

Modern Slavery Act Statement FY2016

INPEX CORPORATION (hereinafter “INPEX”) discloses its initiatives to prevent slavery and human trafficking in the business and supply chain of the INPEX Group (hereinafter “the Group”) pursuant to Section 54(1) of the UK Modern Slavery Act 2015 as follows.

1. INPEX Business Overview

Pursuant to its mission of contributing to society by making it more prosperous and livable through the stable and efficient supply of energy, the Group is engaged in its primary business that includes the exploration, development, production and sales of oil and natural gas as well as loans and investments to companies engaged in these activities.

The Group is Japan’s largest oil and gas exploration and production company. The Group is currently engaged in approximately 70 projects spread across more than 20 countries worldwide, and employs more than 3,000 people on a consolidated basis.

INPEX has an office in London, United Kingdom. The duties of the London office mainly consist of carrying out administrative operations concerning businesses located in the region, supporting business development and new ventures and gathering intelligence and information on the oil and gas industry.

2. Policy and Organizational Structure for the Prevention of Slavery and Human Trafficking

Policy

INPEX comprehensively demonstrates its firm commitment to respect and uphold human rights in the INPEX Group Human Rights Policy (hereinafter “Human Rights Policy”). Under its Corporate Social Responsibility Principles, the Group provides for the respect of human rights in its Business Principles and Code of Conduct, which all officers and employees are required to comply with.

- Human Rights Policy
(<http://www.inpex.co.jp/english/csr/compliance/pdf/INPEX-Group-Human-Rights-Policy-en.pdf>)
- Corporate Social Responsibility Principles
(<http://www.inpex.co.jp/english/company/philosophy.html>)
- Business Principles and Code of Conduct
(<http://www.inpex.co.jp/english/company/policy.html>)

Respect for International Norms and Participation in External Initiatives

The Group supports international norms relating to human rights, such as those laid out by the International Bill of Human Rights, the International Labour Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights. Additionally, the Group has participated in the United Nations Global Compact since 2011 and the IPIECA since 2013.

Organizational Structure

Under its Human Rights Policy, Corporate Social Responsibility Principles, Business Principles and Code of Conduct, the Group requires all officers and employees to comply with laws and regulations, respect social norms and perform their duties while adhering to the highest principles of ethical conduct. In order to ensure that corporate ethics and behavior adhere to the policy and principles, the Compliance Committee led by the director in charge of compliance and consisting of full-time directors and executive officers holds regular scheduled meetings as well as ad-hoc meetings as required.

The Statement has been approved by INPEX's Board of Directors and signed by Masaharu Sano, Director, Senior Executive Vice President in charge of HSE and Compliance of the Company.

3. Initiatives Concerning the Prevention of Slavery and Human Trafficking

Formulation of Human Rights Policy

In order to comprehensively manifest its stance on upholding human rights, the Group newly formulated its Human Rights Policy in May 2017 in alignment with the United Nations Guiding Principles on Business and Human Rights. This policy applies globally to all officers and employees of the Group.

Respect of Human Rights through Business Risk Assessments

The Group conducts human rights management assessments at its project sites and offices in Japan and outside of Japan through country risk surveys and questionnaires, etc. Based on these assessments, the Group ascertains the state of its response to human rights risks and lays out its challenges. In addition, the Group voluntarily adopts the International Finance Corporation (IFC) Performance Standard and conducts studies on the possible environmental and social impact—including the impact on human rights— of its business activities in the areas where the Group operates. The Group first identifies the risks and then takes the appropriate actions, such as avoiding, mitigating or monitoring these risks.

Supply Chain Management

The Group is engaged in business activities with a variety of stakeholders including contractors, suppliers and joint venture partners. In carrying out procurement activities, all officers and employees strive to comply with relevant laws, social norms and the Corporate Social Responsibility Principles in accordance with internal rules governing ethical procurement. The Group also requests its contractors and suppliers to respect the content of the principles included in the Human Rights Policy in the application and execution of contracts including procurement agreements.

Educational Activities and Whistle-Blowing System

The Group provides for the respect and upholding of human rights in its Human Rights Policy, Business Principles and Code of Conduct, which all officers and employees are required to comply with, and strives to enhance the awareness of officers and employees through its intranet. The Group also proactively promotes employee education on compliance including human rights by providing training to employees and issuing internal newsletters on compliance issues. In addition, the Group promotes whistle-blowing by providing officers and employees with both internal and external contact points under its whistle-blowing system. Serious compliance violations are dealt with in the appropriate manner and disclosed in the INPEX sustainability report issued annually.

4. Future Efforts

The Group will ensure it fulfills its social responsibilities to the local communities in which it conducts business and contributes to the creation of a sustainable society through ongoing in-house training on human rights issues and enhanced human rights management including the prevention of slavery and human trafficking in its supply chain.

September 25, 2017

A handwritten signature in black ink, appearing to read 'Masaharu Sano', written in a cursive style.

Masaharu Sano

Director, Senior Executive Vice President

INPEX CORPORATION