

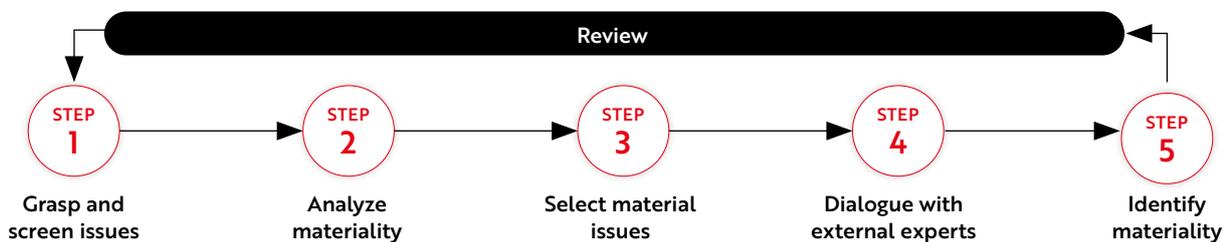
The Teijin Group's Materiality

The Teijin Group's materiality represents important social issues toward which we are prioritizing our efforts in order to achieve our long-term vision to be "a company that supports the society of the future." Under Medium-Term Management Plan 2020-2022, we have organized the risks and opportunities we face as a company and identified five material issues we need to tackle as management issues, taking into account global social issues and the goals adopted in the SDGs.

Materiality	Major initiatives	Relevant SDGs
Climate change mitigation and adaptation	<ul style="list-style-type: none"> Environmental Value Solutions (mitigation of climate change through weight reduction and other measures) P. 42 Safety, Security, and Disaster Mitigation Solutions (adaptation to climate change) P. 42 	
	<ul style="list-style-type: none"> Reduction of greenhouse gas emissions from operations P. 46 	
Achievement of a circular economy	<ul style="list-style-type: none"> Environmental Value Solutions (such as recycling) P. 42 Effective use of resources and reduction of waste P. 46 	
Safety and security of people and local communities	<ul style="list-style-type: none"> Safety, Security, and Disaster Mitigation Solutions P. 42 Environmental pollution prevention and chemical substance management P. 46 	
Realization of healthy and comfortable living for people	<ul style="list-style-type: none"> Demographic Change and Increased Health Consciousness Solutions P. 42 Improvement of employee health and satisfaction P. 59 	
Further strengthening of our sustainable management base	<ul style="list-style-type: none"> Corporate governance P. 48 Corporate ethics and compliance P. 55 Diversity and inclusion P. 58 Information security and personal information protection P. 60 Security, disaster prevention, and occupational safety activities P. 60 Product liability and quality assurance P. 61 Supply chain sustainability (CSR procurement) P. 61 	

Process for Identifying Materiality

We extensively confirmed and organized social issues in an effort to analyze and identify important issues from the perspectives of the level of importance to the Teijin Group and the level of impact on our stakeholders. In addition, the Chief Social Responsibility Officer (CSRO) held dialogues with various external experts regarding the issues identified. Taking these dialogues into account, the Teijin Group's materiality was ultimately identified at a meeting held by members of our top management.



STEP 2 ▶ Analyze materiality

In regard to the group of social issues examined, we analyzed the level of importance to the Teijin Group and the level of impact on our stakeholders. These issues were then mapped out on a plane using these two criteria as the two axes.

STEP 3 ▶ Select material issues

From the issues analyzed in Step 2, we identified issues with a particularly high level of importance and impact as material issues.

STEP
4

▶ Dialogue with external experts

In October 2019, we held a dialogue with external experts regarding our process for identifying important social issues (materiality) and the identified issues themselves. These experts provided us with their opinions based on a wide range of perspectives.



Hidemi Tomita

Director,
Lloyd's Register Japan K.K.

Connecting Business Fields with Solutions Helps Improve Corporate Value

When organizing its materiality with a focus on the SDGs, I believe Teijin can establish a greater sense of a narrative by showing how its three solutions, which are created as a result of its business activities, contribute to society.

In addition, Teijin should be able to enhance its corporate value to an even greater extent by extending a particular material or business across multiple solutions. I also think it is important for each employee to gain an understanding on the kind of business opportunities that are created by responding to the SDGs.



Ken Shibusawa

Founding Partner & Chairman of the Board,
Commons Asset Management, Inc.

Backcasting from the Future with a View to the Next 100 Years Is Important

From the viewpoint of a long-term investor, the purpose of a corporation's efforts toward ESG and the SDGs is to achieve sustainable value creation over the long term. To that end, it is important to accumulate existing businesses and make commitments to the future and then think backwards on how to accomplish them. In addition to considering "what" actions it should undertake, Teijin should think about "why" they are pursuing a particular action. I therefore would like to see Teijin promote backcasting with a focus on the next 100 years. Going forward, the extent to which Teijin can ascertain changes in the business environment and consider aspects outside the perspective of its past successes will become increasingly more important.



Toshihiko Goto

Chief Executive Officer, Sustainability Forum Japan
Board Member, Global Compact Network Japan

Looking Forward to Long-Term Value Creation Related to Climate Change

From a short-term perspective too, Teijin deserves praise for supporting the Task Force on Climate-related Financial Disclosures (TCFD). I think the Company could benefit from adopting a more long-term perspective with its vision and strategies. I would like to see Teijin establish goals for 2030 through a backcasting approach that considers the kind of company Teijin aims to be by its 150-year anniversary. If Teijin's management is able to indicate the direction toward which the Company is heading, I believe that knowledge of this path will spur various ideas from employees on how to reduce CO₂ emissions and other matters. To survive as a company going forward, it is crucial to pursue efforts from the perspective of value creation related to climate change.

Message from the Chief Social Responsibility Officer



Yasuhiro Hayakawa

Teijin Group
Senior Executive Officer
Chief Social Responsibility Officer

Aiming to Achieve Our Vision for the Future

In order for us to become a company that supports the society of the future, we identified important social issues (materiality) when determining our new medium-term management plan, giving consideration to these issues based on the aims of the SDGs. Throughout this process, we analyzed

the kinds of social needs the Group can contribute to as well as the risks and opportunities facing the Group's businesses. Based on this analysis, we integrated our policy for initiatives and KPIs into our business strategies while also incorporating the opinions of external experts.

To address each material issue, not only will we strive to create value and resolve issues through our business activities, we will also remain committed to eliminating or minimizing any negative impact our business activities have on society. As a chemical manufacturer, our existence itself has an impact on the environment. For that reason, reducing our environmental burden helps strengthen the social significance of our existence. In addition, by reinforcing the management base that allows our businesses to continue to operate, we aim to realize growth together with society.

Going forward, it is essential that our employees gain a greater understanding of the significance of our current efforts and maintain a sense of pride in their work. To that end, we will focus on efforts to instill a Groupwide awareness of CSR as we come together to achieve our Long-Term Vision.