











Materiality KPIs and Results

○ 80% or more △ 50% or more × less than 50%

Material Issue Relationship to SDGs	Our Vision	KPI / Target	FY2022 Results	Achievement level	Person responsible* Department responsible
Helping to fight global warming 	<ul style="list-style-type: none"> Achievement of carbon neutrality by FY2050 	<ul style="list-style-type: none"> Reduction of GHG emissions of the Tokuyama Group: 30% reduction in FY2030 (compared with FY2019) Active disclosure of climate-related information 	<ul style="list-style-type: none"> Promoting coordination with regions, local governments, and within the Industrial Complex, aiming for carbon neutrality Considered introducing alternative fuels, such as biomass Acquired third-party certification for GHG emissions (Scopes 1, 2, and 3) Responded to CDP Climate Change Questionnaire (score: B) Changed the method of calculating GHG emissions to comply with the GHG Protocol Introduced internal carbon pricing to the screening of prospective investments 	○	Director (President and Executive Officer) Carbon Neutral Strategy Div. Responsible Care Management Department Factory Planning and Administration Department
Conserving the environment 	<ul style="list-style-type: none"> Promoting recycling and maintaining zero landfill waste Maintaining low emissions of environmental impact substances Complying with legal requirements and other regulations, achievement of zero environmental accidents Contribution to biodiversity conservation 	<ul style="list-style-type: none"> Reduced environmental impact: <ul style="list-style-type: none"> Effective utilization rate for waste ≥94% Zero waste emission rate ≥99.9% Maintaining low emissions of environmental impact substances Complying with legal requirements and other regulations, achievement of zero environmental accidents Contributing to biodiversity conservation 	<ul style="list-style-type: none"> Effective utilization rate for waste: 94.7% Zero waste emission rate: 99.9% Maintained low emissions of environmental impact substances; actions are being taken by every department Complying with legal requirements and other regulations, and zero environmental accidents Forest volunteers, cleanup drives, etc. Responded to designated alien species 	○	Director (Chairperson of Environment Committee) Responsible Care Management Department
Preventing accidents and preparing for disasters 	<ul style="list-style-type: none"> Accident prevention and disaster preparation Improvements in process safety management level Fostering and improving the safety culture 	<ul style="list-style-type: none"> Zero accidents and zero lost time injuries; number of incidents: zero Deepened risk assessment Promoting smart security 	<ul style="list-style-type: none"> Number of serious accidents/disasters: zero Number of accidents: 2 Occupational accidents: Employees with no lost time injuries: 4 Contractors with lost time injuries: 2; No lost time injuries: 2 Identified risks through risk assessment and began mitigation Promotion of smart security: Considered the use of a detector for unusual items in maintenance work 	△	Director (Chairperson of Safety Committee) Responsible for Care Management Department
Developing products and technologies that address social issues 	<ul style="list-style-type: none"> Increased development of products and technologies that help to resolve social issues, focusing on SDGs 	<ul style="list-style-type: none"> Promoting the development of products and technologies that help to resolve social issues, focusing on SDGs [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] Creation of new technologies to reduce CO₂ emissions 	[Electronics] Accelerated initiatives aimed at commercialization through marketing originating from customers [Healthcare] Decided to commercialize products based on multiple themes [Environment] Promoted Medium-Term Management Plan 2025 strategies and created businesses based on multiple themes	△	Director (in charge of Research & Development) Research & Development Division
Improved chemical management and product safety 	<ul style="list-style-type: none"> Maintaining effective chemical management and promoting product safety within the Tokuyama Group 	<ul style="list-style-type: none"> Complying with chemical laws and regulations in each country: Zero infractions of chemical-related regulations and zero accidents due to product safety Risk management of chemical products, including the whole Group 	<ul style="list-style-type: none"> 63 product reviews (second and third rounds); 706 labeling reviews Understood and responded to domestic and overseas regulatory trends <ul style="list-style-type: none"> Japan (Chemical Substances Control Act, Industrial Safety and Health Act, and Law for Promotion of Chemical Management) Overseas (EU Chemicals Strategy for Sustainability, Nano Material Regulations, China's Yangtze River Protection Law, etc.) Labeling and SDS-related (JIS and others overseas) Provided education to departments and Group companies involved in chemical product management and conducted regular inspections and interviews on their state of management Promoted the management system for chemicals contained in products 	○	Director (Chairperson of Product Safety and Quality Assurance Committee) Responsible Care Management Department
Engaging with local communities 	<ul style="list-style-type: none"> Harmoniously co-existing and cooperating with communities: Contributing to a decentralized society through business Contribution to communities: Providing a place where people can grow and flourish 	<ul style="list-style-type: none"> Harmoniously co-existing and cooperating with communities: <ul style="list-style-type: none"> Dialogue with community Active participation and cooperation in various community events (for residents, government, and other organizations) Helping resolve community issues and contributing to the sustainable development of the community: <ul style="list-style-type: none"> Hiring from local community Social contributions Contributions to the community through business 	<ul style="list-style-type: none"> Dialogue with community <ul style="list-style-type: none"> Conducted a dialogue with the community while taking COVID-19 countermeasures, such as online conversations Conducted factory tours for local community, local elementary school students, etc. Sponsored Tokuyama Summer Festival and Shunan Winter Tree Festival Social contribution <ul style="list-style-type: none"> Participated in volunteer activities (cleanup drives, Tokuyama Chemical Club, etc.) Educational support for neighboring schools (Mikage Bunko book program, work experience for junior high school students, etc.) Contributions to the community through business <ul style="list-style-type: none"> Provided specific power supply to Shunan City (for City Hall, Tokuyama Station Building, etc.) 	○	Director (in charge of CSR, and General Affairs and Human Resource) General Affairs Department Environment & Safety Department Factory Planning and Administration Department
Promoting CSR procurement 	<ul style="list-style-type: none"> Management of supply chains based on CSR procurement guidelines 	<ul style="list-style-type: none"> Promoting survey and management of supply chains based on CSR procurement guidelines: <ul style="list-style-type: none"> More detailed investigations of suppliers by using refined assessment checklists Establishing a system for on-site audits of suppliers Reduced environmental impact from logistics 	<ul style="list-style-type: none"> Revised CSR procurement guidelines (December 2022) Raised awareness of new CSR procurement guidelines Requested written consent from companies with a transaction value of 30 million yen or more (collected from 215 out of 296 companies) Began to implement supplier assessments for companies with a transaction value of 100 million yen or more by using the SAQ published by GCNJ (collected from 133 out of 181 companies) 	○	Director (Chairperson of Sustainability Committee) Procurement Department Logistics Department
Developing human resources 	<ul style="list-style-type: none"> Developing and strengthening human resources, the source of corporate competitiveness Strengthening human resources for the next generation 	<ul style="list-style-type: none"> Developing management personnel for the next generation Training highly skilled engineers to support business execution Begin suitable employee deployment and rotation of personnel based on career planning and job skills Established human resource development by linking with goal setting and feedback 	<ul style="list-style-type: none"> Implemented new business leader training (attended by 20 employees with a cumulative total of 37) Formulated an education plan on DX Implemented training related to global human resource development: Attended by 33 employees Launched a new self-development program Defined ideal images for the desired personnel and skills based on 13 job groups; published company-wide in April 2022 Created a system for strategic rotation; established HR business partners; Organized human resource information through an HR management system Conducted four training sessions for evaluators (75 employees) to deepen their understanding of appropriate goal setting 	○	Director (in charge of General Affairs and Human Resources) Human Resources Department

*Person responsible: Someone who serves as a director and chairperson of the committee/meeting body that he/she is in charge of

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Material Issue Relationship to SDGs	Our Vision	KPI / Target	FY2022 Results	Achievement level	Person responsible* Department responsible
<p>Promotion of diversity and career fulfillment</p> 	<ul style="list-style-type: none"> Acceptance and utilization of diverse human resources Respect for human rights 	<ul style="list-style-type: none"> Promotion of diversity and inclusion <ul style="list-style-type: none"> Active promotion of women: 20% of new graduates, ≥5% of management positions, ≥10% of executives, etc. Promotion of employment of persons with disabilities: 2.3% Promotion of work-life balance: annual paid leave acquisition rate: ≥75%; childcare leave acquisition rate: ≥75% Number of male employees on childcare leave: ≥10 or ≥75% of male employees Acquisition rate of women taking childcare leave ≥70% 	<ul style="list-style-type: none"> Promotion of diversity and inclusion <ul style="list-style-type: none"> Continued career hiring incorporating diverse skills and values (38 people in FY2022) Number of female managers increased by five, reaching 2.7% (non-consolidated) with target raised from 2.0% to 2.5% in FY2022, to 5% in FY2023; Consolidated percentage of women among all managers: 4.7% Percentage of people with disabilities: Although actions have been taken, the employment rate for this group compared with FY2021 stayed at 2.02% (three people hired in FY2022) Established an agricultural corporation in December 2021 with the aim of creating employment for people with disabilities, preparing for the start of production in July 2023 Number of male employees on childcare leave: 22 (average of 32 days) Respect for human rights <ul style="list-style-type: none"> Established and released human rights policy (December 2022) 	○	Director (in charge of General Affairs and Human Resources) Human Resources Department
<p>Promotion of better physical & mental health</p> 	<p>Cultivation of physical & mental health of employees and their families, and creation of a work-friendly environment</p> <ul style="list-style-type: none"> Cultivating better physical and mental health Promotion of measures to address lifestyle diseases 	<ul style="list-style-type: none"> Enhanced individuals' awareness of health: smoking rate <15% Maintaining and lowering percentage of findings <ul style="list-style-type: none"> Regular health consultation rate: 100% Re-examination rate: ≥90% Specific health guidance rate: ≥80% Lowering the leave rate: <5% Stress check examination rate: ≥95% <p style="text-align: right; border: 1px solid black; padding: 2px;">All non-consolidated</p>	<ul style="list-style-type: none"> Antismoking drive <ul style="list-style-type: none"> Smoking rate: 18.9% (FY2021)→17.6% (FY2022) (FY2022 goal of less than 18% achieved) Banned indoor smoking, no smoking campaign Health guidance and measures after health diagnosis <ul style="list-style-type: none"> Regular health checkup rate: 100% (FY2021)→100% (FY2022) Re-examination rate: 81.0% (FY2021)→89.2% (FY2022) Specific health guidance rate: 85.3% (FY2021)→84.5% (FY2022) Mental healthcare <ul style="list-style-type: none"> Leave rate: 0.66% (FY2021)→0.75% (FY2022) Stress check examination rate: 98.1% (FY2021)→97.5% (FY2022) Implementation of mental health training and e-learning (for workers in management positions and regular workers) Selected as an enterprise engaging in a health management program and certified as a health and productivity enterprise (White 500) in FY2023 <p style="text-align: right; border: 1px solid black; padding: 2px;">All non-consolidated</p>	○	Director (in charge of General Affairs and Human Resources) Health Care Center

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