

ENEOS REPORT

ESG DATA BOOK

2020



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Editorial Policy

The ENEOS Report ESG Data Book highlights the Group's challenges, philosophy and initiatives in terms of environmental, social and governance (ESG)—important areas for the development of society and companies—for reference by all stakeholders, including investors with a strong interest in ESG investment.

This data book references GRI Standards, a set of guidelines on international reporting, along with the assessment items of major ESG ratings agencies, and is organized to provide information in an easily accessible and searchable manner. Each year, we continue to expand the content of ESG-related information, which is garnering a high level of interest from the public.

We have also published the ENEOS Integrated Report 2020, which details the Group's management and business strategies, including its medium- to long-term growth strategy (value creation story). We encourage readers to use the Integrated Report in conjunction with the ESG Data Book. The ENEOS Group will continue to disclose clear, concise information, and we remain committed to active engagement with our stakeholders.

Scope of the Report

This report covers ENEOS Holdings, Inc., ENEOS Corporation, JX Nippon Oil & Gas Exploration Corporation, JX Nippon Mining & Metals Corporation (hereinafter, "ENEOS Holdings and principal operating companies"), as well as other subsidiaries and affiliated companies, for a total of 689 companies. In cases where the scope is different from the above, the relevant scope will be indicated.

Period Covered by the Report

In principle, this report covers the period from April 2019 to March 2020. However, some information from April 2020 onward is also included, as necessary.

Publication Date

January 2021 (Previous issue: January 2020; Next issue: January 2022)

Guidelines Used as Reference

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- The Environmental Reporting Guidelines (2018 Edition), Ministry of the Environment, Japan

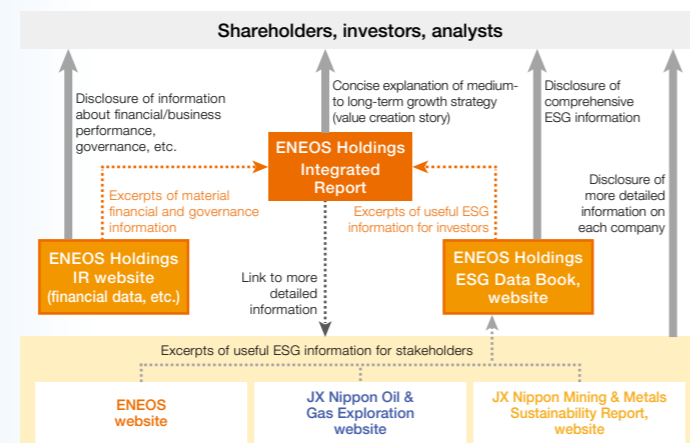
Enhancing Reporting Reliability

Environmental and social information for fiscal 2019 indicated with has been assured by an independent practitioner to ensure objective and reliable reporting.

Inquiries

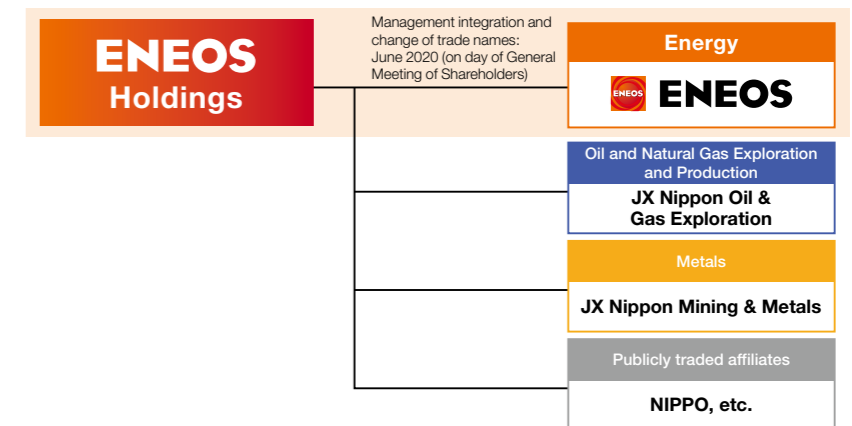
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Disclosure Media Framework



ENEOS Group Overview

In June 2020, the Group changed to a new management structure that integrated the management of the Company and the management of JXTG Nippon Oil & Energy, the largest company in the Group. At the same time, the trade names of the Company and JXTG Nippon Oil & Energy were changed to adopt the name "ENEOS," a brand used by the Group for its energy business, and the Group name was changed to "ENEOS Group."



The ENEOS Group's Businesses

ENEOS

- Principal Business**
- Refining and sale of petroleum products (gasoline, kerosene, lubricants, etc.)
 - Import and sale of gas and coal
 - Manufacture and sale of petrochemical products
 - Supply of electric power and hydrogen



Main Products	Petroleum products	Gasoline, kerosene, diesel, fuel oil A, heavy fuel oil C, naphtha, lubricants, asphalt, etc.
	Basic chemical products	Paraxylene, benzene, propylene, ethylene, ENB, etc.
	High performance materials	Non-woven materials, liquid crystal polymers, astaxanthin, anode materials for lithium ion batteries, etc.
	Other products	Liquefied natural gas (LNG), coal, electric power, hydrogen, etc.
Domestic Manufacturing Sites	Refineries	Sendai, Kashima, Chiba, Kawasaki, Negishi, Sakai, Wakayama, Mizushima, Marifu, Oita
	Plants	Yokohama, Chita

JX Nippon Oil & Gas Exploration

- Principal Business**
- Exploration for and development of oil, natural gas, and other mineral resources
 - Extraction, processing, storage, sale, and shipment of oil, natural gas, and other mineral resources and their secondary products



Main Products	Crude oil, natural gas
Worksites	US Gulf of Mexico, UK North Sea, Vietnam, Myanmar, Malaysia, Indonesia, Papua New Guinea, UAE, Qatar, Japan

JX Nippon Mining & Metals

- Principal Business**
- Development and mining of nonferrous metal resources, smelting and refining, and marketing of nonferrous metals (copper, rare metals, gold, silver, etc.); manufacture and marketing of functional materials and thin film materials
 - Recycling of nonferrous metal materials, industrial waste treatment



Main Products and Services	Resources development	Copper concentrate, molybdenum concentrate
	Smelting and refining	Copper, precious metals, rare metals, sulfuric acid
	Functional materials	Electro-deposited copper foil, treated rolled copper foil, precision rolled products, precision processed products
	Thin film materials	Sputtering target materials, surface treatment agents, compound semiconductor materials
	Recycling and environmental services	Recovery of valuable metals and detoxification of industrial waste
Principal Worksites	Tantalum and niobium	Tantalum and niobium products (high-purity metal powders, oxides, etc.)
	Japan	Isahaya Works, Kurami Works, JX Metal Smelting Saganoseki Smelter & Refinery and Hitachi Works, Tsuruga Plant
Principal Worksites	Overseas	Caserones Copper Mine, TANIOBIS GmbH, Nippon Mining & Metals (Suzhou) Co., Ltd., Nikko Metals Taiwan Co., Ltd., JX Nippon Mining & Metals USA, Inc., JX Nippon Mining & Metals Korea Co., Ltd.

Mission

**Harnessing the Earth's power
for the common good and for the day-to-day life of each individual,
we will contribute to the development of our communities
and help to ensure a vibrant future
through creation and innovation in energy, resources, and materials.**

Our Five Core Values

**As a member of
the community**

High ethical standards

Based on our core principles of integrity and fairness, we conduct all of our business activities in accordance with our high ethical standards.

Health, safety, and environment

We give the highest priority to health, safety and environmental initiatives, which are vital to the well-being of all living things.

**Supporting
day-to-day life**

Focus on customers

We strive to meet the expectations and evolving needs of our valued customers and of society as a whole through the stable provision of products and services while creating new value as only we can.

**For
a vibrant future**

Taking on challenges

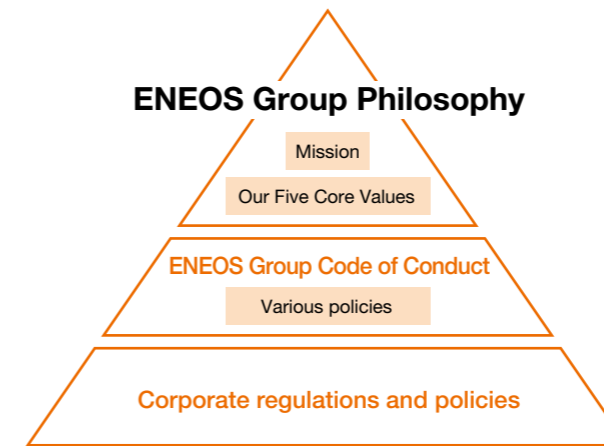
Taking changes in stride, we rise to the challenge of creating new value while seeking innovative solutions for today and tomorrow.

Moving forward

Looking to the future, we continue to grow, both as individuals and as a company, through the personal and professional development of each and every employee.

1. Positioning of ENEOS Group Code of Conduct

This ENEOS Group Code of Conduct (hereinafter referred to as the "Code of Conduct") is a set of standards that we, as the ENEOS Group directors, officers and employees, apply in order to realize the ENEOS Group Philosophy through our business activities and fulfill our social responsibilities. The Code of Conduct, as the foundation of all of our corporate regulations, shall serve as the cornerstone for making judgments in all of our business dealings.



2. Important Aspects in Living Up to the Code of Conduct

We, as the ENEOS Group directors, officers and employees, shall comply with this Code of Conduct when performing our duties.

When violations of this Code of Conduct are found, they shall not be overlooked, and each one of us must do what we can to deal with such issues.

Executives and supervisors shall fulfill their obligations according to their responsibilities so that all business operations are carried out in accordance with this Code of Conduct.

Ask yourself the following questions if you are in doubt as to what is the correct course of action in performing your day-to-day business operations.

- Is your conduct and the conduct of others around you in compliance with laws and regulations, the Code of Conduct, and high ethical standards?
- Can you unreservedly give an account of your conduct to the people around you, including your family and friends?
- Can you respond with confidence to questions about your conduct from third parties or the authorities, or reports by the media?

3. Applicable Scope of the Code of Conduct

In principle, this Code of Conduct is applicable to all directors, officers and employees who work at ENEOS Holdings, Inc., and its subsidiaries. We also encourage companies that are part of our value chain to comply with this Code of Conduct. These companies include, but are not limited to, suppliers of raw materials, logistics companies, construction companies, and sales companies.

4. Relation to National and Local Laws

We, as the ENEOS Group directors, officers and employees, respect this Code of Conduct, in addition to local laws and customs. National and local laws will take precedence over the Code of Conduct when the provisions of such laws are more rigorous than the Code of Conduct.

ENEOS Group Code of Conduct

1. Compliance
2. Safety and security
3. Environmental conservation
4. Health enhancement
5. Respect for human rights
6. Product and service quality
7. Equitable and fair transactions
8. Appropriate relationships with governments and public administrations
9. Avoidance of conflicts of interest
10. Corporate asset protection and management
11. Information management and disclosure
12. Establishment of a healthy work environment
13. Contribution to the development of civil society
14. Actions for violations and measures to prevent recurrence

WEB The full text of the ENEOS Group Code of Conduct is available on our website.
<https://www.hd.eneos.co.jp/english/company/conduct.html>

Basic Approach

The ENEOS Group recognizes that society's trust is essential for achieving sustainable growth as a company. With this understanding, we will contribute to the development of society and help to create a vibrant future by creating both social value and economic value, achieved by acting in accordance with the ENEOS Group Code of Conduct and implementing ESG management to realize the envisioned goals in our Long-Term Vision to 2040.

Basic Policy for ESG Management

ESG management at the ENEOS Group involves formulating management and business strategies based on risks and business opportunities and creating both economic value (profits) and social value (resolution of social issues) through our business in order to realize the ENEOS Group Philosophy.

The ENEOS Group is a group of companies that strives to earn the trust of stakeholders through the implementation of ESG management in our business operations.

ESG Management in the ENEOS Group

ESG management in the ENEOS Group means realizing the envisioned goals in our Long-Term Vision to 2040 and creating social and economic value.

E Contribute to the development of a low-carbon, recycling-oriented society —by transforming our current business structure—

- Strive to become carbon neutral by 2040 (in the Group's own emissions)
- Pursue next-generation energy supply and environmentally conscious businesses
- Continue to implement energy conservation and other environmental measures

S Make persistent efforts to solve social challenges

- Maintain a safe and stable energy supply structure capable of responding to medium- and long-term changes in demand
- Supply advanced materials to support the development of society
- Strengthen human rights initiatives for all people involved in the supply chain

G Strengthen the governance structure

- Develop the management system to enable speedier decision-making and strengthen monitoring by the Board of Directors
- Analyze the risks and opportunities in climate change and other changes, and reflect these in the Long-Term Vision, Medium-Term Management Plan, and other plans
- Regularly check and explain whether it is optimal to maintain the listed companies as subsidiaries from the perspective of increasing corporate value and improving capital efficiency for the Group as a whole

WEB Long-Term Vision to 2040
<https://www.hd.eneos.co.jp/english/company/system/plan.html>

The Group's Top Priorities (Material Issues)

The ENEOS Group has identified top priorities (material issues) from two viewpoints: priority from an external perspective and priority from the Group's internal perspective.

After discussing the Group's top priorities (material issues) for fiscal 2020, we identified the same nine issues as those for fiscal 2019, and established 13 targets (KPIs).

Looking ahead, we will work to achieve each of these targets through the Group's ESG promotion framework.

Initiatives included in this report that address the Group's top priorities (material issues) are denoted with a heart (♥) symbol.

Steps in the Review Process

STEP 1 Identify social issues to consider

Following an exhaustive review of various guidelines (GRI standards, ISO 26000, etc.) as well as the assessment items of ESG research providers and the Sustainable Development Goals (SDGs), 32 social issues were identified for consideration.

STEP 2 Prioritize from an external perspective

Priority from an external perspective was assessed for the 32 social issues identified in Step 1, taking into account such factors as the assessment weight specified by ESG research providers.

STEP 3 Prioritize from the Group's internal perspective

Priority from the Group's internal perspective was assessed, taking into account such factors as our Medium-Term Management Plan and reviews of the expert committees within the CSR promotion structure, as well as the guidelines of the U.S. Sustainability Accounting Standards Board (SASB).

STEP 4 Identify the Group's top priorities

After assessing priority from an external perspective and priority from the Group's internal perspective, nine issues of particular significance were identified as the Group's top priorities (material issues).

The Group's Top Priorities (Material Issues)

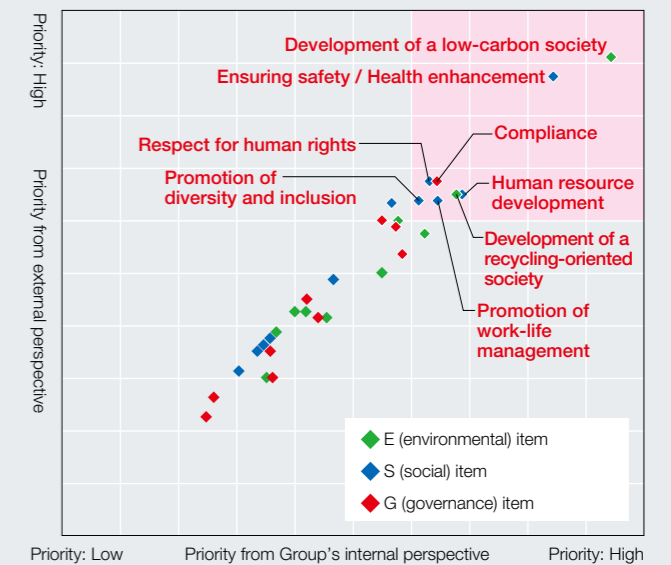


Table of the Group's Top Priorities (Material Issues)

Evaluation: 😊 Achieved/Steady progress 😞 Not achieved

Category	The Group's top priorities (material issues)	Initiative	Fiscal 2019 results			Fiscal 2020 initiatives		Applicable companies
			Target (KPI)	Achievement (fiscal year)	Results/Progress	Target (KPI)	Achievement (fiscal year)	
Environmental	Development of a low-carbon society	Reduction in CO ₂ emissions (Reduction amount through own efforts)	Reduce by 2.72 million tons compared to fiscal 2009	Fiscal 2019	😊 Reduce by 2.75 million tons compared to fiscal 2009	Reduce by 3.63 million tons compared to fiscal 2009	Fiscal 2020	Principal operating company groups NIPPO (Total of 43 companies)
	Development of a recycling-oriented society	Reduction in landfill disposal	Ratio of landfill disposal Maintain zero emissions (less than 1%)	Fiscal 2019	😊 0.3%	Ratio of landfill disposal Maintain zero emissions (less than 1%)	Fiscal 2020	Principal operating company groups NIPPO (Total of 42 companies)
Social	Ensuring safety	Reduction in occupational injuries	Zero serious occupational injuries* *Occupational fatalities	Fiscal 2019	😊 0	Zero serious occupational injuries* * Occupational fatalities	Fiscal 2020	Principal operating company groups NIPPO (Total of 42 companies)
	Respect for human rights	Human rights awareness	100% participation rate in human rights training	Fiscal 2019	😊 100%	100% participation rate in human rights training	Fiscal 2020	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals (Total of 4 companies)
	Human resource development	Development of human resources responsible for enhancing corporate value	Implementation of effective training based on human resource development plan	Fiscal 2019	😊 Completed	Implementation of effective training based on human resource development plan	Fiscal 2020	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals (Total of 4 companies)
	Promotion of diversity and inclusion	Advancement of women in the workplace	Women comprise at least 25% of newly hired graduates	Fiscal 2019	😊 28.5%	Women comprise at least 25% of newly hired graduates	Fiscal 2020	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals (Total of 4 companies)
		Advancement of employees with disabilities	Maintain employment rate of people with disabilities at 2.2% or higher	Fiscal 2019	😊 2.36%	Maintain employment rate of people with disabilities at 2.2% or higher	Fiscal 2020	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals (Total of 4 companies)
	Promotion of work-life management	Promotion of workstyle reforms	Maintain annual paid leave days taken at 80% or higher	Fiscal 2019	😊 92.3%	Maintain annual paid leave days taken at 80% or higher	Fiscal 2020	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals (Total of 4 companies)
Utilization of work-life balance support systems/programs		Maintain 100% rate of return to work after childcare leave	Fiscal 2019	😊 100%	Maintain 100% rate of return to work after childcare leave	Fiscal 2020	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals (Total of 4 companies)	
Health enhancement	Ensure health of employees	Achieve cancer screening rate of 70% or higher	Fiscal 2019	😞 65%	Achieve cancer screening rate of 70% or higher	Fiscal 2020	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals (Total of 4 companies)	
Governance	Compliance	Legal compliance inspections	Conduct legal compliance inspections	Fiscal 2019	😊	Conduct legal compliance inspections	Fiscal 2020	Companies for which legal compliance inspections are carried out* (Total of 57 companies)
		Compliance with important laws and regulations (Anti-Monopoly Act, etc.)	Implement training on important laws and regulations (Anti-Monopoly Act, etc.)	Fiscal 2019	😊	Implement training on important laws and regulations (Anti-Monopoly Act, etc.)	Fiscal 2020	Companies for which legal compliance inspections are carried out* (Total of 57 companies)

* The Company (ENEOS Holdings), principal operating companies, NIPPO Corporation, and their principal group companies.

ESG Management Structure (1) Up to Fiscal 2019

Note: The information below pertains to our ESG management structure up to fiscal 2019. The Group is referred to as the "JXTG Group," as this was its trade name in fiscal 2019.

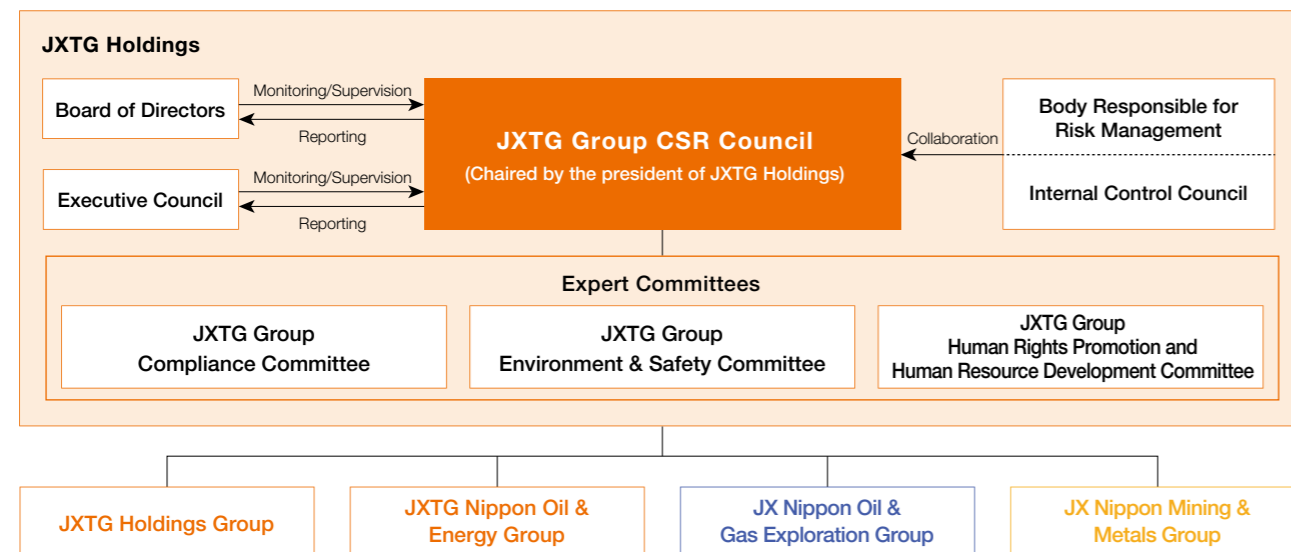
We established a promotion structure centered on the JXTG Group CSR Council, chaired by the representative director and president of JXTG Holdings, as the body for promoting CSR activities in priority fields throughout the JXTG Group.

The JXTG Group CSR Council was composed of Group company presidents and relevant executives. The council

deliberated on basic policies as well as reviewed and evaluated the status of activities from a Group-wide perspective.

The matters deliberated by and reported to the JXTG Group CSR Council were in turn reported to the JXTG Holdings Executive Council and the Board of Directors.

Group ESG Management Structure (Up to Fiscal 2019)



CSR Council Meetings

In fiscal 2019, the JXTG Group held two meetings of the JXTG Group CSR Council. In these meetings, discussions were held on the Group's top priorities (material issues), and the council confirmed the activities of the expert committees and progress on raising awareness of the Group Philosophy and the Code of Conduct. The council also confirmed the JXTG Group's ESG initiatives and deliberated on related policies.

The content of deliberation and reports by the council were reported to the Board of Directors and the Executive Council, which affirmed the direction of ESG in the Group.

JXTG Group CSR Council

Positioning	Organization subordinate to the JXTG Holdings Executive Council
Roles	1. Formulation and implementation of the JXTG Group's Basic Policy for CSR 2. Review and evaluation of the JXTG Group's CSR promotion structure and status of CSR activities (including degree of understanding and prevalence of the JXTG Group Philosophy and JXTG Group Code of Conduct)
Chair	Representative director and president of JXTG Holdings
Members	1. Members of the JXTG Holdings Executive Council (including directors) and the officers responsible for CSR at the Group's principal operating companies 2. JXTG Group company presidents nominated by the Chair 3. Other persons nominated by the Chair
Frequency of meetings	In principle, twice a year (April and October), and extraordinarily as required
Priority fields and JXTG Group Code of Conduct standards overseen by the council	All fields and standards

Expert Committees

Note: The information below pertains to our ESG management structure up to fiscal 2019. The Group is referred to as the "JXTG Group," as this was its trade name in fiscal 2019.

JXTG Group Compliance Committee

Positioning	Advisory body to the president of JXTG Holdings
Roles	1. Deliberation on compliance matters (policy, direction, etc.) for the JXTG Group, and reporting on these matters to the JXTG Group CSR Council 2. Confirmation, evaluation and sharing of information on the status of compliance measures at each JXTG Group company, and reporting to the JXTG Group CSR Council
Chair	Officer (director) responsible for the Legal & Corporate Affairs Department at JXTG Holdings
Members	1. Relevant general managers at JXTG Holdings nominated by the Chair 2. Relevant officers and general managers of the Group's principal operating companies 3. Other persons nominated by the Chair
Frequency of meetings	In principle, twice a year (April and October), and extraordinarily as required
Priority fields and JXTG Group Code of Conduct standards overseen by the committee	Priority field: Compliance 1. Compliance 7. Equitable and fair transactions 8. Appropriate relationships with governments and public administrations 9. Avoidance of conflicts of interest 10. Corporate asset protection and management 11. Information management and disclosure 14. Actions for violations and measures to prevent recurrence (whistleblowing system development and promotion of its use)

JXTG Group Environment & Safety Committee

Positioning	Advisory body to the president of JXTG Holdings
Roles	1. Deliberation on matters concerning safety and the environment (policy, direction, etc.) for the JXTG Group, and reporting on these matters to the JXTG Group CSR Council 2. Confirmation, evaluation and sharing of information on the status of measures concerning safety and the environment at each JXTG Group company, and reporting to the JXTG Group CSR Council
Chair	Officer (director) responsible for the ESG Strategy Development Department at JXTG Holdings
Members	1. Relevant general managers at JXTG Holdings nominated by the Chair 2. Relevant officers and general managers of the Group's principal operating companies 3. Other persons nominated by the Chair
Frequency of meetings	In principle, twice a year (April and October), and extraordinarily as required
Priority fields and JXTG Group Code of Conduct standards overseen by the committee	Priority field: Safety and Environment 1. Compliance (laws and regulations concerning safety and the environment) 2. Safety and security 3. Environmental conservation 4. Health enhancement (primarily occupational safety)

JXTG Group Human Rights Promotion and Human Resource Development Committee

Positioning	Advisory body to the president of JXTG Holdings
Roles	1. Deliberation on matters concerning human rights, human resource development and health (policy, direction, etc.) for the JXTG Group, and reporting on these matters to the JXTG Group CSR Council 2. Confirmation, evaluation and sharing of information on the status of measures for human rights, human resource development and health at each JXTG Group company, and reporting to the JXTG Group CSR Council
Chair	Officer (director) responsible for the ESG Strategy Development Department at JXTG Holdings
Members	1. Relevant general managers at JXTG Holdings nominated by the Chair 2. Relevant officers and general managers of the Group's principal operating companies 3. Other persons nominated by the Chair
Frequency of meetings	In principle, twice a year (April and October), and extraordinarily as required
Priority fields and JXTG Group Code of Conduct standards overseen by the committee	Priority field: Human Rights, Human Resource Development, Health 1. Compliance (laws and regulations concerning human rights, human resource development and health) 4. Health enhancement (primarily occupational health) 5. Respect for human rights 12. Establishment of a healthy work environment

ESG Management Structure (2) From Fiscal 2020

Based on the Basic Policy for ESG Management, the ENEOS Group has transitioned to a new structure for the sound and effective execution of ESG Management.

Comprehensive Discussions on Risk

Up to fiscal 2019, the Group CSR Council focused on ESG-related policies in its deliberations.

From fiscal 2020, the ENEOS Holdings Executive Council, chaired by the president of ENEOS Holdings, carries out deliberations concerning business opportunities for the Group's Long-Term Vision to 2040 and other plans, as well as comprehensive discussions on enterprise risk management (ERM), internal controls, and risks in general, including response to important ESG issues.

Agile Response to Important ESG Issues

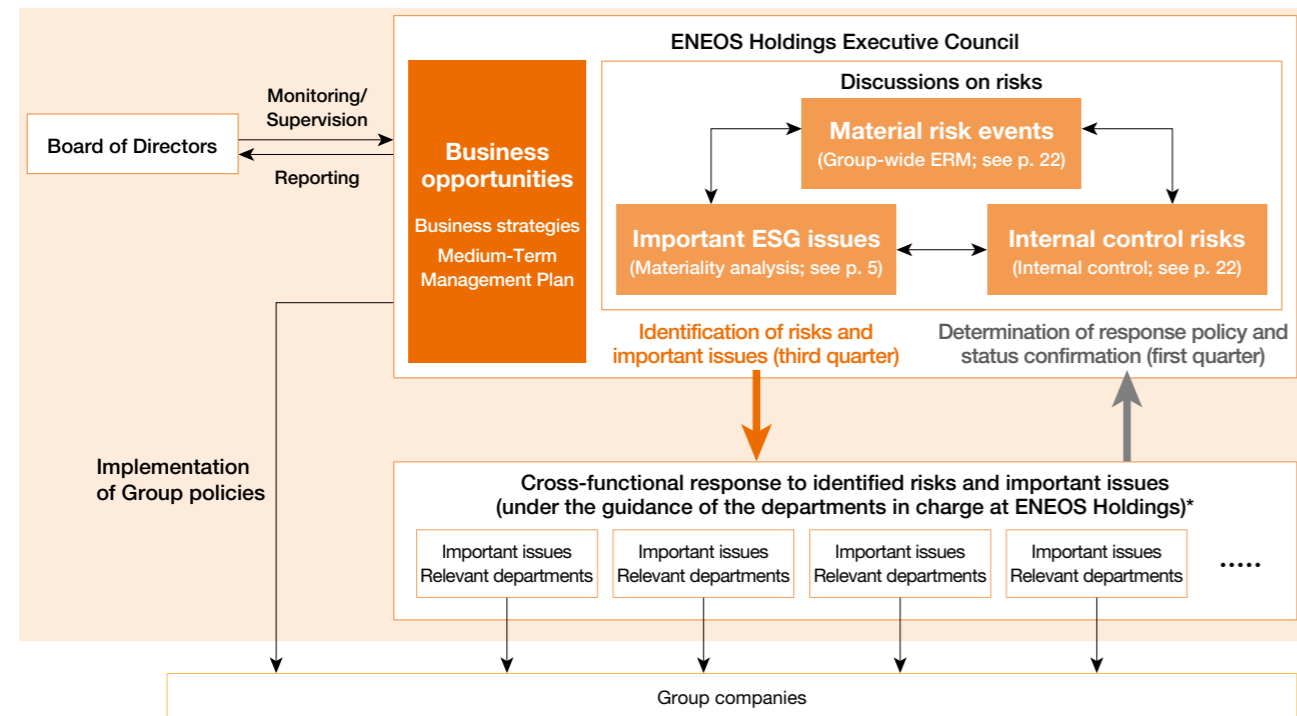
This new structure empowers each department of ENEOS Holdings to address important ESG issues in place of the three expert committees, thereby enabling a more agile response to a broader range of important ESG issues, without being bound by the conventional committee structure.

The deliberation results of the Executive Council are reported to the Board of Directors of ENEOS Holdings, supervised and monitored by the Board of Directors, and shared among Group companies. This ensures that deliberation results are accurately reflected in the formulation of business strategies of each Group company.

We transitioned to this new structure in fiscal 2020, and through this structure we will identify important ESG issues for fiscal 2021.

For more information on the new structure, see "ESG Management Structure" on p. 42 of our Integrated Report.

ENEOS Group ESG Management Structure (From Fiscal 2020)



* Example: Internal Control Department and Legal & Corporate Affairs Department work together to build and operate a comprehensive internal control structure

Major Initiatives

Discussions by the Board of Directors

ESG-related matters discussed by the Board of Directors in fiscal 2019 and fiscal 2020 are outlined in the table below.

Separately from the Board of Directors, we held training sessions for executive management in November 2019 on human rights due diligence and social initiatives concerning business and human rights, including the Corporate Human Rights Benchmark (CHRB).

Fiscal 2019	Fiscal 2020
I. Results in priority fields for CSR activities in fiscal 2018 and plan for activities in fiscal 2019 II. Measures for balancing economic value and social value	I. Results of expert committees in fiscal 2019 and plan for activities in fiscal 2020 II. Individual ESG initiatives <ul style="list-style-type: none"> Group awareness survey Expansion of CSR procurement Response to TCFD recommendations Response for business and human rights ESG briefing, etc.

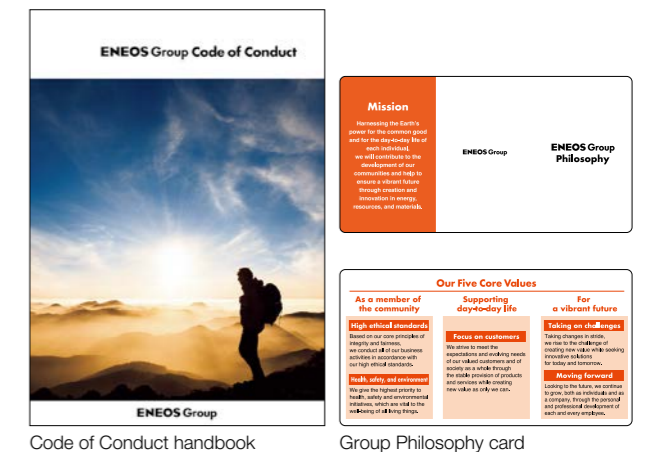
Measures to Raise Awareness of the Group Philosophy and Code of Conduct

The ENEOS Group believes that understanding and implementation of the ENEOS Group Philosophy and the ENEOS Group Code of Conduct by all officers and employees plays an important role in the fulfillment of our social responsibilities. Therefore, we have implemented various measures to enable all officers and employees to reference the Group Philosophy and the Code of Conduct at any time and return to the basics when necessary.

In fiscal 2019 we established the Competition Law Compliance Policy as a policy to complement the ENEOS Group Code of Conduct. For details, see p. 28.

Measures to Raise Awareness of the Group Philosophy and Code of Conduct

Purpose	Measure
Ensure awareness	Distribution of Group Philosophy cards and Code of Conduct handbooks
	Posters
	Digital signage in company workplaces
Promote understanding	Translation of Group Philosophy into 10 languages (English, Chinese [Simplified / Traditional], Korean, Spanish, Portuguese, German, Vietnamese, Thai, Indonesian) and distribution
	Dissemination of information through the Group employee magazine and intranet
Monitoring	Confirmation using awareness surveys targeting all officers and employees



Internal Training to Promote Understanding of ESG and the SDGs

ENEOS holds various training sessions on the Group's ESG management. During an internal seminar held in December 2019, we fostered greater understanding of the SDGs by organizing a card game where employees competed to see who could come up with the best ideas for resolving social issues by combining the Company's management resources and employees' knowledge and experience.



Employee training

Stakeholder Engagement

The ENEOS Group conducts its business activities through its relationships with stakeholders, including shareholders, investors, customers, business partners and employees. We actively engage in dialogue with stakeholders and work to ensure that our business activities meet their expectations and requirements.

<p>Shareholders and Investors</p> <p>ENEOS Holdings is committed to the prompt, proper, and fair disclosure of information to shareholders and investors in accordance with its Disclosure Policy.</p> <p>Main means of communication</p> <ul style="list-style-type: none"> General meetings of shareholders, presentation meetings on financial results, information sessions for individual investors, and ESG briefings Disclosure of information through the Integrated Report, the ESG Data Book, shareholder reports, and our websites 	<p>Customers</p> <p>The ENEOS Group is committed to developing and delivering products and services that fulfill customer needs and expectations and earn customer trust and satisfaction.</p> <p>Main means of communication</p> <ul style="list-style-type: none"> Communications through marketing activities Provision of safe, reliable, and valuable products and services Disclosure of information on websites Inquiry channels through phone and websites 	<p>Business Partners</p> <p>The ENEOS Group makes purchasing information available to business partners on its websites, actively provides business opportunities, and strives to ensure fair business opportunities.</p> <p>Main means of communication</p> <ul style="list-style-type: none"> Communications through procurement activities Use of websites CSR procurement surveys
<p>NPOs/NGOs</p> <p>The ENEOS Group has built cooperative relationships with NPOs and NGOs and actively undertakes environmental preservation and social contribution activities.</p> <p>Main means of communication</p> <ul style="list-style-type: none"> Collaboration on biodiversity preservation activities Collaboration on child-rearing support activities Verification from third-party perspective in human rights due diligence 	<p>Local Communities/Global Society</p> <p>The ENEOS Group strives to engage in responsible corporate activities by responding to the needs and expectations of and engaging in active communication with the local communities in the areas where it conducts its business activities, as well as international society.</p> <p>Main means of communication</p> <ul style="list-style-type: none"> Information sessions for members of local communities, participation in and sponsorship of events Volunteer activities Establishment of support systems for oil-, gas-, and copper-producing countries Involvement in international initiatives 	<p>Employees</p> <p>The ENEOS Group considers employees to be critical stakeholders in its operations and has established various systems to ensure that each employee can work with peace of mind and to his or her full potential.</p> <p>Main means of communication</p> <ul style="list-style-type: none"> Periodic dialogue between labor unions and management Dissemination of information through the Group employee magazine and the company intranet Periodic implementation of awareness surveys Dialogue between officers and employees utilizing training and other means

Engagement with Stakeholders

The Group solicits the views of outside experts and stakeholders regarding specific ESG-related themes and responds accordingly. To date, the Group has carried out engagement with outside experts and stakeholders as indicated in the table below.

Separate from this engagement, we held an ESG briefing for

investors in December 2019 and conducted engagement with Climate Action 100+, a climate change action initiative of institutional investors.

We will continue our engagement with outside experts and stakeholders in our contribution to the resolution of social issues.

Fiscal year	Event	Speaker	Theme	For
Fiscal 2018	Study session on TCFD recommendations	Four speakers from Mizuho Information & Research Institute, Inc.	Overview of TCFD and peer analysis	Related departments
	Report on integrated reporting analysis	Tase Kazuo, CEO of SDG Partners, Inc.	Improvement recommendations from an SDG standpoint	Officers and related departments
Fiscal 2019	Report on human rights due diligence	Ms. Ito and Ms. Sato of NGO Human Rights Now	Business and human rights	Related departments

ENEOS Group Awareness Survey

The ENEOS Group periodically conducts an anonymous awareness survey of all its officers and employees. This survey comprises questions covering such topics as the Group Philosophy, the Code of Conduct, compliance, awareness of workplace culture, and problems in day-to-day operations.

The results of the survey conducted in fiscal 2019 indicated that there is much room for improvement in terms of operational efficiency. Accordingly, executive management held discussions

on initiatives for fostering a corporate culture where employees can tackle challenges with a sense of purpose, and are now reviewing and implementing measures, including those for increasing the efficiency of operations.

Issues that need to be addressed as an organization as indicated by the survey results are reported based on the Group's ESG management structure.

Principal Declarations and Initiatives the ENEOS Group Participates in and Supports

UN Global Compact (UNGC)

Four Group companies—ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, and JX Nippon Mining & Metals—participate in the UN Global Compact, supporting the compact's 10 principles in the four categories of human rights, labor standards, the environment, and anti-corruption.



The Ten Principles of the UN Global Compact

Human Rights	
Businesses should support and respect the protection of internationally proclaimed human rights; and	Principle 1
make sure that they are not complicit in human rights abuses.	Principle 2
Labour	
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Principle 3
the elimination of all forms of forced and compulsory labour;	Principle 4
the effective abolition of child labour; and	Principle 5
the elimination of discrimination in respect of employment and occupation.	Principle 6
Environment	
Businesses should support a precautionary approach to environmental challenges;	Principle 7
undertake initiatives to promote greater environmental responsibility; and	Principle 8
encourage the development and diffusion of environmentally friendly technologies.	Principle 9
Anti-Corruption	
Businesses should work against corruption in all its forms, including extortion and bribery.	Principle 10

Task Force on Climate-related Financial Disclosures (TCFD)

In May 2019, we signed the TCFD recommendations, and we disclose information on climate change in accordance with the TCFD recommendations to the greatest extent possible.



Challenge Zero



World Business Council For Sustainable Development (WBCSD)



IPIECA—a global oil and gas industry association for advancing environmental and social performance



CDP



International Council on Mining and Metals (ICMM)



Corporate Human Rights Benchmark (CHRB)



Extractive Industries Transparency Initiative (EITI)

Council for Better Corporate Citizenship (CBCC)



Japan Business Initiative for Biodiversity (JBIB)



Communication with Industry Organizations

	Organization Name	Position Held by Group Executive, etc.
ENEOS Holdings	Japan Business Federation (Keidanren)	Vice Chair, Chair of Committee on Environment and Safety
ENEOS	Petroleum Association of Japan	President, Representative Secretary
	Japan Petrochemical Industry Association	Director
	Japan Chemical Industry Association	Policy Coordinating Committee member, Labor Committee member
JX Nippon Oil & Gas Exploration	Japan Petroleum Development Association	Vice Chairman
	Japan Natural Gas Association	Director
JX Nippon Mining & Metals	Japan Mining Industry Association (JMIA)	Director
	The Sulphuric Acid Association of Japan	Chairman
	Japan Copper and Brass Association (JCBA)	Director
	Japan Society of Newer Metals	Director
	Japan Catalyst Recovering Association	Chairman

Selection for Inclusion in ESG-related Investment Indexes (As of September 2020)

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index
- 2020 Health and Productivity Management
- Digital Transformation Stock Selection (DX Stock) 2020



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Governance Report

The ENEOS Group works to strengthen corporate governance and promote compliance in order to increase our corporate value through highly transparent management and fair business practices.

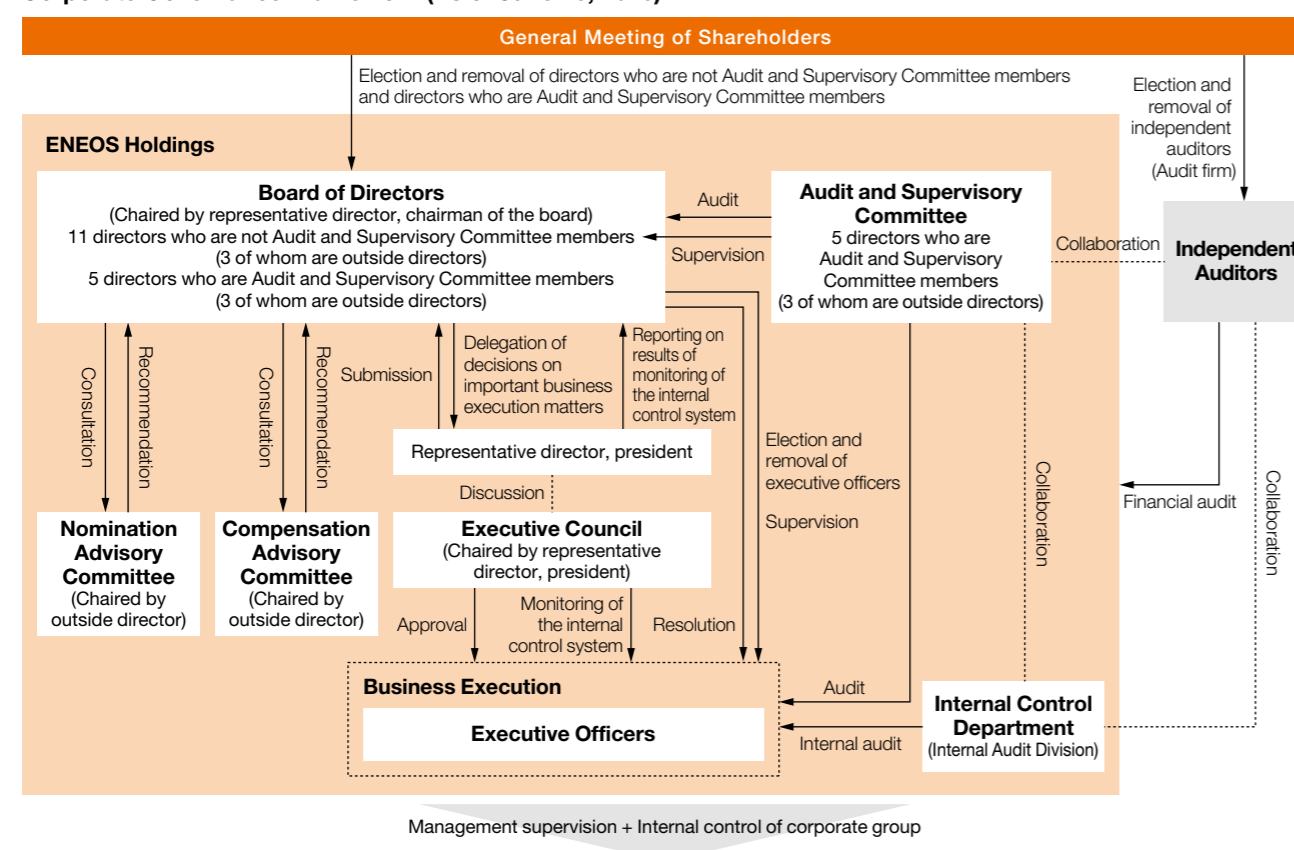
Corporate Governance Framework 15

Compliance 27

Corporate Governance Framework

Basic Approach and Framework

Corporate Governance Framework (As of June 25, 2020)



Item	Details
Organization format	Company with an audit and supervisory committee
Number of directors who are not Audit and Supervisory Committee members	11 (8 inside, 3 outside)
Number of directors who are Audit and Supervisory Committee members	5 (2 inside, 3 outside)
Total number of directors	16 (10 inside, 6 outside; 3 female directors)
Percentage of outside (independent) directors	37.5%
Percentage of female directors	18.8%
Term of directors who are not Audit and Supervisory Committee members	1 year
Term of directors who are Audit and Supervisory Committee members	2 years
Adoption of executive officer system	Yes
Institution assisting the president's decision-making	Executive Council
Voluntary advisory committees for the Board of Directors	Nomination Advisory Committee and Compensation Advisory Committee

Basic Policy on Corporate Governance

To achieve sustainable growth and increase the corporate value of the ENEOS Group over the medium to long term, ENEOS Holdings established the Basic Policy on Corporate Governance of the ENEOS Group with the objective of establishing and operating a corporate governance framework for the conduct of transparent, fair, timely, and decisive decision-making in the Group's management. The policy describes systematically and comprehensively the Group's basic approach to corporate governance as well as its establishment and operation, taking into consideration the Corporate Governance Code established by the Tokyo Stock Exchange. The basic policy is published on the Company's website as our commitment to all stakeholders, including shareholders of ENEOS Holdings, Group customers, business partners, employees, and local communities.

<https://www.hd.eneos.co.jp/english/csr/governance/pdf/system01.pdf>

Basic Approach to Corporate Governance

By appropriately establishing and carrying out corporate governance, the ENEOS Group works to realize the ENEOS Group Philosophy in order to achieve sustainable growth and increase its corporate value over the medium to long term. Based on this recognition, the Company has established and carries out the corporate governance of the Group as follows.

Basic Principles on the Establishment and Operation of Corporate Governance

1. Business management as a holding company
From a standpoint of optimizing the value of the ENEOS Group as a whole, the Company takes charge of formulating the ENEOS Group Philosophy, the ENEOS Group Code of Conduct, basic management policies such as medium-term management plans and budgets (hereinafter, "basic management policies"), allocating management resources, and overseeing the management of each subsidiary.

2. Management structure of the Company and its principal operating companies

In order to establish a Group management structure centered on the energy business, the Company will integrate the management of the Company and ENEOS Corporation through means such as having directors/officers serve concurrently in both companies, consolidating decision-making bodies, and merging administrative departments.

JX Nippon Oil & Gas Exploration and JX Nippon Mining & Metals will respectively establish business execution structures in which their autonomy, agility and independence are further enhanced depending on their business characteristics, under the basic management policies set forth by the Company.

3. Institutional design

The Company is a company with an audit and supervisory committee.

4. Board of Directors

The Board of Directors of the Company consists of the representative director, chairman of the board, representative director, president, more than one full-time director, part-time directors concurrently serving as the presidents of the principal operating companies, and outside directors. The Board of Directors shall manage the Company in accordance with the following policies.

- (1) The Board of Directors will focus on deliberation and determination of basic management policies, and the supervision of business execution.
- (2) Certain decisions on the execution of material operations will be delegated to the president of the Company in order to improve the agility of business execution.
- (3) With respect to material matters such as appraisal of return on investment, risks, progress of execution of material operations of the Company and the principal operating companies, the Board of Directors will receive reports from persons such as the president of the Company and the presidents of the principal operating companies, verify their consistency with the basic management policies and oversee such matters.

5. Audit and Supervisory Committee

- (1) The Audit and Supervisory Committee of the Company will carry out organized and systematic audits with a high degree of efficiency and objectivity through appropriate collaboration between full-time Audit and Supervisory Committee members, who are given the power to gather information, and Audit and Supervisory Committee members who are outside directors, who have a high degree of independence along with a wealth of knowledge and experience.

- (2) The Audit and Supervisory Committee of the Company will oversee the execution of operations through each Audit and Supervisory Committee member exercising the voting right that he or she has as a director at Board of Directors meetings and through each director who is not an Audit and Supervisory Committee member exercising the right to state his or her opinion concerning personnel matters and compensation of directors who are not Audit and Supervisory Committee members.

6. Outside directors

To take advantage of the wealth of knowledge and experience of outside directors and to ensure transparency and objectivity in decision-making, the Company shall take the following measures:

- (1) In determining the basic management policies at meetings of the Board of Directors of the Company, request outside directors to be involved from the stage of consideration, and to fully discuss matters from multiple points of view; and in

decision-making on and overseeing the execution of material operations, fully verify consistency with the basic management policies, taking opinions of outside directors into account; and

(2) In determining personnel affairs and compensation of directors at meetings of the Board of Directors of the Company, ensure transparency of the decision-making process by consulting with the Nomination Advisory Committee and the Compensation Advisory Committee, more than half of whose members are outside directors, and which are chaired by an outside director.

7. Executive officers and the Executive Council

(1) The Company will appoint executive officers for the agile execution of operations pursuant to a decision of the Board of Directors.

(2) For the president to make decisions on the execution of business operations, the Company has established the Executive Council as a consultative body for matters to be decided by the president. The Executive Council, comprising the president, executive vice presidents, senior vice presidents appointed by the president, and the presidents of principal operating companies, makes decisions through careful deliberation.

(3) Full-time Audit and Supervisory Committee members will attend meetings of the Executive Council to understand the

process for making important decisions and the status of business execution, and share these with other Audit and Supervisory Committee members.

8. Governance framework of principal operating companies

(1) Each principal operating company is a company with a board of corporate auditors. Each principal operating company has a board of directors to enable directors to oversee each other's performance of duties. Each principal operating company will independently carry out sufficient analysis of risks and verify the consistency of the execution of operations with basic management policies. In addition, the Company's full-time Audit and Supervisory Committee members serve concurrently as corporate auditors (full-time) for ENEOS Corporation, and are dispatched as part-time corporate auditors to JX Nippon Oil & Gas Exploration and JX Nippon Mining & Metals, where they audit the execution of duties by directors of the principal operating companies.

(2) Decision-making regarding matters pertaining to the execution of operations of principal operating companies (including the execution of material operations of subsidiaries of the principal operating companies) will be done by the respective principal operating companies.

(3) Principal operating companies will report to the Company on the status and other matters determined by the Company regarding the execution of material operations.

Composition of Nomination Advisory Committee and Compensation Advisory Committee (As of June 25, 2020) and Fiscal 2019 Results

Advisory Bodies	Nomination Advisory Committee	Compensation Advisory Committee
Chairperson	Outside director (Otsuka Mutsutake)*	Outside director (Otsuka Mutsutake)*
Members (including chairperson)	Representative directors: 2 (Sugimori Tsutomu, Ota Katsuyuki)* Outside directors: 3 (Otsuka Mutsutake, Ota Hiroko, Miyata Yoshiiku)*	Representative directors: 2 (Sugimori Tsutomu, Ota Katsuyuki)* Outside directors: 3 (Otsuka Mutsutake, Ota Hiroko, Miyata Yoshiiku)*
Purpose	Ensure the transparency of the process for determining director candidates	Ensure the transparency and objectivity of the process for determining the compensation and other benefits for directors and executive officers
Results for fiscal 2019	The committee met five times and deliberated on matters including personnel proposals on candidates for directors of the Company and succession planning.	The committee met five times and deliberated on matters including the executive compensation plan, executive compensation levels, and stock compensation plan.

* For profiles of officers, see <https://www.hd.eneos.co.jp/english/company/directors/>.

Nomination Advisory Committee

To ensure the transparency of the process for determining the director candidates of the Company, the Nomination Advisory Committee has been established to provide advice to the Board of Directors about personnel matters involving the Company's directors (including appointment and dismissal). The Nomination Advisory Committee comprises three outside directors and two representative directors, and one of the outside directors on the committee acts as chairperson. The Company's Board of Directors receives advice from the Nomination Advisory Committee regarding succession planning for the Company's chairman and president and for the presidents of the principal operating companies.

Compensation Advisory Committee

To ensure the transparency and objectivity of the process for determining the compensation and other benefits for directors and executive officers, the Compensation Advisory Committee has been established to provide advice to the Board of Directors. The Compensation Advisory Committee comprises three outside directors and two representative directors, and one of the outside directors on the committee acts as chairperson. The Board of Directors requests the Compensation Advisory Committee to advise on policies for determining the compensation and other benefits for directors and executive officers, as well as the executive compensation plan and compensation amount.

Evaluation of the Effectiveness of the Board of Directors

Overview of Evaluation of the Effectiveness of the Board of Directors

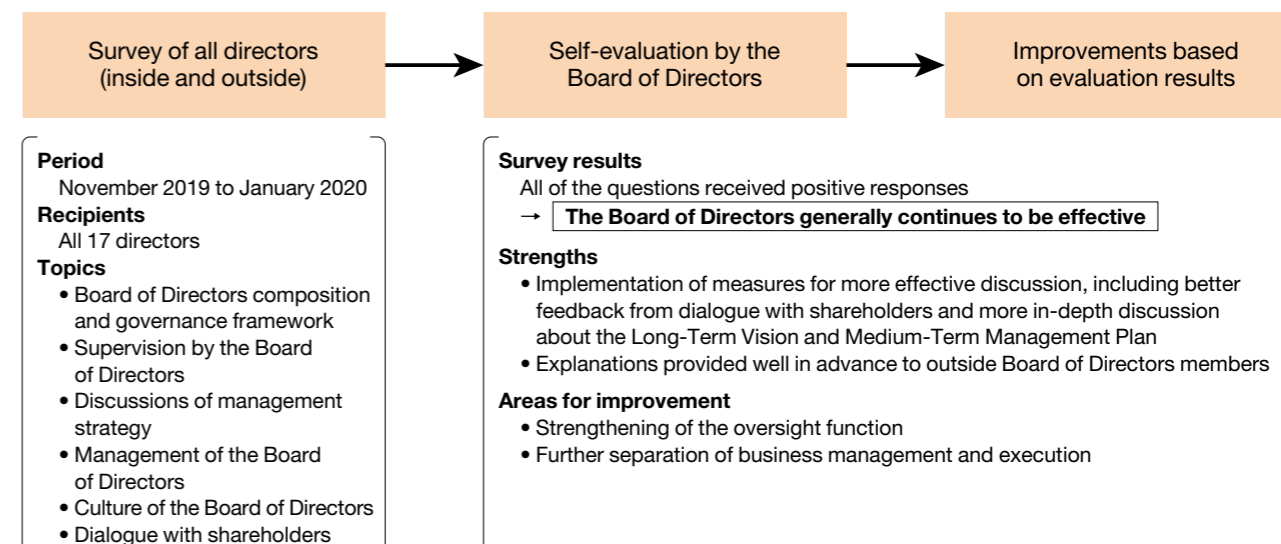
The Company's Board of Directors surveyed all directors, including outside directors, from November 2019 to January 2020 to evaluate the Board's effectiveness. The survey results

and analysis of the results were reported to all directors on April 22, 2020.

All of the survey questions received positive responses, and the results indicated that the Board of Directors generally continues to be effective.

Areas cited as needing improvement included strengthening of the oversight function and further separation of business management and execution.

Process for Evaluation of Effectiveness



Policy for Appointing Director Candidates

The Company strives to appoint independent outside directors* to at least one-third of director positions. As of June 25, 2020, the percentage of outside independent officers was 37.5%.

As for directors who are not Audit and Supervisory Committee members, the Company appoints persons with high standards of business ethics, superior strategic thinking and judgment capabilities, and flexible attitudes toward change, as well as the ability to supervise decision-making and management from the viewpoint of what is best for the Group as a whole. Two or more of the directors are independent outside directors.

As for directors who are Audit and Supervisory Committee members, the Company appoints persons with high standards of business ethics, a certain level of specialist knowledge in legal affairs, finance and accounting, as well as the ability to appropriately audit the execution of duties by directors and the ability to appropriately supervise the execution of business. The majority of these directors are independent outside directors.

* Outside directors who have satisfied the Company's "Criteria for Assessing the Independence of Independent Officers."

Support System for Outside Directors

Each of the three outside directors who are not Audit and Supervisory Committee members and the three outside directors who are Audit and Supervisory Committee members meet the independence standards based on the rules of the Tokyo and Nagoya stock exchanges, on which the Company is listed. The Company sends materials regarding the agenda of meetings of the Board of Directors to the outside directors, in principle, three days prior to meetings, and also provides explanations to the outside directors about important agenda items before the meetings. To enhance the auditing function by all Audit and Supervisory Committee members, including outside directors, the Company has established the Office of the Audit and Supervisory Committee, which is clearly independent from the chain of command for divisions responsible for business execution (including personnel evaluations). Full-time staff members have been assigned to the office to assist with the duties of the Audit and Supervisory Committee members. The Board Members' Support Office, with full-time staff members, has also been established to assist outside directors who are not Audit and Supervisory Committee members with business execution.

Training for Directors and Corporate Auditors of Principal Operating Companies

The directors of the Company and principal operating companies and the corporate auditors of principal operating companies have the duty of working toward the realization of the Group Philosophy, the sustainable growth of the ENEOS Group, and the achievement of increased corporate value over the medium to long term. To that end, to support efforts to enhance necessary knowledge and skills, the Company and its principal operat-

ing companies provide opportunities for directors and corporate auditors to receive training related to the Companies Act, internal control systems, accounting and taxes, business strategies, and organizations. In addition, the Company pays for expenses arising from self-study initiatives. When outside directors are appointed, the Company provides explanations of basic matters regarding the Group's businesses, and after their appointment, the Company offers business presentations and worksite inspection tours to deepen their understanding.

Training for Outside Directors (Fiscal 2019 and Fiscal 2020)

Topic	Intended for	Timing (fiscal year)	Content of training
Corporate governance	Newly appointed directors	2019/2020	ENEOS (JXTG) Group corporate governance
Internal control	Newly appointed directors	2019/2020	ENEOS (JXTG) Group internal control systems
ENEOS (JXTG) Holdings and principal operating companies	Newly appointed directors	2019/2020	Basic knowledge about ENEOS (JXTG) Holdings and its operating companies: ENEOS (JXTG Nippon Oil & Energy), JX Nippon Oil & Gas Exploration, and JX Nippon Mining & Metals
Finance and investor relations	Newly appointed directors	2019/2020	Current status and issues regarding ENEOS (JXTG) Holdings' financial affairs, opinions of institutional investors, etc.
Worksite inspection tours	All directors	2019	(JXTG Nippon Oil & Energy) Central Technical Research Laboratory, Negishi Refinery

Determination of Director Compensation

Policy on the Determination of the Calculation Method for Director Compensation

Directors who are not Audit and Supervisory Committee members (excluding outside directors)

Compensation for directors who are not Audit and Supervisory Committee members (excluding outside directors) comprises three components: fixed compensation paid monthly based on role, bonuses whose amounts fluctuate based on performance, and performance-linked stock compensation. This is a balanced compensation system that reflects the Company's business performance for the business year as well as shareholder value over the medium to long term in compensation amounts.

Outside directors who are not Audit and Supervisory Committee members

Compensation for outside directors who are not Audit and Supervisory Committee members is a monthly compensation in view of their roles as advisors and supervisors to management as well as the supervisory function in general management from an independent and objective standpoint.

Directors who are Audit and Supervisory Committee members (including outside directors)

Compensation for directors who are Audit and Supervisory Committee members is a monthly compensation in consideration of the independence of their duties.

Reference

The policy for determining compensation and other benefits for directors who are not Audit and Supervisory Committee members (excluding outside directors) is determined by resolution of the Board of Directors after deliberation and recommendation by the Compensation Advisory Committee (comprising three outside directors and two representative directors, and chaired by an outside director). The Board of Directors allows one Audit and Supervisory Committee member selected by the Audit and Supervisory Committee to attend meetings to ensure the committee is able to express its views concerning the compensation of directors who are not Audit and Supervisory Committee members at general meetings of shareholders.

Maximum Director Compensation

Category	Type	Maximum amount	Resolution of the General Meeting of Shareholders
Directors who are not Audit and Supervisory Committee members	Monthly compensation and bonus	Maximum of 1.1 billion yen per fiscal year (Outside directors who are not Audit and Supervisory Committee members: 200 million yen)	8th Ordinary General Meeting of Shareholders
	Stock compensation	Three fiscal years Maximum Company contribution to the trust: 1.5 billion yen Maximum number of shares provided to the individual: 6 million (6 million points)	10th Ordinary General Meeting of Shareholders
Directors who are Audit and Supervisory Committee members	Monthly compensation	Maximum of 200 million yen per fiscal year	8th Ordinary General Meeting of Shareholders

Revision to the Stock Compensation Plan

The Company introduced a stock compensation plan for directors who are not Audit and Supervisory Committee members (excluding outside directors) beginning in fiscal 2017. The plan adopts a mechanism called Board Incentive Plan Trust (BIP Trust). The plan covers the period of execution of the duties of eligible persons over three consecutive fiscal years and entitles eligible persons to the delivery of the Company's shares based on their roles and degree of achievement of performance targets. Fifty percent of such Company shares may be provided by cash equivalent of the value of the Company's shares upon conversion.

At the 10th Ordinary General Meeting of Shareholders held on June 25, 2020, the Company revised the stock compensation plan (see p. 19) to make it more performance-linked. The purpose of the revision was to further enhance the link between

the compensation plan for recipients and medium- and long-term management strategies, to increase recipient incentive to contribute to the enhancement of corporate value and cultivating shareholder-oriented management, and to promote initiatives to create a sustainable society, including preservation of the environment.

The revision sets a range of 0-200% in the volume of Company shares that will be provided to a recipient depending on the degree of fulfillment of the performance targets. The Compensation Advisory Committee will deliberate the indicators, target values, and composition ratios to be used as performance targets. The indicators for the three fiscal years from 2020 to 2022 are operating income (excluding inventory valuation), free cash flow, net D/E ratio, ROE, total return ratio, and CO₂ emissions reduction volume.

Amount of Compensation and Other Benefits for Each Category of Director

● Fiscal 2019

Category	Total amount of compensation and other benefits (Million yen)	Total amount of compensation and other benefits by type (Million yen)		Number of eligible directors	Total amount of compensation and other benefits (Million yen)	
		Fixed compensation	Bonus		Stock compensation	Number of eligible directors
Directors who are not Audit and Supervisory Committee members (excluding outside directors)	398	285	36	12	77	12
Directors who are Audit and Supervisory Committee members (excluding outside directors)	68	68	-	2	-	-
Outside directors who are not Audit and Supervisory Committee members	43	43	-	3	-	-
Outside directors who are Audit and Supervisory Committee members	40	40	-	4	-	-

Note: The amount of share compensation is the amount accounted for in fiscal 2019.

Governance of Listed Subsidiaries

The Company maintains ENEOS Corporation, JX Nippon Oil & Gas Exploration Corporation, and JX Nippon Mining & Metals Corporation, its principal operating companies, as wholly owned subsidiaries, and maintains other Group companies as wholly owned subsidiaries, listed subsidiaries, or other types of entities based on the need to maintain or expand its businesses. The policy of the Board of Directors is to regularly examine the appropriateness of maintaining a company as a listed subsidiary from the perspective of improving the Group's overall corporate value and capital efficiency, to consider the reasonableness of maintaining the listed company status, and to deliberate on the effectiveness of the listed subsidiary's governance system.

ENEOS Holdings is the parent company of the listed company NIPPO Corporation. The company is maintained as a subsidiary because it is the leading company in the Japanese road paving industry in terms of its business scale and revenues and because it holds an important position in the ENEOS Group business portfolio. Due to the nature of the Group's businesses, fluctuations in the prices of resources can greatly impact business performance, and the company provides a stable source of high earnings that helps mitigate the risk of a major impact on the Group's financial standing and contributes to the Group's efforts to maximize its corporate value.

The company offers ample potential for synergy effects through its leading technical expertise in the pavement and construction businesses, collaboration in the development of recyclable asphalt modifiers, and its paving systems for solar power generation, all of which have potential applications in community services as described in our Long-Term Vision.

We also believe that maintaining the company's status as a listed company makes sense because it makes the company better able to sustain and enhance employee motivation and attract talented human resources as the leader in its field.

Our wholly owned subsidiary JX Nippon Mining & Metals is the parent company of the listed company Toho Titanium Co., Ltd. JX Nippon Mining & Metals focuses on businesses where it uses its technologies in advanced materials and other areas for a competitive advantage in the global market, and it uses these businesses as the core driver of its growth strategy. Toho Titanium supplies important high-quality materials that are essential for the focus businesses to maintain competitiveness, such as high-purity titanium for the thin film materials business. Toho Titanium also collaborates closely with us to create and develop next-generation product lines in the advanced materials field, where product life cycles are becoming increasingly shorter. For these reasons, management considers it essential to maintain Toho Titanium as a subsidiary.

We believe that maintaining the company's status as a listed subsidiary makes sense due to the necessity for the company to be able to flexibly procure funds directly from the capital markets to maximize synergies and because it makes the company better able to sustain and enhance employee motivation and attract talented human resources.

The following policies concerning the authority to appoint and dismiss independent outside directors of listed subsidiaries have been adopted to ensure effective governance systems that give due consideration to the interests of general shareholders of our listed subsidiaries.

- (1) Exercise of Appointment Authority
 - A. More than one-third of directors shall be independent outside directors. If difficult to immediately put into effect, a mechanism will be introduced for a committee made up primarily of independent outside directors to discuss and consider important business transactions involving conflict of interest.
 - B. Prerequisites for Independent Outside Directors
 - i. Strong professional ethics, excellent strategic thinking and judgment, flexibility to change, and the ability to make decisions and supervise the management of a listed subsidiary
 - ii. Not employed by a company in the ENEOS Group within the past ten years
 - iii. Ability to contribute to raising the corporate value of the listed subsidiary, taking into account the protection of the common interest of shareholders, including general shareholders, from an independent standpoint
- (2) Exercise of Dismissal Authority

Voting rights will be exercised to dismiss an independent outside director if any of the following conditions occur and in accordance with the decision of the Board of Directors of the relevant listed subsidiary.

 - i. A serious violation of laws or regulations that materially damages the reputation of the ENEOS Group or a listed subsidiary group
 - ii. Malicious intent or gross negligence in the execution of duties that causes significant damage to the ENEOS Group or a listed subsidiary group
 - iii. Actions that cause significant damage to the interests of general shareholders

Risk Management

The ENEOS Group has introduced an enterprise risk management (ERM) system to facilitate appropriate responses to management risks.

Enterprise Risk Management (ERM)

In fiscal 2017, we began developing and implementing an ERM structure based on the COSO* ERM framework. Specifically, giving thought to the results of interviews with officers and managers, and future changes in the social and economic situation, we determine specific risk events that could affect the Group and calculate the impact and probability of these risks in accordance with assessment criteria. The Executive Council then selects certain risks as material risk events, and after review and implementation of countermeasures by the departments responsible for the risks, reports are made to the Executive Council and Board of Directors on the status of review and implementation of countermeasures.

The degree of impact and probability are shown below.

Impact

Impact level 3	Could significantly impact the entire Group; immediate implementation of countermeasures required.
Impact level 2	Could impact the entire Group to a certain degree; specific countermeasures to be considered.
Impact level 1	Negligible impact on the Group as a whole; can be managed by the operating company. No Group-wide response required.

Probability

Probability 3	The event has already occurred, or it has occurred at least once over the past two to three years. It is expected to occur within the next two to three years.
Probability 2	The event occurs at least once every 10 years. It is expected to occur within the next five to 10 years.
Probability 1	The event has occurred less than one time in the past 10 years or not at all. It is expected to occur at least 10 years in the future.

In fiscal 2020, management continues to identify, assess, and respond to risks in accordance with the Risk Management Regulations for Group Management and Operational Guidelines adopted on April 1, 2019. Our principal operating companies, ENEOS, JX Nippon Oil & Gas Exploration, and JX Nippon Mining & Metals, have established and are operating risk management systems tailored to their individual business operations and characteristics.

Departments in charge of risk management of the Company and its principal operating companies work closely together to share information on risks. If a risk event that could seriously impact the Group's management is identified at a principal operating company, a system is in place in which both the principal operating company responsible for the risk event and the Company work together to implement contingencies.

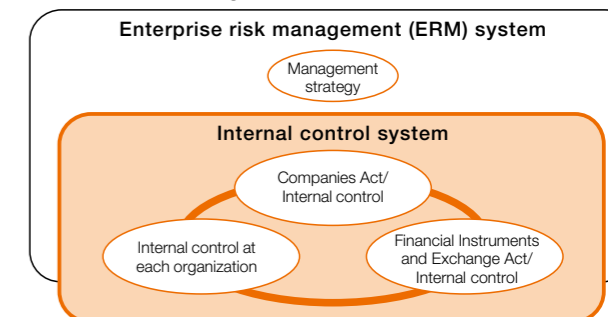
* Committee of Sponsoring Organizations of the Treadway Commission (COSO) is an internal control framework released by the commission and adopted by countries around the world.

Internal Control

The Company has established and operates an internal control system to ensure appropriate operations based on the ENEOS Group Philosophy and the Code of Conduct. The Board of Directors formulated the Basic Policy on Internal Control System and monitors the status of operation of this system.

The Internal Control Department supervises the maintenance and operation of the internal control system for the Group. Internal controls stipulated in the Companies Act and the Financial Instruments and Exchange Act are included in the Company's internal control system. Based on the globally standardized COSO framework, the Company is building and reinforcing autonomous internal control systems for each organization using risk-based PDCA cycles that can flexibly respond to the changing business environment. The rollout of these internal control systems began in fiscal 2018 at the Company and ENEOS, and since the completion of deployment in fiscal 2019, the monitoring phase of the PDCA cycle has started and systems are being sequentially deployed for other Group companies.

Internal Control System



We are also carrying out internal control activities in conjunction with risk management activities based on the risk management regulations of each Group company. In fiscal 2020, we will create a risk database to analyze and use our collected data to identify important risk areas and trends to help strengthen risk management in our management and business activities.

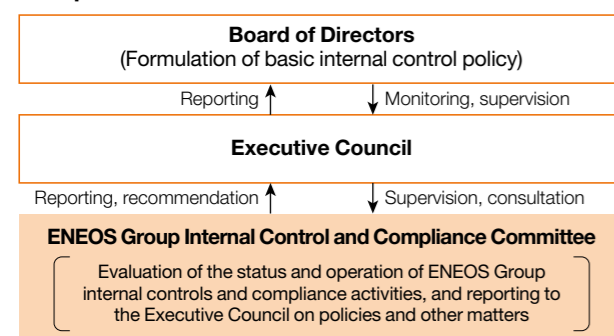
[WEB The ENEOS Group Basic Policy on Internal Control System](https://www.hd.eneos.co.jp/english/csr/governance/pdf/system01_03.pdf)

Comprehensive Internal Control Structure

With the change in the Group's management structure in June 2020, the functions of the Internal Control Council were integrated into the Executive Council to form a comprehensive management structure that includes risk management and response to ESG issues.

In addition, in June 2020 the committees for internal control and compliance were integrated to form the ENEOS Group Internal Control and Compliance Committee, which is chaired by the officer responsible for the Internal Control Department, and vice-chaired by the officer responsible for the Legal & Corporate Affairs Department. In consultation with and under the supervision of the Executive Council, the committee provides unified confirmation and evaluation of the status and operation of internal controls and compliance activities, and reports and makes recommendations to the Executive Council on policies and other matters. For details, see p. 9 "ESG Management Structure."

Comprehensive Internal Control and Compliance Structure



Risk Assessment of Business Activities

The ENEOS Group has internal rules and regulations for addressing the various kinds of risks in its business activities. For the screening of new investments, in addition to country risks and foreign exchange rate risks, we analyze and evaluate ESG-related risks, including environmental risks such as those related to the scope of response to biodiversity and environmental regulations, risks in the procurement of raw materials, including water, and human resources risks, including human rights, along with occupational health and safety aspects. Based on this, appropriate actions are taken when necessary.

For example, when reviewing a potential investment, we perform screenings based on the stage-gate system prior to reaching a final decision. The objective of the stage-gate system is to narrow down important projects for the advancement of business strategies in an efficient manner. Under this system, processes from initial review to execution are broken down into stages of review. In turn, gates are set up that must be cleared in each of these stages. During screening, we clarify various

risks, including ESG-related risks, using sensitivity analysis and case analysis among other means and take steps to minimize risks. For important investments, follow-up is carried out after a certain period of time has passed to clarify impacts on the initial outlook caused by environmental changes or other factors and to determine whether to continue with the project. ESG-related risks and issues for existing businesses are managed and monitored through effective discussion in the Executive Council.

In addition, in fiscal 2019, the Company established the Cyber Security Council and the Cyber Security Committee as a structure for the advancement of cyber security.

Crisis Management

When crises or emergency situations arise that could significantly affect the management of the Group, the Company exercises overall control and has prepared the Rules for Responding to Crises and Emergencies, which specifies measures to be taken to minimize any damage that may occur.

The Crisis Management Department of the Company functions as the standing organizational unit in charge of crisis response and management. The general manager of this department acts as head of this crisis response unit, and when such situations arise at the Company or Group companies, operating procedures require that the situation and measures to be taken be reported immediately to the head of the crisis response unit.

In addition, depending on the magnitude of the crisis, the Company may, at its discretion, form a crisis response headquarters headed by the president of the Company or a joint crisis response headquarters with ENEOS Group companies to respond quickly and appropriately to the crisis, thereby fulfilling the social mission of the ENEOS Group.

Infectious Disease Prevention Measures

The Group's basic policy is to (1) place the highest priority on respect for human life and make every effort to protect against and prevent the spread of infectious diseases to the Group's officers, employees and their families, and (2) engage all Group companies in maintaining a continuous supply of our products, such as petroleum products, that support the functioning of society.

When an infectious disease epidemic occurs, we set up a response headquarters headed by the president. ENEOS has a business continuity plan and a full system in place to ensure that we can fulfill our responsibility of providing a stable supply of petroleum products during an epidemic.

The Group is implementing measures to prevent infection and the spread of infection among employees. At our domestic and overseas business sites, we have systematically stockpiled surgical masks, goggles, alcohol-based disinfectants and other sanitary provisions, and we have personnel systems and IT

structures in place to accommodate working from home.

These preparations enabled us to take prompt countermeasures when the COVID-19 pandemic occurred in early 2020.

Information Security

Company information is an important asset of the Group, and we work to prevent the improper use, disclosure, or leakage of this information in accordance with the ENEOS Group Basic Rules for Information Security. The Group also strives to maintain information accuracy and reliability and to prevent falsification or mishandling while ensuring that information is available to authorized users when needed.

In terms of protecting personal information, we work to protect the rights and interests of every individual, having established the Personal Information Protection Guidelines along with rules on the appropriate handling of personal information in compliance with the Personal Information Protection Act and other relevant laws and regulations.

In fiscal 2019, there were 14 incidents involving the leakage of personal information of customers at ENEOS, and a total of 200 cases of leakage or possible leakage of personal information were confirmed.

At ENEOS, if an incident occurs, we promptly respond by quickly identifying the cause and informing the individuals whose information was divulged to prevent the spread of damage, and measures to prevent reoccurrence are formulated after discussions are held with relevant departments. We also report incidents to government agencies as appropriate in accordance with relevant laws, regulations and internal rules.

Furthermore, there have been no reports of secondary damages from any of the incidents of information leakage that occurred in fiscal 2019. Nevertheless, we take these incidents very seriously and are working to prevent their reoccurrence by further strengthening our management system for personal information across the entire ENEOS Group through measures such as conducting audits, not only internally, but also of our business process outsourcing partners who handle personal information.

Cyber Security Measures

In order to protect its important information and systems from cyberattacks, which have become stealthier in recent years, the Group has established the ENEOS Group Cybersecurity Council, chaired by the President of the Company, and implements cybersecurity countermeasures.

In addition, the IT Security Basic Procedures for ENEOS Group have been established as a set of rules that must be followed by Group companies to ensure that cyber security countermeasures are carried out across the entire ENEOS Group. For employees, the ENEOS Group conducts drills and issues reminders on the handling of suspicious emails, and

provides Groupwide security training using curriculum translated into multiple languages.

ENEOS also participates in the Cybersecurity Council, established by the government of Japan in April 2019, as an important infrastructure provider. The council shares information among government institutions, cyber businesses and research institutions, and discusses necessary security measures.

Protection of Intellectual Property

The ENEOS Group Code of Conduct states that we will properly maintain, manage and protect corporate tangible and intangible assets along with new discoveries made in the course of business activities, as well as respect the intellectual property rights of third parties.

Through a dedicated department, ENEOS manages and uses intellectual property appropriately in accordance with its regulations on intellectual property rights ("Regulations on Inventions and Devices"). Given the important role of intellectual property in our business strategy, we are working particularly to ensure that the acquisition, protection and use of intellectual property contributes to our business. In addition, as part of our business risk management, we are implementing necessary measures through close collaboration between this dedicated department and other business and research departments in order to prevent the unauthorized use of the intellectual property of third parties. Moreover, we provide training for employees on the creation of intellectual property, investigation of patents, and handling of contracts, which improves awareness of intellectual property.

Response to Climate Change Risks

Basic Approach

As a corporate group that deals with energy, the ENEOS Group recognizes that climate change issues represent important business risks and opportunities. We believe that our response to these issues and the recognition of the value of our existence through solutions to these issues will enable us to continuously generate profits into the future. To clarify this direction, in our Long-Term Vision to 2040, we established three envisioned goals, including “contribute to the development of a low-carbon, recycling-oriented society,” and also stated our intent to achieve carbon neutrality in terms of our own emissions.

To achieve our targets, we will use technological innovation for the advancement of lower cost renewable energy, CO₂-free hydrogen, CCS/CCUS, and a mobility business centered on EVs, as well as energy conservation made possible by the automated operation of plants and refineries.

In May 2019, ENEOS became a signatory of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and we will now step up our disclosures concerning climate change. We will also continue working on new innovations, having endorsed the *Keidanren* (Japan Business Federation) Challenge Zero project in June 2020.



Strategy

Risks and Opportunities and Our Responses

In fiscal 2017, the Group introduced an ERM structure based on the COSO ERM framework (see p. 22 “Risk Management” for details). Following this process, we identified risks and opportunities related to climate change as outlined in the table below.

Risks and Opportunities Identified and Timeline

Category	Examples	Timeline
Transition risks	Policies and laws Rising retail prices of petroleum products due to the introduction of carbon taxes	Medium to long term
	Technology Declining demand for gasoline due to advancements in EV technologies	Medium to long term (declining demand already occurring)
	Market and reputation Declining demand for oil due to rising environmental awareness	Short term (declining demand already occurring)
	Market Stranding of upstream petroleum assets	Medium to long term
Physical risks	Acute risks Increasing occurrence and severity of wind and flood damage caused by extreme weather events	Short term (extreme weather events already increasing)
	Chronic risks Chronically rising sea level	Medium to long term
Opportunities	Opportunities concerning resource efficiency Increasing demand for recycling of resources	Medium to long term
	Opportunities concerning energy sources, products and services Rising demand for renewable energy and hydrogen and increasing demand for distributed energy Rising demand for electronic materials needed for electrification of society, including EVs	Medium to long term
	Opportunities concerning markets Growing access to distributed energy markets due to digital innovation and changing lifestyles	Medium to long term
	Opportunities concerning resilience Improved reputation concerning the stable supply of energy and materials with the progression of climate change issues	Medium to long term

Governance System for Climate Change

The ENEOS Group has established a Group CSR Council chaired by the president of ENEOS Holdings. This organization has deliberated on basic matters concerning the environment and has managed and evaluated activities from a cross-functional perspective. Matters deliberated on and reported to the Group CSR Council are reported to the Executive Council and the Board of Directors, which fulfill their individual duties of supervision.

In fiscal 2019, risks and opportunities related to climate change, including medium- to long-term business strategies and the status of CO₂ emissions reduction, were deliberated on by the Board of Directors, the Executive Council, and the Group CSR Council at least quarterly.

To further improve the effectiveness of ESG management and promote greater operating efficiencies, in fiscal 2020 we transitioned to a structure where the Executive Council will comprehensively deliberate on these matters as well as manage and evaluate the status of activities (see p. 9 “ESG Management Structure”).

Response to Climate Change and Link to Executive Compensation

We have added CO₂ emissions reduction volumes to the indicators used to determine share compensation for the Group’s officers (including Directors who are not Audit and Supervisory Committee members and executive officers) from fiscal 2020 to fiscal 2022.

Scenario Analysis

We regularly analyze the long-term global energy demand outlook using the International Energy Agency (IEA)’s World Energy Outlook (WEO).

In preparing our Long-Term Vision to 2040, we conducted scenario analysis that also covered the Sustainable Development Scenarios (SDS), scenarios in which the world rapidly moves away from carbon based on the goals of the Paris Agreement, based on the New Policy Scenario (NPS) in WEO2018.

For details, see p. 46 of our Integrated Report.

Building a Business Portfolio That Addresses Risks and Opportunities

The Group is accelerating its structural reforms to build a resilient business portfolio to enable it to respond to risks and

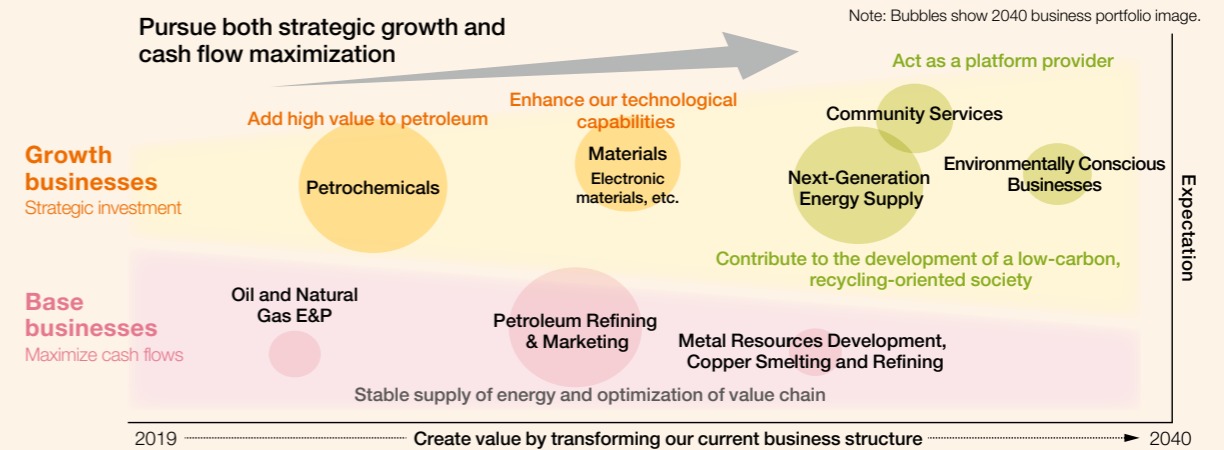
opportunities that have been identified and achieve sustainable growth.

In building our business portfolio, we have largely categorized the Group’s businesses into growth businesses, where we will increase strategic investment, and base businesses.

In our base business of petroleum refining and marketing, we will optimize the value chain and maximize cash flows through improved efficiencies and resilience while fulfilling our responsibility to provide a stable supply of energy, even if demand for petroleum products declines by half.

In our growth businesses, we will focus on five newly defined businesses where we will effectively concentrate our management resources (see pp. 15 and 16 of the Integrated Report for more information about the sustainable growth and future businesses of the Group).

Overview of Our Future Businesses to 2040



Strategic Investment in the Second Medium-Term Management Plan

In the second Medium-Term Management Plan, we have designated a total of 1,500.0 billion yen for investment. 830.0 billion yen of this amount has been allocated for strategic investments, which include 400.0 billion yen for next-generation energy supply, local services, and environmentally conscious businesses, which contribute to a low-carbon society, and 250.0 billion yen for petrochemicals and materials.

We will continue our steady efforts toward the realization of our vision for the Group’s future businesses as set forth in the Long-Term Vision.

Response to Physical Risks

During the capex planning stage, the Group examines risks associated with localized wind and flood damage caused by

extreme weather events and rising sea levels, and takes action as necessary, including incorporating these risks into its business continuity plan (BCP). For details, see p. 50 of our Integrated Report.

Indicators and Targets

In order to contribute to the development of a low-carbon society, the Group has established a Medium-Term Environmental Management Plan (fiscal 2020 to fiscal 2022) and environmental targets to fiscal 2030. We aim to achieve our targets by implementing energy conservation measures in our business activities and pursuing sales and development of environmentally friendly products, including renewable energy.

In addition, we aim to achieve carbon neutrality in our own CO₂ emissions by fiscal 2040. For details, see pp. 34 to 36 “Plan and Targets.”

Compliance

Basic Approach

The ENEOS Group is committed to thorough compliance and has designated high ethical standards as a core element of the Group Philosophy and the Group Code of Conduct.

Significant cases in which the ENEOS Group was subject to administrative penalties due to legal violations in fiscal 2019 are stated under "Compliance Violations" on p. 31.

ENEOS Group Code of Conduct (excerpt)

1. Compliance

- (1) We ensure compliance with laws, contracts, and corporate regulations and follow social norms and customs in an appropriate manner.
- (2) We shall neither ignore nor participate in any compliance violations.

Compliance Structure

Under our structure up to fiscal 2019, the Group Compliance Committee, chaired by the officer (director) responsible for the Legal & Corporate Affairs Department of JXTG Holdings*, was established under the Group CSR Council, which was chaired by the president of JXTG Holdings*. The committee adopted policies and reported on the results of activities pertaining to overall compliance activities that were implemented by the Group as a whole.

With the change in the Group's management structure in June 2020, the Executive Council was put in charge of all management functions, including risk management and response to ESG issues. The Internal Control and Compliance Committee was also established under the Executive Council for more integrated and efficient management of internal control and compliance activities (see "Comprehensive Internal Control Structure" on p. 23).

* JXTG Group names (before the change in trade names) are used in describing our structure up to fiscal 2019.

Internal Reporting System (Compliance Hotlines)

To enable prompt detection and corrective action in the event of legal violations, the Group's main companies maintain internal reporting systems (compliance hotlines) for their employees and those of contractor companies. The systems allow for anonymous reporting and also facilitate contact with law firms outside the companies. Furthermore, these systems do not affect access to other remedy measures. We have also introduced internal reporting systems, including some systems with multilingual capabilities, at overseas subsidiaries where we have 50% or higher ownership.

In fiscal 2019, the Group recorded 67 reports via its internal reporting systems.

After receiving a report, the legal department first notifies directors and relevant officers that a report was made, pursuant to the compliance hotline regulations of each company. The legal department then investigates the report and notifies the person who made the report of the results. The investigation results, corrective measures, and measures to prevent reoccurrence are reported to directors and relevant officers, who provide appropriate instructions.

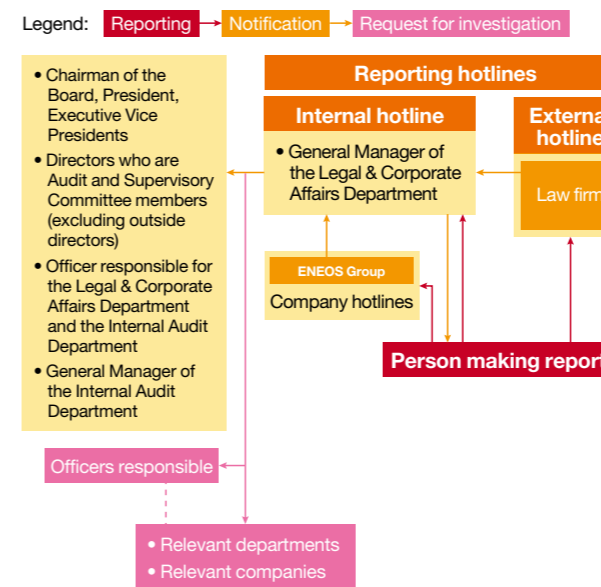
Operation of Compliance Hotlines

At ENEOS Holdings, employees are informed about the use of internal reporting systems through the intranet, posters and training, and are also provided with access to forms used for reporting, which effectively lowers any barriers to filing reports.

However, the results of ENEOS Group employee awareness surveys indicate that compared to the degree of awareness of the systems, the degree of willingness to use the systems is low. Therefore, to encourage willingness to use the systems, employees have been informed that in accordance with internal rules, reports can be made anonymously, retaliatory measures are prohibited, and reports can be made even if the employee is not sure if the matter constitutes a legal violation, and that all reports received are conveyed to all officers and corporate auditors.

In addition, improvements have been made to these systems to reflect needs both inside and outside the company, including the acceptance of anonymous reports, the establishment of external hotlines, the introduction of Group reporting systems, and disclosure on the Group intranet of the number of reports received.

Compliance Reporting Workflow



Compliance Inspections

Compliance inspections are conducted annually in each workplace as an initiative to proactively and voluntarily ascertain our status of legal compliance. These inspections are a mechanism for identifying compliance issues across the entire scope of operations through interviews by managers with each staff member, voicing questions and concerns, and formulating and executing measures to resolve any issues. Compliance inspections function as the core of the ENEOS Group's compliance structure.

In fiscal 2019, the Group identified approximately 500 compliance issues and potential issues from employees who participated in the inspection activities. None of the issues significantly impacted management, and over 80% were resolved within the year. We are currently addressing the 20% of issues that have not yet been resolved, and plan to conduct another compliance inspection in fiscal 2020.

Compliance Training

ENEOS Group Philosophy cards and ENEOS Group Code of Conduct handbooks are distributed to all executives and employees of the ENEOS Group to instill awareness that each individual is responsible for compliance in his or her day-to-day business operations.

We also conduct training on topics related to compliance, such as anti-monopoly laws. In fiscal 2019, in addition to conducting anti-corruption checks at all Group companies in accordance with our Anti-Corruption Policy, we also provided training on harassment prevention, compliance with competition

laws and subcontracting laws, and the internal reporting system, which are particularly relevant to our operations.

In fiscal 2020, we plan to hold training on compliance with competition laws and other important laws and regulations.

Initiatives for Compliance with Competition Laws

The ENEOS Group maintains a policy that the entire Group must thoroughly comply with competition laws in Japan and other countries. Each Group company has put into place internal rules such as basic regulations on compliance with competition laws, and all of their officers and employees are working vigorously under a clear commitment to compliance with competition laws.

In fiscal 2019, as indicated below, we established the ENEOS Group Competition Law Compliance Policy, which strictly prohibits officers and employees from engaging in any activity, including cartels, that violates competition laws of any country. The policy clearly states that no activity that would violate competition laws shall be justified by any reason of business custom, the authority or position of the violator, maintaining or expanding business or making profits.

We ensure that our employees are aware of the importance of compliance with competition laws by making relevant internal rules readily available through the company's intranet or other means, and providing various types of compliance training.

Compliance checks and internal audits are used to continuously monitor whether these mechanisms are functioning properly. The results of monitoring are reported to the Company's Board of Directors. We also have a system in place to promptly detect and rectify problems through our internal reporting system.

Competition Law Compliance Policy

The Group has established and published the ENEOS Group Competition Law Compliance Policy pursuant to the basic principle of compliance with competition laws set out in "7. Equitable and fair transactions" in the ENEOS Group Code of Conduct. This policy clearly states the Group's commitment to comply with competition laws.

We will communicate this policy to and require compliance of all those within the scope of application of the ENEOS Group Code of Conduct. In addition to implementing this policy within the Group, we will also request that the companies and others that make up our value chain also cooperate with this policy.

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

ENEOS Group Competition Law Compliance Policy

The ENEOS Group conducts business activities under the ENEOS Group Philosophy, which states that we will contribute to the development of our communities and help to ensure a vibrant future through creation and innovation in energy, resources, and materials. This Policy was formulated as a guideline for the entire Group to comply with competition laws in Japan and other countries.

1. Basic Approach

The ENEOS Group recognizes the importance of conducting fair and equitable transactions in the countries and regions where it conducts its business activities.

2. Compliance with Applicable Laws and Regulations

The ENEOS Group complies with competition laws applicable in the countries and regions where it conducts its business activities.

3. Prohibited Actions

The ENEOS Group prohibits its officer and employee, etc., from engaging in activity that violates competition laws including cartels. No activity that would violate competition laws shall be justified by any reason of business custom, the authority or position of the violator, maintaining or expanding business or making profits.

4. Training

The ENEOS Group will provide continuous and effective training to its officers and employees, etc., to ensure that this policy is appropriately implemented in the business activities of all ENEOS Group companies.

5. Penalties for Violations

- (1) The ENEOS Group will review any suspected violation of competition laws and immediately take appropriate measures in response to a violation. Also, ENEOS Group will respond to investigations by competition law authorities in sincere manner.
- (2) The ENEOS Group will impose rigorous penalties on any of its officers or employees, etc., found to be in violation of this policy, based on the rules of the ENEOS Group company the officer or employee, etc., belongs to.

6. Compliance System

The presidents of all ENEOS Group companies bear a responsibility to ensure that their officers and employees, etc., abide by this policy. In addition, officers or employees, etc., of the ENEOS Group who detect any action that violates or could violate this policy are required to report such action immediately to their company.

7. Applicable Scope

This policy applies to all officers and employees, etc., of the ENEOS Group. All business partners involved in the ENEOS Group's business activities will be requested to cooperate with this policy.

8. Positioning

This policy supplements the provisions of the ENEOS Group Philosophy and the ENEOS Group Code of Conduct.

Notes:

- ENEOS Group: ENEOS Holdings and the subsidiaries of ENEOS Holdings, including both those directly and indirectly owned.
- Competition laws: The laws and regulations of a country aimed at promoting fair and free competition in markets and restricting anticompetitive activities, including Japan's "Act on Prohibition of Private Monopolization and Maintenance of Fair Trade."
- Employees, etc.: Employees, contract workers, and part-time employees of the ENEOS Group, temporary workers dispatched to the ENEOS Group, and other persons subject to the instructions or orders of the ENEOS Group.
- Competition law authority: Includes Japan Fair Trade Commission and authorities in each country responsible for enforcing competition laws.

Initiatives to Prevent Bribery and Corruption

The Group will not tolerate bribery in any form. We have internal regulations in place to prevent bribery at our Group companies, and all officers and employees actively work under a clear commitment by management of all Group companies to prevent bribery.

In addition, we have established and published the ENEOS Group Anti-Corruption Policy, which clearly states that the ENEOS Group will not engage in corrupt practices. Specifically, a mechanism has been put in place to check for bribery involving travel expenses, business entertainment, gift giving, and donations, taking into consideration the laws and regulations of each country. We also implement third-party due diligence procedures to prevent our involvement in bribery through a third party such as an agent, agency, or distributor.

Employees can access relevant internal regulations at any time via the company's in-house intranet or other means. They also undergo various forms of compliance training on the prevention of bribery. In this manner, we are working to raise employee awareness of this important issue.

Compliance checks and internal audits are used to continuously monitor whether these mechanisms are functioning properly. The results of monitoring are reported to the Company's Board of Directors. We also have a system in place to promptly detect and rectify problems through our internal reporting system.

In fiscal 2019, there were no serious violations or disciplinary action taken with regard to bribery or anti-corruption.

The Group participates in the United Nations Global Compact, and actively supports the 10 Principles, including anti-corruption.

Anti-Corruption Policy

Based on the basic rules on the prevention of bribery and corruption established within "7. Equitable and fair transactions" and "8. Appropriate relationships with governments and public administrations" of the ENEOS Group Code of Conduct, the Group formulated and published the ENEOS Group Anti-Corruption Policy, which clearly stipulates that the Group will not engage in corrupt practices.

Going forward, we will continue to raise awareness of and require compliance with this policy within the scope of application of the ENEOS Group Code of Conduct. In addition to applying this policy within the Group, we will request the cooperation of companies in our value chain as well.

ENEOS Group Anti-Corruption Policy

The ENEOS Group conducts its business activities under the ENEOS Group Philosophy, which states that we will contribute to the development of our communities and help to ensure a vibrant future through creation and innovation in energy, resources, and materials.

This policy was formulated as a guideline for the entire Group to prevent corrupt practices along with actions complicit in corrupt practices, as well as to fulfill its corporate responsibilities to society.

1. Basic Approach

Under this policy, officers and employees, etc., of the ENEOS Group, both inside and outside of Japan, are required to comply with laws on the prevention of corrupt practices in Japan and other countries and prevent corrupt practices as well as actions complicit in corrupt practices.

2. Compliance with Applicable Laws and Regulations

The ENEOS Group complies with applicable laws and regulations in the countries and regions where it conducts its business activities.

3. Prohibited Actions

The ENEOS Group prohibits, both directly and indirectly, corrupt practices along with actions complicit in corrupt practices among its officers and employees, etc., both inside and outside of Japan, regardless of whether the other party is a public servant or a private individual.

4. Management of Payment Records

In cases where officers and employees, etc., of the ENEOS Group provide money or other benefits to third parties involved in business execution processes, the ENEOS Group will appropriately retain evidence of such transactions, and require that the money or other benefits be

recorded in accounting records, accurately and without exception, in terms of amount, accounting item, etc., in order to prevent off-the-books handling.

5. Training

The ENEOS Group will provide appropriate training to its officers and employees, etc., to ensure that this policy is appropriately implemented in the business activities of all ENEOS Group companies.

6. Penalties for Violations

The ENEOS Group will impose rigorous penalties on any of its officers or employees, etc., found to be in violation of this policy, based on the rules of the ENEOS Group company the officer or employee belongs to. In addition, the ENEOS Group will impose rigorous penalties on advisors, consultants, agents, contractors, etc., hired by the ENEOS Group if they are found to be in violation of this policy.

7. Compliance System

The presidents of all ENEOS Group companies bear a responsibility to ensure that their officers and employees, etc., abide by this policy. In addition, officers or employees, etc., of the ENEOS Group who detect any action that violates or could violate this policy are required to report such action immediately to their company.

8. Applicable Scope

This policy applies to all officers and employees, etc., of the ENEOS Group. All business partners involved in the ENEOS Group's business activities will be requested to cooperate with this policy.

9. Positioning

This policy supplements the provisions of the ENEOS Group Philosophy and the ENEOS Group Code of Conduct.

Notes:

- ENEOS Group: ENEOS Holdings and the subsidiaries of ENEOS Holdings, including both those directly and indirectly owned.
- Corrupt practices: Bribery, embezzlement, coerced benefit sharing, bid-rigging and other acts that involve the abuse of the authority or position of oneself or a third party.
- Bribery: Refers to both giving bribes, where money or other interests or benefits are offered, promised or actually given, and receiving bribes, where interests or benefits are requested or actually received, for the purpose of obtaining interests or benefits by wielding improper influence over the duties of the other party.
- Actions complicit in corrupt practices: Actions including judicial interference, concealment of corrupt earnings, money laundering, and instigation, assistance or conspiracy to commit corrupt practices.
- Employees, etc.: Employees, contract workers, and part-time employees of the ENEOS Group, temporary workers dispatched to the ENEOS Group, and other persons subject to the instructions or orders of the ENEOS Group.
- Public servant: Includes, but is not limited to, national government employees, local government employees, persons engaged in official duties for international institutions, persons deemed to be engaged in public duties per laws and regulations, and officers and employees of companies effectively controlled by a national government or local government.

Compliance Violations

On July 30, 2019, the Japan Fair Trade Commission determined that NIPPO Corporation took part in acts in violation of the Anti-Monopoly Act related to the sales price of asphalt materials. However, NIPPO Corporation received notification that the leniency policy had been applied and that it would not be ordered to pay a fine. After the finding by the Japan Fair Trade Commission that NIPPO Corporation took part in acts in violation of the Anti-Monopoly Act jointly with eight other businesses from as late as around March 2011 to January 27, 2015, the company passed a resolution at a meeting of its Board of Directors to put into place a system for monitoring to ensure it does not exchange information on sales prices of asphalt materials with other businesses and to implement recurrence prevention measures, such as developing and communicating internal rules on compliance with the Anti-Monopoly Act, and is now thoroughly executing these measures. ENEOS Holdings will continue to provide guidance to NIPPO Corporation.

Tax Matters Policy

Companies have a corporate social responsibility to appropriately honor their tax liabilities in the countries and areas in which they conduct their business activities. Therefore, we have formulated the ENEOS Group Tax Matters Policy as follows.

ENEOS Group Tax Matters Policy

The ENEOS Group conducts its business activities under the ENEOS Group Philosophy, which states that we will contribute to the development of our communities and help to ensure a vibrant future through creation and innovation in energy, resources, and materials.

This policy was formulated as a guideline for the entire Group in fulfilling its responsibility to carry out its tax obligations appropriately.

1. Basic Approach

Among others, companies have a corporate social responsibility to appropriately honor their tax liabilities in the countries and areas in which they conduct their business activities.

2. Compliance with Applicable Laws and Regulations

We comply with the relevant tax laws and regulations in the countries and areas in which we conduct our business activities. We conduct our business activities in accordance with the purposes of the rules regarding international tax matters (such as the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and the Base Erosion and Profit Shifting Project).

3. Fostering Awareness of Tax Compliance

Through continuous training concerning tax matters and other relevant training, we make efforts to maintain and improve our awareness of tax compliance.

4. Optimization of Tax Costs

By using the Advance Pricing Arrangement and other relevant systems, we attempt to obtain agreement with tax authorities, and make efforts to reduce risks and optimize costs.

5. Establishment of Relationships of Trust with Tax Authorities

At the request of tax authorities, we timely and properly provide them with necessary information.

6. Applicable Scope

This policy applies to all officers and employees of the ENEOS Group. All business partners involved in the ENEOS Group's business activities will be requested to cooperate with this policy.

7. Positioning

This policy supplements the provisions of the ENEOS Group Philosophy and the ENEOS Group Code of Conduct.

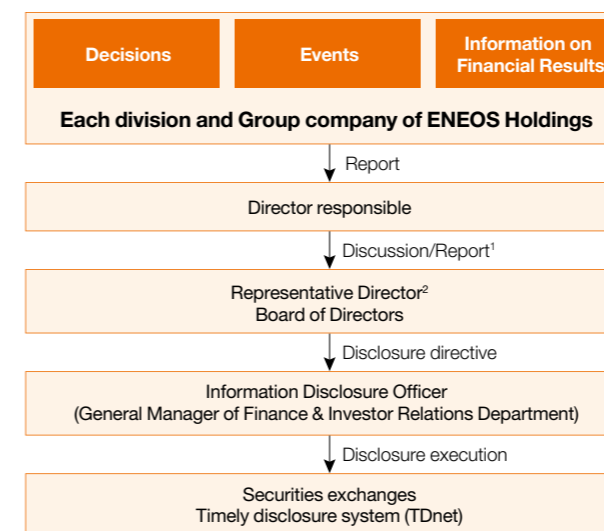
Disclosure Policy

The Company is fully aware that the timely and proper disclosure of corporate information is a key element of healthy capital markets. Accordingly, the Company makes efforts to ensure prompt, appropriate, and fair disclosure of information to shareholders and other investors with the aim of promoting transparency in management.

Systems are in place to obtain, manage, and disclose information on the Company as well as information on ENEOS Group companies quickly and accurately. Information that is subject to the Timely Disclosure Rules is made public through the timely disclosure system (TDnet) provided by the Tokyo Stock Exchange and others, and the same information is made available on the Company's website. Information that is not subject to the Timely Disclosure Rules is disclosed proactively based on basic policies and disclosure standards.

The Company has prepared Rules for the Prevention of Insider Trading, and systems have been created to communicate regulations regarding insider trading throughout the ENEOS Group.

Disclosure Framework and Workflow



¹ Whether timely disclosure is required is determined through consultation among the director responsible, the general managers of the General Administration, Legal & Corporate Affairs, and Controller departments, the information disclosure officer (general manager of the Finance & Investor Relations Department), and the general managers of any other relevant departments or offices.

² Disclosure of information regarding events that require urgent disclosure may be made on the authority of a representative director without being reported to the Board of Directors.

ENEOS Group Disclosure Policy

The ENEOS Group conducts its business activities under the ENEOS Group Philosophy, which states that we will contribute to the development of our communities and help to ensure a vibrant future through creation and innovation in energy, resources, and materials.

This policy was formulated as a guideline for disclosing material information in an accurate and clear manner.

1. Basic Approach

The ENEOS Group fully recognizes that adequate and timely disclosure of company information is a cornerstone of sound capital market formation. The Company shall endeavor to expeditiously, appropriately, and impartially disclose information to shareholders and investors to establish a highly transparent corporate management.

2. Compliance with Applicable Laws and Regulations

The ENEOS Group complies with the laws, ordinances and regulations applicable in the countries and regions where it conducts its business activities. ENEOS Holdings, Inc., ("the Company") has adopted Insider Trading Prevention Regulations. Through these internal regulations, the Company has established controls to promote Group-wide awareness of insider trading regulations.

3. Disclosure Standards

The Company shall disclose material information, including information about financial results, and decisions and events

likely to influence investment decisions, in compliance with applicable laws and regulations including the Companies Act, the Financial Instruments and Exchange Act and other laws and regulations, and the Tokyo Stock Exchange and other exchanges' rules on timely disclosure of corporate information by issuers of listed securities ("Timely Disclosure Rules"). In addition to information required to be disclosed by the Timely Disclosure Rules, the Company shall also proactively disclose other information in response to the needs and wishes of shareholders and investors.

4. Group Systems and Procedures for Timely Disclosure of Company Information

As the ENEOS Group's holding company, the Company oversees the management of ENEOS Group companies. The Company shall establish systems and procedures to expeditiously and accurately gather, manage, and disclose information about not only itself but also ENEOS Group companies. A flowchart of the ENEOS Group's timely disclosure procedures is shown at left.

5. Information Disclosure Methods

Information to which the Timely Disclosure Rules apply shall be disclosed by the Company via the Tokyo Stock Exchange's TDnet information disclosure system. In addition, after disclosure, the Company shall promptly post the same information on its website.

For information not subject to disclosure per the Timely Disclosure Rules, the Company shall accurately and impartially communicate the information to shareholders and investors in accord with the above Basic Policy and Disclosure Standards.

6. Quiet Periods (periods during which inquiries on financial results are declined)

To prevent information leaks concerning financial results, the Company shall observe quiet periods for three weeks before it publicly reports its financial results. During quiet periods, the Company shall refrain from answering any questions or otherwise commenting about its financial results. However, if a substantial deviation from the previously announced earnings forecast comes to light during a quiet period, the Company shall disclose such information.

7. Applicable Scope

This policy applies to all officers and employees of the ENEOS Group. All business partners involved in the ENEOS Group's business activities will be requested to cooperate with this policy.

8. Positioning

This policy supplements the provisions of the ENEOS Group Philosophy and the ENEOS Group Code of Conduct.

Environmental Report

Corporate activities are contingent upon a healthy global environment.

Recognizing that preservation of the global environment is an important issue shared by all humankind, the ENEOS Group has included environmental conservation as a standard in its Group Code of Conduct and as part of its efforts to contribute to the development of a sustainable society through its business activities.

For data pertaining to the Environmental Report, please see the Data section of this report.

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Environmental Management

Basic Approach

As part of its responsibilities as a corporate group involved in the supply of energy, resources, and materials, the ENEOS Group maintains a proper understanding of the impact of its business activities on climate change risks and natural capital. Environmental conservation has been included as a standard in the ENEOS Group Code of Conduct, and the Group has also established a Medium-Term Environmental Management Plan and is implementing initiatives for the development of a sustainable society.

ENEOS Group Code of Conduct (excerpt)

3. Environmental conservation

- (1) We recognize that we are stewards of the environment and its limited resources. We strive to conserve biodiversity and natural capital, including, but not limited to, water, soil, and the atmosphere, and contribute to the development of a sustainable society.
- (2) We strive to promote renewable energy and energy conservation in order to contribute to the development of a low-carbon society.
- (3) We strive to contribute to the establishment of a circular economy by reducing, reusing and recycling, while using resources effectively and efficiently.
- (4) We strive to take actions to promote sustainable production and consumption for the benefit of society while taking the same actions throughout our value chain, including, but not limited to, resource development, procurement, production, distribution and sales.

Plan and Targets

The ENEOS Group formulated the Medium-Term Environmental Management Plan (fiscal 2017 to fiscal 2019) and has been carrying out environmental activities aimed at contributing to the development of a low-carbon, recycling-oriented society. In terms of CO₂ reduction, we achieved our targets through efforts such as implementing energy conservation measures and separating and recovering CO₂ using CO₂-EOR. In May 2020, we formulated our second Medium-Term Management Plan and incorporated the environmental aspects of this plan into our second Medium-Term Environmental Management Plan (fiscal 2020 to fiscal 2022).

First, with the formulation of the second Medium-Term Environmental Management Plan, we established a new goal to achieve carbon neutrality in terms of our own CO₂ emissions by 2040 as part of our environmental vision for fiscal 2040. This new policy helps to clarify “contribute to the development of a low-carbon, recycling-oriented society,” one of the envisioned goals in the Long-Term Vision to 2040, announced in fiscal 2019.

Next, we updated our long-term environmental target for fiscal 2030. We increased the target for CO₂ reduction to 10.17 million tons by incorporating development of the renewable energy business in our measures. The new target is roughly 2.5 times the target established in the first Medium-Term Environmental Management Plan.

The second Medium-Term Environmental Management Plan focuses on three themes: “I. Contribution to a low-carbon society,” “II. Contribution to a recycling-oriented society” and “III. Contribution to environmental protection.” The plan sets out detailed initiatives for each of these themes. We are now carrying out environmental activities aimed at achieving these targets.

In addition, we have signed the statement of support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are now taking steps to enhance climate change related disclosures. For details, refer to p. 25 “Response to Climate Change Risks.”

Environmental Management

Initiatives to Prevent Global Warming

Initiatives to Promote the 3Rs (Reduce, Reuse, Recycle)

Management of Chemical Substances

Initiatives to Prevent Environmental Pollution

Initiatives for Biodiversity

Initiatives of the First Medium-Term Environmental Management Plan (Fiscal 2017 to Fiscal 2019)

Targets

- Reduction in CO₂ emissions along the entire supply chain ♥
Medium-term target (FY2019):
Reduction of 2.72 million tons (compared to FY2009)
- Waste-to-landfill ratio ♥
Maintain zero emissions
(waste-to-landfill ratio of less than 1%)

Results

1. Results of reduction in CO₂ emissions (compared to FY2009) ♥

(1) Reduction in CO ₂ emissions at Group production sites	1.69 million tons
Energy conservation	1.11 million tons
CO ₂ -EOR*	580 thousand tons
(2) Reduction in CO ₂ emissions other than at Group production sites	1.06 million tons

2. Waste-to-landfill ratio (actual) ♥

(1) Thorough separation of waste, and reuse and recycling	0.8%
---	------

* CO₂-EOR (enhanced oil recovery) is a technology for the improved recovery of oil through the injection of CO₂. This technology simultaneously increases production of crude oil and reduces emissions of CO₂ into the atmosphere by transporting the CO₂, captured out of the processed flue gas from a coal-fired power plant, to an oil field, and injecting and storing the CO₂ into legacy fields.

Major Initiatives for Reducing CO₂ Emissions ♥

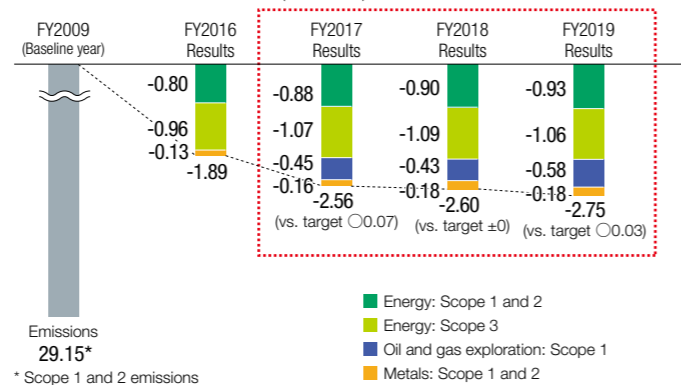
- Introduction of highly energy efficient facilities at refineries and smelters
- Optimization of equipment operations
- CO₂ separation and capture, etc., with the CO₂-EOR project
- Increased sales of environmentally friendly products

Major Initiatives for Reducing Waste-to-Landfill Ratio ♥

- Use of sludge, soot and dust as raw materials for cement
- Recovery of valuable metals from waste catalysts

Reduction in CO₂ Emissions

Amount of reduction in CO₂ emissions (Million tons)



Second Medium-Term Environmental Management Plan and Long-Term Environmental Targets

Long-Term Environmental Targets (Fiscal 2030)

We aim to **reduce** CO₂ emissions by **10.17 million tons** in fiscal 2030, compared to fiscal 2009, by pursuing energy conservation measures in business activities and pursuing sales and development of environmentally friendly products, including renewable energy, while also pursuing environmentally conscious businesses and contributing to the development of a low-carbon, recycling-oriented society.

Medium-Term Environmental Target (Fiscal 2020 to Fiscal 2022)

Key themes	Basic initiatives	Concrete measures aimed at fiscal 2022
Contribution to a low-carbon society Total CO₂ reduction target of 4.28 million tons in fiscal 2022	<ul style="list-style-type: none"> Pursuit of energy conservation measures in business activities CO₂ recovery in business activities (Scope 1 and Scope 2) 	<ul style="list-style-type: none"> Reduce CO₂ emissions by 2.16 million tons compared to fiscal 2009 by pursuing energy conservation CCS/CCUS initiatives
	<ul style="list-style-type: none"> Reduction of CO₂ emissions in the supply chain (Scope 3) 	<ul style="list-style-type: none"> Reduce CO₂ emissions of customers by 1.2 million tons compared to fiscal 2009 by promoting sale and development of environmentally friendly products*
Contribution to a recycling-oriented society	<ul style="list-style-type: none"> Develop businesses in hydrogen and renewable energy 	<ul style="list-style-type: none"> Develop hydrogen station business Develop renewable energy business; total reduction of 920,000 tons from biomass, solar power, wind power and other forms of renewable energy
Contribution to environmental protection	<ul style="list-style-type: none"> Pursuit of the "3Rs" (reduce, reuse, recycle) 	<ul style="list-style-type: none"> Maintain zero emissions (waste-to-landfill ratio of less than 1%) Develop recycling business (plastic waste, rare metals, etc.)
	<ul style="list-style-type: none"> Initiatives for reducing the environmental burden 	<ul style="list-style-type: none"> Control emissions of hazardous substances Reduce hazards by enacting voluntary standards on management of chemical substances Soil pollution surveys and countermeasures Protect the environment through high-efficiency lighting Effective use of water resources
	<ul style="list-style-type: none"> Biodiversity initiatives 	<ul style="list-style-type: none"> Effective measures to preserve biodiversity in manufacturing sites Forest conservation activities in Japan and overseas
	<ul style="list-style-type: none"> Group initiatives 	<ul style="list-style-type: none"> Strengthen the environmental management structure Carry out environmental education for Group employees

* See the following for more information on our environmentally friendly products. (Available in Japanese only)
<https://www.eneos.co.jp/ecoproducts/>

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

Environmental Management

Initiatives to Prevent Global Warming

Initiatives to Promote the 3Rs (Reduce, Reuse, Recycle)

Management of Chemical Substances

Initiatives to Prevent Environmental Pollution

Initiatives for Biodiversity

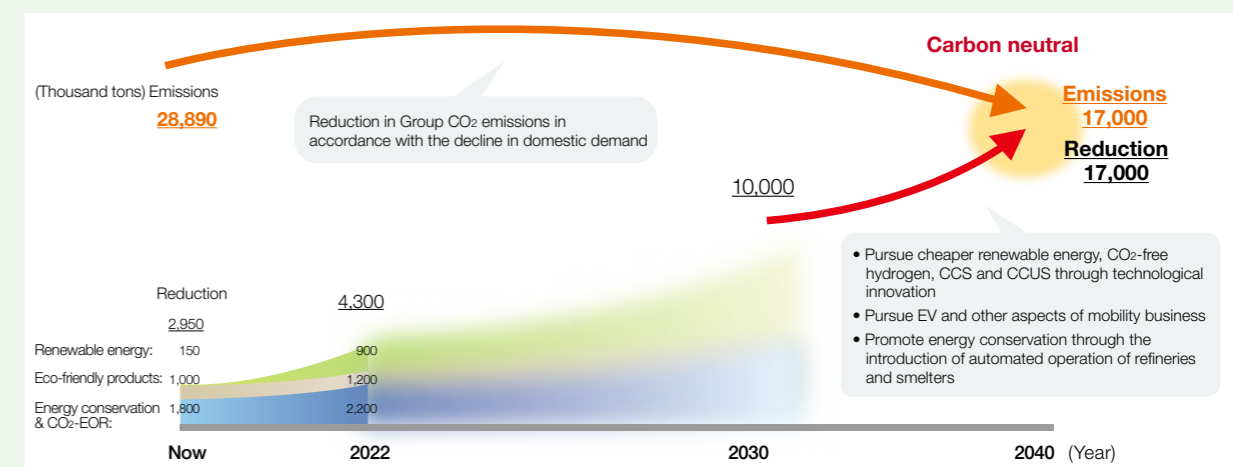
Environmental Vision (Fiscal 2040): Pursuit of Carbon Neutrality to Contribute to a Low-Carbon Society

Basic Approach

As a corporate group that deals with energy, the Group recognizes that climate change issues represent important business risks and opportunities. We believe that our response to these issues and the recognition of the value of our existence through solutions to these issues will enable us to continuously generate profits into the future. To clarify this direction, we stated our intent to pursue carbon neutrality in terms of our own emissions in our Long-Term Vision to 2040.

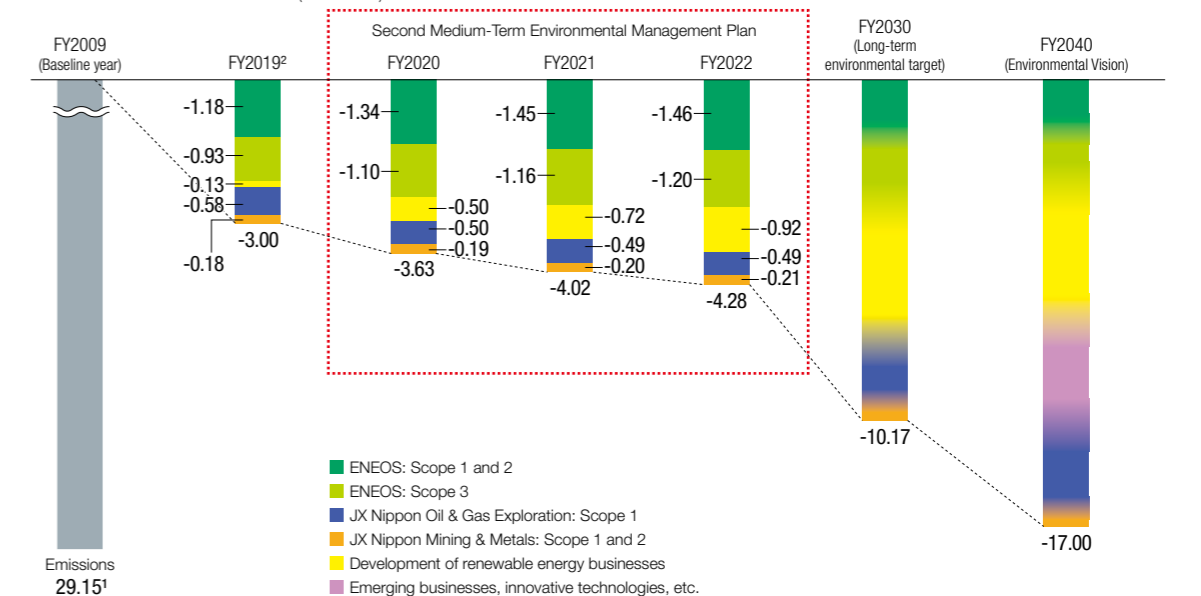
Environmental Vision (Fiscal 2040)

The ENEOS Group aims to be carbon neutral in its own CO₂ emissions in fiscal 2040. We will achieve this by strengthening and expanding businesses that impose a low environmental burden and strengthening environmentally conscious businesses.



Reduction in CO₂ Emissions by Fiscal 2040

Amount of reduction in CO₂ emissions (Million tons)



¹ Scope 1 and 2 emissions

² Results for fiscal 2019 differ from figures on p. 35 due to partial changes in the scope of calculation used for CO₂ reduction in the second Medium-Term Environmental Management Plan compared to the first Medium-Term Environmental Management Plan.

Structure*

Under our structure up to fiscal 2019, the Group Environment & Safety Committee, chaired by the officer (director) responsible for the ESG Strategy Development Department, was established under the Group CSR Council, which was chaired by the president of JXTG Holdings. The committee deliberated on matters concerning the environment and confirmed the operational status of the Group's environmental management system (EMS). The committee reported to the Executive Council and the Board of Directors through the Group CSR Council, and was also monitored and supervised by the Executive Council and the Board of Directors.

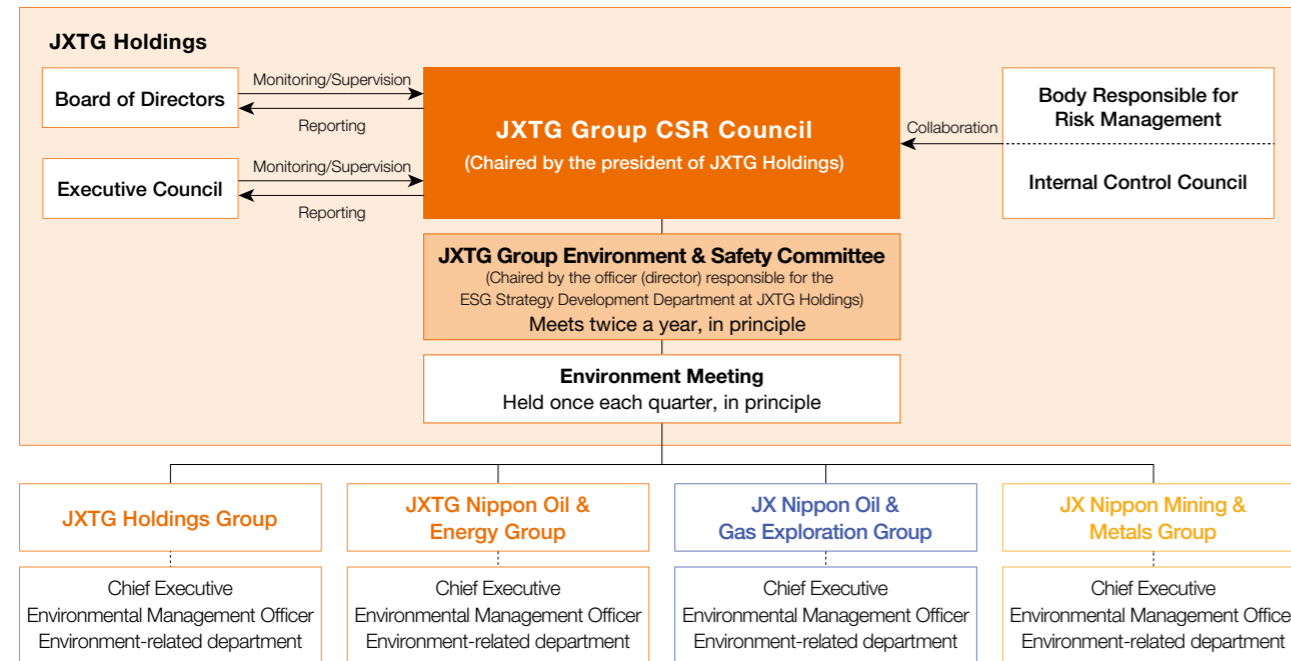
In addition, chief executives and environmental manage-

ment officers have been appointed for EMS operation, and environment-related departments have been established at each Group company.

The Group has also obtained certification for ISO 14001, a set of international standards for environmental management, at many of its business sites where the EMS has been adopted (70 business sites in total). Fifty-four of these business sites have obtained certification, for a certification rate of 77%.

From fiscal 2020, we will transition to a structure where the Executive Council will be responsible for comprehensive deliberations and review and evaluation of activities in order to promote more effective ESG management and greater operational efficiency. See p. 9 "ESG Management Structure" for details.

JXTG Group Environmental Management Structure (Up to Fiscal 2019)



Note: See p. 7 for more information about the ESG management structure.

* JXTG Group names (before the change in trade names) are used in describing our structure up to fiscal 2019.

Major Initiatives

Environmental Education

With the aim of raising environmental awareness even further, the Group distributes environmental newsletters, holds e-learning sessions and provides regular classification-leveled education, training and drills for all employees to instill awareness of the Group's basic environmental policies and business plans, including environmental business plans, and various laws and regulations, and also to ensure basic knowledge of the environment and provide information about environmental trends in Japan and overseas.

Environmental Audits

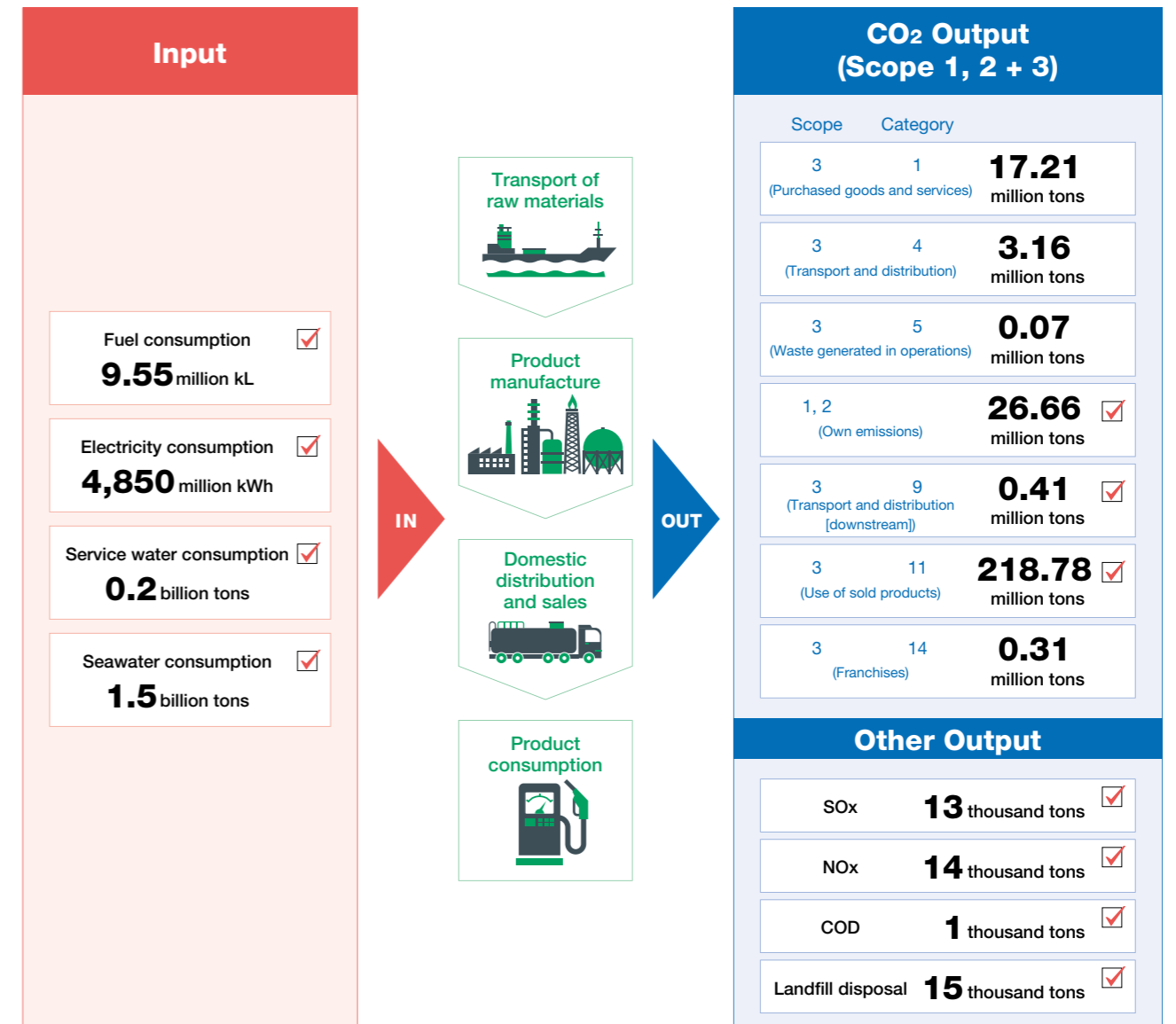
All business sites that have obtained ISO 14001 certification are subject to regular internal audits based on the requirements of the standard in order to confirm and evaluate the effectiveness and conformance of their EMS activities. They also undergo an annual review by a third-party certification body to maintain their certification.

Environmental Accidents

As in fiscal 2018, there were no environmental accidents in fiscal 2019. Going forward, we will continue our accident prevention efforts.

Overview of the ENEOS Group's Environmental Impact

Input-Output of the ENEOS Group (Results from Fiscal 2019)



Notes: CO₂ emissions calculated based on the Act on Promotion of Global Warming Countermeasures. CO₂ emissions from the consumption of electricity calculated using *Emission Factors by Business Operator*. Contains data for items with CO₂ emissions of 1% or above for the applicable category. (Categories with less than 1% are Category 6: Business Travel, and Category 7: Employee Commuting.) CO₂ emissions attributable to use of sold products calculated using the latest oil product sales volumes (for ENEOS Corporation) based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain. Scope 3 emissions are for ENEOS Corporation.

Initiatives to Prevent Global Warming

Basic Approach

The ENEOS Group is working to reduce CO₂ emissions across the entire supply chain in order to contribute to the development of a low-carbon society. To achieve this, we are reducing CO₂ emissions by promoting energy conservation during the production stage (business activities), as well as developing and selling environmentally friendly products that have a lower environmental impact, while also expanding our renewable energy business.

For information on our structure, see p. 37.

Response to Climate Change

Based on the results of environmental impact assessments conducted under the environmental management system at our refineries and other business sites, we carry out emergency training drills for flooding and tidal surges and implement initiatives to prevent heat stroke.

For a description of our company-wide initiatives on climate change and information on TCFD, see p. 25.

Initiatives at Production Sites* ♥

Energy Conservation

The Group's CO₂ emissions in fiscal 2019 totaled 27.07 million tons, slightly less than the previous fiscal year.

At our refineries and plants, we are engaged in efforts to increase the number and efficiency of heat exchangers and introduce higher efficiency rotary equipment.

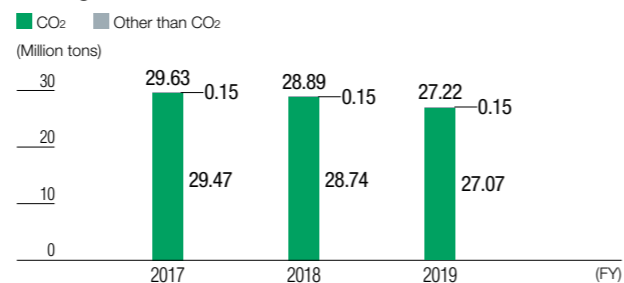
Our crude oil refining energy consumption intensity worsened by 0.05 points due to a lower operation rate and other factors.

The energy consumption intensity of our smelting and refining facilities was 13.4 GJ/t, slightly worse than the previous year, and the intensity of CO₂ emissions was 0.70 t-CO₂/t, an improvement compared to the previous year.

In fiscal 2019, the Group invested around 10.6 billion yen in facilities for energy conservation. Going forward, we remain committed to promoting greater energy conservation by introducing energy-saving technologies and optimizing operations at our refineries and plants.

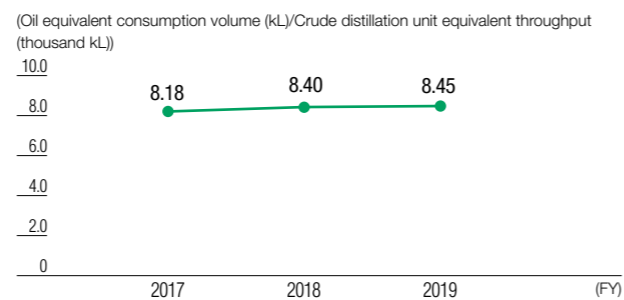
* Scope 1 and Scope 2 as defined in the GHG Protocol.

Changes in Total GHG Emissions ✓



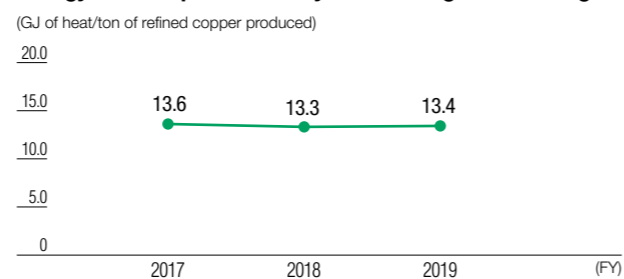
Notes: Calculated in accordance with the Act on Promotion of Global Warming Countermeasures. For detailed data, see p. 89 of the Data section.

Energy Consumption Intensity for Oil Refining ✓



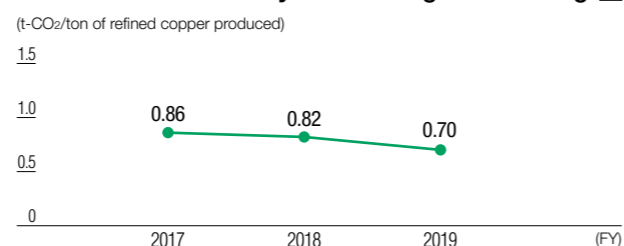
Note: Covers the refining sites of the ENEOS Group.

Energy Consumption Intensity for Smelting and Refining ✓



Note: Covers the smelting and refining sites of the JX Nippon Mining & Metals Group.

CO₂ Emissions Intensity for Smelting and Refining ✓



Note: Covers the smelting and refining sites of the JX Nippon Mining & Metals Group.

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

Breakdown of GHG Emissions Other Than CO₂ (Fiscal 2019) ✓

Total GHG emissions other than CO ₂	Tons	151,280
1. CH ₄ (methane)	Tons	46,691
2. N ₂ O (nitrous oxide)	Tons	98,444
3. HFCs (hydrofluorocarbons)	Tons	5,970
4. PFCs (perfluorinated compounds)	Tons	0
5. SF ₆ (sulfur hexafluoride)	Tons	175
6. NF ₃ (nitrogen trifluoride)	Tons	0

The main greenhouse gases other than CO₂ include CH₄, produced during crude oil extraction, and N₂O, which is emitted from heating furnaces during the oil refining process.

We will continue working to lower these and other GHG emissions.

Initiatives for Operations Outside of Production Sites* ✓ ♥

The Group's CO₂ emissions from the use of sold products in fiscal 2019 totaled 218.78 million tons.

The ENEOS Group is working to reduce CO₂ emissions outside of its production sites by selling environmentally friendly products. Currently, we are working toward our target of reducing these emissions by 1.2 million tons in fiscal 2020, compared to fiscal 2009.

* Scope 3 as defined in the GHG Protocol.

R&D

In fiscal 2019, the ENEOS Group spent a total of around 20.9 billion yen on research and development.

The ENEOS Group is moving ahead with research in the following fields in order to address climate change issues.

- Rationalization and streamlining of oil refining processes
- Technical development for biofuels
- Technical development for the manufacture, storage, transport and supply of hydrogen, which contributes to the effective use of renewable energy
- Development of process for recycling plastics into raw materials for chemicals using advanced plastics recycling technology
- Development of environmentally friendly products (fuel-efficient automotive lubricants, etc.)

Establishment of ENEOS Lab with Waseda University as a Joint Collaboration Base

In November 2019, ENEOS concluded an agreement with Waseda University on comprehensive collaboration activities to promote innovation toward achieving a sustainable society. Accordingly, the ENEOS Lab will be established at Waseda University. Under this agreement, we aim to address a number of social issues, including carbon reduction, through comprehensive and multi-disciplinary open innovation.

As a specific initiative, ENEOS Lab will conduct innovative research on CO₂ reduction, including development of fuel and chemical manufacturing technology, mainly from CO₂. In addition, the lab will focus on speeding up joint research for open innovation and developing human resources.

Supporting Research on Hydrogen Energy Supply through the ENEOS Hydrogen Trust Fund

ENEOS established the ENEOS Hydrogen Trust Fund in March 2006 in order to help speed up the realization of a hydrogen society.

The fund is Japan's first public trust specializing in supporting research on the supply of hydrogen energy. The fund is large enough that a stable supply of research grants worth 50 million yen each year (up to 10 million yen per project) can be provided for 30 years to support innovative and pioneering basic research into hydrogen energy supply systems.

Procurement/Transport

With regard to marine transportation, which primarily involves the transport of crude oil to Japan, the Group is making active efforts to use oil tankers with superior delivery efficiency and fuel efficiency, and to improve fuel consumption by optimizing transportation routes and controlling navigation schedules and speeds.

Regarding land transportation, in addition to consolidating oil depots and improving the distribution efficiency of tank trucks, the Group is working to reduce fuel consumption through efforts such as insisting that drivers turn off their engines when stopped.

Distribution

The Group is actively implementing power-saving measures at its service stations nationwide through efforts such as the installation of photovoltaic power generation systems and the adoption of LED lighting.

Consumption

The Group is promoting greater energy conservation at the consumption stage through the development and sale of environmentally friendly products, which contribute to a lower environmental impact. We have also specified standards and procedures for certification of our environmentally friendly products and services and manage these appropriately.

Main environmentally friendly products

- Fuel-efficient lubricants
- Specialized fluids for electric vehicles and hybrid vehicles
- Natural gas (LNG)
- Liquid crystal polymers
- Electricity generation using renewable energy

See the following for more information on ENEOS' environmentally friendly products. (Available in Japanese only)
<https://www.eneos.co.jp/ecoproducts/>

Renewable Energy and Hydrogen Supply Business Initiatives

As an initiative for the use and supply of low-carbon energy, the Group operates a renewable energy power generation business, which leverages renewable energy sources such as solar power, wind power and hydropower, and a hydrogen supply business.

Generation Capacity by Energy Source (As of June 2020)

Thermal (11 sites)	Oil, etc. (10 sites)	1,077 MW
	LNG (1 site)	421 MW
Solar (18 sites)		46 MW
Hydro (1 site)		5 MW
Wind (2 sites)		4 MW
Geothermal (1 site)		0.1 MW
Biomass (1 site)		68 MW

Note: Thermal capacity does not include refinery in-house power generation.

Renewable Energy Power Generation (Fiscal 2019)

Solar	55,455 MWh
Hydro	23,340 MWh
Wind	4,085 MWh
Geothermal	277 MWh

Note: The GHG emission factor for ENEOS' electric power business in 2018 was 0.000494 t-CO₂/kWh (after adjustment) as published by the Ministry of the Environment and Ministry of Economy, Trade and Industry in the *Fiscal 2018 Results - R2.1.7*.

Advancement of Renewable Energy Power Generation Business

In order to contribute to the reduction of CO₂ emissions through the use of clean energy, the ENEOS Group is actively engaged in the mega solar power generation business using its idle land.

Beginning with the start of commercial operation of the Sendai Mega Solar Power Plant in February 2013, the Group has established mega solar power plants in 18 locations nationwide as of June 2020.

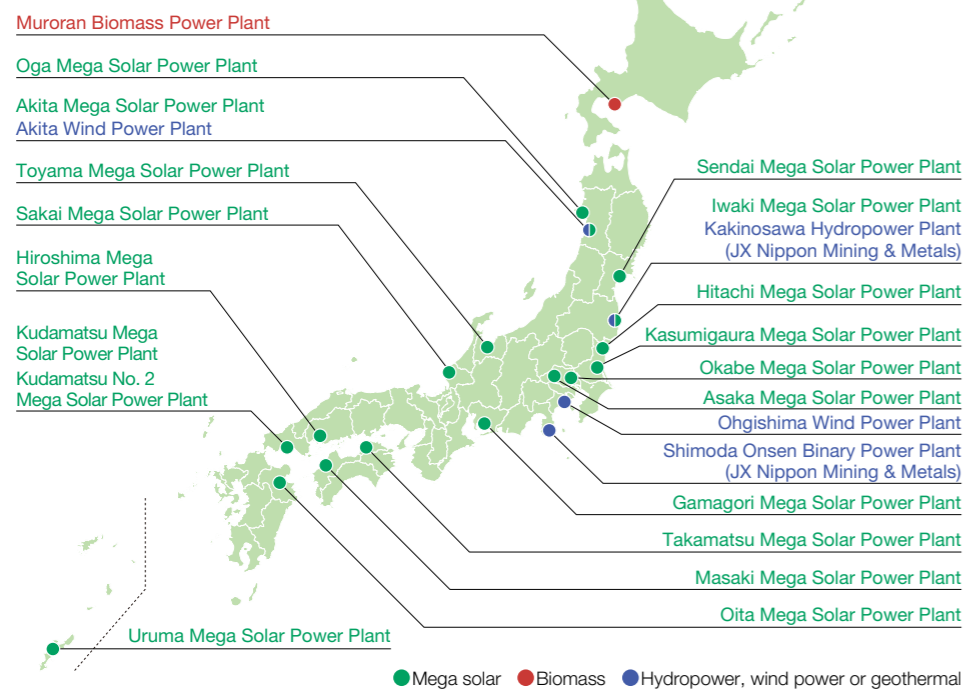
The Group is also actively advancing power generation businesses using renewable energies other than solar, including biomass, hydropower, wind power and geothermal. In May 2020, the Muroan Biomass Power Plant commenced commercial operations, bringing the total generation capacity of our portfolio to approximately 121 MW as of June 2020.

Outside of Japan, the Group is participating in an offshore wind farm project in Taiwan, which is slated to begin operations by December 2021.

By the end of fiscal 2022, our goal is to expand the total generation capacity of our renewable energy power generation portfolio in Japan and overseas to more than 1,000 MW.

We will expand our renewable energy business as a mainstay of the ENEOS Group's future businesses while contributing to the achievement of the 3E+S (energy security, economical efficiency and environment plus safety) in a low-carbon society.

Renewable Energy Power Plants



Muroan Biomass Power Plant



Shimoda Onsen Binary Power Plant



Kudamatsu Mega Solar Power Plant

Building an Integrated Hydrogen Supply System, from Production to Transport and Sales

Hydrogen is a clean energy source that does not emit CO₂ during use. Because it enables the use of renewable energy and untapped energy sources in manufacturing processes, hydrogen is considered an important form of clean energy for the future.

In Japan, hydrogen use has already begun in the field of mobility. As of September 30, 2020, there were around 3,800 fuel cell vehicles (FCVs) nationwide and 133 hydrogen stations, 43 of which are operated by ENEOS.

ENEOS is also working to build an international supply chain for the supply of CO₂-free hydrogen. As part of this effort, in 2019 we became the first in the world to successfully verify a technology for the low-cost manufacture of methylcyclohexane, an organic hydride*, by using electricity generated by solar power for direct electrolysis hydrogenation of toluene. We will move ahead with further research for the establishment of a business model for the large-scale import and supply of

CO₂-free hydrogen produced from renewable energy.

Additionally, we are studying commercial application of this technology as a corporate member of the CO₂-free Hydrogen Energy Supply-chain Technology Research Association (HySTRA).

* A substance that can store and transport hydrogen. It maintains a liquid state at ambient temperature and pressure, making it easy to handle.



Hydrogen Manufacturing and Shipment Center (Naka Ward, Yokohama City)

Balancing Oil/Gas Exploration and Reduction of CO₂ Emissions

Initiatives in CO₂-EOR Technology and CCS Technology

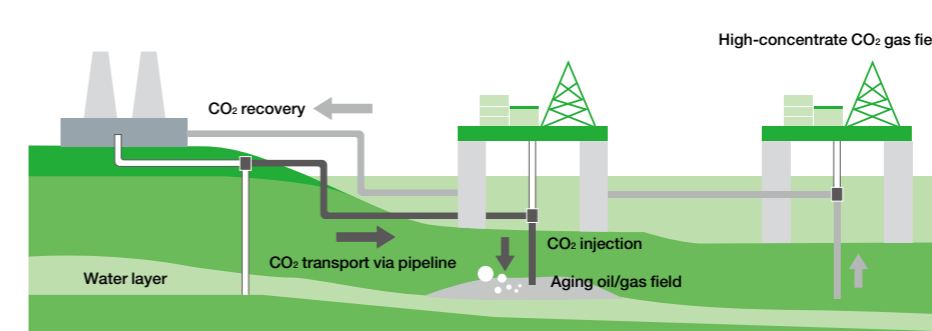
JX Nippon Oil & Gas Exploration carries out its business activities with attention to the reduction of greenhouse gas emissions, a cause of global warming.

The company is taking part in a project in the state of Texas in the United States to increase output from a depleted oil field by injecting CO₂ recovered from the flue gas of a thermal power plant. Since April 2017, a total of 3.67 million tons of CO₂ has been injected into the oil field through this

project, greatly contributing to increasing oil output and lowering greenhouse gas emissions using CO₂-EOR (enhanced oil recovery) technology.

In October 2018, together with Japan Oil, Gas and Metals National Corporation (JOGMEC), we concluded a memorandum of understanding with Pertamina, Indonesia's state-owned oil company, to consider joint projects for the entire upstream business, including utilization of CO₂-EOR technology. Furthermore, in March 2020, together with JOGMEC, we concluded a joint study agreement with Petronas, Malaysia's state-owned oil company, for gas field development using CCS (CO₂ capture and storage) technology, in which CO₂ emitted from gas fields is recovered and injected underground.

CO₂ Separation and Recovery in a Gas Field in Malaysia



CO₂ recovery plant (state of Texas in the United States)

Initiatives to Promote the 3Rs (Reduce, Reuse, Recycle)

Basic Approach

As part of our efforts to contribute to the development of a recycling-oriented society, the ENEOS Group promotes the effective use of resources and the reduction, reuse, and recycling of waste within the Group. We also contribute to waste reduction and resource recycling in greater society through our recycling and environmental services business.

For information on our structure, see p. 37. Information on our targets can be found in the Medium-Term Environmental Management Plan section on p. 35.

Major Initiatives

Industry-Academia Collaboration

In recent years, the number of researchers and engineers in Japan working in fields related to smelting, refining and recycling nonferrous metals has been declining. In response to this situation, JX Nippon Mining & Metals, in collaboration with the Institute of Industrial Science, the University of Tokyo, launched the Endowed Unit for Nonferrous Metal Resource Recovery Engineering (JX Metals Endowed Unit) with the aim of unifying the forces of industry, academia and government to energize the industry and raise the level of its efforts. Through industry-academia collaboration, the JX Metals Endowed Unit carries out various initiatives for the development of human resources to work on the utilization and development of smelting and refining technologies and in the fields of nonferrous base metals and rare metals.

Research and Development Initiatives

JX Nippon Mining & Metals built a testing facility in Tsuruga City, Fukui Prefecture, in 2010 to develop recycling technologies for lithium ion batteries. It is now working on developing technologies for recovering rare metals such as cobalt and lithium from these batteries.

As part of this effort, the company has almost established a fundamental technology to extract, from materials recovered from lithium ion batteries, nickel sulfate and cobalt sulfate of sufficient quality to be reused as raw materials in the manufacture of lithium ion batteries. In this manner, we are actively working to achieve closed loop recycling.

ENEOS is conducting a verification trial for recycling plastic

waste into oil using refineries. At the Kashima industrial complex, ENEOS has established a limited liability partnership through a joint investment with Mitsubishi Chemical Corporation, and through this collaboration we are studying technologies for the chemical recycling of plastic waste into raw materials for oil refining and petrochemicals.

Initiatives to Reduce Waste

In fiscal 2019, waste totaled 1.829 million tons, and landfill waste after recycling and reuse efforts totaled 15 thousand tons.

The waste-to-landfill ratio was 0.8%, indicating that we continue to achieve zero emissions (waste-to-landfill ratio of less than 1%).

Specific initiatives for waste reduction include using the collected particulate matter and sludge released from oil refineries as raw materials for cement, and the repeated use of neutralized slag¹ at our smelting and refining facilities.

In addition, we use LCA methodology² in evaluating the development of certain lubricant products.

Zero emissions has also been highlighted as a Group objective in the ENEOS Group Medium-Term Environmental Management Plan and environmental targets. With this in mind, we will continue to implement proper waste management and recycling programs.

¹ Product generated by the neutralization reaction in the smelting process.

² LCA methodology involves quantitatively evaluating the environmental effects of product manufacturing throughout the entire life cycle, from procurement of raw materials to manufacturing, transport, use, and disposal. LCA is an acronym for "life cycle assessment."

Waste-to-Landfill Ratio and Landfill Disposal Volume



Note: For detailed data, see p. 89 of the Data section.

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

Initiatives for the Effective Use of Resources

The ENEOS Group is working to reduce its use of raw materials by streamlining production and expanding the use of recycled raw materials.

JX Nippon Mining & Metals promotes the effective use of resources by efficiently recovering copper, precious metals, and rare metals from recyclable resources, drawing from processes that utilize our smelting technology, developed over the course of more than a century. In fiscal 2019, 263 thousand tons of the 2.699 million tons of raw materials used in the company's business activities were recycled resources.

Recycling and Environmental Services Business

JX Nippon Mining & Metals is engaged in an integrated range of businesses related to nonferrous metals such as copper, precious metals and rare metals. These organically related businesses encompass resource development, metal smelting and refining, recycling and environmental services, and the provision of high-value-added materials, such as electronic materials. Our recycling and environmental services business, which is a "vein" of this value chain, includes environmental services for detoxifying industrial waste and the recycling of materials containing nonferrous metals into refined metals. Utilizing the key features and strengths of this business, including zero emissions, proprietary treatment processes based on smelting and refining technologies, and a global collection network, we contribute significantly to the development of a sustainable, recycling-oriented society.

Key Features and Strengths of the Recycling and Environmental Services Business

(1) Zero Emissions

In the processes for detoxification of industrial waste and conversion of recycled materials into reusable resources as refined metals, we are pursuing zero emissions, where no secondary waste that requires landfill disposal is produced. Iron and other ferrous metals other than nonferrous metals are recovered as slag and used as raw materials for cement and other purposes. By preventing the generation of secondary waste, we are reducing our environmental impact.



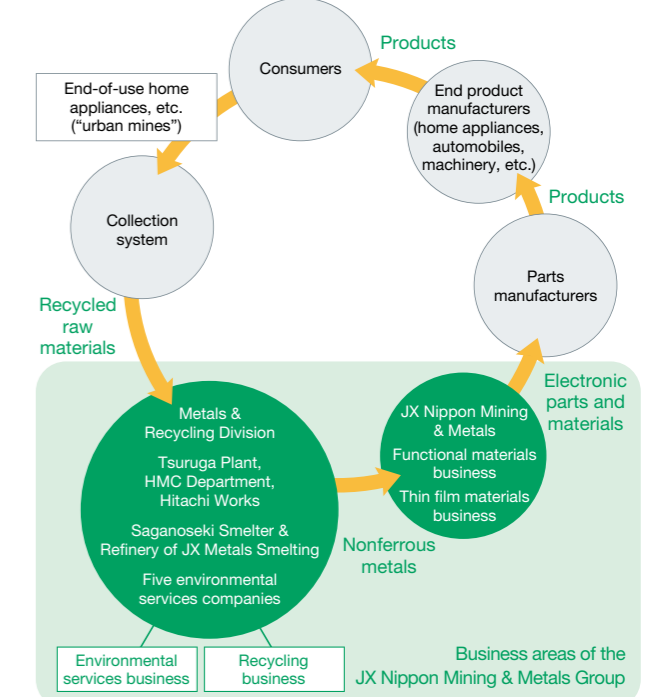
HMC Department, Hitachi Works

(2) JX Nippon Mining & Metals' Proprietary Treatment Processes Based on Smelting and Refining Technologies

The recycling of nonferrous metals is carried out using efficient and reliable proprietary treatment processes based on technologies developed by JX Nippon Mining & Metals over many years through its operations at mines, smelters, and refineries.

At the JX Metals Smelting Saganoseki Smelter & Refinery, which boasts Asia's largest treatment capacity for recycling copper and precious metals, energy is conserved by using the excess heat generated from copper concentrate smelting for melting recycled materials.

Resource-Recycling Initiatives in Pursuit of Zero Emissions



(3) Global Collection Network

At Group companies in Tomakomai (Hokkaido), Hitachi (Ibaraki Prefecture), Mikkaichi (Toyama Prefecture), Tsuruga (Fukui Prefecture), and Saganoseki (Oita Prefecture), we recycle and detoxify recycled materials and industrial waste collected through the nationwide collection network we have built. As the amount of scrap generated in Japan has declined, we are enhancing our collection operations overseas and have established a collection and pre-treatment site in Taichung, Taiwan, and an operating site in Arizona, the United States.

Management of Chemical Substances

Basic Approach

Based on laws and regulations such as the Pollutant Release and Transfer Register (PRTR) Law, the ENEOS Group strives to properly manage chemical substances and reduce emissions of such substances. In addition, we are shifting to chemicals with lower impacts on health and the environment.

We are also committed to properly managing chemical substances not covered by these laws and regulations.

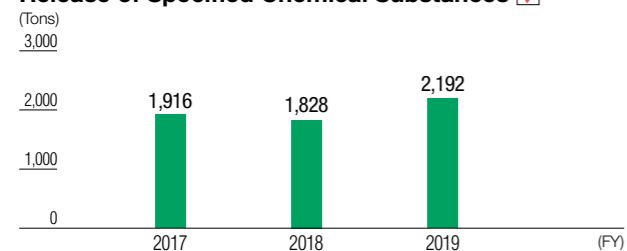
Major Initiatives

Management and Monitoring of Specified Chemical Substances under Japan's Pollutant Release and Transfer Register Act

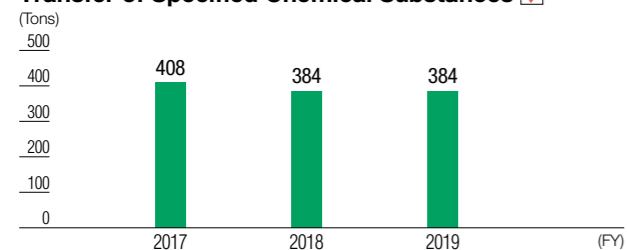
The ENEOS Group manages and monitors the release and transfer amounts of specified chemical substances, such as benzene, toluene, and xylene, which are found in gasoline, based on Japan's Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Pollutant Release and Transfer Register Act).

For fiscal 2019, the emission volume of these substances was 2,192 tons, an increase of 364 tons from the previous fiscal year, while the transfer volume was 384 tons, the same as the previous fiscal year.

Release of Specified Chemical Substances



Transfer of Specified Chemical Substances



Note: For detailed data, see p. 89 of the Data section.

Management and Detoxification of PCB¹ Waste Based on the PCB Special Measures Act

The Group carries out storage notification and systematic treatment of PCB waste based on Japan's Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Act).

JX Nippon Tomakomai Chemical, which has been certified by the Minister of the Environment to provide low-concentration PCB waste treatment, carries out detoxification operations, thereby contributing to compliance with the Stockholm Convention on Persistent Organic Pollutants².

For details, see p. 46.

¹ Polychlorinated biphenyl (PCB): Due to its excellent electric insulation properties, this chemical compound was used mainly in applications such as insulating fluids for transformers and capacitors, and carbonless copiers. However, its production and import are now prohibited.

² A treaty regulating the production, use, and proper treatment of persistent organic pollutants, including PCB.

Detoxification of Waste Asbestos

The treatment of waste, including asbestos, which was used in large quantities in the past, has become a major social issue.

JX Nippon Environmental Services melts down and detoxifies asbestos, responding to society's need for waste treatment. In fiscal 2019, the company treated approximately 4,323 tons of waste asbestos.

Compliance with Domestic and International Regulations

Laws and regulations on the handling of chemical substances are being developed both in Japan and abroad to protect the environment, as well as safety and health. There are also cases where countries have newly implemented chemical substance registration systems or modified existing ones. The ENEOS Group is now implementing necessary measures to comply with these laws and regulations.

For example, following revisions to South Korea's Act on Registration and Evaluation of Chemical Substances, we completed pre-registration of the required chemical substances and we are now moving ahead with preparations for our main registration.

Compliance with the REACH Regulation

We have registered substances contained in ENEOS Group products exported to the EU with the European Chemicals Agency (ECHA) in accordance with the REACH Regulation.

Guidelines on Chemical Substances in Our Products and Management of Chemical Substances

ENEOS has voluntarily established standards for managing the chemical substances used in its products. We have specified prohibited or obsolete substances (such as most organochlorine

compounds, mercury compounds, and lead compounds) and substances that require monitoring (such as phthalates and VOCs including toluene, xylene and the like) to better manage their use in products, and we are working to mitigate any harmful effects they may have.

In addition, we provide essential product safety information to customers and others involved with our products using methods such as safety data sheets (SDS). In the event that we obtain new information about any hazards or environmental impacts of our products, we promptly update the relevant SDS.

Low-Concentration PCB Waste Detoxification (JX Nippon Tomakomai Chemical)

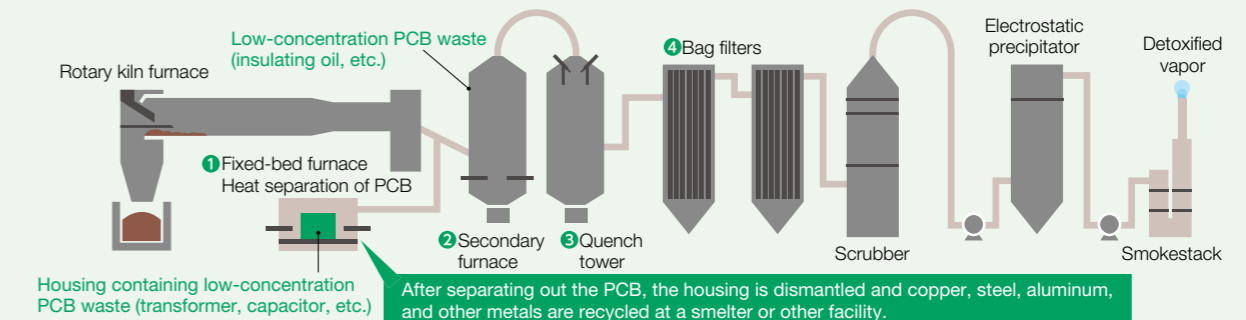
Since March 2014, when JX Nippon Tomakomai Chemical received certification from the Minister of the Environment as the first low-concentration PCB waste detoxification facility in Hokkaido, the company has been working to improve its treatment capacity.

A deadline of March 31, 2027 has been prescribed by law for disposal of waste materials containing PCB. By that date, the owner must either dispose of such materials or have their disposal handled by an agent. However, there are only 27 incineration facilities in Japan, including JX Nippon Tomako-

mai Chemical, capable of detoxifying not only low-concentration PCB waste materials but also the transformers, drums, and other housings that contain them. Moreover, there are only 12 treatment facilities that perform decontamination by means of cleaning processes. The number and capacity of these facilities is still inadequate to meet the demand for low-concentration PCB waste disposal.

Moving forward, we will maintain stable operations for the treatment of industrial waste as part of our efforts to contribute to the environmental conservation of local communities.

Process for Complete Detoxification of Low-Concentration PCB Waste



JX Nippon Tomakomai Chemical rotary kiln furnace

Changes Since Initial Certification

	Treated items	Treatment capacity
March 2014 (certification by Minister of the Environment)	Transformers Metal scrap (drums, etc.) Waste oil containing low-concentration PCB	Solids: 6 tons/day (3 batches of 2 tons each) Waste oil: 8.4 kL
March 2015	Waste materials from outside Hokkaido can be accepted without the need for advance consultation with local governments	
September 2015 (additional certification by Minister of the Environment)	Increased size of objects that can be treated Width: 2.5 meters / Depth: 1.5 meters / Height: 2.3 meters Additional treated items: Capacitors Metal coating scrap containing low-concentration PCB	Increase in treatment capacity Solids: 12 tons/day (3 batches of 4 tons each)
March 2018 (certification by Minister of the Environment)	Additional treated item: Inorganic sludge (concrete scrap)	

Initiatives to Prevent Environmental Pollution

Basic Approach

In addition to complying with relevant laws and regulations, the ENEOS Group works to maintain and conserve natural resources such as water, soil, and the atmosphere by curbing the further release of environmental pollutants, effectively utilizing water resources, and other measures.

To prevent environmental pollution, we continuously work to mitigate risks by improving our facilities and conducting emergency response and other training drills covering items identified as serious concerns from an environmental perspective through the environmental management system of each company.

For information on our structure, see p. 37. Information on our targets can be found in the Medium-Term Environmental Management Plan section on p. 35.

Initiatives to Reduce the Release of Air Pollutants

Reducing SOx Emissions

Sulfur oxides (SOx), which are known to cause acid rain, are released into the atmosphere mainly as a component of exhaust gases from combustion facilities.

The ENEOS Group carries out measures such as using fuels with low sulfur content, removing SOx using flue gas desulfurizers, and managing emissions using voluntary standards.

13 thousand tons of SOx were emitted in fiscal 2019, about the same as the previous fiscal year.



Sulfur recovery unit

Reducing NOx Emissions

Nitrogen oxides (NOx), like SOx, are known to cause acid rain and are released into the atmosphere mainly as a component of exhaust gases from combustion facilities.

The ENEOS Group carries out measures such as using low-NOx boilers at combustion facilities, removing NOx using flue gas denitrizers, and managing emissions using voluntary standards.

14 thousand tons of NOx were emitted in fiscal 2019, a decrease of 3 thousand tons from the previous fiscal year.



Flue gas denitrizer

Reducing VOC Emissions

Volatile organic compounds (VOCs), which are thought to produce photochemical oxidants through a photochemical smog reaction with NOx and ultraviolet rays from sunlight, are released from places such as storage facilities for petroleum products.

The ENEOS Group has installed VOC recovery equipment in storage facilities and truck loading facilities.

14.3 thousand tons of VOCs were released in fiscal 2019, a decrease of 0.5 thousand tons from the previous fiscal year. The decrease can be attributed to a decline in the storage and handling volume of gasoline intermediates.

VOC Recovery

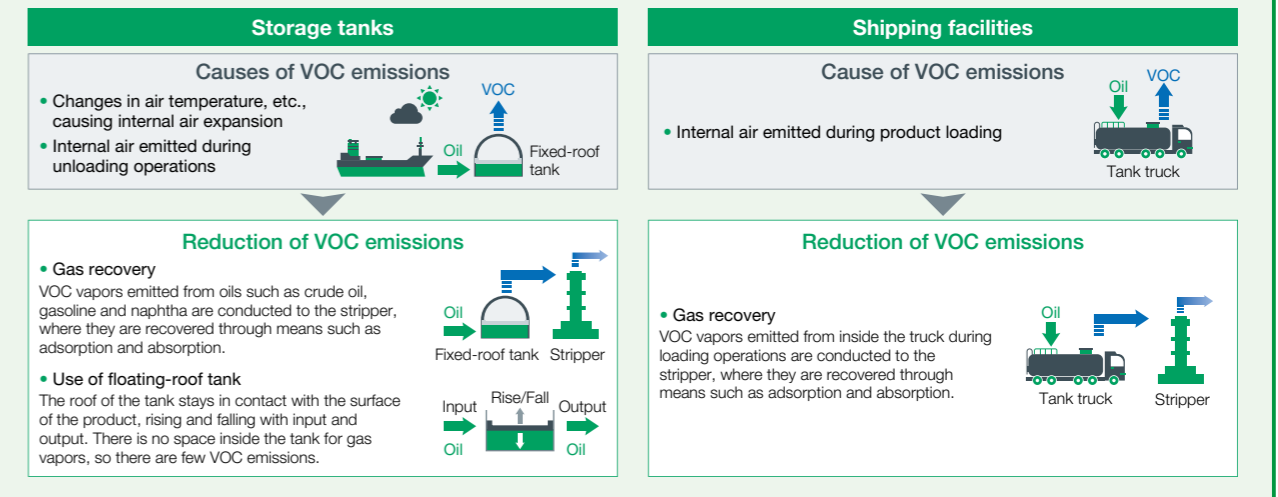
Volatile organic compounds (VOCs) containing hydrocarbons are released into the air whenever gasoline is pumped from a tank truck into a storage tank at a service station. These VOCs are not only a source of photochemical oxidants, but also cause irritating odors in neighboring communities and can adversely affect the health of both customers and employees.

Therefore, ENEOS has installed recovery equipment on the ventilation ducts of service station storage tanks, which enables tank trucks to recover these VOCs so that they are not released into the atmosphere.

The ENEOS Group's Kiire Terminal recovers, without releasing, the gases that have accumulated inside tankers when loading crude oil, and reuses the VOCs contained in these gases by absorbing them into the crude oil. Gases, including odor-causing ones, that are not absorbed are broken down.

The Group was the first in the world to implement this mechanism. This technology is contributing to the advancement of environmental conservation measures and the effective utilization of energy.

VOC Emissions and Reduction Measures at Refineries



Effective Utilization of Water Resources and Reducing the Release of Water Pollutants

Effective Utilization of Water Resources

The ENEOS Group uses water for purposes such as operating and cooling power generation facilities at refineries and smelters. Approximately 90% of this water is seawater.

In fiscal 2019, the volume of water used was 1.72 billion tons, and the water discharge volume was 1.62 billion tons.

For the effective use of water resources, the ENEOS Group recycles approximately 97% of the water used for cooling at its refineries. To reduce the amount of water used, smelters that use seawater for cooling have also partially switched to recycled water.

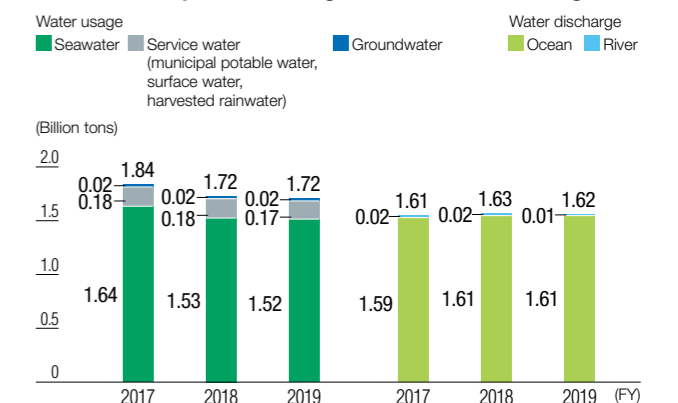
As part of our continuous efforts to ascertain the status of water resources, we use tools, such as water risk maps from the World Resource Institute, to verify whether the locations of our business sites in Japan and overseas are in areas of elevated water risk.

At the Caserones Copper Mine in Chile, where there is a high risk of drought, approximately 80% of the water used in the

production process is recycled. As an operating mine, it has the lowest level in Chile of water usage per ton of ore processed.

At each of its refineries and smelters, the Group has implemented environmental management systems, which are utilized to assess the environmental impact of water usage and respond accordingly.

ENEOS Group Water Usage and Water Discharge



Note: For detailed data, see p. 89 of the Data section.

Reducing the Release of Water Pollutants

We manage and monitor pollutants in wastewater through regular maintenance of water treatment facilities based on voluntary standards that are more rigorous than laws, regulations, ordinances, and agreements, including Japan's Water Pollution Prevention Act.

In addition to our efforts at refineries and smelters, we carry out continuous operations for the treatment of acid mine drainage at closed mines.

In fiscal 2019, there were no violations of laws, regulations or voluntary standards concerning water pollution.

Management of Closed Mines

Of the 39 closed mines managed by JX Nippon Mining & Metals, acid mine drainage (AMD) treatment is an ongoing obligation at 12 mines pursuant to the Mine Safety Act. Therefore, JX Nippon Mining Ecomanagement manages these operations in the interest of maintaining and restoring the surrounding environment.

The main operations in the management of closed mines include the treatment and detoxification of AMD, which is strongly acidic and contains heavy metals from ores remaining in the mines and tailings, as well as the maintenance and protection of tailings and mine shafts.

AMD comes from the mine water welling up from mines and wastewater discharged from mining facilities. It is generated continuously after a mine is closed as a result of the chemical reaction of rainwater and other water coming in



Motoyama AMD treatment facility at Toyoha Mine



Gallery inspection at Hanawa Mine

Preventing Marine Pollution

With regard to marine transport of oil, the ENEOS Group is required to comply with the International Convention for the Prevention of Pollution from Ships (MARPOL), an international convention developed by the International Maritime Organization (IMO) that includes regulations for the prevention of environmental pollution by oil and the prohibition of waste discharge into oceans and seas.

In addition to fully complying with this convention, we take further steps to prevent marine pollution, such as taking incinerator ash as defined in the convention back to land for proper disposal rather than discharging it into the ocean.

We established a new manufacturing method and a shipment system for low-sulfur marine fuel in accordance with the introduction of worldwide environmental regulations by the IMO in January 2020.

contact with ores remaining in the mines and tailings in the dams and surrounding altered rock. Therefore, the operation of treatment facilities must be maintained continuously.

Closed Mines Where AMD Treatment Is Carried Out

● Twelve closed mines where AMD treatment is carried out



Soil Surveys and Countermeasures in Fiscal 2019

(Expenditure: million yen)

	Surveys		Countermeasures	
	Number of cases	Expenditure	Number of cases	Expenditure
Service stations	107	188	24	325
Oil depots	10	8	0	0
Refineries/Business sites	2	7	0	0
Total	119	203	24	325

Note: ENEOS

Soil Contamination on Group Property Reported in Fiscal 2019

Category	Location	Survey results				Status
		Soil		Groundwater		
		Substance	Scale factor	Substance	Scale factor	
Idle land	Aichi	Benzene	140	Benzene	3.5	Countermeasures currently under implementation
In operation	Hokkaido	Benzene	60	Benzene	140	Countermeasures currently under implementation

Note: ENEOS

Soil Contamination Countermeasures

ENEOS performs systematic surveys on land that it owns that has the potential for soil or groundwater contamination, focusing particular efforts on property where refineries, oil depots, service stations and other facilities are located. If pollution is detected, we implement appropriate countermeasures to address it.

In addition, NIPPO Corporation, an ENEOS Group company, has been involved in the contamination purification business since before Japan's Soil Contamination Countermeasures Act took effect.

Initiatives for Biodiversity

Basic Approach

The operations of the ENEOS Group may impact the environment surrounding our operation and production sites. Given the nature of our business, we consider biodiversity conservation to be an important effort, as stated in the ENEOS Group Code of Conduct.

We carry out initiatives with attention to biodiversity in all aspects of our business activities. These initiatives include the implementation of environmental impact studies when establishing new operation and production sites in order to obtain an accurate understanding of local ecosystems, including plants, birds and other animals, and marine life.

For information on our structure, see p. 37. For information on our environmental targets, see our Medium-Term Environmental Management Plan on p. 35.

Major Initiatives in Japan

As part of its efforts to preserve biodiversity, ENEOS, which has many production sites, has established the Energy Group* Guidelines on Biodiversity, and it also carries out activities for the preservation of vibrant biodiversity as one way of participating in community efforts to preserve biodiversity and maintaining ecosystem networks in the large nearby green areas.

At our other business sites as well, we carry out environmental conservation activities suited to the surrounding environments.

We also carry out activities such as regular environmental training for employees and community contribution activities related to environmental conservation.

* ENEOS Group companies

Energy Group Guidelines on Biodiversity

Basic Stance

We will carry out initiatives with attention to biodiversity in every aspect of our business activities, under the recognition that our business activities are deeply related to the Earth's biodiversity.

Action Policy

1. We will ascertain and analyze the impacts of our business activities on biodiversity and strive to make improvements.
2. We will promote activities that contribute to biodiversity preservation, such as nature protection and environmental education.
3. We will disclose and share information on our efforts to preserve biodiversity.

Endorsement of the Declaration of Biodiversity by Keidanren

ENEOS Holdings endorses the Declaration of Biodiversity by Keidanren, which states the aim of "realizing a sustainable society through building a society in harmony with nature."

Involvement in Biodiversity Initiatives

ENEOS has been a member of the Japan Business Initiative for Biodiversity (JBIB), a consortium of businesses actively working to conserve biodiversity in Japan, since 2013.



Initiatives at the ENEOS Chita Plant

The ENEOS Chita Plant is a member of the Ecological Network Formation and Leadership Development Program for Corporate Green Spaces in the Coastal Area of Chita Peninsula and the Project Linking Life with One Another. These initiatives, which involve partnerships among local governments (Aichi Prefecture, Chita City), NPOs, students and companies located in the coastal area, utilize corporate green belts and other areas to provide safe and secure habitats for local flora and fauna.

The plant is working to mainstream biodiversity through measures such as ecosystem surveys (monitoring) of its biotope, conducted with students in the local community. As a result of these activities, the Chita Plant was granted certification by the Association for Business Innovation in Harmony with Nature and Community® (ABINC)* in 2015. This certification was renewed in 2018.

In fiscal 2019, in addition to the biotope, the plant conducted ecosystem surveys (monitoring) on four occasions of the wildfowl and raptors living in the greenbelt. In addition, the plant hosted a nature observation walk, organized by an NPO.



Nature observation walk organized for local children by the NPO Japan Ecologist Association of Support

Initiatives at the ENEOS Negishi Refinery

The ENEOS Negishi Refinery is one of Japan's largest oil refineries, with an area of 2.2 million square meters and a circumference of around 12 kilometers. The area in which it is located has a network of ecosystems with a diverse array of organisms inhabiting an expansive green belt that includes Sankei-en and Negishi Forest Park. Under the concept of creating a satoyama, the Negishi Refinery carries out activities for the conservation of biodiversity utilizing the green belt (approximately 60,000 square meters), a hub for the area's ecosystem network, at the center of the premises.

Ecosystem surveys were begun in fiscal 2013, and in surveys to date, 170 types of living organisms have been observed, indicating that many organisms use this grassy area as their habitat.

From fiscal 2018, we held interactive events and weeded the green belt areas using goats. In fiscal 2019 and beyond, we will step up maintenance and management of the green areas, and we will also enhance our activities there through efforts such as extending goat grazing periods and hosting new events.

As a result of these activities, the Negishi Refinery was granted certification by ABINC* in February 2020.



Interactive event

* ABINC certification is awarded on the basis of the JBIB Guidelines for Sustainable Business Sites and the JBIB Land Use Scorecard developed by the Japan Business Initiative for Biodiversity (JBIB).



ABINC certification mark

Forest Stewardship and Afforestation Activities

ENEOS Group companies are involved in forest stewardship activities that contribute to the preservation of biodiversity.

ENEOS implements forest stewardship activities called ENEOS no Mori at six locations across Japan in partnership with local governments and the National Land Afforestation Promotion Organization (NLAPO).

Since 1998, JX Nippon Oil & Gas Exploration has implemented a forest stewardship project called JX Nakajo Forest for the preservation of pine trees on and around the site of its Nakajo Field Office in Niigata Prefecture. The company was recognized for these initiatives with the 3rd Infrastructure Maintenance Award (Ministry of Agriculture, Forestry and Fisheries; category for activities supporting maintenance) in September 2019.

JX Nippon Mining & Metals is also working to maintain and improve the natural environment by continually engaging in afforestation activities such as tree planting and thinning, mainly at the sites of its closed mines.



ENEOS no Mori activity



JX Nakajo Forest afforestation activity



Infrastructure Maintenance Award presentation ceremony



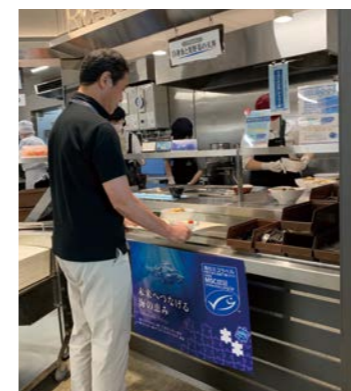
Tree planting in Nikko Ryouju Forest in Nanyo City, Yamagata Prefecture

Providing Sustainable Seafood Menu Options at the Employee Cafeteria

Since 2019, ENEOS Holdings has been offering sustainable seafood* menu options once a month at the ENEOS Building employee cafeteria, used by the Company and its Group companies.

Through this initiative, we are working to raise awareness about biodiversity conservation and environmental conservation among Group employees through food, a part of everyday life.

* The seafood has met the MSC's global standard for sustainability or ASC's global standard for responsibly farmed seafood.



Ordering a menu item at the employee cafeteria

Major Initiatives Overseas

Tree Planting Activities at the Caserones Copper Mine

At the Caserones Copper Mine in Chile, 48,200 seedlings of 15 native flora species are being planted in an area spanning 1.43 square kilometers to protect biodiversity. The areas being planted are those around the Ramadilla River area on the mine site, and the off-site areas around Maitencillo and Amolanas. Completion is slated for 2021.

In addition to planting, efforts are also being made to monitor the native flora and to research the correlation between the propagation and distribution of unique alpine flora located around the mine and the impacts of climate.



Flora found around the Caserones Copper Mine

Measures for Ballast Water (Seawater)

Oil tankers from Japan bound for oil-producing countries carry ballast water (seawater) as weight to maintain stability for unloaded voyages.

However, this ballast water contains microorganisms and plankton that are carried to the waters of oil-producing countries, where, if released, they can disturb the balance of local ecosystems.

Since 2004, the ENEOS Group has replaced this ballast water while still at sea, and installed water treatment systems* for ballast water on its new vessels in an effort to avoid disturbing the coastal waters of oil-producing countries.

* Systems that keep the level of aquatic organisms in ballast water within certain standards prior to release.

Social Report

The ENEOS Group's mission is to harness the Earth's power for the common good and for the day-to-day life of each individual.

To fulfill this mission, we contribute to resolving the challenges faced by internal and external stakeholders.

For data pertaining to the Social Report, please refer to the Data section.

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Safety

Basic Approach

As a corporate group responsible for the stable supply of energy and materials, the ENEOS Group believes that ensuring safe operations is the basis of our business survival and social credibility, as well as the source of our competitive edge.

Based on this understanding, safety has been prioritized in the ENEOS Group Philosophy, and our basic policy on safety and security has been stipulated in the ENEOS Group Code of Conduct.

In addition, based on the above, each Group company has established its own safety policy in accordance with its own business characteristics and assesses risks pertaining to occupational safety, thereby ensuring multiple layers of effective safety activities. Specifically, we aim to enhance our safety activities and safety training programs, in which the employees of our contractor companies also participate, and we have established preventive and emergency measures to cope with all manner of accidents, problems and natural disasters.

We check with our labor unions to make sure efforts are being made to maintain the facilities needed to ensure the health and safety of labor union members (Article 90 of the Ancillary Agreement to the Labor Agreement).

ENEOS Group Code of Conduct (excerpt)

2. Safety and security

- (1) We regard safety and security as the foundation of our business activities, set high safety and security standards, always ensure safety and security, and take appropriate measures to prevent any incidents and injuries.
- (2) We have established preventive and emergency measures to minimize damage to our business sites caused by natural disasters, including earthquakes. We also make every effort to protect the lives and safety of our directors, officers and employees, communities, and others concerned.
- (3) We shall not work under the influence of alcohol or drugs, when ill, or under other conditions where safety cannot be ensured.

ENEOS Group Safety Policies

Each ENEOS Group company has established a policy on occupational health and safety which states its commitment to prioritizing and fully ensuring the safety of its workers.

- ENEOS
We aim to ensure that nobody gets hurt and to eliminate accidents.
- JX Nippon Oil & Gas Exploration
Ensuring that Health, Safety and Environment (HSE) considerations are given prevailing status over our other business considerations.
- JX Nippon Mining & Metals
We place the highest priority on ensuring the health and safety of all people working at the JX Nippon Mining & Metals Group and thereby strive to create a safe and secure workplace.

WEB See the following for further details on the safety policies of the Group's principal operating companies.

<https://www.eneos.co.jp/english/company/policy/>
<http://www.nex.jx-group.co.jp/english/environment/hse/policy.html>
<https://www.nmm.jx-group.co.jp/english/company/policy/safety.html>

Structure

Under our structure up to fiscal 2019, the Group Environment & Safety Committee, chaired by the officer (director) responsible for the ESG Strategy Development Department, was established under the Group CSR Council, which was chaired by the president of JXTG Holdings¹. The committee evaluated and shared information on occupational injuries and the implementation of safety activities at each Group company, and also reviewed and implemented measures to prevent occupational injuries. For information on this structure, see p. 37 "Management Structure."

From fiscal 2020, we are responding to various issues in a more agile manner under our new ESG management structure².

¹ JXTG Group names (before the change in trade names), are used in describing our structure up to fiscal 2019.

² For more about the new structure, see p. 9 "ESG Management Structure."

Operation of Safety Management System and Status of Certification

Each Group company has built safety management systems tailored to its respective business characteristics. Our companies are continuously making efforts to raise safety awareness

and prevent occupational injuries, through means such as implementing regular safety education and training, conducting investigations into the causes of incidents and formulating and implementing measures to prevent recurrence.

ENEOS has established and implemented its own safe operations management system (SOMS), which conforms to ISO standards, at its refineries and plants.

JX Nippon Oil & Gas Exploration has adopted its own HSE¹ management system (HSEMS), which conforms to ISO standards. Through HSEMS systems management, the company has established an integrated safe operations framework that includes overseas business sites.

At JX Nippon Mining & Metals, 11 business sites in Japan have obtained OHSAS 18001² certification, and operate this management system to promote safety management. The company is now working to switch this certification to international standards (ISO) by June 2021.

¹ Acronym for "health, safety and environment"

² An occupational health and safety management system

Safety Activities

ENEOS Group companies are working to raise safety awareness and enhance safety management.

Every year in July, ENEOS releases a video message on safety by its president to all employees, demonstrating the company's top-down commitment to safety. At its refineries and plants, the company has implemented a behavior-based safety (BBS) system that is used to facilitate safe operations by focusing on individual behavior.

JX Nippon Oil & Gas Exploration has implemented various safety activities at its business sites both overseas and in Japan (Vietnam, Malaysia, and Nakajo). Among these activities, the STOP¹ card and safety activities known as UCUX² dictate that if an unsafe behavior is detected during a work task, the task will be suspended and cannot be restarted until an improvement proposal is made and the unsafe element is remedied. These activities enable anyone who notices an unsafe situation to propose improvements, which encourages frontline workers to become actively involved in safety and improves overall safety awareness.

JX Nippon Mining & Metals is working continuously to improve safety awareness and sensitivity to risks, by means such as introducing hazard simulation equipment at each business site, preparing and implementing safety training materials based on past accidents (videos re-enacting occupational accidents, e-learning, safety posters, etc.), and holding safety lectures led by outside instructors.

¹ A safety training observation program developed by DuPont

² Unsafe Condition / Unsafe Action

Building a Mutual Assistance System for Refineries and Other Sites

For response in the event that a refinery is impacted by a major earthquake, wind and flood damage or infectious disease and is

unable to regain control unaided, ENEOS has established a mutual support system for emergency response operations and measures to enable organizational cooperation with the head office and other refineries. This system ensures the execution of a swift and agile response.

Results of Major Initiatives for Ensuring Safety

Based on its commitment to prioritizing and fully ensuring the safety of its workers, the ENEOS Group conducts extensive safety activities and safety training programs, in which employees from its contractor companies also participate, with the goal of eliminating all serious occupational injuries*.

In fiscal 2019, there were a total of 21 occupational injuries, 19 less than the previous fiscal year. Of these, three directly hired employees sustained occupational injuries, a decrease of 17 from the previous fiscal year. There was one fatal occupational injury of a contractor company worker in fiscal 2017, but no fatal occupational injuries in fiscal 2018 and fiscal 2019.

The occupational injury frequency rate (the number of occupational fatalities and injuries per million working hours) and the occupational injury severity rate (the number of lost working days per thousand working hours) were both significantly below the average for all industries (Ministry of Health, Labour and Welfare [MHLW] survey).

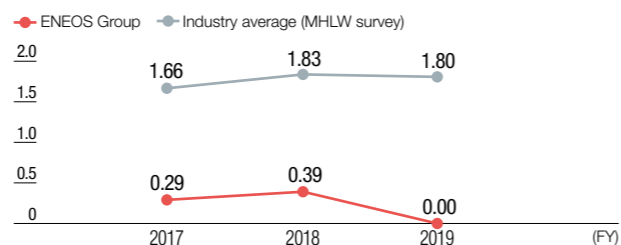
* Fatal occupational injuries

Occupational Injuries

			(Persons)		
			FY2017	FY2018	FY2019
Number of occupational injuries	Directly hired employees	Fatalities	0	0	0
		Lost work time	9	20	3
		Subtotal	9	20	3
Contractors (contractor companies, etc.)	Fatalities	1	0	0	
	Lost work time	26	20	18	
	Subtotal	27	20	18	
Total			36	40	21

Note: Scope of occupational injury statistics: ENEOS, JX Nippon Oil & Gas Exploration and JX Nippon Mining & Metals

Occupational Injury Frequency Rate*



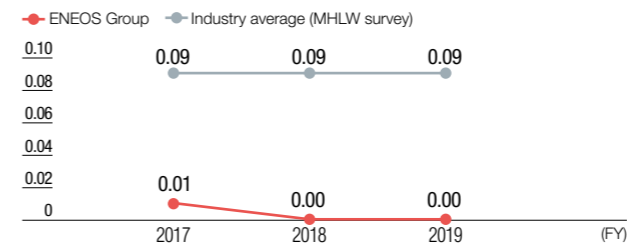
Note: Scope: The refineries, plants and business sites of ENEOS, JX Nippon Oil & Gas Exploration and JX Nippon Mining & Metals (for details, see p. 92).

* The number of injuries and fatalities per million cumulative hours worked; indicates the frequency of occurrence of occupational injuries.

Definition of terms by the Ministry of Health, Labour and Welfare (Available in Japanese only): <https://www.mhlw.go.jp/toukei/tiran/roudou/saigai/03/2.html>

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

Occupational Injury Severity Rate*



Note: Scope: The refineries, plants and business sites of ENEOS, JX Nippon Oil & Gas Exploration and JX Nippon Mining & Metals (for details, see p. 92).

* The aggregated number of working days lost per thousand cumulative hours worked; indicates the severity of occupational injuries.

Definition of terms by the Ministry of Health, Labour and Welfare (Available in Japanese only): <https://www.mhlw.go.jp/toukei/tiran/roudou/saigai/03/2.html>

TRIR and LTIR*

	FY2017	FY2018	FY2019
TRIR	0.81	1.25	0.97
LTIR	0.20	0.39	0.04

Note: Scope: Employees of the head offices, refineries, plants and business sites of ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration and JX Nippon Mining & Metals (for details, see p. 92).

* TRIR (total recordable incident rate) is the number of occupational injuries per one million hours (non-lost-time occupational injuries + lost-time occupational injuries and fatalities) and LTIR (lost time injury rate) is the number of lost-time occupational injuries and fatalities per one million hours.

Initiatives for Group-wide Safety Efforts

In fiscal 2017, we adopted Group-wide safety efforts for occupational injuries that occur with greater frequency or which are likely to lead to serious occupational injuries, and we are making further efforts to prevent their occurrence.

In fiscal 2019, we established important measures for separating people and heavy machinery, preventing falls and preventing heat stroke in the "Procedures for Group-wide Safety Efforts to Prevent Serious Occupational Injuries." Group companies are now working on thorough implementation of these important, Group-wide countermeasures to prevent serious occupational injuries.

- Group-wide Safety Efforts**

 - Separating people and heavy machinery
 - Preventing falls
 - Preventing workers from falling down
 - Preventing heatstroke

Preventing Collisions Between People and Heavy Machinery

The JX Nippon Mining & Metals Group considers the prevention of collisions between heavy machinery and people as a key safety issue. This is because there is a high risk of collisions on the manufacturing floor, where heavy machinery, such as forklifts, is used, increasing the potential for serious accidents. The company has implemented a number of countermeasures at workplaces to prevent collisions, including demarcation of separate routes for heavy machinery and people.

Taking countermeasures one step further, in fiscal 2018, we utilized the latest preventive safety technologies to introduce devices that automatically shut down heavy machinery and systems that issue warnings to both operators and workers at the JX Metals Smelting Saganoseki Smelter & Refinery and the JX Nippon Coil Center. We are also introducing these systems at the Hitachi Works, Isohara Works, and Kasuga Mine, among other locations.



Device for automatically shutting down heavy machinery

Safety Education

In 2013, the Group established the ENEOS Group Safety Education Center in Hitachi City, Ibaraki Prefecture. Established to enable workers to experience the risks inherent in their work, the aim of the facility is to raise the safety awareness of individual employees through simulation training.

In fiscal 2019, 1,332 employees participated in training at the facility, bringing the total number since the center opened to 11,337.

In addition, we have installed hazard simulation equipment at each of our production sites (12 at ENEOS and seven at JX Nippon Mining & Metals). Workers at these production sites, including those from contractor companies, are required to undergo training using this hazard simulation equipment before engaging in onsite work. With these and other efforts, we are working on safety across the entire Group.



ENEOS Group Safety Education Center

Utilization of Virtual Reality

In addition, a new training program that utilizes virtual reality (VR) technology was launched in September 2017 at the ENEOS Group Safety Education Center.

This program enables workers to feel what it is like to be involved in an accident and think about victims' psychological

state, as well as accident causes and preventive measures. Using VR technology, participants can experience accidents that cannot be safely replicated in the real world, such as steam explosions, being struck by heavy machinery, entanglement in high-speed rotors, and falling from high places, from a victim's perspective, thereby increasing the effectiveness of the training. Since its introduction, VR experiences with injury caused by scattering of chemicals, getting fingers caught in slings, grinder recoil, and falling down stairs have been added to the program, further enhancing the training.

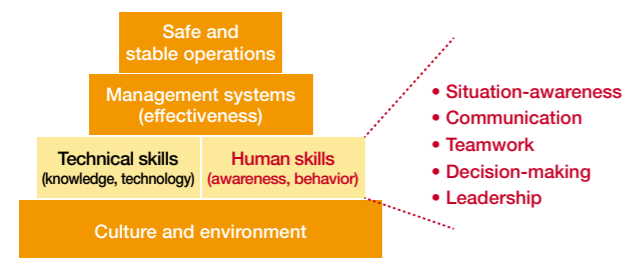


Virtual-reality training equipment

Initiatives for Improving Human Skills

As human factors are a major cause of occupational accidents and injuries, we have focused for many years on training to arm employees with the knowledge and technical skills needed to implement procedures and rules without fail. In recent years, however, there is growing awareness in the manufacturing industry, referencing leading initiatives in the healthcare and airline industries, about the importance of stepping up initiatives to improve non-technical skills, including status confirmation of work environments and communication among workers, in addition to compliance with procedures and rules. Accordingly, we are incorporating knowledge and activities for the improvement of these non-technical skills.

Foundation for Safe and Stable Operations



At ENEOS, we refer to these non-technical skills as human skills, and we have created activity guidelines for improving human skills in manufacturing divisions. In accordance with these guidelines, at all of our plants and refineries, top manage-

ment shares the importance of human skills, and systems have been put into place for the implementation of various forms of education and training and the integration of the resulting skills into existing daily safety activities in the workplace. In this manner, we are working to improve the human skills of all employees.

Acquisition of Super Certification for High Pressure Gas

The ENEOS Kawasaki Refinery and Sakai Refinery were the first and second businesses to be certified under the new certification regime for the High Pressure Gas Safety Act in fiscal 2017. Mizushima Refinery A and B also obtained certification in August 2019.

This certification, established by Japan's Ministry of Economy, Trade and Industry, is awarded to refineries that satisfy certain criteria in areas such as advanced safety activities and operational support systems. As a certified business, we will continue to implement high-quality safety activities with the goal of improving our safety practices even further.



Initiatives at Refineries and Plants for Major Earthquakes

The ENEOS Group implements various earthquake measures at its refineries and plants.

Measures to Protect Lives

As a precaution against earthquakes and tsunamis, we have voluntarily implemented seismic reinforcement of our onsite offices and production unit control rooms, with priority given to the protection of human life.

We have also designated locations and methods for evacuation in case of an earthquake or tsunami, and we carry out disaster preparedness drills every year.



Elevated warehouse (Sakai Refinery)

Measures for Seismic Reinforcement of Facilities

We are moving forward with legally required seismic reinforcement work for tanks that store hazardous materials.

Upgrade work on floating-roof tanks subject to this requirement was completed before the statutory deadline. As for internal floating-roof tanks, which became subject to legislation in fiscal 2011, plans are in place to complete seismic reinforcement work by the statutory deadline (end of fiscal 2023).

As for high-pressure gas facilities, we have carried out seismic performance evaluations based on administrative directives, and we have completed the retrofitting of spherical tanks with braces to increase earthquake resistance, taking into account the effects of the Great East Japan Earthquake. We continue to carry out earthquake resistance measures on critical facilities, with completion of work planned for the end of fiscal 2021.



Brace retrofitting on a spherical tank

Measures to Mitigate Damage from Disasters

We have installed seismographs at all of our refineries and plants as part of a system that automatically shuts down equipment in a prompt and safe manner in the event of an earthquake, depending on the intensity.

Major Initiatives to Prepare for Accidents and Problems

Disaster Prevention Facilities

At our refineries, plants and stockpiling terminals, we have taken measures such as the installation of disaster prevention equipment and facilities in preparation for potential accidents and disasters.

Oil Spill Countermeasures

We are able to respond quickly to oil spills on land or at sea. We have multiple oil dikes surrounding our storage tanks and systems to prevent leakage from spreading offsite. We also have oil fences and oil recovery vessels in place to respond to oil spills at sea.



Deploying an oil fence during a drill for a marine oil spill

Fire Countermeasures

In addition to large ladder trucks with hazardous material response capabilities, compressed air foam system (CAFS) tankers and high-capacity water cannons, numerous foam extinguishing systems, sprinkler systems and large extinguishers have been placed onsite for response in the event of a major fire.

Our facilities also have disaster response vessels with firefighting capabilities to respond to accidents or disasters at sea.



Firefighting vehicles

Disaster Drills

We regularly implement comprehensive disaster drills for our own disaster response organizations to ensure that we can respond in a quick and agile manner should an actual disaster occur. We also hold other drills, including joint disaster preparedness drills involving local fire departments and disaster response organizations from nearby companies.



Water discharge drill conducted jointly with the local fire department using a cutting-edge robot

Human Rights



Basic Approach

As a corporate group with global business operations, the ENEOS Group believes that an important element in striving for sustainable development is respect for the human rights of all stakeholders, including employees.

The Group supports international norms such as the United Nations Guiding Principles on Business and Human Rights and the fundamental labor rights of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, the elimination of discrimination in respect of employment and occupation).

We conduct our business activities with respect for the human rights not only of our employees, but of all stakeholders, including our suppliers, customers, business partners and members of local communities.

these efforts, not only from Group companies, but also other companies across our value chain. In addition, we have established a human rights policy to further clarify our stance and the importance of respect for human rights. We will continue our efforts to communicate the applicable scope of the Group Code of Conduct to all concerned and ensure compliance with it.

ENEOS Group Human Rights Policy

The ENEOS Group conducts its business activities under the ENEOS Group Philosophy, which states that we will contribute to the development of our communities and help to ensure a vibrant future through creation and innovation in energy, resources, and materials.

This policy was formulated as a guideline for promoting respect for human rights across the entire Group and fulfilling related obligations pursuant to the United Nations Guiding Principles on Business and Human Rights.

1. Basic Approach

The ENEOS Group fully recognizes that human rights must be respected in all of the countries and regions where it conducts its business activities.

2. Compliance with Applicable Laws and Regulations

The ENEOS Group complies with the laws, ordinances and regulations applicable in the countries and regions where it conducts its business activities. In addition, the ENEOS Group will pursue a method for respecting international principles on human rights in case of a contradiction between internationally recognized human rights and the laws and regulations of each country and region.

3. Respect for International Norms on Human Rights

The ENEOS Group supports and respects the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), which stipulates the fundamental human rights of all people, along with international norms on human rights such as the ILO Declaration on the Fundamental Principles and Rights at Work of the International Labor Organization, which sets forth fundamental labor rights, other conventions relating to the human rights of workers on wages and working hours, the Declaration on

the Rights of Indigenous Peoples, and the Children's Rights and Business Principles. As a participant in the UN Global Compact, we support and respect the 10 principles of the UN Global Compact.

4. Fulfillment of Responsibility to Respect Human Rights

The ENEOS Group is committed to upholding human rights. If it is determined that our business activities cause or have caused adverse impacts on human rights, we will take appropriate action to remedy such impacts in accordance with our responsibility to respect human rights. As part of our efforts, the ENEOS Group will promote the following initiatives.

- **Human Rights Due Diligence**

The ENEOS Group will establish and continually implement a mechanism for human rights due diligence. Human rights due diligence refers to the continuous process of conducting preventive surveys and investigations, rectifying issues using appropriate means, and disclosing the progress and results of such externally, in order to prevent or mitigate possible adverse impacts on human rights caused by the company.

- **Dialogue and Discussions**

The ENEOS Group conducts in earnest dialogue and

discussions with relevant stakeholders to ensure that it comprehends and addresses the impacts it has on human rights from the perspective of those affected.

5. Training

The ENEOS Group will provide appropriate training to its officers and employees to ensure that this policy is incorporated into the business activities of all companies belonging to the ENEOS Group.

6. Information Disclosure

The progress and results of initiatives for respect for human rights under this policy will be disclosed on our website and in reports, among other media.

7. Applicable Scope

This policy applies to all officers and employees of the ENEOS Group. All business partners involved in the ENEOS Group's business activities will be asked to cooperate with this policy.

8. Positioning

This policy supplements the provisions of the ENEOS Group Philosophy and the ENEOS Group Code of Conduct.

Structure*

Under our structure up to fiscal 2019, the Group Human Rights Promotion and Human Resource Development Committee, chaired by the officer (director) responsible for the ESG Strategy Development Department, was established under the Group CSR Council, which was chaired by the president of JXTG

Holdings. The committee deliberated on Group-wide policies and direction concerning human rights, and also confirmed, evaluated and shared information on the human rights activities of each company. From fiscal 2020, we are responding to various issues in a more agile manner under our new ESG management structure*.

* For more about the new structure, see p. 9 "ESG Management Structure."

Structure for Promoting Human Rights, Human Resource Development and Health (Up to Fiscal 2019)



Note: The above is an illustration of our structure until fiscal 2019. Therefore, JXTG Group trade names, our trade names as of fiscal 2019, are used.

ENEOS Group Code of Conduct (excerpt)

5. Respect for human rights

- (1) We shall not infringe on human rights through our business activities. We respect internationally accepted human rights standards and diversity, acknowledging differences pertaining to gender, age, nationality, race, ethnicity, skin color, culture, thought, religion, belief, political opinions, sexual orientation (LGBT), and the presence or absence of disability.
- (2) We shall not engage in any type of discrimination or harassment.
- (3) We shall not engage in any forms of forced labor or child labor.
- (4) We shall not engage in business transactions which may lead to the prolongation of conflicts, human rights violations, or inhumane acts.

Human Rights Policy

The ENEOS Group has established basic principles on respect for human rights under "5. Respect for human rights" within the Group Code of Conduct. We have requested cooperation with

Major Initiatives

Participation in the UN Global Compact

ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration and JX Nippon Mining & Metals support the UN Global Compact and work to realize its 10 principles in four areas, including human rights.

Corporate Human Rights Benchmark (CHRB)

The ENEOS Group became subject to Corporate Human Rights Benchmark (CHRB) assessment in 2019. Please refer to the CHRB website for the assessment results.

The Group holds meetings with CHRB to exchange views on business and human rights. During these meetings, CHRB provided us with briefings about the stance of global corporations toward human rights and problem areas, based on assessment results for fiscal 2019. With regard to the recommendations we received for consideration of human rights elements during the selection of suppliers, we will consider further strengthening links between supplier selection and CSR procurement.

Going forward, in order to sufficiently address the questions posed by CHRB, we will carry out initiatives on business and human rights and proactively disclose relevant information.



Raising Awareness of Human Rights through Training and e-Learning

Group companies conduct human rights training, new employee training, rank-based training, and e-learning for all officers and employees in an effort to raise awareness of human rights and prevent human rights issues, including harassment in the workplace, from occurring.

The participation rate in human rights training in fiscal 2019 was 100%. In fiscal 2020, in an effort to once again achieve our target of a 100% participation rate in human rights training, we will encourage officer and employee participation by providing access to training materials through various means, such as the company intranet and email.

Mine Development and Respecting the Human Rights of Local Residents

The development and operation of mines can have a particularly significant impact on the surrounding environment. It is therefore essential to give due consideration to the human rights of local residents and implement measures to ensure coexistence and mutual prosperity with local communities.

The JX Nippon Mining & Metals Group's Minera Lumina Copper Chile, the operator of the Caserones Copper Mine, applies a basic three-point policy for supporting local communities: respect for life, protection of the community and environment, and compliance with laws and regulations. In keeping with this policy, after the project launch in 2007, the operator began holding briefings and engaging in dialogue with the Collas, the indigenous people who live in the area around the mine site, in an effort to build trust.



Briefing for local residents

Response to the UK Modern Slavery Act 2015

ENEOS Europe Limited (an ENEOS Group company) and JX Nippon Exploration and Production (U.K.) Limited (JX Nippon Oil & Gas Exploration Group) have released statements in response to the United Kingdom Modern Slavery Act 2015, which came into effect in October 2015.

WEB See the following websites for further details.
<https://www.eneoseurope.com/wp-content/uploads/2020/05/JXTG-2019-statement-Anti-slavery.pdf>
http://www.nex.jx-group.co.jp/environment/compliance/active/pdf/human_01.pdf

Initiatives for Business and Human Rights

The ENEOS Group has checked for human rights violations (harassment, etc.) at each workplace through employee awareness surveys and legal compliance inspections. Since fiscal 2018, in accordance with our human rights policy, we have developed a plan for and implemented human rights due diligence (a mechanism for identifying and evaluating the scope of human rights violation risks in business activities as well as establishing measures for improvement and implementing training) based on the UNGP in order to ensure respect for the human rights of people affected across all of our businesses and our entire supply chain.

In the course of human rights due diligence, in which we referenced the Guiding Principles on Business and Human Rights (United Nations) and Guidance on Human Rights Due Diligence (Japan Federation of Bar Associations), we identified human rights issues in the Group (see table below).

Human Rights Issues in the Group

Stakeholders	Human rights issues
Employees	Harassment
	Management of working hours
	Discrimination
	Health
	Safety
Suppliers	Human rights violations by suppliers
Customers/ Business partners	Quality defects (including contamination)
	Inadequate provision of product information
	Improper management of chemical substances used in products
	Information security (privacy management)
Local communities	Environment (including environmental degradation, health impacts, and damage in local areas)

The ENEOS Group's business operations involve a wide range of stakeholders, and the Group recognizes the importance of respecting the human rights of all stakeholders.

In the human rights due diligence we carried out in fiscal 2019, we verified whether any human rights violations involving employees or customers, as well as local residents living near refineries and plants, local residents living near service stations, or suppliers, were committed by the Group.

As a result, harassment and discrimination were identified as latent and important risks at our sites worldwide, and we are now implementing various countermeasures. We will continue working to prevent and combat issues through training for employees and strengthening of our global hotline structure and its operation.

The company-wide risk management system operated by the Group (see p. 22) identifies various risks in the Group's operations. These risks include harassment, child labor and forced labor. We assess these risks using the same standards as other management risks.

During the next round of human rights due diligence, scheduled for fiscal 2021, we will check the initiatives we have implemented for human rights up to fiscal 2020.

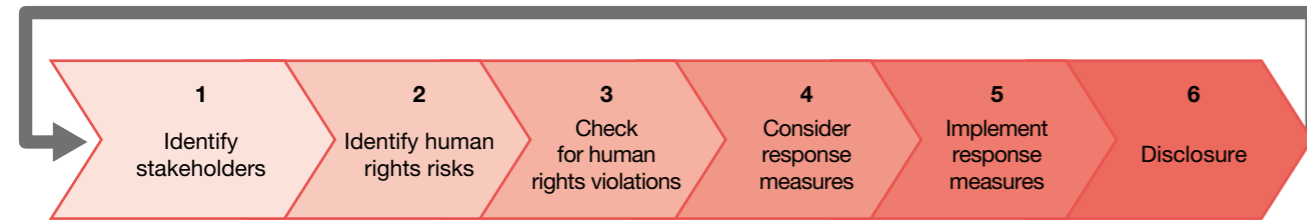
Furthermore, at the time of publication of this report, no serious human rights violations had been identified. If a human rights violation occurs in the course of our business activities, we take corrective steps and promptly implement remedy measures pursuant to laws and regulations and following the instructions of relevant authorities, while also working to prevent recurrence.

Rights Verified in Human Rights Due Diligence Conducted in Fiscal 2019

- The ILO's fundamental labor rights (freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor and elimination of discrimination in respect of employment and occupation)
- Three labor rights (right to organize, right to collective bargaining, freedom of association)
- Freedom from forced or compulsory labor
- Freedom from all forms of harassment
- Right to work in a safe and healthy work environment
- Freedom from discrimination
- Rights of foreign workers
- Rights of immigrants
- Rights of persons with disabilities
- Rights of women
- Rights of sexual minorities
- Right to access to remedies
- Social security
- Prohibition of child labor
- Access rights to resources
- Rights concerning health

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

Human Rights Due Diligence Cycle



1 Identify stakeholders

Identify employees, customers, local residents living near refineries and plants, local residents living near service stations, suppliers, etc.

2 Identify human rights risks

Identify human rights risks for each stakeholder (see “Human Rights Issues in the Group” on p. 62)

3 Check for human rights violations

For each human rights risk, conduct self-checks in each department to determine if human rights violations have occurred through business operations

After self-checks, request confirmation by outside expert (fiscal 2019: NGO Human Rights Now)

4 Consider response measures

Consider measures for improvement based on the results of the self-checks and the opinions of the outside expert

5 Implement response measures

Introduce response measures based on consideration of measures in step 4

6 Disclosure

Report on response

Internal Structure for Business and Human Rights

Based on the third-party opinion received in fiscal 2019 (NGO Human Rights Now) and the assessment results of CHRB, the ESG Strategy Development Department and the Human Resources Department of ENEOS Holdings are taking the lead in strengthening human rights initiatives across the Group.

An overview of these efforts is presented below.

Operations	Departments in charge (breakdown)
Internal training and human rights consultation contact points	Human Resources Department One general manager, two deputy general managers, seven in group responsible
Human rights due diligence planning	ESG Strategy Development Department One general manager, one deputy general manager, eight in group responsible

Human Rights Initiatives in the Supply Chain

With the cooperation of its suppliers, the Group introduced CSR procurement in fiscal 2018. In CSR procurement, we ask our suppliers to respond to verification surveys for human rights due diligence in order to ascertain the status of suppliers’ human rights efforts.

The Group will continue its efforts to ensure that no human rights violations occur within its supply chain. For details, see pp. 79–80.

In addition, the JX Nippon Mining & Metals Group is taking measures against conflict minerals. For details, see p. 81.

Consultation Contact Points (Remedy Measures)

The Group has established compliance hotlines and harassment consultation contact points as internal contact points for consultation and reporting of issues, including human rights violations. These contact points accept anonymous reports and provide consultation on issues ranging from human rights issues that may occur in the course of day-to-day operations to serious human rights violations. The contact points are available in Japanese and English for employees in Japan and overseas.

Under our compliance hotline system, all reports received are reported to officers by email, and the status of response is explained to Audit and Supervisory Committee members semi-annually. We inform employees of this system through the company intranet, and in training sessions held by the Legal & Corporate Affairs Department, we encourage employees to use the system. Persons who contact the contact points are not in any way subjected to unfavorable treatment for seeking consultation or making reports.

Employees who report matters to compliance hotlines and the harassment consultation contact points are not restricted from seeking remediation outside the company for those matters. Therefore, employees are also free to seek other remedies using the legal systems of their respective countries (Whistleblower Protection Act, etc.).

Furthermore, each report received by the Group is investigated and addressed. Generally, all reports are resolved (to the satisfaction of those who made the reports) within one year. See p. 28 “Compliance” for the internal reporting workflow of these hotlines.

In fiscal 2019, the ENEOS Group’s compliance hotlines received 67 reports.

Note: Retaliation against persons who make reports is prohibited, however, defamation and false reporting are subject to disciplinary action in accordance with company rules.

Views from Employees

We collect the opinions of employees through Group awareness surveys, which target all officers and employees (including temporary workers), as well as various other surveys and initiatives, for use in in-house initiatives. For example, for women’s empowerment, we held a panel discussion and an exchange of ideas between officers and employees on the themes of career advancement and balancing childcare and work.

In the Group awareness survey, employees cited reasons for hesitating to use the compliance hotline system, such as uncertainty about whether the matter in question is a legal violation, concerns about the assurance of anonymity, or fear of retaliation. In response to such concerns, during legal training sessions we explain that employees can submit reports even if they are unsure if the matter in question is a legal violation, that anonymity is guaranteed, and that retaliation against persons who make reports is strictly prohibited (all of which are stipulated in company rules).

Furthermore, we have made improvements to the system to reflect employee opinions and needs outside the company. Improvements include accepting anonymous reports, establishing outside contact points, introducing Group internal reporting, and disclosing the number of reports on the intranet.

Working Conditions

At least once every year, Group representatives meet with employee representatives (labor union) to negotiate overall working conditions, including wages. The wages of newly hired employees greatly exceed the minimum wage in Japan (refer to the Data section on p. 91 for the labor union participation rate).

The Group respects the ILO’s fundamental labor rights (freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor, elimination of discrimination in respect of employment and occupation). Workers who exercise their rights are protected by the laws and regulations of each country.

Third-Party Opinion

The ENEOS Group is working to ensure respect for human rights through the PDCA cycle based on the Group Philosophy and the Code of Conduct. For our human rights risk assessment, implemented as part of our efforts to ensure respect for human rights, we asked Human Rights Now, an NGO, to conduct desk research in the interest of ensuring verification from a third-party perspective.

A portion of the third-party opinion is summarized as follows.

Items requiring prompt response in accordance with international standards (Guiding Principles on Business and Human Rights, the ILO Declaration, etc.)

- **Right to access to remedies**

Thorough dissemination of the use of internal reporting system (hotline)

- **Discrimination and harassment**

Advanced efforts for discrimination and harassment prevention training

- **Occupational health and safety**

Improvement on initiatives aimed at eliminating all occupational injuries, not only serious occupational injuries (fatalities)

- **Supply chain management**

Effective implementation of the Group Code of Conduct in Japan and overseas

Response to human rights risks across the entire value chain, including overseas



Human rights due diligence briefing session presented by Human Rights Now

Human Resource Development

Basic Approach

The ENEOS Group believes that an important challenge in the achievement of our growth strategy in a rapidly changing business environment is the development of creative, innovative human resources who can take on challenges on a global scale. Therefore, in addition to incorporating this belief into our Code of Conduct, we have established consistent systems for each phase of human resource development, including hiring, assignment, assessment, promotion, and training.

ENEOS 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

Under our structure up to fiscal 2019, the Group Human Rights Promotion and Human Resource Development Committee, chaired by the officer (director) responsible for the ESG Strategy Development Department, was established under the Group CSR Council, which was chaired by the president of JXTG Holdings¹. The committee coordinated Group policy on human resource development, managed human resource requirements, and carried out discussion to foster a shared awareness of human resource development among Group companies. For details about this structure, see p. 60.

From fiscal 2020, we are responding to various issues in a more agile manner under our new ESG management structure².

As for specific measures concerning the development of human resources, each Group company conducts a development program tailored to its own business characteristics and suited to the aptitude of individual employees. In this manner, we are implementing effective human resource development across the entire Group.

¹ JXTG Group names (before the change in trade names) are used in describing our structure up to fiscal 2019.

² For more about the new structure, see p. 9 "ESG Management Structure."

Evaluation and Planning

In accordance with the Group's human resource development policy, we held a number of training programs organized by the Human Resource Department in fiscal 2019. These included basic training required according to career stage; leadership training to develop candidates for future senior executive positions; step-up training, a recommendation-based format for employees to increase their skills and advance their careers; and self-development programs for employees to autonomously pursue personal growth. These programs are effectively enhancing the capabilities of our employees and promoting a change in mindset.

In fiscal 2020, in order to develop human resources capable of carrying out new businesses and overseas businesses to promote the company's transformation, we plan to introduce new programs, including training for the development of human resources responsible for various projects and training to further promote a change in mindset among employees.

Additionally, while changing certain classification-leveled training to elective programs chosen by employees, we will implement initiatives to support self-led career development, including expanding open seminars that encourage employee self-development.

Major Initiatives

ENEOS Group

Development of future leaders

Candidates for future Group management positions are cultivated through classification-leveled training of selected personnel.

Promotion of measures linked to workstyle reforms

Proactive efforts are made with a variety of measures targeting workstyle reforms to create an environment for effectively nurturing diverse human resources.



Training for future Group management positions

ENEOS

Training by rank

Classification-leveled training and training to develop core resources are provided.

Overseas training for young employees

College graduates in their third to fifth year of employment with the company are sent overseas for one month for training, which includes English lessons and fieldwork in accordance with their language skill levels.

Locally hired overseas employees

Face-to-face training is implemented for locally hired overseas employees.

Promotion of career opportunities for female employees

Seminars are held to support balancing childcare and work, to raise awareness among supervisors, and to support the career development of female employees.

Evaluation feedback interviews and self-assessment interviews

Regular interviews are conducted with all regular employees to evaluate performance during the fiscal year and to share information about work issues and skill development opportunities in the next fiscal year. We have also established human resources systems to get an accurate understanding of employees' ambitions for long-term career design and skill development. Regular interviews are held to give the company and supervisors a better understanding of employees' wishes, helping to ensure optimal assignment, relocation, and development of employees (interviews held for all regular employees, who account for 90% of all employees).

JX Nippon Oil & Gas Exploration

Training by rank

Classification-leveled training and training to develop core resources are provided.

Dispatch of young employees overseas

Young employees with several years of experience at the company are dispatched for three to six months to overseas offices and sites, where they focus on core learning themes to learn about the E&P business in the field while contributing to local operations.

Career development interviews

Employees are interviewed at key points in their careers to enhance the effectiveness of career development over the medium to long term, based on employees' own wishes and the needs of the company. Based on the results, the company offers support for every individual to take on new challenges in order to achieve their future vision for themselves.

Employee training programs

A total of 11 programs are offered throughout the year for young employees to educate them about E&P business technologies, contracts, and economic calculations. Training is led by in-house instructors using curricula developed by the company.

JX Nippon Mining & Metals

Training by rank

Classification-leveled training and training to develop core resources are provided.

Overseas language training

All management-track employees in their second year at the company as well as other employees in need of language training are sent abroad to study foreign languages for one to three months.

Career development interviews for young employees

Recognizing that human resources are the source of our organization's strength, regular human resources and division interviews with young employees are conducted as an effort to ensure the systematic development of these employees and enhance their proposal-making capabilities.

Energizing individuals and organizations

Efforts are made to strengthen human resource management and development, as well as establish an environment in which diverse human resources can work with enthusiasm.

Training Hours in Fiscal 2019

	Total training hours	Training hours per employee
ENEOS Holdings	728	7.00
ENEOS	83,110	9.29
JX Nippon Oil & Gas Exploration	10,313	28.73
JX Nippon Mining & Metals	30,025	15.23
Total	124,176	10.91

Note: Number of hours of internal group training and external training organized by the human resources departments of ENEOS Holdings and the Group's principal operating companies, aggregated for each employer.

Initiatives to Develop Management Resources

With an eye on the future direction of its companies, the ENEOS Group must work to more systematically to strategically develop management resources as the future leaders of the Group in order to respond to the rapid changes expected to take place in the management environment going forward.

As the development of these management resources is a challenge facing ENEOS Holdings as well as its principal operating companies, we will work together to identify, at an early stage, employees qualified for management positions and provide comprehensive training to draw out their full potential as future senior executives.

Specific Approaches to the Development of Management Resources

- Identify management resources from among certain ranks of employees using impartial and objective measures, taking into account the ideal attributes for senior management positions.
- Management resources are provided with growth opportunities by combining on-the-job training (interdepartmental transfers, challenging assignments, etc.) and off-the-job training (classification-leveled training in house, enrollment in business schools inside or outside of Japan, etc.) to enable them to acquire the necessary experience, knowledge and perspective required of future senior management. In addition, individual development plans are formulated for each of these processes.
- The Human Resource Development Council examines the suitability of management resources in a multifaceted manner and implements the PDCA cycle for the development plan.

Implementation of Various Measures

Measures to Promote Dialogue

In fiscal 2019, ENEOS held department seminars, external factory tours, and lunch meetings (free dialogue across employee levels and departments) to encourage active exchange and dialogue among different departments.

Department seminars provide each department the chance to inform participants about their department through in-depth presentations and dialogue at social gatherings.

External factory tours were held with the cooperation of Tatsuno Corporation, a machinery manufacturer that produces mainly petroleum-related equipment. The tours included worksite tours and dialogue among participants to foster friendship.

Lunch meetings were held on around 20 occasions to foster exchanges among employees of different levels within the company. These meetings involved either the general manager or deputy general manager of a department and the general employees of another department, who met for casual conversation over lunch.



Department seminar

Global Business Skills Training for the Systematic Development of Global Human Resources

ENEOS offers "Global business skills training" as part of its basic training programs. For this training, employees who are college graduates in their third to fifth year with the company are sent for about a month to a Southeast Asian country, where they participate in activities such as conducting market research or attending one-on-one language classes, depending on their language skills. In view of the anticipated overseas expansion of our business operations in the future, the objective of the training is not only the development of participants' language skills, but also the enhancement of their ability to adapt to different cultures.

In addition, all employees who are college graduates are required to take the TOEIC® test every three years, and they are encouraged to continue their English studies even after the completion of "Global business skills training."



Market research in progress

Development of Locally Hired Overseas Employees

ENEOS aims to boost the overseas expansion of its business operations by training locally hired overseas employees to become senior managers at its overseas sites.

To this end, the company conducts face-to-face training of managers and team leaders hired locally overseas. In fiscal 2019, training was held for team leaders, in which participants learned about leadership attributes, including communication and problem-solving skills.

In addition, the company has implemented an initiative in which locally hired human resources expected to play active roles at their respective overseas sites in the future are assigned to the ENEOS head office in Japan for several years to experience head office operations firsthand.

Support for Employee Self-Development

The ENEOS Group has a self-development support system for employees with a desire to learn.

Voluntary Participation in Training

ENEOS Holdings offers various seminars and correspondence courses for employees of its principal operating companies and other Group companies. Employees can select seminars and courses based on their individual needs in order to support their self-development.

Self-Innovation Support

In response to employees' desire for professional growth, JX Nippon Mining & Metals has implemented a self-innovation support system, which builds upon the company's previous self-development system.

Under this system, employees can apply for and participate in external training and study programs of their choice, and at the time of completion the company reimburses half the cost, to a maximum of 500,000 yen. To encourage self-development, application requirements were eased in fiscal 2019 and as a result, around 50 employees applied, a record high.

The objective of this system is to encourage employees to make the most of the private time gained from work-life balance initiatives. As such, it offers a much greater level of flexibility than the previous self-development system.

Health

Basic Approach

The ENEOS Group believes that focusing on the health of our employees and their families 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.

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

ENEOS 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.

Structure

Under our structure up to fiscal 2019, the Group Human Rights Promotion and Human Resource Development Committee, chaired by the officer (director) responsible for the ESG Strategy Development Department, was established under the Group CSR Council, which was chaired by the president of JXTG Holdings¹. The committee shared information about the initiatives of Group companies, and determined and managed focus items regarding health. For details about this structure, see p. 60.

From fiscal 2020, we are responding to various issues in a more agile manner under our new ESG management structure².

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.

¹ JXTG Group names (before the change in trade names) are used in describing our structure up to fiscal 2019.

² For more about the new structure, see p. 9 "ESG Management Structure."

Major Initiatives

Employee Health Management ♥

In addition to providing regular health screenings and annual medical examinations, both in Japan and overseas, the ENEOS Group¹ offers cancer screenings² and works to prevent infectious diseases³. For employees on overseas assignments, we offer vaccinations, as required, and medical support.

In fiscal 2019, we launched proactive initiatives to eliminate the risk of passive smoking in accordance with Japan's Health Promotion Act.

In fiscal 2019, 100% of employees underwent regular health screenings, while the cancer screening rate was 65%. We will continue our efforts to promote cancer screening in order to further improve the screening rate.

For employees diagnosed with medical issues, we ensure follow-up care through efforts such as encouraging these employees to undergo further testing as needed.

¹ Data from ENEOS Holdings and principal operating companies

² Subsidies and fees for physical exams as part of regular health screenings

³ Influenza vaccination (subsidized through company health insurance), work exemption for measles vaccination, etc.

Mental Health Measures

To help prevent mental health issues, the 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 occupational physicians. Additional measures include systems for counseling with external counselors.

We also conduct organization analysis and provide advice and assistance for improvements in high-stress work environments.

In fiscal 2019, we provided individual consultation and feedback for the stress check results of managers, and conducted follow-up as needed through individual consultations with external counselors and the development of action plan sheets.

Health Measures for Employees Traveling and Working Overseas

To prevent illness in employees traveling and working overseas, the 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.

ENEOS has stockpiled supplies at its overseas sites, according to the same standards used at our sites in Japan, as a safety measure for epidemics involving novel strains 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.

JX Nippon Mining & Metals offers online health consultation services whereby expatriate employees and their families can consult with specialist physicians, in Japanese, about any physical health concerns.

External Evaluation of Our Health Management

In March 2020, the Company was selected for the second consecutive year as a brand of the Health & Productivity Stock Selection, a program jointly organized by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. In addition, the Company and its principal operating companies received recognition as a Certified Health and Productivity Management Organization (White 500) for the third consecutive year.

The Company's health management initiatives are introduced in external seminars and informational magazines in order to promote the growth of health and productivity management.



Industrial Hygiene

The ENEOS Group carries out industrial hygiene activities to prevent health hazards to workers at refineries and other business sites. These activities include the implementation of measures against exposure to chemical substances and noise.

In addition, the labor union confirms our efforts to provide and maintain the equipment needed to ensure the health and safety of labor union members.

Measures Against Exposure to Chemical Substances

ENEOS conducts risk assessments using individual samplers to test for exposure to specific chemical substances that pose health risks in the work environments of refineries and other facilities. Based on the results of these assessments, we implement appropriate countermeasures to mitigate such risks as part of our efforts to prevent impacts on the health of employees.



Employee testing for exposure to chemical substances using individual samplers

Measures Against Exposure to Noise

ENEOS is taking measures against exposure to occupational noise at its refineries and other business sites to prevent noise-induced hearing loss.

Comprehensive noise measurements are carried out in all areas of refineries and other business sites where production equipment is located to identify areas with noise levels of 85 decibels or higher and 95 decibels or higher, the reference values for preventing noise-induced hearing loss. Based on these measurements, we have developed workplace maps that indicate areas with high noise levels.

We have also established rules for all refineries whereby workers are required to wear appropriate ear protection, such as ear plugs or earmuffs, depending on noise levels. For areas with noise levels of 95 decibels or higher, we are implementing even more rigorous measures by requiring double protection using both ear plugs and earmuffs.



Noise measurement

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

Healthy Work Environment



Basic Approach

The ENEOS 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, gender identity, the presence or absence of disability, and any familial and personal circumstances, to promote new value creation across the entire organization for our continued growth.

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

ENEOS 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

Under our structure up to fiscal 2019, the Group Human Rights Promotion and Human Resource Development Committee, chaired by the officer (director) responsible for the ESG Strategy Development Department, was established under the Group CSR Council, which was chaired by the president of JXTG Holdings¹. The committee deliberated on Group-wide policies and approaches to work-life management, diversity and inclusion. It also confirmed and evaluated the activities of each Group company and shared information. For details about this structure, see p. 60.

From fiscal 2020, we are responding to various issues in a more agile manner under our new ESG management structure².

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 to promote work-life balance. We are also raising awareness about diversity and inclusion through in-house training for all personnel, including officers and the president.

¹ JXTG Group names (before the change in trade names) are used in describing our structure up to fiscal 2019.

² For more about the new structure, see p. 9 "ESG Management Structure."

Advancement of Women in the Workplace ♥

To support the career planning and growth of our female employees, the ENEOS 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.

As part of these efforts, we established the target that women comprise at least 25% of newly hired graduates as an initiative for the Group's top priorities (material issues). In fiscal 2019, women comprised 28.5% of newly hired graduates.

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. 75.

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

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

• ENEOS

1. Ensure that the ratio of women among newly hired university graduates in fiscal 2022 is at least 32%
2. Change the behavior and mindset of employees, focusing on management, toward the promotion of diversity
3. Aim to at least double the number of women in leadership positions (from group managers to officers), compared to fiscal 2019, by April 2023

• JX Nippon Oil & Gas Exploration

1. Maintain the percentage of female workers at 15% of the workforce
2. Foster a workplace culture where both men and women can contribute while striking a balance between work and family

• JX Nippon Mining & Metals

1. 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
2. Develop a workplace environment where all employees, including female employees, feel a sense of job satisfaction

Employment Status of Female Employees

(As of March 31, 2020)

Category	Number of women	Percentage of total employees
Newly hired employees	85	14.3%
All employees	1,263	11.4%
Managers	91	3.2%
Directors*	3	18.8%
Average years of service for all female employees	17.0 years (Difference in average years of service between male and female employees: 2.1 years)	

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

* Data on number of female directors only is as of June 25, 2020.

Training and Seminars for the Advancement of Women in the Workplace

ENEOS holds the following training and seminars to further promote the advancement of women in the workplace.

• Training for managers

In fiscal 2019, we held e-learning for managerial staff at the group manager level and above, including officers, to deepen their understanding about unconscious bias and how this can hinder the advancement of women in the workplace.

• Training for female employees

During career meetings for female employees, we fostered interactions with women in leadership positions inside and outside the company to form a professional network among female employees.

In addition, career development training geared toward "the era of the 100-year lifespan," held for female employees hired for

general administrative positions, helped increase participants' career development awareness and promoted understanding of women's health issues.

• ENEOS receives highest "Eruboshi" (L Star) certification

In October 2020, ENEOS received the highest of three "Eruboshi" (L Star) certifications from the Minister of Health, Welfare and Labour as an enterprise fully compliant with the standards of the Act on Promotion of Women's Participation and Advancement in the Workplace.



Diversity and Inclusion ♥

In accordance with the following basic approach, the ENEOS 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.

Promoting Career Opportunities for Employees with Disabilities ♥

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

For fiscal 2019, the percentage of employees with disabilities was 2.36%, higher than the legal requirement of 2.2%. Looking ahead, we will continue our efforts to hire people with disabilities and enhance our support structure for people with disabilities.

Re-employment of Retired Employees

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

In fiscal 2019, the number of employees re-employed after retirement was 799.

Note: Data from ENEOS Holdings and principal operating companies.

Creation of Local Jobs

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

Number of Locally Hired Staff at Overseas Sites (Fiscal 2019)

	(Persons)
ENEOS	1,147
JX Nippon Oil & Gas Exploration	403
JX Nippon Mining & Metals	2,723
Total	4,273

Ikuboss Corporate Alliance Membership and Activities

Since fiscal 2017, ENEOS has been a member of the Ikuboss Corporate Alliance*, established by NPO Fathering Japan.

In fiscal 2019, we held an Ikuboss seminar for managerial staff at the group manager level and above, including officers. The program included a talk on diversity management by an outside expert, as well as a panel discussion by company managers.

Main points

- Diversity management as a management strategy
- Methods for assigning work to a diverse workforce and conducting appropriate personnel evaluations
- Behavior guidelines for managers in the era of diversity

* 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. The Ikuboss Corporate Alliance is a network of companies that are actively working to change the mindsets of their management staff as part of their efforts to foster ikubosses in this new age.

ENEOS Ikuboss Declaration

1. We will work to reduce total annual working hours through the steady implementation of "Goodbye Overtime: Action 5" to enable our entire workforce to reach their full potential despite time constraints due to life events.
2. We will promote diversity centered on the advancement of women in the workplace in order to pursue business reforms under a flexible mindset.
3. We value work-life balance and will support bosses who actively enjoy life and encourage those around them to do the same.
4. We will foster Ikubosses as drivers of these initiatives.



Fiscal 2019 Ikuboss seminar

Initiatives for LGBT (Sexual Minorities)

In accordance with the ENEOS Group Code of Conduct, ENEOS has implemented department-based and classification-leveled training, e-learning and other activities as part of human rights awareness training in order to promote understanding among our employees toward sexual minorities. A contact point has also been established for consultation and inquiries.

In November 2020, ENEOS was awarded the Gold Award for the first time by work with Pride* based on their "PRIDE Index 2020," 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.



Activities to Raise Awareness Among Employees

The Group carries out a number of activities to inform and raise awareness among employees about diversity and inclusion.

Publication of the Iki Newsletter

We publish the Iki Newsletter in order to inform and raise awareness. In fiscal 2019, the newsletter, which we published around 50 times, covered themes such as diversity, types of disabilities and the disability-related legal systems in Japan and other countries, LGBT, and internal initiatives to promote diversity.

Employee Surveys

At ENEOS, we regularly conduct employee surveys to better understand the status of diversity and inclusion awareness and issues unique to the workplace. The survey conducted in fiscal 2018 identified issues in terms of work-life balance and gender discrepancies in career awareness. The results of the survey are now being used for further measures to address such issues.

Work-Life Management ♥

In accordance with the basic approach below, the ENEOS 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 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.

We are now developing a mechanism for the proper calculation and management of working hours in order to reduce total annual working hours (reduce overtime work and encourage the taking of annual paid leave), including for managerial staff.

1. Prevention of prolonged working hours: Implement Action 5, an internal program that prohibits working on Sundays and between the hours of 8 pm and 5 am. IT systems issue reminders to those working prolonged hours.
2. Visualization of overtime hours: Post the working hours of all workplaces monthly on our intranet.
3. Training to encourage changes in mindset/behavior: Hold large-scale training sessions for managers at the section manager level on managing working hours.

Encouraging Employees to Take Annual Paid Leave

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

Major Initiatives

1. Formulation of plans for taking annual paid leave: At the start of each year, each employee draws up a schedule for taking paid leave for the year.
2. Designation of first extended holiday (five consecutive days or more) and second extended holiday (three consecutive days

or more): Employees are encouraged to designate two extended holidays for the year using their annual paid leave.

3. Designation of memorial day (one day per year): Fostering a culture where employees set one day a year of their choice to take annual paid leave.
4. Designation of days where employees are encouraged to take annual paid leave: The Company designates two weekdays a year, adjacent to national holidays, when employees are encouraged to take annual paid leave.
5. Availability of annual paid leave in half-day increments: Encourages flexible use of annual paid leave.
6. Managerial staff serve as role models in actively taking annual paid leave.

Status of Annual Paid Leave in Fiscal 2019

Number of days granted	22.2
Number of days taken	20.5
Usage rate	92.3%

Note: Data from ENEOS Holdings and principal operating companies.

Review of Operational Efficiency and Unnecessarily High Quality of Work

As one of our initiatives aimed at workstyle reforms, ENEOS Holdings and ENEOS have been pushing forward with reforms to reduce the workload by eliminating unnecessary work as well as wasted time and effort. This will encourage more vigorous, flexible workstyles and improved work-life management, resulting in the retention and fostering of talented employees who can add even greater value to their work.

Major Systems for Promoting Work-Life Management

The Group has developed systems to promote work-life management at Group companies.

Systems Introduced in Fiscal 2019

- **Telework (working from home) system**
ENEOS Holdings, ENEOS, JX Nippon Mining & Metals and JX Nippon Oil & Gas Exploration are introducing programs to support employees' work-life balance and help them achieve even greater productivity by enabling them to work flexibly at a variety of locations for any reason.

- **Job transfer deferment system**

ENEOS Holdings and ENEOS have introduced a system whereby employees can defer job transfers up to a maximum of three years for personal reasons, such as childcare, family care, a home purchase, or marriage.

♥ : Indicates the Group's top priorities. Please see pp. 5-6.

• **Spouse accompaniment job transfer system**
ENEOS Holdings and ENEOS have introduced a system where- by employees can request job transfers to specific regions to accompany a spouse who has been relocated to another part of Japan due to a job transfer.

• **Spouse accompaniment leave of absence (retirement) system**
ENEOS Holdings and ENEOS have introduced a system where- by employees can request to be re-hired within five years of

taking leave of absence or retiring to accompany a spouse who was relocated due to a job transfer.

• **Various measures supporting work-life balance**
The Group holds a number of training sessions and seminars for employees to support work-life balance.

- Seminar to support balance between childcare and work
- Seminar to support balance between family care and work
- Health seminar called “Cancer Education for Adults”

Major Systems for Promoting Work-Life Management at Group Companies

	System	Implemented at
Childbirth/Childcare	Special time off for wife’s childbirth	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals, JX Nippon Oil & Gas Exploration
	Childcare leave (until the child reaches the age of 2; first 14 days are paid)	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals (unpaid), JX Nippon Oil & Gas Exploration
	Time off for child rearing (paid)	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration
	Time off to care for an ill child (paid)	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals (unpaid), JX Nippon Oil & Gas Exploration
	Time off for expectant mothers to receive health guidance (paid)	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration
	Time off for childcare (paid)	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals (unpaid), JX Nippon Oil & Gas Exploration
	Childcare leave benefit	ENEOS
	Support for babysitter use	ENEOS, JX Nippon Mining & Metals
	Childcare subsidies	ENEOS, JX Nippon Mining & Metals
	Daycare at business sites	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals, JX Nippon Oil & Gas Exploration
Family Care	Counseling services for pregnancy, childbirth and childcare	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals, JX Nippon Oil & Gas Exploration
	Return-to-work grant	JX Nippon Mining & Metals
	Childcare concierge service	JX Nippon Mining & Metals
	Family care leave (730 days; first 14 days are paid)	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals (unpaid), JX Nippon Oil & Gas Exploration (365 days; first 14 days are paid)
	Time off for family care (paid)	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals (unpaid), JX Nippon Oil & Gas Exploration
	Family care leave benefit/allowance	ENEOS, JX Nippon Mining & Metals
	Home helper subsidies	ENEOS, JX Nippon Mining & Metals
	Family care subsidies	ENEOS, JX Nippon Mining & Metals
	Telephone family care consultation service	ENEOS
	Re-hiring system for retirement due to family care	JX Nippon Oil & Gas Exploration

	System	Implemented at
Family Care	Home helper subsidies	ENEOS, JX Nippon Mining & Metals
	Family care subsidies	ENEOS, JX Nippon Mining & Metals
	Telephone family care consultation service	ENEOS
	Re-hiring system for retirement due to family care	JX Nippon Oil & Gas Exploration
	Telework (working from home)	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals, JX Nippon Oil & Gas Exploration
General	Flextime	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals, JX Nippon Oil & Gas Exploration
	Shorter workday	ENEOS Holdings, ENEOS, JX Nippon Mining & Metals, JX Nippon Oil & Gas Exploration
	Study abroad (at own expense) leave of absence system	ENEOS
	Spouse accompaniment leave of absence (retirement) system	ENEOS Holdings, ENEOS
	Spouse accompaniment job transfer system	ENEOS Holdings, ENEOS
	Job transfer deferment system	ENEOS Holdings, ENEOS
	Leave system for supporting continuation of career	JX Nippon Oil & Gas Exploration
	Cumulative annual paid leave	JX Nippon Mining & Metals
	Return-to-work system	JX Nippon Mining & Metals

Notes: Data from ENEOS Holdings and principal operating companies. The systems listed above are company systems, which are separate from public systems. * Accumulated days of annual paid leave can also be used to take leave for family care and childcare (paid leave).

Utilization of Major Systems in Fiscal 2019

Number of employees taking childcare leave	330 (of which 276 are male)
Percentage of employees returning to work after taking childbirth or childcare leave	100%
Retention rate 12 months after returning to work	100%
Number of employees taking family care leave	6

Note: Data from ENEOS Holdings and principal operating companies.

Flexible Operation of Work Systems to Prevent the Spread of COVID-19

During the COVID-19 pandemic, we worked to fulfill our responsibilities as a business involved in maintaining societal functions while keeping our employees and their families from becoming infected with COVID-19 as a top priority. We eased restrictions and expanded work systems to allow employees to work from home more flexibly. Around 85% of our office staff worked from home (as of May 2020).

Looking ahead, we will continue to promote remote working, not as an initiative to prevent the spread of the virus, but to create greater variation of working styles.

In addition, we are taking thorough steps to prevent the spread of the virus among employees whose jobs require them to work from one of our physical business locations.

Quality

Basic Approach

The ENEOS Group believes that the provision of high-quality, safe, and reliable products and services that provide customer satisfaction is an important element in gaining the trust of our customers and achieving sustainable growth. Based on this approach, we have stipulated product and service quality in our Group Code of Conduct.

Each Group company has established its own quality management policies according to the nature of its business and works to continuously improve quality from a customer-oriented perspective based on these policies.

ENEOS Group Code of Conduct (excerpt)

6. Product and service quality

- (1) We always conduct our business activities with a spirit of innovation and a willingness to take on challenges.
- (2) We strive to contribute to the solution of domestic and international social issues and gain customer satisfaction and trust by developing and providing innovative technology and useful products and services.
- (3) We comply with domestic and international standards for the products and services we provide. We perform quality control and risk management, covering areas such as safety, security, environment and health. We also strive to provide a stable supply of goods and services, even in the event of emergencies.
- (4) We always provide our customers with appropriate and clear labels and explanations on our products and services, and we respond promptly and sincerely to customer inquiries.
- (5) In the event of malfunctions in our products or services, we strive to conduct exhaustive investigations and implement measures to prevent recurrence.

Energy Group* Quality Policy

We seek to earn the trust and satisfaction of our customers by adopting a customer-oriented perspective and adhering to the following.

1. Provide products and services that are safe and can be used with peace of mind;
2. Maintain and continuously strive to enhance the quality of our products and services; and
3. Provide customers with accurate information that is easy to understand.

* ENEOS Group companies

JX Nippon Mining & Metals Basic Quality Policy

1. Correctly grasp the requirements of customers and society in order to offer products and services that customers can trust and that satisfy their needs.
2. Improve and maintain quality at all processes from development, design, and production to delivery, while paying due attention to safety and environmental conservation.
3. Establish a quality management system, carry out continual improvements, and develop human resources.
4. Comply with all pertinent laws and regulations of Japan and other countries, and provide customers and society with accurate information on quality.

Structure

The ENEOS Group has positioned quality as a priority field for CSR activities. In fiscal 2019, our Group companies conducted activities based on their quality policies and regularly oversaw,

evaluated, and shared information about the status of quality-related initiatives.

Many of our business sites in Japan and overseas (see table on following page) have obtained ISO 9001 certification, a global standard for quality management systems.

Business Sites with ISO 9001 Certification

ENEOS	Domestic	Sendai Refinery; Chiba Refinery; Kawasaki Refinery; Negishi Refinery; Sakai Refinery; Wakayama Refinery; Mizushima Refinery; Marifu Refinery; Oita Refinery; Yokohama Plant; Chita Plant; Sodegaura Terminal; Kashima Refinery, Kashima Oil Co., Ltd.; ENEOS Wakayama Petroleum Refining Co., Ltd.; Tonen Chemical Corporation Kawasaki Plant; Nihon Gosei Jushi K.K.; NUC Corporation (head office, Kawasaki Plant); Sankyo Yuka Kogyo K.K. (head office, refinery); ENEOS Techno Materials Corporation (Tokyo office, Yokohama Plant, Narita Plant)
	Overseas	JX Nippon Oil & Energy USA Inc.; JX Nippon Oil & Energy Vietnam Co., Ltd.; ENEOS (Thailand) Ltd.; Nippon Oil (Guangzhou) Lubricants Corporation; PT. JX Nippon Oil & Energy Lubricants Indonesia; ENEOS Korea Corporation
JX Nippon Oil & Gas Exploration		Nakajo Field Office
JX Nippon Mining & Metals	Domestic	Hitachi Works (Copper Foil Dept.); Isohara Works; Kurami Works; JX Nippon Exploration and Development Co., Ltd.; JX Metals Smelting Co., Ltd. (Saganoseki Smelter & Refinery, Hitachi Refinery); Japan Copper Casting Co., Ltd.; JX Nippon Coil Center Co., Ltd.; JX Metals Trading Co., Ltd. (Takatsuki Plant); Ichinoseki Foil Manufacturing Co., Ltd.; JX Metals Precision Technology Co., Ltd. (Tatebayashi Works, Esashi Works, Nasu Works, Kakegawa Works); Toho Titanium Co., Ltd. (head office, Chigasaki Plant, Hitachi Plant, Yahata Plant, Wakamatsu Plant, Kurobe Plant), TANI OBIS Japan Co., Ltd. (Mito Plant)
	Overseas	Nippon Mining & Metals (Suzhou) Co., Ltd.; Nikko Fuji Precision (Wuxi) Co., Ltd.; JX Nippon Mining & Metals Dongguan Co., Ltd.; Nikko Metals Taiwan Co., Ltd.; JX Nippon Mining & Metals Philippines, Inc.; Materials Service Complex Malaysia Sdn. Bhd.; Materials Service Complex Coil Center (Thailand) Co., Ltd.; JX Nippon Mining & Metals Korea Co., Ltd.; TANI OBIS GmbH (Goslar); TANI OBIS Smelting GmbH & Co. KG (Laufenburg); TANI OBIS Co., Ltd. (Map Ta Phut)
NIPPO		Head office, Hokkaido Branch, Tohoku Branch, Kanto Daiichi Branch, Kanto Daini Branch, Hoku-shinetsu Branch, Chubu Branch, Kansai Branch, Shikoku Branch, Chugoku Branch, Kyushu Branch, Architect Department

Initiatives at Manufacturing Sites

Thorough preventive measures are carried out at ENEOS refineries and plants to eliminate quality-related issues and prevent recurrence.

Standardization of Quality Management and Assurance Procedures

All of our refineries and plants have obtained ISO 9001 certification. In addition, we focused on ISO 9001 requirements for the manufacture of oil and petrochemical products to develop the Quality Management System as an ENEOS framework. We began implementing this system at all of our refineries and plants in fiscal 2018, and are continuing activities to expand it, within the applicable range, throughout the supply chain.

One of the features of this system is the performance of risk assessments and risk reduction measures to prevent quality-related issues from occurring. Employees at all manufacturing sites learn quality risk analysis methods, enabling them to identify risks and take appropriate measures to address them, thus contributing to the achievement of proactive, highly effective quality management.

Information Sharing about Quality Complaints and Issues

Information about quality complaints and issues that have occurred at refineries and plants is shared via databases with other refineries and plants, and company-wide measures to prevent recurrence are discussed and implemented, thus contributing to the future prevention of quality-related issues.

Inspection of Quality Management Systems

We carry out inspections of the quality management systems of our refineries and plants based on the Quality Management System. These inspection activities include internal audits conducted by each plant or refinery and audits implemented by the head office Quality Assurance Department. Inspections identify the strengths and weaknesses of each location, and the results are shared throughout the Company, enabling us to strengthen the quality management systems at each site and make further improvements to these management systems.

Inspections in fiscal 2019 did not indicate any irregularities in terms of production safety and quality. We will continue to strengthen our quality assurance systems by utilizing and improving upon these management systems.

Initiatives at Distribution Sites

As part of our quality management efforts at distribution sites, we work with freight companies to ensure that all procedures, from product loading to unloading, are carried out safely and without error.

We are working to prevent accidents through facilities improvements, by continuing with installation of equipment to prevent the mixing of products on tank trucks that transport gasoline, kerosene and diesel, as well as through operational initiatives, such as having both customers and truck drivers present during unloading.

When transporting packaged lubricant products by truck, we work to prevent transport-related issues by having both customers and truck drivers check the destination, product name, packing condition, quantity and appearance during unloading, and also encourage the practice of pointing and calling.

Initiatives at Service Stations

At our service stations, we work with operators to improve product quality management and customer satisfaction.

Product quality management initiatives, including regular inspections of weighing devices, underground tanks and other facilities, are implemented at our service stations. We have also developed a quality management manual to ensure proper day-to-day management to prevent mixing of water and oil products and to improve knowledge and skills in order to ensure quick and appropriate response to product quality issues should they occur.

Strengthening the Quality Audit Function from a Third-Party Perspective

As part of its efforts to strengthen its quality management structure, JX Nippon Mining & Metals has established the Quality Control Department, which is in charge of planning, proposing and implementing policies aimed at maintaining as well as improving quality management. From a position independent from the company's business operations, the Quality Control Department conducts quality audits of all business sites to ascertain whether quality management is being appropriately implemented.

The company has also established the Quality Control Committee, meetings of which are attended by management, to ascertain whether the quality management structure is functioning properly and to share any issues.

Initiatives in Quality Control Education

At JX Nippon Mining & Metals, a quality control education system has been developed for employees, with three objectives. The first is to standardize and raise quality control levels, the second is to improve problem-solving capability, enabling employees to logically deduce the causes of problems and take the lead in solving them, and the third is to improve operational quality.

The company has prepared various training programs based on the level of participants, from beginner to expert courses. These training programs are implemented systematically based on level and the year an employee joined the company, and have become an integral part of employee education. In the training, employees hold group discussions while studying topics tailored to each course level, such as basic approaches, quality control methods, and data analysis using statistical methods.

Addressing Customer Needs

ENEOS receives valuable feedback from our customers through the ENEOS Customer Service Center. The Center accepts enquiries and complaints about ENEOS by telephone and email, and the necessary response is coordinated with the relevant departments.

The Center responds to enquiries with clear, courteous explanations and addresses complaints promptly and in good faith.

The Center shares enquiries and complaints received from customers with the relevant departments via a dedicated IT system to facilitate responses. This dedicated IT system enables the ENEOS Customer Service Center to understand the status of responses at anytime. If a response is delayed, the system will automatically issue an alert to the relevant department.

Customer feedback received through the Center is tabulated and analyzed and a report is issued, which is shared with officers and the relevant departments, helping to prevent the recurrence of complaints. In fiscal 2019, we received a total of 31,153 enquiries.

In the quality design for products and the establishment of manufacturing standards, we conform to laws, regulations, and standards such as JIS, as well as the contractual specifications of our customers. In addition, to prevent customer use issues with our products, we carry out in-depth studies, utilizing our abundant experience and knowledge as a database, to ensure that we provide reliable products of the highest quality.

Supply Chain Management

Basic Approach

At the ENEOS Group, we work to fulfill our social responsibilities across the entire supply chain by cooperating with suppliers of raw materials, logistics companies, construction companies, sales companies and others involved in our business activities, while carrying out initiatives for compliance, environmental preservation, human rights and labor, and safety and health.

We have stated this approach in the ENEOS Group Code of Conduct, and we have also established basic procurement policies for our Group companies in accordance with their business characteristics. Based on these policies, we work toward the continuous improvement of our procurement activities.

ENEOS Group Code of Conduct (excerpt)

Applicable Scope of the Code of Conduct

In principle, this Code of Conduct is applicable to all directors, officers and employees who work at ENEOS Holdings, Inc., and its subsidiaries. We also encourage companies that are part of our value chain to comply with this Code of Conduct. These companies include, but are not limited to, suppliers of raw materials, logistics companies, construction companies, and sales companies.

ENEOS CSR Procurement Policy

1. Conduct purchasing activities based on the ENEOS Group Code of Conduct and relevant policies, and strive to gain understanding and cooperation from business partners with regard to the Code of Conduct.
2. Place emphasis on conducting transactions on an equal footing with business partners with whom a sustainable partnership is possible, and aim to establish a mutually trusting relationship.
3. Consider a wide range of potential business partners and determine their suitability from a comprehensive standpoint, taking into account factors such as quality, price, delivery, and stable supply requirements, as well as attention to the environment and greater society.

JX Nippon Mining & Metals Group Basic Procurement Policy

Basic Policy of the JX Nippon Mining & Metals Group

1. Comply with laws, regulations, and rules and engage in fair transactions.
 - Respect the letter and spirit of relevant laws and social norms in executing business operations.
 - Conduct purchasing activities based on fair evaluations.
 - Maintain appropriate relationships with business partners based on the highest ethical values.
2. Protect intellectual property rights.
 - Strictly control personal information obtained in the course of procurement activities.
 - Do not illegally obtain or illegally use intellectual property, including the patents, utility models, designs, and trademarks of third parties, and do not infringe on such rights.
3. Build relationships with business partners based on mutual understanding and trust.
 - Provide business partners with high reliability and satisfaction through accurate, fast, and highly transparent activities.
 - Endeavor to achieve robust communication with business partners and consistently promote creativity and innovation through advanced ideas.
 - Contribute to the development of a sustainable society by promoting the purchase of environmentally friendly materials and machinery.
4. Follow the principles below regarding conflict minerals.
 - Do not engage in raw materials procurement that contributes to illegal activities in conflict-affected regions or to human rights infringements through such illegal activities.
 - Respect the guidance of the Organisation for Economic Co-operation and Development related to raw materials procurement from conflict-affected areas, and control supply chains in an appropriate manner.

JX Nippon Mining & Metals Group Basic Procurement Policy

Policy for Selecting Procurement Partners

In all of its business activities, the JX Nippon Mining & Metals Group must fulfill its social responsibilities, including not only those in the Group but in the supply chain of its business partners as well. For this reason, the Group asks that its business partners comply with the following.

1. Comply with laws, regulations, and social norms, such as those below, and place priority on human rights and environmental impact.
 - Obey laws and regulations related to manufacturing and sales, etc.
 - Comply with labor-related laws and regulations.
 - Abide by laws and regulations related to safety and health and develop a proper labor environment.
 - Prohibit child labor and forced labor.
 - Prohibit discrimination based on race, gender, etc., and respect the human rights, personality, and individuality of employees.
 - Comply with environmental laws and regulations.
 - Prohibit bribery and other unfair conduct.
 - Do not engage in conflict minerals procurement or use that contributes to inhumane acts.
 - Shut out relations with antisocial forces.
2. Engage in sound and fair business management.
3. Based on the JX Nippon Mining & Metals Group's Green Purchasing Guidelines, build environmental management systems and properly manage specified chemical substances.
4. Offer stable supply capacity and satisfy the quality, price, delivery, and service requirements of the JX Nippon Mining & Metals Group.
5. Possess technological capabilities that meet the requirements of the JX Nippon Mining & Metals Group.

CSR Procurement

The ENEOS Group works with suppliers to promote procurement in which factors such as compliance, environmental impact reduction, human rights and labor, and health and safety are taken into account.

To ensure responsible procurement, employees in charge of procurement receive training to raise their awareness of the ENEOS Group Philosophy, the ENEOS Group Code of Conduct, procurement policies and applicable laws and regulations.

In the basic purchasing contracts used by ENEOS Group companies, we request that suppliers work continually toward maintaining and improving the environment.

In fiscal 2018, we conducted the first CSR procurement survey of our procurement partners in Japan, which accounted for 80% of the value of materials, construction work and services used by ENEOS. In fiscal 2019, coverage of the survey was expanded to include JX Nippon Mining & Metals, JX Nippon Oil & Gas Exploration and other Group companies, as well as suppliers outside Japan. The number of companies targeted in the survey has reached 906 for the entire Group.

The survey includes items pertaining to attention to the environment, securing the rights of workers, child labor and forced labor, among others. Suppliers who require improvement according to the survey results are urged to implement improvement measures. We plan to conduct this survey every three years to monitor the progress of improvements.

Additionally, we take part in the Supply Chain subcommittee of the Global Compact Network Japan, the local network of the UN Global Compact. Through this involvement, we actively obtain information on promoting CSR procurement and continuously optimize our implementation structure and methods.



Training session for procurement partners

Membership in Sedex and EcoVadis

In fiscal 2019, as part of its supply chain management efforts, ENEOS became a member of both Sedex and EcoVadis, ratings providers for supply chain sustainability, amid increasing calls to do so.

Confronting the Issue of Conflict Minerals

Industry organizations relevant to the JX Nippon Mining & Metals Group (including the LBMA¹ and RBA²) have established monitoring programs for eliminating conflict minerals. Under these programs, companies are requested to carry out surveys and undergo external audits by third-party organizations.

Accordingly, the JX Nippon Mining & Metals Group has included a clause on the exclusion of conflict minerals in its Basic Procurement Policy, and has established and operates management systems to appropriately address this issue.

¹ London Bullion Market Association. An industry association composed of financial institutions and others that deal in gold and silver ingot. Inclusion on this association's Good Delivery List is viewed as a guarantee of high quality and reliability.

² Responsible Business Alliance. An industry coalition for ensuring responsible conduct in supply chains within the electronics industry.

Initiatives for the Gold and Silver Supply Chains

JX Metals Smelting, a producer of gold ingot, and JX Nippon Mining & Metals, a producer of silver ingot, have established and operate management systems for supply chain due diligence, which includes the following requirements.

1. Performance of supply chain due diligence before the purchase of mineral raw materials (confirmation of material source origin, performance of risk assessment, item confirmation upon delivery, distribution route confirmation, retention of relevant documents, etc.)
2. Notification to suppliers of the policy on the exclusion of conflict minerals
3. Implementation of in-house training on supply chain due diligence and its background
4. Implementation of internal audits and undergoing external audits

Operation of supply chain due diligence is audited by a third-party organization specified by the LBMA, and the results are reported to the LBMA. As a result of following these procedures, the gold ingot produced at JX Metals Smelting's Saganoseki Smelter & Refinery and silver ingot produced at the Hitachi Works of JX Nippon Mining & Metals are included on the LBMA's Good Delivery List.

Initiatives for the Tantalum Supply Chain

TANIOBIS GmbH, a producer of tantalum powder, implements a strict program of purchasing checks based on international standards for procuring raw materials from conflict-affected and high-risk areas. For example, TANIOBIS purchases materials with tags that the ITSCI* distributes and tracks to guarantee non-involvement in conflicts, child labor, or other human rights violations within conflict-affected areas. TANIOBIS also performs supply chain due diligence to confirm the tags. As a result of these initiatives, TANIOBIS has been included on the RMAP

Conformant Smelters list in recognition that TANIOBIS is taking proper measures to exclude conflict minerals.

* ITRI Tin Supply Chain Initiative. An initiative of the International Tin Research Institute (ITRI), a global industry organization. It aims to promote implementation of due diligence from mine to smelter as well as procurement of minerals from mines in conflict-affected areas that do not benefit armed groups, based on OECD guidelines.

Initiatives with Distribution Companies

ENEOS provides training and carries out activities to raise awareness among all contract transport providers responsible for transporting its products in an effort to increase awareness of safety, improve safety practices, and encourage eco-friendly driving.

The company hosts a meeting for all contract transport providers to share the safety policy and goals for that particular fiscal year.

The company hosts a safe delivery contest to improve drivers' driving techniques and unloading work. It also shares good practices of transport companies and other information at the safety manager meeting, held every autumn. Through these activities, the company is proactively working to raise safety awareness among distribution companies.

We also support the White Logistics movement, which seeks to improve the productivity of truck transport, increase the efficiency of logistics and distribution, and ensure a comfortable work environment for women and seniors. In 2019, we submitted a voluntary action declaration.

ENEOS is implementing the following six initiatives.

1. Proposals and cooperation for improving logistics and distribution
2. Separation of trunk route transport and collection/delivery transport
3. Encouraging use of expressways
4. Deliveries that avoid peak rush hour
5. Continuation of fuel surcharges
6. Suspending or stopping transport operations during extreme weather

Through our initiatives to achieve sustainable logistics and distribution, we seek to increase the productivity of the entire supply chain, thus contributing to the fulfillment of our responsibility to provide a stable supply of energy.

Social Contribution

Basic Approach

The ENEOS Group believes that promoting dialogue, cooperation and collaboration in the areas where we conduct our business operations to build robust relationships of trust with local communities is an important element in the continuation of our business activities and the realization of sustainable development.

Based on this belief, we have established the ENEOS Group Code of Conduct as a basic policy of the Group. We are also striving to contribute to the economic and social development of the communities in which we operate in Japan and overseas by utilizing local companies, employing local staff and carrying out a variety of other activities.

ENEOS Group Code of Conduct (excerpt)

13. Contribution to the development of civil society

- (1) We respect the environment, culture and customs in all of our business locations, and communicate, cooperate and collaborate with local communities, local governments, and civic groups, among others.
- (2) We contribute to the development of civil society through social contribution activities.

Structure

With social contribution positioned as a priority field for CSR activities in fiscal 2019, the Group regularly summarized, evaluated and shared information on these activities as part of its CSR promotion structure.

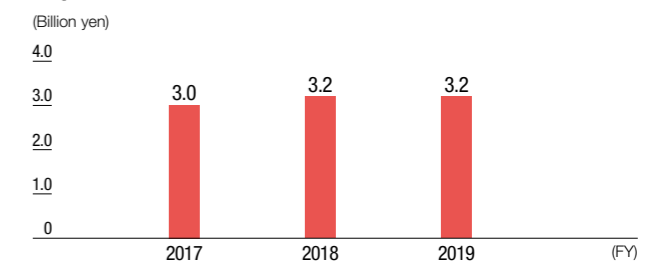
For details about this structure, see p. 7.

Expenditures for Social Contribution Activities

In fiscal 2019, the total expenditure by the Group for the implementation of social contribution activities in Japan and overseas, plus donations of money and goods, was approximately 3.2 billion yen.

While actively engaging in dialogue with local communities, we will continue to implement social contribution initiatives, which include activities involving the entire Group and activities unique to each Group company.

Expenditures for Social Contribution Activities



Note: Figures indicate the sum of expenditures for social contribution activities plus donations of money, goods, etc.

Initiatives in Vietnam

The Group continues to support the development of youth in Vietnam, one of the countries where we have operations, through a variety of social contribution activities.

Support for Construction of School Buildings

In Vietnam, JX Nippon Oil & Gas Exploration provides donations for the construction of schools and supports vocational training facilities to enable young people with disabilities resulting from the effects of defoliants to participate in society. The company also provides the schools with teaching materials and supplies.

Support for Construction of School Buildings

2002	Muong Phang Elementary School in Dien Bien Province
2005	Vocational training facility in Quang Tri Province
2007	Thanh Tuyen Junior High School in Ha Nam Province
2008	Binh An Junior High School in Ha Tinh Province
2009	Trieu Dai Elementary School in Quang Tri Province
2011	Vocational training facility in Ha Tinh Province
2012	Nguyen Binh Khiem High School in Hai Phong City
2013	Nguyen Truong To Elementary School in Ba Ria Vung Tau Province
2014	Trieu Dai Elementary School in Quang Tri Province (additional classrooms)
2015	Xuat Tac Kindergarten in Thai Nguyen Province
2016	Hoa Mai Kindergarten in Ba Ria Vung Tau Province
2017	Nguyen Ba Ngoc Elementary School in Dak Nong Province
2018	Trieu Trung Junior High School in Quang Tri Province

Educational Support

Since 2006, JX Nippon Oil & Gas Exploration has provided scholarships to students in need through the Ho Chi Minh Association for Education Promotion, a public institution working to improve education in Vietnam. In 2019, scholarships were awarded to 40 students.



Scholarship presentation ceremony

We have also made a donation of 100,000 US dollars to PetroVietnam University, established in 2011 by PetroVietnam, the state oil company of Vietnam, as a petroleum university whose goal is to develop human resources to lead the petroleum industry. Since then, we have continued to provide scholarships and funding for operations, hosted interns from the university, and provided guidance for the preparation of graduation theses.



Graduation and new school term commencement ceremony at PetroVietnam University

Bouquet of Children's Stories Contest by ENEOS and MOGU

ENEOS Group company JX Nippon Oil & Energy Vietnam Consulting and Holdings Co., Ltd. (JXEV) sponsors the Bouquet of Children's Stories Contest by ENEOS and MOGU, a contest for children's stories that began in 2018 as an event commemorating the 45th anniversary of diplomatic relations between Japan and Vietnam. The contest is the first story creation contest for children in Vietnam.

In fiscal 2019, around 490 submissions were received across the three categories of elementary school, junior high school and general. First place in the elementary school category went to *Butterfly of Leaves*, written by 9-year-old Bui Mai Khue.

A *Bouquet of Children's Stories*, a compilation of all 13 award-winning stories, is sold together with a Vietnamese translation of *A Bouquet of Children's Stories* from the ENEOS

Children's Story Award. Proceeds from sales are donated to fund picture book promotion activities and scholarships.

JXEV is committed to supporting the growth of picture books in order to foster healthy minds among children in Japan and Vietnam.



Awards ceremony for the children's story contest

Initiatives in Malaysia

As a project operator in Malaysia, JX Nippon Oil & Gas Exploration conducts a variety of social contribution activities closely in tune with the needs of local communities.

We also provide support for local cultural and sporting events.

Contribution to Community Events

As a proud sponsor of the Sarawak Regatta (boat race) and the Borneo Jazz Festival, annual events in the state of Sarawak, we play a part in promoting culture and sports in local communities.



The Sarawak Regatta

Assisting People in Financial Need

We deliver gifts to economically disadvantaged families during Ramadan (a month of fasting observed by Muslims) to support the activities of a local Muslim welfare association.



JX Nippon Oil & Gas Exploration staff delivering a gift

Initiatives in Chile

JX Nippon Mining & Metals conducts a variety of social contribution activities in Chile via SCM Minera Lumina Copper Chile, operator of the Caserones Copper Mine.

Donations for Countermeasures Against COVID-19

In April 2020, we donated 200 simple test kits for COVID-19 to the Atacama Health Service and two sample collection devices for PCR tests for COVID-19 to the Medical School of the University of Atacama.

In response to these donations, Patricio Urquieta, Regional Governor of Atacama, expressed his appreciation, and the Atacama Health Service commented, "This donation will help Atacama combat the COVID-19 pandemic."

We also donated healthcare supplies, including masks, gloves and simple personal protective clothing, to the Los Loros district, located near the Caserones Copper Mine.



Simple testing kits donated to the Atacama Health Service

Support Program for Vocational Training of Residents Living Near Caserones

We conduct a vocational training program for residents living near the Caserones Copper Mine as part of our community contribution activities. A wide range of training is offered, including food processing, soldering, and tailoring. In fiscal 2019, around 300 people took part in the program.



Participants in the vocational training program

Initiatives in Japan

Baseball Classes and Basketball Clinics

The ENEOS Group runs baseball classes and basketball clinics each year throughout Japan. The sessions target elementary and junior high school students, and are coached by active players from the ENEOS baseball team and the ENEOS Sunflowers women's basketball team.

In fiscal 2019, we held 15 baseball classes for 1,123 participants and 72 basketball clinics for 2,449 participants.



Baseball class



Basketball clinic

Support for Disabled Sports

Sponsorship for the Japan Wheelchair Basketball Federation

Since 2006, ENEOS has sponsored the Japan Wheelchair Basketball Federation for the promotion of wheelchair basketball.

Many employees and their families attend the tournaments to cheer for the athletes and also volunteer to provide operational support and assistance.

Sponsorship for the Japan Deaf Basketball Association

We began supporting the Japan Deaf Basketball Association in 2019 to promote the growth and development of deaf basketball (basketball played by the hearing impaired). We will continue to support the association's activities through efforts such as attending tournaments and cheering for the players.

Sponsorship for the Japan Dream Baseball League

Since 2007, ENEOS has been working for the promotion and development of baseball for people with disabilities as a sponsor of the Japan Dream Baseball League.

Company employees and their families attend the tournaments, cheering for the players and contributing to the excitement of the games.

ENEOS Children's Story Award

The ENEOS Children's Story Award is a contest, open to the general public, for recognizing the best works from among submissions of original children's literature with the theme "heart-to-heart." The award has been presented by the ENEOS Group since 1970.

A total of 10,425 heartwarming entries were submitted for the 50th awards, presented in fiscal 2019.



Awards ceremony for the 50th Children's Story Award

Scholarship Support for Children Living in Child Welfare Facilities

The ENEOS Group sells copies of A Bouquet of Children's Stories, a compilation of works awarded the ENEOS Children's Story Award, to raise money for charity. All proceeds are donated to the ENEOS Scholarship Program, established by the Japan National Council of Social Welfare (JNCSW), to be used as financial assistance when children living in child welfare facilities enroll in university or other institutions of higher education.

In April 2019, scholarship support was provided to 576 children (enrolling in fiscal 2019), bringing the total number of recipients since the scholarship program was established in fiscal 2003 to 5,842.

ENEOS Children's Culture Award and Music Awards

The Children's Culture Award (founded in 1966) and the Music Awards (founded in 1971) are presented by the ENEOS Group to recognize contributions to the development and improvement of music and children's culture in Japan, and to encourage future achievements.



Awards ceremony for the 54th Children's Culture Award and the 49th Music Awards

Performances by Recipient of the Children's Culture Award

ENEOS presented outreach performances featuring performers from the Kazenoko Theatre Company, recipient of the 11th ENEOS Children's Culture Award in 1976, to provide children living in the communities where we operate with opportunities to nurture a rich sensitivity and imagination.

In fiscal 2019, performances were held at elementary schools in Miyagi, Okayama, Osaka, Wakayama, and Chiba, providing inspiration to the roughly 2,300 children in attendance.

ENEOS Summer Holiday Science Bus Tour for Fun Learning

At ENEOS refineries, Summer Holiday Science Bus Tours for elementary school students and their guardians are run in collaboration with various newspaper companies around the country.

Groups are taken on bus tours of refineries, where they enjoy learning about refinery processes and the importance of energy resources. These tours are useful for the self-led research homework assigned to students over the summer holiday.

These tours were held at 10 of our locations in fiscal 2019, with 782 participants, including children and their guardians.



Bus tour at the Mizushima Refinery

Summer STEM Challenge 2019

The JX Nippon Mining & Metals Group supports the STEM Challenge (Experience Jobs in Science and Technology) initiative, spearheaded by the Gender Equality Bureau of the Cabinet Office, and has hosted the Summer STEM Challenge every year since 2015. In fiscal 2019, the company hosted plant tours and interactive experiments for junior high school students at five of its business locations across Japan. During the tours, participants observed plant worksites and learned about the importance of non-ferrous metals, especially copper, and STEM employees at the plants told the students about the nature of their work.



Participants conducting an experiment

JX Nippon Oil & Gas Exploration International Student Scholarship

Since launching the JX Nippon Oil & Gas Exploration International Student Scholarship program for international students studying in Japan in fiscal 2015, JX Nippon Oil & Gas Exploration has continued to assist international students from Papua New Guinea and Indonesia, which are involved in the company's crude oil and LNG production business.

Support for the ENEOS TonenGeneral Sekiyu R&D Encouragement and Assistance Foundation

Through the ENEOS TonenGeneral Sekiyu R&D Encouragement and Assistance Foundation, ENEOS presents scholarships to undergraduate and graduate students studying science and technology and provides research grants to young researchers in order to contribute to the development of industry and industrial technologies.

Support for the Tonen International Scholarship Foundation

Through the Tonen International Scholarship Foundation, ENEOS provides scholarships for international students studying at Japanese graduate schools as a way to promote friendship between Japan and other countries and contribute to greater society.

Forest Stewardship Activities in ENEOS no Mori

The Group is involved in various forest stewardship activities at each of its Group companies.

ENEOS carries out tree thinning, removal of undergrowth, and other forest stewardship activities at six ENEOS Forests (total area: 24.88 hectares) across Japan in partnership with local governments, the National Land Afforestation Promotion Organization (NLAPO) and others. In fiscal 2019, a total of 1,325 employees and their family members took part in the activities.

Since 1998, JX Nippon Oil & Gas Exploration has worked to preserve the pine forest (coastal shelter forest) located on and around the site of its Nakajo Field Office in Niigata Prefecture. In fiscal 2019, a total of 64 officers, employees and their families undertook forest preservation work together with nearby residents.

JX Nippon Mining & Metals promotes reforestation activities in cooperation with local forestry associations and other groups, especially at the sites of its closed mines.

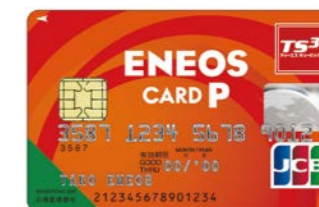


Forest stewardship activities in ENEOS no Mori

Promoting Afforestation through the ENEOS Credit Card

Since ENEOS credit cards were first issued in October 2001, ENEOS has donated part of the spending on these cards at ENEOS service stations to the National Land Afforestation Promotion Organization (NLAPO). These funds are being used to help support a host of environmental programs run by the organization, including afforestation work, youth tree-planting activities, the revitalization of tropical forests and the prevention of desertification.

In fiscal 2019, approximately 43.53 million yen were donated, bringing total donations through this initiative to about 553 million yen.



ENEOS credit card

Volunteer Activities by the Rural Community Support Team

The ENEOS Oita Refinery has been registered with Oita Prefecture's rural community support team program since fiscal 2009. This program supports small communities that find it difficult to mow grass along roadways or run local festivals due to shortages of people caused by aging demographics and depopulation.

As part of this program, employees take part in the festival of Yurugi Shrine, located in the Kujuno area of Taketa City. Due to depopulation and the aging of residents, the community has difficulty finding people to carry the mikoshi (portable shrine) for this festival, which has a history of almost 1,000 years. The support team has been welcomed by the local community for making it possible to pass down this important tradition.

In fiscal 2019, 14 employee volunteers took part, donning traditional white clothing to participate in a Shinto ritual, after which they carried the mikoshi in a procession.



Employees carrying a mikoshi (portable shrine)

Joint Disaster Drills with Local Governments

At ENEOS oil refineries and depots, disaster drills are conducted in collaboration with local governments, fire departments and other relevant groups, using scenarios of a major disaster or an accident at a refinery.

In addition to carrying out practical drills to strengthen systems for cooperation in the event of a disaster, the company works to ensure that local residents can live their lives with peace of mind.

Dialogue with Local Communities

The ENEOS Group has established venues for regularly interacting with local communities (local governments, schools, local community members, etc.), including tours of refineries and plants, dialogue sessions and networking sessions, in order to continue with activities rooted in the community.

In dialogue sessions with local communities, we explain the Group's environmental and safety initiatives, and through

regular dialogue, we strive to deepen mutual understanding. In addition, we disseminate necessary information in a timely manner through community newsletters and other means in an effort to further build understanding and relationships of trust with local communities.



Community event (Yamanokami Festival at JX Nippon Mining & Metals Hitachi Works)

Bread Sales Drives in Support of People with Disabilities

As part of its activities to foster greater employee awareness of people with disabilities, ENEOS holds bread and baked goods sales drives run by staff from a bakery that employs people with disabilities. These activities not only contribute to the bakery's sales, but also offer a sense of encouragement through interactions with many of the company's employees, as well as providing indirect support for the employment of people with disabilities.

Bread and baked goods sales drives by Koro-Koro Bakery, which is operated by a social welfare corporation, have been held at the ENEOS head office since fiscal 2015. In fiscal 2019, these sales drives were held on five occasions. Some of the company's refineries also host baked goods sales drives by businesses in the local community that employ people with disabilities.

Assistance to Areas Affected by Major Disasters

The Group provides assistance to areas affected by major disasters.

Assistance Provided in Fiscal 2019

October	Charitable donations for victims of Typhoon No. 19 (Typhoon Hagibis)	20 million yen
December	Donation for the recovery and rebuilding of Shuri Castle	5 million yen

Introduction of Volunteer Activity Leave System

ENEOS Holdings and ENEOS have established a special leave system that allows employees to take up to three days off during the year to participate in company-approved volunteer activities (system introduced in April 2019).

Through the introduction of this system, we offer support for the volunteer activities of our employees. In fiscal 2019, a total of 85 employees used this system, taking a total of 123 days off.

Data

Governance

Item		FY2017	FY2018	FY2019
Board of Directors	Number of meetings	15	14	14
	Number of members	From April 1: 25 From June 28: 22	From April 1: 22 From June 27: 18	From April 1: 18 From June 26: 17
	Number of independent outside directors	From April 1: 5 From June 28: 4	From April 1: 4 From June 27: 6	6
	Average attendance rate (%)	98.6	97.3	99.6
Board of Corporate Auditors	Number of meetings	16	4	
	Number of members	From April 1: 7 From June 28: 6	6	
	Number of independent outside corporate auditors	From April 1: 4 From June 28: 3	3	
Audit and Supervisory Committee	Number of meetings		11	15
	Number of members		5	5
	Number of independent outside directors (Audit and Supervisory Committee members)		3	3
Compensation Advisory Committee	Number of meetings	3	4	5
	Number of members	6	6	From April 1: 6 From June 26: 5
	Number of independent outside directors	3	3	3
Nomination Advisory Committee	Number of meetings	3	4	5
	Number of members	6	6	From April 1: 6 From June 26: 5
	Number of independent outside directors	3	3	3
Average attendance rate (%)		100.0	95.7	100.0

Note: The Company transitioned to a company with an Audit and Supervisory Committee following the General Meeting of Shareholders held on June 27, 2018. As a result, the Company eliminated the Board of Corporate Auditors and established the Audit and Supervisory Committee.

Environmental

- The environmental information covers a total of 78 business sites at 41 companies in the principal operating companies the ENEOS Group, the JX Nippon Oil & Gas Exploration Group, the JX Nippon Mining & Metals Group, as well as other operating companies (ENEOS Group: 49 business sites at 26 companies; JX Nippon Oil & Gas Exploration Group: 3 business sites at 1 company (operator business); JX Nippon Mining & Metals Group: 26 business sites at 13 companies; other operating companies: 1 company), however, the companies covered vary depending on the information. The companies covered are indicated in the "Scope of data" column.
- The environmental information indicated with for fiscal 2019 has been assured by an independent practitioner.
- Some figures from past fiscal years were revised in the process of tabulating results for fiscal 2019 due to revisions in the scope of data, etc.

Energy Consumption (crude oil equivalent)

	Unit	FY2017	FY2018	FY2019	Scope of data
Energy consumption (crude oil equivalent)	Million kL	11.75	11.32	11.02	ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals, NIPPO Corporation
Fuel consumption (crude oil equivalent)	Million kL	10.49	10.13	9.55	
Electricity consumption	Million kWh	4,569	4,216	4,850	

Note: Figures for ENEOS Group data include energy consumption from distribution activities.

Energy Consumption Intensity

	Unit	FY2017	FY2018	FY2019	Scope of data
Energy consumption intensity for oil refining	Oil equivalent consumption volume (kL)/ Crude distillation unit equivalent throughput (thousand kL)	8.18	8.40	8.45	Petroleum refining business of the ENEOS Group
Energy consumption intensity for smelting and refining	GJ of heat/ton of refined copper produced	13.6	13.3	13.4	Smelting and refining business sites of the JX Nippon Mining & Metals Group
CO ₂ emissions intensity for smelting and refining	t-CO ₂ /ton of refined copper produced	0.86	0.82	0.70	Smelting and refining business sites of the JX Nippon Mining & Metals Group

GHG Emissions

	Unit	FY2017	FY2018	FY2019	Scope of data
CO ₂ emissions	Million tons	29.47	28.74	27.07	ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals, NIPPO Corporation
(1) Scope 1	Million tons	26.25	24.42	22.70	
(2) Scope 2	Million tons	3.12	3.10	3.12	
(3) Non-energy-derived CO ₂	Million tons	0.11	1.21	1.25	
GHG emissions other than CO ₂	Tons	153,727	147,664	151,280	
(1) CH ₄	Tons	41,480	42,259	46,691	
(2) N ₂ O	Tons	111,725	104,782	98,444	
(3) HFCs	Tons	308	411	5,970	
(4) PFCs	Tons	0	0	0	
(5) SF ₆	Tons	214	212	175	
(6) NF ₃	Tons	0	0	0	
Total GHG emissions	Million tons	29.63	28.89	27.22	

Notes: GHG emissions indicate emissions of greenhouse gases from consumption of electricity, fuel, etc., as well as oil refining and oil and gas production, converted to CO₂ equivalent. Figures for ENEOS Group data include emissions from distribution activities. Non-energy-derived emissions for the ENEOS Group were included in Scope 1 data in previous fiscal years, but were included in a different category beginning in fiscal 2018. The scope of CO₂ emissions data was expanded in fiscal 2018. This data now includes NIPPO Corporation.

Air Pollution Load

	Unit	FY2017	FY2018	FY2019	Scope of data
(1) SO _x	Tons	13,398	13,208	13,054	ENEOS, JX Nippon Mining & Metals, NIPPO Corporation
(2) NO _x	Tons	15,449	16,878	14,044	
(3) Soot	Tons	1,062	1,192	1,037	ENEOS, JX Nippon Oil & Gas Exploration
(4) VOC	Tons	15,872	14,825	14,317	

Notes: The scope of data for the JX Nippon Mining & Metals Group is business sites that are subject to legal requirements. The scope of data for the NIPPO Group is 16 company-owned material plants. The scope of VOCs data for JX Nippon Oil & Gas Exploration Group is the Nakajo Field Office.

Use of Water Resources

	Unit	FY2017	FY2018	FY2019	Scope of data
Water used (1) + (2) + (3) + (4) + (5)	Million tons	1,835.31	1,723.30	1,717.56	ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals, NIPPO Corporation
(1) Service water (municipal potable water)	Million tons	4.94	4.95	5.03	
(2) Service water (surface water)	Million tons	175.78	173.60	167.90	
(3) Harvested rainwater	Million tons	0.07	0.06	0.04	
(4) Groundwater	Million tons	18.57	19.02	20.57	
(5) Seawater	Million tons	1,635.94	1,525.68	1,524.02	
Water discharged	Million tons	1,607.38	1,627.04	1,623.89	
(1) River discharge	Million tons	15.48	15.64	14.98	
(2) Sea discharge	Million tons	1,591.90	1,611.40	1,608.91	

Note: The volume of water used and water discharged by the JX Nippon Mining & Metals Group is multiplied by density (seawater: 1.024 t/m³; fresh water: 1.000 t/m³). The scope of water-related data was expanded in fiscal 2018. This data now includes NIPPO Corporation.

Water Pollution Load

	Unit	FY2017	FY2018	FY2019	Scope of data
COD	Tons	1,523	1,440	1,396	ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals

Release and Transfer of Chemical Substances (PRTR)

	Unit	FY2017	FY2018	FY2019	Scope of data
(1) Released	Tons	1,916	1,828	2,192	ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals, NIPPO Corporation
(2) Transferred	Tons	408	384	384	

Notes: The scope of data for the JX Nippon Oil & Gas Exploration Group is the Nakajo Field Office. The scope for the JX Nippon Mining & Metals Group is business sites in Japan that are required to give notification under the PRTR Law.

Waste

	Unit	FY2017	FY2018	FY2019	Scope of data
Total waste	Tons	1,535,182	1,648,547	1,829,202	ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals, NIPPO Corporation
Landfill disposal volume	Tons	9,304	14,035	15,151	
Waste-to-landfill ratio	%	0.6	0.9	0.8	

Environmental Accidents

	FY2019	Monetary penalties	FY2019	Nil
Number of environmental accidents	0			

Social

- Social information covers ENEOS Holdings, the ENEOS Group, the JX Nippon Oil & Gas Exploration Group, the JX Nippon Mining & Metals Group and other operating companies, however, the companies covered vary depending on the information. The breakdown of the totals by company is shown in the table below.
- The social information indicated with for fiscal 2019 has been assured by an independent practitioner.

Employees

Item		Total	ENEOS Holdings	ENEOS	JX Nippon Oil & Gas Exploration	JX Nippon Mining & Metals	
Number of Employees (by employment status)	Male	Full time	9,992	75	7,875	307	1,735
		Fixed term	163	0	35	20	108
		Non-fixed term (regular employees)	9,829	75	7,840	287	1,627
		Other than full time	68	0	48	0	20
		Fixed term	68	0	48	0	20
		Non-fixed term	0	0	0	0	0
	Subtotal	10,060	75	7,923	307	1,755	
	Female	Full time	1,288	29	1,013	50	196
		Fixed term	25	0	8	2	15
		Non-fixed term (regular employees)	1,263	29	1,005	48	181
		Other than full time	33	0	10	2	21
		Fixed term	18	0	10	2	6
		Non-fixed term	15	0	0	0	15
	Subtotal	1,321	29	1,023	52	217	
	Ratio of female employees	11.6%	27.9%	11.4%	14.5%	11.0%	
	Temporary staff	744	0	644	7	93	
	Male	443	0	401	0	42	
	Female	301	0	243	7	51	
Ratio of temporary staff	6.1%	0.0%	6.7%	1.9%	4.5%		
Total	12,125	104	9,590	366	2,065		
Foreign nationals	58	0	34	9	15		
Male	32	0	19	5	8		
Female	26	0	15	4	7		
Number of locally employed staff at overseas sites	4,275	0	1,147	405	2,723		
Number of Employees (by category), Average Age and Average Years of Service	Managerial staff (regular employees)		2,833	49	2,306	133	345
	Male		2,742	46	2,230	128	338
	Female		91	3	76	5	7
	Ratio of female managerial staff		3.2%	6.1%	3.3%	3.8%	2.0%
	Age	Up to 29 years old	0	0	0	0	0
		30–49 years old	1,093	31	868	51	143
		50 years old and over	1,740	18	1,438	82	202
	Average age		50.5	48.0	50.5	51.4	50.5
	Average years of service		25.5	22.0	26.2	24.7	21.8
	Non-managerial staff (regular employees)		8,259	55	6,539	202	1,463
	Male		7,087	29	5,610	159	1,289
	Female		1,172	26	929	43	174
	Age	Up to 29 years old	2,486	7	2,074	42	363
		30–49 years old	4,137	42	3,087	144	864
		50 years old and over	1,636	6	1,378	16	236
	Average age		38.6	38.0	38.7	36.0	38.8
	Average years of service		16.7	12.2	17.5	10.4	14.0
	Total		11,092	104	8,845	335	1,808
Average age (regular employees)		41.6	42.7	41.7	42.1	41.1	
Average age – male		41.8	42.9	41.8	42.1	41.4	
Average age – female		41.4	42.1	41.9	41.9	38.2	
Average years of service (regular employees)		19.0	16.8	19.8	16.0	15.5	
Average years of service – male		19.1	17.2	19.9	16.4	16.0	
Average years of service – female		17.0	15.8	18.8	13.1	10.7	

Item		Total	ENEOS Holdings	ENEOS	JX Nippon Oil & Gas Exploration	JX Nippon Mining & Metals	
Number of New Hires (regular employees, incl. mid-career hires)	Male	Up to 29 years old	391	0	316	7	68
		Percentage of regular employees as of March 2020	3.5%	0.0%	3.6%	2.1%	3.8%
		30-49 years old	117	0	57	3	57
		Percentage of regular employees as of March 2020	1.05%	0.00%	0.64%	0.90%	3.15%
		50 years old and over	3	0	0	0	3
		Percentage of regular employees as of March 2020	0.0%	0.0%	0.0%	0.0%	0.2%
	Subtotal	511	0	373	10	128	
	Percentage of regular employees as of March 2020	4.6%	0.0%	4.2%	3.0%	7.1%	
	Female	Up to 29 years old	65	0	55	2	8
		Percentage of regular employees as of March 2020	0.6%	0.0%	0.6%	0.6%	0.4%
		30-49 years old	19	0	6	1	12
		Percentage of regular employees as of March 2020	0.2%	0.0%	0.1%	0.3%	0.7%
		50 years old and over	1	0	0	1	0
		Percentage of regular employees as of March 2020	0.0%	0.0%	0.0%	0.3%	0.0%
Subtotal	85	0	61	4	20		
Percentage of regular employees as of March 2020	0.8%	0.0%	0.7%	1.2%	1.1%		
Total	596	0	434	14	148		
Percentage of regular employees as of March 2020	5.4%	0.0%	4.9%	4.2%	8.2%		
Employee Turnover (regular employees)	Male	Up to 29 years old	67	0	50	1	16
		Percentage of regular employees as of March 2020	0.6%	0.0%	0.6%	0.3%	0.9%
		30-49 years old	54	0	36	2	16
		Percentage of regular employees as of March 2020	0.5%	0.0%	0.4%	0.6%	0.9%
		50 years old and over	89	0	84	0	5
		Percentage of regular employees as of March 2020	0.8%	0.0%	0.9%	0.0%	0.3%
	Subtotal	210	0	170	3	37	
	Percentage of regular employees as of March 2020	1.9%	0.0%	1.9%	0.9%	2.0%	
	Female	Up to 29 years old	4	0	2	0	2
		Percentage of regular employees as of March 2020	0.04%	0.00%	0.02%	0.0%	0.11%
		30-49 years old	17	0	12	0	5
		Percentage of regular employees as of March 2020	0.2%	0.0%	0.1%	0.0%	0.3%
		50 years old and over	12	0	12	0	0
		Percentage of regular employees as of March 2020	0.11%	0.00%	0.14%	0.0%	0.00%
Subtotal	33	0	26	0	7		
Percentage of regular employees as of March 2020	0.3%	0.0%	0.3%	0.0%	0.4%		
Total	243	0	196	3	44		
Percentage of regular employees as of March 2020	2.2%	0.0%	2.2%	0.9%	2.4%		
Employment rate of persons with disabilities	2.36%	—	2.36%	3.16%	2.26%		
Number of employees re-employed after retirement	799	1	739	17	42		
Paid annual leave	Number of days of paid annual leave granted	22.2	22.4	22.4	22.4	20.8	
	Number of days of paid annual leave taken	20.5	18.6	21.3	17.2	16.1	
	Usage rate of paid annual leave	92.3%	82.9%	95.1%	76.8%	77.4%	
Number of employees taking family care leave	6	0	6	0	0		
Childbirth/childcare	Number of employees taking childcare leave	330	3	303	11	13	
	Male employees	276	1	260	8	7	
	Percentage of employees returning to work after giving birth or taking childcare leave	100.0%	100.0%	100.0%	100.0%	100.0%	
	Percentage still employed 12 months after returning to work	100.0%	100.0%	100.0%	100.0%	100.0%	
Labor unions	Number of members	9,484	No labor unions	7,229	No labor unions	2,255	
	Membership rate	99.9%	No labor unions	99.7%	No labor unions	100.0%	
Participation rate for regular health screenings	100.0%	100.0%	100.0%	100.0%	100.0%		

Note: Employees of ENEOS Holdings are seconded from operating companies. The number of new hires and employee turnover are accounted for at their companies of origin.

Training Hours in Fiscal 2019

	Total training hours	Training hours per employee
ENEOS Holdings	728	7.00
ENEOS	83,110	9.29
JX Nippon Oil & Gas Exploration	10,313	28.73
JX Nippon Mining & Metals	30,025	15.23
Total	124,176	10.91

Note: Number of hours of internal group training and external training organized by the human resources departments of ENEOS Holdings and the Group's principal operating companies, aggregated for each employer

Occupational Injuries

			FY2017	FY2018	FY2019	Scope of data
Number of occupational injuries (persons)	Directly hired employees	Subtotal	9	20	3	ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals
		Fatalities	0	0	0	
		Lost work time	9	20	3	
	Contractors (contractor companies, etc.)	Subtotal	27	20	18	
		Fatalities	1	0	0	
		Lost work time	26	20	18	
Total			36	40	21	
Occupational injury frequency rate			0.29	0.39	0	ENEOS 13 refineries and plants, JX Nippon Oil & Gas Exploration 3 business sites, JX Nippon Mining & Metals head office and 5 business sites
Occupational injury severity rate			0.01	0	0	
Lost working days due to occupational injuries (days)			251	70	0	

Notes: Number of contractors in "Number of occupational injuries" is for reference.

Scope of data for occupational injury frequency rate, occupational injury severity rate, and lost working days due to occupational injuries: Employees directly employed by 13 ENEOS refineries and plants, 3 JX Nippon Oil & Gas Exploration business sites (Vietnam, Kuala Lumpur*, and Nakajo) and the JX Nippon Mining & Metals head office and 5 business sites (Hitachi, Isohara, Kurami, Tsuruga, and Saganoseki).

* The Miri business site was relocated to Kuala Lumpur and was renamed the Kuala Lumpur business site.

	FY2017	FY2018	FY2019	Scope of data
Total recordable incident rate (TRIR)	0.81	1.25	0.97	ENEOS Holdings, ENEOS head office and 13 refineries and plants, JX Nippon Oil & Gas Exploration head office and 3 business sites, and JX Nippon Mining & Metals head office and 5 business sites
Lost time injury rate (LTIR)	0.20	0.39	0.04	

Notes: TRIR: Number of non-lost-time occupational injuries, lost-time occupational injuries and fatalities per million hours

LTIR: Number of lost-time occupational injuries and fatalities per million hours

Scope of data for TRIR and LTIR: Employees directly employed by ENEOS Holdings, ENEOS head office and 13 refineries and plants, JX Nippon Oil & Gas Exploration head office and 3 business sites (Vietnam, Kuala Lumpur, and Nakajo) and JX Nippon Mining & Metals head office and 5 business sites (Hitachi, Isohara, Kurami, Tsuruga, and Saganoseki).

ENEOS Group Safety Education Center Training Participation

	FY2017	FY2018	FY2019	Scope of data
Number of participants	1,503	1,538	1,332	ENEOS Holdings, ENEOS, JX Nippon Oil & Gas Exploration, JX Nippon Mining & Metals, affiliated Group companies, contractor companies, etc.

Main Sites and Areas of Principal Operating Company Groups

With many business operation sites and areas in Japan and overseas, the ENEOS Group is globally engaged in business to become a leading enterprise group in Asia for energy and materials.



Note: Multiple sites for a single company group located in the same city share one mark.
 (Examples: Shanghai - One mark for ENEOS Group sites, one mark for JX Nippon Mining & Metals Group sites
 Bangkok - One mark for ENEOS Group sites, one mark for JX Nippon Mining & Metals Group sites)

- Principal operating companies
- ENEOS Group
 - ◆ JX Nippon Oil & Gas Exploration Group
 - JX Nippon Mining & Metals Group

Independent Practitioner's Assurance Report

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

November 11, 2020

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We have undertaken a limited assurance engagement of the environmental information and the social information indicated with for the year ended March 31, 2020 (the "Sustainability Information") included in the "ENEOS REPORT ESG DATA BOOK 2020" (the "Report") of ENEOS Holdings, Inc. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (as described on pages 1, 88, 90 and indicated with the Sustainability Information of the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

Comparative Table with GRI Standards

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102-10	Significant changes to the organization and its supply chain	ENEOS Group Overview	2
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WE SUPPORT



The ENEOS Group supports the “tree use movement” promoted by the Forestry Agency of Japan. The paper used to print this report was sourced from thinned timber from regions where the ENEOS Group is working on afforestation activities, thus contributing to the increased absorption of carbon dioxide by forests in Japan.

