





# CSR Materiality

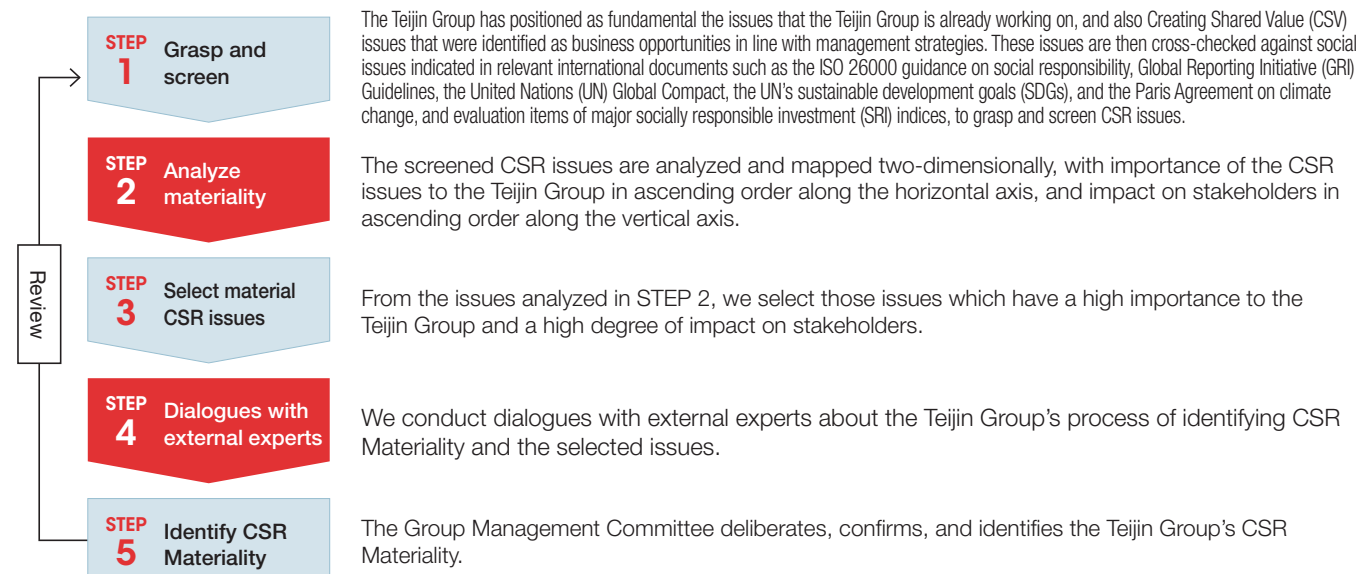
## CSR Materiality of the Teijin Group

Aiming for the sustainable development of our business and society, the Teijin Group identified the following CSR Materiality from within a variety of issues related to corporate social responsibilities, and is advancing CSR management that is integrated with our business strategies. In fiscal 2016, Teijin newly identified CSR procurement as CSR Materiality, as well as the following areas as core priority fields for its new medium-term management plan: areas that can be captured as business opportunities by leveraging its strength, and areas that will strengthen its management base.

		Environment	Society	Governance
Core priority fields (medium-term management plan)	Capture business opportunities	<ul style="list-style-type: none"> <li>● Environmental value solutions (▶P22~, 34)</li> </ul> 	<ul style="list-style-type: none"> <li>● Safety, security and disaster mitigation solutions (▶P35)</li> <li>● Demographic change and increased health consciousness solutions (▶P28~, 38•39)</li> </ul> 	
	Strengthen the management base	<ul style="list-style-type: none"> <li>● Reduction of environmental impacts (▶P48•49)</li> </ul> 	<ul style="list-style-type: none"> <li>● Diversity (▶P50•51)</li> </ul> 	<ul style="list-style-type: none"> <li>● Corporate governance (▶P53~)</li> </ul>
Fields requiring continuing efforts	Enhance the management base	<ul style="list-style-type: none"> <li>● Conservation of biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>● Information security</li> <li>● Product liability/Quality assurance</li> <li>● Disaster prevention activities</li> <li>● Occupational safety and hygiene</li> <li>● CSR procurement</li> </ul>	<ul style="list-style-type: none"> <li>● Corporate ethics and compliance</li> <li>● CSR communication</li> </ul>

## Process of Identifying CSR Materiality

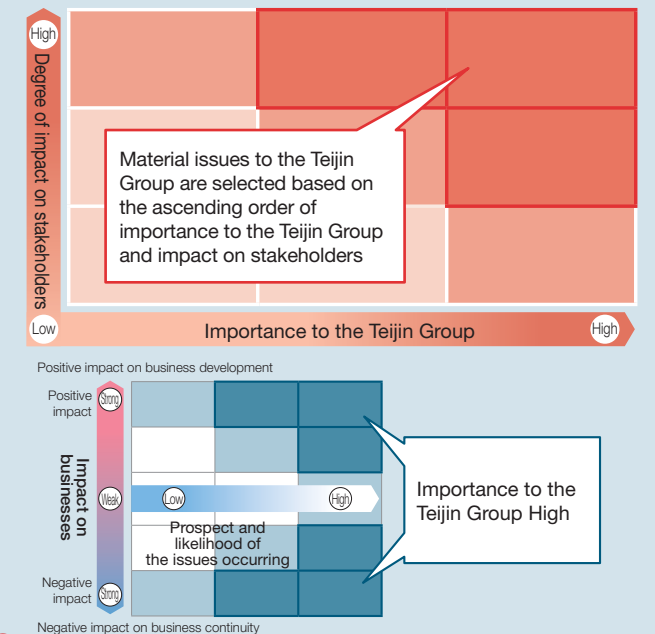
As described below, the Teijin Group grasps and screens a wide range of CSR issues, analyzes those issues screened in terms of their degree of impact on stakeholders and importance to the Teijin Group, and selects material issues. The Chief Social Responsibility Officer then holds dialogues with external experts. For the final stage, the Group Management Committee identifies the CSR Materiality of the Teijin Group.



## STEP 2 Analyze materiality

**Method for determining impact on stakeholders**  
Stakeholders are categorized into (1) shareholders and investors, (2) employees, (3) customers, (4) suppliers, and (5) local residents. The ascending order of degree of impact on stakeholders is determined by whether a CSR issue is of particular interest to each stakeholder category and then tallying the score.

**Method for determining degree of importance to the Teijin Group**  
Importance to the Teijin Group is determined from both the degree of impact on business (taking into account both the positive and negative aspects), and also the prospect and likelihood of the issues occurring.



## STEP 4 Dialogues with external experts

We are proactively adopting viewpoints from outside the Company by having dialogues with external experts (March 2017). We have got valuable opinions from a wide range of perspectives, including expectations for the future, not just about the establishment of materiality.



Hidemi Tomita,  
Director, Lloyd's Register Japan K.K.

### Clarifying how the material issues relate to business raises awareness to resolve social issues.

Nowadays, determining how companies can contribute to social issues through their technological capabilities, new business, and so forth is a major priority. Teijin's new medium-term management plan sets out three types of solutions and a roadmap for that. In particular, I think it is fantastic that Teijin has clarified its approach to social issues. Furthermore, where each business unit comes into play is also clear. For employees as well, I think that making the results of the initiatives visible both heightens sensitivity to CSR thinking and can also be tied to value creation.



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

### Next step is to diversify storytellers

I learned from the latest round of dialogue that Teijin's initiatives are making headway and becoming broader in scope. I think the next step is to diversify our storytellers. Teijin's board members are clearly very conscious of CSR. However, I think it will be important going forward to further visualize its dissemination among employees and to aim to re-entrench CSR thinking. For example, I think traveling around within the company to communicate directly with a group of mainly young employees to spread the word about CSR and incorporating fresh opinions would be effective. This is because a decade or two down the line, today's younger generation will be supporting Teijin.



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

### It is important that employees really feel their activities are contributing to sales.

Fostering consciousness about resolving social issues is not something that can be taught. For example, it is important that front-line employees can really get a sense for things like how to tie an eco-product that they have developed to sales and profits. Working environmental and social issues into the targets for product and technology development also leads to higher motivation at worksites. When people take the initiative to think about what they can do themselves, an array of opportunities arise and business units can get the message out about what kinds of developments and innovations are needed. I think making that happen is what fostering consciousness is all about.