

Corporate Social Responsibility Activities

(For details, refer to the Osaka Gas CSR Report 2008)

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. 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.

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.

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 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 will act 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 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 providing 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.

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 a positive contribution to the healthy development of society.

IV. Complying with laws and regulations and respecting 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 that realizes 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 key points outlined below. All Group members are made well aware of its contents.

The Osaka Gas Group Code of Conduct (Summary)

I. Code of conduct as a good corporate citizen

(1) Respect for human rights

- Respect human rights, and do not discriminate against customers or employees based on race, religious beliefs, sex, social status or family lineage.

(2) Consideration for the environment

- Consider the environment in every sphere of business activity and work to attain environmental targets.

II. Code of conduct in gas production and supply and other services

(3) Duty as a provider of energy and other services

- Put customer satisfaction first to respond quickly and appropriately to customer requirements. Strive to earn customer trust by enhancing safety and quality, consistently providing a professional service that delivers on the basics so that customers can use the gas and other energy we supply safely and conveniently. Always comply with laws and regulations relevant to the business.

(4) Assurance of product safety

- 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 or issuing warnings.

III. Code of conduct for business transactions

(5) Respect for the antimonopoly law

- Conduct business transactions not only in accordance with the antimonopoly law, but also in a consistently just manner.

(6) Conduct fair transactions

- 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.

(7) Response to customers

- Keep promises to customers to establish and deepen a relationship of trust in good faith.

(8) Socialization with business associates

- Socializing with business associates should be conducted with moderation and common sense in compliance with the law.

IV. Code of conduct for information management

(9) Information handling and disclosure

- Manage information appropriately so that customer information is not leaked. Disclose management information in a timely and appropriate manner.

(10) Use of information systems

- E-mail, the Internet, and other information systems should be used properly in accordance with the rules.

(11) Management of intellectual property

- Manage intellectual property appropriately and do not infringe on the intellectual property of others.

V. Code of conduct in the workplace

(12) Establishment of a comfortable and secure working environment

- Strive constantly to create a workplace where employees work comfortably with mutual respect.

(13) Employment and treatment of employees

- Do not discriminate against or treat unfairly employees in their wages and benefits, regardless of the type of employment.

VI. Code of conduct in society

(14) Cutoff of relationships and prohibition of sharing of profits with antisocial forces

- Transactions and sharing of profits with groups that show antisocial behavior is strictly prohibited.

(15) Payment of taxes

- Develop a correct knowledge of taxes, implement an appropriate accounting system, and pay taxes fairly.

Environmental Activities

We work to reduce the environmental impact of the Osaka Gas Group's business activities through efforts that include promoting efficient energy use at gas production facilities and office buildings and encouraging the use of recyclable resources. In 2007, the whole Group received ISO 14001 certification. In addition, we are pursuing further conservation of energy and resources in business activities through effective operations and building environmental management systems at all Group companies.

The Osaka Gas Group also works proactively to reduce environmental impact, by helping customers reduce their CO₂ emissions with a range of products and services and rate plans that are easy to use and understand. To this end, we promote natural gas, which is environmentally friendly and in line with national energy policy, and the adoption of high-efficiency equipment and systems, including cogeneration systems and gas air conditioning systems.

In addition, Osaka Gas contributes actively to the conservation of the environment regionally, nationally, and around the world. Specifically, we are participating in the *Kigyō no Mori* (Corporate Forest) and *Rodo Kumiai no Mori* (Labor Union Forest) projects being promoted by Wakayama Prefecture, and together with the Osaka Gas labor union, we are taking part in forest preservation activities in the mountain district near the Kumano Kodo World Heritage Site Sacred Sites and Pilgrimage Routes in the Kii Mountain Range.

Osaka Gas has been highly acclaimed for these environmental activities and the public disclosure of environmental performance data. The Company was named to the Climate Disclosure Leadership Index Carbon Disclosure Project 5.

Contributing to Regional and International Society

The Osaka Gas Group's business activities are closely connected with the lives of local community residents. At the same time, we have forged deep bonds with international communities, especially in Southeast Asia and the Pacific region, as sources of natural gas, our main raw material. As such, in June 2007 Osaka Gas joined the United Nations Global Compact as part of its commitment to furthering its corporate social responsibilities as a corporate citizen and as a global citizen.

The Osaka Gas Group inaugurated its Small Light Campaign volunteer program in 1981. Aimed at encouraging each employee to take a greater interest in the society around us, the Small Light Campaign values employee goodwill and respect for individuality and initiative and promotes grass-roots,

ongoing activities. As a company closely tied to the daily lives of the members of the community, Osaka Gas builds on the spirit of the Small Light Campaign to conduct a variety of programs aimed at making local contributions. These include environmental education, the dispatch of lecturers to conduct food-themed seminars, and cooperating on cooking classes. In particular, in the area of environmental education, we have developed our own Energy Environment Education program, in which current and retired Osaka Gas employees visit elementary and middle schools to teach lessons. A growing number of schools are requesting this school visit program, and in fiscal 2007 more than 400 lessons took place. Public appreciation for the program is strong, illustrated by our receiving an encouragement award in the areas of energy information disclosure activities and public recognition for information disclosure facilities.



Educational materials used in our school visit program

The Osaka Gas Group Welfare Foundation extends assistance in implementing local welfare activities for the elderly and conducts related surveys and research, to contribute to realizing a society where senior citizens can enjoy a long and healthy life. In addition, the foundation conducts a health support program aimed at improving the wellbeing of the elderly.

On an international level, we established the Osaka Gas Foundation of International Cultural Exchange in 1992 to assist educational organization in Southeast Asia and the Pacific region, natural-gas-producing areas. Through this foundation we run various human resource development programs, including scholarships and assistance with research on technologies related to natural gas and the environment.

Inclusion in Various SRI Indexes

As of the end of March 2008, Osaka Gas is included in the following socially responsible investment (SRI) indexes.

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