

# Working with Integrity

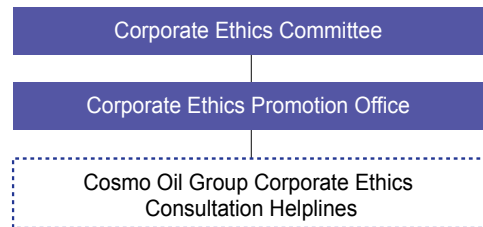
## Compliance Promotion

### Corporate Ethics Promotion Framework

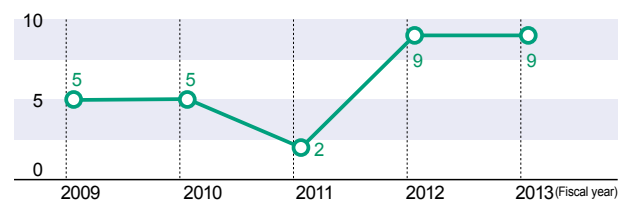
As the organization responsible for the execution of matters under the CSR Promotion Committee, the Corporate Ethics Committee has been established to decide, promote, and implement basic policy relating to corporate ethics. The Corporate Ethics Promotion Office has also been set up to serve as a facilitator for the Committee.

Additionally, the Cosmo Oil Group has set up helplines within the Group and at an outside law firm by which employees or persons outside the Group can discuss legal or ethical problems concerning Group operations. Details of the report and the Group's response to the reported issues are forwarded to the Corporate Ethics Committee and are reflected in future activities. There is also a consultation helpline within the Human Resource Department for matters related to sexual and power harassment.

Corporate Ethics Promotion Framework



Number of Helpline Inquiries



### Corporate Ethics Training

The Cosmo Oil Group conducts annual corporate ethics training for employees. In fiscal 2013, the training focused on keeping consistent personal/organizational awareness of corporate ethics; raising sensitivity to underlying issues; and promoting identification, discussion, and correction of problems. The format was changed from a lecture format to a participatory workshop. Employees were asked to discuss everyday situations that might happen at the Cosmo Oil Group to raise their ethical awareness. The new format was welcomed, and participants found the content easy to understand and stated that it improved their ability to think through situations and exposed them to new points of view.



Fiscal 2013 Results for Corporate Ethics Training

| Training Category and Theme         |   | Participants       | Hours |
|-------------------------------------|---|--------------------|-------|
| <b>New employees</b>                | Compliance and corporate ethics; Code of Conduct; and Company decision-making rules   | 66                 | 2-3   |
| <b>Newly promoted line managers</b> | Compliance; role of line managers to promote corporate ethics   | 29                 | 1.5   |
| <b>Training at work sites</b>       | Message from the president on commitment to corporate ethics, helpline system, CSR management and corporate ethics, case studies and discussion | 3,250 <sup>1</sup> | 1.5   |

1. Conducted 73 sessions at all 36 work sites



# Pursuing Customer Satisfaction

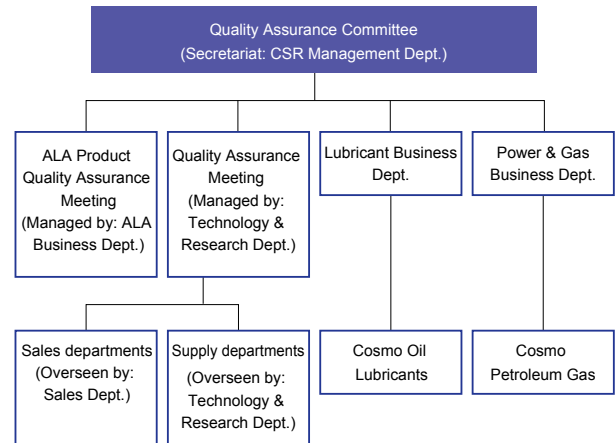
## Securing Trust in Petroleum Products

### Initiatives to Eliminate Quality Problems

The Quality Assurance Committee operates out of the Cosmo Oil Head Office and is responsible for establishing the group-wide framework for quality assurance. For fuel oils, the committee is focusing on safety management in two areas: thorough measures to secure safety and stable supply, and ensuring prompt and appropriate response if a product issue arises.

In fiscal 2013, there was a mixed-oil accident at a Cosmo Oil service station caused by human error during unloading. The rapid initial response prevented further escalation. In order to prevent similar accidents, the Group enforced a procedural checklist for loading and unloading operations that all employees must follow, improving mutual checks with the receiving station.

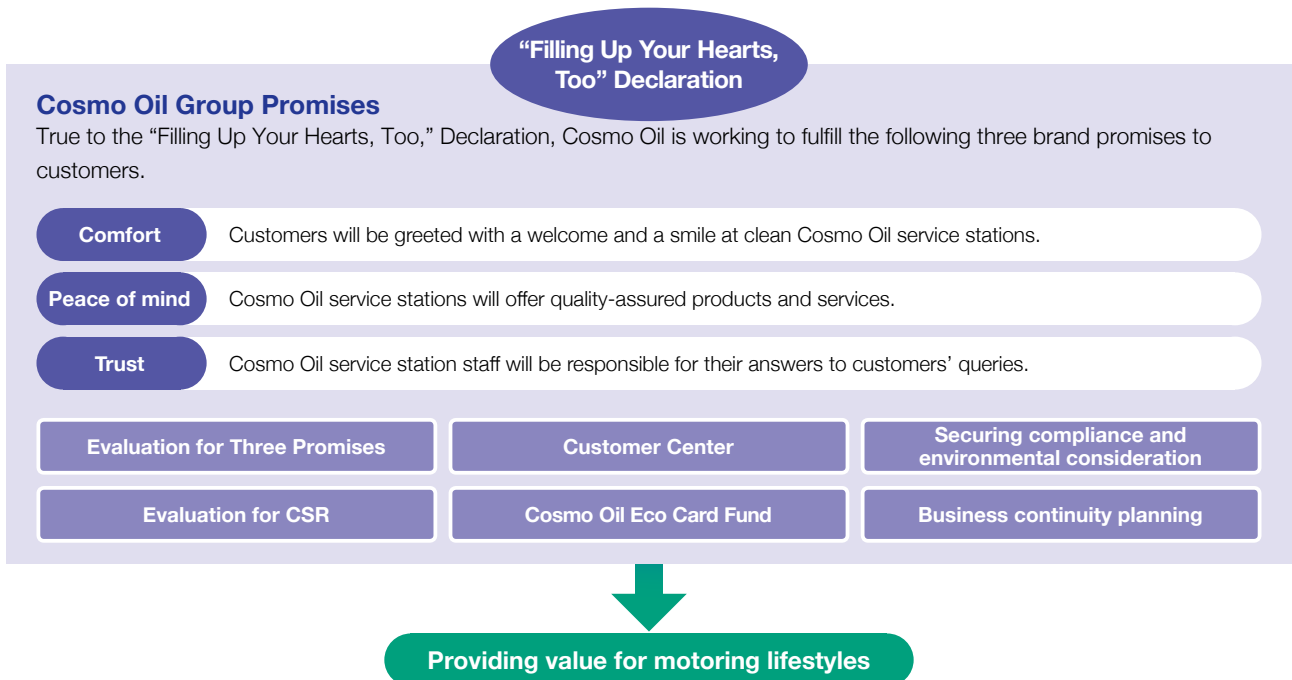
Quality Assurance Committee Framework



## “Filling Up Your Hearts, Too” Declaration

Under the “Filling Up Your Hearts, Too” Declaration, the Cosmo Oil Group is working hard to give customers a true

sense of comfort, peace of mind, and trust when they visit service stations.



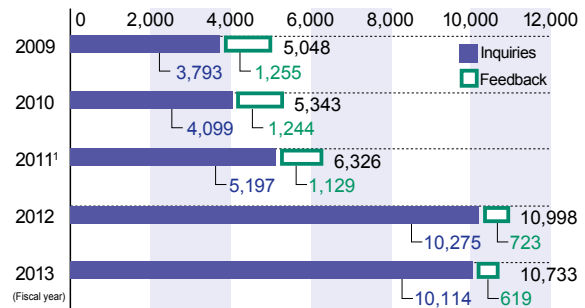
Under the brand promises of providing comfort, peace of mind, and trust, the Group is transforming its business model from that of petroleum sales focusing on fuel oils, to one of providing broad-based value for motoring lifestyles.

## Ensuring Customer Support

The Cosmo Oil Customer Center facilitates communication with customers through a support phone line, which has been available 24 hours a day since 2010.

In fiscal 2013, the overall number of inquiries to the support line remained about the same as the previous year. Calls with customer feedback, however, were down by 104, or 15%, to 619 calls.

### Number of Customer Inquiries



1. The number of inquiries and feedback received in fiscal 2011 does not include those connected with the Great East Japan Earthquake.

### Sample Comments Received by Customer Center

#### Praise

When I went to fill up at around 9:00 p.m., the service station staff came out to greet me even though it was night. They bowed to every single departing car. I was quite impressed and it put me in a good mood.

**Response from the service station operator:** Our staff always take the effort to make our customers happy, so it is great to receive this kind of praise.

#### Feedback

I chose to fill up at a full service station, but when I pulled in, the three employees were talking amongst themselves, and they didn't bother to greet me or guide me into a bay. They didn't act friendly and I had a poor experience.

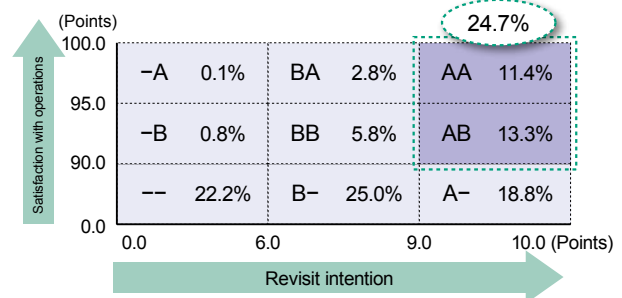
**Response from the service station operator:** We verified that this took place using surveillance camera footage. We have addressed the topic with all of the staff.

## Service Evaluations for Fulfillment of Three Promises

The Cosmo Oil Group focuses intently on customer satisfaction. The Group surveys its customers to assess the level of comfort, peace of mind and trust provided by service stations and reviews the fulfillment of the Three Promises made to customers.

The assessment approach was updated in fiscal 2013 to emphasize customer intention to return to the same service station. The survey was conducted at 2,144 service stations and found that 24.7% of those surveyed earned both a very high customer revisit intention and high satisfaction with operations (both 9 or more points out of a possible 10).

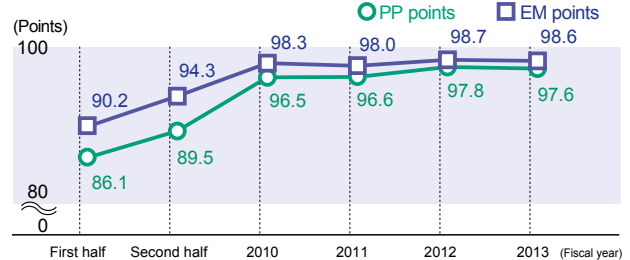
### Evaluation Results for Three Promises of "Filling Up Your Hearts, Too" Declaration for Fiscal 2013



## Survey of CSR at Service Stations

The Cosmo Oil Group conducts annual privacy policy (PP) surveys and environmental management (EM) surveys to check and improve regulatory compliance at service stations. In fiscal 2013, inspectors visited 1,174 service stations, and more than 1,800 service stations conducted their own self-assessments.

### Average PP and EM Points



Note: Higher scores are better.