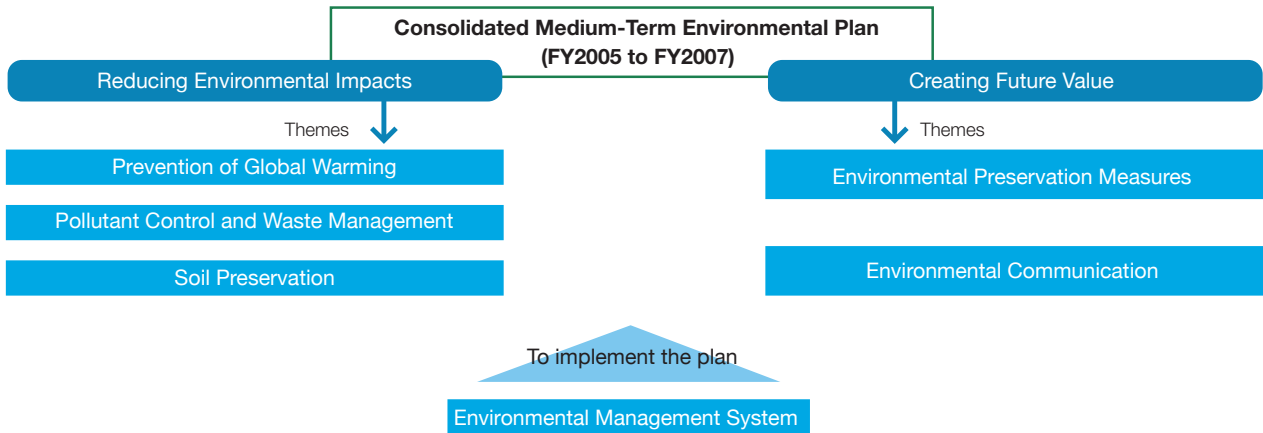


# Comprehensive Overview of Environmental Activities

<http://www.cosmo-oil.co.jp/eng/sustainable/07/env/index.html>

Under the Consolidated Medium-Term Environmental Plan, the Cosmo Oil Group is carrying out environmental activities with the dual goals of “Reducing Environmental Impacts,” and “Creating Future Value.” The purpose of the latter is to realize a sustainable society on a global scale.

## Environmental Initiatives under the Consolidated Medium-Term Environmental Plan



Themes		Main Targets	Performance and Evaluations in FY2006	Future Challenges	
Reducing Environmental Impacts	Prevention of Global Warming	<ul style="list-style-type: none"> <li>●Cosmo Oil: Reduce unit energy consumption for 2008-2012, the first commitment period of the Kyoto Protocol, by 15% from FY1990 levels through the implementation of energy conservation initiatives at refineries and the utilization of the Kyoto mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>●Cosmo Oil: Achieved 11.6% reduction through energy conservation initiatives at refineries.</li> <li>●Compliance with the revised Energy Conservation Law</li> <li>●Kyoto mechanisms: Conclusion of contract for the acquisition of carbon credits</li> </ul>	○	<ul style="list-style-type: none"> <li>●Respond to strengthened regulations and invest in energy conservation/consider acquisition of additional carbon credits.</li> </ul>
	Pollutant Control and Waste Management	<ul style="list-style-type: none"> <li>●Cosmo Oil: Maintain average industrial waste landfill rate of less than 1%.</li> <li>●Execute comprehensive environmental management (pollutants, harmful substances, and industrial waste).</li> </ul>	<ul style="list-style-type: none"> <li>●Cosmo Oil: Achieved average landfill rate of 0.7%<sup>1</sup>.</li> <li>●Some affiliated companies did not achieve targets.</li> <li>●Positive results in environmental management realized by Cosmo Oil and affiliated companies with work sites.</li> </ul>	△	<ul style="list-style-type: none"> <li>●Further reduce landfill rate.</li> <li>●Review targets of affiliated companies and follow up on attainment.</li> <li>●Implement a high level of environmental management based upon results of environmental inspections.</li> </ul>
	Soil Preservation	<ul style="list-style-type: none"> <li>●Reduce risk with preventative and post-facto countermeasures according to site (refineries, oil depots, service stations, and idle land).</li> </ul>	<ul style="list-style-type: none"> <li>●Completion of internal system for detection of irregularities.</li> <li>●Conducted soil surveys at service stations.</li> <li>●Conducted inspections and repairs of wastewater pipes containing oil.</li> <li>●Conducted soil surveys of decommissioned oil depots.</li> </ul>	○	<ul style="list-style-type: none"> <li>●Continue soil surveys.</li> <li>●Conduct soil surveys at refineries and continue countermeasures.</li> <li>●Continue soil surveys at decommissioned oil depots.</li> <li>●Implement similar measures at business sites of affiliated companies.</li> </ul>
Creating Future Value	Environmental Preservation Measures	<ul style="list-style-type: none"> <li>&lt;Office Clean Activities&gt;</li> <li>●Cosmo Oil (Base year: FY2003; Target year: FY2007): Copy paper to be cut by 16%; company car fuel consumption to be cut by 18%; office electricity consumption to be cut by 10%</li> <li>●Affiliated companies (Base year: FY2004; Target year: FY2007): Copy paper to be cut by 14%; company car fuel consumption to be cut by 12%; office electricity consumption to be cut by 11%</li> </ul>	<ul style="list-style-type: none"> <li>●Cosmo Oil: Copy paper cut by 10%; company car fuel consumption cut by 15%; office electricity consumption cut by 11%</li> <li>●Affiliated companies<sup>2</sup>: Copy paper increased by 2%; company car fuel consumption cut by 9%; office electricity consumption cut by 3%</li> </ul>	△	<ul style="list-style-type: none"> <li>●Boost “Team Minus 6%” activities, achieve “Office Clean” targets, and raise environmental awareness.</li> </ul>
		<ul style="list-style-type: none"> <li>&lt;Green Purchasing&gt;</li> <li>●Promote green purchasing of office supplies and other consumable goods as well as the “greening of suppliers.”</li> </ul>	<ul style="list-style-type: none"> <li>●Purchased office supplies and other consumables according to our green purchasing standard and assessed suppliers.</li> </ul>	○	<ul style="list-style-type: none"> <li>●Expand the scope of goods procured through green purchasing.</li> </ul>
	<ul style="list-style-type: none"> <li>&lt;Activities that Contribute to Society and the Environment&gt;</li> <li>●Further strengthen cooperation with communities.</li> </ul>	<ul style="list-style-type: none"> <li>●Conducted environmental education at Yokkaichi Refinery.</li> <li>●Established criteria and implemented testing for “service stations that are friendly to people, society, and the Earth.”</li> </ul>	○	<ul style="list-style-type: none"> <li>●Strengthen environmental and social-related contributions made by service stations, refineries, and other facilities.</li> </ul>	
Environmental Communication	<ul style="list-style-type: none"> <li>●Disseminate information to society and our stakeholders and promote two-way communication.</li> </ul>	<ul style="list-style-type: none"> <li>●Eco-products that utilize experimental CO<sub>2</sub> absorber displayed at Eco-Products 2006 and Abu Dhabi exhibition.</li> <li>●Offered eco tour and experiential program through the Cosmo Oil Eco Card Fund.</li> <li>●Conducted environmental advertising on TV and radio.</li> </ul>	○	<ul style="list-style-type: none"> <li>●Strengthen participation-oriented programs (eco tour and others).</li> <li>●Expand venues where opinions can be exchanged with stakeholders.</li> </ul>	

\*Fiscal 2006 performance evaluation: ○ achieved; △ partially not achieved; × not achieved

### Notes

1 The industrial waste landfill rate covers the four refineries, the Yokkaichi Kasumi Power Station (IPP) facility, oil depots, and the Research & Development Center.

2 The scope of fiscal 2006 affiliated company results was expanded to include additional affiliated companies, and the base year results for fiscal 2004 include estimates.