans, and environmental conservation activities based on environmental management.

Corporate governance

Corporate governance involves decision-making, supervision and oversight of management. Due to the recent changes in shareholder composition and demands for stricter compliance, there have been calls for strengthened decision-making, supervision and oversight of management, and numerous companies are promoting these reforms.

Compliance

Compliance refers to corporate adherence to laws, corporate ethics and social norms. It has attracted attention among consumers, investors, business partners and other stakeholders.