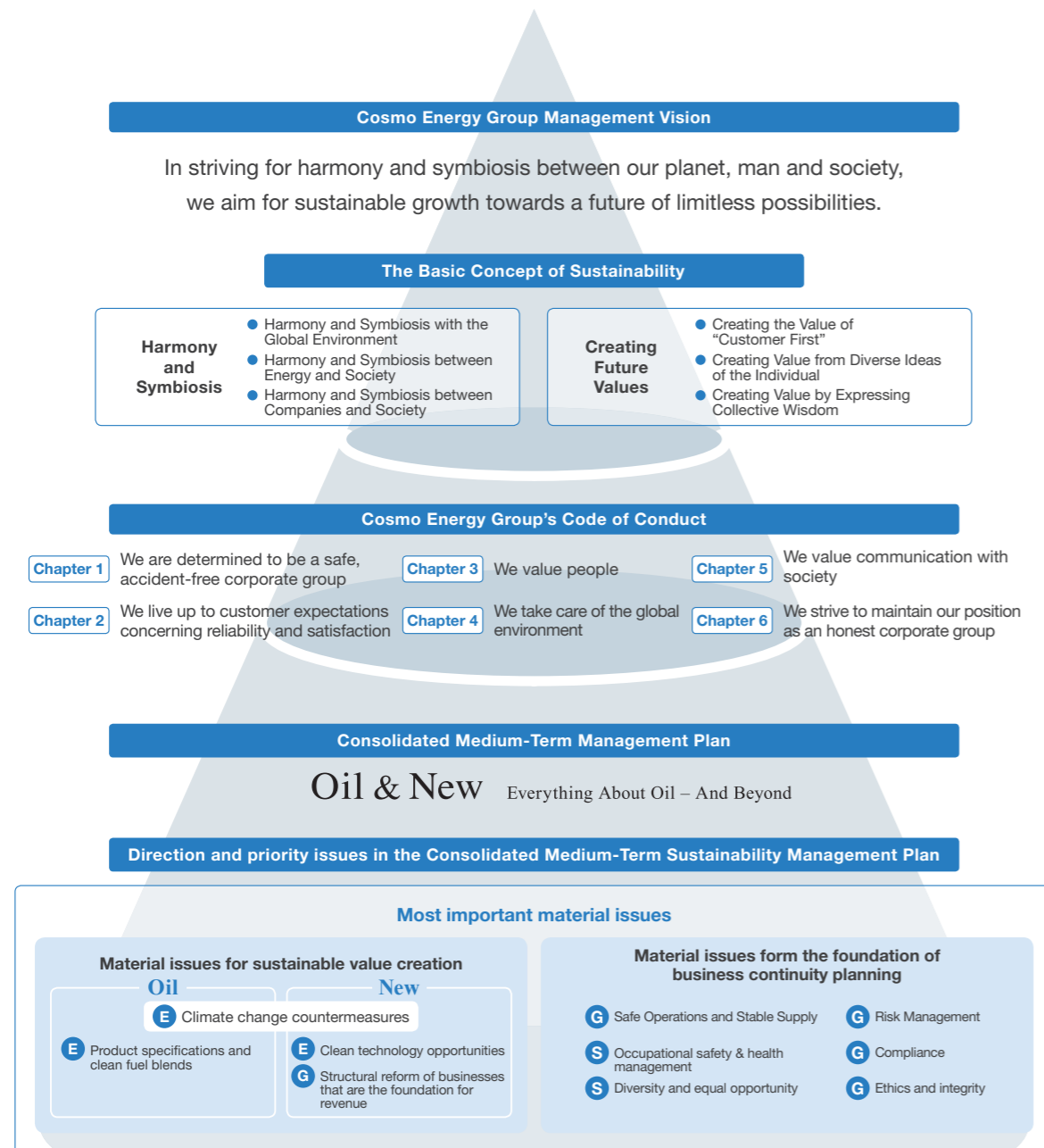


# Cosmo Energy Group's Sustainable Management

The Cosmo Energy Group Management Vision, "In striving for harmony and symbiosis between our planet, man and society, we aim for sustainable growth towards a future of limitless possibilities," incorporating our commitment and passion toward the sustainable growth of our Group and society. Harmony and Symbiosis and Creating Future Values, which are included in the Cosmo Energy Group Management Vision constitute the Basic Concept of Sustainability and show our determination to promote sustainability in our management. Our Group aims to achieve the sustainable growth of both itself and society. Our Code of Conduct, which sets out our Group Management Vision in concrete terms, is the

foundation of sustainability for the Cosmo Energy Group and a base for the behavior and value of our employees. To strengthen our sustainable management initiatives, we have identified the ten most important material issues faced by the Group. Based on these material issues, we are implementing the Consolidated Medium-Term Sustainability Management Plan (hereafter, the "Sustainability Plan"), in which we have set KPIs from an ESG perspective. We are continuously encouraging sustainable management to achieve sustainable corporate value enhancement and solutions to social issues through our business activities.



## Message from the Executive Officer in Charge

**We aim to achieve a sustainability transformation (SX) that integrates our financial and non-financial goals**

Director, Senior Executive Officer  
Sustainability Initiative Dept., Legal and General Affairs Dept., IT Strategy Dept.  
**Yoshimitsu Sunano**

We established the Sustainability Initiative Department in FY2020 and have since been working on sustainability management. To place sustainability at the base of our management, the management team has held workshops, and resolutions on identification of material issues, support for TCFD recommendations, and other matters have been passed by the Board of Directors.

In FY2021, to integrate financial and non-financial goals, we established the Sustainability Strategy Committee as a new decision-making body chaired by the president of Cosmo Energy Holdings. We have built a framework for sustainability transformation (SX), in which earning power (economic value) is discussed by the Executive Officers' Committee while the Sustainability Strategy Committee discusses ESG and other social issues (social value) and the future market, so that the Board of Directors makes decisions through the synchronization of financial and non-financial goals.

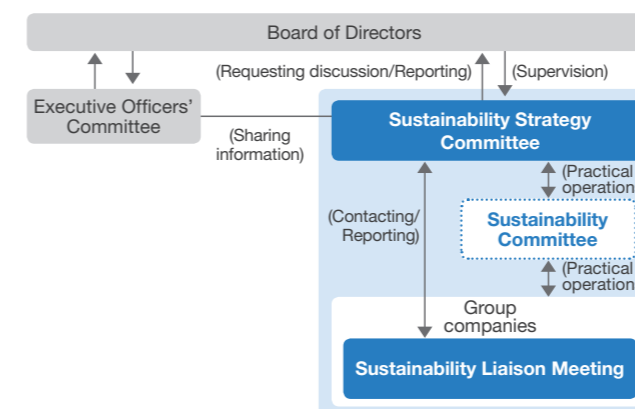
Last year, the COVID-19 pandemic made it difficult to have direct

points of direct contact with people. As a company, we needed to accelerate our digital transformation (DX) to maintain and increase earning power. We have built a system to be our foundation enabling office workers to work from home, in principle. We have also implemented operational reforms and changed the way we communicate with business partners and customers. Moving forward, we will develop our businesses further through our DX, aiming to achieve both social and economic value through strategies such as the utilization of big data to manage plants and reduce their environmental impact and the support of customers' car lifestyles through the development of the Carlife Square app.

Moreover, we will regularly create opportunities for employees to receive education and training to improve their knowledge of sustainability and their ability to apply this knowledge, to establish a culture that enables employees to respond agilely to environmental change. We will also reflect our dialogue with our stakeholders in our actions. This is how we intend to achieve SX.

## Structure for promoting sustainable management

In April 2021, we established the Sustainability Strategy Committee. Chaired by the president and CEO, this committee consists of executive officers and our core companies' presidents and the general managers of their planning departments, with the Supervisory Committee members participating as observers. This committee meets at least three times a year, in principle. The management team members discuss non-financial agenda items and monitor the progress of KPIs. In addition, the Board of Directors makes decisions on, and supervises, long-term goals regarding ESG issues and the progress of related initiatives, in response to the content of the Sustainability Strategy Committee's discussions. Beyond the above, the meetings of the Sustainability Committee are managed and attended by the general manager of the Sustainability Initiative Department and the general managers of other departments and offices. Sustainability Liaison Meeting promotes group-wide sustainable management.



## Instilling the idea of sustainability internally

Senior management explains the background behind ESG initiatives and their importance in internal training sessions. At the same time, we use internal newsletters, an intranet website, and other media to proactively increase employee understanding of sustainability and ensure the idea takes root in the Group. In every issue of the internal newsletter there is a special feature on sustainable management. We are also engaged in other measures, such as the publishing of ESG episodes in an e-mail magazine. We hold workshops for management and other employees in the form of e-learning with the goal of providing guidance and deepening their understanding to increase our contributions to the solution of social issues through our businesses, in our efforts to improve sustainability literacy.

## Participation in the United Nations Global Compact

The Cosmo Energy Group participated in the United Nations Global Compact in 2006. Supporting the Ten Principles of the UN Global Compact related to human rights, labor, the environment, and anti-corruption, we apply a global perspective and demonstrate to society our commitment to the promotion of sustainable management, with the goal of continuing to improve our sustainability activities.

