

Sustainability

Editorial Policy

This Website was prepared to ensure that a wide range of stakeholders are able to obtain and understand the Teijin Group's sustainability information about the social and environmental aspects of the Group.

Reporting Period

Unless otherwise specified, this report covers the period from April 2022 to March 2023. However, some information is included that corresponds to activities implemented after April 2023.

Reporting Organizations

The report covers the entire Teijin Group (Teijin Limited and 54 domestic group companies, and 115 overseas group companies). Please see the below link for the scope of reporting of ESH data.

[Boundaries for Reporting of ESH Data](#) >

Materiality and Comprehensiveness

This Website provides reporting on comprehensive and detailed information. The material issues for the Teijin Group and society as a whole are explained in the Teijin Group Integrated Report 2023.

Guidelines referred to when disclosing non-financial information:

- Environmental Reporting Guidelines 2018 (Japan's Ministry of the Environment)
- The Sustainability Reporting Standards (Global Reporting Initiative (GRI))
- The latest report by the Task Force on Climate-related Financial Disclosures
- The standards for the Chemical Industry within the SASB standards disclosed by the IFRS Foundation (formerly disclosed by the U.S.-based Sustainability Accounting Standards Board [SASB])

Assurance of Reliability

Environmental and social performance indicators included in this website have been independently reviewed by KPMG AZSA Sustainability Co., Ltd., who has provided assurance of its reliability. Indicators on which assurance is provided are marked with ★.

Comparative Table

This table compares the Teijin Group’s sustainability activities with SASB Standards and the ISO 26000.

SASB Standards Comparative Table

The comparative table below shows information on the following topics in reference to "Sustainability Accounting Standards for Chemicals" of the Resource Transformation Sector (October 2018 version) within the SASB Standards, which are disclosed by the former U.S.-based Sustainability Accounting Standards Board (SASB) (now integrated with the International Financial Reporting Standards [IFRS]).

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Unit of Measure	Status of Response / Location of Disclosure
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO ₂ -e, Percentage (%)	Climate Change Initiatives (Disclosure based on TCFD recommendations) >
	RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Climate Change Initiatives (Disclosure based on TCFD recommendations) >
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: 1. NO _x (excluding N ₂ O) 2. SO _x 3. volatile organic compounds (VOCs), and 4. hazardous air pollutants (HAPs)	Metric tons (t)	1.2.3. Reducing Hazardous Substance Emissions > 4. --
Energy Management	RT-CH-130a.1	1. Total energy consumed 2. percentage grid electricity 3. percentage renewable 4. total self-generated energy	Gigajoules (GJ), Percentage (%)	1. 18.6×10 ⁶ GJ 2. 21.0 % 3. 4.0 % 4. 11.5×10 ⁶ GJ
Water Management	RT-CH-140a.1	1. Total water withdrawn, 2. total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	1. Management of Water Resources > 2. --
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	0
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	Management of Water Resources >

Topic	Code	Accounting Metric	Unit of Measure	Status of Response / Location of Disclosure
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Metric tons (t), Percentage (%)	--
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	n/a	Management System and Promotion Activities >
Workforce Health & Safety	RT-CH-320a.1	<ol style="list-style-type: none"> 1. Total recordable incident rate (TRIR) and 2. fatality rate for (a) direct employees and (b) contract employees	Rate	<ol style="list-style-type: none"> 1. Security, Disaster Prevention, and Occupational Safety Activities > 2. 0 %
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	n/a	ESH Management Activities >
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Yen	Total net sales of Environmental Value Solutions, including products designed to enhance resource efficiency during the stage of product use, such as lightweight solutions: ¥459.3 billion
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	<ol style="list-style-type: none"> 1. Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, 2. percentage of such products that have undergone a hazard assessment 	Percentage (%) by revenue, Percentage (%)	--
	RT-CH-410b.2	Discussion of strategy to <ol style="list-style-type: none"> 1. manage chemicals of concern and 2. develop alternatives with reduced human and/or environmental impact 	n/a	<ol style="list-style-type: none"> 1. Reducing Hazardous Substance Emissions > 2. --
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Percentage (%) by revenue	0 %
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	n/a	--
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Number, Rate	Security, Disaster Prevention, and Occupational Safety Activities > * Information on Process Safety Incidents is not disclosed. However, the Group promotes activities aimed at realizing zero disasters and zero accidents following its

Topic	Code	Accounting Metric	Unit of Measure	Status of Response / Location of Disclosure
				principle of safety first in everything. In FY2022, the number of serious accidents (as defined by the Company) was one.
	RT-CH-540a.2	Number of transport incidents	Number	--

Activity Metrics

Activity Metric	Code	Unit of Measure	Location of Disclosure
Production by reportable segment	RT-CH-000.A	Cubic meters (m³) and/or metric tons (t)	--

Comparative Table with ISO 26000

This table introduces Teijin Group activities as they apply to the seven core subjects of ISO 26000, international standards for social responsibility.

Core subjects	Issues	Activities
Organizational governance	1. Organizational governance	Corporate Governance > Management system and Promotion Activities >
Human rights	1. Due diligence	Respecting Human Rights >
	2. Human rights risk situations	Respecting Human Rights >
	3. Avoidance of complicity	Respecting Human Rights > CSR Procurement >
	4. Resolving grievances	Respecting Human Rights > Corporate Ethics and Compliance (Counseling and reporting system) >
	5. Discrimination and vulnerable groups	Respecting Human Rights > Diversity and Inclusion > CSR Procurement >
	6. Civil and political rights	Respecting Human Rights >
	7. Economic, social and cultural rights	Respecting Human Rights >
	8. Fundamental principles and rights at work	Respecting Human Rights > CSR Procurement >
Labour practices	1. Employment and employment relationships	Workstyle Reform and Work-Life Balance >
	2. Conditions of work and social protection	Workstyle Reform and Work-Life Balance >

Core subjects	Issues	Activities
	3. Social dialogue	Workstyle Reform and Work-Life Balance (Maintaining Sound Industrial Relationships) >
	4. Health and safety at work	Security, Disaster Prevention, and Occupational Safety Activities >
	5. Human development and training in the workplace	Human Resources Development and Global Talent Management > Security, Disaster Prevention, and Occupational Safety Activities >
The environment	1. Prevention of pollution	Safety and Security of People and Local Communities > Global Environment >
	2. Sustainable resource use	Achievement of a Circular Economy > Global Environment >
	3. Climate change mitigation and adaptation	Climate Change Mitigation and Adaptation > Global Environment >
	4. Protection of the environment, biodiversity and restoration of natural habitats	Global Environment > Social Contributions >
Fair operating practices	1. Anti-corruption	Corporate Ethics and Compliance >
	2. Responsible political involvement	Corporate Ethics and Compliance >
	3. Fair competition	Corporate Ethics and Compliance >
	4. Promoting social responsibility in the value chain	CSR Procurement >
	5. Respect for property rights	Corporate Ethics and Compliance >
Consumer issues	1. Fair marketing, factual and unbiased information and fair contractual practices	—
	2. Protecting consumers' health and safety	Product Liability and Quality Assurance >
	3. Sustainable consumption	Achievement of a Circular Economy >
	4. Consumer service, support, and complaint and dispute resolution	Product Liability and Quality Assurance >
	5. Consumer data protection and privacy	Information Security and Personal Information Protection >
	6. Access to essential services	—
	7. Education and awareness	—
Community involvement and development	1. Community involvement	Social Contributions >
	2. Education and culture	Social Contributions >

Core subjects	Issues	Activities
	3. Employment creation and skills development	Social Contributions >
	4. Technology development and access	—
	5. Wealth and income creation	—
	6. Health	Social Contributions >
	7. Social investment	—



Independent Assurance Report

To the President and CEO of Teijin Limited

We were engaged by Teijin Limited (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators for the period from April 1, 2022 to March 31, 2023 marked with a star ★ (except for the numbers of female managers (or higher) in Japan and employees with disabilities, which are as of April 1, 2023) (the “Indicators”) included in its Sustainability website found under www.teijin.com/csr/ (the “Website”).

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Website.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Website, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Website and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Company’s Matsuyama Factory selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Website are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Website.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

December 22, 2023