

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

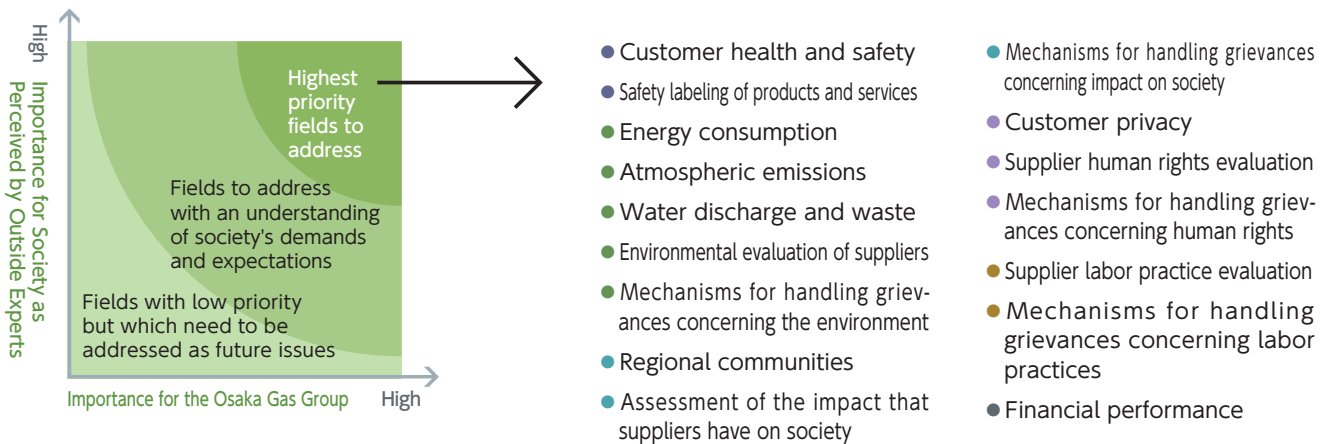
The Osaka Gas Group established CSR indicators for each of its CSR Charter priorities in 2009 to help promote and visually quantify CSR initiatives. Starting with FY2017, we have revised some of the target values based on past efforts and are promoting efforts to take initiatives to a higher level.

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 important aspects, i.e. materiality, and conduct management as appropriate.

In FY2017 we are reviewing the materiality identified in FY2013 based on the current business climate and social trends.

Priority CSR Issues for the Osaka Gas Group (Materiality)



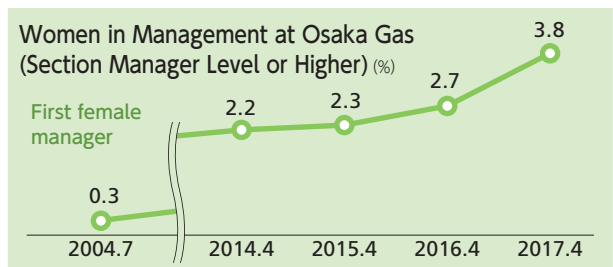
Promotion of Women's Advancement in the Workplace

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. Based on the Osaka Gas Group Diversity Promotion Policy, we are striving to create workplace environments that allow women to pursue employment where they can make full use of their skills.

Efforts to promote work-life balance are yielding results. Our female employees are actively engaged in a wide range of workplaces, depending on their preferences and aptitudes, including gas production, supply, and marketing, and we have also received external recognition for these efforts. 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 fourth consecutive year in March 2017. The ratio of women in managerial positions* hit 3.8% in April 2017.

We are promoting various efforts and bolstering systems to achieve the goal of having 5% or more of managerial positions held by women by FY2020.

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



In March 2017, Osaka Gas was selected as a "Nadeshiko Brand" for the fourth consecutive year among listed companies for actively promoting the advancement of women in the workplace.

Activities and results are to be revised for those of FY2016.

CSR Charter & CSR Indicators

CSR Charter	CSR Indicators / Key Performance Indicators	FY2016 Results
I Creating value for customers <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>	Customer satisfaction survey: Seven customer service duties <ul style="list-style-type: none"> ● Overall satisfaction rate of 91% or more ● 86% or more in each category 	<p>91.7%</p> <p>At least 88% in each category</p>
II Harmonizing with the environment and contributing to realizing a sustainable society <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>	Environmental management indicator <ul style="list-style-type: none"> ● Environmental management efficiency ¥58 /1,000 m³ or less by FY2016 	<p>¥52.5 /1,000 m³</p>
III Being a good corporate citizen contributing to society <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>	Number of contacts and communication events <ul style="list-style-type: none"> ● Number of events held (on-site dietary and energy/environment seminars, etc.): 1,500 or more ● Number of contacts (no. of visitors to Gas Science Museum, etc.): 55,000 or more 	<p>2,341</p> <p>58,316</p>
	Social contribution activities <ul style="list-style-type: none"> ● Number of activities implemented: 600 or more 	<p>1,066</p>
IV Complying with laws and regulations and respect for human rights <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>	Compliance awareness survey scores <ul style="list-style-type: none"> ● (Individual) Level of understanding of the Code of Conduct: Higher than previous year ● (Organization) Degree of penetration of compliance: Higher than previous year 	<p>3.2 points lower than previous year (70.6%)</p> <p>1.0 points higher than previous year (87.6%)</p>
	Percentage of employees receiving compliance training <ul style="list-style-type: none"> ● 100% 	<p>100%</p>
V Management policy for human growth <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 value for customers, shareholders, and society.</p>	Employee awareness survey <ul style="list-style-type: none"> ● Maintaining sufficient levels in job satisfaction and loyalty to the company 	<p>Survey not conducted in FY2016</p> <p>FY2014 performance (Satisfaction: 3.85/5-point scale) (Loyalty: 4.38/5-point scale)</p>

Inclusion in SRI Indices

Osaka Gas was included in the following socially responsible investment (SRI) indices and an investment universe as of the end of July 2017. Additionally, Osaka Gas meets the stands of and was included in the ESG indices selected by the Government Pension Investment Fund (GPIF).

Dow Jones Sustainability Indices



FTSE4Good^{*1}



MSCI ESG Leaders Indexes^{*2}



MSCI SRI Indexes^{*2}



MS-SRI



^{*1} FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Osaka Gas Co., Ltd. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice. <http://www.ftse.com/products/indices/FTSE4Good>

^{*2} The inclusion of Osaka Gas Co., Ltd. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement or promotion of Osaka Gas Co., Ltd. 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>

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