

Environmental Preservation Action and Communication

Web page <http://www.cosmo-oil.co.jp/eng/sustainable/06/env/communication.html>

We aim to contribute to the sustainable development not only through our business activities but also through activities outside our business in partnership with our stakeholders.

Policy

We regard environmental conservation activities and environmental communication as the two most important building blocks of the Cosmo Oil Group's sustainable management.

We think that contributing to and cooperating with society, not only through our business activities but also through activities outside our business is the first step to realize a sustainable society.

It is important to take actions in partnership with as many people as possible when we try to help realize sustainable development.

We aim to promote environmental preservation activities throughout our communities by means of actions and environmental communication— helping society and our employees raise their awareness of the environment by communicating environmental issues as well as our policies and initiatives.

“Office Clean Activities” involving all personnel

We promote “Office Clean Activities” throughout the Group. In these activities, we follow the 3R (Reduce, Reuse, and Recycle) for resources and energy, including fixtures and lighting devices always used at our offices.

In FY2005, the first year in which the group-wide activities were initiated, we set up site-based targets. In October 2005, we joined the “Team Minus Six Percent,” an activity for preventing global warming promoted by the Japanese government.



Separate collecting boxes for recycling paper installed in the head office

Green purchasing with our suppliers

Green purchasing

We set internal criteria of green purchasing for a wide range of products ranging from office supplies to catalysts, containers, and building materials. We plan to increase the number of specified articles and to elaborate the criteria.

Green suppliers

We ask our suppliers to agree with Cosmo Oil Group's sustainability management. We also set up criteria for 'green suppliers' so that our suppliers can employ environment-conscious management and raise their awareness. Almost all the suppliers (about 500 companies) cooperate with us.

▼ Table 1

Targets and results of Office Clean Activities

 [Detailed data http://www.cosmo-oil.co.jp/eng/sustainable/06/env/communication.html](http://www.cosmo-oil.co.jp/eng/sustainable/06/env/communication.html)

	Results in FY2005		Medium-term target in FY2007		
	Cosmo Oil Increase/decrease from FY2003	Affiliates* Increase/decrease from FY2004	Cosmo Oil Increase/decrease from FY2003	Affiliates* Increase/decrease from FY2004	Consolidated* Increase/decrease from FY2004
Copy paper	△ 9%	1%	△ 16%	△ 14%	△ 11%
Fuel consumption of company cars	△ 18%	△ 9%	△ 18%	△ 12%	△ 9%
Electricity consumption in the offices	△ 8%	△ 3%	△ 10%	△ 11%	△ 5%

* Since many affiliates joined these activities in FY2004, the base year for the affiliates is FY2004.

* △ :Minus(Decrease).

Overseas cooperation

In order to support the sustainable development of the Middle East oil-producing countries, from which we import crude oil, and of other emerging countries, which have a huge growth potential, and to maintain and establish a good relationship with them, the Cosmo Oil Group provides them with technical assistance and promote human and cultural exchanges.

Exchange of human resources

In FY2005, with a financial support from Japan Cooperation Center, Petroleum (JCCP), we had 32 programs for 156 trainees in total from oil-producing countries, particularly from the Middle East. We also dispatched experts overseas on 26 occasions, involving 86 experts in total, to provide technical assistance in a variety of fields, such as the environment, energy conservation, and refining.

Receiving the staff of the Oil Ministry, Papua New Guinea

Cosmo Oil has had a good relationship with Papua New Guinea through the activities for contributing to the environment. We started providing technical assistance to Papua New Guinea through accepting public officials from Papua New Guinea as trainees upon a request from the Japanese Ministry of Foreign Affairs. The trainees say that they learned not only about the environmental, health and safety management, but also experienced Japanese culture, customs, and a variety of systems.

Training course for Qatar Petroleum

In cooperation with our staff members working at Cosmo Engineering as well as at the Chiba and Sakai Refineries, we accepted five engineers from Qatar Petroleum, and provided them with a training on oil refining technologies.

The engineers attended lectures and received on-the-job trainings at refineries to learn, among others, on energy management, profit improvement, and catalyst management. In this period, they had active talks with our engineers.

Technical exchange with Persian Gulf countries

Cosmo Oil and Kuwait, which commands over 8% share of the crude oil imported by Cosmo Oil, have been promoting technology exchanges according to the mutual agreements. Our four experts visited the Mina Abdulla Refinery to exchange information about energy conservation and environmental technologies, and lubricant control. We also accepted engineers from Kuwait for a technical exchange in FY2006.

In 2001, we gave a training course to the Bahraini government-owned oil corporation BAPCO in Japan, but subsequently, the exchange was discontinued due to changes in Bahrain's domestic situation. In December 2005, we visited a refinery in Sitra, the only operating refinery in Bahrain, to restart the technical exchange and to have talks about the exchange in FY2006. We hope that we will continue to have a good relationship with Kuwait and Bahrain through the technical exchanges.



Overseas trainees at the Cosmo Research Institute



Trainees accepted and engineers dispatched
<http://www.cosmo-oil.co.jp/eng/sustainable/06/env/communication.html>

Environmental Awareness Raising



Details of environmental awareness raising activities
<http://www.cosmo-oil.co.jp/eng/sustainable/06/env/communication.html>

There is a limit to what only one company can do against the environmental problems. We make efforts to raise awareness of the environment, recognizing that everyone living in society needs to be aware of these problems and cooperate with each other.

Communicating our activities

- Our environmental advertisements "Something Good for the Earth" and "A Letter of Appreciation from PNG (Papua New Guinea)" were awarded an excellence prize in the advertisement category, the 54th Nikkei Advertising Awards held by Nihon Keizai Shimbun Inc.
- We made and released the Internet movie "Ken Noguchi Ogasawara Environmental School" as a Cosmo Oil Eco Card Fund project.
- We publish the environment and culture magazine "TEREE."
- We enforce "Cosmo Earth-conscious Act" to promote global environment preservation (in collaboration with 38 broadcasting stations joining Japan FM Network).

Fostering awareness of global warming prevention

We make efforts to raise awareness about the prevention of global warming, closely related with petroleum. In FY2005, we developed an experimental CO₂ absorber with Waseda University. We exhibited and demonstrated it at Expo 2005 Aichi Japan, Ecoproducts 2005, and at the National Museum of Emerging Science and Innovation. In addition, we con-



Experimental CO₂ absorber

ducted the 4th CO₂-free gasoline and diesel oil campaign with CO₂ absorption certificates for members of COSMO THE CARD ECO in December 2005.

Action with many people

To publicize the "Cosmo Earth-conscious Act," we have been conducting "Clean Campaign," a cleaning activity while getting acquainted with nature, since 2001.

As of July 2006, we collected more than 1,561,537 liters of waste with a participation of 82,756 people at 208 sites throughout Japan.

C O L U M N

Environmental education for the next generation

Hoping that children will grow up to be responsible citizens who care for the environment, we support education for the next generation, particularly environmental education, by providing both tools and opportunities. The following describes some examples.



Offering educational tools

- We give copies of the "Earth Environment Book" to schoolchildren.

- We have opened the website*1 "Cosmo Children's Earth School—Econets" where adults and children learn about the environment together.

Offering educational opportunities

- We hold the "Nature Art Workshop for Kids" where children raise their awareness of the environment by experiencing nature and creating works of art.
- We support environmental education for elementary schools all over Japan*2.
- We hosted a series of environmental seminars to train environment messengers*2.

*1 This website is only in Japanese.

*2 These activities are supported by the Cosmo Oil Eco Card Fund.

Cosmo Oil Eco Card Fund

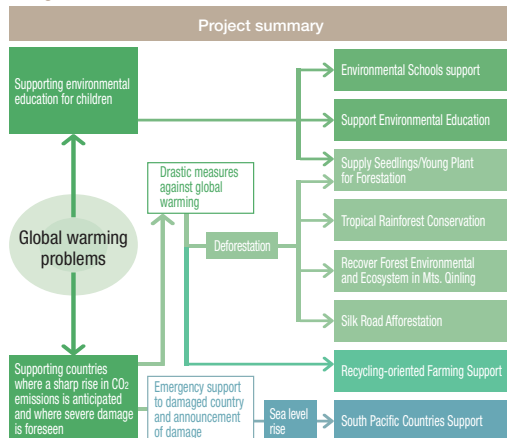
What is the Cosmo Oil Eco Card Fund?

We conduct activities to address global environmental problems with financial contributions from members of the COSMO THE CARD ECO who are concerned about the environment as well as those from the Cosmo Oil Group

Policy

With our slogan "Living with Our Planet," we carry out activities to address global issues such as 'global warming', which is largely caused by the burning of petroleum products, 'poverty', 'hunger', 'development/consumption patterns', and 'education', with a belief that it is always important to tackle root causes of the problems. Our funding members have talks with the local communities or governments to initiate a project in partnership with NGO/NPO having thorough knowledge of the corresponding areas. Meanwhile, we actively promote activities for raising the environmental awareness in order for as many people as possible to know about how serious environmental problems, and to expand the environmental preservation networks.

▼ Figure 7



• Tropical Rainforest Conservation Project

This project, which, as the first step to conserve tropical rainforest, has aimed to spread the use of circulative agriculture in a fixed place instead of shifting cultivation, entered its fifth year in FY2006. In the Solomon Islands, about 50 trainees finished a six-month training course at a model farm, including the clearing of a wasteland. They are expected to return to their hometown and spread the circulative agriculture.



Trainees planting upland rice seedlings

• South Pacific Countries Support Project

In the Republic of Kiribati, which is facing a crisis due to the rising sea level, we planted mangroves to prevent the coastline from being eroded. We started this project in FY2004, made preparations with the Kiribati people, such as a vegetation survey and seed selection, and finally carried out mangrove planting in September 2005. On that day, about 360 people, including local children and residents and government officials, planted about 4,800 seedlings. We will continue this project and try to mitigate disasters caused by climate changes.



Children learning how to plant mangroves