

Medium-Term Management Plan and CSR Promotion

The Cosmo Oil Group launched the Third Consolidated Medium-Term Management Plan and the Second Consolidated Medium-Term CSR Management Plan in fiscal 2008 to strengthen its earnings foundation and fulfill its social responsibilities.



Fiscal 2008 Highlights of the Third Consolidated Medium-Term Management Plan



July 2008
Groundbreaking ceremony for installation of heavy oil cracking facilities at the Sakai Refinery

Fiscal 2008 Initiatives of the Second Consolidated Medium-Term CSR Management Plan

Key Action Areas	Goals
Strengthen CSR Promotion Structures on a Consolidated Group Basis	<ul style="list-style-type: none"> ■ Organizational structures for improving implementation The CSR Promotion Committee to oversee all efforts to improve the degree of implementation for the entire Group ■ Redevelop and ensure the dissemination of the Code of Conduct and other systems <ul style="list-style-type: none"> • Increase awareness and understanding of the Code of Conduct • Ensure compliance with risk management/internal control
Build Safety Management Structures under the Second Consolidated Medium-Term Safety Plan ⇒ See page 23 for details.	<ul style="list-style-type: none"> ■ Goals by operational area <ul style="list-style-type: none"> A) Refining: Reduce unsafe and failure incidents by 90% or more from the benchmark year by 2010 B) Manufacturing/Terminal (lubricating oil and gas): Reduce leakages of hazardous materials and combustible gases C) Distribution: Reduce mixing of oil, oil leakages, and traffic accidents; continue record of zero work-related injuries D) Sales and other operations: Continue record of zero work-related injuries in SS construction
Foster the Protection of Human Rights and Personnel-Related Measures under the Second Consolidated Medium-Term Human Rights/Personnel Plan ⇒ See page 25 for details.	<ul style="list-style-type: none"> ■ Shared Group themes <ul style="list-style-type: none"> (1) Improve the sense of participation; (2) Respect for diversity and equal opportunity; (3) Cultivate personnel and develop skills; (4) Promote physical and mental health care; (5) Support balance between work and home life; (6) Support employment stability and re-employment
Promote Environmental Response Measures under the Third Consolidated Medium-Term Environmental Plan ⇒ See page 27 for details.	<ul style="list-style-type: none"> ■ Improve environmental efficiency <ul style="list-style-type: none"> (1) Implement global warming countermeasures; (2) Minimize environmental impact ■ Strengthen environmental management <ul style="list-style-type: none"> (3) Develop environmentally friendly businesses and technologies; (4) Share and disseminate environmental information
Strengthen Relationships with Stakeholders	<ul style="list-style-type: none"> ■ Strengthen communications regarding social activities and activities for the environment <ul style="list-style-type: none"> • Strengthen social and environmental activities in local communities • Strengthen participation-based projects funded by the Cosmo Oil Eco Card Fund ■ Enhance communication with stakeholders <ul style="list-style-type: none"> • Encourage two-way, mutual communications



November 2008

Commenced construction of the demonstration plant for a beam-down solar thermal power concentration system in Abu Dhabi (scheduled for completion in December 2009). Photo of the demonstration heliostat system installed by the Tokyo Institute of Technology.



February 2009

Service station managers from across Japan are recognized for excellence at the 2008 NV Zero Challenge Awards ceremony



April 2008

Signing of a Memorandum of Understanding with Hyundai Oilbank Co., Ltd. in relation to the Strategic Cooperation of Oil Business

June 2009

Signing of the basic agreement to cooperate in the paraxylene business with Hyundai Oilbank. Photo of the Hyundai Oilbank Daesan Refinery.

Degree of achievement: ○Achieved △Partially achieved ×No progress

Fiscal 2008 Initiatives and Results	Achievement of Goal	Fiscal 2009 Goals and Plans
<ul style="list-style-type: none"> ■ CSR Promotion Committee verified fiscal 2008 CSR activity performance and issues and set policy on fiscal 2009 activities ■ Thoroughly revised the Code of Conduct; compiled and distributed educational pamphlets; monitored understanding among employees of the Code of Conduct to improve surveys; developed internal control system for financial reporting 	○	<ul style="list-style-type: none"> ■ Further improve understanding and application of the Code of Conduct and internal manuals; compile communication tools for specific departments; enhance education and training ■ Educate and train line managers and others to handle compliance risk
<ul style="list-style-type: none"> ● Reduced extraordinary accidents, as defined by the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities ● Accidents or incidents in gas operations: 0 ● Work-related injuries, fires or leaks at oil depots: 0 ● Mixing-oil incidents in ground transportation: 4 ● Marine oil spills or ships run aground: 0 ● Work-related injuries in sales operations and at the Research and Development Center: 0 	△	<p>Set "following the basics, taking initiative to ensure safety" as a Group-wide goal; introduce further safety management activities in each department; enforce strict compliance with the Cosmo Oil's Safety Reinforcement Declaration at refineries.</p>
<ul style="list-style-type: none"> ● Application of company-specified holiday system resulted in more days of leave taken by employees (excluding shift-work employees) over benchmark year ● Childcare leave taken by 8 employees, including all eligible female employees ● Average annual work hours of salaried employees was 1,909, 9 hours above the target 	△	<p>Continue initiatives taken in fiscal 2008; increase application of personnel systems and regulations and raise awareness of human rights among employees; promote work-life balance; promote independent activities tailored to conditions at subsidiaries and affiliates</p>
<ul style="list-style-type: none"> ■ Failed to achieve goals of reducing unit energy consumption at the Group's 4 refineries, amount of copy paper used at offices, amount of fuel used in company vehicles, and industrial waste at subsidiaries and affiliates ■ Increased Team Minus 6% activities for individuals by 1,233 participants, and achieved goal of reducing CO₂ emissions by 1.066 kg/day per person 	△	<ul style="list-style-type: none"> ■ Work with other departments to reduce unit energy consumption at 4 refineries; promote energy and resource conservation; and reduce industrial waste ■ Develop and commercialize new environmental businesses; conduct R&D to improve performance of existing projects
<ul style="list-style-type: none"> ■ Total of 16,181 participants in Clean Campaign, and 1,775 Christmas Card project cards made (both major increases over the previous year); called for applications for Eco Card Fund projects and began funding for three projects ■ Surveyed individual stockholders and collected responses from approx. 6,000; improved CSR evaluation in "Filling Up Your Hearts, Too" Declaration activities 	○	<ul style="list-style-type: none"> ■ Make further progress on various communications programs; plan programs to differentiate Eco Card members and to promote their participation; offer employees opportunities for participation in Eco Card Fund activities ■ Reflect stakeholder opinions and expectations in CSR management through dialogues and other activities; continue to distribute information on CSR activities via the Web site and other media