

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 creation of value for solving social issues alongside stakeholders as one of its key strategies.

In conjunction with the identification of materiality and the formulation of the Medium-Term Management Plan, we revised the Daigas

Group’s charter, code of conduct, etc., to reflect the recent changes in the global external environment and the expansion of the Daigas Group’s business. 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	Points of contribution to SDGs by achieving the indicators	Contribution to SDGs		
I	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	FY2031.3	<ul style="list-style-type: none"> Increasing opportunities to provide clean energy through improvement of customer satisfaction Promotion of safe, pleasant, and sustainable urbanization through co-creation with our stakeholders 		
		Improvement of customer satisfaction and quality of services		Enhance customer relationship management	Customer satisfaction rate	90%				FY2024.3
		Customer health and safety GRI Standards: 416-1	Enhancing resilience of customers and society	Maintain safety and quality levels	Number of serious accidents	Continued zero serious accident	FY2031.3			<ul style="list-style-type: none"> Sustainable management and efficient use of clean energy combined with safe and secure provision Implementing management and assessment of quality of city gas / understanding the impact in case of disasters
		Stable supply of services		Strengthen resilience of energy supply	Build a resilient energy supply facilities	Implementation of measures for disaster prevention and aging pipes	FY2031.3			
II	Contributing to the sustainability of the environment and society	Climate change GRI Standards: 302-1 305-5	Achieving a low carbon / carbon neutral society	Implement carbon neutral measures	CO ₂ emissions of Daigas Group	Net zero emissions	FY2051.3	<ul style="list-style-type: none"> Management of the amount of CO₂ emissions Management of the amount of renewable energy Management of the environmental burden in the value chain Including activities toward low-carbon society in business plans Achieving a low carbon / carbon neutral society through co-creation with our stakeholders 		
				Provide clean energy and expand renewable energy value chain	Percentage of renewables in our power generation portfolio in Japan	Nearly 50%	FY2031.3			
					Contribution to developing renewables capacity on a global basis	5 GW	FY2031.3			
						2.5 GW	FY2024.3			
	Promote advanced utilization of natural gas and environmental products	CO ₂ emissions reduction contribution (compared to FY2017.3)	10 million t	FY2031.3						
III	Engaging with and contributing to society	Coexistence with local community GRI Standards: 413-1	Promote communication with local communities	Number of our participations in local governments' activities (i.e. community development planning)	14 cases	FY2024.3	<ul style="list-style-type: none"> Increasing opportunities to provide clean energy through improvement of customer satisfaction Promotion of safe, pleasant, and sustainable urbanization through co-creation with our stakeholders Control of the impact on stakeholders in case of disasters 			
				Number of joint efforts with local communities	170 times	FY2024.3				
IV	Respecting human rights	Supply chain management GRI Standards: 308-1 414-1	Build a responsible supply chain	Appropriate new supplier ratio	100%	FY2024.3	<ul style="list-style-type: none"> Building a sustainable society through co-creation with our stakeholders Understanding the status of suppliers through questionnaires regarding sustainability activities, etc. Management of fair training opportunities Management of safe and secure labor environments Understanding BCP measures 			
V	Complying with laws and regulations	Compliance GRI Standards: 307-1 418-1 419-1	Promote the Group's compliance	Number of serious violations of laws and regulations	Continued zero serious violation	FY2024.3	<ul style="list-style-type: none"> Improving awareness of compliance to secure equal opportunities for leadership Improving awareness to promote safe and secure labor environments 			
VI	Providing 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	FY2031.3	<ul style="list-style-type: none"> Securing equal opportunities for leadership, understanding the status of safe and secure labor environments through employee attitude surveys Management of fair training opportunities Management of percentage of women in management positions 			
				Annual average hours of training per employee	Implementation of human resource development and work environment improvement	FY2031.3				
			Promote diversity and inclusion	Percentage of women in 1. executives, 2. members newly promoted to the middle management positions, and 3. new recruits for career-track positions	1. 20% or more 2. 30% or more 3. Continue 30% or more	FY2031.3				