INPEX

SUSTAINABA REPORT 2021



Business Development Strategy

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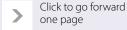
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About this Sustainability Report

INPEX CORPORATION (hereinafter referred as "INPEX" or "the Company"), through our Annual Report, combines particularly important information as well as reports on our value creation process over the long-term and Environment, Social, and Governance (ESG) initiatives.

This Sustainability Report consolidates various information related to sustainability and ESG disclosed through our Annual Report, website, and other publications. It refers several reporting guidelines to centralize a broader range of non-financial information about the Company for the benefit of stakeholders, such as investors and NGOs.

Period covered

In principle, this Report covers the Company's activities undertaken FY2020, the period from January 1 to December 31, 2020. (Part of the report contain information from before or after these periods.)

Scope of the Report and Data Compilation

INPEX CORPORATION and its 63 consolidated subsidiaries (as of December 31, 2020)

(The term "INPEX" and "the Company" in this report means INPEX CORPORATION and all of its subsidiaries and affiliates, unless otherwise stated.)

Publication Date

June 2021

(Previous report: July 2020, next report: June 2022)

Reference Guidelines

- Global Reporting Initiative (GRI) Standards*
- ISO 26000
- IPIECA Oil and gas industry guidance on voluntary sustainability reporting
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- SASB (Sustainability Accounting Standards Board) Oil & Gas-Exploration & Production Standard*
- * The GRI Standards and SASB Standards reference tables are indicated in the web edition

Reports and publications

Financial information and initiatives not included in this report are available on the following pages within the corporate website.

- Sustainability Report (This report)
- **ESG Performance Data**
- Business Development Strategy:
 Towards a Net Zero Carbon Society by 2050
- Medium-term Business Plan 2018-2022
- Annual Report
- Earnings Report
- Annual Securities Report
 (under the Tokyo Stock Exchange rules: Japanese only)
- Corporate Governance Report
- **Basic Policies**
- GRI Standards Reference Table
- SASB Standards Reference Table
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DISCLAIMER

This Sustainability Report includes forward-looking information such as forecasts, estimates, targets, and plans based on the current assumptions and beliefs of the Company (INPEX CORPORATION and its partner companies) in light of the information currently available to it, and involves uncertainties and other factors. Such uncertainties and other

factors could cause the Company's actual results, performance, achievements, or position to be materially different from any forward-looking information expressed or implied herein. The Company undertakes no obligation to publicly update or revise any information in this Sustainability Report (including forward-looking information).

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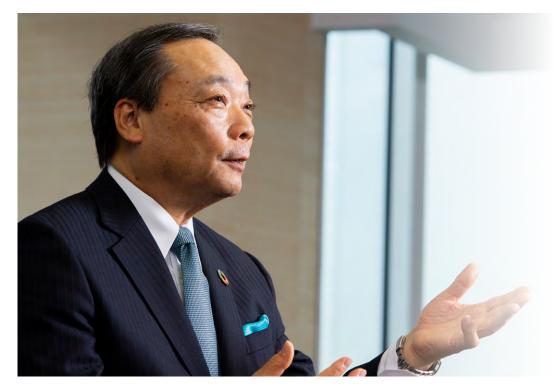
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Message from the President & CEO

"With a new resolve and under a new corporate identity, we will continue our challenge to transform global energy supply towards the realization of a net zero carbon society and provide clean and stable energy for the future."



Takayuki Ueda

Representative Director, President & CEO INPEX CORPORATION

The world experienced dramatic changes in 2020 as a result of COVID-19. On behalf of INPEX CORPORATION, I would like to express my deepest condolences to those who have lost loved ones to this public health crisis, wish a speedy recovery to all those affected and pay my respects to the medical professionals and others who have dedicated themselves to the prevention of the further spread of the coronavirus.

Following on from last year, we strive every day to ensure that our oil and natural gas production operation sites around the world generate a stable supply of energy, while prioritizing the safety and health of our people and strengthening our countermeasures against infection.

Transitioning to a net zero carbon society is a critical mission for INPEX. As such, we announced our "Business Development Strategy: Towards a Net Zero Carbon Society by 2050" on January 27, 2021 to convey our determination to spearhead energy structure reforms.

We set our goals to contribute to realizing a net zero carbon society as outlined in the Paris Agreement. We will aim to reach net zero in absolute emissions by 2050 and reduce net carbon intensity by 30% or more by 2030. We will also continue to promote the disclosure of climate-related information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We are confident that we can contribute to sustainable social and economic development and to the achievement of the United Nations' sustainable development goals (SDGs) by focusing our efforts on the five business pillars outlined in our strategy and leveraging our strengths.

Looking ahead to 2050 and our net-zero carbon goals, we decided to standardize our corporate identity under the name "INPEX," which is widely recognized outside of Japan. This reflects our strong determination to become an Innovative Pioneer of Energy Transformation. We will work to further enhance the corporate value of the entire group while improving solidarity among all employees.

We will keep promoting and strengthening sustainable management as part of our mission of contributing to the creation of a brighter future for society. In order to fulfill our two key social responsibilities of providing a stable energy supply and responding to climate change, we will build our resilience and promote cleaner business operations. We will also strive to create value over the medium- to long-term by continuing to strengthen the integration of ESG (environment, society and governance) into our business activities.

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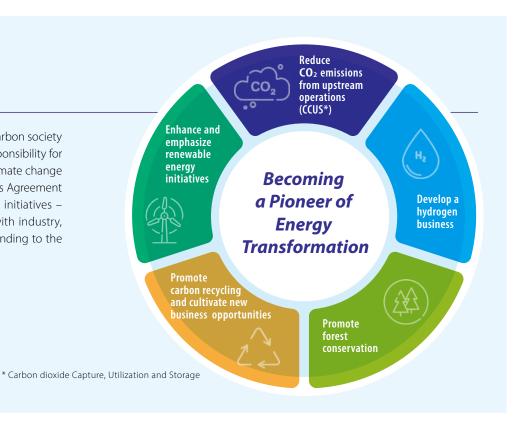
Special Report

Business Development Strategy - Towards a Net Zero Carbon Society by 2050

In January 2021, INPEX announced the "Business Development Strategy - Towards a Net Zero Carbon Society by 2050 9". While the various changes in the business environment towards realizing a carbon-neutral Net Zero Carbon Society by 2050 represent a challenge for INPEX, we recognize that they also constitute a major business opportunity. INPEX has drawn up its long-term business development strategy in order to respond proactively to this new era, and to promote initiatives that will ensure the Company is ready for the energy transformation.

Basic Management Policy Towards a Net Zero Carbon Society by 2050

INPEX will proactively engage in energy structure reforms aimed towards the realization of a net zero carbon society by 2050, while responding to the growing energy demands of Japan and the world and fulfilling its responsibility for the development and stable supply of energy over the long term. In addition, the Company will set climate change goals to achieve its own net zero carbon emissions by 2050, to contribute to the realization of the Paris Agreement goals in relation to climate change. INPEX will actively promote five business pillars through three initiatives – (1) Leverage the Company's strengths (knowledge and experience), (2) Strengthen collaboration with industry, academia and government, and (3) Utilize policy support measures – in order to offer solutions responding to the needs of society in an age of transformation towards a net zero carbon society.





 Business Development Strategy - Towards a Net Zero **Carbon Society by 2050**

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Climate Change Goals

In line with the goals of the Paris Agreement, INPEX has set its own goals of reducing Scope 1+2 emissions to net zero by 2050. As a step towards realizing this goal, INPEX will be reducing its net carbon intensity by at least 30% (compared to 2019) by 2030. With regard to Scope 3 emissions associated with combustion of sold oil and gas by the Company, INPEX will be addressing this issue across the value chains.

2050

NET ZERO *1

in absolute emissions (Scope 1+2)

*1: on INPEX equity share basis

2030

30% OR MORE *2

reduction of net carbon intensity (Scope 1+2)

Scope3

REDUCTION

work together with all relevant stakeholders to address challenges across the value chains

TO ACHIEVE THESE GOALS INPEX WILL...

- ▶ Promote CCUS:
- Strengthen renewable energy initiatives;
- ▶ Promote forest conservation for CO₂ absorption;
- ▶ Maintain current low methane emissions intensity of approximately 0.1%^{*3} (calculated by methane emissions/ natural gas production); and
- ▶ Aim to eliminate routine flaring by 2030*3.

*3 in INPEX-operated projects

PROMOTE THE ONGOING DISCLOSURE OF CLIMATE-RELATED INFORMATION IN LINE WITH TCFD RECOMMENDATIONS.



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Upstream CO₂ Reduction (Promotion of CCUS) – Cleaner Use of Natural Gas

As an oil and natural gas development company, INPEX believes that it is very important to implement measures to reduce CO₂ emissions in the Company's upstream operations through the promotion of Carbon Capture, Utilization and Storage (CCUS), and to supply cleaner natural gas.

Taking advantage of its track record and technical expertise in CCUS (Japan's first CCUS project commenced at INPEX's Kubiki Oil field in Niigata in 1988), INPEX seeks to apply CCUS to achieve safe storage and efficient utilization of CO₂ in Japan and overseas including the Ichthys LNG Project in Australia.

CCUS initiatives in INPEX's Oil and Natural Gas **Development Business, etc.**

In Niigata, Japan, INPEX is making effective use of the company's upstream Japan

technology and existing production facilities to undertake CO₂ EOR demonstration tests, where CO₂ is injected into the ground to increase the production of oil and natural gas. INPEX-developed CO₂ EOR recovery

improvement technology (CO₂ foam technology) is applied.

INPEX is evaluating the feasibility of implementing CCS at the Ichthys project, Australia

involving the sequestration of CO₂ captured at the INPEX-operated Ichthys LNG

plant in Darwin, Australia.

CO₂ EOR Demonstration Tests in Niigata, Japan

- INPEX plans to conduct CCUS (CO₂ EOR) demonstration tests at one of its onshore oil fields in Niigata, Japan, applying EOR recovery improvement technology (CO₂ foam technology) being developed by the Company.
- The demonstration tests will consist of drilling two new wells in 2022, analyzing reservoir core samples and conducting CO₂ injection tests. The tests are expected to boost the application of CCUS technologies in Japan as well as CO₂ EOR technologies at INPEX's upstream assets overseas.

Ichthys LNG Project CCS

- INPEX is evaluating the feasibility of injection and storage of CO₂ captured at the INPEXoperated Ichthys LNG plant in Darwin, Australia.
- An appropriate injection site is to be selected based on detailed evaluation.



For the purposes of this report, EOR includes Enhanced Gas Recovery

Business Development Strategy - Towards a Net Zero Carbon Society by 2050

CCUS Demonstration Tests

Japan

- Since 2000, INPEX has been participating in the geological storage of CO_2 demonstration testing undertaken by the Research Institute of Innovative Technology for the Earth (RITE) at INPEX's Iwanohara Base located in the Minami-Nagaoka Gas Field as a testing site. INPEX has collaborated on the process of injecting around 10,000 tons of CO_2 and on the subsequent monitoring.
- In 2008, INPEX participated in the establishment of Japan CCS Co., Ltd. INPEX has been involved in CCS demonstration tests on the scale of 100,000 tons targeting the practical application of CCS technology by FY2020. As of November 2019, a cumulative total of 300,000 tons of $\rm CO_2$ had been injected underground. The behavior of the stored $\rm CO_2$ continues to be monitored.
- INPEX has been participating in the Geological Carbon Dioxide Storage Technology Research Association since 2016. The Association promotes the development of technologies relating to large-scale CCS (1 million tons per year) at suitable storage sites in Japan as well as the improvement of social awareness and acceptance of CCS.

INPEX pursues an efficient use of energy and implementation of energy saving measures across its entire business including exploration, development and production. INPEX also promotes a shift to natural gas and carbon neutral LNG.

Energy Saving and More Efficient Use of Energy

- 1. Energy-efficient plant design that aims to realize process optimization, carefully-planned facility maintenance, and day-to-day improvement activities
- 2. Power supply through gas turbine cogeneration systems that use natural gas, and effective utilization of waste heat
- 3. Monitoring the efficiency of the equipment used at oil and gas fields as well as in pipeline networks

Shifting over to Natural Gas

Promoting natural gas development and enhancing the Company's natural gas portfolio

- Continue stable production and operation of the Ichthys LNG Project in Australia
- Received approval from the Indonesian government for a revised Plan of Development for the onshore Abadi LNG Project as well as the extension of the Production Sharing Contract (PSC) until 2055
- Continue stable long-term operation of the Minami-Nagaoka Gas Field, which is one of the largest gas fields in Japan

Developing the gas value chain connecting gas fields globally and in Japan to the natural gas network in Japan and expanding the utilization of natural gas.

- Continue operation of the Naoetsu LNG Terminal and high-pressure gas pipeline network
- Supply natural gas to more than 30 gas companies as well as directly to manufacturing and other facilities in Japan
- Promote fuel-switching to natural gas for communities located along our pipelines in Japan, and provide energy-saving and energy resilience solutions such as gas cogeneration systems to customers
- Explore opportunities for projects such as promotion of wider use of natural gas and fuel-switching to natural gas in other Asian countries (including projects relating to gas supply infrastructure, gas-fired power plants and fuel-switching for ships, etc.)

Promoting the sale of carbon-neutral LNG and natural gas

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Hydrogen Business

Envisioning the advent of a hydrogen era in the medium to long term, as a producer and supplier of energy, INPEX aims to expand into the hydrogen business. INPEX will utilize natural gas from INPEX assets to produce "carbon-free hydrogen" through a natural gas reforming process and CCUS with the CO₂ emitted from this reforming process. In addition, as a member of the Japan Hydrogen Association, INPEX is engaging in cross-sector collaboration, and is aiming to contribute towards the building of a hydrogen society at an early stage through projects on the social implementation of hydrogen. INPEX is also examining ammonia and liquified hydrogen business opportunities as ways to transport and import hydrogen to Japan.

Integrated Hydrogen Business Test Project Concept

An integrated "all-in-one" demonstration test is planned in Niigata, Japan, taking advantage of INPEX's upstream technologies and domestic natural gas supply infrastructure. INPEX will demonstrate a hydrogen business model delivering hydrogen produced at INPEX's overseas natural gas assets to Japan.

Production Pipeline GAS BOR GAS BOR Froduction HEAT HEAT Advanced INPEX's Depleting Gas Field * Direct Air Capture: Capturing CO₂ directly from the atmosphere

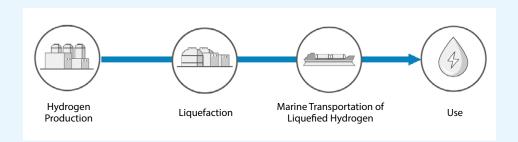
Clean Ammonia Business in Abu Dhabi

INPEX is evaluating opportunities to produce hydrogen and ammonia from natural gas produced in Abu Dhabi in the United Arab Emirates. CO_2 from the gas reforming process will be utilized in CCUS / EOR at an onshore Abu Dhabi oil field in which INPEX has a participating interest, with the objective of realizing clean ammonia.

Carbon-Free Hydrogen Business outside Japan

With regard to the manufacturing of liquefied hydrogen, INPEX is examining ways to participate in the hydrogen liquefaction and offloading business to develop its own hydrogen business outside Japan.

The company will be able to make effective use of the knowledge and experience that it possesses in the field of natural gas liquefaction.



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Enhance and Emphasize Renewable Energy Initiatives

INPEX will accelerate its initiatives both in Japan and around the world relating to the application of oil and gas development technologies to geothermal power generation, as well as offshore wind power leveraging experience in the construction and operation of offshore floating facilities gained at operations sites overseas. INPEX Mega Solar Joetsu, which has been generating electricity since 2013, is a solar power generation facility with maximum output of around 4,000 kW (4 MW), capable of meeting the annual electricity needs of approximately 1,600 households.

Initiatives on Domestic Geothermal Power Business

Since 2011, we have been working with Idemitsu Kosan on geothermal resource exploration in the Amemasudake region in Hokkaido and the Oyasu region in Akita Prefecture. In Fukushima Prefecture, we are currently working with eight other companies on geothermal resource exploration. After conducting geological surveys, gravity surveys, and electromagnetic surveys in the Amemasudake and Oyasu regions, we drilled geothermal exploratory wells and confirmed steam and hot water production through flow tests. In the Oyasu region, we began an environmental impact assessment in FY2018, and in 2020, we conducted flow tests with all production and reinjection wells. In 2021, we plan to drill one well and conduct flow tests in multiple areas. As of the end of March 2021, we completed the environmental impact assessment report for the Oyasu region. So far, the assessment committee of experts has given a positive assessment of our plans, reflecting the consideration given to the landscape, flora, and fauna.

Initiatives in Overseas Geothermal Power Production

In June 2015, we joined the Sarulla Geothermal Independent Power Producer (IPP) Project, in the Sarulla district in North Sumatra Republic of Indonesia. This operation sells electricity over a span of 30 years to Perusahaan Listrik Negara, Indonesia's government-owned electricity company (PLN). Power is generated from a 330 MW geothermal plant, among the world's largest. Plant construction started in 2014. In 2017, Unit 1 (110 MW) came online in March, Unit 2 (110 MW) in October, and finally Unit 3 (110 MW) in May 2018. This project is also one of our CSR initiatives: we are making

contributions in response to the needs of the local community by building infrastructure for the region, including roads, bridges, and waterworks, introducing English classes for local students, and supporting the lifestyles of local residents. This project contributes to meeting the electric power demands of Indonesia, which has achieved remarkable economic development, and is expected to make a significant contribution to the growth of the Indonesian economy.



Flow testing facilities in the Oyasu region of Akita Prefecture



Sarulla Geothermal Independent Power Producer (IPP) Project

Wind Power Generation Initiatives

INPEX has been promoting the development of the onshore wind power business in Japan. In addition, in line with the policy of focusing on offshore wind power generation, in May 2020 INPEX joined a consortium that aims to realize fixed-bottom wind power generation project offshore Noshiro, Mitane and Oga in Akita Prefecture, Japan. In June 2021, another consortium in which INPEX participates was selected as the operator of the offshore wind power generation project in Goto City, Nagasaki Prefecture. Going forward, INPEX aims to focus on the development of floating offshore wind power, both in Japan and overseas, making effective use of the Company's experience in designing and operating floating structures for oil and gas facilities (such as in the Ichthys LNG Project), and to expand this business area.

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Promote Carbon Recycling and Cultivate New Business Opportunities

As part of its response to the trend towards the development of a net zero carbon society, INPEX is engaging in carbon recycling and artificial photosynthesis technology development, and is also working actively to develop new business areas, for example introduction of digital transformation relating to the energy business.

Acceleration of Methanation Business

Methanation is a technology that generates methane by reacting CO₂ and hydrogen with each other. INPEX is participating in a project to develop technology for the effective utilization of CO₂ in collaboration with the New Energy and Industrial Technology Development Organization (NEDO). In this project, we have a testing facility at the Koshijihara Plant of INPEX's Nagaoka Gas Field in Niigata Prefecture. Trial operation began in October 2019, and the facility is now in continuous operation. Recognizing the important role that conversion of CO2 into useful resources has to play in the realization of a sustainable circular society, INPEX is undertaking evaluation and review of technical issues such as optimization of the methanation process and scale-up of the operation with a view towards commercialization in the future, and is aiming to establish methanation technology.

Artificial Photosynthesis

Artificial photosynthesis is a technology that aims to manufacture basic chemical products, such as raw materials for plastics, from CO₂ utilizing hydrogen generated from water via a photocatalysis process using solar energy. INPEX joined the Japan Technological Research Association of Artificial Photosynthetic Chemical Process (ARPChem) overseen by NEDO, when it was first launched in 2012. INPEX has played a leading role in the installation and operation of solar hydrogen panels (developed by ARPChem and a catalyst development team from The University of Tokyo) in Darwin, Australia, which gets more sunlight than Japan. The solar hydrogen panels were installed in December 2020, after which verification testing of their effectiveness began. Solar hydrogen generation makes it possible to create CO₂-free hydrogen from water using solar power (which constitutes renewable energy) and a photocatalyst, and there are high hopes that the commercialization of this technology in the future will have an important role to play in the realization of the hydrogen society.



Test facility within Koshijihara Plant (a NEDO project)



Artificial photosynthesis panels installed in Darwin, Australia

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CO₂ Absorption through Forest Conservation

In the INPEX-operated Ichthys LNG Project in Australia, INPEX has accumulated experience in projects that aim to use forests to absorb CO₂, through its involvement in the planting and management of eucalyptus trees and in savannah fire management programs. Building on this experience, INPEX is committed to responding to climate change through CO₂ absorption by way of forest conservation. The Company will also aim to proactively support forest conservation projects in Indonesia and elsewhere that can contribute to the safeguarding of invaluable biodiversity and improvement of living standards for local communities.

The Importance of Forest Conservation in the Response to Climate Change

According to the IPCC Special Report on Global Warming of 1.5° C, it will be necessary to reduce and remove CO₂ emissions through forests in order to keep global warming within 1.5° C, regardless of which scenario is adopted. Besides its benefits in terms of carbon absorption, forest conservation can also be expected to provide various "co-benefits" in terms of safeguarding biodiversity, improving soil quality and enhancing food security at the regional level, etc. Conserving forests can thus make a wide-ranging contribution towards the realization of the United Nations' Sustainable Development Goals (SDGs).

The Rimba Raya Biodiversity Reserve REDD®+ Project in Indonesia

Besides promoting CO_2 absorption through forest conservation as a response to climate change, INPEX is also providing support for outstanding forest conservation projects that safeguard precious biodiversity and contribute towards improving the livelihoods of local communities.

In February 2021, INPEX entered into an agreement with the conservation firm, InfiniteEARTH to acquire 5 million tons worth of carbon credits over five years by supporting the Rimba Raya

3 A concept defined in the Cancun Agreements (2010) aiming at reduction of CO₂ emissions by controlling deforestation and deterioration through forest management and actively increasing carbon stock through afforestation

Biodiversity Reserve REDD+ project in Indonesia. This project involves conserving around 65,000 hectares of peat forest in Indonesia's Central Kalimantan province over a period of 30 years (2008 – 2038). The project has continuously secured internationally recognized Verified Carbon Standard certification for the sequestration of CO_2 through forest conservation, and has been able to generate carbon credits through Climate, Community & Biodiversity Standards certification, which certifies the creation of positive benefits in terms of climate, community and biodiversity. In addition, in September 2020 the project became the first initiative of its kind in the world to be awarded SD VISta® certification (which certifies the making of a positive contribution towards the realization of the UN SDGs) for all 17 goals, in recognition of the project's achievements not only in relation to forest conservation, but also in terms of employment creation, healthcare, education, provision of water purification systems and other areas relating to local community infrastructure, and the safeguarding of biodiversity, for example through the protection of orangutans. In the future, INPEX intends to provide support for the construction of three new orangutan conservation facilities that are planned as part of the Rimba Raya Biodiversity Reserve REDD+ project.





4 Sustainable Development Verified Impact Standard
A standard that certifies contributions made towards the realization of the UN SDGs



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Contributing to Energy Supply Resilience

In view of the global spread of COVID-19, INPEX has endeavored to continue steady operation and ensure stable supply of energy. At the same time, it has implemented a range of measures to prevent infection in our crude oil and gas production operations around the world, prioritizing the health and safety of employees. More information about INPEX's efforts to protect its employees can be found on P.88, "Work Style under COVID-19 Pandemic".

Country	Response Measures
Australia (Ichthys LNG Project)	 Introducing special rotation and shift with a period of quarantine, implementation of medical interviews and body temperature checks before coming on operating site Introducing various restrictions and requirements for the LNG carriers and other boats coming to terminal
Japan	 Restricted access to worksites except for core operating personnel Securing standby personnel in preparation for the emergence of COVID-19 infection
United States (Shale Oil Project)	 Infection monitoring measures, including medical screening and body temperature checks for personnel entering operating sites Establishment of procedures to respond and restore operations after in case of COVID-19 infection
U.A.E.	Implementation of a range of measures to mitigate the risk of infection at our projects in Abu Dhabi, in accordance with the guidelines set forth by Abu Dhabi National Oil Company (ADNOC). These include mandatory confirmation of negative PCR test results prior to admittance to operating or other sites, as well as body temperature checks



Plant operators with face shields and masks at the Naoetsu LNG Terminal, Japan



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Measures Taken at Individual Worksites to Ensure Stable Energy Supply and Stable Operation During the COVID-19 Pandemic

At the Ichthys LNG Project in Australia, at the Abadi LNG Project in Indonesia, and at the operational sites in Japan, INPEX has succeeded in maintaining stable operation with no accidents and disasters by practicing thorough and unique preventive measures against COVID-19 under the regulations and requirements by the government of the country in which we operate. Some of outstanding measures were nominated for the 2021 Corporate HSE Awards.

Successful Met-ocean Survey Campaign with "COVID-19 Free **Bubble**" Concept in the Abadi LNG Project

In the Abadi LNG Project in Indonesia, INPEX has implemented a met-ocean survey in 2020. In order to perform data collection and equipment maintenance at the 19 ocean survey stations established in early 2020 in onshore, coastal and offshore locations, the survey team set out from Jakarta for the Abadi Gas Field in the Arafura Sea on September 13, 2020 on board the NV NMS Brilliance and returned to Jakarta on October 10, 2020.

To avoid exposure to COVID-19 virus, the survey team implemented a comprehensive set of measures – including quarantine and multiple screening processes – to ensure that the team members were not infected prior to on board, and an innovative idea was adopted to keep the team free from contact with the outside environment in a "virtual bubble" during the survey, with response measures prepared for an emergency. This "virtual bubble" was maintained throughout the survey. For realizing the "virtual bubble" concept effectively, the entire survey was conducted by a sea voyage of 5,600km. It took one month to complete, whereas the survey would have been completed in around one week using air transportation in normal circumstances.

The survey was completed successfully with no cases of COVID-19 infection. Mr. Julius

Wiratno, Deputy for Operations with the Special Task Force for Upstream Oil and Gas Business Activities at SKK Migas, a state-owned Indonesian petroleum corporation, appreciated INPEX's efforts and suggested this initiative would help to foster further innovation. The initiative also won the Gold Hard Hat Safety Award from our project partner Shell in the fourth quarter of 2020.



The met-ocean survey team

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Response to Novel Coronavirus Disease (COVID-19)

COVID-19 Response Team at the Ichthys LNG Project

Throughout 2020, the Ichthys LNG Project in Australia has faced many complex challenges posed by the COVID-19 pandemic, such as the restrictions on mobility of people between states within Australia. Despite these challenging circumstances, INPEX has been able to address the issues affecting the project through the continuous support by multiple different teams.

To ensure the safety in production operations, INPEX made an intensive review and risk based identification of integrity critical maintenance plans. In addition, we have reviewed work rotation and shift and reduced the number of personnel on site to minimize movement of people in the operational sites. INPEX also implemented health status management for both physical and mental health, for example, fatigue risk management procedures were improved and multiple workshops and discussions on stress management and resilience were conducted. INPEX engaged in wide-

ranging consultation with employees prior to changes in work shift scheduling.

INPEX also established a COVID-19 Business Continuity Plan to ensure efforts can be sustained in a systematic way. This plan established a reporting structure between the top management and the crisis management team, and it defined COVID-19 risk and response matrix to enable rapid response to changes in risk profile.

A health monitoring system was introduced to monitor the health conditions and movements of employees including contractors working in INPEX assets for efficient work management.

These initiatives have made it possible to maintain stable operation, and the level of production of the project in 2020 was higher than originally planned.





Stay fit with online workouts

Measures taken in Japan: at the Minami-Nagaoka Gas Field and Naoetsu LNG Terminal

In Japan, to maintain stable and safe operation, INPEX formulated various preventive measures to respond to the COVID-19 pandemic.

- Shift operators were divided into two groups those commuting from home and those living in company dormitories. They were given different tasks in order to prevent them from coming into contact with one another
- •The company dormitories were repurposed as dedicated accommodation for shift operators, while other personnel were relocated to rental accommodation, to prevent contact with each other
- Within each facility, zoning was practiced to prevent a direct contact between shift operators and other personnel, and a satellite office was also utilized
- · Computer monitor or other visual displays were used at shift handover meetings to prevent a direct contact
- Request to shift operators to voluntary refrain from going to places where there is a high risk of infection
- Health condition check and body temperature monitoring
- COVID-19 response meetings within Domestic Exploration & Production Division were held three times a week for information sharing and discussion over outstanding issues and decision making

At the Minami-Nagaoka Gas Field, it was necessary to accept engineers from overseas for a collaborative work with contractors. In order to reduce the infection risk for those engineers during their

stay, immediately after entering Japan, they were moved to stay in Nagaoka City where the number of COVID-19 cases was low and where infection control could be managed in a more organized manner compared with other places. After the completion of 14-day quarantine period, INPEX continued adherence to its own guidelines requiring the sharing of information about movement history, health management, and restrictions on unnecessary travel. During the actual work on site, separate waiting areas between contractors and INPEX personnel were set to avoid close-contact among the workforce, and contact with production operations personnel was strictly prohibited. As a result, the work was completed successfully with no cases of infection and no other incidents.

At the Naoetsu LNG Terminal, when carrying out berthing and offloading of LNG/LPG carriers, INPEX introduced "non-contact offloading". This is a trial measure to protect the workforce from the risk of COVID-19 infection, whereby both the carrier's crew and terminal personnel do not come into direct contact with each other. Previously, when an LNG/LPG carrier berthed, the terminal personnel went on board the carrier to confirm the offloading procedures with the carrier's crew before offloading operation. The new approach, however, brought substantial improvements in the operations through the effective use of telephone and radio communication, that was realized by close coordination among the parties involved. As a result of introducing "non-contact offloading", there have been no cases of COVID-19 infection, and the new method has also made a major contribution towards ensuring the delivery of LNG/LPG, which is vital for the stable supply of natural gas, without incidents or accidents.

Response to Novel Coronavirus Disease (COVID-19)

Supporting Local Communities

INPEX assisted medical professionals and others who have dedicated themselves to the prevention of the further spread of COVID-19, and supported people in the local community who are experiencing difficulties. The following activities are included.

Country	Response Measures
Japan	Provision of N95 masks to Japanese Red Cross Society and local governments
Australia	 Donation of A\$ 30,000 to Foodbank NT to support emergency food provision in the Northern Territory Donation of A\$ 100,000 to Menzies School of Health Research in the Northern Territory to support COVID-19 response activities Provision of masks to medical facilities and police agencies in Broome
Indonesia	Provision of COVID-19 information posters, chemical protection suits, medical masks, and hand sanitizer to medical professionals in the Tanimbar Islands
Kazakhstan	Provision of medical equipment and personal protective equipment to medical facilities in Nur-Sultan in collaboration with other foreign companies in the country
United States	Donation through the Japan Business Association of Houston



Donation to Foodbank NT in the Northern Territory, Australia



Provision of medical goods in the Tanimbar Islands, Indonesia

MATERIALITY

FSG

Our Approach to Corporate Responsibility

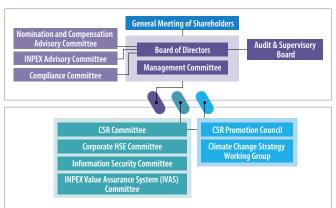
Our Policy

For our sustainable development, production and supply of energy, we engage in CSR management, which focuses on the Material Issues that are most important to both our business and our stakeholders. We dedicate our efforts to sustainability and value creation throughout our value chain.

Roles and Responsibilities of CSR Committee

We disclose our executive management's approach to sustainability, and have the CSR Committee chaired by the Representative Director, President & CEO in place to promote groupwide and systematic sustainability practices. The CSR Committee members include the Representative Directors, the head of the General Administration Division, and the head of the Corporate Strategy & Planning Division (Vice-Chair of the CSR Committee). The Chairs of the Compliance Committee and the Corporate HSE Committee also attend the CSR Committee meetings to facilitate collaboration with their respective committees. We have also created a groupwide consultation system

CSR Management System



supported by the Climate Change Strategy Working Group and the CSR Promotion Council, a subdivision of the CSR Committee comprising working-level members from various divisions.

Participation in External Initiatives

We promote sustainability practices with participation in both domestic and overseas initiatives, such as the United Nations Global Compact, the International Association of Oil & Gas Producers (IOGP), the Australian Petroleum Production & Exploration Association (APPEA), the Extractive Industries Transparency Initiative (EITI), IPIECA¹, the Japan Petroleum Development Association (JPDA), and Japan Natural Gas Association.

Participation in the United Nations Global Compact

In December 2011, we became a signatory to the United Nations Global Compact and declared our support for its ten principles related to the four areas, human rights, labor, environment, and anti-corruption. Since FY2012, we have continuously participated in activities of the various sustainability-related subcommittees of the Global Compact Japan Network.

Identification of Material Issues and Prioritization Process

In April 2012, we identified five key issues among the seven core social responsibility subjects in ISO 26000 as Material Issues of importance for us and our stakeholders. In May 2015, we reexamined the Material Issues considering factors such as impacts of business activities associated with the progress of our key projects and changes to stakeholder priorities. As a result, we redefined the Material Issues by adding the sixth issue, "Governance." Furthermore, our actions that should be prioritized for each Material Issue have been defined as Key Tasks, and have been incorporated into our PDCA® cycle to achieve continuous improvement. In FY2017, we incorporated the perspectives of Sustainable Development Goals (SDGs)[®] into the existing Key Tasks, mapped the Key Tasks through a four-step prioritization process (1. Issue identification and gap analysis, 2. Stakeholder dialogues, 3. Issue prioritization, and 4. Management review), and reevaluated the Key Tasks. We will continue to review the Key Tasks on regular basis.

Matrix of Key Tasks



Importance for our business management (necessity/urgency of additional measures)

INPEX Key Tasks*

- Strengthen governance structure
- Upgrade risk management system
- Respect human right
- Comply with laws, prevent bribery and corruptions
- Conduct Environmental and Social Impact Assessment (ESIA) in supply chain
- Prevent of major incidents
- Secure occupational health and safety Conserve biodiversity, manage
- water resource appropriately

- Assess and take measures to reduce impact on local and indigenous communities
- Contribute to local economies Promote renewable energy business
- Develop natural gas as a cleaner source of energy
- Strengthen climate-related risk management
- Develop personnel and enhance the motivation of the workforce
- Promote diversity

*For further details please see page 19 "Targets and Results of Material Issues"

1 IPIECA

Climate Change

The global oil and natural gas industry association for environmental and social issues

Employees

CSR Material Issues

PDCA Plan-Do-Check-Act Sustainable Development Goals (SDGs)

PDF

17 goals and 169 targets adopted by the UN Sustainable Development Summit in September 2015 that represent common goals for ending poverty, protecting the planet and improving the lives and prospects Contents &

Editorial Policy

Oil and Gas Development Value Chain

This page shows major stakeholders and our social responsibilities which should be fulfilled in each of our value chain processes of upstream business.

Acquisition of Blocks

Conducting preliminary regional surveys, negotiating exploration rights contracts, acquire exploration, development, and other rights



Oil and Gas Producing Countries

- Project Partners
- Contractors
- Employees

Key CSR activities

stakeholders

Key

- Legal compliance with local laws and regulations
- Prevention of bribery to oil and gas producing countries when acquiring blocks
- Proactive disclosure concerning acquisition of blocks

Exploration and Appraisal

Exploring oil and gas using leading-edge technologies, and evaluating the amount of reserves



Oil and Gas Producing Countries

- Project Partners
- Contractors
- Local Communities
- NGOs
- Employees
- Environmental and social impact assessment, and acquisition of environmental approval
- Managing safety and considering potential impacts for the environment and society in exploration phase
- Communicating with stakeholders in local communities

Preparation for Development/ Development

Preparing for development operations, drill production wells, and constructing oil and gas extraction facilities



Oil and Gas Producing Countries

Continuing environmental and

Managing safety and considering

social impact assessment

potential impacts for the

Respect for human rights

development phase

Fair procurement

Local employment

environment and society in

Project Partners

Local Communities

Contractors

Employees

NGOs

Production

Processing and refining the extracted oil and gas into products



Transport and Sales

Shipping and transporting oil and gas products



- Oil and Gas Producing Countries
- Project Partners
- Contractors
- Local Communities
- NGOs
- Employees
- Managing safety and considering potential impacts for the environment and society in production operations
- Managing greenhouse gas emissions
- Managing occupational health and safety for all employees and contractors
- Respect for human rights

- Contractors
- Local Communities
- NGOs
- Customers
- Employees
- Stable and efficient supply of
- Product quality and safety management
- Managing safety and considering potential impacts for the environment and society in transport phase
- Dialogue with customers and consumers

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Engagement with Stakeholders

Key stakeholders	Engagement approach	Engagements in FY2020	Issues identified through stakeholder engagement
Project Partners	Regular meetings Regular communication	 Participation in operating committees, technical committees, and subcommittees for making project decisions Discussions with operators for OPEX/CAPEX reduction 	 Legal compliance, prevention of bribery and corruption Development of natural gas as a cleaner source of energy
Contractors	 Indication of qualifications to prospective suppliers Briefings on qualifications Regular meetings HSE Audits 	 Provision of fair, equitable, and transparent participation opportunities for prospective suppliers Annual HSE awards Strengthening of supply chain management (conduct of supplier self-evaluation survey for major suppliers and contractors in Japan) 	 Upgrading risk management system Legal compliance, prevention of bribery and corruption Environmental and Social Impact Assessment (ESIA) in supply chain Prevention of major incidents Securing occupational health and safety
Customers	 Designated contact point Provision of product information Identification of customer needs at service stations 	 Announcement of safe handling information through SDS⁴ Improvement of service station operation based on analysis of customer survey 	 Legal compliance, prevention of bribery and corruption Promotion of renewable energy Development of natural gas as a cleaner source of energy
Shareholders and Investors	 The General Meeting of Shareholders, briefings and exhibitions, IR meetings Issuance of reports (earnings report, earnings presentation materials, securities report, annual report, fact book, investor's notes etc.) 	 The General Meeting of Shareholders, briefings (held three times, in February, May and August), IR meetings (approx. 180 times), exhibitions and briefings for individual investors. Timely, appropriate, and fair information disclosure through the corporate website and improved website content (approx. 1,200 website accesses per day, 66 press releases, and 12 articles on CSR topics) 	 Strengthen governance structure Upgrading risk management system Development of natural gas as a cleaner source of energy Strengthen climate-related risk management
Local Communities	 Environmental and social impact assessment Community briefings Various pamphlets Social contribution activities 	 Social investment in response to local communities' needs (total expenditure: approx. ¥2.2 billion) Response to community feedback in Japan and overseas Action in accordance with the Reconciliation Action Plan (RAP) with Aboriginal and Torres Strait Islander peoples in Australia Conduct Environmental and Social Impact Assessment (ESIA) in Indonesia 	 Respect for human rights Conservation of biodiversity and proper management of water Assessments and measures to reduce impact on local and indigenous communities Contributing to local economies
NGOs	 Information gathering to solve global social issues Round-table discussions 	Support for NGOs through employee fundraising Participation in NGO-hosted webinars	 Respect for human rights Contributing to local economies Promotion of renewable energy Strengthen climate-related risk management
Employees	Meetings with managers Consultation between labor and management Various training and study abroad programs Internal magazines	 Regular meetings with managers Regular communication with the labor union Various training programs (62 hours/person) Timely update of internal online magazines 	 Securing occupational health and safety Development of personnel and increasing the motivation of the workforce Promoting Diversity Respect for human rights
Oil and Gas Producing Countries	Communication at each project phase (tender, approval process of development plan; development and production; decommissioning)	 Close communication with oil and gas producing countries according to project progress Prevention of corruption and improving transparency in oil and gas producing countries through support for EITI 	 Legal compliance, prevention of bribery and corruption Prevention of major incidents Contributing to local economies Development of natural gas as a cleaner source of energy

Targets and Results of Material Issues

Governance

Compliance

CSR Material Issues	Key Tasks	FY 2020 Results	FY 2021 Targets	Medium to Long-Term Initiatives and Directions
Governance 16 FMS SETENT SECTIONS SECT	Strengthen governance structure	 Continued to implement a PDCA cycle to evaluate the effectiveness of the Board of Directors, and had evaluation performed by a third-party evaluation body Setting discussion items for responding to low crude oil price and climate change, aiming to effective discussion of the Board of Directors Held a roundtable meeting among the Directors for the exchange of views, with participation of climate change experts Made steady progress in preparation for response to revision of Japan's Corporate Governance Code and the restructuring of the Tokyo Stock Exchange, which are scheduled for 2021 Discussed matters relating to director nomination and compensation, with appropriate support and advice by the Nomination and Compensation Advisory Committee, and resolved the policy for determining individual directors' compensation approved by the Board of Directors Enhanced company's tax management system through the recruitment of tax specialists 	 Enhancement of the corporate governance system through appropriate operation of the Board of Directors and continue to implement evaluation of the effectiveness of the Board of Directors. Continue the PDCA cycle Respond to the amendment of the Companies Act, the restructuring of the Tokyo Stock Exchange and the revision of Japan's Corporate Governance Code Discuss matters relating to director nomination and compensation, with appropriate support and advice by the Nomination and Compensation Advisory Committee Implement global expansion of the tax governance structure 	Improvement of the effectiveness of the Board of Directors, appropriate information disclosure including dialogue with shareholders, cooperation with stakeholders, and continuous enhancement of corporate governance Strengthen the corporate governance structure, including enhancement of the supervisory role of the Board of Directors Expand the discussion on business strategies based on Vision 2040, the Medium-term Business Plan, and anticipated future business
	Upgrade risk management system	 Promoted Business Continuity Management (BCM)[®] for earthquake scenario activities and conducted training and education at corporate headquarters Implemented and operated a crisis response system under the Corporate Crisis Management Team for the novel coronavirus disease (COVID-19) 	 Promote corporate headquarters-based BCM activities for earthquake scenarios, provide BCM education and training for employees, and update corporate headquarters BCP® for highly virulent infectious disease scenarios including measures to prevent the spread of the novel coronavirus disease (COVID-19) Implement and operate a crisis response system under the Corporate Crisis Management Team for the novel coronavirus disease (COVID-19) 	development, and monitor the progress made
Compliance	Respect human rights	 Published the UK Modern Slavery Act Statement FY 2019 Conducted human rights training for new recruits Participated in the IPIECA human rights working group (ongoing) 	 Publish the UK and Australia Modern Slavery Act Statement FY 2020 Continue human rights training for new employees Strengthen human rights management 	Appropriate responses to and full compliance with the laws and regulations of the areas in which we operate, anti-bribery and anti-
8 DECENTIVOR AND EXECUTIVE SCHOOL SCH	Comply with laws, prevent bribery and corruption	 Conducted various types of compliance training, including harassment prevention training for managerial employees Conducted ABC risk assessments at domestic offices in Japan Launched and began operation of the INPEX Global Hotline Participated in the anti-corruption working group of the Global Compact Network Japan (ongoing) 	 Continue to provide information on compliance and conduct education and training programs (including harassment prevention training for non-managerial employees at domestic offices in Japan) Maintain initiatives aimed at bolstering global compliance systems (including continued operation of the INPEX Global Hotline, etc.) Widely disseminate and strengthen the implementation of ABC regulations (including continued implementation of training and due diligence, etc.) Continue to conduct ABC risk assessments at Japan and overseas offices 	we operate, ant-bribery and article corruption (ABC) laws, judicial / administrative sanctions, international standards and ethics, and respect for human rights Strengthen global human rights management structure Strengthen supply chain risk assessment and compliance
16 Place will be additional bishooting bishooting.	Conducting Environmental and Social Impact Assessment (ESIA) in supply chain	 Administered a supplier self-assessment questionnaire including human rights and ABC to major domestic suppliers and contractors Continued risk assessment including human rights, ABC of major domestic suppliers and contractors Administered a survey on the status of operator initiatives for human rights, and ABC, in relation to non-operated projects 	 Continue to administer a supplier self-assessment questionnaire including human rights and anti-bribery and anti-corruption (ABC) to major domestic suppliers and contractors Continue risk assessment including human rights, anti-bribery and anti-corruption (ABC) of major domestic suppliers and contractors, and improve the methods used for risk assessment Participate in the supply chain working group of the Global Compact Network Japan 	

Business Continuity Management

 $The \ activities \ undertaken \ by \ a \ company \ to \ develop \ and \ maintain \ a \ business \ continuity \ framework \ and \ ensure \ overall$ preparedness by the company through education and training initiatives

Business Continuity Plan

A proactive plan outlining the priority operations and steps to be taken in the event of a disaster to avoid or mitigate the risk of interruption to business activities

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SR Material sues	Key Tasks	FY 2020 Results		FY 2021 Tar	gets	Medium to Long-Term Initiatives and Directions	
SSE GOODHAITH AND WILLENDO	Prevention of major incidents	regarding the headquarte Revised HSE 3rd Phase Mi Improved HSE assurance a conducted 2 risk-based at Provided HSE technical su Ingrained HSE risk manager sessions and workshops, etc projects, prepared an annua establishment of safety case and conducted asset integr domestic E&P business, don Reinforced emergency and against COVID-19 using the conducted emergency leve of a serious accident at a bu earthquake striking directly	HSE Management System (established and revised a total ards, supported the creation of HSE engagement plans ers including non-operated projects, and established the d-term Plan [FY2016-2022]®). and governance (participated in 6 HSE reviews and udits at overseas sites remotely) upport (implemented 11 technical support operations) ment to prevent major incidents and disasters (held 6 training c, for enhancement of HSE risk management for operated al report on process safety leading indicators, assisted in the es both domestically and overseas, conducted HSEIA reviews, ity management and process safety assurance reviews of the mestic energy business, and lchthys LNG Project) crisis response capability (implementing countermeasures of Corporate Crisis Management Team—as the secretariat, al 3 crisis response exercises two times based on the scenarios usiness site of the domestic energy business and a major beneath Tokyo metropolitan area, conducted functional d revised a security response plan for Abu Dhabi Office)	standards) Improve HSE effectiveness Provide HSE resource and initiatives for Enhance pro to promote asset integrit indicators) Reinforce em security and Corporate Cr	Corporate HSEMS (improve consistency between company nd HSEMS documents and complete standardization of HSE assurance and governance (improve the consistency and of HSEMS through HSE reviews and risk-based audits) technical support and foster HSE leaders (continue to secure HSE promote more efficient acquisition of HSE competency through comprehensive HSE training and exercises online) cess safety and asset integrity management (develop a dashboard visualization of management situation, enhance process safety and y management through measurement of Tier 3 and Tier 4 leading therefore, and crisis response capability (increase company-wide crisis management capabilities by reviewing the functions of the isis Management Team from various perspectives including Crisis t Team formation, application software and exercise program)	Under our commitment to the HSE Policy, top management, managers and staff implement the process defined in the Corporate HSE Management System. Think, act and promote safety culture as "Safety Number One" on INPEX Values and aim to achieve zero incidents and prevent major incident Promote actions to achieve the Revised HSE 3rd Phase Mid-term Plan (FY2016-2022) including following actions: —Enhance effectiveness of the Corporate HSE Management System (HSEMS) —Improve HSE assurance and	
DECENTION AND COMMUNICATION OF THE PROPERTY OF	Securing occupational health and safety	Strengthened HSE management at worksites (conducted safety document survey and HSE Forum, but did not carry out management site visits because of travel restrictions in place due to the COVID-19 pandemic) Reduced the number of incidents (LTIF®: 0.26 / TRIR® 2.24; completed online curriculum on life-saving rules and published HSE Flash and Learning from Incident [LFI]) Improved health promotion and maintenance program (developed health risk resisters for INPEX Standards and gathered information on COVID-19, issued an alert, and conducted survey led by the health and safety management division of the Corporate Crisis Management Team)		 Reduce the r a timely man prevent recu implemental Strengthen h improvemental 	SE management at worksites (develop and execute an action plan for culture and HSE leadership based on the results of the HSE culture survey) number of incidents (provide incident information and causes in iner using the newly introduced incident reporting system and rrence of similar incidents by measuring leading indicators such as cion status of accident remedies) health management (enhance initiatives for employee health it, occupational health and safety and infection control based on the Health Statement and Corporate Health Management Standard)	governance by continuous implementation of the risk management-based audits and HS reviews —Fulfill HSE technical support by utilizing HSE human resources and foster HSE leaders by continuing to promote opportunities for acquirin HSE competencies	
AND PRODUCTION			Corporate Environmental Management Plan including conservation and water management		review Corporate Environmental Management Plan including biodiversity conservation and water management	 Develop HSE activities that incorporate opinions from worksit 	
4 Billimwite	Conserve biodiversity, manage water resource appropriately	ersity, domestic project sites (Nagaoka) e water e mplemented measures for specific invasive alien plant species at domestic projects		Conservation of biodiversity	Update the protected areas database of areas adjacent to domestic and overseas project sites Implement marine environmental impact assessments at domestic projects Implement measures for specific invasive alien plant species at domestic projects Participate in forestation and biodiversity conservation activities at domestic projects Conduct an ecosystem survey in peripheral areas of domestic projects (Nagaoka) Conduct surveys on current status of biodiversity at overseas projects Conduct biodiversity monitoring at overseas projects Publish report on INPEX's biodiversity conservation activities Consider establishment of policy on biodiversity conservation	and improve HSE management based on the results of the HSE culture survey Thoroughly prevent major inciden by promoting Process Safety management Reduce incidents using leading indicators Reinforce emergency and crisis response capability Reinforce GHG emissions control and environmental management as well as promote management cocial impacts	
		management • Collecte • Execute	cted water stress assessments in project areas ed and analyzed data on water consumption in projects e and review Corporate Environmental Management cluding initiatives for biodiversity conservation and water ement	Water management	Update water stress assessments in project areas Comprehend water balance, as well as collect and analyze water consumption data of projects Prepare report on the Group's water usage and water risks Consider establishment of policy on water risk management	 Implement initiatives based on the INPEX Group Health Statement an Corporate Health Management Standard 	



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Targets and Results of Material Issues

Local Communities

Climate Change

CSR Material Issues	Key Tasks	FY 2020 Re	esults	FY 2021 T	argets	Medium to Long-Term Initiatives and Directions
Local Communities	Conducting			Japan	 Maintain positive relationships with stakeholders through continuous dialogue, including appropriate response to inquiries from local communities and publication of newsletters 	Contribute to regional development and the solution of social issues through
1 NO POWERTY 『中学中本作	assessments and measures to reduce impact on local and	Australia	 Held more than 250 stakeholder engagement activities and provided more than 50 community updates Received approximately 800 local operating area inquiries (of which 50 percent related to employment opportunities) 	Australia	 Maintain positive relationships with stakeholders and communities through proactive and integrated engagement 	projects, respecting human rights and the cultures and customs of the areas in which we operate
8 ECENT WORK AND COMMUNE SERVICE	indigenous communities	Indonesia	Conducted an environmental and social impact assessment, which has been undertaken every year since 2018. In 2020, assessed the impacts on communities during construction and operation phase and likewise conducted impact assessment in regard to concern of local communities	■ Indonesia	Continue to implement environmental and social impact assessment while maintaining positive relationships with stakeholders	 Comprehend community needs and conduct measures through engagement with stakeholders in the areas in which we operate
9 PAGENTA STRUCTURE		Global	• Invested approximately 2.2 billion yen in social contribution initiatives	■Global	 Continue investments for social contribution initiatives in response to the needs of the local community 	,
10 SERVICED INCREMENTES	Contribution to	Australia	 Supported more than 350 Larrakia individuals and facilities through the Larrakia Ichthys LNG Foundation Trust since its establishment in 2018 	Australia	Ensure the success of the Larrakia Ichthys LNG Foundation Trust Increase INPEX Australia's direct employment of Aboriginal and Torres Strait Islander peoples to 36 people or three percent of employees by the end of 2021	
17 PARTMERSHO'S FOR THE GOALS	local economies		 Retained 25 Aboriginal and Torres Strait Islander employees including the Solid Pathways program participants 		 Employ an average of 60 Aboriginal and Torres Strait Islander peoples through our Ichthys LNG operations' contractors each year from 2019 to 2021 	
FOR THE GOLLS			 Employed more than 100 Aboriginal and Torres Strait Islander people through Ichthys LNG operations' contractors 		 Increase the number of Aboriginal and/or Torres Strait Islander majority owned businesses engaged by INPEX and its contracting partners by 50 percent with a total contract value between 2019 to 	
			 INPEX and contractors engaged 8 Aboriginal and Torres Strait Islander businesses for a total value of more than A\$4 million 		2021 being greater than A\$ 1 million	••••••••••••
Climate Change	Promote development of natural gas as a more	 Continued safe operat long, high- Implement Promoted of 	table and efficient production operations in the Ichthys LNG Project a stable supply of natural gas and increased supply volume through the ion of gas fields, the Naoetsu LNG Terminal and the approximately 1,500 km pressure gas pipeline network in Japan ed proposal activities to promote natural gas utilization construction operations for local smart energy projects using gas	Project Maintain a safe opera 1,500-kilo	to achieve stable and efficient production operations at the Ichthys LNG a stable supply of natural gas and increase supply volume through the ation of gas fields, the Naoetsu LNG Terminal and the approximately meter long, high-pressure gas pipeline network in Japan a activities to promote natural gas utilization	Strengthen governance systems and promote initiatives in the areas of business strategy, risk and opportunity assessment, and emission management,
7 AFFORDABLE AND CLEAN ENERGY	environmentally friendly source	cogeneration of the cogeneration cogeneratio	on facilities ed carbon neutral gas proposal activities in Japan	 Start com facilities 	mercial operation of local smart energy projects using gas cogeneration	so as to contribute towards the realization of the Paris
- ऴ :	of energy	 Created a s dissipation 	ystem for the inspection, data compilation and reporting on methane from equipment and machinery at business sites in Japan		of carbon neutral gas to improve management of GHG emissions, including methane	Agreement goals on climate change
9 PRODUCTION OF THE PROPERTY O	Strengthen climate-related	TransformedDisclosed	guidelines for the assessment and management of climate-related risks and opportunities the Climate Change Strategy Working Group into an advisory body of the CSR Committee greenhouse gas emissions on an equity share basis	Revise theFormulate	the company's Business Development Strategy, and set goals for climate change e company's Corporate Position on Climate Change e Guidelines for Transactions and Management of VCUs [®]	 Implement initiatives aimed at the realization of the net zero carbon society
13 CLIMATE ACTION	risk management	·· · ·································	e company's Carbon Disclosure Project (CDP) Climate Change score (from B to A-)		e Guidelines for Management of Climate Change Goals	 Undertake continuous information disclosure in line
15 orto	Promote renewable energy business	le surveys on geothermal resources at Amemasudake, Hokkaido			able operation of photovoltaic power generation facilities able operation at the Sarulla Geothermal IPP Project in Indonesia ward existing geothermal power generation business in Japan ew geothermal power business opportunities in Japan and overseas. environmental impact assessments and flow tests with all production and n wells in the Oyasu region in Akita Prefecture	with the recommendations of the Task Force on Climate- related Financial Disclosures (TCFD)
	chergy business	wind powe	r business R&D of technologies that contribute to building an electricity-hydrogen-	Pursue nev	shore and offshore wind power generation business opportunities in Japan w offshore wind power generation business opportunities in Japan and overseas &D of technologies that contribute to building an electricity-hydrogen-methane value chain	

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Targets and Results of Material Issues

Employees

CSR Material Issues	Key Tasks	FY 2020 Results			rgets	Medium to Long-Term Initiatives and Directions
		■ Global ■ Japan	 Ongoing promotion of INPEX Values (including Values Award, etc.) Conducted an engagement survey Ongoing facilitation of internal job posting 	■ Global ■ Japan	Continue promoting INPEX Values (including Values Award, group-wide promotion, etc.) Continue facilitation of internal job posting	Develop a corporate culture that facilitates self-initiative and a strong sense of values and purpose for a diverse workforce in accordance with INPEX Values
Employees 4 court fraction 5 court fraction 8 court fraction 8 court fraction 10 cou	Develop employees and improve workforce motivation		 Continuation of career consultations for young corporate employees Ongoing interviews with young technical employees for skill mapping Reduced overtime hours and continued encouragement of the taking of paid leave Expansion of business knowledge training through e-learning materials Expansion of "career design" training program Additional training for line managers Converted some contract staff to regular employment Introduced a return-to-work scheme Introduced work-from-home arrangements Began satellite office operation Provided subordinate training seminars and remote-work focused mental health awareness sessions Provided health-related seminars on topics including smoking, dealing with back pain, stretching exercises to improve bodily functions, etc. Selected for 2020 Health & Productivity certification Obtained certification in the large enterprise category of the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500) 		 Continue providing career consultations for young corporate employees Initiate career consultations for senior employees, and continue skill mapping interviews for young technical employees Continue reducing overtime hours and further encourage employees to take paid leave Eliminate core time from the flextime working system Introduce a new scheme for "internal side work" Expand work-from-home arrangements Implement well-being workshops Hold seminars on psychological safety Introduce a training program for the next generation of leaders Introduce online learning materials to enhance the English-language business skills of all employees Introduce team-building initiatives Continue providing health-related seminars Realize continued Health & Productivity certification Realize continued certification from the Certified Health & Productivity Management Outstanding Organizations Recognition Program 	Continue the promotion of INPEX Values Develop an environment which enables a diverse workforce to demonstrate their talent
		Global	 Regular exchanging of views among diversity contacts at global offices 	Global	 Provide opportunities for employees from overseas offices to gain experience at other worksites 	
	Promote diversity	Japan	 Ongoing training for managers of people with parental responsibilities Continued LGBT awareness training Achieved Silver "Work with Pride 2020" certification Held a chat-based social event for employees with impaired hearing 	Japan	 Continue measures based on our General Employer Action Plan to promote the active participation of women Develop policies for same-sex partners and their children to enjoy the same treatment as the family members of other employees Implement unconscious bias training 	

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Our corporate governance approach is designed to fulfill our responsibilities to our shareholders and other key stakeholders and support transparent, fair, timely and conclusive decision-making, with the goal of achieving sustainable growth and increasing corporate value over the medium to long-term. Furthermore, we formulated and disclosed our Corporate Governance Guidelines for the purpose of ensuring transparency and fairness in decision-making and achieving effective corporate governance through the proactive information disclosure. We also revise the guidelines as appropriate in line with ongoing developments of corporate governance.

Management System

For the enhancement of corporate governance, we have following advisory bodies to the Board of Directors among three committees; 1) the Nomination and Compensation Advisory Committee, majority of committee members consists of outside officers, including independent Outside Directors, for the purpose of strengthening the independence, objectivity, and accountability of Board of Directors' functions and contributing to the further enhancement of the corporate governance system; and 2) the INPEX Advisory Committee, for the purpose of obtaining multifaceted and objective counsel and recommendations across a wide range of areas including domestic/international political and economic outlook, prospects for the energy sector, and

sustainability from external experts with the aim of sustainable growth and enhancing medium and long-term corporate value. The attendance rate of committee members at each committee meeting held in FY2020 was 100% each time.

The Company frequently engages in important negotiations with the governments of oil-producing countries, government-owned oil companies, and international oil companies. This necessarily requires internal Directors and executive officers that have knowledge, expertise and international experience relating to the Company's business and both a sound knowledge of the Company and their particular fields of expertise. Internal Directors in principle hold concurrent position as executive officers. By adopting this organizational structure, the Company's Board of Directors is better placed to make decisions on the execution of business in an efficient manner. At the same time, this structure helps to ensure the effective supervision of management.

The Company has appointed 6 of its 14 members of the Board of Directors from outside the Company to enhance the transparency of management and strengthen the effective supervisory function of the Board of Directors. This also aims to utilize for management objective perspectives which are different from the ones of insiders: those Directors from outside the Company are, from their independent standpoint, expected to provide advice based on their own knowledge and experience, monitor the management and conflict of interest transactions, and to appropriately represent the views of stakeholders in the boardroom. The Company has selected Outside Directors from external persons who have extensive experience and wide-ranging insight as corporate managers, academics, or other specialists in the resource/energy industry, or in fields of finance or legal affairs or other fields.

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As of the end of March 2021, four of the five Audit & Supervisory Board Members are outside Audit & Supervisory Board Members. In order to strengthen the audit function by ensuring independence and effectiveness of Audit & Supervisory Board Members, an Audit & Supervisory Board has been established pursuant to laws and regulations of Japan. Further efforts of the Company include the placement of employees in Audit & Supervisory Board Members' Office as an organization dedicated to assist operations by Audit & Supervisory Board Members, and efforts in strengthening the coordination with the internal audit departments (Audit Unit) and accounting auditors.

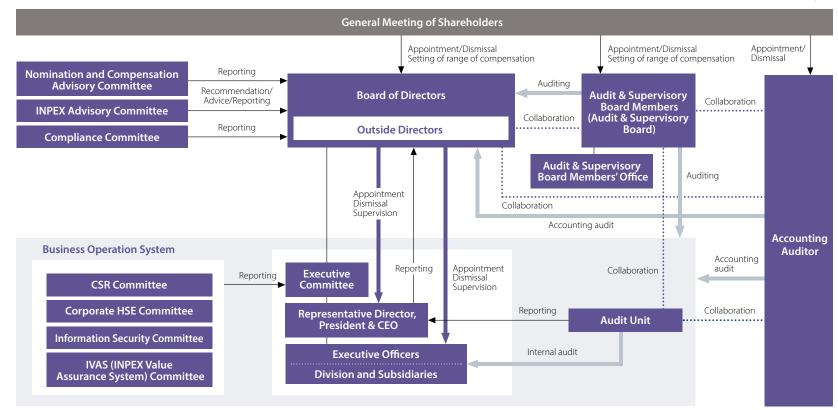
Furthermore, the Company regularly holds meetings among Outside Directors, Audit & Supervisory Board Members (including accounting auditors as necessary), and

the Representative Directors, to exchange opinions on a wide range of themes relating to important management issues, the development and operation of the internal control systems, and other issues related to corporate governance. Those meetings consist of the "Meeting of Outside Directors, Audit & Supervisory Board Members, and the Representative Directors," the "Meeting of Outside Directors and Audit & Supervisory Board Members (including accounting auditors as necessary);" and the "Meeting of Audit & Supervisory Board Members and the Representative Directors."

We also promote gender diversity at the executive level. The Company appointed first female executive officer in March 2020, following the appointment of one female Outside Director and one Outside Audit & Supervisory Board Member.

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As of March 25, 2021



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- 1. Management system
- Reasons for nomination of Outside Directors and Audit & Supervisory Board Members and their independency
- 3. Director compensation
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Attendance at the Board of Directors meetings during FY2020

In principle, the Board of Directors meeting are held on a monthly basis, and 14 meetings were held in FY2020. The attendance of all Directors at Board of Directors meetings was as follows. •

Attendance of all Directors at Board of Directors meetings (FY2020)

Position	Name	Responsibilities	Attendance at the Board of Directors
Representative Director and Chairman	Toshiaki Kitamura	_	100% (14/14 times)
Representative Director, President & CEO	Takayuki Ueda	_	100% (14/14 times)
Director, Senior Executive Vice President	Seiya Ito	Senior Vice President, Oceania Projects Head of Overseas Projects	100% (14/14 times)
Director, Senior Executive Vice President	Takahiko Ikeda	Senior Vice President, Technical Headquarters HSE and Compliance	100% (14/14 times)
Director, Senior Managing Executive Officer	Shigeharu Yajima	Senior Vice President, Global Energy Marketing	100% (14/14 times)
Director, Managing Executive Officer	Kimihisa Kittaka	Senior Vice President, Corporate Strategy & Planning Legal Affairs	100% (14/14 times)
Director, Managing Executive Officer	Nobuharu Sase	Senior Vice President, General Administration	100% (14/14 times)
Director, Managing Executive Officer	Daisuke Yamada	Senior Vice President, Finance & Accounting	100% (11 times/11 times*)
Director (Outside)	Jun Yanai	_	100% (14/14 times)
Director (Outside)	lio Norinao	_	100% (14/14 times)
Director (Outside)	Atsuko Nishimura	_	100% (14/14 times)
Director (Outside)	Yasushi Kimura	_	100% (14/14 times)
Director (Outside)	Kiyoshi Ogino	_	100% (14/14 times)
Director (Outside)	Tomoo Nishikawa	_	100% (11 times/11 times*)

^{*}Status after appointment on March 25, 2020

Evaluation results of effectiveness of Board of Directors in FY2020

With the aims of regularly verifying that the Board of Directors is functioning appropriately and identifying issues to resolve for continuing improvement, the Company undertakes an evaluation of the effectiveness of the Board of Directors each year, and discloses the summary of the evaluation results. Based on this policy, the sixth evaluation was conducted in FY2020. The evaluation method and summary of the results are as follows.

Evaluation Method

An interim review of the issues identified in the effectiveness evaluation for the previous fiscal year was undertaken at the meeting with Outside Directors and Audit & Supervisory Board Members held in August 2020. The specific implementation method of this fiscal year's effectiveness evaluation was also discussed, including the appointment of a third-party evaluation body. As a result, it was decided to appoint a major external law firm as a third-party evaluation organization, to confirm the appropriateness of the survey content and composition, the method of consolidation and analysis by the Board of Directors secretariat, and proposals for improvement.

Subsequently, this fiscal year's implementation policy and evaluation items were deliberated at the meeting of the Board of Directors meeting held in November 2020, including the content and composition of the survey prepared by the Board of Directors secretariat based on review by the third-party evaluation organization.

The evaluation items included the self-evaluation of each Director and Audit & Supervisory Board Member, the composition, operations, roles and responsibilities of the Board of Directors, operations of the Nomination and Compensation Advisory Committee, as well as the status of improvement of issues identified in the previous evaluation. An anonymous online survey of all Directors and Audit & Supervisory Board Members was conducted in December. In order to obtain more specific views and opinions from the Directors, the Directors were encouraged to make comments on many of the questions.

The results of the survey were consolidated and analyzed by the Board of Directors secretariat. After receiving confirmation and indications regarding the appropriateness of the method of consolidation and analysis and the draft improvement proposals from the third-party evaluation organization, the results of the consolidation and analysis, as well as issues and initiatives for the future were discussed at a meeting among the Outside Directors, Audit & Supervisory Board Members and the Representative Directors, in January 2021. Based on such discussion, the following evaluation results were confirmed at the Board of Directors meeting held in February 2021.

^{*}Positions and responsibilities are as of December 31, 2020

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Summary of Evaluation Results

- (1) The overall effectiveness of the Board of Directors was confirmed to be sufficient, as in the previous fiscal year.
- (2) In particular, continued initiatives to secure time for substantial deliberation were positively evaluated, such as more complete briefings for part-time Officers prior to Board of Directors meetings, and the prior indication of timeframes for deliberation. In addition, the implementation of discussion on agenda items specifically focused on themes that require discussion from a medium- to long perspective, the implementation of a lecture and opinion exchange meeting for the Board of Directors from an external expert on climate change, and the holding of online meetings in response to the COVID-19 pandemic, all received positive evaluations, and their continuation was requested.
- (3) The following issues were identifies, as issues requiring continued, short- or medium-term initiatives, in order to secure even further effectiveness for the Board of Directors.
 - Further enhancement of discussions on management strategies in light of changes in the business environment
 - Further revitalized discussions at Board of Directors meetings
 - Deeper discussions regarding the desired state of the Board of Directors
 - Secure opportunities for discussion on the desired state of governance in the INPEX Group

The third-party evaluation organization has concluded that the Board of Directors secretariat has appropriately consolidated and analyzed the results of the evaluation, and that the issues presented above, drawn from these results and analysis, have been suitably established.

The Company will continue to improve the effectiveness of the Board of Directors based on the results of this evaluation.

Compensation for officers

The Company has established the Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors in order to strengthen the independence, objectivity, and accountability of the functions of the Board of Directors related to the compensation of Directors. The Board of Directors has established the following policy for determining the amount or the calculation method of remuneration for Directors and Audit & Supervisory Board Members upon report by the Nomination and Compensation Advisory Committee.

There are three types of remuneration for Directors (excluding Outside Directors): basic compensation, annual bonus (performance-linked remuneration), and stock-based remuneration, while compensation for Outside Directors consists solely of basic compensation.

Basic compensation is paid as a monthly fixed amount based on the roles of each Director. The annual bonus is paid based on the Company's performance from the medium- to long-term perspective and other factors. As for stock-based remuneration, the Company's shares, etc. are provided based on the position, etc. of each Director, with the aim of further raising the awareness of Directors to contribute to increasing the corporate value of the Company.

Stock-based remuneration is intended to encourage Directors to contribute to maximizing shareholder value by clarifying the linkage between the remuneration of Directors and the Company's medium-to long-term share price. Stock-based remuneration will be paid in the form of the Company's shares (and partly cash) after the retirement of each Director.

The Nomination and Compensation Advisory Committee deliberates on compensation for Directors within the limits and terms approved at the General Meeting of Shareholders. The details of the compensation including amounts allocated to individual Directors are decided by the Representative Director, president & CEO, who has been entrusted by the resolution of the Board of Directors, in accordance with the deliberation by the Nomination and Compensation Advisory Committee, where greater than or equal to half of its members are Outside Directors and/or Outside Audit and Supervisory Board Members including independent Outside Directors.

In determination of basic compensation, annual bonus and stock-based remuneration for Directors, the Nomination and Compensation Advisory Committee findings to the results of a survey of remuneration levels for each equivalent position in major Japanese companies and energy-related companies conducted by multiple external remuneration research institutions to verify the validity of the compensation amount.

The compensation for the Audit & Supervisory Board Members consists solely of basic compensation and is determined through consultation among the Audit & Supervisory Board Members within the limits approved at the General Meeting of Shareholders.

The total amount of consolidated compensation for each Directors and Audit & Supervisory Board Member is not disclosed due to the absence of applicable Directors or Audit & Supervisory Board Members who received consolidated compensation of 100 million yen or more, which is the disclosure standard stipulated in the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. issued by the Financial Services Agency of Japan.

Indicators concerning performance-linked compensation and policy for determining performance-linked compensation

The amount of annual bonus to be paid to Directors as performance-linked compensation to enhance the linkage with the Company's performance is calculated based on the net income attributable to shareholders of the Company and operating cash flow as primary key performance indicators. The amount of annual bonus also takes into consideration the operational achievements of primary businesses as an oil and gas exploration and development company, such as net production volume and progress of key projects, as other indicators. Furthermore, the calculation comprehensively takes into account HSE performance, ESG ratings including climate change response and other data such as the level of compensation at Japanese energy-related companies obtained from multiple external research institutions. The details of the compensation including amounts paid to individual Directors are decided by the Representative Director, president & CEO, who has been entrusted by the resolution of the Board of Directors, in accordance with the deliberation by the Nomination and Compensation Advisory Committee, where greater than or equal to half of its members are Outside Directors and/or Outside Audit and Supervisory Board members including independent Outside Directors.

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INPEX has evaluated the effectiveness of its Board of Directors on an ongoing basis since 2015, working to enhance the Board's performance by responding to the issues identified in the process. In January 2021, INPEX announced proactive initiatives aimed at the realization of the Company's Business Development Strategy Towards a Net Zero Carbon Society by 2050. Based on these developments, we held a roundtable discussion on topics including the characteristics and challenges of INPEX's governance, as well as the Business Development Strategy and other matters. The roundtable discussion was moderated by Nobuharu Sase, Director, Managing Executive Officer and Senior Vice President, General Administration.

Topic No. **1** Future Challenges Regarding the Effectiveness of the INPEX Board of Directors

Sase: Mr. Iio and Mr. Kimura have served as Outside Directors of INPEX for four and two years, respectively. Ms. Kiba has served as an Outside Audit & Supervisory Board Member of INPEX for two years. What are your impressions of INPEX's Board of Directors?

lio: INPEX's Board of Directors consists of eight internal Directors and six Outside Directors. Four out of five Audit & Supervisory Board Members are outside members, so, as I see it, there is a good balance between internal and outside members. I feel that ensuring diversity in this way makes it possible to engage in dialogue incorporating a wide range of perspectives.

Kimura: In terms of the planning and execution of board meetings, it is evident that both the Chair and the secretariat work hard to ensure the smooth flow of

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discussion and maintain the right atmosphere. This enables board members to offer views based on their own individual perspectives and experiences, which leads to constructive dialogue.

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Kiba: I feel that INPEX board members can freely express their views from their own individual perspectives, which allows for open and frank exchanges overall. There are times when discussions become heated and extend beyond the scheduled time.

INPEX also deserves praise for being very receptive to the views and requests of Outside Directors and Outside Audit & Supervisory Board Members and responding quickly.

Sase: Are there any issues that need to be addressed in order to further enhance the effectiveness of the Board of Directors, and is there anything in particular that you yourself have noticed?

lio: The role of Outside Directors and Outside Audit & Supervisory Board Members is to adequately address and discuss the company's broad strategies, and then entrust matters of implementation to the company's executives. As I see it, we should not be too involved in executive matters.

Having said that, Outside Directors and Outside Audit & Supervisory Board Members rely on information provided by the executives to make informed judgements. Particularly in a negative turn of events, information needs to be provided in a timely manner.

All the Directors and Audit & Supervisory Board Members, regardless of internal or outside, want the company to do well, so I believe it is important to continue fostering a solid relationship based on mutual trust.



Kimura: I am strongly aware of the division of responsibility between Outside Directors and executives.

Another point is that taking risks is a core aspect of business management. To make up for the (inevitable) difference in the quantity and quality of information available to them, Outside Directors and Outside Audit & Supervisory Board Members must be firm with their questioning and encourage executives to take risks when necessary. It is important to have the right balance between mutual respect and detachment in the relationship between internal and outside members. Rather than being polarized in their approach to issues, they should remember that they are all working together to create a better company.



Kiba: As part of my auditing responsibilities, I meet with Directors to discuss the Company's business operations. I have found that these meetings are very useful to further my understanding of INPEX. When the Company's website was updated, we asked the Company to share information as quickly as possible. The Company responded very promptly. I believe Outside Directors and Outside Audit & Supervisory Board Members must strive to deepen their understanding of the Company.

Sase: Mr. Iio has been an Outside Director at INPEX for longer than others. Have you noticed any changes over this four-year period?

lio: I have definitely noticed an improvement in terms of the diversity of the Board over the last four years, and I feel that this has given the Board's discussions greater depth. I also feel that Audit & Supervisory Board Members have come to address the Board more frequently. On the whole, Board discussions have become more compelling.

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Sase: Mr. Kimura, is there anything that you have noticed, based on your experience as an energy company executive and as an Outside Director and Chairman of the Board of another listed company?

Kimura: Every Board of Directors carries the legacy of the company in question, so one cannot compare and rank the merits of companies in this regard. From this perspective, I view INPEX as being a sound company with a long history. INPEX has numerous positive attributes and should stand confident.

Over the past year or two, the COVID-19 pandemic has caused restrictions on social events and gatherings. Formal settings such as meetings of the Board of Directors are of course the main channel of communication, but other forms of communication can help to strengthen mutual understanding, and I hope that such opportunities will be actively pursued once the pandemic is brought under control.

Sase: Prior to the spread of COVID-19, the Company did organize events such as tours of INPEX production facilities for new Outside Directors and Outside Audit & Supervisory Board Members. I am sure that events of this type, including social events, will be held again once the pandemic subsides.

Topic No. **2**

Business Development Strategy Towards a Net Zero Carbon Society by 2050

Sase: Please share your views on INPEX's Business Development Strategy Towards a Net Zero Carbon Society by 2050, which was announced in late January 2021.

lio: Looking at social trends, I feel that the challenges surrounding ESG are becoming increasingly significant, and this applies to INPEX too. As such, it is ever more important for Outside Directors and Outside Audit & Supervisory Board Members, who possess diverse and specialized knowledge and expertise, to offer counsel on how the company can restructure its business portfolio and develop new business areas.

Looking 20-30 years ahead, INPEX cannot afford to be burdened with stranded assets. In this regard, now is a very important time. More specifically, with production at the Ichthys LNG Project proceeding smoothly, development

of the Abadi LNG Project also going well and an overall shift to gas underway, this is the right time to take proactive measures to develop carbon-neutral LNG through Carbon dioxide Capture, Utilization and Storage (CCUS) and other means. From this standpoint, it would seem sensible to actively promote new business development in line with INPEX's strategy for the future.

Kimura: Over the past century, humanity has enjoyed prosperity and well-being from (the exploitation of) petroleum, but the negative aspects of fossil fuels, such as the volume of CO₂ emissions, have now come to light. It is undisputed that people will continue using energy in the future, and therefore the negative aspects must be addressed. We are entering a new era of competition, in which we need to consider who will be providing carbon-neutral energy and what it will be used for. Ultimately, energy choices will be made not by energy suppliers but by consumers. INPEX will need to offer a variety of energy supply options and see which are accepted by consumers and the wider public. At the current stage, it is vital to expand into various new business areas. Rather than being too focused on one particular area, it is important to adopt a framework that allows the Company to do various different things.

Kiba: I have been involved in work relating to the energy sector for nearly 20 years. Reporting on energy infrastructure facilities has been a major part of my career, and I have likely donned a safety helmet on more occasions than any other female reporter in Japan.

What makes INPEX so appealing is that this is a company that has been entrusted with an important social mission. For example, INPEX helps enhance



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Japan's energy security by improving the country's independent development ratio (of oil and natural gas). It is clear that INPEX, which has for many years run its own production sites and executed sound management, is now entering an important transitional period in which it will have to consider how it needs to change.

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On this point, I have shared my views on several occasions during Board meetings. I feel that in changing its Japanese corporate name to INPEX, the Company has made a timely and appropriate decision. When seeking to move forward, it is very important to clarify what needs to change and what does not. In terms of change, I hope the Company will commit to implementing measures that enable young people to work at INPEX with foresight and enthusiasm.

Sase: From your perspective, Ms. Kiba, would you say there are some areas where the Company has not done enough or needs to do more to enhance its social standing and promote itself externally?

Kiba: Firstly, with regard to talent recruitment, I believe that it is very important to spread awareness of what makes INPEX such a special company. I recognize that INPEX does not engage in a whole lot of PR activities targeting the general public, as a company mainly involved in business-to-business (B2B) transactions. Nevertheless, INPEX still needs to secure outstanding human resources. Taking into account the new business areas that the Company will be moving into, there is a real need to communicate the potential of INPEX's businesses. I have the impression that INPEX's public relations are somewhat conservative. One readily accessible tool for remedying this situation would be to make effective use of the Company's website to spread awareness of what makes INPEX special. I believe the Company needs to pay more attention to implementing PR that connects with external stakeholders.

Topic

INPEX's Response to COVID-19

Sase: I would like to hear how you all feel about the measures that INPEX has taken in response to the COVID-19 epidemic.

lio: I feel that some INPEX employees may be feeling some anxiety about the major changes that are taking place with the pandemic and the Company's



strategy of developing new business areas as the world is turning away from fossil fuels.

It is precisely during times like these that senior management needs to passionately communicate the company's philosophy to employees. Familiarizing all employees with the company's goals and objectives can be a key factor in helping a company overcome challenging times.

Kimura: All companies have been affected by COVID-19 to at least some extent. INPEX has mounted various strategies and countermeasures, including adjusting operational systems both in Japan and around the world. Overall, one can say INPEX has responded very well.

I feel that, in a crisis, it is important for a company to go back to its roots, and for top management to take the lead in spreading awareness among internal and external stakeholders on where the company stands.

Kiba: The spread of COVID-19 has led to changes in working arrangements and the emotional and psychological well-being of employees is a point of concern. I believe that it is becoming increasingly important for senior management to disseminate messages that convey their vision, approach and concern for the well-being of employees.

Sase: Thank you all very much for providing us with your valuable insights and opinions today. Keeping in mind the points that you have raised, we will be striving to further enhance the effectiveness of the Board of Directors, while making every effort to implement measures to help us realize our Business Development Strategy Towards a Net Zero Carbon Society by 2050.

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2 The Committee of Sponsoring Organizations of the Treadway Commission

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We strive to accurately identify and assess the complex and various risks inherent in the business environment and to implement necessary risk prevention measures and systems to minimize such risks. For instance, our risk management system is intended to cover our action plans not only for large-scale natural disasters and pandemics, but also for risks related to changes in the business environment such as economic situations, social situations, laws and regulations, and other risk factors that exist in the business processes, namely exploration, development and production, transportation, and sales of natural resources. We have implemented internal controls under Japan's Financial Instruments and Exchange Law (known as "J-SOX") based on the COSO² framework. Each Project Division also performs risk management related to occupational health, safety and environment under the HSE[®] Management System.

Additionally, we analyze the impact of fluctuations in oil prices and foreign exchange rates and disclose the information in every financial result briefing.

Risk Management System

We are committed to continuously improve its risk management system, which is designed to identify and manage the risks associated with business operations. We establish such systems that prevent and minimize the occurrence or spread of loss or damage to maintain and bolster the trust of our customers, business partners, investors, and other stakeholders and maximize our corporate value.

The Company has adopted a division system and assigns Directors and executive officers as a head of each division in order to achieve efficient management of business operations and establish a responsibility structure. Accordingly, divisions work closely together to conduct risk identification, analysis and evaluation in accordance with our internal regulations, guidelines and other rules. Identified material risks are reported to the Executive Committee and/ or the Board of Directors which provides comprehensive reviews and decisions on action plans to deal with those material risks. For example, when acquiring concessions and formulating development plans in E&P activities, various scenarios are developed for expected reserves, predicted production volumes,

and oil prices. At these times, risks are identified, analyzed, and evaluated.

With respect to the operational status of the risk management system pertaining to day-to-day business operations, we conduct continuous monitoring in each department in charge and cooperation with related corporate departments. Regular examinations and assessments are also conducted either by an internal audit team, reporting directly to the President & CEO or by external experts. By giving feedback on these results to each department in charge, we secure opportunities to review and update our risk management system related to day-to-day business operations in response to changing conditions of the business environment in a timely manner.

Furthermore, to realize the Medium-term Business Plan 2018-2022 and other main business objectives, the Executive Committee discusses and approves the Action Plans and Fiscal Year Plans & Targets that form the short-term and medium-term goals not only at the corporate level but also at the division level. This process incorporates identified material risks and mitigation and management plans, respectively, before being reported to the Board of Directors as well. Subsequently, each division promotes initiatives to achieve their targets and reviews its progress at the middle and the end of each fiscal year.

For risk management of the subsidiaries of the Company, in accordance with the internal rules on group management, the Company conducts group-wide risk management via mutual cooperation with each subsidiary.. In particular, the Company requires its subsidiaries to cooperate in audits carried out by the internal audit department under the direct control of the President & CEO of the Company and other related in-house departments or an external expert to verify and evaluate the management of risks related to the daily operations of the subsidiaries. Based on the results of such verification and evaluation, the Company has its subsidiaries conduct continuous review of their risk management in response to changes in the business environment. We have established the Standards for Evaluation and Selection of Independent Auditors, which mandate the criteria for the Audit & Supervisory Board to follow when evaluating the quality management, independence, and audit compensation of independent auditors. The Audit & Supervisory Board evaluates independent auditors annually, based on these standards.

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Risk Management Structure

Board of Directors

Exercise adequate supervisory functions and ensure fairness and transparency in management

Nomination and Compensation Advisory Committee **INPEX Advisory Committee** Compliance Committee

Executive Committee

Discuss and decide plans of comprehensive management and actions for material risks

CSR Committee Corporate HSE Committee Information Security Committee IVAS (INPEX Value Assurance System) Committee

Departments and subsidiaries

Check

Organize risk management system/ documents



Risk monitoring/reporting

- 1 Characteristics and risks of the oil and natural gas development business
- (1) Risks of disasters, accidents, system failures, etc.
- (2) Risk of failure in exploration, development or production
- (3) Dependence of production volume on specific regions and mining areas
- (4) Risks related to contract deadlines, etc.
- (5) Risk of change in reserves of crude oil, condensate, LPG and natural gas
- (6) Operatorship related risks
- (7) Risks related to project partners
- (8) Risk attributable to a large capital investment and lengthy period of recovery of funds for the oil and natural gas development business
- (9) Risks related to future abandonment
- 2 Impact of fluctuations in crude oil prices, natural gas prices, foreign exchange and interest rates on financial results
- (1) Impact of fluctuations in oil prices and natural gas prices on financial results
- (2) Impact of fluctuations in foreign exchange rates on financial results
- (3) Impact of fluctuations in interest rates on financial results

3 Climate related risk

(3) Market risk

- (1) Policy and regulatory risk
- (2) Technology risk
 - (4) Physical risk
- 4 Country risk in overseas business

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As Low As Reasonably Practicable





Assessing and managing climaterelated risks and opportunities



Corporate Position on Climate Change and INPEX's Current Initiatives

Operational Risk Management System

To manage diverse risks related to our business, we have introduced guidelines for economic evaluations and risk assessment to individual projects. We analyze and evaluate the feasibility of potential new projects based on identified major risks, and we respond to these risks. For existing projects, we convene the INPEX Value Assurance System (IVAS) Committee as a mechanism for cross-organizational technical evaluation in each phase of exploration, evaluation, development. In addition, we conduct economic evaluations and risk assessment at least once a year in principle and report a summary of risk assessment results for major projects to the Board of Directors every year.

To enhance our ability to respond to emergencies caused by large-scale accidents and disasters, we have established the Emergency and Crisis Response Plan and conduct emergency response drills on a regular basis to proactively manage risks related to our business. In addition, we have established the Business Continuity Plan (BCP) to prevent the suspension of important operations and review it as necessary.

In addition, the Information Security Committee meets regularly and as needed to implement systematic and organized information security measures, as well as education and training, including the prevention of information leakage.

With respect to HSE risks, we implement continuous management of occupational health, safety and environment in our business activities. We identify, analyze, and evaluate risks that lead to major incidents, and the top 10 risks, for each business location based on the Risk Management Procedure established under the HSE Management System. In parallel to formulate and implement risk countermeasures, the situation of risk management is regularly reported to headquarters, and is confirmed being at ALARP⁶ levels, and is reported to the Executive Committee each quarter. In addition, reviews are regularly conducted to assure the integrity of facilities during development and operation. In FY2020, the corporate HSE Unit participated in a total of six HSE reviews.

With respect to crude oil and natural gas prices, foreign exchange rates, interest rates, and securities prices, the Company manages financial risks by identifying the risks of fluctuations in each of these areas and establishing methods for managing and hedging these risks. With respect to country risk, the Company has established guidelines for managing country risk in the countries and regions where it operates, and manages such risks by setting target limits on the cumulative investment balance in countries with high risk. In addition, with regard to legal risk, the Company has established a system to provide appropriate legal advice to divisions and managements on major contracts and lawsuits.

Climate related Risk

We implement assessment and management of climate related risks in line with the TCFD⁶ recommendations. Risk and opportunity assessment and management is described on page 77⁶.

We cover policy and legal transitions, technology and market transitions, and reputation as transition risks. For physical risks, we identify acute and chronic risks. We also apply short-term, medium-term, and long-term classifications to each of these risk categories. Climate Change Strategy Group, within the Corporate Strategy & Planning Unit acts as the secretariat and conducts risk assessment and management on the annual cycle. In light of the importance of the development process for assessment, prevention and mitigation of climate related risks, they are discussed at workshops on a company-wide basis. At the workshops, the Climate Change Strategy Group serves as a secretariat and "Climate Change Strategy Working Group," an advisory body to the CSR Committee (the committee is chaired by the President & CEO) participates in the discussion. The Working Group consists of members from each business divisions and also has knowledge in CSR and sustainability issues; therefore, the studies, and proposals from each business division would be integrated into the company-wide risk assessment process.

We are using the following two methods to conduct financial assessments of climate-related risk. The first one is the economic evaluation of projects using internal carbon pricing, applied as a base case instead of a sensitivity analysis since FY2021. The second one is a financial assessment of our business portfolio. We conduct a financial assessment of the market risk that the oil and carbon prices in the IEA WEO's Sustainable Development Scenario (The IEA SDS is consistent with the Paris Agreement goals of keeping average global temperature rise to well below 2 degrees Celsius compared to pre-industrial levels, and pursuing efforts to limit it to 1.5 degrees Celsius.) pose to our entire portfolio.

As for the physical risks, we assessed INPEX-operated facilities in FY2019 on a trial basis and identified risks at major facilities in Japan and Australia. In terms of chronic risk, there may be impacts to our operational efficiency, though our assessment indicated that there was no immediate need for facility repairs. On the other hand, when looking at acute risks, our attention is focused on natural disasters, which appear to be occurring in Japan with greater frequency and force. While measures to those increasing risks are being taken on the national level, we also examine our own measures with the existing framework, including pipeline risk assessment and the formulation of countermeasures. In FY2021, we plan to verify the implementation status of physical risk assessment of climate change in non-operator projects.

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Large-scale Natural Disaster and Pandemic Countermeasures

Large-scale Natural Disaster Countermeasures

We have a Business Continuity Plan (BCP) and response manual in place to maintain stable business operations. Those were developed by incorporating the scenario planning of Tokyo inland earthquake which was formulated by the Cabinet Office's Central Disaster Management Council of the Japanese government. Our policy on business continuity clearly expresses group-wide values prioritizing the maintenance of a stable energy supply while ensuring human safety and environmental preservation. The BCP also stipulates not only the establishment of provisional offices but also how our employees should react in the event of an earthquake on a holiday or at night, and procedures for returning home from the office.

Novel Virus and Pandemic Risk Countermeasures

The Company developed a manual for infection prevention in order to respond to a pandemic of a new type of influenza (highly hazardous), ensuring the safety of its employees and formulating a BCP to handle crisis that caused by a pandemic, in order to fulfill its responsibility as a company that continues to supply crude oil and natural gas even in a crisis situation.

In response to the pandemic of the novel coronavirus infection (COVID-19) in 2020, we have established a Corporate Crisis Response Headquarters headed by the Representative Director, President & CEO. Regular meetings are held twice a week to ensure thorough implementation of countermeasure policies and development of a system for information sharing throughout the Company. At the same time, we have established local crisis response headquarters headed by a local manager at each of our domestic and overseas offices and sites, and put in place a system to carefully handle situations which varies by places. Furthermore, by applying the BCP described above, we have been able to smoothly respond to major changes in the situation, such as a state of emergency declared by the government of Japan in April 2020, and also able to maintain the supply of crude oil and natural gas through continuous operations while severely limiting the number of personnel to work in the office or at site. In addition, in order to respond to the volatile situation and further impact of COVID-19, the BCP is continuously updated to increase its effectiveness, and to be applied to general infectious diseases.

The following are the main specific infection risk countermeasures that we are implementing.

- (1) Working from home introduced for corporate and administrative function of headquarters
 - (Subsequently applied to company-wide corporate and administrative functions)
- (2) Introduction of a flexible working hours without core working hours
- (3) Work shifts at production sites that can be flexibly changed to avoid the risk of production shutdown in the event of an outbreak of an infection
- (4) Ensuring maintenance of social distance at office, restriction of visitors, disinfection, measuring body temperatures, and wearing masks

7 Business Continuity Plan

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A proactive plan outlining the priority operations and steps to be taken in the event of a disaster to avoid or mitigate the risk of interruption to business activities

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3 Base Erosion and Profit Shifting Project

Project that aims to review the entire international taxation rules for prevention of excessive tax avoidance by multinational enterprises through exploitation gaps and mismatches between different countries' tax systems.



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 Voluntary Tax Transparency Code released by Australia's Board of Taxation



(i) "INPEX Australia 2019 Tax Transparency Report



® ESG Performance Data

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Under our CSR Principles, we are committed to fulfilling our corporate social responsibilities guided by the leadership of top management through compliance with laws, rules and regulations and adhere to ethical business conduct in accordance with the social norms at our operating locations. With respect to tax affairs, the directors and employees of the INPEX Group acknowledge that it is one of our important social responsibilities to contribute to the socioeconomic development of various countries and regions in which we operate, through the proper payment of tax in accordance with the applicable laws and regulations and ensuring transparency of our tax affairs.

From the standpoint of ensuring protection of shareholder value, we strive to ensure appropriate tax payments by utilizing tax incentives to the extent that such incentives are applicable for our normal business activities or would eliminate double taxation.

Tax Governance Structure

As we operate globally, our overseas subsidiaries and cross-border transactions with those subsidiaries are increasing.

Following the BEPS 2015 Final Reports under the OECD/G20 BEPS Project[®] in October 2015, legislation governing international transactions has been developed in Japan and other countries based on the report content, and the environment surrounding international taxation has been changed significantly. In accordance with those changes, we are enhancing tax governance to appropriately respond to taxation risks associated with international transactions. As a part of these initiatives, we have established our Tax Policy and published it on our website[®] to cultivate an awareness of tax compliance among all INPEX Group executives and employees. The Senior Vice President of Finance & Accounting executes operations as the person in charge of such initiatives.

Taxation Risks

We identify tax risks as important business issues. In comply with the Tax Policy, our departments in charge of tax affairs are working to comprehend tax laws in each country, transfer pricing rules and other international tax laws, and OECD tax guidelines. Those departments also cooperate and communicate closely with business divisions to mitigate taxation risks. We make effective use of our external advisors' expertise in relation to mitigating tax risks.

Relationships with Tax Authorities

We strive to create constructive trust relationships with tax authorities through communications such as obtaining certainty through advanced pricing agreement with tax authorities and pay taxes appropriately.

Taxation Transparency

In line with a global trend to require more transparency and information disclosure in relation to corporate tax-related activities. For example, in Australia as the one of our core business areas, the government has announced principles that define tax information that large enterprises should voluntarily disclose. In response to this movement, we have published the INPEX Australia Tax Transparency Report on our website annually. to consolidate our tax information in Australia, consists of tax governance, an overview of our cross-border transactions, and tax amounts. In addition, we publish annually the amount paid to the government, including taxes, for EITI participating countries.

As a global company, we will continue to closely monitor international taxation trends and legislative developments in each country and strive to respond in a timely and appropriate manner.

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INPEX is systematically developing a compliance structure, which is an indispensable requirement for its sustainable development, and is striving to ensure compliance with laws and regulations and adherence to corporate ethics. Specifically, INPEX has established the Compliance Committee, which formulates basic policies and plans pertaining to compliance, deliberates significant matters and supervises the implementation of compliance programs to promote unified compliance initiatives throughout the INPEX Group. The committee's responsibilities also include the development and revision of compliance-related regulations.

In addition, under the CSR Principles, INPEX has established the Code of Conduct, which stipulates compliance items to embody compliance so that we can put into practice the Business Principles to be observed in conducting our business, and we are working to raise the compliance awareness of our executives and employees. The Business Principles and Code of Conduct were established by a resolution of the Compliance Committee and the Board of Directors, respectively, and are continuously reviewed in light of changes in the external environment and legislative requirements.

Anti-bribery and Anti-corruption

As the rules and regulations concerning anti-bribery and anti-corruption are becoming increasingly strict, as a global company having projects in about 20 countries around the world, INPEX recognizes the importance to put a "zero tolerance" policy toward bribery and corruption. Therefore, all executives and employees are always required to act with "integrity," which is one of the INPEX Values shared across Company.

The Code of Conduct stipulates the building of sound and appropriate relationships with governments and administrative authorities (including prohibition of political donations except in cases permitted under relevant laws and regulations) and compliance with the anti-bribery and anti-corruption laws and regulations in the countries where we operate. INPEX makes no donations relating to political activities.

INPEX has been participating in the United Nations Global Compact since December 2011 and has declared commitment to preventing corruption. Under the Code of Conduct, INPEX established the INPEX Group Global Anti-Bribery and Anti-Corruption (ABC) Policy as well as related internal rules and is taking measures to prevent bribery and corruption.

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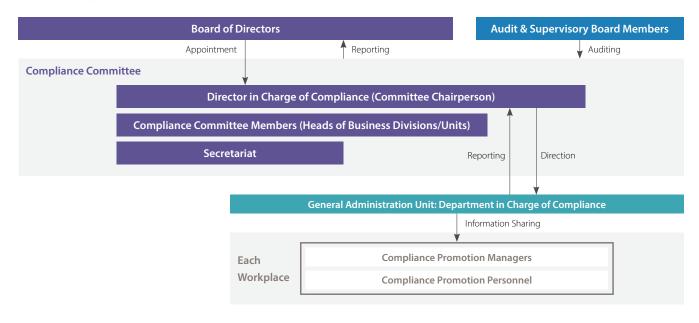
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INPEX established a system, by which the director in charge of compliance and the Compliance Committee can promptly consider and implement countermeasures if a serious compliance-related incident occurs. The director in charge of compliance and the Compliance Committee cooperate with the Audit & Supervisory Board and its members, the accounting auditors, the Audit Unit, which is the internal audit department, as well as equivalent bodies or departments in the subsidiaries in (1) developing and implementing compliance measures, (2) monitoring implementation, (3) raising compliance awareness,

- (4) receiving reports on compliance violations and conducting investigation,
- (5) issuing warnings and taking other measures against violations, and (6) instituting measures to prevent the recurrence of violations. In addition, the director in charge of compliance reports on the above to the Board of Directors on a regular basis and as required. There were no cases of serious compliance violations in FY2020.

In addition, to ensure coordination between the Committee and the workplaces, we appointed compliance promotion managers and personnel in every workplace and takes measures to disseminate and deepen awareness of compliance all over the workplace.

Compliance System



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Compliance Training

With the objective of having each member of INPEX carry out duties in compliance with laws and regulations, the Company regularly conduct business-theme-based and position-based compliance training sessions. In FY2020, the training sessions covered topics including harassment prevention for managerial employees.

In overseas offices, we are enhancing the global compliance system by developing and implementing the Code of Conduct while taking into account the laws, regulations and cultures of each country. Training data by country are stated in the ESG Performance Data on page 95.

Conducting compliance assessments and harassment prevention training for managerial employees

In addition to the compliance awareness survey we conduct every three to four years, we conducted compliance assessments in FY2020. The assessment consists of 11 questions in three categories: power harassment, sexual harassment, and communication action. Based on the assessments, we conduct harassment prevention training for managerial employees, which consists of group discussions, as well as learning on how to prevent harassment to staff and interact with them.

Whistle-blower System and Grievance Mechanism

The Company sincerely responds to inquiries, complaints and grievances from all stakeholders, both internal and external, at its domestic and overseas business locations.

We set up an internal helpline based on a Whistle-blower System that complies with the Whistle-blower Protection Act in Japan. In June 2020, in addition to the helpline, we established the INPEX Global Hotline with local language support, which specializes in three business-critical risk areas: bribery and corruption, violation of antitrust laws (competition laws), and accounting

fraud. The helpline is open to all executives and employees of INPEX offices in worldwide. Contact points of the helpline are offered internally and externally through a law firm, while the INPEX Global Hotline is administrated by an external service provider as the contact point, and reporting can be made anonymously. This system also covers reports on discrimination, human rights violation, harassment and any other misconducts.

We are committed to protecting whistle-blowers from any negative consequences. In addition, the content of reports from whistle-blowers and the results of investigations and responses are promptly reported to the Full-time Audit & Supervisory Board Member(s) to ensure that the Whistle-blower System functions more effectively.

During FY2020, both internal and external helpline received four reports, respectively. The Compliance Committee, taking into consideration the advice of attorneys and other experts, appropriately responded to each report in accordance with the Whistle-Blowing Rules. There were no cases relating to bribery and corruption, discrimination, an abuse of human rights in the above actual reporting. The number of consultations by country are stated in the ESG Performance Data on page 95.

We have set up designated page for inquiry and grievance on our website to respond to opinions from external stakeholders, including local residents and suppliers in a timely and appropriate manner. In addition to the website, we also provide support in Indonesia in the local language. In Australia, a community grievance management procedure is in place to appropriately address grievances received from local communities and facts are verified in cooperation with stakeholders and appropriate actions are taken². In FY2020, no grievances were reported in Australia to which the procedure applies.



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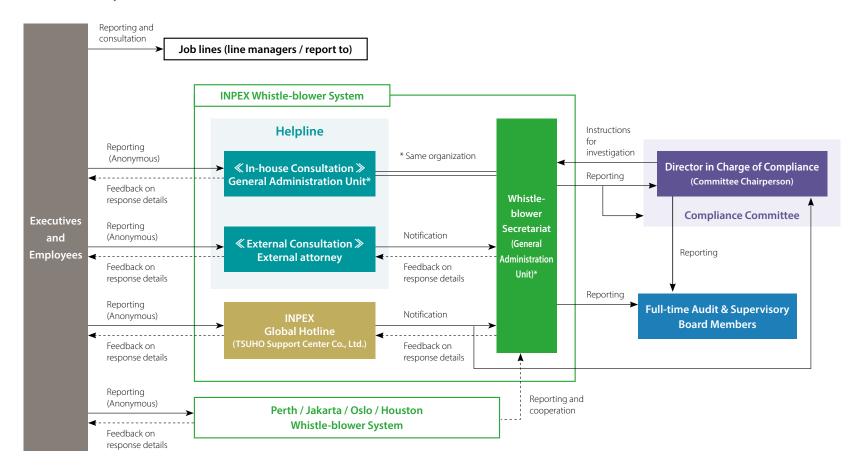
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After the ABC Guidelines went into effect in October 2014, with the approval of the Compliance Committee, we updated the Guideline to the ABC Policy and formulated ABC Procedures in FY2017.

We conducted risk assessments at the headquarters and overseas offices since FY2015 and has taken measures to reinforce development and application of ABC compliance systems through improvement measures based on the results of the risk assessments. In FY2020, we conducted risk assessments at our domestic offices and also conducted ABC training as part of our ongoing compliance training for new graduates and mid-career employees.

The headquarters regularly share information and exchange views on compliance activities with the major overseas offices in Perth and Jakarta to better formulate a global ABC compliance system. In addition, in FY2020, a global compliance meeting was held for the first time with compliance staff from overseas offices in 10 countries to exchange opinions on ABC issues and initiatives.

In addition, the INPEX Group Global Anti-bribery and Anti-corruption (ABC) Policy was established in April 2019 as a clear and comprehensive statement of our stance on ABC. The policy is disclosed in the Company's website.

In FY2020, there were no occurrences of major violations or disciplinary actions related to ABC.

Heightening Transparency through EITI Participation

From October 2012, INPEX has been participating in and supporting activities of the EITI[®]. This multi-national initiative aims to improve transparency of flow, and sound management, of funds from oil, natural gas, and mineral resource extractive industries to the governments of resource producing countries. As of December 31, 2020, 55 implementing countries, many supporting countries including Japan, companies in extractive industries and nongovernmental organizations (NGOs) have participated. INPEX provides data relevant to EITI participants among countries in which INPEX operates projects.

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As a company to manage projects across about 20 countries worldwide, INPEX recognizes its important role for the fair and impartial procurement and supply chain management. Our Details on Ethical Procurement Guideline expressly prohibits impediments to fair and impartial competition, abuse of a dominant bargaining position, and inappropriate granting or receipt of benefits, and requires protection for the confidentiality of suppliers' information and technologies. In addition to those fundamental policy on procurement, INPEX regulates its executives and employees to comply with Code of Conduct and CSR Principles for this purpose of fair and impartial procurement. We also require suppliers to comply with labor and environmental laws and regulations, prevent corruption, and respect the INPEX Group Human Rights Policy. These requirements are built into our standard contracts. We manage continuous suppliers' commitment through regular surveys and monitoring.

Management System

The Compliance Committee consists of Directors, executive officers including the Senior Vice President, Logistics & IMT, which is the division in supply chain management. The committee is chaired by the director in charge of compliance and meets regularly to ensure strict compliance with corporate ethics and behavior in accordance with the Details on Ethical Procurement Guideline and Code of Conduct. Supply chain management initiatives were also discussed at meetings of the CSR Committee. In FY2020, the external evaluation of our supply chain management were discussed at the CSR Committee.

Risk Assessment and Management Processes

Risk Assessment System

From FY2018, the Company has been implementing supply chain risk assessments through a series of self-assessments for major suppliers. This survey questionnaires enables the Company to monitor the compliance systems of our suppliers and identify risks.

[Main survey items in the monitoring]

- Human rights and labor
- Health and safety
- Fair business practice
- Environment
- Contribution to local communities
- Approach to business partners

We provide fair opportunities to any suppliers in the selection process, and award supplier based on fair, impartial, and transparent assessments.

At the bidding process for overseas operator projects, we conduct comprehensive assessments of their compliance with local laws and regulations, the INPEX ABC Policy, and INPEX Group Human Rights Policy. We have also established prequalification criteria regarding HSE requirements and its relevant matters.

For domestic projects, at the bidding process for large-scale construction, we also conduct comprehensive assessment according to the INPEX ABC Policy and HSE requirement to ensure fair and impartial procurement.

Engagement Activities

Through any event with suppliers, we continue to enhance supply chain management.

Our Domestic Exploration & Production Division is working to improve HSE through meetings of the HSE Committee, which is part of the INPEX-Supplier engineering forum comprising INPEX and 16 of our major suppliers. Discussions include explanations and announcements, such as INPEX HSE priority targets and its activity programs, information about incidents and near misses, and HSE information from Engineering Council member companies (In FY2020, the program was suspended due to the spread of the pandemic).

In Australia, we also provide fair opportunities to any suppliers, which includes regular meeting with major suppliers to review their performance on HSE, quality and service. We also discuss related risks and its mitigations at the meeting.

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INPEX supports international standards such as the International Bill of Human Rights, the International Labor Standards of the International Labor Organization (ILO), the United Nations Guiding Principles on Business and Human Rights, and the principles of the United Nations Global Compact. To demonstrate the stance on respect for human rights and fulfill the responsibilities, INPEX established and announced the INPEX Group Human Rights Policy in May 2017. In accordance with that policy, INPEX takes measures to address the human rights of all stakeholders including the supply chain in each country and region where INPEX conducts business. Our Human Rights Policy prohibits all forced labor and child labor and confirms our respect for freedom of association and protection of the right to organize.

To comply with the United Kingdom Modern Slavery Act 2015, each year since FY2016 INPEX has released a statement on the Company website to disclose the policies, systems, and measures for preventing slave labor and human trafficking within the Company and throughout the supply chain.

Embedding Human Rights into Our Approach

INPEX's approach to human rights is outlined in the INPEX Group Human Rights Policy approved by our Board of Directors. The director in charge of compliance, who is appointed by the Board of Directors, chairs the Compliance Committee, and reports to the Board of Directors on human rights-related risks and performance.

According to the INPEX Group Human Rights Policy, Corporate Social Responsibility Principle, Business Principles, and Code of Conduct that applies to all executives and employees of the INPEX Group, all executives and employees are required not only to comply with laws and regulations but also to respect social norms and act with high moral values. Our Code of Conduct, in particular, makes the following statements concerning human rights.

- We recognize that human rights are important rights that derive from the dignity of individuals, and we respect the human rights of individuals in relevant countries.
- We respect international human rights codes, and we pay attention not to be involved in any act that may infringe human rights.
- We do not discriminate based on factors such as race, skin color, gender, sexual orientation, gender identity, age, creed, religion, birth, nationality, disabilities, or educational background.
- We do not force employees to work against their will, and we do not cause children to work.

The Compliance Committee, which consists of directors, and executive officers, is chaired by the director in charge of compliance, meets regularly to ensure strict compliance with corporate ethics and the Code of Conduct. The General Administration Unit manages day-to-day responsibility for human rights and serves as the secretariat of the Compliance Committee. It also regularly holds liaison meetings of representatives from each business unit to promote the above-mentioned human rights initiatives, including the prevention of harassment.



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Human Rights Due Diligence

Since FY2016, the Company has been conducting human rights due diligence at domestic and overseas sites as part of efforts to enhance its human rights management. We found some human rights risks in the form of poor complaints handling processes of our suppliers and external business partners. These risks were also reflected in questions asked in the previously mentioned self-assessments conducted by major suppliers. From that time, we have continued discussions with each site to ensure implementation of the PDCA cycle through the following.

Desktop Investigation

- Identify five potential cases of human rights violations in the oil and gas sector over the past year through the analysis on the database of RepRisk, a provider of the ESG risk research and analysis: Child labor, forced labor, freedom of association, right to collective bargaining, employment discrimination, social discrimination
- Classify the country risk of the areas in which we operate into three levels: high / medium / low risk based on documents issued by Verisk Maplecroft and other research organizations

Interview Surveys

• Conduct surveys and interviews, with reference to the Global Compact Self Assessment Tool for the Ten Principles of the United Nations Global Compact, at all INPEX business locations to understand the status of responses to human rights risks identified through the desktop investigation

Examination and Implementation of Action Plans

- Confirm the status of the management of human rights risk based on the assessment as mentioned above
- Provide feedbacks on the results of the assessment to each business site and discuss future actions, such as widely disseminating the INPEX Group Human Rights Policy and providing human rights education
- Continue to provide human rights education to employees for strengthening respect for human rights based on the results of the assessment

Human Rights Due Diligence in Operator Projects

For projects in which we serve as the operator, we have included human rights clauses in the terms and conditions of procurement contract. In particular, for the Ichthys LNG Project in Australia, we have performed human rights due diligence on contractors by including human rights-related questions in the tender document for the selection of new contractors or suppliers.

For projects in which we participate as a non-operator, we have performed questionnaire survey of the operators of each project in 2020 to confirm the status of their human rights initiatives.

Salient Human Rights Risks

We invited an external human rights expert to conduct a human rights risk assessment on our operated projects. The key objectives of the assessment were as follows.

- · Identify salient human rights risks
- · Identify issues for human rights risk management

The assessment used the HRIA (Human Rights Impact Assessment) tool, which draws on RepRisk's database and documents from Verisk Maplecroft and other research organizations.

The salient human rights risks identified are:

- · Child labor
- Forced labor
- Impact on cultural heritage and traditional culture
- Infringement on the rights of local community
- Discrimination in recruitment and employment
- Environmental damage impacting local community

This assessment also analyzed the management system control, including the PDCA cycle and monitoring, as well as how the INPEX Group Human Rights Policy should be. It also included consideration of good industry standard and practice. As a result, no material gaps were identified in the assessment. Notwithstanding, we continue to enhance our management system.

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Human Rights Initiatives

We apply IFC Performance Standards as our standards. For both new and existing projects, we conduct studies in the regions where we operate on possible environmental and social impacts including labor issues and human rights, identify risks, and implement prevention, mitigation and monitoring. In Australia, more than 250 dialogues were held with government, industry, business, and community stakeholders in 2020. We conduct studies and assessments in advance of decommissioning on the environmental and social impacts of abandoning wells and removing facilities, fully consider the safety of local community and the environment, and takes appropriate measures with the consent of local residents.

Audit of Contractor in compliance with IFC Performance Standards

In Australia, INPEX's key contractors who are engaged in the Ichthys LNG operations and its Phase 2 construction activities are required to have their Human Resources/Industrial Relations Management Plans (HRIRMP) in place in accordance with INPEX's requirements. Contractors compliance with their HRIRMPs are monitored and reviewed through regular meetings and assurance activities. HRIRMP is compliance to International Finance Corporation (IFC) Performance Standards 2 – Labor and Working Conditions, including child labor, forced labor, working conditions and grievance mechanism

In 2020, INPEX conducted an audit of a contractor who is performing work in the fabrication yard in Batam, Indonesia. The review was focused on checking the level of compliance with the IFC Performance Standards 2.

The audit did not identify any non-compliance of the IFC Performance Standard 2 and was assessed that the contractor has the necessary systems, processes, plans and procedures in place to identify and eliminate any potential breaches within their direct workforce and any other employees engaged at the fabrication yard. The review recommended that the contractor share findings with INPEX from annual ethics audits on their subcontractors and labor suppliers to provide continued visibility and transparency moving forward.

Human Rights Impact Assessments

For the Abadi LNG Project in Indonesia, we examine and evaluate the human rights requirements of the IFC Performance Standards, as part of our ongoing environmental and social impact assessments. Our effort to address human rights in each process of the environmental and social impact assessments date are summarized as below.

Year	Processes	Efforts and initiatives
2019	Selection of evaluation items	Collect and analyze existing data of below items: Impacts on vulnerable groups (women, children, the financially vulnerable people, the elderly, and people with disabilities) Impacts on the local people's traditional customary law-based way of life (culture, customs, means of livelihood, etc.), sacred sites, cultural heritage.
	Baseline Survey	• Performed FGD (Focus Group Discussion), Household Surveys, and KII (Key Informant Interview) to understand the current status of vulnerable groups in the affected communities and their traditional customary ways of life (culture, customs, means of livelihood, etc.), sacred sites, cultural heritage, and land rights.
2020	Impact assessment	 Performed impact assessments on vulnerable groups and traditional ways of life during construction and operation phase. Developed impact mitigation measures and monitoring plans based on these impact assessments.

In 2021, we plan to continue to consult with local authorities on the results of the impact assessment, impact mitigation measures, and monitoring plans. In addition, we plan to develop internal regulations and documents related to human rights, including the requirements of VPSHR (Voluntary Principles on Safety and Human Rights), and establish a Social Management System.

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Raising Awareness of Human Rights

To deepen awareness of the importance of taking into consideration the human rights of various stakeholders in day-to-day operations, we conducted human rights training for all executives and employees in FY2017 and has been continuing the training for all new employees since FY2018. We participate to the IPIECA® Human Rights Working Group and collaborate on activities, including review of human rights due diligence in the supply chain and information-sharing on the prevention of modern slavery, such as child labor and forced labor. There were no occurrences of serious violations related to discrimination or human rights abuse in FY2020.

Grievance Mechanism

The Company sincerely responds to grievances from all stakeholders, both internal and external, at all the domestic and overseas businesses. Internally, we have developed and are operating a Whistle-blower System for the early detection of compliance violations of human rights, discrimination, and harassment. In FY2020, we received five grievances related to human rights, discrimination and harassment, all of which were handled appropriately in accordance with the Whistle-Blowing Rules.

We have set up designated page for inquiry and grievance on our website to respond to opinions from external stakeholders, including local residents and business partners in a timely and appropriate manner. In addition to the website, we also provide support in Indonesia in the local language by telephone. In 2020, no human rights complaints were received in the country where we operate, namely Japan, Indonesia and Australia.

Dialogue between Labor and Management

We promptly recognize discrimination, human rights, harassment and other issues, and minimize related risks. We have also established a grievance system to comply in good faith with our compliance obligations. In addition, the labor agreement with the INPEX labor union stipulates that the union possesses three labor rights (the right to organize, the right to bargain collectively, and the right to act collectively). Opportunities for discussions on labor issues between management and labor representatives are provided at overseas offices as well. We strive to maintain and develop a healthy labor and management relationship by regularly providing opportunities for their representatives to exchange views and ideas on a wide range of issues, including not only labor issues but also challenges and the future outlook of the Company. In addition, in Japan, labor and management meetings are held twice a year jointly by the five labor union branches, and close communication and dialogue between labor and management is also conducted at the branch level.

We provide appropriate notification in advance of any operational change that will significantly affect employees. No complaints have been received so far since the union was formed in October 2008.

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Our Policy

INPEX's HSE Policy ensures the safety and health of all those involved in our business activities while minimizing any adverse impacts on the environment. To firmly implement this policy, the corporate HSE Unit, which consists of five

groups (HSEMS Group, Health & Safety Group, Process Safety Group, Security & Crisis Management Group and Environment Group) established at headquarters, will promote HSE management through a robust HSE Management System.

Message from Director in Charge

Takahiko Ikeda

Director, Senior Executive Vice President Senior Vice President, Technical Headquarters and in charge of HSE



To realize sustainable energy development, which is part of our mission, we are required to conform to high moral values as a member of society and to foster a corporate culture in which the utmost priority is placed on ensuring safety and conserving the environment. In order to maintain a stable energy supply, we need to conduct our business internationally in search of natural resources. In this pursuit, while we continue to comply with international norms and standards, we must also continue to nurture a corporate culture that will be received by the international community with open arms.

To help achieve our goals, the group-wide HSE Policy is in place to ensure operations are in line with the HSE Management System (HSEMS) based on international standards.

The HSEMS Manual comprehensively identifies the HSE activities we must conduct to fulfill our commitment to the HSE Policy, and supports our efforts to seek continuous improvement and risk management in our operations.

We have been implementing the Corporate HSE Third Phase Midterm Plan (FY 2016-2020) • since FY2016 with the aim of raising our HSE competency to the same level as that of top-tier independent International Oil Companies (IOCs²). However, unexpected issues such as the COVID-19 pandemic and a number of natural disasters with increasing intensity arose, and the evaluation of the Third Phase Mid-term achievements resulted that multiple objectives were unlikely to be met by the end of FY2020. Hence we have decided on a two-year extension in aiming to complete yet to be achieved objectives and to start working on new issues and initiatives.

We believe it is our social responsibility, as a global company, to demonstrate to a wide range of stakeholders our commitment to the HSE Policy by promoting specific HSE activities. With unyielding determination to grow into a company worthy of admiration, we will continue to press forward with our HSE activities.





2 International Oil Companies

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1 International Association of Oil and Gas Producers (IOGP)

4 Lost Time Injury Frequency

Rate of injury resulting in fatalities or lost time per million hours worked

⑤ Total Recordable Injury Rate

Rate of total fatalities, lost workday cases, restricted workday cases, and medical treatment cases per million hours worked

Individual Targets of the Revised HSE 3rd Phase Mid-term Plan(Additions and revisions are underlined)

Objective 1:	Strengthen the Corporate HSE Management System	We will improve our HSEMS to be more efficient and consistent by way of introducing guideline (OMS510) newly developed by IOGP, and by utilizing the improved HSEMS in managing HSE activities undertaken at the INPEX Group, including non-operated projects and subsidiaries in Japan. We will complete the revision of HSEMS Standards and raise the consistency between the HSEMS and company rules in order to make HSE activities more effective.
Objective 2:	Improve HSE Assurance and Governance	We will conduct HSE audits and HSE reviews systematically and progressively with company-wide cooperation. We will enhance the company-wide HSE assurance and governance by utilizing the results from such audits and review.
Objective 3:	Provide HSE Technical Support	We will enhance HSE technical support by appropriately utilizing HSE resource. We will keep providing opportunities for acquiring HSE competencies to young and mid-level employees in order to develop future HSE leaders.
Objective 4:	Strengthen HSE Management at Worksites	Recognizing HSE management on a site basis is extremely important, we will create a structure in which every individual employee on site is able to participate in HSE activities and incorporate his/her own experiences and ideas into the structure. <u>Based on the results of corporate-wide HSE Culture Survey, we will endeavor to understand strengths and weaknesses of INPEX's HSE management and utilize the results to improve HSE management at each site.</u>
Objective 5:	Thoroughly manage MAE via the Risk Management Process	We will thoroughly manage major accident event through entrenching the Safety Case approach, as well as process safety management and various activities to maintain integrity of facilities and equipment. We will reinforce process safety management to reduce process safety events and to improve asset integrity.
Objective 6:	Reduce the Number of Incidents	We will introduce corporate leading indicators that demonstrate the implementation status of incident preventive and corrective measures, in order to reduce incidents. We will demonstrate performance comparable to independent IOCs by benchmarking with IOGP [®] member companies and setting LTIF [®] and TRIR [®] targets which are fit-for-purpose and align to the context and activities of each respective organization.
Objective 7:	Reinforce Emergency and Crisis Response Capabilities	We will entrench the Incident Command System company-wide for responding emergency and crises situations as we acquire the ability to deal with all major threats. We will fortify emergency preparedness and crisis management to natural disasters including earthquakes and heavy rain; in addition, we will employ a system for timely information sharing with business travelers to prepare for emergencies both domestically and overseas.
Objective 8:	Enhance Environment Management and Drive forward Climate Change Risk Management	We will ensure that environmental and social issues are managed based on legal and other requirements and the IFC Performance Standards. We will promote the reduction of Greenhouse Gas (GHG) emissions and develop a framework for water risk management, biodiversity conservation as well as social impact assessment of our businesses in order to achieve sustainable business operations.
Objective 9:	Strengthen Health Management	We will improve the health management and wellbeing of employees based on the INPEX Group Health Statement and Corporate Health Management Standard. We will also strengthen infection prevention and control measures.

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HSE Management System (HSEMS)

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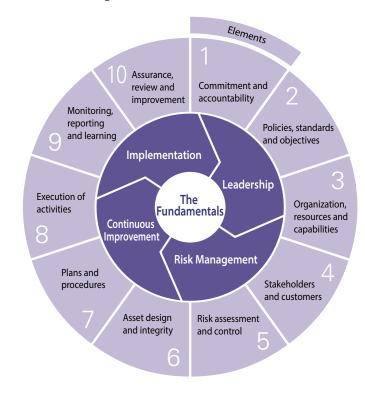
To ensure the successful implementation of the HSE Policy across the organization, we developed the HSEMS Manual in FY2007 referencing standards such as ISO 9001 and ISO 14001. This manual was revised in FY2017 based on the international standards OMS510[®] issued by IOGP. We have been continually improving and implementing various plans based on the HSEMS through the use of the PDCA methodology. The focus of our effort includes the preparation and revision of key HSE documents such as corporate manuals, standards and guidelines; establishment of HSE organizations; HSE technical support for project divisions; HSE education and training; periodical HSE audit and reviews; and HSE communication activities. In addition, Nagaoka Field Office, our largest field office in Japan, obtained and has been maintaining ISO 14001 certification since in FY2003.

HSE Objectives and HSE Programs

In accordance with HSE Mid-term Plan, we annually set out the Corporate HSE Objectives and HSE Programs and monitor those progress.

In FY2020, six of the Corporate HSE Standards were newly developed or revised based on the Corporate HSE Objectives and Programs. Based on the HSEMS with the fundamental principles of Leadership, Risk Management, Continuous Improvement, and Implementation (see HSEMS structural diagram on right), we expanded the scope of HSE management to non-operated projects and businesses in FY2019 in order to carry out more effective and consistent HSE activities.

HSEMS structural diagram



IOGP Report 510 "Operating Management System Framework for controlling risk and delivering high performance in the oil and gas industry"

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From the viewpoint of strengthening HSE assurance and governance, we periodically conduct Corporate HSE audits and reviews in order to evaluate the state of HSEMS compliance at our operator projects. In FY2020, we conducted risk-based Corporate HSE audits remotely for two overseas operator projects, and further participated in six HSE reviews.

HSE Training and Development

Responsibility

In FY2020, we conducted 927 man-hours of HSE education and training in total through means such as training sessions and exercises. In addition, for young engineers, we continue to provide OJT opportunities in Japan and overseas apart from these so that they can acquire practical skills of occupational safety management and process safety engineering.

In February 2021, we revised the Corporate HSE Standard on HSE Competence and Training to identify necessary HSE training for each level and role and to conduct HSE training uniformly within the company.

In addition, our HSE experts are encouraged to further develop their HSE competency through OJT or participation in training sessions offered by HSE specialized institutes. They are also provided with a career development program for each competency stream as outlined in their individual job competency profile. To realize the revised Corporate HSE Third Phase Mid-term Plan, we will continue to build up effective HSE training schemes focusing on their execution in FY2021

HSE Communication

We undertake proactive HSE communication activities. These include reporting HSE related information at Executive Committee meetings and regular board meetings, as well as internal sharing of Learning from Incidents identified through incident investigations. —At the FY2020 HSE Meeting held to raise HSE awareness, attended by the President & CEO, Corporate HSE Committee members, heads of division and organizations in Japan and overseas, and labor union representatives; we shared the HSE issues specific to each project and discussed how to apply the lessons learned, in addition to sharing the recognition of the HSE activities of

the respective operator projects. In this manner, top management in attendance communicated their commitment to HSE.

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For the purpose of raising motivation and HSE awareness of organizations and individuals, and to improve corporatewide HSE performance, we also bestow Corporate HSE Awards annually. In FY2020, seven awards in total were bestowed, with the HSE Excellence Award given to one group, HSE Activity Awards to two groups and three individuals and one HSE Special Award to a group.

In addition, we conduct HSE management site visits to allow the management to demonstrate its commitment to HSE in a powerful and visible manner by seeing firsthand and understanding the risks associated with site work. This is to achieve Safety Number One, one of the INPEX Values. In FY2020, most visits were canceled because of the difficulties presented in business travel both domestic and international due to the impacts of the COVID-19 pandemic. In December, however, the Chairman and the Director in charge of HSE conducted a site visit to Teiseki Pipeline's Nagano Office and Kubiki Office. The Nagano Office received an HSE Excellence Award at the FY2020 Corporate HSE Awards for its efforts responding to pipeline damages caused by Typhoon No. 19 (Hagibis) in 2019 and sustaining a stable energy supply thereafter. During the site visit, the Chairman and the Director received a briefing on the recovery work at the site of damages in 2019 and the plan for the future. They also engaged in dialogue with employees, expressing their praise and appreciation for the Nagano Office's response to the damages and efforts toward HSE, and discussed countermeasures for COVID-19.

With these activities, both management and field workers were able to exchange opinions and discuss HSE.

To share information with employees, the INPEX Corporate HSE Unit periodically publishes the HSE Highlights newsletter and shares it within the Company to enlighten all employees about HSE. In addition, the Corporate HSE Unit posts the latest KPI data, HSE documents, meeting minutes of the Corporate HSE Committee, HSE training notice, incident information or HSE alerts, security information, as well as international HSE activities, including IOGP reports on our intranet. All employees can access this HSE information at any time.

In addition, we contribute to the industry and share information through participation in various industrial safety symposiums and HSE communication activities with IOCs, other sector companies, external organizations, university researchers, and other parties.

Risk-based Corporate HSE audits

A methodology for narrowing audit focus to areas with greater risk by considering risks inherent in the organization

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Minamiaga Field Office, East Japan Regional Office Domestic Exploration & Production Division

The Minamiaga Field Office manages the operations of two mines led by the foremen and employees. Minamiaga Mine has maintained a record of zero accidents and zero injuries for over 33 years since July 1986, while the Minamikuwayama Mine has maintained a similar record for over 10 years since August 2009. In addition, the Minamiaga Field Office oversees various training programs to improve field competencies. The track record of both mines has earned the Minamiaga Field Office a mine safety award for the Kanto region and an HSE activity award at the Corporate HSE Awards.



Awards ceremony for the Corporate HSE Awards (held online between the headquarters and local offices)

Fostering HSE Culture

For more than a decade, INPEX has endeavored to improve its HSE culture through the development of its HSEMS, provision of HSE education and training, and promotion of HSE communication. Aiming to take these efforts to the next level, we conducted a survey of HSE culture to use as reference when considering detailed measures to implement in the future with the goal of measuring the degree of culture fostered at the entire company and at each operational site. The survey questions were customized through joint research with the university that developed the survey so that the safety culture diagnosis applied to chemical plants in Japan until now can be used at INPEX as well. The survey was conducted from October 2020 targeting all operational sites inside and outside of Japan including the headquarters, with responses received from more than 2,400 employees. The responses to this survey will be analyzed in FY2021 to ascertain the strengths and weaknesses of each operational site and we will use the results to further foster HSE culture in the future.

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We aim to eliminate incidents to ensure that all personnel at our worksites return home safely each day. We further aim to keep our employees in good health and take measures against any potential occupational illnesses and hygiene issues that they may encounter.

Reduction of Injuries

We place the highest priority in preventing workplace injuries to all personnel working on our projects and engage in managing occupational safety risks through the HSEMS implementation.

We achieved zero fatalities in FY2020, marking two years in a row since FY2018.

To drive HSE performance improvement, we monitor LTIF and TRIR indicators to benchmark and subsequently achieve the top quartile of IOGP member companies. For FY2020, the target for LTIF was set as 0.12 and TRIR as 0.70, which are both in the top quartile of IOGP member companies. For the period from January to December 2020, our LTIF was 0.26 while TRIR was 2.24, both did not meet the targets.

We undertake prompt sharing of incident flash reports and promote learning through the issuance of lessons learned from incidents. We continue to analyze the trends of major incidents, high potential incidents and injury incidents to strengthen incident management in our efforts to reduce the number of incidents. In FY2020, we monitored the execution of incident investigation and the closeout of corrective actions as new leading safety performance indicators to strengthen our guick correction after an accident occurs. We also promote compliance with the Life Saving Rules (LSR) throughout the organization, which were established to secure workplace safety when engaging in high risk work activities.

In FY2021, we will continue to work on reducing industrial accidents through our HSE awareness programs and other initiatives to strive towards our goal to be within the top 25% of IOGP member companies.

Life Saving Rules



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HSE (Health, Safety and Environment)

HSE Forum (Safety and Health Session)

We have held the Forum with various carefully selected themes since FY2016. In FY2020, the HSE Forum was held with the theme "Effective risk management in infectious disease outbreaks or pandemics."

The HSE Forum (Health and Safety Session) was attended by 42 representatives from various operator projects in Japan and overseas and the Corporate HSE Unit via video conference. During the Forum, we discussed how we have managed various HSE aspects during the COVID-19 pandemic by reviewing the experiences and lessons learned. We also proposed improvement plans to strengthen the company's risk management and infectious disease preparedness in the future. The results were input into the HSE Management Review to further improve our HSE performance.

Health Management of Employees

In 2020, following the global outbreak of aa novel coronavirus, we took various health and hygiene measures to prevent the spread of the virus to people involved in our business. We have implemented thorough infection control measures in the workplace, such as taking employees' body temperature before entering the workplace, wearing masks, disinfecting hands and offices, encouraging hand washing, using room ventilation, and maintaining social distance between personnel. In addition, in response to Japan's state of emergency, we introduced a work from home system to limit the number of employees coming to work.

It was thought that employees' health risks would increase due to disruption of their daily life rhythm, lack of exercise, and anxiety about infection caused by the restrictions on their activities and the change in work system. As a result, we strive to improve employees' well-being by empowering them to manage their own health situation through stress checks and raising awareness about infection prevention and health management.

With regard to expatriate employees overseas and their accompanying family members, the Corporate Health Management Team formed by the Human Resources Unit and the HSE Unit has been evaluating the outbreak in the countries or cities concerned, examining the conditions of the local medical system to help employees make decisions on whether or not to travel overseas, and providing essential local information.

In FY2020, we conducted a health management survey based on the IOGP's leading health performance indicators to comprehend how health management is being implemented at our operational organizations, and strived to grasp the state of health management at all our sites. In addition, we developed a health risk register to assure identification and management of health risks associated with the workplace and other activities, and are in the process of revising the Corporate Health Management Standard.

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3 As Low As Reasonably Practicable (ALARP)

9 Tier 1 and Tier 2 Process Safety Events (PSE)

Process Safety Events are unexpected releases of any material. In addition to hydrocarbons, these materials include non-toxic and non-flammable materials such as pressurized CO₂ and compressed air. Classification as Tier 1 and Tier 2 relies on actual consequence of the release (expressed as injury to person, direct cost to the company, type and quantity of material released, etc.) and follows IOGP requirements.

Prevention of Major Incidents

Our Policy

To prevent major incidents or disasters as typified by fires, explosions, and large oil spills, we ensure proper due diligence throughout each phase of the project life cycle, from exploration, development and production to decommissioning.

Comprehensive Process Safety Management

Process Safety Management (PSM) is the framework of systems and processes for robust design principles, good engineering, and sound operating and maintenance practices, in order to prevent leakages of hazardous substances, such as flammable liquids.

As shown in the figure below, INPEX Process Safety Management consists

of four focus areas and twenty elements. Each element has a detailed set of expectations that operator projects must adhere to. Within the PSM framework, we have adopted a voluntary Safety Case regime for INPEX-operated assets, and we conduct Asset Integrity/ Process Safety (AIPS) assurance reviews for all operator projects to ensure risks are maintained to ALARP[®].

Process Safety KPI

We are collecting and reporting Tier 1 and Tier 2 Process Safety Events[®] in line with IOGP requirements. In FY2020, one Tier 1 and two Tier 2 Process Safety Events were reported. Collecting, analyzing, and reporting process safety KPI contributes to the prevention of major incidents by improving the reliability of operations, avoiding complacency in Process Safety, and communicating process safety performance to relevant stakeholders.

Process Safety Management Framework



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Asset Integrity Management and Process Safety Assurance Review

Asset Integrity/Process Safety (AIPS) assurance is a systematic series of reviews conducted by an independent team at appropriate points during each phase of the project. Benefits that can be expected from an AIPS assurance review are:

- Providing assurance to management and stakeholders that asset value (equipment) is being adequately protected
- Confirming that our AIPS management requirements are being addressed
- Sharing good AIPS practices and lessons learned from project to project

In addition, we conduct other reviews such as those prior to facility launch and operations readiness reviews at each phase of the project where appropriate. To continuously improve AIPS practices, the progress of recommendations from these AIPS Assurance Reviews are followed up periodically and given feedback.

Risk Management Process

HSE Risk Management activities include identification, analysis and reporting about MAE (Major Accident Event) and top 10 HSE risks, from all our operator projects using a risk management software. Furthermore, together with formulating and implementing risk countermeasures, the risk management situation is regularly reported to headquarters to confirm that risks are ALARP and reported quarterly to the Management Committee.

Security and Crisis Management

Our Policy

We continuously reinforce and improve the management of overseas security as necessary under recent security circumstance with increasing uncertainties. We also develop the necessary documents to respond to various types of emergencies, and conduct crisis management exercises to prepare for the worst-case scenario.

Enhancement of Security Management

We always update security information concerning the areas in which employees are working and evaluate and share the information internally. The threat level of each region is periodically evaluated and updated. Based on these threat levels, we formulate policies for employees assigned to foreign countries and for overseas business travelers and issue alerts to all employees to raise awareness. With terrorist attacks occurring sporadically around the world and

some regions continuing to face instability, we continue to spread awareness by posting security alerts on our intranet. We also hold in-house seminars and exercises to promote understanding and improve our response capabilities.

In addition, we dispatch security experts from the headquarters to our activity areas for the purpose of security reviews to grasp the whole situation including the entire activity area, operational sites, travelling routes, and accommodations, and we implement risk mitigation measures.

We have established plans for security events and periodically conduct training such as anti-kidnappings and evacuation outside the country. With these means, we strive to confirm the effectiveness of these plans and that employees are fully familiarized with them.

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Strategy

Preparation for Emergency and Crisis Response

Responsibility

We are developing a system that allows corporate-level teams and operational organizations to cooperate in responding to emergencies. Through opportunities including an emergency training, we regularly update crisis response documents and maintain and expand facilities and equipment of the Crisis Management Team. We also have been working to establish and strengthen the structure of provisional crisis management team that will take command when the corporate headquarters' functions are partially interrupted.

In April 2020, INPEX activated the Corporate Crisis Management Team (C-CMT) in response to the significant increase of novel coronavirus infections in the world. C-CMT has been working with related divisions for necessary actions such as infection control measures and business continuity activities including work from home.

Emergency Response Exercise

Based on the annual HSE plan, the organizations in Japan and overseas with operational sites conduct emergency training and drills both independently and collectively with the corporate headquarters for continuous improvement. Training and drills are conducted regularly at all of our operational sites to prepare for the occurrence of an emergency. At the headquarters level, we conducted a training based on the scenario of an earthquake striking directly beneath the Tokyo metropolitan area during the COVID-19 pandemic. The training was held as an online workshop and participants discussed the impacts on our business operations from the earthquake and viable response measures. Each operational site also carries out trainings and drills regularly to prepare for emergencies while implementing infection controls, such as physical distancing measures when gathering, online information sharing, etc.

Based on the lessons learned from the training and drills, we will work to further improve our crisis response capability.

Response to Blowouts and Oil Spill Incidents

We need to be prepared not only for large-scale blowouts and oil spills at oil and natural gas development sites, but also for frequent small-scale spills from tanks and pipelines at production facilities because these incidents are considered to affect the safety, health, and local economic activity of local community.

Based on the lessons learned from the emergency response actions of other companies, we enhance our accident management system in all aspects of prevention, containment, and responses, which are required to control wells, pipelines, and plants. To prevent incidents, we developed rules and procedures for consistent management. To prepare against the malfunctioning of a subsea blowout preventer (BOP) in offshore drilling, we maintain a contract with Wild Well Control, Inc., a supplier of capping equipment. We also have a contract with Oil Spill Response Limited (OSRL), the world's largest provider of oil spill response services, to prepare for responding to a large-scale oil spill, and to constantly acquire new knowledge of oil spill response technologies.

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Environmental Management and GHG Management

Our Policy

We promote corporate-level environmental management and GHG management based on our Health, Safety and Environmental Policy.

To minimize negative impacts on the environment and local communities caused by our business activities, we conduct environmental and social impact assessments before starting a project. Then we monitor those impacts and risks through the project's lifecycle, and promote environmental management based on the results of monitoring. From FY2018, we started to accelerate corporate-level environmental management based on the Corporate Environmental Management Plan that integrates our environmental management activities of the entire company.

When used as an energy source, natural gas emits less GHG during its lifecycle than other fossil fuels. Natural gas is also recognized as an excellent energy source for serving as a backup during fluctuations in power generation by renewable energy, and can contribute to global GHG reductions from both perspectives.

Corporate Environmental Management Plan

We consistently aim to turn Plan-Do-Check-Act (PDCA) cycle applicable to the environmental aspects in our business when working on environmental management. Since FY2018, to give a sense of unity to environmental initiatives across the Company and allow them to be visualized, we developed the Corporate Environmental Management Plan through the integration of environmental management activities being conducted by corporate headquarters and our various businesses with the aim of promoting environmental management on a corporate-level basis.

In this Corporate Environmental Management Plan, we set five Corporate environmental targets to support the HSE Policy and to address key environmental materiality for us including the response to climate change[®], biodiversity conservation and water resource management with actions to achieve our targets. In FY2019, we established 10 environmental KPI in order to promote our corporate environmental targets, then we began measuring the effectiveness of our actions in FY2020.

Environmental target 1	Low-carbonization in operations
Environmental target 2	Environmental pollution prevention
Environmental target 3	Appropriate waste disposal and recycling
Environmental target 4	Biodiversity conservation
Environmental target 5	Effective Utilization of Water Resources

In FY2021, we will continue to promote environmental management on a corporate-level by turning the PDCA cycle of steadily implementing, reviewing, and revising the Corporate Environmental Management Plan.



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Environmental Management Working Group and HSE Forum (Environmental Session)

The Environmental Management Working Group consisting of managers and members in charge of environmental management of the projects in Japan and overseas held meetings in February, May, September, and December 2020. In addition, an environmental session of the HSE Forum was held in September 2020. In FY2020, we discussed the following subjects at the working group:

- Evaluation of the Corporate HSE Third Phase Mid-term Plan
- Review for establishment of environmental initiatives under the revised Corporate HSE Third Phase Mid-term Plan
- Progress management by measuring effects of environmental KPI

The environmental session of the HSE Forum was held online via Microsoft Teams to be an opportunity for final discussions on setting of environmental initiatives under the revised Corporate HSE Third Phase Mid-term Plan. Managers and staff in charge of environmental management of the projects in Japan and overseas discussed the main themes of the Plan including: (1) management of GHG emissions reduction; (2) develop biodiversity conservation; (3) develop a framework for water risk management; and (4) promote the social impact management.

We will continuously seek opportunities to share good practices with each other and to discuss environmental concerns from various aspects, and will promote environmental management at a corporate-level.

Low-Carbonization in Operations

Efforts to Reduce Greenhouse Gas Emissions

GHG emissions within our operational control[®] in FY 2020 (Jan-Dec) were 77 million tons-CO₂e, marking a decrease of 12 million tons-CO₂e compared to FY2019 (Jan-Dec). The main reason for the decrease was that the Ichthys LNG Project, which started production in July 2018, has moved to stable year-round

operation in FY2019 and reducing flaring of low-pressure gases caused during the gas treatment process.

The aggregation, analysis and reporting of GHG emissions from each operational site is carried out regularly following the corporate standard for HSE Performance Data. We obtained a third-party assurance for the environmental data in Japan and for the GHG emissions both in Japan and overseas to ensure the reliability for our reporting.

Each of our operational sites implements energy conservation activities for reducing GHG emissions, avoids continual use of flaring vents during normal operation, and carries out initiatives to ascertain methane effusion, based on their own situations.

For reduction of flaring, we verified the current situation of flaring during operations at each of our operational sites in FY2020 and identified cases of continuous flaring under the normal operations. We plan to continue to examine countermeasures to completely eliminate continuous flaring during normal operations.

From FY2018, we started to aggregate data and report statistics on methane fugitives in accordance with international methods. In FY2019, we inspected for leaks at the relevant measuring points on equipment and facilities at our business sites in Japan. We also established a system for data collection and reporting. In FY2020, we inspected for leaks at most of the relevant measuring points using a laser methane detector. In turn, countermeasures were rolled out immediately for the points where methane leaks were found. Going forward, we will continue improving our operations, including implementing similar initiatives at our overseas operation sites as well.

Our actions to manage methane emissions of the Ichthys LNG Project are as follows:

- Selection of equipment and facilities that can avoid or minimize methane leaks
- Regular inspection for leaks from equipment/facility
- Vent gas recovery and recycling
- Zero routine flaring[®] during normal operations

In Japan, we participate in the Japan Business Federation's (Nippon Keidanren) "Commitment to Low Carbon Society Plan" through our membership of the Japan Petroleum Development Association (JPDA).

① Operational control

Headquarters, Technical Research Center, overseas offices, and Operational Organizations in Japan and overseas

(2) Flaring

The act of incinerating and detoxifying excess hydrocarbon gas produced by crude oil drilling facilities and gas processing facilities, instead of releasing it to the atmosphere

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B Law concerning Pollutant Release and Transfer Register

Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Environmental Pollution Prevention

Not only complying with the local environmental laws and regulations, we identify and assess environmental risks associated with the environmental aspects of each project, and take measures in addressing identified environmental risks voluntarily, and then monitor and measure the effectiveness of these actions. Through taking these actions across our projects, we will manage and prevent pollution at each operating site.

Environmental Compliance

We comply with environmental laws and regulations of the countries in which we operate. For every project, in line with the HSE Legal and Other Requirements Standard, we make a list of all applicable legal requirements and identify compliance obligations. At each operational site in Japan, we make a legal requirements list, annually update it to reflect new enactments and revisions of relevant laws and regulations and confirm the compliance status. In FY2020 we held meetings with relevant projects divisions and discussed the current situation and the way forward.

Furthermore, from FY2019, we also signed a services agreement with Enhesa NV, a company which constantly checks/provides the latest information about laws and regulations and provides comprehensive support for HSE legal compliance, and have been using this service to manage the state of legal compliance at each operational site. We will develop a system to supervise the status of legal compliance managed by the operational sites from Corporate HSE. As of FY2020, there were no serious violations of environmental law.

Preventing Air Pollution

We monitor and manage NOx, SOx and VOC (Volatile Organic Compounds) emissions from our operational sites in Japan and overseas. We also engage in reducing these emissions into the atmosphere to comply with relevant laws and regulations and, in particular, international regulatory trends.

At our operational sites in Japan, we identified the sources of emissions, such as production processes, fuel combustion facilities, venting of natural gas, crude oil storage tanks and loading facilities to a truck or tanker in order to understand and manage our emissions. Emissions of chemical substances are reported to the regulator in accordance with the Law concerning Pollutant Release and

Transfer Register[®] (PRTR). In addition, for benzene, we check there is no impact on ambient air quality by atmosphere monitoring at the site boundaries.

Our VOC emissions in FY2020 were 5,822 tons which decreased approximately 30% from the previous fiscal year. This decrease was due to the reduction in venting and flaring activities of the Ichthys LNG Project —which contained high concentration of VOC. NOx emissions in FY2020 decreased by 16% to 2,989 tons and SOx emissions increased by around 280% to 1,593 tons compared to FY2019. One of the main reasons that SOx emissions was increased in FY2019 is that the utilization rate of gas incineration facilities used to treat emissions from the acid gas removal unit at the Ichthys LNG plant increased from FY2019. Another main reason is that environmental data excluding GHG emissions for the Eagle Ford Shale Project in the State of Texas in the United States is included from FY2020.

Appropriate Waste Disposal and Recycling

We actively promote measures on the basis of the 3Rs (reduce, reuse, and recycle) to minimize the use of natural resources, thereby reducing negative environmental impacts. Where recycling or reusing leftovers from our operations is difficult and waste generation cannot be avoided, we practice proper waste management through licensed waste service providers. Overseas projects manage the waste in accordance with their waste management plan including regulatory requirements, risk management, and audit implementation. For projects in Japan, we periodically visit the waste service providers for the purpose of annual inspection to monitor the status of waste treatment and disposal to ensure our waste is appropriately disposed. In FY2020, restrictions were placed on on-site visits to service providers due to the impacts of the COVID-19 pandemic. As a result, we conducted offsite monitoring mainly using interviews conducted remotely by telephone or other means.

The gross amount of waste generated in FY2020 was approximately 10,400 tons. Of the 2,600 tons of waste generated in Japan, around 1,250 tons, or half, were recycled. The amount of waste generated in overseas increased by approximately 7,700 tons. The increase of waste in overseas is due to the fact that we began calculating the waste figures for the Eagle Ford Project from FY2020. This waste is non-hazardous soil removed when excavating the wellbore.

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Ecosystem services

Ecological services are the benefits that people obtain from ecosystems. Examples include freshwater, timber, climate regulation, protection from natural hazards, erosion control, and recreation

(i) Mitigation hierarchy

Mitigation hierarchy is defined as i) Avoidance, ii) Minimization, iii) Rehabilitation/Restoration, iv) Offset.

In FY2019, we started the "Akasaka ECO Office" activity to understand the amount of office waste generated by our headquarters and to promote educational activities about waste reduction opportunities with all employees working at the Akasaka headquarters. As a part of the activities, we shared information on the amount of waste generated by the office as well as made and then handed out reusable shopping bags to raise awareness about reducing the use of plastic shopping bags.

Biodiversity Conservation

We know that the degrees of impact on the ecosystem or biodiversity differ at each and every project phase, scale or location, and that necessary actions for the conservation are accordingly different. We identify potential biodiversity "Risk" and "Opportunity" which may be caused by our business activities and take necessary measures.

For any new development project, our Corporate environmental targets stipulates that a mitigation measures against negative impacts on biodiversity shall be developed and implemented through the Environmental and Social Impact Assessment (ESIA) process. For existing projects that have been operating for years without causing biodiversity related problems, it is stipulated as one of our Corporate environmental targets to examine and implement actions creating positive impacts on biodiversity.

In FY2019, we developed a report about the main biodiversity conservation activities at our operational sites in Japan and overseas as well as our challenges and prospects, and shared the report internally. In the plan for FY2021, we plan to develop corporate policy on biodiversity conservation and establishing an official commitment. Furthermore, we will also prepare it for external disclosure. Since FY2014, we have been participating in the Biodiversity and Ecosystem Services[®] Working Group that is collaboratively hosted by IPIECA and IOGP and keep tracking their experiences, information and good practices across the industry.

Overseas Activities to Conserve Biodiversity

A new overseas development project causes negative impacts affecting Environmentally Sensitive Areas (mangrove forests, coral reefs, wetlands etc.) and critical habitats of threatened species, and threats of biological invasions. We apply a mitigation hierarchy[®] in Environmental and Social Impact Assessment to avoid, reduce, restore or compensate those impacts as much as possible.

The Ichthys LNG plant is located in Darwin Harbour where there are extensive mangrove forests along the coastal area which provide breeding and feeding grounds for fish and sea turtles. To protect the rich biodiversity, the Ichthys LNG Project conducts comprehensive monitoring of effluent, seawater quality, growing condition of mangrove forest and natural vegetation even after the commencement of operations. We have also been contributing to the biodiversity conservation around our plant by means of financial aid to the marine research projects such as long-term dolphin and dugong studies in the Northern Territory, etc.

Monitoring of Invasive Alien Species Around the Piers of Ichthys Onshore Gas Processing and Liquefaction Plant

Invasive non-native marine species may cause negative impacts to the maritime environment and ecosystem by adhering to LNG carriers arriving at Darwin Harbour from all over the world or via ballast water. Therefore, the liquefaction plant's HSE environmental team conducts monthly monitoring of non-native marine species at the jetty terminals where product carriers dock. As of December 31, 2020, there have been no reports of new non-native species being brought into the area near the jetties.

Kit for observing nonnative marine species (left: dangled in water; right: retrieved)





In addition, the Abadi LNG Project is conducting environmental and social impact assessment including biodiversity and ecosystem services survey in accordance with the local laws and IFC Performance Standards.

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(i) United Nations Environment Programme

UNEP is a major agency within the United Nations established in 1972 in the environmental field $\,$

1 International Union for Conservation of Nature

IUCN is an international nature conservation network comprising nations, government agencies and non-government organizations that was established in 1948 under global cooperation

Activities to Conserve Biodiversity in Japan

Biodiversity conservation activities at our long-standing projects in Japan have proactively contributed to the monitoring and management of the environment in which we operate.

Biodiversity conservation activities in the daily business operation at the Naoetsu LNG Terminal include:

- Continuous monitoring of seawater temperature at the intake/discharge point
- Continuous monitoring of water quality of cooling water/ discharge
- · Marine biological survey at Naoetsu LNG Terminal

For the negative impact on the environment caused by cooling water discharge after the start of operation at Naoetsu LNG Terminal, we conducted a follow-up survey due to significant uncertainty in the forecast considered during planning. In the marine biological survey, monitoring of the seawater (quality and temperature) and marine life (such as benthos, plankton, fish eggs, juvenile fish and intertidal biota) was conducted once every season (spring, summer, autumn and winter) to understand the state of the marine environment. Together with the survey conducted a year after the start of operation (FY2015-2016), the results of the follow-up survey conducted in FY2018-2019 confirmed there is no significant change from the results of the baseline survey conducted before the start of operations (FY2012-2013).

Simplified Ecosystem Survey at "Kitsunedaira Donguri-no-mori"

Fudosawa in Nagaoka City, Niigata Prefecture is adjacent to the Koshijihara Plant at Nagaoka Field. Here, the "Kitsunedaira Donguri-no-mori (Acorn Forest)" project has been ongoing as part of Niigata Prefecture's project to support forestation since 2010. Twice each year, we have engaged in forest maintenance and tree planting activities together with local residents. In FY2019, we conducted a quick survey before winter to understand the state of Donguri-no-mori's ecosystem. The survey showed that we observed several species of mammals within the premises and several species of birds around the premises including the skies above. We concludes that Donguri-no-mori's ecosystem has improved after 10 years' tree planting. In FY2020, we planned to extend the duration of the ecosystem survey to investigate the changes in the ecosystem and species with each season, and use the results of the survey as information for promoting future initiatives. The implementation of this plan was postponed

to FY2021 because we were unable to conduct the survey in FY2020 due to the COVID-19 pandemic.

Educational Activities in Japan Regarding Measures Against Invasive Alien Plant Species

Many invasive alien plant species such as a typical example Solidago Altissima (Canada goldenrod) can be found around our operating sites in Japan. At the Corporate level, as part of our biodiversity conservation initiatives, focusing on plants which have been designated as highly invasive alien species, in FY2019 we created posters and booklets including an overview of alien species and ways to exterminate them. These posters and booklets were distributed to our operational sites in Japan.

To raise biodiversity awareness for employees in Japan, the following activities have taken place:

- Lecture on biodiversity by an external expert (FY2019)
- Educational activities on biodiversity using environmental newsletter
- Preparation of "Basic knowledge on biodiversity" internally and implementation in e-learning (FY2020)

In addition to the above, we have proactively engaged in activities to protect the surrounding biodiversity. Nagaoka Field Office, for example, organizes a tree planting event and a nature study event for local resident children twice a year in spring and autumn at "Kitsunedaira Donguri-no-mori" where we operate nearby. In Kashiwazaki city, we support a "Satoyama Initiative" conducted at Kashiwazaki Yumenomori Park; the activity is led by a citizen group, Satoyama Environment Creation Network, and we have been participating in tree planting and protecting endangered plants since FY2005. And Naoetsu LNG Terminal participates in the Joetsu Fishery Cooperative's tree plantation activity to help fish living in the Kuwadori River. We are also actively engaged in other environmental conservation activities with other operational sites in Japan. (In FY2020, most of these activities were cancelled to prevent the COVID-19 pandemic.)

Sharing of Information about Protected Areas near Project Sites

From FY2019, we have created maps for each Operator projects showing information obtained from the World Database on Protected Areas (WDPA)—developed jointly by UNEP® and IUCN®, which includes information on protected areas, IUCN Red List categories and the number of animal and plant

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(B) Water stress

Water resources that can be used per person, which is the index assessing the level of strictness for water supply

(D) World Resources Institutes

(1) IFC EHS Guidelines

Environmental, Health, and Safety (EHS) Guidelines published by International Finance Corporation (IFC)

② Japan Oil, Gas and Metals National Corporation

species falling under other categories. The purpose of the maps is providing information about protected areas near our operational sites for consideration during the initial stage of new projects as well as biodiversity conservation initiatives at existing projects. We updated this database and shared it internally in FY2020. As of December 31, 2020, we are not operating any projects in the protected areas found in the database.

Effective Utilization of Water Resources

Recognizing that water management is a key task for us, we have been working to reduce influences on water resources.

We have been involved in IPIECA's Water Working Group since FY2015 to understand international trends in water management and good practices for the oil and gas industry.

Identification of High Water Stress Area

We have checked to see whether our operational sites are included in a high water stress[®] area using "AQUEDUCT," a water risk mapping tool developed by World Resources Institute (WRI[®]). The tool is used to assess and investigate water availability prior to the commencement of a project. As of December 31, 2020, there are no projects operating in high water stress areas.

Efficient Use of Freshwater Resources

Our project sites in Japan use tap water, industrial water and groundwater as coolants. Groundwater is also used as a coolant for power generation and for snow melting. We have adopted a circulating system for cooling water and installed a sensor equipped with an automatic shutoff system for snow melting to reduce water consumption. For overseas projects, from FY2019, we have started field surveys of freshwater use at facilities within the LNG plant of the Ichthys LNG Project which started operation in FY2018. To reduce water use at the plant, we are looking into the feasibility of reusing water—such as treated wastewater from processing as well as wastewater and condensed steam from power generation facilities—taking into consideration cost effectiveness.

Use of Seawater

The Ichthys LNG offshore platform uses seawater as cooling water and the Naoetsu LNG Terminal uses it as a heat exchanger for vaporizer. Mandatory checks of seawater temperature and residual chlorine assure that the marine environment will not be harmed, and that relevant laws and IFC FHS Guidelines[®] are met before the used seawater is discharged into the sea.

Wastewater Management

Produced water is re-injected or discharged into the environment such as rivers or seas after confirmation that the treated wastewater complies with relevant effluent standards. We comply with the relevant effluent standards of each country, or with the IFC EHS Guidelines in the absence of adequate standards at each of our operational sites. In FY2020, 72% of the total produced water (approximately 1,800,000 cubic meters) was reinjected, while the remainder was discharged into rivers and seas. Produced water in overseas increased by approximately 1.0 million cubic meters. The increase in produced water is due to the fact that we began calculating the produced water volume (including flowback water from fracturing work) generated by the Eagle Ford Project from FY2020 and the increase in produced water volume following the increased output of Ichthys.

Development of Effluent Water Treatment Technology

From FY 2015 to 2017, we conducted a pilot project at our Sotoasahikawa plant in Akita Prefecture in collaboration with Chiyoda Corporation and METAWATER, under the support of JOGMEC[®] to test the ceramic membrane filtration of produced water.

This technology is expected to further reduce the environmental impacts of water discharges produced from crude oil production by establishing an adjoint water treatment technology using this ceramic membrane. The joint studies have started to collaborate with JOGMEC since FY2018 and the pilot test for commercial use of this technology has been currently ongoing. Together with achieving a total operation time of 16,000 hours by March 31, 2021, we have constructed a produced water processing facility and continue to operate without accident and occupational injury during the entire operating period of approximately five and a half years.

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INPEX Group Human Rights Policy



@ Reconciliation Action Plan (RAP)

A business plan endorsed by Reconciliation Australia (an independent expert body promoting reconciliation between the Australian community and Aboriginal and Torres Strait Islander peoples) that publicly documents what we commit to do, to work with Aboriginal and Torres Strait Islander communities in Australia



INPEX Australian Industry

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Our Policy

Strategy

Trusted relationships with the communities in which we operate are fundamental to maintaining our social license to operate. We build and maintain our relationships with our stakeholders through open and transparent engagement.

The INPEX Group Human Rights Policy outlines our commitment to recognize and respect the human rights of people, including indigenous peoples, in our host communities. INPEX's commitment to working with Aboriginal and Torres Strait Islander peoples in Australia is set out in and implemented through the INPEX Reconciliation Action Plan.

To minimize the negative impact of our business operations on the local communities in which we operate, we conduct impact assessments in advance

and implement a variety of countermeasures. Through working closely with our stakeholders and supporting the development of local human resources and businesses, we help communities become vibrant, prosperous and resilient.

Engagement of local industry and people is essential to our business success. INPEX Australian Industry Participation Policy[®] sets out our strategy to provide full, fair and reasonable opportunities for Australian businesses to participate in INPEX activities.

As a global company, INPEX is committed to contributing to the economic and social development of society through our business and to building sustainable and prosperous communities.

Engaging with Stakeholders

Japan

In Japan, community engagement teams have been set up at each of the operational sites (Niigata, Minami-Aga, Nagaoka, Kashiwazaki, Naoetsu, Akita and Chiba) and dialogues are being conducted with stakeholders of those areas in which we operate. The teams actively participate in local events, including sponsoring and providing volunteers for marathons held annually at Kashiwazaki. They also sponsor fireworks events at summer festivals held at Niigata, Nagaoka, Kashiwazaki, Naoetsu and Akita, and take part in reforestation activities

semiannually with local communities in Nagaoka as part of our environmental conservation efforts. (Due to the impact of the COVID-19 pandemic, some events were cancelled in 2020 and likewise may be cancelled in 2021.) At the Naoetsu LNG Terminal—the core facility of our gas supply chain and receiving terminal for LNG shipped from the Ichthys LNG Project—a bimonthly newsletter informs local people, the municipal government and other government offices about different processes and safe operations inside the terminal. We also participate in local events such as softball tournaments to interact and build relationships with local communities.

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Australia

During 2020, we worked closely with key stakeholders to minimise impacts of the COVID-19 pandemic on our business and to protect the safety and wellbeing of our people and the communities in which we operate. While the COVID-19 restrictions deterred face-to-face meetings, we maintained regular and proactive engagement with stakeholders through virtual meetings as well as phone calls and e-mails.

In Australia, more than 250 engagements with government, industry, business and community stakeholders were held in 2020. Over 50 community updates were provided using traditional and social media and various publications. Engagement focused on communicating lchthys LNG's operational activities and opportunities for communities including employment, business and sponsorships.

Indonesia

For the Abadi LNG Project in Indonesia, we have identified various stakeholders including local communities, central and local government and have been engaged with all stakeholders. Employees raised in the project areas are stationed in those sites where we operate so that they can maintain an active dialogue with the local community as much as possible.

Regarding the environmental and social impact assessment currently underway, prior to a public consultation for local people as part of the Indonesian Environmental and Social Impact Assessment process (AMDAL), we developed a Stakeholder Engagement and Public Consultation Plan (SECP). SECP is not limited to the requirements of AMDAL, but incorporates requirements for stakeholder engagement as stipulated in the IFC Performance Standards (IFC PS). We are implementing initiatives in accordance with SECP.

Our efforts with stakeholders at each process of environmental and social impact assessment are as follows.

Year	Processes	Initiatives regarding Stakeholders
2018	ldentifying stakeholders	Identifying a wide array of stakeholders in the project and creating a stakeholder mapping.
	Developing a Stakeholder Engagement and Public Consultation Plan (SECP)	Identifying requirements for AMDAL and stakeholder participation as stipulated in the IFC PS. Developing a SECP that comprehensively handles the above requirements.
	Implementing AMDAL Public Consultation	Holding AMDAL public consultations in project location area and collecting concerns of the local community.
2019	Developing KA-ANDAL	Developing Terms of Reference (KA-ANDAL) for environmental and social impact assessment in consideration of the concerns of the local community according to the AMDAL public consultations as mentioned above.
	Baseline Survey	Implementing surveys thorough face to face dialogues, such as FGD (Focus Group Discussion), Household Survey and KII (Key Informant Interview), and understanding the current status of the affected communities.
2020	Impact Assessment	Assessing the impact to affected communities during construction and operation phase. Implementing the impact assessment relevant to concerns of the local community.

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Addressing Community Feedback

In Australia, community feedback – received via toll-free telephone number, a community enquiries email account and face-to-face interactions – is recorded and tracked to ensure enquiries are addressed in a timely manner.

Approximately 800 enquiries were received in Australia in 2020. Enquiries regarding employment opportunities continued to be the highest category, accounting for about 50% of the overall enquiries⁶.

Analysis of feedback is shared among internal stakeholders to monitor trends and identify emerging issues. Other enquiries included business and sponsorship opportunities.

A community grievance management procedure is in place to appropriately address grievances received from local communities. We continue work closely with stakeholders to investigate all matters and address issues in a consistent manner. No grievances were reported in 2020 in Australia.

The number of enquiries from local communities processed in accordance with the external stakeholder procedure in each country is as follows.

Country	Cases	Additional Information
Japan	6	Only Nagaoka Field Office
Indonesia	777	About half were inquiries about community contribution or COVID-19 countermeasures
United States	325	Enquiries from landowners.

Working with Indigenous Communities

Reconciliation Action Plan

In Australia, our commitment to working with Aboriginal and Torres Strait Islander peoples to build sustainable and mutually beneficial relationships is underpinned by our Reconciliation Action Plan (RAP).

Under our second Stretch RAP 2019-2022[®], we have developed a selection of enhanced and practical actions and deliverables which help to advance our contribution to reconciliation in the communities in which we operate. Implementation of RAP actions are monitored regularly by the RAP Steering Committee, comprised of a group of senior management, and progress is reported publicly on an annual basis[®].







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Larrakia elderly get a LIFT

In late 2020, the INPEX Larrakia Advisory Committee approved the purchase of a bus through the Larrakia Ichthys LNG Foundation Trust (LIFT), for the sole purpose of providing transportation assistance to Larrakia seniors in and around Darwin.

This is one of the latest programs implemented under the LIFT, a A\$24 million trust established to deliver benefits for the Larrakia people across 40 years. The 12-seater bus is assisting the Larrakia Nation Aboriginal Corporation (LNAC) to deliver a range of elder-care services to the Larrakia community.

The bus arrived in time to help with transportation to the LNAC's 2020 Christmas party. It is now being used to transport the elderly to and from a range of activities, designed by LNAC's qualified lifestyle coach.

LNAC's elder-care activities are extensive. They range from day trips, to visits to museums and art galleries. Other activities include sports such as netball and barefoot bowls; beach and lawn picnics; arts and crafts; visits to colleges, primary schools and childcare centres for interactions; and role modelling for the younger generation. The bus is also helping the Larrakia Elders remain connected to their culture. It is used on different days by women-only for women's business and men-only for men's business. The bus will also be used to take the Elders to collect traditional foods such as mud whelks, also known as longbums, and cockles.

Providing mobility for elderly is crucial for maintaining their wellbeing and connection to the community. The program also provides an employment opportunity for a Larrakia person to drive the bus. The LNAC is also looking to provide weekly return services for people to attend medical appointments and to purchase groceries.

Under the LIFT, a range of programs are available providing education and training support for the Larrakia people and assisting the Larrakia Elders. Since the Trust's establishment in late 2018, more than 380 Larrakia individuals and families have accessed the LIFT programs.



A new bus is helping Larrakia Elders to be active and connected to their community.

Employment and Local Businesses

Through our business activities, INPEX is laying the foundations for supporting sustainable, multi-generational economic participation opportunities for Aboriginal and Torres Strait Islander communities. INPEX is integrating both employment and business participation opportunities into the way we do business through regular reviews of our human resources and procurement practices to remove barriers to engaging Aboriginal and Torres Strait Islander peoples and businesses.

Development and employment opportunities are created through programs such as the "Solid Pathways" program and Production Technician traineeships. These programs provide opportunities for individuals to develop skills and knowledge to advance their careers in the energy industry and six Aboriginal and Torres Strait Islander participants gained employment opportunities with INPEX in 2020.

These initiatives underpin INPEX's commitment to employ 36 Aboriginal and Torres Strait Islander peoples, or three percent of our workforce, by 2022. In 2020, progress includes a total of 25 Aboriginal and Torres Strait Islander employees. In addition, more than 100 Aboriginal and Torres Strait Islander peoples were engaged through Ichthys LNG operations contractors in 2020, exceeding the target of an average 60 positions each year from 2019 to 2021

To increase Aboriginal and Torres Strait Islander supplier diversity, a target has been set for INPEX and our contractors to engage 12 Aboriginal and/or Torres Strait Islander majorityowned businesses, to a value of more than A\$1 million, in the period from 2019 to 2021. In 2020, INPEX and its contractors engaged eight majority-owned Aboriginal or Torres Strait Islander businesses for scopes of work with a total value of more than A\$4 million.

Cultural Heritage

In Australia, heritage management plans have been developed and implemented to protect the cultural heritage of the communities in which we operate.

As part of INPEX's NAIDOC Week[®] celebrations, Aboriginal cultural heritage expert and Nyoongar Elder Irene Stainton shared the story of INPEX's commitment to treating cultural objects with respect, in an engaging video presentation to all INPEX Australia personnel.

In Irene's words, "INPEX has been a trail blazer in its commitment to heritage management in the Northern Territory, working in close liaison with the Larrakia people."

The INPEX Larrakia Advisory Committee, a group primarily comprising of Larrakia people from a range of backgrounds and experience, is consulted on cultural heritage matters for Larrakia lands and waters.

Under its Reconciliation Action Plan. INPEX has a commitment to better understand. and more actively engage, with Aboriginal and Torres Strait Islander cultures and histories by celebrating NAIDOC Week.

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⁸ NAIDOC originally stood for 'National Aborigines and Islanders Day Observance Committee'. NAIDOC Week celebrations are held across Australia each July to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. NAIDOC is celebrated by Australians from all walks of life. In 2020, in response to COVID-19, national celebrations for NAIDOC Week were held in November.

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9 Clean Energy Regulator

Abu Dhabi

A government body responsible for accelerating carbon abatement for Australia through the administration of the National Greenhouse and Energy Reporting scheme, Renewable Energy Target and the Emissions Reduction Fund

Savanna Fire Management Program

A\$34 million Savanna Fire Management (SFM) program funded by INPEXoperated Ichthys LNG has made significant achievements since beginning in 2017 with four projects now generating carbon credits and a further two preparing for commencement in 2021.

Managed by the Indigenous Land and Sea Corporation, from 2017-2020 the SFM program consulted and engaged more than 300 Traditional Owners in the Northern Territory to assist with governance and new project development.

Despite the COVID-19 impact, the program successfully progressed two large projects – the Judbarra National Park and the Daly River/Port Keats Land Trust (Thamarrurr) – to the operating stage and achieved registration with the Clean Energy Regulator[®], enabling the programs to start earning carbon credits.

Through the SFM program, barriers that previously prevented participation in carbon projects were overcome through close liaison with project partners. Extensive consultations with Traditional Owners and Indigenous Rangers group across the region helped the program to appropriately target funding and technical support to groups to develop new savanna fire management projects. The program successfully secured Land Use Agreements allowing project registration with the Clean Energy



Uriah Crocombe works with the Thamarrurr rangers

Regulator in 2020 meaning that groups can now earn carbon credits from their projects.

The benefits created through the SFM program include culturally appropriate employment, protection of biodiversity and cultural values, improved governance capacity in remote communities and a growing contribution to the abatement of greenhouse gases in the region.

One of the key benefits is creating employment opportunities for people from various homelands/outstations to participate in burning operations. Training of people is also crucial for safe and effective operations and accredited training is provided to increase the pool of participants.

"We're creating more jobs for other outstations, communities and getting more rangers to work on country and get out bush", Thamarrurr ranger Uriah Crocombe said. For indigenous peoples, maintaining connection with their own lands is extremely important. Through this program, they are able to make a living with working in their own lands as forest protection agents.

These new projects added another 2.4 million hectares, meaning a total of 3.6 million hectares of Indigenous land is now funded through the SFM program to improve fire management contributing to reduced carbon emissions. The SFM program will continue to support these and potential new projects to support long-term sustainable Indigenous enterprises with social and economic benefit for remote areas of the Northern Territory in Australia.



Thamarrurr ranger undertaking controlled burning

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Contributing to Local Economies

Business and employment opportunities are some of the key economic benefits that our business can create in local communities.

INPEX Australia developed an Industry Participation Plan for Ichthys LNG to provide full, fair and reasonable opportunities for Australian suppliers. These commitments are cascaded to contractors through our contracts and procurement processes. Regular progress reporting and scheduled meetings with key contractors are incorporated to assess levels of local content achieved against plans and targets submitted.

A supplier opportunities portal has been established on INPEX Australia website to provide guidance to suppliers seeking opportunities with INPEX Australia. The Industry Capability Network Northern Territory has been engaged to help identify local suppliers. INPEX encourages local suppliers seeking opportunities to establish and maintain a company profile with the Industry Capability Network Northern Territory.

In 2020, the overall Australian content level achieved by Ichthys LNG for operations was 84%.

Approximately 95% of Ichthys LNG's onshore operations workforce, including both INPEX and contractor workforce, resides in the Northern Territory. Training and apprentice programs were delivered by INPEX and key contractors providing opportunities for locals – including Aboriginal and Torres Strait Islander peoples – to commence careers in the industry and contribute to building local workforce capability.

In December 2020, INPEX announced its decision to move its Australian workforce to a fully residential arrangement by 2024. Interstate fly-in fly-out employees will transition progressively over a three-year period, allowing employees and their families time to consider their personal circumstances and make plans accordingly.

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Supporting Local Communities

We engage in social contribution activities to support and enhance the social and economic development of host communities in response to their needs. INPEX contributed JPY2.2 billion to social investment programs in 2020. The education and training of the next generation is one of the key focus areas for our social investment activities, with approximately 30% of our global social investment in 2020. Community engagement and contribution activities on operator projects and lessons learned are shared among teams in Tokyo, Australia, Indonesia and Abu Dhabi through regular meetings.

Australia

In Australia, we focus our community investment activities on initiatives that promote positive educational, health and wellbeing outcomes for the people in our host communities, and capacity building of local businesses.

Since 2012, we have contributed more than A\$7 million to community initiatives in Australia, and in 2020, we supported more than 40 community initiatives, ranging from small community grants to strategic partnerships with not-for-profit organizations.

At the start of 2020, INPEX pledged more than A\$1 million to the Australian Red Cross Disaster Relief and Recovery Fund to support their response activities for the devastating 2019-2020 Australian bushfires.

Much of our community investment activity thereafter was in direct response to, or influenced by, the significant impact of the COVID-19 pandemic on our host communities. We supported pandemic-related relief and response activities through partnerships with Foodbank NT and Menzies School of Health Research and maintained a flexible approach in other community partnerships to ensure the most pressing needs of our partners could be considered. We also provided in-principle support for a number of favoured community events and programs that had to be postponed to late 2020 or 2021.

Supporting Foodbank NT

As the Northern Territory's leading food relief agency, Foodbank NT distributes the equivalent of more than 1,000 meals to Territorians in need every day through 122 charity and NGO affiliates.

In 2020, Foodbank NT saw a dramatic increase in demand for staple foods with people experiencing hardship due to COVID-19 impacts.

Ichthys LNG's financial contribution of A\$30,000 helped Foodbank NT more than treble the volume of food delivered through their urban and remote school program over the previous year - providing an increase of 87,000 meals per month directly benefitting approximately 4.000 children.

INPEX and Ichthys LNG have a long history of supporting Foodbank NT, having previously provided a forklift for their warehouse and supporting a number of their fundraising initiatives.



Foodbank NT providing support in response to increasing needs among remote communities in the Northern Territory, Australia.

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For the Abadi LNG Project in Indonesia, INPEX has been engaged in various contribution activities since 2009 including preserving the environment and traditional culture and creating economic opportunities. These activities are carried out followed by the Social Investment Program. The Program is formulated strategically from a mid-to-long-term perspective based on the local needs that we identify through dialogue with stakeholders. Key activities implemented so far are as follows.

- Traditional woven textile production training program: Hosting fashion shows and supporting the creation of new markets with the aim of preserving, passing down and promoting the culture of "ikat" —traditional woven textiles from the Tanimbar Islands in Maluku Province.
- Organic farming training: Supporting the transmission of knowledge and techniques in organic farming in order to improve quality and productivity of local farm produce and protect the ecosystem.
- Scholarship support: Issuing scholarships to selected students in Maluku Province for university education and research. The total number of students supported as of 2020 was 830.
- English training program: Guiding methods for teaching English to instructors and students specializing in education for the purpose of fostering local English educators.
- Supporting installation of public sanitation facilities and lecturing about infant health and nutrition.
- Fostering environmental protection awareness through support for reforestation activities.
- Supporting relief efforts in the areas affected by water disasters and providing medical supplies and food as countermeasures to COVID-19.

In December 2020, we formulated the "Social Investment Strategy 2021-2023", a plan for continued implementation of various efforts with an emphasis on 5 areas: (1) strengthening local economies, (2) education, (3) public health, (4) environment, and (5) strategic community contribution.

Organic Farming Training in Maluku Province, Indonesia

Since 2013, INPEX has been conducting a community empowerment program through organic farming training in the Tanimbar Islands in Maluku Province in Indonesia. To protect the ecosystem and improve the quality and productivity of local farm produce, we have provided agricultural support by transferring knowledge and techniques of organic farming in this area where slash-and-burn farming had been the main method of farming.

The Tanimbar organic farming group was established in 2014 and 42 local farmers participated in 2018 as organic farmers. Three local farmers are also working as organic farming trainers outside of Maluku Province as well.

In 2019, the Dalam Lesse agricultural group established by INPEX became an official agricultural coop and is currently developing its sales channels.



Local farmers at work



Abu Dhabi

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Scholarship Program (INPEX Scholarship Foundation)

The INPEX Scholarship Foundation established in March 1981 aims to promote mutual understanding, friendship and goodwill between Japan and Indonesia through an exchange of students by means of scholarship program.

The Foundation has supported 141 Indonesian and 61 Japanese students as of 2021. Many of the students are now contributing to their home countries in the research and development fields that they learned about when studying abroad.



Year-end gathering with scholarship students, held online in response to COVID-19

Social Contribution Activities in Abu Dhabi

Our business activities in Abu Dhabi have entered a new phase with the acquisition of an interest in the onshore oil fields in 2015, the extension of an interest in the Upper Zakum oil field in 2017, as well as the extension of an interest in the Satah and Umm Al- Dalkh oil fields and acquisition of an interest in the Lower Zakum oil field, both in 2018. In addition, we were awarded the rights to operate Onshore Block 4 in 2019 and are undertaking exploration activities. To further enhance our long-term relationship with the UAE and Abu Dhabi over the next 40 years, we engage in the key task of supporting the next generation of the country.

Since 2018, with the aim of nurturing mathematical proficiency—the foundation for education in the STEM fields of science, technology, engineering, and mathematics—at a young age, we have collaborated with the Kumon Institute of Education and the Abu Dhabi National Oil Company on the introduction of the Kumon method in four Abu Dhabi elementary schools. From 2019, we also commenced the world's first use of electronic tablets outside Japan for learning in the Kumon method. In 2020, we endeavored to continue Kumon mathematics with a new learning format using digital materials such as electronic tablets in order to

facilitate at-home learning under COVID-19 pandemic. Going forward, we hope to expand the program to 8 schools and 5,000 students in 2021 to even more schools and students in the future.

Although it was cancelled in 2020 due to COVID-19 pandemic, INPEX has been hosting Abu Dhabi students on a training program held in Japan every year since 1993 during summer break. We also promote judo and support young athletes in Abu Dhabi.



Kumon Ceremony at an Abu Dhabi elementary school

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Assessment of Financial Impacts of Climaterelated Risks

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2 International Energy Agency

3 Sustainable Development Scenario

A concept defined in the Cancun Agreement (2010) aiming at reduction of CO₂ emissions by controlling deforestation and deterioration through forest management and actively increasing carbon stock through afforestation

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In January 2021, INPEX announced "Business Development Strategy," which is our corporate management policy for a netzero carbon society by 2050, and we simultaneously revised our "Corporate Position on Climate Change."

Based on these policies, we actively pursue reform of energy structure in order to achieve a net-zero carbon society by 2050 while still fulfilling the responsibilities of energy development and stable supply to meet the continually-increasing energy demands in Japan and around the world for the long term. Also, to contribute to the achievement of the Paris Agreement goals, we have established the climate change goals of net-zero Scope 1+2 emissions by 2050 as the main pillar.

In order to address the two societal demands of meeting increasing energy needs and reducing greenhouse gas (GHG) emissions in a balanced manner, we are committed to conduct our business while appropriately assessing and managing climate change risks and opportunities.

INPEX's information disclosure related to climate change is in line with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations as always. The "Corporate Position on Climate Change" (issued in December 2015, last revised in January 2021) is available on our website¹.

MESSAGE FROM THE DIRECTOR IN CHARGE OF CLIMATE CHANGE RESPONSE

Kimihisa Kittaka

Director, Senior Managing Executive Officer in charge of Corporate Strategy & Planning

In the "Business Development Strategy," our corporate management policy towards a net-zero carbon society by 2050 issued in January 2021, we determined our climate change goals, in which net-zero in Scope 1+2



Specifically, our Board of Directors seeks to maintain its oversight and expand its involvement in governance. When developing our business strategies, we assess our ability to respond to multiple climate change scenarios, including the IEA® WEO Sustainable Development Scenario (SDS®:scenario consistent with the Paris Agreement's goals of keeping average global temperature rise to well below 2 degrees Celsius compared to preindustrial levels, and pursuing efforts to limit it to 1.5 degrees Celsius), to evaluate our business portfolio. Regarding risk and opportunity assessment, we have an annual assessment and management cycle where risks and opportunities are explored in detail. We then implement measures and work plans developed from that process. As for the management of GHG emissions, we will strive to manage the progress while advancing efforts to achieve established climate change goals.

Facilitating CO_2 absorption through forest conservation is one of the five pillars of achieving climate change goals. By supporting Indonesia's Rimba Raya Biodiversity Reserve REDD+ 6 Project, INPEX came to an agreement with InfiniteEARTH in February 2021 on acquiring 5 million tons of carbon credits over 5 years starting in 2021.

We will continue advancing our efforts to achieve climate change goals.



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Climate Change Milestones

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2017

- Set internal carbon price (US\$35/tCO₂-e) for economic evaluation
- Established scenarios for a low-carbon society

2018

0

- Announced "Vision 2040" which targets renewable energy portfolio up to 10% of our total business portfolio by 2040
- Established Climate Change Strategy Group to promote actions against climate change within the Corporate Strategy and Planning Division

Q 2019

- Started economic assessments using the IEA WEO 2°C scenario
- Conducted trial physical risk assessments of the major operator facilities

2020

- Changed the Climate Change Strategy Working Group to an advisory body for the CSR Committee
- Established the Guideline for Assessing and Managing Climate-related Risks and Opportunities
- Acquired a CDP Climate Change score of "A-"
- Disclosed GHG emissions based on INPEX equity shares

9

2021

- Publish "Business Development Strategy" and establish the climate change goals
- Revise "Corporate Policy on Climate Change"
- Enact "Guidelines for Transactions and Management of VCUs*"
- * Verified Carbon Units

Efforts in Setting and Achieving Climate Change Goals

INPEX has established three goals in an effort to contribute to achieving a netzero carbon society in accordance with the Paris Agreement goals (keeping average global temperature rise since preindustrial levels to well below 2 degrees Celsius, and to further limit it to 1.5 degrees Celsius).

The first goal established was achieving net-zero emissions by 2050 in accordance with the Paris Agreement goals. The second is reducing the net carbon intensity by over 30% (compared to 2019) by 2030 as a process. Scope 1+2 emissions, which are emissions from INPEX's business process, are subject to these goals. The third is cooperating with all relevant stakeholders to work on

the reduction of Scope 3 emissions associated with combustion of sold oil and gas across the value chain.

Additionally, the specific countermeasures for achieving net-zero goals include (1) promotion of Carbon Capture Utilization and Storage (CCUS), (2) strengthening in renewable energy initiatives, (3) promotion of CO_2 absorption through forest conservation, (4) maintenance of methane emissions intensity (methane emissions / natural gas production) at its current low level (about 0.1%), and (5) zero routine flaring.

INPEX has set its own goals to contribute to realizing a net zero carbon society as outlined in the Paris Agreement.*1

*1: International treaty with the goal of keeping average global warming to well below 2 degrees Celsius 2050

NET ZERO *1

in absolute emissions (Scope 1+2)

*1: on INPEX equity share basis

2030

30% OR MORE*2

reduction of net carbon intensity (Scope 1+2)

*2: in comparison with 2019

Scope3

REDUCTION

work together with all relevant stakeholders to address challenges across the value chains

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INPEX Emissions

	2019	2020	Unit
Scope 1*1	8,557	7,328	thousand tons- CO₂e
Scope 2 ^{*1}	204	179	thousand tons- CO₂e
Net carbon intensity*2	41	35	kg-CO₂e/boe
Scope 3*3	82,626	77,305	thousand tons- CO₂e
Methane emissions intensity*4	0.10	0.07	%

INPEX'S Net Carbon Intensity

Scope 1 + Scope 2 - Offset*5

Production volume

Our net carbon intensity in 2020 was 35kg- CO_2e/boe , a reduction of 15% compared to the previous year.

- *1 INPEX's equity share emissions
- *2 Net carbon intensity including offset
- *3 For details, please refer to P92 of ESG Performance Data
- *4 Methane emissions intensity: calculated by methane emissions / natural gas production (%), using the similar method adopted by Oil and Gas Climate Initiative
- *5 The offset include reduction contributions from renewable energy as well as CO₂ absorption through forest conservation. Contributions from renewable energy are calculated based on the "Guidelines for Measurement, Reporting and Verification of GHG Emission Reductions in JBIC's GREEN" (the J-MRV Guidelines)

Supply Chain Emission Reduction Initiatives – Towards Scope3 Reduction

GHG emission data from LNG carriers, chartered by our wholly-owned subsidiary INPEX Shipping, are disclosed as INPEX Scope 3 emissions⁶. These carriers are used primarily for shipping LNG from Ichthys LNG project.

Additionally, we are promoting sales of "carbon-neutral LNG and natural gas" to our clients. "Carbon-neutral LNG and natural gas" refers to LNG and natural gas which is not considered to emit GHG in its lifecycle. It involves offsetting the GHG emissions across the entire process, from exploration of natural gas to shipping and combustion, with equivalent of CO₂ credit (carbon offset) in the sale of LNG and natural gas by INPEX. Along with our clients, we take the initiative on low carbon business through by providing carbon-neutral products like these.

Furthermore, we are working with contractors and suppliers towards reducing GHG emissions. In our "Health, Safety and Environment Policy," we have declared that "we pursue every effort to reduce GHG emissions and adhere to the GHG emission management process." We incorporate clauses requiring compliance with the "Health, Safety and Environment Policy" into our construction and procurement contracts, and we promote emission reduction efforts across the supply chain.



(3) Total Amount of Emissions from Production of LNG Gas to Combustion

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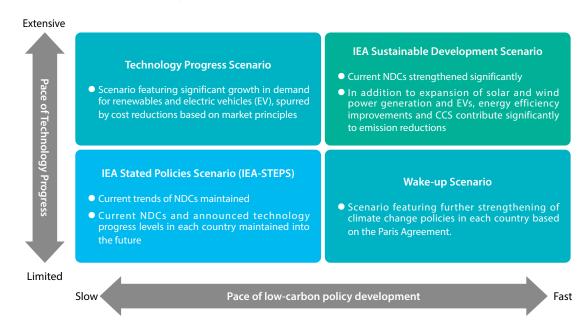
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With regard to outlook for business environment such as energy demand and supply toward a low-carbon society by 2040°, INPEX refers to the Stated Policies Scenario (IEA-STEPS) and the Sustainable Development Scenario (IEA-SDS) of the International Energy Agency (IEA)'s World Energy Outlook (WEO). Additionally, centering on these scenarios, we further assume INPEX's own scenarios: Technology Progress Scenario (scenario featuring significant growth in demand for renewables and electric vehicles (EV) spurred by cost reductions based on market principles), and a Wake-up Scenario (scenario featuring further strengthening of climate change policies in each country based on the Paris

Agreement). We use these four scenarios to examine our business strategies in the period of transition to a low-carbon society. Once a year, we review the scenarios in coordination with the timing of IEA WEO updates, and examine the direction of our strategies.

In January 2021, we formulated "Business Development Strategy: Towards a Net Zero Carbon Society by 2050" as a long-term business strategy utilizing these scenarios. Moving forward, we will continue quickly adapting to the changing business environment while utilizing the scenario reviews, and revising our business strategies and plans in conjunction with the trends in society.

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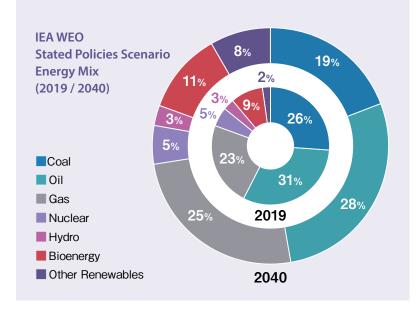
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Overview of IEA WEO Scenarios

IEA WEO Stated Policies Scenario (STEPS)

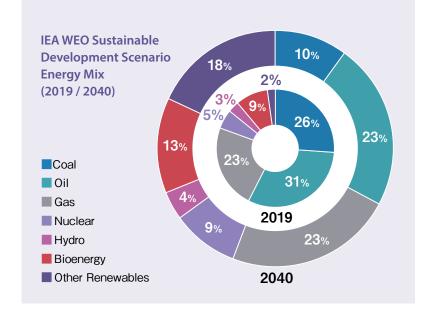
The IEA WEO Stated Policies Scenario (STEPS) of the International Energy Agency's World Energy Outlook assumes implementation of all currently announced policies. According to the STEPS in WEO2020, the world's primary energy demand will continue to grow through 2040, with oil and natural gas together accounting for 54% of the total demand. Although the share of renewables (excluding hydropower and biomass) in the energy mix is smaller than that of oil and gas, that share is forecasted to grow about four-fold in the period from 2019 to 2040.



IEA WEO Sustainable Development Scenario (SDS)

The IEA WEO Sustainable Development Scenario is a decarbonization scenario that assumes energy related targets of the United Nations Sustainable Development Goals (SDGs) are achieved. Under this scenario, electrification on a global level and reductions of GHG emissions contribute to achieving the Paris Agreement goals (keeping average global temperature rise to well below 2 degrees Celsius compared to preindustrial levels, with efforts to limit temperature rise to 1.5 degrees Celsius).

Energy efficiency will be improved significantly and primary energy demand will decrease towards 2040. On the other hand, the share of oil and natural gas in the total demand will remain at 46%. Also, demand for renewables will increase about nine times the 2019 level by 2040.



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INPEX recognizes that climate change is a critical business issue, and the Board of Directors maintains its oversight and expands its involvement. Specifically, the "Corporate Position on Climate Change" is a matter for resolution by the Board of Directors. In January 2021, we announced "Business Development Strategy: Towards a Net-zero Carbon Society by 2050", establishing the goal of net-zero emissions by 2050, in line with the Paris Agreement goals. Accordingly, we completely revised our "Corporate Position on Climate Change" in January 2021 and disclosed it externally. Further, we added "INPEX's Current Initiatives," which describes specific progress status for climate change measures based on our policy, and disclosed it externally in February 2021. In principle, "INPEX's Current Initiatives" will be updated on a yearly basis.

Climate Change Response and Directors' Compensation

Regarding INPEX's climate change measures, we establish qualitative goals for risk management and information disclosure in accordance with the TCFD Recommendations based on our "Medium-term Business Plan 2018-2022." The evaluation of the level of achievement are reflected in the bonus for the director in charge. Bonuses for representative directors and other directors are also calculated by comprehensively taking into considerations a range of factors such as ESG and HSE performance including climate change response, in addition to performance in main business operations based on net profits for the period.

Governance Framework for Climate Change Response



Roles

- Supervision of Corporate Position on Climate Change, and monitoring of climate change responses
- ② Decisions on assessments of climate-related risks and opportunities, and decisions on important goals relating to climate change
- 3 Cross-organizational team composed of about 30 members acting as an advisory body to the CSR Committee: Assessment of climate-related risks and opportunities
- 4 Collection, analysis, and reporting of GHG emissions according to the Health, Safety and Environmental (HSE) Policy



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Assessing and Managing Climate-related Risks and Opportunities

INPEX in principle assesses and manages climate-related risks and opportunities in an annual cycle. The promotion of climate change measures across the Company is handled by the Climate Change Strategy Group within the Corporate Strategy & Planning Unit of the Corporate Strategy & Planning Division.

Figure A. ISO31000 Process

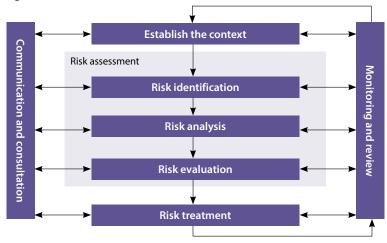
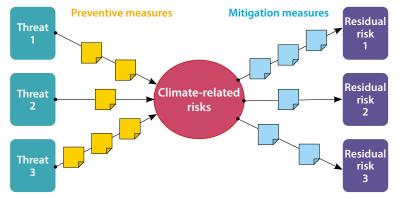


Figure B. Risk Analysis Process



Regarding climate-related risks, the "Climate Change Strategy Working Group (WG)," composed of about 30 members representing each of the divisions, implements assessments and formulates preventive and mitigation measures.

The process of risk assessment adheres to procedures in ISO31000 (2009) (Figure A), an international risk management standard. We update external and internal factors, share INPEX situations with the WG members. We then identify risks and analyze their causes, preventive measures, mitigation measures, and

Figure C. Risk Assessment Matrix based on TCFD Recommendations

				Likelihood		
		5 Highly unlikely	4 Unlikely	3 About as likely as not	2 Likely	1 Highly likely
	A	A5	A4	A3	A2	A1
	Significant	Medium-Low	Medium-High	Medium-High	High	High
Severit	B	B5	B4	B3	B2	B1
	Major	Medium-Low	Medium-Low	Medium-High	Medium-High	High
Severity of consequences	C	C5	C4	C3	C2	C1
	Moderate	Low	Medium-Low	Medium-Low	Medium-High	Medium-High
equences	D	D5	D4	D3	D2	D1
	Minor	Low	Low	Medium-Low	Medium-Low	Medium-High
3.	E	E5	E4	E3	E2	E1
	Insignificant	Low	Low	Low	Medium-Low	Medium-Low

FY2020 Workshop for Assessing Climate-related Risks and Opportunities



WG members from each division met in an online conference to assess the climate-related risks and opportunities based on the INPEX's low-carbon society scenarios.

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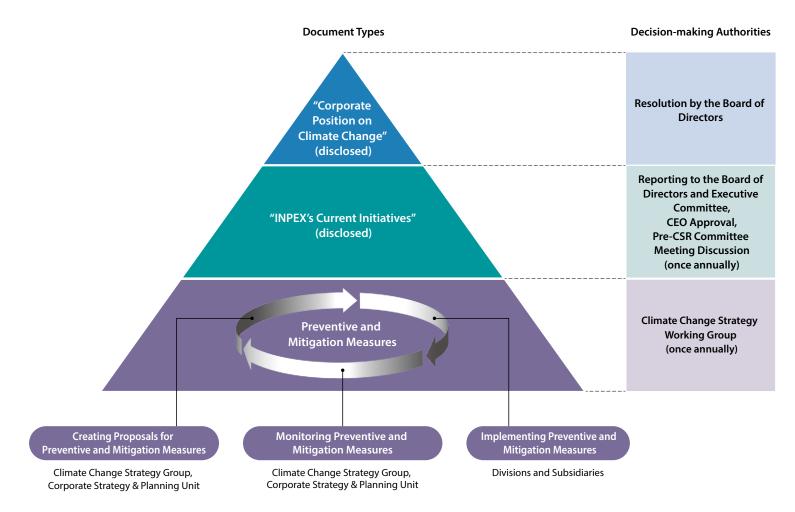
residual risks (Figure B). The residual risks are assessed using the "Risk Assessment Matrix based on TCFD Recommendations" (Figure C) created by INPEX.

Regarding climate-related opportunities, based on the "Business Development Strategy", we are working across the whole Company through creation of new divisions such as the Hydrogen & CCUS Development Office. We will add persons

in charge of these divisions as WG members, and effectively, efficiently assess and manage climate-related opportunities in INPEX's corporate policy.

Furthermore, WG evaluation results will be discussed in a CSR committee meeting as "INPEX's Current Initiatives" and reported to Executive Committee and the Board of Directors upon receiving approval from the CEO (Figure D).

Figure D: Process of Assessing and Managing Climate-related Risks and Opportunities



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FY2020 Status of Climate-related Risks: Assessment Coverage, Expected Timing and Action Plans

Medium-term one to five years

	Risk category	Risk description	Expected Risk Timing	Action plan	
	Policies and regulations (Scope 1 emissions)	Potential for increased costs due to introduction and strengthening of regulation that applies a direct or indirect price on carbon	Medium-term	Monitor carbon pricing policy frameworks in the countries in which INPEX operates business Raise internal carbon price from US\$35/tCO ₂ -e to US\$40/tCO ₂ -e as a base case, and implement economic evaluation of the projects using the base case	
	Technologies and markets (Decrease in oil and gas demand and prices)	Risk of decrease in oil and gas demand and prices due to decrease in the cost of renewable energy, electric vehicles and/or storage battery, or preference for low carbon energy in the market	Long-term	Conduct scenario-based monitoring of market and technology trend Financial assessment of portfolio using oil and carbon prices according to the IEA WEO Sustainable Development Scenario (SDS)	
Transition risks	Reputation (Scope 1 emissions)	Stakeholder concerns about Scope 1 emissions	Short-term	 Maintain methane emissions intensity (methane emissions / natural gas production) at its current low level (about 0.1%) Zero routine flaring by 2030 Net-zero by 2050, and over 30% reduction in net carbon intensity by 2030 Examine potentials of CCS in the Ichthys project operated by INPEX a operator Strengthen efforts in renewable energy business Promote CO₂ absorption through forest conservation 	
	Reputation (Scope 3 emissions)	Stakeholder concerns and a deteriorating image of the oil and gas industry due to Scope 3 emissions	Medium-term	 Engaging with stakeholders for reduction of Scope 3 emissions Promote development of natural gas Sell carbon-neutral LNG 	
	Reputation (Impact on financing activities)	Potential adverse impacts on financing activities due to a perception of insufficient information disclosure from investors and financial institutions	Medium-term	Conduct continuous disclosure in accordance with TCFD Recommendations	
	Acute risks	Risk of adverse impacts on operating facilities by extreme weather events	Medium-term	 For operator projects, conducted a trial risk assessment for operatifacilities regarding the rise in average temperature, changes in 	
Physical risks	Chronic risks	Risk of adverse impacts on operating facilities by long-term increase of average temperatures, changing precipitation patterns, and rising sea levels	Medium-term	precipitation patterns, rise in sea levels, and other climate change issues up to the mid-21st century according to the RCP [®] 8.5 scenario in the Intergovernmental Panel on Climate Change (IPCC [®]) Fifth Assessment Report • For non-operator projects as well, evaluate implementation status of physical risk assessment in FY2021	

Long-term

longer than five years

Short-term up to one year

⁹ Representative Concentration Pathways

⁽¹⁾ Intergovernmental Panel on Climate Change

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FY2020 Status of Climate Change Opportunities: Assessment Coverage, Expected Timing and Action Plans

	Opportunities	Opportunities covered	Expected opportunity timing	Action plan
Opportunities in resource efficiency	Improving energy efficiency	Energy efficiency improvements in production processes	Short-term	Design facilities with high energy efficiency and follow through maintenance plan to improve energy efficiency on a routine basis
Opportunities in energy sources	Utilization of renewable energy sources	Utilization of renewable energy sources in production processes	Long-term	Consider the potential of solar power generation for our projects established in sunbelt regions that receive high amounts of sunshine
	CCUS business development	Supply of cleaner energy by reducing CO_2 in upstream business operations	Medium-term	 Demonstration test of CO₂EOR[®] in Niigata Prefecture Consider CCS in the Ichthys LNG Project
	Developments in hydrogen business	In anticipation of the coming hydrogen society, develop towards production and supply of hydrogen	Long-term	 Demonstration project of integrated hydrogen business in Kashiwazaki, Niigata Prefecture, Japan Clean ammonia business in Abu Dhabi Carbon-free hydrogen business outside Japan
Opportunities in products and services	Expansion of renewable energy businesses	Accelerate efforts in geothermal power and offshore wind power business in Japan and abroad	Medium-term	 Geothermal: evaluate project development in Japan and Indonesia Wind power: plan to realize fixed-bottom wind power offshore Akita Prefecture and floating offshore wind power businesses
	Carbon recycling	Research and development of carbon recycling technology	Long-term	 Methanation: scale-up the Niigata test facilities in stages Artificial photosynthesis: install photosynthesis panels in Darwin, Australia
	Pioneering new business fields	Accelerate creation of business in new fields	Long-term	Evaluate drone utilization, methane direct cracking, and carbon material businesses
	Carbon-neutral LNG	Promoting sales of carbon-neutral LNG and natural gas	Medium-term	Promote sales through collaboration with our clients and partners
Market opportunities	Expansion of natural gas sales	Build global gas value chains	Medium-term	 Investigate participation in LNG receiving terminal businesses, gas-fired power station businesses, and LNG bunkering businesses outside Japan, particularly in Asia Supply natural gas to a smart energy company in Mizuho town, Nishi-Tam Tokyo
	Development of low- emission energy source	Promote oil and gas exploration	Long-term	• Push ahead with the Abadi LNG Project, Indonesia

① Enhanced Oil Recovery including enhanced gas recovery

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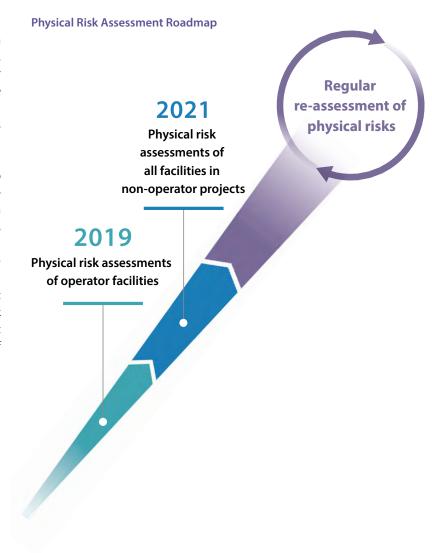
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Development of a Physical Risk Assessment Process

During FY2018, INPEX examined assessment processes of physical risks and established a road map for both operator and non-operator projects for which facilities exist. In the early 2020s, we aim to assess all facilities as early as possible. During FY2019, we conducted trial physical risk assessments of our major operator facilities. We initially used external data published in the RCP8.5 (Representative Concentration Pathways 8.5) scenario, which assumes most progressive global warming, in the IPCC fifth Assessment Report (AR5) to identify climate variables including mid-21st century's average temperature and sea level rises. Using such data, we identified risks at our major facilities in Niigata Prefecture, Japan and Darwin, Australia. In terms of chronic risks, while there may be adverse impacts to our operational efficiency, our assessment indicated that there was no immediate needs for facility repairs. In terms of acute risks, we focus on natural disasters, which appear to be occurring in Japan with greater frequency and force. While measures are being taken on the national level, we also examine our own measures using existing risk management framework. We currently focus on conducting pipeline risk assessment and formulating necessary countermeasures.

Additionally, we established a Climate Change Task Force in July 2019 as part of the technology roadmap for strengthening our technical capabilities. This task force is composed of about 15 cross-organizational engineers as members, and it assesses physical risks. In FY2021, INPEX will evaluate the implementation status of physical risk assessment of climate change in non-operator projects.



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Assessment of Financial Impacts of Climate-related Risks

INPEX uses two methods to assess the potential financial impact of climaterelated risks.

The first method is to assess the economic impact of internal carbon pricing on each of our projects. Since FY2021, we have implemented economic assessment using carbon pricing as a base case instead of using carbon pricing in a sensitivity analysis. This is because over 120 countries worldwide have already declared Net-Zero 2050, and it is considered likely that carbon pricing will be introduced in many of those countries as climate change policies are further strengthened. The INPEX's internal carbon price used is reviewed each year with reference to the carbon prices in the IEA WEO Stated Policies Scenario (STEPS). In FY2020, we adjusted our internal carbon price from US\$35/tCO2-e to US\$40/tCO2-e to reflect the IEA WEO carbon price forecast.

The second method is to assess the financial impact on our business portfolio. This is a financial assessment of the market risks on our portfolio due to the oil and carbon prices in the IEA WEO Sustainable Development Scenario (SDS: scenario consistent with the Paris Agreement's goals of keeping average global temperature rise to well below 2 degrees Celsius compared to pre-industrial levels, and pursuing efforts to limit it to 1.5 degrees Celsius). By applying trends in oil and carbon prices, as presented in the IEA WEO SDS, to the net present value (NPV) calculation for projects, we calculate the rate of change against a base case NPV as the impact on our portfolio. This method has been utilized in internal assessments since FY2018, and we acknowledge it to be an effective method for financial assessment of our portfolio while assumptions for the NPV calculation are difficult to make. We will continue efforts to elaborate the implementation standards of this method and to improve the competitiveness of our portfolio as we incorporate changes in the business environment.

Two Approaches to Financial Assessment

Financial assessment method	Economic assessment of projects using internal carbon price (US\$40/tCO2-e)	Financial assessment of the portfolio due to application of oil prices and carbon prices according to the IEA WEO Sustainable Development Scenario (SDS)
Metric	NPV due to application of internal carbon price (base case NPV)	Rate of change in NPV due to application of IEA WEO SDS indicator prices (sensitivity analysis)
Status	Assumed as base case since FY2021	Implemented since FY2018

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2	Describe management's	role in assessing and managing climate-related risks and opportunities.	Message from the Director in Charge of Climate Change response Governance Framework for Climate Change Response	P71
St	rategy	Disclose the actual and potential impacts of climate-related risks financial planning where such information is material.	and opportunities on the organization's businesses, strate	gy, and
1	Describe the climate-relamedium and long term.	ted risks and opportunities the organization has identified over the short,	· Climate-related Risks and Opportunities	P79-80
2	Describe the impact of c strategy and financial pla	imate-related risks and opportunities on the organization's businesses, nning.	• "Business Development Strategy: Towards a Net-Zero Carbon Society by 2050"	P04-11
3		f the organization's strategy, taking into consideration different climate- ng a 2°C or lower scenario.	The INPEX Low-Carbon Society Scenarios Assessment of Financial Impacts of Climate-related Risks Application of Internal Carbon Price	P74 P82 P82
Ri	sk Management	Disclose how the organization identifies, assesses and manages	climate-related risks.	
1	Describe the organizatio	n's processes for identifying and assessing climate-related risks.	Assessing and Managing Climate-related Risks and Opportunities	P77-78
2	Describe the organizatio	n's processes for managing climate-related risks.	Assessing and Managing Climate-related Risks and Opportunities	P77-78
3	Describe how processes into the organization's ov	for identifying, assessing, and managing climate-related risks are integrated rerall risk management.	• Risk Management System	P32
М	etrics and targets	Disclose the metrics and targets used to assess and manage relevant	climate-related risks and opportunities where such information	is material.
1		by the organization to assess climate change-related risks and opportunities and risk management process.	Managing the Environment and GHG EmissionsClimate Change Response and Directors' Compensation	P56-57 P76
2				
	Disclose Scope 1, Scope	2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	• ESG Performance Data: Climate Change< Target Management>	P92

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

To further enhance efforts toward diversity, one of the INPEX Values, the Company communicated its basic policy on diversity and inclusion (D&I) to all stakeholders. Based on this policy, the company promotes D&I by aiming to become an organization where a diverse workforce - which includes females, people with disabilities, LGBT, and foreign employees - can be comfortable and active at work. The company believes that promoting D&I through various initiatives will improve organizational capability, building a strong reputation that gains acceptance from the global society.

INPEX HR VISION

1 Talent Attraction and Engagement

Make INPEX the best place to work – "employer of choice"

- Employee satisfaction and opportunity for growth
- Total Reward

2 Organization Effectiveness

Maximize team performance through HR Management Process

- Workforce planning and organization review
- Optimized staffing planning within the organization

Focus on People
Development

Development of future leaders and global workforce capability

- Development of future leaders
- Talent management cycle
- Diversified career development programs

HR Excellence

Support business strategy with world-class functional expertise

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



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Human Resource Development

INPEX provides a combination of e-learning and group training to develop the skills and mindset necessary to work in a large energy business, as well as practical training through overseas opportunities, enabling employees to provide long-term contribution to the business.

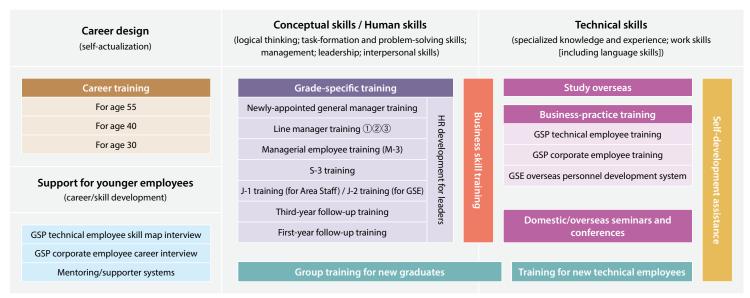
A revision of grade-specific training was performed in FY2020, and training courses for leadership and assessment were initiated for management level employees to strengthen the management competency. In addition, opportunities such as training at overseas offices and study at specialized overseas training institutions are provided for practical training for younger employees to enable them to quickly become active in the international business environment (not held in FY2020 due to COVID-19).

The Company supported the employees who joined in FY2020 through an online group orientation at the start of April, showing them the fundamentals of working for a business (including remote work) and helping them learn about the Company,

and also held various training sessions throughout the year to help them become accustomed to their place of work. There is an established mentoring system (for first-year employees) and a supporter system (for second- and third-year employees) whereby a veteran mentor is assigned to each young employee to provide work-related guidance and moral support. Additionally, the Company fosters young employees to become future leaders in the medium- to long-term by providing career-focused discussions, which include their superior and a representative of HR, and skill-map based interviews tailored for each technical field to measure their development. The Company expanded the FY2019 "Career Design Training", which is targeted to senior-level employees in later stages of their careers, to include people their 30s and 40s from FY2020, assisting people to build their own careers.

Furthermore, the Company supports active learning in the form of a self-development assistance program, which encourage autonomous learning and training on business skills, consisting of a variety of e-learning materials.

Human Resource Development Curriculum



To form a common understanding for business among employees and using these to train the organization's thinking skills and deliver results as an organization (train the ability to execute and adapt using grade-specific training with a common understanding as the foundation)

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HR Evaluation and Placement Structure

To efficiently meet the organizational goals and targets established by each division, the Company aims to maximize the motivation of each employee by establishing and implementing concrete processes toward their own annual objectives on an individual level. An INPEX Values-based evaluation process is implemented at all sites, including Australia and Indonesia, with the degree to which INPEX Values are demonstrated in operations being an important assessment criterion. In this way, employees with diverse backgrounds and values can go about their tasks, sharing and understanding of the values expected of INPEX employees. Not only will the employees achieve their individual goals, but they are also encouraged to deliver results for the entire organization. Furthermore, employees are given the opportunity once a year to report desired work contents or transfer requests, and a new internal job posting scheme, which facilitates appropriate staffing and appointment while maximizing the motivation of each employee, was also introduced in FY2017. In addition, a job return program has been implemented since April 2020.

This establishes a framework allowing employees who had resigned due to unavoidable personal reasons to return to their jobs if desired. Furthermore, INPEX initiated an internal side-work scheme in March 2021, creating the environment necessary for employees to take on challenges beyond their business unit or field of work so they can develop their own careers.

Also, an employee engagement survey was carried out from late 2019 through early 2020 for employees throughout the Group, both in Japan and overseas, to gauge their motivation and identify issues in their respective business units, personnel policies, and the promotion of Vision 2040. Responses were received from approximately 75% of the subject audience, which consisted of executives and employees from the INPEX Group including domestic subsidiaries. The company will take the information revealed in the survey and apply it to personnel policy, system improvements and other proposals, in order to build a more motivating and rewarding organization.

Activities for the Global Promotion of INPEX Values among Employees

Since FY2014, INPEX has been carrying out activities to promote its corporate values, known as INPEX Values.

Through company-wide surveys, the Company collects nominations for "Values People" and "Values Teams" who are employees, executives, contractors, and teams who demonstrate their ability to put the INPEX Values into practice. Those who receive multiple nominations are interviewed, and the content is shared through the local network. The most popular interviews are selected by vote for the INPEX Values Award, a part of the program which improves awareness of the INPEX Values. The level of awareness is measured through the employee engagement survey.



2020 Interviewees

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Initiatives to Maintain and Improve Health

Promoting Diversity

Promoting the Advancement of Female Employees

In accordance with the basic policy on D&I, the Company is actively creating an environment in which female employees can fully utilize their abilities. In Japan, the Company established the "General Employers Action Plan" in accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace, through which the Company ensures at least 25% of new graduate hires are female - an objective that has been achieved every year during the period from 2019 to 2021. In addition, in FY2019 the Company conducted career training for female employees in their fourth and fifth years of employment, an initiative toward further empowerment of female employees.

Promotion of women's participation and advancement is an important consideration outside of Japan as well. On International Women's Day on March 8, 2021, the Company advocated for the importance of gender equality in the workplace with an article in the company-wide publication which summarized the current status of efforts to promote active participation by women in all global offices, as well as in a message from the CEO to the employees.

The company also promotes diversity among senior executives. In March 2020, the Company appointed its female executive officer through internal promotion. This is the third case in the executive level following appointment of a female outside director and auditor.

Promoting Employment of Persons with Disabilities

INPEX has been proactive in hiring persons with disabilities, giving consideration to factors such as job description and workplace environment. At the end of FY2020 (as at December 31, 2020), the number of employees with disabilities was 40 (the proportion of employed persons with disabilities is 2.56%). Starting in 2020, working from home has become commonplace, which creates working conditions that are more suited to persons with physical disabilities, such that the company has maintained an employment rate which exceeds the legally

required rate. Additionally, the wearing of masks during the pandemic created challenges for employees with hearing disabilities to communicate through lip-reading (interpreting speech based on mouth movement), so a chat-based social gathering and other measures of support were initiated.

Building an Environment in which a Diverse Workforce can Flourish

INPEX is building an environment which enables employees from a wide variety of backgrounds to work to their fullest potential. Part of this effort is the continuation of initiatives related to the lesbian, gay, bisexual, and transgender (LGBT) community. The company has been holding LGBT training for employees in Japan since FY2018, and in FY2021 it also arranged for same-sex partners and their children to be recognized family members under all the Company's policies, including special leave for marriage, in order to create a positive working environment for LGBT individuals.

In recognition of such initiatives, INPEX was awarded a Silver Work With Pride 2020 rating for the second consecutive year, an index that evaluates workplace initiatives for sexual minorities such as those in the LGBT community.

Furthermore, INPEX provides support for employees with foreign nationality, including company policies and the local network being available in English, provision of Japanese lessons, and support to obtain visas, in order to reduce the barriers faced when working in Japan.

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Work Style under COVID-19 Pandemic

In the face of the growing COVID-19 pandemic which began in early 2020, INPEX considered and implemented policies to protect the health and livelihood of employees and their loved ones, and ensures continuation of critical business operations while raising awareness among employees throughout the world via HSE alerts from the Corporate Crisis Management Team. For example, the Company regularly notified the revised rules and infection precautions to head office personnel, including modified seating arrangements and restricted use of meeting rooms. Additionally, the Company optimized the IT environment to enable flexible work and implemented online training to improve the skills of employees as they worked remotely. The Company also devised comprehensive infection precautions at both domestic and overseas operation sites, such as shift rotations for essential operating personnel and quarantine treatment plans.

In addition, INPEX is devoting time and effort to create initiatives which assist the management of work, teams and health during the remote work environment. Such initiatives include mental health awareness, seminars for managing teams remotely, and a well-being workshop.



Graphical representation of the Well-being Workshop (created by a participating employee)

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Promoting Work-life Balance

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

To promote a healthy work-life balance, a company-wide flextime work scheme was introduced in April 2019, which was previously limited to employees with childcare and nursing care responsibilities. In addition, a work from home scheme was implemented for office-based staff in April 2020. Core time was eliminated from the flextime work policy in April 2021, and all employees at domestic sites of operation are eligible to use the policy. INPEX also encourages employees to take consecutive days off during summer and designates paid-leave promotion days.

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

Not only does the company focus on working hours and holidays, but INPEX also respects diversity. A year-round "business casual" work wear policy was introduced in FY2018 to make the work environment even more motivating for employees.

Support for Child Raising and Nursing Care

INPEX supports work-life balance for employees who are either parenting or providing care to family members. A variety of support mechanisms that go beyond the legal requirement have been created for all employees.

Parenting is an important life event, so managers who have staff with parental responsibilities have been receiving training since FY2017 to ensure those employees can care for their children while continuing to work. Male employees are encouraged to participate in parenting by making the benefits available to those who take parental leave easily accessible. As a result of these efforts, the percentage of males taking parental leave has maintained a high level (around 40%) in recent years.

Through initiatives such as these, INPEX was certified as a company that "supports parenting", and it obtained the Next Generation Support Certification (known as Kurumin Mark) from the Tokyo Labor Bureau for the third time in recognition of the measures taken from FY2015 to FY2017.

Further, INPEX supports a balance of work and care responsibilities by flexibly applying care leave for those with elderly parents even if they are not certified care recipients.

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Promoting Health Management

INPEX Group Health Statement

With a basic approach that the mental and physical health of all employees is the foundation of INPEX, the Company recognizes health management is a material issue of its management. In September 2018, the INPEX Group Health Statement was formulated to clarify the Company's position to support and improve the health of employees and their families, with an appointment of the President and CEO as "Chief Health Officer."

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

Operation of Health Management

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

Initiatives to Maintain and Improve Health

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

To maintain and improve the health of employees, INPEX has implemented a range of measures such as a 100% participation in annual health checks. These include measures related to mental health and overwork, isolation of smoking areas, holding of health seminars for female employees, and the introduction of health apps. To further enhance those initiatives, INPEX is establishing and working toward concrete targets for participation in health checks, participation in stress checks, managing overtime work hours, increasing the take up of paid leave, participating in specific health checkups, and implementing specific health quidance.

Employees posted to positions outside Japan are provided with immunization against infectious diseases and health checks in Japan once a year. They also receive information on medical care in their assignment places, and are covered by an emergency transportation which includes international transportation in case of injury or sickness.

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[Activity for Maintaining and Improving Health]

<General Health Measures>

- Establishment of a health management committee
- Establishment of an in-house clinic (occupational physician/public health nurse/ nurse)
- Establishing a health consultation service
- Supporting lifestyle improvement
- Health check cost support
- Occupational physician consultation based on result of health check
- Health-related seminars
- Stretching and yoga courses for stiff shoulders and lower back pain
- Health management seminars for female employees
- Morning warm up sessions (before work)
- Welfare activities
- Encouraging the use of sports facilities
- Provision of flu vaccinations including cost support
- Recognition of vaccinations as working time
- Vaccinations and occupational physician advice for overseas expatriates
- Hvgiene lecture about alcohol
- Support for cancer screenings

<Mental Health Measures>

- Work-life balance promotion
- · Mental health awareness sessions
- Mental health consultations and counseling
- Return-to-work program establishment
- Stress check awareness program
- Recognition of Wednesdays as work-life balance days
- Regular reporting of overtime work (number of individuals / divisions, etc.) at board meetings
- Summer promotions for use of leave
- Anger management sessions
- · Harassment-related training

<Measures to Reduce Smoking>

- Designated "no smoking day" and "no smoking week"
- Internal announcements encouraging people to quit smoking

<COVID-19 Measures>

Compliance

- Formulation of a Business Continuation Plan (BCP) during the pandemic
- Establishment of the COVID-19 Corporate Crisis Management Team
- Introduction of a work from home scheme
- Abolishment of core time from flexible work policy
- Special leave days allocated for COVID-19 precaution
- Provision and use of alcohol sanitizers in the office
- Health confirmation and reporting (temperature, etc.)
- Establishing office work rules for people with fever, family member infection and close contact situations
- Devised communication procedures for reporting between work sites and health representatives
- Distribution of an employee action policy which prioritizes employee health
- Introduction of modified shift rosters and reduction of contact among employees
- Promotion of staggered commute times and flextime to avoid peak travel times
- Special consideration for employees at higher risk of severe infection, such as those with underlying health issues
- Modified seating arrangements to reduce congestion
- Circulation of information related to infection precautions
- Conducting of surveys related to remote work

INPEX Recognized Under 2021 Health & Productivity Stock Selection Program as well as Selected as a "White 500" Organization Under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program

INPEX has been recognized for the second consecutive year under the resources category of the 2021 Health & Productivity Stock Selection Program jointly operated by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). At the same time, INPEX has been recognized for the third consecutive year as a White 500 organization in the large enterprise category of the Certified Health & Productivity Management Organization Recognition Program. The Health & Productivity Stock Selection Program is a program where METI and TSE jointly select listed companies engaging in health and productivity management strategically carrying out efforts regarding their employees' health from a management perspective—who are outstanding in their initiatives. White 500 falls under the large enterprise category of the Certified Health & Productivity Management Organization Recognition Program, which is a program where METI and the Nippon Kenko Kaigi jointly select outstanding enterprises engaging in efforts to advance health and productivity management.

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



^{*}The term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee.

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Item		Boundary	FY2018	CY2018, Jan -Dec (For reference)	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit	
Direct GHG Emissions (Scope1)* **1,2			-	-	8,557	7,328	thousand	
Indirect GHG emissions (Scope2)* **1,2		Equity Share **6	-	-	204	179	tons-CO₂e	
Net Carbon Intensity ^{*3}			-	-	41	35	kg-CO₂e/ boe	
Indirect GHG Emissions (Scope3)*1	Category 1	Purchased Goods and Services	Operational Control*7	171	210	100	83	
	Category 4&9	Upstream/Downstream Transportation and Distribution**4	Equity Share ^{*6}	101	69	140	142	thousand tons-CO₂e
	Category 11	Use of Sold Products ^{*5} ✓		56,110	52,899	82,386	77,080	
Methane Emissions Intensity		Operational Control*7	-	-	0.10	0.07	%	

^{*}Of the equity share emissions in 2020, we have obtained a third-party verification for Scope1 emissions 5,116 thousand tons
in and Scope2 emissions 45 thousand tons
from the production projects where INPEX takes the role of operator excluding Copa Macoya Area in Bolivarian Republic of Venezuela, INPEX headquarters and technical research center.

Renewable Energy

Boundary	Item	FY2018	CY2018, Jan -Dec (For reference)	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit	
Consolidated		Domestic	5,809	-	5,810	5,687	A 43 A d
	Electricity Generated Using Renewable Energy	Overseas	441,668	-	369,223	366,311	MWh
	Total Investment in Renewable Energy **8	1,368	-	1,451	473	million yen	

ESG Performance Data

HSE < Environmental Data>

Boundary			Item		FY2018	CY2018, Jan -Dec (For reference)	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit
				Energy Use	172	171	170	151	
			Domestic√	Flaring	3	3	8	11	
			Domestic	Other Ventings & Fugitives	20	21	30	11	
		Emissions		Raw-CO₂ Venting	178	180	167	152	
		Source		Energy Use	1,716	1,013	3,322	3,239	
			Overseas **	Flaring	2,083	1,470	2,705	1,501	
	Direct GHG		Overseas	Other Ventings & Fugitives	53	29	131	96	
	Emissions			Raw-CO₂ Venting	825	295	2,354	2,469	
	(Scope1)**1,2	Gas Types		CO ₂	348	350	339	308	thousand tons-CO₂e
			Domestic√	CH₄	25	26	35	16	
				N ₂ O	0.03	0.03	0.03	0.03	
Operational			Overseas **	CO ₂	4,445	2,688	8,189	7,077	
Control ^{*7}				CH ₄	209	102	294	213	
				N ₂ O	24	17	29	15	
	Total				5,051	3,183	8,887	7,630	
	In dies at CUC as	Indirect GHG emissions			38	40	42	44	
	(Scope2) *1,2	1112210112	Overseas **		2	2	2	1	
	(эсорег)		Total		41	42	44	45	
				Fuels (oil, natural gas, etc.)	3,367	3,360	3,330	2,953	
		Dom- Energy Consumption*9		Purchased Electricity and Heating	686	691	709	700	
	Energy Consun			Fuels (oil, natural gas, etc.)	31,886	18,252	62,284	62,501	TJ
			Overseas	Purchased Electricity and Heating	22	22	21	13]
			Total		35,961	22,325	66,344	66,168	

^{**}Of the overseas emissions in 2020, we have obtained a third-party verification for Scope1 emissions of 7,250 thousand tons 🗸 and Scope2 emissions of 1 thousand tons 🗸, from the production projects where INPEX takes the role of operator excluding Copa Macoya Area in Bolivarian Republic of Venezuela.

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Boundary		lter	FY2018	CY2018, Jan -Dec (For reference)	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit	
			Domestic√	531	542	548	394	
		VOC **10	Overseas	11,429	9,239	7,712	5,428	
			Total	11,960	9,782	8,260	5,822	
	F. C. C. C. C. C.		Domestic√	154	153	152	119	
	Emissions to the Atmosphere	NOx	Overseas	3,891	3,796	3,419	2,870	tons
	Attriospriere		Total	4,045	3,950	3,571	2,989	
			Domestic √	6	6	6	5	
		SOx	Overseas	5	5	417	1,588	
			Total	11	11	422	1,593	
			Tap Water	170,182	173,663	180,493	190,420	
		Domestic√	Water for Industrial Use	180,536	181,848	179,962	178,754	m³
		Domestic	Groundwater and Surface Water	780,154	824,543	751,151	626,584	
			Total	1,130,872	1,180,054	1,111,606	995,758	
	Fresh Water	Overseas	Tap Water	6,541	6,646	651,518*11	601,730	
	Consumption		Water for Industrial Use	0	0	0	0	
			Groundwater and Surface Water	708	520	745	40,511	
			Total	7,249	7,166	652,263*11	642,241	
		Total	Total		1,187,220	1,763,869*11	1,637,999	
Operational	Discharge of Produced Water	Domestic√	Discharged into Public Water Areas	115,297	115,918	132,993	102,186	m³
Control*7			Injection Return to Groundwater	438,696	459,428	336,508	385,322	
Control			Total	553,993	575,346	469,501	487,508	
		Overseas	Discharged into Public Water Areas	105,205	47,918	322,525	411,356	
			Injection Return to Groundwater	0	0	0	916,546	
			Total	105,205 659,198	47,918	322,525	1,327,902	
		Total			623,264	792,026	1,815,410	
			Non-hazardous Waste (Recycle)	1,090	1,836	1,315	1,249	
		Domestic **13 √	Non-hazardous Waste (Final disposal)	818	767	586	601	
		Domestic	Hazardous Waste (Recycle)	0	0	0	0	
			Hazardous Waste (Final disposal)	586	493	996	760	
			Total	2,494	3,096	2,897	2,610	
	Waste*12		Non-hazardous Waste (Recycle)	2	2	6	3	tons
		Oversees	Non-hazardous Waste (Final disposal)	79	80	57	7,765	
		Overseas	Hazardous Waste (Recycle)	0	0	0	0	
			Hazardous Waste (Final disposal)	0	0	0	0	
			Total	81	82	63	7,768	
		Total		2,575	3,178	2,960	10,377	
	Oil Spills		Number of Spills	3	6	5	4	cases
	Oii apiiis		Quantity of Spills	14	14	36*11	814	bbl

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Compliance Social

Boundary	Item	FY2018	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit	
		Japan	8	11	8	
		Australia	3	2	1	
Japan, Australia, Indonesia, Norway, U.S.	Number of Internal Reports	Indonesia **14	59	60	62	cases
muonesia, Norway, o.s.		Norway	=	-	0	
		U.S.	=	-	2	
Japan	Human Rights Training (provided for new employees)	Attendance Ratio	100	100	100	%
Japan		Training Hours	16	16	16	hours
Australia	Equal Employment Opportunity Training	Attendance Ratio*15	84.2	82.2	84.1	%
Japan, Australia, Indonesia	Anti-Bribery and Anti- Corruption (ABC) Training	Japan*16	116	233	106	
		Australia	616	1,444	845	persons
		Indonesia	245	258	176	

Boundary	Item		Year	Amount	Unit
Consolidated	Payment Amounts to Governments (EITI)	Kazakhstan* ¹¹	2019	20,979	
		East Timor	2018	39,464	thousand
		Indonesia	2018	14,240	USD
		D.R. Congo	2020	14,400	

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ESG Performance Data

HSE < Health & Safety>

Boundary			Item		FY2018	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit
				Employees	0.42	0.00	0.31	
			By Contract ✓	Contractors	0.16	0.68	0.20	
				Total	0.23	0.32	0.26	
				Japan	0.48	0.00	0.23	
		LTIF **17		Australia	0.19	0.43	0.17	_
			Py Pagion	Indonesia	0.00	0.00	0.00	
			By Region	Venezuela	0.00	3.38	0.00	
				UAE ^{**19}	-	0.00	12.58	
	Incident			U.S.**20	-	0.00	0.00	
	Frequency			Employees	1.55	0.46	0.92	
	' '		By Contract ✓	Contractors	1.96	3.22	3.91	
				Total	1.85	1.78	2.24	
				Japan	0.96	0.25	1.37	
		TRIR **18		Australia	2.12	2.71	2.90	_
				Indonesia	0.00	0.00	0.00	
			By Region	Venezuela	0.00	3.38	6.26	
				UAE**19	-	0.00	12.58	
				U.S.**20	-	2.63	0.00	
	'			Employees	0	0	0	persons
				Contractors	0	0	0	
Operational				Total	0	0	0	
Control*7	Fatalities			Japan	0	0	0	
				Australia	0	0	0	
			D. D	Indonesia	0	0	0	
			By Region	Venezuela	0	0	0	
				UAE ^{**19}	-	0	0	
				U.S.**20	-	0	0	
				Employees	3	0	2	
			By Contract	Contractors	3	4	1	
				Total	6	4	3	
				Japan	2	0	1	
	Lost Time Injury			Australia	4	3	1	cases
			By Region	Indonesia	0	0	0	
			by Negion	Venezuela	0	1	0	
				UAE ^{**19}	-	0	1	
				U.S. ^{**20}	-	0	0	
				Employees	6	2	0	
	Restricted Workd	ay Injury	By Contract	Contractors	14	7	15	cases
				Total	20	9	15	
				Employees	2	1	4	
	Medical Treatmer	nt of Injury	By Contract	Contractors	20	8	4	cases
				Total	22	9	8	

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Local Communities

Boundary		FY2018	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit	
		Education and Fostering Future Generations	581.0	592.8	529.9	million yen
		Support for Local Communities	679.3	1,329.3	1,347.3	
		Health, Medicine and Sports	15.2	44.3	49.1	
	Social Investment	Support for Disaster-affected Areas	11.4	20.4	79.3	
		Environment	320.5	204.2	136.9	
Consolidated		Culture and Arts	7.4	7.2	6.6	
		Others	0.0	40.7	47.0	
		Total	1,614.7	2,239.1	2,196.3	
	Davida de la Carria de Car	Jakarta office	58.3	66.7	61.5	%
	Percentage of Senior Executives Appointed from Local Communities**21	Perth office	59.1	72.2	73.3	
	Appointed nort Local Communities	Total	58.9	70.6	69.8	

Employees < Employment>

Boundary				Item	FY2018	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit
				General Employees	1,792 (78.0)	1,776 (77.8)	1,767 (75.8)	
			Male	Managerial Employees	779 (94.9)	787 (94.4)	787 (94.6)	
		By Gender		Total	2,571 (82.5)	2,563 (82.2)	2,554 (80.7)	persons (%)
Consolidated		(Figures in parentheses denote the ratio)		General Employees	505 (22.0)	505 507 (22.0) (22.2) 42 47	564 (24.2)	
	Overall Employees	the fatio)	Female	Managerial Employees	42 (5.1)	47 (5.6)	45 (5.4)	
				Total	547 (17.5)	554 (17.8)	609 (19.3)	
			Total		3,118	3,117	3,163	
			_	Male	2,571	2,563	2,554	
			Permanent Employees	Female	547	554	609	persons
		By Employment	Limployees	Total	3,118	3,117	3,163	
		Contract	_	Male	572	478	387	
			Temporary Employees	Female	185	182	130	
			Linployees	Total	757	660	517	

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Boundary			tem	FY2018	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit	
				Permanent Employees	1,609	1,622	1,776	
			Japan	Temporary Employees	273	292	198	
				Total	1,882	1,914	1,974	
				Permanent Employees	1,297	1,265	1,153	
			Asia and Oceania	Temporary Employees	425	296	238	
				Total	1,722	1,561	1,391	
				Permanent Employees	35	40	38	
Consolidated	Overall Employees	By Region	Eurasia	Temporary Employees	12	11	9	persons
				Total	47	51	47	
				Permanent Employees	82	94	93	
			Middle East and Africa	Temporary Employees	5	11	19	
			Airica	Total	87	105	112	
				Permanent Employees	95	96	103	
			Americas	Temporary Employees	42	50	53	
				Total	137	146	156	
				Male	975	981	1,079	
	Employees ^{*22}			Female	219	228	285	persons
			Total	1,194	1,209	1,364		
			Male	16.7	16.2	14.9	years	
	Average Length of Service			Female	11.4	12.3		11.1
				Total	15.8	15.5	14.1	
	N. alexander (C. C. T. alexander)		Male	29 and under	6	1	10	persons
				30-60	8	12	17	
				Total	14	13	27	
				29 and under	3	5	3	
	Number of Stall Turr	Number of Staff Turnovers		30-60	3	1	6	
Unconsolidated				Total	6	6	9	
			Total Number of Staff Tui	rnovers	20	19	36	
			Staff Turnover Rate **23		1.68	1.58	2.65	%
				Male	44	41	38	
			New Graduate Hires	Female	12	14	18	persons
	Recruitment			Total	56	55	56	
	Recruitment			Male	0	15	16	
			Mid-career Hires	Female	4	5	5	persons
				Total	4	20	21	1
			o Local Minimum Wage *2		1.17	1.20	1.08	times
	Number of Employe	es Working und	der Re-employment Contra	icts	49	54	22	persons
	Labor Union Participation Rate *25				60.7	60.6	61.3	%

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ESG Performance Data

Employees < Work-life Balance>

Boundary	ltem			FY2018	FY2019	FY2020 (Apr 2020 - Mar 2021)	Unit
-	Monthly Average of Overtime Work			18.2	18.2	21.3	hours
			Male	15.1 (80.6)	14.2 (74.5)	11.9 (63.1)	days (%)
	Average Days of Paid Leave Taken () Average Rate of Paid Leave Taken*26	5	Female	15.9 (86.7)	15.4 (83.1)	12.5 (71.5)	
		· · · · · · ·		15.2 (81.7)	14.4 (83.3)	12.0 (65.0)	
	Rate of Receipt of Physical Examination	ns and Checku	os	100	100	100	%
	Number of Employees Taking Maternit	ty Leave		21	20	20	persons
			Number of Employees	20	26	24	persons
		Male	Rate of those returning to work **29	100	100	100	0.4
			Retention Rate **30	91.7	94.4	100	%
	Number of Employees Taking		Number of Employees	31	39	26	persons
	Advantage of Parental Leave	Female	Rate of those returning to work **29	100	93.8	100	%
	System ^{*27, 28}		Retention Rate **30	100	100	100	
			Number of Employees	51	65	50	persons
		Total	Rate of those returning to work **29	100	97.5	100	%
			Retention Rate **30	95.5	95.8	100	
	Number of Employees Taking Advantage of Shortened Working Hours for Childcare, and Flextime Work System		Male	37	2	3	persons
Unconsolidated			Female	44	35	33	
			Total	81	37	36	
	Number of Employees Taking Child Healthcare Leave		Male	40	42	24	persons
			Female	41	51	33	
			Total Male	81	93	57	
	Number of Employees Taking Advanta	Number of Employees Taking Advantage of		45	54	53	-
	Childcare, Nursery, and Babysitter Subs		Female	18	29	26	persons
	N 1 (5 1 T): A1	-	Total Male	63	83	79	
	Number of Employees Taking Advanta Nursing	ge or	Female	0	0	0	
	Care Leave System		Total	0	0	0	persons
	,		Male	0	0	0	
	Number of Employees Taking Advanta		Female	1	0	1	persons
-	Shortened Working Hours for Nursing	Care System	Total	1	0	1	p 2.22
	N		Male	8	13	14	
	Number of Employees Taking Special L Family Care	_eave for	Female	6	6	8	persons
	rarrilly Care		Total	14	19	22	
Ī	Number of Employees with Disabilities (Figures in parenthesis denote the per-	l employment)	35 (2.2)	35 (2.1)	39 (2.4)	persons (%)	
	Number of Employees Utilizing Volunt	eer Leave Syste	em	27	13	2	persons

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ESG Performance Data

Employees < Human Resource Development>

Boundary	Item			FY2018	CY2019, Jan -Dec	CY2020, Jan -Dec	Unit
			Level-specific Training	447	436	439	
			Career Design Training**31	-	81	249	
			Business Skill Training	132	184	651	
	Number of Participants in Training Programs		Overseas and Domestic Business- Practice Training	75	75	59	persons
			Study Overseas Program	9	8	7	
			HSE Training **32	1,504	146	36	
	Training Hours per Person **33	By Gender	Male	86.8	161.8	69.6	hours/ persons
Unconsolidated			Female	67.0	134.8	32.0	
		Total		82.7	160.2	61.8	
	Training Expenditure per Person*33			193,368	206,663	151,046	yen
			Male	100	100	100	
		By Gender	Female	100	100	100	
	Employees who Seek Personal	Total		100	100	100	0/
	and Career Development Reviews Regularly	Category of Employee	Managerial Employees	100	100	100	%
			General Employees	100	100	100	
		Total		100	100	100	

Governance Governance

Boundary	Item		As of June 25, 2019	As of March 25, 2020	As of March 25, 2021	Unit	
		Male	41	41	41		
		Female**34	1	3	3	persons	
	Directors and Executive Officers	Total Number of Directors and Executive Officers	42	44	44		
Consolidated		Outside Directors (Figures in parentheses denote the ratio of Outside Directors)	6 (40)	6 (43)	6 (43)	persons	
		Outside Auditors (Figures in parentheses denote (%) the ratio of Outside Auditors)	3 (75)	4 (80)	4 (80)	(%)	

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Scope of Report

INPEX CORPORATION and its 63 consolidated subsidiaries.

■ Reporting Scope

- Only Employees < Work-life Balance> data covers the period from April 1 of the same year to March 31 of the following year.
- For the purpose of comparison, HSE <Environmental Data> and Climate Change <Target Management> data covering the period from January 1 to December 31, 2018 are disclosed as reference.

■ Third-Party Assurance

The data marked with the symbol \checkmark are provided assurance in this report.

■ Annotation (the total data may not match the sum of each figure due to rounding)

- Scope1: Direct emissions from resources owned or controlled by the reporting
 - Scope2: Indirect emissions from the consumption of electricity, steam, heat and cooling purchased by the reporting company
 - Scope3: All indirect emissions that occur in the value chain of the reporting company
- The emissions are calculated in accordance with local laws and regulations and rules for HSE-related data.
- Net carbon intensity includes offset. The basic unit described here shows the GHG emissions of heat production rate per consolidated production of oil and natural gas..
- **※**4 From FY2018, the emissions from LNG carriers chartered by our wholly-owned subsidiary INPEX Shipping are disclosed.
- The emissions are calculated by multiplying the total sales volume of crude oil, natural gas and LPG by CO₂/CH₄/N₂O emission factor under the assumption that all amounts of crude oil, natural gas and LPG are combusted. The emissions are calculated from 2006 IPCC Guidelines for National Greenhouse Gas Inventories emissions factors.
- The total amount of emissions corresponds to the net economic share of each production project. It is started to be calculated and disclosed from 2019.
- HSE data are reported on an operational control basis including Headquarters. Technical Research Center, overseas offices and Operational Organizations in Japan and overseas.
- The amount of total investment in renewable energy disclosed in Japan only. Amounts of our overseas investment are confidential, and thus, not disclosed.
- The data is calculated in accordance with the laws and regulations of each country (including the Act on the Rational Use of Energy [Energy Conservation Act] in Japan).
- Domestic: VOC emissions are calculated using the "PRTR Release and Transfer Calculation Manual for Oil Refineries and oil storage depots, etc." published by the Petroleum Association of Japan. Overseas: The emissions are calculated in accordance with the laws and regulations of each country.
- The revision of the calculation method resulted in a change in the data disclosed in Sustainability Report 2020.

- *12 Wastes are defined as hazardous wastes in accordance with the laws of each country. Within Japan, "specially controlled industrial wastes" as stipulated in the Act on Waste Disposal and Public Cleansing are set as "hazardous wastes" and other wastes (including "industrial wastes" and "municipal waste") are set as "non-hazardous wastes."
- *13 Since general waste discharge volume by disposal category is uncertain, the entire discharge volume of general waste has been included in the final disposal amount.
- *14 The number of internal reports at the Indonesia office includes consultation on the procedures for ABC (anti-bribery and anti-corruption) measures.
- The training was provided for employees at all Australia locations (Group employees/ Temporarily transferred employees/Fixed-term employees).
- *16 The data includes the number of participants in training at overseas locations excluding Australia and Indonesia.
- ¾17 The rate of injuries resulting in fatalities or lost time per million hours worked (LTIF: Lost) Time Injury Frequency).
- The rate of recordable injuries (fatalities, lost time, restricted workdays, and medical treatment) per million working hours (TRIR: Total Recordable Injury Rate).
- The data of the United Arab Emirates is included in reporting scope from September
- *20 The data of the United States is included in reporting scope from April 2019.
- Executive management designates the managerial positions at senior manager grade or higher.
- ※22 Data of London office is included.
- *23 Calculated based on the number of resignees. Resignees here exclude retirees and resigned executive officers.
- *24 The Ministry of Health, Labour and Welfare lists the minimum value among all companies based on the most recently published minimum wage per region.
- **※**25 Fixed-term employees are not included.
- **※**26 Some fixed-term employees equivalent to employees are included.
- Employees have the right to apply for parental leave if they wish to take leave for the purpose of childcare, live in the same residence as a child under the age of one year and are raising that child.
- *28 The cumulative number of people.
- Returned employees in the current fiscal year/ Employees expected to return in the current fiscal year \times 100.
- The rate of those returning to work from parental leave is the total number of employees retaining employment 12 months after return from leave ÷ number of employees returning to work in the previous fiscal year \times 100.
- *31 It is started to be calculated and disclosed from 2019.
- **※**32 The drastic decrease since 2019 is because e-Learning was not implemented.
- **※**33 Includes a part of consolidated data in a calculation method.
- As of March 25, 2021, the percentage of female executive officers is 7%.

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Independent Assurance Report

To ensure the reliability for our reporting, INPEX has obtained an independent third-party assurance from SOCOTEC Certification Japan for the environmental and social performance data marked with the symbol (< in ESG Performance Data of Sustainability Report 2021.

Scope of Assurance: 2020 data covering the period from January to December for the environmental and social performance data below

Environmental performance indicators

- <Scope: Operational control* in Japan>
- Direct GHG emissions (Scope 1)
- Indirect GHG emissions (Scope 2)
- Energy consumption
- Water consumption and discharge of produced water
- Emissions to the atmosphere (VOC, NOx, and SOx)
- · Waste (hazardous waste [recycle and final disposal] and non-hazardous waste [recycle and final disposal])
- <Scope: Overseas operational control**>
- Overseas Scope1 emission (Emissions source, Gas types)
- Overseas Scope2 emission
- <Scope: Equity share based***>
- Equity share based Scope1 emission
- Equity share based Scope2 emission
- Scope 3 Category 11 (Use of sold products)

Social performance indicators

- <Scope: Operational control* including Japan and global organizations>
- Lost time injury frequency (LTIF) by contract
- Total recordable injury rate (TRIR) by contract
- **HSE and GHG Emissions Management data are reported on an operational control basis including Headquarters, Technical Research Center, overseas offices and Operational Organizations in Japan and overseas.
- * Overseas production projects where INPEX takes the role of operator excluding Copa Macoya Area in Bolivarian Republic of Venezuela.
- ** The total amount of emissions corresponds to the net economic share of each production project. Equity share based Scope1, 2 emissions cover the production projects where INPEX takes the role of operator excluding Copa Macoya Area in Bolivarian Republic of Venezuela, Headquarters and Technical Research Center



Independent Assurance Report

Mr. Takayuki Ueda Representative Director, President & CEO INPEX CORPORATION

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed a limited assurance engagement, in relation to INPEX CORPORATION (hereafter "the Company") in order to provide an opinion as to whether the environmental and social performance indicators marked with \checkmark for the period from January 1, 2020 to December 31, 2020 included in the subject matter information ("Sustainability Report 2021") of the Company meets the criteria in all material respects.

Subject Matter Information and Criteria

The subject matter information for our assurance is the environmental and social performance indicators marked with \checkmark for the period from January 1, 2020 to December 31, 2020 described in "Sustainability Report 2021", covering the operations and activities of the Company and the consolidated subsidiaries

The criteria for preparing subject matter information is "its own calculating and reporting criteria"

Management Responsibility

The environmental and social performance indicators marked with \checkmark for the period from January 1, 2020 to December 31, 2020 included in the "Sustainability Report 2021" was prepared by the management of the Company, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of all data and information in the report, and applied criteria, analysis and publication.

The management of the Company is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that the environmental and social performance indicators marked with 🗸 for the period from January 1, 2020 to December 31, 2020 included in the "Sustainability Report 2021" is free from material misstatement whether due to fraud or error.

Assurance Practitioner's Responsibility

The responsibility of SOCOTEC is to express a limited assurance conclusion as to whether the subject matter information has been prepared in compliance with the criteria in all material respects.

SOCOTEC performed limited assurance engagement in accordance with the verification procedures stipulated by SOCOTEC and "ISO14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions", the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements and the ISAE 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (*1). The procedures implemented in the limited assurance engagement are limited in their type, timing and scope as compared to the procedures implemented in the reasonable assurance engagement, As a result, our limited assurance engagement does not provide as high assurance as reasonable assurance engagement.

The procedures performed depend on the assurance professional practitioner's judgement, including the risk of material misstatement, whether due to fraud or error.

Our conclusion was not designed to provide assurance on internal controls

We believe that we have obtained the evidence to provide a basis for the conclusion for limited assurance



Assurance Procedures

The procedures that SOCOTEC has conducted are based on professional judgment and include, but are not limited to:

- · Evaluation of policies and procedures created by the Company in relation to subject matter information
- · Questions to Company personnel to understand the above policies and procedures
- · Verification that the target project meets eligibility requirements
- Matching with the basis data by trial calculation and recalculation · Obtaining and collating material for important assumptions and other data
- We conducted verification procedures for Headquarters, the Company's Domestic Exploration & Production Division East Japan Regional Office Nagaoka Field Office by a sampling method, in order to confirm the calculation structure and procedures, data collection and implementation status of record control

Statement of Our Independence, Quality Control and Competence

SOCOTEC has introduced and maintained a comprehensive management system that conforms to the accreditation requirements of "ISO17021 Conformity assessment -- Requirements for bodies providing audit and certification of management systems". In addition, we have also established a management system according to "ISO14065 Greenhouse gases -- Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition". These meet the requirements of "International Standard on Quality Control 1" by the International Auditing and Assurance Standards Board and "Code of Ethics for Professional Accountants" by IESBA (*1). We maintain a comprehensive quality control system that includes ethical rules, professional standards and documented policies and procedures for compliance with applicable laws and regulations.

The SOCOTEC Group is a comprehensive third-party organisation in inspection, testing and certification operations, and conducts management system certification services and training services related to quality, environment, labour and information security in countries around the world. Engaged in performance data and sustainability report assurance of environmental and social information, SOCOTEC affirms that it is independent of the organisation that has ordered the assurance engagement, its affiliated companies, and stakeholders, and that there is no possibility of impairing impartiality or conflict of interes

We assure that the team engaged in the assurance is selected based on knowledge, experience in the relevant industry, and the competence requirements for this assurance engagement.

Use of Report

Our responsibility in performing our limited assurance activities is to the management of the company only in accordance with the terms for this engagement as agreed with the Company. We do not therefore assume any responsibility for any other purpose or to any other person or organisation

Our Conclusion

On the basis of our procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the subject matter information is not, in all material respects, prepared and reported in accordance with the stated criteria.

SOCOTEC Certification Japan

*1: International Ethics Standards Board for Accountants

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External Evaluation

INPEX has engaged in active dialogue with stakeholders through information disclosure and responded to external evaluations by third-party.

The evaluations by external organizations and the major ESG Indexes for which INPEX has been selected as a component stock are shown on the right.

• FTSE4Good Developed Index, FTSE4Good Japan Index FTSE4Good	S&P/JPX Carbon Efficient Index S&P/JPX カーボン エフィシェント 指数	• 2021 Health & Productivity Stock Selection Program 2021 健康経営銘柄 Health and Productivity
• FTSE Blossom Japan Index FTSE Blossom Japan	• CDP Climate Change 2020 score: A-	Certified Health and Productivity Management Organization 2021 (White 500) 2021 健康経営優良法人 Health and productivity ホワイト500
MSCI ESG Leaders Indexes MSCI ESG Leaders Indexes Constituent THE INCLUSION OF INFEX CORPORATION IN ANY MSCI INDEX. AND THE USE OF MSCI LOGGS, TARGEMANS, SERVICE MARKS OF MSCI LOGGS, TARGEMANS, SERVICE MARKS OF MSCI LOGGS, TARGEMANS AND THE MSCI ROSE OF MSCI LOGGS AND THE MSCI LOGGS AND TH	• STOXX® Global ESG Leaders Index STOXX Member 2020/2021 ESG Leaders Indices	 Selected as "Industry Mover 2021" in the S&P Global Sustainability Award 2021 Sustainability Award Industry Mover 2021 S&P Global
 MSCI Japan ESG Select Leaders Indexes 2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX 	ECPI World ESG Equity, ECPI Global Carbon Liquid, ECPI Global Developed ESG Best in Class Sense in sustainability	• Excellence Award in the 24th Environment Communication Awards
MSCI Japan Empowering Women Index (WIN) 2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	SOMPO Sustainability Index 2021 Sompo Sustainability Index	• Certified Silver in the 2020 PRIDE Index work with Pride Silver 2020



INPEX CORPORATION

Akasaka Biz Tower
5-3-1 Akasaka, Minato-ku,
Tokyo 107-6332, Japan
Phone: +81-3-5572-0200
https://www.inpex.co.jp/english/