

Basic Sustainability Policy of the Osaki Electric Group

[Group's Direction for Sustainability]

With a vision to become a “Global Energy Solution Leader,” the Osaki Electric Group will contribute to sustainable development of society and conserving environment through its energy-solution technologies by collaborative efforts with its stakeholders, and pursue its own sustainable growth.

[Materiality for Sustainability]

Taking diversifying social issues and the Group's business characteristics into account, the Osaki Electric Group has identified material issues that it will prioritize. By strengthening business activities in its areas of priority, we aim to realize a sustainable society and achieve stable growth for the Group.

1. Minimize environmental impact



The Osaki Electric Group develops and deploys products and services that will minimize negative impact on environment. We are also committed to take measures to reduce the impact to the environment through our business activities.

Contribution by smart meters

Smart meters are important infrastructure equipment with data collection and control functions and being installed in all over the world. The Osaki Electric Group contributes to improving energy efficiency by providing technologies for measuring and controlling through smart meters worldwide.



Smart Meters

Promoting solutions to support decarbonization

Utilizing O-SOL, total solutions including an energy management systems (EMS) and smart metering systems (SMS), we will contribute to reducing the environmental impact of society by Visualization of CO2 emissions, support for the planning of CO2 reduction plans, and implementation of plans to reduce CO2 emissions.

Promotion of Research and Development

Research and Development Center in Japan pursues development of smart meters that contribute to more efficient use of electricity in society. The Group also collaborates with other organizations actively through open innovation to contribute to decarbonization.

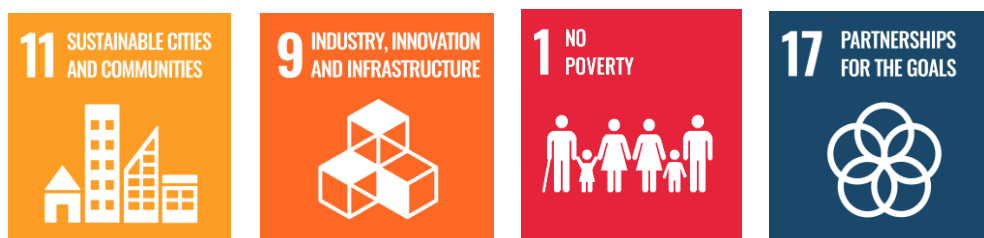
Furthermore, we are developing total solution services in Oceania, that combine smart meters and head-end systems for better energy consumption efficiency. We aim to deliver the total solution services to other regions in the future.

Reducing Greenhouse Gas Emissions at manufacturing sites

We promote the reduction of greenhouse gases emitted particularly at manufacturing sites in and out of Japan. We declared our commitment and support for the Climate-Related Financial Disclosure Task Force ("TCFD") recommendations. We will strengthen our organizational framework to follow the financial disclosure guidelines recommended by the TCFD recommendations.



2. Contributing to sustainable cities and communities



Toward contributing to sustainable cities and communities in Japan, we are addressing particularly the issues related to labor shortages due to the declining birthrate and aging population, and building disaster-resilient cities. Overseas, we recognize the stable supply of electricity as issues to address and we are committed to building the basic power infrastructure worldwide by delivering smart meters. The Osaki Electric Group provides solutions to sustainable cities and communities through products and services based on its measuring and controlling technologies.

Creating Value-Added Smart Meters

Smart meters are equipped with reliable communication protocols and are remotely operable which enable smooth power recovery. These functions can be applied to in the event of a disaster, such as prevention of electrical fires and spotting locations of power outages. We are working to develop smart meters to create new added value.

Promoting Smart Building Systems to Realize Labor-saving Operations

We will contribute to the realization of a sustainable society by introducing systems that contribute to the efficiency of facility management operations (facility inspections and facility security) by improving the level of service, in addition to operational efficiency improvements, such as the automated meter reading system (improving the efficiency of tenant meter reading) and support for the preparation of reports on environmental laws and regulations, which we have been developing in the past.

Cooperating with Partners

Osaki Electric launched NEXT 100teX Lab, an open laboratory, to promote collaboration across industries, university laboratories, local governments, and ventures. Together with our partners, we aim to create new solutions based on our development technologies for electric power measurement and control equipment in aim to realize sustainable cities and communities.



Contributing to Global Power Infrastructure

EDMI, a subsidiary of Osaki Electric, is expanding its business globally, including in Oceania and Europe as well as in Asia and the Middle East. We will further expand our solutions services for smart meters and software, and contribute to the stable and efficient supply of electricity worldwide.



3. Respect for human rights



The Osaki Electric Group is committed to ensuring that we do not violate human rights and that we are not complicit in the violation of human rights through our group or our supply chains. We support and respect international codes of human rights, including the United Nations International Bill of Human Rights, the United Nations Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work. The Group states in "Osaki Group's Charter of Corporate Behavior" that the Group shall "conduct business that respects the human rights of all persons and take no part in any discriminatory action at all phases of our businesses." We conduct employee training and seminars on human rights, while conducting surveys of our business partners on human rights. In addition, we declared the statement on modern slave acts in the United Kingdom and Australia, and work to prevent human rights infringement.

4. Creating a diversified workplace and fostering social issue-solving culture



The Osaki Electric Group emphasizes the education of its employees for the development of corporate culture where all employees have high moral standards for environmental conservation and social issues and are actively pursuing solutions for these issues. We are committed to providing a secure and safe work environment where diversity is mutually recognized and all employees can work to their fullest capabilities.

Establishment of a workplace environment that recognizes and accepts differences

We promote the development of workplace environments and organizations so that employees with diverse attributes, values, and ideas can work comfortably and safely. We believe that the active participation by diverse workforce contributes to the flexible resolution of important issues. In Japan, we are focusing on establishing a flexible work system where employee can choose various workstyles according to their lifestyles and life events. Overseas, while diversity in workplaces is permeated, we are striving to elevate quality of work environment.

Cultivating corporate culture with rich ideas and high morals

We encourage employees to gain a variety of experience and knowledge so that they can respond flexibly and conceptually to changes and issues in society. In Japan, we provide opportunities for employees to step up in their career and gain new challenges and experience. We support employees' autonomous career advancement through a variety of training programs and job rotations. At the same time, employees are provided with flexible work styles and a unique leave system. Overseas, as our headquarters is based in Singapore and there are subsidiaries in Australia, UK, Malaysia, and other countries, we respect cultural diversity, and provide a work environment where highly specialized professionals, such as sales, R&D, operations, and administrative, can demonstrate their capabilities. We are also working to invigorate intra-group communication to strengthen cooperation among different divisions.

Promoting Health Management

Osaki Electric promotes health and productivity management by acquiring certification as an Excellent Health and Productivity Management Corporation (Large Corporate Group). We conduct ongoing activities, such as holding health seminars for employees and endorsing each project, such as the "Action for Companies Promoting Countermeasures against Cancer."



5. Strengthening corporate governance



In order to fulfill its responsibilities to stakeholders based on its corporate philosophy, the Osaki Electric Group strives to strengthen its Group management foundation and aims for sustainable growth.

Corporate Governance

We recognize that strengthening corporate governance is an important management issue in maximizing sustainable corporate value. We continue to make fair management judgment with further increase of management efficiency and transparency.

Risk Management

In ensuring the sustainable development of our business, we prevent and mitigate risks, and promote risk management to minimize damage from crises and ensure rapid recovery.

Compliance

To strengthen the governance system, the Group recognizes the importance of all employees to comply with laws and regulations and act with a high sense of ethics. To ensure that all employees are aware of their actions, the Osaki Electric Group promotes and provides compliance manuals and a group help line system.

[Identification of Key Issues and PDCA (Plan-Do-Check-Action) Processes]

STEP 1: Selection of social issues

We selected social issues that we should address from the perspectives of importance to the Group and high societal demands based on the SDGs, Sustainable Development Goals.

STEP 2: Identification of Material Issues

Of the social issues selected, we identified material issues that we should prioritize based on our strategies in the Mid-Term Management Plan.

Developing value-added smart meters and expanding energy solutions	Developing new products and services	Expanding Global Business	Building resilient group operations
1. Minimize environmental impact <ul style="list-style-type: none"> Contributions by smart meters Promoting solutions to support decarbonization Promotion of R&D 2. Contributing to sustainable cities and communities <ul style="list-style-type: none"> Creating Value-Added Smart Meters 	2. Contributing to sustainable cities and communities <ul style="list-style-type: none"> Promoting Smart Building Systems to Realize Labor-saving Operations Cooperating with Partners 	2. Contributing to sustainable cities and communities <ul style="list-style-type: none"> Contributing to Global Power Infrastructure 	3. Respect for human rights 4. Creating a diversified workplace and fostering social issue-solving culture <ul style="list-style-type: none"> Establishment of a workplace environment that recognizes and accepts differences Cultivating corporate culture with rich ideas and high morals Promoting Health Management 5. Strengthening corporate governance <ul style="list-style-type: none"> Corporate Governance Risk Management Compliance

STEP 3: Validation and approval

Osaki's Board of Directors has discussed and approved the selection of social issues and identification of material issues.

STEP 4: PDCA management review

The Board of Directors monitors the progress and makes necessary adjustments to the Basic Sustainability Policy based on trends in social issues and changes in the business environment.

[Structure to Promote]

The Osaki Electric Group promotes all sustainability-related activities through the Sustainability Promotion Committee, chaired by the President and Representative Director. The Committee and the Secretariat are composed of members appointed by the Chairman, and the Committee promotes and evaluates the Group's sustainability initiatives. The content of the Committee's deliberations is reported to the Board of Directors as appropriate, and reflected to the group management policy.

Our group's current sustainability promotion structure is described in below.

