

Healthy Work Environment

Basic Approach

The JXTG Group aims to increase the motivation and creativity of each and every employee and enable them to maximize their abilities through the promotion of work-life management.

Moreover, the Group believes in actively incorporating diversity and inclusion, acknowledging differences pertaining to gender, age, nationality, race, ethnicity, skin color, culture, thought, religion, belief, political opinions, sexual orientation (LGBT), the presence or absence of disability, and any familial and personal circumstances, to create new value across the entire organization for our continued growth.

We have stipulated such norms in the JXTG Group Code of Conduct, and have implemented a variety of initiatives for their advancement.

JXTG Group Code of Conduct (excerpt)

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 (director) 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 is responsible for deliberation on Group-wide policies and approaches to work-life management, diversity and inclusion. It confirms and evaluates the activities of each Group company and shares information.

Specifically, we are implementing measures such as workstyle reforms, workplace and career advancement initiatives for female employees and employees with disabilities, and the expansion of systems promoting work-life balance.

For details about our structure, See p.52.

Advancement of Women in the Workplace ♥

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

Furthermore, our Group companies have created their own action plans for 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 have implemented measures for the achievement of these plans.

For details about our systems promoting work-life balance, see p. 63.

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

- JXTG Nippon Oil & Energy: Ensure that the ratio of women among newly hired university graduates in fiscal 2020 is at least 25%.
- 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 the ratio of women among newly hired university graduates is at least 30% in order to cultivate female managers early on.

♥: Indicates the Group's top CSR priorities. Please see p. 9.

Employment Status of Female Employees

(As of March 31, 2018)

Newly hired female employees	65	Percentage of women among new hires: 14.1%
Total number of female employees	1,226	Percentage of women in the workforce: 10.9%
Number of female managers	76	Percentage of women in management: 2.5%
Number of female directors	2	Percentage of female directors: 11.1%
Average years of service for all female employees	17.3 years	Average years of service for male employees: 19.4 years Difference in average years of service between male and female employees: 2.1 years

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

Monitoring through Employee Awareness Surveys

Once every two years, the JXTG Group conducts an anonymous survey of all employees. In fiscal 2017, the survey was conducted on topics such as the advancement of women in the workplace, work-life balance, and LGBT. The results were reported to the Board of Directors and reflected in policies concerning women's career advancement.

Re-hiring Program for Employees Who Accompany a Spouse on an Overseas Assignment

As one initiative to support women's advancement in the workplace, JXTG Nippon Oil & Energy has adopted a system for re-hiring 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-hired within five years if they so request.

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 for our continued growth.

- We implement fair and equal hiring practices that ensure diversity.
- We endeavor to maintain a healthy work 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.

Ikuboss Corporate Alliance Membership and Activities

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, or "ikubosses,"* in an age of workforce diversity, which includes increased participation of women in the workplace

and an increasing number of men who are actively involved in child-rearing. These companies are actively working to change management mindsets as part of their efforts to foster ikubosses in this new age.

Upon joining this alliance, we created and announced our own Ikuboss Declaration. We continue to focus on the promotion of diversity, including women's participation in the workplace and workstyle reform, in accordance with the ikuboss objectives.

* 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 enjoying their own work and private lives.

JXTG Nippon Oil & Energy Ikuboss Declaration

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



After the signing ceremony
Left: Tsutomu Sugimori, then president of JXTG Nippon Oil & Energy
Right: Tokiko Koso, director of Fathering Japan

Promoting Career Opportunities for Employees with Disabilities ♥

For fiscal 2017, the percentage of employees with disabilities was 2.3%, higher than the legal requirement of 2.0%.

The JXTG Group views disability as one of many characteristics that make up a person's individuality, and fosters an environment where employees with disabilities can thrive by assigning each person to a job and workplace suited to his or her own individuality and aptitude.

Moreover, workplace adaptation assistance is provided for employees with disabilities, including the provision of work-life consultants and job coaches.

Re-employment of Retired Workers

The JXTG Group has put in place a re-employment program for workers who have the desire and motivation to continue working after mandatory retirement. This program provides these employees with further opportunities to share their valuable knowledge, skills, and experience with the company.

In fiscal 2017, the number of workers re-employed after retirement was 710.

Creation of Local Jobs

The JXTG Group is actively engaged in employing local staff at our overseas operating sites.

In fiscal 2017, the number of locally employed staff at our overseas sites was as follows.

	(Persons)
JXTG Nippon Oil & Energy	1,279
JX Nippon Oil & Gas Exploration	450
JX Nippon Mining & Metals	2,029
Total	3,758

Initiatives for LGBT (Sexual Minorities)

JXTG Nippon Oil & Energy has implemented department- and rank-based training, e-learning and other activities as part of human rights awareness training in order to promote understanding towards sexual minorities among our employees in accordance with the JXTG Group's Code of Conduct. A contact point has also been established for consultation and inquiries.

In October 2018, JXTG Nippon Oil & Energy was awarded the Silver Award by work with Pride* based on their "PRIDE Index 2018," an evaluation index on programs related to LGBT and sexual minorities within businesses and organizations.



* A private organization that supports the promotion and instillation of diversity management concerning sexual minorities, including LGBT, within business organizations.

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.

Guideline

- 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 work to ensure the establishment and utilization of effective human resource systems and programs, so that even employees limited in their workstyles by circumstances, such as childcare and family care, can achieve sustainable career development and performance.
- We raise employee awareness to promote understanding of the importance of work-life management.

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, and have put in place systems to accurately monitor and manage employees' working hours. At the same time, various initiatives have been 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 Annual Paid Leave in Fiscal 2017

Number of days granted	22.3
Number of days taken	18.8
Usage rate	84.0%

Note: Data from JXTG Holdings and core operating companies.

Major Systems Supporting Work-Life Balance

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

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	All Group companies
	Childcare leave	All Group companies
	Special time off for wife's childbirth	All Group companies
	Return-to-work grant	JX Nippon Mining & Metals
	Childcare concierge service	JX Nippon Mining & Metals
	Support for babysitter use	JXTG Holdings, JXTG Nippon Oil & Energy, JX Nippon Mining & Metals
Family care	Childcare subsidies	JXTG Holdings, JXTG Nippon Oil & Energy, JX Nippon Mining & Metals
	Time off for family care/Family care leave	All Group companies
	Family care leave allowance	All Group companies
	Home helper subsidies	JXTG Holdings, JXTG Nippon Oil & Energy, JX Nippon Mining & Metals
	Family care subsidies	JX Nippon Mining & Metals
General	Re-hiring system for retirement due to family care	JX Nippon Oil & Gas Exploration
	Shorter workday	All Group companies
	Exemption from unscheduled work	All Group companies
	Flextime	All Group companies
	Cumulative annual paid leave	JX Nippon Mining & Metals
	Paid time off for personal injury or illness	JXTG Holdings, JXTG Nippon Oil & Energy, JX Nippon Oil & Gas Exploration
	Hospitalization subsidy	JXTG Holdings, JXTG Nippon Oil & Energy, JX Nippon Oil & Gas Exploration
	Re-hiring program for employees who accompany a spouse on an overseas assignment	JXTG Holdings, JXTG Nippon Oil & Energy
	Leave system for supporting continuation of career	JX Nippon Oil & Gas Exploration
	Return-to-work system	JX Nippon Mining & Metals
	Telecommuting	All Group companies
	Exemption from late-night work	All Group companies

Number of Employees Utilizing Major Systems in Fiscal 2017

Number of employees taking childcare leave	164 (of which 107 are male)
Percentage of employees returning to work after giving birth or taking childcare leave	100%
Percentage still employed 12 months after returning to work	96.6%
Number of employees taking family care leave	3

Note: Data from JXTG Holdings and core operating companies.

Enhancing Systems for Childcare and Family Care

As a part of its efforts for energizing of individuals and organizations, JX Nippon Mining & Metals is reviewing its existing systems and implementing new ones to create an environment where even employees involved in childcare or family care can fully realize their capabilities.

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

	Pregnancy/Childbirth	Childcare/Parenting	Family care
Workstyle support	Time off before and after childbirth	Time off to care for an ill child	Time off for family care
	Special measures for women during pregnancy and within one year after childbirth	Childcare leave REVISED (duration can be shortened, more changes in duration allowed)	Family care leave
	Time off for childbirth	Exemption from overtime work exceeding limit	
		Exemption from late-night work	
		Shorter workday (applicability expanded, may be used in conjunction with flextime) REVISED	
		Flextime (core time revised, may be used in conjunction with shorter workday) REVISED	
		Exemption from unscheduled work	
		Childcare time	
		Cumulative annual paid leave (childcare added to conditions for use) REVISED	
		Telecommuting NEW	
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 employee 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	
		Return to work NEW	

■ Support from social insurance and employment insurance
 ■ Fiscal 2017 New or Revised
 ■ Fiscal 2016 New or Revised
 Note: Telecommuting may also be utilized for reasons other than involvement in childcare or family care.

Main New Systems (From Fiscal 2017)

Return-to-work grant

In order to facilitate a smooth transition back to work, a one-time grant is paid to an employee returning to work after childcare leave to ease the economic burden of preparing to combine childcare and work.

Family care leave allowance

During family care leave, the obligation to pay social insurance premiums and the like remains even as income declines. The family care leave allowance, paid monthly during family care leave, is intended to provide partial assistance to ease this economic burden, and to make conditions 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 concluded with a babysitting company, enabling employees to use its services for less than the usual rates. This support makes it easier for employees to use these services in emergencies, such as when a child is ill or sudden overtime work arises, and also for everyday childcare.