

Health

Basic Approach

The JXTG Group believes that placing importance on the health of employees and their families and respecting diversity in our employees and their work styles results in a vibrant, productive workforce, bringing vitality to our organization. This in turn is the driving force for the achievement of our growth strategies and the source of our competitiveness.

We place great importance on the maintenance and improvement of the health of our employees not only in Japan, but at our overseas business sites as well.

Accordingly, we have included health as a standard in the JXTG Group Code of Conduct and are implementing health-related initiatives.

JXTG Group Code of Conduct (excerpt)

4. Health enhancement

- (1) Health is the core element of our business continuity and development. We take active measures to maintain and enhance the mental and physical health of individuals employed by our group companies.
- (2) We endeavor to identify and evaluate health disorders related to our business activities and promote measures to reduce such risks. We also collect and provide information to external sources in order to ensure the sustainable development of occupational health.

12. Establishment of a healthy work environment

- (1) We strive to enable all personnel to carry out their business operations in the workplace with vigor, and to enable ourselves, our families and our colleagues to lead healthy and cultured lives by promoting health care and work-life balance.
- (2) We promote diversity in order to enable diverse individuals to maximize their abilities.
- (3) We strive to secure and maintain a pleasant work environment through interactive dialogue and ongoing communication.
- (4) We strive to train our people, and seek to enhance the abilities of ourselves and others.
- (5) We shall obtain the necessary confirmation and approval from the appropriate person(s) with authority before we commence any religious activity, political activity, or any similar activities during work.

Structure

The Human Rights Promotion and Human Resource Development Committee is chaired by the officer responsible for the Human Resources Department of JXTG Holdings, and has been established under the JXTG Group CSR Council, which is chaired by the President of JXTG Holdings.

The committee shares information about initiatives by Group companies and determines focus items regarding

health.

In addition, departments in charge of human resources at Group companies take on the role of promoting health enhancement measures. At our sites in Japan, meetings of health and safety committees or health committees are convened each month for discussions on health between the companies and labor unions or employee representatives.

Health Enhancement

Employee Health Management

The JXTG Group works to maintain and improve the health of employees and their families by providing subsidies for regular health screenings, annual medical examinations, cancer screenings and influenza vaccinations, and for employees on overseas assignments, we also offer vaccinations as required and medical support.

In fiscal 2016, 100% of employees underwent regular health screenings.*1 For employees diagnosed with medical issues, we work to ensure follow-up care through efforts such as encouraging these employees to undergo further testing as needed.

*1 Compiled using data from JXTG Holdings and core operating companies.

Mental Health Measures

To help prevent mental health issues, the JXTG Group makes effective use of a stress check system.

This system improves employee awareness of stress. For individual follow-up for those facing high levels of stress, we offer sessions with industrial physicians. Additional systems include counseling with external counselors.

We are striving to improve the work environment as needed and provide mental health care.

Health Measures for Employees Traveling and Working Overseas

To prevent employees traveling and working overseas from falling ill, the JXTG Group actively implements measures such as vaccinations for employees traveling to certain destinations as recommended on the website of Japan's Ministry of Health, Labour, and Welfare's Quarantine Information Office.

JXTG Nippon Oil & Energy stockpiles supplies for its overseas sites as a safety measure against the spread of new types of influenza.

As a measure against malaria, JX Nippon Oil & Gas Exploration has formulated standards for travel to malaria-prone regions. The standards state that the company will bear the cost of anti-malaria medication for employees traveling overseas under certain conditions, and take appropriate measures if an employee is infected.

Contributing to Local Communities at Overseas Sites

JX Nippon Oil & Gas Exploration's London office donates to several organizations including those supporting patients suffering from cancer and heart problems, while the Vietnam office supports ophthalmic treatment for the poor.

Promoting Diversity and Inclusion

In accordance with the basic approach below, the JXTG Group actively incorporates diversity and inclusion to create new value across the entire organization and lead to our growth.

Basic Approach

- ◆ We carry out fair and equal recruitment to achieve diversity.
- ◆ We endeavor to improve our working environment and carry out effective human resource development to maximize the talents of a diverse workforce.
- ◆ We work to foster a corporate culture where each and every employee understands the importance of diversity, and where employees respect each other, help each other, and grow together.

Promoting Women's Participation

To support career planning and growth among our female employees, the JXTG Group is working to change the attitudes of both male and female employees, and has put various systems in place.

Furthermore, our Group companies have created their own action plans on the advancement of women in the workplace in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace enacted on April 1, 2016, and they are now implementing measures for the achievement of these plans.

Goals of Action Plan on the Advancement of Women in the Workplace

- JXTG Nippon Oil & Energy: Ensure at least 25% of newly hired university graduates in fiscal 2020 are women.
- JX Nippon Oil & Gas Exploration: Maintain the percentage of female workers at 15% of the employed workforce.
- JX Nippon Mining & Metals: Steadily increase the number of female employees and ensure that at least 30% of newly hired university graduates are women in order to cultivate female managers early on.

■ **Employment Status of Female Employees**

Newly recruited female employees	69	Percentage of women among new recruits: 14.9%
Total number of female employees	1,255	Percentage of women in workforce: 11.3%
Number of female managers	80	Percentage of women in management: 2.6%
Number of female directors	1	Percentage of female directors: 6.3%
Average years of service for all female employees	18.2 years	Average years of service for male employees: 19.2 years Difference in average years of service between male and female employees: 1 year

Note: Data on number of female directors is from JXTG Holdings; other data is from JXTG Holdings and core operating companies.

Promoting Career Opportunities for the Disabled

For fiscal 2016, the percentage of employees with disabilities was 2.2%, higher than the legal requirement of 2.0%.

Instead of treating all disabilities the same, the JXTG Group fosters an environment where people with disabilities can thrive by assigning each person to a job suited to their own individuality and aptitude.

Re-employment of Retired Workers

The JXTG Group has put in place a re-employment program for retired workers that have the desire and motivation to continue working. This program provides these employees with another opportunity to share their valuable knowledge, skills, and experience with the company.

In fiscal 2016, the number of people re-employed after retirement was 475.

Re-employment Program for Workers Who Accompanied a Spouse on an Overseas Assignment

As one initiative to support women in the workplace, JXTG Nippon Oil & Energy has adopted a system for re-employing employees who resign in order to accompany a spouse who has been transferred overseas. Employees who register at the time of resignation can be re-employed within five years if they so request.

Putting in Place Systems to Support Work-Life Balance

JXTG Group companies have put in place various systems to support work-life balance, and actively work to nurture corporate cultures that make it easy to use these systems. For details about the major systems supporting work-life balance, see p. 64.

■ **Number of Employees Utilizing Major Systems in Fiscal 2016**

Number of employees taking childcare leave	173 (of which 114 are male)
Number of employees returning to work after giving birth or taking childcare leave	100%
Percentage still employed 12 months after returning to work	99.1%
Number of employees taking family care leave	4

Note: Compiled using data from JXTG Holdings and core operating companies.

Monitoring through Employee Awareness Surveys

The JXTG Group regularly conducts anonymous surveys targeting all employees on themes such as daily work and corporate culture. Bringing to light employees' awareness levels and issues within each workplace helps to improve issues, including the promotion of diversity. The most recent survey was conducted in the first half of fiscal 2017.

TOPICS

Joining the Ikuboss Corporate Alliance Established by Fathering Japan

On September 21, 2017, JXTG Nippon Oil & Energy joined the Ikuboss Corporate Alliance established by Fathering Japan.

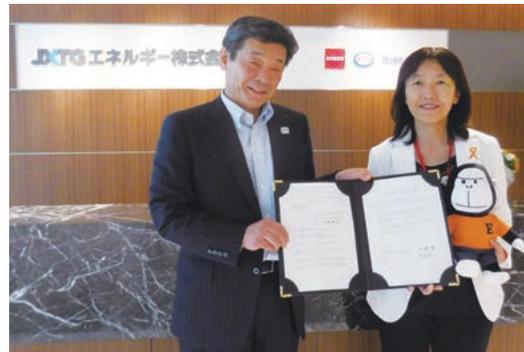
The Ikuboss Corporate Alliance is a network of companies that recognize the importance of ideal bosses, "ikubosses,"*1 in an age of diversity in the workforce, which includes increased participation of women in the workplace and men who are actively involved in child-rearing. These companies are actively working to change management mindsets and nurturing ikubosses in this new age.

When joining this alliance, we created and announced our own Ikuboss Declaration. We are continuing to focus on promoting diversity, including women's participation in the workplace and work style reform, in accordance with the ikuboss objectives.

*1 An "ikuboss" is a boss (executive or manager) who thinks about the work-life balance of staff under his or her supervision. Ikubosses support the careers and lives of their staff, while delivering results to the organization and still enjoying their own work and private lives.

JXTG Nippon Oil & Energy Ikuboss Declaration

In view of the ikuboss objective, JXTG Nippon Oil & Energy promotes work environments where all employees in all stages of life can balance their work and private lives while maintaining motivation to work.



Commemorative photo-taking after signing ceremony
 Left: Tsutomu Sugimori, president of JXTG Nippon Oil & Energy
 Right: Tokiko Koso, director of Fathering Japan

Enhancing Systems for Childcare and Family Care

As a part of its initiatives for energizing individuals and organizations, JX Nippon Mining & Metals is reviewing existing systems and implementing new

ones to create environments where employees can fully utilize their abilities even when they need to provide childcare or family care.

Overview of Childcare and Family Care Systems (JX Nippon Mining & Metals)

	Pregnancy/Childbirth	Childcare/Parenting	Family care
Work style support	Time off before and after childbirth	Time off to care for an ill child	Time off for family care
	Special measures for mothers during pregnancy and within one year after childbirth	Childcare leave (length can now be changed, and more changes are allowed) REV.	Family care leave
	Time off for childbirth	Exemption from overtime work exceeding limit	
		Exemption from late-night work	
		Shorter workday (expanded applicability, may be used along with flextime) REV.	
		Flextime (revised core time, enabled use along with shorter workday) REV.	
		Exemption from unscheduled work	
		Childcare time	
		Cumulative annual paid time off (added childcare to conditions for use) REV.	
	Financial support, etc.	One-time maternity/childcare benefit, additional one-time maternity/childcare benefit (health insurance)	Childcare/family care subsidies NEW
Maternity allowance, additional maternity allowance (health insurance)		Return-to-work grant NEW	Family care leave allowance NEW
Exemption from paying social insurance premiums (health insurance and employees' pension) during pre- and post-childbirth leave, childcare leave, etc.		Childcare leave benefit (employment insurance)	Family care leave benefit (employment insurance)
		Childcare concierge service NEW	
		Support for babysitter use NEW	

■ Support from social insurance and employment insurance ■ New or revised (fiscal 2016, fiscal 2017)

Main New Systems (From Fiscal 2017)

Return-to-work grant

A onetime grant is paid to an employee returning to work after childcare leave to ease the economic burden of preparing to combine childcare and work, and to smooth the return to work.

Family care leave allowance

During family care leave, along with a drop in income, the burden on the individual for paying social insurance premiums and the like continues. This monthly allowance, paid during family care leave, is intended to provide partial assistance to ease this economic burden, and to make the environment more conducive to taking advantage of the family care leave system.

Childcare/family care subsidies

To enable employees to combine work and childcare or family care, monthly subsidies are paid to help cover the costs of childcare-related services (to the extent these costs exceed ordinary daycare) or family care services (as stipulated in the Long-Term Care Insurance Act, excluding services received during continued residence in a facility) used to enable the employee to continue working.

Childcare concierge service

With the aim of helping employees return to work early or balance work and childcare, outside advisers have been appointed to provide employees with information and advice on such matters as finding a daycare center or childcare in general.

Support for babysitter use

In another measure to support employees in balancing work and childcare, a corporate contract has been made with a babysitting company, enabling employees to use its services for less than the usual rates. This support makes it easier to use these services in emergencies, such as when a child is ill or sudden overtime work arises, and also for everyday childcare.

Promoting Work-Life Management

In accordance with the basic approach below, the JXTG Group aims to reduce total annual working hours and encourage the taking of annual paid leave to increase the motivation and creativity of each and every employee, and enable them to maximize their abilities.

Basic Approach

- To allow adequate time for each and every employee to achieve a good balance between work and private life, we promote the reduction of total annual working hours and encourage the taking of annual paid leave by improving productivity and workflow.
- We encourage the preparation and utilization of effective human resource systems and programs, so that even employees limited in their work styles by circumstances, such as childcare and family care, can achieve sustainable career development and performance.
- We raise awareness of employees to promote understanding of the importance of work-life management.

Thorough and Proper Management of Total Annual Working Hours

The JXTG Group defines those regulations related to Japan's Labor Standard Act—such as working hours, rest periods, days off, and leave—as human resource regulations.

In addition, Group companies are committed to eliminating unpaid work, putting in place systems to accurately monitor and manage employees' working hours. At the same time, various initiatives are being implemented to reduce total annual working hours (reducing overtime work and encouraging taking of annual paid leave).

Encouraging Employees to Take Annual Paid Leave

The JXTG Group promotes various initiatives at our Group companies to encourage employees to take annual paid leave.

■ Status of Employees Taking Annual Paid Leave in Fiscal 2016

Number of annual paid leave days granted	20.4 days
Number of annual paid leave days taken	17.0 days
Usage rate of annual paid leave	83.3%

Note: Compiled using data from JXTG Holdings and core operating companies.

Major Systems Supporting Work-Life Balance

The JXTG Group has in place various systems supporting work-life balance at our Group companies.

■ List of Major Systems Supporting Work-Life Balance at Group Companies

	System	Implemented at
Childbirth/childcare	Time off before and after childbirth	All Group companies
	Time off to care for an ill child	JXTG Nippon Oil & Energy, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals
	Childcare leave	All Group companies
	Special paid leave for wife's childbirth	JXTG Nippon Oil & Energy
	Return-to-work grant	JX Nippon Mining & Metals
	Childcare concierge service	JX Nippon Mining & Metals
	Support for babysitter use	JX Nippon Mining & Metals
	Childcare/ family care subsidies	JX Nippon Mining & Metals
Family care	Time off for family care/Family care leave	All Group companies
	Family care leave allowance	JX Nippon Mining & Metals
	Home helper subsidies	JXTG Nippon Oil & Energy
General	Shorter workday	All Group companies
	Exemption from unscheduled work	JXTG Nippon Oil & Energy, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals
	Flextime	JXTG Nippon Oil & Energy, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals
	Cumulative annual paid time off	JX Nippon Mining & Metals
	Hospitalization subsidy	JXTG Nippon Oil & Energy
	Telecommuting	JXTG Nippon Oil & Energy, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals