

Sustainability

Materiality 5 Further Strengthening of Our Sustainable Management Base



We will tackle the strengthening of our management base, which is the foundation stone toward the realization of our long-term vision of being a company that supports the society of the future.



In our long-term vision, the Teijin Group advocates being a company that supports the society of the future. We have designated the three years from FY2020 to FY2022 as a period for creating growth platforms toward sustainable growth. We aim to achieve growth by creating and providing value in three fields of business—environmental value solutions; safety, security, and disaster mitigation solutions; and demographic change and increased health consciousness solutions.

Such growth cannot be realized without a sustainable management base. Therefore, we will endeavor to build an environment in which diverse human resources, the driving force toward the realization of our long-term vision, can be active and to train such human resources; to strengthen corporate governance, which is essential for sound and sustained growth; to promote corporate ethics and compliance activities as the basis of trust; to respond properly to various risks; to ensure information security, which is becoming increasingly important in the IT society; to engage in responsible procurement and manufacturing to gain customer trust; and to give due consideration to the environment, security and disaster prevention, and health.

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Sustainability

Diversity and Inclusion

The Teijin Group fosters a corporate environment that makes use of employee diversity and facilitates the continuous creation of new value required by society, promotes diversity and inclusion, and seeks to carry out various work styles that will achieve this.

To promote our business activities globally, it is essential to make full use of the abilities of diverse human resources who differ in race, religion, gender, cultural background, or other attributes. To invigorate the Teijin Group's organization and accelerate innovation, we will further promote diverse workstyles, the advancement of women, and diverse human resources. Through these efforts, we aim to be an organization that can leverage the capabilities of human resources with various values and experience to the greatest extent possible, and that can spur diverse collaborations.



Promotion of Diversity & Inclusion

Human Resources System and Global Human Resources Recruitment

Human Resources Development and Global Talent Management

Workstyle Reform and Work-Life Balance

Promotion of Diversity & Inclusion

The Teijin Group has maintained the belief that making full use of the abilities of diverse human resources helps enhance its creativity and promote innovation. Since establishing the Diversity Office in 2000, we have been actively engaging in such efforts as recruiting global personnel and promoting the advancement of women.

Although our initiatives toward diversity and inclusion have thus far focused on Japan, in light of the globalization of our businesses, we are currently expanding these efforts on a worldwide basis. Under our Medium-Term Management Plan 2020-2022, we have created regional strategies that address the issues in each region of operation and established group-wide diversity and inclusion KPIs.

Main Actions



KPIs

			October 2019*6	April 2020*6	April 2021*6	April 2023*6(Milestone)	April 2031*6
Diversity of executives ¹	Female executives		3	4	4	6 or more	10 or more
	Non-Japanese executives		3	5	5	6 or more	12 or more
Key goals for women's advancements ²	Japan ³	Managers (or higher)	117	127	143★	174	300 or more

		October 2019 ^{*6}	April 2020 ^{*6}	April 2021 ^{*6}	April 2023 ^{*6} (Milestone)	April 2031 ^{*6}
U.S.	Senior managers ^{*4}	2	2	2	4	10
EU	Global core talent ^{*5}	0	1	1	3	10
China	Senior managers ^{*4}	-	4 ^{*7}	4	9	12
ASEAN	Senior managers ^{*4}	-	5 ^{*7}	5	5 or more	8 or more

*1 Board of Directors, statutory auditors, Group executive officers, and Group corporate officers

*2 Key goals are set based on regional situations (Targets in China and ASEAN were set in September 2020)

*3 Major subsidiaries in Japan: Teijin Limited, Teijin Pharma Limited, Teijin Frontier Co., Ltd., Infocom Corporation

*4 President or his/her direct report in a Group company

*5 Human resources of female senior managers selected and certified as executive candidates

*6 As of October 1 and April 1, respectively

*7 As of August 1, 2020, the most recent data at the time when KPIs

Power of culture project

The Teijin Group maintains the belief that corporate culture has a close relationship with innovation. Guided by this belief, we aim to foster a new corporate culture that is agile, innovative, and inclusive. To that end, we launched an initiative to transform our corporate culture, the "Power of Culture Project," in September 2020. Under this project, we aim to clarify the desired corporate culture for the Group and promote reforms geared toward realizing that culture.

As the first stage of this project, in fiscal 2020 all corporate officers in Japan and overseas gathered together to discuss the kind of new corporate culture we should foster and what actions need to be reinforced to foster such a culture. As a result of this discussion, the Group's management agreed to the new Teijin Group Leadership Charter, thereby demonstrating its commitment to reform. The Teijin Group Leadership Charter forms the basis of our various efforts toward human resources programs and diversity and inclusion, including new leadership development programs and the Global Engagement Survey, which is slated to be held in fiscal 2021. Going forward, we will promote the Power of Culture Project over a three-year period, expanding number of people targeted by the project over this period.

Global engagement survey

In fiscal 2020, we proceeded with preparations for the Global Engagement Survey, which we will implement in fiscal 2021. This survey aims to help us ascertain the level of employee engagement, clarifying the gaps between our existing corporate culture and our desired one, and engage in actions toward making improvements.

Establishing an inclusive environment in which all employees can demonstrate their skills to the greatest extent possible will enable our employees to contribute to the success of our business activities and the realization of our long-term vision.

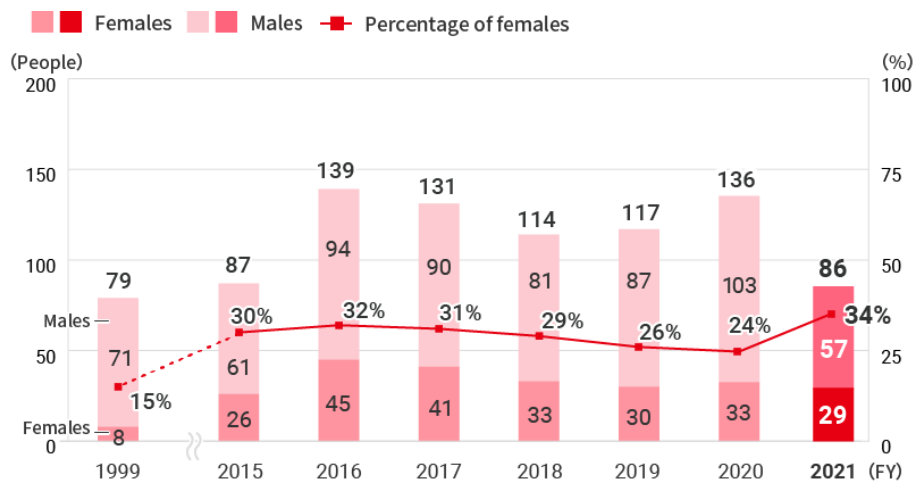
Accelerating female career development

The Teijin Group first created a specialized organization to promote the empowerment of women in 2000. Since then, we have created systems and conducted training and education to achieve four objectives: Expand the population of female employees, promote a good work-life balance, foster a corporate climate of diversity and inclusion, and support the career continuation and enhancement of women.

Since 2002, we have set goals for number of female managers in Japan and the heads of each business and function (officers) have set KPI for individual businesses and functions and supported the development and careers of female employees. In addition, CHO reports on the status of diversity and inclusion to the Board of Directors.

Further, Empowerment of Women's Advancement training (half-year training that includes group training, action learning, and presentations) is continuously conducted for selected employees of major Group companies in Japan, who are one step away from a management position. In FY2020, which is the tenth time this program has been conducted, 20 employees participated, bringing the total number of participants to 198. Among them, there are who are currently enrolled in a select program for core human resources and those who have been promoted to management positions where they are exhibiting leadership at their workplaces.

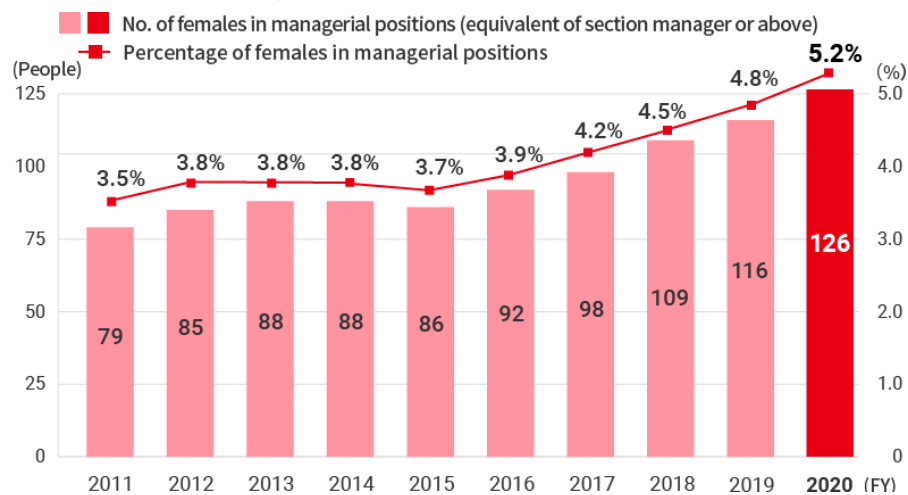
Changes in number and ratio of newly recruited career-oriented female university graduates ★



* Figures are totaled based on number of employees recruited as of April of each fiscal year.

* Four core group companies in Japan: Teijin Limited, Teijin Pharma Limited, Teijin Frontier Co., Ltd., Infocom Corporation

Changes in number of female employees in managerial positions ★



* Data as of March 31 of each fiscal year

* Four core group companies in Japan: Teijin Limited, Teijin Pharma Limited, Teijin Frontier Co., Ltd., Infocom Corporation

* Percentage of female employees in managerial positions of the total number of managerial positions in the companies.

Career building support for employees

There are few female role models in positions such as sales, research and development, and engineering compared to other jobs. The Teijin Group (Japan) has transcended corporate barriers and is promoting the "New-Generation Eijyo College Forum" project in which female employees in sales positions (eijyo) aim to solve problems in their company and the business world through demonstration experiments. In FY2020, two female sales teams presented initiatives for improving sales capabilities, and relevant results. In addition, round-table discussions were held with senior employees to develop the career awareness of women in science and technology who are engaged in research and development, among other things.

Some employees must unavoidably interrupt their careers when a spouse is transferred overseas. We established a leave program for employees accompanying a spouse to an overseas assignment that permits leaves of up to three years so that these employees can continue their careers. While on leave, some employees study a language or engage in other self-development and enhance their work skills and then return to work. To date, 20 employees have made use of this program.

Re-employment systems

Teijin Limited and Teijin Pharma Limited have established the Hello-Again system for employees who left the companies for reasons including marriage, pregnancy, child-rearing, nursing care, or work transfer of their spouses. Employees in this situation who wish to return to the Teijin Group due to the reason for leaving no longer applying will be rehired as full-time employees on the condition that it is not more than 10 years since they left and if the need exists. Up to the end of FY2020, 14 employees who had left the companies had been rehired through the Hello-Again system.

We have also established a system by which employees at all domestic group companies may continue to work after retirement. In FY2020, a total of 117 employees★ continued to work after retirement at 41 group companies.

Employment of people with disabilities

As of April 1, 2021 at 29 group companies (consolidated) subject to a legal requirement to employ people with disabilities in Japan, the total number of employees with disabilities* was 262.5★, more than the 259 specified by the related laws and regulation.

Due to the large impact of the higher statutory employment rate and the retirement effective from March 2021, etc., 16 individual companies★ failed to meet the legal requirement for employment of people with disabilities. In FY2021, we will share successful cases of hiring employees with disabilities in each company in an attempt to employ more people than the recruitment number required by laws and regulation.

In February 2019, Teijin Limited established the special subsidiary Teijin Soleil Co., Ltd., with the objective of creating workplaces in which people with disabilities can experience the satisfaction and enjoyment of working. Teijin Soleil offers a diverse range of workplaces and work duties mainly in agricultural work (cultivation and sale of produce and flowers) and office support (administrative assistance), and in April 2021, we also launched a new office support team in Iwakuni district. In addition, we are moving forward with preparations for starting a cleaning business in the Hino district in June 2021.

* Number of employees with disabilities does not refer to the headcount, but to number of persons with disabilities calculated taking into consideration the type of disability and the working hours. These form the basis for calculating the employment rate of persons with disabilities as per the employment quota system for persons with disabilities.

Expanding diversity awareness

To strongly promote our business activities globally, it is essential to make full use of the abilities of diverse human resources who differ in nationality, race, gender, sense of values, ideas and experience. The Teijin Group upholds "Empowering Our People" as part of its corporate philosophy, and accordingly has put in place a work environment in which every Group member can fully harness their individuality and attractiveness to make the most of their abilities.

We promote diversity and inclusion as a management strategy, and management uses various opportunities to disseminate our diversity and inclusion objectives and policies to employees.

In addition, the understanding of management is crucial for promoting diversity and inclusion, and since FY2018, we have conducted a diversity index survey of all officers and general managers of the department or higher. The survey objectively measures the awareness and understanding of management that cannot be expressed numerically in the same manner as the ratio of female managers and other such measures and use this information when considering future policies. In order to create an inclusive corporate culture, it is necessary to have a culture in which employees can express their opinions with peace of mind. Also, the evaluation criteria for psychological safety have increased for the third consecutive year. On the other hand, as much as 60% of our employees have cited enforcing reforms in the corporate culture that are not bound by pre-existing concepts as the top priority. We aim to continue further efforts to reform in this direction.

We have also issued a pamphlet entitled "together" to raise awareness of diversity every year since 2002. Starting with the 2020 version, in addition to the Japanese version, an English version is prepared so that it can be distributed to all group employees. The latest 2021 issue presents CHO's interviews with directors in the Healthcare Business and Material Business respectively, on the themes of "Organization Change and D&I" and "Necessary Changes." Further, in addition to initiatives by overseas group companies, the issue includes a special feature on the project about problem-solving by female employees of sales teams.

We have incorporated LGBT issues in diversity courses conducted as a part of new employee training and new manager training since FY2015 to raise understanding. In FY2019, training on LGBT issues was conducted in conjunction with Teijin Group Corporate Ethics Month training.

In addition, we conducted training and e-learning for human resources and general affairs personnel who serve as contacts for employee consultations using virtual reality.

Since FY2017, interested employees have participated in the Tokyo Rainbow Pride parade, one of Japan's largest LGBT event.

From July 2020, we have revised the human resources and salary systems at Teijin Limited and Teijin Pharma Limited, ensuring that same-sex partners of LGBT parties concerned are treated in the same way as spouses for various allowances and benefits. In recognition of these efforts, we received the gold certification at work with Pride in 2020.

We will continue our efforts to create an environment of acceptance regarding sexual orientation, sexual identity, sexual expression, and so on in the future.



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Promotion of Diversity & Inclusion

Human Resources System and Global Human Resources Recruitment

Human Resources Development and Global Talent Management

Workstyle Reform and Work-Life Balance

Human Resources System and Global Human Resources Recruitment

One of the key actions in the Medium-Term Management Plan for Diversity & Inclusion is to advocate changes in the human resources system, and we are restructuring the human resources setup to support global strategy.

Global management of human resources

In April 2020, the Corporate human resources organization was established under the Human Resources Division.

Our aim is to build and operate a globally shared human resources system that can foster and manage human resources at our bases in Japan and overseas. In FY2020, the first year, in addition to launching a human resources management system and mechanism of appointment to aid Teijin Group employees to be active on a global basis, we have also designated managers to be in charge of human resources in each region (Europe, the United States, and China) and have been implementing our human resources strategy and measures on a global level.

The Overseas Practical Training Program launched in FY2019 as a new initiative, could not be implemented in FY2020 due to the COVID-19 pandemic. This program aims to enable young employees to gain practical experience at overseas group companies, hone their international awareness, and build interpersonal networks. We plan to restart the program in FY2021.

Recruitment of global human resources in Japan

The Teijin Group engages in recruitment activities with the motto of accelerating and promoting the globalization of human resources and diversity.

In FY2020, we proactively pushed forward with initiatives to recruit global human resources, including participation in seminars for foreign university students on exchange in Japan. As a result, we hired two students of foreign nationality and 19 individuals with extended experience living or studying overseas as new career-oriented recruits in FY2020 (started in April 2021).

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One of the key actions in the Medium-Term Management Plan for Diversity & Inclusion is to advocate global talent management, and we are strengthening the nurturing of the next generation of global leaders.

Teijin group basic human resources policy

In 2003, we established the Teijin group basic human resources policy.

Teijin Group Basic Human Resources Policy

Goals of human resources management

- Fulfill the corporate philosophy of “Empowering Our People”
- Realize continuous improvements in employees' productivity and enhance their quality of life

Basic Policies

1. Strive to maintain good employment relationships with employees
2. In the treatment of employees, emphasize factors relating to the employees' duties, achievements and capabilities while pursuing transparency, fairness and understanding
3. Endeavor to assign the right persons to the right positions, taking into consideration work requirements and human resource conditions
4. Actively support the development of employees' capabilities
5. Respect diversity

Teijin group medium-to long-term personnel plan

The medium-term management plan from FY2020 to FY2022 positions the promotion of diversity and inclusion as a priority measure for the creation of innovation. We are promoting the diversification of work styles, the empowerment of women, and the diversification of human resources more than ever and accelerating the revitalization of organizations and creation of innovation.

Penetration of diversity and work style reforms

Anticipating an improved QOL for each and every employee, create systems that supports a wide variety of work style choices and life plans

Promoting the success of human resources regardless of gender, nationality

Create human resources systems that enable flexible personnel appointment/relocation across countries, companies and organizations to meet the wishes of all employees

Promoting the design of systems to support diverse work styles in step with the times

Create a training/education system enabling career development to meet all employees' needs

Leadership development programs (core human resource cultivation)

Based on the results of the discussions we held as part of the Power of Culture Project, we established new leadership development programs in fiscal 2020. The new programs incorporate strategic assignments, external personnel evaluations, and mentoring as well as KPIs on female and non-Japanese employee participation. In fiscal 2021, all corporate officers will undertake mentor training with the aim of having them become mentors to top-class personnel.

Increase number of selected excellent overseas human resources for core human resources development programs

The following programs are implemented with a view to developing core human resources who will forge the future of the Teijin Group. In FY2021, we aim to review our core human resources development program, and are committed to adopting measures such as understanding the how well human resources in Japan and at our bases are demonstrating their abilities.

1) STRETCH I ,STRETCH II

The Strategic Executive Team Challenge (STRETCH) I and STRETCH II are Group-wide core human resources development programs used to develop human resources who can work actively on the global stage. The programs target employees at all group companies including overseas.

In FY2020, 7 employees participated in selection training for STRETCH I , a program for employees in positions close to department manager, and 17 employees participated in selection training for STRETCH II , a program for employees in positions close to section manager.

2) JuMP

JuMP stands for Junior Management Program, a three-year program for select trainees aimed at developing core human resources candidates. In FY2020, everything was conducted online due to the COVID-19 pandemic. There were 36 new persons selected (two of whom participated from overseas) and 32 persons in the second round of selection (five of whom participated from overseas). At the end of the training, they were divided into groups and they presented proposals for new businesses.

In addition, in FY2021, 16 new persons from each region, including Japan, will be selected for the biennial overseas course, and training will be started online.

Group-wide leadership training program, EaGLES

“EaGLES” is the name of the Teijin Group's shared leadership training program launched in FY2011.

EaGLES training is as an opportunity for all employees in managerial positions in the Teijin Group to acquire leadership experience and learn the Teijin Group's values, management policies and history. As such, all employees in Japan and overseas requiring these skills and knowledge are sequentially completing this training program every year.

EaGLES consists of three steps: (1) e-learning (available in Japanese, English, Chinese and Thai), (2) group training in five world regions (Japan, EU, the United States, China and Thailand) and (3) measuring learning outcomes. For group training overseas, we hold informal gatherings with regional representatives of Teijin Limited which serve as valuable opportunities to interact.

In FY2020, the training program was held online to prevent the spread of the COVID-19, and 68 people took the course in Japan.



EaGLES

Training responding to the globalization of business

The Teijin Group has been dispatching all new recruits of the three core group companies (Teijin Limited, Teijin Frontier Co., Ltd., Infocom Corporation) in Japan to emerging countries for training in order to respond to business globalization. Beginning with dispatches to China and India in FY2011, we added Indonesia as a new dispatch destination in FY2013, followed by Vietnam in FY2014 and Thailand in FY2016. The program is enhancing the recruits' awareness of globalization by allowing them to gain firsthand experience of various cultures through visits to companies and government offices, discussions and field work with high-achieving local human resources of the same generation, and other activities.

This program was suspended in FY2020 and FY2021 to prevent the spread of COVID-19 infections. A determination regarding resumption will be made while monitoring conditions.



Overseas training for new recruits

Human resources development and training

The Teijin Group promotes and encourages self-development based on the independent study of each and every employee and coordinates on-the-job training, a job rotation/appointment system and other training programs as part of a systematic approach to developing Group human resources.

Basic Approach to Human Resources Development and Training

A fundamental part of human resources development is to promote and encourage self-development based on the independent study of each and every employee.

1. On-the-job training

A means for leaders to promote the self-development/study of each team member through individual training and guidance in the course of daily work. This supports the growth of each employee based on the sense of fulfillment/achievement attained through having a sense of urgency in relation to work and through the process of completing work.

2. Job rotation/appointment

An opportunity for each individual to develop/extend capabilities and a means to encourage further self-development/study. Leaders should have a good understanding of the strengths and personalities of team members and work to implement appropriate job rotation/appointments based on self-applications and other information.

3. Training

This refers to off-the-job training, which is a means to provide employees with content based on requirements for present and future execution of duties and management needs, and an opportunity to provide each individual with an opportunity for self-

development/study. Leaders should proactively send team members to training in order to encourage wider outlooks and mutual development with other employees inside and outside the group.

4. Career development and 360-degree evaluation

Company employees and supervisors have self-application system and supervisors conduct career development of employees once a year. Further, in order to encourage employees' own awareness, a 360-degree evaluation is conducted targeting all management employees.

The results of the personnel evaluation are conveyed as feedback by supervisors to the concerned personnel, and guidance and advice that will lead to the growth of employees is provided. If one is not satisfied with the results of the personnel evaluation, one can use the self-application system by which one can directly report independently to the Human Resources Department.

Job rotation / transfer system

The Teijin Group has set a range of measures to ensure that employees are appointed to positions based on their desires and suitability for positions with consideration to Group-wide human resources needs.

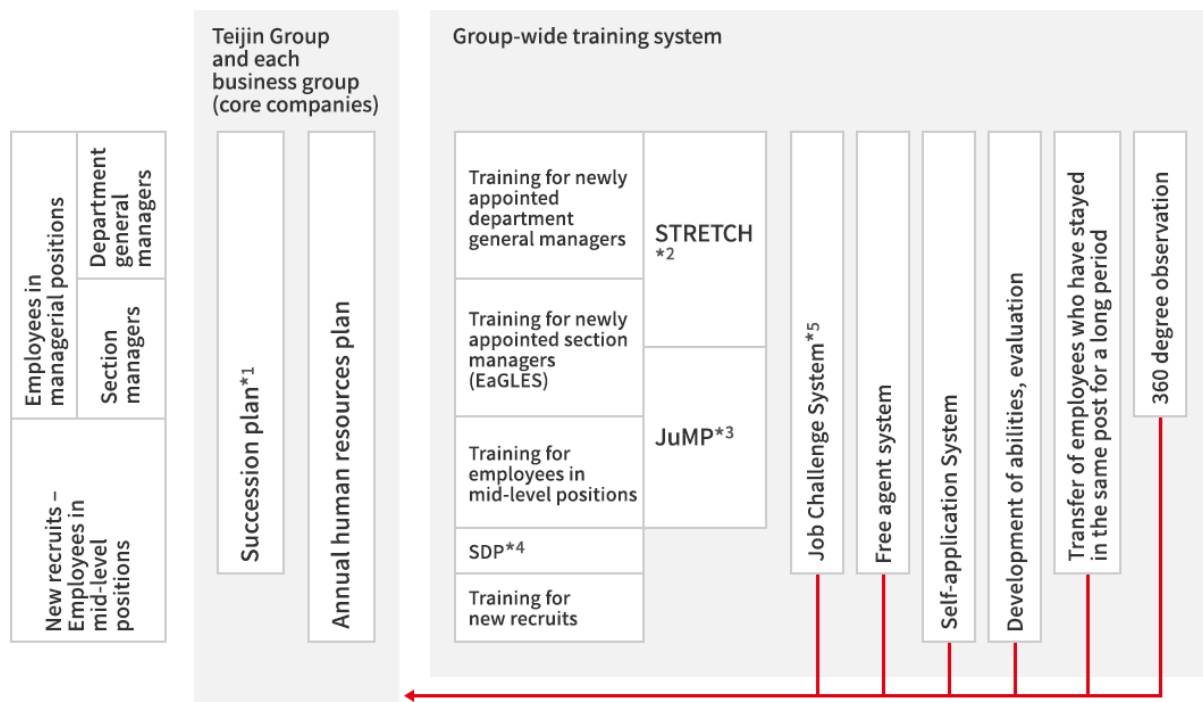
In relation to personnel transfers, we have established an annual personnel plan at all group companies, aiming to realize objectivity and transparency in relation to transfers. Group companies in Japan also have a self-application system that respects each employee's desire regarding transfers and new appointments. Additionally, in as early as 1988, we introduced an in-house staff recruitment system (Job Challenge System) that was pioneering for Japanese companies at the time. In FY2020 11 people were transferred using this system.

Furthermore, from January 2018, we introduced the "FA (Free Agent) System" to release employees to the business unit they wish to be transferred to in order to match their abilities, experience and so on, and made the selection of transfer destination possible. 14 people used this system in FY2020.

We also implement systematic transfers of core human resources selected for STRETCH from among group companies worldwide, with the transfers extending beyond business departments and country borders.

At group companies in Japan, we also review the appointment status of contract employees and temporary staff every year. In FY2020, reviews were conducted at 36 group companies in Japan. We will continue to check the status on a regular basis.

The Teijin Group training and job rotation / transfer system



*1 Succession plan: A plan to foster successors to important posts from the viewpoint of business continuity.

*2 Strategic Executive Team Challenge (STRETCH): A group core human resources development system for leaders.

*3 Junior Management Program (JuMP): A leadership training program for mid-level employees aimed at developing executive talent.

*4 Specialty Development Program (SDP): An educational program designed to enable career-oriented employees to gain specialized knowledge relating to marketing, engineering or clerical work.

*5 Job Challenge System: An in-house staff recruitment system. Any employee can file an application for a position without permission from the division manager, and the manager cannot overrule decisions.

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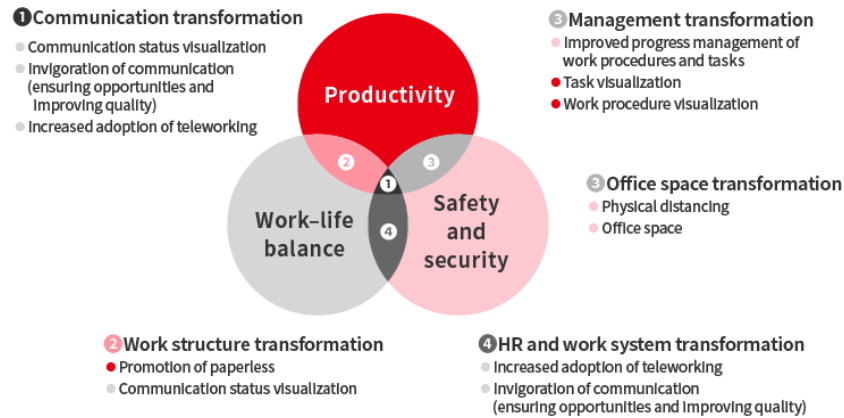
Workstyle Reform and Work-Life Balance

One of the key actions in the Medium-Term Management Plan for Diversity & Inclusion is to advocate workstyle reform, and we are committed to promoting appropriate management of working hours and to designing flexible human resources and employee-treatment systems to support diverse human resources and workstyles. One of the key actions in the Medium-Term Management Plan for Diversity & Inclusion is to advocate workstyle reform, and we are committed to promoting appropriate management of working hours and to designing flexible human resources and employee-treatment systems to support diverse human resources and workstyles.

Workstyle Reform

In fiscal 2020, the measures we implemented to address the COVID-19 pandemic gave us an opportunity to expand the utilization of teleworking, primarily at our head offices in Tokyo and Osaka. Giving consideration to new workstyles that respond to the new normal era in which coming to the office is not a prerequisite, we started to undertake efforts to change the mindsets of our employees and reform our work processes.

Specifically, we held multiple cross-organizational discussions on the five themes of "paperless," "work visualization," "communication," "office space and physical distancing," and "systems and evaluations." Guided by these themes, we implemented measures to address a large number of issues. For example, with regard to communication, we are promoting an initiative in which we hold surveys of employees who primarily work on a remote basis with the aim of visualizing the status of communication within departments. Based on the results of these surveys, we then create the necessary action plans for each department. Going forward, we will work on a Groupwide basis to establish better, more efficient workstyles while promoting a shift toward digitalization.



Status of the work-from-home system

In FY2019, Teijin Limited and Teijin Pharma Limited introduced telework programs that allow employees to work outside the office even in the absence of a reason such as childcare or family care. In addition to easing constraints of work locations, employees can briefly step out from work at their own convenience.

Further, from April 2021, the companies have decided to pay telework duty allowances for months when telework done exceeds 70 hours a month, and plan to reduce the burden on employees arising from teleworking. This increases the flexibility of workstyles and enables each employee to demonstrate their full capabilities.

In addition, we are also making full use of the telework program as a means of preventing the spread of COVID-19 infections, and to this end, we have implemented the following temporary measures: (1) elimination of the limit of 70 hours of telework per month, (2) use of empty rooms in company housing as satellite offices, and (3) allowing newly-hired recent college graduate employees, part-time employees, and temp workers, who were previously excluded, to use the telework program. However, in order to reduce the risk of infection, only private rooms and meeting rooms can be used in the case of satellite offices with corporate contracts, and use of open spaces, where one may come into contact with an unspecified number of people, is prohibited.

Going forward, we are committed to adopting measures to build and realize new ways of working post COVID-19 crisis.

Promoting Work-Life Balance

In order to strengthen the promotion of work-life balance, Teijin Limited introduced a system in October 2014 under which the spouses of employees who are transferred overseas for work may also take leave from work to be with their spouses. They may take leave for three years. As of the end of March, 2021, 20 employees had used the system and 12 employees had returned to work.

In April 2018, the Childcare Work-Life Balance Handbook for Everyone was created not only for female employees with a baby, but also for their supporting partners, superiors at the workplace, team members, and everyone to promote a better understanding of the demands of working while raising children, so that supportive workplace environments can be created. There is a shortage of nursery schools mainly in urban areas, and there are cases where employees cannot return to work as scheduled after childcare leave, as nursery schools have not yet been determined. In order to support nursery hunting during childcare leave, we have been providing concierge services for nursery hunting since 2017, leading to a smooth return to work.

According to a survey by the Ministry of Health, Labour and Welfare, one out of every two Japanese persons will suffer from cancer during their lifetime. In the light of this situation, in October 2020, we introduced a system of shorter working hours for disease treatment, among other things, to enable a balance between work and disease treatment of disease during the period of adverse effects of treatment of various diseases, including cancer.

Further, this system also applies to employees receiving fertility treatment.



Childcare Work-Life Balance Handbook for Everyone

Reducing actual working hours

For some time now, group companies in Japan have been utilizing a system that requires applying for overtime in advance and actively promoting no-overtime days.

In FY2020, the four core group companies* in Japan reported an average overtime of 12.0 hours per month ★ (a decrease of 1.0 hours compared to FY2019). The utilization of annual paid holidays was 75% ★ (a decrease of 8 points compared to FY2019). In FY2021, we will strive to improve results as compared to the previous fiscal year, with the aim of further reducing actual working hours.

In order to realize appropriate working hours, we are using IT tools and external consultants to conduct survey on work and work visualization and exerting all efforts to comprehensively revise tasks (IT utilization, standardization of operations, making meetings efficient, etc.). In addition, as some employees, among those who are mainly teleworking due to the COVID-19 pandemic, are unable to smoothly switch between work and private life, we are currently following whether employees have secured an interval (break) during working hours in accordance with guidelines, apart from using PC logs to provide reference data for ascertaining working hours.

The Teijin Group in Japan has set the goal of "overall actual working hours of 2000 or less for all employees and 10 days or more of annual paid leave." At present, this is yet to be achieved, but we are committed to achieving this goal while building a new way of working in anticipation of a post-corona era.

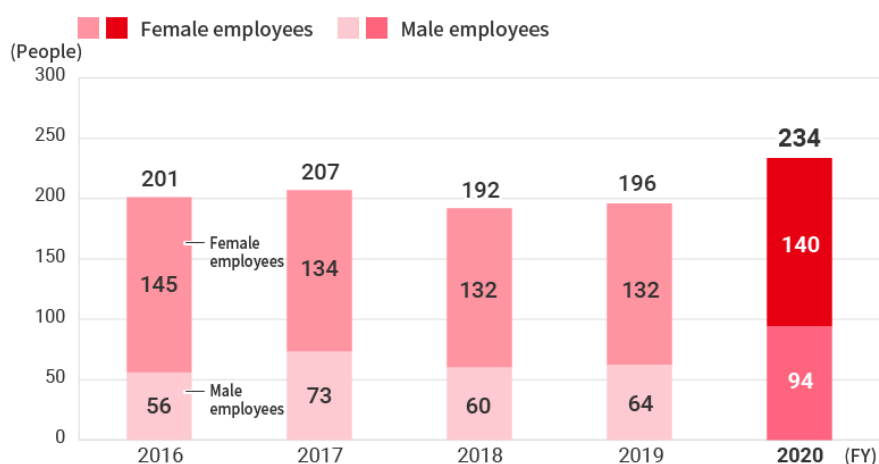
* Four core group companies in Japan: Teijin Limited, Teijin Pharma Limited, Teijin Frontier Co., Ltd., Infocom Corporation

Promoting childcare leave for employees

In group companies in Japan, besides preparing a support manual to promote supervisors' understanding and smooth communications with female employees during pregnancy or before/after maternity leave, in order to promote childcare leave for male employees, activities that raise awareness of the importance of promoting childcare leave, among other matters, have been incorporated into action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children (Amended Next-Generation Act). For example, we have been sending individual monthly e-mails to male employees eligible to take childcare leave and their superiors in order to provide information about how to obtain childcare leave and other related matters. This aims to create an environment in which it is easy for male employees to take childcare leave.

In FY2020, a total of 234 employees ★ took childcare leave at the four core group companies in Japan. Of these, number of male employees who took childcare leave was 94, and although there is variation depending on the number of children born, the number of employees taking childcare leave is on the rise. We will continue to conduct awareness raising activities so that employees can start planning to take childcare leave before they have children. At the same time, we will work to develop a workplace environment that is conducive for male employees to take long-term childcare leave.

Trends in number of employees taking childcare leave ★



* Four core group companies in Japan: Teijin Limited, Teijin Pharma Limited, Teijin Frontier Co., Ltd., Infocom Corporation

Balancing work and nursing care

In the future, as the baby boomer generation reaches the late elderly age, there will be an increase in number of employees who will need to balance work and nursing care. As a countermeasure, in FY2020, the Teijin Group companies in Japan jointly held three nursing care web seminars in which employees could participate with their family members, and held online nursing care workshops in the form of card games.

In addition, from time to time we post specific information on preparations for providing nursing care while working, the methods of use of programs, and other topics on the Teijin Group shared intranet and established a Nursing Care Consultation Desks that connects employees with external specialists.

Nursing care is something that can become necessary suddenly. In the future, we are committed to supporting the balance between nursing care and work by developing measures that focus on preparations for nursing care, and on information provision that ensures immediate access to necessary information when faced with a need for nursing care, as well as on support for long-distance caregivers.

介護をしながら働くとき

仕事への復帰は得意です。なるべく早く元の担当業務に復帰しますよ。

制度名	対象	内容	制度名	対象	内容
介護休暇	介護者(介護施設に入居する従業員)	介護施設に入居する従業員が、介護施設に入居する家族の介護のために、介護休暇を取得する。介護施設に入居する家族の介護のために、介護休暇を取得する。介護施設に入居する家族の介護のために、介護休暇を取得する。	介護休暇	介護者(介護施設に入居する従業員)	介護施設に入居する従業員が、介護施設に入居する家族の介護のために、介護休暇を取得する。介護施設に入居する家族の介護のために、介護休暇を取得する。介護施設に入居する家族の介護のために、介護休暇を取得する。
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Information posted on the intranet

Nursing care leave system

Our nursing care leave system operating at three of the four core group companies in Japan allows each applicant to take up to 730 days of nursing care leave per reason (also obtainable in portions). This far exceeds the total of 93 days of leave specified under the Child Care and Family Care Leave Law.

In addition, the systems for nursing care reduced working hours, flexible work start/finish time, etc. can be used for as long as an employee is providing nursing care.

In FY2020 there were 3 employees ★ taking nursing care leave and 4 employees on shorter working hours for nursing care, for the four core group companies combined.

The baby boomers generation will be reaching late elderly age in the future, and an increase among the current generation of workers who are providing nursing care while working is expected. We will continue to hold seminars to raise awareness and strive to foster a corporate culture with a good work-life balance.

Volunteer leave system

With a view to encouraging volunteer activities, the Teijin Group has introduced a paid Volunteer Leave System at Teijin Limited and Teijin Pharma Limited. As of March 31, 2021, there were 13 employees using the Volunteer Leave System.

Determining the Status of Group-Wide Labor Management

The Teijin Group carries out regular surveys on labor management at group companies. We identify management issues in our Group personnel management system and implement effective measures as required, particularly from the viewpoint of labor CSR. Survey forms are sent to 49 group companies in Japan and 20 overseas, every year. From the survey, we obtain data on basic labor CSR indicators. After amendments to labor-related laws or if otherwise needed, the Teijin Group reviews the labor management status, employment rules and personnel systems of all group companies in Japan.

Since labor laws and regulations differ from country to country, with regard to overseas group companies, we conduct surveys of basic items, and also implement additional surveys on the human resources system and salary systems, as necessary.

Survey items (group companies in Japan)

Basic labor CSR indicators - conducted annually

- (1) Number of employees (by position/gender)
- (2) Average years at company and average age
- (3) Number of newly recruited employees (by position/gender/career stage (new versus mid-career)/type of work (administrative versus technical))
- (4) Number of retired employees (by position/reason)
- (5) Data on re-employment after age-limit retirement (by position)
- (6) Number of executives by gender
- (7) Number of fixed-term employees
- (8) Overtime hours (per month)
- (9) Rate of taking annual paid holidays/Number of annual paid holidays taken
- (10) Use of childcare leave/childcare short-time work system
- (11) Use of nursing care leave/nursing care short-time work system

Status of labor management - conducted when required

[Legal compliance]

- (1) Employment of the elderly
- (2) Work hours
- (3) Temporary/Contract workers
- (4) Maternity protection and childcare
- (5) Care and nursing
- (6) Equal-opportunity employment

[Labor affairs measures]

- (1) Work-life balance (e.g. overtime hours/annual paid holidays/flex-time system)
- (2) Retirement allowance system
- (3) Progress in promoting diversity
- (4) Recruitment and education
- (5) Health and welfare system (dormitories/other issues)
- (6) Other issues (e.g. existing issues for which demand for support exists)

Survey items (overseas group companies)

Survey of the following basic labor CSR indicators

- (1) Number of employees
- (2) Average years at company and average age
- (3) Number of new recruits
- (4) Number of employees who retired

Maintaining Sound Industrial Relationships

The Teijin Group sees the labor union as an important stakeholder, and we are working to maintain and improve our good relationship with the union. As fundamental concepts in industrial relations, we emphasize “mutual understanding and thorough prior consultation.”

In regards to labor-management meetings, Teijin Limited adheres to a comprehensive collective bargaining agreement by which meetings will be called upon request from either the company or union side.

At group companies in Japan, all employees except directors and managers belong to the labor union. At the Group Labor-management Council, which brings management and main union officials together, and also at Labor-management Committee meetings (held as required), members exchange opinions on businesses as a whole and hold discussions with the aim of improving workplace environments.

In initiatives to date, we have held discussions on expanding the system to promote work-life balance. In this regard, both workers and management have worked together to bring about the implementation of an hourly-based annual paid holiday system and a short-time work for childcare system that can be divided into intervals. Furthermore, to limit long working hours, workplace patrols on no-overtime days are being continued through the cooperation of workers and management.

In FY2020, kindergartens and nursery schools were temporarily closed and school classes were cancelled to prevent the spread of the COVID-19 infection. This caused a significant burden on employees raising children. Therefore, we supported employees by relaxing the requirements for taking backup leave (lapsed paid reserve leave) and family-care leave and covering the cost of using babysitter services.

Labor unions and work councils (joint labor-management councils) have been established in overseas group companies, and consultations are held between the company and representatives of the employees to achieve a better work environment and working conditions.

Preamble of Labor Agreement between Teijin Limited, Teijin Pharma Limited and Teijin’s Labor Union (largest labor union of Teijin Group)

Teijin Limited, Teijin Pharma Limited and Teijin’s labor union mutually respect the position of one another, and work together towards establishing industrial peace through the sound development of business and consideration of union member’s welfare. With this in mind, the Teijin Labor Agreement was concluded, and both sides are committed to observing it in good faith.

* The labor agreement with Teijin's Labor Union is applicable to all full-time and fixed-term employees, except managers.

Sustainability

Corporate Ethics and Compliance

Compliance is essential for creating a sound corporate culture. With this in mind, we seek to always act responsibly with high ethics.

Promotion System

Main Activities

Security Export Control

Compliance and Risk Management (CRM) Promotion System

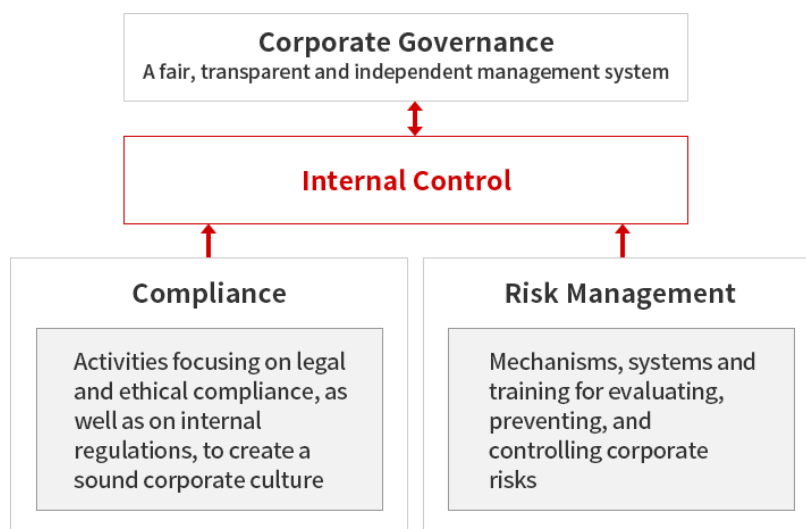
We hold meetings of the Group CSR Committee, which is chaired by the Chief Social Responsibility Officer and has the general managers of each business unit as its members, as a forum for deliberation and sharing information on compliance and risk management policies, measures, and activities within the group.

In addition, the Group Compliance Subcommittee, which is chaired by the general managers of CSR and Compliance Department and has the general manager of departments responsible for compliance in each business group or unit as its members, is established. The Subcommittee deliberates and shares information on specific measures and activities in accordance with the policies of the Group CSR Committee and disseminates that information to each business division.

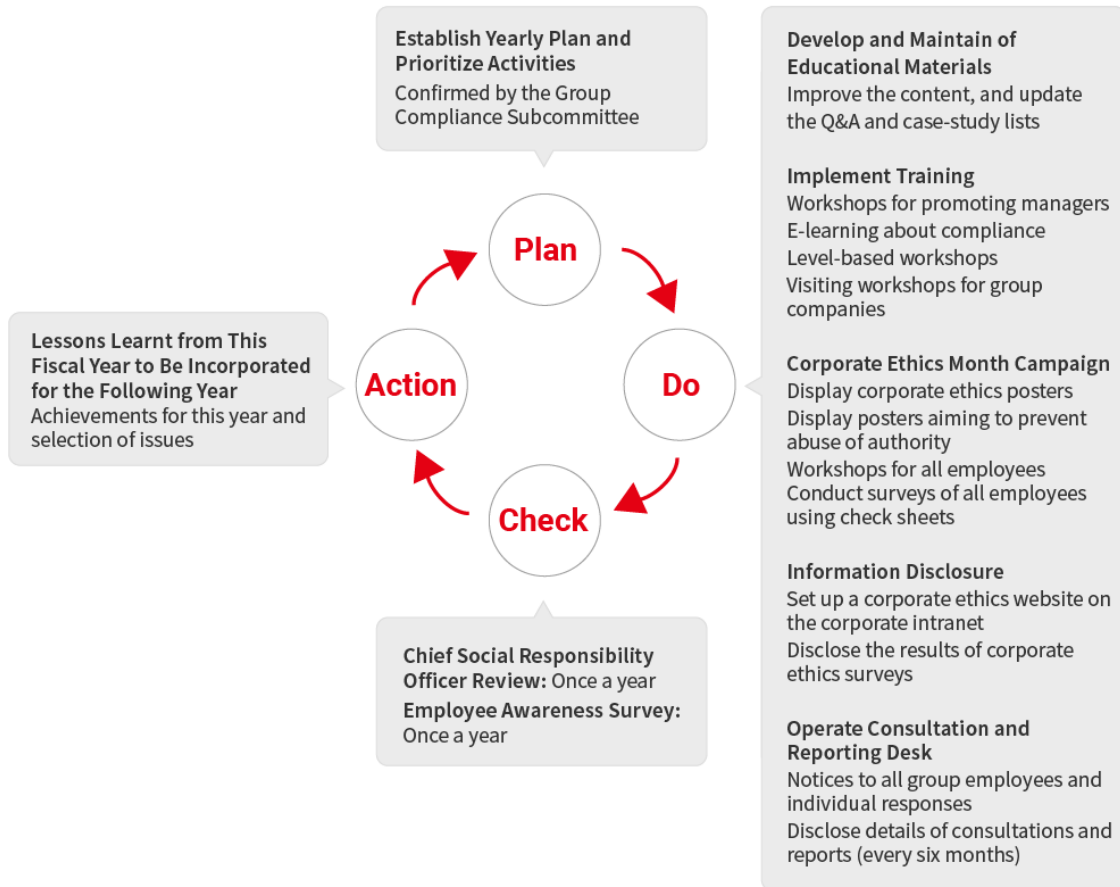
Compliance and Risk Management Promotion Managers (CRM Promotion Managers) are appointed at each worksite and promote the implementation of activities.

In addition, we hold the global CSR meeting, which has compliance personnel at main overseas group companies as its members. In FY2020, the meeting was postponed due to effects of the COVID-19 pandemic.

Positioning of compliance and risk management



PDCA cycle of compliance and risk management activities



Sustainability

Corporate Ethics and Compliance

Compliance is essential for creating a sound corporate culture. With this in mind, we seek to always act responsibly with high ethics.

Promotion System

Main Activities

Security Export Control

Corporate Ethics and Compliance Activities

Compliance is essential for creating a sound corporate culture. With this in mind, we carry out educational programs not only on internal rules and laws relevant to our business but also on various aspects of corporate ethics.

We also operate a counseling and reporting system (hotline) that is designed to facilitate self-resolution of internal legal and ethical problems.

Revision to the code of conduct

The Teijin Group Code of Conduct comprises the five following elements, which are derived from the letters of T/E/I/J/IN.

Respect diversity: Together

Emphasize the environment, safety, and health: ESH

Value good faith: Integrity

Recognize one another and create vitality: Joy at work

Aim for innovation: INnovation

The Code of Conduct was comprehensively revised in June 2018 as the shared values of all employees in order to contribute to the development of a sustainable society and support the society of the future.

In FY2020, we undertook activities to disseminate the Code of Conduct in Japan and overseas.

In September we created a video in which the CEO discussed the importance of the Code of Conduct. The video was sent to all group companies with subtitles in local languages of all regions and countries in which the Teijin Group operates. We also produce videos to raise awareness and understanding of the Code of Conduct. To make it easy to understand, we use four animated characters from world-famous paintings, and in FY2020, we created two videos addressing respect for diversity and ensuring safe work environments and physical and mental health. Similar to the video message featuring the CEO, these videos are distributed with subtitles in local languages to all group companies. We plan to release a total of 10 videos featuring the 24 key points for putting the Code of Conduct into practice that are discussed in the Teijin Group Corporate Ethics Handbook by FY2022.

Tax policy of the Teijin Group

In order to comply with laws and regulations regarding the tax practices of the countries, regions and multilaterals in which the Teijin Group operate, we have established a tax policy as a basic standard for taxation in April, 2022. By paying taxes appropriately in accordance with this policy, we aim to perform our social responsibilities and become a corporate group that can gain the understanding and sympathy of society at large while at the same time striving to increase our corporate value.

Tax policy of the Teijin Group(PDF:155KB) 



New Code of Conduct.

Corporate ethics workshop for all employees

Teijin Group holds the Corporate Ethics Workshop every year targeting all executives and employees (including contract/temporary employees).

In FY 2020, the workshop was held online in response to the COVID-19 pandemic. Starting with this workshop, we prepared educational materials (the Teijin Group Corporate Ethics Handbook) available worldwide in the languages of all regions and countries where we conduct business. In the future, we plan to select eight of the 24 key points for putting the Code of Conduct into practice and cover all of them by FY2022.

Check sheets to survey all employees at the corporate ethics workshop

We introduced MS Forms, a new questionnaire system, in FY2020 and administered the same survey worldwide regarding the level of comprehension of the Corporate Ethics Workshop and other topics.

In Japan, the survey was administered to 12,242 persons, of which 10,800 responded (an 88% response rate), while overseas, the survey was administered to 11,653 persons, of which 4,316 responded (a response rate of 37%). Compared to the previous year, the response rates fell by 10 points in Japan and 24 points overseas, but it is believed that the introduction of the new system was the cause of the declines.

The Corporate Ethics Workshop participation rate in FY2020 was 91% in Japan, two points higher than the previous year. Online training was introduced in response to the COVID-19 pandemic, resulting in a higher participation rate. If those who were not able to participate but studied by themselves are included, the participation rate is nearly 100%. The overseas participation rate was 98.5%. In response to a question about the content of the workshop, approximately 78% of respondents in Japan and 99% of respondents overseas answered that the workshop deep into their understanding, indicating that the workshop is training that serves to enhance the understanding of participants.

Group-wide application of corporate ethics and compliance

1. Level-based workshop training

Every year, as part of level-based workshop training for employees at group companies in Japan, the CSR and Compliance Department conducts training on the reasons why companies undertake corporate ethics and compliance activities and the roles of employees. In FY2020, the training was conducted by having participants watch a pre-recorded video in response to the COVID-19 pandemic, and 325 employees participated.

Also, we promoted greater awareness of corporate ethics through e-learning as part of the EaGLES training program for personnel newly appointed to managerial positions.

2. Rotational training

We have been conducting on-site corporate ethics training whereby members of the CSR and Compliance Department visit sites of each business and affiliate company since FY 2016. In FY2020, however, effects of the COVID-19 pandemic made group training difficult and the number of training opportunities was reduced, and a total of four training sessions with 75 participants were held.

This training uses case studies from both inside and outside of the Teijin Group and aims to create an awareness that corporate ethics and compliance issues can affect anyone, anytime. Moreover, by creating a curriculum to suit the needs of each business/affiliate company, this training is proving to be even more effective.

3. Training for promotion-managers

In the past, this training was held by the CSR and Compliance Department at the Tokyo and Osaka head offices, but in FY2020, group training was postponed due to effects of the COVID-19 pandemic, so training materials were distributed and the promotion managers conducted independent study. The training materials covered CSR procurement, prevention of bribery, and spreading the Code of Conduct.

4. Workplace training/education

The Teijin Group always post educational materials and case studies on its intranet so that promotion managers can conduct training on corporate ethics, compliance, and other topics as needed at each workplace in Japan and overseas and supports environments that facilitate independent training and study by employees.

During the 2020 Corporate Ethics Month (October), we displayed posters with the slogan "Be Unique, but Work as One" and encouraged employees to act in accordance with the Code of Conduct. In addition, we created a video in which the CEO discussed the importance of the Code of Conduct, emphasizing the value of having a common standard, which we refer to as the "Code of Conduct," as the basis for the conduct of diverse Teijin people.

With regard to languages, both the video message by the CEO and posters are prepared in 18 languages--Japanese, English, Chinese (simplified and traditional), Korean, Thai, German, Dutch, Vietnamese, Spanish (European and Latin American), French, Burmese, Portuguese (European and Latin American), Czech, and Hungarian-- to meet the needs of personnel in all regions and countries where the Teijin Group conduct business.



Implementation of employee awareness survey

In November 2018 we conducted the Employee Awareness Survey targeting all employees worldwide to gauge the state of employees' awareness and action in light of our corporate philosophy setup, including the new Code of Conduct, and to mull dissemination measures. This survey embraced questions about CSR in general, including our corporate philosophy and brand statement, awareness of ethics, degree of employees' satisfaction and diversity. Scores were given to answers so as to rank degree of permeation and awareness in five stages. Survey results are shown in the graph.

The results revealed that 85% of respondents answered "Yes" or "I suppose so" to the question, "Do you think Teijin Group's awareness of ethical issues serves as a model for society?"

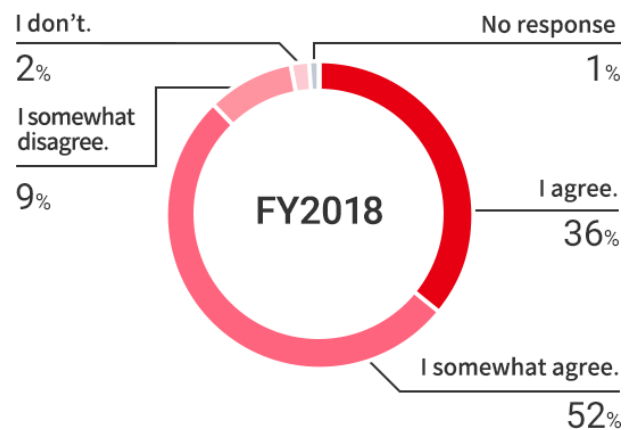
"If you discover or suspect non-compliant conduct in the workplace, would you promptly report it to and consult with your superior?" 90% of respondents answered "Yes" or "I suppose so".

To conduct this survey worldwide, we have been making improvements and rebuilding the platform since FY2019, and in FY2021, we plan to use a new global platform to administer the survey.

Our aim is to further improve ethics awareness in the future, and engage in educational activities to create workplaces where it is easy to consult others about problems and where problems can be solved internally.

Question:

Do you agree that the Teijin Group has a sufficient level of ethical awareness to serve as a good model for society?



Results of FY2018 Ethics Awareness Survey

Counseling and reporting center operations

The Teijin Group has created counseling and reporting system as a means for officers and employees as well as business partners to report directly on violations, suspicious conduct, and other issues at Teijin and its subsidiaries.

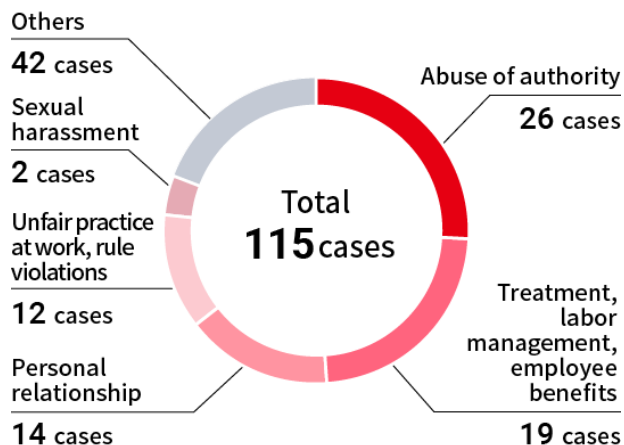
The Teijin Group launched a counseling and reporting system in 1999 for all group employees. Currently, this service is available to anyone working in Japan for an organization of the Teijin Group. A reporting/consultation website page for outside suppliers has been available since 2006. In addition to this, every year since FY2013, during Corporate Ethics Month in October, we directly distribute to employees envelopes for the “Corporate Ethics Opinion Box” to all employees at group companies in Japan.

Employees who work for group companies are able to use the Corporate Ethics Opinion Box, direct reporting, and other means among the group’s counseling and reporting system. In North America, Teijin Holdings USA, Inc., and in China, Teijin (China) Investment Co., Ltd. each established counseling and reporting center, and Teijin Frontier Co., Ltd., INFOCOM Corporation, and Teijin Aramid B.V. established counseling and reporting center and accept counseling and reports from officers and employees of these companies and their affiliated companies.

In March 2019, we also established a new global hotline that enables all officers and employees of overseas group companies to directly report to the Teijin Group headquarters hotline in their local languages.

The Rules for the Teijin Group’s Whistle-Blowing were newly established in 2019 to set for the operational responsibilities, authority, and procedures regarding these Teijin Group counseling and reporting systems. In addition, we have introduced an internal leniency program that allows the Chief Social Responsibility Officer to issue an opinion on reduction of or exemption from disciplinary measures imposed on a person who reports improper conduct according to the circumstances.

Reports and consultations which could possibly become major risk issues are reported to the Total Risk Management (TRM) Committee, and are handled by top management. While protecting privacy, the content and responses to all issues raised by employees via consultations/reports are disclosed to employees every six months on the intranet for the purposes of raising employees’ awareness and as a preventative measure.



Number of Reports to Hotlines Operated by Corporate in Japan and Overseas in FY2020

Sustainability

Corporate Ethics and Compliance

Compliance is essential for creating a sound corporate culture. With this in mind, we seek to always act responsibly with high ethics.

Promotion System

Main Activities

Security Export Control

Continued Operation and Strengthening of the Security Export Control System

For the Teijin Group, whose business is expanding globally, compliance with laws and a fully functioning security export control system are vitally important. In light of this, we have established the Group Security Export Control Regulations governing the corresponding Security Export Control Regulations and Detailed Implementation Rules, which apply to each group company that conducts exports. We implement this via a dual-level control system, placing specialist back-office staff at the head office and business groups to ensure a highly reliable level of security export control.

The laws that must be complied with in security export control are frequently amended, so an important factor in training activities is to ensure high levels of awareness and thoroughness in regard to the latest information. In this regard, we conduct regular training and promote skills development of employees by encouraging them to sit external practical skills certification exams.

In FY2020, we took measures to enhance the transparency and effectiveness of business including the adoption of IT for security export control operations, and the Group Security Export Control Conference, which is made up of business group committee members, informed personnel about the importance of security export controls, which are expanding onto economic security.

Sustainability

Information Security and Personal Information Protection

We have enacted measures to prevent information leaks from both hard and soft perspectives. At the same time, the Group is promoting an appropriate response to personal information protection laws, which are diversifying on a global basis.

Information Security

The Teijin Group clearly understands the kind of important information that needs to be protected within its business operations. Based on that understanding, the Group has enacted measures to prevent information leaks from both hard and soft perspectives.^{*1} At the same time, the Group is promoting an appropriate response to personal information protection laws, which are diversifying on a global basis.^{*2}

- *1 From a hard perspective, we are promoting physical measures such as establishing security systems to protect against cyberattacks and enhancing our office security. From a soft perspective, we are establishing rules through guidelines and handbooks and implementing educational activities and other types of training regarding these rules.
- *2 In addition to the General Data Protection Regulation (GDPR) in the EU, similar regulations are becoming widespread in the United States, China, and Southeast Asia. In light of these developments, the Group is responding to the various regulations in each country using the response to the GDPR in Europe as a guideline on how to do so.

[Privacy Policy](#) >

Main Initiatives

The Teijin Group not only has put in place measures to prevent leakage of trade secrets, technological information, personal information, and other information, but also maintains and improves its information security by taking the utmost care in managing its information systems.

In each of the Company's divisions, we decide upon the person responsible for IT, the person responsible for personal information protection, and the person responsible for the management of trade secrets. Every year, these responsible persons check the management status of information assets like information systems, networks, facilities, personal information and trade secrets. Moreover, the Corporate Audit Department conducts yearly audits of information security and personal information protection at all group companies.

In FY2020, the number of work-at-home employees, mainly at the Tokyo and Osaka head office areas, increased due to the spread of COVID-19 infection. Therefore, in addition to improving the remote environment for mobile PC use, we have formulated usage guidelines such as limiting information sharing tools used in business to those permitted, not using LINE among other things, and encouraged user compliance.

Regarding management of trade secrets, with the aim of establishing management based on the "Trade Secret Protection Handbook," all persons in charge of business and persons in charge of intellectual property having complete understanding of the technical content and projects, mutually confirmed the content in the management ledger of each business, and made efforts to prevent the content from becoming a matter of formality.

In terms of our response to the globalization of regulations for the protection of personal information, we have initiated measures in accordance with the laws and regulations in United States and Thailand where the Teijin Group has many bases.

As for education and training, we have strengthened our efforts to spread awareness of "examples of leakage of technical information in other companies" and increased the targeted e-mail training for the entire Group, conducted three times last year, to seven times. In addition, in December 2020, for the first time we conducted table-top exercises assuming an emergency situation under the European General Data Protection Regulation (GDPR), for personnel in head offices and European Group companies.

In FY2020, unauthorized external access to the Teijin Group was confirmed several times, but no damage was caused due to substantial information leakage.

Sustainability

Security, Disaster Prevention, and Occupational Safety Activities

Following the principle of safety first in everything, the Teijin Group aims to realize zero disasters and zero accidents. We also promote the mental and physical well-being of employees and the building of employee-friendly workplaces.

Security and Disaster Prevention

Occupational Safety

Health and Sanitary Measures

Security and Disaster Prevention Activities

System to promote disaster prevention management

The Teijin Group is engaged in disaster-prevention management and has established Group-wide Disaster-Prevention Guidelines. For each fiscal year, we design plans based on these guidelines relating to preventative measures, such as disaster-prevention assessment, fire prevention, and earthquake countermeasures, as well as planning and implementing initiatives including the strengthening of disaster-prevention training and drills and upgrading of fire-prevention equipment.

Each Business Group / manufacturing site manages the implementation status and achievements of these disaster-prevention activities and gives guidance to improve any areas of noncompliance. The results of this are then audited by the Chief Social Responsibility Officer at the end of each fiscal year.

Implementing disaster prevention assessments

The Teijin Group has been conducting disaster prevention diagnoses since 1980 and mini disaster prevention diagnoses since 2008 in line with our own independent standards.

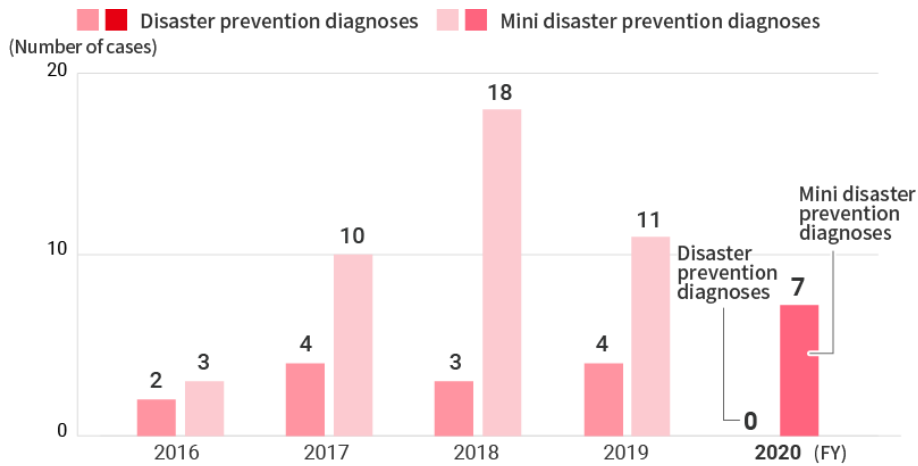
In disaster-prevention diagnoses, safety is assessed every five years by experts in manufacturing, facilities, and ESH¹ at a total of 14 plants globally. These are Teijin Group plants where large amounts of hazardous substances are handled. Results of the assessments are reported at the following year's disaster-prevention diagnosis meeting. In FY2020, no plants were assessed for safety, but online disaster-prevention diagnosis meetings were held for the three plants at which safety assessments were performed in FY2019.

Mini-disaster-prevention diagnoses mainly examine fire prevention, focusing on small-scale locations with a risk of fires, such as boilers and places where hazardous materials and combustibles are stored (25 factories). We conduct an examination every 5 years. In FY2020, we carried out diagnoses at 24 risk areas in 7 factories .



Disaster prevention diagnosis meeting

Trends in the Number of Disaster-Prevention-Assessed Plants



Other activities aimed at realizing zero serious accidents

To achieve our aim of zero “serious accidents,” which we have defined as including explosions, fires, and external leakage/spills of hazardous substances, we are working to enhance disaster-prevention management at our chemical plants and power plants.

FY2020 was another year with no serious accidents.

Activities of the specialist disaster prevention team

The Teijin Group has established a team comprising current and former employees and external experts with vast knowledge and experience in disaster prevention. This team, known as the Teijin Group Chemical Accident Preventions Specialist Team (TCAP), provides technical support for voluntary disaster-prevention activities at our chemical plants and in-house power plants.

In FY2020, the TCAP team provided guidance relating to accident case studies in three Japanese plants and one overseas plant.

TCAP completed its mission in the end of March 2021 and has since ceased activities.

Fire prevention activities

Since 2008, November 10 has been the Teijin Group Fire-Prevention Day. On this day, each group company conducts its own fire-prevention activities, as well as common activities for the whole Teijin Group, such as periodical fire-prevention checks. These activities are shared Group-wide in order to strengthen the fire-prevention system.



Early-stage fire-extinguishing drills at a factory

Disaster-prevention training (evacuation drills)

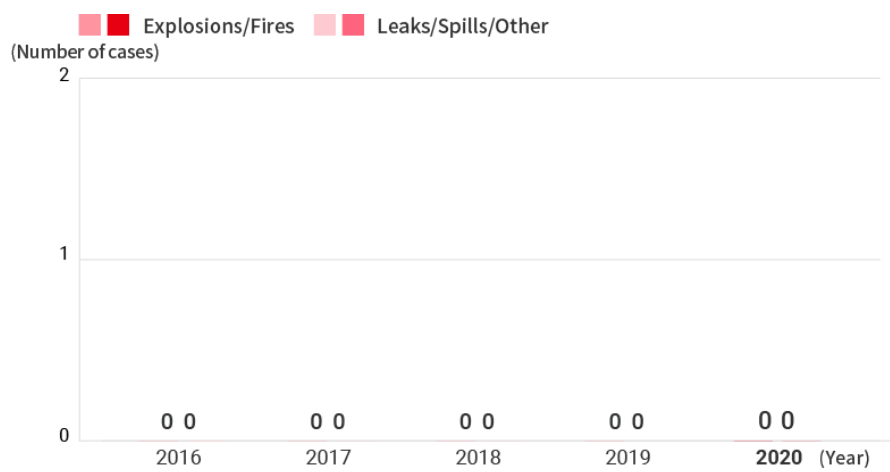
Since the Great East Japan Earthquake struck on March 11, 2011, the Teijin Group has continued to implement evacuation drills assuming the outbreak of a natural disaster. After the drills, we hold review meetings and endeavor to improve our antiearthquake manual. Training was carried out at plants and facilities in Japan in FY2020 as well, including tabletop exercises.



Evacuation drill roll call

Trends in the Number of Serious Accidents and Disaster ★

Thanks to the implementation of various disaster-prevention strengthening measures, including disaster-prevention diagnoses and training, another year without serious accidents was achieved in FY2020.



* A serious accident refers to explosions or fire accidents, accidents involving leakage or outflow of hazardous materials or hazardous substances, which have caused human damage (lost-time injury accidents), or have affected the local community, or have involved full-scale company-external support.

* Figures are calculated based on calendar years

Sustainability

Security, Disaster Prevention, and Occupational Safety Activities

Following the principle of safety first in everything, the Teijin Group aims to realize zero disasters and zero accidents. We also promote the mental and physical well-being of employees and the building of employee-friendly workplaces.

[Security and Disaster Prevention](#)
[Occupational Safety](#)
[Health and Sanitary Measures](#)

Occupational Safety Activities

Occupational safety promotion system

Current status of OHSAS management system certification

To reduce risk in the workplace, the Teijin Group encourages its manufacturing and processing sites to obtain the ISO 45001 occupational health and safety management system certification.

In FY2020, the N.I. Teijin Airbag Fabric (Nantong) Co., Ltd. newly acquired the "Standardization for Safe Production" certification for occupational safety management systems in China.

As of the end of March 2021, a total of 33 business sites and plants, comprising 73% of the total worksites recommended to acquire certification have acquired the occupational health and safety management system certification.

Japan (11 companies, 17 factories)	Teijin (Iwakuni, Matsuyama, Mihara, Mishima, Ibigawa) Teijin Frontier (Matsuyama, Ibigawa) Unisel Teijin Tedy Hiroshima Plastic Teijin Eco-Science (Matsuyama) Teijin Kosan (Ehime) Teijin Engineering (Matsuyama) Toho Chemical Engineering & Construction (Mishima, Tokushima*ISO 45001) Toho Machinery Infocom West Japan (Matsuyama)
Overseas (13 companies, 16 factories)	Netherlands: Teijin Aramid (Delfzijl, Arnhem, Emmen) China: Teijin Chemicals Plastic Compounds Shanghai, Teijin Polycarbonate China (Nantong Teijin Co., Ltd.*), N.I. TEIJIN AIRBAG FABRIC Thailand: Teijin Polyester (Thailand), Teijin (Thailand), Thai Namsiri Intertex (Weaving, Dyeing), Teijin Corporation (Thailand) Germany: Toho Tenax Europe Spain: Esteve Teijin Healthcare Portugal: Inapal Plasticos Czech Republic: Benet

* Standardization for Safe Production

Occupational safety promotion activities

Promoting the three pillars of safety activities

In order to prevent occupational accidents, the Teijin Group has established three pillars of safety activities: the “5S” initiative (referring to the five Japanese words seiri, seiton, seiso, seiketsu, and shitsuke, which correspond to organization, tidiness, cleaning, hygiene, and discipline); the “Hiyari” or “Hatto” (meaning close call or near miss) initiative; and safety patrols. These activities from Japan are expanded as activities common to the Teijin Group including overseas group companies.

Utilizing the information obtained through these activities, we aim to enhance individual awareness of risks and communication in the workplace in order to eliminate occupational accidents within the Teijin Group.

Teijin works to ensure employees’ safety in the workplace and improve its safety activities. To this end, it holds legally stipulated meetings, such as convening of the Health and Safety Committee, and shares information and holds discussions through its own original activities, such as convening of the ESH Promotion Committee.

Initiatives aimed at preventing lost-time injuries

In FY2020 (April 2019 through March 2020), there was one lost-time injury accident related to rotors.

Prevention of entanglement in rotors (rotor-related accidents) is an ongoing issue, and when such an accident occurs, we exert all efforts to investigate the root cause at the concerned workplace and establish measures for preventing recurrence, as well as implementing countermeasures from the perspectives of both education and equipment.

Furthermore, in training seminars on machine safety, we are reinforcing awareness of the safety standards and approaches regarding measures to prevent accidents caused by rotors and implementing measures in line with these standards. As for equipment-centric countermeasures, we regularly confirm the status of machine safety promotion within our Group, including overseas locations, and aim to have safe equipment so that disaster can be avoided even in the case of human error.

In FY2021, with the aim of minimizing the occurrence of accidents caused by work or conduct, which account for the majority of lost-time injury accidents, countermeasures utilizing VR technology will continue to be taken, along with awareness-building efforts to achieve safe behaviors based on the BBS (behavior based safety) process--with a particular focus on measures targeting inexperienced workers with limited field experience.

Moreover, the Teijin Group receives and assesses reports on lost-time accidents of subcontracting companies that occur at Group business sites and supports/promotes initiatives by subcontracting companies to secure safety.

Group-wide sharing of occupational accident information and responses at the time of an accident

Information relating to all occupational accidents resulting in lost time due to injury that occur at Teijin group companies is distributed via an Intranet to enable these experiences to be used as a reference and to help prevent the recurrence of similar accidents.

In particular, if the circumstances and cause of the accident satisfy the requirements for a special audit as described in the ESH Audit Regulations, a special audit is performed either by the Head Office or the relevant business group, depending on the details of the accident. Special audits check the status of onsite investigations to determine the cause of the accidents, the progress of recurrence-prevention measures, and whether or not there are any points for improvement. In FY2020 (April-March), there was no accident that will be subject to a special audit.

State of occurrence of occupational accidents

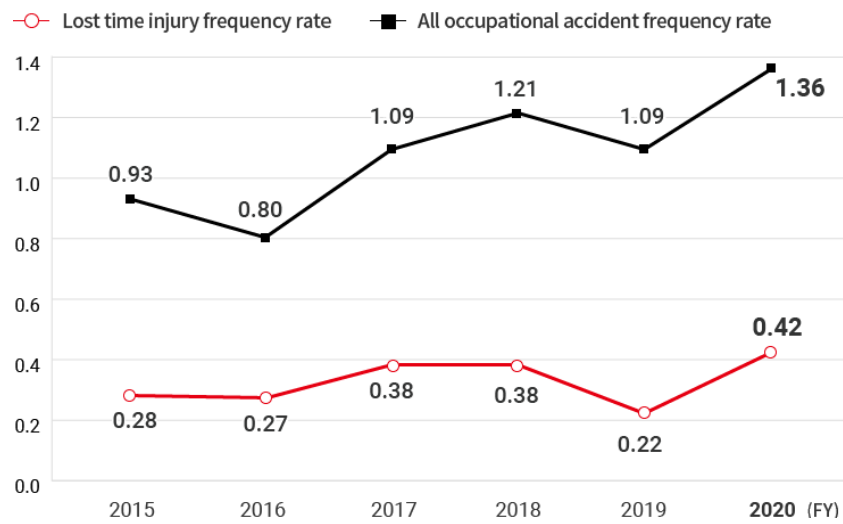
In calendar year 2019 (January-December), there were no occupational accidents resulting in death. (There have been no occupational accidents resulting in death since 2004.)

The frequency rate for all occupational accidents^{*1} in 2020 (January-December) was 1.36^{*2} (1.17 in Japan), meaning that we were not able to achieve our target of 1.0 or less.

*1 Frequency rate for all occupational accidents: Indicates the total number of accident victims (lost worktime and no lost worktime) per one million working hours.

*2 (The description was corrected on July 25, 2022)

Lost-Time Injury Frequency Rate ★ and All Occupational Accident Frequency Rate



* The frequency rate for lost-time injury frequency rate* and all occupational accidents are calculated for the January-December period

* Lost-time injury frequency rate: Indicates the number of lost-time injured persons per one million working hours

* Starting in FY2020, J.H. Ziegler GmbH will be included

Sustainability

Security, Disaster Prevention, and Occupational Safety Activities

Following the principle of safety first in everything, the Teijin Group aims to realize zero disasters and zero accidents. We also promote the mental and physical well-being of employees and the building of employee-friendly workplaces.

[Security and Disaster Prevention](#)
[Occupational Safety](#)
[Health and Sanitary Measures](#)

Health and Sanitary Activities

Health management

The Teijin Group has for many years proclaimed through its corporate philosophy both internally and externally to be a company that values employee health, and in FY2016 we declared this basic value in the form of the Teijin Group Health Management Declaration. As part of this health management initiative, we compiled and distributed the Health Management Handbook as an opportunity for each of our employees to contemplate their own health as an important issue. Strongly believing that employees are a company's ultimate management resource, each individual company of the Teijin Group will continue to work in close collaboration to promote the creation of positive, meaningful working environments with employees who enjoy both physical and mental health.

The Teijin Group was recognized as a Certified Health and Productivity Management Organization by the Ministry of Economy, Trade and Industry for our excellent health management. We have received this recognition five years running.

The Teijin group health management declaration

The Teijin Group believes that employees are the ultimate management resource.

We are committed to promoting the development of employees who are full of vigor and to the creation of vibrant workplaces for the sustainable growth of the company, and will continue to actively promote the mental and physical health of our employees.

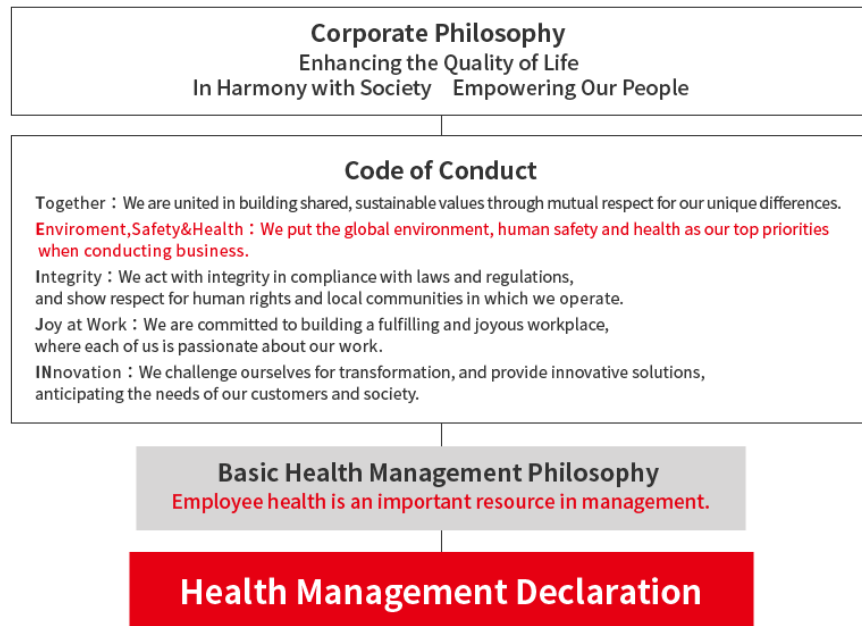
At the same time, the Teijin Group strives to contribute to the health of people around the world and improve quality of life through its business activities.

(Established on June 16, 2017)

Health management policy

The Teijin Group is strategically involved in the health management of its employees based on its corporate philosophy.

Health Management Policy



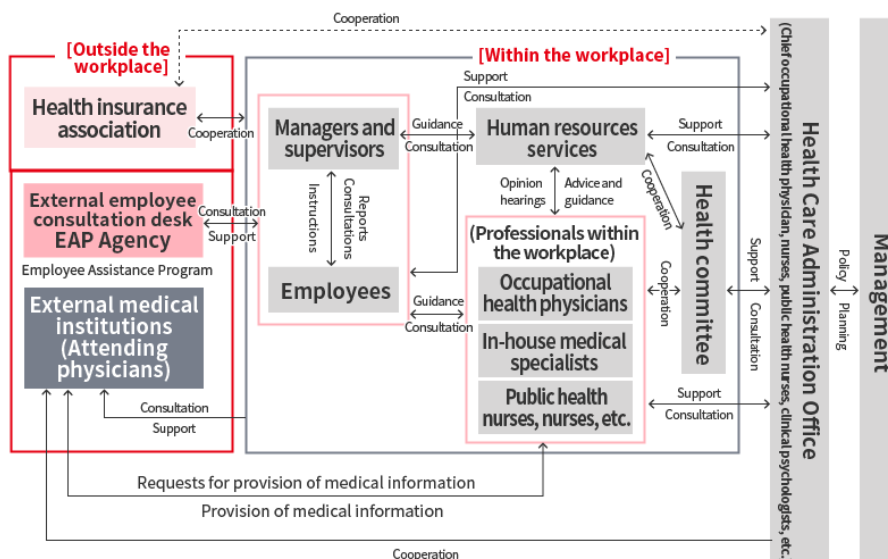
Promoting health management

The Health Care Administration Office is positioned as a promotion department, and health management is promoted in cooperation with the Teijin Group Health Insurance Association, industrial physicians, and occupational health staff under the direction of top management.

The following four priority issues are listed.

1. Improvement of lifestyle-related diseases
2. Reducing the risk of onset of disease
3. Promoting workstyle reform
 - Improve work engagement
 - Build highly engaged organizations
4. Reducing stress

Promotion System



Mental health care measures through close cooperation

In regards to mental health, Teijin has established consultation services for employees both internal and external to the company and the Health Care Administration Office provides tailored mental support under the guidance of medical specialists.

In 2020, staff of the Health Care Administration Office (clinical psychologists, health nurses, nurses) and the external EAP (Employee Assistance Program) received a total of 2,782 consultations including online and telephone consultations. Preventive education for mental health is also carried out periodically. In FY2020, an online system was used for staff at the Health Care Administration Office to conduct various training sessions such as new employee self-care seminars and line-care seminars . In all, 43 online sessions were held, attended by approximately 1,000 individuals.

Implementation of a diagnosis to measure the "Iki-Iki" level of individuals and workplaces

The Teijin Group has been diagnosing stress levels in all workplaces in Japan every year since 2003. Furthermore, in line with stress check legislation, in July 2016 it implemented the annual initiative of a diagnosis to measure the iki-iki (cheerfulness) level of individuals and workplaces. This diagnosis combines the workplace stress diagnosis with a stress diagnosis for individuals.

Those workplaces which were diagnosed as exceeding a certain level were the focus of workplace improvement activities to achieve bottom-up improvement through discussions with employees in the field. The results of the June 2020 diagnosis (an effectiveness measurement) showed that these activities had led to improvements in around 70% of the workplaces concerned.

Furthermore, from FY2019, we have been conducting briefings on how to view the results of diagnosis to measure the iki-iki (cheerfulness) level of workplaces" targeting managers and encourage each department to improve the understanding of the results of group analysis and the methods of utilizing it, and are working on promoting activities to improve the workplace environment.

Teijin will continue aiming to create cheerful and comfortable workplaces through these diagnosis and improvement activities.

Prevention and health promotion measures for health in collaboration with health insurance providers

The Teijin Group is collaborating with health insurance providers to implement a data health plan (Colla-Health) based on analysis of health data. This involves utilizing the data of individual employees held by our company and health insurance providers to roll out health insurance business narrowing down the target by risk type and deploying various health insurance businesses ranging from popular approach (approaching a particular group overall) to severe illness prevention.

Sustainability

Supply Chain Sustainability

To ensure that CSR initiatives within the supply chain are reinforced on a global basis, the Teijin Group is promoting CSR activities in each business group based on the CSR Procurement Guidelines.

[CSR Procurement](#)
[Green Procurement](#)
[Green Purchasing](#)
[Questionnaire on CSR](#)

Basic Policy for Purchasing and Procurement

The Teijin Group aims to engage in sustainable business activities and enhance its corporate value by exercising its social responsibilities and obtaining the confidence and trust of society (stakeholders). It is an important social responsibility to provide superior products in a sustainable and stable manner to satisfy customers. We believe that to fulfill this responsibility, it is vital to improve the quality of our purchasing and procurement of raw materials, components, and services, and we have therefore established this Basic Policy for Purchasing/Procurement with the aim of forging sound relationships with suppliers. We have also determined Basic Stance of Persons in Charge of Purchasing / Procurement that describes in specific terms how purchasing / procurement personnel should behave to ensure that they do not establish inappropriate relationships with suppliers, and to promote initiatives based on cooperation with the aim of sustainable purchasing and procurement.

Basic Policy for Purchasing and Procurement

1. Compliance with laws and regulations

The Teijin Group observes laws and regulations of respective countries and endeavors to understand and respect international norms and guidelines in conducting its procurement activities.

2. Fair trade

The Teijin Group endeavors to engage in highly transparent transactions that are just and fair, and does not participate in cartels or bid-rigging.

3. Basis of product and supplier assessment

The Teijin Group, in addition to quality, prices, delivery dates, and procurement periods, properly assesses the financial situation, technological capabilities, social responsibility initiatives, etc. of suppliers, and engages in transactions that are based on rational decision-making.

4. Human rights/Labor

The Teijin Group promotes purchasing and procurement from suppliers that respect human rights and do not commit human rights infringements such as unjust discrimination, slave labor, forced labor, child labor, human trafficking, etc.

5. Safety and Health

The Teijin Group promotes purchasing and procurement from suppliers that properly manage health and safety risks and take action to improve occupational health and safety on an ongoing basis.

6. Environment

The Teijin Group promotes purchasing and procurement from suppliers that practice environmental management by, for example working to conserve the environment and protect natural resources.

7. Blocking of relationship with antisocial forces

The Teijin Group blocks relationships with antisocial forces such as crime organizations, refuses inappropriate requests, and does not provide them with money.

8. Relationship with stakeholders

The Teijin Group proactively communicates with stakeholders and promotes sustainable purchasing and procurement based on cooperation grounded in trust relationships. Furthermore, the Teijin Group collaborates with suppliers to promote initiatives based on the CSR Procurement Guidelines.

(Established September 1, 2006; Revised November 1, 2017)

Basic Stance of Persons in Charge of Purchasing and Procurement

1. Compliance with laws and regulations

Purchasing/procurement personnel observe relevant country laws and regulations. In addition, they will constantly monitor international norms and guidelines, industry standards and their trends and strive to respect them in engaging in transactions.

2. Fair trade

- (1) Purchasing/procurement personnel do not participate in cartels or bid-rigging, and endeavor to maintain sound relationships with suppliers. They also do not abuse their status to demand inappropriate discounts, services, contributions, etc.
- (2) Purchasing/procurement personnel do not have personal interests with any supplier, and do not accept personal benefits such as rewards or gifts.

3. Information security

Purchasing/procurement personnel carefully manage confidential information relating to transactions and safeguard intellectual property rights.

4. Basis of product and supplier assessment

Purchasing/procurement personnel rigorously assess goods and services, and engage in transactions where consideration is given to quality, prices, delivery dates, and procurement periods, as well as the financial situation, technological capabilities, corporate approach, and social responsibility initiatives of the suppliers.

5. Human rights/Labor

Purchasing/procurement personnel do not force inappropriate transaction terms on suppliers nor force them to accept unreasonably low prices, etc. and promote purchasing and procurement from suppliers that respect human rights and do not support forced labor or long working hours.

6. Safety and Health

Purchasing/procurement personnel promote purchasing and procurement from suppliers that ensure occupational health and safety and take action to maintain and improve the health of their workers.

7. Environment

Purchasing/procurement personnel promote green purchasing and procurement and purchasing/procurement of environmentally-friendly products and services.

8. Blocking of relationship with antisocial forces

Purchasing/procurement personnel adopt a firm attitude toward criminal organizational and other antisocial forces, not allowing their involvement, and blocking any and all relationships with them.

9. Relationship with stakeholders

Purchasing/procurement personnel collaborate with suppliers to promote initiatives based on the CSR Procurement Guidelines. Furthermore, they endeavor to ensure suppliers' understanding of the Guidelines and collaborate with suppliers with regard to initiatives for improvement.

(Established September 1, 2006; Revised November 1, 2017)

Overall Consideration of Supply Chains Based on CSR Procurement Guidelines

To manufacture and distribute its products, the Teijin Group procures a large amount and wide variety of raw materials, equipment, components and services from many companies around the world. When selecting suppliers, we adhere to our purchasing guidelines based on fair and rational judgments.

Furthermore, to implement CSR throughout the supply chain, we established the CSR Procurement Guidelines (see below) and we require our suppliers to conduct activities in compliance with our guidelines.

The Teijin Group's CSR procurement activities are being promoted centering on CSR and Compliance Department of Teijin Limited, and the Basic Purchasing and Procurement Policy and CSR Procurement Guidelines, which are published on the Teijin Group website in Japanese,

English and Chinese.

CSR Procurement Guidelines(PDF:148KB) 

CSR Procurement Guidelines

With regards to the Teijin Group's purchasing and procurement activities, we request that suppliers take the following action. In addition, we will promote to purchase and procure from suppliers that have been taking these actions.

1. Quality and safety

Products must meet safety and quality standards prescribed under laws and regulations in individual countries as well as industry standards.

Chemical additives must be properly managed, and by, for example, obtaining external certification such as ISO 9001.

Furthermore, a quality management system must be deployed and continuously maintained and improved to promote quality assurance.

2. Human rights and labor

(a) Forced labor

Slave labor, human trafficking, debt bondage, labor based on violence, threats, or political oppression, or any other form of forced labor is prohibited.

(b) Child labor and young workers

Children under the age of 15 years must not be hired in any country in which you have activities. Furthermore, you must not allow young workers between the ages of 15 and 17 to work at night, work overtime, or perform work that puts their health or safety at risk. You must also pay young workers appropriate remuneration and respect their right to learn.

(c) Foreign workers

Foreign workers must be provided with an employment contract and rules of employment in languages which employees can understand. Employers and temporary staffing agencies (including business cooperatives and nonprofit organizations) must not confiscate and prevent the use by workers of government-issued identity cards, passports, and work permits (unless holding work permits is required by law) as well as migrant applications. Furthermore, employers and temporary staffing agencies must not charge fees to workers.

(d) Working hours and holidays

Working outside regular hours (overtime, working on holidays, etc.) is only permitted if the worker agrees to it. Except under special circumstances, workers cannot be required to work more than the maximum weekly working hours prescribed under local laws and workers must be given at least one contiguous 24-hour period off per week. Furthermore, paid holidays and statutory holidays must be provided in accordance with local laws.

(e) Wages and welfare benefits

After explaining the components of wages and the method used for calculating them, you must pay workers at least minimum wage. You must also provide statutory welfare benefits. Wages for work performed outside regular hours must be calculated in accordance with applicable laws and must be higher by a reasonable percentage than wages for regular work.

(f) Discrimination

Recruitment, remuneration, welfare benefits, training opportunities, work duties, promotions/wage increases, and discipline/dismissal must not be influenced by race, nationality, gender, religion, age, disability, marital status, family background, organizations joined, gender identity, sexual orientation, or political ideology. You must implement measure for preventing discrimination such as providing training to all workers.

(g) Harassment

Workers must be treated with respect and dignity, and must not be exposed to any sort of harassment or pestering. You must implement measure for preventing harassment such as providing training to all workers.

(h) Freedom of association

The right of workers to freely exercise the right to organize and the right to collective bargaining must be recognized. You must also make efforts to resolve labor disputes and engage in effective and periodic communication with workers and their representatives.

3. Safety and Health

(a) Permits relating to labor safety and health

You must apply for permits relating to labor safety and health for facilities and operations that require them and assign licensed personnel in accordance with laws, regulations, etc. in order to properly manage them.

(b) Sanitary facilities

You must endeavor to maintain the health of employees in order to prevent diseases and occupational accidents.

Workers must be provided with a safe and hygienic working environment, and access to sanitary facilities such as toilets and dining rooms must not be unjustly restricted. Furthermore, dormitories for workers must be equipped with proper sanitary facilities and kept clean.

- (c) **Preparedness for emergencies**
To prepare for emergencies, workers must be provided with training concerning notifications and evacuation procedures, and proper equipment such as fire extinguishers and fire alarms must be installed and maintained. In other words, efforts must be made to minimize damage in the event of an emergency.
- (d) **Safety training**
Proper training concerning workplace health and safety must be provided on an ongoing basis in languages which employees can understand. Furthermore, information relating to health and safety must be clearly displayed in the workplace.
- (e) **Measures to ensure the safety of machinery**
Machinery needs to be assessed for safety risks. If there is a risk of workers suffering injury due to machinery, physical protection measures must be implemented such as guard rails, interlocks, protective walls, etc. as required and the machinery concerned must be properly maintained and managed.
- (f) **Occupational health**
The risk which chemical, biological, and physical substances will influence workers must be identified, assessed, and managed. We also recommend that all workers receive a medical examination by the frequency pursuant to laws or at least once a year, whichever is more.
- (g) **Occupational accidents**
Classification and records of injuries resulting from occupational accidents and illnesses must be kept, the necessary treatment must be provided, the causes of occupational accidents must be investigated, corrective action must be taken to eliminate the causes of them, and a process must be followed for enabling workers to return to the workplace.
- (h) **Occupational health and safety management system**
A management system for occupational health and safety, such as one based on ISO 45001, must be deployed and internal audits must be performed in order to facilitate ongoing improvements in occupational health and safety. We also recommend the management of health and safety risks.

4. Formulation of business continuity plan

We recommend that a business continuity plan be formulated and strategically administered to allow business operations to continue or be promptly restarted in the event of a disaster or accident.

5. Fair trade and ethics

- (a) **Prohibition of bribery**
The exchange or provision of entertainment, gifts, or money for the purpose of illicit gain in the course of engaging in transactions is prohibited. You must also formulate and implement a policy and measure for preventing corruption, bribery, and extortion.
- (b) **Fair business**
You must not engage in private monopoly, inappropriately restrict trading (through cartels, bid-rigging, etc.), employ unfair business methods, or abuse your status, and you must comply with competition laws in individual countries and territories. You must also confirm legal or regulatory developments that apply to your company and inform workers about them. We also recommend that you provide all workers with training on fair trading and ethics.
- (c) **Intellectual property**
You must endeavor to safeguard and utilize your company's intellectual property rights. Furthermore, you must not unjustly infringe the intellectual property rights of other companies.
- (d) **Information disclosure and presentation** You must properly disclose or display information concerning labor, health/safety, and environmental initiatives, business activities, financial condition, products, and corporate structure and performance in accordance with applicable regulations, etc.
- (e) **Information security**
You must only obtain personal information and confidential information using appropriate methods. You must also strictly manage and protect it, and only use it within a reasonable scope.
- (f) **Conflict minerals**
You must take care that minerals that you procure or that are used in your products do not provide any sourcing of finance for armed groups or organizations involved in human rights violations, environmental disruption, corruption, etc. in conflict regions and high-risk areas. In particular, "conflict minerals" must not be used in principle.

* Conflict minerals: Designated metal ore (gold, tin, tantalum, and tungsten) mined in conflict regions and high-risk areas with the concern to provide sourcing of finance for armed groups or organizations involved in human rights violations, environmental disruption, corruption, etc.

- (g) **Blocking of relationships with antisocial forces**
You must adopt a firm attitude toward criminal organizations and other antisocial forces, not allowing their involvement,

and blocking any and all relationships with them.

6. Export control Compliance

With regard to products or technologies subject to your national export control laws and/or regulations and other applicable export control-related laws and regulations of other countries, you must implement thorough measures to ensure that you comply with them and are not involved in illegal exports.

7. Environmental conservation

(a) Action on climate change

You must endeavor to devise methods for improving energy efficiency and minimizing the consumption of resources. You must also identify current emissions of greenhouse gases by each of your facilities and by your company as a whole and take action to reduce them.

(b) Permits relating to environmental conservation (air, wastewater, noise, vibration, etc.) You must apply for environmental-conservation-related permits for facilities and operations that require them and assign licensed personnel in accordance with laws, regulations, etc. in order to properly manage them.

(c) Minimizing environmental impact (air, water, soil)

To prevent air, water, and soil pollution, you must manage and treat discharged substances.

(d) Management of chemical substances Chemical substances that could cause environmental pollution must be managed safely. Chemical substances that are prohibited under the laws and regulations of individual regions and territories must not be used. Furthermore, regarding the substances whose use has been limited by laws and regulations you must notify customers of whether those substances are contained in products. In addition, SDS must be issued and updated.

(e) Waste reduction (3Rs)

You must pursue the 3Rs(reduce, reuse, and recycle) in order to reduce waste and byproducts.

(f) Water usage control

You must manage water intake and water discharge and you must strive to optimize water usage.

(g) Environmental management system

You must formulate an environmental policy, take action and develop products, raw materials, and technology for preventing pollution, and make efforts to conserve the environment. We also recommend that you conduct internal audits, obtain certification, such as ISO 14001, for your environmental management system, and perform environmental impact assessments.

(h) Promotion of green purchasing and procurement

When purchasing or procuring products or services, you must give consideration to the environment, and promote to purchase and procure from suppliers that are endeavoring to reduce environmental impact such as by selecting products and services with the minimum environmental impact.

8. Consideration for local communities

When conducting business in local communities, we recommend that you engage in dialog with local residents (including indigenous peoples) in advance and adapt your business activities to suit the community.

9. Contact point for consultations and internal reporting

You must deploy and operate a system for seeking advice and internal reporting that ensures that its users need not fear retribution, such as by being forced into a disadvantageous position. We recommend that you install a neutral advice and internal reporting point operated by the third party to protect internal reporters and prevent retribution.

10. Responsible supply chain promotion

You must inform your suppliers about the contents of these guidelines and you must endeavor to ensure compliance. We also recommend that you monitor compliance and work together with suppliers to address inadequacies.

(Established May 7, 2007; Revised April 1, 2021)

Implementation of supplier surveys*

Teijin Limited and the group companies in Japan have been conducting questionnaire-type surveys targeting its major domestic suppliers since FY2007 and some suppliers in Europe, the United States, and China too since FY2012 to verify whether or not these suppliers operate in compliance with the CSR Procurement Guidelines. The content of the questionnaire was changed following a revision of the CSR Procurement Guidelines in FY2017 and the scope of the surveys was widened in FY2018 to include suppliers in each business. Questions were added concerning “human rights and labor” and “safety and health,” plus other items including consultation and internal reporting and the promotion of responsible supply chains, improving compatibility with the CSR Procurement Guidelines in general.

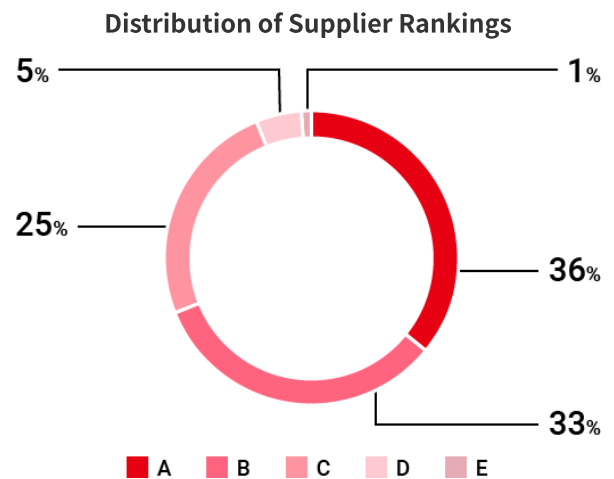
A similar questionnaire-type survey was carried out in FY2020, and the CSR Procurement Guidelines were sent out to 192 suppliers who were deemed to be low-risk, based on past questionnaires, with the receipt of the guidelines acknowledged in each case. Also, starting in FY2020 a questionnaire-type survey has been conducted for new suppliers as an inquiry into the status of their initiatives in regard to CSR.

At overseas Group companies, three companies in China and Thailand have taken the same supplier survey given in Japan. To date, two companies in Europe--in Holland and Germany--have conducted independent supplier surveys, but starting in FY2020 questionnaire-type supplier surveys are being conducted at 13 more companies. Of these, questionnaires have been prepared for Group companies in China that focus on risks particular to China.

Results of survey of suppliers and guidance and support for improvement in initiatives*

The Teijin Group ranks suppliers in five levels from A to E depending on their questionnaire scores. Ranks A, B, and C are defined as “no problems as a supplier.”

The number of companies replying to the questionnaire in FY2020 was 514, and the procurement value ratio was 69%. Of the 514 companies that responded, the ratio of companies ranked A, B, or C was 95%.



Companies whose replies to questions concerning important topics, such as human rights, were considered insufficient, were given guidance for making improvements regardless of their ranking. The content of their replies is confirmed and they were asked to compile improvement plans in accordance with the status of the initiatives.

In addition, regarding suppliers in ranks D and E that were judged to be a risk in light of their questionnaire replies, we labeled such suppliers as “in need of priority guidance for making improvements,” requesting them to compile improvement plans during FY2019, checking the state of implementation. We have asked that they each compile an improvement plan, whose implementation we will monitor and provide guidance on, as necessary.

In FY2021 we will check on implementation results for companies from whom we received improvement plans in FY2020.

For items related to the environment, we checked on whether external certifications were obtained or not, and in the FY2020 survey confirmed that 28% of suppliers had received an environmental certification.

Care for contractors and work contracts

The Teijin Group is focusing on maintaining proper work contracts based on mutual trust and cooperation with contractors. In FY2007 in Japan, in response to the social issue of regulation of temporary/contract work management, the procurement department and manufacturing department cooperated to implement a series of independent inspections of work contracts. By FY2008, we completed actions to voluntarily improve contracts which are legally correct but require revisions to more closely reflect the demands of society (applying to 32% of all work). This particularly applied to contracts for nonregular work*. Following this, in order to maintain this status, we have been conducting regular awareness-raising activities at various worksites.

* Nonregular work: Maintenance, repair, or other work that are not part of regular duties. The number of occupational accidents that occur during this kind of work is relatively high.

Supply Chain Seminar

CSR supply chain seminar held to strengthen CSR procurement initiatives

Since 2012, Teijin Frontier Co., Ltd. has been globally expanding an integrated value chain from the development and procurement of materials to product realization on an ongoing basis. The company has been promoting a companywide “CSR Procurement Project.” Teijin Frontier has established a particularly large number of apparel production bases across Asia, and believes that it is important to raise awareness of CSR procurement locally on an ongoing basis. As one element of this, the company conducts CSR supply chain seminars every year at overseas production bases for local sewing and embroidery factories, material manufacturers, etc. with the aim of enforcing legal compliance and the protection of human rights.

Lecture in China

An online seminar was held on October 16, 2020 for Chinese suppliers, attended by 28 individuals from 17 companies. For lectures, we received the cooperation of the Shandong Qingtai Law Firm , a former State Environmental Protection Administration (SEPA) official , and EG*. Specific themes were as follows:

1. CSR procurement under COVID-19 restrictions
2. CSR procurement initiatives of Teijin Frontier Co., Ltd.
3. Recent trends in labor rights, human rights , and health and safety
4. Recent environmental trends

Lecture in Vietnam

An online seminar was held on December 11, 2020 for Vietnamese suppliers, attended by 27 individuals from 15 companies. For lectures, we received the cooperation of the ILO, GAIA Nature Conservation, and EG*. Specific themes were as follows:

1. CSR procurement under COVID-19 restrictions
2. Labor issues in Vietnam
3. Environmental issues in Vietnam and how to resolve them

Lecture in Indonesia

An online seminar was held on March 12, 2021 for Indonesian suppliers, attended by 23 individuals from 9 companies. For lectures, we received the cooperation of Better Work Indonesia, the Ministry of Environment and Forestry (Indonesia), and EG*. Specific themes were as follows:

1. CSR procurement under COVID-19 restrictions
2. Labor issues in Indonesia
3. The management of hazardous and toxic B3 waste from Indonesia's textile industry

Lecture in Japan

In FY2020, online seminars and a virtual exhibition were held in Japan. Specific themes were as follows:

Online seminars

1. CSR procurement under COVID-19 restrictions
2. CSR procurement initiatives of Teijin Frontier Co., Ltd.
3. Environmental measures at Teijin Frontier

Virtual exhibition

1. Studying international trends in CSR and sustainable procurement and considering how to contribute to society
2. CSR procurement initiatives of Teijin Frontier Co., Ltd

Sustainability

Supply Chain Sustainability

To ensure that CSR initiatives within the supply chain are reinforced on a global basis, the Teijin Group is promoting CSR activities in each business group based on the CSR Procurement Guidelines.

[CSR Procurement](#)
[Green Procurement](#)
[Green Purchasing](#)
[Questionnaire on CSR](#)

Green Procurement

Since establishing the Green Procurement Guidelines in FY2003, the Teijin Group has continued to confirm whether suppliers who provide specified substances are operating an environmental management system, and, if not, to request that those suppliers put such a system in place.

Furthermore, the Teijin Group Chemical Substance Self-Imposed Control Guideline was established in FY2004 aiming for not only recognizing the status of environmental management in suppliers, but also controlling chemicals and minimizing risk in the Teijin Group's business activities. We conduct the management of chemicals based on the degree of risk.

We are also focusing on the management of hazardous substances found in raw materials that may have become included in our products, and strengthening our controls on chemical substance purchasing, such as those relating to substances specified in the RoHS regulations and the Law Concerning the Examination and Regulation of Manufacture, etc., of Chemical Substances. We have listed prohibited substances including those prohibited in principle on our website in Japanese and English to ensure that suppliers are fully aware of these substances.

Teijin Group Chemical Substance Self-Imposed Control Guideline

Substances Prohibited to be Procured >

These refer to a group of substances that are prohibited to be used under any international treaty or domestic law. Needless to say, the Teijin Group will not procure such chemicals, nor will the Group procure items containing any of such chemicals in order to support its business activities, including unintentional procurement of such items.

Furthermore, we request suppliers to verify that no prohibited substances are contained in the materials they supply. In addition, substances prohibited by the domestic laws of the countries where Teijin group companies are located are subject to the same laws.

- This category contains substances designated in the POPs Treaty, Class 1 specified chemicals under the Law Concerning the Examination and Regulation of Manufacture, etc., of Chemical Substances, substances prohibited to be manufactured under the Industrial Safety and Health Act, Japan, etc.

Substances Principally Prohibited to be Procured >

A group of substances subject to control or similar regulation under international treaty or law.

We require examination of such substances by expert staff of the Teijin Group and approval of the head of the business group.

- This category contains Class 2 specified chemicals under the Law Concerning the Examination and Regulation of Manufacture, etc., of Chemical Substances, EU/RoHS Directive substances, high-risk endocrine disrupting chemicals, etc.

Substances Prohibited to be Procured

No	CAS No	Substance
1		Polychlorobiphenyl (mixture)
2		Polychloronaphthalene (Cl \geq 2)(including isomers)
3	118-74-1	Hexachlorobenzene
4	309-00-2	1,2,3,4,10,10-hexachloro-1,4,4 a,5,8,8a-hexahydro-exo 1,4-endo 5,8-dimethanonaphthalene
5	60-57-1	1,2,3,4,10,10-hexachloro-6,7 - Epoxy-1,4,4 a,5,6,7,8,8a-octahydro-exo 1,4-endo 5,8-dimethanonaphthalene
6	72-20-8	1,2,3,4,10,10-hexachloro-6,7 - Epoxy-1,4,4 a,5,6,7,8,8a-octahydro-endo 1,4-endo 5,8-dimethanonaphthalene
7	50-29-3	1,1,1-trichloro-2,2-bis(4-chlorophenyl) ethane
8	12789-03-6	1,2,4,5,6,7,8,8 - Octachloro-2,3,3 a,4,7,7a-hexahydro-4,7-methano-1H-indene, 1,4,5,6,7,8,8 - Heptachloro-3a,4,7,7a-tetrahydro-4,7-methano-1H-indene and mixtures of these analogous compounds
	3734-48-3	
	5103-71-9	
	5103-74-2	
	5566-34-7	
	57-74-9	
	76-44-8	
9	56-35-9	bis(tributyltin) oxide
10	15017-02-4	N,N'-ditolyl-p-phenylenediamine, N-tolyl-N'-xylyl-p-phenylenediamine or N,N'-dixylyl-p-phenylenediamine
11	732-26-3	2,4,6-Tri-tert-butylphenol
12	8001-35-2	Polychloro-2,2-dimethyl- 3-methylidenebicyclo[2.2.1] heptane
13	2385-85-5	Dodecachloropentacyclo[5.3.0.0 (2, 6).0 (3, 9).0 (4, 8)] decane
14	115-32-2	2,2,2-trichloro-1,1-bis(4-chlorophenyl)ethanol
15	87-68-3	Hexachlorobuta-1,3-diene
16	3846-71-7	2-(2H-1, 2, 3-benzotriazol 2-yl)-4, 6-di-tert-butyl phenol
17		Polychlorinated dibenzo-p-dioxins
18		Polychlorinated dibenzofurans

No	CAS No	Substance
19		Yellow phosphorus matches
20	531-85-1	Benzidine and its salts
21	531-86-2	
22	92-87-5	
23	92-67-1	4-aminodiphenyl and its salts
24	12172-73-5	Amosite
25	12001-28-4	Crocidolite
26	92-93-3	4-nitrodiphenyl and its salts
27	542-88-1	Bis(chloromethyl) ether
28	91-59-8	β -naphthylamine and its salts
29		Asbestos and materials containing asbestos in excess of 0.1% of the weight of the relevant product
30		Rubber cements containing benzene whose capacity exceeds 5% of the solvents (including diluents) of the relevant rubber cement
31	1763-23-1	Perfluoro(octane-1-sulfonic acid)
	307-35-7	For example:
	2795-39-3	potassium(CAS no. 2795-39-3);
	29457-72-5	lithium perfluorooctane sulfonate (CAS no. 29457-72-5);
	29081-56-9	ammonium perfluorosulfonate (CAS no. 29081-56-9);
	70225-14-8	diethanolammonium perfluorooctane sulfonate(CAS no. 70225-14-8);
	56773-42-3	tetraethylammonium perfluorooctane sulfonate(CAS no. 56773-42-3);
	251099-16-8	didecyl(dimethylammonium perfluorooctane sulfonate (CAS no.251099-16-8)
32	307-35-7	Perfluoro(octane-1-sulfonyl)= fluoride
33	608-93-5	Pentachlorobenzene
34	319-84-6	r-1,c-2,t-3,c-4,t-5,t-6-Hexachlorocyclohexane
35	319-85-7	r-1,t-2,c-3,t-4,c-5,t-6-Hexachlorocyclohexane
36	58-89-9	r-1,c-2,t-3,c-4,c-5,t-6-Hexachlorocyclohexane

No	CAS No	Substance
37	143-50-0	Perchloropentacyclo[5.3.0.0(2,6).0(3,9).0(4,8)]decan-5-one
38	36355-01-8	Hexabromobiphenyl
39	40088-47-9	Tetrabromodiphenyl ether
40	32534-81-9	Pentabromodiphenyl ether
41	68631-49-2 207122-15-4	Hexabromodiphenyl ether
42	446255-22-7 207122-16-5	Heptabromodiphenyl ether
43		6,7,8,9,10,10-Hexachloro-1,5,5a,6,9,9a-hexahydro-6,9-methano-2,4,3-benzodioxathiepine 3-oxide
44		Hexabromocyclododecane
45	87-86-5	Pentachlorophenol, its salts or esters
46	18993-26-5	Polychlorinated normal paraffin (It is limited that the number of carbon is 10 to 13 and the content of chlorine is more than 48% of the total weight.)
47	1163-19-5	1,1'-Oxybis(2,3,4,5,6-pentabromobenzene)

Substances Principally Prohibited to be Procured (The following substances are procured with permission.)

No	CAS No	Substance
1	79-01-6	TRICHLOROETHYLENE
2		Tetrachloroethylen
3	56-23-5	CARBON TETRACHLORIDE
4	1803-12-9	Triphenyltin N,N-dimethyldithiocarbamate
5	379-52-2	Triphenyltin fluoride
6	900-95-8	Triphenyltin acetate
7	639-58-7	Triphenyltin chloride
8	76-87-9	Triphenyltin hydroxide
9		Triphenyl tin fatty acid salts (Carbon number of fatty acid 9-11)

No	CAS No	Substance
10	7094-94-2	Triphenyl tin chloroacetate
11	2155-70-6	Tributyl tin methacrylate
12		Bis (tributyltin) fumarate
13		Tributyl tin fluoride
14		Bis (tributyl tin) 2,3-dibromosuccinate
15	56-36-0	Tributyltin acetate
16	3090-36-6	Tributyltin laurate
17	4782-29-0	Bis (Tributyltin) phthalate
18	67772-01-4	Alkyl acrylate methyl methacrylate Tributyltin methacrylate copolymer (Carbon number of Alkyl acrylate = 8)
19	6517-25-5	Tributyltin sulfamate
20		Bis (tributyltin) maleate
21	1461-22-9	Tributyltin chloride
	7342-38-3	
22	85409-17-2	Tributyltin cyclopentanecarboxylate and mixtures of these analogous compounds
23	26239-64-5	Tributyltin 1,2,3,4,4 a,4 b,5,6,10,10a-decahydro-7-isopropyl-1,4a-dimethyl- 1-phenanthrenecarboxylate and mixtures of these analogous compounds
24		Lead (Pb)
25		Mercury (Hg)
26		Cadmium (Cd) (100 ppm or more)
27		6 value chromium (Cr6+)
28		Polybrominated biphenyl (PBB)
29		Poly diphenyl ether bromide (PBDE)
30		Di(2-ethylhexyl) phthalate
31	85-68-7	Benzyl butyl phthalate
32	84-74-2	Di-n-butyl phthalate
33	84-69-5	Diisobutyl phthalate

No	CAS No	Substance
34		Nonyl phenol (including ethoxylated nonylphenols) (100 ppm or more)
35	140-66-9	4-t-octyl phenol (including ethoxylate)
36	335-67-1	Perfluorooctanoic acid (PFOA)

- In the case of a mixture, the content shall be 1000 ppm or more, except as otherwise specified

Sustainability

Supply Chain Sustainability

To ensure that CSR initiatives within the supply chain are reinforced on a global basis, the Teijin Group is promoting CSR activities in each business group based on the CSR Procurement Guidelines.

[CSR Procurement](#)
[Green Procurement](#)
[Green Purchasing](#)
[Questionnaire on CSR](#)

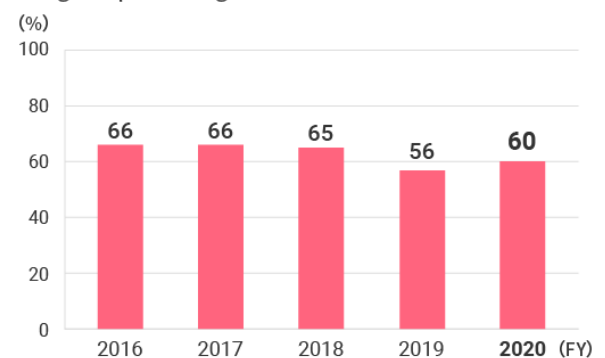
Green Purchasing

The Teijin Group established the Green Purchasing Policies and Green Purchasing Guidelines in March 2001 to promote green purchasing (preferential purchasing) of environmentally friendly products and services. For office supplies, we have promoted the preferential purchasing of products meeting the requirements of the Green Purchasing Standards for Office Supplies, also established by the Teijin Group.

In FY2019, the ratio of green purchases dropped from the previous fiscal year, so cost reductions and an expansion of green purchasing products was broadly implemented across Group companies in FY2020.

Initiatives for environment-friendly products for office supplies

The green purchasing



Green Purchasing Policies

1. Fully consider the necessity of purchasing before buying a product or service. Curtail the quantity as much as possible when purchasing.
2. Purchase environmentally friendly products and services based on an assessment of their entire lifecycle, including collection of resources, manufacture, distribution, use, disposal, and recycling.
3. Give preference to suppliers that are active in environmental conservation.
4. Pursue environmental information necessary for making decisions on green purchasing from a broad range of sources, and request that manufacturers and distributors provide such information.

Green Purchasing Guidelines

1. Reducing environmental pollutants
2. Saving resources
3. Saving energy
4. Long durability
5. Recyclability
6. Regenerated materials, etc.
7. Ease of treatment and disposal

Sustainability

Supply Chain Sustainability

To ensure that CSR initiatives within the supply chain are reinforced on a global basis, the Teijin Group is promoting CSR activities in each business group based on the CSR Procurement Guidelines.

[CSR Procurement](#)

[Green Procurement](#)

[Green Purchasing](#)

[Questionnaire on CSR](#)

Questionnaire on CSR

Request for participation in questionnaire on the status of CSR promotion in your company

In order to fulfill its social responsibilities in procurement activities in Japan and overseas, the Teijin Group has established CSR Procurement Guidelines and promotes procurement activities that emphasize the protection of human rights, consideration for occupational safety and health, and preservation of the environment among others.

In order to promote CSR procurement, it is essential to obtain the cooperation of suppliers involved in procurement activities of the Teijin Group. The Group aims to develop transactions with suppliers who can promote CSR procurement activities together, and we request companies engaged in purchasing and procurement to extend their understanding and cooperation for CSR activities.

Therefore, as part of the CSR activities, we ask suppliers to participate in CSR questionnaires. These questionnaires are implemented via internet questionnaire sites. The content of the responses is managed by The Global Alliance for Sustainable Supply Chain (ASSC) and is used solely for the intended purpose without disclosure to any third party other than the Teijin Group.

The results of the responses are compiled and a feedback report is sent at a later date, so it can be used as reference for future CSR activities.

[About the Teijin Group CSR Procurement Guidelines](#) >

Sustainability

Risk Management Activities

The Teijin Group has in place a Total Risk Management (TRM) systems targeting both strategic and operational risks to comprehensively manage risks, and the TRM Committee has been conducting total risk management.

Total Risk Management (TRM)

The Teijin Group has in place a Total Risk Management (TRM) system targeting both strategic and operational risks, as a preventative measure against the uncertainty that the Company may face, and the TRM Committee has been conducting total risk management. Established in fiscal 2003, the TRM Committee, chaired by the CEO, serves under the Board of Directors. The Board of Directors deliberates and decides the basic policy and annual plan related to TRM proposed by the TRM Committee. At the same time, the Board formulates our stance on managing important risks and ensuring business continuity. Also, the statutory auditors conduct audits to check whether the Board of Directors is appropriately conducting policy decisions, supervising, and monitoring regarding TRM.

The CEO is in charge of assessing strategic risk and provides this assessment as materials valuable to the decision-making process to the Board of Directors and other bodies. The Chief Social Responsibility Officer (CSRO) is in charge of establishing a cross-sectional risk management system regarding operational risk, and shall identify and deal with problems and respond to crises when they occur.

Responding to risks related to the COVID-19 pandemic

The Teijin Group is monitoring the impact of the COVID-19 pandemic on its businesses and preparing response measures on an ongoing basis in anticipation of a deteriorating business environment. In fiscal 2020, there was a significant slowdown in the global economy due to the COVID-19 pandemic, and this had a major impact on our performance in the Materials Business Field, for which automotive and aircraft applications serve as the main market. In particular, demand for carbon fibers for aircraft continues to be sluggish, and this trend could potentially lead to a long-term decline in profitability. As a measure to address this issue, we are working to increase profitability by enhancing production and operational efficiency and improving our sales mix. We are also promoting development geared toward the acquisition of large-scale programs for carbon fiber intermediate materials for aircraft, with a focus on a recovery in demand over the medium to long term. At the same time, we are rigorously monitoring profitability.

To respond to operational risks caused by the pandemic, we established the Emergency Task Force, led by the CSRO, in January 2020. From April to June 2020, when the virus began to spread across the globe, we adopted a structure under which the CEO served as the chief of this task force. Since April 2021, the Teijin Group Novel Coronavirus Response Headquarters has been establishing policies and promoting initiatives from a global perspective to ensure the safety of our employees and their families and secure business continuity. In addition, our offices around the world have established operational guidelines in accordance with the laws and regulations in each country and region regarding the items stipulated in the Teijin Group Global Guidelines, which include infection prevention and health assurance measures; commuting and workstyle guidelines; procedures for business travel, meetings, and events; and consideration of human rights. Amid the challenging circumstances caused by the pandemic during fiscal 2020, we were able to ensure the ongoing operation of our Healthcare Business and other essential businesses.

Additionally, we carried out efforts that leveraged our products, services, know-how, and global network to the greatest extent possible, including the prompt delivery of a large volume of medical gowns to medical institutions in response to the growing demand for medical supplies.

COVID-19 Related Initiatives and Announcements

Risk Recognition

The details on the recognition of strategic risk and operational risk that the Group manages under the TRM Committee are as follows.

Strategic risk	Main impacts if risk occurs	Response measures
Macroenvironment risk	<ul style="list-style-type: none"> • Fluctuations in sales due to the economic trends and conditions in each country and region of operation as well as the trends in the automotive and aircraft markets, which are major markets where the Group supplies products and services • Fluctuations in costs due to changes in raw material and fuel prices • Fluctuations in the exchange rates needed to reflect transactions in foreign currencies in the financial statements and convert the foreign currencies in the financial statements of overseas consolidated subsidiaries into yen (e.g., if the yen appreciates by ¥1 against the US\$, over the year it will push down operating income by approximately ¥0.3 billion) • Fluctuations in interest expenses due to changing interest rates 	<p>We are taking steps to identify and assess primarily trends that could have a substantial impact on our performance and financial position, such as the impact of the COVID-19 pandemic on the automotive and aircraft markets.</p> <p>We are also working to reduce risks through a broad range of measures. For example, we are stabilizing raw material and fuel prices by securing appropriate inventory levels and concluding long-term contracts. For exchange rates, we are also utilizing foreign exchange forward contracts and procuring funds for overseas investment in local currencies. In terms of interest rates, we are pursuing long-term debt with fixed interest rates.</p>
Policy change risk	<ul style="list-style-type: none"> • Tightening of GHG emissions regulations, plastic product regulations, and other regulations to a greater extent than expected between the U.S. and China as well as rising economic security risks • Emergence of global protectionism including the recurrence of trade conflicts • Acceleration of domestic drug price revisions and other government policies to curtail medical costs 	<p>To respond to policy change risk such as tightening environmental regulations and the emergence of protectionism around the globe, as well as market and competitive environment fluctuation risk, we are creating contingency plans in advance for individual businesses affected by such risks. At the same time, we are promoting ongoing monitoring activities, including detecting signs of risk occurrences, and ensuring we are prepared to swiftly respond to risk by revising our strategies and other measures. In addition, we are working to collect relevant information on economic security to promptly ascertain a potential crisis.</p>
Market and competitive environment fluctuation risk	<ul style="list-style-type: none"> • Fluctuations in supply-demand structure due to changes in the competitive environment • Inventory adjustments that exceed the real economy in each stage of the supply chain caused by changes in end-user demand within the materials, intermediate materials, and components supply businesses 	
Resource investment risk	<ul style="list-style-type: none"> • Cancellation of or delay in the execution of capital expenditures or M&As due to the inability to find projects compatible with strategies • Major divergence of R&D results from targets against the R&D expenses invested 	<p>For large-scale investment projects to create and expand businesses, we are taking steps to ascertain the business environment and prioritizing follow-up measures toward action plans for individual issues.</p>
Financial soundness risk	<ul style="list-style-type: none"> • Occurrence of an impairment loss on non-current assets owned by the Group, owing to such factors as a decline in profitability from an extreme worsening of the economic environment, among other factors • Occurrence of loss on deferred tax assets in the event some or all deferred tax assets are deemed unrecoverable due to changes in estimated future taxable income 	<p>In addition to regular monitoring of the ratio of net interest-bearing debt to EBITDA, the shareholders' equity ratio, and the debt-to-equity ratio, we are assessing the scale for risk of loss on shareholders' equity through the continuous monitoring of assets with impairment concerns and deferred tax assets. When procuring funds, we examine optimal procurement methods in consideration of financial soundness and based on demand for large-scale funding over the near to medium term as well as the risk of loss on shareholders' equity. Furthermore, we are making thorough efforts to streamline assets through working capital management and the reduction of cross-shareholdings.</p>

Operational risk	Main impacts if risk occurs	Response measures
Natural disaster risk	<ul style="list-style-type: none"> • Natural disasters stemming from climate change Response to Climate Change (Disclosure based on TCFD recommendations) • Occurrence of large-scale earthquakes, tsunamis, etc. • Rapid spread of infectious diseases 	In addition to our response to the COVID-19 pandemic, we aim to minimize damages and promptly recover when a disaster occurs through revisions of BCPs as needed and the implementation of various disaster training programs.
Manufacturing risk	<ul style="list-style-type: none"> • Burden on the global environment from the inappropriate handling of hazardous chemical substances, industrial waste, etc. • Occurrence of major accidents at chemical plants 	We have set KPIs and are working to manage and reduce hazardous chemical substances and landfill waste. Also, we are carrying out various measures such as disaster-prevention examinations and educational activities and training based on disaster-prevention guidelines.
Product and quality risk	<ul style="list-style-type: none"> • Occurrence of major quality issues such as product and service defects • Quality issues for which we are liable 	We have established independent divisions dedicated to secure quality and reliability at Teijin Limited and major subsidiaries such as Teijin Pharma Limited, thereby setting up a system to ensure quality assurance across all business activities based on strict quality management standards.
Legal and ethical risk	<ul style="list-style-type: none"> • Administrative sanctions by regulatory authorities, litigation, suspension of business activities, damage to corporate brand value, and loss of social trust resulting from violations of laws and regulations related to commerce, competition, anti-bribery, personal information protection, intellectual property, product liability, the environment, labor, taxation, security, and applicable business laws and regulations in the countries and regions in which we operate • Increased cost of adhering to laws and regulations • Impediment of business operations and loss of social trust due to human rights infringements in the supply chain and in-house 	Amid increasing diversity of employees through M&As and other business activities, we are promoting activities to instill the corporate philosophy and the Code of Conduct on a global scale. In addition, we require not only relevant in-house personnel but also our suppliers to adhere to both laws and regulations and social norms. We are also strengthening efforts such as human rights due diligence and CSR procurement to respond to potential human rights infringement risks in the supply chain and in-house.
Information security risk	<ul style="list-style-type: none"> • External leakage of information due to disasters, cyberattacks, unauthorized access, etc., as well as unauthorized use of information by third parties 	We are implementing information security measures from both hard and soft perspectives in the handling of important information related to R&D, manufacturing, and sales as well as personal information in the Healthcare Business.

Groupwide system for operational risk management

We conduct Groupwide operational risk management including overseas subsidiaries based on the system below. The CSRO and the Corporate CSR and Compliance Department strengthens the risk management system for the entire Group by grasping and confirming the individual risk management conducted by each business group (unit) and Group company across the entire Group, and by establishing unified risk response guidelines.



Operational risk management activities

In FY2020, we focused on strengthening our risk management process and began enhancing the effectiveness of the "Chief Social Responsibility Officer Review" with operational policies revised in FY2019, as well as trial operations of risk management tools.

By reporting to, and deliberations by, the TRM Committee about matters indicated in the Chief Social Responsibility Officer Review, which are important checking functions even in the risk management process, as well as by incorporating the necessary responses in the subsequent fiscal year plan, more effective measures can now be taken against risk.

In addition, the introduction of new risk management tools has improved convenience when business units, among others, implement risk assessment, which is the first line of defense. This has enabled efficient reporting from the TRM Committee to the Board of Directors.

Status of Business Operations Risk Responses and Business Continuity Plans

Response to natural disasters

From late June to early July 2020, some operations in some factories in Japan had to be temporarily suspended due to the impact of frequent, heavy rains and Typhoon No. 10, among other things, but there was no human damage to employees and their families. In the healthcare business that sustains home healthcare, we confirmed the safety of patients using therapeutic oxygen concentrators in areas that were severely affected and delivered spare cylinders.

Implementation of business continuity drills

As a part of our Business Continuity Management (BCM) efforts, disaster prevention drills and earthquake evacuation drills are conducted annually at Teijin's business locations and research facilities in Japan.

In FY2020 as well, we conducted comprehensive anti-disaster drills at each factory. Further, we have started to develop information infrastructure that aggregates the disaster information of various sites and supports the Emergency Response Headquarters and the Local Countermeasures Headquarters in decision-making.

Safety verification drills

Safety verification drills for a time of emergency utilizing a system ("Emergency Call") provided by Infocom Corporation of the Teijin Group are conducted annually. In FY2016, we introduced a process to trace and re-confirm the safety of employees whose safety cannot be confirmed within 24 hours of reporting.

In FY2020, we provided emergency information dissemination on the COVID-19 infection twice to the head office district. There were about 150 emergency co-operation drills throughout the fiscal year for each factory and department using the safety confirmation system.

Sustainability

ESH Management Activities

The Teijin Group positions Environment, Safety and disaster prevention, and Health (ESH) as a key issue relating to all business operations and is engaged in activities to reduce environmental impact affecting both the global environment and the local society, as well as to ensure the safety and health of residents and employees. We also quantitatively measure the investment and expenses relating to ESH, leading to efficient promotion and improvement of ESH activities.

Teijin Group ESH Basic Policies

1. We make safety our highest priority, following our philosophy of protecting human life.
2. ESH is the responsibility of every production line manager.
3. ESH efforts are integral to every stage of business activities.

The Teijin Group Global Environmental Activity Goals

Promotion of environmental preservation activities

1. Throughout our business operations, we will make efforts to reduce our environmental impact, including the reduction of CO₂ emissions, conserve energy and resources, and make effective use of waste.
2. We will appropriately manage biological and chemical substances in compliance with the related laws and regulations to ensure that our use of these substances will not cause damage to the environment or to the safety and health of people.
3. We will provide as many people as possible with appropriate information and support so that our products will be transported, used, and disposed of in a safe and environmentally friendly manner.

Promotion of design for environment and environmental business

4. We will design products in an environmentally friendly manner in cooperation with our customers and suppliers, while promoting green purchasing and procurement as well as green transportation. In addition, we will conduct necessary assessment at the planning stage of business projects, thereby reducing potential risks to human health and the environment.
5. We will further develop technologies for environmental preservation and environmental improvement, including technologies that contribute to energy conservation and 3R activities (activities to promote the reduction, reuse, and recycling of materials) and will expand our environmental business taking advantage of our Group's proprietary technologies and strong market presence.

Expansion of environmental communication and social contribution activities

6. We will clearly show our commitment to making contributions to society by such measures as setting and announcing environmental impact reduction targets and will engage in communication with a range of our stakeholders, including local communities in which we conduct business.
7. We will raise the awareness of all Group employees and provide them with education on environmental preservation as well as support them in conducting environmental preservation activities, such as energy conservation activities at their households and in their local communities.

(Established in December 1992; revised in July 2007)

Group ESH Management System

The Teijin Group established the Group ESH Subcommittee under the Group CSR Committee to practice integrated ESH (environment, safety, health) management. The Group ESH Subcommittee holds regular meetings twice a year to deliberate on policy, measures and activities regarding ESH management, which are then expanded within the group.

The ESH Committee members appointed for each business group (Unit) serve as Chairpersons of the ESH Committee and promote ESH management for each business.

In addition, the Chairperson of the ESH Committee of each business group and the Chief Social Responsibility Officer conduct ESH audits once a year respectively. In the ESH audits, the ESH management status, any accidents occurrence and the status of countermeasures thereof are checked, and then confirmation and guidance are provided in relation to future issues and actions required before the next audit.

ESH education

A "Group ESH Educational Workshop" designed to enhance the level of ESH management is held once per annum. The workshop targets the ESH staff of business groups (Unit) and group companies as well as production line managers, group company presidents and factory managers. In FY2020, we postponed implementation due to the impact of COVID-19, among other things.

ESH assessment

Through the ESH assessment system, Teijin reviews and verifies the related laws and regulations together with the ESH risk related to project implementation and day-to-day matters, and endeavors to implement appropriate measures in line with compliance and risk.

ESH auditing

We conduct ESH Audits A and B in accordance with our ESH Audit Regulations, forming a double audit system. Audit A is conducted by the Chairperson of the ESH Committee for each business group (Unit) and Audit B is conducted by the Chief Social Responsibility Officer or a person nominated by the Chief Social Responsibility Officer.

As part of the audit process, each business group reports on ESH management status, any accidents, the status of countermeasures, and the status of ESH activities. This content is then audited, and confirmation and guidance is provided in relation to future issues and actions required before the next audit.

Outline of the ESH Audits

	Outline of the audits	Auditors	FY2020 audit results
ESH Audit A	ESH audits at production sites	Chairperson of Business Group (Unit) ESH Committee	27 bases (19 within Japan, 8 overseas)
ESH Audit B	Audits of the results of each business group and unit's ESH Audits	General Manager of the CSR and Compliance Department	18 cases (2 composites factories, 11 business units/business groups, 5 directly managed companies)

Training for internal auditors of ESH compliance

To enhance compliance with laws and regulations related to ESH, every year we hold a course to train group employees as internal auditors for ESH compliance. In FY2020, 67 employees were newly certified as Grade 1 internal auditors for ESH compliance and 30 employees were certified as Grade 2 internal auditors for ESH compliance.

Group ESH results report

Every year, the Teijin Group holds the Group CSR Committee, where Group-wide EHS results and activities status are reported. The 2020 Group CSR Committee meeting was held at the Tokyo head office in April 2021 (including online participation). In addition to results and status of activities, future issues and plans were also presented and there was active exchange of opinions.

Responding to an ESH accident

In preparation for the occurrence of an ESH-related accident, the Teijin Group defines and enforces rules about swiftly reporting any incidents to the responsible persons within the Group.

Sustainability

Product Liability and Quality Assurance

The Teijin Group rigorously complies with laws and regulations and customer contract stipulations pertaining to quality, while taking steps to establish a quality assurance structure that responds to its global development.

Product Liability / Quality Assurance System

Current status of ISO 9001, ISO 13485, IATF 16949, and other certifications

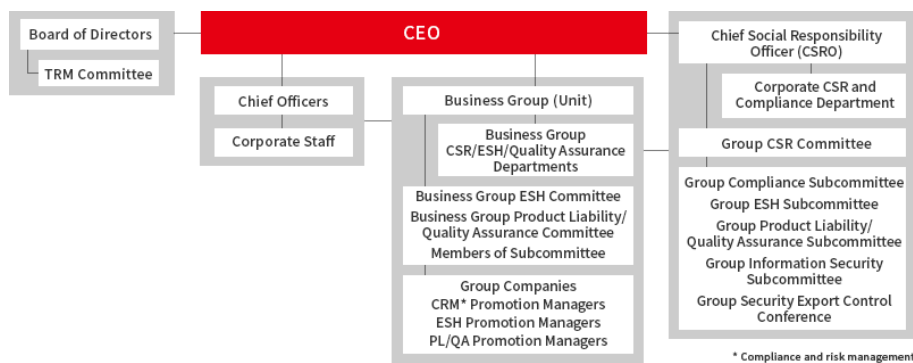
Product Liability / Quality Assurance Management System

The Teijin Group Product Liability / Quality Assurance Regulations apply to all Teijin Group products and services and are the basis for our product liability / quality assurance activities. Based on these regulations, the Group CSR Committee and the Group Product Liability / Quality Assurance Subcommittee decide the basic policies and associated targets for all product liability / quality assurance issues of the Teijin Group, and reflect them in product liability / quality assurance activities conducted by business groups (Unit).

We have also created an original unit-based management system for product liability / quality assurance that is applied to the products of each business group. This management system aims to enhance customer satisfaction, prevent product defects, and ensure appropriate responses in the event that defects occur. The system not only covers the scope of the ISO 9001 standards for quality management systems but also incorporates perspectives of product liability / quality assurance, such as response to customers and product safety.

Group-wide product liability / quality assurance system

As of April 1, 2021



Implementation of Product Liability / Quality Assurance Audits

Product liability / quality assurance activities are conducted as the responsibility of each product liability / quality assurance unit. The CSR and Compliance Department, which is in charge of supervising Group-wide quality, audits these activities and checks that product liability / quality assurance mechanisms are operating appropriately.

In FY2020, we conducted regular audits of 11 business units and 6 directly managed companies with the objective of verifying operational status. Based on feedback from the audit results, we are continually enhancing the product liability / quality assurance system and process.

Sustainability

Product Liability and Quality Assurance

The Teijin Group rigorously complies with laws and regulations and customer contract stipulations pertaining to quality, while taking steps to establish a quality assurance structure that responds to its global development.

Product Liability / Quality Assurance System

Current status of ISO 9001, ISO 13485, IATF 16949, and other certifications

Current status of ISO 9001, ISO 13485, IATF 16949, and other certifications

As of January 1, 2021

Japan (25 companies, 52 factories)	Teijin (Matsuyama Polymer Factory 1, Conex Factory, Technora Factory, Resin [Matsuyama Production Division, Mihara Production Division], Mishima Business Site, Ibigawa Business Site, Composites Development and Production Center [Matsuyama], Medical Device Business Development Project [Hino]) Teijin Frontier (functional fibers , cords) Teijin Tedy Unisel Teijin Cordley (Mihara, Shimane) Teijin Modern Yarn (Komatsu, Kaga) Frontier Tex Shinwa Limited (Modern Yarn Business Division [Komatsu], Knit Business Division [Shibayama]) Kansai Shizai GH Craft (Funakubo, Itazuma) Hiroshima Plastic Teiyo Kinkai Chemicals Teijin Pharma (Iwakuni Medical Plant, Home Medical Care Technical Service Center, Medical Quality Assurance Department) Infocom Infocom East Japan Infocom West Japan Grandit Teijin Nakashima Medical Teijin Medical Technologies Teijin Engineering (Osaka, Iwakuni, Matsuyama, Tokyo) Teijin Eco-Science (Ibaragi Technical Center, Hamura Technical Center, Matsuyama Technical Center, Matsuyama Factory) Teijin Logistics (Osaka, Ehime, Tokuyama, Tokyo, Hokuriku, Tokai) Toho Chemical Engineering & Construction Toho Machinery
Overseas 23 companies, 46 factories)	China: Nantong Teijin, N.I. Teijin Airbag Fabric (Nantong), Nantong Teijin Automotive Fabrics Finishing (Nantong), Chemicals Plastic Compounds (Shanghai), Teijin Polycarbonate China, CSP Victall Structural Composites, Teijin Medical Device (Shanghai) Korea: Teijin Lielsort Korea Thailand: Teijin Polyester (Thailand), Teijin (Thailand), Teijin Cord (Thailand), Thai Namsiri Intertex (two factories), Teijin FRA Tire Cord (Thailand)(two factories) USA: Teijin Carbon America, Renegade Materials Corporation, Continental Structural Plastics Holdings (head office, 11 factories) Germany: Teijin Carbon Europe (two factories), J. H. Ziegler (four factories) Netherlands: Teijin Aramid (three factories) Spain: Esteve Teijin Healthcare Portugal: Inapal Plasticos (two factories) Czech Republic: Benet Automotive (four factories)

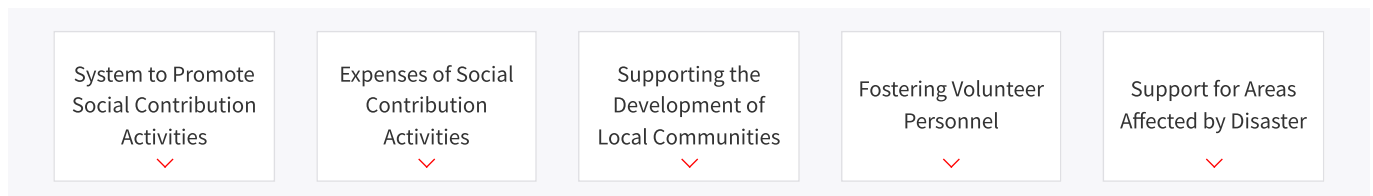
Certification rate for the Teijin Group's major operation bases and factories*: 88%

* With 50 or more employees

Sustainability

Social Contributions

In addition to developing social contribution activities common to the Teijin Group, we also engage in social contribution activities that take advantage of the individuality of each business unit and business site.



Stakeholders' recognition, expectations, and requirements of the company change together with the social environment. In view of the achievements of current activities and the SDGs Approach Policy indicated in the Medium-Term Management Plan for 2020-22, the Teijin Group on January 27, 2021, revised its Basic Policies for Social Contributions.

Teijin Group Basic Policies for Social Contributions

To realize our corporate philosophy of "Enhancing the Quality of Life" and become a company that supports the society of the future, the Teijin Group contributes to the development of a sustainable world, our focus will be on people, through our business. As good corporate citizens, we contribute to society in an appropriate manner to evolve together with our local communities in harmony with nature and with showing respect for the particular characteristics of the business and region.

- For the earth We strive to coexist with the global environment and value nature and life. We contribute to the mitigation of climate change and the preservation of biodiversity and environment.
- For society We appreciate our local communities and act as one of its members. We focus on the fields of health, sports, and support for disaster-stricken areas, taking advantage of our business.
- For people We engage in social contribution activities to support the development of the next generation that supports the society of the future through academics, education, and sports. We encourage and support volunteer activities of employees within the company.

Teijin Group System to Promote Social Contribution Activities

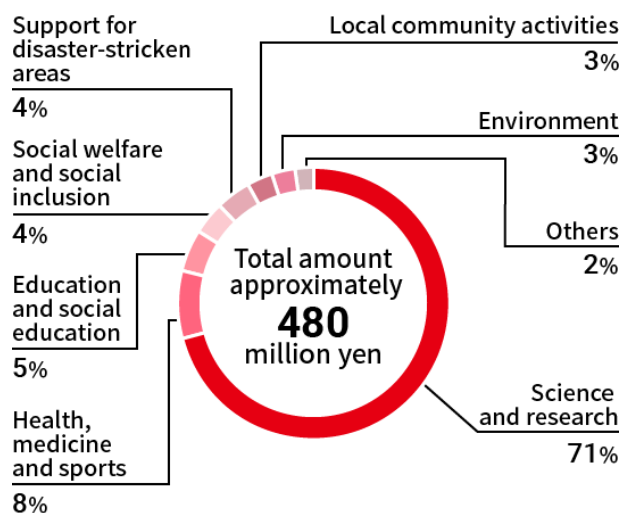
Based on the Code of Conduct, the Teijin Group promotes social contribution activities in each business group and business site from the standpoints of science and education, culture, sports activities, environmental preservation activities and disaster prevention activities.

In addition, the CSR Planning and Promotion Department plays a central role in supporting volunteer activities and proposing Group-wide social contribution programs in which employees can easily engage. Through these programs, we are fostering human resources who can participate independently in and promote social contribution activities.

Expenses of Social Contribution Activities in FY2020

Since joining the Keidanren (Japan Business Federation) 1% Club in FY2003, the Teijin Group has been aiming to set aside at least 1% of ordinary income for social contribution costs. Expenses of social contribution activities in FY2020 were approximately 480 million yen, 0.9% of ordinary income.

Expenses of social contribution activities in FY2020



Breakdown of expenses of social contribution activities in FY2020

Item	Description	Amount (millions of yen)
Monetary	Monetary donations and other expenses for social contribution activities	386
Donations of goods	Donations of our products and other goods to social welfare organizations	7
Free renting of company facilities	Expenses for free renting of company facilities such as gyms and playgrounds	30
Participation/Dispatch of employees	Personnel expenses for employees who participated in philanthropic activities during their work hours, such as joining local events as part of their work, and employees who gave lectures at meetings	57
Total		480

* Data for all group companies, based on the Keidanren "Procedures for Implementing FY2018 Survey on Results of Corporate Philanthropic Activities".

Supporting the Development of Local Communities

Science and education

Scholarship system in Japan and China

Since 1953, the Teijin Group has offered the Teijin Kumura Scholarship named after Seita Kumura, a pioneer in the Japanese chemical fiber industry, with the aim of passing on and developing an original R&D spirit and fostering young scientists who will contribute to social development and the creation of new culture (reorganized to the Teijin Scholarship Foundation in 2011). One of the oldest scholarships in Japan established and operated by a private company, it was awarded to 47 people in 2020 and has benefited more than 1,600 technical students so far.

Additionally, in June 2010, we established a scholarship system in China offering annual scholarships of 8,000 yuan per student with no repayment obligation. Recipients are technical master's degree students of Peking University, Tsinghua University, Fudan University, and Shanghai Jiao Tong University. Continuing from FY2017, scholarships were granted to 36 students in FY2020.

Establishment of the Nantong Teijin Charitable Scholarship Fund

In April 2014, Nantong Teijin Co., Ltd. established the Nantong Teijin Charitable Scholarship Fund for students enrolled in junior and senior high school and university in Nantong, Jiangsu Province, China. Nantong Teijin Co., Ltd. is the Teijin Group's manufacturing and sales base for textiles in China. This fund was established with the aim of contributing to the community of Nantong by providing economic assistance to local students; it was the first charitable fund associated with a company name in the Nantong Economic and Technological Development Zone. In FY2020 too, we extended support of about the same amount of 18,000 yuan to the Nantong Teijin Charitable Scholarship Fund.



Co-sponsor of the "All Japan Science Koshien"

Aiming to foster human resources for science and technology by integrating industry-government-academia research groups, the Japan Science and Technology Agency established the Science Koshien in FY2011.

The Teijin Group has co-sponsored the Science Koshien for senior high school students since FY2011, and also began sponsoring the newly established "Science Koshien Junior" for junior high school students from FY2013. As a company focusing on diversity development, the Teijin Award is presented to the team with the most outstanding results among teams with a high ratio of female students.

The All Japan Science Koshien for senior high school students was held in March 2021. To prevent the spread of COVID-19 infections, the tournament was held without spectators and streamed live online. The Teijin Award went to the team representing Toyama Prefecture. The All Japan Science Koshien Junior for junior high school students, which had been scheduled to take place in December 2020, was cancelled due to the COVID-19 pandemic.



The presentation of the Teijin Award at the 10th All Japan Science Koshien (Awarded to the team representing Toyama Prefecture) *Streamed online.

Sports activities

Co-sponsor of the All Japan High School Soccer Tournament

On the basis of our corporate philosophy of "enhancing the quality of life" and growing "in harmony with society," the Teijin Group has co-sponsored the All Japan High School Soccer Tournament since 1991 in line with our goal of contributing to society by supporting amateur and youth sports. Every year we donate soccer balls using CORDLEY artificial leather to the participating schools representing each prefecture in Japan. In 2020, which marked the 30th anniversary of our cosponsorship, as a contribution toward the holding of the tournament amid the COVID-19 pandemic, we provided the participating players, team staff, and tournament officials with high-function masks made by Teijin Frontier.



Supporting youth football in Southeast Asia

Teijin Polyester (Thailand) Limited (TPL) has been an official sponsor of the Japan Dream Football Association (JDFA) since 2012. The JDFA is an organization set up in 2011 by Masao Kiba, the former captain of Gamba Osaka professional soccer team. By conducting football workshops and other activities in Southeast Asian countries, the JDFA aims to inspire children to pursue their dreams for the future, along with spurring the development of soccer in Japan and Asia.



Environment

Cosponsor of the Green Lane environmental diary project

The Teijin Group cosponsors the Green Lane environmental diary project, an environmental education initiative organized by Green Cross Japan for elementary school children in Japan. This project involves children keeping an environment-related diary for 12 weeks, thereby raising their awareness of the importance of the environment. In FY2020 about 100,000 diaries were distributed to elementary schools and other facilities nationwide. The Teijin Group's PET bottle recycling initiative was introduced in these diaries. The environmental diary contest was held in December 2020, with 3,290 entries received from 100 organizations. Although the award ceremony was cancelled due to the COVID-19 pandemic, award certificates were sent to the recipients.



Exhibit at EcoPro Online 2020: Toward the realization of a sustainable society

In FY2020 the EcoPro exhibition was held online to prevent the spread of COVID-19 infections. The Teijin Group exhibited in a special site and highlighted our products committed to using environment-friendly materials, our products protecting the beautiful environment, and our products supporting an energy-saving lifestyle.



Fostering Volunteer Personnel

Group-wide activities

Promotion of Volunteer Support Program

In June 2011, we established the Volunteer Support Program. Under this program, the administration committee decides which volunteer activities are to be supported from volunteer activities that group employees in Japan are engaged in, and partial financial support for the activities is provided via the Teijin Group Social Contribution Fund made up of donations from volunteer employees and directors as well as from companies.

The fund donated operating money to the following 12 nonprofit organizations (NPOs) in FY2020:

- Group to Enliven Kushiro with Marimo (50,000 yen)
- (NPO) NORDIC Asaka (100,000 yen)
- (NPO) NGO Quatro (100,000 yen)
- (NPO) Work Life Collabo (100,000 yen)
- (NPO) Kodomo e no Manazashi (100,000 yen)
- (General Incorporated Association) Nippon Suibokuga Art Association (100,000 yen)
- (NPO) Matsuyama Suicide Prevention Center (100,000 yen)
- Protecting the Nature of Hino Organization (100,000 yen)
- Nature Conservation Educators Tokyo Liaison Office, Nature Conservation Society of Japan (50,000 yen)
- (NPO) Japan Association for Galapagos (100,000 yen)
- Teijin Soccer School (100,000 yen)
- (Public Interest Incorporated Association) Natural Environment Conservation Society of Osaka (100,000 yen)



Group to Enliven Kushiro with Marimo



(NPO) NORDIC Asaka

Picture book donating activities-Book Dream Project

The Book Dream Project, which started in FY2008, uses money received in exchange for used items provided by Group employees in Japan to buy Japanese picture books and donate them to libraries overseas. Before donations are delivered, volunteer employees affix translated seals to the books so that they can be read in the local language. In FY2020, we donated 57 picture books to a library, special-needs school, elementary school, and kindergarten in Indonesia. We also donated 64,337 yen of the money received from the exchange of books to a mobile library activity operated by Sikkha Asia Foundation in Thailand.

In February 2021 a certificate of gratitude commending our activities so far was received from the Tokyo Voluntary Action Center of the Tokyo Council of Social Welfare.



Picture books with seals in the Indonesian language

Environmental photo contest held

As a way of encouraging employees to think about the environment, the Teijin Group runs a photo contest in which participants take photos of the natural environment. In FY2020, in view of the huge changes that had occurred due to the COVID-19 pandemic, the theme of "The Power of

"Life" was chosen in the hope that society might get even a little better. From among the entries, the following works were selected for awards by means of online voting by Teijin Group employees:



Gold Award: "Morning Comes"



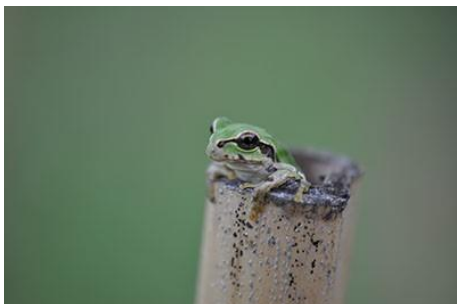
Silver Award: "Ice Age"



Bronze Award: "Flowering After Decades"



Bronze Award: "Come Here"



Chief Social Responsibility Officer Special Award: "Tree Frog Waiting for Spring"

Support for Areas Affected by Disaster

Support for areas affected by the Great East Japan Earthquake

To support the areas affected by the Great East Japan Earthquake, the Teijin Group has extended support of over 500 million yen in total, including monetary donations; blankets, masks and other relief goods; and free provision of home healthcare equipment such as oxygen cylinders and oxygen concentrators.

In addition, we are also engaged in ongoing reconstruction support through our business activities. In 2013, the IT Business Group's Infocom Corporation opened a multipurpose facility "Minna no Ie" (Home-for-All) in Iwanuma City, Miyagi Prefecture. From this facility, Infocom is providing reconstruction support for agriculture utilizing IT and creating businesses to support ongoing reconstruction. In April 2015, Teijin Frontier Co., Ltd. and Otsuma Women's University donated 700 high-performance T-shirts to children affected by the Great East Japan Earthquake. These T-shirts are made of the high-performance polyester fabric, which remains comfortable even when the wearer is sweating. Since FY2015, Teijin Frontier Co., Ltd. has been supporting the Oxfam Trailwalker event, a global walking event held at Mount Adatara in Fukushima Prefecture every year since FY2015 as part of reconstruction efforts after the Great East Japan Earthquake.



"Minna no Ie" (Home-for-All) in Iwanuma City

Support for areas affected by the Kumamoto Earthquake

The Teijin Group has been providing support to areas affected by the Kumamoto Earthquake that struck in April 2016, in the form of donations of both money and Teijin products for use as relief supplies.

<Relief supplies>

- Warm beddings: 600
- Lightweight, warm blankets: 600
- Water-absorbing pads: 20,000
- Nonwoven medical masks: 52,250
- Blankets (TEIJINCONEX® used): 100
- Fabric for partitions in evacuation shelters: Approx. 1,000 meters

Additionally, in December 2016 the IT Business Group's Infocom Corporation established a multipurpose facility "Minna no Ie" (Home-for-All) at the temporary housing complex in Mashiki Town, Kumamoto Prefecture. At the completion ceremony, 700 bags of freshly harvested rice (Hitomebore brand; approximately 700 kg) were distributed for free to residents of the temporary housing complex.



"Minna no Ie" (Home-for-All) at Techno Temporary Housing Complex in Mashiki Town

Examples of support for areas affected by Natural Disasters

The Teijin Group makes donations and provides products free of charge with the aim of helping people and communities recover from natural disasters.

<Main support in Japan>

On July 20, 2020, Teijin Limited donated a total of 3 million yen as assistance for the region affected by torrential rainfall in that month. On the occasion of the torrential rainfall in July 2020, Teijin Healthcare Limited, a member of the Teijin Group, giving top priority to ensuring the safety of patients, confirmed safety, sent oxygen cylinders, and installed oxygen concentrators and other equipment. In addition, on the occasion of a magnitude 7.1 offshore earthquake that hit Fukushima Prefecture on February 13, 2021, amid concern about the spread of COVID-19, Teijin Healthcare again placed top priority on the safety of patients and, after completing the



Evacuation shelter in Kurashiki City, Okayama Prefecture (elementary school)

confirmation of safety as quickly as possible, implemented emergency response support.

<Main support overseas>

Teijin Limited donated 500 kg of OLSORB, a high-performance oil-absorbent sheet, to assist the cleanup of fuel oil spilled when the freighter Wakashio ran aground off the island of Mauritius in the Indian Ocean. (This amount would allow the absorption of about 10 tons of oil.) Teijin made the donation to the government of Mauritius through Mitsui O.S.K. Lines, Ltd., which was tackling environmental recovery in the area.

Support for the prevention of COVID-19 infection

The Teijin Group as a whole (domestic and overseas) made donations of approximately 109,000 masks, 300 protective clothing wear, and 3,200 nitrile rubber gloves to facilities, including medical institutions, welfare nursing homes, and airline companies (return charter flights) where essential workers were engaged in work.

Furthermore, in Japan, we provided polycarbonate resin sheets for use in face shields (equivalent to 700,000 yen) and non-woven fabric for masks (equivalent to 1,500,000 yen) free of charge to manufacturing companies and others.

Overseas, Esteve Teijin Healthcare (Spain) donated about 700,000 yen to hospitals, Continental Structural Plastics Holdings Corporation (United States) donated about 100,000 yen to food banks, Teijin Chemicals Plastic Compounds (Shanghai) donated about 50,000 yen to charities, and Inapal (Portugal) guaranteed salaries for employees who worked as volunteer firefighters. This aid is equivalent to 18 million yen (from February 2020 to end of March 2021).

In addition, the Group has declared support for the prevention of COVID-19 infections and stated that it will not seek any consideration or compensation for acts aimed at the diagnosis, prevention, containment, and termination of the spread of COVID-19 infections and will not exercise patent rights, utility model rights, design rights, and copyright rights held by the company for a certain period of time.

For details, see COVID-19 Related Initiatives and Announcement