

Rating
○: Target met
△: 60%-99% of target met
×: Less than 60% of target met

Materiality		Goals		Scope	FY2020 Results	Rating
Themes	Elements					
Harmony with the global environment	Reducing environmental impact	Reduce greenhouse gas emissions	Reduce energy consumption per unit production (cut by 1% or more annually)	Tokai Carbon	Target unmet due to an increased ratio of fixed energy consumption of equipment as a result of reduced production amid the COVID-19 pandemic and other factors (up about 11% year on year during the April-December 2020 period)	×
		Reduce pollution	<ul style="list-style-type: none"> <li>Dispose of all low-concentration PCB waste by March 31, 2025</li> <li>Maintain zero environmental claims against the Company (contamination of air, water, etc.)</li> </ul>		<ul style="list-style-type: none"> <li>Almost on target with about 40% of low-concentration PCB waste having been disposed of</li> <li>No environmental claims filed</li> </ul>	○
	Realizing a recycling-oriented society	Recycle waste	Recycle 75% or more of waste Final disposal rate of 30% or lower		91% of waste recycled 15% final disposal rate	○
Contributing to society through our business	Technological Innovation	Emphasize research and development	Devote 60% or more of development expenditures to reducing environmental burden	Tokai Carbon	87% of development expenditures devoted to reducing environmental burden	○
			Make 60% or more of patent applications in areas related to reducing environmental burden		100% of patent applications filed in areas related to reducing environmental burden	○
	Supplying safe and secured products	Further elevate quality	Reduce electrode consumption rate*(3% reduction from 2019)	Tokai Carbon	67% of relevant users met the reduction target, 23% did not meet the target with no change	△
	Supply chain management	Raise supplier awareness of CSR	Make all key suppliers aware of Tokai Carbon Group procurement policies	Tokai Carbon	Selected key suppliers, familiarized them with our procurement policy, and conducted a socially responsible procurement survey	○
		Reduce CSR risks at suppliers	Conduct CSR surveys at key suppliers (first year)	Tokai Carbon		○
	Respect for human rights	Raise employee awareness of human rights	Conduct human rights training at all Tokai Carbon parent company locations ( total hours )	Tokai Carbon	Provided human rights training to managers and candidates for managerial positions at the parent company and affiliates in Japan [Hours of training provided] 182 hours at the parent company, 141 hours at affiliates in Japan	○
			Set human rights training time requirements for all Tokai Carbon Group companies in Japan ( total hours )	Tokai Carbon Group in Japan		○
Establish global human rights policies and ensure all employees understand them			Tokai Carbon Group	Formulated the global human rights policy in July 2020 and informed all employees (on a consolidated basis) about it	○	
Contribution to community	Actively engage in community contribution activities		Tokai Carbon	Total amount of donations and activity spending: Approx. 20,620,000 yen Number of employees who participated: Approx. 420	—	
Strengthening our management base	Strengthening Corporate Governance	Establish a consolidated governance system		Tokai Carbon Group	Target unmet due to remaining issues in establishing an infrastructure for regular reporting and information sharing on a consolidated basis	—
	Ensuring compliance	Maintain ethical standards, regulatory compliance	Commit no serious regulatory violations	Tokai Carbon	No serious regulatory violations	○
		Conduct compliance education and training	Conduct compliance education and training for at least 80% of employees	Tokai Carbon	90% of employees received compliance education/training	○
	Human resource development	Increase employment of women	Make women a greater percentage of Tokai Carbon's (parent company) workforce	Tokai Carbon	Ratio of female employees as of the end of December 2020 on a non-consolidated basis: 8.5% (7.9% as of the end of December 2019)	○
			Make women 30% of Tokai Carbon's (parent company) new-graduate hires		Ratio of female new graduates hired in FY2021: 33.3%	○
	Effectively implement training	Total training hours planned by head office (New-hire training / specialist training)		Tokai Carbon	New-hire training: 13,392 hours, specialist training: 1,672 hours (global leader training, job rank-based training)	○
Reduce frequency rate of occupational accidents (0.98 or lower)					Frequency rate: 0.55	○
Promoting Occupational Safety and Health	Reduce occupational accidents	Reduce lost-time accidents to 13 days or less (severity rate of 0.007 or lower)	Tokai Carbon	Target unmet with 90 lost work days (severity rate of 0.05), although there was only one lost time incident	×	

\*Since the period covered is from April of each year to March of the following year, the estimated achievement level is based on the status up to December.