

We are working with our customers to protect the environment through a number of activities, with the message “Living With Our Planet.”

The greatest environmental impacts of petroleum products arise when they are used by customers.*1 Our company tries to provide petroleum products that have as little environmental impact as possible, but we also feel that it is important to join with our customers in pursuing environmental protection. With a view to increasing customer satisfaction, we are promoting interactive communication and carrying out various other activities with our customers.

Cosmo the Card Eco: Protecting the environment together with customers

We call our company credit card “Cosmo the Card.” At present, 2.25 million customers use these cards, which are issued and managed by our company. In response to our customers’ growing environmental awareness, we introduced a new card, Cosmo the Card Eco, in April 2002.

By March 2003, only a year later, 56,000 people had joined the Eco card program.



Cosmo the Card Eco

Customers who join the Cosmo the Card Eco program donate 500 yen when they join, and continue to donate that amount every subsequent year in the month they joined. The company adds to this a percentage of purchases that customers make using the Cosmo the Card and Cosmo the Card Eco*2 and makes a



Tropical rainforest protection project in Papua New Guinea

contribution through non-governmental and non-profit organizations to support environmental

protection activities.

In fiscal 2002, Cosmo Oil donated funds to tropical rainforest



Tropical rainforest protection project in the Solomon Islands

protection projects and to domestic projects aimed at conserving endangered natural environments (see table). In order to effectively support activities through the Cosmo the Card Eco program that reflect our message, “Living With Our Planet,” project staff personally visits the actual project sites. They listen to the views of local people and look at how things are going with project partners, always keeping in mind our basic commitment to protecting and restoring the environment. We also send annual project reports to cardholders and tell them how their donations are being put to work.



Eco-toilets donated for use at Mt. Fuji nature area

Cooperating with governments

Since fiscal 2001, we have been supporting a project in Papua New Guinea that aims to protect tropical forests and enhance food security through encouraging a switch from shifting agriculture to settled, organic agriculture. The government of Papua New Guinea (PNG) has shown great appreciation for our company’s activities, and we continue to pursue a close cooperative relationship. The PNG government has agreed to the continuation and further expansion of the project, and to that end we have signed a memorandum of understanding making this a joint project. We have investigated the potential of having local development assistance projects like

*1. See pages 31–32.

*2. Cosmo Oil donates 0.1% of purchases made using the Cosmo the Card Eco and 0.01% of purchases made using the Cosmo the Card.

*3. OISCA Organization for Industrial Spiritual and Cultural Advancement-International

Projects supported by Cosmo the Card Eco

Achievements in fiscal 2002

1.Environmental Restoration and Conservation in Developing Countries

Tropical Rainforest Protection Project (Papua New Guinea)

Set up rice polishing mills at three sites. Promoted rice growing jointly with an OISCA*3 agricultural extension and leadership training project.

Tropical Rainforest Protection Project (Solomon Islands)

A training facility is under construction for organic agriculture, based on a sustainable model village. Access road 70% complete, shed for organic fertilizer nearly complete.

Support Project for Environmental Refugees from Island Countries

Preparations complete for carrying out fiscal 2003 support program.

Greening the Silk Road project

Preparations complete for tree planting in the vicinity of the tombs of Zhou Dynasty emperors Wen and Wu, and the ruins of the capital of Qin Dynasty emperor Wei Yan.

Silkworm Project

Training session on raising silkworms held to encourage sustainable agriculture. Cocoon production increased.

2.Environment Restoration and Conservation in Japan

Endangered Natural Habitat Protection Project

Eco-toilets installed at two sites on the Yamanashi side of Mt. Fuji (Station 1 and Station 5).

3.Environmental Education

Rice Terrace Conservation Project

Preparations under way to make effective use of elective study classes at elementary schools in 2003.

this in developing countries counted under the Clean Development Mechanism (CDM)*1, which would be an international first. If it becomes possible to include such projects under the CDM, a wide array of private funding may become available for similar projects in developing countries.

Good Design Award for the Eco card!

In October 2002, Cosmo the Card Eco became the first credit card to be awarded the Good Design Award by the Japan Industrial Design Promotion Organization. The award was based on appreciation for the card's concept of linking the growing desire of consumers to do something for the environment together with our company's corporate commitment to protecting the global environment, and enabling customers to take part in environmental activities through the purchase of petroleum products.

CO₂-neutral Gasoline

In view of the problem of climate change, we involved our Cosmo the Card Eco card members in a plan to provide "CO₂-neutral gasoline." This plan involves allocating carbon sequestration rights obtained by the company to offset CO₂ produced by our customers' use of gasoline. Cardholders purchased 4,846 kiloliters of gasoline during the month of December 2002, combustion

of which would have produced 11,195 tons of CO₂. In September 2002, Cosmo Oil purchased 24,000 tons of Carbon Sequestration Rights (CSRs) resulting from afforestation in Australia. Based on the rights we issued "CO₂ Sequestration Certificates,"*2 some of which were allocated to provide our customers with "CO₂-neutral gasoline."

Because we share everyone's concern about climate change, we have been selling CO₂ Sequestration Certificates, at 500 yen per ton of CO₂, at various events in Japan. The revenues are contributed during the next fiscal year to environmental activities under the Cosmo the Card Eco program.

Services for disabled customers

There are about 30,000 drivers with hearing disabilities in Japan. We have introduced a special Order Card to allow them to place their orders smoothly at Cosmo Oil service stations. This card was adopted at the suggestion of one of our employees who has a hearing disability.



Order Card

The Cosmo Customer Center

The 21st century is said to be the age of the interactive society, in which members of society actively influence one another, in an environment of interactive information exchange.

In October 2000, our company set up the Cosmo Customer Center as a place for interactive communication with customers. Three years later, we receive an average of 280 messages every month through a toll-free telephone line and e-mail: 57% of these are questions, 21% are complaints, 17% are requests, and 5% are miscellaneous.

By promptly communicating these messages to the appropriate department or affiliate, the Cosmo Customer Center seeks to enhance our customers' satisfaction.

Cosmo Customer Center website
www.cosmo-oil.co.jp (Japanese only)
 Toll-free Number: 0120-530-372 (Calls within Japan only, Japanese only)

*1. See page 13.

*2. Also audited by Asahi & Co.



CO₂ Sequestration Certificate