

# Relationship with Our Employees

<http://www.cosmo-oil.co.jp/eng/sustainable/07/soc/employee.html>

Cosmo Oil's operations are supported by each of its employees. With this in mind, we strive to create working environments in which all employees can maintain an awareness of their social responsibilities through their own work while fully utilizing their capabilities.

## ▶ Consolidated Medium-Term Human Rights/ Personnel Plan



Detailed information Consolidated Medium-Term Human Rights/ Personnel Plan  
<http://www.cosmo-oil.co.jp/eng/sustainable/07/soc/employee.html>

In fiscal 2005, we formulated the Consolidated Medium-Term Human Rights/ Personnel Plan, and have promoted initiatives in the six categories of human rights, respect for diversity and equal opportunity, health and safety in the workplace, welfare, education and skills development, and creation and guarantee of employment. As we press ahead with these initiatives, we are also working in close cooperation with the employees' labor union.

Under this plan, we will continue implementing personnel-related measures that emphasize fundamental human rights, while adhering to a spirit of respect for diversity and focusing on "people" as we strive to create vibrant and comfortable working environments and raise employee motivation.

### Human Rights

On February 7, 2006, we expressed our support for the United Nations Global Compact and are now progressing with various initiatives as we strive to realize the principles of this compact.

In May 2007, we held human rights enlightenment training for top-level managers, including managers at affiliated companies. We also held human rights enlightenment training on 34 occasions at various business sites, with 1,632 employees participating. In addition, we continue to implement level-based human rights enlightenment training, including for new employees and employees who have recently assumed new management positions. A total of 176 employees received this training.



Detailed information Global Compact Initiatives  
[http://www.cosmo-oil.co.jp/eng/sustainable/07/gl\\_cp.html](http://www.cosmo-oil.co.jp/eng/sustainable/07/gl_cp.html)

### Respect for Diversity and Equal Opportunity

Aiming to expand the number of workplaces where women can play active roles, Cosmo Oil continually promotes fair employment initiatives. For example, in fiscal 2006 Cosmo Oil hired six women from among the 40 new graduates hired as career track employees. As of July 2007, we have assigned a total of 17 women to the Sales Department as sales representatives and two women to refineries as engineers.

Our employment rate of persons with disabilities is 2.0%, which exceeds the legally mandated 1.8% employment rate. To ensure that persons with disabilities can work comfortably in the Cosmo Oil Group, we have focused our efforts on normalization, which includes improving the awareness of staff and creating a good working environment.

In fiscal 2006, we also carried out training on sexual harassment and power harassment as we worked to raise awareness of these issues. In conjunction, we established consultation counters for sexual harassment and power harassment and instituted follow-up countermeasures. Also, to support greater diversity in the ways employees work, we established a system for allowing employees meeting certain criteria to choose where they will work. Numerous employees have chosen to participate in this system, thus providing employees with even more comfortable working environments.

### Health and Safety in the Workplace

As part of our mental health care, we prepare and distribute two types of pamphlets for regular employees and line managers, respectively. Utilizing these pamphlets, we have also held mental health training for all line managers covering such issues as the early detection of illnesses, responding to subordinates, and using consultation counters.

### Welfare

Responding to the Law for Measures to Support the Development of the Next Generation, in April 2005 we submitted a General Business Owner's Action Plan to the Ministry of Health, Labour, and Welfare. With the principal target of at least one male employee and more than 70% of the eligible female employees taking child care leave, we revamped our employee leave system to enable more flexibility for utilizing accumulated paid vacation (expired annual vacation days) and for allowing these days to be used for childcare leave. By making this revision, we have established a system that allows paid vacation days to be used for a portion of the childcare leave period. In addition, as a measure for encouraging employees to use their annual paid vacation days, we are implementing a campaign that promotes the long-term consecutive use of paid vacation days. Through such initiatives, the employee vacation day usage rate has reached approximately 80%.

In fiscal 2006, one male employee and six female employees (usage rate of 83%) utilized childcare leave and one employee used our nursing care leave system.



By taking initiatives that respond to the "Law for Measures to Support the Development of the Next Generation," in May 2007 Cosmo Oil received certification from the Ministry of Health, Labour, and Welfare as a "criteria-compliant business."

## Number of Employees

		(persons)		
		Males	Females	Total
Cosmo Oil	Employees	1,337	195	1,532
	Management	356	5	361
	Others <sup>1</sup>	23	0	23
	Subtotal	1,716	200	1,916
Affiliates <sup>2</sup>	Employees	981	98	1,079
	Management	359	0	359
	Others <sup>1</sup>	19	0	19
	Subtotal	1,359	98	1,457
Total		3,075	298	3,373

### Notes

1. Seconded employees from other companies and full-time labor union staff
2. Number of employees seconded from Cosmo Oil

### ●Work/Life Balance

To create comfortable workplaces that enable employees to achieve a balance between their work and private lives, from fiscal 2007 Cosmo Oil has implemented a new vacation day leave system and has introduced measures to support the care of children, who represent the next generation.

**Preset vacation days:** To encourage employees to use their paid vacation days, we have designated specific times when all employees company-wide must take three days of their annual paid holidays.

**Vacation days for volunteer activities:** We have set up a vacation day leave system for supporting employee participation in volunteer activities and social contribution activities.

**Measures to support child rearing:** To allow employees to devote themselves to childcare, we have adopted measures that enable employees to take childcare leave until the end of a fiscal year in which his or her child reaches three years of age. We also allow employees to reduce their working hours by up to two hours per day until his or her child has begun the fourth year of elementary school. Also, for employees choosing to continue working during child rearing, Cosmo Oil subsidizes up to one half of the costs, with an upper limit of ¥25,000, for the use of childcare facilities until the end of the fiscal year in which a child reaches three years of age.

### Education and Skills Development

In fiscal 2000, we introduced an in-house recruiting system that allows employees to apply for jobs offered by other departments or affiliates without having to notify his or her superior, and to accept such positions if the applicant and respective department can reach an agreement. In fiscal 2006, there were jobs offered by 10 departments, and four employees successfully found new positions.

Regarding our education system, for position-based training, we added a CSR training course to our existing skills development training in fiscal 2005 and have made it mandatory for employees to undergo training covering environmental issues, respect for human rights, and corporate ethics (compliance).

As part of efforts to develop the capabilities of employees, we also actively support self-initiated employee education with measures that include expanding the scope of monthly financial support for participation in correspondence courses and external training courses.

### Employment of Persons with Disabilities

(Submitted to Ministry of Health, Labour and Welfare in June 2007)

(persons)

	June 1, 2006	June 1, 2007
Number of persons with disabilities	43	45
Persons with severe disabilities among the number of persons with disabilities	21	23
Employment rate of persons with disabilities*	1.9%	2.0%
Number of persons with disabilities still to be hired	0	0

\* Statutory employment rate: 1.8%. (Figure rounded at the second decimal.)

### Creation and Guarantee of Employment

In response to the Law concerning Stabilization of Employment of Older Persons, on April 1, 2006 we adopted a senior employee employment system for rehiring employees after they reach the mandatory retirement age of 60. In this manner, we are upgrading our existing re-employment support measures to enable these older employees to continue working for the Cosmo Oil Group.

In addition to "life design" training, a pre-retirement course that employees take at the age of 55, we also support re-employment by providing "second career" training that enables employees seeking re-employment after retirement at age 60 to learn how to write resumes and receive advice on job interviews.

In fiscal 2006, 106 employees participated in life design training and 44 employees participated in second career training.

### Management and Labor

Our labor-management contract clearly stipulates that management and the labor union shall meet for discussions before any work conditions, such as employees' positions and employment, are altered. Top management from Cosmo Oil and representatives from the labor union gather and engage in discussions at regular meetings and within a variety of committees at the headquarters or at individual business sites.

In addition, the Committee for Optimum Working Hour Management strives to prevent health problems caused by overwork and to reduce working hours appropriately. The committee has prepared the pamphlet *Guide for the Complete Understanding of Working Hours* and distributes this to employees. At the same time, the committee has provided training on working hours for persons in charge of monitoring work hours (line managers), which included such issues as ensuring compliance with the 36 Agreement (an agreement between labor and management per Article 36 under the Labor Standards Act) and the using of vacation days.

### Number of Employees Taking Maternity and Childcare Leave and Taking Support Course for Returning to Work

(persons)

	FY2005		FY2006	
	Females	Males	Females	Males
Maternity leave	6	0	6	0
Childcare leave*	8(11)	0	6(8)	1(1)
Childcare leave rate	100%	—	83%	—
Support course for returning to work	3	0	3	0

\* Number of employees who applied for leave in the corresponding fiscal year. The figures with parentheses show the number of employees who applied for actual leave in the corresponding fiscal year.