

# MATERIALITY

# EMPLOYEES



## Our Policy

In order to constantly strengthen responsible management, INPEX, as a global organization, values workforce diversity and the development of global employees who share common values. To achieve the goals, the HR Division formulated the INPEX HR VISION, which is comprised of four key elements. HR activities based on these elements are implemented from a global perspective, linking employee

development to team performance to contribute to a globally competitive organization.

In fiscal 2018, to further enhance efforts toward diversity, one of the INPEX Values, INPEX communicated the diversity and inclusion (D&I) policy to all stakeholders.<sup>1</sup> Going forward, it plans to push ahead with D&I and improve capabilities across the organization to raise its general appeal as a company receiving higher evaluation from the global community.

## INPEX HR VISION

### 1 Talent Attraction and Engagement

Make INPEX the best place to work – “employer of choice”

- Job satisfaction and opportunity for growth
- Competitive reward programs– “Total Reward”

### 2 Organization Effectiveness

Maximize organizational performance through HR Management Process

- Workforce planning and organization review
- Appropriate placement within the organization

### 3 Focus on People Development

Future leaders and global workforce capability

- Recognize and invest in future leaders
- Proper talent management cycle
- Access to diverse development programs

### 4 HR Excellence

Support business strategy with world-class functional expertise

- Effective, innovative, and trusted HR processes and systems
- Develop HR professionals
- Collaborate globally and share best practices

## Human Resource Development and Utilization

### Human Resource Development

INPEX conducts training to enhance the overall skill level of employees so that the employees can constantly contribute to its business over the long term. INPEX provides not only level-based employee training based on personnel requirements, anticipated future roles, and required capabilities of each employee category but also a range of other programs to rapidly develop employees who can thrive in an international business environment. Those programs include training at overseas offices and study at overseas specialized training institutions.

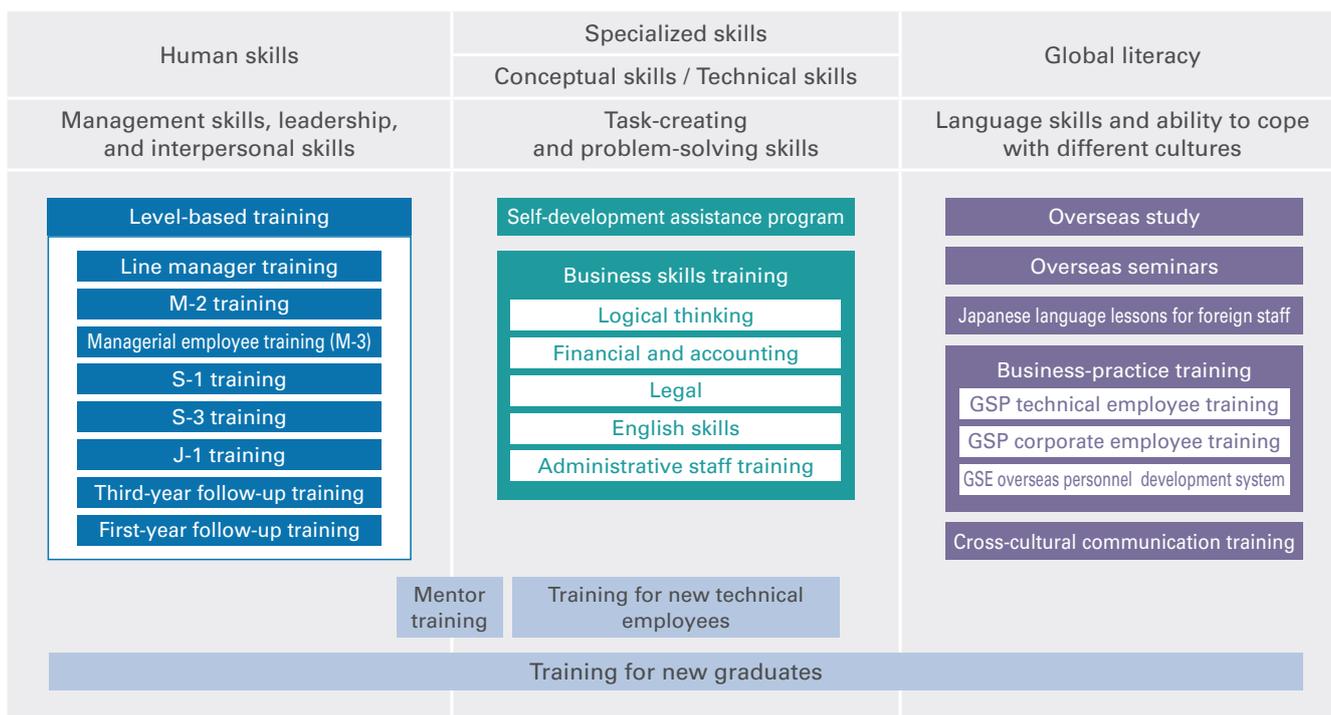
In addition to company-wide group training for new graduates, a mentoring system was introduced whereby an experienced employee is assigned to each graduate for one year to provide work-related guidance and moral support, helping the new graduate adjust to working life. Moreover, INPEX supports career development of each employee. Opportunities are offered for each employee to consider career development. Development plans are created through a three-party career consultation system, which comprises the employee, HR and a superior from his/her own division, and skill maps designed for each specific field.

## HR Evaluation and Placement Structure

To steadily and efficiently accomplish the organizational goals, INPEX aims to maximize the motivation of each employee by enabling employees to establish and implement concrete processes toward their own annual objectives. An INPEX Values-based evaluation system is also implemented at all sites, including Australia and Indonesia, with the degree to which INPEX Values are demonstrated in operations being

an important assessment criterion. In this way, employees with diverse backgrounds and values can go about their tasks with an understanding of the values expected of INPEX employees. Not only will the employees achieve their individual goals, but they are also encouraged to deliver results for the entire organization. Furthermore, employees are given the opportunity once a year to report desired work contents or transfer requests, and a new internal application system, which facilitates appropriate staffing and appointment, was also introduced in fiscal 2017.

### Diagram of Human Resource Development



## Promoting Diversity

### ● Promoting the Advancement of Female Employees

In accordance with the basic policy on diversity and inclusion, INPEX is actively working on creating an environment in which female employees can fully utilize their abilities. A main action plan for general business in Japan was created under Japan's Act of Promotion of Women's Participation and Advancement in the Workplace. INPEX aims to increase the percentage of women in management roles to above 3% and raise the proportion of women among new graduate hires to about 25% within a 5-year period starting in April 2018. INPEX was named a Nadeshiko Brand company in fiscal 2018 in recognition of the initiatives which have been

implemented so far. The office in Australia also launched an INPEX International Women's Day Award to coincide with the March 8 International Women's Day, as part of its efforts to further empower female employees.

### ● Promoting Employment of Persons with Disabilities

INPEX has been proactive in hiring persons with disabilities, considering factors such as job content and workplace environment. As of the end of fiscal 2018 (March 31, 2019), the number of employees with disabilities was 35 (rate of person with disabilities employed: 2.2%). In fiscal 2019, the Japanese offices adopted a speech-to-text app called UD Talk to assist hearing impaired employees. INPEX is taking proactive and reasonable steps to accommodate disability, more than ever.

## Promoting Work-life Balance

In accordance with the basic policy on diversity and inclusion, INPEX is promoting work-life balance, aiming to create an environment where all the employees can work and demonstrate their full potential according to respective circumstances and lifestyles.

As part of efforts to promote work-life balance, a company-wide flextime work system for all employees was introduced in April 2019, which was previously limited to employees involved in childcare and nursing care. INPEX also encourages employees to take consecutive summer holidays and designates days on which they are encouraged to take paid leave. In fiscal 2018, the percentage of paid leave taken was 81.7%.

As a measure to reduce overtime work, every Wednesday is designated as a work-life balance day when employees are encouraged to go home early. Furthermore, if an employee's overtime continuously exceeds a certain number of hours, the supervisor and the HR Division will communicate with the employee to understand the situation, share issues and figure out solutions.

Not only does the company focus on working hours and holidays, but INPEX also respects diversity. A year-round "business casual" work wear policy was introduced in fiscal 2018 to make the work environment even more motivating for employees.

### • Support for Child Raising and Nursing Care

INPEX supports work-life balance for employees who are either raising children or providing care to family members. A variety of support mechanisms that go beyond the legal

requirement have been created for all employees. Child-raising is an important life event, so managers who have child-raising subordinates have been receiving training since fiscal 2017 to ensure that employees can care for their children while continuing to work. The participation of male employees in child raising is also being promoted by the company that has published clear information to summarize the benefits for male employees who take parental leave.

Through those initiatives, INPEX, as "a company that supports child-raising", obtained the Next Generation Support Certification (known as Kurumin Mark) from the Tokyo Labor Bureau for the third time in recognition of the measures taken from fiscal 2015 to 2017.

## Promoting Health Management

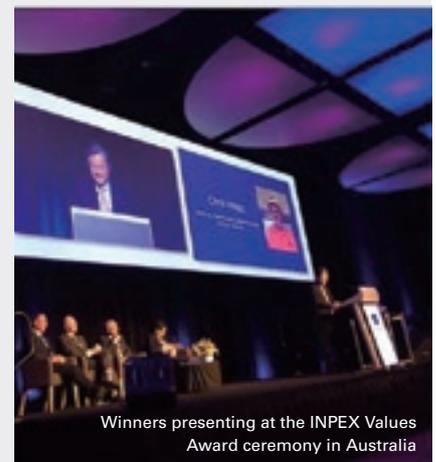
### • INPEX Group Health Statement

With the mental and physical health of all employees at the core of the INPEX Group, the company regards health management as a business management topic. In September 2018, the INPEX Group Health Statement was formulated to clarify the company's efforts to support and improve the health of employees and their families, under the supervision of the President, who is also Chief Health Officer.

The statement is a declaration that the company will maintain and improve the physical and mental health of employees as well as their families; that the company aims to build a vibrant corporate culture by creating a work environment which maximizes the potential of all employees; and that employees should improve their lifestyles with the awareness of health self-management and proactively maintain physical and mental health.

## Activities for the Global Promotion of INPEX Values among Employees

Since 2014, INPEX has been carrying out activities to promote its corporate values, known as INPEX Values. Through company-wide surveys, the HR unit has collected nominations for "Values People" - executives, employees and contractors who put the INPEX Values into practice. The fourth survey, conducted in 2018, identified 749 Values People. Each year, in addition to interviews with those who receive the most nominations, a selection of case studies collected from a follow-up survey among all Values People candidates of how they are considering and carrying out INPEX Values in their daily lives, known as "Case studies of INPEX Values", is also published on the intranet. Especially outstanding cases will be granted "INPEX Values Award", as part of the efforts to increase the penetration of INPEX Values.



Winners presenting at the INPEX Values Award ceremony in Australia

## ● Operation of Health Management

Under the leadership of the INPEX President as Chief Health Officer, INPEX is working with its labor union and health insurance union to maintain and improve the health of its employees and create healthy workplaces. For this reason, a health management implementation committee was established, and necessary frameworks are being built. The committee attempts to understand employee health issues and investigate relevant solutions, while implementing ongoing improvements through the PDCA cycle. With the headquarters medical officer also on the committee, INPEX is working to improve the level of expertise among the committee members.

## ● Initiatives to Maintain and Improve Health

In addition to centralized database management of the results of employee health checks, headquarters as well as all offices above a certain size will have a permanent nurse on staff. As part of a structured program of mental and physical health management, the medical staff in each office collaborate on delivering health guidance and dealing with mental health issues.

Starting with a 100% participation in annual health checks, INPEX has implemented a range of measures, from measures related to mental health and overwork to isolation of smoking areas, to maintain and improve the health of employees. To further enhance those initiatives, INPEX is establishing and working toward concrete targets for participation in health checks, participation in stress checks, average overtime work hours, proportion of paid leave taken,

participation in specific health checkups, and implementation of specific health guidance.

The Japanese employees working overseas are provided with immunization against infectious diseases and health checks in Japan once a year. They receive details on medical care in their destination countries, and are covered by an emergency transport system which includes international transport in case of accidents or sickness.

## ● INPEX was selected in the White 500 Category of Certified Health & Productivity Management Outstanding Organizations Recognition Program of 2019

INPEX has been selected in the large enterprise category (White 500) of the 2019 Certified Health & Productivity Management Outstanding Organizations recognition program operated by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, an organization promoting public health. The Certified Health & Productivity Management Outstanding Organizations recognition program awards small, medium and large enterprises for outstanding health management on the basis of their initiatives addressing health issues.

Recognition was received for the efforts to understand employee health issues and implement necessary measures, creating the foundations for health management practice and implementing specific measures for work engagement as well as mental and physical health of employees.



## Building an Environment in which a Diverse Workforce can Flourish

INPEX is building an environment which enables employees from a wide variety of backgrounds to work to their fullest potential. One initiative in Australia and Japan relates to the LGBT community. LGBT training for all employees in Japan has been held since fiscal 2018, enabling participants to understand the concerns held by LGBT people and learn what they should do if an LGBT person “comes out” to them. Training participants have responded with such comments as “It is helpful to have learned basic terminology as well as important points in using the terminology.” In the same year, an internal network of LGBT allies that holds events with external speakers was created, along with other policies, to develop an LGBT-friendly workplace.

In Australia, the Diversity Council of Australia was

invited to the Perth Office to give a presentation, called “Coming Out in the Workplace”, on the latest findings about LGBT people at work. With participants from 40 related institutions and companies, the event offered a great opportunity to positively exchange opinions about cultivating an understanding of LGBT people in the workplace.



LGBT seminar in Japan