

Compliance and Risk Management

Web page <http://www.cosmo-oil.co.jp/eng/sustainable/06/gov/compliance.html>

To realize honest and transparent corporate management and improve the morale in the company, we make strong efforts to promote compliance and enforce risk management.

Compliance promotion

Cosmo Oil Group Corporate Ethics Committee

To foster the awareness of our Management Philosophy, Corporate Action Guidelines, and compliance, we have set up the "Corporate Ethics Committee" right under the Board of Directors, and designated the president as the chairperson. We also have established a "Corporate Ethics Promotion Office" as a sub-organization of the committee.

Cosmo Oil Group Corporate Activity Guideline

All the officers, employees, temporary staff members, and part-timers working for the Cosmo Oil Group must follow Cosmo Oil Group Corporate Activity Guideline.



Cosmo Oil Group Corporate Activity Guideline
<http://www.cosmo-oil.co.jp/eng/company/guideline.html>

Assigning corporate ethics managers

To improve the awareness of corporate ethics and compliance in the workplaces, Cosmo Oil designates department managers, plant directors and the presidents of affiliates as corporate ethics managers.

Setting up the Cosmo Oil Group Corporate Ethics Consultation Helpline

Before the Whistleblower Protection Act was enforced in April 2006, we set up the Corporate Ethics Consultation Helpline where the internal or external individuals can have consultations about regulatory or ethical problems related to the tasks performed in the Group, or report such problems. We make sure that the consulter to the helpline remains anonymous so as not to cause problems, and we also set up a liaison with external attorneys.

Raising the awareness

We train all the personnel at all the sites every year and let them fill out a questionnaire to check for awareness of compliance. In FY2005, we published the "Cosmo Oil Group Corporate Activity Guideline Textbook" to ensure that all the staff members can familiarize themselves with the guidelines.

Information management

We have procedures to ensure that all the information that can be known in the course of our business are correctly handled and managed according to the regulations for information management, personal information, and etc.

Risk management system

Since FY2003, Cosmo Oil has conducted company-wide activities for identifying and evaluating risks, planning and implementing appropriate measures, and reviewing the results every year. The main purposes of these activities are to improve our internal rules, to work out preventive actions against risks, and discuss how to respond to emergencies. Concerning the last one, we set up the "Risk Management Committee" in July 2005 to draw up a company-wide business continuity plan for recovery from disasters (particularly large earthquakes).

Business Continuity Plan (BCP)

This plan defines the policies and organizations for recovery from a large-scale disaster assumed by Cosmo Oil. In the event of a large-scale earthquake occurring right under Tokyo, we shall make preparations for restarting our operation as soon as possible and supporting the local communities around our sites. From FY2006, the main affiliates started preparations for drawing up their own BCP.