

Promotion of ESG Management

The Toho Titanium Group will contribute to the development of a sustainable society by strengthening ESG initiatives and realizing solutions to various social issues through corporate activities.

Materialities

In line with our defined materialities, we will work to resolve important issues surrounding our company and our stakeholders, contribute to the sustainable development of society, and aim to enhance our corporate value over the long term.

	Materiality	Related SDGs	Item	Target (2030 - 2040)	Catch-up Strategy and Major Measures for FY2023-2025
E	Contribution to global environmental conservation	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	To realize a decarbonized society	Reduce CO ₂ emissions by 40% from the 2018 level by 2030 and achieve carbon neutrality by 2050	<ul style="list-style-type: none"> Development of new titanium smelting technology, CO₂-free electricity, introduction of carbon-neutral LNG, etc. *2025 CO₂ emissions: 190,000 t/y (-25% compared to 2018)
		11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Development of environmentally safe products	Develop new materials, technological improvements, and new applications for multiple products with consideration for the environment and safety	<ul style="list-style-type: none"> Commercialization of WEBTi Consider commercialization of new materials other than WEBTi
		13 CLIMATE ACTION	Sustainable resource utilization	Reduce final waste disposal volume by 50% by 2040 compared to FY2020. Reuse waste materials throughout the supply chain	<ul style="list-style-type: none"> Reuse waste throughout the supply chain Promote recycling of raw materials and effective use of waste
S	Contribution to society		Respect for human rights in the supply chain	Respect the human rights of all those involved in the supply chain	<ul style="list-style-type: none"> Survey and audit suppliers' human rights initiatives Raise awareness of human rights among all employees
			Coexisting with local communities	Support social contribution and community revitalization in each region	<ul style="list-style-type: none"> Support social contributions and regional revitalization at each business site (supporting local sports and cultural activities, joint volunteer activities with nearby schools, and accepting plant tours)
	Appealing workplace	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION	Improving occupational health and safety in the workplace	Eliminate serious industrial accidents Create healthy work environments	<ul style="list-style-type: none"> Maintain JIS Q 45100 Develop various activities related to industrial health and safety based on JIS Q 45100
		5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH	Diversity and inclusion	Ensure a diverse and inclusive workplace	<ul style="list-style-type: none"> Set the ratio of women in management positions to 20% or more Maintain a ratio of women at 20% or more among new graduates and mid-career hires
		10 WORKED INDIVIDUALS	Creating comfortable work environments	Realize vibrant work environments	<ul style="list-style-type: none"> Establishing a personnel system suitable for work style reforms Improve treatment conditions Identification and implementation of areas for improvement through continuous implementation of employee satisfaction surveys
			Next-generation human resource development	Create a foundation to encourage personal growth of all employees and establishing education	<ul style="list-style-type: none"> Actively recruit highly-skilled human resources with specialized skills Develop executive and core human resources through reshuffling based on succession plans
G	Solidifying our management foundation	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Strengthening corporate governance	Resolutely apply the CG Code	<ul style="list-style-type: none"> Formulate and disclose transition plans for decarbonization Respond appropriately to disclosure requests
			Ensuring thorough compliance	Achieve zero compliance complaints	<ul style="list-style-type: none"> Raise employee compliance awareness Identify and recognize workplace-specific issues
			Risk management promotion	Establish and appropriately implement the company-wide risk management system	<ul style="list-style-type: none"> Establish and implement company-wide risk management PDCA through the Risk Management Committee Optimize asset efficiency

Basic Policy

Based on our Group's Management Philosophy, our basic policy on management is to work toward solving social issues involving the company and our stakeholders by engaging in business activities from the perspectives of the environment (E), society (S) and governance (G), so that we can contribute to the sustainable development of society and enhance our corporate value over the long term.

Promotion Structure



ESG dissemination activities

In FY2022, we provided an opportunity to directly explain to the general managers of each department and GM class based on the materials created by the ESG Promotion Department. The contents of the materials include the concept of ESG and SDGs, the background and necessity of ESG proliferation, our company's materiality and initiatives, and our organizational structure. In FY2023, we will make a video of this content and disseminate it throughout the company.



FY2023 materials for ESG dissemination activities for all employees



STAKEHOLDER ENGAGEMENT

At the Toho Titanium Group, we believe that building relationships of trust with stakeholders through dialogue is indispensable for our company's survival and sustainable development. We are committed to understanding the expectations and desires of our stakeholders and reflecting them in our corporate activities.

STAKEHOLDER ENGAGEMENT



Shareholders and Investors

We aim to be a company that is trusted by all stakeholders, including shareholders and investors, and strive to disclose information promptly, appropriately, and fairly, and to proactively disseminate information.

Stakeholder Expectations/ Interests (Examples)

- Improvement of corporate value
- Suitable stock price
- Stability of financial foundation
- Increase in ROE and ROIC
- Profit improvements
- Safe operations
- Promotion of ESG, SDGs
- Providing timely information

Opportunities for Communication

- Holding a regular general meeting of shareholders
 - Holding a briefing session for investors
 - Conducting individual IR meetings
 - Publication of business reports, Integrated Reports / CSR reports
 - Publication of company introduction pamphlets
 - Distribution of information via website, etc.
 - Distribution of news releases through mass media
- [Disclosure Policy](#)

Important Value Co-created with Stakeholders (examples of value provided)

- Stock price improvement
- Stable dividend



Customers

Our Group strives to provide products and services that prioritize quality in order to continue receiving the trust of our customers. We also strive to improve customer satisfaction by accurately understanding customer needs and continually improving our products and processes.

- Providing high quality products and services
- Stable supply, thorough supply chain management, legal compliance
- Promotion of environmental load reduction
- Safe operations
- BCP compliance
- Fair price
- Capital investment

- Daily communication through Sales Department
 - Display at exhibitions
 - Explanation through company introduction videos and pamphlets
 - Distribution of information via website, etc.
 - Distribution of news releases through mass media
 - Contributing to reducing environmental impact and CO₂ emissions
- [Quality Standard - ISO9001/JIS Q 9100](#)

- Improving trust through regular engagements with customers through sales activities
- Increasing awareness through exhibitions of our products and technical information
- Improving customer satisfaction by transferring the maximum possible load during product delivery
- Ensuring quality by conducting quality audits of raw material suppliers
- Stable operations through thorough process and logistics management
- Expansion of the fourth catalyst plant
- Start of construction of the Nickel Powder Plant No. 5



Business partners

In order to achieve the procurement of purchased goods that meet the standards of "quality", "cost", and "delivery time", our Group conducts material procurement activities with the aim of building relationships of mutual trust with our business partners and building better partnerships.

- Fair, just, and transparent transactions
- Thorough supply chain management and legal compliance
- Safe operations
- Business continuity
- Promotion of environmental load reduction

- Procurement of product materials, supplies, etc.
 - Implementation of quality audits, process audits, etc.
 - Initiatives to reduce environmental impact and CO₂ emissions
- [Green procurement guidelines, responsible mineral sourcing](#)

- Fair business transactions through the execution of sales contracts, specifications, etc.
- Avoiding procurement risks by purchasing multiple raw materials
- Stabilizing business through sustainable transactions
- Continuing to conduct regular supplier quality audits
- CO₂ reduction during product delivery
- Optimization of prices commensurate with manufacturing costs



Local community & society

At the business sites of our Group in various locations, we are working to revitalize local communities and support the generations who will lead the future, so that we are able to develop together with society as corporate citizens, while striving for harmony with everyone as members of the local community.

- Co-existence and co-prosperity with the local community
- Contribution to regional development
- Safe operations
- Promotion of environmental load reduction
- Disaster prevention response

- Dialogue with local residents
- Interacting with local citizens through plant tours and soccer clinics
- Distribution of information through news releases
- Notifications and reports to government agencies
- Contributing to reducing environmental impact and CO₂ emissions
- Building a response manual for accidents and disasters

- Improving trust from local communities
- Promoting understanding of safety and security through plant tours for local residents
- CO₂ reduction during product delivery
- Ensuring safety and security and business continuity in the event of an accident or disaster



Employees and families

Our Group respects the individuality of each employee and strives to develop their abilities. At the same time, in order to create an attractive work environment, we are implementing various human resources systems, including support for work-life balance and promotion of women empowerment, as well as measures to actively develop human resources who will pave the way for the future of our company.

- Safety first
- A work environment where one can work energetically (health, respect for human rights, equal opportunities, ensuring rights to working conditions based on laws and regulations)
- Utilizing a wide range of human resources (diversity & inclusion)
- Promotion of environmental load reduction
- Improvement of education, welfare, and other various systems

- Delivering the President's message during New Year's ceremonies, and other events
- Distribution of information through company newsletters and intranet
- Holding Group management meetings
- Consultations with labor unions
- Operation of compliance hotlines
- Maintaining the work environment
- Ensuring welfare benefits
- Health management

- Improving the work environment under the policy of putting safety first
- Employee health management through medical checkups and mental health care at least once a year
- Sharing Group intentions by disseminating business status and policies to all employees
- Negotiations and discussions held every month on various management topics and employee working conditions
- Improving the ratio of women in management positions and the rate of men taking childcare leave
- Improving communication through dormitories, company housing, various events, recreation, etc.

Identifying Materiality