

Vision: **1** Be a value-creative company that places first priority on R&D and marketing
2 Be a company that never stops challenging new domains while refining and exploiting its unique strengths

3 Be a company with healthy employees who have healthy families and take pride in their work at their company
4 Be a company that fosters bonds with people in communities and societies worldwide

Materiality Relationship to Our Vision	Our FY2025 Vision	KPI	FY2020 Results	Responsible Department
Helping to fight global warming 1 2	Achievement of carbon neutrality by FY2050	<ul style="list-style-type: none"> Reduction of total CO₂ emissions of Tokuyama Group:30% reduction in FY2030 (compared with FY2019) Increased disclosure information, including Scope 3* 	<ul style="list-style-type: none"> Formulated specific plans to achieve FY2030 CO₂ emission reduction target Set new targets in next medium-term management plan Reduced per-unit energy consumption by 8.9%(compared to FY2005) Included Scope 3, CO₂ reduction, and green products in CSR Report 2020 	Carbon Neutral Strategy Division Responsible Care Management Department Factory Planning and Administration Department
Developing products and technologies that address social issues 1 2	Expansion of development of products and technologies that help to resolve social issues, focusing on SDGs	Promotion of development of products and technologies that help to resolve social issues, focusing on SDGs Environment: Creation of new technologies to reduce CO ₂ emissions Electronics: Expansion of product line and creation of new business in peripheral materials Healthcare: Creation of new technologies for product line expansion and globalization	Environment and Energy Field: <ul style="list-style-type: none"> Consolidated and strengthened development themes and personnel in Research & Development Division based on new medium-term strategy for increased speed IoT Field: <ul style="list-style-type: none"> Increased customer satisfaction by providing accurate technical support and increased development stage Healthcare Field: <ul style="list-style-type: none"> Made progress on preparations for commercialization in several themes 	Research & Development Division
Preventing accidents and preparing for disasters 3 4	<ul style="list-style-type: none"> Accident prevention and disaster preparation Improvements in process safety management level Fostering and improvement of safety culture 	<ul style="list-style-type: none"> Zero accidents and zero lost time injuries; number of incidents: zero Deepened risk assessment Promotion of smart security 	Number of accidents: 2 Occupational accidents - employees: 2 lost time injuries; contractors: 3 no lost time injuries Created security skill maps, carried out VR hazard simulation training and disaster prevention training Conducted steady state and nonsteady state risk assessments, reassessed work risks, and implemented countermeasures ICT Project Department assigned frontline staff with latest ICT skills.	Responsible Care Management Department
Conserving the environment 4	<ul style="list-style-type: none"> Promotion of recycling and maintenance of zero landfill waste Maintenance of low emissions of environmental impact substances Compliance with legal requirements and other regulations, achievement of zero environmental accidents Contribution to biodiversity conservation 	<ul style="list-style-type: none"> Reduction of environmental impact: Effective utilization rate for waste ≥ 94% Zero waste emission rate ≥ 99.9% Maintenance of low emissions of environmental impact substances Compliance with legal requirements and other regulations, achievement of zero environmental accidents Contribution to biodiversity conservation 	Effective utilization rate for waste: 94.7% Zero waste emission rate: 99.7% Maintained low emissions of environmental impact substances; efforts underway in each department Exceeded regulatory values under Air Pollution Control Act: 1 case Environmental accidents: 0	Responsible Care Management Department

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Improved chemical management and product safety ★ 4	Maintenance of appropriate chemical management and promotion of product safety in the Tokuyama Group	<ul style="list-style-type: none"> Compliance with chemical laws and regulations in each country: Zero infractions of chemical-related regulations Risk management of chemical products, including Group: Zero accidents due to product safety 	Product assessment (secondary and tertiary): Total of 57, labeling assessment: Total of 519 Understood and responded to domestic and overseas regulatory trends (Japan and overseas) Conducted interviews with departments and Group companies regarding training and management status	Responsible Care Management Department
Promoting CSR procurement 4	Management of supply chains based on CSR procurement guidelines	<ul style="list-style-type: none"> Promotion of survey and management of supply chains based on CSR procurement guidelines More detailed investigation of suppliers by refining assessment sheet Establishment of system to conduct on-site audits of suppliers Reduction of environmental impact in logistics 	Ongoing assessment of business partners using assessment sheets (currently considering refining assessment by changing assessment sheet)	Procurement Department Logistics Department
Engaging with local communities 4	<ul style="list-style-type: none"> Contribution to a decentralized society through business Providing a place where people can grow and flourish 	<ul style="list-style-type: none"> Harmoniously co-existing and cooperating with communities Dialogue with community Active participation and cooperation in various community (residents, government, and organization) events Solutions to community problems and contributions to sustainable development of community Employment from community Social contribution activities Contributions to community through business 	<ul style="list-style-type: none"> Dialogue with community: Community dialogues canceled or scaled down due to COVID-19 Concluded agreement with local community for emergency disaster shelter Social contribution activities: Mikage Bunko book program, Tokuyama Chemical Club, and factory all lit up at same time Donated sodium hypochlorite and splash-proof panels to community Business contributions to community: Supplied stable electricity to Shunan City Hall and Tokuyama Station Building (ongoing) 	General Affairs Department Environment & Safety Department Factory Planning and Administration Department
Developing human resources 2 3	<ul style="list-style-type: none"> Development and strengthening of human resources as source of corporate competitiveness Strengthening of human resources for next generation 	<ul style="list-style-type: none"> Activation of human resources through career planning and rotation of appropriate personnel: Improvements in education system, etc. Development of next generation of managers Training of highly skilled engineers to support business execution Enhanced initial training system by defining required human resources and job skills Establishment of culture of nurturing through work by linking goal setting and feedback: Surveys based on employee attitudes 	<ul style="list-style-type: none"> Held human resources development meeting and shared concept of human resources management system with workplace Clarified human resources and skills required to achieve next medium-term management plan; promoted development system Conducted total of 13 training sessions for evaluators (approximately 300 employees); developed deeper understanding of appropriate goal setting 	Human Resources Department
Promotion of diversity and career fulfillment ★ 2 3	Acceptance and utilization of diverse human resources	<ul style="list-style-type: none"> Promotion of diversity and inclusion: Active promotion of women: 20% of new graduates, ≥2% of management positions Employment of persons with disabilities: ≥2.3% Respect for diversity of experience and skills of each individual Respect for diverse values Promotion of work-life balance: Management of actual working hours per year: Annual paid leave rate ≥80% Improved childcare and nursing care support systems: At least one male employee on childcare leave or parental leave ≥75% (women ≥75%) 	<ul style="list-style-type: none"> Action Plan to Promote Opportunities for Women / actual results, rate of employment of persons with disabilities Ratio of female managers: 1.8% Promotion of diversity and inclusion: Promote mid-career hiring (105 employees in FY2019 and FY2020) Promotion of work-life balance: Continued to inform employees about paid parental leave Number of male employees on childcare leave: 1 (40 days) Respect for human rights: Implemented e-learning to prevent harassment 	Human Resources Department
Promotion of physical & mental health ☆ 3	<ul style="list-style-type: none"> All executives and employees take an interest in maintaining & improving their health Implement company-wide initiatives to create a vibrant workplace Eliminate harassment by fostering good communication and mutual trust in the workplace 	<ul style="list-style-type: none"> Promotion of health and productivity management: Leave rate: 0.5% Smoking rate: 15% Health consultation rate: 100%, etc. Strengthen harassment prevention and response 	<ul style="list-style-type: none"> Reference (to be established from FY2021) Leave rate: 0.64% Smoking rate: 20.3% Health consultation rate: 100% 	Human Resources Department Health Care Center Tokuyama Health Insurance Association

★ Item name revised in February 2021 ☆ Item added
* Greenhouse gas emissions from organizational activities, including raw material procurement, manufacturing, logistics, sales, and disposal.
Note: For detailed information on our activities, please refer to CSR page of Tokuyama's website <https://www.tokuyama.co.jp/eng/csr/>