

Engagement with Employees

We are making efforts to provide a workplace that enables diverse employees to be empowered and facilitates value creation. Goals and KPIs have been set for specific measures in the sustainability plan. Here we present the Cosmo Energy Group's human rights and human resources initiatives.

Respect for human rights

At the Cosmo Energy Group, we have been engaged in activities protecting human rights guided by the Cosmo Energy Group Code of Conduct. In FY2021, we established our Human Rights Policy which conforms to the Guiding Principles on Business and Human Rights, which is a global standard. Every year, we provide

e-learning training on corporate ethics and human rights to Group employees, aiming to contribute to the achievement of the Cosmo Energy Group Management Vision and the sustainable development of society by engaging in business activities with a commitment respecting human rights.

Human Resources Policy

At the Cosmo Energy Group, we understand that human resources are management resources and it is important to maximize their value to achieve 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." To achieve this, we express our determination to utilize human resources and improve their capabilities in the Cosmo Energy Group Code of Conduct. We have established our Human Resource Policy based on the Management Vision and the Code of Conduct. We implement a range of measures for developing human resources guided by this policy.

Promoting participation and advancement for diverse human resources	Respecting diverse values, we create an environment in which all employees are able to fully demonstrate their capabilities and are treated fairly regardless of age, gender, nationality, job category, organization or job history, etc.
Encouraging employees to demonstrate their capabilities through a job-oriented system	We clarify the roles, job responsibilities, and purposes required of individual employees and reward employees who fully demonstrated their capabilities.
Promoting self-directed growth	We will continue to develop employees committed to the profit and growth of the Group as a whole and who can identify and address issues on their own.
Promoting the enhancement of individuals	We clarify job-related goals and action plans based on challenges in development that each employee must overcome, thus encouraging autonomous career formation and behavior changes and the evaluation of their growth.

Range of measures based on the Human Resources Policy

Human resources development

1 Promoting participation and advancement for diverse human resources

We create new value by enabling our human resources to demonstrate their diverse values, knowledge and skills as organizational strengths. We are striving to establish workstyles which enable achievements with the highest efficiency by combining commuting and teleworking, aiming to build an environment that enables diverse human resources to achieve maximally.

2 Encouraging employees to demonstrate their capabilities through a job-oriented system

We have introduced a job-oriented system for managers, under which we clarify their roles, responsibilities and goals and strive to enhance their expertise. We also focus our efforts on strengthening the development of human resources with a high level of expertise, such as expertise in the field of digital transformation.

3 Promoting self-directed growth

We have established human resource development measures with the goal of establishing an environment which permits employees to improve their capabilities and skills in a self-directed manner. In addition, we have introduced a job challenge system, working to build an environment where employees can think about their careers in a self-directed manner, grow daily with a willingness to take on challenges, and develop their careers in their desired workstyles.

4 Promoting the enhancement of individuals

In addition to the above, we are enhancing management training based on our understanding that it is essential to develop human resources by setting appropriate goals and assigning appropriate tasks to each individual employee with a diverse background and support them in forming careers in a self-directed manner, to enhance the individual.

Promoting diversity

1 Women's empowerment

To ensure the diversity of our human resources, we prioritize the empowerment of women. We have set the targets of having 6% of managers and 50% of new graduate hires who are women by April 1, 2023. As of April 1, 2022, women are 50% of newly hired employees and 5.9% of managers. We implement workstyle reforms including the introduction of flex time and telework systems, provide more support for the balance of work and childcare than is legally required, and work to increase awareness of gender equality. At the same time, we are proactively recruiting women and assigning them to a wider range of jobs. In recognition of these initiatives, we were granted the Nadeshiko Brand designation for FY2021 as an enterprise which is outstanding in the promotion of the active participation of women.

2 Balancing work and childcare

Recognized for initiatives to encourage employees to balance work and childcare, Cosmo Oil* became Japan's first oil wholesaler to obtain Platinum Kurumin certification in 2018. The percentage of employees who return to work after childcare leave continues to be 100%. In addition, to increase employee awareness of gender equality, we encourage male employees to participate in childcare. We provide a seminar on balancing childcare and work, have partially converted childcare leave into paid leave, introduced childbirth leave, and inform individual male employees of our programs. As a result, the rate at which childcare leave is taken by male employees, which was 13% in FY2017, rose to 62% in FY2021. We give employees on leave the opportunity to do e-learning and have employees talk with their superiors before and after leave. We also provide training to superiors. Thus, we are committed to taking measures to ensure that childcare does not put the brakes on employees' career development.

* The certification was granted to Cosmo Oil because employees of Cosmo Energy Holdings and the core companies are temporarily assigned from Cosmo Oil.

3 Advancement of people with disabilities

We will continue to prohibit discriminatory treatment, provide reasonable accommodation, enhance our consulting system, improve the environment, and encourage the development of a barrier-free mindset by enhancing our awareness-raising activities that promote the understanding of people with disabilities, based on the notion of inclusivity, in which diverse employees work in the same workplace, not to mention respect for the independence and dignity of people with disabilities. As of June 1, 2022, the percentage of employees with disabilities was 2.34%.

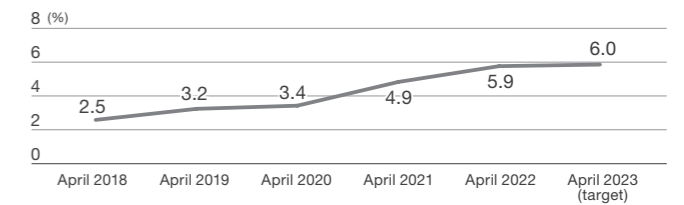
Promoting new work styles

Following the period when many employees worked from home, we reaffirmed the importance of management and communication. We created Guidelines on New Workstyles, which detail workstyles in the COVID-19 and post-COVID-19 eras based on environmental changes. We position productivity (speed, efficiency, and achievements) as the most important point and attach importance to and pursue the improvement of productivity. Further, we promote measures to optimize working hours to improve

Employees' wellness management

We have established our wellness management policy based on our belief that employees' wellness in mind and body and an environment that allows them to maximize their abilities are indispensable to the safe, reliable supply of high-quality products and services, and promoting the wellness of employees leads to increased corporate value. We focused our efforts on preventive measures, such as prohibiting smoking during work and the introduction of special holidays for complete medical checkups and follow-up examinations. As a result, we were recognized under the Certified Health and Productivity Management Organization Recognition Program (large enterprise category) for the fourth consecutive year in 2022.

Percentage of Female Managers

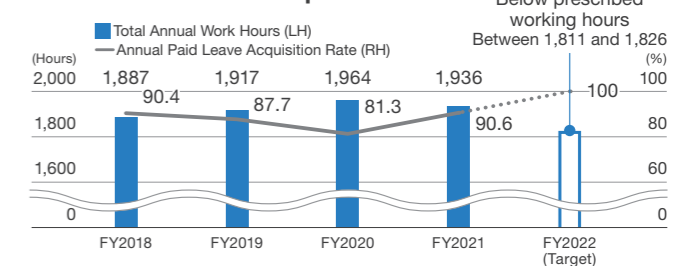


* The data above covers the professional staff employed by Cosmo Oil, including people dispatched to other companies. Managers are those ranked in a position who have subordinates or those in a similar rank, but without subordinates.
* The percentage of managers was calculated on April 1 of each fiscal year. The base date of calculation was previously March 31, the end of each fiscal year. We changed it to April 1 of each fiscal year to reflect the most recent achievements, such as new hires and promotions, and retroactively adjusted the figures for the past fiscal years.

4 Active participation of senior employees

Under our policy of expecting employees to continue working actively even after reaching the mandatory retirement age of 60, we apply the same job ranks, remuneration, and appraisal systems that applied before mandatory retirement during the period of reemployment. We also promote senior employees to line managers based on their capabilities and achievements. For employees who are unable to work full time due to their circumstances, we have introduced a program that permits them to work three or four days a week, thus enabling them to work more flexibly.

Total Annual Work Hours and Annual Paid Leave Acquisition Rate



productivity, including encouraging employees to work mornings, to take a day for relaxation (no-after-hours workday), and to turn off the lights in the workplace at 8:00 pm (to discourage nonessential, after-hours work) and improving business efficiency. In FY2021, both total annual work hours and annual paid leave acquisition rate improved from the previous fiscal year. Our goal is to have each one of our diverse employees select a workstyle in a self-directed manner and work in good health with high productivity.



Please see our website for the system chart and details of the initiatives. <https://ceh.cosmo-oil.co.jp/csr/social/employee6.html>