

Cosmo Energy Group's Sustainable Management

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. Harmony and Symbiosis and Creating Future Values, which are included in the Cosmo Energy Group Management Vision constitute the Basic Concept of Sustainability and show our determination to promote sustainability in our management.

To strengthen our sustainable management initiatives further, we have identified the ten most important material

issues toward what we should be like in 2050. Based on these material issues, we are implementing the Consolidated Medium-Term Sustainability Management Plan (hereafter, the "Sustainability Plan"), in which we have set KPIs from an ESG perspective. For the climate change countermeasures as one of our most important material issues, we have announced our 2050 Carbon Net Zero Declaration and disclosed the roadmap for achieving it in May 2022. We are continuously encouraging sustainable management to achieve sustainable corporate value enhancement and solutions to social issues through our business activities.



Message from the Executive Officer in Charge

We aim to achieve net zero carbon emissions by driving sustainable management surely.

Representative Director, Senior Managing Executive Officer
In charge of Sustainability Initiative Dept., Accounting Dept. and Finance Dept.

Takayuki Uematsu

While the sense of crisis regarding climate change has been growing and moves to achieve decarbonization have accelerated globally, we published our Carbon Net Zero Declaration in May 2021, vowing to reduce the greenhouse gases (GHG) emitted by our businesses to effectively zero by 2050. We have also published a roadmap toward net zero carbon emissions. Sustainability transformation of management itself is important for achieving this roadmap. The Sustainability Strategy Committee, which was established in April 2021 and is chaired by the president and CEO, met eight times in total in FY2021 and had lively discussions about ESG. All of us at the Cosmo Energy Group will work as one on climate change measures as one of our most important material issues.

For more than 20 years, we have been managing the Group with a focus on the environment by placing sustainable growth

(sustainability), which is mentioned in the Cosmo Energy Group Management Vision, at the center of our corporate management. For us, sustainability is nothing less than the pursuit of sustainable value improvement and growth based on our vision. Therefore, under the current Consolidated Medium-Term Management Plan, we are steadily re-establishing our vision and reviewing our internal control system. By driving sustainable management, we will continue aiming for the sustainable improvement of our corporate value, thus fulfilling stakeholders' expectations.

The Seventh Consolidated Medium-Term Management Plan will start next fiscal year. Although we are operating in increasingly uncertain times, we will improve the resilience of management and formulate a medium-term plan that will contribute to sustainable growth with safe, stable energy supply.

Promotion Structure

We established the Sustainability Initiative Department in April 2020 and have since been working on sustainability management. In April 2021, we established the Sustainability Strategy Committee. In FY2021, this committee had eight sessions in total, including extraordinary sessions.

The management team members discuss non-financial agenda items and monitor the progress of KPIs. In addition, the Board of Directors makes decisions on, and supervises, long-term goals regarding ESG issues and the progress

of related initiatives, in response to the content of the Sustainability Strategy Committee's discussions. Beyond the above, we hold the meetings of the Sustainability Committee, which are managed and attended by the general manager of the Sustainability Initiative Department and the general managers of other departments and offices, and the Cosmo Energy Group Sustainability Liaison Committee, which promotes group-wide sustainable management.

Instilling the idea internally

Senior management explains the background behind ESG initiatives and their importance in internal training sessions.

At the same time, we use internal newsletters, an intranet website, and other media to proactively increase employee understanding of sustainability and ensure the idea takes root in the Group. In every issue of the internal newsletter there is a special feature on sustainable management. We are also engaged in other measures, such as the publishing of ESG episodes in an e-mail magazine. In FY2021, we held study sessions for senior management on two occasions to promote understanding of sustainable management. We will offer e-learning and workshops with the goal of providing guidance and deepening understanding to increase our contributions to the solution of social issues through our businesses, as part of our efforts to improve sustainability literacy.

Participating in the UN Global Compact

The Group participated in the United Nations Global Compact in 2006. Supporting the Ten Principles of the UN Global Compact related to human rights, labor, the environment, and anti-corruption, we apply a global perspective and demonstrate to society our commitment to the promotion of sustainable management, with the goal of continuing to improve our sustainability activities.

