

# Sustainability Management

## Principle and Outline

The Daigas Group aims to become a corporate group that helps further the evolution of customers' livelihoods and businesses. To this end, the management and employees act based on the "Daigas Group Charter of Business Conduct ("the Charter")," which stipulates the basic concept of our CSR. As the Group's business field expands, the range of stakeholders that our business affects will further expand, including customers, local communities, shareholders and investors, and employees.

In order to recognize the impact our business activities may have on society and the environment, and conduct business while taking such impact into account, the Daigas Group has been promoting CSR activities. Specifically, in 2009, the Group introduced indicators to promote CSR activities and visualize their processes. In FY2015.3, we identified important aspects for the Group (materiality) for the first time by turning to the opinions of outside knowledgeable people. In light of expectations from society and changes in the business environment, materiality is reviewed when a Medium-Term Management Plan is formulated and on other occasions.

We are promoting sustainability activities to achieve sustainable economic growth and solve social issues by addressing the Sustainable Development Goals (SDGs), including climate change and human rights issues.

## Sustainability Promotion System

The Daigas Group has an ESG Committee, chaired by the Head of ESG Promotion (Representative Director and Executive Vice-President), who supervises the Group's sustainability activities, and consisting of the heads of related organizations and other members. In principle, the ESG Committee meets three times a year for cross-organizational deliberation and coordination of sustainability activities. In principle, the Management Meeting, chaired by the Representative Director and President, is held three times per year as the ESG Council, which deliberates on established key issues (materiality), indicators and targets in ESG management, and their progress. The Board of Directors is then consulted on important matters related to sustainability activities (including risks concerning ESG) and is responsible for decision-making and supervision. The Group has also established the Environment Subcommittee, Social Contribution Subcommittee, and Compliance/Risk Management Subcommittee, and works closely with the subcommittees in promoting sustainability activities.

In addition, in order to enhance governance over our overall sustainability activities, we appoint Outside Directors with expertise in the fields of environmental accounting and sociology, as well as a wealth of experience and broad insight in corporate and organizational management. (Please see P.120 for the skills matrix of our directors.)

All these moves represent the Group's efforts to strengthen sustainability activities to live up to higher social expectations for the Group through communication with internal and external stakeholders.

### ■ Sustainability Promotion System (As of April 1, 2024)

