

# Chiyoda Group CSR Activities 2016 - Digest Version

IR, PR & CSR Section  
CHIYODA CORPORATION

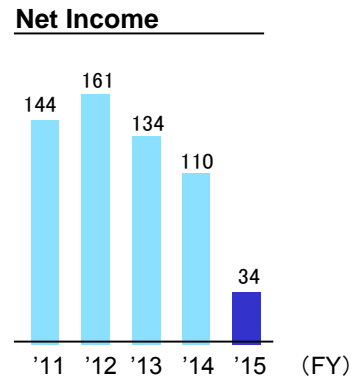
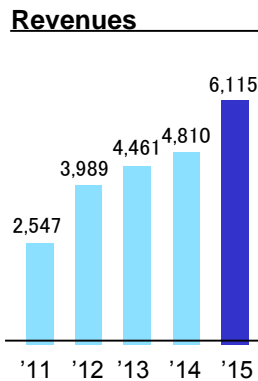
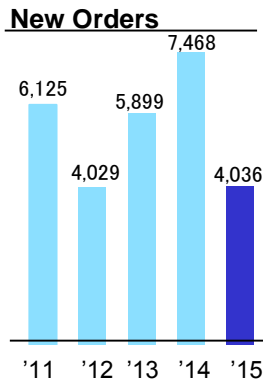


# 1. Corporate Profile (As of March 31, 2016)

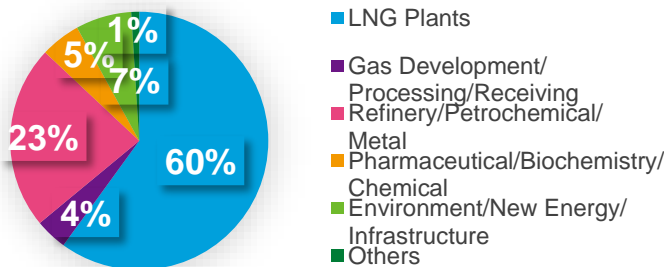
<b>Company Name</b>	CHIYODA CORPORATION
<b>Established</b>	January 20, 1948
<b>Paid-in Capital</b>	43,396 Million Yen
<b>Revenues</b>	611.5 Billion Yen (Consolidated)
<b>Number of Employees</b>	5,866 people (Consolidated)
<b>President &amp; CEO</b>	Shogo Shibuya
<b>Main Business Fields</b>	Engineering & Construction
<b>Main Offices</b>	Chiyoda Global Headquarters (Yokohama) Koyasu Office & Research Park (Yokohama)
<b>Project Experience</b>	Over 60 countries



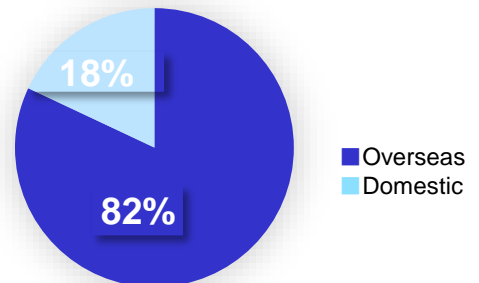
## Consolidated Financial Highlights (Billion Yen)



Revenues by Industry (FY2015)



Revenues by Region (FY2015)



## 2. Editorial Policy

### - CSR Activity Report Policy

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

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

**Applicable Period: FY2015 (April 1, 2015 to March 31, 2016, unless otherwise specified)**

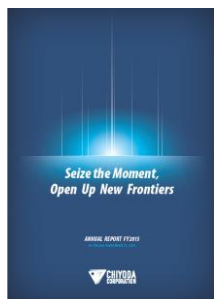
### - Website (Commitment to CSR)

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

### - Website (Corporate Governance Policy)

[http://www.chiyoda-corp.com/company/files/160623\\_CGP\\_e.pdf](http://www.chiyoda-corp.com/company/files/160623_CGP_e.pdf)

### <<Reference>>



#### Annual Report

Published in English annually for shareholders and investors overseas. The major topics on CSR activities are also introduced.



#### Chiyoda Group CSR Handbook

This Handbook is edited to include the Group's basic policies such as "Corporate Philosophy", "CSR Visions", "Code of Conduct" and "Compliance Manual (Employee's Practical Guide)", and distributed to all the Chiyoda Group employees.



### Chiyoda Corporation

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E-mail : [csr@chiyodacorp.com](mailto:csr@chiyodacorp.com)

## 3.Message from the President



### 【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)

Since it was founded in 1948, Chiyoda has worked to contribute to the advancement of society by providing the most appropriate infrastructures satisfying requirements from every region and period.

The business environment around the Chiyoda Group has drastically changed and become unclear as a result of prolonged low oil prices caused by the shale oil revolution and a demand downturn due to a recession of the emerging markets.

Under these circumstances, the Chiyoda Group will do its best to respond to all the requirements of our stakeholders and the trends of the times based on our corporate philosophy.

We believe that the Chiyoda Group's corporate social responsibility is to contribute to the realization of a better society by resolving through our engineering capabilities global challenges such as human rights, poverty, environmental issues, and shortages of natural resources.

# 3.Message from the President

## A Reliable Company as our Ultimate Goal

We are dedicated to respecting the human rights of all people and creating a corporate culture where the diversity, individuality and character of all our employees are respected. We are trying to create a supportive environment for employees to fully show their full potential in the workplace regardless of gender, nationality, age or religion.

As a part of this promotion of diversity, to ensure the further optimization of the Group's activities, we established the Action Plan for Promotion of active Female Participation in April 2016.

For the purpose of sustainable growth and enhancement of the corporate value of the Chiyoda Group in the mid- to long term, we established the Chiyoda Corporation Corporate Governance Policy in October 2015, which strengthened the Group's basic views and guidelines with regard to corporate governance.

Chiyoda Corporation has also transitioned to being a company with a newly established Audit and Supervisory Committee consisting of three directors (including two independent officers). The Group will continue to actively secure the soundness and transparency of its corporate management through our Governance Policy and corporate structure.

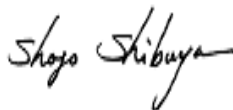
While the Chiyoda Group has been supporting its employees' participation in social activities, because society is the basis of our existence. CSR promotion staff members have regularly visited the Tohoku areas devastated by the Great East Japan Earthquake to support to revival of these areas. In addition, the Chiyoda Group made donations to four local non-profit organizations in the fifth year after the disaster. Furthermore, donations for the victims of the Kumamoto Earthquake in the Kyushu area were solicited in the Group in April 2016.

We have always tried to maintain close communication with all our stakeholders and have thoroughly complied with domestic and international laws and regulations, information security rules, corruption and harassment prevention, and respect for human rights. We have also continuously supported and will continue to support the spirit of the United Nations Global Compact (\*UNGC), which we signed in 2012 and will make every effort to realize the spirit of Sustainable Development Goals (SDGs) which embodies our business ideals. We will continue to proactively engage in CSR activities with the aim of being a reliable company.

## ONE TEAM Spirit - Enhancing Corporate Value

Based on our ONE TEAM Spirit which is shared by our stakeholders, the Chiyoda Group pledges to contribute to realization of a better society through our business activities with cutting-edge technology. We believe we can increase our corporate value and earn the trust and understanding of all our stakeholders.

June 2016



Shogo Shibuya  
President & CEO  
Chiyoda Corporation



\*: 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.



## 4.Feature: INPEX Operations Ichthys LNG Project

### Project Summary

JKC LNG Australia is a joint venture formed by JGC, KBR and Chiyoda. In early 2012, all three companies entered into an EPC contract for the Engineering, Procurement, Construction and Commissioning of the Ichthys Project Onshore LNG Facilities, which is based in Darwin, Australia. INPEX is the EPC's client, which expects to start the supply of gas in the third quarter of 2017 (July – September). The Project is one of the world's largest LNG developments, which involves gas from the Ichthys Field in the Browse Basin off north-west Australia being exported to the onshore processing facilities in Darwin via an 890 km pipeline.

The Ichthys LNG Project will produce 8.9 million tons of LNG per year, equivalent to over 10% of Japan's annual LNG consumption. Approximately 5.7 million tons of the LNG will be shipped to customers in Japan annually.



### Quality Management Initiatives

On 9 – 14 November 2015, the Project acknowledged the World Quality Day. World Quality Day (WQD) provides a platform for acknowledging the efforts and accomplishments of quality and all who work to make it happen. This is a time to celebrate — a time to showcase the advancements and valuable quality contributions at the Project. Visible and active participation Project-wide led by INPEX from JKC and Subcontractors along with a coordinated effort made the WQD campaign the most successful campaign we have had in the Project to date.



### Social Contributions through Business Activities



#### Clean Australia Day

As part of the Clean Australia Day, which is an annual nationwide event organized to empower communities to clean, fix-up and conserve our environment, JKC pulled up their socks to help raise awareness and get involved. The JKC Environmental team encouraged everybody to get involved in cleaning up the Manigurr-ma Village, Blaidin Point and throughout the local community.

Many employees took part in the event from JKC, INPEX and various Subcontractors. A massive 440 kg of waste was collected from the environment throughout the event.

#### Darwin Christmas Charity Drive

Foodbank Northern Territory reports that 25% of households in disadvantaged areas of Darwin are food insecure. Foodbank NT is a non-denominational community supported, non-profit organization which relies on the support of a large network of dedicated people.

The Christmas Charity Drive is a JKC initiative, which is a month long campaign that started on 17 November 2015 and finished 17 December 2015. JKC collected a variety of "Toys and Tucker" throughout this period to support local causes, including food, soft drinks, Christmas decorations and toys.

The Charity event raised approximately 12 tons, which was 25 pallets, of donated items throughout the month. A great effort and initiative from the Project!



## 4.Feature: INPEX Operations Ichthys LNG Project

### Environmental Initiatives

The Ichthys LNG Project required high sustainability for the surrounding natural environment of inhabitant. It is achieved by introducing Enclosed Ground Flare Package that is equipped with the state of art air supply technology to maintain adequate condition for combustion of waste gas and contributes for high smokeless performance. The package also includes an enclosure around the burners to prevent the visible flame creating calm condition by mitigating the radiation level even if flaring occurs during LNG production.

### Respect for Human Rights

More than 1,000 women currently work across the Project in various roles. JKC and INPEX organized a day to celebrate women on the Project. Morning and lunch time sessions were held for employees to hear inspirational women share their journeys in the industry. The event raised over \$500 for the Palmerston Girls Academy. Subcontractors also held their own events, which raised money for the same cause.

### Safe Construction Carried Out at the Highest Standards

We recently published the 2016 commitment that includes the IIF Leadership team's vision and goals. The primary goal is to create a world class, number one IIF Project. The takeaway for every JKC colleague is to keep a focus on generating strong relationships across the Project:

- Positive two-way communication with work groups, between Subcontractors across all levels
- Empowerment of workforce and visible leadership on the ground
- Creative innovation and enjoyment of the journey



The Green Hornets visiting the construction site to put up walkway flags to ensure there are clear walkways around site.

#### IIF Initiative: Green Hornets

A deficiency in the site wide walkway due to barricading, erection and maintenance on the Project had led to a generative approach which eventually saw the creation of the Green Hornets Action Team in August 2015. The Green Hornets is an IIF initiative that helps support the Project with better barricading, erection and maintenance on the Project to improve Project safety.

#### Well Being / Mental Health Awareness

Safety is the number one priority on the Ichthys Project. Whether it is physical or well being, JKC has focused on improving overall safety awareness. Mental Health is an increasingly important issue in the broader community, and the construction industry is similarly impacted. JKC has engaged, a provider of well being and mental health services to support the Projects campaign to increase mental health awareness and give people the opportunity to communicate more openly about mental health.



Employees on the Project who have bought the OzHelp Shirt, which helped raise \$50,000 for OzHelp.



## 5. Chiyoda Group Companies Activities

### L&T-Chiyoda Limited (L&TC) Blood Donation Camp

On the November 17th morning, all employees were welcomed at the entrance by CE and other senior management with a chocolate at LTC, as a part of Incorporation Day Celebration. All employees were in perfect formal clothing on this day. A special group photo session was conducted as a part of celebration. As per the practice followed at LTC since long this year also the Blood Donation Camp was organized on the day of incorporation of the organization (LTC). More than 80 employees donated blood in this Camp. We heartily thank all the donors who came forward to donate blood in the Camp.



### Chiyoda Malaysia Sdn. Bhd. (CMSB) Coupling Internship Program

On 18th to 26th February 2016, Chiyoda Malaysia Sdn Bhd (CMSB) play host to 8 students from Osaka University and University of Malaya, together with 3 visiting professor from their universities, to an internship program called the Coupling Internship (CIS) Program.



This program was formulated to create communication skills and first hand technical knowledge, fostering professionals capable of true leadership on a world stage. CMSB provided talks on various practical aspects of an Engineering and Construction Company specializing in the Oil and Gas Industry and also provide the student some hands on challenges of a practical live situation. Feedback from the students was very encouraging especially the aspect of combining their theory to the practical real live situation provided by the training team. CMSB was proud to play host to these students and hope that their experience in this training will prove invaluable in their future career.

### PT. Chiyoda International Indonesia (CII)/Pt. Suluh Ardhi Engineering (SAE) Jakarta "Kizuna" Ekiden 2015



For the purpose of friendship between Japan and Indonesia, Jakarta "Kizuna(Bond)" Ekiden was held on May 15th, 2015. Chiyoda Joint Teams consisting of CII/SAE participated in this Jakarta "Kizuna" Ekiden. CII/SAE formed 6(six) joint teams (4 runners for each team) with Japanese and Indonesian staff members. This Ekiden is one of the biggest events in Jakarta, and our members ran hard sweating a lot under the harsh sunlight by passing on "Tasuki(sash)" to the next runner. Unfortunately, our teams were not able to get any prize, however we were able to strengthen our "Kizuna" between Japan and Indonesia beyond the border. Bearing this "Kizuna" in mind, we join hands to achieve a goal together by continue to try overcoming any difficulties in the years to come.

### Chiyoda Philippines Corporation(CPh) Drive Campaign for elementary school

CPh once again made a remarkable event last June 17, 2015, in our School Drive Campaign with its theme "Care and Provide for the Hope of the future". CPh Representatives headed by our President and CEO Mr. Fumiaki Tanaka arrived mid-morning with a van full of school supplies good for three hundred sixty nine (369) pupils of Renato R Lopez Elementary School who greeted us with a smile. The success of "Care and Provide for the Hope of the future" is a reflection of the ever increasing dedication and enthusiasm from all of us. CPh employees joint efforts and contributions as well as generosity inspired and gave hope to 369 pupils.





# 5. Chiyoda Group Companies Activities

## Chiyoda System Technologies Corporation (CST) MES DAY 2015

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”.



## Chiyoda & public Works Co. Ltd. (CPW) Donations for widespread floods in Myanmar



During June and July, Myanmar faced with widespread floods over (43) townships in twelve out of the fourteen states and regions due to very heavy rain. In late July, a tropical storm system in the Bay of Bengal brought even more rain to Western and Central Myanmar.

Most people in these areas suffered causes of flooding and needed more humanitarian assistance at the beginning time of flooding. After that, rehabilitation program is essential for their daily life.

As the second CSR activity, CPW's CSR committee chose Wai Lu Kyaw Foundation to support their rehabilitation activities by contributing CPW donation because Wai Lu Kyaw Foundation is being done the emergency response and rehabilitation program in flooded areas since the countrywide flooding happened in Myanmar.

Company donated 1000 US\$ under CPW company name as an initiation of contribution for rehabilitation in flooding area and all CPW staff cooperatively contributed 1,300,000 MM Kyat (Total amount is 2.5 Million Kyat) in donation.

On 19 November, 2015, CPW organized the second CSR activity for rehabilitation of countrywide flooding in Myanmar by handing over the donated money of CPW staff to Wai Lu Kyaw Foundation.

## Chiyoda Thailand Limited (CTL) Buddhist Lent Day

There are various days to respect or celebrate religious events relating to Buddhism in Thailand. Those days are very important for Thai people. The Buddhist Lent Day is one of such days, and CTL donated candles to the Wat Kham-Paeng on the occasion of the Day, July 31, 2015.



## 5. Chiyoda Group Companies Activities

### Arrowhead International Corporation (AIC) Implementation of UNICEF Foreign Coin Fund-raising Activity

AIC donated coins to the United Nations Coin's Fund to participate in a foreign coin fund-raising activity. Coins are collected from the employees in Chiyoda Corporation and its group companies.

This fund-raising activity helps to save the lives of children in poverty-stricken developing countries, create opportunities for education, and enable young people to contribute to society with hopes and dreams.

Total weight of coins reached 14kg and the value of all coins and bills was estimated to be equivalent to more than J. Yen 30,000.



### Chiyoda Almana Engineering LLC(Chiyoda Almana) Beach Cleaning Campaign

Chiyoda Almana Engineering Company, celebrated the Company's Foundation Day for this year 2016 by conducting the Annual Beach Cleaning Campaign in cooperation with Ministry of Municipality & Environment in Qatar (Baladiya).

On March 6, the corporate campaign was conducted at Al Zubara beach area. The campaign extended to include 200 company employees and their family members who collected more than 400 bags of waste and garbage in an environmental activity to show everyone's support and appreciation to the environment in Qatar. For the 6th consecutive year, Chiyoda Almana held the Beach Cleaning Campaign as part of the company's CSR program. For this year the event was held with a new theme "Think Globally, Clean Locally".



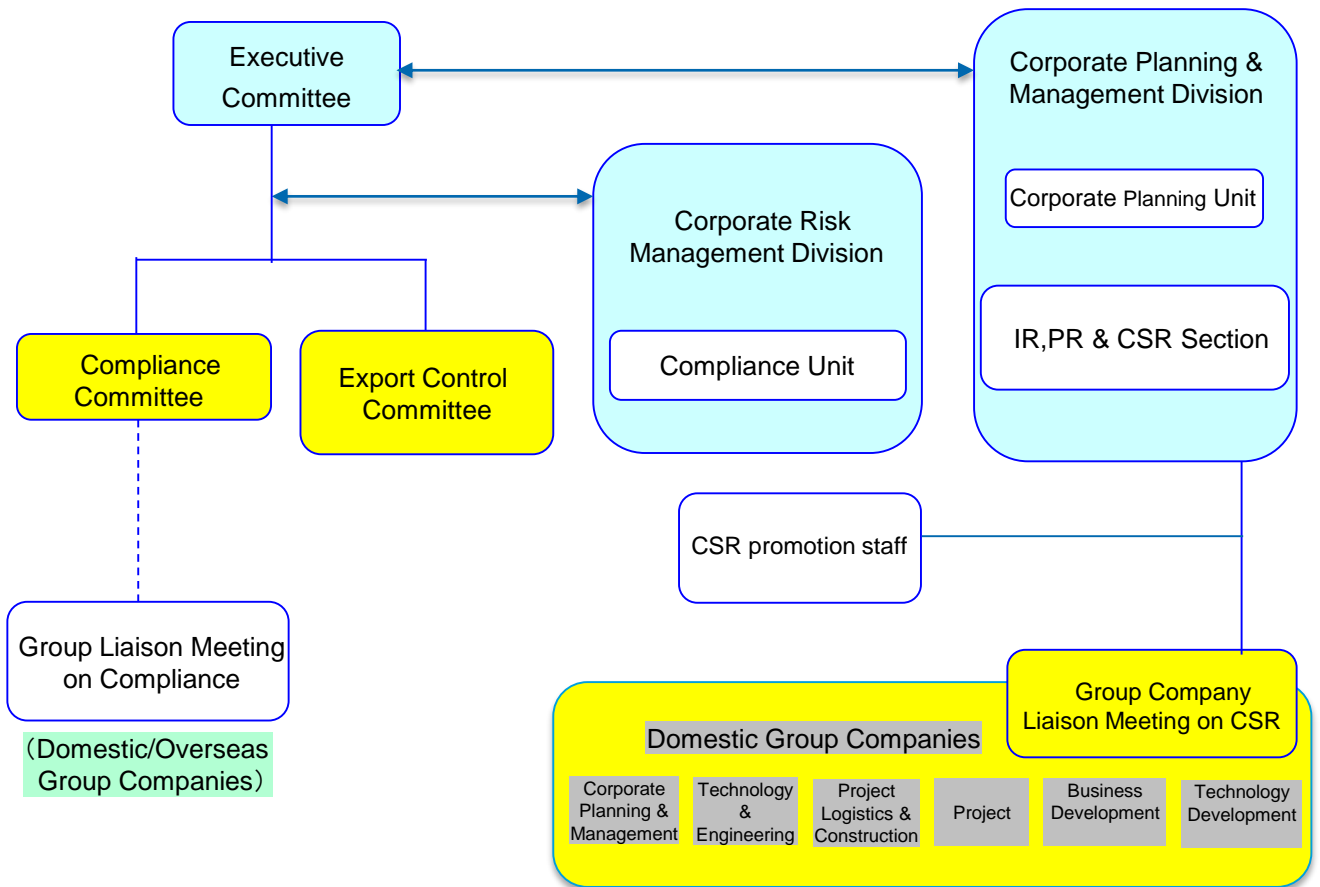
### Chiyoda Singapore(Pte)Limited(CSL) Support to Children Society



In August 2015, CSL together with Singapore Children Society brought a total of 40 children on an excursion to Gardens by the Bay. These children aged between 4 to 8 years old are mainly from poor families. They lack the sufficient love and parental supervision. CSL volunteer members spent the time well with them with lots of comfort and joy. This trip has brought a huge smile on all of their faces as much as it did to all the CSL staffs that volunteered for this program.

# 6. CSR Promotion Structure

Chiyoda Group has been making every effort to enhance its CSR activities to date. In April 2015, Chiyoda reorganized CSR into IR, PR & CSR Section under Corporate Planning Unit in Corporate Planning & Management Division and Compliance Unit under Risk 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 including compliance in collaboration with its domestic and overseas group companies, Group Company Liaison Meeting on CSR\*, Compliance Committee, Group Liaison Meeting on Compliance and Export Control Committee. Besides, the CSR promotion staff system has been adopted to further advance CSR activities. We will also continue to support the restoration from the Great East Japan Earthquake through our business and by supporting employee volunteers in the affected areas.



Group Liaison Meeting on CSR :

“Group Liaison Meeting on CSR” consists of the representatives of each division of Chiyoda and its domestic group companies to serve as an organization that deliberates CSR report and the annual program on CSR activities, such as social contribution activities, and promotion of United Nations Global Compact among the Chiyoda Group.

# 7. CSR Vision

## Our Mission 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 Values Chiyoda Group CSR Visions

As an integrated engineering company, 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.

	Compliance with International Guidelines	
	ISO 26000 Core Subjects	UN Global Compact
<p><b>CSR vision 1 A Reliable Company</b> We strive to be a reliable company to our customers and other business partners by providing world-class technologies and knowledge.</p>	Consumer (customer) issues	—
<p><b>CSR vision 2 Environmental Initiatives</b> We will work to remain an invaluable company to society by utilizing refined technologies to promote harmony between the global environment and economic and social activities.</p>	The environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
<p><b>CSR vision 3 Social Contributions through Business Activities</b> 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>	Community involvement and development	—
<p><b>CSR vision 4 Respect for Human Rights</b> 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>	Human rights Labor practices	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses. Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
<p><b>CSR vision 5 Commitment to Fairness</b> We are dedicated to achieving even greater transparency and stability by conducting our operations fairly in accordance with the highest ethical standards.</p>	Organizational governance Fair operating practices	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

#### Basis of Our Actions

Code of Conduct of the Chiyoda Group  
Chiyoda Group Compliance Manual  
(Employee's Practical Guide)

Details of these philosophies, visions and guidelines can be viewed on the Chiyoda website.  
<http://www.chiyoda-corp.com/company/en/policy/index.html>



## Chiyoda Group's CSR

We believe the Chiyoda Group's corporate social responsibility is to accurately assess the current demands and deploy engineering to provide the value that society requires for addressing global challenges such as poverty, environmental issues and securing resources, consistent with our Group Corporate Philosophy.

In this respect, we will have all of our employees reflect the principles of such global guidelines as ISO 26000 Core Subjects, UN Global Compact and Sustainable Development Goals in their behaviors and also work on our business partner and often parties concerned to understand and comply with the principles.

Our Group's basic stance towards communication in our business activities is "Smile and Respect", meaning to smile to express a warm feeling and to show respect to the other party, and we will continue to proactively engage in CSR activities with the aim of being a reliable company for all stakeholders.

Action Policies	Activities in this year
<ul style="list-style-type: none"> <li>● Provide industrial plants that earn customer trust through engineering of outstanding quality</li> <li>● Share our CSR principles with suppliers and other business partners</li> </ul>	<ul style="list-style-type: none"> <li>● Initiatives for a stable supply of energy and reduction of greenhouse gases</li> <li>● Contribution to diversification of energy sources</li> <li>● Plant construction that lives up to customer trust</li> <li>● Initiatives for enhanced awareness of information security management and the training</li> <li>● Initiatives for supply chain management</li> </ul>
<ul style="list-style-type: none"> <li>● Develop and provide environmentally friendly energy and conservation technologies</li> <li>● Conduct business activities that contribute to environmental conservation</li> </ul>	<ul style="list-style-type: none"> <li>● Continuing research and development for a low-carbon society (energy conservation/ effective utilization of CO<sub>2</sub>)</li> <li>● Promotion of business development towards a hydrogen-based society</li> <li>● Expansion and promotion of renewable energy</li> <li>● Execution of projects that consider environmental conservation</li> <li>● Implementation of biodiversity preservation activities</li> </ul>
<ul style="list-style-type: none"> <li>● Contribute to society through integrated engineering business activities</li> <li>● Enhance social contribution activities by providing knowledge and labor</li> </ul>	<ul style="list-style-type: none"> <li>● Promotion and support of culture in the community</li> <li>● Contribution to local economic development and human resource development</li> <li>● Tie-ups and cooperation with educational institutions to educate the next generation</li> <li>● Response to the Great East Japan Earthquake</li> <li>● Support for other major disasters</li> </ul>
<ul style="list-style-type: none"> <li>● Create a lively and energetic working environment and help employees develop their talents</li> <li>● Instill in everyone involved that safety is a core value</li> </ul>	<ul style="list-style-type: none"> <li>● Creation of pleasant work environments</li> <li>● Establishment and enforcement of a safety culture</li> <li>● Enhancement of human resource development systems</li> <li>● Establishment of crisis management systems</li> <li>● Promotion of diversity including active female participation</li> </ul>
<ul style="list-style-type: none"> <li>● Conduct business activities based on strict compliance and a high degree of transparency</li> <li>● Conduct a thorough risk management program</li> </ul>	<ul style="list-style-type: none"> <li>● Compliance Reinforcement Plan and Group Company Liaison Meeting on Compliance established</li> <li>● Continuous compliance training and auditing</li> <li>● Promotion for better understanding of UN Global Compact</li> <li>● Thorough awareness of export controls</li> <li>● Establishment of "Chiyoda Corporation Corporate Governance Policy"</li> <li>● Establishment of the Audit and Supervisory Committee</li> <li>● BCP(Business Continuity Plan)</li> </ul>

# A Reliable Company - CSR Vision 1 -

## Development of Global Operation System

Chiyoda Philippines Corporation (CPh) was awarded a project (STAR TREC Project) by the Philippines Shell Petroleum Corporation (PSPC) to modernize a refinery. The project was the first medium-sized oil refining project in Asia for CPh accomplished by EPCm. CPh handled all aspects of the project from the basic design to EPCm while collaborating closely with the Chiyoda Group, and successfully completed the project in 2015.

In order to execute the project efficiently, CPh put together a team made up of project team members and engineers who worked closely to resolve any issues, and communicated with customers in a timely manner. CPh assigned local engineers with a strong sense of responsibility and pride, and who were committed to the development of the country's infrastructure. These factors were key to the successful completion of the project.

CPh worked closely with experts from the Chiyoda Group to implement its 'C-Safe' safety management system. As a result of the strong partnership, there were no accidents during the construction period of 23 months (2.7 million hours).

The project is testament to the ongoing strategy of strengthening regional bases by improving the execution skills and competitiveness of local offices through strong partnerships and teamwork.



Pilipinas Shell Petroleum Corporation

## INPEX Operations Ichthys Project

**-The primary goal is to create the world, number one Incident Injury Free Project-**

JKC Australia is a joint venture formed by JGC, KBR and Chiyoda. On 13 January 2012, all three companies entered into an EPC contract for the Engineering, Procurement, Construction and Commissioning of an onshore LNG Plant on the Ichthys LNG Project, which is based in Darwin, Australia. INPEX Operations are the EPC's client, which expects to start the supply of gas in the third quarter of 2017 (July – September). The project is one of the world's largest LNG developments, which involves gas from the Ichthys Field in the Browse Basin off north-west Australia being exported to the onshore processing facilities in Darwin via an 890 km pipeline.

The primary goal is to create a world class, number one Incident Injury Free Project.

- Positive two-way communication with work groups, between subcontractors across all levels
- Empowerment of workforce and visible leadership on the ground
- Creative innovation and enjoyment of the journey

The takeaway for every JKC employee is to keep a focus on generating strong relationships across the project.

In addition, the IGL LNG project required high sustainability for the surrounding natural environment of inhabitant.

It is achieved by introducing Enclosed Ground Flare Package which is equipped with state-of-the-art air supply technology to maintain adequate conditions for the combustion of waste gas and contributes to a high smokeless performance.

The Ichthys LNG project will produce 8.9 million tons of LNG per year, equivalent to over 10% of Japan's annual LNG consumption. Approximately 5.7 million tons of the LNG will be shipped to customers in Japan annually.



# A Reliable Company - CSR Vision 1 -

I'ROM Group Co., Ltd. (I'ROM Group) will build a GMP facility to manufacture regenerative medicine and gene therapy drugs based on the Sendai virus (SeV) vector technology which its subsidiary, ID Pharma Co., Ltd. (ID Pharma) holds as a platform technology. The facility will be located at the site of ID Pharma's headquarters in Tsukuba, Ibaraki Prefecture. ID Pharma has obtained patents on the iPS cell generation technology using Sendai virus (SeV) vector, mainly in Japan, Europe and America, and the Company has developed the iPS cell generation kit "CytoTune®- iPS" based on that technology. While the kit has commercially sold well all over the world with high acclaim from the users, there has been demands for production and supplies of the kit for clinical use with ID Pharma's advanced technology.

The vector, meaning "courier or carrier", is a material that has the function to convey therapeutic genes to specific organs and tissues, and then introduce the therapeutic genes into target cells effectively.

As Sendai virus (SeV) vector does not damage a chromosome at the time of gene transfer, it is said that a cell is at low risk of malignant alteration. This feature is very important to induce iPS cell, and leads to the big development of regenerative medicine and the gene therapy. To construct the GMP facility for Sendai virus (SeV) vector in compliance with GMP, the Chiyoda Group provides high quality technology through its engineering services.

As the most reliable company (Reliability No.1 Company) to be trusted and ensure safety, we continue to aim at the sustainable development of society with our customers.



ID Pharma Co., Ltd.  
"iPS cell generation kit"  
「CytoTune®-iPS」

## Comments from the Client

The I'ROM Group has been working on advanced medicinal treatment fields such as Gene Therapy, Cell Therapy, Regenerative Medicine.

This time, ID Pharma, a Group company of the I'ROM Group, decided to build a Sendai virus (SeV) vector GMP facility at our head office and laboratory in Tsukuba.

The Sendai virus (SeV) vector technology is not only a powerful tool for the development of iPS cell based regenerative medicine, but also can be applied to gene therapy drugs, genetic vaccines and other products.

The Chiyoda Group engaged in the construction of this new production facility from the design phase and offered a compact facility of high quality.



ID Pharma Co., Ltd.  
President  
Tsumugine Shu, Ph.D.

I think that Chiyoda Group's capability in making high level suggestions about the design and functionality comes from its considerable project experience and achievements in the advanced medicinal treatment fields, not to mention its ability to make the facilities comply with GMP standards. In a limited time, the Chiyoda Group, maintaining close communications, has reflected our thoughts, suggestions and advice with flexible ideas. I think this attitude has enhanced the confidence in each other, and also enabled the sharing of our technical capabilities. In addition, they have responded quickly to the changes and demands we made in the various stages. I also think that the attitude of sincerely following up has led to realizing the smooth construction.

Now, we are aiming to complete the construction of the GMP facility with a priority on safety in collaboration with the Chiyoda Group in November 2016.

With a sense of "speed", the most important in the tip medical field, we will expand the use of the core technology of the I'ROM Group into the fields of not only iPS cell, but also Gene Therapy with the engineering of Chiyoda Group to start the supply of Sendai virus (SeV) vector, and contribute to further advancing medicinal treatment.

# A Reliable Company - CSR Vision 1 -

## 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.

名称	内容	主催	開催日	参加企業
<b>Interphex Japan2015</b>	CTA exhibited at Interphex Japan2015. The exhibition for the display of various kinds of equipment, systems and technology for the production and research and development of pharmaceuticals, cosmetics and the like.	Chiyoda Corporation and Chiyoda TechnoAce Co., Ltd.	Jul. 2015	Pharmaceutical companies (approx. 650 attendees)
<b>Plant Maintenance Show 2015</b>	Under the concept that a big data related to a plant should be utilized through a plant life cycle in terms of design, construction, operation and maintenance, the PLDM <sup>*1</sup> has been developed. As the energy, IT and infrastructure engineering company, CST promised to provide solutions for satisfying Customers' requests.	Chiyoda System Technologies Corporation	Jul. 2015	290 companies 372 attendees
<b>Seminar for improving skills of Quality Management System Internal Auditors</b>	Education of "Internal Auditor" is the one of the key factors of successful Quality Management System. CUC <sup>*2</sup> runs the annual seminar to support continual improvement of the System.	Chiyoda U-Tech Co., Ltd. and Client	Sep. 2015	Chemical Company Machinery/ Equipment Engineering Company(30)
<b>PM<sup>*3</sup>Symposium 2015</b>	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.	Chiyoda System Technologies Corporation	Sep. 2015	Engineering companies and construction companies. (approx. 30 attendees)
<b>JOGMEC Techno Forum 2015</b>	Chiyoda demonstrated our advanced technologies in Oil and Gas Development together with our latest updates in the above new business fields.	Chiyoda Corporation	Oct. 2015	approx. 900 attendees
<b>CST<sup>*4</sup> PROJECT CLOUD Release Seminar</b>	With a start of cloud service, "CST PROJECT CLOUD" which is specialized in an establishment of the platform of next-generation project management, CST held seminars in Tokyo and Kobe targeting for engineering, construction and manufacturing companies.	Chiyoda System Technologies Corporation	Oct. 2015	approx. 50 attendees

\*1 PLDM: Plant Lifecycle Data Management

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

\*3 PM: Project Management

\*4 CST: Chiyoda System Technologies Corporation

\*5 MES: Manufacturing Execution System



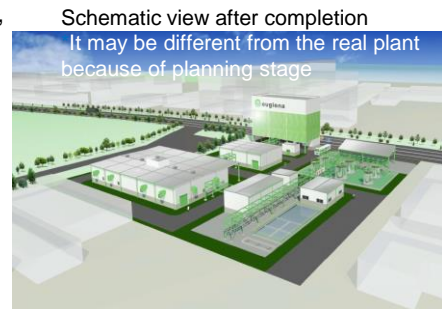
# Environmental Initiatives - CSR Vision 2 -

## Launching the First Project to Produce and Supply Renewable Jet and Diesel Fuels in Japan

Chiyoda is cooperating with euglena Co., Ltd. (Euglena) as an EPC (Engineering, Procurement and Construction) contractor for Japan's first demonstration plant to produce and supply renewable jet and diesel fuels as a part of euglena's plan toward 2020.

Chiyoda will localize it to meet the Japanese standards and perform EPC of the demonstration plant. The features of this technology are as follows: the conducting of hydrothermal treatment before hydrogenation, the ability to produce not only bio-jet fuel but also bio-diesel fuel and bio-naphtha fuel, and the wide variety of raw materials, where the raw material need not to be Euglena oil, but also various fats, oils and free fatty acids.

Based on our longtime experiences with petroleum refining plants, we are confident to contribute to the reduction of CO2 emission through this pioneering project.



## “SPERA Hydrogen®” Technology’s Successive Awards



The Japanese government has been promoting a “hydrogen society,” and Fuel Cell Vehicles (FCVs), hydrogen refueling stations and residential fuel cells (ENE-FARM®) have all been commercialized. A safe technology for the large-scale storage and transportation of hydrogen is required to increase the utilization of hydrogen energy. Chiyoda completed a technical establishment of the “SPERA Hydrogen®” System through a demonstration operation with a pilot plant in 2013, the first in the world. Chiyoda received the “Jules Verne Award” from the International Association of Hydrogen Energy in 2014, the first Japanese business in the Award’s history. In 2015, Chiyoda also received the “JIE Award” from the Japan Petroleum Institute of Energy, and the “Noguchi Memorial Award” from the Japan Petroleum Institute.

Chiyoda plans to play a role in resolving the issue of global warming through building a “hydrogen society” with the “SPERA Hydrogen®” System Technology.

## Forest Restoration Activities



Reforestation in Chiyoda no Mori (Chiyoda’s forest)

Chiyoda Group is participating in the Japan Business and Biodiversity Partnership. Our aim of “harmony between energy and the environment” defined in our corporate philosophy shares common points with the Vision 2050 “Living in harmony with nature” adopted at the Convention on Biological Diversity (COP10). Chiyoda Group is making the efforts below for conservation of biodiversity.

- (1) Efforts in business operations
  - Carbon management toward a low carbon society
  - Optimizing energy consumption, detoxifying, reducing and recycling emissions and waste
  - Development of eco-friendly technologies
- (2) Efforts in CSR activities
  - “Chiyoda no mori (Chiyoda’s forest),” reforestation in Kamaishi, Iwate Prefecture, as part of reconstruction assistance for earthquake-stricken areas

The report on this activity is posted on the website of Green Wave launched by the UN Secretariat of the Convention on Biological Diversity.

# Social Contributions through Business Activities - CSR Vision 3 -

## Chiyoda Almana Engineering LLC(Chiyoda Almana) Tie - ups and cooperation with educational institutions to support the development of young talents

Chiyoda Almana has established comprehensive partnership with academic institutions such as universities in both Qatar and Japan to apply diversification towards humanitarian fields including people to people exchange, culture, education, health, science and technology. In this regard, we have signed an agreement with Qatar University, Osaka University and one of the Japanese centers for research and education, for students exchange from both countries under Chiyoda Almana umbrella. During the period 21 Aug. to 04 Sep. 2015, 8 students (4 Qatari + 4 Japanese) have joined the Coupling Internship Program at Chiyoda Almana under the theme of "Practical Global Talent Development System".



### Qatar, Osaka students complete internship

Small text block containing details of the internship program, including dates and participants.

## Heart-made Sale



In-house sale events of goods made by challenged people are periodically held. Proceeds from the sales help support the people who made the goods (Heart-made goods).

In addition, such Heart-made goods are offered to the participants as souvenirs for "Chiyoda Family Day".

## Support to the Japan Philharmonic Orchestra

The Group supports the activities of the Japan Philharmonic Orchestra. In addition to the normal support activities we have made so far, we have, since 2011, been inviting people from the Yokohama Blind Association to a concert of the Japan Philharmonic Orchestra annually held in December at Yokohama Minato Mirai Hall. In 2015, we invited 50 people in 25 pairs from the Yokohama Blind Association to the concert in December. We received a certificate of appreciation for our activities from the Yokohama City Council of Social Welfare. The Managing Director of the association attended the presentation ceremony representing those invited. "The visibly impaired people treasure such information from their auditory sense and listening to music is one of the most relaxing moments for them. Therefore, every year so many of them apply for Chiyoda's invitation tickets to Beethoven's 9th Symphony. They were much looking forward to the event this time as well. It was our great pleasure that the year was completed with such a wonderful concert." said the Managing Director. "



## Main Activities Implemented in fiscal year ended March 2016 (FY 2015), including domestic Group

Cooperation for university education activities (dispatch of lecturers)	78 people
Training for interns	78 people
Visiting seminars (including non-internship workplace tours)	7 times
Community cleanup campaigns	Total of 95 people
Food aid activity as TABLE FOR TWO	Total of 1,782 meals
ECOCAP program to enable the purchase of vaccines	229,706 caps (equivalent to those for 267 persons)

# Social Contributions through Business Activities - CSR Vision 3 -

## Reconstruction Supports

Chiyoda Group has been working for the restoration of energy-related industrial facilities and infrastructure since the 2011 Great East Japan Earthquake.

Further, since 2012 we have dispatched twice a year the employee volunteers to the coastal areas in Iwate Prefecture under the motto "CSR to be promoted by all the members".

From 2015 we started the volunteer activities of small groups in addition to groups of a large number of the employees in order to respond flexibly to local needs.

Besides the above activities in the local areas, in our Yokohama and Koyasu offices we have sold Yubeshi (local sweets) and the seasonal ingredients of the local village named Nagahora Genki Village in Rikuzentakata, Iwate Prefecture every month. March 11, 2016 marked the fifth (5th) anniversary of the Great East Japan Earthquake, and we have renewed our commitment to continue the support activities. In this respect, we would like to introduce our activities performed in the fiscal year 2015 as follows:



### Fund Raising and Donation:

We asked the Chiyoda Group members for collaboration in fund-raising, and donated to the five local organizations in Iwate Prefecture where our volunteer activities have been visiting to support the stricken area reconstruction. Those who donated were given a novelty smartphone & watch stand using the thinned woods of the Kamaishi Regional Forestry Cooperative. We will continue to develop the activities keeping close communications with the local people and the volunteer members.

### Reforestation, Nature and Ecosystem Conservation:

Chiyoda Group, under the guidance of the Kamaishi Regional Forestry Cooperative, have conducted such reforestation activities as land preparation, wood chopping, undergrowth mowing and tree planting at the area designated as "Chiyoda no Mori" (Chiyoda's Forest) in the mountains entrusted to the Cooperative by the forest owners. We have also conducted the following activities:

- Cooperation with a local NPO "Kiri Kiri Koku" in carrying on the local traditions of the firewood, restoring the forest damaged by the forest fires caused by the Great East Japan Earthquake and making the renewable energy of biomass, so that the NPO could achieve their project "The Forest of Revival" to revive the forest and sea richer than those before the tsunami following the Earthquake.
- Participation with the local people in the activities being promoted by the local organization "United Green" to restore the field damaged by salt, and plant rape blossoms there for realizing the local production and consumption of the rapeseed oil.

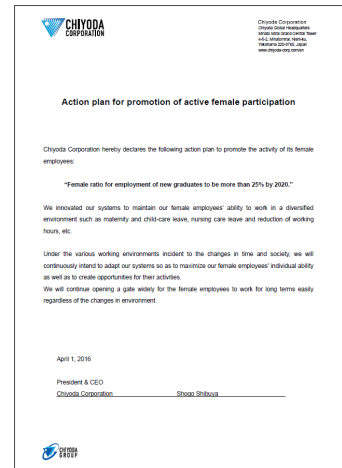




# Respect for Human Rights - CSR Vision 4 -

## Promotion of Active Female Participation

The Chiyoda Group has been proactively continuing every effort to create a corporate culture and working environment where the diversity, individuality and characters of employees are respected and employees are motivated to vividly work irrespective of sex, nationality age, religion, etc. This is based on our belief that a variety of perspectives gained through promoting the diversity will increase the organization's strength of being flexible and coping with various situations. As a part of the promotion of diversity, the Group has established the action plan named "Action plan for promotion of active female participation" based on the Act on promotion of woman's participation and advancement in the workplace, and has been following up on taking the actions.



## Activity of a Task Team for Changing the Employee's Mind-Set

The Chiyoda Group highly respects the diversity and individuality of employees and their personalities. We are making efforts to create a supportive environment, provide assistance and change the employees' mind-set to help them make the most of their potential in the workplace regardless of gender, nationality, age or religion.

As part of the efforts to promote diversity, Chiyoda is engaged in two major activities. One of them is a task team aimed at changing the employees' mind-set about female participation in the workplace. The task team, formed in 2014, gathers and exchanges information and organizes lectures by outside lecturers. The team is seeking to build a corporate culture and a system that enable women to fulfill their potentials without depending much on their own efforts, supervisors' decisions, the working environment or the atmosphere. The team provides not only female but also male employees with a chance to review their ways of working in the light of development and advancement of women in the workplace.

The theme of lectures of the FY2014 to the FY2015

- Environment and corporation evaluation system that able to fulfill their potential
- Infinite possibilities change an organization
- Diversity as a global management

## Celebration of International Women's Day

On the occasion of International Women's day, LTC organized a small gathering for LTC females. A short film on women safety was projected in this gathering. After the film, all presented employees shared their own experiences.

Chiyoda Almanac also arranged a Medical Seminar for the company's women employees under the title "Leading Healthy Lifestyle and Cancer Awareness" to celebrate and memorize the International Women's Day.





# Respect for Human Rights - CSR Vision 4 -

## Promotion of Safety Culture through Lessons Learned from Excellent Construction for Domestic and Overseas Projects

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 SQEI Conventions. In July 2015, the 8th Convention titled "Promote a Safety Culture through Lessons Learned from Excellent Construction for Domestic and Overseas projects" was a great success with more than 500 ardent participants including corporate management executives.



The domestic and overseas projects with their excellent activities on safety management were presented and the lessons were shared with all the participants. After the presentation, the panel discussion was conducted in order to recognize and study the common or different points between domestic and overseas projects, including those to be learned or improved. Such panel discussion was also effective for the persons not directly involved in the construction to image how important the safety is for the construction. In this way, the Group will constantly make efforts to instill the corporate policy "Safety is a core value."



Placing importance on "safety on the construction site", Chiyoda Corporation has been promoting its original program "C-SAFE" and fostering a safety culture with the motto "every incident is preventable" as mentioned in the corporate SQE (Safety, Quality and Environmental) policy. In addition, this year we called on all Chiyoda Group employees to remember that a "safety culture begins with each one of you" and asked them to propose a new C-SAFE logo.

## Creation of a Safe Work Environment



Chiyoda Almana respects all our employees' rights to have a safe work environment. We strive to improve the safety awareness among our employees. Through the implementation of OHSAS 18001 standard, we target to reach and maintain our excellent safety records by helping our employees to practice the safety culture as part of daily work activities and to grow the safety consciousness among employees and all stakeholders.

In this regard, 4 safety training organizations have been set up by 39 employees in 2015. The organizations are aiming to educate employees about the Safety Golden Roles.

## Creation of a Sense of Unity with Community Residents

"Grand Mall Park Summer Festival 2015" was held grandly in Minato Mirai, Yokohama on July 24, 2015.

The Chiyoda Group companies joined this festival, and carried its "Mikoshi" (portable shrine) together with the community residents and neighboring companies. This year, we also set a street stall in collaboration with the neighboring firms. It was so popular that about 400 children gathered around.

Another "Mikoshi", which is remodeled from the one used on the Papua New Guinea's construction site so that children are able to carry, was also carried by the children.

We will treasure the unity with the community residents established through this event and continue to cooperate in carrying the Mikoshi passed from the construction site on to the children.



# Commitment to Fairness - CSR Vision 5 -

## Chiyoda Corporation Corporate Governance Policy

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

## 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. The Chiyoda Group established its Group BCP and BCM (Business Continuity Management), anticipating various risks that would disrupt its business. 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.



## Continuous Compliance Training



Every year, a month between October and December has been designated as Intensive Compliance Campaign Month since October 2008. During the period, we have conducted compliance educations such as seminars by outside professional instructors and online courses by e-learning for all the employees including our group companies.

In 2015, we conducted the seminars by the professional instructions on Anti-bribery to foreign government officials, Anti-Monopoly law, and Harassment, while e-learning (online seminar) on Compliance was out both in English and Japanese.

# Commitment to Fairness - CSR Vision 5 -

## Training conducted by Chiyoda Corporation in FY2015

### Compliance

Classification	Title	Contents (Time, Number, etc.,)
Hierarchical Training	New employee	1 time/105 employees
	Mid-career hire	4 times/9 employees
	Executive, associate executive	2 times/42 employees
Functional Training	Overseas assignment	Each time/217 employees
	Site managers of field offices	Each time/26 employees
Lecture	Outside lecture	Anti-Bribery, Competition Law : 2 times/166 employees Harassment : 1 time/223 employees
e-learning	e-learning	Japanese : 2,692 employees English : 157 employees
Brief	Compliance Brief	3 times

### Export Control

Classification	Title	Contents (Time, Number, etc.,)
Hierarchical Training	New employee	1 time/105 employees
	Mid-career hire	3 times/9 employees
	Basic Training	4 times/95 employees
Functional Training	Special Training - Classification	5 time/174 employees

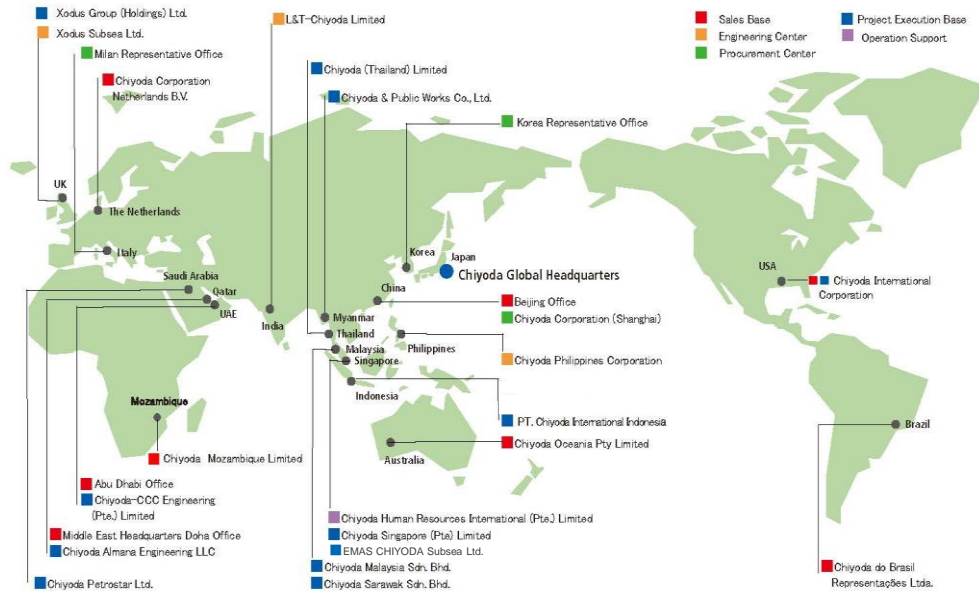
### Reports to the Consultation and Reporting Hotline

Classification	Number *
Violation of law, Anti-Bribery	0
Workplace Environment Improvement	9
Labor, work rules, morals	6
<b>Sum</b>	<b>15</b>

(\* CGH only)

# Overseas Network

## Chiyoda's Global Network (Major Overseas subsidiaries and Offices as of April 1, 2016)



### 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/>

### 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



FTSE4Good



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.

Chiyoda is the constituent company of SNAM Sustainability Index, an equity index that consists of the companies with their ESG factors highly evaluated.