



# For the Creation of a Sustainable Society

## Special Feature Increasing the Resilience of the Cosmo Energy Group

### Statement of support for the TCFD

In December 2020, Cosmo Energy Holdings became a signatory expressing its support for the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations\*<sup>1</sup> and joined the TCFD Consortium.\*<sup>2</sup> It is believed that companies' disclosure of information about their responses to climate-change-related risks and opportunities in line with the TCFD recommendations enables the companies to foresee and appropriately manage the financial impact of these risks and opportunities in its future business activities.

Our statement of support for the TCFD Recommendations will deepen our initiatives for the achievement of sustainable growth and enable them to evolve. Sustainable growth is a goal of the Cosmo Energy Group Management Vision. We will take this as an opportunity to appropriately and proactively disclose climate-change-related information. We will also formulate medium- to long-term business strategies with increased awareness of the risks and opportunities created by climate change in all of the Group's business domains, and proactively disclose information about the financial impact of these risks and opportunities.



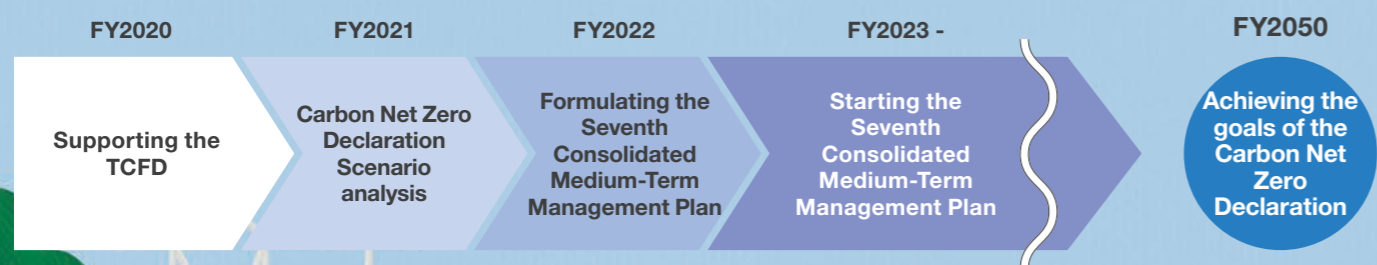
\*1 The Task Force on Climate related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB). With the goal of identifying and disclosing the financial impact of the risks and opportunities created by climate change, the TCFD has disclosed its recommendations regarding voluntary information disclosure.  
 \*2 The TCFD Consortium is an organization established to enable the companies, financial institutions, and other entities supporting the TCFD to discuss initiatives to lead companies in their effective information disclosure and enable financial institutions and other entities to appropriately use the disclosed information in their investment decisions.

### Carbon Net Zero Declaration

At the Cosmo Energy Group, we announced the 2050 Carbon Net Zero Declaration, vowing to reduce the greenhouse gases (GHG) emitted by our businesses to effectively zero by FY2050.\*<sup>3</sup> Sustainable growth, a goal set in the Cosmo Energy Group Management Vision, has been at the core of our corporate management, and we have been promoting environmental management for more than 20 years. Moves toward decarbonization have been accelerating globally, reflecting a growing sense of crisis about climate change. We made the declaration, believing that formulation and implementation of management plans with greater awareness of climate change will be essential for sustainable growth. We will take the following steps to achieve the 2050 Carbon Net Zero Declaration.

- FY2021: Scenario analysis and the creation of a road map to 2050**  
We will create a road map based on the scenario analysis of the Task Force on Climate related Financial Disclosures (TCFD).
- FY2022: Formulation of the Seventh Consolidated Medium-Term Management Plan, which combines financial and non-financial goals**  
We will formulate the Seventh Consolidated Medium-Term Management Plan by factoring in a long-term road map and the Group's most important material issues.
- FY2023: Starting the Seventh Consolidated Medium-Term Management Plan, aiming for sustainable growth**

\*3 Scope of GHG emissions: Scope 1 and 2



### Addressing COVID-19 risks

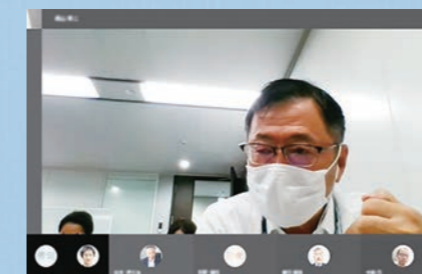
The Cosmo Energy Group continues to strive to ensure safety and the stable supply of energy while taking thorough measures to control infection with the health and safety of our employees, their families, and our business partners as our top priority. In response to the COVID-19 pandemic, we set up a crisis headquarters for the periods from February to May 2020 and from January to August 2021, respectively. In joint meetings of the crisis headquarters (held 35 times), we formulated Group-wide initiatives, including thorough measures to control infection, the provision of information, and the introduction of a system under which employees work from home in principle, and expanded these initiatives to Group companies. At refineries, we completed regular maintenance as scheduled by taking measures such as requesting the cooperation of city governments, explaining information to local communities, and distributing masks and disinfectant to people working for subcontracting companies working on site. Our efforts to control infections, including disinfection, ventilation, equipment investments, quarantines and other measures to prevent infection enabled us to avoid a major impact to our operations. In addition to taking thorough daily infection control measures, we have continued to work in an efficient manner that has been promoted by Group companies, in our efforts to practice new workstyles with increased productivity. We will continue to ensure that protecting the health and livelihood of employees and their families is our top priority and continue to enable resilient workstyles throughout the Group.

<b>Oil E&amp;P Business</b>	<ul style="list-style-type: none"> <li>Thorough measures to enable the transfer of staff members to offshore facilities, including 14-day quarantines, PCR testing, and body temperature measurement</li> <li>Prohibiting employees working at oil wells from visiting offshore facilities (operation sites) and measuring body temperature with a non-contact thermometer at the entrance to each building and at each department</li> </ul>
<b>Petroleum Business</b>	<ul style="list-style-type: none"> <li>Having many employees, mainly head office employees, shift to workstyles based on working from home</li> <li>Restricting external people's entry into facilities and ensuring the thorough disinfection of workplaces at refineries</li> <li>Continuing to provide support for affiliated service stations (distribution of non-contact infrared thermometers, masks, disinfectants, etc.)</li> </ul>
<b>Petrochemical Business</b>	<ul style="list-style-type: none"> <li>Taking measures at plants, including encouraging working from home and staggered commuting, taking thorough infection control and health management measures, prior check of the activities of new entrants to facilities during regular maintenance, and regular disinfection of rest areas</li> <li>Identifying operations that can be done at home, mainly in the head office, and shifting to working from home</li> <li>Restricting business trips and cancelling large conferences</li> </ul>
<b>Renewable Energy Business</b>	<ul style="list-style-type: none"> <li>Having employees working on site work from home, which is feasible because the remote monitoring of sites is possible</li> <li>Sending one inspector for regular on-site check-ups</li> <li>Establishing a system enabling 24-hour monitoring at the head office as well, to handle problems</li> </ul>

### On the 10th anniversary of the Great East Japan Earthquake

In response to the fire and explosion of our LPG tanks at the Cosmo Oil Chiba Refinery following the Great East Japan Earthquake, the Cosmo Energy Group revised Chapter 1 of the Cosmo Energy Group Code of Conduct to "We are determined to be a safe, accident-free corporate group." Thus, we reaffirmed our determination to pursue safety as our top priority. During the past ten years, the entire Group has engaged in an array of safety measures, including measures to prevent the recurrence of that accident. In April 2021, the Chiba Refinery was certified as a business

operator which has realized especially high-level voluntary safety activities (super ninteji jigyo) in a Ministry of Economy, Trade and Industry certification program under the High Pressure Gas Safety Act. Ten years after the earthquake, each one of us at the Cosmo Energy Group continues to ensure safe operations and remains committed to the stable supply of energy by always keeping in mind the importance of safety and being aware that there is no end to safety initiatives and that we must always continue them.



BCP training implemented in September 2020 assuming the occurrence of a disaster

Reference: Press release  
 A message about safety from the president (March 11, 2021)  
[https://ceh.cosmo-oil.co.jp/press/p\\_210311/index.html](https://ceh.cosmo-oil.co.jp/press/p_210311/index.html)



## Special 2 Feature Cosmo Energy Group's Brand Strategy

### Joining all forces of the Cosmo Energy Group on Cosmo

While we have been known familiarly as Cosmo Oil, we are now realigning our business portfolio in response to environmental change, desiring to provide not only oil but all kinds of energy that fit with the times. Thus, we are promoting a brand strategy that joins together all of the Cosmo Energy Group in our efforts to develop a corporate climate for the creation of a sustainable, affluent society in a Group-wide manner.

We will position the Group's brand logo and brand statement as important elements that are common to the entire Group, including the Petroleum Business and the Renewable Energy Business, to develop a sense of unity and consistency within the Group.



#### What is a brand?

**A brand is a stockpile of trust and expectations created by good experiences.**

A beautiful logo and a delightful catch-phrase are not the only elements that constitute a brand. The important thing is the things that people feel and expect and the actions they want to take when they see, hear, and read the logo, melody, and catch-phrase. It is this trust and these expectations that form the essence of a brand and the value which should be built. This is the idea on which our branding activities are based.

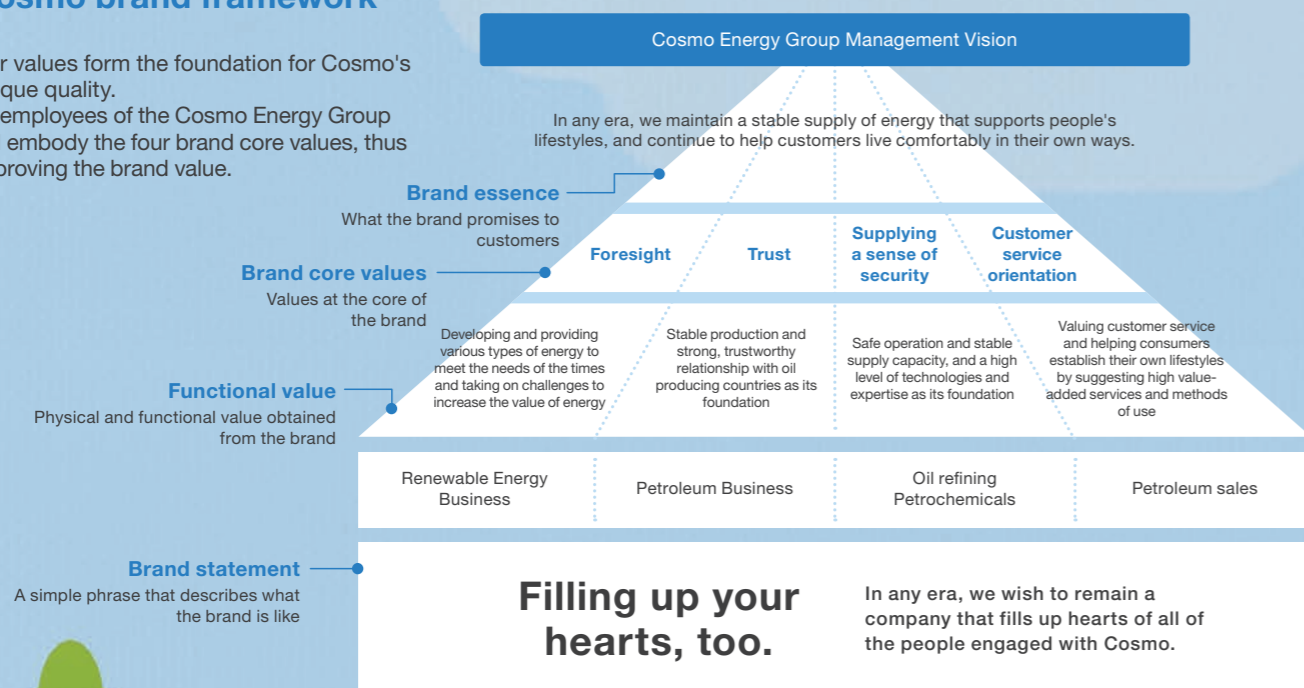
#### Effects of a brand

**A brand enables the creation of a comfortable work environment internally and a resilient business structure that generates stable profit.**

In the market, it is not only competitive prices that enable us to be selected by customers. It is also peoples' trust and expectations of Cosmo as a familiar brand that greatly help us to be selected, even where it is difficult to differentiate our service or business from our competitors.' When customers have developed a deep attachment to a brand, more of them will repeatedly choose that same brand when there are other opportunities and for other services, thus leading to stable profit. Further, when brand value is improved, employees take pride in the brand, resulting in their increased motivation to work, greater loyalty to the company, and greater awareness of compliance.

### Cosmo brand framework

Our values form the foundation for Cosmo's unique quality. All employees of the Cosmo Energy Group will embody the four brand core values, thus improving the brand value.



### Brand statement: "Filling up your hearts, too."

This slogan expresses our willingness to do our best for the satisfaction and spiritual wealth of all stakeholders in their everyday lives, including consumers. It is also our motto for sharing the target image of Cosmo. Positioning it as our message to all stakeholders, we will enhance our efforts to deliver it in ways that fit with the times.

Brand statement familiarity ranking as a reminder of the company name (According to a survey conducted by Nikkei BP Consulting Inc./ Rank among 211 companies)

Brand statement familiarity as a reminder of the company name **2nd**

Visibility of brand statement **1st**

### External branding activities of the Cosmo Energy Group

We are advancing branding activities by attaching importance to consistency, so that everyone will feel the same unique quality of Cosmo whenever and wherever they are engaged with the brand. In external branding activities, we express the unique quality of Cosmo consistently in advertisements, service stations, products, services, and even the way we interact with customers.



Cosmo My Car Leasing Store



Replacement of sign pole



TV commercial

### Internal branding activities of the Cosmo Energy Group

We engage in internal branding activities to inform all employees of the unique quality of Cosmo in accordance with changes of the times and the environment, so that they consistently embody the core values of foresight, trust, supplying a sense of security, and customer service orientation in all corporate activities.

We define brand value, create a system for putting it into practice in daily operations, and implement a PDCA cycle to increase value.

#### Outline of the activities

<b>Defining the value</b>	Defining the brand value structure of Cosmo (Building the brand framework)
<b>Systems</b>	Establishing brand management rules, standards and procedures, and steps for applying for the brand management of an item
<b>Building a management structure</b>	Setting up a Brand Management Office and appointing a Brand Manager and Brand Staff at each company
<b>Practice</b>	Providing E-learning (training) aimed at increasing the entire Group's awareness of the brand and implementing practical activities related to the brand with central role played by the Brand Manager and Brand Staff
<b>PDCA</b>	Identifying achievements of and issues with the Group's activities by conducting consumer surveys (external surveys) and employee surveys (internal surveys)

#### Promotion Structure

