

Issues that materially impact the Cosmo Energy Group

Reidentification of material issues

The Cosmo Energy Group newly identified the important ESG tasks (material issues) that will influence the sustainable growth of society and the Group, with the goal of working to create an ideal society for 2050. Regarding the material issues for the sustainable creation of value, we will promote activities under the "Oil & New," slogan during the Sixth Consolidated Medium-Term Management Plan from the perspective of social issues as well. The base of these activities is the material issues that are the foundation of our business continuity planning. In the current fiscal year, we are evaluating targets toward the achievement of the SDGs to which the material issues will contribute, and formulating KPIs for the next medium-term plan.

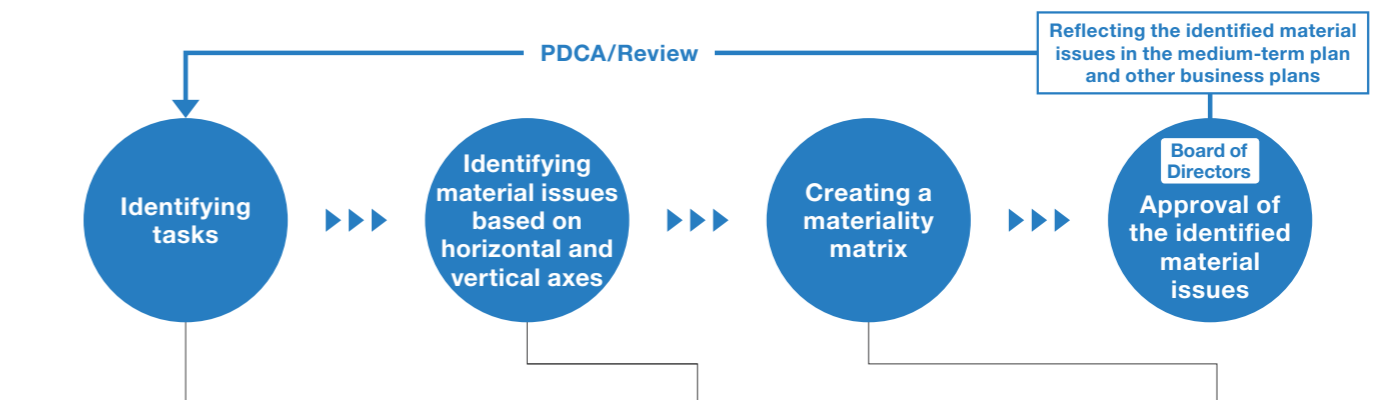


Material issues	How the Company Wants the Group to Be
Climate change countermeasures	<ul style="list-style-type: none"> Risks and opportunities created by climate change have been identified and measures addressing them have been evaluated and implemented. Measures for the reduction of GHG emissions have been taken and the reduction target has been achieved toward the achievement of net zero carbon emissions.
Clean technology opportunities	<ul style="list-style-type: none"> Clean fuels catering to customers' needs (e-fuel, hydrogen, ammonia, etc.) are offered and sold.
Product specifications and clean fuel blends	<ul style="list-style-type: none"> We have become the leading company in Japan in the generation of power from renewable energy sources centered around the wind power generation business. Focus R&D themes have been shifted to newer low-carbon technologies, and the Group is competitive in these technologies. Business models focusing on the entire value chain are being operated, and sufficient profits are being earned through the provision of clean products other than fuels.
Structural reform of businesses that are the foundation for revenue	<ul style="list-style-type: none"> The financial foundation has been stable. Profits are being earned from existing businesses, and these profits are returned to shareholders and invested in new businesses.
Occupational safety & health management	<ul style="list-style-type: none"> The injury of employees in accidents has been prevented. Work-related accidents caused by overwork or harassment have been prevented. Employees are working with a peace of mind and in good health.
Diversity and equal opportunity	<ul style="list-style-type: none"> Every employee is able to fully demonstrate their capabilities regardless of age, gender, job category, organization, or job history. There is lively discussion before decisions are made, and diverse opinions are reflected in decision-making.
Ethics and integrity	<ul style="list-style-type: none"> The Group's code of conduct has become entrenched, enabling individuals to make appropriate decisions.
Compliance	<ul style="list-style-type: none"> Laws, regulations, and social norms are observed. Internal regulations have been established to prevent non-compliance, and employees understand and observe these regulations.
Risk management	<ul style="list-style-type: none"> In addition to operational risks, the strategy risks and opportunities we face have been identified, and these risks are hedged and handled appropriately. An ERM strategy has been established, and the serious risks faced by the Group as a whole have been identified and managed.*
Safe operations and stable supply	<ul style="list-style-type: none"> Serious product accidents have been prevented, enabling prevention of employees' injuries from accidents. Our operations do not threaten the safety of areas where we operate and local residents of the areas. Energy is supplied stably even in times of disaster and emergency.

* ERM: Enterprise Risk Management

Material Issue Identification Process

We used the following steps to identify material issues, while listening to the opinions of stakeholders including the people within the Group.



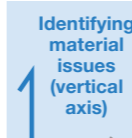
Selecting candidate material issues

After comprehensive consideration based on the 33 topics included in the GRI Standards, 154 candidate tasks were selected from the SDGs, the themes that the DJSI, FTSE, and MSCI require the energy industry to work on, the themes the industry has identified itself to work on, and other themes. We consolidated these tasks to create a list of 41 candidate material issues.



We identified the material issues which are important for us.

Our directors held a workshop. We also considered the Group's Management Vision, Code of Conduct and the content of various initiatives when placing material issues on the horizontal axis to identify their importance to the Group.



We identified the material issues which are important for society.

We evaluated material issues to place them on the vertical axis based on evaluations from an array of rating agencies, information from our peers in the industry, the results of consumer surveys and employee questionnaire surveys, interviews with investors, dialogue with experts, and other information.

We created a matrix with the importance of issues for us as the horizontal axis and the importance of issues for society as the vertical axis and plotted the positions of the material issues.

