


# Independent Assurance Report



**Independent Assurance Report**

To the Board of Directors of Cosmo Oil Co., Ltd.

**Purpose and Scope**  
We were engaged by Cosmo Oil Co., Ltd. (the "Company") to provide limited assurance on its Corporate Report 2010 (the "Report") for the fiscal year ended March 31, 2010. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether:

- the environmental, social and economic performance indicators (the "Indicators") for the period from April 1, 2009 to March 31, 2010 included in the Report are prepared, in all material respects, in accordance with the Company's reporting criteria; and
- the Company's self-declaration on the Global Reporting Initiative ("the GRI") application level conforms to the application level criteria stipulated by the GRI.

The content of the Report is the responsibility of the Company's management. Our responsibility is to carry out a limited assurance engagement and to express our conclusion based on the work performed.

**Criteria**  
The Company applies its own reporting criteria as described in the Report. These are derived, among others, from the Environmental Reporting Guidelines of Japan's Ministry of the Environment and the Sustainability Reporting Guidelines 2006 of the GRI. We used these criteria to evaluate the Indicators. For the GRI application level, we used the criteria stipulated by the GRI.

**Procedures Performed**  
We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines of Sustainability Information Assurance' of J-SUS.

The limited assurance engagement on the Report consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviews with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report.
- Reviews of the Company's reporting criteria.
- Obtaining an understanding of the systems used to generate, aggregate and report the Indicators, and of the internal controls at corporate and site level.
- Analytical reviews of the Indicators aggregated at corporate level.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also a recalculation of the Indicators.
- Visit to the Matsuyama Plant of Cosmo Matsuyama Oil Co., Ltd.
- Evaluating the Company's self-declared GRI application level against the application level criteria.
- Evaluating the overall statement in which the Indicators are expressed.

**Conclusion**  
Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report; and
- the Company's self-declaration on the GRI application level does not conform to the application level criteria.

We have no conflict of interest relationships with the Company that are specified in the Code of Ethics of J-SUS.

*KPMG AZSA Sustainability Co., Ltd.*  
KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
October 20, 2010

The conclusion of our assurance engagement is stated in our Independent Assurance Report. The following summarizes improvements from previous years and further recommendations, as identified in the course of our assurance procedures.



**Ryota Ando**  
KPMG AZSA  
Sustainability Co., Ltd.

The Cosmo Oil Group has successively prepared reports in compliance with *GRI Sustainability Guidelines 2006*. While GRI Guidelines continue to be an important global standard in sustainability reporting, Japan has yet to completely embrace these initiatives. In the globalization of its business activities, Cosmo Oil is recognized as a leader within Japan for its efforts in sustainability reporting.

Cosmo Oil independently evaluates its major goals, activity performance and the achievement of targets for fiscal 2009 under the Second Consolidated Medium-Term Safety Plan, Second Consolidated Medium-Term Human Rights/Personnel Plan and Third Consolidated Medium-Term Environmental Plan as components of the Second Consolidated Medium-Term CSR Management Plan (see page 11). While quantitative criteria have been used in the self-evaluation of achievement of targets wherever possible, certain areas have been evaluated on a qualitative basis. We strongly encourage the Company to establish, wherever possible, quantitative objectives and evaluation criteria to be applied and managed internally in the assessment of each of the themes of its Third Consolidated Medium-Term CSR Plan (2010–2012) (see page 12), and also to report such objectives, criteria and results to its stakeholders in an objective and clear manner.

## GRI Content Index

The Cosmo Oil Group has prepared this report using the *GRI Sustainability Reporting Guidelines 2006*.<sup>1</sup> Cosmo Oil self-declares that this report achieves GRI Application Level B+ to clearly indicate to its readers the extent to which elements of the GRI Guidelines framework were applied in preparing this report. KPMG AZSA Sustainability Co., Ltd. provides assurance on the self-declared application level as well as the performance indicators disclosed in this report.



This report is aligned with the GRI *Sustainability Reporting Guidelines 2006* at an application level of B+.

1. GRI Guidelines are a set of guidelines developed by the Global Reporting Initiative, an international non-profit organization working in close collaboration with the United Nations Environment Programme. It provides a framework for reporting on an organization's economic, environmental and social performance.

Report Application Level	C	C+	B	B+	A	A+	
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1–2.10 3.1–3.8, 3.10–3.12 4.1–4.4, 4.14–4.15	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5–4.13, 4.16–4.17	Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.
	G3 Management Approach Disclosures	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.	Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.	Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.	Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.	Respond on each core G3 and Sector Supplement indicator with due regard to the materiality principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Respond on each core G3 and Sector Supplement indicator with due regard to the materiality principle by either: a) reporting on the indicator or b) explaining the reason for its omission.

For more details on the corresponding section of GRI Guidelines, please visit the Cosmo Oil website.  
<http://www.cosmo-oil.co.jp/eng/csr/gri.html>