


Materiality KPIs and Results



For detailed information on our activities, please refer to the CSR section of Tokuyama's website.  
<https://www.tokuyama.co.jp/eng/csr/>








○: 95% or more    △: 60% or more    ×: less than 60%

Materiality Relationship to SDGs	Our Vision	KPI / Target	FY2023 Results	Achievement Level	Person Responsible* Department Responsible
<b>Helping to fight global warming</b>  	<ul style="list-style-type: none"><li>Achieving carbon neutrality (CN) by FY2050</li></ul>	<ul style="list-style-type: none"><li>Reduction of Tokuyama's GHG emissions by FY2030:<ul style="list-style-type: none"><li>- 30% reduction in Scope 1 and 2 (compared to FY2019)</li><li>- 10% reduction in Scope 3 (categories 1, 3, and 4) (compared to FY2022)</li></ul></li><li>Active disclosure of climate-related information</li></ul>	<ul style="list-style-type: none"><li>FY2023 GHG emissions:<ul style="list-style-type: none"><li>- 13% reduction in Scope 1 and 2</li><li>- 5% reduction in Scope 3</li></ul></li><li>Promoted coordination with regions, local governments, and within the industrial complex, aiming for CN</li><li>Considered the introduction of alternative fuels, such as biomass and ammonia</li><li>Disclosures based on TCFD recommendations</li><li>Submission of GHG emissions data for GX League baseline year</li><li>CDP Climate Change Questionnaire score: A-</li></ul>	○	Director (President and Executive Officer) Carbon Neutral Strategy Division Responsible Care Management Department Factory Planning and Administration Department
<b>Conserving the environment</b>   	<ul style="list-style-type: none"><li>Promoting recycling and maintaining zero landfill waste</li><li>Maintaining low emissions of environmental impact substances</li><li>Complying with legal requirements and other regulations, achievement of zero environmental accidents</li><li>Contributing to biodiversity conservation</li></ul>	<ul style="list-style-type: none"><li>Complying with legal requirements and other regulations: achievement of zero violations</li><li>Continued achievement of zero environmental accidents: zero accidents</li><li>Reduced environmental impact:<ul style="list-style-type: none"><li>- Effective utilization rate for waste ≥94%</li><li>- Zero waste emission rate ≥99%</li></ul></li><li>Enhancing dialog with stakeholders and information disclosure</li><li>Contributing to biodiversity conservation: Responding to TNFD</li><li>Effective use of water resources: Reduction of water consumption (excluding seawater) (below FY2019 standard)</li></ul>	<ul style="list-style-type: none"><li>Achievement of zero violations of legal requirements, etc.</li><li>Zero environmental accidents</li><li>Reduced environmental impact: Not achieved<ul style="list-style-type: none"><li>- Effective utilization rate for waste: 92%</li><li>- Zero waste emission rate: 97%</li></ul></li><li>Raising awareness of biodiversity</li><li>Water usage reduction rate (compared to FY2019): -18.5%</li></ul>	○	Director (Chairperson of Environment Committee) Responsible Care Management Department
<b>Preventing accidents and preparing for disasters</b>   	<ul style="list-style-type: none"><li>Accident prevention and disaster preparation</li><li>Improvements in process safety management level</li><li>Fostering and improving the safety culture</li></ul>	<ul style="list-style-type: none"><li>Zero accidents and zero lost time injuries</li><li>Deepened risk assessment</li><li>Promoting smart security</li></ul>	<ul style="list-style-type: none"><li>Zero serious accidents/disasters</li><li>Identified risks through risk assessment and began mitigation</li><li>Promoting smart security</li></ul>	○	Director (Chairperson of Safety Committee) Responsible Care Management Department
<b>Developing products and technologies that address social issues</b>   	<ul style="list-style-type: none"><li>Increased development of products and technologies that help to resolve social issues, focusing on SDGs</li><li>Transform business portfolio</li></ul>	<ul style="list-style-type: none"><li>Promoting the development of products and technologies that help to resolve social issues, focusing on SDGs</li></ul>	<ul style="list-style-type: none"><li>Electronics: Accelerate efforts to commercialize customer-driven products by strengthening marketing functions, with some themes moving into the commercialization phase</li><li>Healthcare: Accelerate development by narrowing down commercialization themes and concentrating resources</li><li>Environment: Move several themes into the commercialization phase. Promote new carbon neutral related themes.</li><li>Traditional business areas: Develop and launch products that address environmental issues, and develop process technologies</li><li>Other: Grants for academic and research purposes</li></ul>	○	Director (in charge of Research & Development) Research & Development Division
<b>Improving chemical management and product safety</b>   	<ul style="list-style-type: none"><li>Maintaining effective chemical management and promoting product safety within Tokuyama</li></ul>	<ul style="list-style-type: none"><li>Complying with chemical laws and regulations in each country: Zero infractions of chemical-related regulations</li><li>Risk management of chemical products, including the whole Group: Zero accidents due to product safety</li></ul>	<ul style="list-style-type: none"><li>Zero infractions of chemical-related regulations</li><li>61 product reviews (second and third rounds); 787 labeling reviews</li><li>Understood and responded to domestic and overseas regulatory trends</li><li>Promoted the management system for chemicals contained in products</li><li>Provided education to departments and Group companies involved in chemical product management and conducted regular inspections and interviews on their state of management</li></ul>	○	Director (Chairperson of Product Safety and Quality Assurance Committee) Responsible Care Management Department
<b>Engaging with local communities</b>   	<ul style="list-style-type: none"><li>Harmoniously co-existing and cooperating with communities</li><li>Contribution to communities</li></ul>	<ul style="list-style-type: none"><li>Harmoniously co-existing and cooperating with communities</li><li>Helping resolve community issues and contributing to sustainable development</li></ul>	<ul style="list-style-type: none"><li>Dialog with community: Community dialog, roundtable meetings, factory tours, etc.</li><li>Social contributions: Volunteer activities, educational support to neighboring schools, and donations to contribute to the local community</li><li>Contributions through business: Specified supply of power to Shunan City</li></ul>	○	Director (in charge of CSR, and General Affairs and Human Resource) General Affairs Department Environment & Safety Department Factory Planning and Administration Department
<b>Promoting CSR procurement</b>   	<ul style="list-style-type: none"><li>Management of supply chains based on CSR procurement guidelines</li><li>Creation of management processes</li></ul>	<ul style="list-style-type: none"><li>Improvement and execution of management and investigation of supply chains based on CSR procurement guidelines</li></ul>	<ul style="list-style-type: none"><li>Raised awareness of the CSR procurement guidelines that were revised in December 2022 Requested written consent from companies with a transaction value of ¥30 million or more Collected from 310 out of 323 companies<sup>1</sup></li><li>Implemented supplier assessments for companies with a transaction value of ¥100 million or more by using the SAQ published by GCNJ Collected from 173 out of 181 companies<sup>1</sup></li><li>Analyzed SAQ collection results and conducted engagement with 5 high risk companies<sup>1</sup></li></ul>	○	Director (Chairperson of Sustainability Committee) Procurement Department Logistics Department
<b>Developing human resources</b>   	<ul style="list-style-type: none"><li>Improve employee value while contributing to the realization of a management strategy</li><li>Increase operational productivity</li><li>Provision of human resources to growth areas and new projects</li><li>Recruitment and creation of human resources to drive the Company's growth</li></ul>	<ul style="list-style-type: none"><li>Establishment of an incentive system to support productivity improvements<sup>1</sup></li><li>Percentage of positions filled relative to human resource plan: 100% ± 10% every year</li><li>Percentage of successor candidate positions filled for key management positions: 100%</li><li>Number of NBL (Next Business Leader) training participants: A total of 100 by 2030<sup>1</sup></li><li>Global human resources development training: 15 participants each fiscal year until FY2025<sup>1</sup></li><li>Training highly skilled engineers to support business execution<sup>2</sup></li></ul>	<ul style="list-style-type: none"><li>Establishment of incentive system: Preparation of system design<sup>1</sup></li><li>Percentage of positions filled relative to the human resource plan: Implementation of target setting (no actual values as this is an indicator to be measured starting in FY2024)</li><li>Percentage of successor candidate positions filled for key management positions: Implementation of target setting (no actual values as this is an indicator to be measured starting in FY2024)</li><li>Implemented NBL training: Attended by 30 select employees (cumulative total of 67)<sup>1</sup></li><li>Implemented global human resource development: Attended by 16 employees<sup>1</sup></li><li>Training highly skilled engineers to support business execution<sup>2</sup></li><li>Implemented DX workplace leader training and data engineer training</li><li>Implemented DX literacy training (e-learning): Attended by 1,400 employees</li></ul>	○	Director (in charge of General Affairs and Human Resources) Human Resources Department

1. Non-consolidated    2. Non-consolidated and domestic consolidated subsidiaries

\* 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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Materiality Relationship to SDGs	Our Vision	KPI / Target	FY2023 Results	Achievement Level	Person Responsible* Department Responsible
<p>Promoting diversity and career fulfillment</p> <div></div>	<ul style="list-style-type: none"><li>Responding to diversity of values and ensuring fairness</li><li>Increasing engagement</li><li>Respect for human rights</li></ul>	<ul style="list-style-type: none"><li>Promotion of diversity and inclusion</li><li>Percentage of women hired with a bachelor's degree or higher: 20% or higher every year<sup>2</sup></li><li>Percentage of managerial positions or higher held by women: 15% or higher in FY2030</li><li>Promotion of employment of persons with disabilities: Achievement of legally mandated level<sup>1</sup></li><li>Employee engagement: Ongoing improvement<sup>1</sup></li><li>Promotion of work-life balance</li><li>Acquisition rate of men taking childcare leave ≥100%<sup>2</sup></li><li>Percentage of annual paid leave taken: 75% every year<sup>2</sup></li><li>Promotion of respect for human rights</li></ul>	<ul style="list-style-type: none"><li>Promotion of diversity and inclusion</li><li>Percentage of women hired with a bachelor's degree or higher: 30.1%<sup>2</sup></li><li>Percentage of female managers: 8.2%</li><li>Percentage of people with disabilities: 2.29%<sup>1</sup></li><li>Conducted employee engagement survey: 94.7% response rate, visualized priority issues<sup>1</sup></li><li>Promotion of work-life balance</li><li>Acquisition rate of men taking childcare leave: 47.3%<sup>2</sup></li><li>Percentage of annual leave taken: 76.5%<sup>2</sup></li><li>Implementation of human rights due diligence, etc.</li></ul>	<div>○</div>	Director (in charge of General Affairs and Human Resources) Human Resources Department
<p>Promoting physical/ mental health</p> <div></div>	<ul style="list-style-type: none"><li>A state in which employees can work vigorously and play an active role through the cultivation of the physical and mental health of employees and their families, and the creation of a work-friendly environment</li></ul>	<ul style="list-style-type: none"><li>Enhanced individuals' awareness of health<sup>1</sup>: Smoking rate &lt;15%</li><li>Maintaining and lowering percentage of findings<sup>1</sup></li><li>Regular health consultation rate: 100%<sup>1</sup></li><li>Re-examination rate: ≥90%<sup>1</sup></li><li>Specific health guidance rate: ≥80%<sup>1</sup></li><li>Lowering the leave rate: &lt;0.5%<sup>1</sup></li><li>Stress check examination rate: ≥95%<sup>1</sup></li><li>Certification as a health and productivity enterprise: Obtain White 500 certification<sup>1</sup></li></ul>	<ul style="list-style-type: none"><li>Promotion of anti-smoking measures<sup>1</sup><ul style="list-style-type: none"><li>Smoking rate: 17.8%</li><li>Establishment of smoking-free zones</li><li>Implemented anti-smoking campaign</li></ul></li><li>Health guidance and measures after health diagnosis<sup>1</sup><ul style="list-style-type: none"><li>Regular health consultation rate: 100%</li><li>Re-examination rate: 87.4%</li><li>Specific health guidance rate: 93.0%</li></ul></li><li>Mental health care support<sup>1</sup><ul style="list-style-type: none"><li>Leave rate: 0.69%</li><li>Stress check examination rate: 97.7%</li><li>Implementation of mental health training and e-learning</li></ul></li><li>Selected as a Health and Productivity Stock and obtained certification as a health and productivity enterprise (White 500) in FY2024<sup>1</sup></li></ul>	<div>○</div>	Director (in charge of General Affairs and Human Resources) Health Care Center

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