

Materiality 3 Create Attractive Workplaces

Dynamic workplaces where employees can demonstrate their unique capabilities and be healthy in mind and body are essential for any enterprise seeking sustained growth. The JX Metals Group strives to create workplaces that are attractive from many perspectives. Examples include our work to ensure occupational health and safety, provide an appropriate personnel evaluation system, and offer human resources training.



KPIs and Progress

Assessment: 😊 Achieved/Steady Progress ☹️ Not Achieved

KPI	Fiscal 2022 Results/Progress	Assessment
Reduce serious occupational accidents: Less than 0.70 accidents (four days or more of lost work time) per 1,000 employees in FY2022	In fiscal 2022, the annual rate was 0.74 per 1,000 employees. With solemn consideration for the accidents that have occurred, we constantly strive to improve our health and safety management system and prevent occupational accidents by improving the effectiveness of our risk assessments and enhancing the ability of employees to investigate the causes of accidents.	☹️
Increase annual leave utilization rate: 80% or more in FY2022	Despite only reaching 77.1%, the annual leave utilization rate improved versus the previous fiscal year thanks to our ongoing efforts to create a work environment that encourages employees to take vacation days and to provide more days where employees are encouraged to take leave. Moving forward, we will continue to take actions to encourage employees to take more vacation.	☹️
Implement initiatives to revitalize people and organizations	We are also taking action to build an environment in which diverse human resources can play an active role. To do so, we enhanced a variety of measures for Activity-Based Working (ABW) and vitalizing communications, secured and utilized both highly specialized and senior citizen employees, and introduced a new personnel system.	😊
Initiatives for health promotion: Cancer screenings for 70% of employees or more in FY2022	Each operating site formulated measures to increase the screening rate and held seminars on cancer prevention by medical specialists. These and other efforts tailored to their respective environments resulted in a 78.1% screening rate, a significant improvement from the previous year (63.1%). For fiscal 2023, we are promoting activities aimed at further increasing the screening rate by carrying out e-learning for all employees, distributing leaflets recommending cancer screening, and holding cancer prevention seminars.	😊
Maintain and improve hiring rate for disabled persons: 2.3% or more in FY2022	In fiscal 2022, employees with disabilities comprised 2.10% of our total number of employees. We will continue to maintain and improve the hiring rate for disabled persons through bolstering the newly-established Cheerful Support Office in fiscal 2021. Furthermore, we will actively provide support and roll out measures for enabling disabled persons to lead fulfilling social lives.	☹️

Ensure Safety and Promote Health

Recognizing that the safety and health of our employees is the foundation for sustainable growth, the JX Metals Group is committed to creating a workplace environment that ensures safety and promotes health.

JX Metals Group Basic Policy on Health and Safety

We place the highest priority on ensuring the health and safety of people working in all areas of business operations at the JX Metals Group and create attractive workplaces by providing safe, secure, and healthy working environments.

1. We will comply with all laws and regulations relating to health and safety, establish voluntary standards required to achieve compliance, and rigorously manage and adhere to such standards.
2. We will strive to continuously improve and enhance industrial health and safety management systems and achieve health and safety goals.
3. We will actively provide information and education in order to develop human resources that think and act spontaneously, and raise health and safety awareness throughout the organization.
4. We will identify hazards in all areas of business operations, work to eliminate such hazards and reduce risk, steadily achieve annual accident reduction targets, and ultimately aim to ensure no accidents ever occur.
5. We will work to maintain and improve employees' mental and physical health by ensuring good communication and comfortable working environments and taking steps to maintain health and prevent sickness.

Organization for Occupational Health and Safety Management

The Group maintains health and safety committees and other bodies at operating sites and Group companies in keeping with the Industrial Safety and Health Act. We have also established a system to have discussions with workers, including those from subcontractors stationed permanently, within the framework of our management system. At our head office, the Central Health and Safety Committee meets once a year, attended by representatives (key safety managers and labor union branch committee chairs) from the divisions and operating sites. The Central Health and Safety Standing Committee meets five times a year, attended by standing committee members of the former (safety managers at each division and the three officers from the Central Labor Union). We also hold joint labor/management health and safety visitations (once a year) and Group safety supervisors' meetings (twice a year) to exchange information on health and safety. In fiscal 2022, we generally held hybrid in-person/online meetings in light of the impact of the spread of COVID-19. Joint labor/management health and safety visitations were held in person at operating sites with infection control measures in place.

Environment and safety audits are conducted periodically by a team under direct supervision of the president at operating sites directly run by the Company (including Group companies within the sites) and major domestic Group companies. Issues discovered in the audits are reported to the president, and also notified to the respective operating sites. Audits were conducted at 19 sites, including four sites for which on-site audits were postponed in fiscal 2022 due to the spread of COVID-19. No major issues were identified.

Acquiring ISO 45001 Certification

We had acquired OHSAS 18001 certification at 11 operating sites in Japan and at two operating sites overseas. However, we are currently preparing with the introduction of ISO 45001 (JISQ 45100) following the abolition of OHSAS in March 2021. Compared to ISO 45001 (JISQ 45001), ISO 45001 (JISQ 45100) enables the promotion of Group-wide occupational health and safety activities that involve more on-site workers. We are revising and creating new management documents including OHS manuals, and are systematically converting and acquiring new certifications, aiming to further improve health and safety levels.

We completed conversion at these sites in fiscal 2021, and have been introducing this occupational health and safety management system at more sites since fiscal 2022. In doing so, we aim to obtain new certification at sites yet to be certified.

Management Policy on Health and Safety for 2022

The Group formulates the Management Policy on Health and Safety each fiscal year. The goals and key policy measures are set based on analysis of health and safety performance in the previous year. The policy is discussed and approved by the Central Health and Safety Committee and then promulgated across the Group.

[Goals]

[Safety and Disaster Prevention Items]

- Accidents with lost work days or worse: Zero
- Targets for managing the number of accidents for the entire Group
 - (Shared domestic/overseas sites) Accidents without lost work days or worse: Reduction of 50% or more of the previous year's results
 - Occupational injury rate per 1,000 employees in domestic Group (four or more lost work days): 0.70 or less (five injuries or less)
- Fires and explosions: Zero

[Key Measures]

- Promoting inherent safety (strengthening activities to prevent serious accidents from occurring)
- Expanding health and safety education
- Strengthening systems for safer construction execution

[Health and Other Items]

- Occupational diseases: Zero
- Rate of lost work days due to ordinary illnesses: Reduction by 10% or more from the average in the previous three years
- Statutory regular health checkups: 100%
- Cancer screening rate: 70% or more
- Influenza vaccination rate: 100%
- Traffic accidents (as perpetrator or victim): Reduction by 10% or more from the average in the previous three years

[Key Measures]

- Maintaining and promoting mental and physical health
- Continuing to implement traffic accident prevention (including work-related traffic accidents)

Safety Education at a Safety Education Center

In order to raise the sensitivity to hazard for each and every employee and enhance their safety awareness, the Group has established the Safety Education Center, where we conduct experience-oriented safety education, in Hitachi City, Ibaraki Prefecture. Here, sensitivity to hazards refers to sensing danger correctly. Sharpening this sensitivity leads to workers being able to avoid danger.

Since many of the occupational accidents that have occurred are recurrences of past cases (similar accidents), the center has prepared a program to help workers see that potential accidents are always present, and to improve worker understandings of danger and their sensitivity to hazards through simulated experiences of past occupational accidents. In addition, we have implemented a new educational curriculum that utilizes VR technology, enabling students to have hands-on experience as a victim of an accident or disaster, a situation not easily simulated in real life. In recent years, while the number of occupational accidents among employees has been decreasing, the number of occupational accidents among employees from Subcontractors has become an issue. To address this, we have introduced midsize education facilities at our core operating sites to improve the sensitivity to hazards and safety awareness of not only our Group employees but also those of our Subcontractors. The Safety Education Center and the midsize education facilities work in unison to eradicate occupational accidents among workers.



VR experiential education

Raising Safety Awareness Through Various Tools

The Group strives to ensure the safety and health of all persons connected to our business, and to elevate safety-first awareness and sensitivity to hazards. We strive to raise safety awareness and prevent recurrence of accidents by producing safety educational materials such as disaster reproduction videos, based on actual accidents and disasters, and safety awareness posters, based on actual accidents that have occurred within and outside the Group.



Actual safety awareness posters in use

Activities in 2022 to Ensure Safety

● Risk assessments

Each of the Group's operating sites carries out its own risk assessment activities based on our occupational health and safety management system. Risks at operating sites are managed by implementing PDCA cycles, consisting of hazard identification, devising accident scenarios, risk assessments, necessary measures to mitigate risk (beginning by considering tangible measures first, and then intangible measures only if tangible measures are unapplicable), and evaluation of the effectiveness of those measures.

In fiscal 2022, we aimed to further strengthen these risk assessment activities by focusing on significant residual risks at

each operating site and reinforcing management aspects to prevent serious occupational accidents. Improving the level of our risk assessments is an issue that we will continue to work on in the future. Our measures going forward include visualizing the progress of residual risk management and other risk mitigation, further promoting intrinsic safety measures that incorporate the concept of machine safety, and training risk assessment promoters and instructors at each operating site.

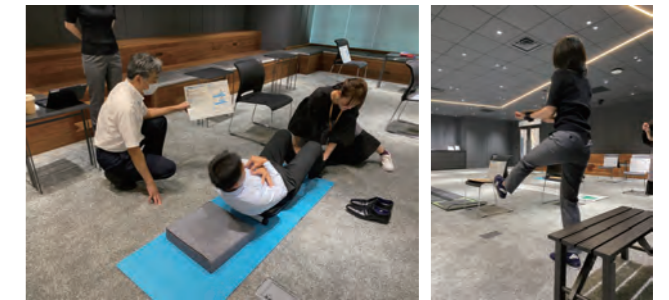
● Project to establish a health management system

We are promoting a variety of measures to improve the mental and physical health of our employees through a project system in which all of our operating sites participate. We spread information to employees and conducted e-learnings, aiming to improve cancer screening rates. Through these efforts, we intend to encourage employees to undergo screenings for early detection as a way to learn about and strive to prevent cancer. As a result, the Group-wide average screening rate in fiscal 2022 was 78.1%, up 15% from the previous fiscal year. In addition, we conducted physical fitness tests to help employees understand their current physical strength, flexibility, and sense of balance. In doing so, we aim to motivate all employees to main-

tain and improve their physical fitness.

Regarding mental health, we work to build an environment in which employees feel comfortable consulting with industrial physicians. We do this by providing regular opportunities for employees to meet with these physicians and providing education to responsible parties at each operating site.

We introduced a health management support system as the foundation to support these activities. This system enables centralized management of various health checkup results and working hour records. In addition, we are assigning public health nurses to all operating sites.



Physical fitness tests

Develop Human Resources

In order to achieve becoming a technology-based company set forth in the 2040 Long-Term Vision, the JX Metals Group is working to secure and develop human resources capable of creating added value.

Reference → Special Feature 3 Human Capital Management ⇒ P37-42

Creating a Work Environment That Supports the Autonomous Growth of Human Resources

Creating a workplace environment that encourages the independent and autonomous growth of each employee is essential to manage human capital. We actively work to create an environment that enables a diverse range of people to work with a sense of motivation.

Various mechanisms are in place at our head office, which was relocated to Toranomon 2-chome, Minato-ku, Tokyo in June 2020. These mechanisms support the autonomous growth of employees through efforts such as the introduction of ABW* and the use of ICT tools, based on the following three concepts: 1) Increase productivity, 2) Greater interaction with technology, and 3) More interpersonal connection. Our innovative office space aims to enhance our flexible development. Through this space, we aim to create an organization that enables employees to actively interact with each other, shares information across the organization, and creates new proposals and challenges.

*Activity-Based Working (ABW): A way of working that eliminates fixed seating and allows workers to choose where they work based on the nature of their work



Layout configuration that encourages meetings and work in open, non-confined, spaces



Establishment of a showroom with hands-on exhibits that enable an intuitive understanding of technical characteristics, etc.

Promote Diversity

In compliance with relevant laws and regulations in Japan and overseas, the JX Metals Group is pursuing initiatives including the continued employment of senior citizen employees, hiring of persons with disabilities, women's empowerment, and hiring of non-Japanese employees. Here, we are working to create an environment in which diverse employees feel fulfilled and display their abilities fully.

Measures for Diverse Work Styles

As part of our efforts to energize individuals and organizations, we are actively working to create an environment where a diverse range of people can work with a sense of motivation. Our efforts include the creation of an environment where people can work fully demonstrating their capabilities even if they are pregnant, raising a child, or caring for a family member. We provide legally mandated systems to support having and raising children, and offer our own unique systems as well. Our handbook on the support available for employees offers tips on balancing work with childcare or family care, provides an overview of the public services and company systems available for their use, and describes the roles managers should play in this context.



Remote work system

As part of our efforts to create an environment where a diverse range of people can work with a sense of motivation, we introduced a remote work system in January 2018. During the COVID-19 pandemic, our employees have been working from both home and office to ensure the safety of our business partners, local communities, employees, and their families, while taking into account the state of the virus and requests from government agencies, etc. We have also been striving to maintain our business to fulfill our social responsibility to deliver es-

sential products to society. Even after the COVID-19 pandemic subsides, we will continue to utilize our remote work system so that a wide range of diverse employees, not limited to those with circumstances such as childcare or nursing care, can play an active role in the Group.

Introduction of a flextime system without mandatory core hours

In addition to the current flextime system with core hours, we have introduced a flextime system without mandatory core hours at the head office and for a portion of Isohara Works, with the aim of promoting more autonomous work styles among. We have also defined our flextime system as covering 5:00 a.m. to 10:00 p.m., excluding late-night hours, to create a system where employees can flexibly choose their work hours.

Employing and retaining people with disabilities

Reference → [Employing and Retaining People With Disabilities ⇒ P42](#)

Support system for male employees taking childcare leave

We have provided support for childcare for some time, and in recent years the percentage of male employees taking childcare leave has been increasing. In addition to providing presentations about our system, we are working to spread awareness of support measures by holding panel discussions with employees who have taken childcare leave or are balancing work with childcare in our Career Design Training that has been held since fiscal 2020.

VOICE

Testimonial From an Employee Taking Childcare Leave

I work in the Intellectual Property Department where several people had already used the childcare leave system. This precedence encouraged me to use the system. I was also encouraged by listening to the experiences of those who actually took the leave, which gave me insight on what it would be like to return to work. My supervisors and coworkers were very accepting, for which I am very grateful.

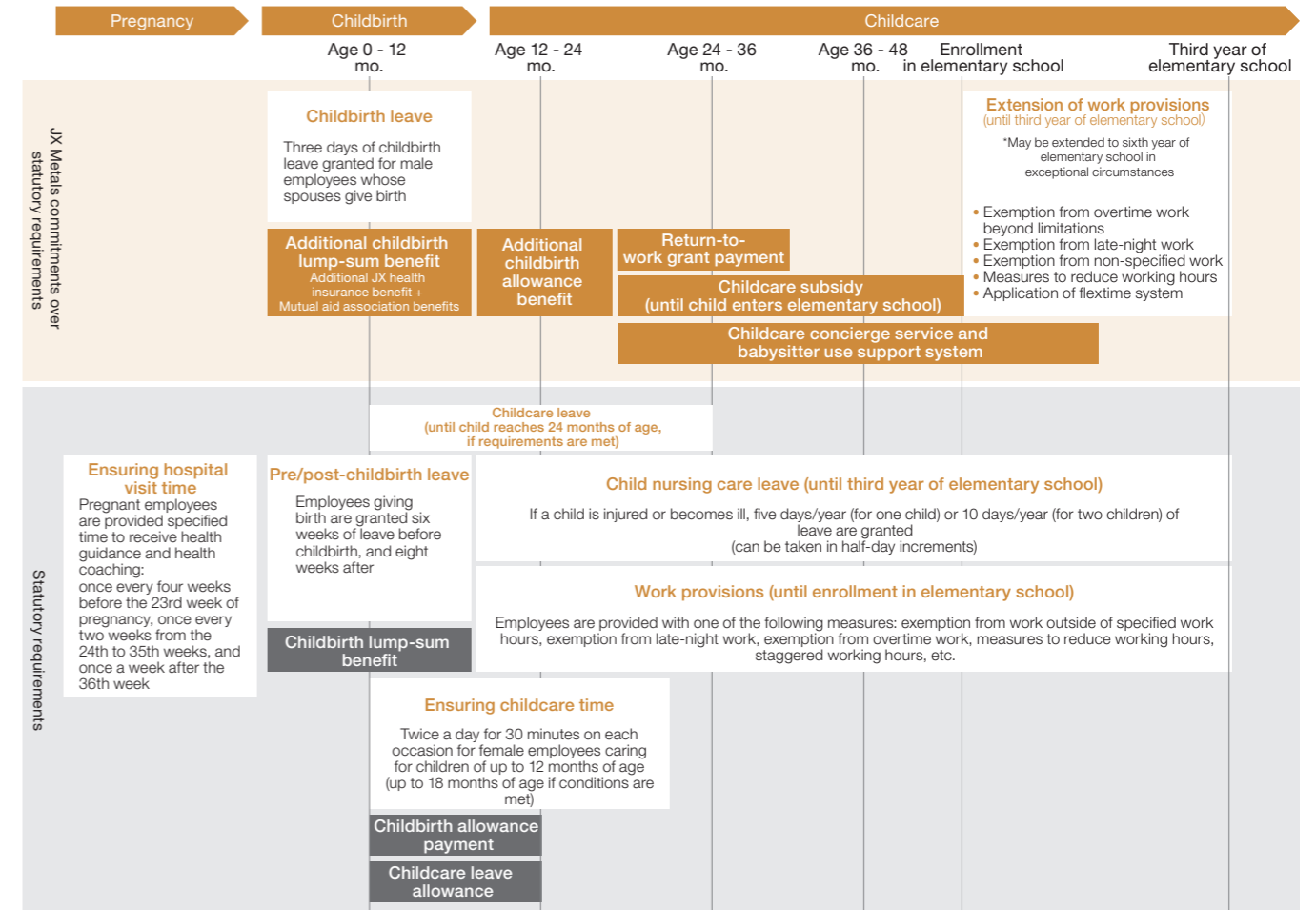
When I handed over my work, my supervisor assigned me a successor for each work item based on an organized list of tasks and labor-hours. This allowed me to completely focus on childcare during those three months, without worrying about work. I would like to put forth my best effort and help others at work take childcare leave when the time comes.



JX Metals Corporation
Intellectual Property Department
Watanabe Sho

Systems for childbirth and childcare

The Group provides legal standard systems related to childbirth and childcare, and offer our own unique systems as well.



Systems for family care

The following programs are available if an eligible family member requires constant care.

	Statutory Requirements	Statutory Requirements
Time Off	<ul style="list-style-type: none"> For one family member requiring care: 5 days/year (can be taken in half-day increments) For two or more family members requiring care: 10 days/year (can be taken in half-day increments) 	
Leave	<ul style="list-style-type: none"> Maximum of 93 days may be taken in up to three periods 	<ul style="list-style-type: none"> A total of up to 730 days may be taken over the course of four leave periods Family care subsidy and leave allowance (financial support)
Work Provisions	<ul style="list-style-type: none"> Exemption from overtime work beyond limitations (exemption from overtime work in excess of 24 hours/month and 150 hours/year) Exemption from late-night work (exemption from work during late night hours except when a family member 16 years of age or older and capable of providing care lives in the same household) At least two times in three years (measures to reduce working hours) Application of flextime Exemption from non-specified work 	<ul style="list-style-type: none"> Reduction of working hours to a minimum of two hours per day, multiple times in three years