

# Corporate Social Responsibility (CSR) Activities

## Osaka Gas Group CSR Promotion System

As its policy for conducting business activities, the Osaka Gas Group has adopted the creation of value for customers as its number one priority, which in turn links to the creation of value for society, value for shareholders, and value for employees. We believe that conducting our operations with fairness and transparency and achieving the generation of these four types of value is the fulfillment of the Group's corporate social responsibilities.

We have set forth the Osaka Gas Group CSR Charter as the activity guidelines for Group executives and employees, with the aim of satisfying stakeholder expectations, fulfilling our social responsibilities as a business enterprise, and ensuring the sustainable development of the Osaka Gas Group.

With respect to CSR promotion, we have set up the CSR Promotion Council, under the supervision of the president and primarily consisting of executives, to deliberate over CSR plans and reports on results of activities. We have furthermore established the CSR Committee, composed of the heads of business units and led by the CSR executive, to coordinate and advance CSR activities horizontally across the organization. In these ways we are pursuing

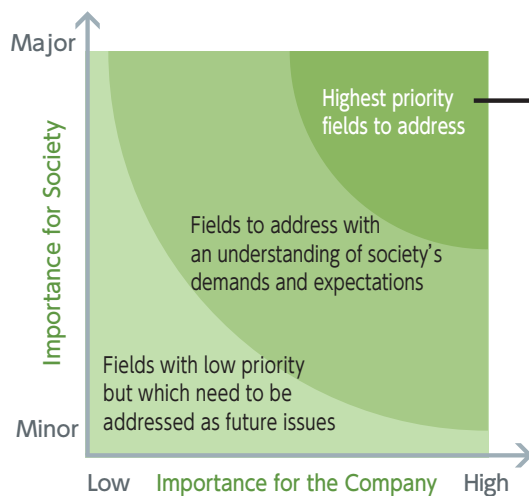
appropriate and proactive execution of CSR-related activities.

## Study and Determination of Materiality in CSR

As an energy provider, the Osaka Gas Group considers it necessary to recognize and manage the possible and actual effects on society of its business activities. As part of the social responsibility of the Osaka Gas Group, we classify our business activities with respect to their importance at the present time, i.e. materiality, and conduct management as appropriate.

The 46 aspects to be reported according to the G4 global guidelines (the fourth edition of the Sustainability Reporting Guidelines) have been sorted in line with the Osaka Gas Group CSR Charter and studied by determining the materiality of each aspect. In this process, assessment results regarding the importance of the 46 aspects from the viewpoints of the Group and stakeholders are plotted on a materiality analysis map. Those aspects considered to be of high importance from both viewpoints are singled out and given the highest priority.

## Priority CSR Issues for the Osaka Gas Group (Materiality)

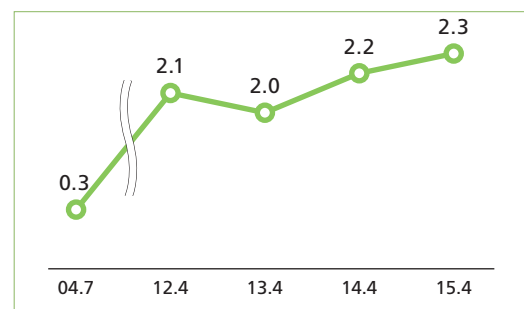


- Customer health and safety
- Safety labeling of products and services
- Energy consumption
- Atmospheric emissions
- Water discharge and waste
- Environmental evaluation of suppliers
- Mechanisms for handling grievances concerning the environment
- Regional communities
- Assessment of the impact that suppliers have on society
- Mechanisms for handling grievances concerning impact on society
- Customer privacy
- Supplier human rights evaluation
- Mechanisms for handling grievances concerning human rights
- Supplier labor practice evaluation
- Mechanisms for handling grievances concerning labor practices
- Financial performance

## Ensuring a Diversified Workforce

In March 2014 we formulated the "Osaka Gas Group Policy to Promote Diversity" to pursue and ensure greater diversity among our employees. The ratio of females in managerial positions (section manager level or higher) was 2.3% as of April 2015. We are seeking to maintain a female hire ratio of 30% or higher among positions eligible for managerial tracks, and to have 5% of managerial positions held by women by 2020. To achieve this target we will be making efforts to promote female employees and expand the working environment in which they can deploy their skills more actively.

## Women in Management at Osaka Gas (Section Manager Level or Higher) (%)



## CSR Charter &amp; CSR Indicators

CSR Charter	CSR Indicators / Key Performance Indicators	FY2014 Results
<p><b>I Creating value for customers</b></p> <p>The Osaka Gas Group is committed to making a positive contribution to realizing a higher level of comfort and development in the business activities of its customers. We intend to achieve this objective through the provision of a reliable and safe supply of natural gas and other forms of energy with an improved level of services for our customers. We also pursue the development of new, useful products and services to generate new value as we strive to continue forward growth alongside our customers.</p>	<p><b>Customer satisfaction survey: Seven customer service duties</b></p> <ul style="list-style-type: none"> <li>● Overall satisfaction rate of 87% or more</li> <li>● 84% or more in each category</li> </ul>	<p>91.0%</p> <p>At least 84% in each category</p>
<p><b>II Harmonizing with the environment and contributing to realizing a sustainable society</b></p> <p>Addressing the issues of the environment both at regional and global levels is of paramount importance for the Osaka Gas Group, which is engaged primarily in the energy business. Seriously aware of the impacts of each of our business activities on the environment, we seek to harmonize our businesses with the environment and efficiently utilize energy and other resources, thereby contributing to a sustainable society.</p>	<p><b>Environmental management indicator</b></p> <ul style="list-style-type: none"> <li>● Environmental management efficiency</li> </ul> <p>58 yen/1,000 m<sup>3</sup> or less by FY2016</p>	<p>FY2014 at 60 yen /1,000 m<sup>3</sup></p>
<p><b>III Being a good corporate citizen contributing to society</b></p> <p>The Osaka Gas Group strives to maintain communication with society and the communities it serves in order that its business activities be accurately understood by the world. We achieve this while carrying out proactive disclosure of information and seeking improved managerial transparency. We intend to make positive contributions to society, fulfilling our role of being a good corporate citizen.</p>	<p><b>Number of contacts and communication events</b></p> <ul style="list-style-type: none"> <li>● Number of events held (on-site dietary and energy/environment seminars, etc.): 1,000 or more</li> <li>● Number of contacts (no. of visitors to Gas Science Museum, etc.): 60,000 or more</li> </ul> <p><b>Social contribution activities</b></p> <ul style="list-style-type: none"> <li>● Number of activities implemented: 600 or more</li> </ul>	<p>1,985</p> <p>69,369</p> <p>696</p>
<p><b>IV Complying with laws and regulations and respect for human rights</b></p> <p>The thorough compliance with laws and regulations by all executives and employees sets the stage for gaining society's trust as a healthy corporate group. Our perspectives on compliance go beyond legal and regulatory boundaries to include decent conduct expected of all citizens. Based on a respect for human rights, we intend to maintain equitable relationships with our customers, business partners, and other parties.</p>	<p><b>Compliance awareness survey scores</b></p> <ul style="list-style-type: none"> <li>● (Individual) Level of understanding of the Code of Conduct: Higher than previous year</li> <li>● (Organization) Degree of penetration of compliance: Higher than previous year</li> </ul> <p><b>Percentage of employees receiving compliance training</b></p> <ul style="list-style-type: none"> <li>● 100%</li> </ul>	<p>0.4 points lower than previous year (73.4%)</p> <p>1.0 points higher than previous year (87.0%)</p> <p>100%</p>
<p><b>V Management policy for human growth</b></p> <p>Along with ensuring employment opportunities, the Osaka Gas Group also strives to realize the growth of its employees through work by respecting employees' individuality and initiative. We support employees so that they are able to carry out work with a sense of purpose and grow as individuals, pursuing the creation of new values for customers, shareholders, and society.</p>	<p><b>Employee awareness survey</b></p> <ul style="list-style-type: none"> <li>● Maintaining sufficient levels in job satisfaction and loyalty to the company</li> </ul>	<p>Appropriate level maintained</p>

In FY2014 Osaka Gas was designated as a "Nadeshiko Brand" company (a company exceptional in encouraging women's success in the workplace) and chosen as one of the "Top 100 Companies in Diversity."



### Inclusion in SRI Indices

As of July 2015, Osaka Gas was included in the following socially responsible investment (SRI) indices.

Dow Jones Sustainability Indices  
MEMBER OF  
Dow Jones Sustainability Indices  
In Collaboration with RobecoSAM



MS-SRI

