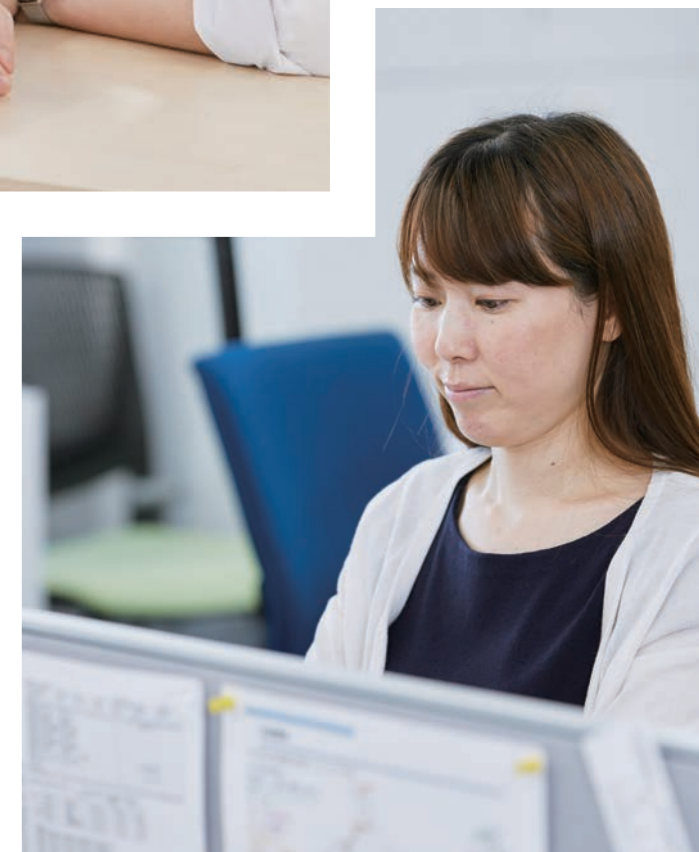


Sustainability



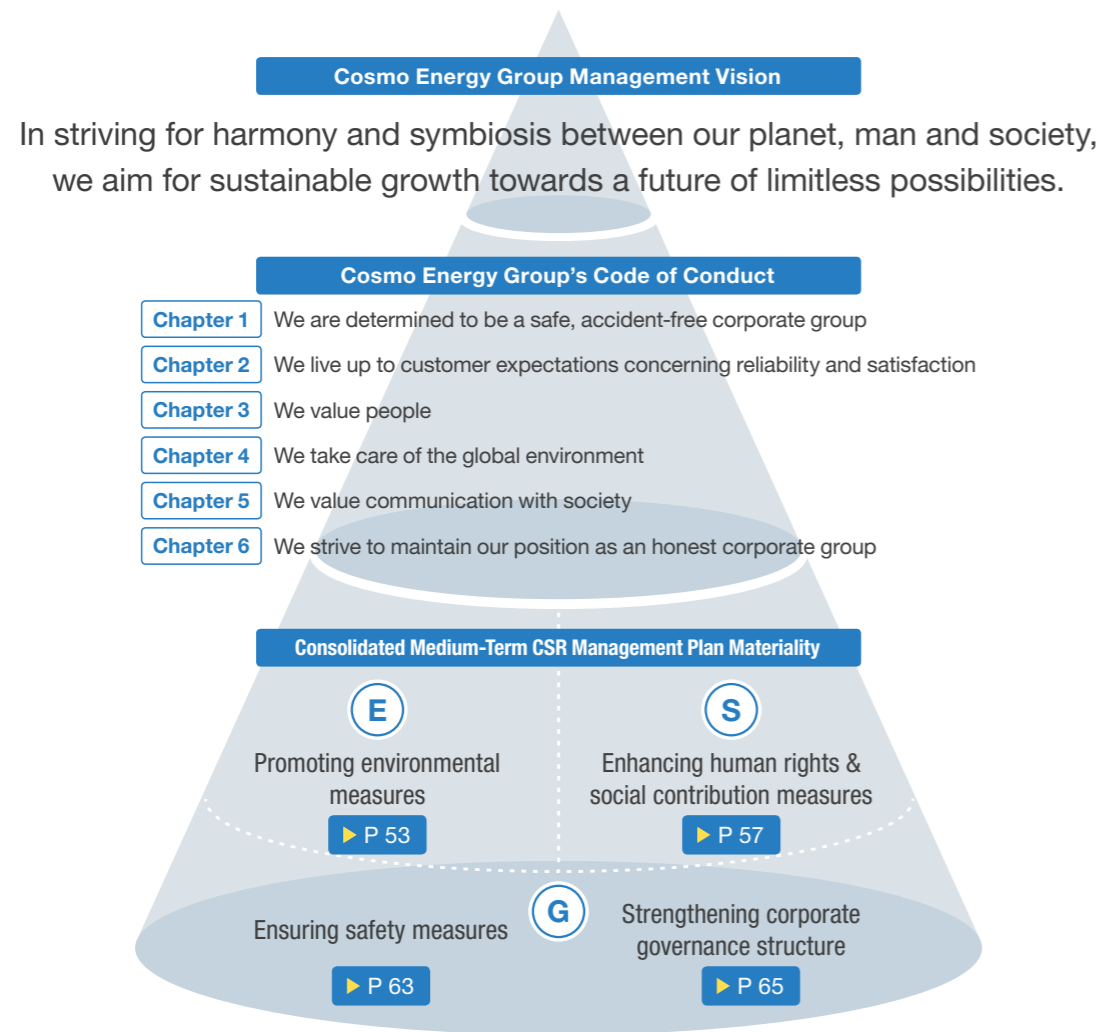
- 51 Cosmo Energy Group's Sustainable Management
- 53 Engagement with the Environment
- 57 Engagement with Employees
- 59 Engagement with Society
- 63 Ensuring Safety Measures
- 65 Strengthening Corporate Governance Structure
- 67 Corporate Governance

Cosmo Energy Group's Sustainable Management

Contributing to achievement of SDGs, a base to create value

The Cosmo Energy Group Management Vision, "In striving for harmony and symbiosis between our planet, man and society, we aim for sustainable growth towards a future of limitless possibilities," incorporating our commitment and passion toward the sustainable growth of our Group and society. Our Group aims to achieve the sustainable growth of both itself and society. Our Code of Conduct, which sets out our Group Management Vision in concrete terms, is the foundation of sustainability for the Cosmo Energy Group

and a base for the behavior and value of our employees. To enhance the sustainable management initiatives, we developed the Consolidated Medium-Term CSR Management Plan, which sets KPIs from the perspective of ESG, in FY2018, and have since been implementing it. We are continuously encouraging sustainable management to achieve sustainable corporate value enhancement and solutions to social issues through our business activities.



Sustainable Management Challenges

- Incorporating ESG elements into management and strategy
 - Enhancing ESG information disclosure
 - Enhancing ESG dialogue
- We are tackling our Group's challenges of incorporating ESG elements into management and strategy, and enhancing dialogues with stakeholders.



Message from the Executive Officer in Charge

All employees shall become conscious of ESG through their work, which is crucially important.

Director, Senior Executive Officer
Sustainability Initiative Department, Business Development Dept.
Yoshimitsu Sunano

Amid a heightened sense of crisis regarding the global environment and social sustainability, and an accelerating move to pursue sustainability, companies are expected to play an increasingly bigger role. Some people may think of ESG and CSR as costly tasks that generate no profit and superficially promote them. In the past, our Group might have done so to some extent. However, we are entering an era when we will aim for social and corporate sustainable growth by having all employees maintain awareness of ESG through their respective work. Under harsher public scrutiny, investors are being asked

to refrain from investing in companies that are not environmentally friendly. Some investors have decided not to make new investments in coal-fired thermal power. As an energy provider and a company that is needed by its stakeholders, we must seriously undertake sustainable management. By establishing the Sustainability Promotion Department within Cosmo Energy Holdings this fiscal year, we renewed our commitment to pursue both profit and social value while aiming for sustainable development, as advocated in our Group Management Vision.

Promotion Structure

Establishment of the Sustainability Promotion Department

In April 2020, Cosmo Energy Holdings established the Sustainability Initiative Department to enhance Group-wide efforts aimed at sustainable growth. The department's mission is to question the existence of the Cosmo Energy Group inside and outside the Group. We will continue explaining our initiatives to stakeholders so that they will say, "The Cosmo Energy Group is indispensable to the sustainable development of society and I hope it will continue to prevail." We will also continue asking the management team and associates whether we are realizing the Group Management Vision, with the aim of proposing to Directors and Executive Officers the placement of ESG at the center of management.

Committees

Four committees are in place to promote the CSR management plan and to implement the Group's sustainability activities. Each committee is chaired by an Executive Officer in charge of sustainability and is comprised of those responsible for a business division or a group company. The committees' activities are reported to the Executive Officers' Committee and the Board of Directors. Meetings of these committees are attended by Outside Directors and hold active discussions. We aim to make group-wide efforts to advance ESG activities, so that our Group can help solve social issues through our business activities and contribute to achieving SDGs.

