

# 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 generating these four types of value is the way to fulfill the Group's corporate social responsibilities.

We have set forth the Osaka Gas Group CSR Charter to serve as 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.

To promote CSR, we have set up the CSR Promotion Council, under the supervision of the president, and primarily consisting of executives, to deliberate on CSR plans and activity reports. We have furthermore established the CSR Committee, comprised of the heads of relevant business units and led by the CSR executive, an officer who manages all of the Group's CSR activities, to coordinate and advance CSR activities across the organization. In these ways we are pursuing the appropriate and proactive execution of CSR activities.

## CSR Indicators and Initiative Results

The Osaka Gas Group established CSR indicators for each of its CSR Charter priorities in 2009 to help promote and visually quantify CSR initiatives. Current indices were set for FY2014 to FY2016, and initiatives are being promoted to achieve the established targets.

## Study and Determination of Materiality in CSR

As an integrated 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 GRI Guidelines) have been sorted in line with the Osaka Gas Group CSR Charter and studied on the basis of determining the materiality of each aspect. In this process, assessment results regarding the importance of the 46 aspects are plotted on a materiality analysis map from the viewpoints of the Company and outside experts. Those aspects considered of high importance from both viewpoints are singled out and given the highest priority.

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



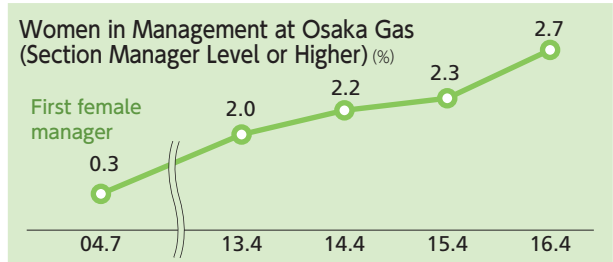
## Promotion of Women's Advancement in the Workplace

At Osaka Gas, we believe that giving female employees the opportunity to thrive is of critical importance at a time when the domestic working population is declining, and we are striving to create workplace environments that allow women to pursue employment where they can make full use of their skills. Our female employees are actively engaged in broad-ranging workplaces, depending on their preferences and aptitudes, including gas production, supply, and marketing. We have also received external recognition in this area. In FY2015, we were awarded the Osaka City Mayor's Award (First Prize) for Leading Companies in Promoting Female Employment, and were designated a "Nadeshiko Brand" for the third consecutive year.

We are seeking to maintain the percentage of female hires at 30% or more among positions eligible for managerial tracks, and are promoting various efforts and bolstering systems to achieve the goal of having 5% or more of managerial positions held by women by 2020.

Our efforts to promote work-life balance are yielding results. The ratio of women in managerial positions\* hit 2.7% in April 2016.

\* Managerial positions: Manager level (section manager) positions or higher



Osaka Gas was designated a "Nadeshiko Brand" in FY2015.

## CSR Charter &amp; CSR Indicators

CSR Charter	CSR Indicators / Key Performance Indicators	FY2015 Results
<b>I Creating value for customers</b> <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>	<b>Customer satisfaction survey: Seven customer service duties</b> <ul style="list-style-type: none"> <li>● Overall satisfaction rate of 87% or more</li> <li>● 84% or more in each category</li> </ul>	91.9%  <b>At least 84% in each category</b>
<b>II Harmonizing with the environment and contributing to realizing a sustainable society</b> <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>	<b>Environmental management indicator</b> <ul style="list-style-type: none"> <li>● Environmental management efficiency 58 yen/1,000 m<sup>3</sup> or less by FY2016</li> </ul>	<b>FY2015 at 59 yen/1,000 m<sup>3</sup></b>
<b>III Being a good corporate citizen contributing to society</b> <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>	<b>Number of contacts and communication events</b> <ul style="list-style-type: none"> <li>● Number of events held (on-site dietary and energy/environment seminars, etc.): 1,100 or more</li> <li>● Number of contacts (no. of visitors to Gas Science Museum, etc.): 60,000 or more</li> </ul> <b>Social contribution activities</b> <ul style="list-style-type: none"> <li>● Number of activities implemented: 600 or more</li> </ul>	2,028  61,402  778
<b>IV Complying with laws and regulations and respect for human rights</b> <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>	<b>Compliance awareness survey scores</b> <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> <b>Percentage of employees receiving compliance training</b> <ul style="list-style-type: none"> <li>● 100%</li> </ul>	0.4 points higher than previous year (73.8%) 0.4 points lower than previous year (86.6%)  100%
<b>V Management policy for human growth</b> <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>	<b>Employee awareness survey</b> <ul style="list-style-type: none"> <li>● Maintaining sufficient levels in job satisfaction and loyalty to the company</li> </ul>	Survey not conducted in FY2015 FY2014 performance (Satisfaction: 3.85/5-point scale) (Loyalty: 4.38/5-point scale)

## Inclusion in SRI Indices

As of July 2016, Osaka Gas was included in the following socially responsible investment (SRI) indices.

## Dow Jones Sustainability Indices



## FTSE4Good\*1



## MSCI Global Sustainability Indexes\*2



## MSCI Global SRI Indexes\*2



## Ethibel EXCELLENCE Investment Register



## MS-SRI



For more detailed information about the CSR activities of the Osaka Gas Group, consult the Osaka Gas Group CSR Report or the CSR section of the Osaka Gas website:



[http://www.osakagas.co.jp/csr\\_e/index.html](http://www.osakagas.co.jp/csr_e/index.html)

\*1 FTSE Russell is a trademark of FTSE International Limited and Frank Russell Company. Osaka Gas has been independently evaluated based on the FTSE4Good Standards, and has fulfilled the inclusion requirements of the FTSE4Good Index Series. FTSE4Good, which was developed by FTSE Russell, a global indexing company, is a stock index that aims to promote investments in companies that meet globally recognized standards for corporate responsibility. Companies selected for the FTSE4Good Index Series meet rigorous environmental, social, and governance standards, and are viewed as engaging in responsible business practices.  
<http://www.ftse.com/products/indices/FTSE4Good>

\*2 The inclusion of Osaka Gas in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Osaka Gas by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.  
<https://www.msci.com/esg-integration>