

We are making efforts to provide a workplace that enables diverse employees to be empowered and facilitates value creation. Goals and KPIs have been set for specific measures in the sustainability plan. Here we present the Cosmo Energy Group's human rights and human resources initiatives.

### Human resources development

The Cosmo Energy Group believes that human resources are a source of value creation. We are working on securing and developing diverse personnel who positively and promptly address the changing business environment and create a

workplace that enables diverse employees to be empowered. By combining diverse sources of value, expertise, and experience, we aim to achieve high productivity and create value.

#### Human resources development programs

- Job-class-specific training** Based on the role and competency required for each position or job class, employee capabilities are gradually improved through training sessions or OJT.
- Job-specific training** The knowledge and skills needed for the employee's current tasks are learned and developed through external training and OJT.
- Career design training** The training is provided to help employees identify changes in the environment, design their careers themselves, and have a successful career.
- Self-development** Support is provided for the skill development of self-motivated employees and the education for employees to acquire the knowledge and skills needed for work, the development of competency, and similar purposes.
- Education for acquiring basic knowledge** Basic knowledge and skills needed to work for the Cosmo Energy Group are acquired through training sessions, e-learning, etc.

\* These programs are intended for the employees of Cosmo Oil.



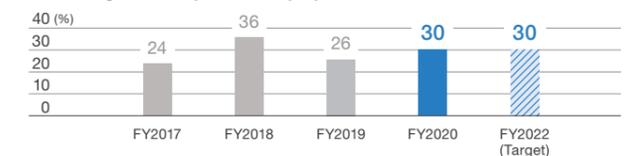
### Promoting diversity

To ensure the diversity of our human resources, our first priority is the empowerment of women. Our goal is for women to be 30% of our newly-hired employees (professional staff) and 6% of managers by FY2022. For employees who are concerned about childbirth and childcare, in addition to the childcare leave, benefits that exceed the legal requirements, shorter working hours programs and a telework program are available. We also encourage them to take special paid holidays, such as an anniversary day off and a program offering a leave of absence for childcare up to the child's graduation from elementary school. Partly due to the career support program and the kindergarten search support system, the percentage of employees that return from childcare leave continues to be 100%. We also have systems that enable employees to return to work even when their family situation changes, such as limited workplace, a re-employment system for employees who have retired for childcare or caregiving reasons, and a leave of absence program related to spousal job transfers. Recognized for encouraging employees to balance work and childcare, the Cosmo Energy Group's Cosmo Oil became Japan's first oil wholesaler to obtain Platinum Kurumin certification from the Minister of Health, Labour and Welfare in 2018, under the Act on Advancement of Measures to Support Raising Next-Generation Children. To increase employee awareness of gender equality, we encourage male employees to participate in childcare. We provide a seminar on balancing childcare and work, which is intended for both male and female employees, have partially converted childcare leave into paid leave, introduced childbirth leave as special paid holidays, and inform individual male employees with newborn babies of our programs for balancing work and childcare. As a result, the rate at which childcare leave is taken, which was 3% in FY2015, rose to 32% in FY2020. Believing that it important to create an environment which enables each employee to fully demonstrate their capabilities, we give employees on childcare leave the opportunity to do e-learning and have employees talk with their superiors before and after childcare leave.

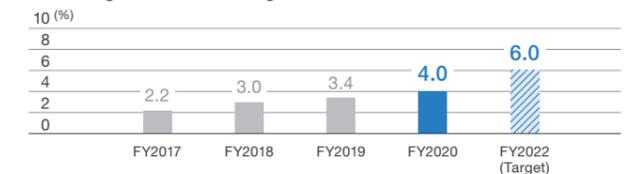
We also provide an e-learning program for employees with

subordinates on childcare leave. Thus, we are committed to taking measures to develop employees' careers that ensure that childbirth and childcare do not put the brakes on their career development. We are also proactively maintaining and increasing the percentage of employees with disabilities. As of June 1, 2021, employees with disabilities are 2.36% of the total workforce (statutory percentage: 2.30%). We will continue to comply with laws and regulations, prohibit discriminatory treatment, provide reasonable accommodation, enhance our consulting system, increase the comfort of our work environment, and encourage the development of a barrier-free mindset by enhancing our internal awareness-raising activities that promote the understanding of people with disabilities, based on the notion of inclusivity, in which people with and without disabilities work in the same workplace, and respect for the independence and dignity of people with disabilities. Through these actions we will continue to work to improve our work environment, where people with disabilities are able to participate actively.

#### Percentage of Newly-Hired Employees that are Women



#### Percentage of Female Managers



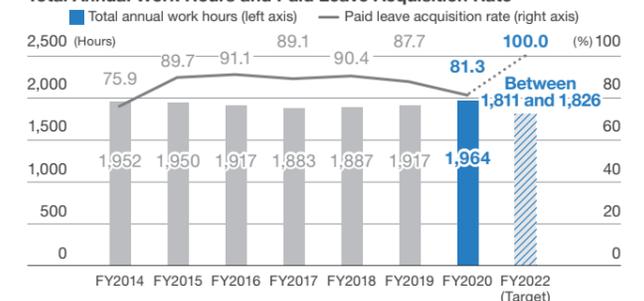
\*Employees (professional staff) at Cosmo Oil  
 \*Calculated as of March 31 of each fiscal year  
 \*Managers are those ranked in a position who have subordinates or those in a similar rank, but without subordinates.

### Occupational safety & health management

To improve productivity and facilitate employees' work-life balances, we have optimized working hours. We implement an array of initiatives, including encouraging employees to work mornings rather than nights, to take a day for relaxation (no-after-hours workday), and to turn off the lights in the workplace at 8:00 pm (to discourage nonessential, after-hours work). In FY2020, total annual work hours increased because unprecedented measures were necessary to respond to the COVID-19 pandemic, such as preparation and the introduction of new workstyles including working from home. While the COVID-19 pandemic continues in FY2021, employees are more familiar with new workstyles and ways of working, allowing us to believe that the pandemic's impact on work hours has been alleviated. We are continuing to improve

productivity and optimize working hours, with the goal of achieving the FY2022 target for total annual work hours, which is below the prescribed working hours (1,811 hours worked on the day shift and 1,826 shift work hours), and a paid leave acquisition rate of 100%.

#### Total Annual Work Hours and Paid Leave Acquisition Rate



## S Engagement with Employees

### Employees' wellness management

Employees' wellness in mind and body and an environment that allows them to maximize their abilities are indispensable to the safe, reliable supply of high-quality products and services. We believe that promoting the wellness of employees and their families is linked to the creation of corporate value. In April 2020, we began to prohibit smoking during work and established a special holiday for complete medical checkups and follow-up examinations. Cosmo Energy Holdings Co., Ltd., Cosmo Energy Exploration & Production Co., Ltd., Cosmo Oil Co., Ltd., Cosmo Oil Marketing Co., Ltd.,

Cosmo Oil Lubricants Co., Ltd., and Cosmo Business Associates Co., Ltd. were recognized by the Ministry of Economy, Trade and Industry (METI) under the 2021 Certified Health and Productivity Management Organization Recognition Program (large enterprise category).



### New workstyles

The work-at-home program was extended to all employees (excluding shift workers) in FY2017, and was then expanded into the telework program, enabling employees to work at home and at other locations in FY2019. In FY2020, all employees excluding those who must come to work, such as refinery workers, teleworked during the first state of emergency to prevent the spread of COVID-19. Later, in consideration of the control of infection, work productivity and other factors, we began to permit office workers to work at home up to five days a week so that they are able to select the most efficient workstyle. The ubiquitization of teleworking as a new workstyle led us to reaffirm the importance of management. We therefore engage in activities including provision of training to managers and formulation and application of operational management guidelines. We will continue to prepare for new workstyles in anticipation of the end of the COVID-19 pandemic as well.

In addition, regarding the core time, we abolished the fixed core hours (two hours from 11:00 to 14:00) and made it mandatory to work for at least two hours during the flex hours. This enables us to permit more flexible workstyles with the goal of improving productivity. In the creation of a good, sustainable company, we introduce systems under which employees are able to actively participate regardless of age, with the goal of building an environment that enables employees to continuously demonstrate their capabilities. As part of the initiative, we have introduced a new program that assigns senior employees roles and duties equivalent to those they assumed before their reemployment. We have also enhanced programs to permit diverse workstyles, such as a program for employees who are unable to work full time due to their circumstances.

### COLUMN Workstyle reforms implemented through the utilization of IT

To build an IT infrastructure for new workstyles, we have taken an array of tangible and intangible measures. Since FY2017, we have been rebuilding office systems, including our e-mail, scheduler, and online conferencing systems. By the end of FY2019, we completed the Group-wide distribution of PCs with a feature that permitted safe access to our internal network from outside the company. We have also built a system for the remote access of office PCs using tablets and other mobile devices. Some sales departments have been tele-working on business trips using tablets. After the beginning of the COVID-19 pandemic, we further reinforced our network lines and built the same environment for people working in their offices and working externally. This has enabled many office workers to complete their work without coming into the office.

We also worked on operational reforms in addition to environmental improvements. Many meetings, including those of management committees, are, in principle, held online. As a result, we no longer come into offices or print materials for meetings. In addition, some Group companies have significantly reduced the number of tasks for the creation of reporting materials through the use of business intelligence (BI) tools for reporting and sharing business performance indicators. Other than the above, we have implemented RPA for daily routine tasks and introduced an AI chatbot to responding to inquiries about procedures related to personnel affairs. Through these and other initiatives, we have reduced the amount of time spent on back-office operations and enabled employees to have diverse workstyles.

## Stakeholder dialogue

### For the creation of a society where all people are respected

One of the most important material issues faced by the Cosmo Energy Group is diversity and equal opportunity. We believe that respect for human rights is also important. As a measure helping us ensure diversity, equal rights, and our respect for human rights, we invited Director Atsuko Miwa and Special Project Manager Hideki Matsuoka from the Asia-Pacific Human Rights Information Center ("Hurights Osaka") for an exchange of opinions with our officer in charge of the Sustainability Initiative Department.

At the Cosmo Energy Group, we have been promoting ESG initiatives. We have decided to be more proactive in our ESG initiatives and position sustainability at the core of our management activities. We are taking initiatives to protect human rights by following the Respecting fundamental human rights, Prohibiting discrimination, Prohibiting forced labor and child labor, and other rules in Chapter 3 of the Cosmo Energy Group Code of Conduct. We value people. We have also developed a CSR Procurement Policy, under which we have begun initiatives to ensure respect for human rights throughout the supply chain. We are formulating a new human rights policy. However, we have just begun to work on this issue, and I don't think our initiatives are sufficient yet. Of course, there is a lively ongoing internal discussion, but I believe it is important that it be consistent with the public awareness and not self-righteous. Today, I would like to listen to the frank opinions and advice of Ms. Miwa and Mr. Matsuoka, who are experts.



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Atsuko Miwa

Concerning businesses' respect for human rights, the United Nations' adoption of the Guiding Principles on Business and Human Rights is itself an extremely important change in that UN has established a common understanding that this issue should be addressed globally by involving national governments. Hereafter, businesses will be required to review all of their corporate activities to ensure respect for and protection of human rights. As your current corporate activities are based on a global network, you need to carefully check your procurement, including the far ends of your supply chain, to make sure that you are not involved in the violation of human rights, and that employment conditions are fair and consider diversity, inclusion and other points. It is important to understand the significant risk that human rights violations pose to companies. Companies may feel this is a burden in the short run. However, you should understand that this perspective is essential for the sustainable global development of a business. As ESG investing gradually becomes established in Japan, human rights are closely related to every ESG initiative.



Special Project Manager  
Asia-Pacific Human Rights  
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Hideki Matsuoka

In recent years, human rights due diligence has been a very important task for companies. Before doing your due diligence, you need to establish a human rights policy. Through initiatives like this, you should have a common understanding of human rights, which I think is important. I think that, in Japanese society, the spreading of an understanding of human rights is a task we must accomplish. Human rights are the rights inherent to all human beings. In human rights due diligence, you need to consider how the entire value chain could adversely impact human rights — that is, whose and what rights you are violating or may violate — based on international human rights standards. I hope that your Group will analyze your impact on society and take initiatives accordingly.