

# Social Contribution

## Basic Approach

The JXTG Group believes that promoting dialogue, cooperation and collaboration at our operation sites and building robust relationships of trust with local communities is an important element in maintaining our business operations and striving for sustainable development.

Based on this belief, we have established the JXTG

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.

### JXTG 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, the JXTG Group regularly summarizes, evaluates and shares information on these activities as

part of its CSR promotion structure.

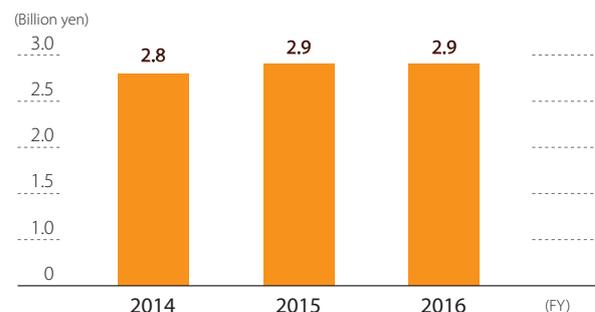
See pp. 12–14 for the Group's CSR promotion structure.

## Major Initiatives

In fiscal 2016, 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 2.9 billion yen.

While actively engaging in dialogue with local communities, we will continue to promote necessary initiatives, which include activities involving the whole Group and activities unique to each Group company.

### Expenditure for Social Contribution Activities



Notes: Results for fiscal 2014 and 2015 are based on the former JX Group. Results for fiscal 2016 represent the sum of the former JX Group and the former TonenGeneral Group. Actual values are the sum of expenditure on social contribution activities reported to the Keidanren 1% (One-Percent) Club plus donations and goods offered, etc.

◆ Overseas Initiatives

Creation of Local Jobs

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

In fiscal 2016, the number of locally employed staff at our overseas sites was as follows.

(Unit: persons)

JXTG Nippon Oil & Energy	1,290
JX Nippon Oil & Gas Exploration	500
JX Nippon Mining & Metals	2,290
Total	4,080



Pupils and staff at Hoa Mai Kindergarten

Initiatives in Vietnam

As a project operator in Vietnam, JX Nippon Oil & Gas Exploration is continuously implementing a variety of social contribution activities, including the provision of scholarships and donations for school building projects. We also support facilities that encourage the social participation of young Vietnamese with disabilities resulting from the effects of the Agent Orange defoliant.

Support for Construction of School Buildings

In addition to donating school buildings in various areas in Vietnam, JX Nippon Oil & Gas Exploration also provides the schools with teaching materials.

In 2016, the company contributed to the improvement of various facilities at Hoa Mai Kindergarten in Ba Ria Vung Tau Province.

■ Support for Construction of School Buildings

2002	Muong Phang Elementary School in Dien Bien 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
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



View of Hoa Mai Kindergarten

Educational Support

Since 2006, JX Nippon Oil & Gas Exploration has been providing scholarships to students in need through the Ho Chi Minh Association for Education Promotion, a public institution working to improve education in Vietnam. In 2016, scholarships were awarded to 45 students.

In 2011, PetroVietnam University was established by PetroVietnam, the state oil company of Vietnam, as a petroleum university whose goal was to develop human resources to lead the petroleum industry. In addition to making a donation of 100,000 dollars at the university's inauguration, JX Nippon Oil & Gas Exploration has provided scholarships and funding for courses. In September 2016, a graduation ceremony was held for the first batch of graduates.



Scholarship recipients



First students to graduate from PetroVietnam University

## Initiatives in Malaysia

As a project operator in Malaysia, JX Nippon Oil & Gas Exploration conducts a variety of social contribution activities, with attention to regional ethnic and religious diversity.

We also cooperate in youth exchanges between Malaysia and Japan, and provide support for local cultural and sporting events.

### Contribution to Community Events

As a proud sponsor of two important annual events in the Sarawak region—the Sarawak Regatta and the Borneo Jazz Festival—JX Nippon Oil & Gas Exploration plays a part in promoting sport and culture in local communities.



A boat race during the Sarawak Regatta

### Consideration for Ethnic and Religious Diversity

Malaysia is a country rich in ethnic and religious diversity. In light of this fact, our support activities for the socially vulnerable are carried out primarily by local employee volunteers.



Helping to support the activities of a Muslim welfare organization, our employee volunteers pay visits to economically disadvantaged families during Ramadan

## Initiatives in the United States

In 2016, in collaboration with three other companies, JX Nippon Oil & Gas Exploration donated a solar-power generation facility to a community center in Thompsons, Texas. Thompsons is a town in the vicinity of the site of the CO<sub>2</sub>-EOR\*<sup>1</sup> project, a venture in which the company is participating with project partner and fellow donor, NRG Energy.

\*1 CO<sub>2</sub>-EOR (Enhanced Oil Recovery): Technology for the improved recovery of oil through the injection of CO<sub>2</sub> gas. This technology simultaneously increases production of crude oil and reduces emissions of CO<sub>2</sub> into the atmosphere by transporting the CO<sub>2</sub> captured out of the processed flue gas from a coal-fired power plant to an oil field, and injecting and storing the CO<sub>2</sub> in legacy fields. For further details, see pp. 32–33.



Thompsons Community Center



Ceremony to commemorate completion of the photovoltaic generation facility

## Initiatives in Chile

JX Nippon Mining & Metals conducts a variety of social contribution activities via Minera Lumina Copper Chile (MLCC), operator of the Caserones Copper Mine in the Republic of Chile.

### Hosting of Movie Shows for Local Children

In December 2016, MLCC hosted movie shows as a Christmas present to around 500 children living in the districts that link the Caserones Copper Mine with the city of Tierra Amarilla.

Children with few opportunities to go to a movie theater welcome this event, which has been held since 2010 and is also enjoyed by parents and teachers.



Children watching a movie

### Assistance to Areas Affected by Major Disasters

In January 2017, assistance was provided to the municipality of San Nicolás in the Bío Bío region of central Chile, which was affected by a wide-ranging wildfire.

MLCC supported the efforts of volunteers from the Los Loros fire brigade in distributing a total of 40,000 tons of relief supplies, including 1,000 bottles of drinking water, around 1,700 emergency meals, and daily needs sets for 200 persons.

The company also provided relief goods to other municipalities.



Assembled relief goods



Supplying drinking water

### ◆ Social Contribution Activities in Japan

#### Youth Baseball Classes and Basketball Clinics

The JXTG Group runs 60 to 70 baseball classes and basketball clinics each year throughout Japan. The sessions are targeted at elementary and junior high school students, and are coached by active players from the JX-ENEOS Baseball Team and the JX-ENEOS Sunflowers women's basketball team.



Baseball class at the Todoroki Ground



Basketball clinic

#### Sponsoring Wheelchair Basketball in Japan

Since 2006, JXTG Nippon Oil & Energy has sponsored the Japan Wheelchair Basketball Championship Tournament for the promotion of wheelchair basketball. Employee volunteers also take part in the tournament, providing operational support and assistance.

#### Inviting Children to FC Tokyo's J-League Home Matches

JXTG Nippon Oil & Energy is an official sponsor of J-League team FC Tokyo. Special ENEOS Friend-Crew Seats have been set up for FC Tokyo's home matches, with invitations extended to children and their guardians via foster-care facilities, single-mother support facilities and the NPO Tokyo Yoikukatei-No-Kai.

In fiscal 2016, we invited a total of 1,700 people (100 people for each of the 17 matches) to attend FC Tokyo home matches.

### JX-ENEOS Children's Story Award (currently the JXTG Children's Story Award)

The JX-ENEOS Children's Story Award is a contest, open to the general public, which recognizes the best works from among submissions of original children's literature on the theme of "heart-to-heart contact." The award has been presented by the JXTG Group since 1970.

A total of 11,047 heartwarming entries were submitted for the 47th awards, presented in fiscal 2016.



Awards ceremony for the 47th JX-ENEOS Children's Story Award

### Scholarship Support for Children Living in Child Welfare Facilities

The JXTG Group sells copies of *A Bouquet of Children's Stories*—a compilation of works awarded the JX-ENEOS Children's Story Award (currently the JXTG Children's Story Award)—to raise money for charity. All proceeds are donated to the JX-ENEOS Scholarship Program, established by the Japan National Council of Social Welfare (JNCSSW), to be used as admission support funds when children living in child welfare facilities enter university or other institutions of higher education.

In April 2016, scholarship support was provided to 496 children (enrolling in fiscal 2016), bringing the total number of recipients since the scholarship program was created in fiscal 2003 to 4,276.

### TonenGeneral Children's Culture Award and Music Awards (currently the JXTG 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 JXTG 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 TonenGeneral Children's Culture Award and Music Awards

### Performances by Past Recipient of the Children's Culture Award

JXTG Nippon Oil & Energy presented outreach performances in Osaka, Chiba and Wakayama featuring performers from the Kazenoko Theatre Company, recipient of the 11th TonenGeneral Children's Culture Award in 1976.

Designed to provide children with opportunities to nurture a rich sensitivity and imagination, the performances delivered inspiration to audiences of about 1,400.

### Bread Sales Drive in Support of People with Disabilities

As part of its activities to foster greater awareness among employees for people with disabilities, since fiscal 2015, JXTG Nippon Oil & Energy has held bread sales drives run by staff from Koro-Koro, a bakery that employs people with disabilities. Sales drives were held five times in fiscal 2016.

### Summer Holiday Science Bus Tour for Fun Learning

At the refineries of JXTG Nippon Oil & Energy, in collaboration with various newspaper companies, Summer Holiday Science Bus Tours are run for elementary school students and their guardians.

Each group is taken on a tour of the refinery on board a bus, where they learn about refinery processes, from the import of crude oil and refining to product shipment. They also observe firefighting drills in which firefighting vehicles and other equipment are used.

These bus tours were held at nine of our locations in fiscal 2016, attracting 714 participants, including children and their guardians.



Bus tour at the Kashima Refinery

## Summer Night Festivals Enjoyed by Local Residents

Every year, JX Nippon Mining & Metals and Pan Pacific Copper plan and hold summer festivals for the enjoyment of the local communities around our major domestic operating sites.

The festivities are enlivened by refreshment stands run by employees, lotteries, and local children playing instruments and dancing.



Sanjinsai Festival, Hitachi Works (July)

## Joint Disaster Drills with Local Governments

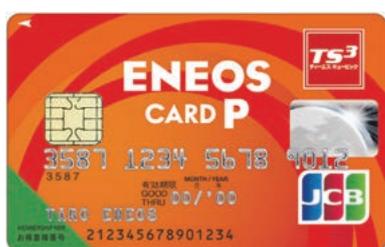
At the oil refineries and depots of JXTG Nippon Oil & Energy, disaster drills are conducted in collaboration with local governments, fire departments and other relevant groups, assuming scenarios of a major disaster or accident in a refinery.

In addition to carrying out practical drills to strengthen systems for cooperation in the event of a disaster, the company is committed to ensuring that local residents can live their lives with peace of mind.

## Promoting Afforestation through the ENEOS Credit Card

Ever since ENEOS credit cards were first issued in October 2001, JXTG Nippon Oil & Energy has donated 0.01% of spending on these cards 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 2016, approximately 37.83 million yen was donated, bringing total donations through this initiative to about 430 million yen.



ENEOS Credit Card

## Firefly Watching Event

Firefly watching is an annual event that JX Nippon Tsuruga Recycle Co., Ltd. of the JX Nippon Mining & Metals Group has been offering for more than a decade.

In June 2016, with the co-sponsorship of Fukui Prefecture, the event drew 113 nearby residents and others.

Prior to the actual firefly viewing, children were told about the wonders of the local natural environment, including an explanation of the habitat distribution of fireflies in the Tsuruga area.



Explaining the habitat distribution of fireflies

## Forest Stewardship Activities in ENEOS no Mori

The JXTG Group is involved in various forest stewardship activities at each of its Group companies.

JXTG Nippon Oil & Energy conducts tree-planting, thinning and other forest stewardship activities across Japan in partnership with local governments and NLAPO. In fiscal 2016, a total of 1,548 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 2016, a total of 72 executives, employees and their families undertook 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 closed mines.



Activities in ENEOS no Mori

## Support for the ENEOS Living Creatures School Hosted by a Local Government

Since 2006, JXTG Nippon Oil & Energy has supported a project based out of Toyooka City, Hyogo Prefecture, for reintroduction of the oriental white stork.

Since 2010, the company has also sponsored the ENEOS Living Creatures School, a program also organized by Toyooka City as a place for children to deepen their understanding of biodiversity.

The location for these activities is the Tai Wetlands, a site designated under the Ramsar Convention (Convention on Wetlands of International Importance especially as Waterfowl Habitat).



ENEOS Living Creatures School