Business Strategies

Materiality and Daigas Group Charter of Business Conduct

In light of the process to identify materiality, the Daigas Group has set forth "co-create value for a sustainable future" in its Medium-Term Management Plan, defining the pursuit of the creation of value for solving social issues alongside stakeholders as one of its key strategies.

Through unified management that integrates corporate principles, the Medium-Term Management Plan, materiality, and key performance indicators (KPIs), we will work to accelerate ESG management.

С	harter of Business Conduct	Important issues (Materiality)	Value for a sustainable future	Initiatives to create value for a sustainable future	Indicators	Goals	Fiscal year to be achieved	FY2022.3 Result	Contribution to SDGs
I	Creating value for customers	Maintain and expand customer base	Establishing lifestyles and businesses adjusted to the new normal	Maintain and expand customer base	Number of customer accounts	10 million or more	FY2031.3	9.81 million ☐ P.34	9 MACHINI MONUBAN 111 MACHINIAN STATE STAT
		Improvement of customer satisfaction and quality of services		Enhance customer relationship management	Customer satisfaction rate	90%	FY2024.3	92%	13 shall 17 minutals (See See See See See See See See See Se
		Customer health and safety GRI Standards: 416-1	Enhancing resilience of customers and society	Maintain safety and quality levels	Number of serious accidents	Continued zero serious accident	FY2031.3	Zero serious accidents	7 general and 9 person reported to the control of t
		Stable supply of services		Strengthen resilience of energy supply	Build a resilient energy supply facilities	Implementation of measures for disaster prevention and aging pipes	FY2031.3	Ratio of strengthening of earthquake resistance: about 89% Number of supply area subdivision: 709 blocks	12 SEPARATE
П	Contributing to the sustainability of the environment and society	Climate change GRI Standards: 302-1 305-5	Achieving a low carbon / carbon neutral society	Implement carbon neutral measures	CO ₂ emissions of Daigas Group	Net zero emissions	FY2051.3	26.79 million tons ☐ P.27	7 manufacti 9 semi-menta (**) 12 manufacti 13 deni
				Provide clean energy and expand renewable energy value chain	Percentage of renewables in our power generation portfolio in Japan*	Nearly 50%	FY2031.3	8.1%	
					Contribution to developing renewables capacity on a global basis*	5 GW	FY2031.3	1.398 GW ☐ P.27	12 SEPARATI 13 CAMPA COMPANIA
						2.5 GW	FY2024.3		17 PRITEINAN
				Promote advanced utilization of natural gas and environmental products	CO ₂ emissions reduction contribution (compared to FY2017.3)	10 million tons	FY2031.3	3.36 million tons ☐ P.27	
Ш	Engaging with and contributing to society	Coexistence with local community GRI Standards: 413-1	Building foundations that support the realization of value for a sustainable future	Promote communication with local communities	Number of our participations in local governments' activities (i.e. community development planning)	14 cases	FY2024.3	26 cases	7 GINNELLAN 11 REVENEUTE
					Number of joint efforts with local communities	170 times	FY2024.3	167 times	13 SUMPLE TO SPINE GRADE TO SPINE GR

Materiality Identification Process

Business Strategies

In terms of global risks, changes in the business - environment, and contributions to the SDGs via business activities, we listed the items of "impacts" on society and the environment" and "future financial impacts on the group" for the Daigas Group, using the GRI Standards, etc., as a reference.

For "future financial impacts on the group," we considered what we aim to be, issues, and risks for the fiscal year ending March 31, 2031 by each organization and business domain within the Daigas Group. For "impacts on society and the environment," we had deliberations by taking into account the opinions of external experts.

We considered the impacts of each item on in both "impacts on society and the environment" and "future financial impacts on the group" in terms of risks and opportunities, scored the degree of significance, and identified materiality.

We have revised the Daigas Group Charter of Business Conduct and other documents based on the identified materiality. The materiality as indicators of efforts to embody the Charter and contribute to the realization of a sustainable society, along with the Medium-Term Management Plan, was presented to the contribute to the realization of a sustainable society, along with Board of Directors and decided with the approval of the Board.

	Charter of Business Conduct		Important issues (Materiality)	Value for a sustainable future	Initiatives to create value for a sustainable future	Indicators	Goals	Fiscal year to be achieved	FY2022.3 Result	Contribution to SDGs
1	IV	Respecting human rights	Supply chain management GRI Standards: 308-1 414-1	Building foundations that support the realization of value for a sustainable future	Build a responsible supply chain	Appropriate new supplier ratio	100%	FY2024.3	100%	5 interior Service Constitution of the Constit
,	V	Complying with laws and regulations	Compliance GRI Standards: 307-1 418-1 419-1		Promote the Group's compliance	Number of serious violations of laws and regulations	Continued zero serious violation	FY2024.3	Zero serious violations of laws and regulations	5 mm 8 mm mm m
VI		Providing work environment that supports employees' personal growth	Employee engagement		Create a workplace where employees can feel a sense of fulfillment	Attitude survey (Loyalty Score)	Maintained and improved employee engagement	FY2031.3	Design/implementation completed	5 mm. 8 mm ann
	VI		Development of employee skills GRI Standards: 404-1			Annual average hours of training per employee	Implementation of human resource development and work environment improvement	FY2031.3	28.6 hours/person Hours of e-Learning courses (safety, information security, environment, etc.) were taken* 4.50 hours/person P.43	
			Diversity and inclusion GRI Standards: 405-1		Promote diversity and inclusion	Percentage of women in 1. executives, 2. members newly promoted to the middle management positions, and 3. new recruits for career-track positions	1. 20% or more 2. 30% or more 3. Continue 30% or more	FY2031.3	1. 13.3% 2. 6.3% 3. 28.1%	

*Includes some temporary employees and part-time workers