

Initiatives to Comply with the TNFD

The recognition that natural capital is in crisis has been shared globally, as it was reported at the World Economic Forum that more than half of the world's GDP has been potentially threatened by the loss of nature. In response to this situation, "nature positive," a global societal goal to halt the loss of nature and put it on a recovery track by 2030, and achieve a society in harmony with nature by 2050, was established. Recognizing that companies are required to make efforts to contribute to achieving that goal, the Daigas Group has embarked on an analysis and assessment in line with the LEAP approach*, recommended by the TNFD, in studying nature-related dependencies, impacts, risks and opportunities.

*A methodology developed by the TNFD to enable assessment of nature-related issues in corporate activities such as interfaces with nature, dependencies and impacts on nature, and nature-related risks and opportunities.

Progress of Analysis and Assessment in Accordance with the LEAP Approach

Based on "Locate" (interface with nature) and "Evaluate" (dependencies & impacts) obtained from the LEAP approach, as well as the business processes specific to the Group's businesses and the status of our initiatives, we are gradually proceeding with analysis and assessment that correspond to "Assess" (risks & opportunities) and "Prepare" (respond & report) of the LEAP approach.

For our initiatives in FY2025.3, please see [the Sustainability Report 2025](#).

Initiatives for Compliance

The Group's view on compliance is that it is not only about observing laws and regulations but also entails sensible corporate activities based on sound ethics. Recognizing that to maintain trust of stakeholders, it is essential to ensure that officers and employees put compliance into practice, we are continually conducting training sessions and employee surveys to raise awareness.

In addition, "Compliance Desks" have been established as one of the systems for early identification of incidents of violations of laws and regulations or corruption/misconduct, and for prompt and appropriate response.

Initiatives Undertaken by the Compliance Desks (Internal Reporting System) in FY2025.3

The desks received a total of 173 consultations and reports in FY2025.3. We examined the necessity of factual investigations on these cases and conducted interviews, evidence checks, etc. Measures to remedy the situation and prevent recurrence were taken as necessary.

When cases are brought to the "Compliance Desks," violations of laws and regulations, etc., are remedied if any violations are found in the investigations. Even if no violations are found, improvements are made as necessary in order to maintain and improve a sound work environment.

The content of report, investigation results, remedies, and other matters are reported to and shared by the Compliance/Risk Management Subcommittee and the Sustainability Committee to prevent recurrence.

As a result of an investigation regarding descriptions for the sale of ENE-FARM products, triggered by an internal reporting, we found that there existed representations that were questionable under the Act against Unjustifiable Premiums and Misleading Representations (Premiums and Representations Act), so we took measures to prevent recurrence and reported the matter to the Consumer Affairs Agency in March 2025. Osaka Gas Marketing Co., Ltd. and the rest of the Group will further strengthen training and control systems regarding the Premiums and Representations Act.

