

2025 Yokogawa Sustainability Report

The Yokogawa Philosophy and History of Sustainability

For Yokogawa, sustainability and business activities are inseparable.

Under Yokogawa's Purpose, "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet," Yokogawa has set the sustainability goals as "Three Goals" for the society we aim to achieve by 2050, and continues to make persistent efforts to realize a sustainable society.



Founding Principles

Quality first

Pioneering spirit

Contribution to society



The Yokogawa Philosophy

As a company, our goal is to contribute to the realization of a sustainable society through broad-ranging activities in the areas of measurement, control, and information.

Individually, we aim to combine good citizenship with the courage to innovate.

Revised in 2022



Statement on Yokogawa's Aspiration for Sustainability

Yokogawa aims to achieve net-zero emissions, ensure the well-being of all, and make a transition to a circular economy by 2050, making the world a better place for future generations.

We will undergo the necessary transformation to achieve these goals by : 1) becoming more adaptable and resilient, 2) evolving our businesses to engage in regenerative value creation, and 3) promoting co-innovation with our stakeholders.



Yokogawa's Purpose

Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet.

Aspiring to address social issues by leveraging Yokogawa's ability to measure and connect, we formulated Yokogawa's Purpose.

1915 > 1980 > 1990 > 2000 > 2010 > 2020 > 2025



1915 Founded



1988

Established the Yokogawa Philosophy

1994

Established our corporate Code of Conduct

1999

Began publishing our Environmental Report (currently known as the Sustainability Report)

2009

Joined the Global Compact

2009

Established the Supply Chain CSR Guidelines (currently known as the Sustainable Procurement Guidelines)

2015

Established the Yokogawa Corporate Governance Guidelines

2017

Joined in WBCSD (World Business Council for Sustainable Development)



2017

Announced the Statement on Yokogawa's Aspiration for Sustainability and set the "Three Goals" as sustainability goals for 2050

2019

Announced our support of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

2020

Established Yokogawa Group Human Rights Policy

2021

Established Yokogawa's Purpose
Defined six contribution areas toward 2030

2022

Established the Sustainability Committee

2023

Acquired Science Based Targets (SBT) Certification for greenhouse gas emission reduction targets

2024

Launched the Growth for Sustainability 2028 (GS2028) Medium-term Business Plan
Endorsed the recommendations of the Taskforce on Nature-related Financial Information Disclosures (TNFD) and registered as a TNFD Adopter

Editorial Policy

This report discloses information about the sustainability of the Yokogawa Group. This information is based on the GRI Standards, the global guidelines for the disclosure of sustainability information, and includes the disclosure of Yokogawa’s priority issues in view of the opinions of our stakeholders. Further, Yokogawa has obtained external assurance to increase the reliability of the information.

In the Sustainability Report for this fiscal year, we disclose the progress and performance results for various metrics of GS2028, which aims to contribute to sustainability while expanding business growth. The report also includes specific examples of our contributions to addressing in collaboration with our customers. In addition, we explain the contents of two newly formulated policies: the “Trusted Green,” a sustainability policy that considers the entire product supply chain and life cycle, and the “AI Policy.”

Please see the Yokogawa Report (Integrated Report) for financial information and ESG information closely related to our business strategies. The GRI Standards Index is shown on our website.

► **Period Covered by Report**

Fiscal year 2024 (April 1, 2024, to March 31, 2025)
This Report also includes some information on major activities in prior years and some of the latest information in fiscal year 2025.

► **Scope of Report**

Yokogawa Electric Corporation and all its consolidated subsidiaries
Where the scope is different, a note is added to the relevant data.

► **Timing of Publication**

October 2025 (published annually)

► **Intended Readership**

This Report is intended for a wide range of stakeholders, including customers, shareholders, investors, business partners, employees, local communities, NPOs, NGOs, and governments.

► **Company Names**

In this Report, “Yokogawa” and “Yokogawa Group” refer to Yokogawa Electric Corporation and all of the consolidated subsidiaries.
“Yokogawa Electric” and “Yokogawa Electric Co.” refer to Yokogawa Electric Corporation.

► **Reference Guidelines**

- GRI Standards (Global Reporting Initiative)
- Environmental Reporting Guidelines 2018 (Ministry of the Environment, Japan)



Cover Concept

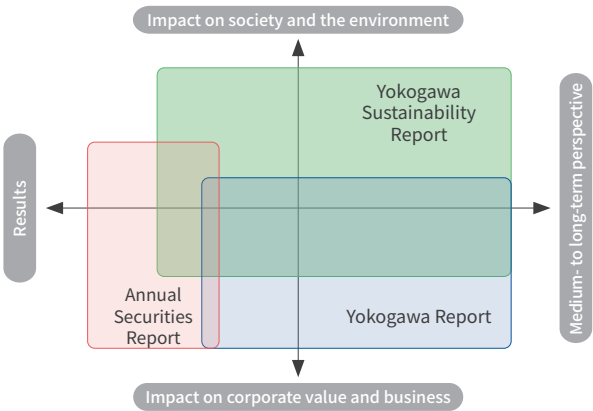
On a clifftop, small yet resilient flowers bloom, swaying in the wind. They embody Yokogawa’s commitment to steady progress toward a sustainable society, even as social issues grow more complex. Surrounding them, the grassy field, the vast sea below, and the clear blue sky symbolize the transparency of our activities and our bold spirit of challenge—guided by a broad perspective and a deep respect for living in harmony with nature.

Company Profile (as of March 31, 2025)

Corporate Name:	Yokogawa Electric Corporation	Paid-in Capital:	43,401 million yen
Headquarters	2-9-32 Nakacho, Musashino-shi, Tokyo 180-8750, Japan	Number of Employees:	17,670 (Yokogawa Group) 2,242 (Yokogawa Electric Co.)
Founded:	September 1, 1915	Subsidiaries and Affiliates:	115 outside Japan 13 in Japan

Information Disclosure Framework

Yokogawa comprehensively discloses its value creation story in the Yokogawa Report, which provides a summary based on medium- to long-term impact with regard to corporate value and business models, and in the Yokogawa Sustainability Report, which summarizes the Company’s impact on society and the environment.



Further information is disclosed on our website.

Information Disclosed	URL
Yokogawa Electric Corporation’s website	https://www.yokogawa.com/
Yokogawa Report	https://www.yokogawa.com/about/ir/reports/annual/
Sustainability Data	https://www.yokogawa.com/about/sustainability/sustainabilityinfo/sustainability-data/
GRI Standards Index	https://www.yokogawa.com/about/sustainability/sustainabilityinfo/gri/
Climate Strategy (Response to TCFD)	https://www.yokogawa.com/about/sustainability/climate-strategy-response-to-tcf/
Nature-related Disclosures (Response to TNFD)	https://www.yokogawa.com/about/sustainability/initiatives-for-biodiversity-response-to-tnfd/



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Yokogawa Sustainability Report

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How to use this Sustainability Report

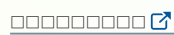
In this report, navigation features are available for moving between pages and for opening external websites.



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Highlights of the 2025 Yokogawa Sustainability Report



Message from the President

Guided by the Yokogawa spirit that has been carried forward since our founding, **we work together with our customers to pursue the realization of a sustainable society.**



Case Study of Contribution

Through **the delivery of SCADA systems**, we contribute to ensuring **a stable supply of water.**



Achieving safe and efficient operation of copper mine projects together with customers



Supporting cancer research through a **subcellular sampling system** that performs lipid-based analysis at a single-cell level



Contributing to customers' **CO₂ emissions reduction and development of more sustainable power infrastructure** with our **high-precision measurement technologies**



Contributing to customers' **energy conservation and CO₂ emissions reduction** by minimizing wasteful steam consumption using **remote-monitoring solution for steam traps**



Sustainable Products

We established the **“Trusted Green” as our sustainability policy** that considers the entire product supply chain and lifecycle.



Human Resource Management

We achieved a **record-high employee engagement score of 82%**. We aim to further increase this.



Initiatives Toward Achieving Carbon Neutrality

We are making steady progress with actions to **achieve net zero fiscal year 2030 Scope 1 and 2 emissions**. As a result of **cooperation with suppliers**, **Scope 3 emissions** decreased year-on-year.



Leveraging and Governance of AI

We are contributing to **solving customers' issues** by **leveraging Yokogawa's AI**.



We formulated the “AI Policy” which sets out our stance on AI governance.



Sustainability Management



Governance

Yokogawa regards sustainability as **a key management issue** and is continuously working on the **improvement of governance.**

Sustainability Governance



Strategy

We incorporate sustainability into management strategy, aiming to both **expand our contributions to society and the environment** while achieving **significant business growth.**

Yokogawa's Vision



Risk Management

The Company has established a risk management system and **appropriately controls sustainability-related risks.**

Risk Management



Metrics and Targets

We have **established medium- to long-term metrics** and **manage progress** to achieve the Three Goals.

Sustainability transition sales



Social Impact Indicators





Message from the President

In keeping with its vision for society in 2050, Yokogawa has laid out its Three Goals for sustainability: Achieving net-zero emissions, ensuring well-being, and making the transition to a circular economy. While confronting complex issues in such areas as climate change, resource depletion, and human rights, we are making a positive impact on sustainability through our business activities—all rooted in principles that have been handed down since the Company's founding.

Working together with our customers to bring about a sustainable society

Director, President & CEO,
Representative Executive Officer

The Legacy of Yokogawa's Founding Principles

When founding Yokogawa Electric, Tamisuke Yokogawa is reported to have encouraged the company's first president and others to venture into new fields, saying, "You don't need to worry about profits. Just learn and improve our technology. You must make products that earn us the respect of our customers."

Tamisuke Yokogawa had been well aware of how steel-framed structures can keep people safe, having witnessed the death and destruction caused by the 1891 Great Nobi Earthquake. That is one of the considerations that eventually led him to found Yokogawa Bridge Works (currently Yokogawa Bridge Corp.) to manufacture steel frames. Given how architecture and construction rely heavily on electrical equipment, which also plays a vital role in industrial development, the next development was the founding of Yokogawa Electric Works Ltd. (the current Yokogawa Electric Corporation). In working to keep people and society safe and secure, Yokogawa continues to champion high reliability and contributing to society, two elements that are central to its founding principles.

The accelerating energy transition

I joined the Company in 1991. While working in the Startup and Project Engineering divisions, I handled projects at customer plants all around the world, from Japan and Asia to the Middle East, Africa, and the United States. I then spent several years stationed in the Middle East, which gave me a firsthand glimpse of the energy transition that was newly underway with the aim of achieving net zero greenhouse gas (GHG) emissions.

Several Middle Eastern countries are aiming to achieve net zero emissions in the 2050 to 2060 timeframe. In this process, the utilization of LNG and other low-carbon fuels, the implementation of CCS^{*1}/CCUS^{*2}, and the introduction of clean energy sources such as hydrogen and ammonia will play important roles. Yokogawa has long facilitated stable plant operations with its measurement, control, and information technologies. In recent years, we have been taking advantage of the strong relationships that we have built up in the industry to develop community-based activities in collaboration with customers and partner companies that are engaged in the energy transition.

*1 Carbon capture and storage

*2 Carbon capture, utilization, and storage



Message from the President

Business strategies for contributing to sustainability

It has now been a year since we launched the Growth for Sustainability 2028 (GS2028) medium-term business plan. In GS2028, we specified business-specific focus areas where we aim to grow as we contribute to solving sustainability issues in such areas as climate change, natural resources, and health and safety. Calculating the total amount of sales from these businesses as “sustainability transition sales,” we have set the target of having sustainability transition sales account for at least 50% of the Yokogawa Group’s total sales by fiscal year 2028.

In order to bring that objective to fruition, we are promoting initiatives to address challenges that regions and communities face. One example is our efforts in Australia, a country rich in mineral resources, where we continue to accumulate expertise in solutions for the mining industry. In Europe, where interest in renewable energy and hydrogen solutions remains high, we are forging deeper collaborative relationships with a variety of companies. These are just a few of the ways that Yokogawa is leveraging insights from around the globe to establish and develop solid businesses.

Yokogawa has four main strengths. The first is our robust, reliable products, systems, and advanced technologies. Second, our people are committed to solving customer issues and exhibit strong teamwork, the combination of which enables us to integrate complex systems and complete challenging projects. The third strength is our global sales and service network. And fourth is our strong customer loyalty and sterling reputation, rooted in our extensive delivery track record.

In addition to these strengths, we continue to take a proactive approach in using cutting-edge technologies and approaches. Examples include technologies that organically integrate multiple systems to achieve overall optimization, AI-based autonomous plant control, and digital twins, and security services that maximize the reliability of IT/OT systems.

Contributing to a better environment throughout the product lifecycle

As a manufacturer, Yokogawa will also fulfill its responsibilities to society. Above all, we believe that the most important contribution we can make to society and the environment lies in ensuring that the products we deliver to customers operate in a stable and reliable manner over the long run and providing continuing support for the safe, efficient operations of plants and other facilities. We have continually upheld those core values in our work, focusing on robustness and maintainability in our product design and production and working to build a global maintenance service system. In the future, we will also expand our activities to collect and recycle products. In September 2025, Yokogawa announced “Trusted Green,” a set of guiding sustainability principles for the entire product supply chain and lifecycle. These rest on the three pillars of providing highly reliable products, reducing our environmental footprint over the entire product lifecycle, and building a circular ecosystem. In addition to those efforts, we will also enhance our disclosure of product-related information.

Acting responsibly from an ESG perspective

We also focus on the responsible operation of our products and technologies. One area we devote particular attention to is making ethical and appropriate use of AI, which continues to develop at a rapid pace. In April 2025, we formulated an AI policy that clarifies our aims with its utilization, the value this provides to customers, and our stance on AI governance.

We also promote activities in our supply chain, including efforts that center on respect for human rights and reductions in Scope 3 GHG emissions. Issues connected to human rights, such as working environments, are drawing attention in the upstream parts of the supply chain. Yokogawa’s indirect GHG emissions in areas upstream and downstream from our own place in the supply chain are significant. Collaboration with suppliers and customers is crucial to resolving issues related to human rights and Scope 3 emissions. This fiscal year, we will continue to engage in a broad-based dialogue with stakeholders that includes improvements to the Company’s human rights due diligence that are in line with European standards.



Providing value as a trusted partner together with our employees

Yokogawa is a global company, active in over 60 countries worldwide and drawing approximately 70% of its net sales from overseas. Our diverse mix of employees transcends the boundaries of race, nationality, and gender, and this embodies a deep-rooted culture of mutual respect and an openness to different values. With a firm foundation in diversity and mutual understanding, each and every Yokogawa employee always strives to deliver value from a customer-focused perspective, and as a result, our customers make us their trusted partner.

To remain a trusted company today and tomorrow, we will keep working to both support our employees’ growth and enhance our corporate value. To promote employee growth, we will nurture a corporate culture and framework where our people can pursue new endeavors on their own initiative.

Yokogawa will continue to push forward in its effort to achieve the Three Goals. Even in a rapidly changing world, we will keep striving to be a company that brings joy and fulfillment to all our stakeholders while contributing to society and the environment by delivering solutions to customers’ issues.



Yokogawa Business Overview

Business Segments

Yokogawa contributes to solving social issues, utilizing its ability to measure and connect.

We have divided the Industrial Automation and Control business, our main business, into three industry subsegments: Energy & Sustainability, Materials, and Life. That allows us to provide products and solution services that can solve issues of customers in various industries and social issues.

Industrial Automation and Control Business

Energy & Sustainability Business

Given the expected surge in global energy demand, the renewable energy market is primed for growth. In the increasingly diverse energy and water sectors, Yokogawa's energy and sustainability business is working across the entire value chain – from production and supply to use, disposal, recycling, and maintenance – to support safe and efficient operations. The business segment aims to protect the environment by achieving a sustainable, carbon-neutral society.

Main Markets

- Renewable energy
- Oil & gas (upstream)
- Refining, petrochemicals (downstream)
- Power
- Energy management systems
- Energy storage
- Water & wastewater, industrial water

Materials Business

Among the requirements in this segment are efficient energy use, recycling, and the use of raw materials that have a low environmental impact. Drawing on our expertise in ecological solutions and digital technologies, Yokogawa is striving for a world that maintains a balance between comfort and sustainability. Our materials business is critical to achieving a circular economy that can exist in harmony with the environment.

Main Markets

- Specialty and fine chemicals
- Biochemicals
- Fertilizers
- Mining & metals
- Mobility
- Electrical machinery, electronics & semiconductors
- Iron & steel, nonferrous metals
- Pulp & paper
- Fibers & textiles

Life Business

The growing global population is putting a strain on the production and supply of food. Demand for pharmaceuticals is also rising steeply. Yokogawa's life business supports the supply of medicines and food so that people everywhere can live safely and enjoy good health.

Main Markets

- Pharmaceutical
- Healthcare
- Food & beverages

Measuring Instruments Business

Often considered to be the mother tools of modern industry, measuring instruments have been an integral part of Yokogawa's business since the company's inception. Taking advantage of our expertise in the precision measurement of power, voltage, light, pressure, and other physical quantities, we are pursuing decarbonization by helping our customers in such areas as vehicle digitization and electrification, renewable energy, environmental measurement, next-generation communications technology, and plant maintenance.

New Businesses and Others



Setting our sights on easing the use of the industrial internet of things (IIoT), Yokogawa provides the necessary hardware, software, and cloud solutions.

Areas for exploration: Disaster prevention, space, and ocean

By presenting solutions for applications such as the observation of changes in sea level and the verification of technologies that could point the way to the use of hydrogen on the lunar surface, we are working to mitigate the effects of global disasters and working toward the achievement of a recycling-oriented society.



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Yokogawa Business Overview

Products and Solutions

Industrial Automation and Control Business

Energy & Sustainability Business Materials Business Life Business

We provide products, services, and solutions that span every level of activity, from the collection of data generated in the field to the optimization of corporate management.

OpreX™

OpreX is the comprehensive brand for Yokogawa's Industrial automation and control Business.

IT

Information Technology

Level 4
Corporate management



Corporate strategy planning



Production planning optimization



Feedstock purchasing optimization



Supply chain and logistics optimization



ERP



Energy and carbon management optimization



Security

Level 3
Manufacturing execution control



Production management and optimization



Advanced control and optimization



Quality management and optimization



Asset lifecycle optimization



Safety management



Operational risk management

Collaborative Information Server
Yokogawa Cloud Industrial cloud applications and solutions

Level 2
Production control and safety systems



Distributed control systems



Safety instrumented systems



Edge controllers/PLC

OT

Operational Technology

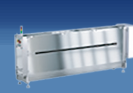
Level 1
Data generation and collection



Field instruments, pressure, differential pressure, and temperature transmitters, wireless transmitters, Coriolis, magnetic, and vortex flowmeters

Process analyzers
Process gas chromatographs

IIoT wireless sensors

Data acquisition systems
Paperless recorders data loggers

Film/sheet thickness gauges



Distributed temperature sensors

For our customers, we present solutions that resolve issues and maximize value over the entire lifecycle of their business assets.

Consulting

Design and engineering
System integration

Installation

Training

Lifecycle services

Life Business (Life science)

This business segment supports bio-related food and pharmaceutical research & development through the provision of products and solutions that aid cell analysis.



Confocal scanner unit



High-content analysis system

Subcellular sampling

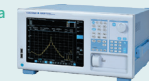
Measuring Instruments Business

This segment offers a broad range of measuring instruments and services that are essential for the benchmarking and optimization of customers' products and technologies.

Products of Yokogawa Test & Measurement Corporation



ScopeCorders



Optical spectrum analyzers



Precision power analyzers

New Businesses and others

Promotion of services that utilize the industrial internet of things (IIoT) architecture

Products and services of ammimo Inc.

AI edge gateways



Edge gateway (outdoor type)



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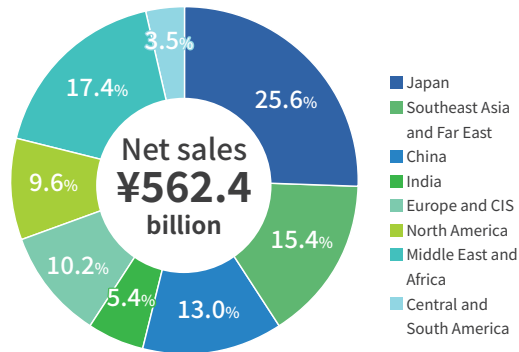
Yokogawa Business Overview

Network

Yokogawa conducts business in more than 60 countries around the world. We actively recruit local talent at each site and have built long-standing trust with customers and local communities. Moreover, based on our corporate philosophy, we are engaged in businesses for the realization of a sustainable society as good citizens.

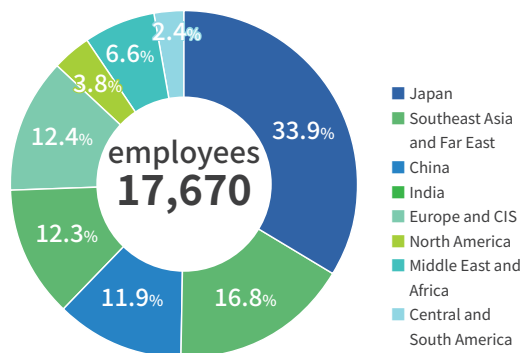
Net Sales by Region

(Fiscal year 2024)

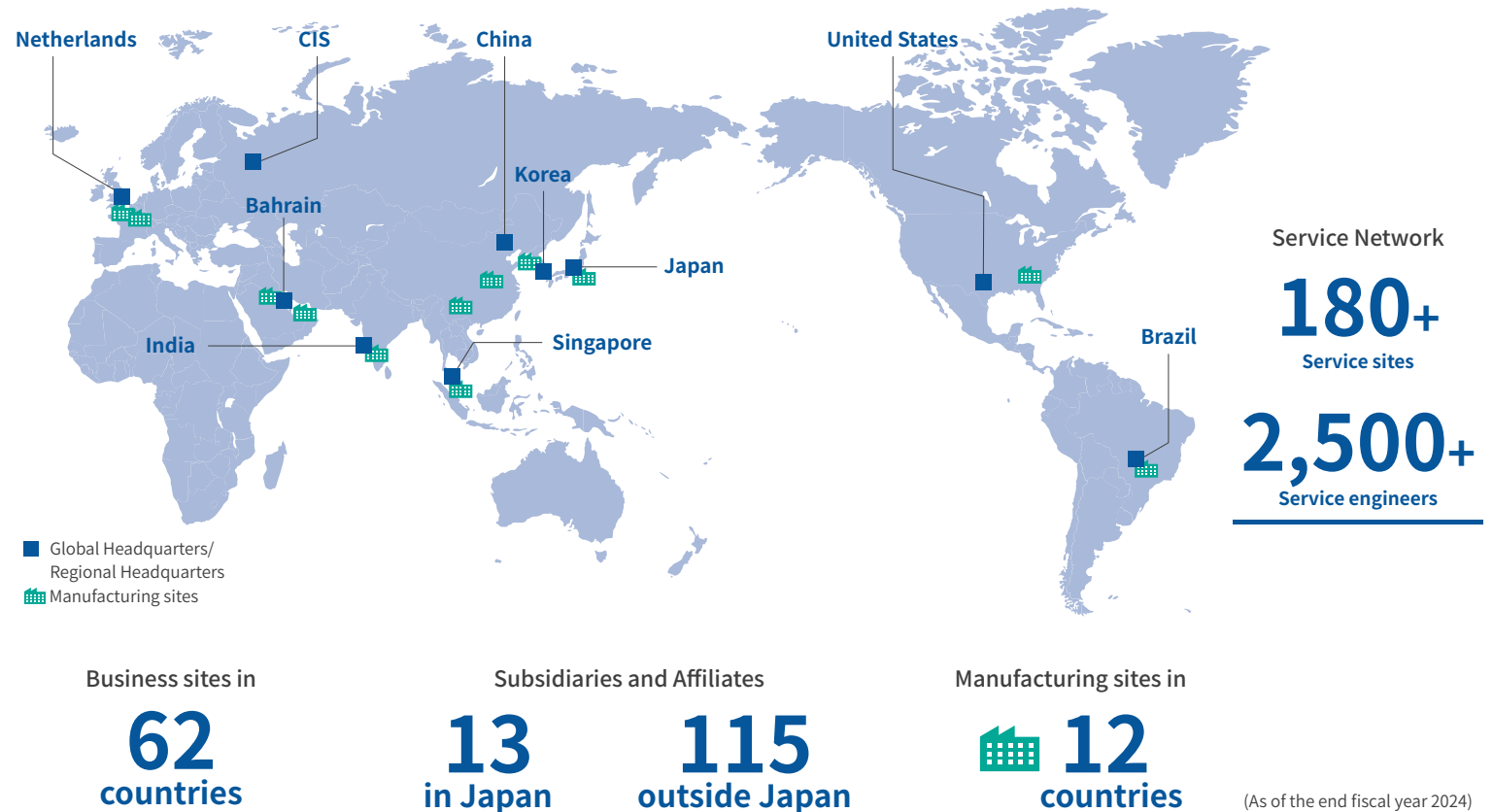


Employees by Region

(As of the end fiscal year 2024)



Global Network Supporting Business Growth



Stakeholder Engagement

Yokogawa has established trusting relationships with diverse stakeholders since its founding. Through continuous and meaningful dialogue, we strive to deepen mutual understanding and expand engagement.

Customers	Shareholders and investors	Employees	Suppliers	Academia	International society and local communities
Objectives and themes					
- Solve social issues faced by customers - Establish a customer support system	- Disclose information in a timely and appropriate manner - Have active and continuous dialogue - Feedback to management	- Employees' engagement - Human resource and skill development - Establish a comfortable working environment - Respect workers' rights	- Equal and fair business relationships - Promote supply chain sustainability	- Promote innovation to solve social issues - Establish and strengthen networks through strategic collaboration	- Contribute to the sustainable development of the international society - Protect the global environment - Contribute to local communities as a good citizen
Key initiatives					
- Provide consulting services to identify and solve issues - Develop and provide products and services utilizing cutting-edge technologies and DX - Establish a global service structure	- Financial results briefings (quarterly) and general shareholders meetings (annually) - IR events including business strategy briefings - Individual meetings with investors and analysts	- Conduct engagement surveys to assess the situation and take appropriate action - Promote learning through Yokogawa University (an internal learning institution) - Establish the occupational health and safety committees - Conduct consultation between labor and management	- Promote sustainable procurement through SAQ (Self-Assessment Questionnaires) - Promote green procurement with less environmental impact - Organize Partners' Day	- Participate in projects and consortiums - Support innovative technological research through financial and human resource contributions	- Participate in international projects to help emerging and developing countries develop further - Reduce GHG and preserve water resources - Cooperate with NGOs and NPOs - Engage in volunteer activities in local communities - International Standardization Activities
Related information					
- Products and Solutions of Industrial Automation and Control Business (P.8) - Network (P.9) - Our Stories (P.16)	Investor Relations  For more information, see our website.	- Improvement of Employee Engagement (P.29) - Human Resources Development (P.31) - Comfortable Work Environment (P.32)	Supply Chain Management (P.61)	Our Stories (P.16)	- Community Engagement (P.39) - Initiatives toward Achieving Carbon Neutrality (P.44) - Environmental Initiatives at Business Facilities (P.48)

Case Study Engaging Capital Markets through Business-Integrated Sustainability Initiatives

In December 2024, we hosted Yokogawa IR Day 2024 online, welcoming approximately 60 institutional investors and analysts in attendance. President (currently Chairman) Hisashi Nara emphasized that the Group's business activities are inherently linked to the contributions to society and the environment. Following his remarks, each responsible Executive Officer presented the key sustainability indicators and business strategies outlined in the GS2028 medium-term business plan. During the Q&A session, participants engaged in active dialogue on topics such as regional market conditions, business models, and strategic approaches to advanced technologies including cybersecurity and AI. At Yokogawa, we regularly report feedback from shareholders and investors obtained through such events and ongoing dialogue to the Board of Directors to enhance management practices. We remain committed to strengthening engagement with shareholders and investors with the objective of continuously improving corporate value.

 For materials relating to Yokogawa IR Day 2024, see our website.

Chapter

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Our Goals

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Yokogawa's Vision

At Yokogawa, business activities are inherently integrated with contributions to society and the environment. Yokogawa has established its sustainability goals of the “Three Goals” as its vision of society in the year 2050. To achieve the Three Goals, we initiated the medium-term management plan “Growth for Sustainability 2028 (GS2028)” in fiscal year 2024. Through the GS2028, we are aiming to expand our contributions to society and the environment while driving significant business growth.

GS2028 Medium-term Business Plan

The GS2028 aims to achieve the Three Goals by realizing business growth and expanding contributions to society and the environment in six areas of contribution. We have established sustainability indicators to clarify the direction and progress of initiatives.

Business Growth

We have identified focus areas and launched initiatives by recognizing our customers' social issues as business opportunities for Yokogawa. We will accelerate the growth of our business by expanding the value we provide in these focus areas.

Business segments	
Energy & Sustainability business	
Materials business	Life business
Measuring Instruments business	New businesses and others

Driving solutions to customers' challenges through our businesses

Customers' Challenges



Expansion of Contributions to Society and the Environment

Yokogawa will expand its contributions to society and the environment through six contribution areas.



Focus areas of GS2028			Contribution areas				
			Achieving carbon neutrality	Improving efficiency in society & industry	Optimizing plant lifecycle and protecting environment	Improving health & safety	Creating a resource-recycling ecosystem
Control business	Energy & Sustainability business	- Expanding value delivery for renewable energy market - Supporting utilization of clean energy (low-carbon hydrogen and low-carbon ammonia) - Providing new value for water-related area (reuse water, PFAS)	●			●	
	Materials business	- Supporting decarbonization of materials industry (chemicals, steel) - Supporting optimization of mobility supply chain - Supporting supply and use of sustainable materials	●	●			●
	Life business	- Improving productivity and quality of pharmaceutical, food & beverage, and biotechnology industries - Improving efficiency and quality of drug discovery & development	●	●		●	
	Common foundations Digital Solutions, Products	- Enabling IA2IA and System of Systems - Supporting long-term optimal operation and environmental footprint reduction of plants - Promoting repair, calibration, and refurbishment	●	●	●		●
Measuring Instruments business		- Supporting adoption and improvement of efficiency of renewable energy and electric vehicles - Supporting improved efficiency of next-gen communication systems - Contributing to environment and health through measurement	●	●		●	

GS2028 Sustainability Indicators

Target year	Indicator	Overview	Target year	Indicator	Overview
FY2028	● Sustainability transition sales	Group-wide revenue from business areas that contribute to sustainability	FY2030	● Social impact indicators	Indicators to measure long-term social impacts for the priority issues in the six contribution areas.
	● Business activity indicators	Indicators to measure the medium-term growth of businesses in the above areas			

Vision for Society toward 2050 Three Goals



Achieve net-zero emissions; stopping climate change

We aim for net-zero emissions, which means that greenhouse gas concentrations in the atmosphere do not rise due to the balance of emissions and the absorption of greenhouse gases, which can be accomplished through the introduction of renewable energy and the efficient use of energy.

Ensure well-being; quality life for all

We support people's health and prosperity through the achievement of safe and comfortable workplaces and our pursuits in such areas as the life sciences and drug discovery. We promote human resource development and employment creation in local communities, as well as diversity, equity, and inclusion.

Make the transition to a circular economy; circulation of resources and efficiency

We aim to realize a social framework and ecosystem in which resources are circulated without waste and assets are utilized effectively. We are also contributing to the efficient use of water resources and the supply of safe drinking water.

Materiality Analysis

We defined materiality in terms of the importance of social and environmental impact and the financial impact for the Group.

In 2021, Yokogawa conducted surveys of stakeholders across our businesses to identify priority issues and selected the six contribution areas. In 2022, we reviewed the relevance from double materiality perspective. In 2024, we refined our double materiality analysis with reference to European standards, and used the results as one of the inputs for defining contribution areas and sustainability indicators in the medium-term business plan, GS2028. In July 2025, we reviewed the results of the analysis in response to internal and external environmental changes. The results of the materiality analysis are discussed annually by the Sustainability Committee and reported to the Board of Directors.

For Sustainability Indicators – Social Impact Indicators, see P.15.

Process of Double Materiality Analysis

Step 1 Analysis and understanding of business structure

Used transaction data and other relevant information to organize and study the Group's value chain and key stakeholders.

Step 2 Identification of sustainability issues relevant to the Group

Identified and listed sustainability issues relevant to each element of the Group's value chain

Step 3 Assessment of social and environmental impact

Evaluated the social and environmental impacts of each item identified in Step 2 based on the scope, scale, and the potential for remediation.

Step 4 Assessment of financial impact for the Group

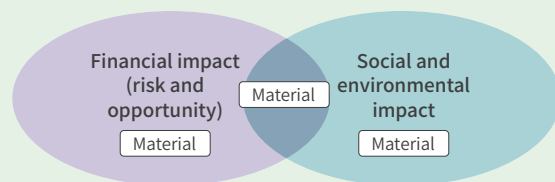
Assessed the financial impact and likelihood of Step 2 from risk and opportunity perspectives.

Step 5 Identification of double materiality

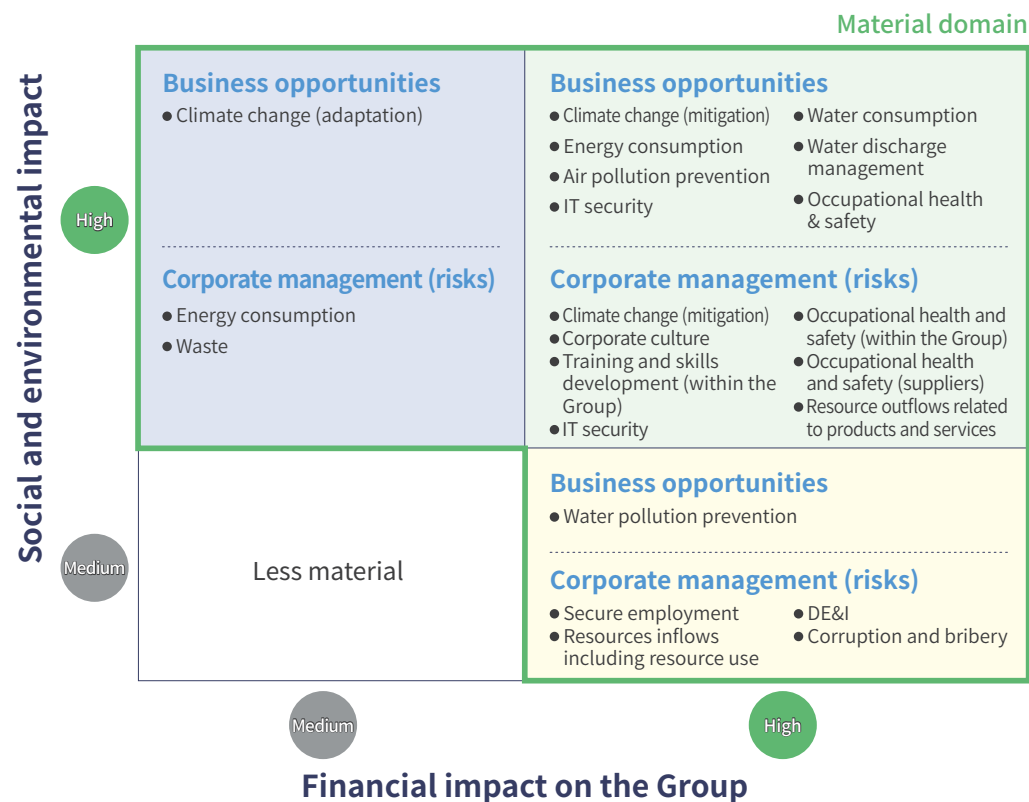
Identified items assessed as material in Step 3 or Step 4, or both, as criteria for double materiality.

Concept of double materiality

We define material items as those that have an impact on society and the environment, the Group's financial performance, or both.



Double Materiality Analysis Result



For initiatives related to business opportunities, see Stories from Our Business Segments (P.17-20).

For initiatives related to corporate management (risks), see Social on P.28-39, Environment on P.40-50, and Governance on P.51-68.

Stories from Our Business Segments

Social

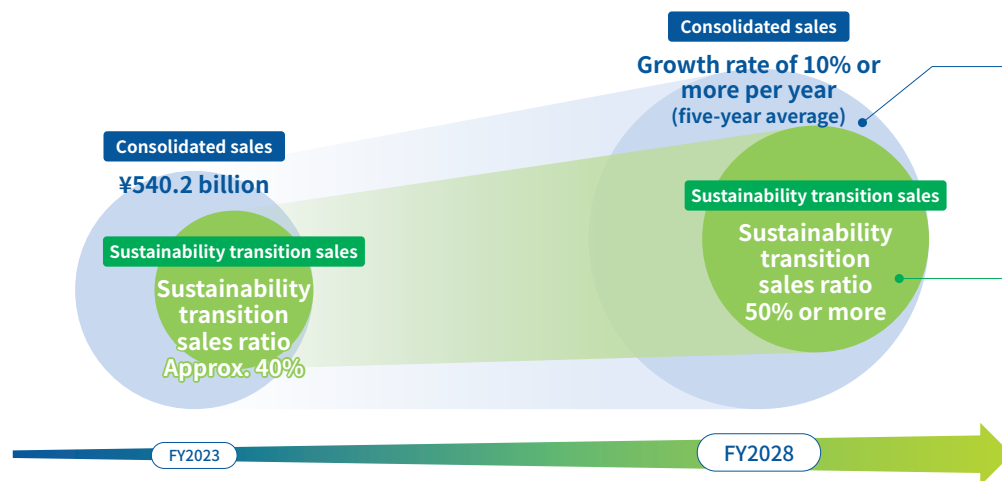
Environment

Governance



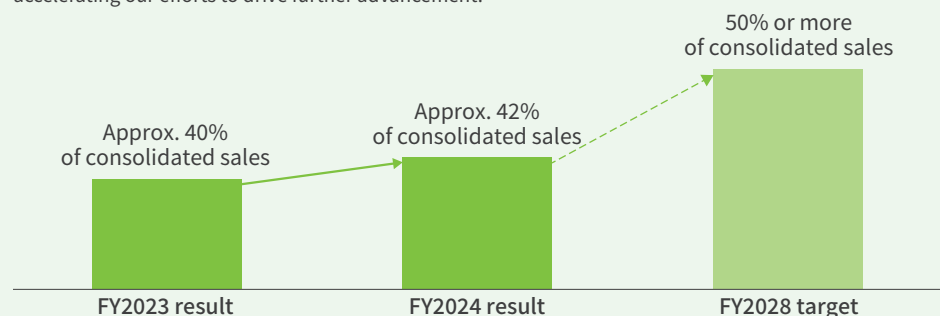
Sustainability Indicators - Sustainability Transition Sales

Under the GS2028 medium-term business plan, Yokogawa defines group-wide revenue generated from areas contributing to sustainable growth as the sustainability transition sales. We have set focus areas that contribute to sustainability transitions for each business segment and have already started activities. As the business continues to grow, we aim to increase the ratio of sustainability transition sales from approximately 40% in fiscal year 2023 to over 50% by fiscal year 2028. Yokogawa is committed to driving the sustainability transition for both society and customers through our business operations.



The target and performance of sustainability transition sales

In fiscal year 2024, the sustainability transition sales accounted for approximately 42%, an increase of around 1% from the previous fiscal year. We are seeing steady progress from our initiatives and are accelerating our efforts to drive further advancement.



All of Yokogawa's businesses

- All of the Group's businesses contribute to society and the environment. Yokogawa seeks to grow our business and expand our contributions in six contribution areas, including achieving carbon neutrality, improving efficiency in society & industry, and improving health & safety.
- We will also address important themes in the transition to a decarbonized society, such as the efficient use of fossil fuels, low-carbon energy (LNG), conventional materials, and CCS/CCUS.

Areas that contribute to sustainability transitions*

- Areas that generate significant positive impact on society and the environment, and where we are focusing our efforts to accelerate both contributions and growth.
- In the business strategy for GS2028, we will set focus areas and advance our activities accordingly.

* We have defined our own standards by referring to the criteria for sustainable products and services set by the EU Taxonomy, SASB Standards, and the Climate Bonds Initiative (CBI).

Business segments		GS2028 focus areas
Control business	Energy & Sustainability business	• Expanding value delivery for renewable energy market • Supporting utilization of clean energy (low-carbon hydrogen and ammonia) • Providing new value for water-related area (reuse water, PFAS)
	Materials business	• Supporting decarbonization of materials industry (chemicals, steel) • Supporting optimization of mobility supply chain • Supporting supply and use of sustainable materials
	Life business	• Improving productivity and quality for pharmaceutical, food & beverage, and biotechnology industries • Improving efficiency and quality of drug discovery & development
	Common foundations Digital Solutions, Products	• Enabling IA2IA and system of systems • Supporting long-term optimal operation and environmental footprint reduction of plants • Promoting repair, calibration, and refurbishment
Measuring Instruments business		• Supporting adoption and improvement of efficiency of renewable energy and electric vehicles • Supporting improved efficiency of next-gen communication systems • Contributing to environment and health through measurement



For Stories from Our Business Segments, see P.17-20.



For case studies of major contributions, see P.21-25.



Sustainability Indicators - Social Impact Indicators

The Social impact indicators are long-term indicators for measuring the degree of social contribution, and are connected with the results of Materiality Analysis on P.13. In fiscal year 2024, while progress was generally in line with expectations, issues were identified regarding water withdrawals and the total reportable incident frequency rate. The Sustainability Committee reviewed the causes and discussed appropriate measures to address these issues. We will continue steadily with activities toward achieving the targets for fiscal year 2030 and fiscal year 2050.

Contribution areas and indicators	Materiality	FY2030 target	FY2024 result	Progress
Achieving carbon neutrality				
CO ₂ emissions control amount through customers	Climate change (mitigation)	1 billion t-CO ₂ (FY2018 to FY2030 cumulative total)	0.43 billion t-CO ₂	The increase was mainly due to contributions from wind power generation.
GHG emissions Scope 1, 2 (base year: FY2019)	Climate change (mitigation)	100% reduction	41.7% reduction	Steady reductions were made in Scope 1 and 2 emissions through reviewing the roadmaps and consistent efforts in energy efficiency and renewable energy procurements, etc.
GHG emissions Scope 3 (base year: FY2019)	Climate change (mitigation)	30% reduction by FY2030*/100% reduction by FY2050	3.8% reduction*	For Category 1, emissions decreased due to the start of cooperative activities with major suppliers, etc.
Improving efficiency in society & industry				
Economic value created by improving customer productivity efficiency	Energy consumption	2 trillion yen	247.8 billion yen	We are expanding the production and energy efficiency businesses.
Energy consumption (Intensity per sales, base year FY2023)	Energy consumption	30% reduction (Average 5% improvement per year)	14.3% reduction	Energy consumption decreased as a result of progress with measures to reduce the use of energy.
Optimizing plant lifecycle and protecting environment				
Number of plants/factories where Yokogawa has contributed to sustainable and secure operations	Occupational health & safety IT security	20,000 plants	6,560 plants	We are contributing to sustainable and secure operations with lifecycle support.
Water withdrawals (Intensity per sales, base year FY2023)	Water consumption	20% reduction	4.9% increase	Water consumption increased as a result of business expansion and utilization of well water as cooling sources at the Komagane site. We have implemented measures for efficient water consumption.
Improving health & safety				
Total number of people whose health & safety have been enhanced through solutions provided by Yokogawa's customers	Water consumption	100 million people	71.38 million people	We are expanding the water environment solution business overseas.
Total reportable incidents frequency rate ((Number of accidents with lost days + Number of accidents without lost days) / Total actual working hours × 1,000,000)	Occupational health and safety (within the Group)	0.40 or less	1.02	There was an increase in the number of slips, trips, and falls accidents. We conduct group-wide training and have implemented initiatives to prevent and reduce work-related accidents.
Creating a resource-recycling ecosystem				
Indicators related to sustainable raw materials	Resource outflows related to products and services Resources inflows including resource use	To be determined in FY2025	Still under consideration with an aim to set targets in FY2025.	
Creating workplaces where people can fulfill their potential				
Engagement to enhance employee well-being	Corporate culture	An engagement score 84% or higher	82%	The score improved significantly from the previous year as recorded the highest score. We continue to analyze the survey results and implement targeted improvements to address each department's issues accordingly.
Achievements in human resource development and capacity development for transformation	Training and skills development (within the Group)	Improving the abilities of employees (including skills, etc.) to respond to future Yokogawa business needs	We are working to update and enhance our human resources portfolio for the realization of our business strategy.	
Achievement level of diversity, equity, and inclusion	DE&I	Proportion of women in managerial positions 20%	14.8%	We are striving to improve the rate with consideration given to the specific conditions of each region.
		Enhanced diversity at senior decision-making levels	We are promoting the diversification of potential successors for management team and global leader positions.	

* This covers emissions from purchased goods and services (Category 1) and emissions from use of sold products (Category 11)

Chapter

3

Our Stories

- 17** Stories from Our Business Segments
- 21** Case Study of Contribution
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- 27** Sustainability Guiding Principles Covering the Product Lifecycle
– Trusted Green

Relevant materiality issues

Business opportunities

- Climate change (mitigation)
- Energy consumption
- Air pollution prevention
- IT security
- Water consumption
- Water discharge management
- Occupational health & safety
- Water pollution prevention



For Materiality Analysis, see P.13.



Stories from Our Business Segments

Energy & Sustainability Business

For a business overview, see 2025 Yokogawa Report P.39.

Our business contributes to realizing a resilient and sustainable society and to enhancing corporate value by supporting safe and optimal operations of the entire value chain of production, supply, utilization and recycling of diversified energy and water. In the GS2028 medium-term business plan, the focus areas are expanding value delivery for renewable energy market, supporting utilization of clean energy (low-carbon hydrogen and ammonia), and providing new value for water-related area (reuse water, PFAS).

	Expanding value delivery for renewable energy market	Supporting utilization of clean energy (low-carbon hydrogen and ammonia)	Providing new value for water-related area (reuse water, PFAS)
Business opportunities Selection of business opportunities from social issues that customers are addressing over the medium to long term	- Diversification of regions, customers, applications, and so forth - Demand for integrated management of diverse renewable energy power sources - Expanding business into the electricity trading market	- Achievement of low-carbon in the oil & gas sector - Expanding demand for low-carbon hydrogen, including green hydrogen and ammonia - Focus on the adoption of CCS/CCUS technologies for capturing, utilizing, and storing CO₂	- Improvement of water infrastructure facilities such as water leakage management toward reduction of non-revenue water*2 - Growing need for measures against per- and poly-fluoroalkyl substances (PFAS) - Activation of initiatives to utilize recycled water as a source of green hydrogen production and supply
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures - Creating new business opportunities in waste and biomass power plants by leveraging products and technologies of acquired companies - Providing comprehensive solutions, including Level 3*1 solutions, and expanding business into solar power, wind power, and batteries - Allocating specialist personnel for business expansion on a global scale and expanding the portfolio Yokogawa's Strengths - Ability to provide seamless operations, from development to sales and service provision, by leveraging the expertise and technologies that each acquired company offers "Farsight," a new AI-driven service that eliminates the POC for installing an asset management system, minimizes engineering time, and comes in the industry's first freemium to help reach potential customers	Strategies and Measures - Supporting EX (Energy Transformation) for customers in the oil & gas industry - Applying technologies developed in the LNG supply chain to hydrogen and ammonia - Cultivating business growth in the low-carbon hydrogen and hydrogen derivatives areas Yokogawa's Strengths - Extensive track record in the oil and gas industry & long-term, trusting relationships with customers - Customer base in ammonia and methane plants, etc. - Advanced system integration capabilities that enable the realization of System of Systems (SoS) - Solutions that contribute to EX throughout the value chain	Strategies and Measures - Strengthening Yokogawa's presence in seawater desalination projects - Providing solutions for water leak detection Yokogawa's Strengths - Extensive achievements of delivery and project execution capabilities in the water and sewage system in Japan
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	- Supporting customers in achieving decarbonization, low-carbonization, and carbon neutrality through providing solutions - Maximizing profitability through optimal utilization of diversified and dispersed renewable energy assets - Realizing efficient power trading and helping maximize profits for both power generation and consumers	- Supporting the transition to low-carbon hydrogen, including green hydrogen and ammonia - Promoting initiatives to improve efficiency among multiple industries that are beneficial to achieving low-carbon emissions (cross-industry collaboration)	- Supporting the reuse and recycling of sewage, water and drinking water - Reducing non-revenue water - Improving water infrastructure facilities such as water leakage management
Impact on society and the environment, and business growth - Creation of value for society and the environment - Growth through business	Society and the Environment - Contributing to a low-carbon and decarbonized society through the stable supply of high-quality renewable energy - Driving the shift to sustainable energy Business Growth - Expanding the scale of business in the field of renewable energy	Society and the Environment Achievement of a low-carbon and decarbonized society through the production, logistics, and use of low-carbon hydrogen, etc., including green hydrogen and ammonia.	Society and the Environment - Using water recycling to minimize water-resource usage and reduce the severity of water shortages - Minimizing the amount of water resource usage to reduce the severity of water shortage issues - Contributing to a well-being health environment by improving water pollution Business Growth - Expanding the scale of business in the water-related field

*1 For details regarding Level 3 solutions, see P.8.

*2 Non-revenue water: Water that has been produced and is lost before reaching the customer due to leaks, theft, or metering inaccuracies. It represents a major challenge for utilities in improving efficiency and reducing costs.



Stories from Our Business Segments

Materials Business

 For a business overview, see 2025 Yokogawa Report P.41.

We will contribute to the realization of a convenient and comfortable material society and a recycling-oriented society that can coexist with the global environment, helping customers in the materials and other industries transform their business by building on the relationships of trust we have developed with them. In the GS2028 medium-term business plan, the focus areas are supporting decarbonization of materials industry (chemicals, steel), supporting optimization of mobility supply chain, and supporting supply and use of sustainable materials*.

	Supporting decarbonization of materials industry (chemicals, steel)	Supporting optimization of mobility supply chain
Business opportunities Selection of business opportunities from social issues that customers are addressing over the medium to long term	- Reduction of CO₂ emissions in industries that release a lot of CO₂ in the production process - Supporting initiatives for visualizing and reducing CO₂ emissions	- Optimization of production in response to rapid growth in demand for electric vehicles - Energy saving, optimization, and automation throughout the supply chains for lithium-ion batteries, fuel cells, and more
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures - Calculating product- and organization-specific emissions based on primary data (actual measurement data) and offering real-time monitoring - Identifying and analyzing causes based on industry knowledge and providing reduction simulations Yokogawa's Strengths - Over 20 years of experience in energy management - Provision of PIMS (Plant Information Management System) to store actual measurement data from the field side	Strategies and Measures - Supporting energy saving and productivity improvement across the entire supply chain and lifecycle, from mining control for battery materials to material development, manufacturing processes, reuse, and recycling - Providing value through Yokogawa's unique real-time solutions and services Yokogawa's Strengths - The ability to measure accurately and to connect supply chains - Expertise and extensive experience in measurement, control, and information - A network that can provide services globally
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	- Achieving low-carbon production processes and contributing to the achievement of customers' CO₂ emissions reduction targets - Minimizing impact on customers' production costs	Helping address issues such as energy saving, decarbonization, and productivity improvements in the lifecycle by making comprehensive value proposals for the entire supply chain
Impact on society and the environment, and business growth - Creation of value for society and the environment - Growth through business	Society and the Environment - Contributing to solutions to social issues that countries around the world deal with, focusing on CO₂ emissions reduction Business Growth - Expanding the scale of the solution business	Society and the Environment - Reducing production costs for and promoting the broader global use of electric vehicles Business Growth - Expanding the scale of business in the mining and metals field

* Moving forward, we will develop a story for our focus area of "supporting the supply and use of sustainable materials."



Stories from Our Business Segments

Life Business

 For a business overview, see 2025 Yokogawa Report P.43.

We contribute to the supply of pharmaceuticals that save people's lives and health and safe food everyone can eat with peace of mind. In the GS2028 medium-term business plan, the focus areas are improving productivity and quality for pharmaceutical, food & beverage, and biotechnology industries and improving efficiency and quality of drug discovery & development.

	Improving productivity and quality for pharmaceutical, food & beverage, and biotechnology industries	Improving efficiency and quality of drug discovery & development
Business opportunities Selection of business opportunities from social issues that customers are addressing over the medium to long term	- Understanding and reducing GHG emissions - Reducing energy consumption to reduce costs - Securing labor resources for business sustainability - Providing safe and stable supply of pharmaceuticals and food	- Reduction of R&D costs and improvement of quality through shortening of the pharmaceutical discovery and development period - Reducing the workload of development staff with the aim of improving research and development efficiency - Securing a safe and efficient R&D environment - Reduction of R&D costs and improvement and stabilization of experiment quality through automation
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures - Realizing of a Smart Factory through improved productivity, cost reduction, and the provision of a safe and secure work environment in the pharmaceutical and food industries - Providing value through problem-solving solutions centering on manufacturing execution systems (MES) - Developing solutions and knowledge that have been successfully demonstrated in Japan to overseas markets Yokogawa's Strengths - Human resources with a thorough knowledge of the characteristics of the customer's industry - Engineering and service network	Strategies and Measures - Providing solutions that realize advanced technologies such as observation and analysis of live cell images, as well as quantification and speed-up corresponding to scale-up - Providing total solutions from imaging to analysis through laboratory automation, including experimental and equipment management contracting services, virtual labs, and remote labs Yokogawa's Strengths - Relationship of trust with customers in the market - Technology that can clearly image living cells - Efficiency improvements in genome editing, etc. through the provision of new technologies
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	- Contributing to improved productivity, reduced costs and reduced energy consumption by shortening the lead time throughout the value chain from new pharmaceutical application to supply - Optimization of the value chain through optimal, highly efficient automated operations based on demand forecasts	- Improving the productivity of drug discovery development, such as the discovery of new medical products / pharmaceuticals and the identification of the causes of diseases - Contributing to shortened development periods and reduced costs
Impact on society and the environment, and business growth - Creation of value for society and the environment - Growth through business	Society and the Environment - Realization of a society where all people in the world who need pharmaceuticals can obtain them at any time - Realization of a society where safe and secure food is stably supplied to all people around the world Business Growth - Expanding the scale of business in the pharmaceuticals and food field - Expanding overseas business and strengthening of sales structure	Society and the Environment - Providing a safe and secure environment for researchers as well as realizing healthy and quality lives for all people around the world Business Growth - Expanding the provision of life science products



Stories from Our Business Segments

Measuring Instruments Business

For a business overview, see 2025 Yokogawa Report P.45.

We will contribute to the realization of a sustainable society by providing measuring instruments, which are known as the mother tools of industry, and thereby assisting the growth of industries that facilitate the advancement of a digital society and support people's comfortable lifestyles, and aiding the innovation of electrical equipment in terms of energy saving and loss reduction. In the GS2028 medium-term business plan, the focus areas are supporting adoption and improvement of efficiency of renewable energy and electric vehicles, supporting improved efficiency of next-gen communication systems, and contributing to environment and health through measurement.

	Supporting adoption and improvement of efficiency of renewable energy and electric vehicles	Supporting improved efficiency of next-gen communication systems	Contributing to environment and health through measurement
Business opportunities Selection of business opportunities from social issues that customers are addressing over the medium to long term	- High-efficiency system design to realize decarbonization - Reducing CO₂ emissions through the use of renewable energy and the electrification of mobility, such as electric vehicles	- Rapid expansion of data traffic due to the increase in generative AI and cloud applications - Next-generation communications innovation aimed at expanding communication bandwidth and reducing heat loss	- Expanding applications for non-invasive health monitoring, environmental analysis, and biological analysis - Sensor innovation centered on semiconductor technology, such as semiconductor lasers and MEMS sensors
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures - Providing solutions for measuring the energy efficiency of entire systems, targeting renewable energy equipment and electric vehicles, etc. - Supporting operation control of distributed power sources and technology for connecting and interconnecting with power networks Yokogawa's Strengths - Electricity measurement technology with top-class accuracy in the world - Data acquisition technology using high-precision time synchronization functions and high-speed data transfer technology	Strategies and Measures - Supporting the early practical application of photonics-electronics convergence communication technology by leveraging the Company's strengths in synchronizing optical and electrical measurements - Providing optimal measurement solutions for the production of optical communication devices Yokogawa's Strengths - High-precision measurement technology for optical spectrum, wavelength, and power, as well as generation and measurement technology for current and voltage - Providing modular measurement solutions that combine the above	Strategies and Measures - Providing wavelength measurement solutions and contributing to the compactification and expansion of applications for spectroscopic analysis - Supporting the promotion of healthcare through ultraviolet and infrared optical measurement and pressure measurement solutions Yokogawa's Strengths - New optical wavelength measurement technology using unique high-performance monochromator technology^{*2} - High-precision, highly stable pressure measurement and pressure generation technology
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	- Contributing to improved development efficiency by providing turnkey solutions^{*1} for high-precision measurement systems - Contributing to research and operations aimed at improving the stability of distributed power sources	Contributing to next-generation communication technology innovation that supports development and production and achieves high capacity and low electricity consumption	- Contributing to technological innovation in lasers - Contributing to the development of new applications for environmental analysis, healthcare, sterilization, bioscience, etc.
Impact on society and the environment, and business growth - Creation of value for society and the environment - Growth through business	Society and the Environment - Accelerating the spread of electric vehicles and electric mobility - Reduction of CO₂ emissions through increased efficiency of renewable energy equipment and electric vehicles, etc. Business Growth - Expanding the scale of business in the decarbonization business	Society and the Environment - Practical application of ultra-high-capacity communications while reducing heat loss - Expanding opportunities to access digital services through high-capacity data communications Business Growth - Expanding the scale of business in the communication business	Society and the Environment - Improving air pollution - Promoting low-cost daily healthcare Business Growth - Expanding the provision of measuring instruments that contribute to health and safety

^{*1} A solution that gives users a single framework for performing measurements suiting a variety of applications

^{*2} Spectral equipment for light wavelengths



Case study of contribution

Business segment

Energy & Sustainability Business

Focus area

Providing new value for water-related area

Supporting the Modernization of Melbourne's Water Infrastructure to Contribute to Stable Water Supply

Responding to Increasing Water Demand in Melbourne

Melbourne Water is responsible for managing water and wastewater services for Melbourne, Australia's second-largest city. Amid rising demand for water driven by the city's continued growth, the goal was to establish a modern platform capable of servicing the expanding distribution networks and water and wastewater plants capacity. Melbourne Water identified that a Modern SCADA* system, used to monitor and control the water and wastewater distribution networks, would be needed to support the future growth and to continue to deliver improvements and reliability of services.

* Supervisory Control and Data Acquisition

SCADA Project Launched to Drive the Future of Water Infrastructure

To meet this goal, Melbourne Water launched the "SCADA for our Future" project, an initiative spanning up to three years. The goal of this project is to build a new SCADA environment as a critical step in the transition towards a smarter and more integrated system that will serve

Melbourne for generations to come and will enable effective planning, efficient operations, and rapid decision-making. Following a two-year selection process, Yokogawa Australia Pty. Ltd. has been chosen as Melbourne Water partner to deliver the SCADA platform and related engineering services. Yokogawa will supply its SCADA system, to service Melbourne Water's water and sewerage treatment plants and associated distribution networks. The SCADA system will offer advanced integration capabilities and flexible user access, enhanced system resilience and will reduce business continuity risks. Melbourne Water's operational data will be integrated allowing operations teams to make informed decisions based on real-time status updates, event data, and alarms. The system also accumulates data for operational analytics and serves as a platform to enable the use of AI and other technologies to fully utilize operational data, thereby contributing to improved operational efficiency.

A Long-Term Partnership Supporting Stable Water Supply and Environmental Protection

The project is scheduled for completion in 2027, after which Yokogawa will provide annual maintenance services for an additional seven years. This extended engagement will further strengthen local engineering capabilities and responsiveness to customer needs, supporting the modernization of operations and the development of robust water and sewerage infrastructure. Yokogawa remains committed to contributing to the efficient use of limited water resources and environmental protection.

voice

We are very excited to have Yokogawa working with us to support our continuous growth requirements. We provide water for over 5 million Melbourne residents, with a 24/7 operation, and this requires technology solutions that are reliable and can be continuously maintained for the foreseeable future.

Melbourne Water's senior manager of Asset Knowledge and Technology and project sponsor, Aidan Hollier



Project members of Melbourne Water and Yokogawa Australia Pty. Ltd.





Case Study of Contribution

Business segment

Materials Business

Focus area

Supporting the optimization of mobility supply chain

Contributing to the Safe and Efficient Operation of the Copper Mine Project

Selected as a Control Systems Partner

Yokogawa has been selected as the control systems partner for the Minera Arqueros copper mine project in the Coquimbo Region of north-central Chile, supporting the safe and efficient operation of the entire plant. Yokogawa's Distributed Control System (DCS) was chosen for its high reliability and flexibility, as well as its proven track record of improving operations at other mining sites in Chile. By listening to the customer's needs and offering proposals, we have built a trusting relationship.



Minera Arqueros plant under construction, May 2025



Supporting Efficient Plant Operation and Sustainable Plant Operations

In this project, the primary copper minerals targeted are bornite and chalcocite, which are processed at the concentrator plant. Water is recovered from the waste (tailings) generated in this process, increasing the solid concentration before deposition. Since Northern Chile has limited water resources, national regulations require environmentally conscious operations that make efficient use of water.

By providing its DCS, Yokogawa helps ensure the safe and efficient operation of the entire plant. To secure the success of the plant startup, we offer training programs for operators and maintenance personnel and will continue to provide long-term support after operations begin.

Working Together with the Customer to Address Challenges

The Minera Arqueros copper mine project is scheduled to begin commercial operations in fiscal year 2026. The project aims to ensure the success of mining operations, create local employment, contribute to the regional economy, and foster the development of young professionals studying mining. As a trusted partner, Yokogawa will continue to work closely with its customers to address various challenges and realize sustainable mining operations together.

voice

We place great importance on reliability of our partners. Having reliable partners enables us to start operations on schedule and improve efficiency afterward. The deciding factor in choosing Yokogawa's DCS was its high reliability and flexibility. The reliability of Japanese companies, as well as their ability to accommodate future system expansions and changes, was also an important factor.

Yoshiharu Tsukayama, Chief Executive Officer of Compañía Minera Arqueros S.A.



Photos by : Compañía Minera Arqueros S.A.



2025

Yokogawa Sustainability Report

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Business segment

Life Business

Focus area

Improving efficiency and quality of drug discovery & development

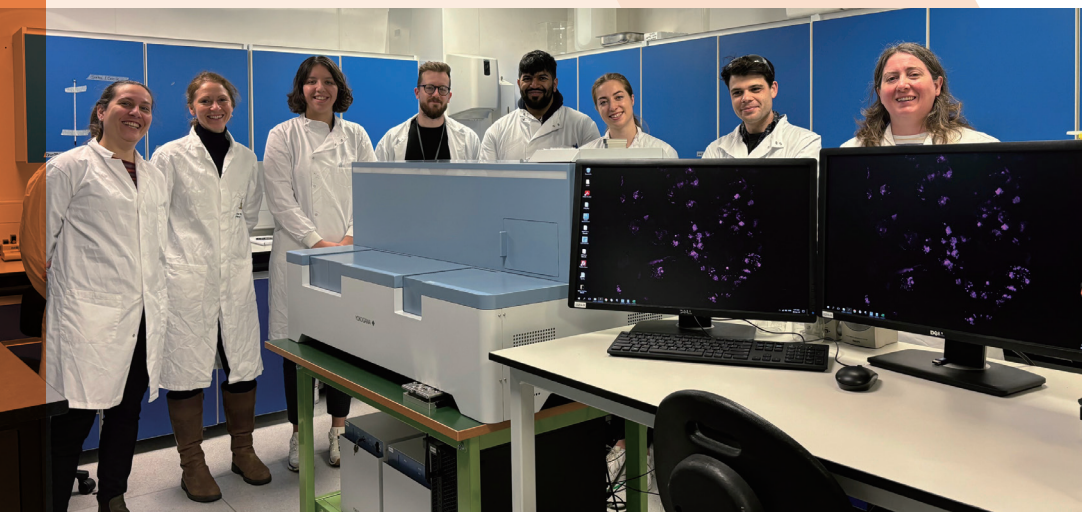
Contributing to Cancer Research through Lipid Analysis Using Single Living Cells

Emerging Technological Needs for Personalized Cancer Treatment

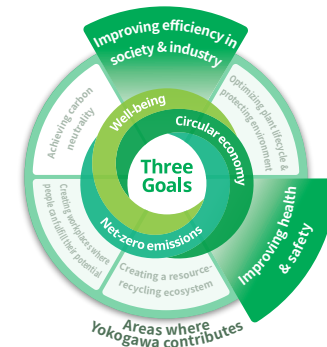
Because the characteristics of cancer cells vary from patient to patient, a single treatment approach may not be universally effective. To address this challenge, the medical field is increasingly turning to technologies that enable analysis of cancer cells at the single-cell level. Yokogawa has contributed to cancer research at the University of Surrey in the United Kingdom by providing its Single Cellome™ System SS2000, a cellular sampling system that enables lipid analysis at the level of individual cells.

Advancing Cancer Research with SS2000 Intracellular Sampling Technology

The SS2000, developed by Yokogawa, is an innovative system that enables fully automated, direct intracellular sampling at the single-cell level. Using ultra-fine glass capillaries with an inner diameter of 3 to 10 micrometers, approximately one-tenth the thickness of a human hair, this system allows researchers to observe living cells under a confocal microscope while precisely targeting and extracting specific sites or regions within the cell.



Members of the research team at the University of Surrey (UK)



Yokogawa's proprietary technology, which enables the precise handling of highly diverse cells, has been formally recognized and adopted by the University of Surrey in the United Kingdom for its cancer research. With the implementation of the SS2000, researchers are now able to conduct lipid analyses - one of the essential components of living organisms - at the single living cell level, a capability that had previously been extremely challenging to achieve. This opens up new avenues for the design of optimal personalized treatments based on individual differences in the nature of cancer cells.

The University of Surrey's research has been published in a prestigious journal of the American Chemical Society and highlighted by major media, including the BBC, earning strong international acclaim.

Shaping the Future of Medicine Through Single-Cell Analysis

As research advances in areas such as lipid composition differences among cancer cells, cellular responsiveness to environmental factors, and radiation response at the single-cell level, the development of more precise and personalized treatment strategies tailored to individual cellular characteristics is expected. Furthermore, it is expected that by visualizing intercellular interactions and deeply understanding other previously elusive biological phenomena will pave the way for new directions and innovative approaches in cancer research. Through the provision of technologies that drive innovation in medical research, Yokogawa is committed to contributing to human health and the realization of a sustainable and prosperous society.

voice

One of the most challenging aspects of cancer cells is that no two cells are exactly alike. Because each cell responds differently, designing effective treatments has long been a complex task. Studying living cells collected from natural environments in sufficient detail to fully understand their structure has traditionally been considered extremely difficult. This is precisely why the ability to sample living cells and analyze their lipid content one by one is so exciting. Our new analytical approach opens the door to an unprecedented level of detail in cancer cell research.

Dr. Melanie Bailey Professor of University of Surrey (UK)



Photos by: University of Surrey (UK)



2025

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Governance

Information

Case Study of Contribution

Business segment

Measuring Instruments Business

Focus area

Supporting adoption and improvement of efficiency of renewable energy and electric vehicles

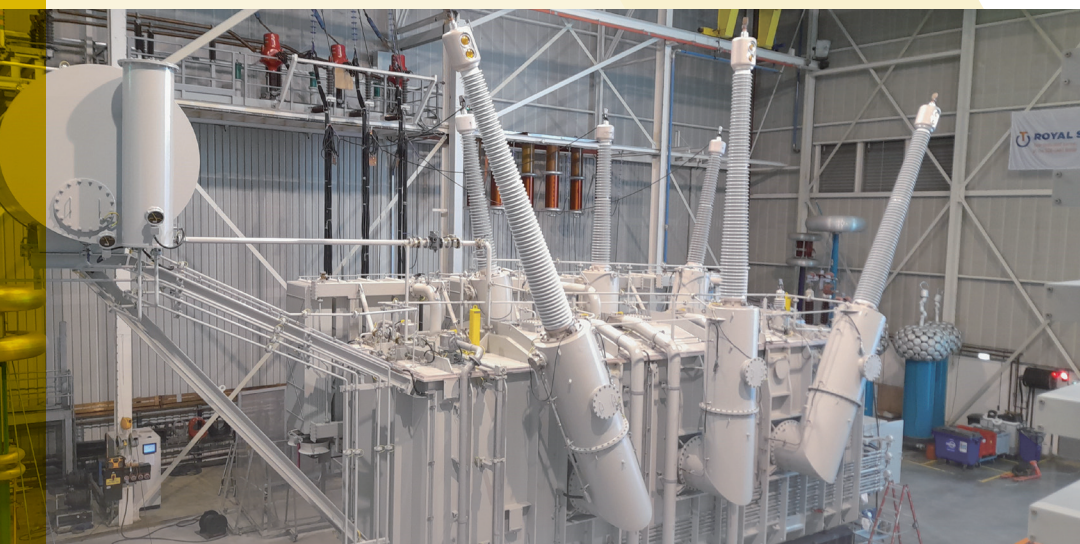
Contributing to High-Precision Loss Verification for Power Transmission Transformers

Reducing CO₂ Emissions by Lowering Energy Loss in Transformers

Amid rising global demand for electricity, reducing energy loss in transformers, essential components in power supply systems, is said to have the potential to cut annual global CO₂ emissions by approximately 410 to 540 million tons. While the adoption of high-efficiency transformers is increasingly encouraged, methods for accurately verifying their performance have remained limited. Yokogawa Test & Measurement Corporation, a group company of Yokogawa Electric Corporation has achieved highly precise measurement and certified calibration in low power factor*¹ ranges by utilizing the Precision Power Analyzer WT5000 ("WT5000"), which offers high-precision measurement, expandability, and excellent operability, together with the calibration laboratory of Yokogawa Europe B.V., which is accredited under the international standard ISO/IEC 17025.



Precision Power Analyzer WT5000



High-voltage test laboratory, Royal SMIT Transformers B.V. (Photo by: Royal SMIT Transformers B.V.)

Measurement Technologies Supporting the Performance Verification of High-Efficiency Transformers

By combining its state-of-the-art WT5000 with ISO/IEC 17025-accredited calibration services, Yokogawa Test & Measurement Corporation enables accurate and highly reliable loss verification for transformers manufactured by Royal SMIT Transformers B.V. This contributes to enhancing the competitiveness of their transformers.

The WT5000 of Yokogawa Test & Measurement Corporation undergoes specialized processing and high-precision system calibration to ensure long-term stability, resulting in improved measurement accuracy from $\pm 0.01\%$ to $\pm 0.008\%$ over a 12-month period. This advance allows for more precise evaluation of custom-designed transformers and ensures superior loss performance*² compared to competing products. In addition, it eliminates the risk of measurement discrepancies between prototype and final transformer units, thereby ensuring consistent product quality. Yokogawa Test & Measurement Corporation's high-precision measurement technologies support the performance verification of high-efficiency transformers used in power transmission and distribution, contributing to the realization of a low-carbon society.

Contributing to a Low-Carbon Society through Yokogawa's Measurement Technologies

Through high-precision testing with the WT5000, Royal SMIT Transformers B.V. has achieved greater energy efficiency and reduced CO₂ emissions, contributing to the development of a more sustainable power infrastructure. Yokogawa Test & Measurement Corporation remains committed to supporting the future of a low-carbon society through its advanced measurement technologies.

*1 Low power factor: A condition in which the proportion of effectively used power relative to the supplied power is low. In transformer testing, loss measurement under low power factor conditions is technically challenging and requires high-precision measurement.

*2 Loss performance: An indicator of the amount of energy lost during power conversion in a transformer. The lower the loss, the higher the performance.



For the details on this case study, see our website.

voice

The adoption of the WT5000 in our testing system has enabled high-precision evaluation of each custom-designed transformer. This allows us to confidently guarantee superior loss performance compared to competitors and ensure consistent results from research and development through to mass production.

Royal SMIT Transformers B.V.





Case Study of Contribution

Business segment Common foundations

Focus area Supporting long-term optimal operation and environmental footprint reduction of plants

Minimized Unnecessary Steam Consumption with a Remote-Monitoring Solution for Steam Traps

Environmental Issues of Steam, an Industry Essential

Amid soaring energy prices and calls for measures to achieve carbon neutrality, conserving energy and reducing greenhouse gas emissions in manufacturing have become management issues with a direct impact on not just cost reductions but also corporate sustainability. The manufacturing industry runs on a variety of energy sources, one of which is steam—a heat source that many manufacturers utilize for its high efficiency and excellent controllability. However, generating steam requires burning fuel to heat water. Out of that process comes carbon dioxide. At many plants, then, making effective use of heat and reducing carbon dioxide emissions have become major issues.

What Steam Traps Do—and What Issues Can Arise

Steam traps discharge only condensate water, derived from condensed steam, without letting any steam escape, making them indispensable devices in the efficient operation of steam systems. Steam pipes contain multiple steam traps. Steam trap failure can cause leakage or clogging, which not only leads to wasteful fuel consumption but also runs the risk of reductions in product quality and malfunctions in production facilities. At many factories, steam trap maintenance involves employees patrolling the site to assess conditions based on visual inspections and sound. Due to the large numbers of steam traps that facilities use, inefficiency issues have hampered maintenance efforts.



Steam system concept



Using Remote Monitoring Solutions to Solve the Issues

To solve these issues, Yokogawa provides a remote monitoring solution for steam traps using Industrial IoT (IIoT) wireless sensors. Regular online monitoring of steam trap conditions makes it possible to detect abnormalities and failures early on. By displaying the estimated amount of energy loss, the solution also helps users formulate plans to prioritize certain high-risk steam traps for maintenance tasks. This makes it possible to minimize wasteful steam consumption, which allows users to conserve energy in their plants and reduce their carbon dioxide emissions.

By providing its remote monitoring solution for steam traps to users across the industrial landscape, Yokogawa will continue to support customers' efforts to implement sustainability management. We will remain focused on developing solutions that address issues on the front lines of operations, providing the resulting value to customers.



Wireless steam trap monitoring device

voice

In developing the steam trap monitoring modules, Yokogawa collaborated with Armstrong International, Inc. The COVID-19 pandemic frustrated the effort, though, with restrictions on face-to-face communication creating substantial challenges. Despite the difficulties, we managed to complete the product—and we sincerely hope it benefits your business.

Product development leaders Hiroshi Mizota (Left) and Takayuki Suzuki (Right), Yokogawa Electric Corporation

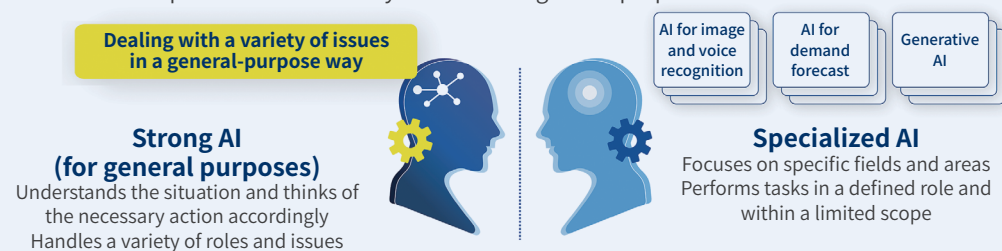


Concept for AI Solutions – AI First Manufacturing

Customers in the control industry face a variety of challenges, including decarbonizing operations, enhancing security, and passing on technical knowledge. Yokogawa Digital Corporation, a Group company that promotes digital transformation in the manufacturing industry, has adopted the concept of “AI First Manufacturing” to support the strengthening of manufacturing competitiveness. Utilizing Yokogawa’s AI to leverage the thinking processes of front-line managers and skilled technicians, the approach drives the transition from “Industrial Automation to Industrial Autonomy” (IA2IA) to help customers solve their problems and grow, and to bring about a sustainable society.

The AI that Manufacturers Need

Global B2C companies, which often handle massive amounts of data, tend to use “specialized AI” tailored to specific business areas. For B2B manufacturers, which handle less information than their B2C counterparts, the situation is different; if they try to use specialized AI, they end up needing to introduce large numbers of AI solutions. In the manufacturing industry, therefore, there is a need for “strong AI”—AI that can learn on smaller amounts of data and smaller numbers of trials and respond to a wide variety of issues in a general-purpose manner.



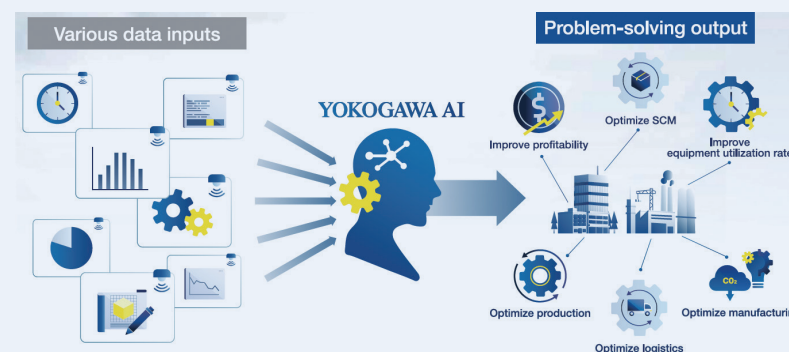
FKDPP, a general-purpose AI for industrial applications, jointly developed by Yokogawa
(FKDPP: Factorial Kernel Dynamic Policy Programming)

Yokogawa has developed FKDPP, a reinforcement learning AI algorithm that makes it possible to achieve targets with a small number of trials, in a collaboration with the Nara Institute of Science and Technology. The aim of the project was to create FKDPP as a “strong AI” with excellent versatility. Using relatively small amounts of data and leveraging reinforcement learning, FKDPP can autonomously generate optimal control input for a given target through a small number of trials.

At Yokogawa, we have applied FKDPP to various manufacturing operations. In March 2023, we received the Prime Minister’s Prize, the highest honor, at the 52nd Japan Industrial Technology Awards for autonomizing the control of a distillation column using AI, a world first. This achievement has earned recognition both in Japan and abroad. Leveraging “strong AI,” which eliminates the need for large amounts of data and can learn and make decisions like people do, unleashes the possibilities of AI First Manufacturing in manufacturing.

Yokogawa’s AI Solutions

Yokogawa conducts general-purpose autonomous control in various dimensions of the manufacturing industry - from production to supply chains - based on a wide array of input data.



Overview of Yokogawa’s “Industrial General-Purpose AI”

Aiming to realize AI First Manufacturing, Yokogawa has already started to test AI implementations in a variety of areas and settings.



Distillation column control for energy saving

While utilizing AI to control heaters that use waste heat, we reduced steam and CO₂ emissions compared to conventional manual control.



Faster reactors

We created an AI control model to achieve control targets in product concentration and mixture levels in chemical processes.



Faster beer brewing

In the fermentation process that requires long-term temperature control, we discovered a temperature-control pattern that makes the process shorter than before.



Air-conditioning control for energy saving at a semiconductor factory

Control enabling effective reuse of boiler-cooling water achieved a reduction in energy consumed for air-conditioning.



Sustainability Guiding Principles Covering the Product Lifecycle – Trusted Green

For many years, Yokogawa has emphasized the establishment of environmental design standards for products, development of life cycle assessment (LCA) criteria for product design, disclosure of LCA information on core products, and evaluation of environmental performance at production plants. In addition to these ongoing initiatives, the company has reexamined its approach to sustainable products with a view to achieving a circular economy, and has established the Trusted Green sustainability guiding principles that take the entire product supply chain and lifecycle into account.

Trusted Green

The Trusted Green guiding principles are based on the three pillars of providing highly reliable products, reducing their environmental footprint over the entire product lifecycle, and building a circular ecosystem.

1 Provision of highly reliable products

Yokogawa recognizes that providing highly reliable products can make a significant contribution to solving environmental issues. The robustness and long-term stability of the company's measurement and control solutions support safe and stable production activities for our customers over the long term, and optimize the use of energy and raw materials. Yokogawa will continue to work to reduce the environmental impact of our customers' operations by further strengthening collaboration between development, production, and services.

2 Reduction of environmental footprint over the entire product lifecycle

With the manufacturing of parts and materials, the production and transportation of products, and customer operations, Yokogawa is striving to reduce its environmental footprint. Yokogawa designs its products with energy conservation, repair, and recycling in mind, based on the consideration that they will be in use for long periods of time at customer sites. The company will strengthen cooperation between all its departments with the aim of further reducing the environmental footprint throughout the product lifecycle.

3 Building a circular ecosystem

Our customers' manufacturing facilities can remain in use for long periods of time, and regular replacements will need to be made with the products that are in use there. Depending on the type of production operation, this can involve thousands of units, and their replacement should be planned and carried out by taking into consideration the need to recycle used products. Additionally, as it is necessary to consider the reuse of information and engineering-related data, Yokogawa uses designs that emphasize continuity. The company aims to build a circular ecosystem by collaborating with customers and other relevant stakeholders to promote the recycling of used products.

[For Trusted Green, see our website.](#)

Initiatives Across the Product Lifecycle

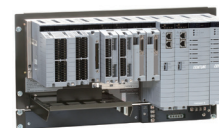
The three pillars outlined in Trusted Green are embedded into our initiatives across the product lifecycle.

Product Development

Enabling Safe, Secure, and Sustainable Autonomous Operations: CENTUM VP R7

For our flagship integrated Distributed Control System (DCS) CENTUM, Yokogawa continues to focus on reliability while pursuing environmental footprint reduction through energy efficiency, as well as resource circulation, including in areas such as engineering and data-related software assets.

In 2025, CENTUM marks its 50th anniversary, and as the first step toward autonomous plant operations, Yokogawa released CENTUM VP R7. The concept of CENTUM VP R7 is "Enduring Value and Innovative Breakthrough." "Enduring Value" refers to reliability, stability, and compatibility, coupled with robust security and a comprehensive engineering and service framework. At the same time, "Innovative Breakthrough" enables secure integration of diverse data sources and predictive detection of deviations from expected operations. Through CENTUM, Yokogawa supports the realization of autonomous plant operations.



Field Control Station (FCS)



N-IO (Network I/O)

[For the history and changes of CENTUM, see our website celebrating its 50th anniversary.](#)

[For the details on CENTUM VP R7, see our website.](#)

Production

Driving Efficiency and Optimizing Resource Utilization

Many of Yokogawa's products are designed by our product development departments and manufactured at our own factories. This structure, the "origin of our monozukuri," ensures high reliability and quality, and is one of Yokogawa's strengths. Products are generally made to order, which eliminates waste from unsold finished goods. However, to ensure that customer orders are met, we tend to maintain larger inventories of parts. To address this challenge, Yokogawa is leveraging digital transformation (DX) to reduce inventory, introducing AI-driven demand forecasting, and further optimizing inventory to minimize waste of resources.

At Yokogawa, shipment is not seen as the endpoint but rather as the "starting point of the customer's product lifecycle." From parts and material procurement, production, shipment, use, and recycling, we view factories not only as production sites but as hubs that connect upstream (such as design departments and suppliers) with downstream (customers). By taking a total optimization approach, we are enhancing operational efficiency while maximizing resource utilization.



Production line at Yokogawa Manufacturing Corporation

Chapter

4

Social

- 29 Human Resource Management
- 32 Comfortable Work Environment
- 35 Occupational Health & Safety
- 37 Respect for Human Rights
- 39 Community Engagement

Related materiality

Corporate management (risks)

- Corporate culture
- Training and skills development (within the Group)
- Secure employment
- DE&I
- Occupational health and safety (within the Group)
- Occupational health and safety (suppliers)

  For Materiality Analysis, see P.13.

Human Resource Management

Metric	Engagement survey score	
Target	84% (FY2030 target)	
Performance	82% (FY2024)	

Key Points of the Human Resources Strategy in GS2028

Upholding Yokogawa's Purpose of "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet," we have set out a medium-term business plan, Growth for Sustainability 2028 (GS2028). This plan aims to drive growth by delivering shared value to society. In order to create the future we aim for, each and every employee must become a "Customer-Oriented Value Co-Creation Promoter," with a mindset of taking on the challenge of innovation. These are individuals who, through actions and collaboration rooted in their expertise, can foster alignment and lead consensus-building among diverse stakeholders—both internal and external—with differing interests. We believe that human resources are the source of value. Through sustained human capital management, we will achieve both our business strategies and corporate growth alongside improving employee well-being and engagement.

  For the details on our Human Resources Strategy, see 2025 Yokogawa Report P.24.

Improvement of Employee Engagement

Importance of Employee Engagement

Yokogawa believes increasing sustainable employee engagement is essential to corporate value and sustainable growth. When employees are engaged, enabled, and energized, they are committed to their work and feel ownership of the achievements of the organization's goals, performance, and ultimately the value provided to the company's stakeholders. Yokogawa helps each employee contribute by providing a work environment that supports productivity and performance while ensuring individual physical, interpersonal, and emotional well-being at work.

To understand the current situation, we conduct a comprehensive global employee engagement survey every two years to gather insights, analyze results, and implement meaningful improvements that drive engagement. In the alternate years, we administer a shorter version - our "Pulse Survey" - to monitor ongoing sentiment and stay attuned to the evolving needs of our employees.

Sustainability Goal: Employee Engagement Survey Scores

In order to stress the importance of employee engagement, Yokogawa has declared employee engagement survey scores as one of our sustainability goals. Yokogawa's goal is to achieve a high-level of sustainable employee engagement on par with global high performing companies.

2024 Global Employee Engagement Pulse Survey, Results and Improvement Activities

In 2024, 93% of Yokogawa employees completed the Global Employee Engagement Pulse Survey. This is an extraordinary response rate and provides confidence the results accurately reflect the views of Yokogawa employees. The 2024 Sustainable Engagement score of 82% showed significant improvement from the 2023 score of 79%. This not only exceeded our KPI of 81%, but it is also our highest score yet, driven by a substantial increase in employees responding that they would recommend Yokogawa as a good place to work.

While we celebrate this increase in our Sustainable Engagement Score, there are still some areas where there is a need for improvement. Yokogawa management will focus improvement activities on Managing Pressure Effectively, Efficiency, and Diversity.

- **Manage Pressure Effectively:** A more systemic, comprehensive approach is needed – one that addresses role clarity, leadership behaviors, wellness initiatives, and organizational support – to meaningfully reduce stress while maintaining and enhancing performance.
- **Efficiency:** Yokogawa has launched four transformation initiatives aimed at global collaboration and streamlining business operations. These efforts focus on reforming our organizational structure, human capital management systems, and core business processes that support effective management.
- **Diversity:** Yokogawa leaders strive to consider diverse candidates fairly without bias and give equal consideration to each person's skills, experience, qualities, and growth potential.

While the survey results showed some positive trends, differences remain in how managers and employees perceive certain topics. To help close this gap, Yokogawa encourages managers to continue holding regular one-on-one conversations with their team members and to foster stronger connections within teams—especially among those working in hybrid environments.



Human Resource Management

DE&I (Diversity, Equity and Inclusion)

Yokogawa's DE&I Statement

Yokogawa believes in building a culture that accepts, values, and celebrates individual differences. Yokogawa is committed to providing an equitable and inclusive environment where everyone can belong, contribute, succeed, and demonstrate their full potential without fear of harassment, verbal abuse, or other behaviors that inhibit someone from fully contributing or harms their dignity. To achieve this, Yokogawa will actively recruit, develop, and promote people from a variety of backgrounds who differ in terms of experience, knowledge, thinking styles, perspective, cultural background, and socioeconomic status. We will utilize digital technology and cultivate an inclusive working environment to make it possible for every employee to demonstrate his or her full potential and work comfortably leveraging flexible workstyles. Engaging communication and constructive collaboration based on mutual respect facilitate innovation and the co-creation of new value for our customers, partners, suppliers, which, in turn, improves our planet.

DE&I Initiatives Around the World

Yokogawa endeavors to foster a culture and workplace where employees have a sense of belonging and are respected and empowered to demonstrate their full potential. The following are some of the initiatives that are taking place in Yokogawa globally to continue to build a diverse, equitable and inclusive culture:

- In fiscal year 2024, Yokogawa initiated a reverse mentoring program in which top management are mentored by earlier career employees.
- Yokogawa continues to conduct DE&I mindset trainings called "This We Believe" to deepen understanding of the importance of promoting diversity, equity, and inclusion, as well as, recognizing unconscious bias and how it affects people's actions. Yokogawa continues to initiate training programs for trainers to roll out "This We Believe" to regional headquarters.
- Human rights education continues to be a priority in Yokogawa. An e-learning based on the "Yokogawa Group Human Rights Policy" is available in multiple languages, and more than 15,000 employees have taken the course.
- Yokogawa conducted audits of human resource management systems globally, with DE&I as one of the policies reviewed.

Enabling Women's Empowerment

Globally, Yokogawa is promoting women's advancement to leadership in the workplace. A goal of achieving a ratio of 20% Women managers by fiscal year 2030 has been set. At the end of fiscal year 2024, the Women Manager Ratio was at 14.8% which exceeded our target of 13.6%.

• Europe

Yokogawa is hosting the Women in Business Mentorship Program dedicated to the professional and personal development of women employees. The Mentees are benefiting from this development action with the support of Yokogawa women business leaders from around the world.



 For global DE&I, see our website.

Metric	Proportion of women in managerial positions
Target	20% (FY2030 target)
Performance	14.8% (FY2024)



• U.S.

At the YNOW conference in Houston, U.S.A., Yokogawa Corporation of America hosted a Women in Engineering panel featuring leading female engineers from the industry. The session highlighted shared experiences and advocated for stronger inclusion and communication to help women thrive in engineering.

A three-day immersive STEM Camp was launched to empower high school girls at a pivotal stage in their development. Through hands-on learning and mentorship, this initiative supports long-term talent pipeline development and reflects Yokogawa's strategic focus on advancing gender equity in STEM fields.



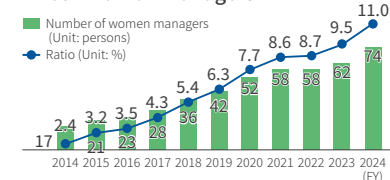
• Japan

In Japan, Yokogawa hosted a seminar titled "Leveraging Neuroscience in Business: Creating a Workplace Where Diverse Talent Can Thrive", featuring neuroscientist Dr. Nobuko Nakano as our guest speaker. Drawing from her own experiences and a wide range of scientific studies, she provided clear and engaging insights into how everyone carries unconscious biases. The session attracted over 450 employees, both in person and online. Campus recruitment in Japan is aiming to optimize gender balance by setting a target of at least 30% of new hires being women.

In recognition of International Women's Day on March 8, the Head of Human Resources and General Affairs delivered a message to all employees in Japan, reinforcing Yokogawa's commitment to diversity, equity, and inclusion.



Changes in the ratio and number of our women managers*



*Originally employed by Yokogawa Electric Corporation

Inclusion of Employees with Disabilities

• Japan

Employees with disabilities engage in various fields, such as engineering, manufacturing, sales, and administrative work. In Japan, Yokogawa Foundry Corporation, a Group company, has been certified as a special subsidiary conforming to The Act for Promotion of Employment of Persons with Disabilities.

• Korea

Yokogawa Electric Korea Co., Ltd. operates an in-house café "KOKORO" (meaning "heart" in Japanese) where employees with disabilities work as baristas. The café improves the quality of the working environment and fosters a culture that accepts, values and celebrates individual differences.

KOKORO is a cornerstone of expanding diversity and inclusion and is a space for Yokogawa Electric Korea Co., Ltd. employees and visiting customers to take a break, relax, and socialize.



Yokogawa Electric Korea Café KOKORO

Human Resource Management

Human Resources Development

A diverse workforce is an indispensable management resource and a key driver for Yokogawa's growth and creation of value.

To achieve the targets of the medium-term business plan GS2028, Yokogawa is pursuing business transformation through strengthening of human resources and creating new value through co-innovation with customers. Moreover, to be a "Trusted Partner" to our various stakeholders, we will establish a framework that allows each employee to share in Yokogawa's Purpose and take on challenges to achieve their career goals, and we will continue to create a corporate culture that is rewarding to work in.

Promoting Human Resource Development to Support the Creation of Sustainable Corporate Value

Yokogawa positions "Sustainable Value Creation through Autonomy and Symbiosis" as its corporate vision, believing that the growth of each individual employee is essential to generating lasting corporate value. Strengthening talent capabilities is regarded as a key management priority. Through diverse learning opportunities, we support employees' proactive growth and leadership development, aiming to become a true "Learning Company."

As a foundation for this effort, we have implemented the globally unified "Yokogawa Leadership Competency (YLC)" as a behavioral guideline, applying it across recruitment, evaluation, and development processes in talent management. At the core of our learning initiatives is "Yokogawa University," our internal corporate university, which promotes self-directive learning through e-learning programs, trainer development, and executive participation in education. We also strive to foster a culture of peer-to-peer learning and teaching within the organization.

Building on this foundation, we have recently launched initiatives to promote career autonomy. By leveraging human resource management systems and other tools, we are creating frameworks that empower employees to take ownership of their career development and grow through ongoing continuous challenges and learning.

In addition, we have started developing people managers who can help employees realize their full potential. By introducing a global training program, we are establishing a framework in which managers support members' career development through regular dialogue and feedback, enabling them to grow into individuals who proactively shape their own futures. This approach emphasizes continuous learning and practical application.



A series of webinars on HR transformation, with officers as lecturers (hybrid event)

Yokogawa Xcelerate: Global DX Talent Development

"Yokogawa Xcelerate" has been launched as a global DX talent development program for all employees. To advance its digital transformation (DX) strategy, the company provides structured learning opportunities that incorporate both internal and external expertise, aiming to enhance the skills and mindsets necessary for DX. The program offers level-based training through e-learning and live sessions, supporting employees' self-directed learning. In addition, by leveraging internal social platforms and webinars, Yokogawa is fostering a culture of continuous learning and working to enhance corporate value through the development of DX talent.

Global Talent Management System

To sustain growth and enhance its corporate value over the medium to long term, Yokogawa is also prioritizing the development of leaders who can achieve success in the global business arena. To systematically recruit and develop global human resources and prepare them for managerial roles, in fiscal year 2018 Yokogawa established an organization to pursue a group-wide, strategic approach to human resources allocation and development. Moving forward, we will further expand our efforts to develop more leaders at an early stage.

Future Co-Creation Initiative:

The Future Co-creation Initiative is a cross-organizational virtual team directly under the president, designed to embody Yokogawa's Purpose, build a co-creative network, generate value that contributes to solving social issues, and develop the next generation of leaders, while swiftly adapting to rapidly changing business environments.

Approximately 40 millennial employees in their 20s to 40s have taken on the role of Scenario Ambassadors, using scenario planning methodologies to envision future possibilities through ongoing dialogue with internal and external corporate managers, senior executives, and experts. These scenarios now serve as a shared language that enables continuous exploratory dialogue across organizational, corporate, generational, and regional boundaries.

This open and co-creative dialogue has evolved into a powerful platform for idea exchange and dialogue, expanding opportunities for learning and growth at both the individual and organizational levels, that can be shared and applied across generations and industries.

<Future scenarios envisioned by young employees>

- White Paper: "Future Scenario 2035: A Journey Through Time" (Published in 2022)
- White Paper: "Future Scenario 2040: Shaping Horizons of Uncertainty" (Published in February 2025)

Through these initiatives, the Future Co-Creation Initiative continues to evolve as a platform that connects people, organizations, and society with the future.

The world in 2040: Four scenarios





Comfortable Work Environment

Promotion of Work-Life Management

Yokogawa promotes “work-life management,” enabling employees from diverse backgrounds to balance and enhance their life events and work.

We will continue to maintain systems that encourage employees to stay self-motivated and engaged in highly productive work. At the same time, we are fostering a flexible and supportive environment where employees can focus with peace of mind, adapt to different life stages, and contribute to the sustainable growth of both the company and themselves.

In particular, for balancing childcare and work, we have established a system of working hours and paid leaves that exceeds the legal requirements in the process of pregnancy, childbirth and childcare, and we also provide financial support. In addition, by enhancing and spreading awareness of systems that make it easy to return to work after leave, and by fostering a workplace culture of understanding and mutual support, we have achieved a 100% rate of childcare leave taken by women, and the number of men taking childcare leave is on an increasing trend. All those who take childcare leave have been able to return to work and are active in their jobs. In recognition of these activities, Yokogawa Electric Corporation has received “Platinum Kurumin Certification” from the Ministry of Health, Labour and Welfare since February 2021.

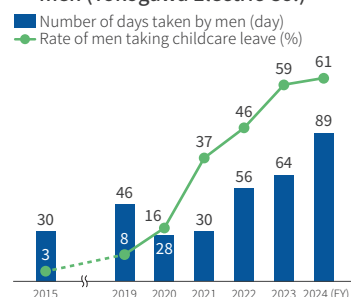
To support employees in balancing work and caregiving responsibilities, we have established systems of working hours and leave that exceed the legal requirements, including a caregiving leave system of up to one year and a system for using expired paid leave, and provide ongoing support.

In terms of working hours, we offer flexible work arrangements such as flextime system and shortened working hours for childcare and caregiving. For senior employees, we have introduced new post-retirement work styles, including a three-day and four-day workweek system, providing diverse options that enable employees to continue working actively as long as possible in accordance with their individual circumstances.



Platinum Kurumin mark

Trends in childcare leave taken by men (Yokogawa Electric Co.)



Main support systems for balancing life events and work

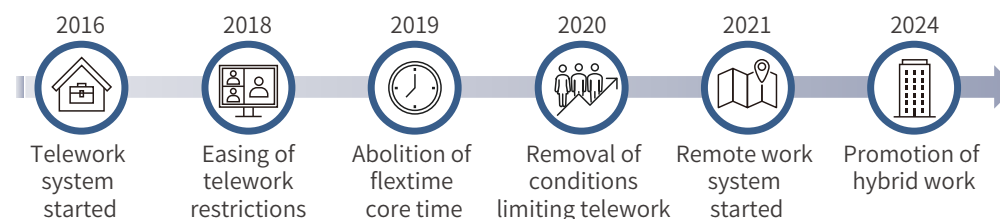
	[For Women]	[For Men]
Everyone	- Full flextime - Telework/Remote work - Satellite office - Annual paid leave (up to 27 days/year) *Possible to split it into a half-day or hourly basis.	- Refreshment leave (15 days *Only once) - Volunteer activities leave - Study support leave (up to 2 years) - Spouse expatriate leave of absence (total 3 years) - Group Long Term Disability Insurance
Marriage	Marriage leave (5 days)	Marriage gift money
Pregnancy	- Infertility treatment leave (use of expired paid leave) - Pregnancy support leave (up to 1 year) - Measures to avoid commuter congestion - Restricted work measures	
Childbirth	- Childbirth gift money - Childbirth leave (15 days) - Maternity leave before/after childbirth (6 weeks before childbirth, 8 weeks after childbirth)	Spouse childbirth leave (3 days)
Childcare	- Childcare leave (5 days paid leave) *Possible to divide into up to 3 times - Childcare hours (2 hours/day) - Restricted work measures	- Time-Off for Sick/Injured Childcare (up to 10 days/year) - Support allowance for raising the next-generation (100,000 yen/year)*For children under 18 years old - Allowance for home help and babysitter
Caregiving	- Caregiving leave (up to 1 year) - Caregiving hours (up to 2 hours/day) - Short-term leave for caregiving (up to 10 days/year) - Short-term leave for caregiving (use of expired paid leave)	- Restricted work measures - Nursing care leave benefits (welfare program) - Allowance for home help and babysitter

Transformation of Work Style

While teleworking has become more widespread and has made it possible for individuals to achieve a better work-life balance, a heavy emphasis on telework can lead to issues such as a lack of daily communication and difficulties in passing on skills, thus there is a need to reevaluate the value of real communication.

Yokogawa's strengths lie in its deep understanding of on-site operations, its persistence in tackling challenging projects, and its ability to overcome difficulties through teamwork. Many of these strengths have been cultivated through real, face-to-face communication. For this reason, Yokogawa is advancing a hybrid work model that combines flexible telework with a basic principle of working on-site.

Transition of work style measures



Harassment Prevention

Yokogawa has established a policy prohibiting harassment in the “Yokogawa Group Code of Conduct” and is actively working to prevent such behavior. In order to promote diversity and develop an environment where all employees can thrive, we revised the “Corporate Policy for Harassment” and established the “Harassment Prevention Guidelines” in fiscal year 2016, and we do not tolerate any harassment, including sexual harassment, power harassment, harassment that interferes with the use of pregnancy, childcare, and caregiving-related systems, stalking, and discriminatory speech and actions against sexual minorities (LGBTQ). We are working to ensure that all employees of Yokogawa Electric Corporation and its group companies in Japan are aware of and comply with these policies.

In addition, Yokogawa Electric Corporation has established the “Yokogawa Group General Hotline,” which serves as a resource for employees of Yokogawa Electric and its domestic group companies to seek advice on various matters, including harassment. When a consultation is received, the company conducts necessary interviews and workplace investigations, while respecting the privacy of the individual. If harassment is confirmed, appropriate disciplinary action is taken against the offender, along with measures to prevent reoccurrence. Employees who seek consultation or cooperate in fact-finding investigations will not be subject to any disadvantageous treatment.

Comfortable Work Environment

Health and Productivity Management

In order for Yokogawa to provide sustainable value and lead the way in solving social issues, we believe it is important for diverse human resources to continue to grow and take on challenges with their own initiative. For this reason, it is essential to promote health and productivity management in which health is considered from a management perspective and strategically practiced. Our health and productivity management is aimed at helping employees autonomously maintain their health while improving their physical and mental health, satisfaction, and happiness in order to increase work engagement and productivity across the Group.

In fiscal year 2016, Yokogawa formulated a Health Declaration as a basic policy for health and productivity management with the aim to further accelerate initiatives related to employee health. At Yokogawa Electric Co., the President and Representative Executive Officer serves as the Chief Health Officer. Under the leadership of the executive team - centered around the officer in charge of occupational health and safety, who also serves as the General Safety and Health Manager - the company promotes health management. This is driven by the Safety and Health Committee and coordinated by relevant departments within the Human Resources and General Affairs Headquarters, in collaboration with occupational physicians, the Yokogawa Electric Health Insurance Society, and the Labor Union. The Company has worked on various initiatives under its policy relating to maintaining and improving the health of employees, including working styles that allow flexibility in work locations and times, creating employee-friendly office environments, management of working hours, and health improvement programs. As a result of these initiatives, Yokogawa Electric Corporation has been continuously certified as an "outstanding health and productivity management organization**" by the Ministry of Economy, Trade and Industry since fiscal year 2016. In fiscal year 2024, the Company's initiatives were recognized, and it was certified as a "2025 White 500 / Corporation for Excellent Health Management."

* "Health and productivity management" is a registered trademark of Workshop for the Management of Health on Company and Employee.



Health Improvement Measures

Since fiscal year 2015, Yokogawa Electric Corporation has implemented the "Health Development Program" as part of its health promotion initiatives. This program encourages employees to monitor their own physical condition, practice self-care, and improve their overall health. It includes tracking weekly step counts, daily self-assessments (covering exercise, diet, alcohol consumption, smoking, sleep, and cognitive habits), and measurements of body composition and physical fitness. In addition, occupational physicians provide personalized guidance to each employee on improving lifestyle habits, referencing past health checkup results. Amid changes to work styles due to the COVID-19 pandemic, we reviewed the existing Health Development Program that operates under the assumption that employees work on-site at workplaces. We rolled out a new health improvement program called "Let's Shine!" starting in fiscal year 2022. We are implementing initiatives such as walking events to help employees feel connected to each other and learn healthy lifestyle habits in a fun way. From fiscal year 2024, "Mobile Health Consultation Station" was newly established with the aim of increasing employees' awareness of their health and making occupational health nurses more approachable as trusted advisors in the workplace. These stations are actively used by employees as a place to reflect on their health and seek accessible, everyday advice.



Scene from a regular Mobile Health Consultation Station

Utilizing Data on Health

We started tallying and analyzing data from health examinations, stress checks, the Health Improvement Program, and work attendance in fiscal year 2020. The results are compiled into the Health and Productivity Management White Paper, shared with the management team and the Health and Safety Committee and used in various health improvement measures. By implementing measures based on data to improve employees' health literacy, we aim to energize the organization and increase work engagement and productivity.

Global Coverage

Yokogawa Electric Corporation provides ongoing health support for expatriates and their families at overseas locations, including pre-relocation training on health management, vaccinations and medical examinations, from the time of relocation to the return home. In addition, each overseas company conducts activities that are suited to the actual conditions of each region and custom, etc. From fiscal year 2024, Yokogawa Electric has launched new initiatives, including opportunities for employees across the organization to collectively reflect on health-related themes.

Providing Learning Opportunities to Promote Mental and Physical Health

To promote employees' autonomous health behavior, we are working to raise their health awareness through e-learning, manager training, health education such as various seminars, various exercise-related events, health-related measuring events, etc.

EAP for a Healthy and Fulfilling Professional Life

To help employees avoid situations where health issues or life stage changes prevent them from fully realizing their potential, Yokogawa Electric has introduced an Employee Assistance Program (EAP). This program is continuously reviewed and adapted to meet employees' needs, creating a supportive work environment. It provides care for mental health, including stress management, and career support such as assistance with returning to work, empowering employees to lead healthy and fulfilling professional lives.

Employee Assistance Program (EAP)

Education/PR	Utilize e-mail and web pages to provide relevant information that will help employees gain a better understanding of mental health.
Mental health training	Implement self-care, line care, training for new employees and managers, etc. to prevent or early detect mental health problems.
Stress check	Based on the results of the stress check, identify causes of stress in the workplace. Implement programs and activities involving the entire workplace to prevent, contain, and eliminate these causes to ensure a more comfortable workplace.
Health Promotion Program	Implement the "Health Promotion Program" that focuses on improving lifestyle habits, especially exercise habits, with the aim of improving the physical and mental health of each employee. Exercise is believed to be effective in preventing not only physical illnesses but also mental illnesses, and we support our employees in improving their health by checking their own physical condition and taking care of themselves.
Consultation	Establish a system to help our employees seek consultation within or outside the Company regarding not only mental health but also various areas of human relationships, career issues, sexual harassment, abuse of authority, and discrimination against individuals including members of the LGBTQ community.
Support for employee's reinstatement to work	To care for employees who suffer from mental health problems or take a leave of absence, and to ensure the smooth reinstatement of those who return to work after recovery to prevent recurrence, establish a system to provide proper support for each individual and workplace in all stages of mental health response.



Comfortable Work Environment

Workplace Transformation

We are working on workplace transformation, aiming for a hybrid work style that combines flexible teleworking with the principle of office work. We create offices so that employees can choose the environment in which they work safely, securely, and autonomously. The spaces cater to a variety of purposes, including “solo work” areas for focused individual tasks, “collaboration” areas to facilitate teamwork, and “relaxation” areas to inspire new ideas.



“Place of collaboration” in an open environment



“Place of relaxation” where people can take a break

Workplace Transformation Challenges in the Software Development Workplace

A software development office has been redesigned to support diverse work styles rather than reducing the number of personal desks. It has shifted from a traditional model where employees remain at fixed seats to a flexible environment that allows them to work according to their tasks and personal preferences.



Open solo work seats



Sofa booth seats suitable for meetings

Using Shared Offices as a Third Place

Working in an office used to be the norm, but now working at home has become a part of our daily lives. Shared offices are being used so that employees can choose to work at locations other than the office or at home according to their own work schedule.

Facilities Dedicated to Human Resources Development

Yokogawa has a “learning center” used for various human resources development, including new employee training. Room sizes are adjusted to accommodate the number of participants in each program. The center provides environments tailored to different purposes: the first floor supports project and recruitment activities, the second floor offers an open space conducive to creative training, and the third floor provides a relaxed environment for focused learning.



Learning center Yokogawa Campus



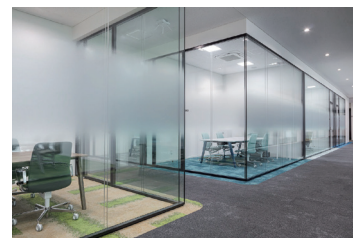
Room with an open atmosphere on the second floor



Relaxed space suitable for group training for large number of employees on the third floor

Reception Spaces Symbolizing Yokogawa’s Purpose and Co-innovating tomorrow

Reception spaces renewed in the image of the Yokogawa brand. Each room is designed differently with motifs of various natural elements. All rooms are available for both face-to-face and online use, but the first floor is designed to emphasize face-to-face use, while the second floor is designed to emphasize online use.



Reception rooms with different designs featuring motifs of the natural environment



Entrance with a spacious feel

Building an Environment That Accepts Diversity

As our employees become more diverse, we are working hard to create an environment where everyone’s “differences” are understood and everyone feels comfortable working.

- Prayer room

We have set up facilities for employees who need to pray during working hours for religious reasons.

- Resting Room for Women

Through conversations with employees raising children, we received feedback such as: “There’s no place where I can comfortably express breast milk,” “I’d like a space to stretch my legs during pregnancy,” and “I need a place to lie down temporarily.” Creating an environment where each individual is respected, treated equally, and empowered to thrive is a critical issue. To support a safe and comfortable workplace for women during pregnancy and childcare, Yokogawa Electric has established a “Women’s Rest Room” – a space where women can express breast milk, recover physically, and take breaks with peace of mind. To support breastfeeding while working, the room is equipped with a freezer and refrigerator for milk storage, as well as a microwave for sterilizing breast pumps.



Prayer room



Break room for women

Occupational Health & Safety

Occupational Health and Safety (OHS) Initiatives

The Yokogawa Group has introduced an Occupational Health and Safety Management System and seeks to continuously enhance the levels of activities related to occupational health and safety and promote risk reduction. With the goal of improving the performances of occupational health and safety activities, the Group is undertaking initiatives to eliminate and reduce potential risks identified through risk assessment and is regularly conducting internal audits of the Group companies to evaluate and review the initiatives. Yokogawa is also enhancing the effectiveness of the system by combining these initiatives with its existing activities, including analysis of and countermeasures against near-misses and health and safety patrol. We have designated OHS risk assessment, OHS training, and OHS inspection as group-wide key activities and we monitor the hours spent on each activity. From fiscal year 2024, as one of our social impact indicators, we have set a target to reduce the total reportable incidents frequency rate* to 0.40 or less by fiscal year 2030, and will work more strategically to reduce occupational accidents.

*Total number of occupational accidents (Number of accidents with lost days + Number of accidents without lost days) ÷ Total actual working hours × 1,000,000

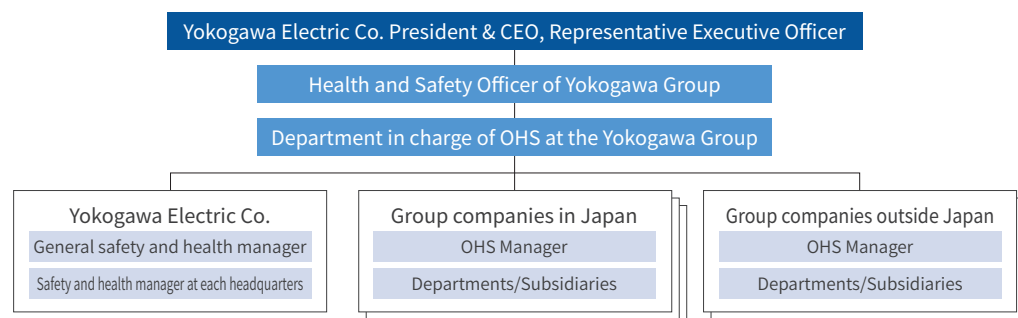
Group companies to evaluate and review the initiatives. The Occupational Health and Safety Management System is being operated while communicating with people working at the Group, including temporary staff and contract workers. Yokogawa is also enhancing the effectiveness of the system and activities by combining its existing activities, including analysis of and countermeasures against near-misses and health and safety patrols.

In order to improve the effectiveness of our system and activities, we aim to acquire certifications of ISO 45001, which is the international standard for occupational health and safety management. As of the end of fiscal year 2024, 14 out of our 17 manufacturing sites have been certified, representing an acquisition rate of 82%. We will continue to promote activities toward achieving 100% certification.

Yokogawa Group Occupational Health and Safety Objectives

- **Elimination and reduction of occupational accidents**
Secure safety and promote health of all personnel working for the Yokogawa Group.
- **Establishment, maintenance, and improvement of the Occupational Health and Safety Management System**
 - (1) Make continual improvements in OHS activities, through implementation of PDCA cycle and sharing OHS activity information.
 - (2) Conduct risk assessments in all Yokogawa Group companies, to eliminate or reduce risks.
 - (3) Maintain and improve the current OHS level by carrying out internal audits.
- **Observing laws and regulations**
Observe OHS-related laws and regulations.
- **Conducting OHS activities**
 - (1) Activities to ensure safety as well as to maintain and improve health
 - (2) Activities to build awareness of traffic safety
 - (3) OHS training
 - (4) Fire and evacuation drills
- **Disclosure of OHS information**
Communicate openly with the Group personnel and the local community about OHS activities and results.

Occupational Health and Safety Management System Structure



Occupational Health and Safety Policy

In recognition that occupational health and safety is a basis for the management of the Yokogawa Group, Yokogawa shall pursue the following initiatives to promote, create and maintain health and safety for not only employees working within the Yokogawa Group but also contractors, temporary workers, and all others who work under our supervision.

- Establish an occupational health and safety management system, clarify roles, authorities, and responsibilities, and promote occupational health and safety management activities.
- Work to improve occupational health and safety by observing relevant laws and regulations as well as establishing the necessary independent standards.
- Seek to eliminate or lessen risks to occupational health and safety by first assessing their danger level.
- Establish occupational health and safety metrics and targets, and strive for improvement.
- Promote open communications with Yokogawa Group personnel, customers, shareholders, members of the local community, and contractors.
- Provide the education and training to all Yokogawa Group personnel to ensure occupational health and safety.
- Perform audits on a regular basis and make continual improvements in our occupational health and safety system.

Operation of the Occupational Health and Safety Management System

With the goal of improving the levels of occupational health and safety in phases, the Group is undertaking initiatives to eliminate and reduce potential risks through risk assessment carried out periodically or at the time of the change in operations, operating procedures or others as well as the implementation of countermeasures, while also conducting internal audits of the

Occupational health & safety

Occupational Health and Safety Education and Training

To maintain and improve the standards of activities throughout the entire Yokogawa Group and eliminate occupational accidents, we are committed to providing awareness activities for all Group employees. We provide an educational program to reiterate the importance of preventing “slips, trips, and falls,” as well as “Yokogawa QHSE Month,” an awareness program related to quality, occupational health and safety and environment. We also provide education targeting newly-appointed personnel in charge of occupational health and safety activities, etc., hold workshops in the Health and Safety Committee, conduct training sessions for ensuring safety while performing tasks at our customers’ plants, factories, etc., and give lectures on traffic safety, and others.

We have designated occupational health and safety (OHS) training as a group-wide key activity and we monitor training hours. In fiscal year 2024, we provided approximately 129,000 hours of OHS training in total across the Group.



Evacuation drill (Yokogawa Electric Co.)

Yokogawa Safety Handbook

As part of our measures to eliminate and reduce occupational accidents, we published the Yokogawa Safety Handbook. Shared by the entire Yokogawa Group, the handbook is intended as a guide to help employees ensure safety and behave in a safe manner.

It comprises nine basic safety rules and three important practices on occupational health and safety. The nine basic safety rules focus on reducing the risk of occupational accidents. The three important practices introduce topics helpful in building and maintaining a safe workplace environment. The handbook was translated into nine languages and distributed to all staff members of the Yokogawa Group.



Yokogawa Safety Handbook

Metric	Total reportable incidents frequency rate*
Target	0.40 or less (FY2030 target)
Performance	1.02 (FY2024)

*Total number of occupational accidents (Number of accidents with lost days + Number of accidents without lost days) ÷ Total actual working hours × 1,000,000

Elimination and Reduction of Occupational Accidents

We have introduced a framework for reporting to Department in charge of OHS at the Yokogawa Group by the person responsible for OHS at each Group company in the event of an occupational accident or similar incidents, including cases where temporary staff and contract workers are affected.

Under the guidance of the OHS Manager, each Group company investigates the cause of the incident and implements measures to prevent recurrence. In addition, the lessons learned from occupational accidents are shared throughout the Group to prevent the recurrence of similar accidents.

In addition, to eliminate and reduce occupational accidents and improve the quality of health and safety activities, we aggregate and analyze data and information on occupational accidents on a quarterly basis.

In fiscal year 2024, both the number and frequency rate of occupational accidents with lost days involving employees, as well as the frequency rate of occupational accidents including non-lost days, worsened due to an increase in slips, trips, and falls accidents. In response to this serious situation, we engaged in multiple rounds of discussion with OHS representatives across the Group, and implemented a group-wide slips, trips, and falls prevention training program in the second half of fiscal year 2024. We will continue to explore and roll out further measures to reduce occupational accidents, including slips, trips, and falls, and to achieve our social impact indicator targets.

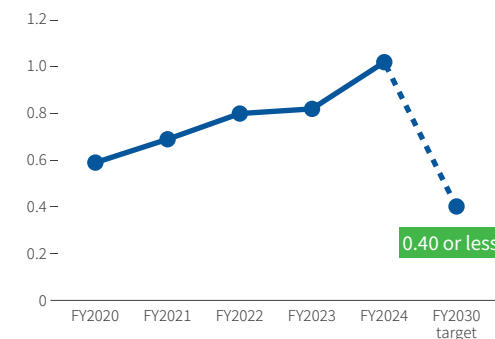
➤ Total reportable lost time incidents frequency rate (Yokogawa Group)

Total reportable lost time incidents frequency rate = Number of accidents with lost days ÷ Total actual working hours × 1,000,000



➤ Total reportable incidents frequency rate (Yokogawa Group)

Total reportable incidents frequency rate = (Number of accidents with lost days + Number of accidents without lost days) ÷ Total actual working hours × 1,000,000



Respect for Human Rights

Yokogawa Group Human Rights Policy

All of our business activities for value co-creation are based on respect for human rights. By deepening our understanding of the various human rights issues in the countries and regions where we conduct our business, and by being actively involved in resolving them, we must strive to ensure that people's dignity is protected and respected. We hereby establish the Yokogawa Group Human Rights Policy as a commitment to fulfill this responsibility.

1. Compliance with Human Rights-related Laws and Regulations and Respect for the International Code of Conduct
2. Implementation of Human Rights Due Diligence
3. Yokogawa's Priority Human Rights Issues
4. Communication and Engagement

  For the full text of the Yokogawa Group Human Rights Policy, see our website.

Human Rights Management

Yokogawa Group Human Rights Policy was established with the approval of the Board of Directors. We have established an internal system in which the President & CEO, Representative Executive Officer holds the greatest responsibility for human rights in the Group, and we are implementing ongoing efforts. We set up the Human Rights Working Group, whose members are selected from the departments related to human rights, under the umbrella of the Sustainability Committee to work on specific human rights initiatives.

  For details of the Sustainability Committee, see P.53.

Human Rights Due Diligence

Yokogawa is committed to implementing human rights due diligence, under which we identify, prevent, and mitigate potential negative impacts on human rights arising from our business activities, supply chain, and other business-related operations, while also assessing and monitoring these activities, taking prompt corrective and remedial actions when issues arise, and appropriately disclosing relevant information.

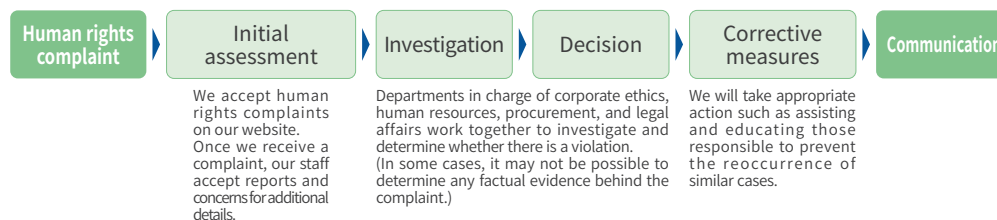
We have established and are operating the Group Management Standards (GMS), which serve as the fundamental rules for management across all business processes, thereby building an internal control system that applies to the entire Group. Each GMS is aligned with the Yokogawa Group Human Rights Policy and incorporates the principles of human rights due diligence into the internal control system.

Human Rights Helpline and Remedy Procedures

To swiftly detect and rectify any human rights violations that we may have directly caused or be indirectly involved in, Yokogawa has established an in-house reporting and consultation desk for all persons working at Yokogawa, as well as a helpline for our suppliers. Furthermore, we accept reports from and accept reports and concerns of all stakeholders, including the general public and supply chains, about human rights violations through the "Contact Us" section on our website. Anonymous reporting and consultation are also accepted, and the helpline is available in Japanese and other languages. We operate the helpline in accordance with our rules set to protect the privacy of whistleblowers, secure confidentiality, and prohibit retaliation or any disadvantageous treatment. For human rights violations reported by our stakeholders, the corporate ethics department, together with the human resources, procurement, and legal departments, and in collaboration with external legal experts, will investigate and take appropriate corrective actions, such as advising and educating those responsible, to prevent the reoccurrence of similar cases.

In fiscal year 2024, incidents related to human rights included power harassment involving abuse of authority in the workplace and discriminatory or insulting remarks. In response, the Company took disciplinary action against the employee concerned, provided guidance, and implemented measures such as reassignment. We have made efforts to prevent recurrence of the issue by announcing the details of the disciplinary action to all Group employees while also highlighting this incident in employee training.

Remedy Procedures Flow Chart



Human Rights Risk Assessment

In fiscal year 2019, Yokogawa assessed the potential human rights risks in Yokogawa's business activities and value chain together with BSR (Business for Social Responsibility), a global NGO active in the field of business and sustainability. Then, in fiscal year 2022, we reassessed human rights risks based on changes in the external environment and the progress of internal initiatives. Since then, we have continued to monitor the identified human rights risks on an annual basis and have confirmed that no significant changes have occurred.

This human rights risk assessment identifies human rights issues of high priority by confirming company policies, business activities, and the operating status of the internal control systems, as well as by interviewing relevant parties in the Group. The priority is determined from two perspectives: salience of the risk of causing an adverse impact through our business activities and business relationships, and Yokogawa's ability to manage the risks.



Respect for Human Rights

▶ Process of identifying the risk of violating human rights

1 Relevance

Identifying the most relevant human rights for YOKOGAWA

2 Importance

Determination of the importance of human rights risk based on the severity of the risk and the possibility of its occurrence

3 Prioritization

Prioritize based on relevance, influence, and management status

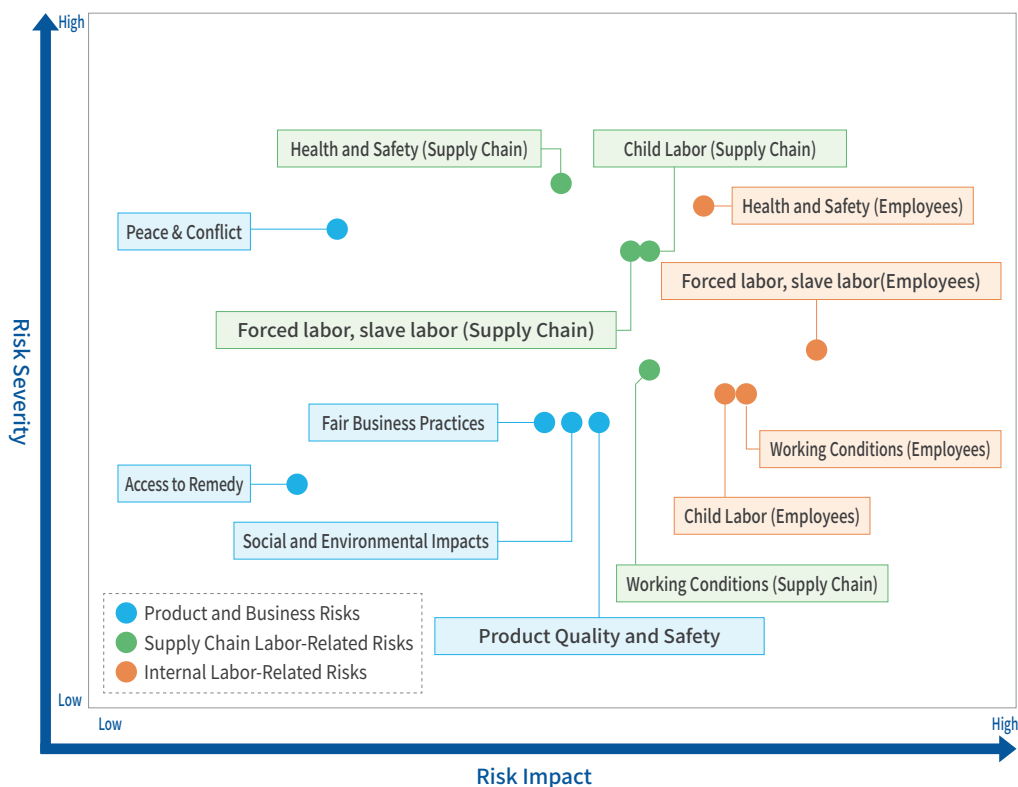
Key stakeholders subject to due diligence:

Direct employees / Indirect employees, Women and girls, Children and adolescents, Communities, Migrant workers, Indigenous peoples, Workers in supply chain and Others (Rural population, Low-income segments of the population, Segments of the population with low education)

Human rights risks identified:

Product quality and safety, social and environmental impacts, fair business practices, forced labor, slave labor, child labor, working conditions (including freedom from discrimination, fair remuneration, freedom of association, right to collective bargaining), health and safety, peace and conflict, access to remedy

▶ Human Rights Risk of the Yokogawa Group



Major Human Rights Initiatives in Fiscal Year 2024

• Conducting human rights due diligence for critical suppliers

We have used the expert's knowledge to identify critical suppliers. Specifically, we made judgments based on the size of the transaction amount and the content of the purchase (including services). We conducted human rights due diligence using SAQ (Self-Assessment Questionnaire) by suppliers for business sites of selected suppliers. Based on the assessment of SAQ responses, we selected 19 high-risk sites and communicated (including face-to-face interviews and interviews with third-party organizations) with them to improve their situation.

• Establishing a process to verify compliance with our Human Rights Policy by recruitment agencies.

To prevent human rights violations in the recruitment process, Yokogawa requires all parties involved in hiring, including recruitment agencies, to comply with its Human Rights Policy. As part of this effort, we have introduced a procedure whereby recruitment agencies review and formally agree to the policy, with records maintained accordingly.

• Implementing human rights due diligence in M&A activities

We have incorporated human rights review items based on the Yokogawa Group Human Rights Policy, into its due diligence process for M&A activities. We remain committed to preventing human rights violations in new business activities, including M&As.

• Providing education and awareness-raising programs on respect for human rights

As in the fiscal year 2023, we provided training courses in multiple languages (English, Japanese, Chinese, Spanish, and Portuguese). In fiscal year 2024, we also conducted online training for new employees at the Group companies in Japan. We will continue to implement education in cooperation with each Group company. In conjunction with the World Human Rights Day, we issued a compliance Newsletter to all Group employees on the topics of "Human rights risks in business" and "Human rights in the workplace" to raise awareness of respect for human rights. In addition, to enhance employee awareness of human rights and improve the workplace environment, we conducted harassment prevention training for all Group employees.

• Providing access to human rights helplines and remedy procedure

In order to detect and correct human rights infringement events at an early stage, we have established a whistle-blowing hotline for employees and a helpline for business partners. Furthermore, we accept reports from and listen to the problems of all stakeholders, including the general public and supply chains, about human rights violations through the "Contact Us" section of our website. The whistle-blowing hotline is operated in accordance with Yokogawa's rules that provide for the privacy protection of reporters, securing confidentiality, and the prohibition of revenge on and detrimental treatment to reporters.

Community Engagement

Yokogawa strives for harmonious co-existence with local communities as a good citizen, recognizing that companies are also members of society. We not only contribute to society through our business, but also promote a variety of local contribution activities. The Company cooperates and contributes to the development of the common regional and social goals in all countries and regions where we operate our business.

We also support our employees to actively participate in local contribution activities as good citizens and provide volunteer programs in which employees are able to have the most of their diverse skills and capabilities, including local human resources development and environmental conservation activities within one's communities.

Policy for Corporate Citizenship Activities

Based on the Yokogawa Philosophy and the Yokogawa Group Code of Conduct, we engage in corporate citizenship activities by prioritizing fields related to our core business.

Priority areas

- Regions in which we conduct business
- Our business fields
- Large-scale disasters
- Contribution to social progress

Guidelines for Corporate Citizenship Activities

Yokogawa Group has established the “Guidelines for Corporate Citizenship Activities” to promote corporate citizenship activities accordingly. We ensure the transparency of our corporate citizenship activities that involve donations and expenditures by clarifying resolution/approval procedures and standards.

Achievements of Corporate Citizenship Activities

Yokogawa's corporate citizenship activities for fiscal year 2024 took the form of funding (225.73 million yen), donations of goods and the opening of facilities to the public (equivalent to 76.45 million yen), and support activities by employees (equivalent to 7.94 million yen).

When classified according to SDGs, our activities related to Goals 3-promotion of health, and 13-climate action, are the largest in number of all the corporate citizenship activities in which we are engaged. Our activities contribute to 13 goals of the 17 SDGs.

Major Corporate Citizenship Activities and Contribution to SDGs in Fiscal Year 2024

SDG Goals	Details of Initiatives
Goal 1. No poverty	• Cooperation with toy donation programs for children (USA)
Goal 2. Zero hunger	• Food donation activities (ASEAN countries, Singapore) • Participation in food distribution activities at a local food bank (United Kingdom)
Goal 3. Good health and well-being	• Participation in J-Dream Cup, a corporate and regional sports exchange event (Netherlands) • Participation in blood donation activities (Japan, Brazil) • Participation in the "Kanazawa Marathon 2024" regional marathon as water supply volunteers (Japan) • Sponsorship and participation in the "Trompeterlauf" regional running meet (Germany) • Participation in the Ecocap movement to deliver vaccines to children of the world (Japan) • Participation in cancer awareness campaigns (Argentina, Brazil, South Africa) • Supporting the promotion of regional sports, primarily soccer and rugby, through donations to the Yokogawa Musashino Sports Club (Japan)
Goal 4. Quality education	• Provision of a space for holding exchanges between students and young engineers at Kanazawa Techno Park (Japan) • Creation of a library using donated books (Spain) • Donation of schoolbags to students in mountainous areas (China) • Participation in the "Sending Schoolbags (Randoseru) Across the Sea" project by donating schoolbags (Japan)
Goal 5. Gender equality	• Organizing the Women's Craft contest (China) • Organizing the STEM Power Camp, an educational opportunity for female students interested in the fields of STEM (USA)
Goal 6. Clean water and sanitation	• Participation in Kanazawa Techno no Mori (green belt restoration project) (Japan) • Participation in activities relating to glacier conservation on World Water Day (USA)
Goal 7. Affordable and clean energy	• Dialogue with energy companies on reduction of greenhouse gas emissions (China) • Participation in the airline industry's SAF utilization promotion program and contributions to reducing CO₂ emissions during business trips (Japan)
Goal 8. Decent work and economic growth	• Provision of internship programs (Bahrain, Saudi Arabia, United Arab Emirates, Nige)
Goal 9. Industry, innovation, and infrastructure	• Participation as judge in a university business competition (USA)
Goal 11. Sustainable cities and communities	• Participation in community activities such as garbage collection, tree planting, and painting (United Kingdom)
Goal 13. Climate action	• Mountain cleanup activities (Taiwan) • Participation in a planting event (Japan) • Dialogue with third party organizations on reduction of greenhouse gas emissions (China)
Goal 15. Life on land	• Tree-planting activities (Bahrain)
Goal 16. Peace, justice and strong institutions	• Donation to charity dinner event (Singapore)

Environment

- 41 Environmental Management
- 43 Environmental Practices
- 44 Initiatives toward Achieving Carbon Neutrality
- 48 Environmental Initiatives at Business Facilities

Related Materiality

Corporate management (risks)

- Climate change (mitigation)
- Energy consumption
- Waste
- Resource outflows related to products and services
- Resource inflows including resource use

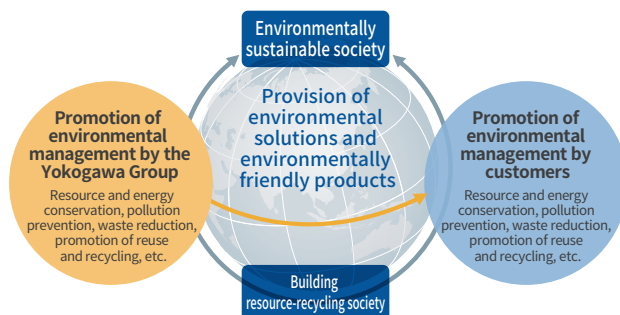
 For Materiality Analysis, see P.13.

Environmental Management

Environmental Policy

Based on the Yokogawa Philosophy which states, "Our goal is to contribute to the realization of a sustainable society through broad-ranging activities in the areas of measurement, control, and information." Yokogawa will pursue the following environmental activities to achieve our Three Goals for the year 2050 and realize a sustainable society.

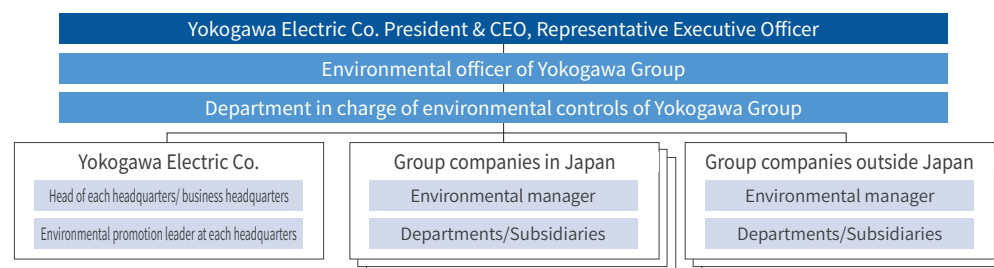
- Establish its environmental management system, clarify its roles, authorities and responsibilities and pursue the environmental activities.
- Observe the laws and regulations, set voluntary standard if needed and strive to prevent pollution.
- Promote environmental protection by setting objectives about environmental issues such as climate change, biodiversity and use of resources.
 1. Carry out resource recycling management by endeavoring to reduce, reuse and recycle resources, conserve energy consumption and prevent global warming, and minimizing the risks of environmental pollution in all of the operations.
 2. Develop and produce environmentally friendly "green" products in consideration of the environmental burden throughout the products' lifecycle, from material purchase, manufacturing and distribution, to use and disposal of the products.
 3. Supply society with value-added solutions for conserving the earth's environment through measurement, control, and information technologies.
 4. Encourage its employees to participate in environmental conservation activities under their own initiative as good corporate citizens.
- Provide all working people in the Yokogawa Group the education and training necessary for promoting environmental conservation activities.
- Disclose information and promote open communications with all working people in the Yokogawa Group, customers, shareholders, members of the local communities and contractors to deepen and co-create environmental conservation actions and initiatives.
- Evaluate environmental performance, conduct audits on a regular basis, and make continual improvements in the Yokogawa Group environmental management system.



Promotion Structure

We promote environmental management globally through the consideration of measures and the review of activities by the people responsible for environmental management at each Group company in Japan and overseas, under the supervision of the environmental officer of Yokogawa Group.

Environmental promotion structure



Environmental Management System

The Yokogawa Group is implementing an environmental management system in the Group companies to ensure full compliance with the laws, regulations, and agreements for the prevention of environmental pollution. Moreover, we are working to reduce the impact on the environment by means such as saving energy and transitioning to alternative technologies with smaller environmental footprint.

Yokogawa has acquired ISO 14001 certification at its major offices and manufacturing sites as part of its effort to improve the environmental management system.

Internal audits

Internal audits for ISO 14001 are conducted at least once a year.

Annual Audits

Regular audits (renewal audit or surveillance) are conducted once a year at each ISO 14001-certified Group company by a certifying organization in order to maintain ISO 14001 certification.

ISO 14001 Certification at Yokogawa Group

The Yokogawa Group has achieved ISO 14001 certification primarily at its major offices and manufacturing sites in and outside Japan. Certification was obtained at 15 of the Group's 17 manufacturing sites, representing a certification rate of 88%.



Environmental Management

Environmentally Friendly Design

Yokogawa actively develops environmentally friendly products through the implementation of its own strict standards of design and assessment for long-term usability, energy-saving performance and other aspects based on the "Trusted Green" product sustainability guidelines. New products are evaluated for energy consumption as well as the emission of carbon dioxide (CO₂), nitrogen oxide (NO_x) and sulfur oxide (SO_x) based on our "Lifecycle Assessment (LCA) standards." Some of the evaluated products bear the LCA label, which shows the LCA results.

1. Environmental Assessment Standards for Product Design

We have established assessment standards in eight areas: ease of recycling and treatment, resource conservation, energy conservation, long-term usability, ease of collection and transport, safety and environmental protectiveness, information disclosure, and packaging. These standards are used in conducting assessments during each inspection (initial design, intermediate design, and final design).

2. Lifecycle Assessment (LCA) Standards

The LCA standards are used for preliminary assessments of energy consumption, CO₂ emissions, NO_x emissions, SO_x emissions, and the like throughout the lifecycle of a product. These standards are used in conducting assessments during each inspection (initial design, intermediary design, and final design).

3. Environmentally Friendly Product Design Guidelines

These guidelines state principles for long-life design, energy-saving design, resource-saving design, design considering recycling and disposal, design considering processing and assembly, and the guideline for selecting materials and components.

4. Management criteria for hazardous substances contained in products

Yokogawa has established chemical substance management categories to be the criteria for selecting environmentally friendly components and materials in the design stage.

Banned Substance 1: Substances globally prohibited for use in products

Banned Substance 2: Substances nationally/regionally prohibited for use in products

Banned Substance 3: Substances prohibited for use in products for specific uses

Controlled substance: Substances whose content should be known and notified

5. Recycled Product Design Standards

These standards encourage the three Rs: the reduction of waste, the reuse, and recycling of used products.

6. Energy-Saving Design Guidelines

These guidelines state the matters to be ensured in energy-saving design in product use and manufacturing processes.

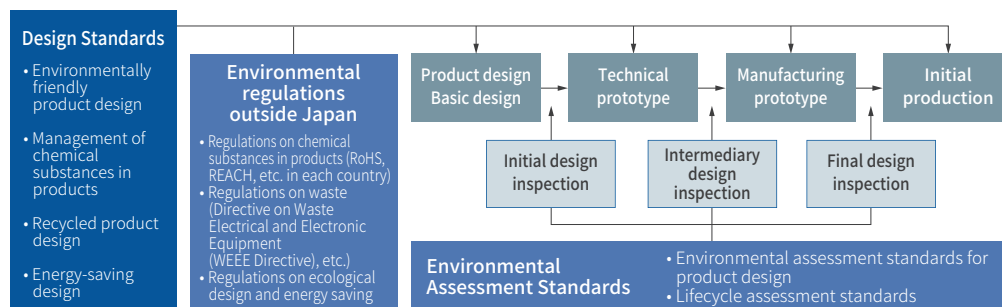
 For information on the "Trusted Green" Yokogawa product sustainability guidelines, see P.27

LCA Label

Yokogawa began to conduct the lifecycle assessment (LCA) in 1999 in the design phase of all new products as part of efforts to minimize our products' environmental impact. Some of the results of the LCA are disclosed on our website. When LCA data is disclosed for a product, the applicable product is "LCA labeled" in the product webpage and/or sales brochure. This corresponds to Type II environmental labelling as stipulated by ISO 14021.



Environmentally Friendly Design and Environmental Assessment Standards



Concept/Implementation of the LCA

Yokogawa has set its unique LCA standards based on JIS Q 14040 "Environmental management - Life cycle assessment - Principles and framework." We compare a new product with our previous product for assessment purposes. The results of the LCA of the previous product are multiplied by the "functional factor" to compare the environmental impacts based on the equivalent functionality of the new product. When the results of the LCA on the previous products clearly suggest how these products would impact the environment, we may only conduct LCA on the elements significantly affecting the environmental impact.

Requirements for LCA Labeling

A product will be LCA-labeled if it meets all the requirements described below:

1. Lifecycle assessment has been conducted according to Yokogawa's engineering specifications.
2. The results of lifecycle assessment are disclosed on the Yokogawa website according to the company's internal rules.

 For LCA-labeled products, see our website.

Environmental Practices

Data of Environmental Practices

Overview of Environmental Impact

Yokogawa monitors the inputs of energy and materials, and the outputs of pollutants and waste to air and water through its overall business activities including manufacturing, sales, and services. Yokogawa analyzes the eco-balance of the annual input and output, and utilizes the analysis result to promote the effective use of resources, improve energy efficiency, and increase the rate of waste recycling.

Compliance

In fiscal year 2024, Yokogawa continued its efforts to ensure full compliance with environmental laws, regulations, agreements, and other requirements. As a result, Yokogawa committed no major violations and faced no fines or other penalties resulting from such violations.

Conserving Water and Soil

Yokogawa has been conducting soil and water surveys at former plant sites in accordance with its proprietary control standards since before the Japan Soil Contamination Countermeasures Act came into effect.

Awareness Programs

To raise employee awareness about environmental conservation, awareness programs such as e-learning courses and seminars on quality, occupational health and safety, and environment are periodically provided to all employees of the Yokogawa Group.

Eco-Balance (Annual Input and Output)

INPUT

Environmental Impacts		FY2024	
 Energy	Total Energy	981TJ	
	Power	Purchased power	120,491MWh
		Self-generated (Solar)	1,909MWh
	Petroleum	Light oil	460kL
		Gasoline	2,171kL
		Kerosene	4kL
	Gas	City gas	2,042kNm³
		LPG	422t
	Heat	72GJ	
 Water	Utility water	376,023m³	
	Ground water	179,910m³	
 Substances	Paper	159t	
	Hydrogen fluoride and its water-soluble salts		1.6t
	Hydrazine		2.0t
	Butyl Cellosolve		1.7t
	Heptane		1.1t
	Xylene		4.1t
	Toluene		0.9t

OUTPUT

Environmental Impacts		FY2024	
 Air	Greenhouse gases (GHGs)		45,924t-CO ₂ e
	NOx		4.1t
	SOx		0.2t
	Volatile Organic Compounds (VOCs)	Xylene	2.0t
		Toluene	0.7t
 Water	Industrial wastewater		75,704m³
	General wastewater		480,229m³
 Waste	Non-hazardous	Recycled	3,421t
		Incinerated	415t
		Landfilled	573t
	Hazardous	Recycled	572t
		Incinerated	158t
		Landfilled	0t

Scope of data compilation: the Yokogawa Group

Scope of data compilation: the Yokogawa Group

Environmental Accounting

In accordance with the Ministry of the Environment's Environmental Accounting Guidelines 2005, Yokogawa calculates the costs of its environmental activities and their economic impact.

Environmental Conservation Costs (FY2024)

(Unit: millions of yen)

Category	Item	Key Initiatives	Investment Amount	Cost Amount
Business area costs	Cost for Pollution prevention	Monitoring and measurement	216.7	112.9
	Cost for environmental conservation	Energy savings	292.0	676.4
	Cost for resource recycling	Waste reduction, water conservation	22.9	130.6
Costs for reducing environmental impact of procurement and logistics (upstream and downstream costs)		Green procurement	0.0	14.0
EMS maintenance costs		EMS updates, education	0.0	193.4
Cost for environmental conservation in community activities		Environmental events	0.0	58.9
Costs for restoration (environmental damage response costs)		Soil remediation	0.0	1.0
Total			531.6	1,187.2

Effects of Environmental Conservation Measures

Category	Description of Effect	FY2023	FY2024	Increase/Decrease
Inputs	Total amount of energy consumed (TJ)	1,100	981	-119
	Water withdrawals (km³)	379	394	+15
Global warming prevention	Greenhouse gas emissions (t-CO ₂ e)	57,375	45,924	-11,451
Outputs	Total amount of waste generated (t)	3,765	3,638	-127

Economic Effects of Environmental Conservation Measures (FY2024)

(Unit: millions of yen)

Segment	Amount
Revenue from recycling (sale of valuable resources, etc.)	156.3
Reduction in expenditures due to resource and energy savings (power, water, paper, etc.)	128.0
Total	284.3

Scope of data compilation:

Energy, greenhouse gas (GHG) emissions: the Yokogawa Group

Others: ISO 14001-certified sites in the following countries

Japan, China, Korea, Singapore, Indonesia, USA, Germany

Initiatives toward Achieving Carbon Neutrality

Metric	GHG emissions Scope 1, 2 (base year FY2019)	 
Target	100% reduction (FY2030 target)	
Performance	41.7% reduction (FY2024)	

Activities toward Achieving Carbon Neutrality

The Yokogawa Group has established ambitious long-term goals to achieve net-zero greenhouse gas emissions (GHG): Scope 1 and 2 by fiscal year 2030, and Scope 3 by fiscal year 2050.

The GHG emission reduction targets that the Yokogawa Group set in 2021 have been certified by the Science Based Targets initiative (SBTi)*, an international environmental body, as science-based near-term targets consistent with the Paris Agreement goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. In fiscal year 2024, we committed to the SBTi Net-Zero standard by updating our net-zero targets and bringing forward the target year.

Yokogawa aims to achieve net-zero by fiscal year 2050 in line with the SBTi Net-Zero standard targeting to reduce a 90% in the GHG emissions across its value chain, and studying the utilization of carbon credits to address the remaining 10%.

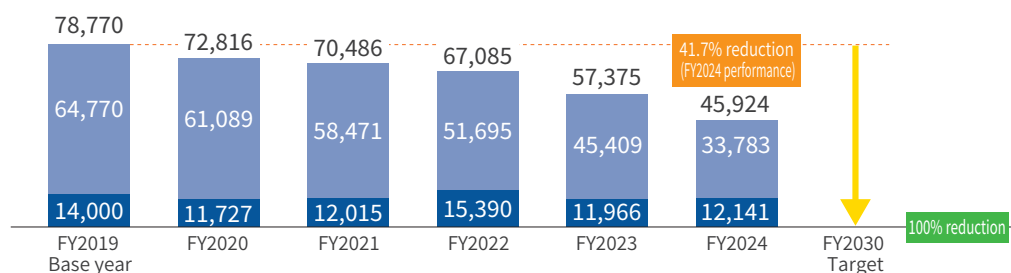
*The SBTi was established jointly by the international not-for-profit environmental group CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). It aims to achieve the goal of the Paris Agreement by encouraging companies to set science based GHG emission reduction targets.

Scope 1 and 2: Reduction Targets and Achievements

In fiscal year 2024, while our business activities expanded year-on-year, the Yokogawa Group achieved significant reduction in GHG emissions (Scope 1 and 2) by approximately 14% year-on-year and around 42% compared to the base year of fiscal year 2019. This progress was driven by key initiatives involving “Reduce” initiatives aimed at lowering energy consumption, and “Replace” initiatives focused on transitioning to clean energy sources. These results were made possible through the group-wide investments of around 320 million yen across 75 projects to support these initiatives, which reflect our collective efforts to advance technology, develop knowledge, and promote emission reduction projects throughout the Group.

Scope 1 and 2: Reduction Targets and Achievements

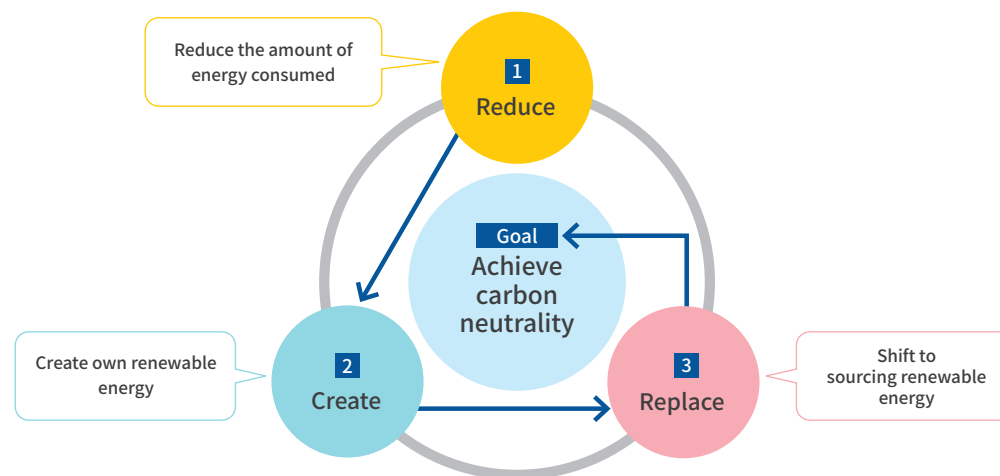
■ Scope 1 performance ■ Scope 2 performance
(Unit: t-CO₂e)



Scope 1 and 2: Initiatives to Reduce GHG Emissions

Yokogawa aims to achieve the targets for carbon neutrality through three key initiatives: to “Reduce” our energy consumption, “Create” our own renewable energy, and “Replace” sources of energy procurement with clean energy.

To achieve the targets, we have clarified group-wide initiatives and roadmaps, and applies Internal Carbon Pricing (ICP) as a metric to evaluate the economic rationality of investments. In addition, GHG- and energy-related metrics are incorporated into both the executive compensation system and the employee performance management framework.



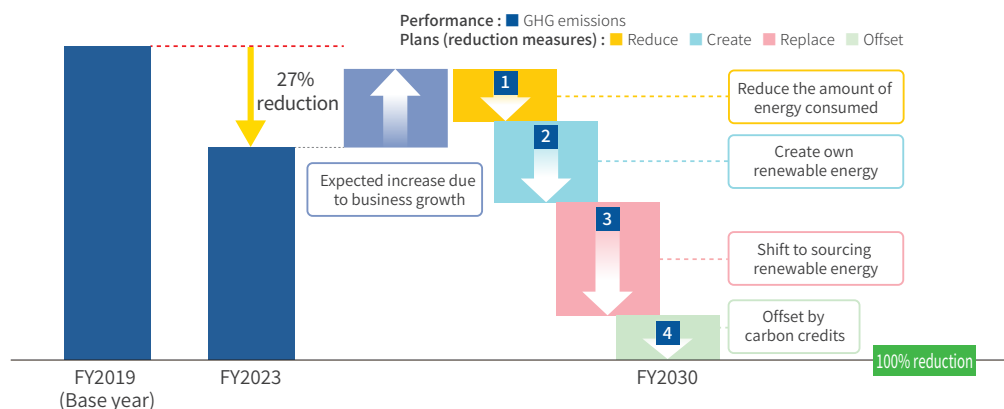
Group-wide Initiatives

Reduce Energy-Saving	✓ Improving energy efficiency by utilizing Yokogawa solutions ✓ Using energy-saving buildings (improve shade and heat insulation efficiency, select environmentally certified offices, etc.) ✓ Improving the energy efficiency of equipment used (air conditioning, lighting, HV, etc.) ✓ Initiatives for more efficient production methods ✓ Thorough operational management (efficient operation rule, educational activities, base load reduction, etc.)
Create Create own renewable energy	✓ Developing a renewable energy-derived power generation system (CAPEX or PPA)
Replace Shift to sourcing renewable energy sources	✓ Procuring power from renewable energy sources ✓ Adopting CO₂-free fuel or electrification

Initiatives toward Achieving Carbon Neutrality

Scope 1 and 2: Roadmap for Reducing GHG Emissions

Yokogawa aims to achieve carbon neutrality by fiscal year 2030 through the three key initiatives: “Reduce,” “Create,” and “Replace,” and by considering the use of carbon credits to offset remaining emissions.



Metric and Target for Energy Consumption Efficiency

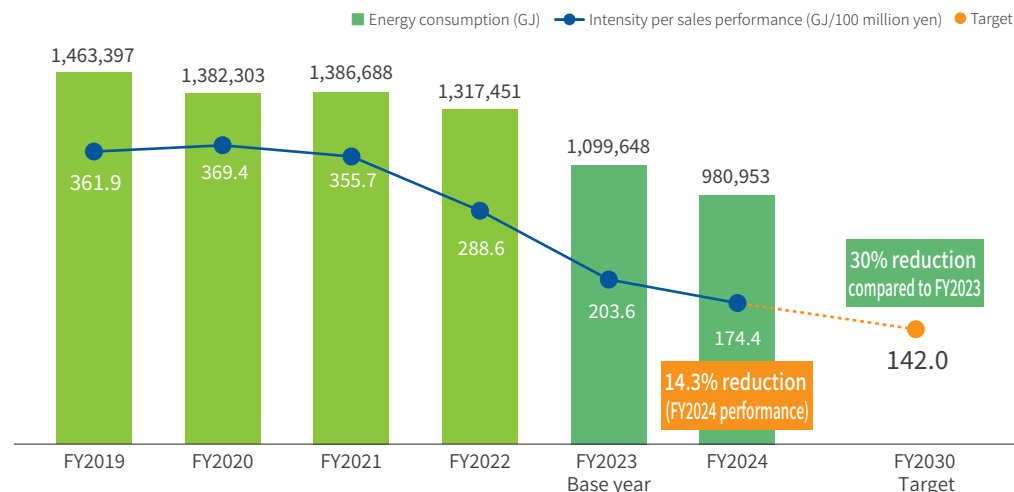
Yokogawa is planning to expand facilities to support business growth toward fiscal year 2030, and anticipates a significant increase in energy consumption. Meanwhile, in response to rising global expectations for improved energy efficiency and increasing energy procurements costs, we need to continue generating greater value with less energy. To drive efficiency improvements across the Group, Yokogawa has introduced an energy efficiency metric and set a target to reduce energy consumption (intensity per sales)*¹ by 30% by fiscal year 2030, compared to fiscal year 2023.

In fiscal year 2024, we achieved 14.3% reduction in energy consumption (intensity per sales) compared to the previous fiscal year, and reduced annual energy costs by 100 million yen by implementing energy reduction measures across the Group company. We will continue to pursue both “energy efficiency improvement” and “value expansion” at the same time as part of our initiatives to achieve the target.

*1 Calculated based on energy consumption converted to primary energy and consolidated sales

Metric	Energy consumption (Intensity per sales, base year FY2023)
Target	30% reduction (FY2030 target)
Performance	14.3% reduction (FY2024)

Target and Performance of Energy Consumption Efficiency



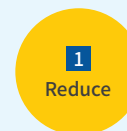
Case Study Establishing Dedicated Teams to Promote Energy Conservation in Production

Yokogawa Manufacturing Corporation is responsible for the production operations of the Yokogawa Group, accounting for approximately 30% of the Group's total energy consumption. Since the 1990s, Yokogawa Manufacturing Corporation has been committed to promote energy conservation, and established a dedicated department to further accelerate these efforts in 2020. We have developed two major projects to promote energy conservation in both building-related facilities and production equipment.

In fiscal year 2024, these efforts resulted in several energy-saving measures including optimized operation of cleanroom air conditioners during nights and holidays, heat exchange between air conditioning ducts, and appropriate control of vacuum generators.

We are also making efforts to develop human resources to build a foundation for sustained efforts in activities. A “mentor system” has been introduced to pass on energy audit expertise through on-site assessments by energy management experts. This initiatives supports both the training of energy conservation experts and identification of new opportunities for improvement. In addition, we are reinforcing the integration of environmental activities into core business operations and raising employee awareness by quantifying the relationship between daily production and energy consumption.

We will further enhance efforts through coordination with production sites outside Japan.



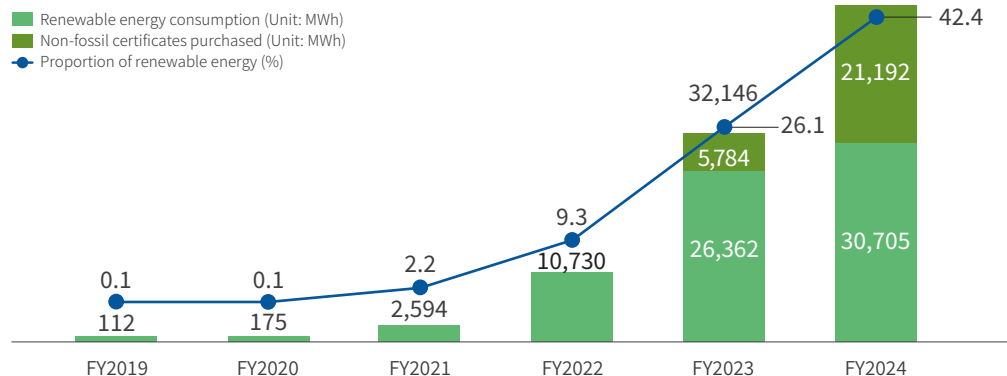
Initiatives toward Achieving Carbon Neutrality



Actual Consumption of Power from Renewable Energy Sources

As of the end of March 2025, renewable energy-sourced power is used across 36 sites in 21 countries: Germany, Netherlands, the United Kingdom, Belgium, Spain, Italy, China, South Korea, Thailand, Singapore, Indonesia, Malaysia, Australia, Brazil, India, Bahrain, Saudi Arabia, the United Arab Emirates, the Republic of South Africa, Oman, and Japan. The proportion of group-wide electricity consumption from renewable energy sources increased dramatically to 42% in fiscal year 2024.

Proportion of Renewable Energy Consumption to Total Electricity Consumption



Implementation of Internal Carbon Pricing (ICP)

Since fiscal year 2022, we began operating the ICP to advance economically rational GHG emissions reduction initiatives. We make decisions based on the impact of GHG emissions by incorporating the expected changes in emissions into our financial evaluation when planning GHG and energy reduction measures.

We set a carbon price (ICP type: implicit price; price: 2,000 yen/t-CO₂) across the entire Group to promote investments in renewable electricity procurement that significantly contribute to reducing Scope 2 emissions. The ICP policy and carbon price are approved after deliberation by the Sustainability Committee.

We will progressively apply the ICP by setting carbon prices for Scope 1, Scope 3, and business planning processes such as capital investment decisions.

Case Study Promoting GHG Reduction Initiatives through Partnership with Building Owner

In fiscal year 2024, Yokogawa Test & Measurement Corporation began various initiatives to reduce GHG emissions in cooperation with the owner of its headquarters building.

Specifically, the company introduced the use of electricity sourced from renewable energy. Through coordination with the electric power companies, the transition was completed within the shortest possible deployment and has been operating on 100% renewable energy from 2025. In addition, equipment was installed to monitor electricity consumption on each floor, and operational efficiency of lighting and air conditioning systems was enhanced through energy loss analysis.

As part of the internal awareness initiatives, Yokogawa Test & Measurement Corporation issued monthly reports detailing electricity consumption and the progress of energy-saving initiatives at its headquarters. These communications fostered a culture of responsible energy consumption, encouraging practices such as turning off unnecessary lighting and moderating air conditioning use, which contributed to a measurable reduction in electricity consumption.

Yokogawa Test & Measurement Corporation will continue with proactive efforts to reduce GHG emissions in cooperation with related parties.



Inside the Yokogawa Test & Measurement Headquarters

Incorporation into the Compensation and Target Management Systems

The targets for reducing Scope 1 and 2 emissions and improving energy consumption efficiency are incorporated as key indicators within the compensation system for Directors and Vice President & Executive Officers. Through the performance management process, these targets are cascaded from executive officers to relevant organizational members and drive coordinated efforts across the Group to achieve the goals.

 For the details on Executive Compensation, see 2025 Yokogawa Report P.56.

Disclosure of Information based on TCFD

In February 2019, Yokogawa expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB) to promote the disclosure of climate-related financial information. Yokogawa makes disclosures based on the TCFD framework.

 For more details on TCFD Disclosures, see our website.

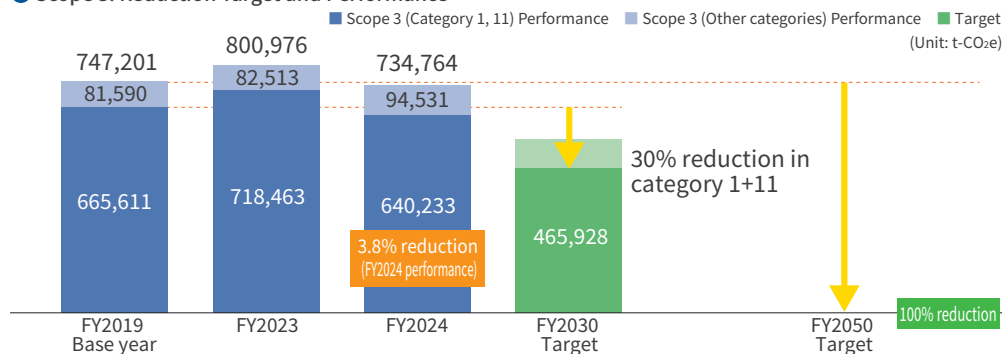
Initiatives toward Achieving Carbon Neutrality

Scope 3: Reduction Targets and Performance

Yokogawa aims to reduce the combined emissions from purchased goods and services (Category 1) and use of sold products (Category 11) by 30% by fiscal year 2030 compared to fiscal year 2019 level. We also target to reduce 100% in all categories of Scope 3 by 2050.

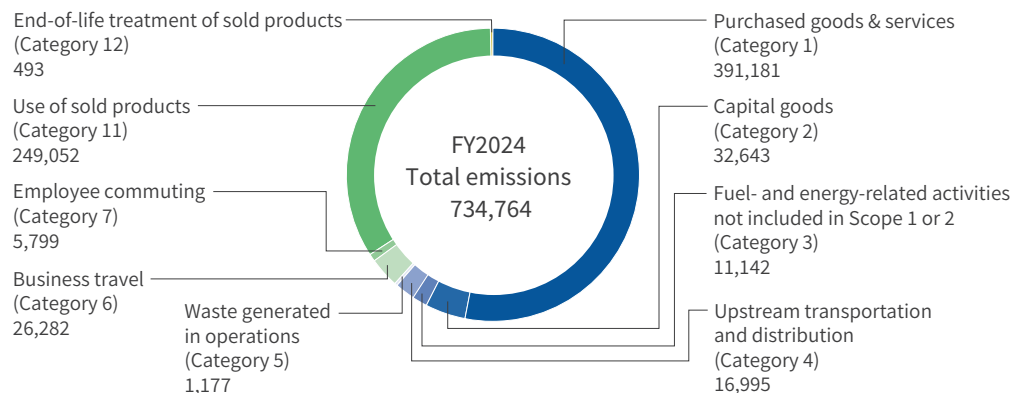
In fiscal year 2024, we achieved 3.8% reduction in total emissions from Category 1 and Category 11 compared to the baseline year of fiscal year 2019. This represents 10.9% decrease from the previous fiscal year. Yokogawa has focused on collaborative initiatives with suppliers to mitigate the increase in emissions. From fiscal year 2024, we have updated the methodology for calculating Category 1 emissions. The scope now covers resale products, and actual emissions data (primary data) obtained directly from some major suppliers has been incorporated into the Group's overall emissions accounting.

Scope 3: Reduction Target and Performance



(Please note that the emission data for fiscal years 2019, 2023, and 2030 have been recalculated based on the updated calculation method applied in fiscal year 2024, and may differ from figures disclosed in previous years.)

Scope 3: Fiscal year 2024 Performance



Metric Scope 3 GHG emissions (Base year: FY2019)

Target 100% reduction (FY2050 target)
30% reduction (FY2030 target)*

Performance 3.8% reduction (FY2024)*

* Emissions from Category 1+11



Scope 3: Initiatives to Reduce GHG Emissions

At Yokogawa, approximately 87% of overall Scope 3 GHG emissions are from Category 1 and Category 11, addressing these areas is essential to achieving carbon neutrality goals.

To achieve our fiscal year 2050 targets, we are advancing initiatives to reduce GHG emissions through collaborate with suppliers, reduce the power consumption of existing products, and develop low-emission products and solutions. Since Scope 3 reductions are difficult to achieve in a short term, we will formulate a roadmap and work with a long-term perspective to achieve our targets.

Purchased goods & services (Category 1)

The Yokogawa Group calculates Category 1 GHG emissions by applying emission factors to the scale of its business activities. Previously, procurement value was used as the amount of activity for calculating Category 1 emissions. However, this approach resulted in a structural issue where the effects of suppliers' emission reduction initiatives was not reflected in the reported Category 1 emissions.

To solve this structural challenge, the Procurement division and the Sustainability division have joined forces to enhance the precision of Category 1 emissions calculations. By supplementing procurement value with actual emissions data from suppliers, we aim to improve the reliability of its reporting. In addition, we hold a Partners' Day for our business partners to communicate our GHG reduction targets and the request provision of information on their emissions performance and cooperation for our GHG reduction activities.

In fiscal year 2024, in addition to actively utilizing the disclosed data of each of our business partners, we also held discussions with two major business partners regarding the reduction of GHG emissions and made efforts to improve data accuracy.

We will continue to strengthen cooperation with our business partners.

Use of sold products (Category 11)

Yokogawa promotes energy-saving designs in both redesigns of existing products and the development of new products. In addition, we have improved the accuracy of calculations for the amount of energy used by products for Category 11 emissions by using actual operational energy consumption instead of maximum power consumption values.

In fiscal year 2024, Yokogawa prioritized the redesign of products with large emissions in Category 11. The measures under consideration include the use of lower-power components, weight optimization, and the addition of energy-saving modes. The "OpreX Battery Web Gauge ES-5" launched in January 2025, features newly designed frame structure that significantly reduces weight and total energy consumption to less than half that of conventional models.

 For the details on OpreX Battery Web Gauge ES-5, see our website.

Environmental Initiatives at Business Facilities

Response to Water Risks

In regions where securing water resource is a serious challenge, Yokogawa is promoting efforts related to water resources through measures such as monitoring water consumption and securing alternative water resources.

Initiatives at Singapore sites

While Singapore has continued its efforts to ensure water self-sufficiency, it is expected that its total water needs will increase going forward.

At Yokogawa's Singapore sites, the following initiatives are being carried out to maintain water resources and utilize alternatives:

- Comply with the guidelines issued by PUB (Public Utilities Board) to prevent excessive water consumption.
- Use a recycled water resource "NEWater" in air conditioning systems.
- Install water-saving devices to washbasins and plumbing systems.
- Conduct regular monitoring of water consumption to find water leakage early.

Initiatives at Middle East sites

In Middle Eastern countries, water shortage is a serious problem. Yokogawa Middle East & Africa carries out the following initiatives:

- Set annual water consumption targets per employee and monitor progress.
- Comply with local regulations on water protection including conservation and pollution prevention.
- Promote awareness of water protection among employees.
- Inspect all facilities for water leakages during the HSE (Health, Safety, and Environment) inspection tour, and implement prompt corrective and preventive measures when issues are identified in the water supply system.

Metric	Water withdrawal amount at Yokogawa sites (Intensity per sales, base year FY2023)
Target	20% reduction (FY2030 target)
Performance	4.9% increase (FY2024 performance)



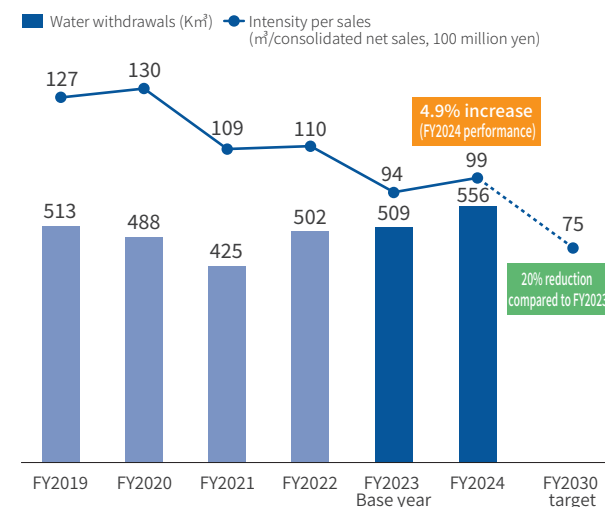
Initiatives for Reducing Water Consumption

Yokogawa is working to reduce the amount of water consumption by improving our production processes and introducing water-saving systems to our office water supplies.

In fiscal year 2024, water withdrawal (intensity per sales) increased by 4.9% year-on-year due to the expansion of business activities and the adoption of groundwater for cooling of air conditioning at the Komagane site.

We will strive to achieve a 20% reduction in water consumption from fiscal year 2023 levels by fiscal year 2030.

Water withdrawals

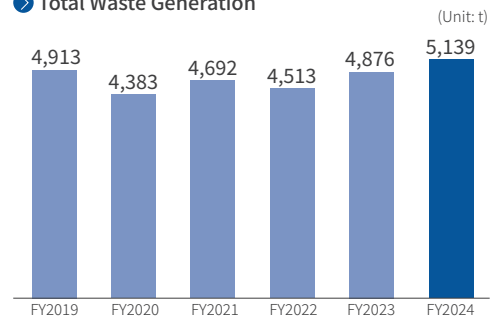


Effective Use of Resources

Yokogawa is working to make effective use of resources by reducing, reusing, and recycling resources at our factories and offices, for example, in product packaging.

In fiscal year 2024, the amount of waste generated increased compared to the previous fiscal year due to the establishment and expansion of business sites in the Middle East and increased business activity. The Yokogawa Group continues to actively pursue initiatives focused on reducing, reusing and recycling resources throughout the global operations.

Total Waste Generation



Waste sorting at the recycling center

Environmental Initiatives at Business Facilities

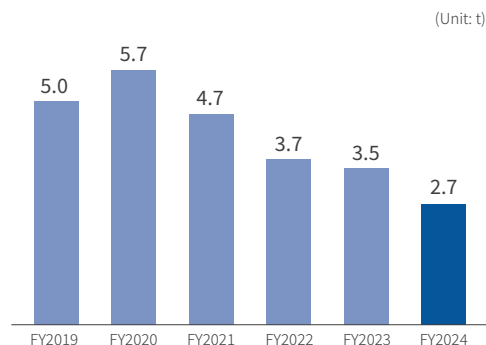
Initiatives for Chemical Substance Reduction

Yokogawa is committed to the strict management of chemical substances that may adversely affect the global environment or human health. Through the development and implementation of alternative technologies, Yokogawa strives to reduce both the consumption and disposal of chemical substances. In alignment with the RoHS Directive and REACH Regulation, Yokogawa continues to strengthen the efforts to reduce the presence of regulated substances in the products and ensure proper management throughout the supply chain.

Volatile Organic Compounds (VOCs)

Yokogawa is engaged in reducing the emission of VOCs. We monitor the toluene and xylene emitted from the painting and other manufacturing processes.

VOC Emissions (Toluene and Xylene)



PRTR Substances

The amount of substances reported under PRTR^{*1} requirements (1,000 kg/year or more handled) is shown in the table below.

^{*1} PRTR: Pollutant Release and Transfer Register. The PRTR was established to enable society as a whole to manage chemical substances through the disclosure of toxic chemical emissions data and other information.

PRTR Data (Fiscal year 2024)

Factory	Substance	Amount used (kg)	Amount emitted (kg)				Amount transported (kg)	
			Air	Public water area	Soil	Landfilled	Sewage system	External site
Yokogawa Manufacturing Co. Komagane Factory	Hydrogen fluoride and its water-soluble salts	1,570	3	39	0	0	0	0
	Hydrazine	2,048	0	0	0	0	0	0
	Xylene	1,000	450	0	0	0	0	540
	Heptane	1,131	914	0	0	0	0	0
Yokogawa Manufacturing Co. Kofu Factory	Butyl Cellosolve ^{*2}	1,728	1,555	0	0	0	0	173

^{*2} Butyl Cellosolve: another name of ethylene glycol monobutyl ether

Case Study: Chemical Substance Reduction

Reducing in Solder Waste in Flow Tanks through the Use of Copper-Free Solder

Yokogawa Manufacturing Corporation has successfully reduced the amount of solder waste generated in flow soldering tanks used for bonding components to electronic boards. Flow soldering plays an extremely important role in the production of the Yokogawa Group's products. In this process, solder is melted and held in a tank, allowing solder to rise and connect the components to the board.

In flow soldering operations, solder is replenished as it is consumed to maintain a consistent amount of solder in the flow tank. Previously, Yokogawa Manufacturing Corporation used copper-containing solder for replenishment, however, most of the copper leaching from substrates and components led to elevated concentrations in the tank. This resulted in increased solder waste due to the need for disposal. High copper content raises the solder's melting point, which may result in reduced wettability and higher incidence of quality issues such as bridging, potentially compromising product safety and reliability.

To address this issue, Yokogawa Manufacturing Corporation implemented a 1:1 replenishment ratio of copper-containing and copper-free solder. This strategy effectively controlled the copper concentration and enabled reduction of solder waste by 564kg per year, while also achieving cost savings of approximately 3 million yen annually.



Flow tank

Reduction in solder waste	Reduction in costs
564kg/year	Approx. 3 million yen/year

Environmental Initiatives at Business Facilities

Initiatives for Conserving Biodiversity

Yokogawa promotes biodiversity conservation activities in accordance with the Group environmental policy, which identifies commitments to addressing biodiversity-related challenges and advancing conservation efforts. Recognizing biodiversity as a foundation for sustainable society, Yokogawa engages with our stakeholders, including customers, employees, suppliers, partners, and local residents near our business sites, to promote biodiversity initiatives across the entire value chain. By minimizing the negative impacts of business activities and enhancing the contributions through responsible operations, Yokogawa strives to contribute to creating a better environment in local communities.

Biodiversity Action Policies

- Contributing to Biodiversity Through our Businesses

We contribute to biodiversity by solving our customers' issues through the provision of products, solutions, and services utilizing Yokogawa's cutting-edge technologies.

- Cooperation with the Local Community to Enhance Local Value

We take action in cooperation with government agencies and NPOs to acknowledge and enhance local value.

- Providing Employees with Educational Opportunities and Raising Awareness

We raise awareness of biodiversity among employees by offering them relevant seminars and events.

- Considering Biodiversity Conservation within Business Sites

Through initiatives such as on-site green area managements, Yokogawa ensures that the business sites are conducted with due regard for surrounding ecosystems.

Impact of Yokogawa's Business Activities on Biodiversity

Yokogawa has identified key environmental risks across the value chain, including land alteration from raw material extraction, GHG emissions and air pollution during product use, and land and water pollution from waste disposal. We recognize the operational activities, such as emissions, wastewater discharge, waste generation, and land development, may also affect biodiversity in surrounding areas. Yokogawa is working to mitigate these risks through responsible environmental practices.

Metrics and Targets

Yokogawa sets metrics and targets and promotes initiatives related to nature. We also disclose performance for these metrics and targets.

Metrics for initiatives to mitigate the impact on biodiversity

Driver of nature change	Metric	Target	
Climate change	GHG emissions	GHG emissions (Scope 1, 2, and 3)	See P.44 to P.47.
		Energy consumption	See P.45.
Pollution/ pollution removal	Total amount of atmospheric pollutants other than GHG	Total waste generation (actual performance only)	See P.48.
		Environmental pollutant emissions (actual performance only)	See P.49.
Resource use/ replenishment	Water withdrawals and consumption from areas of water shortage	Water withdrawal amount at Yokogawa sites	See P.48.

Metrics for initiatives to contribute to biodiversity

Driver of nature change	Metric	Target	
Climate change	GHG emissions	CO ₂ emissions control amount through customers	See P.15.

A selection of the disclosure metrics indicated in TNFD that relate to Yokogawa have been presented above.

TNFD-based Information Disclosure

Yokogawa has registered as a TNFD Adapter, declaring the commitment to disclosures aligned with the TNFD^{*1} framework. We are conducting analysis and evaluation using the TNFD's LEAP^{*2} approach.

^{*1} TNFD: Taskforce on Nature-related Financial Disclosures

^{*2} LEAP is a comprehensive method recommended by the TNFD for identifying, evaluating, and managing dependence, impact, risks, and opportunities relating to a business's natural capital. It consists of four phases of Locate, Evaluate, Assess and Prepare, and supports disclosure in line with the TNFD's disclosure recommendations.

For more details on TNFD disclosures, see our website.

Yokogawa Green Volunteer

To address the complex challenges of biodiversity, it is essential to acquire basic knowledge about the natural environment and raise one's awareness. Since 2016, Yokogawa has implemented the Yokogawa Green Volunteer program to encourage employees to deepen their understanding of biodiversity through volunteer participation and to contribute their knowledge to the local community.

To date, Yokogawa has organized 78 educational sessions and 31 field observation programs, including six lectures open to local residents. These initiatives have covered a wide range of topics such as birds, fish, herbaceous plants, trees, and have been designed with careful consideration of regional characteristics and seasonal factors. All activities conducted in collaboration with regional natural environmental education NPOs and municipal governments. In addition, we organized six lectures and symposiums featuring external experts engaged in the fields of nature conservation and ecological exploration.

A total of around 3,000 individuals, including lecturers and staff, have participated in these activities. Participant feedback suggests that some expressed surprise at discovering the richness of biodiversity present in their local area, and some others emphasized the importance of protecting the natural environment and passing it on to future generations.

Tomonori Komachi (Director, NPO Musashino Shizen Juku), who has served as a lecturer for ten years since the start of this activity as an employee of Yokogawa



Governance

- 52 Sustainability Governance
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Related Materiality

Corporate management (risks)

- Corporate culture
- IT security
- Occupational health and safety (suppliers)
- Corruption and bribery



For Materiality Analysis, see P.13.

Sustainability Governance

Yokogawa regards sustainability as one of our key management issues and is continuously working on the improvement of governance. Moreover, with the goals of achieving sustainable growth and earning the trust of every stakeholder through continuing contributions to society and the environment in accordance with the GS2028 medium-term business plan, we monitor sustainability indicators and priority management risks. Our governance structure adopted the system of a company with a Nominating Committee, etc. since June 2024.

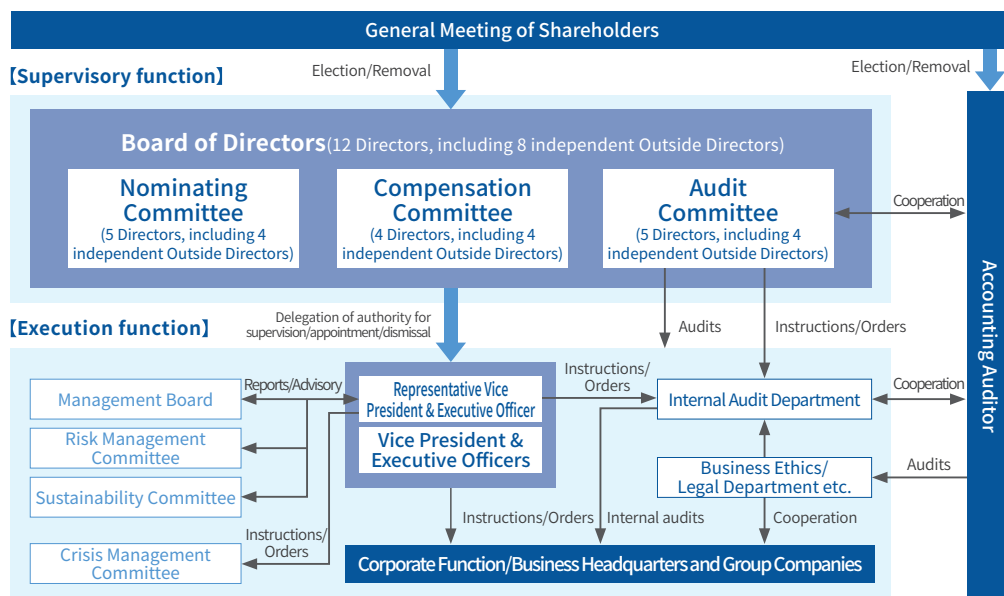
For the details on Corporate Governance, see 2025 Yokogawa Report P.47.

Corporate Governance Promoting Sustainability

Basic Policy on Corporate Governance

Yokogawa is striving to achieve sustainable growth for the company and to increase medium to long term corporate value under the Yokogawa's Purpose and Corporate Philosophy as the basic policy for sustainability initiatives. To maximize its corporate value, the Group has formulated the Yokogawa Corporate Governance Guidelines which serve as a basic policy for continuously working on corporate governance and discloses them on its website.

Corporate Governance Structure (as of June 2025)



Board of Directors

In accordance with the Articles of Incorporation, the number of directors shall be limited to no more than 15 with the majority being Independent Outside Directors. Directors who concurrently serve as Vice President & Executive Officers are limited to a minimum number. Furthermore, to ensure management practices backed by shareholder trust, director's term of office shall be one year.

We organize the Board of Directors with the overall balance of their knowledge, experience,

and competences that are required to effectively fulfill the roles and responsibilities, keeping a balance between diversity including gender, internationality, careers inside and outside the Company, and age, and an appropriate constituent number.

The Board of Directors is entrusted by shareholders to seek sustainable growth and increase the corporate value of the Group over the medium to long term. To achieve these goals, the Board of Directors positions sustainability initiatives as a key management issue, indicates the major direction of corporate strategies, while aiming to improve profitability and capital efficiency. In order to accelerate management decisions and business execution, decision-making on business execution is largely delegated to Vice President & Executive Officers. Vice President & Executive Officers oversee the execution of duties, establish the basic policies for the internal control system in business execution, and monitor and supervise the construction and operation of this system.

Main Sustainability-Related Agenda of the Board of Directors

- Progress of medium to long term sustainability goals including climate change
- Sustainability committee report
- Materiality analysis and strategies to expand contribution and growth
- Plan for non-financial data disclosure
- Yokogawa Group's priority management risks

Nominating Committee

The Nominating Committee establishes the criteria and procedures for the selection, reappointment, and dismissal of Directors and Vice President & Executive Officers, ensuring that the desired qualifications (such as talents and achievements) and the selection process are optimal from the perspective of all stakeholders for the continuous development and corporate governance of the Group. Based on the criteria and procedures, the committee deliberates and decides on proposals for the appointment and Directors of directors to be submitted to the General Meeting of Shareholders.

Compensation Committee

The Compensation Committee deliberates and decides on the remuneration system and compensation for Directors and Vice President & Executive Officers based on the prescribed criteria and procedures, ensuring that it encourages appropriate challenges for the development of the Group, attracts and retains talented individuals, and is appropriate from the perspective of all stakeholders.

Revision of the Executive Compensation System

In June 2024, the Compensation Committee revised the performance-based stock compensation plan (performance share unit plan) for Vice President & Executive Officers. This revision aims to support the achievement of key management indicators emphasized in the medium-term business plan "Growth for Sustainability 2028," provide incentives for the sustainable enhancement of our corporate value, and further promote value sharing with our shareholders. The Compensation Committee, held within three months after the start of each fiscal year, will deliberate and decide on performance targets for the next three fiscal years. Based on the achievement level of these performance targets, company shares and cash will be awarded. The performance targets include financial indicators such as ROIC (return on invested capital) and EPS (earnings per share), as well as sustainability indicators such as the reduction rate of greenhouse gas emissions (Scope 1, 2), reduction of energy consumption (intensity per sales), and employee engagement.

Sustainability Governance

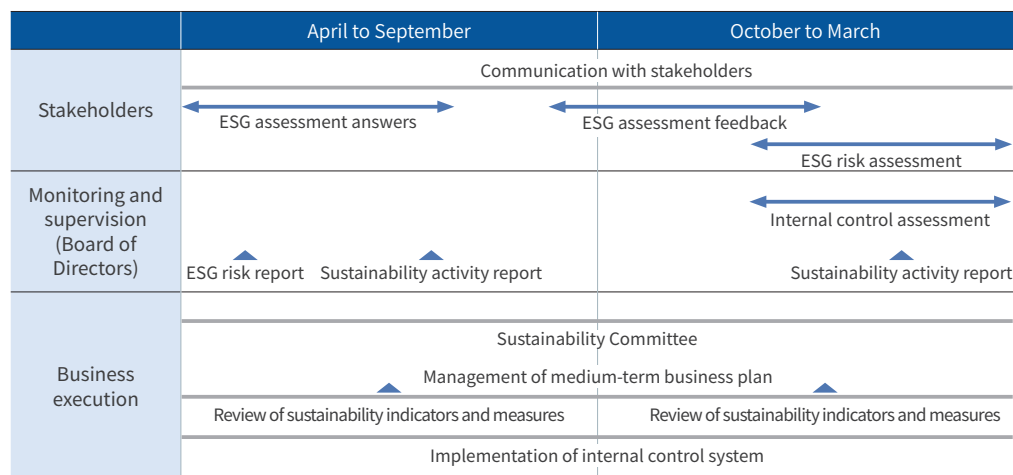
Audit Committee

The Audit Committee is responsible for statutory duties such as auditing the execution of duties by Directors and Vice President & Executive Officers, preparing audit reports, and deciding on proposals for the appointment and dismissal of accounting auditors. From the perspective of Directors, it primarily conducts high-value-added audits and validity audits.

Sustainability Management

Sustainability management is conducted as part of the company's overall management cycle, which includes the medium-term business plan, risk management, and internal control systems. From the perspectives of contributing to society and the environment while enhancing corporate value, Yokogawa identifies key sustainability issues, sets sustainability indicators to address these issues, and defines management cycles, with the Board of Directors monitoring and supervising the process. Non-financial items, along with reports on important matters and the implementation of each management task, are presented to the Board of Directors, and the status of sustainability activities is regularly reported.

Sustainability Management Cycle (as of June 2025)



Theme-based subcommittees have been established under the umbrella of the Sustainability Committee. In fiscal year 2024, the subcommittees met seven times while the main committee met twice. In addition to conducting reviews of sustainability-related indicators, lively discussions were held on various themes, including "Our Stories" of business contribution and growth, strategies for reducing Scope 1, 2, and 3 GHG emissions, and non-financial information disclosure. In particular, the Product Subcommittee deepened discussions on the importance of further reducing the burden on the environment and society caused by Yokogawa's product business (supply chain and life cycle) as a whole. Through this process, they recognized that it was important to reevaluate from a sustainability perspective and proactively appeal the excellent features of Yokogawa's products provided to customers to date, such as safety, high quality, robustness, longevity, ease of maintenance, and scalability, as well as the value of the post-sales service and support we provide over customers' plant life cycles. In addition, we affirmed our policy of accelerating initiatives to reduce the environmental footprint of our products, build a resource-recycling ecosystem, and enhance information disclosure. In advancing these initiatives, we defined the "Trusted Green" sustainability guidelines that take into account the entire product supply chain and life cycle, and have determined that we will develop specific relevant measures. In addition, Kunimasa Shigeno, President & CEO, Representative Executive Officer, was newly appointed as Chairperson of the committee in fiscal year 2025, and affirmed that the Yokogawa will contribute to its customers' sustainability through its business activities in order to achieve the Three Goals set forth by the Group. The matters discussed by the Sustainability Committee are reported to the Board of Directors.



Product Sustainability Task Force

We established the Product Sustainability Task Force to implement the strategies discussed by the Sustainability Committee into the business. The Task Force has been working actively on its agenda. Key members from the product business division, production division, and procurement division participated in the Task Force, with discussions focusing on initiatives for resource circulation and reducing Scope 3 emissions. During its active period, the Task Force raised environmental considerations throughout the entire product lifecycle focusing on the stages of procurement, product design, and product use. In addition, the Task Force also studied the feasibility of a repair and calibration business that would leverage the long-life design and high quality that distinguish our products.

Key Initiatives

- Developed strategies aimed at reducing the environmental impact of our products and enhancing competitiveness, using European regulations as a benchmark
- Researched business opportunities on the replacement of products with a limited lifespan and repair services for our products, while identifying potential issues
- Promoted reduction measures targeting Category 1 and 11 of Scope 3

Sustainability Committee

From fiscal year 2022, Yokogawa established the Sustainability Committee with the aim of identifying priority issues from both corporate and social value perspectives, and formulating strategies to address sustainability issues and set the medium to long term direction of management. The Sustainability Committee is positioned as an advisory body to the President & CEO, Representative Executive Officer. With the President acting as the chairperson and Vice President & Executive Officers serving as members, the committee functions as a forum for intensive discussions on sustainability-related topics from a management perspective.

Risk Management

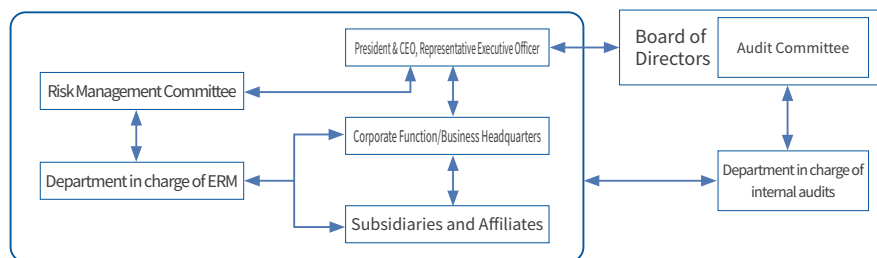
Yokogawa has in place within its organizational units a risk management system to control uncertainty affecting its corporate value, an internal control system to ensure the appropriateness of the businesses and a crisis management system to respond promptly to any event that could seriously impact its corporate management.

Risk Management system

Yokogawa has in place within its organizational units a risk management system to control uncertainty affecting its corporate value, an internal control system to ensure the appropriateness of the businesses and a crisis management system to respond promptly to any event that could seriously impact its corporate management.

The department in charge of internal audits evaluates the effectiveness of the risk management system and processes and reports important findings to the Audit Committee and the Board of Directors. In addition, subsidiaries and affiliates, which are responsible for implementing risk management, strives to manage risks autonomously. For these implementing entities, corporate function, business headquarters and the department responsible for risk management (the Department in charge of ERM and the Risk Management Committee Secretariat) promote and support various activities, with a focus on risks that could have a significant impact.

Enterprise Risk Management System



Promoting Risk Management

We identified critical risks that require focused management (‘‘Material Risks’’) and established corresponding measures and targets for implementation.

Each year, we conduct a risk assessment on a global basis. We classify risks into 57 key categories to ensure comprehensive coverage. For each category, we provide an overview and systematically identify potential risks. These risks are then analyzed along two axes, impact and likelihood, to evaluate our risk tolerance. Based on those deemed ‘‘intolerable risks,’’ we determine our Material Risks by considering factors such as business strategy, management challenges, changes in the external environment, and the adequacy of existing countermeasures. The selected risks are reported to the Board of Directors.

Countermeasures for Material Risks are promoted by the responsible business units (risk owners) in accordance with their respective plans.

Progress is monitored quarterly. The Risk Management Committee evaluates the changes in the risk impact / frequency and countermeasures based on the monitoring outcomes and semiannually reports the results to the Board of Directors.

These results, along with advice from the Board, are used to review and enhance the risk management process and countermeasures. Through ongoing improvements, we operate a PDCA management cycle aimed at achieving more effective risk management.

PDCA cycle for Material Risks



Risks Surrounding Yokogawa

Representative examples of risks we have recognized are listed below. As these risks may affect our overall business activities, performance, and financial condition, we have established a risk management system and processes to mitigate or avoid such risks.

For the details on risks affecting Yokogawa, see 2025 Yokogawa Report P.67.

External Environment

Factors related to:

- Social conditions
- Political aspects such as regulations and tax systems
- Economic aspects such as economic climate and inflation
- Social aspects such as riots and strikes
- Geopolitical aspects such as war and sanctions
- Financial markets

Uncertainties in the external environment that may present opportunities or threats

Strategy

Factors related to:

- Changes in market and competitive environment
- Strategic investments
- Research and development
- Human capital and human rights initiatives
- Devaluation of owned assets

Uncertainties that may present strengths or weaknesses in business operations in strategic context

Operations

Factors related to:

- Compliance
- Quality
- Procurement and supply
- Project management
- Intellectual property
- Information security
- Natural disasters
- Nature and biodiversity

Uncertainties that may result from disruptions or misconduct in operational contexts due to ineffective internal controls



Risk Management

Internal Control

Yokogawa has established and is operating an internal control system to promote management efficiency while ensuring the appropriateness of business operations, and to achieve sustainable growth and increase corporate value.

The Group Management Standards (GMS) have been established as the fundamental policies and rules applied across the Yokogawa Group, clarifying the roles and responsibilities of each business process to realize an internal control system. Internal control responsibilities are assigned to each organization, and the GMS are maintained and operated accordingly. Each GMS owner, who is responsible for the management and operation of their respective GMS, works to ensure (i.e., maintain and improve) the effectiveness and efficiency of business processes in line with the annual plan set at the beginning of each fiscal year.

The Board of Directors supervises the execution of duties by Executive Officers, establishes the basic policy for the internal control system in business execution, and monitors and supervises its establishment and operation. The department in charge of internal audits conducts an audit of the effectiveness of the internal control system and reports important matters to the Board of Directors and the Audit Committee.

Escalation of Information and Crisis Management System

Yokogawa has prescribed basic considerations regarding crisis management system in the event of a disaster, accident, or incident that could seriously impact Yokogawa's management or endanger the lives of our employees, to ensure personnel safety and minimize economic damage, while at the same time fulfilling its corporate responsibility, through appropriate decision-making based on speedy information gathering. We have established the Crisis Management Committee, chaired by the President & CEO, Representative Executive Officer, which will respond to crises when they arise. We have also established the Yokogawa Group Guideline for Reporting Serious Disasters, Accidents, and Incidents, thereby thoroughly disseminate to all Group employees details such as the information to be reported, reporting routes and processes to enhance the escalation of information.

Business Continuity Management (BCM)

Yokogawa and its group companies have coordinated to formulate a Business Continuity Plan (BCP) that contains response plans and action guidelines that envisage risks that would severely impact the Group's business, including natural disasters such as large-scale earthquakes, storms, and floods, outbreaks of infectious diseases. The goal of the BCP is to enable Yokogawa to continue and restore operations of businesses, prioritizing products and services of a highly public nature related to social infrastructure, and contribute to the swift restoration of power, gas, water supply and sanitation, and other social infrastructure in the event of natural disasters such as earthquakes, storms, and floods and man-made disasters such as accidents.

To enhance the effectiveness and workability of our BCP, BCP training for the identification of problems is provided by members of the crisis management system, including senior management, to continuously improve the BCP. In recent years, we strive to strengthen our ability to respond to various situations by conducting BCP training using complex disaster scenarios of major earthquakes and huge typhoons, in light of the increasing severity and frequency of windstorms and floods caused by climate change.

We have introduced a system for quickly ascertaining employees' safety, and provide regular training to enhance proficiency in using the system while also offering education on the basics of disaster prevention and BCP in case of an emergency.

In response to an increase in cyberattacks in recent years, we have formulated guidelines on an initial response to such attacks. We regularly share the latest information on the topic, conduct training sessions for senior management, and implement measures to ensure business continuity.



A cyber training session

Protecting Globally Active Employees from Crisis

Recently we have seen an increase in crime, terrorism, and violence occurring all over the world, including international travelers falling victim to crimes. In these circumstances, employees who are transferred to an international post or who travel abroad on business need to do more to prepare and take appropriate safety measures. To protect its employees working all over the world from crises (such as terrorism, riots, and crime), Yokogawa issues alerts. In addition, we hold seminars and provide education to help employees keep themselves safe when they are transferred to an international post or when travelling abroad on business.

Training for Protection from Terrorism and Crime

Yokogawa engages outside security experts to conduct instruction and demonstrations on various threats and how to deal with them, and conducts practical training involving the participation of the attendees in order to minimize damage in the event of a terrorist attack, riot or crime.



Overseas safety demonstration training

Code of Conduct and Compliance

Yokogawa's top priority is compliance and it conducts its business activities in compliance with the relevant laws, regulations, and ordinances. We respect social norms and international guidelines, and act with high ethical standards. The Yokogawa Group Code of Conduct sets out the guidelines that its employees should observe in their actions for the realization of Yokogawa's corporate philosophy, while the Yokogawa Group Compliance Guidelines prescribe specific actions that each and every employee should take.

The Yokogawa Group Code of Conduct

The Yokogawa Group Code of Conduct sets forth guidelines for all employees of the Yokogawa Group to observe in their actions. The Code of Conduct, a basic policy adopted by the Board of Directors, governs the overall structure of the Group Management Standards (GMS), the highest level regulations of the Group. Chapter 1 describes the Yokogawa Group's basic policies, including the realization of its corporate philosophy, compliance with laws and regulations, respect for human rights, and contributions to the realization of a sustainable society. Chapter 2 specifies the Yokogawa Group's ethical standards concerning the Group's relationship with stakeholders, workers' rights, and the responsibilities of the management team, among other things.

 For the full text of the Yokogawa Group Code of Conduct, see our website.

Yokogawa Group Compliance Guidelines

The Yokogawa Group Compliance Guidelines are practical guidelines that provide an easy-to-follow explanation of the Yokogawa Group Code of Conduct and describe specific actions that employees should take. The Guidelines have been prepared to educate employees and set forth the specific rules and standards that all Yokogawa Group employees should observe when they encounter ethical and legal issues in the course of their day-to-day business activities. The Guidelines have been translated into 14 languages, and we have taken multiple approaches tailored for employees with different styles of work to keep them aware of the Guidelines. Informing all Group employees of the content of the Guidelines enables Yokogawa to ensure that its corporate philosophy is embraced and upheld by each and every employee.



Yokogawa Group Compliance Guidelines

Supporting International Guidelines

United Nations Global Compact

The Yokogawa Group Code of Conduct sets out six basic Group policies: the realization of the Yokogawa Philosophy, compliance with laws and regulations and cooperation with society, respect for human rights, fair business practices, contribution to society and the environment, and trust-based relationships with stakeholders. Yokogawa is committed to fulfilling its fundamental corporate responsibilities, including contributing to society through its business activities and ensuring compliance. In 2009, Yokogawa approved and signed the Global Compact, an international initiative proposed by the United Nations and has been endorsing and putting into practice its ten universal principles in the areas of human rights, Labour, the environment, and the prevention of corruption. The Company shares these principles with its Group companies and business partners around the world. In addition, we are working with our stakeholders to uphold the ten principles through efforts such as participation in Global Compact Network Japan, a local network in Japan. The Global Compact was first proposed by former Secretary-General of the UN Kofi Annan at the World Economic Forum in 1999 and was officially adopted in 2000. Participating companies are expected to practice and uphold international standards for human rights, Labour, the environment, and the prevention of corruption.

ISO 26000

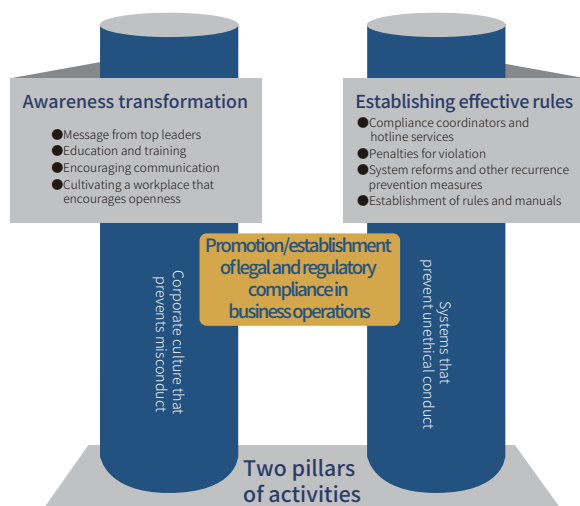
The ISO 26000 standard published by the International Standardization Organization in November 2010 is an international standard relating to the social responsibilities of organizations that presents seven core subjects including organizational governance, human rights, Labour practices, environmental responsibility, and fair operating practices. Yokogawa is a company active in the global marketplace, and it adheres to the ISO 26000 standard and regards corporate governance as a foundation for corporate management. As such, we are committed to the implementation of socially responsible activities to meet our stakeholders' expectations, including contributing to communities through our business operations, environmental conservation, and respecting human rights.

Code of Conduct and Compliance

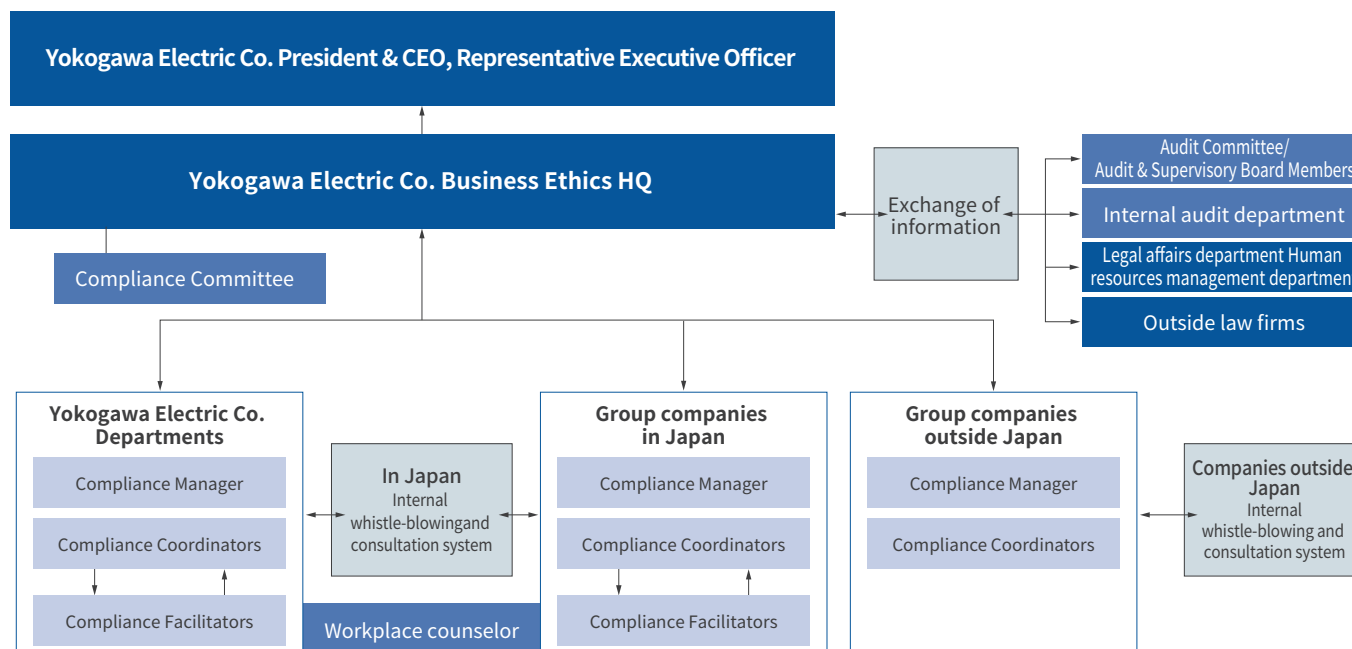
Compliance Promotion Structure

To prevent wrongdoing and scandal, Yokogawa promotes sound and transparent business activities with a corporate culture that prevents misconduct and systems that prevent unethical conduct as two pillars of our compliance activities. The Yokogawa Group aggressively promotes management practices built upon a foundation of compliance through the establishment of a business ethics department that is responsible for developing a compliance promotion structure and identifying and addressing issues pertaining to it. We have established a workplace-based compliance promotion structure in our global offices. The business ethics department and the departments or persons responsible for compliance at each Group company cooperate to pursue compliance initiatives to raise and establish employee compliance awareness.

Basic approach to thorough compliance



Compliance Promotion Structure



PDCA Cycle for Promoting Compliance





Code of Conduct and Compliance

Anti-corruption Initiatives

Yokogawa is working to prevent all forms of corruption, including the abuse of power for personal gain, coercion and bribery, by prescribing within the Yokogawa Group Code of Conduct appropriate relationships with business partners, politicians, and government officials and prohibiting conflicts of interest. Specifically, we develop and implement rules such as the Yokogawa Group Compliance Guidelines and Yokogawa Group Anti-bribery and Anti-corruption Code and conduct education and awareness programs as part of our compliance initiatives to spread and entrench anti-corruption awareness.

Anti-bribery Initiatives

Yokogawa observes the bribery prevention laws and regulations of all of the countries where its Group companies conduct business activities to prevent bribery involving public servants and private citizens both at home and abroad. The Group assesses and controls bribery-related risks, and the Group companies manage these risks. We prevent bribery and ensure that business activities are fair and appropriate, by fully informing all employees of the Yokogawa Group Antibribery and Anti-corruption Code. Further, we have established the Yokogawa Group Sustainable Procurement Guidelines to support the prevention of bribery and are working to implement the guidelines in cooperation with our business partners. No bribery-related violations or penalties were reported in fiscal year 2024.

Measures to Prevent Anti-competitive Practices

Yokogawa considers that the observance of competition law is essential for ensuring the proper management of the Group and has set out its basic policy of fair, transparent, and free competition with competitors in the Yokogawa Group Code of Conduct. To further ensure compliance with competition law, we prescribe specific rules in the Yokogawa Group Compliance Guidelines and the Competition Compliance Code and provide in-house training about the competition law to increase employee awareness. No legal measures were taken against Yokogawa due to any anticompetitive acts, anti-trust law violations or monopolistic practices in fiscal year 2024.

Measures to Counter Anti-social Forces

The entire Yokogawa Group is taking steps to eliminate antisocial forces and describes in the Yokogawa Group Compliance Guidelines its responses to anti-social forces that threaten social order and safety. In compliance with the Tokyo Metropolitan Ordinance for Eliminating the Organized Crime Groups, we are engaged in initiatives such as including clauses concerning the elimination of anti-social forces in business contracts and other agreements and signing a memorandum on the elimination of anti-social forces with business partners, contractors, and customers.

Tax Policy

In light of the globalization of its business operations, Yokogawa believes it can fulfill its corporate social responsibilities and help realize a sustainable economy by properly meeting its tax obligations in the countries and regions where Yokogawa conducts business activities. Yokogawa takes the following actions in its tax accounting practices to ensure appropriate tax risk management.

- Placing the highest priority on complying with the tax laws and regulations of each country, and appropriately paying taxes without applying preferential tax treatment by interpreting beyond legislative intent
- Implementing appropriate tax-related accounting processes and other related measures
- Establishing a tax governance structure and striving to increase tax compliance awareness
- Responsibly performing tax duties in compliance with international tax standards such as the OECD Transfer Pricing Guidelines and the Action Plan on Base Erosion and Profit Shifting (BEPS*)
- Conducting transactions with non-Japanese affiliates on an arm's length basis by properly allocating profit for their contributions in accordance with the roles and risk analysis of the affiliate
- Neither intentionally avoiding taxes by the act without commercial substance nor resorting to any abusive tax planning by utilizing low-tax jurisdictions
- Not utilizing any tax haven for tax avoidance purposes. Appropriately filling and paying taxes in case becoming subject to the CFC rules by effective tax rate reductions, legislative changes, etc.
- Optimizing tax expenses by means such as avoiding double taxation and utilizing appropriate tax incentives
- Reducing tax risk by obtaining advice from external professionals when there is uncertainty regarding the application or interpretation of tax laws and regulations
- Building, maintaining, and developing sincere, sound, and cooperative relationships with the tax authorities of respective countries

* BEPS: Base Erosion and Profit Shifting

Preventing Insider Trading

To prevent insider trading, we have established the Code of Conduct for the Prevention of Insider Trading in the Group Management Standards (GMS) and have included a section on the prohibition of insider trading in the Yokogawa Group Compliance Guidelines. Further, we have established a group-wide compliance structure and provide education to thoroughly prevent insider trading. The officers or employees of the Group companies who intend to buy and sell Yokogawa Electric Corporation stock must follow the prior approval procedure through the person in charge of insider trading prevention at their company. In addition, the following individuals are subject to a blanket prohibition regarding the buying and selling of the Company's stock from the last day of each quarter to the date of the announcement of the financial results for the quarter.

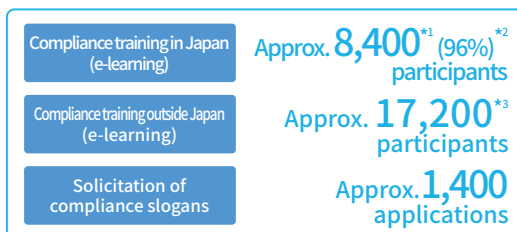
No insider trading was reported in fiscal year 2024.

- Officers and managers of Yokogawa Electric Corporation, Yokogawa Solution Service Corporation, Yokogawa Manufacturing Corporation, Yokogawa Test & Measurement Corporation, and Yokogawa Digital Corporation
- People directly involved in the preparation and announcement of quarterly results in Yokogawa Electric Corporation and the Group companies in Japan

Code of Conduct and Compliance

Education and Awareness Activities

Yokogawa offers a broad range of awareness programs such as compliance education and training, with the aim of fostering employees' awareness and understanding of compliance and a corporate culture that promotes fair, transparent, and open business practices with high ethical standards.



*1 Including contract and temporary workers

*2 Training attendance rate

*3 Total number of training participants

Compliance Training and Education

In order to raise and establish employee compliance awareness in the entire Group, in fiscal year 2024, we included content such as “case studies of corporate scandals” and “the prevention of bribery” in the training for employees in Japan. We also conducted role-specific training at the time of on-boarding, promotion to manager, and other opportunities. In addition, training is also conducted the companies outside Japan based on action plans designed to suit the issues and circumstances of each location.

Compliance Newsletter

We publish a Compliance Newsletter four times a year to communicate information about our corporate culture, recent business scandals, and other timely topics. The Compliance Newsletter helps improve employee compliance awareness through the internal publication of information for the entire Group. In fiscal year 2024, it highlighted topics such as modern slavery, business and human rights; the status of whistleblowing and consultation systems; and the results of the compliance awareness survey.

Compliance Week

The Compliance Week campaign is conducted to ensure that the compliance mindset is embraced and upheld. In fiscal year 2024, we provided learning (e-learning) courses on the “Yokogawa Group Code of Conduct” and “creating a harassment-free workplace through good communication” for all of the employees of Yokogawa Group companies, solicited compliance slogans, and showcased them.

Compliance Awareness Survey

In fiscal year 2024, we conducted a compliance awareness survey for all employees of the Yokogawa Group, which confirmed that our employees possess a high level of compliance awareness. The survey also identified issues related to the prevention of harassment. In order to further raise awareness of compliance, we will continue with educational and awareness-raising activities for building a workplace culture where opinions can be freely exchanged to prevent harassment. We also give feedback on each Group company's and division's performance which is used in the next fiscal year's activities.

Contact for Whistle-blowing and Consultation

Yokogawa has a contact for whistle-blowing and consultation for the early detection and prevention of compliance issues. Employees can blow the whistle or consult on compliance issues anonymously or by telling their name by email, over the telephone, in writing or by any other means in their own language. In fiscal year 2024, in order to further increase transparency with regard to whistle-blowing and consultation on important matters related to the Group management and the management team, a direct contact point for the Audit Committee was established at the head office. The Audit Committee is independent of the management team, and the hotline has begun operations for employees at domestic and the companies outside Japan. We will gradually increase the number of sites that can utilize the system.

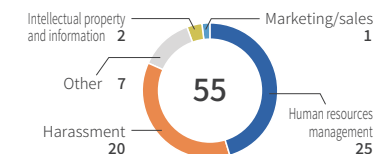
If any issue is reported and is likely to violate the Yokogawa Group Code of Conduct and/or be a compliance issue, then, a person in charge of the investigation appointed under the internal whistle-blowing and consultation rules will investigate and try to resolve the situation in cooperation with the human resources department, the legal affairs department, and the external lawyer in accordance with the rules. We protect the privacy of whistleblowers and do not ever tolerate retaliation or any disadvantageous treatment of them.

We will continue to strive to fully communicate information about the internal whistle-blowing and consultation system and establish an environment that allows whistleblowers to report without anxiety.

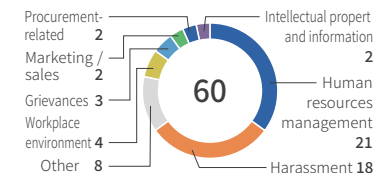
We accept reports from and listen to the problems of our customers, business partners, community members, and all stakeholders about human rights and other aspects of compliance through the “Contact Us” and “Helpline” sections of our website. “Helpline” is available in multiple languages and can be used either with their actual names or anonymously. The helpline is operated in accordance with our rules set to protect the privacy of whistleblowers, secure confidentiality, and prohibit retaliation or any disadvantageous treatment.

No incidents that became issues that would significantly impact management were reported in fiscal year 2024.

FY2024 Breakdown of whistle-blowing and consultation received in Japan

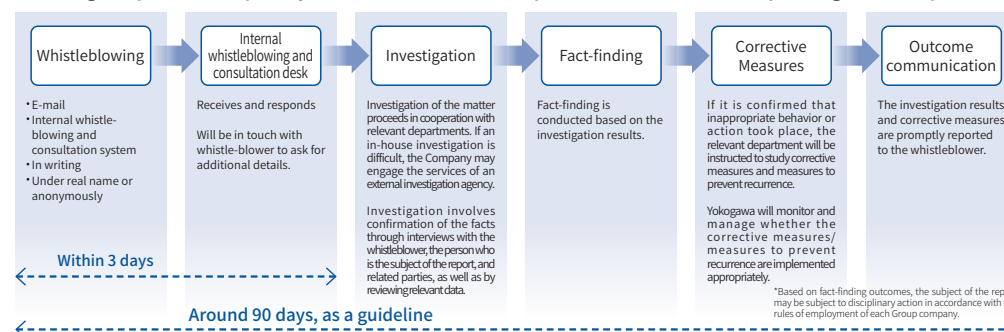


FY2024 Breakdown of whistle-blowing and consultation received outside Japan



Flow from the Whistleblowing to Outcome Reporting (Head Office Operations)

Yokogawa protects the privacy of whistleblowers and respects their intentions in responding to their reports.



AI Governance

In the GS2028 medium-term business plan, Yokogawa has positioned artificial intelligence (AI) as a key technology for realizing IA2IA and Systems of Systems, achieving sustainability, and expanding its business, and is continuously working to enhance governance therefor. In April 2025, we formulated our AI Policy that sets out our stance on AI governance, to clarify the purpose of using AI, the value this provides to customers.

Yokogawa's AI Policy

The Yokogawa Group's AI Policy comprises the Preamble, Our Core Competence, and the Value That AI Brings, Commitment, and Specific Measures. The Yokogawa Group is using AI to strengthen its "ability to measure and connect," further enhance its core competencies, and advance the provision of services that enable autonomous collaboration with people. However, we recognize that AI presents various risks and social issues, and that Yokogawa should play a proactive role in addressing them. This policy clarifies the value Yokogawa will contribute through the use of AI, and declares what measures will be taken to accomplish this. It has been formulated with the approval of the President & CEO, Representative Executive Officer.

The points relating to social and environmental aspects of the AI Policy are presented below.

 [For the full text of the AI Policy, see our website.](#)

Our Core Competence, and the Value That AI Brings

Our Core Competence

As its vision for society in the year 2050, Yokogawa has set the Three Goals, based on which it is working to achieve net-zero emissions, well-being, and a circular economy. Yokogawa has established long-term trust-based relationships with a diverse array of customers in a wide range of industries and works closely with them to provide services. Based on the extensive knowledge it has cultivated, Yokogawa has systematized manufacturing processes and made it possible to optimize complex operations even in plants that are situated in harsh environments all around the world. Yokogawa provides durable, accurate, and reliable products and services that stabilize quality in the manufacturing process. By minimizing the risk of explosions and fires at manufacturing sites, these ensure secure and safe operations that will have a minimal impact on the environment. Providing optimal solutions is Yokogawa's core competence.

The Value That AI Brings

Yokogawa uses AI to further improve quality, security, safety, and reliability, and to reduce environmental impact. Yokogawa also fosters an environment in which AI can easily collaborate with humans as a partner, and provides its customers with products and services that bring value not only to plants, but to entire business enterprises. In every field of business endeavor, when humans can focus on creative and strategic tasks, productivity increases, issues such as labor shortages are resolved, and there is an increase in the ability to bring products to market that are high in quality, secure, safe, and reliable and have a reduced impact on the environment. As a result, customers can expand the scale and scope of their businesses and maximize their profits. The increased opportunity to use products that are high in quality, safe, and reliable and have a reduced environmental impact will enhance safety and security for society as a whole and foster the fulfillment of our responsibilities for the future of our planet. Yokogawa's AI is a key component that has the power to connect our core competencies with the future of this planet.

Commitment

In accordance with Yokogawa's Purpose and based on its core competencies, Yokogawa will observe the following points to minimize risks as it utilizes AI to provide value to its customers.

- **Safety**
Develop and operate products and solutions that pose no dangers, and ensure safety and security.
- **Accountability and transparency**
Take responsibility for its products and solutions, be more transparent, and ensure reliability.
- **Sustainability**
Increase the quality of its products and solutions and achieve sustainability by making more efficient use of resources.
- **Security and privacy**
Strengthen security with its collection, storage, and use of data, and protect personal information and other confidential data.
- **Fairness**
In development and use, clarify standards that will ensure fairness by eliminating bias in gender or race data and doing away with excessive reliance on certain indicators.
- **Stable supply of lifelines**
Respect the laws and regulations of the countries in which Yokogawa operates and contribute to the stable supply of lifelines.
- **Legal rights**
Protect related legal rights, such as copyrights, by complying with laws, regulations, and standards.
- **Realizing Yokogawa's Purpose**
In addition to the points listed above, it is an essential requirement for Yokogawa's AI to comply with Yokogawa's Purpose, which reads, "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet."

AI Governance Promotion Structure and Initiatives

In fiscal year 2025, we are focusing on establishing a control organization for AI governance based on the AI Policy. We will promote the establishment of AI governance structures at each Group company and supervise the operational status of each one.

In addition, we have formulated the "Group AI Governance Regulations" within the Group Management Standards (GMS), which takes precedence over the Group's other internal regulations and rules. These Regulations establish a basic framework for appropriately managing risks associated with the development, provision, and utilization of AI in accordance with the AI Policy. Furthermore, in order to comply with laws and regulations and other standards and to appropriately operate AI in an ethical and responsible manner going forward, we held "AI Governance Seminars" in which our officers served as lecturers. At the seminars, participants gained a deeper understanding of the ethical issues surrounding AI around the world and the state of AI in the Group's operating environment.

 [For the Concept for AI Solutions, see P.26.](#)

Supply Chain Management

Promotion of Sustainability in the Supply Chain

Yokogawa has formulated the Procurement Process Standards for the entire Group as part of internal control. We are working to ensure fair and equitable transactions while taking account of sustainability. These initiatives are to apply to all processes involving our suppliers.

We contribute to the promotion of sustainability in the industry's supply chain as well as our own, through active participation in industry group committees such as the CSR Committee and the Procurement Committee of the JEITA*1 and Global Compact Network Japan's study groups.

*1 JEITA: Japan Electronics and Information Technology Industries Association

Sustainable Procurement Activities

We ask our suppliers to observe the Yokogawa Group Sustainable Procurement Guidelines, which we created based on the RBA*2 Code of Conduct, incorporating the approach of ISO 20400:2017 - Sustainable Procurement - Guidance.

We are working with our suppliers to identify risks that impede sustainable procurement, focusing on understanding the current state of the following four issues defined in the Yokogawa Group Sustainable Procurement Guidelines for suppliers: human rights and labor, health and safety, the environment, and ethics. In case a risk materializes, we work with our suppliers to make improvements. We also provide educational programs on sustainable procurement both inside and outside the Company.



*2 RBA: The Responsible Business Alliance is a coalition of businesses that promote corporate social responsibility in global supply chains

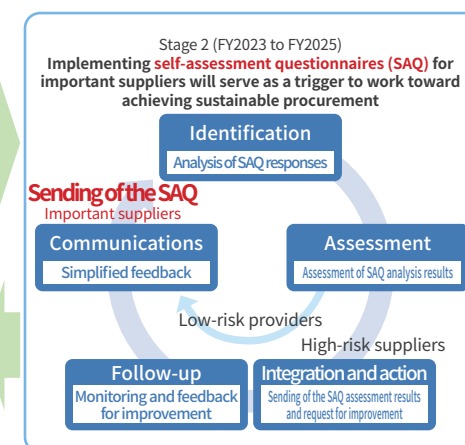
For the Yokogawa Group Sustainable Procurement Guidelines, see our website.

PDCA Cycle for Activities

We transitioned from the results of Stage 1 (from fiscal years 2020 to 2022), which focused on due diligence regarding the protection of human rights, to Stage 2 (from fiscal years 2023 to 2025), which also considers environmental risks.

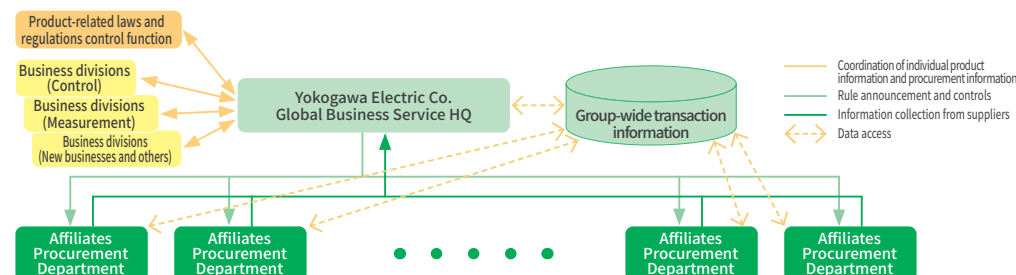
Utilizing human rights due diligence activities in Stage 1 (FY2020–FY2022), implement CSR risk management in Yokogawa's supply chain in Stage 2 (FY2023–FY2025)

The status of implementation each fiscal year is disclosed on our website.



For the status of implementation, see our website.

Global Cooperation Structure



Plan and Results of the Self-Assessment Questionnaire (SAQ)

In the same way as Stage 1, under a three-year plan, we utilize group-wide transaction information and conduct scoring based on transaction amounts, risks associated with the items procured, and country risk ratings of each supplier's location. Of the companies analyzed, 600 companies are selected as important suppliers for which the SAQ is conducted, with an annual target of 200 companies surveyed per year. Based on the responses obtained from the business places of our providers, we continue to analyze and evaluate supply chain risks.

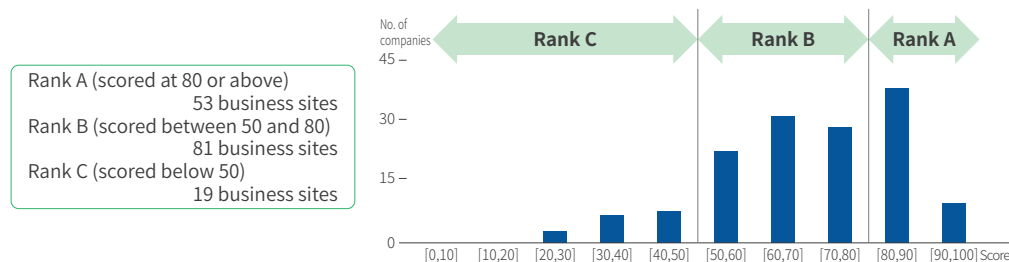
Action Plan and Results

In fiscal year 2020, we started to conduct activities to reduce CSR risk in the supply chain, focusing on communication with the business sites of our suppliers through the Self-Assessment Questionnaire (SAQ) about environmental conservation and human rights based on our Sustainable Procurement Guidelines.

Supply Chain Management

The SAQ in Stage 2 is expanded to questions on all aspects of sustainable procurement, such as human rights and labor, health and safety, the environment, and compliance. A score distribution of the business sites which responded to the questions is shown below. We also analyze trends in detail for individual items and utilize them for risk assessment.

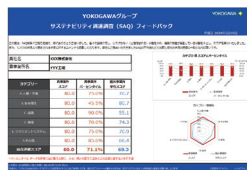
▶ Total score distribution of the response received by 153 business sites



● Improvement Initiatives

To improve our activities together with suppliers, we ask them to agree to our sustainable procurement activities in Yokogawa's supply chain.

We mark all of the responses to the SAQ and return each to the relevant respondent, together with the average score, a comparison graph with our own and comments on points for improvement. We also confirm the subsequent improvements, depending on the score. For important respondents, we carry out individual interviews and present a detailed report on improvements. Further, we have confirmed that some business sites which responded to the SAQ in Stage 1 have improved in category of human rights and labor, health and safety in Stage 2.



Sustainable Procurement Education

Yokogawa has established an e-learning program about sustainable procurement, which employees are able to view on an on-demand basis. In addition, as in fiscal year 2024, in May 2025, procurement members from global locations gathered for a workshop at which they introduced the sustainable procurement activities in each country and shared the challenges they faced. We also promote engagement with suppliers in each country and conduct activities to promote a deeper understanding of sustainable procurement.



Promotion of Green Procurement

Taking into account the entire lifecycle of products/solutions to be provided to customers, Yokogawa encourages the purchasing of products and services with a small environmental footprint and promotes transactions with the suppliers who are proactively involved in supporting biodiversity and environmental action for the reduction of their environmental footprint and the increase of added value. We also consider contribution to environmental conservation in our procurement strategy. For example, we use PCs with bioplastic casings as standard products for office equipment. Furthermore, we present the Yokogawa Group Green Procurement Guidelines when concluding transaction contracts with new suppliers. Having established a system to promote management of the chemical substances contained in our products, we investigate and manage the chemical substances contained in the materials and components we use for full compliance with the laws and regulations concerning chemical substances (such as the REACH Regulation, RoHS Directive, and TSCA). In addition, based on the SAQ responses, we actively communicate with suppliers who are working to reduce GHG emissions to request that they provide us with primary data on their GHG emissions.

For the Yokogawa Group Green Procurement Guidelines, see our website.

Strengthening of Partnerships with Suppliers

Yokogawa is reinforcing its partnerships by interacting with the management teams of key suppliers and their sales representatives at each location. For example, we regularly hold "Partners' Day" events to provide explanations on our management policies, business plans, and procurement strategies. These events also serve as platforms where we further the understanding of environmental policies and legal regulations related to the supply chain, using the "Sustainable Procurement Guidelines" Booklet.



We also organize component exhibitions and technical seminars by manufacturers to provide a forum for communication with developers.

Reinforcement of Compliant Procurement

Yokogawa strives to reinforce compliant procurement across the Group by establishing standards for compliance in procurement to serve as group-wide management rules while maintaining close communication with those responsible at the Group companies. We also specify provisions concerning compliance in the business contracts. A helpline is available for suppliers and others to report actual or suspected compliance violations.

Supply Chain Management

Compliance with the Subcontract Act

At the domestic Group companies, we have formed task forces, which actively work to keep astride of changes in laws and regulations such as the operational standards for the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (the “Subcontract Act”) revised in November 2024, and the Subcontract Act, which will be amended in January 2026. We provide lectures on the Subcontract Act whose theme is updated each year, through a program that is available on-demand as well as via live streaming. In fiscal year 2025, we prepared a legal affairs program focusing on understanding laws and regulations and a training program tailored to our actual operations based on the revisions to the Subcontract Act, in an effort to not only raise awareness around legal issues, but also to prevent inadvertent legal violations. We also appoint compliance officers responsible for procurement in each department and each Group company to ensure information sharing concerning procurement laws and regulations and for building a compliance framework.

Procurement BCP

Recognizing that ensuring a stable supply of the products our customers need is an important social responsibility, we are taking action in line with our procurement business continuity plan (BCP). To respond to the new laws and regulations implemented in each country in recent years, our global organizational units for procurement, with the cooperation of our suppliers, have been working together to manage information on the areas producing the components used in our products and to understand the logistics situation, aiming to minimize any impact on our customers. In addition, we are proceeding with reforms to build a supply chain with a resilient and sustainable structure that will last into the future.

Initiatives on Conflict Minerals

Basic Policy

Based on the Yokogawa Group Human Rights Policy, as a global company, Yokogawa seeks to prevent the serious risk of being complicit in human rights violations that may arise in connection with the mining, trading, and handling of minerals from conflict-affected and high-risk areas, and ensures responsible mineral procurement. With reference to the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance)”^{*1} published by the Organisation for Economic Cooperation and Development (OECD), Yokogawa has constructed a structure to conduct surveys on minerals in the supply chain, including measures such as sharing and checking information submitted through the Conflict Minerals Reporting Template (CMRT)/Extended Minerals Reporting Template (EMRT)^{*2}, and manage the supply chain as a corporate group. With this structure in place, we are engaged in activities aimed at preventing the purchase of products containing minerals that are associated with risks such as human rights violations and bribery in conflict-affected and high-risk areas.

^{*1} The OECD Due Diligence Guidance’s full name is the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

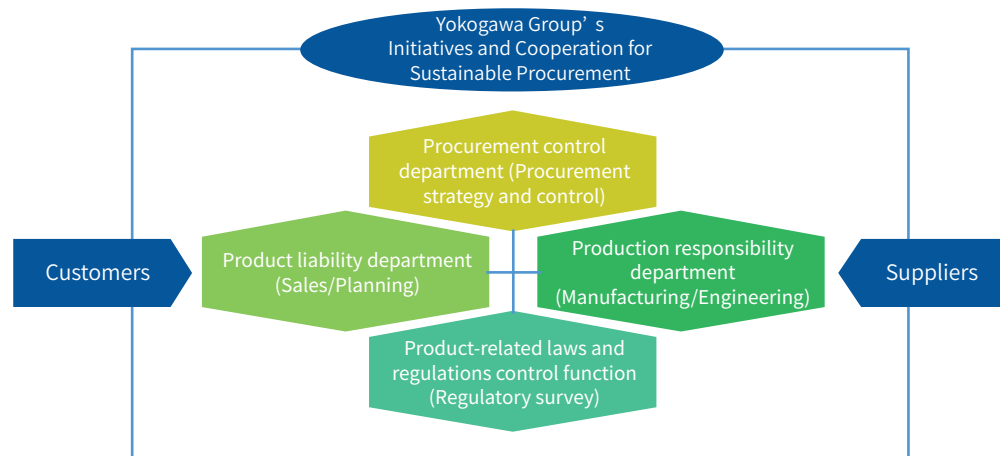
^{*2} The Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) are issued by the Responsible Minerals Initiative (RMI).

Structure and Initiatives

With reference to the steps described in the OECD Due Diligence Guidance, the structure encourages the departments to set the roles suited to their function in Yokogawa in addressing the conflict mineral issue. We cooperate with our suppliers to investigate the use of conflict minerals in certain products based on customers’ requests. If an investigation reveals that a mineral procured by Yokogawa is a source of funds for armed groups, we immediately take measures to avoid the use of the mineral in question.

As a member of the Responsible Minerals Trade Working Group run by the industry group Japan Electronics and Information Technology Industries Association (JEITA), we coordinate our efforts with those of other corporations in the industry and obtain the latest information. The latest information and standardized procedures for investigating conflict minerals are shared throughout Yokogawa.

Structure of Responsible Mineral Procurement Initiative



Survey results

The results of Yokogawa’s conflict minerals survey are as follows.

	FY2023 survey (tin, tantalum, tungsten, and gold)	FY2024 survey (tin, tantalum, tungsten, gold, cobalt and mica)
No. of companies that responded to the survey	191	220
No. of identified smelters	340	422
No. of RMAP ^{*3} -compliant smelters	218	260

^{*3} RMAP refers to the Responsible Minerals Assurance Process advocated for by the Responsible Minerals Initiative (RMI) for validating whether minerals are responsibly sourced.

Information Security

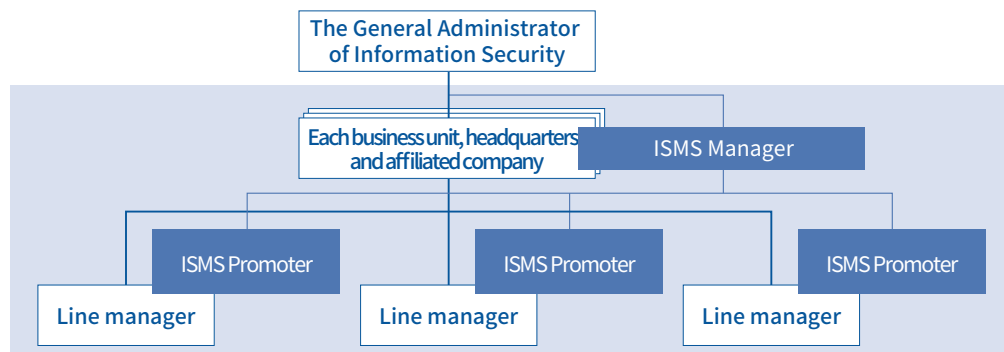
Yokogawa works together with customers to provide solutions. To protect important information entrusted to us by our stakeholders, we implement information security measures from three perspectives: people, equipment, and information technology (IT).

Information Security Management

Yokogawa conducts information security activities based on the concept of the ISO 27001 standard. The general administrator of information security who serves as the officer in charge of information security management control notifies each business unit, headquarters, and affiliated company of policies and measures. A secretariat conducts on-site inspections to monitor operations to ensure they are performed in line with rules and takes necessary improvement measures. In addition, we regularly review the rules to ensure they are appropriate for current working styles and security measures.

To ensure information security, Yokogawa has developed an information security structure at each of its business units, headquarters, and affiliated companies. Each organization draws up an action plan at the beginning of the fiscal year and checks the level of the organization using a maturity confirmation check sheet at the end of the fiscal year. In addition, it implements a PDCA cycle, which is the key to smooth information security promotion activities.

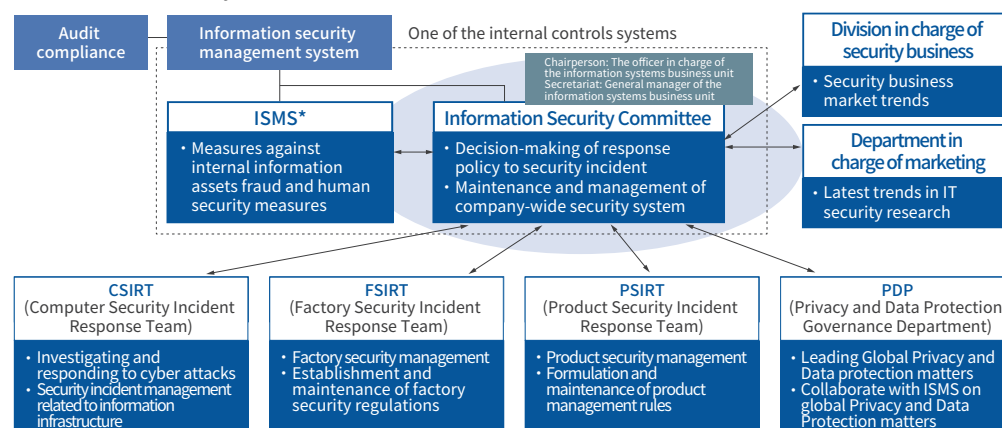
Information security organization



Information Security Committee

In conjunction with the above, Yokogawa also has an information security committee to improve its responses to cyberattacks and ensure that customers and Yokogawa are able to continue their business activities safely and securely. This committee is chaired by the officer in charge of the information system division, and consist of cybersecurity experts from various fields, including products, striving to share information and keep abreast of the latest trends within the Group.

Information Security Committee



* For the structure of the ISMS (Information Security Management System), please refer to the information security organization diagram on the left.

Response to Cyberattacks

Cyberattacks show no sign of slowing down and are becoming increasingly sophisticated. To prevent cyberattack risks, the Computer Security Incident Response Team (CSIRT) act effectively. In recent years, the damage caused by ransomware has increased worldwide, many companies and organizations were attacked. Yokogawa regularly investigate the vulnerability information of its own systems and networks and take measures to improve them. In addition, CSIRT carries out incident response (detection, response, and control of incidents) on a daily basis in order to minimize damage caused by security incidents.

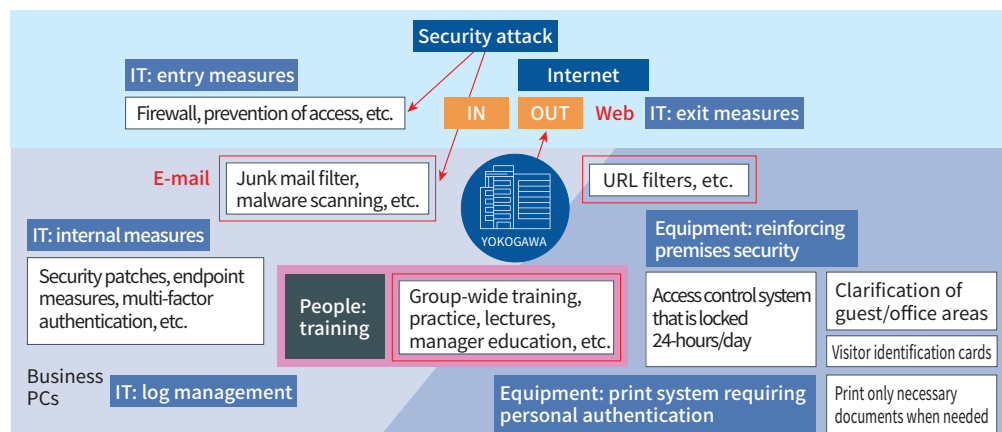
And partnership with other departments is vital as many people are involved when responding to an incident. In fiscal year 2025, we will continue to build a framework to respond to urgent incidents and improve the response capability of CSIRT.

Information Security

Yokogawa's Security Management

In order to properly manage confidential information, it is necessary to be in a state where it can be objectively recognized as confidential. Yokogawa sets confidential information classification for confidential information and manages them according to classification. In addition, in order to protect confidential information, we are working on information security measures from the three perspectives of People, Equipment, and IT.

Information Security Management



Equipment: Easy-to-understand and Secure (Security of Office Premises)

Information security must be easy to understand. We have clarified the areas that employees and visitors are permitted to enter. When a visitor enters an area other than a guest area, the visitor must wear a visitor identification card. We protect property and information assets on the premises of the head office using an access control system that keeps the office area locked 24 hours a day.

Moreover, we have introduced a managed print service (MPS) that requires personal authentication for the printing of only the necessary documents at the time they are required, preventing documents from being left behind on printers or mixed in with other documents.

IT: Protection Behind the Scenes

We use IT to prevent human error such as accidental leaks and the inappropriate use of information due to a lack of knowledge, and also adopt a multi-tiered approach to prepare for external cyberattacks. In response to cyberattacks, which are diversifying day by day, we obtain the latest vulnerability response information, regularly check the Security Scorecard's evaluations and tune the settings of our security equipment to maintain the standards we have set for ourselves. And we install a private SOC (Security Operation Center). Thereby, we are striving to prevent unauthorized access and early detection of signs and incidents. In addition, this private SOC technology is the foundation of OpreXTM IT/OT Security Operations Center service.

In fiscal year 2025, we upgrade to a next-generation SIEM (Security Information and Event Management) that utilizes AI and machine learning technology to automate the detection, response, and control of security incidents, building a system that can respond immediately at all times. This will reduce the human workload of SOC and CSIRT and realize autonomous security operations.

People: Information Security Training

To protect information, every individual employee should be aware of information security. Yokogawa provides training using e-learning to all its employees every year to enable employees to think for themselves about the handling of information they receive and appropriately act. We share up-to-date knowledge regarding information security, and publish internal bulletins whenever necessary to keep our employees informed of responses to security incidents and recurrence prevention measures based on actual events. Further, we provide more practical information in the form of lectures on information security featuring expert lecturers, as well as education and training on responses to targeted attacks, phishing, BEC (Business Email Compromise), and response to internal fraud. In addition, we provide education to suit specific roles, such as line managers or mobile users. Information security audits are also conducted to check whether the results of this training are reflected in day-to-day information security activities.

Information Security

Security Management for Products and Services

The Yokogawa Group recognizes the importance of continuously providing measures to address cyber threats for both its customers and society. We are committed to working together with our customers to address security issues through the products and services we provide.

Recently, the risk of cyberattacks has increased. As a result, countries around the world are demanding higher levels of security for critical infrastructure. These requirements are being progressively codified into laws and regulations to maintain public order and safety.

Likewise, in many business fields, it has become necessary to view the risk of cyberattacks from a broader perspective. This includes considering factors such as digital transformation and supply chain management. For companies, identifying these risks and improving countermeasures against cyber threats have become urgent tasks to ensure business continuity.

In this context, we strive to understand the legal regulations in each country and stay current with security trends, as well as international standards and industry associations. We actively pursue activities aimed at providing products and services that meet these security requirements. This includes sharing knowledge and holding demonstrations with cybersecurity vendors.

Major Initiatives

At Yokogawa, we view the entire process - from product development to system installation and operation - as the system lifecycle. By supporting our customers' security activities throughout this lifecycle, we work to reduce risks to critical infrastructure that originates in cyberspace.

Product Development

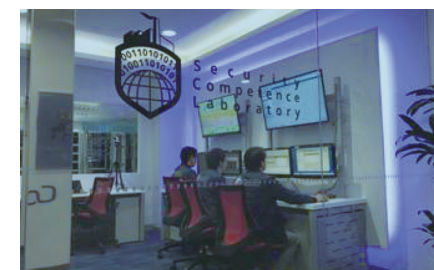
- We have established a basic policy and standards for security measures. These are incorporated into our development process to eliminate vulnerabilities from products and enhance security.
- Yokogawa's control system product development department has obtained ISASecure SDLA (Security Development Lifecycle Assurance) certification from the ISCI, an international organization promoting security certification. This certification is given when the development process of control system products is found to meet the requirements for the secure development of products based on evaluations conducted by an independent organization. The review process determines that development processes comply with IEC 62443-4-1, an international standard governing product development security. Yokogawa is the first supplier of control system products in Japan to obtain this certification.
- To ensure security quality, our main products, CENTUM VP and ProSafe-RS, have obtained ISASecure CSA (Component Security Assurance) certification. ISASecure CSA certification is designed to comply with IEC 62443-4-1 and IEC 62443-4-2, international standards for the security of control devices.



ISASecure SDLA certificate

System Integration

Through security training for engineers, the research and study of security technology conducted mainly at the security laboratory, and support for the introduction of security measures to systems, we aim to realize a uniform implementation of security and secure progress for system integration.



Security laboratory

System Operation

Through the operation of a security program, we aim to reduce cybersecurity risks in customer systems throughout their lifecycles, connect OT security risk management to business risk management, and realize optimal security systems so that customers can operate safely and securely in the wake of the era of IT/OT convergence and System of Systems (SoS). The program follows the Plan-Do-Check-Act cycle and offers six phases in total for continuous improvement and updating.

Yokogawa provides consulting on both the required technology and the operation of systems, and provides support in the form of the development of policies and procedures for implementation, as well as the design and implementation of solutions. In addition, we provide extensive support relating to the operation of installed security measures throughout the entire product life cycle.



PSIRT (Product Security Incident Response Team)

Starting from October 2023, we have joined the international framework for vulnerabilities, Common Vulnerabilities and Exposures (CVE) program, as a CVE Numbering Authority (CNA). This allows us to assign CVE ID, an identifier for vulnerabilities used in the CVE program, ourselves. As a CNA, we extensively gather information about vulnerabilities related to our products, disseminate the information we obtain throughout the Yokogawa Group, investigate, and disclose relevant information regarding vulnerabilities and countermeasures to customers to support their security activities.

 For Yokogawa's activities as a CNA, see our website.

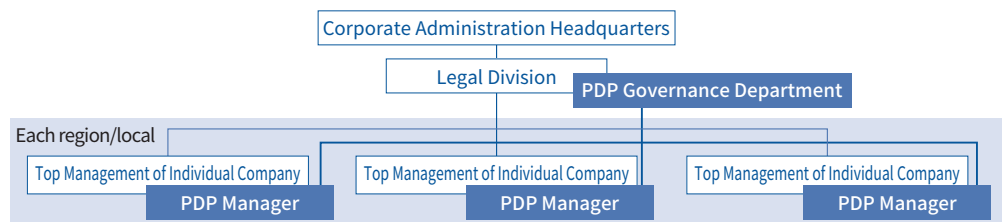
Privacy and Data Protection

Privacy and Data Protection (PDP) Governance Structure

As compliance is of utmost importance to Yokogawa, a global PDP management system is established for the purpose of ensuring compliance with PDP laws and regulations. As part of this management system Yokogawa's PDP Governance Section has been established, which is the organization within Yokogawa responsible for global PDP compliance. The PDP management system includes several internal PDP policies, which specify how personal information shall be processed by Yokogawa, to meet Yokogawa's PDP standards and to comply with applicable PDP laws and regulations. All Yokogawa employees must be familiar with and comply with Yokogawa's PDP policies and receive PDP training, which includes training on Yokogawa's PDP policies.

Privacy and Data Protection (PDP) Governance Structure

Yokogawa has developed a global PDP structure for each individual company.



A number of principles included in Yokogawa's Privacy and Data Protection (PDP) policies

- **Collection and Use:** When Yokogawa collects personal information, a Privacy Notice to inform the individual(s) from whom Yokogawa collects personal information must be provided with the content set forth by and in line with applicable PDP laws and regulations. Personal information shall only be used for the specific purposes notified to the individual(s) through the relevant Privacy Notice, unless otherwise set forth in the applicable law.
- **Accuracy:** Personal information shall be accurate and kept up to date. Inaccurate or out-of-date personal information must be corrected/destroyed.
- **Retention Period:** Personal information shall not be retained any longer than is necessary for the purpose for which the personal information was acquired and/or as necessary to comply with legal retention requirements.
- **Transfer to third parties:** Personal information may only be transferred to a third party if the transfer is allowed under the applicable Privacy Notice; appropriate security measures have been taken to protect personal information, and other requirements under applicable PDP laws and regulations have been met.
- **Data Processor:** When outsourcing operations processing personal information to subcontractors, before engaging with a subcontractor, Yokogawa conducts due diligence by using Yokogawa's supplier privacy compliance questionnaire form to validate if they ensure

the same or higher level of PDP standards ensured by Yokogawa and Yokogawa concludes data processing agreements if necessary.

- **Privacy by Design:** To ensure that Yokogawa considers PDP in the development, design and implementation of any new process, application or product/service which involves the processing of personal information, Yokogawa's PDP policies contain strong Privacy by Design requirements, such as conducting privacy impact assessments, and where required data protection impacts assessments.
- **Incidents:** To respond promptly to a data breach and comply with global legal requirements, Yokogawa's PDP Governance Section and the global ISMS team have created a global Incident Procedure for all employees to follow.
- **Security:** In order to ensure proper security of personal information, Yokogawa maintains robust Information Security Management standards. Under these standards Yokogawa strives to prevent unauthorized access to, loss, destruction, falsification or leakage of personal information. When outsourcing operations which include processing of personal information to subcontractors, Yokogawa takes appropriate security measures, such as requiring the subcontractors to maintain a high level of information security. Information security incidents related to personal information, however trivial, are managed in line with Yokogawa's PDP policies.
- **Response to Individual Rights on personal information:** If Yokogawa receives a request from an individual concerning the individual's personal information, such as informing about the collection and use of their personal information, having inaccuracies regarding their personal information corrected, withdrawing their consent for the collection and use of their personal information, and/or having their personal information deleted, Yokogawa will respond to and handle the request in line with the applicable statutory requirements and in line with Yokogawa's PDP policies.
- **Audit:** To monitor Yokogawa's PDP compliance, the PDP Governance Section conducts PDP audits at company level in line with Yokogawa's PDP policies. Many Yokogawa entities are ISO 27001 certified.

For the Yokogawa Group Privacy Statement, see our website.

Key Activities 2024

In fiscal year 2024, we strengthened our PDP program by enhancing both our technological capabilities and employee engagement. We procured a dedicated PDP tool to automate key privacy processes and systematically document compliance, improving efficiency and accountability. To reduce PDP incidents, we focused on building strong employee awareness through mandatory global e-learnings and regular quarterly newsletters. Additionally, in collaboration with ISMS, we upgraded our Information Security Incident Procedure to ensure timely response in the relevant countries and verified its effectiveness through a Dry-Run. Our Privacy Notice was updated to reflect evolving regulatory requirements and ensure transparency and trust.



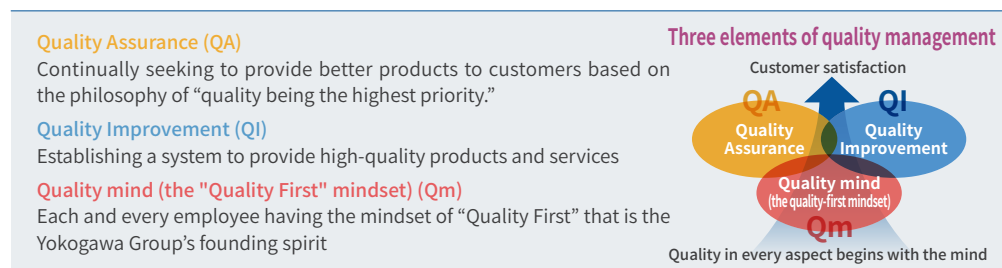
Quality Assurance

The Basic Quality Policy

- Quality management is carried out in order to implement customer focus based on “Quality First,” which is the spirit of foundation, and “Healthy and Profitable Management” through improvements in management quality.
- Products that meet statutory and regulatory requirements as well as customer requirements are supplied.
- Appropriate quality management systems conforming to the International Standard ISO 9001 requirements are established and implemented. In addition, the effectiveness of those systems is continually improved.
- Customer requirements are fulfilled and customer satisfaction is increased through the results of quality activities in all organizations and personnel. For this purpose, each employee must feel that the quality of his or her work has a direct bearing on product quality, and that the company believes in “Quality First.”
- The head of each organization is responsible for the quality of the relevant businesses. The responsibilities include ensuring that adequate resources are made available.

Customer Satisfaction and Quality

Yokogawa provides high-quality products and solutions that satisfy our customers. This is built upon the “Quality First” founding spirit that we have preserved for over 100 years. Our quality management consists of three basic elements: Quality Assurance (QA), Quality Improvement (QI), and Quality mind (the quality-first mindset) (Qm).



Yokogawa believes that the customer expectations can only be met and long-lasting relationship built when all of these elements are engaged. We consider the principle of “Quality First” is essential for maintaining high levels of quality. Therefore, all employees across the Yokogawa Group incorporate quality in each operation, based on group-wide rules and an awareness of the importance of quality.

Quality Assurance Activities

Since its founding, Yokogawa has built quality management systems into each process from development, planning, design, and manufacturing to sales and service, in order to deliver products and solutions that contribute to customer satisfaction. Yokogawa first obtained ISO

9001 certification in 1992, and major Group companies both in Japan and overseas have also acquired the certification. For product supports, specialists deal with the issues and problems with products that are encountered by customers. Yokogawa operates a globally integrated service system featuring its Global Response Center, which continually monitors customer equipment to ensure its safety. Yokogawa also ensures the traceability of measurement instruments as part of its quality assurance system. Yokogawa is an enterprise registered with Japan Calibration Service System (JCSS) for electricity, pressure, flowrate, and time.

Yokogawa QHSE* Month

In 1960 in Japan, November was set as Quality Month by the Union of Japanese Scientists and Engineers, the Japanese Standards Association, the Japan Productivity Center, and the Japan Management Association. Yokogawa has continuously engaged in related activities during Quality Month.

Starting in 2018, we engage in an array of activities within the Group in November every year, having added occupational health and safety and environmental conservation, which are the foundation of management, to quality and renamed the month Yokogawa QHSE Month.

To instill the importance of quality, occupational safety and health, and environmental conservation in the minds of all employees, we have put up QHSE Month posters designed by an employee of a Group company. In addition to the mindset of “Quality First”, we convey the thoughts of senior management regarding occupational safety and health, and environmental conservation to the employees of the Group in a QHSE Month message.

*QHSE: Quality, Health, Safety, and Environment



QHSE Month poster

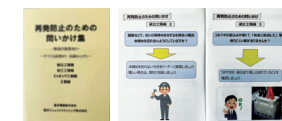
Yokogawa QA Booklet and Awareness Notebook to prevent recurrence

To maintain and improve quality, Yokogawa has prepared a QA Booklet that explains the attitude that is necessary during work every day in easy-to-understand terms. Workers are expected to maintain the mindset of “Quality First” by carrying this booklet with them wherever they go. In addition, we have created a new collection of Awareness Notebook to prevent recurrence for manufacturing workers, which is deployed at manufacturing sites as an aid for maintaining awareness.

These have been translated into five languages to facilitate deployment across the Group.



QA Booklet for manufacturing workers



Questions to Ask to Prevent Recurrence

QHSE Management Maturity Assessment

Since 2018, Yokogawa has set its own numerical criteria to assess the maturity level of QHSE management system at major Group companies in Japan and overseas. The purpose is to identify issues related to the establishment and operation of quality, occupational health and safety, and environmental management system in the Yokogawa Group, and to promote continuous improvement.

Since 2022, Yokogawa has continued its assessment by adding perspectives such as strengthening of the governance in each Group company to our criteria.

Every year, we set our Group target of improving the maturity score by 5% compared to the previous fiscal year, and each Group company achieves the target by improving the maturity level through the promotion of improvement measures suggested in the assessment and their voluntary activities.

Chapter

7

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2025

Yokogawa Sustainability Report

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Social data

Item	(FY)	2020	2021	2022	2023	2024
Number of employees (persons)	Yokogawa Group	17,715	17,258	17,084	17,365	17,670
	Yokogawa Electric Co.	2,536	2,503	2,342	2,269	2,242
Percentage of women in managerial positions (%)	Yokogawa Group	11.7	12.6	13.3	14.5	14.8
	Yokogawa Electric Co.	7.7	8.6	8.7	9.5	11.0
Percentage of women employees (%)	Yokogawa Group	21.9	22.5	23.1	23.8	23.9
	Yokogawa Electric Co.	17.4	18.1	18.8	19.6	20.3
Disability Employment Rate (%)	In Japan	2.40	2.46	2.52	2.58	2.65
		(2021/6)	(2022/6)	(2023/6)	(2024/6)	(2025/6)
Collective agreement coverage (%)	In Japan	73.7	72.7	77.7	76.8	76.0

Environmental data

Item	(FY)	2020	2021	2022	2023	2024
Energy consumption (GJ)	In Japan	623,618	641,173	567,187	453,610	426,172
	Outside Japan	758,685	745,515	750,264	646,038	554,781
	Total	1,382,303	1,386,688	1,317,451	1,099,648	980,953
	Intensity per sales (GJ/100 million yen)	369	356	289	204	174
Renewable energy consumption (MWh)		175	2,594	10,730	26,362	30,705
Greenhouse gas (GHG) emissions (t-CO2e)	In Japan	29,850	28,331	25,127	19,732	18,703
	Outside Japan	42,966	42,155	41,958	37,643	27,221
	Total	72,816	70,486	67,085	57,375	45,924
	Intensity per sales (t-CO2e/100 million yen)	19.46	18.08	14.7	10.62	8.17
	Scope 1	11,727	12,015	15,390	11,966	12,141
	Scope 2	61,089	58,471	51,695	45,409	33,783

Item	Classification	Category	(FY)	2024
Supply chain GHG emissions (Scope 3) (t-CO2e)	Upstream	1	Purchased goods & services	391,181
		2	Capital goods	32,643
		3	Fuel- and energy-related activities not included in Scope 1 or 2	11,142
		4	Transportation & distribution	16,995
		5	Waste generated in operations	1,177
		6	Business travel	26,282
		7	Employee commuting	5,799
	Downstream	8	Leased assets	—
		9	Transportation & distribution	—
		10	Processing of sold products	—
		11	Use of sold products	249,052
		12	End-of-life treatment of sold products	493
		13	Leased assets	—
		14	Franchises	—
		15	Investments	—
	Total			734,764

A dash (—) indicates "not applicable."

Item	(FY)	2020	2021	2022	2023	2024
Total reportable lost time incidents frequency rate (Number of accidents with lost days / Total actual working hours × 1,000,000)	Employees	0.11	0.41	0.34	0.34	0.44
	Temporary and contract employees	0.00	0.23	0.32	0.20	0.58
Total reportable incidents frequency rate (Number of accidents with lost days + Number of accidents without lost days) / Total actual working hours × 1,000,000)	Employees, temporary and contract employees	0.59	0.69	0.80	0.82	1.02
Fatal accidents (cases)	Employees (Yokogawa Group)	0	0	0	0	0
	Temporary and contract employees (Yokogawa Group)	0	0	0	0	0
Donations and community investments (million yen)	Cash contributions	229.7	199.5	177.8	263.3	226.1
	Time	0.6	0.7	0.5	3.9	7.9
	In-kind giving	4.1	12.7	3.5	4.2	76.4
	Management overheads	18.0	18.0	18.0	18.0	18.0
	Total	252.4	230.9	199.8	289.4	328.5

Item	(FY)	2020	2021	2022	2023	2024
Water withdrawals (m ³)	In Japan	240,379	187,040	203,373	206,837	243,420
	Outside Japan	248,092	237,927	298,307	302,218	312,513
	Yokogawa Group	488,471	424,967	501,680	509,055	555,933
	Intensity per sales (m ³ /100 million yen)	130	109	110	94	99
Water discharges (m ³)	In Japan	235,432	184,289	197,012	202,139	243,420
	Outside Japan	227,369	218,831	242,676	222,643	312,513
	Total	462,801	403,120	439,688	424,782	555,933
Waste generated (t)	In Japan	1,977	2,530	2,203	2,176	2,215
	Outside Japan	2,406	2,162	2,310	2,700	2,924
	Total	4,383	4,692	4,513	4,876	5,139
	Intensity per sales (t/100 million yen)	1.17	1.2	0.99	0.9	0.91
	Recycled	2,851	3,142	2,877	3,164	3,421
Non-hazardous waste (t)	Incinerated	481	434	393	404	415
	Landfilled	524	333	489	597	573
	Total	3,856	3,909	3,759	4,165	4,409
Hazardous waste (t)	Recycled	—	708	546	425	572
	Incinerated	—	75	207	279	158
	Landfilled	—	0	1	7	0
	Total	527	783	754	711	730


 For all sustainability data, see our website.

Third-Party Verification and External Evaluations

Third-Party Verification

To ensure the reliability of the disclosed sustainability information, Yokogawa has received third-party assurance for social and environmental data for the fiscal year 2024 (from April 1, 2024 to March 31, 2025) by LRQA Limited in accordance with ISAE 3000 (Revised), and ISO 14064-3:2019 for greenhouse gas (GHG) emissions. The verified data are as follows.

Environmental data

- Energy consumption (GJ)*¹
- Renewable energy consumption (MWh)
- GHG emissions
(Scope 1, Scope 2 (Market-based) and Scope 3 (Category 1-15)) (tCO₂e)*²
- Water withdrawal volume (m³)
- Water discharge volume (m³)
- Total generated waste (t)
- Total landfilled waste (t)
- VOC emissions (t)*³
- Percentage of manufacturing plants certified with ISO 14001 (%)

Social data

- Percentage of female employees (%)
- Percentage of females in managerial positions (%)
- Gender pay gap (%)
- Total reportable incidents frequency rate*⁴
- Total reportable lost time incidents frequency rate*⁵
- Number of fatal accidents
- Percentage of manufacturing plants certified with ISO 45001 (%)
- Total number of Tier 1 suppliers
- Total number of important Tier 1 suppliers
- Percentage of total expenditure directed to important tier 1 suppliers (%)
- Total number of important non-Tier 1 suppliers
- Total number of important suppliers (Tier 1 and non-Tier 1)
- Total number of suppliers undergoing desk review or audit

*1 Indicates the primary energy equivalent under the Energy Conservation Law.

*2 GHG quantification is subject to inherent uncertainty. LRQA has not verified the supplier primary data used for calculation in Scope 3 Category 1.

*3 (Production sites of YOKOGAWA Group) Toluene and Xylene; (Production sites in Japan) 20 substances defined by 4 electrical and electronic organizations.

*4 The number of occupational accidents with and without lost days within the boundary divided by total working hours (in million-hours).

*5 The number of occupational accidents with lost days within the boundary divided by total working hours (in million-hours)

  For the independent assurance statement, see our website.

External Evaluations

Yokogawa's ESG (Environment, Social, Governance) management has received high external ratings.

Global










Japan

2025 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)


FTSE Blossom Japan Index


FTSE Blossom Japan Sector Relative Index


2025 Sompo Sustainability Index


Morningstar GenDi J
Japan ex-REIT Gender Diversity
Tilt Index
TOP CONSTITUENT 2025


S&P/JPX Carbon Efficient Index

  For more details on external ratings, see our website.

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<https://www.yokogawa.com/about/sustainability/>