

New Group Business Continuity Plan Covers the Supply Chain to Ensure Preparedness for a Large-Scale Disaster

Cosmo Oil has revised its original business continuity plan (BCP) and developed a new Group BCP that covers its supply chain. This effort is part of its commitment to ensuring a stable supply of petroleum products even after a large-scale disaster. The new BCP will help to ensure that the Group is positioned to quickly supply petroleum products even if a large-scale disaster hits, such as a major earthquake in Tokyo or the Nankai Trough.

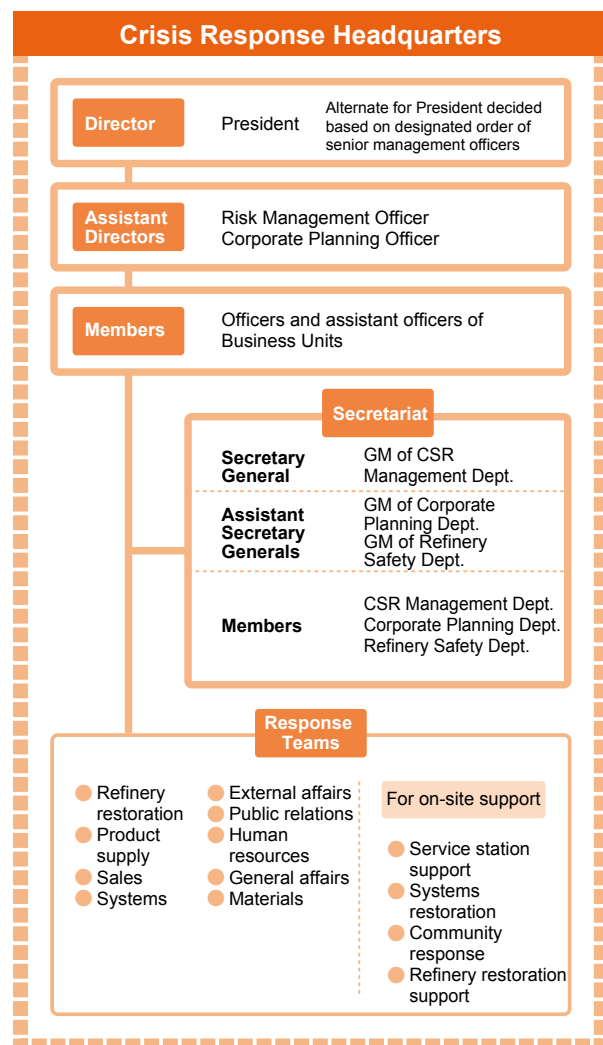
Comprehensive Review of BCP and BCP Manual

Cosmo Oil originally developed a BCP and BCP manual in June 2006 based on the scenario of a major earthquake in Tokyo, to secure business execution in a large-scale disaster. Subsequent events—such as the Great East Japan Earthquake in 2011 and an organizational change that saw the creation of the CSR & Environmental Affairs Department (now the CSR Management Department) under the Risk Management Unit in June 2013—necessitated a comprehensive review of the risk management framework and BCP manual. Meanwhile, the Company developed a new Group BCP that covers the whole supply chain, from refineries to service stations. These efforts are consistent with guidelines from the Petroleum Association of Japan that aim at public-private cooperation for energy security.

Systematic Targets for Securing Rapid Delivery of Petroleum Products

A new manual was also created for the Group BCP based on the latest scenario from the Cabinet Office of Japan concerning a major earthquake in Tokyo or the Nankai Trough. Risk assessments were conducted at each division using the manual, and specific targets were set for the length of time needed to rapidly restore shipments from refineries and reopen service stations in disaster areas. These targets were adopted as company-wide targets, in order to facilitate business continuity efforts at the divisional level by clearly identifying the actions to take and challenges to overcome.

Organizational Framework under BCP Manual





On-Site Response Headquarters

Works with Crisis Response Headquarters following policies of the Group BCP

Refineries

Group Companies, Service Stations

- Cosmo Matsuyama Oil
- Cosmo Computer Center
- Cosmo Engineering
- Cosmo Oil Sales
- Sogo Energy
- Cosmo Kaiun
- Cosmo Delivery Service
- Cosmo Trade & Service
- Cosmo Petro Service
- Cosmo Techno Yokkaichi
- Kansai Cosmo Logistics
- Sakaide Cosmo Kosan
- Hokuto Kogyo

On-Site Response Headquarters

Coordinates information under the BCPs of individual companies to prevent business losses

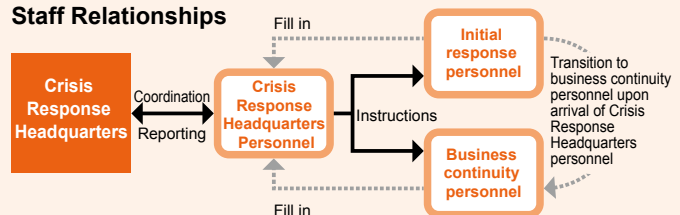
Individual Group Companies

- Abu Dhabi Oil (Japan)
- Cosmo Energy Exploration & Production
- EcoPower
- Cosmo Oil Lubricants
- Cosmo Petroleum Gas
- Cosmo Business Associates
- Cosmo Research Institute

Updating the Response Framework for a Large-Scale Natural Disaster

Cosmo Oil has reviewed its organizational framework for the response to a large-scale natural disaster based on the newly developed Group BCP, and reorganized the Crisis Response Headquarters (see the chart at left) in order to achieve targets for rapidly restoring shipments. The headquarters includes specialized teams such as a refinery restoration team which would collaborate with the Cosmo Oil Head Office and refineries to achieve quick operational recovery. Each team has designated personnel to work on initial response and securing business continuity.

Staff Relationships



Group BCP for Securing the Entire Supply Network

Under the Group BCP, which sets unified business continuity policies, the Group will conduct joint drills aimed at securing the product supply in an emergency throughout its entire supply network including refineries, oil depots, transport companies, and service stations. The Group is additionally installing portable fuel pumps, satellite phones, and emergency power generators at some 400 service stations across Japan. As of March 2014, the equipment had been supplied to 257 stations.



From left: Portable fuel pump, emergency power generator, connection box for emergency power generator

Photos courtesy of Tatsuno Corporation