

Corporate Position on Climate Change

March 25, 2022

*A New Wind
for Energy*



Introduction

INPEX has revised its “Corporate Position on Climate Change^{*1}” based on its “INPEX Vision @2022^{*2}” announced on February 9th, 2022.

This paper outlines INPEX’s position and initiatives concerning the key themes listed to provide stakeholders with a better understanding of how the company is responding to the challenges of climate change.

1. Basic Management Policy Towards a Net Zero Carbon Society by 2050

2. Climate Change Goals

3. Initiatives in the 5 Net Zero Businesses

3-1. Develop a Hydrogen Business

3-2. Promote CCUS^{*3}

3-3. Enhance and Emphasize Renewable Energy Initiatives

3-4. Promote Carbon Recycling and Cultivate New Business Opportunities

3-5. Promote Forest Conservation

4. Towards a Cleaner Upstream Business and Implementation of a Shift to Natural Gas

For more information on the company’s initiatives relating to sustainability including Climate Change response, please refer to our Sustainability Report^{*4}.

*1 : This document is a provisional English translation of the “Corporate Position on Climate Change”.

If any ambiguity of interpretation is found in this provisional translation, the Japanese text shall prevail.

*2 : https://www.inpex.co.jp/english/company/pdf/inpex_vision_2022.pdf

*3 : Carbon dioxide Capture, Utilization and Storage

*4 : <https://www.inpex.co.jp/english/csr/csr/>

Basic Policy on Management Towards a Net Zero Carbon Society by 2050

1

INPEX will proactively engage in energy structure reforms towards the realization of a net zero carbon society by 2050, while responding to the growing energy demands of Japan and the world and fulfilling its responsibility for the development and stable supply of energy over the long-term.

2

The company will set climate change response goals to achieve its own net zero carbon emissions by 2050, to contribute to the realization of the Paris Agreement objectives in relation to climate change.

3

INPEX will expand 5 net zero businesses at an accelerated pace through the following three initiatives, in order to offer solutions responding to the needs of society and become recognized as a credible key player.

1. Leverage the company's strengths (knowledge and experience)

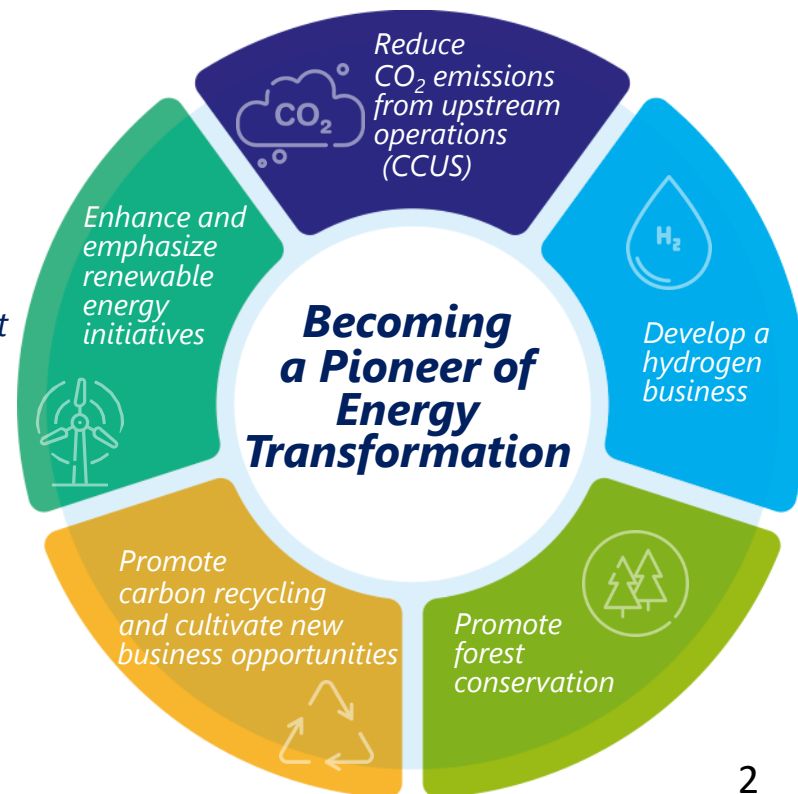
- ▶ INPEX will make the most of its strengths such as its management, technical and operational experience gained in Japan and around the world to select business targets and apply its management resources including human resources, finances and business knowledge.

2. Strengthen collaboration with industry, academia and government

- ▶ Responding to changing times requires innovation and the realization of new business models. INPEX will promote long-term ties and collaboration with industry, academia and government in a broad spectrum of business fields.

3. Utilize policy support measures

- ▶ The company will collaborate on the improvement of policy frameworks and promote rapid and efficient initiatives making use of policy incentives.



Climate Change Goals

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

2050

NET ZERO^{*1}

*in absolute emissions
(Scope 1+2)*

**1: on INPEX equity share basis*

2030

30% OR MORE^{*2}

*reduction of net carbon intensity
(Scope 1+2)*

**2: in comparison with 2019*

Scope 3

REDUCTION

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

TO ACHIEVE THESE GOALS INPEX WILL...

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

**3: in INPEX-operated projects*

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

3 Initiatives in the 5 net zero businesses

3-1. Develop a Hydrogen Business

- Commercialize 3 or more projects by around 2030 and aim to produce and supply 100 thousand tons or more of hydrogen/ammonia per year



3-2. Promote CCUS

- Aim to become a leading company in the CCUS business by targeting an annual CO₂ injection volume of 2.5 million tons or more in around 2030 and promoting technical development and commercialization



3-3. Enhance and Emphasize Renewable Energy Initiatives

- Aim to secure 1-2 gigawatts of installed capacity, mainly in the offshore wind and geothermal power generation business, and become a key player by accelerating business expansion using assets acquired through M&A and other means as a platform



3-4. Promote Carbon Recycling and Cultivate New Business Opportunities

- Promote the adoption of methanation in society and aim to supply about 60 thousand tons* of synthetic methane per year through INPEX's natural gas trunk pipeline network by 2030 while pursuing further development

*Equivalent to approx. 200 thousand households



3-5. Promote Forest Conservation

- Strengthen and expand projects aimed at CO₂ absorption through forest conservation, from supportive measures to project participation



4. Towards a Cleaner Upstream Business and Implementation of a Shift to Natural Gas

- *Aim to achieve zero routine flaring by 2030 and thoroughly make projects cleaner by introducing CCUS, utilizing forest credits, introducing electricity based on renewables and saving energy.*
- *Raise the gas investment ratio from the current level of around 50% to around 70% to increase the gas ratio of the portfolio.*
- *For the natural gas development business, consider feedstock supply for hydrogen and ammonia projects and business transformation opportunities.*

INPEX

Revision History

Corporate Position on Climate Change

December 2015	Published
July 2018	Updated
January 2021	Updated
March 2022	Updated

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