



The Daigas Group is Ready to be United in Its Bid to Become an Innovative Energy Service Provider that Continues to be Chosen by Customers through Successive Generations —by Contributing to Society, Local Communities and Customers.

本庄武宏
Takehiro Honjo
President of Osaka Gas Co., Ltd.

At the beginning

One of the most important missions for an energy service provider is to deliver products—energy sources for our company—to customers safely and stably. To achieve this goal, the Daigas Group has implemented various measures to be taken not only in peacetime but also in emergencies in collaboration with stakeholders and local communities, while confirming what should be done in the event of disasters based on the lesson learned through the experience of the Hanshin-Awaji Great Earthquake. When a major earthquake occurred in northern Osaka on June 18, 2018, the Daigas Group did all it could to resume gas supply to our customers with the backing of gas service providers across Japan. As a result, we were able to supply gas to affected customers, totaling about 110,000 households, about one week after the quake. What we have experienced through the northern Osaka earthquake will be shared among all concerned parties within and outside the Group, and will be conveyed to the next generation. The experience will be reflected in our efforts to strengthen our anti-earthquake measures, including response steps.

It is difficult to forecast the business environment surrounding enterprises in the future, such as the occurrence of natural disasters including earthquakes, changes in social conditions, changes in policies and systems. Our Group has faced numerous plights and

problems since its foundation in 1905. Each time we underwent such crises, we transformed them into growth opportunities and survived them in a bold manner. To steadily expand our businesses, it is important for us to enhance the Group's CSR level and contribute to building a sustainable society as a corporate group that continues to be chosen by customers.

Thought Infused into Our New Group Brand, "Daigas Group"

We introduced our new group brand, "Daigas Group," in March 2018. Under the new group brand, we have been determined to do all we can to become a corporate group envisaged under the Long-Term Management Vision 2030, and the Medium-Term Management Plan 2020, which we call "Going Forward Beyond Borders," both adopted in 2017. The word "Daigas" reflects our determination to conduct "dynamic and innovative" business, regarded as essential for realizing the Long-Term Management Vision, in a "genuine and studious" manner—a mindset we have cherished for more than 110 years.

Social Moves on Sustainability and CSR

Global moves to establish international frameworks aimed at creating a sustainable society have gathered impetus in a stable manner. At the same time, big changes have been seen not only in Japan but also in the rest of the world concerning moves to promote sustainability and CSR.

Activities to address environmental and social problems have intensified at state, municipal and corporate levels around the world, following the adoption of the Paris Agreement at the 2015 United Nations Climate Change Conference, better known as COP21, and the setting of the United Nations Sustainable Development Goals (SDGs). Against the backdrops of growing attention in recent years to Socially Responsible Investment (SRI) [\[21\]](#), the Government Pension Investment Fund (GPIF) selected Environment, Social and Governance (ESG) indexes and started managing investment using these indexes in 2017. In this way, from the standpoint of ESG, the idea of evaluating companies' efforts to solve global social problems and selecting companies is beginning to become established.

Osaka Gas was not only selected as a component of the FY2018 SRI indexes but was also incorporated into the world index of the Dow Jones Sustainability Index (DJSI) for the first time.

Aimed at Contributing to the Sustainable Development of Society and the Sustainable Growth of the Daigas Group

In addition, we will expand our efforts to raise further the CSR level of the entire Daigas Group while abiding by the Corporate Principles of the Daigas Group, the Daigas Group CSR Charter, the Daigas Group Code of Conduct and the Daigas Group Environmental Activities Policy. Furthermore, we will continue and develop our CSR activities, and contribute to achieving our SDGs in collaboration with companies that constitute the entire value chain [\[21\]](#) network of the Daigas Group while expanding our business field—an action we are taking to enhance trust and confidence in us by customers and the society.

On the environmental front, the Daigas Group, as a comprehensive energy service provider, aims to reduce its cumulative CO₂ emissions by about 70 million tons by FY2031. For that purpose, we will further strengthen our efforts to reduce CO₂ emissions both from our business activities and at our clients—by diffusing the use of natural gas with low CO₂ emission, installing highly energy-efficient facilities. To that end, we are expanding the use of natural gas with low CO₂ emission, introducing highly energy-efficient equipment, and developing and acquiring renewable energy power supplies that expanded our target for 2030 from 500,000 kW to 1 million kW.

On the social front, we will strengthen activities in areas of human rights, labor and occupational health and safety throughout our value chain, in line with international norms and goals, such as

the United Nations Global Compact, ISO 26000, the Global Reporting Initiative (GRI) Standards and the Sustainable Development Goals (SDGs). We will also work with local communities to promote activities aimed at creating mutual values.

On the governance front, we will further strengthen the Group's control and supervisory functions both in Japan and overseas, including compliance and information security. We are also promoting diversity [\[21\]](#) under the Daigas Group Diversity Policy. Specifically, we are working on establishing a system in which workers with various backgrounds can work flexibly and efficiently, and put into practice measures to carry out such goals.

The Daigas Group has set indexes of materiality (important aspects of CSR) to evaluate its major CSR activities. Responding to changes in the business environment and social trends, the Group reviewed such indexes in FY2018 by adding new indexes for use from FY2019.

Closing Comments

By strengthening our existing CSR measures based on the Daigas CSR Charter, the Group will continue to be committed to creating value primarily for customers, as well as for society, shareholders and employees. By promoting global-standard management that gives consideration to ESG, one of the goals set under the Long-Term Management Vision 2030 and the Medium-Term Management Plan 2020, called "Going Forward Beyond Borders," we aim to create a sustainable society and attain the Group's sustainable growth.

August, 2018