














# 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.

| 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 | FY2023.3 results   | Contribution to SDGs  |         |
|---|--|---|--|--|---|----------------------------|--|---|---------|
| I<br>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  | 2031.3                     | 10.02 million  |       |         |
|   | Improvement of customer satisfaction and quality of services |   | Enhance customer relationship management                               | Customer satisfaction rate   | 90%   | 2024.3                     | 90%  |   |         |
|   | Customer health and safety<br>GRI Standards:<br>416-1        | Enhancing resilience of customers and society                                       | Maintain safety and quality levels                                     | Number of serious accidents  | Continued zero serious accidents                                      | 2031.3                     | Zero serious accidents   |   |         |
|   | Stable supply of services                                    |   | Strengthen resilience of energy supply                                 | Build resilient energy supply facilities   | Implementation of measures for disaster prevention and aging pipes    | 2031.3                     | Ratio of strengthening of earthquake resistance: about 89%<br>Number of supply area subdivisions: 713 blocks |   |         |
| II<br>Contributing to the sustainability of the environment and society | Climate change<br>GRI Standards:<br>302-1 305-5              | Achieving a low-carbon/ carbon-neutral society                                      | Implement carbon-neutral measures                                      | CO <sub>2</sub> emissions of Daigas Group  | Net zero emissions  | 2051.3                     | 25.98 million tons   |      |         |
|   |  |   | Provide clean energy and expand renewable energy value chain           |  | Percentage of renewables in our power generation portfolio in Japan*2 | Nearly 50%                 | 2031.3   |   | 13.0%   |
|   |  |   | Promote advanced utilization of natural gas and environmental products | Avoided emissions (Baseline: FY2017.3)   | Contribution to developing renewable capacity on a global basis*2     | 5 GW                       | 2031.3   |   | 2.11 GW |
|   |  |   |  |  | 2.5 GW  | 2024.3                     |  |   |         |
| III<br>Engaging with and contributing to society                        | Coexistence with local community<br>GRI Standards:<br>413-1  | Building foundations that support the realization of value for a sustainable future | Promote communication with local communities                           | Number of our participation in local governments' activities (i.e. community development planning) | 14 cases  | 2024.3                     | 38 cases   |       |         |
|   |  |   |  | Number of joint efforts with local communities   | 170 times   | 2024.3                     | 326 times  |   |         |

\*1 Emission throughout the domestic supply chain (Scope 1, 2 & 3) (New targets for FY2031.3 set in Energy Transition 2030) \*2 Including power sources under the feed-in tariff (FIT) system.

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|---|---|---|--|--|---|-------------------------------------|---|---|
| IV<br>Respecting human rights   | Supply chain management<br>GRI Standards:<br>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%  | 2024.3                              | 100%  |   |
|   | V<br>Complying with laws and regulations                  |   | Compliance<br>GRI Standards:<br>307-1 418-1 419-1  | Promote the Group's compliance   | Number of serious violations of laws and regulations                          | Continued zero serious violations   | 2024.3  | Zero serious violations of laws and regulations |
| VI<br>Providing a 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                                   | 2031.3                              | Four comprehensive indicators remained at appropriate levels                                  |   |
|   | Development of employee skills<br>GRI Standards:<br>404-1 |   | Promote diversity and inclusion  | Annual average hours of training per employee                              | Implementation of human resource development and work environment improvement | 2031.3                              | 26.3 hours/person<br>Hours of e-Learning courses were taken*: 5.83 hours <sup>1</sup> /person |   |
|   | Diversity and inclusion<br>GRI Standards:<br>405-1        |   | ① Percentage of female executives/Percentage of female Directors* <sup>2</sup><br>② Percentage of women in members newly promoted to middle management positions<br>③ Percentage of women in new recruits for career-track positions | ① 20% or more for each category<br>② 30% or more<br>③ Continue 30% or more | 2031.3  | ① 13.3%/10.0%<br>② 14.3%<br>③ 28.1% |   |   |

\*1 Includes some temporary employees and part-time workers. Covers e-learning programs on safety, information security, environment, digital transformation, etc. \*2 Target for percentage of female Directors newly set in March 2023