

Together with Company Staffs

Aiming at corporate culture and work environment in which each company staff can achieve their own unique

Making the Company a Place Where One Can Feel Excitement about Their Work

In order to achieve "Harmony and Symbiosis between Companies and Society" declared in our Management Vision, we are implementing various measures based on our policies of "Respect for the Individual (Humanity and Individuality)" and "Harmony in the Organization".

We consider that Cosmo Oil's corporate culture encompasses the recognition that each person is an invaluable existence with personal dignity, having respect for others, fulfilling one's roles with knowledge, ability and conscience, and fulfilling social responsibilities as a corporate citizen.

Establishment of the Human Rights Committee

In April 2004, as starting to work on human rights as part of CSR, we renamed the Human Rights Enlightenment Seminar Promotion Committee to the Human Rights Committee, and launched a series of group-wide measures. The plan for the entire Cosmo Oil Group was to, based on

- 1) Maintenance of a personnel system that respects basic human rights, and
- 2) Realization of a more cheerful and comfortable workplace and improvement of company staffs' motivations based on a spirit of respect for diversity. On the basis of these two policies, we strive to address 7 issues as follows:

Human Rights, Respect for Diversity/Equal Opportunity, Workplace Health, Benefits, Training and Development, Employment Guarantees/Job Creation, and Capital and Labor.

A Citation from the "Cosmo Oil Group Corporate Activity Guideline"

<Human Rights Respect>

- · We shall pursue our business with sincerity, respecting the different cultures and the dignity and rights of individuals in all the countries where we operate. We shall support the principles in the Universal Declaration of Human Rights.
- We shall not discriminate in the community on the basis of the birth, the nationality, the race, the creed, the religion, the sex, the age, the presence or absence of disability and so on.

Concerning business activities overseas, the Activity Guideline provides that the culture, practices, and rights of the indigenous peoples of a particular country be respected, the principles of the United Nations be observed with regard to the standard by which a decision is made as to whether business should be continued in a country that has serious human rights issues. The Guideline also provides that a likely impact of a large scale first-time investment in a particular region should be evaluated, the United Nations basic principles for Code of Conduct for Law enforcement officials be respected, the rights of company staff and local people and this principle be protected in case of security force.

Human Rights Seminar

We provide opportunities through which company staffs can receive training by conducing on-the-job training or by incorporating programs into the training programs by rank.

Reference

Related Data p. 79

Human Rights Enlightenment Competition

Fiscal 2004 Cosmo Oil Group Human Rights Enlightenment Competition Award (sponsored by the Human Rights Committee)

• Company Staff Section

General Affairs Department, Chiba Production Site, Cosmo Engineering Co., Ltd.

Authored by Yoshie Nishida

"Thoughtfulness", nurture it with your heart and carry it into tomorrow with kindness".

Family Section

General Affairs Section, Sakaide Refinery Authored by Tomoko Onishi's parent, Teruko

"So that you can be you, and I can shine as myself, let's recognize each human being, and each personality".

2. Respect for Diversity and Equal Opportunity

Personnel System

Based on the concept that the Cosmo Oil Group is a place of self-realization for each company staff, we provide our company staffs with challenging opportunities, developing and operating various personnel programs for them to maximize their potential.

As part of these activities, we started the performance- and competency-based personnel system in January 2000.

"Objectives of the Personnel System"

- · Clear definition of each company staff's roles and responsibilities
- · Fair evaluation based on the degree to which one's expected roles are fulfilled
- · Fair remuneration reflecting the result of the evaluation
- Human resource and competency development by providing feedback on the evaluation.

Company Staff Satisfaction Survey

We conducted the second "Cosmo Survey" to find out how satisfied our company staffs were with our personnel system in December 2004. The survey results have been collated, analyzed and made available for all company staffs.

We will review and consider the issues identified by the survey in cooperation with each department and the labor union in order to improve our personnel system.



Related Data p. 79

Employment of the Disabled

We carry out company staff training to raise awareness and endeavor to create a work environment where disabled company staffs can work to their full potential without hindrance.

Reference

Related Data p. 79

Creating Comfortable Work Environment for Safety and Health Health care activities for the company staff includes the

provision of a regular health check-up, and health guidance by industry doctors, and establishment of the "Hello health Consultation 24" service with access to external services for health, medical and mental health consultations.

4. Company Staff Benefits

Assistance for Work/Life Balance

In order to promote an environment where company staffs can have a balance between child rearing and working, and return to work without any hesitations, we have introduced a business tool through which useful information concerning the return to work, child rearing, cooking classes for supporting family life are offered on-line.

Introduction system: Shiseido Co., Ltd. wiwiw For details, please refer to the following home page:

http://www.wiwiw.com

Activities Related to the Law for Measures to Support the **Development of the Next Generation**

In April 2005, we submitted to the Ministry of Health and Welfare our Action Plan which includes, among other things, our employment environment maintenance plan relating to work and childcare

Educational Programs

We have developed educational programs with an emphasis on letting a person grow rather than growing a person.

<Tiered Educational Seminars>

Entry-level and Middle-rank Company Staffs

Educational seminars to foster "respect for individuals living in an organization" and to nurture "autonomous human resources".

· Middle-rank Company Staffs and Managers

Education seminars to nurture "human resources who can create value"

We have also been conducting CSR seminars for managers since Fiscal 2003. Since Fiscal 2004, each of the tiered educational seminars has included the environment, human rights and corporate ethics (compliance) as compulsory subjects.



Related Data p. 79

Career Support

Individuals have different views on what is rewarding for them and what kind of person they want to be. It is important that each company staff thinks about his or her idea of a rewarding career that is needed to lead a satisfying life in society and makes an effort to realize it.

1) Career Support for Company Staffs

The Cosmo Oil Group is attempting to enable our company staffs to gain skills and knowledge required for each stage of their career through the tiered educational seminars.

The career paths of the company staffs are reviewed and confirmed annually between the company staffs and their superiors in Cosmo Oil Group. This information is passed on to the Company and taken into account at the time of personnel changes so that our company staffs' career objectives can be given due considerations.

2) In-house Staff Recruitment

In Fiscal 2000, we introduced the in-house staff recruitment system by which company staffs can apply for jobs without reporting to their superiors and successful applicants are selected by receiving departments.

3) Self-education

We provide support for company staffs who attend external or correspondence courses for the purpose of self-education or obtaining qualifications.



Related Data p. 79-80

6. Employment Guarantees and Job Creation

Post-retirement Career Support

Due to review of the social security system, including welfare pensions and unemployment insurance, there is growing anxiety about life after retirement at the age of 60. We introduced a re-employment support program in October 2002 in order to help to dispel such anxiety.

1) Life Planning Seminars

Using "Lifetime employment" as a key word, we are helping those who have turned 55 contemplate on the long-term life vision by conducting the Life Planning Seminars where participants have opportunities to consider what they can do before retirement or what they want to do after retirement.

2) Pre-retirement Seminars

We hold Pre-retirement Seminars for those who are about to retire. The programs include the application procedures for welfare pension and unemployment insurance and health insurance, and the entitlement procedure of severance pay.

3) Second Career Seminars

We hold Second Career Seminars, which can obtain skills on personal resume and interviews, for those who wish to find another job after retiring from the Cosmo Group. Our group company, Cosmo Business Support Career Center, has a counseling service and provides employment information to the participants of the Second Career Seminars.

Cosmo Oil's labor union is based on the union shop system. The Company has a labor agreement with the union which stipulates that any issue that has an impact on employment conditions such as company staff status and employment must be discussed between the two parties in advance. The top management and the union have discussions regularly at the Management Council and the Central Labor-Management Council, and each workplace has a Regional Labor-Management Council, Safety and Health Committee and Health Committee which meet as frequently as required.

In Fiscal 2004, we established the Appropriate Management of Labor Hours Committee for the purpose of preventing health problem due to the overwork, and appropriately managing labor hours.

Dealing with the Asbestos Problem

Some of the safety-related gaskets, packings and insulating materials used in oil refinery facilities contain asbestos. When these are formed products and under normal conditions of use, there is no concern for release of asbestos. However, we are replacing asbestos-containing materials with alternatives that have no asbestos, beginning with those that involve no safety issues. In addition, the other buildings owned by Cosmo Oil (such as the service stations, offices, etc.) and buildings used by our company staffs are currently being surveyed for asbestos content. Based on the survey results, necessary measures including the removal of asbestos are scheduled to be carried out in those areas in which release of asbestos is a concern.

With regard to any possible harm to the health of company staffs, there have not been any claims for workmen's compensation attributable to asbestos since 1980 (as of October 31, 2005). We advise any company staff who has health concerns to consult their doctor when they receive a checkup, and suggest the same to any retiree who might have asbestos related health issues or concerns by notifying them to do so, through our company's retiree network.

Case 01

During Maternity Leave

There exists an environment in which I can focus on caring for my child without any worries about whether I will be cast away by the company.

I began my maternity leave at the end of 2004 and plan to return to work in 2006 when my child turns 1 year old. I am currently devoted to caring for my first child. With the strong support from my family and employer, I feel almost no anxiety about taking maternity and child-rearing leave from my work. While I am concerned about how I will perform in the workplace upon my return, my boss sends me information by e-mail as to how the work I was previously involved in is progressing, and the Human Resources Department mails me important company information so that I can keep up with developments and not be forgotten by the company.

Prior to my taking maternity leave, I was involved in the research of an amino acid called ALA (refer to P. 34). This work is a completely new business endeavor for Cosmo Oil. It is an absolute dream of a theme for researchers like me. While fertilizers that use ALA have been turned into marketable products, ALA has the promise of contributing greatly to the global environment in the future, such as greening the deserts. It is a very satisfying field to be in, and I hope to continue my work for a long time after I return from maternity leave.



Setsuko Miyanari

ALA Business Center, Project Development Department.



Case 02



After Maternity Leave

I am so thankful for the Team Spirit at my workplace. They said, "We'll keep your desk open and be waiting for you!'

During my maternity and child-rearing leave period for more than a year, my boss continued to encourage me by saying, "Your desk is open and we will be waiting for you", for which I am so thankful. Due to the nature of my work as a think tank researcher (in charge of environmental economics), I often handled matters by myself. It is due to the team work in my workplace that I was able to take maternity leave and return to work so smoothly. I could not have done it without my colleagues sharing my work load among them during my absence.

After returning to work in the spring of 2005, I began a new work schedule of leaving work promptly at 5:30, occasionally taking work home, and picking up my daughter at her nursery school on my way home. Frankly, the schedule was grueling at times. However, it is not impossible to balance work and child-rearing. It gives me something to dream about. In the future, I can see myself continuing to work hard as the bridge between business and research. And of course, all the while, being a good mother

This is the indispensable "company schedule book" for Cosmo Oil Group employees.

Yoko Kinoshita

Cosmo Research Institute