

Sustainability

Global Environment

Teijin Group Global Environmental Charter >

The Teijin Group defines its Global Environmental Charter and Global Environmental Activity Goals in line with our corporate philosophy.

Climate Change Initiatives (Disclosure based on TCFD recommendations) >

The Group has designated "climate change mitigation and adaptation" as an important issue (materiality). Accordingly, the Group is leveraging lightweight and energy-efficient technologies to contribute to the transition to a carbon-free society. At the same time, the Group is making efforts to reduce greenhouse gas emissions from its business activities.

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In response to the increasingly critical water shortages and water pollution worldwide, the Teijin Group is endeavoring to reduce water consumption at business sites bearing in mind water-related risks, while promoting the efficient use of water resources.

Management of Water Resources >

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We are working to systematically reduce emissions of hazardous chemical substances associated with our business activities and commit to preventing environmental pollution.

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Resources Recycling Initiatives >

We promote resources recycling initiatives with a focus on reducing the amount of landfill waste.

Reduction of Landfill Waste >

Initiatives for Biodiversity >

The Teijin Group is committed to the pursuit of a society capable of sustainable development. The Group considers biodiversity and strives to reduce environmental impact throughout the entire life cycle of its products, from raw material procurement to production and product utilization, in order to realize its corporate philosophy of "We place the highest priority on safety and the preservation of our natural environment."

Risk of Loss of Biodiversity Due to Business Activities >

Main Initiatives >

Status of acquisition of environmental management system certifications >

As a mechanism to minimize its impact on the environment, the Teijin Group encourages its business sites and plants to obtain the ISO 14001 certification, an international standard related to environmental management.

Teijin Group Global Environmental Charter

The Teijin Group defines its Global Environmental Charter and Global Environmental Activity Goals in line with our corporate philosophy.

The Teijin Group Global Environmental Charter

To fulfill the Teijin Group's corporate philosophy "We place the highest priority on safety and the preservation of our natural environment" to ensure society's sustainable development, we will:

1. Strive to promote efficient use of resources and energy and reduction of environmental impact to preserve the global environment.
2. Provide products and services that reduce the environmental impact for society through progress in science and technology with a focus on global environmental consciousness.
3. Participate in social activities aiming at conserving the global environment through education and raising awareness for group employees, and cooperation with local communities involved in our business activities.

(Established by resolution of the Board of Directors in December 1992; revised in July 2007)

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)

Climate Change Initiatives (Disclosure Based on TCFD Recommendations)

The Teijin Group has designated "climate change mitigation and adaptation" as an important issue (materiality). Accordingly, the Group has been leveraging lightweight and energy-efficient technologies to contribute to the transition to a carbon-free society. At the same time, the Group has been making efforts to reduce greenhouse gas (GHG) emissions from its business activities.

We have also announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in March 2019. We promote information disclosure on climate change in line with it.

Governance

Under the guidance and supervision of the Board of Directors, the Teijin Group is making efforts to address climate change-related issues as part of its efforts toward sustainability and risk management, and has put the Chief Sustainability Officer (CSO) in charge of these efforts.

The Board of Directors grasps the situation and provides instruction based on reports from the Total Risk Management (TRM) Committee twice a year as well as reports from the CSO regarding the performance status of their duties.

In addition, management assesses the response to climate change through TRM Committee meetings and CSR Committee meetings, and promotes initiatives accordingly.

Corporate Governance >

Strategy

Opportunities and risks related to climate change

We view climate change mitigation as a business opportunity and are providing solutions centered on the transition to lightweight, highly durable mobility realized through high-performance and high-value-added materials.

For climate change adaptation, we are offering solutions that help reduce damage and facilitate a prompt recovery in the event of a natural disaster, through infrastructure reinforcement materials that make use of high-performance materials and technologies and services in the IT and healthcare domains. In addition, we are striving to provide solutions that help contribute to the establishment of a circular economy, with a view toward achieving carbon neutrality.

Materiality 1 Climate Change Mitigation and Adaptation >

Materiality 2 Achievement of a Circular Economy >

Meanwhile, in an effort to reduce the impact our business activities have on the global environment, we are phasing out coal-fired thermal power while promoting energy conservation and renewable energy and pursuing process innovation and other types of technological innovation.

In addition, we analyzed the impact of climate change-related transition risks and physical risks on our operations from the three perspectives listed below. Based on this analysis, we have established long-term environmental targets and are making efforts to reduce our CO₂ emissions accordingly.

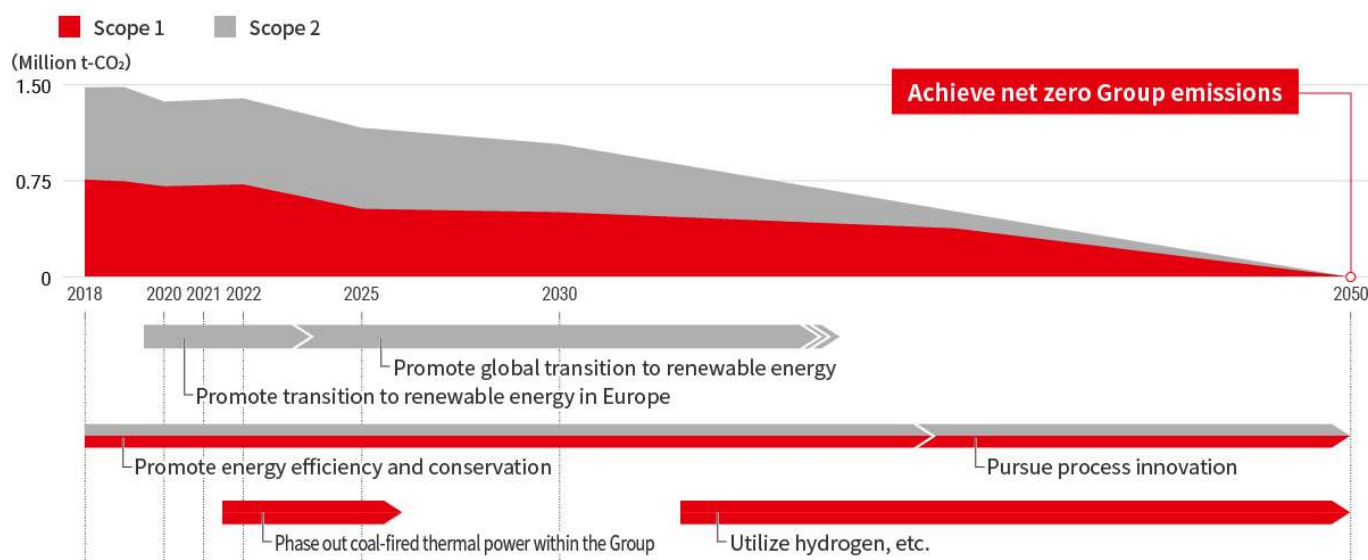
Climate change-related opportunities and risks

Category	Major opportunities	Time frame	Major initiatives
Opportunities concerning products and services	<ul style="list-style-type: none"> • Increase in profits through the provision of solutions that contribute to "climate change mitigation and adaptation" 	Short term-Long term	<ul style="list-style-type: none"> • Provision of solutions that leverage lightweight and energy-efficient technologies • Provision of solutions that help reduce damage and facilitate a prompt recovery in the event of a natural disaster

Category	Major risks	Time frame	Major initiatives
Transition risks	Policies and legal regulation <ul style="list-style-type: none"> • Increase in costs due to carbon tax, EU Emissions Trading Scheme, etc. 	Short term-Long term	<ul style="list-style-type: none"> • Monitoring of trends in various policies and regulations • Introduction of internal carbon pricing system targeting capital expenditures that can lead to an increase/decrease in CO₂ emissions
	Market and reputation <ul style="list-style-type: none"> • Decrease in corporate value and worsening of reputation due to an increase in Group CO₂ emissions 	Medium term-Long term	<ul style="list-style-type: none"> • Management of CO₂ emissions of Group companies both in Japan and overseas, including affiliated companies • Formulation and implementation of road map for achieving long-term environmental targets
Physical risks	Acute and chronic risks <ul style="list-style-type: none"> • Suspension of business activities as a result of increased intensity of natural disasters such as typhoons and floods, long-term temperature increases, and rising sea levels, stemming from climate change 	Short term-Long term	<ul style="list-style-type: none"> • Regular review of business continuity plan (BCP) and implementation of various disaster prevention drills

Road map for reducing Group CO₂ emissions (Scope 1 + Scope 2)

The Teijin Group aims to achieve net zero carbon emissions by 2050. To that end, we are phasing out coal-fired thermal power in an effort to reduce CO₂ emissions resulting from our business activities while promoting energy conservation and renewable energy and pursuing process innovation and other types of technological innovation.



In FY2022, Teijin (Thailand) Limited transitioned away from using coal as fuel for boilers that supply steam to its plants and adopted the use of natural gas instead, which is extremely energy efficient and can help to significantly reduce CO₂ emissions. Moreover, in Japan, we decided to convert fossil fuel-based power generation facilities at the North Plant of Matsuyama Factory to a cogeneration system running on city gas. Through these efforts, we expect that we can completely phase out the use of fossil fuels to generate power both in Japan and overseas.

Continuing on from the introduction of renewable energy at our European bases, we commenced the introduction of such energy at Teijin Polyester (Thailand) Limited in FY2021, and Teijin Polycarbonate China Ltd. and Teijin Lielsort Korea Co., Ltd. in FY2022, among other locations.

In our efforts to enhance energy efficiency and promote energy conservation, we aim for a 1% improvement in energy efficiency each year and are promoting efforts to achieve this goal at each base. Spearheaded by the Energy Strategy Department, we are promoting energy initiatives across the Group by assessing the status of energy use by facilities at each base and calculating the effects of energy conservation efforts.

Converting to gas cogeneration system at the North Plant of Maruyama Factory

In October 2022, the Teijin Group made the decision to convert the in-house fossil fuel-based power generation facilities currently in use at the North Plant of Maruyama Factory to a cogeneration system* running on city gas.

* Cogeneration systems supply both electricity and heat on premise, and their high energy efficiency result in significant reductions in CO₂ emissions.

With regard to the Group's specific targets for net zero emissions by FY2030, allowing for future business growth, this target requires us to reduce CO₂ emissions by roughly 600,000 tons compared with FY2018 levels. The introduction of this gas-based cogeneration system in the North Plant of Matsuyama Factory is expected to achieve a reduction of 200,000 tons a year, or around 30% of this reduction.

The total investment is expected to be over JPY 10 billion, including the replacement of existing aging power receiving and distribution equipment, and the generating capacity of the new power plant is expected to be approximately 30,000 kW.

Introduction of internal carbon pricing system*

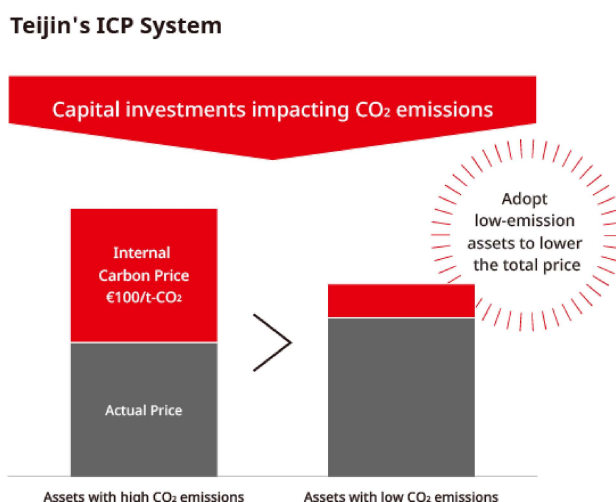
In FY2020, the Teijin Group established and introduced an internal carbon pricing (ICP) system targeting capital expenditure plans throughout the Group that can lead to an increase or decrease in CO₂ emissions. In FY2021, we began applying this ICP system to our capital expenditures.

In April 2023, we revised the ICP system, making changes to such aspects as set pricing and scope of application, taking into account such factors as the raising of our target for Groupwide CO₂ emissions reductions and the recent changes in the external environment.

With regard to ICP, we raised this price from €50/t-CO₂ to €100/t-CO₂ to better reflect the increased risks of carbon taxes being introduced and rising tax rates as well as higher emissions trading prices in various countries, especially in Europe.

We have expanded the application of our pricing system for in-house CO₂ emissions to include investments such as M&A, as well as decisions related to reducing emissions that do not necessarily involve capital investment, such as switching to renewable energy. In addition, with regard to indirect emissions from partners in our upstream value chain (Scope 3 Category 1), the revised ICP will be applied to capital investments for switching to recycled or biomass-derived raw materials purchased from other companies, thereby encouraging the reduction of CO₂ emissions throughout the supply chain.

* A system that creates economic incentives to reduce CO₂ emissions by establishing internal carbon prices to quantify CO₂ emissions as costs, thereby promoting internal efforts to respond to climate change



Scenario analysis related to climate change

After identifying businesses and industries that have the potential to be significantly impacted by climate change, the Teijin Group has been conducting an analysis of the level of this impact based on the 2°C scenario and the 4°C scenario,* referencing World Energy Outlook (WEO), published by the International Energy Agency (IEA).

We have also been closely monitoring the changing trends in the industry due to the COVID-19 pandemic and examining appropriate investment timing and resource allocation.

* 2°C scenario: IEA WEO Sustainable Development Scenario/IEA WEO 450; 4°C scenario: IEA WEO Stated Policies Scenario

We are once again conducting scenario analysis as we formulate the next medium-term management plan. In addition, we are examining specific measures to enact during the period of the next plan so that we are able to adhere to our road map for CO₂ reductions.

Risk Management

Groupwide management methods for climate change risks

We position climate change-related risks as "Serious Group Risks" and are working to manage them accordingly under our TRM framework. Transition risks and physical risks faced by Group companies are identified and responded to alongside other risks via our TRM risk assessment.

For transition risks, we have established a road map for achieving net zero CO₂ emissions while monitoring the trends of government policies around the globe. We have also introduced an ICP system that targets capital expenditures linked to increases or decreases in CO₂ emissions. Furthermore, we are striving to reduce Groupwide GHG emissions and GHG emissions within the supply chain. Through such efforts, we are curtailing the impact of transition risks.

In April 2023, the scope of the system was expanded to include investment projects such as M&A and projects that require decision-making related to the reduction of CO₂ emissions without capital investment, such as conversion to renewable energy as a result of changing suppliers.

In addition, to address physical risks such as those involving rising temperatures and sea levels, we are evaluating and implementing the necessary measures to respond to water risks. At the same time, we are revising our BCPs as needed and implementing various kinds of disaster prevention drills.

Risk management structure

1. Each business implements risk management in accordance with the frontline operations.
2. CSO confirms and makes instructions on the risk management status of each business at the CSR Committee and the CSO review.
3. CSO reports and makes proposals related to Groupwide risk management at the TRM Committee, followed by discussions and instructions.
4. CSO reports the contents of discussions at the TRM Committee to the Board of Directors. The Board of Directors deliberates on basic TRM plans.

Risk Management >

Indicators and Targets

To accelerate efforts to realize net zero CO₂ emissions, we raised the FY2030 target for Groupwide GHG emissions from a 20% reduction compared with FY2018 to a 30% reduction.* These targets were validated as targets that limit global temperature rise to "well below 2C," thereby receiving approval from the Science Based Targets initiative, which recognizes GHG emission targets that are scientifically consistent with the targets of the Paris Accord.

For two-thirds of our total CO₂ emissions within the supply chain, we established a target of achieving a 15% reduction in these emissions by FY2030 compared with FY2018 to reinforce efforts toward realizing a carbon-neutral society.

* Equivalent to a 47% reduction in CO₂ emissions compared with FY2013 (Reference information: Japanese government target of 46% reduction in GHG emissions compared with FY2013)

Avoided CO₂ emissions

We aim to reduce CO₂ emissions throughout the entire supply chain by using our long-cultivated technologies for reducing weight and increasing efficiency. By the early stage of FY2030, we aim to make the amount of our avoided emissions larger than our total emissions, which comprise our Groupwide CO₂ emissions and CO₂ emissions from the upstream supply chain (Scope 1 and 2 and upstream Scope 3).

We have also been making efforts toward Life Cycle Assessments (LCA), which visualize the environmental burden of a product across its entire life cycle. Through these efforts, we aim to reduce CO₂ emissions throughout the entire supply chain. In FY2023, we established the LCA Promotion Expert Meeting under which we are proceeding with Groupwide LCA initiatives.

The Group's targets

Achieve goal of making the amount of avoided CO₂ emissions larger than total CO₂ emissions by FY2030



Group CO₂^{*1} emissions^{*2}

Through the early phase-out of all coal-fired power generation and the gradual transition to renewable energy sources for our electricity, we are working to decouple our business growth from GHG emissions.

*1 Includes CO₂, methane, and N₂O

*2 CO₂ emissions are calculated with the GHG Protocol as reference. The amount of CO₂ emissions equivalent to the amount of energy sold to other companies has not been deducted from this data. In addition, the scope of calculation includes non-energy-derived CO₂ emissions from carbon fiber production, calculated based on the chemical reaction balance. With regard to coefficients for fuel, we use emissions coefficients based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. As for emissions coefficients for electricity, we use adjusted emissions coefficients of individual electric power companies for power purchased in Japan. For power purchased overseas, we use power company-specific coefficients, in principle. However, in cases where the power company-specific coefficient is unknown, we apply the latest available IEA country-specific emissions coefficient.

The Group's targets (KPI)

FY2030: 30% reduction (vs. 1.48 million t-CO₂ in FY2018)

FY2050: Net zero emissions

Supply chain CO₂ emissions^{*}

We have set a KPI pertaining to two-thirds of our total supply chain CO₂ emissions and are working to reduce these emissions across the entire supply chain.

* Covers Scope 3 emissions in Category 1 (purchased goods and services) except emissions from products purchased in the Fibers & Products Converting Business for the purpose of sale. Category 1 emissions are calculated by multiplying the weight or purchased value of purchased goods and services by the emissions intensity in units of weight or value. Emissions intensity data for monetary units is from Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by "Organizations Throughout the Supply Chain (Ver. 3.2) (March 2022) (Emissions Unit Values Database V. 3.2)," published by the Ministry of Economy, Trade, and Industry and the Ministry of the Environment. Emissions intensity data for weight units is based on the intensity data of the Ecoinvent Database (operated by Ecoinvent Association) or the LCA for Experts (GaBi) Database (operated by Sphera).

Group target (KPI)

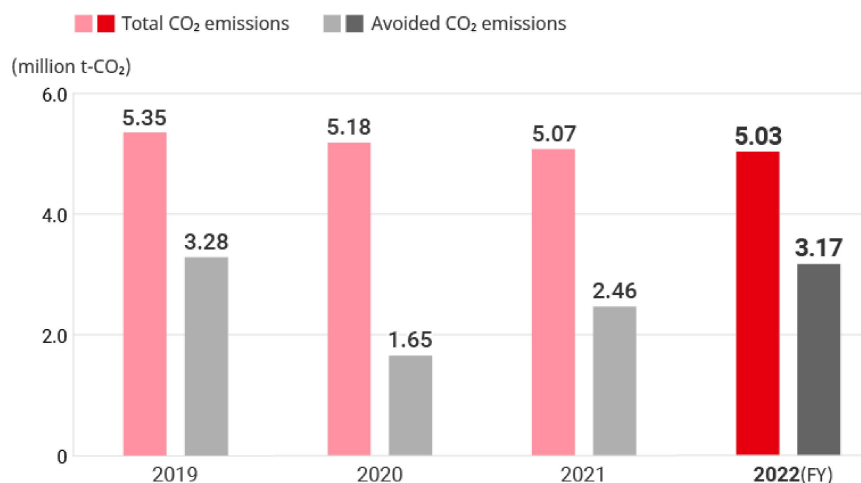
FY2030 Reduction of 15% compared with FY2018

Efforts to Reduce CO₂ Emissions

Avoided CO₂ emissions

In FY2022, our avoided emissions increased 29% compared with the previous fiscal year, to 3.17 million t-CO₂, due to such factors as the increase in sales of carbon fibers.

Trends in total CO₂ emissions and avoided CO₂ emissions



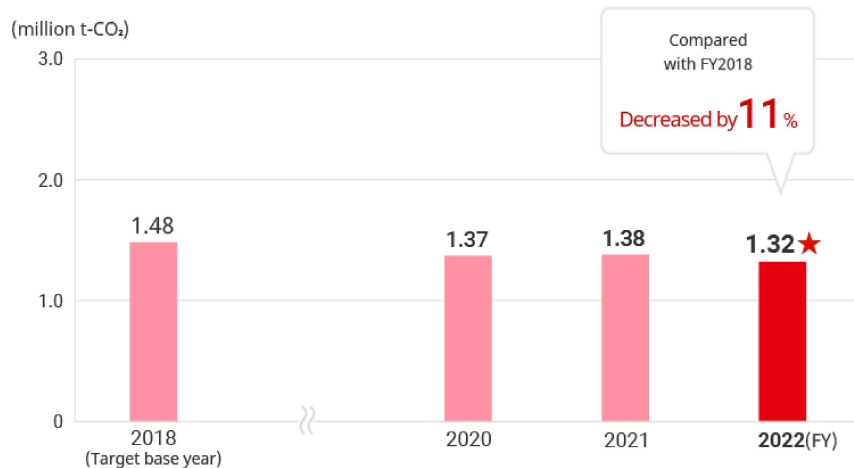
	Total CO ₂ emissions*	Avoided CO ₂ emissions
FY2020	5.18 million t-CO ₂	1.65 million t-CO ₂
FY2021	5.07 million t-CO ₂	2.46 million t-CO ₂
FY2022	5.03 million t-CO ₂	3.17 million t-CO ₂

* Total CO₂ emissions are calculated for Scope 1, Scope 2, and Category 1 (Purchased goods and services), Category 2 (Capital goods), Category 3 (Fuel- and energy-related activities not included in Scope 1 and Scope 2), Category 4 (Upstream transportation and distribution), Category 5 (Waste generated in operations), Category 6 (Business travel), and Category 7 (Employee commuting) in Scope 3.

Group CO₂ emissions

In FY2022, Group CO₂ emissions decreased 4% compared with the previous fiscal year, to 1.32 million t-CO₂★ (Scope 1: 0.75 million t-CO₂, Scope 2: 0.57 million t-CO₂), owing to the introduction of renewable energy at overseas bases, among other efforts. This result represented an 11% decrease in emissions compared with FY2018.

Trends in Group CO₂ Emissions

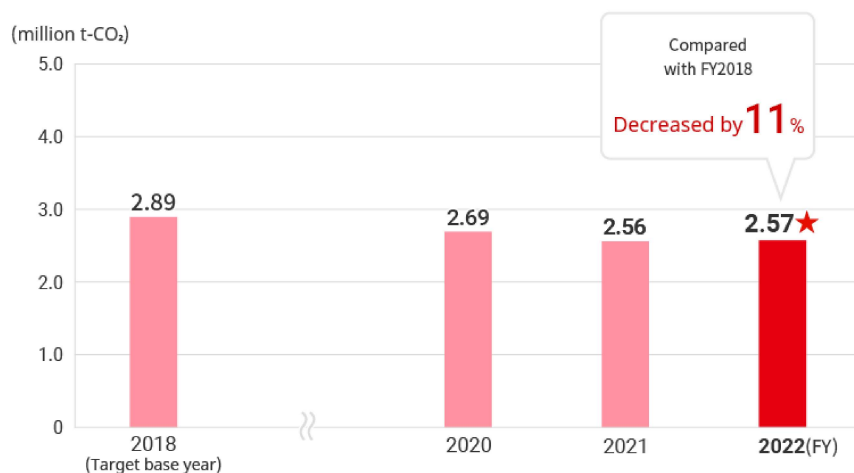


* Includes CO₂, methane, and N₂O. CO₂ emissions are calculated with the GHG Protocol as reference. The amount of CO₂ emissions equivalent to the amount of energy sold to other companies has not been deducted from this data. In addition, the scope of calculation includes non-energy-derived CO₂ emissions from carbon fiber production, calculated based on the chemical reaction balance. With regard to coefficients for fuel, we use emissions coefficients based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. As for emissions coefficients for electricity, we use adjusted emissions coefficients of individual electric power companies for power purchased in Japan. For power purchased overseas, we use power company-specific coefficients, in principle. However, in cases where the power company-specific coefficient is unknown, we apply the latest available IEA country-specific emissions coefficient.

Supply chain CO₂ emissions

In FY2022, our supply chain CO₂ emissions were 2.57 million t-CO₂ ★, on a par with the level of the previous fiscal year, representing an 11% decrease compared with FY2018.

Supply Chain CO₂ Emissions



* Covers Scope 3 emissions in Category 1 (Purchased goods and services) except emissions from products purchased in the Fibers & Products Converting Business for the purpose of sale. Category 1 emissions are calculated by multiplying the purchased weight or purchased value of purchased goods and services by the emissions intensity in units of weight or value. Emissions intensity data for monetary units is from Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by "Organizations Throughout the Supply Chain (Ver. 3.2) (March 2022) (Emissions Unit Values Database V. 3.2)", published by the Ministry of Economy, Trade, and Industry and the Ministry of the Environment. Emissions intensity data for weight units is based on the intensity data of the Ecoinvent Database (operated by Ecoinvent Association) or the LCA for Experts (GaBi) Database (operated by Sphera).

Reducing CO₂ emissions in logistics

In FY2022, CO₂ emissions associated with the logistics domain amounted to 5.75 thousand tons ★, down 0.77 thousand tons from the previous fiscal year.

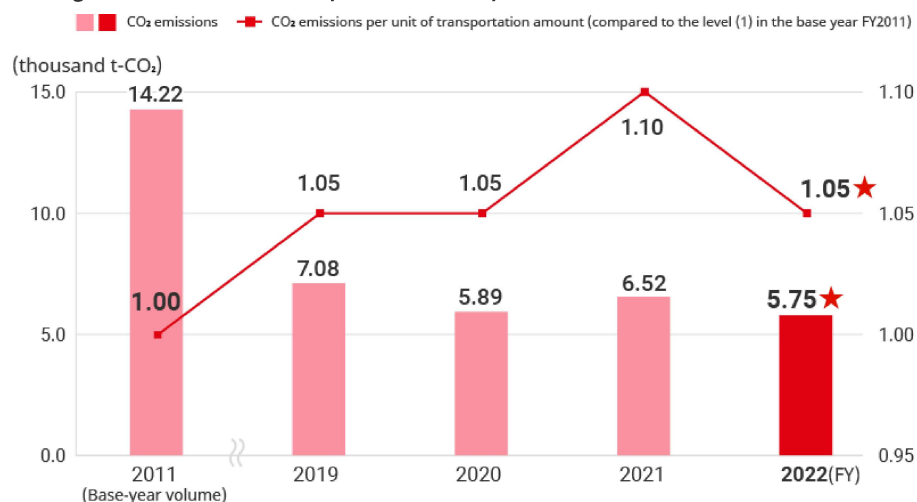
In FY2022, although there was a recover in demand for aircraft and automobile applications, the overall volume of freight transportation decreased 4.8 thousand t-km compared with FY2021, due in part to the slowdown in the Chinese economy.

In addition to the respite from the increase in drayage distance and small-truck transport due to logistics disruptions, CO₂ emissions in logistics were down year on year as a result of ongoing measures to reduce the environmental burden of logistics that we implemented in FY2022, to the greatest extent possible, including improving the truck loading rate and promoting a modal shift (utilizing Japan Railway transportation and shipping).

Following these reduced emissions, in the entire Group's logistics, CO₂ emissions per unit of transportation decreased 0.05 compared with the previous fiscal year. The standard basic unit per 1,000 t-km (tons-CO₂/1,000 t-km) was 1.05★ (against 1 in FY2011).

In FY2023, in addition to shortening drayage distance by changing the point of discharge and to promoting container round use, we will continue efforts to lower emissions per unit by increasing vehicle size (expanding bulk transportation), improving the truck loading rate, and promoting a modal shift.

Trends in CO₂ Emissions in logistics and CO₂ Emissions per unit of transportation amount



* The scopes for calculating CO₂ emitted by logistics for each fiscal year are as follows.

FY2011: Teijin Limited (excluding the aramid fiber business), Teijin Film Solutions Ltd., and the former Teijin Fiber Co., Ltd.'s apparel business that was consolidated with Teijin Frontier Co., Ltd.

FY2017: Teijin Limited, Teijin Film Solutions Ltd., Teijin Frontier Co., Ltd., Teijin Pharma Limited, Toho Tenax Co., Ltd., Teijin Cordley Limited, and Teijin Engineering Ltd.

FY2018 and FY2019: Teijin Limited, Teijin Film Solutions Ltd., Teijin Frontier Co., Ltd., Teijin Pharma Limited, Teijin Cordley Limited, and Teijin Engineering Ltd.

(*)In FY2018, the former Toho Tenax was transferred and integrated into Teijin Limited.

FY2020: Teijin Limited, Teijin Frontier Co., Ltd., Teijin Pharma Limited, and Teijin Cordley Limited (*)Teijin Film Solutions Ltd. and Teijin Engineering Ltd. are not included.

FY2021 and FY2022: Teijin Limited, Teijin Frontier Co., Ltd., Teijin Pharma Limited, and Teijin Cordley Limited (*)Teijin Engineering Ltd. is not included.

Management of Water Resources

In response to the increasingly critical water shortages and water pollution worldwide, the Teijin Group is endeavoring to reduce water consumption at business sites bearing in mind water-related risks, while promoting the efficient use of water resources.

Management of Water Resources

The Group's targets (KPIs) for FY2030

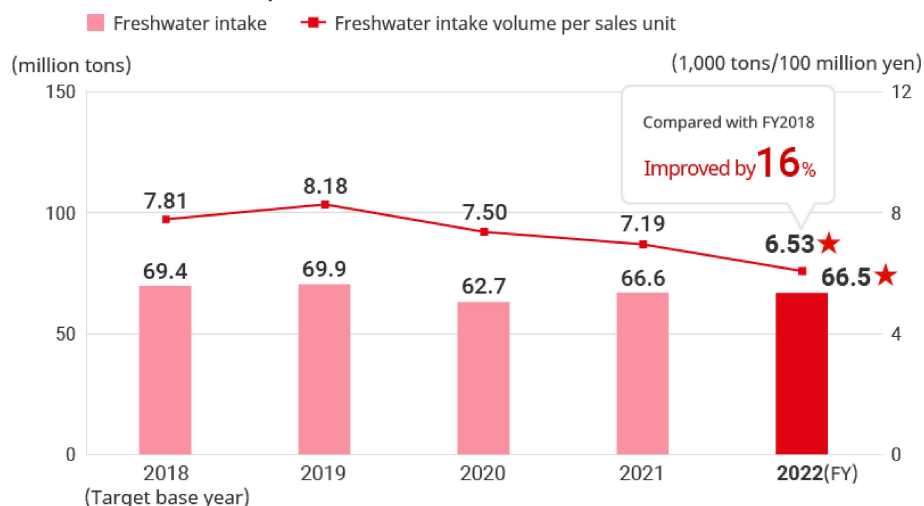
By FY2030 improve the freshwater intake volume per sales unit by 30% compared with FY2018.

We are expanding the number of products that use less water during the production process and are using water efficiently in our business activities.

In these ways, we aim to achieve our targets for reducing the amount of freshwater intake with a focus on curtailing water use at manufacturing sites and other locations that use high volumes of water.

In FY2022, the freshwater intake volume amounted to nearly the same level as it was in the previous fiscal year, at 66.5 million tons★. This result constituted a 9% improvement in freshwater intake per sales unit compared with FY2021.

Trends in freshwater intake volume and volume per sales unit



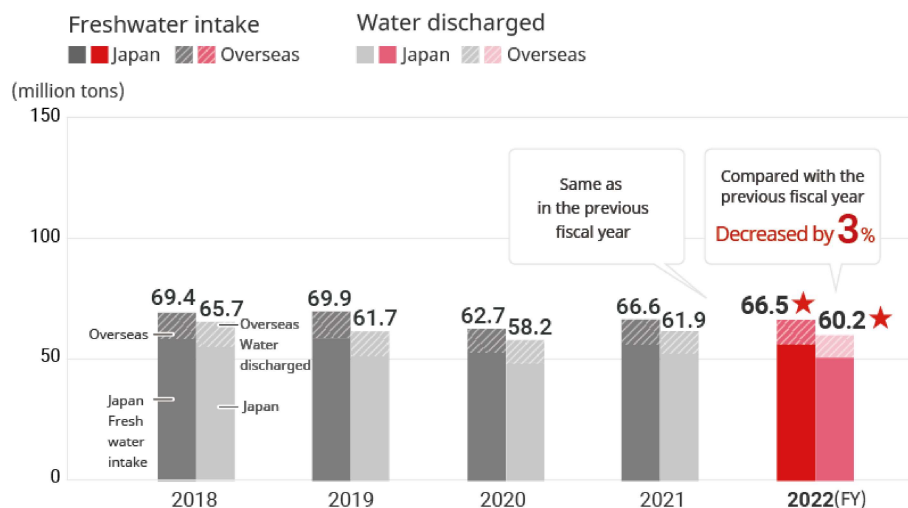
* The per sales unit has been assured since FY2021, and calculated by using consolidated net sales as the denominator.

Environmental Load due to Wastewater

In FY2022, wastewater volume was on a par with that of the previous fiscal year, at 60.2 million tons★.

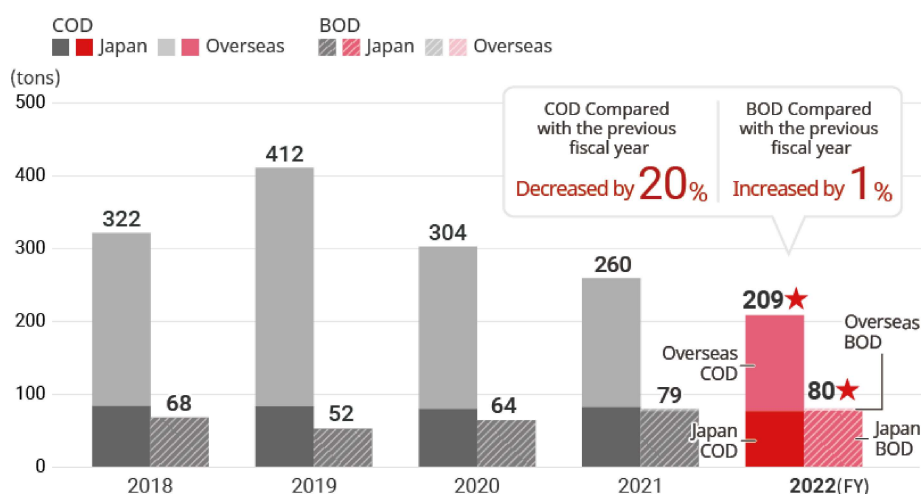
In addition, due to activities such as reduction of water usage for washing at dyeing factories, chemical oxygen demand (COD) decreased by 20% year on year to 209 tons★, and biochemical oxygen demand (BOD) remained the same as the previous fiscal year at 80 tons★.

Trends in freshwater intake and water discharged



* The amount of freshwater intake is the total of industrial water, groundwater, and tap water.

Trends in COD and BOD



* The tally covers wastewater discharged in rivers, sea areas, and lakes.

* Until FY2021, COD values were used for sites measuring both COD and BOD values, but from FY2021, COD values have been tabulated for discharge into sea areas and lakes, and BOD values are aggregated for discharge into rivers.

Water Risk Measures

The Teijin Group uses the Aqueduct water risk assessment tool of the World Resources Institute to analyze risks at manufacturing sites (26 sites). Based on a risk analysis conducted at each site, it has been determined that eight sites are located in areas with high water stress levels. At such sites, we are adopting measures to reduce risks such as creating projects to reduce usage in the product cleaning process.

Risk analysis of 26 manufacturing sites *Red text indicates a determination of high level of water stress.

Japan	Teijin (Matsuyama City, Ehime Prefecture; Iwakuni City, Yamaguchi Prefecture; Mihara City, Hiroshima Prefecture; Mishima City, Shizuoka Prefecture; Godo Town, Gifu Prefecture)
United States	Teijin Carbon America (Tennessee, South Carolina), Renegade Materials (Ohio), Teijin Automotive Technologies NA Holdings (Michigan)
The Netherlands	Teijin Aramid (Arnhem, Emmen, Delfzijl)
Germany	Teijin Carbon Europe (Heinsberg), J.H. Ziegler (Aachen)
Portugal	Teijin Automotive Technologies Portugal (Leça do Balio)

Czech Republic	Teijin Automotive Technologies Czech (Milovice)
China	NANTONG TEIJIN (Nantong, Jiangsu Province), Teijin Polycarbonate China (Jiaxing, Zhejiang Province), Teijin Chemicals Plastic Compounds Shanghai (Shanghai)
Thailand	Teijin Polyester (Thailand) (Pathum Thani Province), Teijin (Thailand) (Ayutthaya Province), Thai Namsiri Intertex (Mueang Samut Prakan District), Teijin Cord (Thailand) (Ayutthaya Province)
Vietnam	Teijin Frontier (Vietnam) (Bien Hoa), Teijin Frontier Shonai (Viet Tri)
South Korea	Teijin Lielsort Korea (Asan)

* Limited (Ltd.); Co., Ltd.; Inc.; GmbH; Corporation; B.V.; and the like have been omitted from company names.

Reducing Hazardous Substance Emissions

We are working to systematically reduce emissions of hazardous chemical substances associated with our business activities and commit to preventing environmental pollution.

Reducing Emissions of Hazardous Chemical Substances^{*1}

The Group's targets (KPIs) for FY2030

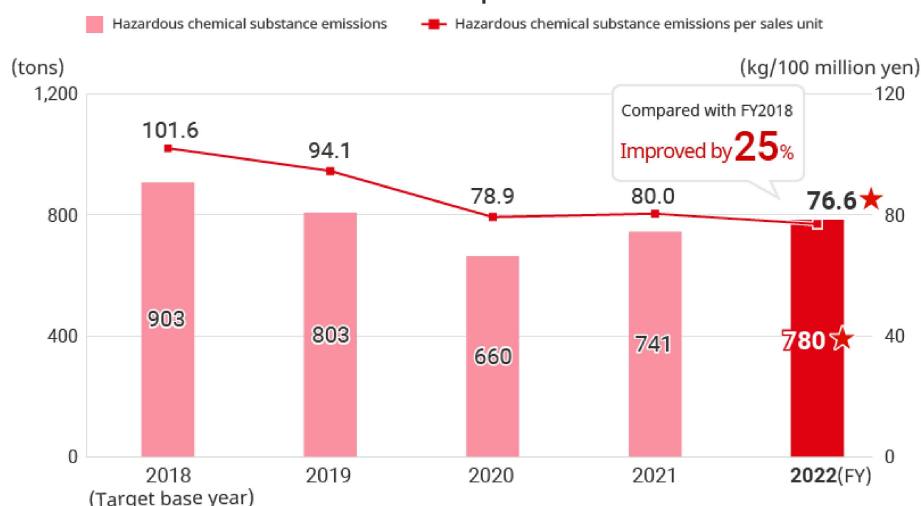
By 2030, improve the hazardous chemical substances emissions per sales unit by 20% compared to FY2018

We are working to reduce emissions of hazardous chemical substances through ongoing efforts to prevent leaks of such substances and the transition to processes that create less emissions.

In FY2022, despite ongoing efforts to reduce emissions and prevent leaks of hazardous chemical substances in the carbon fibers and resin and plastic processing businesses, our hazardous chemical substance emissions increased 5% compared with the previous fiscal year, to 780 tons ★, due to such factors as an increase in the number of facilities in the composites business. This result still amounted to an improvement of 4% in per sales unit compared with the previous fiscal year.

^{*1} Among the Class 1 designated chemical substances under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof and chemical substances indicated by the Japan Chemical Industry Association, chemical substances harmful to aquatic environments and the ozone layer in the GHS (Globally Harmonized System of Classification and Labelling of Chemicals) classification defined by the United Nations are subject to the calculation of atmospheric, water, and soil emissions.

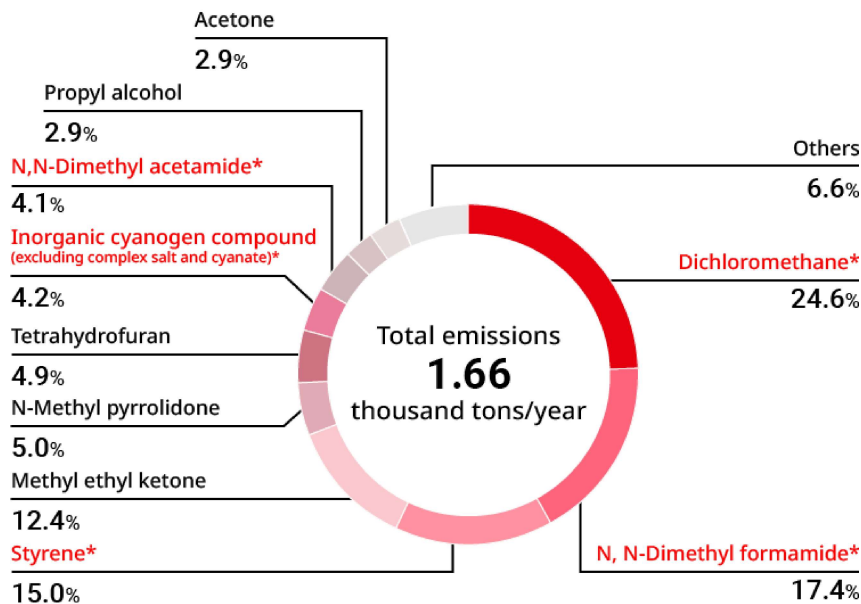
Trends in emissions of hazardous chemical substances and emissions per sales unit



^{*1} Among the Class 1 designated chemical substances under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof and chemical substances indicated by the Japan Chemical Industry Association, chemical substances emissions to atmosphere, water, and soil which are harmful to aquatic environments and the ozone layer in the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) classification defined by the United Nations are subject to the calculation for emissions.

^{*2} The per sales unit has been assured since FY2021, and calculated by using consolidated net sales as the denominator.

Top 10 chemical substance emissions★

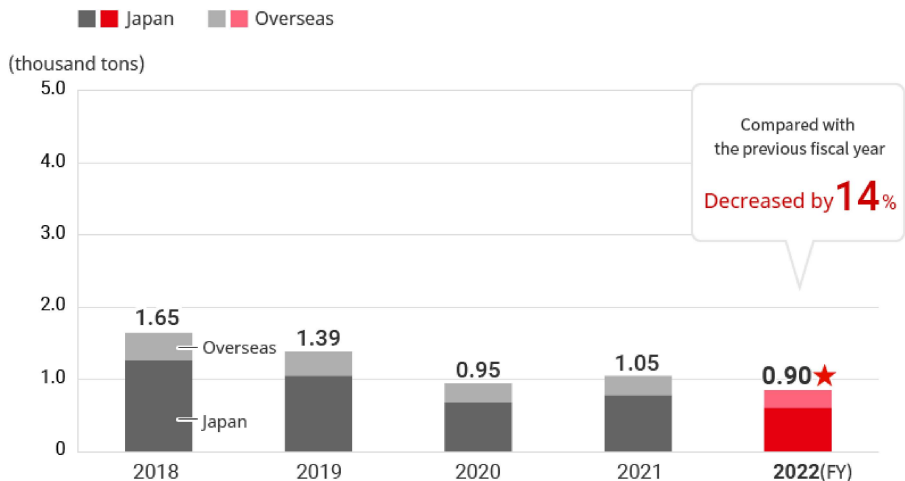


* Red text denotes chemical substances specified as Class 1 in the Chemical Substances Management Law.

Impact on Atmosphere

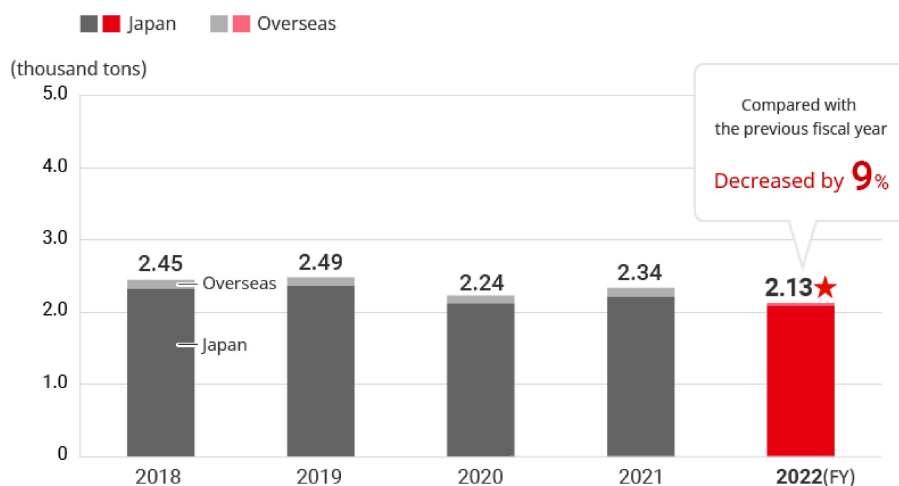
NOx emissions resulting from fuel use were down 14% from the previous fiscal year at 0.90 thousand tons★, while SOx emissions generated in the same manner decreased 9% from the previous fiscal year at 2.13 thousand tons★. Meanwhile, emissions of volatile organic compounds (VOCs) increased 16% from the previous fiscal year to 1.56 thousand tons★.

Trends in NOx emissions

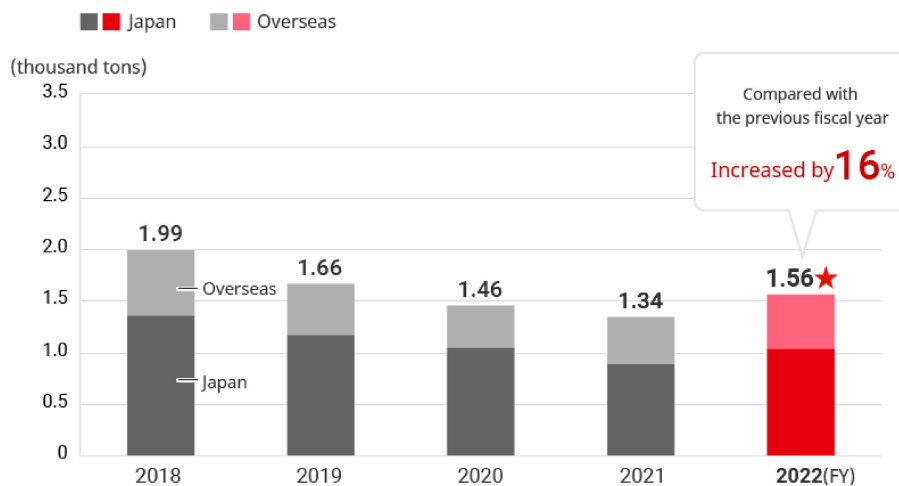


* Corrected the past year figures in January 2024.

Trends in SOx emissions



Trends in VOC emissions



Preventing Soil / Groundwater Pollution

In addition to conforming to each country's and territory's legislation relating to the prevention of soil pollution, the Teijin Group formulated guidelines for preventing soil and groundwater pollution. Under these guidelines, we are striving to prevent soil and groundwater pollution resulting from our business operations.

Resources Recycling Initiatives

We promote resources recycling initiatives with a focus on reducing the amount of landfill waste.

Reduction of Landfill Waste

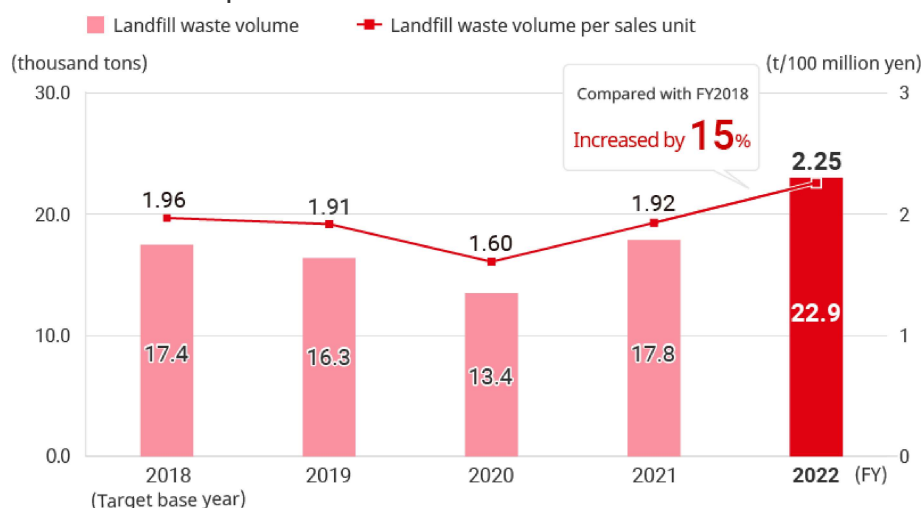
The Group's targets (KPIs) for FY2030

By FY2030, improve the landfill waste volume per sales unit by 20% compared to FY2018

We are working to reduce landfill waste volume through such efforts as reusing and recycling waste. We are moving forward with proactive efforts to reduce landfill waste volume at Teijin Automotive Technologies NA Holdings Corp, which generates a particularly large volume of waste, including reducing the volume of plastic waste by improving the yield rate at each of Teijin Automotive Technologies NA Holdings Corp factories.

In FY2022, our landfill waste volume increased 29% compared with the previous fiscal year, to 22.9 thousand tons, due to the ongoing launches of new programs for automotive composites. This result represented a worsening of 17% in per sales unit compared with the previous fiscal year.

Trends in landfill waste volume and volume per sales unit



* Landfill waste volume is calculated based on the amount of waste disposed of directly in landfills.

* Per sales units are calculated using consolidated net sales as the denominator.

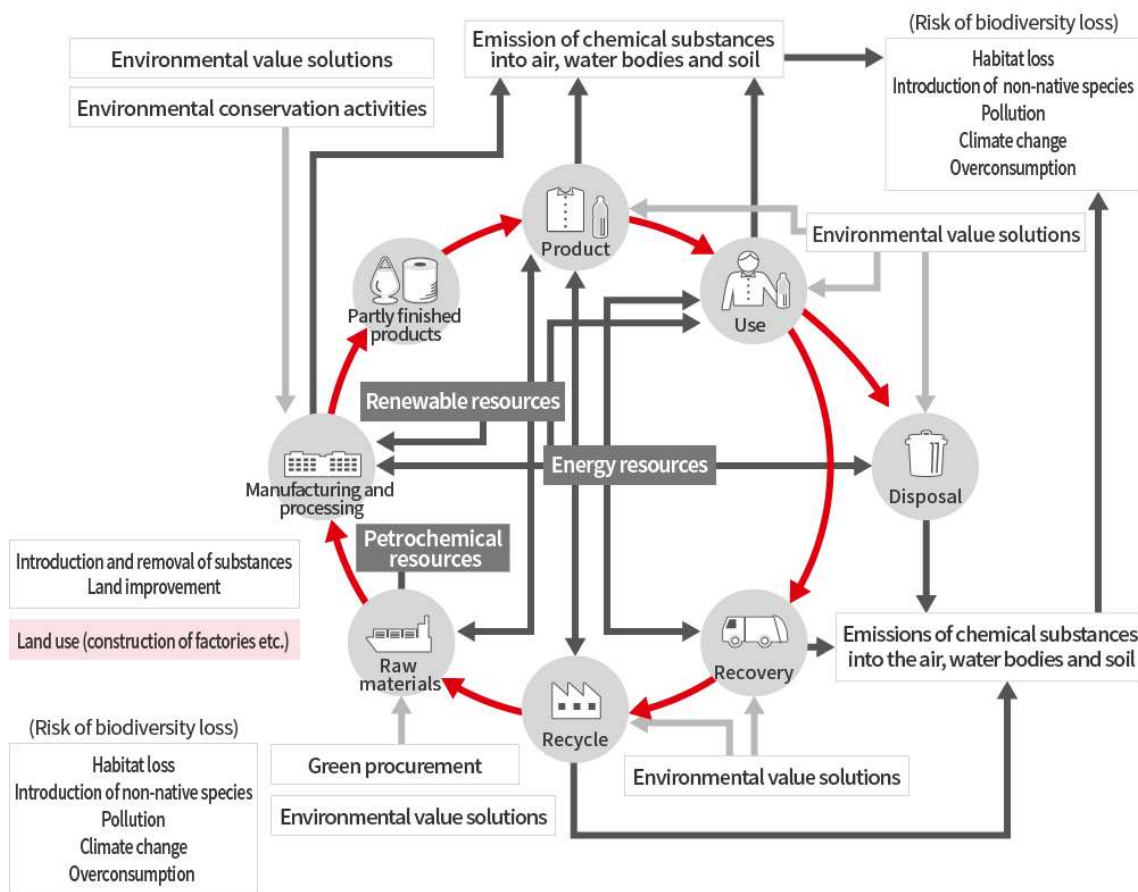
Initiatives for Biodiversity

The Teijin Group is committed to the pursuit of a society capable of sustainable development. The Group considers biodiversity throughout the entire life cycle of its products, from raw material procurement to production and product utilization, in order to realize its corporate philosophy of "We place the highest priority on safety and the preservation of our natural environment," and strives to reduce environmental impact.

Risk of Loss of Biodiversity Due to Business Activities

The Teijin Group has created a "Risk Map of Biodiversity Loss Due to Business Activities" that visually presents the factors that affect biodiversity arising from business activities. We are developing conservation activities based on the recognition of the impact our business activities have on biodiversity. Regarding water risks, we have analyzed risks by manufacturing site, and although none of our sites currently face serious risks, we are adopting measures such as formulating projects to reduce water consumption in product cleaning processes at sites located in areas where there are concerns about restrictions on water consumption.

Risk Map of Biodiversity Loss Due to Business Activities



Main Initiatives

□ Solutions and Value Creation

Solutions and Value Creation >

□ Initiatives to Address the Plastic Marine Waste Problem

Materiality 2: Achievement of a Circular Economy >

□ Efforts to Reduce CO₂ Emissions

Climate Change Initiatives >

□ Freshwater Intake, Environmental Load due to Wastewater, and Water Risk Measures

Management of Water Resources >

□ Reducing Emissions of Hazardous Chemical Substance, Impact on Atmosphere, and Preventing Soil / Groundwater Pollution

Reducing Hazardous Substance Emissions >

□ Reduction of Landfill Waste

Resources Recycling Initiatives >

□ Green Procurement (Prohibited Substances, Substances Prohibited in Principle)

Supply Chain Sustainability >

Fixed-point observations of wild birds

To confirm the safety of the reservoir and its significance in terms of biodiversity, and to deepen interest in the environment, the Teijin Limited , Iwakuni Factory, conducts the "Meeting on Fixed-point Observations of Wild Birds" every year, with the cooperation of the Wild Bird Society of Japan.

In FY2019, we conducted a meeting on January 18, 2020, and observed about 100 wild birds of eight species, including the tufted duck. The environmental conservation activities by Teijin Limited, have contributed to the maintenance of good water quality conditions. The activities were suspended in FY2022 due to the COVID-19 pandemic.



Status of acquisition of environmental management system certifications

As a mechanism to minimize its impact on the environment, the Teijin Group encourages its business sites and plants to obtain the ISO 14001 certification, an international standard related to environmental management.

Status of ISO 14001 certification

Japan (18 companies, 33 factories)	Teijin (Iwakuni, Matsuyama, Chiba, Mishima, Ibigawa, Teijin Composites Innovation Center, Mihara Factory) Hiroshima Plastic Teiyo Teijin Frontier (Head office, Ibigawa factory) Teijin Frontier Knitting (Komatsu, Kaga, Kushi, Shibayama) Teijin Frontier Cuore Frontier Tex Teijin Tedy Teijin Cordley Unisel Teijin Pharma (Tokyo Research Center, Iwakuni, Home Healthcare Technical Service Center) Japan Tissue Engineering Infocom (head office, Kansai, Yokohama) Infocom West Japan (Matsuyama) Teijin Eco-Science (Matsuyama) Teijin Kosan (Ehime) Toho Chemical Engineering & Construction (Mishima, Tokushima) Toho Machinery
Overseas (16 companies, 35 factories)	The Netherlands: Teijin Aramid (Delfzijl, Arnhem, Emmen) U.S.: Teijin Carbon America, Teijin Automotive Technologies (Conneaut, Serepta, North Baltimore, Van Wert, Carey, Grabill, Huntington, Lenoir, Salisbury) China: Nantong Teijin, Nantong Teijin Automotive Fabrics Finishing (Nantong), Teijin Chemicals Plastic Compounds Shanghai, Teijin Polycarbonate China, N.I. Teijin Airbag Fabric (Nantong), Teijin Automotive Technologies Thailand: Teijin Polyester (Thailand), Teijin (Thailand), Thai Namsiri Intertex (Weaving, Dyeing), Teijin Cord (Thailand), Teijin Corporation (Thailand), Teijin FRA Tire Cord (Thailand) Germany: Teijin Carbon Europe, J.H. Ziegler Mexico: Teijin Automotive Technologies (Saltillo, Tijuana) Portugal: Teijin Automotive Technologies (Leça do Balio, Palmela) Czech Republic: Teijin Automotive Technologies (Čejetice, Čejetičky, Milovice) South Korea: Teijin Lielsort Korea