

# CSR Initiatives

Tokuyama works diligently to fulfill its corporate social responsibility (CSR) in an effort to nurture sound relationships with all stakeholders in accordance with its basic philosophy of CSR-oriented management. Recognizing that the purpose and purport of the Corporate Governance Code—ensuring sustainable corporate growth while enhancing corporate value over the medium to long term—is directly linked to the principles of CSR, Tokuyama has positioned internal control at the heart of its CSR activities and is taking practical steps to adhere to the Corporate Governance Code. In this regard, we are placing considerable weight on both risk management and compliance as the key elements of our internal control endeavors. As a company that manufactures chemicals, we are also aware of the importance that responsible care plays in advancing CSR. In addition to putting in place a Companywide promotion structure, we are working to ensure the proper operation and continuous upgrade of our safety, environmental and quality management systems.

In order to realize sustainable growth as the corporate group of choice for our customers, we have put in place the Tokuyama Group Code of Conduct as well as the Tokuyama Group's Five Conscience Clauses for each and every executive and employee. In order to ensure that all executives and employees are fully aware of both this Code of Conduct and Conscience Clauses, posters are displayed at the Group's business establishments and offices and a handbook distributed to all staff. Moreover, we have issued the Tokuyama Group Guidelines for Business Activities as a means to clarify the principles for actions taken by members of the Tokuyama Group and to establish parameters for a relationship with each stakeholder.

## Involvement in the Environment

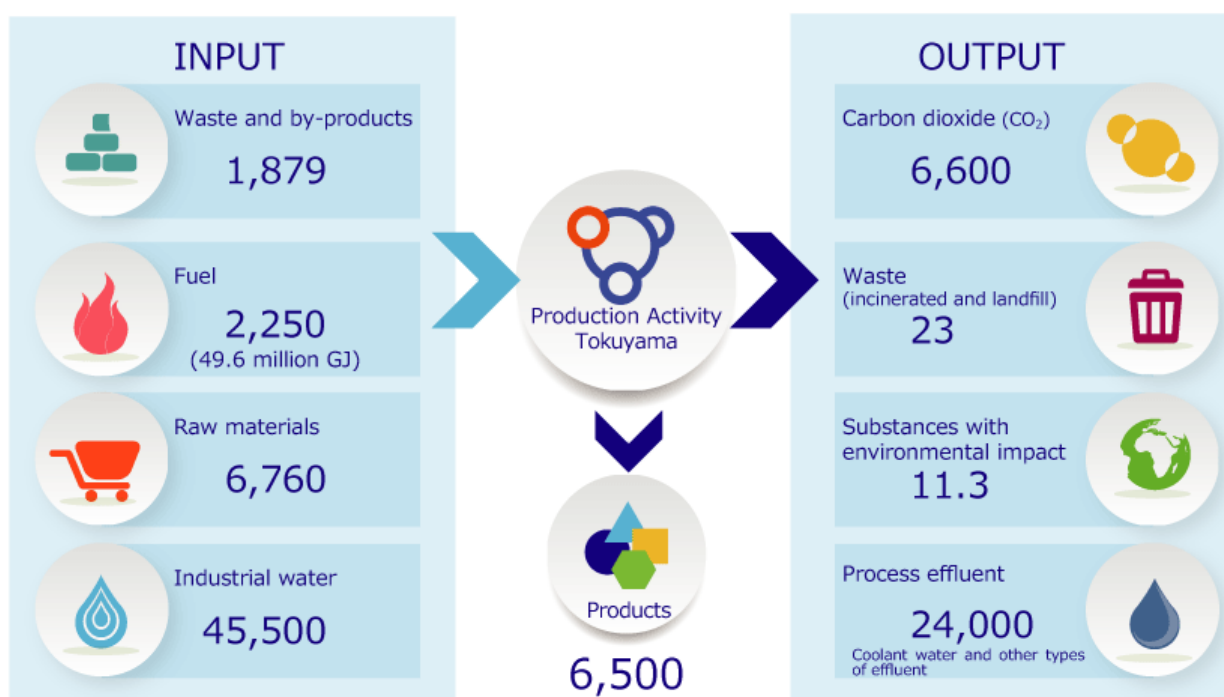
One of our most important corporate social responsibilities is to actively protect the global environment. Tokuyama practices environmental management with an emphasis on environmental perspectives in all of its business activities.

## Tokuyama's Environmental Performance for Fiscal 2017

Tokuyama strives to obtain accurate data on the input and output of materials and substances in its business activities and reduce the environmental impact of these activities to meet its environmental targets.

In fiscal 2017, Tokuyama achieved its goals for unit energy consumption, recycling and zero emissions. Regarding other performance data, Tokuyama has set a separate numerical management target for each department to maintain the current low-impact situation.

## Flow of Materials in Business Activities (Unit: 1,000 tonnes)



\* Result for Fiscal 2017 (Non-consolidated)

## Involvement in Society

Tokuyama places great importance on communication with its stakeholders as a means of remaining a company needed by communities and society as a whole.

## Social Contribution Activities

In an effort to deepen understanding toward the Company's process safety, disaster prevention, and environmental protection activities, Tokuyama places the utmost emphasis on promoting communication and dialogue with the local community. We engage in a wide range of activities in a bid to remain an essential partner to the local community and society at large.

### Donations under the Mikage Bunko Program

This year, the Tokuyama Factory ran its 41st Mikage Bunko charity program, which began in 1978 as a part of the Company's 60th anniversary celebrations. Under the program, library bookstore gift certificates are donated to elementary and junior high schools in Shunan City each year. The total amount of donations to date has exceeded ¥200 million.

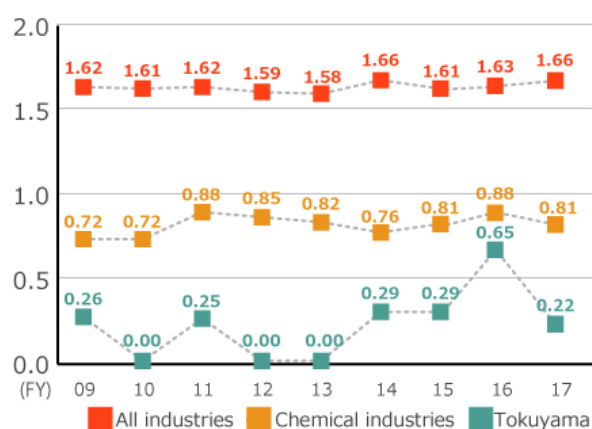
The Company donated ¥100,000 each to 41 elementary and junior high schools in Shunan City in 2018 together with bookcases to mark its 100th anniversary. Mr. Kenichiro Kimura, Mayor of Shunan City, in expressing his sincere gratitude and commenting that many children who grew up reading Mikage Bunko were now thriving at the heart of society presented Mr. Hideki Adachi, General Manager of Tokuyama Factory, with a certificate of appreciation.



## Process Safety, Disaster Prevention and Occupational Health and Safety

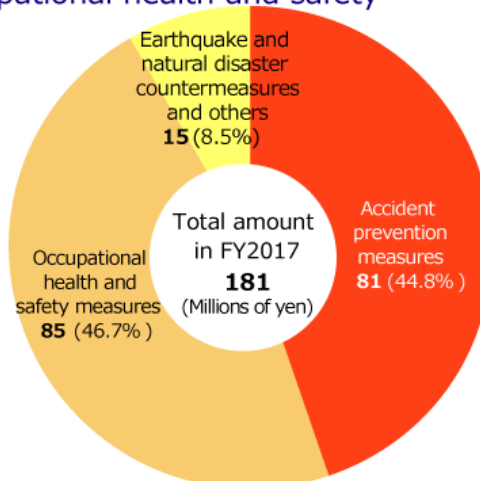
Tokuyama believes that safety is an essential part of business activities and that ensuring safety is the first step in achieving coexistence with society. In taking this stance on safety, Tokuyama thoroughly conducts process safety and disaster prevention activities as well as occupational health and safety efforts. By doing so, the Company endeavors to prevent accidents and disasters while striving to provide a favorable working environment.

### Trend in the Accident Frequency Rate\*1



\*1 The accident frequency rate refers to the number of workers forced into absence through industrial accidents per one million cumulative working hours. This reflects the frequency at which industrial accidents occur.

### Expenditures for accident prevention and occupational health and safety



For more information on Tokuyama's CSR initiatives, see the Company's *CSR Report* or the Company's website: <http://www.tokuyama.co.jp/eng/csr/index.html>