

Human Rights

Third Consolidated Medium-Term Human Rights/Personnel Plan

The Cosmo Oil Group is striving to create workplaces that respect human rights and the diversity of personnel. Introduced in fiscal 2010, the Third Consolidated Medium-Term Human Rights/Personnel Plan is divided into shared Group themes on which Cosmo Oil and its main Group companies (18 companies) work, and individual themes in which initiatives differ according to the number of employed workers at each company. Shared Group themes include respect for human rights, respect for diversity and equal opportunity, promoting physical and mental health care, and supporting balance between work and home life.

Fiscal 2011 Initiatives and Results under the Third Consolidated Medium-Term Human Rights/Personnel Plan

Degree of achievement: ○ Achieved △ Partially achieved × Not achieved

Third Consolidated Medium-Term Human Rights/Personnel Plan	Themes		Fiscal 2011 Goals	Fiscal 2011 Results	Achievement of Goal
	Shared Group Themes	Respect human rights	Prevent harassment, eliminate discrimination	Achieve participation rate of 80% or more in human rights training for Cosmo Oil employees	Achieved participation rate of 85%
Respect diversity/equal opportunity		Maintain fairness in hiring	Maintain and improve employment rate of people with disabilities (higher than the legally mandated rate of 1.8%) for 3 target companies	Achieved goals at target companies: Cosmo Oil (2.19%), Cosmo Oil Sales (1.26%), and Cosmo Engineering (0.67%)	△
Promote physical and mental health care		Prohibit excessive overwork and implement specified health exams	Gradually decrease excessive working hours (350 working hours per year) *Aim to decrease total working hours	446 employees worked excessive hours (up by 87 persons from fiscal 2010) Reason: Impact of Great East Japan Earthquake and increase in repairs	×
Support balance between work and home life		Promote childcare and family healthcare leave and support leisure activities	Average paid time-off utilization rate of employees • Cosmo Oil: 80% or more • Group companies: Improve current record	• Cosmo Oil: 86% • Group companies: Improved at 11 of 18 target companies	△
Individual Themes	Comply with Act on Advancement of Measures to Support Raising Next-Generation Children	Establish an action plan required for general business owners and notify the authorities	Plan establishment or notification completed at 5 target companies ¹	○	

1. Cosmo Oil Co., Ltd., Cosmo Oil Sales Corp., Cosmo Engineering Co., Ltd., Cosmo Trade & Service Co., Ltd., and Cosmo Petro Service Co., Ltd.

Respect for Human Rights

The Cosmo Oil Group has a wide array of personnel regulations and employee welfare programs, all of which give consideration to human rights. Under the Third Consolidated Medium-Term Human Rights/Personnel Plan, the Group conducts human rights training at business locations, with a focus on preventing harassment and eliminating discrimination. The plan sets the goal of achieving an 80% or greater participation rate for human rights training. The Group surpassed this goal with an 85% participation rate in fiscal 2011 and is striving to further increase the future participation rate. The Group also conducts training for specific groups of employees, including new employees and newly promoted line managers.

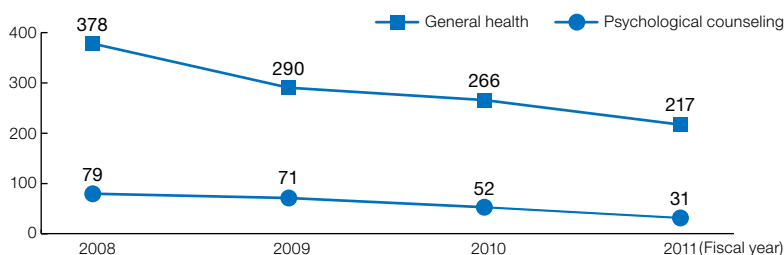
[Detailed information](#) Consolidated Medium-Term Human Rights/Personnel Plan

www.cosmo-oil.co.jp/eng/csr/social/employee.html

Physical and Mental Health Care

With the introduction of mandatory special health check-ups in fiscal 2008, the Cosmo Oil Group has been working with the Cosmo Oil Health Insurance Society to fully implement the special check-ups. The Cosmo Oil Health Insurance Society operates a Group Health and Counseling Online Hotline that is staffed by specialists in psychiatry and psychosomatic medicine, which employees and their families can access to receive immediate counseling on a variety of subjects.

Number of Inquiries Submitted to the Health and Counseling Online Hotline



The hotline offers information on a wide range of topics, covering both physical and psychological health issues. Below is a list of topics for which advice is most often sought.

General health

Medicines, gastrointestinal illness, child fever, influenza, other

Psychological counseling

Anxiety, parental and family issues, spousal relations, other

Promoting Work-Life Balance

There is an increasing need to promote work-life balance that respects the diversity of lifestyles and working styles that exist today. The Cosmo Oil Group is committed to creating positive and dynamic work environments for all employees and respects the values and life perspectives of each employee. The Group is implementing initiatives to enable employees to achieve a work-life balance with the flexibility to tailor their desired lifestyles.

1. Employees of Cosmo Oil and those assigned to affiliated companies.

Number of Cosmo Oil Employees (as of March 31, 2012)¹

		Men	Women	Total
Cosmo Oil		1,797	228	2,025
	Union members	1,371	221	1,592
	Management positions	333	5	338
	Senior employees	93	2	95
Dispatched to Group companies ²		980	93	1,073
	Union members	673	92	765
	Management positions	298	1	299
	Senior employees	9	0	9
Total	2,777	321	3,098	

2. Data covers employees at Cosmo Oil Co., Ltd. (including those temporarily dispatched).
3. Figures show the number of employees who applied for leave in the corresponding fiscal year, and figures in parentheses show the number of employees who took leave.

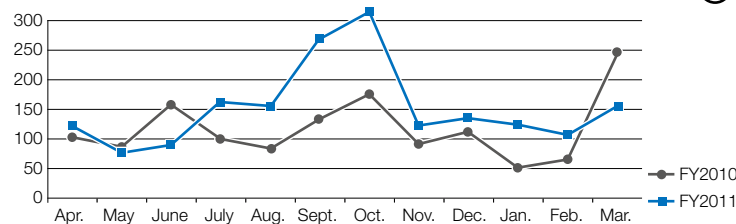
Number of Employees Taking Maternity and Childcare Leave and Support Courses for Returning to Work; and Child Care Leave Rate²

	Fiscal 2011		Fiscal 2010		Fiscal 2009	
	Men	Women	Men	Women	Men	Women
Maternity leave	0	9	0	4	0	6
Childcare leave ³	1 (1)	5 (12)	2 (2)	5 (9)	2 (2)	4 (10)
Support course for returning to work	0	5	0	4	0	2
Childcare leave rate (%)	—	86%	—	75%	—	100%

Protecting Employee Health by Reducing Long Working Hours

In the Third Consolidated Medium-Term Human Rights/Personnel Plan, the Cosmo Oil Group included the theme of prohibiting excessive work and implementing specified health exams in order to maintain employee health. The Group is making efforts to decrease excessive working hours gradually. It sets limits on the number of overtime hours on a monthly and yearly basis. However, in fiscal 2011 the number of employees working long hours on a yearly basis increased by 87 from the previous year to 446. The increase is due to significant overtime that was mainly accrued at refineries and distribution sites for recovery efforts in response to the Great East Japan Earthquake that occurred in March 2011. Despite this temporary increase, the Group is committed to reducing excessive working hours.

Number of Workers Exceeding Fixed Hours for Overtime Work in a Month



Labor-Management Cooperation to Resolve Labor Issues

Labor issues that affect employees and employment conditions are first addressed through advance meetings between labor and management and are outlined in collective labor agreements. Issues are further addressed through regular meetings between management and labor unions that are held as the need arises at the Cosmo Oil Head Office and other business locations.

A Work Hour Review Meeting was held by labor and management to discuss measures to prevent health problems from overwork and encourage shorter working hours. The committee also monitors compliance with labor agreements and promotes longer paid leave for employees in the summer and winter.

Labor-Management Councils and Committees

Meeting	Frequency	Description
Joint Management Council	1	General meeting including management strategy and attitude survey results
Central Labor-Management Council	5	Spring labor-management negotiations
Work Hour Review Meeting	3	Labor hours, vacation privileges

Third Consolidated Medium-Term Safety Plan

Since fiscal 2005, the Cosmo Oil Group has carried out the Consolidated Medium-Term Safety Plan on a three-year basis to eliminate work-related accidents and injuries and secure the confidence and trust of the community. Under the Plan, the Group implements initiatives for each stage of business (production, distribution and sales).

Launched in fiscal 2010, the Third Consolidated Medium-Term Safety Plan was designed to further improve safety based on a vision of diligently promoting a zero-accident record and initiatives with the aim of building a safe and secure Cosmo Oil Group that is a source of employee pride and is trusted by society.

Fiscal 2011 Initiatives and Results under the Third Consolidated Medium-Term Safety Plan

Degree of achievement: ○ Achieved △ Partially achieved × Not achieved

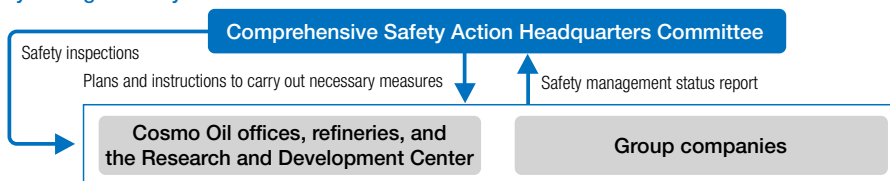
Divisions		Fiscal 2011 Goals	Fiscal 2011 Results	Achievement of Goal
Refining and manufacturing	4 refineries and Cosmo Matsuyama Oil	• Reduce unsafe and failure incidents by 90% or more from the benchmark year ¹ by 2011 (meaning 11 or less incidents)	• Unsafe and failure incidents: 111 (3% reduction from benchmark year ¹)	×
	Cosmo Oil Lubricants (manufacturer of lubricating oil)	• Achieve target of zero work-related injuries • Reduce accidents/incidents by 30% over previous year	• Work-related injuries: 1 • Accidents/incidents: 15 (same as previous year)	×
	Cosmo Petroleum Gas (LPG storage/delivery)	• Maintain zero accidents/incidents	• Accidents/incidents: 0	○
Distribution	Cosmo Delivery Service (ground shipments)	• Eliminate oil-mixing accidents to zero • Encourage employees to report near-miss accidents, with a target of 10,000 reports	• Oil-mixing accidents: 5 • Near-miss accident reports: 22,000	△
	Cosmo Kaiun (sea shipments)	• Maintain zero accidents involving marine oil spills/ships run aground • Reduce equipment failure to 50% of benchmark year (2008)	• Marine oil spills: 0; ships run aground: 0 • Equipment failures: 12 incidents (down 20% compared to 2008)	△
	Oil depots	• Maintain zero work-related injuries • Limit the number of fires/oil spills to less than 2 incidents per year	• Work-related injuries: 0 • Oil spill: 1	○
	Crude Oil & Tanker Dept.	• Complete action plan	• Reduced the number of incidents from 12 to 5 incidents by identifying the source of problems and implementing countermeasures through operating staff and captains • Held safety meetings and shared information • Made sure all personnel were aware of the steps to take in an accident and clarified the emergency contact network and other necessary information	○
	Petroleum Products Trading Dept.	• Achieve target of zero serious accidents relating to ship movements	• Serious accidents relating to ship movements: 0	○
Sales and other operations	Service Station Dept.	• Maintain zero work-related injuries in service station construction	• Work-related injuries: 0	○
	Project Development Dept. (co-generation, etc.)	• Achieve target of no more than one accident a year	• Accidents: 0	○
	R&D Dept.	• Achieve target of no more than one incident per year	• Incidents: 0	○
	Research and Development Center	• Maintain zero work-related injuries • Reduce number of accidents/incidents compared to previous year	• Work-related injuries: 1 (not requiring time off from work) • Accidents/incidents: 53 (down 25% year on year) • Accidents outside the workplace: 2	○
	Cosmo Engineering	• Steadily reduce work-related injuries to zero	• Work-related injuries: 28 (down 10% year on year)	○

1. Benchmark year: September 2006–August 2007

Building a Group-Wide Safety Management Structure

The Cosmo Oil Group has established the Comprehensive Safety Action Headquarters Committee to manage safety throughout the Group. The Committee reviews and coordinates important matters related to safety management at regular meetings each year and verifies the status of safety activities in each department and workplace, while working to enhance safety management and safety initiatives.

Safety Management System



Safety Inspections

The Comprehensive Safety Action Headquarters Committee conducts annual safety inspections at workplaces and the Head Office departments that oversee these workplaces. In fiscal 2011, safety inspections were conducted at 12 workplaces and departments, including three refineries (except for the Chiba Refinery).² Especially in the inspection of refineries, efforts are made to enable better, more effective improvements and guidance from a third-party perspective by including personnel from other refineries in addition to those from the Head Office among the internal inspectors.

2. Fiscal 2011 safety inspection for Chiba Refinery conducted in April 2012.

Workplaces/Companies Given Safety Inspections in Fiscal 2011

Cosmo Oil			Group companies	
Chiba Refinery ²	Sakaide Refinery	Distribution Department	Cosmo Matsuyama Oil Co., Ltd.	Cosmo Oil Lubricants Co., Ltd.
Yokkaichi Refinery	Research & Development Center	Project Development Department	Cosmo Engineering Co., Ltd.	Cosmo Petroleum Gas Co., Ltd.
Sakai Refinery	Sales Department	R&D Department		