

Environmental and Social Activities Performance Data

Independent Verification Report

To: Tokuyama Corporation

June 13, 2024

Japan Audit and Certification Organization
for Environment and Quality (JACO)

2-2-19 Akasaka Minato-ku, Tokyo, Japan



President *Hiroyuki Onodera*

Japan Audit and Certification Organization for Environment and Quality (JACO) has been engaged by Tokuyama Corporation including its domestic and overseas consolidated production subsidiaries (hereinafter referred to as “the Organization”) to conduct independent verification of its environmental and social activities information under the responsibility of the Organization. The aim of this verification is to consider the accuracy of environmental data and to provide a verification opinion.

Verification was conducted as limited assurance according to the procedure agreed with the Organization based on JACO verification standards in accordance with International Assurance Business Standard (ISAE) 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Summary of verification

With regard to the following Environmental Performance Data for the fiscal year 2023 (April 1, 2023 to March 31, 2024), verification was conducted.

Verification scope	Sampling sites
<p>The Environmental Performance Data of business activities in the Organization’s 36 manufacturing sites (8 sites of consolidated overseas production subsidiaries) as of March 31, 2024:</p> <ul style="list-style-type: none"> • Energy consumption • Water (withdrawal amount) • Waste generated • SOx emissions • NOx emissions 	<p>Sites visited: 1 sites Verification was conducted based on confirmation of related documents formulated, interviews with or inquiries to the responsible persons and persons in charge, confirmation of the method of obtaining data, and comparison between the reported data and its supporting documented information (evidence).</p> <p>Data sampling sites: 7 sites Verification was conducted based on comparison between the reported data and its supporting documented information (evidence).</p>

With regard to the following Social Activities Performance Data, verification was conducted.

Verification scope	Calculation period / date	Scope
• Fatalities	Apr 1, 2023-Mar 31, 2024	Tokuyama & production subsidiaries
• Occupational accidents	Apr 1, 2023-Mar 31, 2024	Tokuyama & production subsidiaries
• Frequency rate of lost time accidents	Apr 1, 2023-Mar 31, 2024	Tokuyama & subsidiaries
• Percentage of women among all managers	Mar 31, 2024	Tokuyama & subsidiaries
• Ratio of wages between men and women	Mar 31, 2024	Tokuyama & domestic subsidiaries
• Average Age	Mar 31, 2024	Tokuyama & subsidiaries
• Average Years of Service	Mar 31, 2024	Tokuyama & subsidiaries
• Employment rate of people with disabilities	Mar 31, 2024	Tokuyama

• Number of employees taking childcare leave	Apr1,2023 - Mar 31, 2024	Tokuyama & domestic subsidiaries
• Number of employees taking family care leave	Apr1,2023 - Mar 31, 2024	Tokuyama & domestic subsidiaries

Conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Organization's Environmental and Social Activities Performance Data is not prepared, in all material respects, in accordance with the methodology implemented by the Organization.

Verified Environmental Data:

- Energy consumption: 55,325 TJ
- Water (withdrawal amount): 586,966 km³
- Waste generated: 397,323 t
- SOx emissions: 602 t
- NOx emissions: 8,526 t

Verified Social Activities Data:

Fatalities	Tokuyama	0 person	Average years of service	Tokuyama	Men	17.6 years		
	Manufacturing subsidiaries in Japan	0 person			Women	12.3 years		
	Manufacturing subsidiaries outside Japan	0 person			Average	16.9 years		
	Total	0 person		Subsidiaries in Japan (permanent staff only)	Men	13.3 years		
Occupational accidents	Tokuyama	2 case			Women	8.5 years		
	Manufacturing subsidiaries in Japan	4 case			Average	12.4 years		
	Manufacturing subsidiaries outside Japan	2 case		Subsidiaries outside Japan (permanent staff only)	Men	8.7 years		
	Total	8 case			Women	6.1 years		
Frequency rate of lost time accidents	Tokuyama	0.43			Average	8.2 years		
	Consolidated	0.80		Employment rate of people with disabilities	Tokuyama		2.29 %	
Percentage of women among all managers	Non-consolidated (permanent staff only)				2.7 %	Number of employees taking childcare leave	Tokuyama	Men
	Consolidated (permanent staff only)			8.2 %	Women		8 person	
Ratio of wages between men and women	Non-consolidated		69.2 %	Subsidiaries in Japan	Men	12 person		
	Consolidated(in Japan)		55.3 %		Women	21 person		
Average age	Tokuyama	Men	41.5 years old	Number of employees taking family care leave	Tokuyama	Men	0 person	
		Women	40.0 years old		Women	0 person		
		Average	41.3 years old	Subsidiaries in Japan	Men	0 person		
	Subsidiaries in Japan (permanent staff only)	Men	43.1 years old		Women	0 person		
		Women	41.5 years old		Subsidiaries outside Japan (permanent staff only)	Men	39.2 years old	
		Average	42.8 years old	Women		38.6 years old		
	Men	39.2 years old	Average	39.0 years old				
	Women	38.6 years old						
	Average	39.0 years old						

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. JACO applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable regulatory requirements.

The Organization and JACO verification team did not have any specific conflicts of interest and carried out the verification on an independent basis.