

# Corporate Social Responsibility Activities

(For details, refer to the Osaka Gas CSR Report 2007)

## The Osaka Gas Group CSR Charter

The Osaka Gas Group's fundamental management principle is to allocate top priority to maximizing value for customers in pursuing Value Creation Management that enhances value for all stakeholders, including customers, shareholders, society and employees. We believe that the pursuit of Value Creation Management is a basic part of fulfilling our corporate social responsibility (CSR). In April 2006, we inscribed these principles in the Osaka Gas Group CSR Charter to clarify our philosophy and approach with regard to CSR. In the following July, we created a framework for the promotion of CSR, setting up the CSR Promotion Group and the CSR Committee, and at the same time appointing executives to oversee CSR activities as a whole. These measures have enabled us to engage proactively in appropriate CSR activities.

### The Osaka Gas Group CSR Charter

The Osaka Gas Group, with its highest managerial priority placed on maximizing value for its customers, seeks to create value for all its stakeholders including shareholders, society, and employees through fair and transparent business practices. We believe that the pursuit of "value creation management" results in fulfilling corporate social responsibilities of the group.

In order for the Osaka Gas Group to fulfill its corporate social responsibilities and to achieve its sustainable development, we hereby set forth the Charter as the guiding principle for the management and the employees of the Group to observe in their conduct of business. The management of the Osaka Gas Group, its subsidiaries and affiliates, and managers of respective divisions, are determined to implement the spirit of the charter in their business initiatives. Should any infringement of the charter occur, the management acts immediately to identify and resolve problems, and to take strict corrective actions.

#### I. Creating value for customers

The Osaka Gas Group is committed to making a positive contribution to realizing a higher level of comfort and development of the business activities of its customers. The group intends to achieve this objective by providing a reliable and safe supply of natural gas and other energy services with improved level of services for its customers. We also seek to grow together with customers and society at large by pursuing opportunities for further growth of our businesses and to create new products and services to enhance our value for customers.

#### II. Contributing to harmonizing with the environment and to realizing a sustainable society

Addressing the issues of the environment both at regional and global levels is of paramount importance for the Osaka

Gas Group, which is engaged in wide-ranging energy services. The Group, being seriously aware of the impacts of its business activities on the environment, seeks to harmonize its businesses with the environment and to realize efficient utilization of energy resources, thereby contributing to achieving a sustainable society.

To enhance the value for society provided by our business, we strive to decrease the environmental impact of energy utilization by promoting more widespread and sophisticated use of environment-friendly natural gas. We also enhance the transparency of our management through thorough compliance with laws and regulations and information disclosure. Along with these efforts, we promote the well being of society by revitalizing communities through our corporate activities. Our activities in these areas are published annually in our CSR Report. In addition, we are taking steps to improve implementation through means such as holding regular meetings of the CSR Committee, and establishing environmental goals for each section of our organization.

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#### III. Being a good corporate citizen contributing to society

The Osaka Gas Group, as a good corporate citizen, strives to maintain communication with society and the communities it serves. Through proactive disclosure of information and improved managerial transparency, we intend to establish a favorable relationship with citizens and to make our positive contribution to the healthy development of society.

#### IV. Complying with laws and regulations and respect for human rights

Compliance by management and employees with laws and regulations forms the basis of gaining society's trust. Our perspectives on compliance go beyond legal and regulatory boundaries to include decent conduct expected of all citizens. Based on our respect for human rights, we intend to maintain equitable relationships with our customers, business partners, and other parties.

#### V. Management policy of human growth

The Osaka Gas Group strives to become a group of enterprises to realize growth of its employees through work by ensuring employment opportunities and respecting employees' individuality and initiative. With discipline and self-motivation, we will charge ourselves with the task of creating new value for customers, shareholders and society. The group and its employees, through mutual trust and decency, strive to achieve sound growth of enterprises within the group.

## Compliance

As a Group, we believe that implementation of thorough compliance provides an essential base for fulfilling corporate social responsibility. In 2000, we formulated the Osaka Gas Group Code of Conduct to achieve strict compliance with all applicable legal requirements through educational and training programs involving all the members of the Osaka Gas Group, including the directors and employees of Osaka Gas and its subsidiaries and affiliates.

As well as establishing the CSR Committee and

Compliance Subcommittee, we have put in place the Compliance Department to handle the promotion of compliance, and the Compliance Desk as the point of contact for internal reporting of compliance-related issues. These measures allow us to further promote and firmly establish compliance as part of our corporate activities.

The Code of Conduct defines the behavior standards of the Osaka Gas Group according to the following items. All Group members are made well aware of its contents.

### Code of Conduct as a Good Corporate Citizen:

- Respect human rights, and do not discriminate against our customers and employees based on race, religious beliefs, sex, social status or family lineage.
- Consider the environment in every sphere of business activity and attain environmental targets by preventing emissions of harmful substances and recycling waste.

### Code of Conduct in Gas Production and Supply:

- Put customer satisfaction first to respond quickly and appropriately to customers' requirements. Strive to earn customer trust by enhancing safety and quality, consistently performing a professional service that delivers on the basics so that our customers can use the gas and other energy we supply safely and conveniently.
- Ensure the safety of customers as the top priority in the production and sale of products as well as construction work. In the event of an accident, immediately find the cause and make every effort to prevent a reoccurrence by taking appropriate measures such as recalling products and issuing warnings.

### Code of Conduct for Business Transactions:

- Conduct business transactions not only in accordance with the antimonopoly law, but also in a consistently just manner.
- Conduct transactions in a fair-minded manner and in accordance with the requirements of applicable laws and regulations, and do not take advantage of a superior position over transaction partners if one exists.

- Keep promises to customers to establish and deepen a relationship of trust in good faith.
- Socializing with business associates should be conducted with moderation and common sense in compliance with the law.

### Code of Conduct for Information Management:

- Manage information appropriately so that customer information is not leaked. Disclose management information in a timely and appropriate manner.
- E-mail, the Internet, and other information systems should be used properly in accordance with rules.
- Manage our intellectual property appropriately and do not infringe the intellectual property of others.

### Code of Conduct in the Workplace:

- Strive constantly to create a workplace where employees work comfortably with mutual respect.
- Do not discriminate against or treat unfairly employees in their wages and benefits, regardless of the type of employment.

### Code of Conduct in Society:

- Transactions and sharing of profits with groups that show antisocial behavior is strictly prohibited.
- Develop a correct knowledge of taxes, implement an appropriate accounting system, and pay taxes fairly.

## Reducing Environmental Impact

Through efforts that include promoting energy conservation activities and encouraging the use of recyclable resources, we work to reduce the environmental impact of our business. We also contribute to the reduction of environmental impact in general through our products and services, particularly through the spread of natural gas, which is both environmentally-friendly and in line with national energy policy. Moreover, we are actively contributing to the improvement of the environment regionally, nationally, and around the world.

Specifically, we are making concerted efforts towards the reduction of CO<sub>2</sub> emissions through the spread and promotion of cogeneration systems at customer sites. We have also actively taken measures to improve energy conservation at our gas production facilities and office buildings. Furthermore, we are striving to achieve effective operations by acquiring ISO 14001 certification in an integrated manner, and are building an environmental management system at all Group companies.

These activities have been highly acclaimed, and in December 2006 the Nikkei Shimbun, a leading Japanese financial newspaper, ranked us top in the electric and gas utility category in their survey of corporate environmental activities.

- We aim to reduce the carbon dioxide emissions of our plants, offices, and other facilities to 15.4g of CO<sub>2</sub> per cubic meter of gas sold by fiscal 2009. This represents a 38% reduction from fiscal 1999.
- Our goal for decreasing carbon dioxide emissions from the cogeneration systems or gas air conditioners of our customers is 2.15 million tons of CO<sub>2</sub> in fiscal 2009.

## Community Activities

As a corporate citizen, the Osaka Gas Group believes that contributing to society and deepening its relationship with customers is the corporate mission of the group. Without achieving this mission, the group's future development is impossible. In line with this belief, we are contributing and returning some of our profits through foundations to promote social welfare and international exchange.

Since 1991, Osaka Gas has backed the volunteer activities of its employees by providing information and putting in place support systems in terms of time, money, and facilities. For example, the community leave system was created to allow employees to take time off to participate in formal community events and participate as leaders in local sports and cultural exchange activities. Over the past 10

years, the community leave system has been used on about 150 different occasions. The community gift system was started to provide financial support for events as well as the purchase of equipment and materials for groups and individuals that contribute to improving the welfare of local communities, such as supporting handicapped people and the elderly, taking care of infants and children, and cleaning activities. It has contributed on about 180 different occasions over the past 10 years.

Established in 1985, the Osaka Gas Group Welfare Foundation has worked closely with local communities in promoting care initiatives and providing financial assistance for research and surveys targeting the elderly. It also promotes initiatives to maintain and improve the health of the elderly. Founded in 1992, the Osaka Gas Foundation of International Cultural Exchange provides educational support to elementary, junior high schools, high schools, and universities in natural gas producing nations in Southeast Asia by supplying educational materials, providing assistance for research in natural gas-related technologies and environmental technologies, awarding scholarships to high school and university students, and assisting in the training of technicians and researchers.

## Inclusion in Socially Responsible Investment Indexes

As a result of the previously mentioned CSR activities of the Osaka Gas Group, we were included in the following socially responsible investment (SRI) indexes as of March 31, 2007.

- FTSE4Good Index Series
- Ethical Index Global (E. Capital Partners)
- Morningstar Socially Responsible Investment Index
- KLD Global Climate 100 Index (KLD Research & Analytics, Inc.)
- Ethibel Sustainability Index

### Certification of Ethical Index



FTSE4Good Index



Ethical Index Global



KLD Global Climate 100 INDEX