

# Environmental Management

## Principle and Outline

The Daigas Group has established and operated an environmental management system (EMS) in line with the Daigas Group Environmental Policy, aiming for its achievement. The Policy declares our commitment to addressing climate change and other environmental issues, stating that we will work to further reduce environmental impact, prevent pollution, and protect the environment including biodiversity.



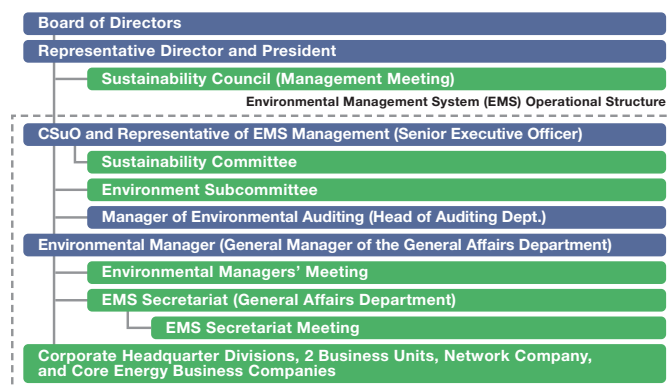
## Environmental Governance Promotion Structure

To carry out appropriate and robust activities toward sustainability under the leadership of the Representative Director and President, the Daigas Group has established the Sustainability Council, which comprises executives and deliberates sustainability action plans and reports, and the Sustainability Committee chaired by Chief Sustainability Officer (CSuO) (Senior Executive Officer), who supervises the Group's sustainability activities. The Sustainability Committee meets three times a year to discuss and report to the Board of Directors on important matters, including the status of performance against sustainability management targets and business plans that are expected to have a significant financial impact due to climate change.

In addition, the Environment Subcommittee has been set up to advance environmental management in coordination with the Sustainability Committee. Under the supervision of the Head of Sustainability Promotion, Osaka Gas operates a company-wide integrated environmental management system (EMS) based on ISO 14001 to ensure that all employees reduce the environmental impact of our business activities and comply with environmental laws and regulations.

Domestic Daigas Group companies also operate under EMS standards, such as ISO 14001 and the Daigas Group Environmental Management System "OGEMS" and others.

### ■ Environmental Management Promotion Structure

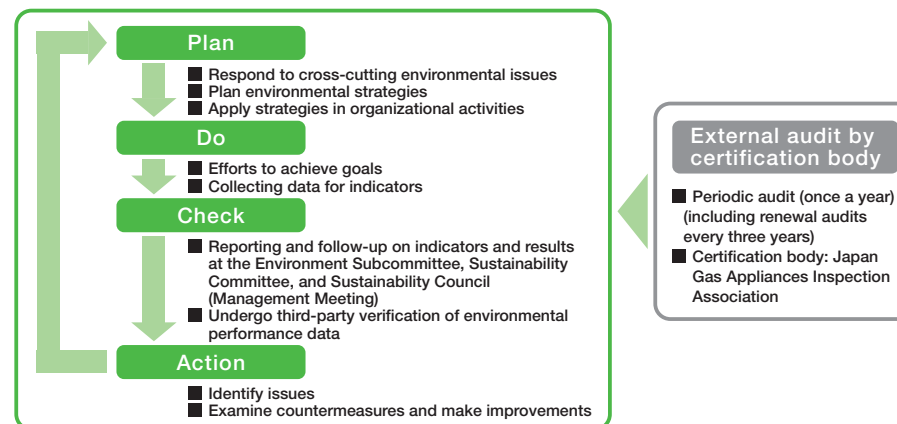


## How the Daigas Group's Environmental Management System Works

To reduce the environmental impact of its Group-wide business activities, the Daigas Group has set medium-term environmental targets in its Long-Term Management Vision 2030 and other plans and manages progress in achieving the targets. The environmental targets include those for CO<sub>2</sub> emissions reduction, more widespread use of renewable energy, waste reduction and recycling, and promotion of the recycling of excavated soil. We also annually calculate GHG emissions that affect climate change from the activities throughout our Group's value chain and use that data to advance our efforts to reduce GHG emissions. These targets and the results of our efforts to achieve the targets are managed by following a PDCA (plan-do-check-act) cycle, which utilizes the mechanism of the EMS.

Please see [P.56](#) for information on the climate change-related framework.

### ■ PDCA Cycle Utilizing the Mechanism of EMS



### Remuneration system for executives with environmental value taken into account

Osaka Gas at its Board of Directors meeting held on December 23, 2021 resolved that remuneration for the executives would reflect the sustainability indicators\* achievement coefficient of the previous fiscal year in order to help short- and medium- to long-term improvements in corporate value. The resolution took effect with remuneration for July 2023 and thereafter, paid based on the results for FY2023.

From FY2025 onward, the sustainability indicators achievement coefficient includes the achievement of the target for providing carbon neutral energy and other non-financial (materiality) indicators included in the Medium-Term Management Plan 2026. Please see [P.141-P.142](#) for officer remuneration system.

\* ESG indicators was renamed to the sustainability indicators in FY2026.

## ISO 14001 Certification Acquisition Status

In FY1998, Osaka Gas launched efforts to acquire certification of each business unit's compliance with ISO 14001, a set of international standards for EMSs, resulting in seven business-unit-specific EMSs covering the entire Company by FY2006. In FY2007, the Company began to work to integrate all the different EMSs into a unified one and obtained certification of its Company-wide compliance with ISO 14001 in December 2007. Since 2009, the Company has undergone triennial ISO 14001 renewal audit and has continued to obtain integrated certification in response to organizational restructuring, including the transfer of functions to three Core Energy Business Companies in 2020 and Osaka Gas Network Co., Ltd. in 2022.



Certificate of Registration for ISO14001



External audit meeting for renewal of ISO 14001 certification

## All affiliates in Japan completed EMS building and certification

As a general rule, all affiliates in Japan have constructed and operate an EMS, and these efforts are based on the Group common rules "Environmental Management Rules."

The EMSs introduced by affiliate companies include ISO 14001 and an EMS established under the leadership of local governments as well as the Daigas Group Environmental Management System (OGEMS), a voluntary EMS that functions in a similar way to such an EMS.

## Violations of Laws and Fines

Osaka Gas was not subject to any administrative sanctions during FY2026 for violations of environmental laws and regulations.

## Environmental Communication

### Environmental education

#### Various events during the Environment Month

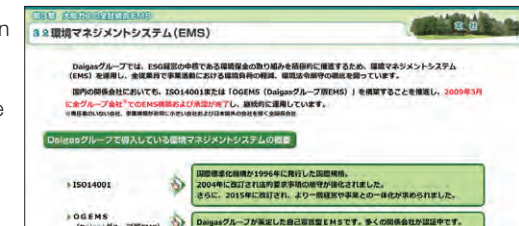
Every year in June, designated as Environment Month, employees of the Daigas Group engage in various environmental activities. Among them are energy-saving efforts at offices, environmental preservation activities, environmental education both inside and outside the Company, and participation in regional environmental events such as cleaning activities. By participating in these activities, each and every employee comes to recognize the great connection existing between his or her activities, and their impact on the environment. Such activities provide the Group with opportunities to continue efforts to build an environmentally harmonious society.

### E-learning and collective training programs for employees

The Daigas Group provides e-learning and collective training programs as part of operating the environmental management system to ensure that employees are capable of keeping up with the environmental initiatives.

In the ISO Environmental Education Course via e-learning, employees learn basic knowledge about the environment, details of group initiatives, and knowledge of environmental laws and regulations.

In addition, in collective training programs, employees learn about the latest trends in environmental issues and practical examples of initiatives, increasing their awareness of the environment.



E-learning

### Environmental awareness-raising activities

#### Environmental communication based on expertise we have accumulated through business activities

As a corporate group operating in a community-based manner, the Daigas Group believes that its good relationships with local communities is an indispensable foundation for its management. We are promoting customer-driven energy management by communicating information on energy conservation and offering a demand-response (DR) option service for Osaka Gas electricity through the "My Osaka Gas" membership site. Specifically, by awarding points to customers who cooperate to reduce electricity and who shift their electricity usage to hours of surplus renewable energy generation, we are encouraging customers' energy conservation activities and aiming both to stabilize power supply and demand and to utilize renewable energy effectively. Moreover, we are also working to foster the next generation through "energy and environmental education" and other programs by utilizing the expertise the Group has cultivated through its business activities.