



Daigas Group’s Sustainability Promotion System and Management

In line with the expansion of the Daigas Group’s business, the range of stakeholders who are affected by our business, including customers, local communities, shareholders, investors, and employees, is also expanding.

We have developed our sustainability promotion system to acknowledge the impacts that our business has on society and the environment and to conduct our business activities in consideration of those impacts. Through dialogue with internal and external stakeholders, we strive to identify precisely society’s expectations and demands for the Group.

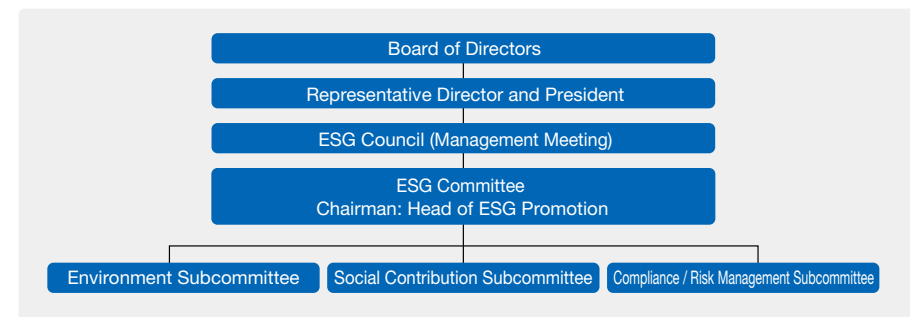
Since 2014, we have been identifying important issues (materiality) while seeking the opinions of external experts, and have been promoting sustainability activities with the aims of solving social issues and achieving sustainable economic growth.

Sustainability Promotion System and Governance

The Daigas Group has an ESG Committee, chaired by the Head of ESG Promotion (Representative Director and Vice President), who supervises the Group’s sustainability activities. This committee, whose members include the heads of related organizations, coordinates and promotes sustainability activities in a cross-organizational manner. The setting of important issues (materiality), indicators and targets for ESG management, the status of achievement, and other matters are submitted to and deliberated at the ESG Council (Management Meeting). The Board of Directors is then consulted on important matters related to sustainability activities and is responsible for decision-making and supervision.

The Group has also established and works closely with an Environment Subcommittee, Social Contribution Subcommittee, and Compliance/Risk Management Subcommittee.

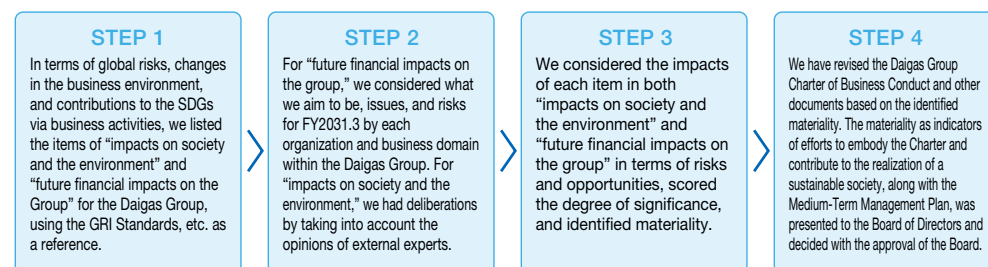
Sustainability Promotion System (As of April 1, 2023)



Identification of Materiality

The Daigas Group newly identified important issues (materiality) for the formulation of the Medium-Term Management Plan 2023. This involved identifying items of “impacts on society and the environment” and “future financial impacts on the Group” as medium- to long-term impacts based on changes in the business environment and sustainability-related social trends. We considered the impact of each item and obtained opinions on “impacts on society and the environment” from external experts.

The diagram on the right shows the mapping of the evaluation results. The section of the diagram marked 1 is the section that is considered particularly important, and items that fall in this section are identified as “materiality.”



Impact Evaluation Chart

