

Chiyoda Group CSR Activities 2015 - Digest Version



**IR, PR & CSR Section
CHIYODA CORPORATION**



To Our Stakeholders

Publication of Chiyoda Group CSR Activities 2015 - Digest Version

The Chiyoda Group, as an integrated engineering company, has been pledging to contribute to sustainable development of society through its business activities, as well as to constantly strive to increase corporate value and earn the trust and understanding of all stakeholders.

To ensure that readers are able to correctly understand its CSR activities, the Group discloses a variety of information on our website named “**Commitment to CSR**” as well as annual report. In addition, the Group hereby publishes the digest version of the Group’s CSR Activities 2015 highlighting the latest activities.

The Group will continue to make improvements to its CSR report, easier to understand, while reflecting the opinions or comments of stakeholders regarding the report.



Legacy for the 21st Century
issued in 1972

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1. Corporate Profile

**Company
Name**

CHIYODA CORPORATION

Established

January 20, 1948

**Paid-in
Capital**

43,396 Million Yen (as of March 31, 2015)

Revenues

481.0 Billion Yen (Consolidated: as of March 31, 2015)

**Number of
Employees**

6,097 people (Consolidated: as of March 31, 2015)

**President
& CEO**

Shogo Shibuya

**Main Business
Fields**

Integrated Engineering & Construction Service Provider

Main Offices

**Chiyoda Global Headquarters (Minatomirai)
Koyasu Office & Research Park**

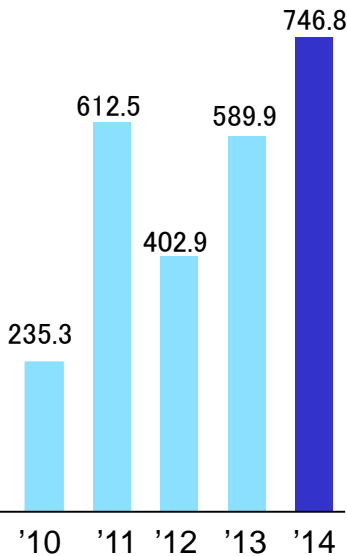
**Project
Experience**

Over 60 countries

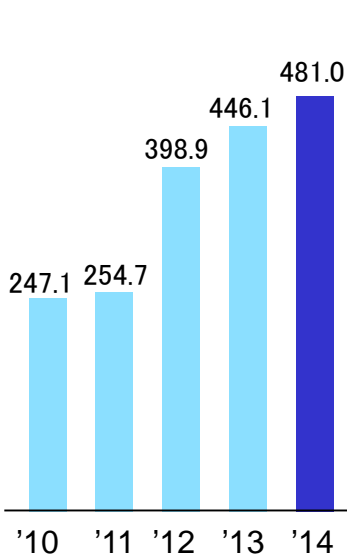


Consolidated Financial Highlights (Billion Yen)

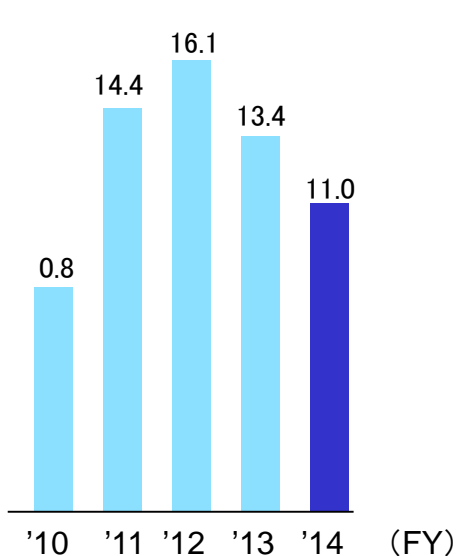
New Orders



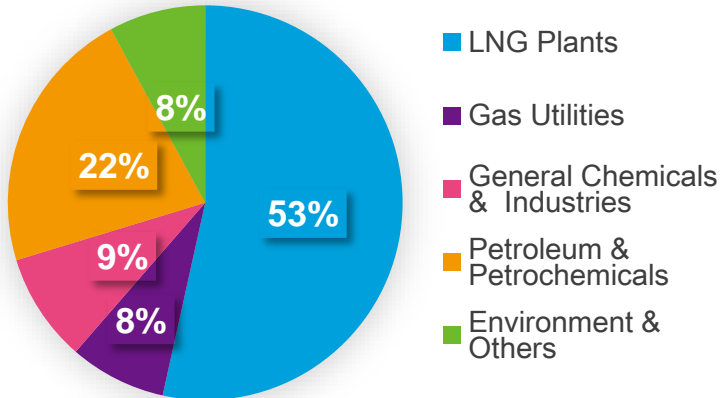
Revenues



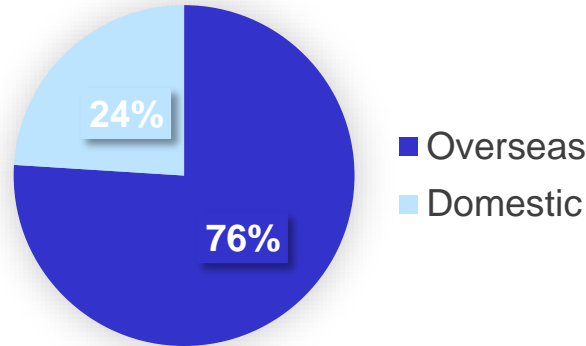
Net Income



Revenues by Industry (FY2014)



Revenues by Region (FY2014)



2. Message from the President(1/2)



【Corporate philosophy】

Enhance our business in aiming for harmony between energy and the environment and contribute to the sustainable development of a society as an integrated engineering company through the use of our collective wisdom and painstakingly developed technology.

The Chiyoda Group's Corporate Social Responsibility (CSR)

The Chiyoda Group has worked to contribute to the advancement of society with the aim of realizing its corporate philosophy centered on “Energy and Environment in Harmony.” As an engineering company, we build infrastructure that requires state-of-the-art technologies in various countries. The energy industry has recently undergone structural changes such as the shift to natural gas and renewable energy. Rapid changes have also taken place in the industry environment, notably the shale revolution that has revitalized the North American market. The demands of society are becoming more diverse as well.

In this context, I believe the Chiyoda Group's corporate social responsibility is to accurately assess current demands and deploy engineering to provide the value that society requires for addressing global challenges such as eradication of poverty, preservation of environment issues and stable supply of resources, consistent with our Corporate Philosophy.

2. Message from the President(2/2)

Respecting the Global Code and Ensuring Complete Compliance

The energy-related industries, where Chiyoda plays its major roles, are amid the structural changes in not only Chiyoda but also their business regions and partners which are to diversify more than ever. A fair code that can be understood by one and all is essential. In that sense, we have continuously supported and will continue to support the spirit of the United Nations Global Compact (*UNGC) for human rights, labor standards, environment and anti-corruption. We will continue to address employees the importance of showing this spirit in day-to-day business and other activities. We will also work on our business partners and other parties concerned to understand and comply with the Chiyoda Group Code of Conduct, which reflects the spirit of the UNGC.

We are particularly endeavoring to improve transparency in all Group business activities in connection with adhering to Japanese and overseas laws and regulations, international agreements, and respect for human rights, compliance with harassment prevention, anti-corruption, information security and the like. We have newly established the Compliance Committee under the direct control of the Executive Committee and the Group Company Liaison Meeting on Compliance.

* The UNGC is a voluntary global initiative that encourages businesses to act as good corporate citizens and achieve sustainable growth by exercising responsible, creative leadership. It is centered on ten principles concerning human rights, labor, the environment and anti-corruption.

President & CEO *Shojo Shibuya*



3-1. CSR Promotion Structure

In April 2015, Chiyoda reorganized CSR into IR, PR & CSR Section under Corporate Planning Unit in Corporate Planning & Management Division.

This reorganization aims to grasp the exact requirements of society expected of the Chiyoda Group and effectively proceed with living up to such expectations so that Chiyoda can reinforce CSR in collaboration with its domestic and overseas group companies. In this respect, “Group Liaison Meeting on CSR” *1 has also been set up. Besides, the CSR promotion staff*2 system has been adopted to further advance CSR activities.

We will also continue to support the recovery from the Great East Japan Earthquake through our business and by supporting employee volunteers in the affected areas.



*1 “Group Liaison Meeting on CSR”, comprising of Chiyoda subsidiaries in Japan, means an organization that deliberates CSR report / establishes annual program on CSR activities, compiles business achievements / social contribution activities, activation of environment-related and CSR activities/promotion of United Nations Global Compact among the Chiyoda Group.

*2 “CSR promotion staff” are volunteer members who will take the lead in CSR activities consisting of employees in all Chiyoda group companies.

3-2. Chiyoda Group CSR Vision (1/3)

Our corporate social responsibility is to fulfill the Chiyoda Group Corporate Philosophy. The Group corporate philosophy shows the mission that we should fulfill. The CSR Visions are values that all Chiyoda Group members should share in order to achieve this mission. The Group has also established the Code of Conduct of the Chiyoda Group and the Compliance Manual (Employee's Practical Guide) as guides to rely on when acting according to our mission and values.

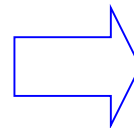
Chiyoda Group Corporate Philosophy

Enhance our business in aiming for harmony between energy and the environment and contribute to the sustainable development of a society as an integrated engineering company through the use of our collective wisdom and painstakingly developed technology.

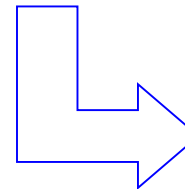
(Our mission: Contribute to Society and Environment)

Chiyoda Group CSR Visions

1. **A Reliable Company**
2. **Environmental Initiatives**
3. **Social Contributions through Business Activities**
4. **Respect for Human Rights**
5. **Commitment to Fairness**



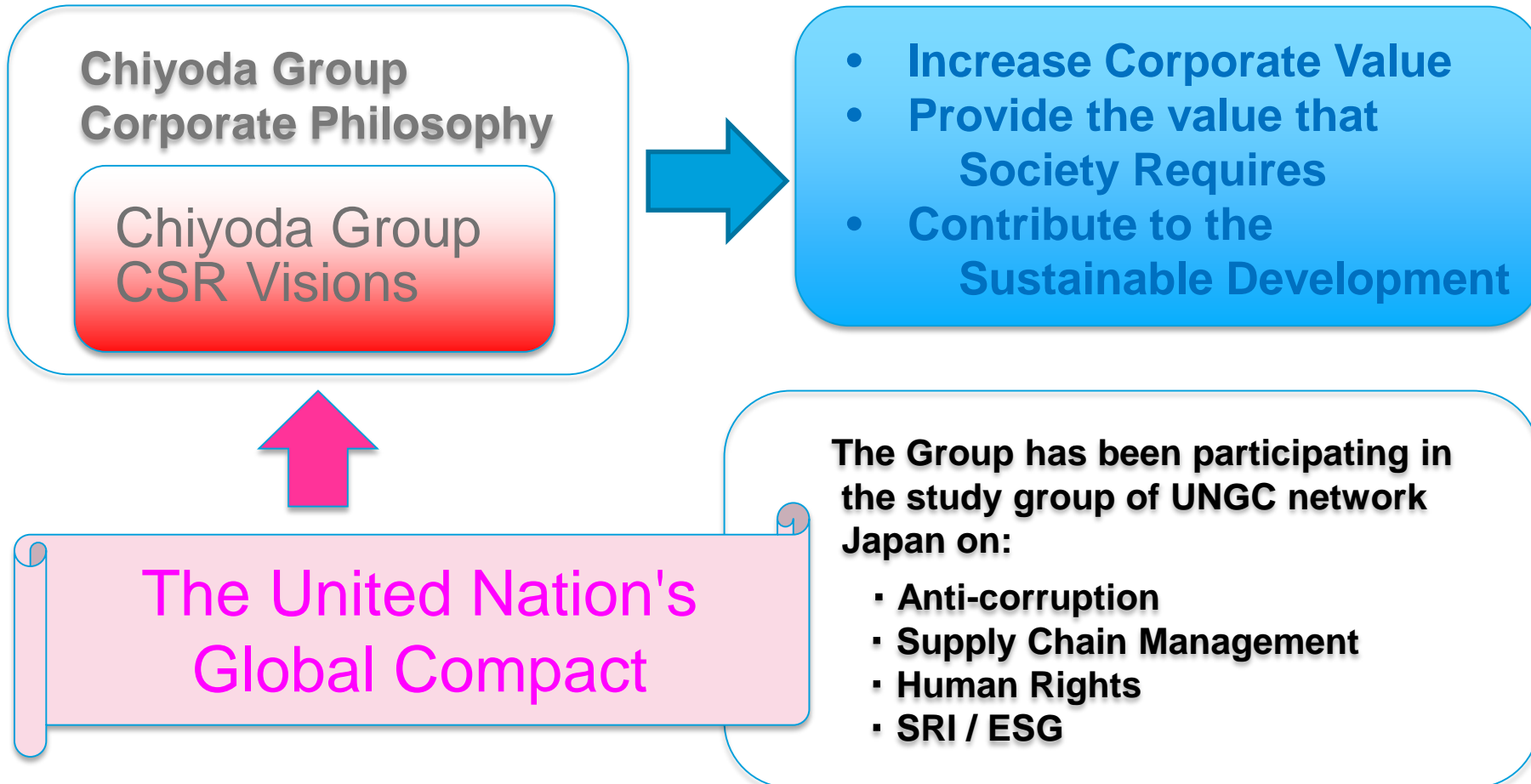
Employee's Practical Guide



Compliance manual
(Employee's
Practical Guide)

3-2. Chiyoda Group CSR Vision (2/3)

In November 2012, the Chiyoda Group joined the United Nations Global Compact (UNGC*) to advance our CSR efforts on a global basis including addressing the issues of human rights, labor, the environment, anti-corruption etc. in line with the UNGC principles as the global codes understood by one and all, and to firmly establish CSR as a unifying force of the Group.



3-2. Chiyoda Group CSR Vision(3/3)

<p>Our Values Chiyoda Group CSR Visions The Chiyoda Group pledges to contribute to the sustainable development of society through its business activities, and to constantly strive to increase corporate value and earn the trust and understanding of all stakeholders by adhering to the following principles.</p>	<p>Compliance with International Guidelines</p> <p style="text-align: center; background-color: #0070C0; color: white; padding: 5px;">UN Global Compact</p>	<p style="text-align: center; background-color: #0070C0; color: white; padding: 5px;">Action Policies</p>
<p>CSR vision 1 A Reliable Company We strive to be a reliable company to our customers and other business partners by providing world-class technologies and knowledge.</p>	<p style="text-align: center;">—</p>	<ul style="list-style-type: none"> •Provide industrial plants that earn customer trust through engineering of outstanding quality •Share our CSR principles with suppliers and other business partners
<p>CSR vision 2 Environmental Initiatives We will work to remain to be an invaluable company to society by utilizing refined technologies to promote harmony between the global environment and economic and social activities.</p>	<p>Principle 7: Approach to challenges Principle 8: Greater responsibility Principle 9: Development and Diffusion</p>	<ul style="list-style-type: none"> •Develop and provide environmentally friendly energy and conservation technologies •Conduct business activities that contribute to environmental conservation
<p>CSR vision 3 Social Contributions through Business Activities Through our engineering business in Japan and overseas, we contribute to local communities in ways including human resources development, technology transfer and environmental protection.</p>	<p style="text-align: center;">—</p>	<ul style="list-style-type: none"> •Contribute to society through integrated engineeringbusiness activities •Enhance social contribution activities by providing knowledge and labor
<p>CSR vision 4 Respect for Human Rights We are dedicated to respecting the human rights of all people. We will create a corporate culture where the diversity, individuality and character of employees are respected, where people are motivated to do their best, and of which employees and their families are proud.</p>	<p>Principle 1: Human rights Principle 2: Not complicit Principle 3: Freedom of association Principle 4: Labour Principle 5: Abolition of child labour Principle 6: Discrimination in respect</p>	<ul style="list-style-type: none"> •Create a lively and energetic working environment and help employees develop their talents •Instill in everyone involved that safety is a core value
<p>CSR vision 5 Commitment to Fairness We are dedicated to achieving even greater transparency and stability by conducting our operations fairly in accordance with the highest ethical standards.</p>	<p>Principle 10: Anti-corruption</p>	<ul style="list-style-type: none"> •Conduct business activities based on strict compliance and a high degree of transparency •Conduct a thorough risk management program

4. Introduction of the Activities in FY2014

- **CSR Vision1** **A Reliable Company** **12 ~ 18**
- **CSR Vision2** **Environmental Initiatives** **19 ~ 23**
- **CSR Vision3** **Social Contributions through
Business Activities** **24 ~ 32**
- **CSR Vision4** **Respect for Human Rights** **33 ~ 37**
- **CSR Vision5** **Commitment to Fairness** **38 ~ 44**

CSR Vision 1 A Reliable Company

The Chiyoda Group strive to be a reliable company to our customers and other business partners by providing world-class technologies and knowledge.

1. Action Policies

- Provide reliable plants through high quality engineering, which fulfill customers' satisfaction
- Share our CSR principles with suppliers and other business partners

2. Activity

- [Quality Management Initiatives](#)
- [Information Security Management](#)
- [Collaboration with Clients](#)
- [Working with Business Partners](#)

3. Activities in FY2014

- ① Technical Dialogue with Customers and Partners
- ② National Resilient System : Structuring to EPC
- ③ Project for Establishing a New Production Line
—Challenge to The First in the World — [Comments from the client]
- ④ Participating in the study group of UNGC network Japan

CSR Vision 1 A Reliable Company

- Technical Dialogue with Customers and Partners

Technical Dialogue with Customers and Partners

The Chiyoda Group holds annual dialogues (conferences) with its customers and business partners (including machinery and equipment manufacturers, construction companies, inspection companies) in order to present and discuss the most up-to-date technologies, and to reflect the results of discussion in its work.

Event	Key Agenda	Participating Companies
Interphex Japan 2014	Chiyoda/CTA*1 exhibited at Interphex Japan 2014, the exhibition for various kinds of equipment, systems and technology for the production, research and development of pharmaceuticals, cosmetics and the like .	Pharmaceutical companies (approx. 800 attendees)
Seminar for improving skills of Internal Auditors in Quality Management System	Training for Internal Auditor" is the one of the key factors of successful Quality Management System. CUC*2 runs the annual seminar to support continual improvement of the System.	Chemical Company, Machinery/ Equipment Engineering Company (30)
North America CT-121 Users Group Conference	Technology Exchange with The North American CT-121 Users	North America CT-121 User companies. (approx. 50 attendees)
CST*3 EPM*4 User Seminar 2014 ~Approach toward project management infrastructure construction among global enterprises in the innovation age~	CST EPM User Seminar 2014 focused on "Develop a competitive system in the midst of globalization". It has been held annually since 2002 for Primavera users. Following opportunities were provided for the users: Hearing users' requests and solving the problems, and communicating with the other users. The system construction and solutions using a package which leads the international community was introduced to each industry relating to EPC*5, ETO*6, and O&M*7. CST issued the message that CST would like to support global companies and become their strategic partner by following ways (1) Pursuing a global best practice within the industry, (2) Innovating solution which has not introduced in Japan and so forth.	Engineering companies and construction companies. (Approx. 50 attendees)
ChAS Forum 2014	Technology Exchange with the theme of Visualization of Asset Integrity Management for Preventive Maintenance	More than 30 businesses and organizations and Chiyoda Group companies. (Over 200 attendees)
INCHEM TOKYO 2013	INCHEM TOKYO is the Japan's only exhibition specialized in chemical/process industries and environment/engineering. Since its first opening in 1966, this exhibition has a long history and it has been contributing to the development of these industries along the Japanese economic growth.	Chemical Company Machinery/ Equipment Engineering Company (approx. over 1,000 attendees)
PM*8 Symposium 2014	Project Management Association of Japan (PMAJ) has held a symposium specialized for project management since 1997. In the symposium, CST has set up booth since 1999, packaging case examples of EPM system construction, and providing an explanation about Primavera, PRISM and Aconex.	Engineering companies and construction companies. (Approx. 30 attendees)
MES*9 DAY	The theme of this seminar was "Regulatory compliance and the use of MES solutions". CST caught a trend of the industry by inviting the ex-FDA inspector as a keynote speaker. MES DAY provided the pharmaceutical companies with interesting and important information about "Investigating the trend and compliance of the laws and regulations".	40 pharmaceutical companies. 60 attendees

*1 CTA: Chiyoda TechnoAce Co., Ltd.

*2 CUC: Chiyoda U-Tech Co., Ltd.

*3 CST: Chiyoda System Technologies Co.

*4 EPM: Enterprise Project Management

*5 EPC: Engineering, Procurement & Construction

*6 ETO: Engineering to Order

*7 O&M: Operation and Maintenance

*8 PM: Project Management

*9 MES: Manufacturing Execution System

CSR Vision 1 A Reliable Company

- National Resilient System : Structuring to EPC

Amid the ongoing changes in the business environment, including the growing size of plants, the increasing sophistication in equipment and demands for earlier project completion, the Chiyoda Group has been continuously working to fulfill customer satisfaction through its engineering of outstanding quality.

National Resilient System : Structuring to EPC

The Great East Japan Earthquake caused the unprecedentedly tremendous damages to the Tohoku district (the Northeast district) in Japan in 2011. Particularly, the energy supply facilities were damaged so severely that the energy supply was adversely affected not only in the Tohoku district but also nationwide, which resulted in disrupting the means of transportations and communications to take recovery measures for the disaster. People in the disaster-hit areas and refuge shelters were forced to endure much inconvenient lives. The damages on food processing / pharmaceutical manufacturing facilities and further the disruption of supply chain caused such grave social and economic problems as worsening health conditions of people in the disaster-hit areas and disturbing business activities.



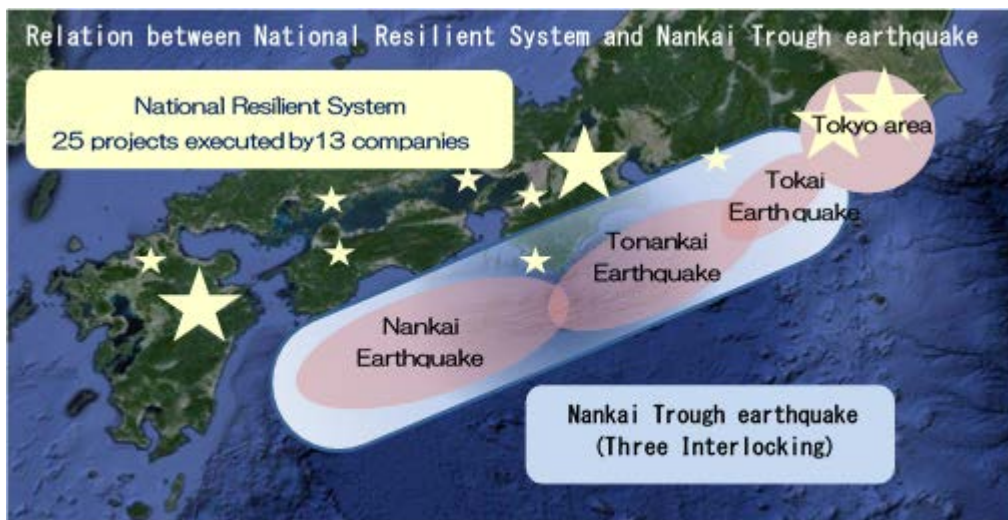
Photo of Fire Fighting Agency

Taking these experiences as lessons learned, the Government of Japan enacted the National Resilience Law in 2014. In order to ensure Energy Supply as one of the purposes of the Law, the Ministry of Economy, Trade and Industry (METI) has been undertaking to study the following measures for industrial facilities including the quake-proof investigation of all the petroleum refineries nationwide, particularly considering the possibilities of Nankai Trough Quake and Earthquake that directly hits Tokyo area:

- To shut down safely
- To prevent tremendous secondary disasters
- To attain a stable energy supply

CSR Vision 1 A Reliable Company

- National Resilient System : Structuring to EPC



Google Map, provided on the websites of METI

Once, Japan reviewed various quake-proof standards due to the fact that a lot of buildings and facilities fell down and caused a large number of casualties in the Hanshin-Awaji Earthquake. The laws are applied to buildings and facilities to be newly constructed, while the existing ones are not required to become quake-proof analysis. Further, the existing facilities in particular are required to take the measures during their operations, it has been considered difficult to revamp them in view of the relevant costs and technical aspects.

The Group supports companies having the above issues. As part of this, the Group has undertaken the study on business continuity plan, securing of local residents' safe and sound environments, and has undertaken the quake-proof analysis to further contribute to developing the Japanese economy so that it may provide the countermeasures for early recovery from damages due to earthquakes and tsunami. Based on such experiences, Chiyoda cooperated with METI in the above METI's quake-proof investigation from its planning stage and prepared the manuals and scheme on quake-proof analysis and measures with METI and experts.

Now, The Group has been continuously undertaking quake-proof investigations on energy-supply facilities for companies with subsidies granted, and further performing the revamping works. The Group will continue to proceed with engineering the resilient infrastructure to realize the stable energy supply.

Project for Establishing a New Production Line — Challenge to the First in the World —

In August 2014, the new production line of fluid infusion was completed in the Oigawa plant, AY Pharmaceuticals Co., Ltd's main production base in Shizuoka Prefecture. The line is the first of its kind in the world engineered and built adopting the standing bag system.

This system received the prestigious industrial award in Japan “Good-design Award 2015 “. Chiyoda concentrated its various engineering expertise in pharmaceutical facilities on collaborating with AY Pharmaceuticals in their new challenge of pursuing a high-quality and easy-to-use Fluid Infusion to realize their corporate philosophy “One drop of thought flows to you all the time.” The Group will continue to make every effort to become such a company as being recognized No.1 in reliability and safety and contribute to the society through its high quality engineering in pharmaceutical facilities.



Comments from the Client

Osamu Ishihara
General Manager, Shizuoka Factory
AY Pharmaceuticals Co., Ltd.



AY Pharmaceuticals Co., Ltd. has contributed to societies through the stable supply of high quality fluid infusion product. Fluid infusion used to be filled initially in a glass bin and then on plastic bottles or bags. This time, we have developed the first standing bag system in the world to meet with the practical needs in the medical fields; accuracy and quickness. Further, we have established a comprehensive production line from the materials for fluid infusion bag to the final products to strive for the stable operation through sophisticated production control as well as intensive quality control. We requested Chiyoda to follow up various changes during the engineering and construction and received quick and flexible response.

It is the very essence of engineering that designing facilities is carried out not only from hardware aspects, but also manufacturer's human-friendly viewpoint with a good imagination.

My opinion is that the facilities designed and built based on a good relationship between both sides of a facility owner and an engineering company will be evolved in the course of operating the facility, because both sides' ideas are shared to be incorporated therein. We have been able to gather both sides' technological expertise by forming mutually reliable relationships.

Thanks to the Chiyoda's engineers, we are able to stably deliver the first standing bag in the world to patients. We appreciate the strong will of all the Chiyoda members. They are the group of engineers with whom we would like to work together again. Thank you.

CSR Vision 1 A Reliable Company

- Participating in the study group of UNGC network Japan

Ongoing Initiatives based on United Nation's Global Compact

In November 2012, the Chiyoda Group joined the United Nations Global Compact (UNGC*) to advance our CSR efforts on a global basis. In order to effectively promote CSR, the Group has been participating in the study groups on SRI (Socially Responsible Investment)/ESG (Environmental, Social & Governance), Anti-corruption and Supply Chain Management.

The study group on Anti-corruption has regularly discussed and studied appropriate preventive actions among the group members. Corruption is a large risk of damaging organizational function and reputation as well as leading to a civil action, administrative deposition, or criminal prosecution. The study group on supply chain management has studied promotion for CSR procurement through cooperation between buyers and suppliers, also considering such elements as environment, decent work practice and human rights.

In the China-Japan-Korea (CJK) Roundtable Conference, the importance of measures for materializing the low-carbon society, and also stakeholder engagement through CSR procurement was discussed. Through the conference, it was reconfirmed how important it is for Chiyoda Group to keep promoting overall CSR activities.

Meantime, the Chiyoda Group support for conducting the Conference by assigning into employee as a member of the linguist staff.



The CJK Roundtable Conference

CSR Vision 2 Environmental Initiatives

The Chiyoda Group will work to remain to be an invaluable company to society by utilizing refined technologies to promote harmony between the global environment and economic and social activities.

1. Action Policies

- Develop and provide environmentally friendly energy and conservation technologies
- Conduct business activities that contribute to environmental conservation

2. Activity

- [Environmental Management System \(EMS\)](#)
- [Environmental Conservation Activities](#)
- [Low Carbon Society](#)
- [Chiyoda Group Companies Activities](#)
- [Biodiversity](#)
- [Environmental Data](#)

3. Activities in FY2014

- ① Overview of Chiyoda's Environmental Technologies
- ② Chiyoda Group Companies Activities
- ③ Internal Activities / Forest Preservation Activities

4. Material Flow in business activities

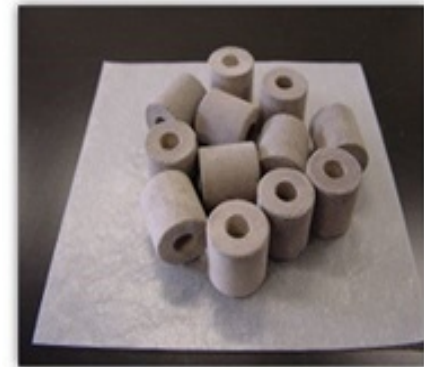
CT-CO₂ AR®: High Efficiency Synthetic Gas Production Using CO₂

Chiyoda Group has accomplished effective utilization of CO₂ by developing a high-efficiency reforming process—CT-CO₂ AR®—employing a novel catalyst. This catalyst was already commercialized in an existing synthetic gas plant last year, exhibiting smooth and safe operation.

The technology, comprising of a catalyst with high resistance to carbon formation, produces synthetic gas from natural gas with higher efficiency than conventional reforming technology. It reduces energy consumption by around 10% and reduces carbon dioxide emission drastically.

CT-CO₂ AR® can not only reduce energy consumption by replacing the existing catalyst with a superior one, but can also achieve remarkable environmental benefits when applied to grass-root plants. Furthermore, it leads to resource minimization by downsizing facilities, and is expected to effectively utilize the CO₂ contained in natural gas.

The technology succeeds in greatly reducing the environmental burden from chemical plants, such as oxo-alcohols and acetic acid.



High Efficiency Catalyst
for reforming CO₂

The Development of a New Manufacturing Process for Production of Propylene

Propylene, one of the basic industrial chemicals, is mainly produced by thermal steam-cracking of hydrocarbon feedstock such as naphtha at present and alternative methods are desired to improve both high energy consumption and low propylene selectivity. The Group has been developing an energy saving propylene manufacturing process by means of fixed-bed-type catalytic cracking using our own zeolite catalysts. We have received high appraisal for the results and won the Best Paper Award in the Fuels & Petrochemical Division of the American Institute of Chemical Engineers.

The Group will accelerate its research and development to commercialize this technology and contribute to saving energy and reducing CO₂ emissions by applying it to non-conventional fossil resources such as shale gas and oil.



Best Paper Award

CSR Vision 2 Environmental Initiatives

- Chiyoda Group Companies Activities

Overseas: Chiyoda Philippines Corporation (CPh)

CPh renewed commitment to our society by planting more than one hundred fifty (150) saplings at Sitio Labahan, Barangay San Isidro, Angono, Rizal last April 05, 2014.

The activity was participated by sixty five (65) employees headed by our former President and CEO Mr. Kazuhisa Yanagihara.

The activity was also meant to strengthen the camaraderie among employees by planting trees and shows that we care about the environment.

Japan: Chiyoda TechnoAce Co., Ltd. (CTA)

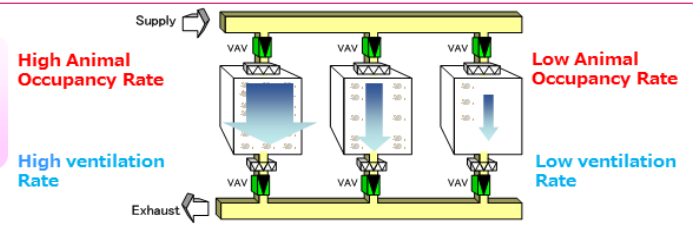
Energy saving is one of the most important issues of animal experimental facilities because a lot of energy is used in order to operate an air conditioning system for 24 hours, meet severe requirements for air quality and take in a large volume of outside air (ventilation rate).

To cope with the above issues, Chiyoda TechnoAce introduced Demand Control Ventilation (DCV). This system is expected to save energy by reducing ventilation rate according to the animal occupancy or other good indoor air quality factors.

Through the series of our field tests in commissioning phase, we have verified that this air conditioning system works sufficiently for future DCV in terms of temperature uniformity and pressurization controllability.



Image of the DCV
In animal
experimental facilities



CSR Vision 2 Environmental Initiatives

- Material flow in business activities(FY2014)

*1 Green Procurement : Procurement that gives preference to eco-friendly equipment and materials.

Green Procurement *1

Recycling facilities

Intermediate Treatment facilities

Domestic construction sites

Recycling rate (excluding sludge).....92%

Offices

Recycling rate.....95.8%

Final disposal site

Final disposal quantity (excluding sludge and incineration ash)1,435 tons

INPUT

Offices

Electricity.....11,690,000kWh
 Water.....14,000kl
 Gas.....129,000m³
 Paper.....128tons

Domestic construction sites

Electricity.....510,000kWh
 Construction water3,000m³
 Daily life water 3,000m³
 Diesel oil.....1.273kl
 Kerosene..... 7kl
 Ready mixed concrete•80,000tons
 Asphalt concrete.....11,000tons
 Steel.....15,000tons

Business Activities (EPC*2, Office, and development activities)

*2 EPC: Engineering, procurement and construction



OUTPUT

Offices

Greenhouse gas (CO₂ only) SCOPE2..... 6,500 tons
 Total waste.....247 tons

Domestic construction sites

Greenhouse gas (CO₂ only) SCOPE1 3,310 tons
 SCOPE2 281 tons
 Chemical substances (including VOC) 12.2 tons
 Industrial waste (excluding sludge)•• 19,209 tons

CSR Vision 3 Social Contributions through Business Activities

Through our engineering business in Japan and overseas, the Chiyoda Group contributes to local communities in ways including human resources development, technology transfer and environmental protection.

1. Action Policies

- Contribute to society through integrated engineering business activities
- Enhance social contribution activities by providing knowledge and labor

2. Activity

- [Contribution to Local Communities](#)
- [Human Resources](#)
- [Fund raising / Donations](#)

3. Activities in FY2014

- ① Providing Technical Training for Engineers
- ② Social Contribution Activities in 2014
 - Volunteer Activities in the area of Great East Japan Earthquake
 - Collaboration with Yokohama city Council of Social Welfare/Fundraising · Donations
 - Cleanup Campaigns/ Environmental Lecture/ Human Resources
 - Overseas Activities

Providing Technical Training for Engineers

The Chiyoda Group has, since 1976, provided technical training for young engineers and students with project engineering training and, in recent years particularly, has been trying to assist in propagating the development of human resources in not only resource rich countries such as Mozambique, Qatar, Saudi Arabia and the United Arab Emirates, but also in non resource-rich countries like South Korea. The development of the nation's human resources has recently been ranked as a top priority in many resource-rich countries, including Mozambique, Qatar, Saudi Arabia and , accordingly, the Japanese government has responded positively for the energy security. The Group's efforts in providing training programs for these countries have been highly appreciated by the Japanese government.

We hope that these young engineers will become tomorrow's leaders, who will serve as bridges between those countries and Japan, and the Chiyoda Group intends to provide continued support in developing the skills of human resources wherever required.



**Farewell party for trainees
from Mozambique**

Volunteer Activities

The Group has been supporting to promote social contribution under the motto of “CSR to be promoted by each as a participant.” As part of this, volunteer members have been dispatched to the disaster-affected areas. This fiscal year, the volunteer activities were collaboration with the local party through environmental lessons to the kindergarten children, reforestation and developing energy circulation system. In addition, supporting the construction of a workplace to be used for making regional products and also used for an administration office of the area tourism. Furthermore, the Group’s employees have also visited a junior high school annually and given a lecture to the students on its global activities. The Group also accepted them on their school trip to Chiyoda Global Headquarters in Yokohama.

The Group constantly continues with its efforts to improve its activities by way of exchanging views with regional experts or local residents, and through discussions among the volunteer members including in house questionnaires.



Main Activities Implemented in fiscal year ended March 2015 (FY 2014), including domestic Group	
Cooperation for university education activities (dispatch of lecturers)	16 people
Training for interns	67 people
Visiting seminars (incl. non-internship workplace tours)	7 times
Community cleanup campaigns	Total of 100 people
ECOCAP program to enable the purchase of vaccines	198,316 caps (equ-231 persons)
Disaster-hit areas support (dispatch of volunteers)	37 people
Support to challenged people	<ul style="list-style-type: none"> • In-house sale events :7 times • Inviting 50 people to a concert
Food aid activity as TABLE FOR TWO	Total of 1,817 meals
Collaboration with NPO	<ul style="list-style-type: none"> • Harvest Japan • Food Bank Yamanashi

CSR Vision 3 Social Contributions through Business Activities

- Volunteer Activities in the area of Great East Japan Earthquake

◆ Location

- Otuchi (Iwate) Oraga-Otuchi Yume Hiroba
- Kamaishi (Iwate) Kamaishi Forestry Association, Kirikiri-koku and United Green

◆ Term

- November, 2012 – May, 2015
Dispatched 30 volunteers * 2 times/year
- June, 2015 – present
Dispatched 10 volunteers * 6 times/year



◆ Main Activities

- Support to promote regional societies

◆ Assistance for reconstruction at Yokohama

- “Yubeshi no Kai” in-house sale events of goods made in Nagahora-Genki Village
12 times/year



Lecture by top of the secretariat of Nagahora-Genki Village (left)

Yubeshi no Kai (right)

CSR Vision 3 Social Contributions through Business Activities

- Collaboration with Yokohama city Council of Social Welfare/Fundraising · Donations

Invitation to the Japan Philharmonic Orchestra (Dec.'14)



Presentation Ceremony at Yokohama city Council of Social Welfare

Heart-made Sale

In-house sale events of goods made by challenged people are periodically held on every other month.



UNICEF Foreign Coin Fund-raising Activity



Participating Support Program for Children in developing Countries

- Table for Two (TFT): Implementing the TFT program in the cafeteria at its Koyasu Office & Research Park to provide support to children. In 2014 FY, a total of 1,817 meals under the TFT program were ordered with twenty yen (20 yen) for each meal donated.
- Eco cap campaign Used plastic bottle caps (ECOCAP) are utilized for purchasing vaccines for children. 860 caps earn 20 Japanese Yen, which enables to purchase the polio vaccination for one child. Some group of employee volunteers started the movement by installing Ecocaps collection box in December, 2013 and the movement has expanded to be company-wide since August, 2014. Meantime, Chiyoda Kosho Co., Ltd. has been promoting Ecocap Movement since June, 2010.

CSR Vision 3 Social Contributions through Business Activities

- Cleanup Campaigns/ Environmental Lecture/ Human Resources

Community Cleanup Campaigns



Workplace on-site training for high school students
(Aug.'15)



Visiting Seminar for high school Students
(Nov.'15)

CSR Vision 3 Social Contributions through Business Activities

- Overseas Activities : Thailand / India

Thailand

Donated school supplies as well as books to elementary school students



India

Blood donation program



Providing used office furniture for police office
(we received a certificate of appreciation for our activities)

CSR Vision 3 Social Contributions through Business Activities

- Overseas Activities : Myanmar / Malaysia / Singapore

Myanmar:

Chiyoda CPW donated umbrellas to protect children from strong sunshine



Malaysia:

Having our ongoing Petron project in Negeri Sembilan, we are determined to give something back to the local community and had selected local orphanage named "Rumah Anak-Anak Yatim Darul Aminan."

Singapore:

2014, CRC came across the "Adopt a Bank Box" section in the Food Bank Website, whereby a box will be adopted, and collect unwanted yet unopened and unexpired food items. These food items will then be made available to those in need, namely community service providers etc., via The Food Bank Singapore Ltd.'s network of members beneficiaries.

Beginning 9th July 2014, a "Bank box" was adopted and installed in the CRC room, collecting food products, until the near full box was returned on 4th Aug 2014.



This is the sight that greets you when you enter the CRC room.

Suggestion Box

Do drop in any suggestions that you may have. All your suggestions will be held in strictest of confidence.

FoodBank Box

Do fill up the item checklist that is pasted on the top of the FoodBank Box. The details required are item/description, quantity, expiry date and name of donor (optional).

Thank you!

Best Regards,
CRC Committee

Beach cleaning by Volunteer member of Chiyoda Almana Engineering LLC (Qatar)

(local newspaper reported this activity)



TOGETHER: The Chiyoda Almana group poses for a picture before the beach cleaning.

Chiyoda Almana conducts annual beach cleaning

CSR Vision 4 Respect for Human Rights

The Chiyoda Group is dedicated to respecting the human rights of all people. The Group will create a corporate culture where the diversity, individuality and character of employees are respected, where people are motivated to do their best, and of which employees and their families are proud.

1. Action Policies

- Promote employee training and create a satisfying and energetic work environment
- Instill in everyone involved that safety is a core value

2. Activity

- [Employee Skill Development and Work Environment](#)
- [Occupational Health and Safety](#)
- [Crisis management Initiatives](#)
- [Chiyoda Group Companies Activities](#)

3. Activities in FY2014

- ① Promote Safety Culture through sharing practice on site amongst all employees
- ② HSE Education
- ③ HSE management System: Job Site Occupational Injury / Illness Frequency Rate and Severity Rate vs. Rate for JP Construction Industry
- ④ Chiyoda Group Companies Activities

“We will be the most reliable Project Company in the world through SQE activities.”

CSR Vision 4 Respect for Human Rights

- Promote Safety Culture through sharing practice on site amongst all employees

One of the Chiyoda Group's CSR medium-term policies is to instill in everyone involved that safety is a core value. We make ongoing efforts to ensure all employees fully understand that safety should be their number-one priority.

In order to share knowledge and expertise from both outside and inside Chiyoda about Safety, Quality and the Environment (SQE), the Group has been holding a series of Corporate SQE Conventions.

In November 2014, the 7th Convention titled “Establishment of a Safety Culture by Sharing On-site Practices” was a great success attended by more than 500 ardent participants including corporate management executives, where the safety activities of the Papua new Guinea LNG Project (PNG) were introduced. Their methods and practices were presented, then two-way communication in a pleasant atmosphere was demonstrated in front of the audience so that everyone there could share one and the same understanding as the members of the PNG Project, which has achieved the result of “over 65 million man-hours without lost time injury”, the best safety record in Chiyoda’s history.

In this way, the Group will constantly make efforts to instill the corporate policy “Safety is a core value.”



■ Occupational Health and Safety Training Prior to Assignment to Construction Site

▪ Supervisors

Health, Safety and Environmental (HSE) Training Course (two days course) for Supervisors based on the Industrial Safety and Health Law. (Conducted five (5) times and received totally 132 attendees in FY2014)

HSE Training Course for Beginners prior to assignment to Construction Sites. (Conducted seventy five (75) times and received totally 233 attendees in FY2014)

▪ Site Managers and Construction Managers

Management Health, Safety and Environmental (HSE) Training Course for Site Manager and Construction Manager (one day course) (Conducted two (2) times and received totally 64 attendees in FY2014)

Consultation for Site Manager and Construction Manager. (Conducted twenty four (24) times in FY2014)

■ Occupational Health and Safety Training at Construction Site

We conduct training for all new workers at both domestic and overseas construction sites, as well as special safety training for those involved in hazardous operations. Safety activities also include TBM* and KYK (kiken yochi katsudo or “hazard identification activities”) prior to the start of construction work. KYK employs a special checklist that workers go over together on a daily basis to confirm hazard prevention measures for the work they will undertake on that particular day.

※TBM (Tool Box Meetings): Meetings held by each work group to confirm safety



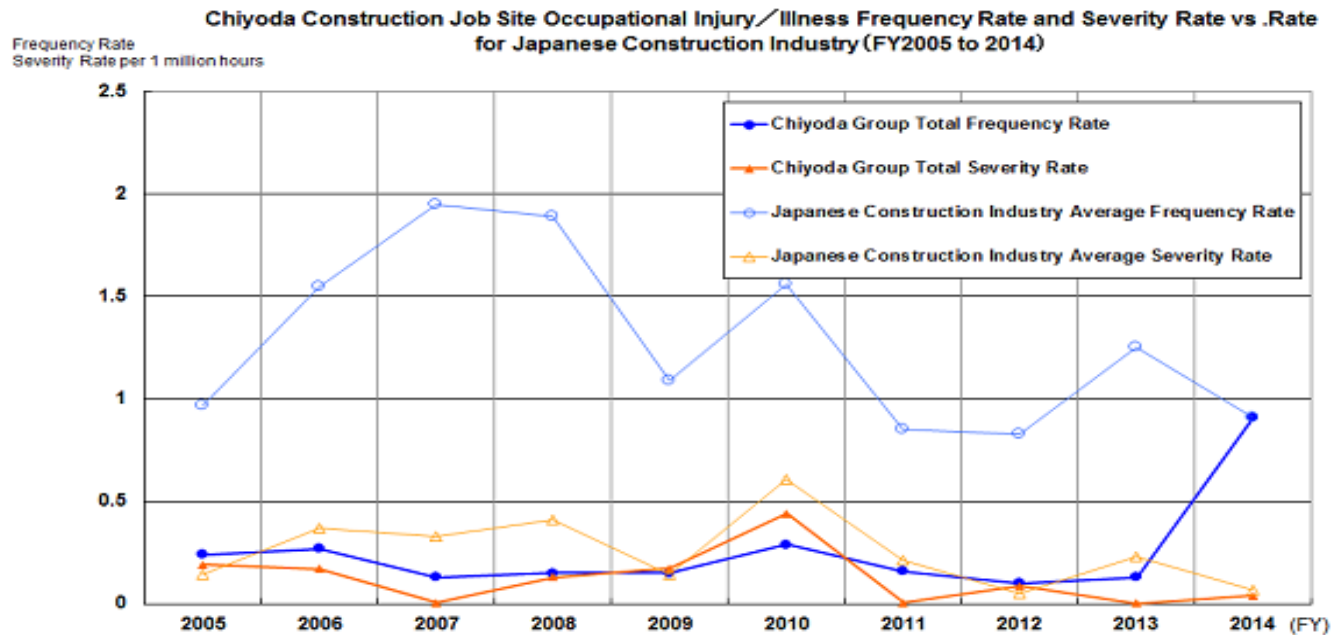
CSR Vision 4 Respect for Human Rights

- HSE Management System

HSE Management System : Chiyoda Construction Job Site Occupational Injury / Illness Frequency Rate and Severity Rate vs. Rate for Japanese Construction Industry

The Chiyoda Group has obtained accreditation of OHSAS18001 which is well known as one of the most authoritative management systems to verify the effectiveness of Chiyoda Management System.

Based on this program, each project and project unit shall develop their own HSE programs to conduct specific safety management activities. And the safety targets for every fiscal year are established utilizing TRIR (Total Recordable Injury & Illness Rate based on OSHA Standard, USA) The safety target for FY2015(Domestic project) is less than 0.5. The results of the above actions are shown in the following chart.



*1 HSE :Health, Safety and Environment

*2 TRIR:Total Recordable Injury & Illness Rate (Standards OSHA, U.S.A.)

CSR Vision 4 Respect for Human Rights

- Overseas Activities Malaysia / India

Chiyoda Malaysia Sdn. Bhd. (CMSB)

CMSB had organized a half day event of “Health Talk” to promote awareness among our employees. The event was held in Pantai Indah Hospital in Pandan Indah, Kuala Lumpur on 14 February 2014 and topics presented were Cardiac Health and Gynae Cancer Screening. We had also organized a 2 day course on basic first aid and CPR for our Safety Committee on 5 and 6 May 2014. With this initiative, we will be well prepared for any eventuality of medical emergency at our home office or construction site.



L&T-Chiyoda Limited (L&TC)



INTERNATIONAL WOMEN’S DAY CELEBRATION

International Women's Day is celebrated the world over, on the 8th of March every year. It celebrates womanhood and pays tribute to the indomitable spirit of women besides their economic, political, and social achievements. “When the power of women is unleashed, it secures the future for all”.

To mark the occasion, and show our love & respect to the L&TC women employees, International Women’s Day was celebrated at L&TC. A group photograph was also taken as a memoir.

CSR Vision 5 Commitment to Fairness

The Chiyoda Group is dedicated to achieving even greater transparency and stability by conducting our operations fairly in accordance with the highest ethical standards.

1. Action Policies

- Ensuring Compliance Program and Conduct our Business with Transparency
- Strengthen Responding to Risk

2. Activity

- [Compliance Initiatives](#)
- [Risk Management](#)
- [Export Control](#)
- [Corporate Governance](#)

3. Activities in FY2014

- ① Reinforce Compliance Initiatives
- ② Established Corporate Risk Management Policy
- ③ Established Group BCP (Business Continuity Plan)
- ④ Results of Training and Compliance Consultation and Reporting System in 2014
- ⑤ Corporate Governance

CSR Vision 5 Commitment to Fairness

- Reinforce Compliance Initiatives

Monitoring

As part of our mechanism for ensuring compliance, we have also implemented internal auditing periodically, and made improvements if required. The auditing includes the Construction Industry Law, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, Unfair Competition Act (to prevent bribes to foreign officials), and the Anti-Trust Law (to prevent bid rigging), etc. Besides the Compliance Unit in charge of promoting compliance, the Internal Audit Unit as an independent organization also conducts auditing activities.

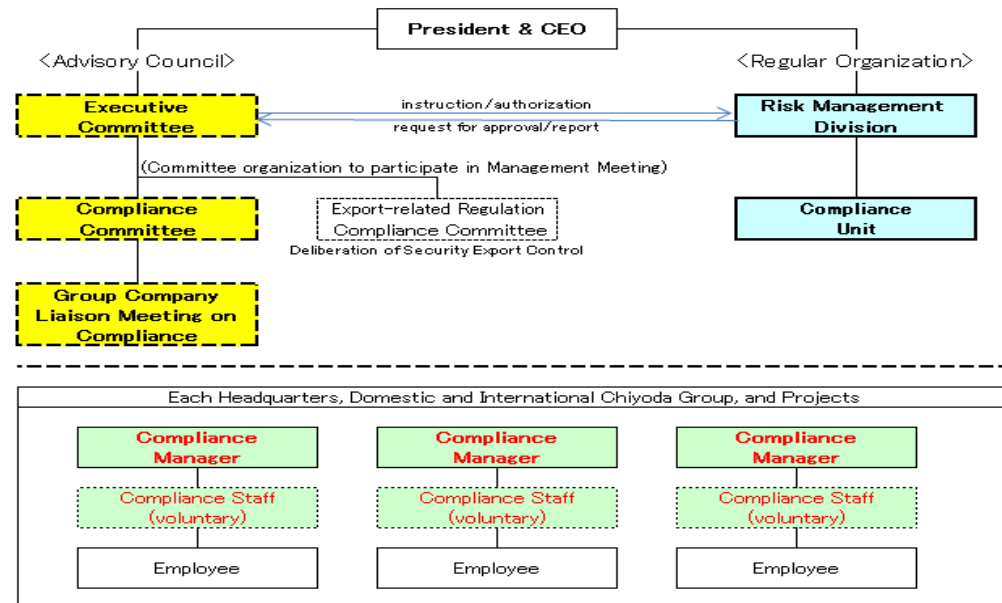


Compliance System

We have strengthened our compliance systems by establishing the Compliance Committee, which is directly managed by the Executive Committee, with the purpose of raising awareness and reinforcing promotion systems for compliance with a focus on global measures, including the prevention of anti-corruption practices.

We have also established the Group Company Liaison Meeting on Compliance with the purpose of enhancing a compliance system for the entire Group.

Also, we have assigned Compliance Managers who shall be responsible for the compliance activities in each division, group companies and project teams.



CSR Vision 5 Commitment to Fairness

- Established Corporate Risk Management Policy

The Group promotes the risk management activities and planning/ implementing Corporate Strategy as the robust wheels to support and drive maintaining/creating Corporate Value. Chiyoda Group ensures to properly disclose its business risk information to the stakeholders so as to increase transparency, to mitigate those risks by taking proactive countermeasures, then to achieve the business target.

That is exactly the aim of CORPORATE RISK MANAGEMENT POLICY. The purposes and action guidelines are defined as follows:

Purposes

- ◆ To maximize corporate value
- ◆ To maintain corporate assets
- ◆ To secure business continuity
- ◆ To gain confidence of all the stakeholders including shareholders, clients, employees
- ◆ To promote a preventive Safety and Health Culture, in which safety comes first

Action guidelines

- ◆ To report risk information immediately and share the information among the parties concerned.
- ◆ To ensure that all the directors and employees must well understand the importance of risk management and to make their best efforts in managing risks.
- ◆ To believe that every accident is preventable and conduct daily activities with this consciousness.
- ◆ To remember that the risks are defined as uncertainties which might affect the company's interests and that we must manage risks in a rational and an optimal method from an overall perspective so as to maximize corporate value.

CSR Vision 5 Commitment to Fairness

- Established Group BCP (Business Continuity Plan)

The Chiyoda Group has been coping with various risks such as fires, earthquakes, disease, information leakage, compliance violation and terrorist attacks, in addition to its project execution risks in the core business. In 2014, the Group established its Group BCP and BCM(Business Continuity Management), anticipating various risks that would disrupt its business.

BCP (Business Continuity Plan): The BCP provides the direction and course of action in order to avoid such risks, or recover quickly even if such a disruption may occur, and was known to all employees. When a disaster including a fire/an earthquake or any epidemic, terrorism/turmoil, occurs, and if the impact on the Group is anticipated to be large enough to disrupt its Group business/operation, the Group immediately declares the imposition of BCP.

Then, based on the basic philosophy of “Employees’ safety First”, the Group makes utmost efforts to continue its minimally required important business and to make a quick return to normal operation as well as to contribute to the restoration of communities affected by such a disaster.

CSR Vision 5 Commitment to Fairness

- Results of Training and Compliance Consultation and Reporting System in 2014

Compliance related			
	Training	Training prior to assignment to construction site	147
		Training for site manager and construction managers	24
		Training for management team	143
	Seminar (by external instructors)	Prevention of insider trading	65
		Construction industry laws	70
		Anti-corruption	129
	Publication	In-house letter for compliance	10
Export control related			
	Companywide notification	e-learning for export control	6
	Categorized seminar	Export control	3
CSR general			
	New employees training	CSR, Compliance and export control	11
	Mid-career recruits training	CSR, Compliance and export control	23

The Chiyoda Group pledges to constantly strive for sustainable growth and enhance corporate value on a mid- to long-term basis. To achieve this target, the Group established "Chiyoda Corporation Corporate Governance Policy" on October 23, 2015, which sets forth the Group's basic views and guideline with regard to corporate governance. The Group will continue to actively secure soundness and transparency of its corporate management through the Policy.

- **Corporate Governance System**

Chiyoda has established the Compliance Unit and the Internal Audit Unit to raise the quality and transparency of management, improve response to stakeholders and reinforce risk management and the compliance system. We also established the Safety, Quality and Environmental (SQE) Unit and an internal control system directly linked to management.

To ensure speedy and accurate decision-making to deal with rapidly changing social and economic conditions, Chiyoda has adopted the executive officer system, which separates the functions of directors, who are responsible for management supervision, from those of executive officers, who are responsible for the execution of business operations.

- **Reinforcing Internal Controls**

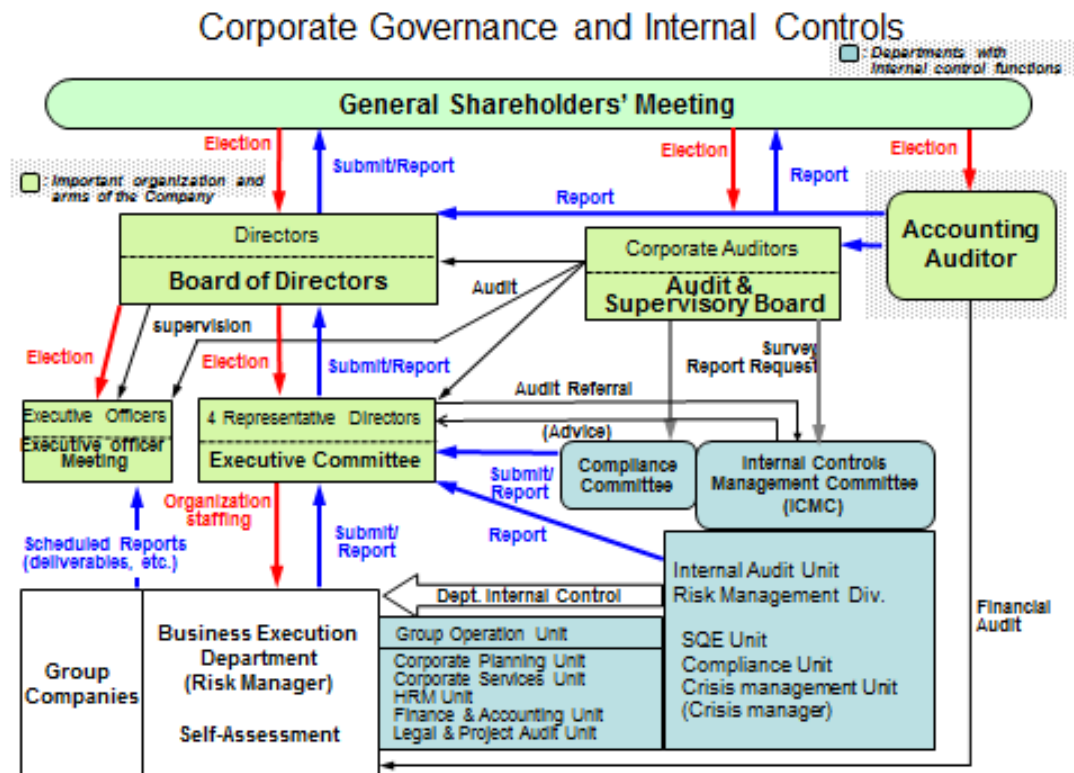
The Chiyoda Group constantly conducts self-assessments of existing internal control functions and reinforces internal control systems. In addition, the Group has established the Internal Audit Unit as an autonomous unit to perform evaluations. Chiyoda has a system in place for auditing the development and operation of a suitable overall internal control framework and constituent components, and for submitting reports to the Executive Committee.

CSR Vision 5 Commitment to Fairness

- Corporate Governance 2/2

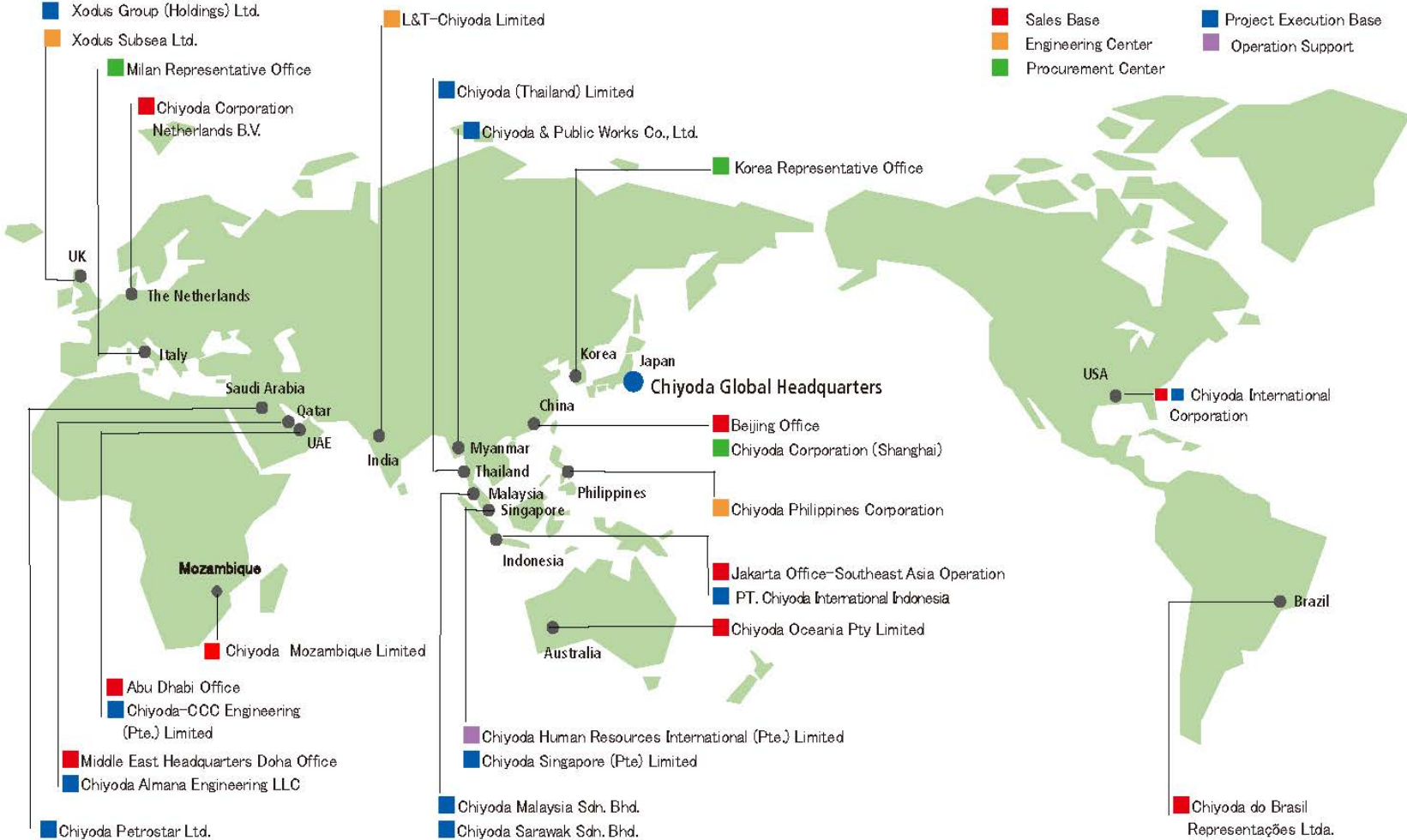
The Chiyoda Group believes that management that earns the trust and empathy of all its stakeholders, including shareholders, customers, business partners, creditors, employees and local communities, is the basis of our corporate activities, and is working to continue to strengthen our management foundation and ensure sound and transparent management with the objective of sustained growth in the mid- to long-term. We uphold the continued strengthening of corporate governance and the development and reinforcement of an internal control system as important issues, and make efforts to put these into practice.

As part of these activities, the Group reports its activities to stakeholders periodically.



Appendix : Overseas Network

Chiyoda's Global Network (Major Overseas subsidiaries and Offices as of April 1, 2015)



Appendix : Major Group Companies in Japan (as of April 1, 2015)

Engineering

Chiyoda Kosho Co., Ltd.

Engineering, Construction and maintenance of domestic energy and chemical plants; life and non-life insurance agent

URL:<http://www.cks-ykh.co.jp/>

Chiyoda System Technologies Corporation

Engineering, procurement, construction and maintenance of electrical and instrumentation, and of social infrastructures.

Consulting, development and operation for integrated IT systems.

URL:<http://www.cst.chiyoda.co.jp/>

Chiyoda TechnoAce Co., Ltd.

Consulting, design, procurement, construction and test operation services for pharmaceutical and other fine chemical plants, and various types of research facilities

URL:<http://www.cta.chiyoda.co.jp/>

Chiyoda U-Tech Co., Ltd.

Feasibility studies and consulting for energy, oil, chemical and environment-related plants and various types of industrial facilities

URL:<http://www.utc-yokohama.com/>

Chiyoda Corporation

Chiyoda Global Headquarters

Minato Mirai Grand Central Tower

4-6-2, Minatomirai, Nishi-ku, Yokohama 220-8765, Japan

Please direct inquiries about this CSR Report to:

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E-mail csr@chiyodacorp.com

Business Support

Arrow Business Consulting Corporation

Consulting and business outsourcing services, etc., for finance, accounting and tax

Arrow Human Resources Co., Ltd.

Temporary staffing, placement consulting, and education and training

URL:<http://www.ahr.co.jp/>

Arrowhead International Corporation

Travel agent, air cargo and materials export services, etc.

URL:<http://www.arrowhead.co.jp/>

Chiyoda Business Solutions Co., Ltd.

Outsourcing services and consulting for HR and facility management



Chiyoda Corporation is a member of the FTSE4Good Index, an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards.

Appendix : Editorial Policy

- **CSR Activity Report Policy**

The Chiyoda Group comprehensively reports its CSR activities including detailed information on the Chiyoda Corporation website.

In addition, the Group published the digest version of the Group's CSR Report 2015 highlighting the latest activities. The contents of these reports are elaborated through collaboration with the members of on the Group Liaison Meeting on CSR and those responsible for CSR in Group companies in Japan and overseas.

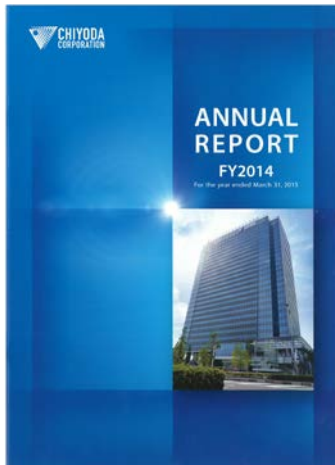
- **Website (Commitment to CSR)**

<https://www.chiyoda-corp.com/csr/index.html>

- **Website (Corporate Governance Policy)**

http://www.chiyoda-corp.com/company/files/151023_CGP.pdf

<<Reference>> Annual Report



Published in English annually for shareholders and investors overseas. From the latest report, the major topics on CSR activities are added to the financial information,



Chiyoda Group CSR Handbook

This Handbook is edited to include the Group's basic policies, "Corporate Philosophy", "CSR Vision", "Code of Conduct" and "Compliance manual" and distributed to all the Chiyoda Group employees.

