

Enhance the Management Base / Group People Strategy

Initiatives at ENEOS Holdings and ENEOS “TSUNAGU Project” for Improvement of Organizational Climate

In response to the misconduct of the Company's former president, in January 2024, three executive vice presidents of the Company and ENEOS took the lead in establishing a steering committee, which includes two outside directors of the Company, and launching a project for improving an organizational climate that allows employees to work comfortably and with pride.

The project began by engaging a third party to conduct interviews with approximately 170 employees and conduct a survey targeting around 11,000 executive officers and employees in order to gain an accurate understanding of the work atmosphere of the Company and ENEOS.

The survey results revealed various gaps in the expectations of different generations, genders, and departments in terms of approaches to communication, what managers should be, and how work should be carried out in response to change. In addition, the results of the interviews also showed behavioral patterns such as top-down approaches and a preference for conventional approaches. As a result, it became clear that there is a potential risk of a situation developing in which a lack of mutual communication leads to different people having different expectations.

To promptly resolve these issues and gaps, we set short-, medium-, and long-term goals and formulated improvement measures. Currently, as one of our short-term measures, we are thoroughly implementing “Three Principles for everyone to work in peace.”

The Principles is an initiative to ensure mutual, constructive communication while maintaining an attitude of

respect for others in order to further promote psychological safety in the workplace.

To ensure respect for others, it is important to get to know each other, to create an environment of respectful listening where others can easily express their views, and to promote mutual understanding through direct, frank conversations where all parties can say what needs to be said. Therefore, based on the three simple and easy-to-understand principles of 1. Respect others, 2. Listen to others, and 3. Say what needs to be said, we are working to promote constructive communication in which all executive officers and employees take ownership.

In particular, leadership commitment to these efforts is the key success factor for the improvement of our organizational climate. Under the keywords “change starting with supervisors” and “everyone takes ownership,” the senior vice presidents and division heads of the Company and ENEOS will be responsible for creating an environment

where employees can work comfortably and with pride. They will also regularly report on the progress of this initiative to the ENEOS Executive Council for discussion toward further improvement of the organizational climate under the leadership of the president. At the Company, the progress will be reported to the CEO and the executive vice president on a regular basis for discussions on further improvement.

Furthermore, we will conduct regular surveys of all employees to confirm the status of implementation of the three principles at each workplace. At the same time, we will launch an additional new effort to provide bottom-up feedback on the degree of implementation of the three principles by managers and the degree of leadership in their work, and establish an effective PDCA process.

By continuously implementing these measures in a simple, straightforward and honest manner, we will improve an organizational climate that allows employees to work comfortably and with pride.

Three Principles for Everyone to Work in Peace

