

# Lintec Group CSR Report 2013



*Linking your dreams*  
LINTEC Corporation

## Company Motto

# Sincerity and Creativity

The foundation of the Lintec Group's CSR is its company motto, "Sincerity and Creativity." These are the ideals that everyone in the group aspires to.

"Sincerity" means thinking about what can be done that will be of benefit and appreciated and tackling every task with all one's heart. "Creativity" means to work constantly to innovate and improve, seeking greater added value without being satisfied with the status quo.

Showing integrity to all stakeholders and taking on new challenges over and over again with a determination to innovate is the starting point for a manufacturer dedicated to craftsmanship.

"Start with Sincerity and then apply Creativity"—this is Lintec's unchanging approach and the driving force that underpins its sustainable growth.



## Editorial Policy


This report contains primarily non-financial information on the social responsibility activities of the Lintec Group. With the aim of providing easy-to-understand information for all stakeholders,\* the main activities are organized into the categories of Corporate Governance, Social Report, and Environmental Report. The Overview and Highlight pages have also been increased. The Highlight section, CSR through Core Business Activities, features the development and manufacture of products that reduce environmental impact. While the activities featured here have been ongoing efforts of the Lintec Group, they are presented again this year as examples of progress made.

This publication only includes information that is important to both the Lintec Group and its stakeholders. For more detailed information, visit the company's CSR website.

\* Stakeholders include consumers, employees, shareholders, creditors, suppliers, local communities, and government agencies.

**Main Channels for CSR Information**

	<b>CSR Report (PDF version)</b> Easy-to-understand information on the CSR activities of the Lintec Group
	<b>CSR Website</b> More detailed information on the CSR activities of the Lintec Group <a href="http://www.lintec-global.com/csr/">http://www.lintec-global.com/csr/</a>

 This icon indicates that additional information has been disclosed on the company's CSR website. The footnotes at the bottom of the page summarize the online information.

## Guidelines Referenced

*Environmental Reporting Guidelines* (2012) of the Ministry of the Environment of Japan

*Sustainability Reporting Guidelines* (version 3.1) of the Global Reporting Initiative (GRI)

*Environmental Reporting Guidelines* (2012) of the Ministry of the Environment of Japan

ISO 26000 (social responsibility)

## Reporting Period

This report covers the period from April 1, 2012, to March 31, 2013 (fiscal 2012). It also includes some information up through June 30, 2013 concerning specific initiatives.

Environmental performance data for ten group companies outside Japan covers the period from January 1 to December 31, 2012.

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# The Lintec Group is united in its promotion of CSR activities.

All the employees of the Lintec Group are promoting a variety of CSR activities to help realize a better society, based on stakeholder feedback.

## Europe

**LINTEC EUROPE B.V.**  
Hungary Office  
**LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH**  
Israel Office

## Asia

**LINTEC (SUZHOU) TECH CORPORATION** ■  
Beijing Branch  
Shanghai Branch  
Shenzhen Branch  
**LINTEC (TIANJIN) INDUSTRY CO., LTD.** ■  
**LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC.** ■  
Suzhou Branch  
Tianjin Branch  
Shenzhen Branch  
Chengdu Branch  
**MADICO, INC.** Suzhou Office

**LINTEC CORPORATION** Shanghai Office  
**LINTEC SPECIALITY FILMS (TAIWAN), INC.** ■  
**LINTEC HI-TECH (TAIWAN), INC.** ■  
**LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.** ■  
Hsinchu Office  
**LINTEC KOREA, INC.** ■  
**LINTEC SPECIALITY FILMS (KOREA), INC.** ■  
**LINTEC ADVANCED TECHNOLOGIES (KOREA), INC.** ■  
**PT. LINTEC INDONESIA** ■  
**LINTEC SINGAPORE PRIVATE LIMITED** ■  
Hanoi Office

## Japan

**LINTEC CORPORATION**  
Head Office ■  
Iidabashi Office

**Branches**  
Sapporo Branch, Sendai Branch,  
Shizuoka Branch, Nagoya Branch,  
Osaka Branch, Hiroshima Branch,  
Shikoku Branch, Fukuoka Branch  
Kumamoto Office

**Plants and Research Laboratory**  
Agatsuma Plant ■ Kumagaya Plant ■ Chiba Plant ■ Tatsuno Plant ■  
Shingu Plant ■ Shingu Plant, Tatsuno Office ■ Komatsushima Plant ■  
Mishima Plant ■ Doi Plant ■ Niihama Plant ■ Ina Technology Center ■  
Research Center ■

**LINTEC COMMERCE, INC.**  
**LINTEC SIGN SYSTEM, INC.**  
**FUJI-LIGHT, INC.**  
**RENRI, INC.**  
**LINTEC SERVICES, INC.**  
**LINTEC CUSTOMER SERVICE, INC.**  
**PRINTEC, INC.**  
**TOKYO LINTEC KAKO, INC.** ■  
**OSAKA LINTEC KAKO, INC.** ■

## United States

**LINTEC USA HOLDING, INC.**  
**MADICO, INC.** ■  
Madico Window Films  
Madico West  
Madico Southwest  
Madico Mid-America  
Madico South Texas  
Madico Southeast  
Madico Florida  
Madico Northeast  
**LINTEC OF AMERICA, INC.**  
Chicago Office  
Dallas Office  
Boston R&D Center

■ Sites certified ISO 14001

## Corporate Profile (as of March 31, 2013)

Company name Lintec Corporation  
Head office 23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan  
Website www.lintec-global.com/  
Established October 1934  
Capital 23.2 billion yen  
Stock listing Tokyo Stock Exchange, First Section  
Securities Code: 7966  
Fiscal year-end March 31  
Representative Akihiko Ouchi, President and CEO  
Number of employees Consolidated: 4,270  
Non-consolidated: 2,552

Sites  
Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto  
Production sites: Agatsuma (Gunma Prefecture), Kumagaya (Saitama Prefecture), Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno (Hyogo Prefecture), Shingu (Hyogo Prefecture), Komatsushima (Tokushima Prefecture), Mishima (Ehime Prefecture), Doi (Ehime Prefecture), and Niihama (Ehime Prefecture)  
R&D facility: Research Center (Saitama Prefecture)  
Overseas office: Shanghai (China)

Business activities  
Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, health-care products, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (label printing machines, labeling machines, semiconductor-related equipment, etc.)  
Sales (fiscal 2012) Consolidated: 190.8 billion yen  
Non-consolidated: 157.7 billion yen  
Operating income (fiscal 2012) Consolidated: 10.6 billion yen  
Non-consolidated: 6.2 billion yen

## Scope and Wording

The scope of this report is arranged as indicated below and follows the same wording. If any information provided diverges from this scope, this is made clear within the text.

### Corporate Governance Social Report

Lintec: Lintec Corporation  
Lintec Group: Lintec Corporation plus group companies in and outside Japan

### Environment Report

Lintec: Lintec Corporation (head office, Agatsuma Plant, Kumagaya Plant, Chiba Plant, Tatsuno Plant, Shingu Plant, Komatsushima Plant, Mishima Plant, Doi Plant, Niihama Plant, Ina Technology Center, Research Center) and Tokyo Lintec Kako, Inc.  
Lintec Group: The above plus ten group companies outside Japan\*

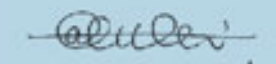
\* Ten group companies outside Japan  
Lintec (Suzhou) Tech Corporation, Lintec (Tianjin) Industry Co., Ltd., Lintec Specialty Films (Taiwan), Inc., Lintec Korea, Inc., Lintec Specialty Films (Korea), Inc., PT. Lintec Indonesia, Lintec Industries (Malaysia) Sdn. Bhd., Lintec Industries (Sarawak) Sdn. Bhd., Lintec Singapore Private Limited, and Madico, Inc.

Entire Lintec Group: Lintec Corporation and its group companies in and outside Japan

For more detailed financial information, see the Investor Relations section of the Lintec Website at [www.lintec-global.com/ir/](http://www.lintec-global.com/ir/).



**Our CSR activities represent none other than the application of our company motto, “Sincerity and Creativity.”**  
**I will continue to work with employees around the world to ensure that Lintec remains a company trusted by society.**



**Akihiko Ouchi**  
 President and CEO  
 LINTEC Corporation

**Defending CSR with sincerity and being proactive with creativity—these two elements are also important for CSR activities.**

Since becoming president in 2004, I have promoted corporate social responsibility (CSR) as the foundation of management and have worked to expand this awareness within Lintec. No matter how times may change, unless a company has the confidence of society, it will not be able to achieve sustainable growth. In recent years, employee awareness of CSR activities has been increasing, which makes me feel positive.

Lintec is run based on its company motto, “Sincerity and Creativity.” These two words also describe the company’s approach to CSR. The “sincerity” to undertake all work in good faith means not only ensuring compliance in business activities, but also having a good sense of morals and ethics, as well as continuing to foster this type of consciousness. The “creativity” to find ingenious ways to improve things means identifying one’s own CSR issues and using one’s own technology and knowledge to take the lead in solving the issues. Respectively, the two words of the motto also represent defensive and proactive stances, and promoting a good balance of these is Lintec’s basic approach to CSR.

In order to promote CSR, Lintec is advancing corporate activities with a commitment to CSR-driven management. This is part of efforts to strengthen global management, a key initiative

in our medium-term business plan, LINTEC Innovation Plan III (LIP-III). The company has been putting even more effort into the creation of a framework to achieve this goal, and CSR Meetings are a part of this endeavor. In order to apply CSR in daily business activities, it is important to create an atmosphere where employees can discuss relevant social issues on a daily basis. Cross-organizational ideas are also important for CSR activities, and it is essential to cooperate across business and divisional boundaries. Therefore, Lintec has now introduced CSR Meetings to provide opportunities for this kind of communication. After first implementing them in Japan, we would like to also expand them to overseas companies.

**Along with the expansion of business outside Japan, we will globalize our CSR efforts as a basic management approach.**

Under our medium-term business plan, we have set an overseas sales ratio target of 40%, and we aim to further expand our business outside Japan. Therefore, we must also globalize our CSR efforts as a basic management approach. In April 2011, Lintec joined the UN Global Compact. This was due to its desire to help address the global issues of human rights, labor standards, and environmental protection.

Even in the area of human resources and training, global concepts for respecting diversity are increasingly important.

When visiting Lintec sites outside Japan, I try to speak with as many local employees as possible, and this has helped me to realize that cultural values differ greatly around the world. By respecting these different values, we can create supportive workplaces for all employees, who represent a treasure trove of ideas for the company. We will continue to promote a global perspective and create workplace environments that support everyone, while improving programs to help empower female employees.

We also are globalizing our relations with suppliers. CSR activities involve more than just Lintec. In order to promote CSR activities with our business partners, we are planning to hold CSR briefings and conduct CSR surveys for suppliers.

As a global environmental initiative, we are working to obtain integrated global ISO 14001 certification. In fiscal 2012, two more overseas companies were certified, bringing the total number of sites certified worldwide to 19. Single-year CO<sub>2</sub> reduction targets have been disclosed in fiscal 2013. Starting in fiscal 2014 however, the CO<sub>2</sub> reduction targets will be disclosed as medium-term targets under the medium-term business plan.

**Promoting CSR activities through the combined strength of all employees, and aiming for sustainable growth.**

Along with the promotion of global CSR activities, we will further enhance basic initiatives such as the promotion of safe

workplaces. For example, I regularly perform top management patrols to personally inspect safety conditions in our Research Center and plants worldwide, as part of the Lintec Group’s health and occupational safety management. In fiscal 2012, I inspected 24 sites in 14 countries. I look forward to doing these patrols each year and visiting the production sites. The inspections have greatly increased frontline awareness of safety and efforts to reduce accidents to zero, as well as the 5S points (sorting, setting in order, systematic cleaning, standardizing, and sustaining discipline). As president, my greatest joy is to meet with our energetic employees. We will definitely continue this activity in the future in order to utilize employee feedback for CSR management.

To maintain the sustainability of the Lintec Group and society, it is important for all employees to identify social issues that pertain to their work and take the necessary actions to address them. However, we must first ensure that employees can carry out their work with confidence and achieve job satisfaction, while also being able to spend sufficient time with their families. I will continue to focus on the creation of an environment where all employees of the Lintec Group can join together to undertake CSR activities, based on the company motto of “Sincerity and Creativity.”

# “Sincerity and Creativity”— The Foundation of Lintec’s CSR

The foundation of the Lintec Group’s CSR is its company motto, “Sincerity and Creativity.” All employees are performing CSR activities based on this motto. Here are the Lintec Group’s basic CSR approaches and the CSR promotion system.

## Basic CSR Approaches

The Lintec Group carries out initiatives in line with six basic approaches, based on its company motto, “Sincerity and Creativity.”

Thorough implementation of corporate ethics and compliance	Safety- and health-related activities
Improved customer satisfaction	Social contributions
Environment-friendly operations	Shareholder- and investor-oriented management

## CSR Promotion System

Lintec carries out CSR activities in line with six basic CSR approaches. The CSR Management Office, established as an organization under the direct control of the president, strives to foster high ethical standards, disseminate information on CSR, and to support the initiatives of the six CSR committees. The six CSR committees, which have a cross-organizational membership and each of which include an officer in charge, lead initiatives with responsibility from the standpoint of management.



As of April 1, 2013

## Lintec Group Compliance Guidelines

Compliance is fundamental to corporate activities. The LINTEC Group is committed to observing “relevant regulations” and “social rules” during corporate activities domestically and overseas.

We, the directors and employees of LINTEC, shall:

- Continuously offer products and services that contribute to society.
- Conduct fair and transparent transactions based on the principle of free competition with all business partners.
- Comply with regulations in all aspects of corporate activities in Japan and overseas, and conduct ourselves based on the highest ethical standards.
- Emphasize the importance of close relations with all the persons involved in corporate activities, such as shareholders, investors, business partners, local communities, and employees.
- Be actively engaged in controlling and reducing environmental burdens, as global environmental problems are a vitally important management concern.
- Proactively engage in activities that contribute to local and regional communities as good corporate citizens.
- Maintain fair and transparent relations with political bodies and governments.
- Prevent any involvement with anti-social organizations.
- Take part in hospitality activities with modesty and within the range that common sense allows when it is necessary as part of business activities.
- Handle corporate information appropriately, and only disclose it at appropriate times and in appropriate ways.
- Handle intellectual properties securely, respect the intellectual property rights of other companies and do not violate them.
- Respect the individual rights and personalities of directors and employees, treat them fairly and strive to maintain a comfortable environment in the workplace.

Established January 2003  
Revised April 2011

## Lintec CSR and Stakeholders

The business of the Lintec Group is supported by many stakeholders. To ensure the sustainability of both the business and society, we must listen sincerely to various stakeholders worldwide and use this feedback for the group’s CSR activities. Two years have passed since Lintec joined the UN Global Compact in April 2011. Now the group intends to promote even stronger CSR management, by also referring to the international ISO 26000 standards for social responsibility.



## The UN Global Compact’s Ten Principles

- Human Rights**  
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and  
Principle 2: make sure that they are not complicit in human rights abuses.
- Labour**  
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
Principle 4: the elimination of all forms of forced and compulsory labour;  
Principle 5: the effective abolition of child labour; and  
Principle 6: the elimination of discrimination in respect of employment and occupation.
- Environment**  
Principle 7: Businesses should support a precautionary approach to environmental challenges;  
Principle 8: undertake initiatives to promote greater environmental responsibility; and  
Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- Anti-Corruption**  
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## ISO 26000: Seven Core Subjects for Social Responsibility

Organizational governance	Human rights	Labour practices	Environment
Fair operating practices	Consumer issues	Community involvement and development	

## Close-Up

### Holding In-house CSR Dialogue Sessions

A shared understanding of CSR rooted in the company motto is being promoted at Lintec Group sites worldwide. Between November 2011 and June 2012, the CSR Management Office held CSR briefings at 12 group companies in the Asia region, and at five companies

in North America and Europe. A further step was taken in fiscal 2012, with the holding of inter-departmental dialogue sessions. These enabled managers to investigate “proactive CSR,” whereby social issues are addressed through Lintec’s business activities.

### Comments by Participants

- In order to resolve social issues through its core business activities, the Lintec Group needs to have a profit-making business model. Although there are currently several innovative ideas for social benefit, the issue will be how to make them profitable, and we should take up the challenge.
- As consumption in Japan remains flat, I now feel it is worthwhile to investigate the potential of low-income markets and the BOP business\* overseas. Even with our existing products, we

may be able to help resolve social issues in different markets. The session made me realize that in addition to product innovation, we also need to look at new markets.

- If we can improve our standing in the eyes of society through CSR activities, I think it will invigorate our activities. In order to promote proactive CSR, various investments are required. I would be glad if the company recognizes this situation and supports us.

\* Base of the Pyramid (BOP) refers to the segment of the global population with the lowest incomes. BOP business targets this segment.



Invitees: Division general managers and equivalent  
Held: November 26, 2012 Participants: 10



Invitees: Research Center general managers and equivalent  
Held: March 21, 2013 Participants: 10



Invitees: Research Center section chiefs and equivalent  
Held: March 21, 2013 Participants: 10

# Craftsmanship with practicable improvements to protect the environment for the next generation

Craftsmanship is the starting point and foundation of Lintec's activities. Through environmentally friendly manufacturing, the company seeks to fulfill its social responsibilities. This Highlight article will review Lintec's environmental initiatives, including solvent-free products.



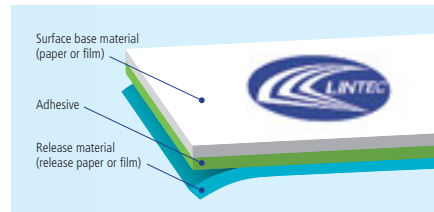
## Core technologies for adhering and removing materials used in daily life

Labels and stickers that adhere firmly and remove easily—these represent Lintec's core technologies and the foundation of its craftsmanship.

Let's take a look at Lintec's mainstay—printing-related adhesive products. These products are made up of three layers: the surface base material on which printing is performed, the adhesive for making it stick properly, and the release material to protect the adhesive and enhance its processability. The adhesive is applied to the back of the surface base material, and release paper or film is used for the release layer for easy removal. Working together, these two materials play an important role.

Ensuring that the surface base material adheres firmly and the release material will peel smoothly away are the two factors that determine the quality of stickers and labels.

### Label Construction



There are many possible types of substances for each of the three layers (surface base material, adhesive, and release material). A label material is created when the combination of these substances meets the performance requirements.

By accurately controlling the two functions of adhesion and release, Lintec can provide a variety of products that meet the needs of society.

## Taking on the challenge of developing solvent-free products for environmentally friendly manufacturing

Tatsuya Tsukida, General Manager of Lintec's Research Center, explains how the organic solvents toluene and ethyl acetate play an important role in the development and production of adhesives and release paper. As the name implies, organic solvents are naturally occurring liquids that can dissolve other substances. They are very useful for making printing-related adhesive products, as they make it easy to synthesize and combine substances on the molecular level in the product design process.

As the release agent on the release paper must be applied thinly and evenly at the micron level (one thousandth of a millimeter), and to increase workability in the manufacturing process, the release agent needs to be diluted with organic solvent.

"However, organic solvents evaporate and escape as gas, which creates a big impact on the environment. Therefore, since

1994, Lintec has been continually strengthening its initiatives to reduce the atmospheric emissions of solvent gas from its production processes.

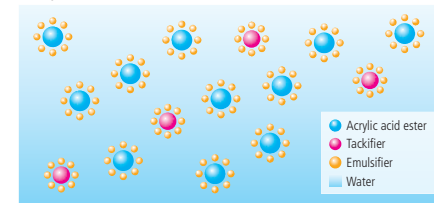
Nevertheless, the best way to reduce environmental impact is to develop and produce products that do not use solvents at all. Coming up with a solvent-free manufacturing process is one of Lintec's major R&D themes. As a researcher in this area, I have spent a lot of time on solvent-free products since joining the company." (Tsukida)

## Months of trial and error lead to an accidental breakthrough

In its quest to realize solvent-free manufacturing, Lintec has been focusing on emulsification\*1 technology. Emulsification uses water instead of solvents to dilute or synthesize substances.

"Even from the standpoint of environmentally friendly manufacturing, solvent-free products have been a company-wide theme. When I was working on my solvent-free research, I would receive calls of encouragement from company officers on a daily basis. However, a number of hurdles had to be overcome in order to realize the technology." (Tsukida)

### Composition of Emulsion-based Adhesive



\*1 Emulsion is a fine dispersion of minute droplets of one liquid in another, without dissolving. Examples include milk and mayonnaise.

One particularly large hurdle was the development of film adhesive, which needs to be both high in adhesion and transparency. The development breakthrough happened by chance.

"One day when I was testing paper adhesive, I tried it out on some film that happened to be nearby. The results were surprisingly good and I realized that it could be a breakthrough." (Tsukida)

By steadily advancing R&D into properties such as water resistance, adhesiveness, uniformity and transparency, Lintec researchers first managed to realize generic solvent-free paper products. Afterwards, the technology was expanded to realize high-performance products through constant advancements.

However, the development of advanced products is meaningless unless they are used by customers and adopted by society. Therefore, along with the development of new technology to make solvent-free products, cost reduction also became an important goal.

Therefore, the R&D department had to work closely with the production department in order to meet this challenge. Koji Koyama, General Manager of the Production Division, remembers the situation.

"In addition to R&D, innovation in the production process was a major key to the creation of solvent-free products. The question was how to improve workability and lower costs. We first started by improving the existing equipment." (Koyama)

A new process of trial and error then began.



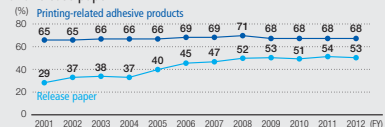
**Tatsuya Tsukida**  
General Manager, Research Center  
and Product Research Department  
Research & Development Division



Uses for Lintec's printing-related adhesive products



Percentages of solvent-free printing-related adhesive products and release paper



Note: Percentage of solvent-free printing-related adhesive products = quantity of solvent-free printing-related adhesive products sold / quantity of all printing-related adhesive products sold x 100  
 Note: Percentage of solvent-free release paper = quantity of solvent-free release paper produced / quantity of all release paper produced x 100

### Steady improvement utilizing feedback from frontline operators

The coating machine is at the heart of the production process for adhesive products, as it applies adhesives or release agents to base materials such as paper and film. Adhesive must be applied at high speed in a uniformly thin layer. If uneven patches occur or air gets mixed in, defects can occur undermining product reliability.

Workability is an important condition in order to realize high production efficiency and low costs. Therefore, it is also necessary to improve operation speed and setting ease for the coating machine.

“As the ones with firsthand knowledge of the production process, the frontline operators were a major resource in the development of the coating machine necessary to realize solvent-free products. Thanks to their feedback, we were able to resolve one problem after another.” (Koyama)

Through this innovation process, a newly developed coating machine was introduced in 2004. It represents a culmination of Lintec’s craftsmanship.

“Lintec’s craftsmanship is supported by technology and people, a fact that has remained constant over the years. The development of solvent-free products is a natural result of this.” (Koyama)

In fiscal 2012, 68% of printing-related adhesive products sold by Lintec were solvent free. Solvent-free products are also used for stickers attached to beverage and other cans and for expiration date labels on eggs. The environmentally friendly products the entire company has been working to produce are playing an active part of people’s lives.

#### Koji Koyama

Director, Senior Managing Executive Officer  
 General Manager, Production Division  
 In charge of Quality Assurance & Environmental Protection Division

### Various environmental initiatives for the entire manufacturing process

Lintec is continuing its transition towards solvent-free products, and will continue to expand its product range to the fullest extent of its capabilities. Even for products that require organic solvents, Lintec is reducing solvent gas emissions in the production process, and it is working to reduce the impact on the environment. Specifically, exhaust gas treatment equipment has been progressively introduced since 1994. The company is now treating the organic solvent emissions from all its coating machines in Japan.

“Lintec’s environmental manufacturing initiatives are not limited to solvent-free products. Various other environmental activities are being implemented in plants. A large part of these efforts involves reducing CO<sub>2</sub> emissions. Besides switching boiler fuel from conventional heavy oil and kerosene to utility gas and liquefied natural gas (LNG), which have low CO<sub>2</sub> emissions, we are reusing waste heat generated by the production process.”

This was how Yoshiyuki Yamato, General Manager of the Quality Assurance & Environmental Protection Division, described Lintec’s activities to reduce its environmental impact. Furthermore, these impact reduction activities extend from raw materials procurement to the disposal and recycling of products, spanning the entire Lintec operations.

“In other words, our environmental activities are based on product life cycle assessment (LCA).\*<sup>2</sup> Although we have been employing LCA for a while, our Environmental Preservation Committee is now investigating new activities.” (Yamato)

The objective is to prepare easy-to-understand guidelines for the implementation of LCA. Lintec is promoting guidelines that make it easy for staff to determine, for example, what raw materials need to be chosen in the product design stage to reduce environmental impact.

\*2 LCA: A method for comprehensively assessing effects on the environment by calculating items such as the amount of energy and water input, the amount of raw materials used, and the amount of CO<sub>2</sub> and hazardous chemical substances emitted throughout a product’s lifecycle.



Measures to reduce environmental impact  
 Left: Waste heat boiler at the Doi Plant Right: LNG satellite facility at the Mishima plant

### Aiming for sustainable growth and providing environmentally friendly manufacturing for the next generation

In addition to solvent-free products, Lintec has produced environmentally friendly products in a variety of areas. For example, WINCOS window film saves energy, while also blocking solar radiation and shatterproofing the glass. KINATH labels feature a plastic surface base material that matches the plastic containers to which they are applied, for easy recycling. Lintec also makes casting paper for carbon fiber composite materials, which provides lightweight and energy-saving properties for the construction of aircraft fuselages. Therefore, the technologies of Lintec play an unseen, yet vitally important role. The company is now also promoting R&D with five- and ten-year timeframes.

Over the years, the starting point for Lintec has always been technology and people. By bringing together the ideas of its people, Lintec aims to develop the next generation of manufacturing. Also, the CSR Management Office maintains a

#### Yoshiyuki Yamato

Managing Executive Officer  
 General Manager, Quality Assurance & Environmental Protection Division

### Close-Up

#### Lintec’s principle environmental products

WINCOS Architectural Film (transparent) is applied to windows to save energy in buildings. Even with high transparency, the film cuts solar heat transmission by 35% to 63%, thereby improving cooling efficiency and offering significant energy savings.

Lintec makes completely disintegrable adhesive paper with an adhesive that can be broken down in the paper recycling process. The company also has a wide range of label materials designed for reusable and recyclable containers, including the REPOP series, which adheres firmly and peels off cleanly.

dialogue with employees in various departments and has begun holding CSR Meetings in order to generate ideas for sustainable growth.

Hiroyuki Nishio is General Manager of the CSR Management Office, which is promoting this effort. “Although CSR Meetings have just begun, the aim is to work towards a resolution of issues in the core business by identifying social issues and problems and creating a vision for a sustainable society.

We want to use these opportunities to work towards sustainable growth for the company and society, and develop next-generation manufacturing.” (Nishio)

Lintec will continue to take on the challenge of sustainable manufacturing in the future.

#### Hiroyuki Nishio

Director, Managing Executive Officer  
 General Manager, Corporate Strategic Office and CSR Management Office  
 In charge of Cost Innovation Division

# CSR Themes, Targets, and Performance

In order for Lintec to achieve sustainable growth together with society, the company must not only ensure legal compliance, it must also undertake various efforts to meet the demands of society. Committees composed of cross-organizational members matched to the company's basic CSR approaches promote CSR activities.

In order to meet the expectations of society, Lintec must promote a company's core business. In fiscal 2012, the company began holding CSR Meetings that cross employee ranks and divisional boundaries. Lintec will continue to create these opportunities for discussing the company's role in helping to create a sustainable society.

Hiroyuki Nishio Director, Managing Executive Officer General Manager, Corporate Strategic Office and CSR Management Office In charge of Cost Innovation Division

## Fiscal 2012 CSR Themes, Targets, and Performance

◎ Achieved substantially ○ Achieved △ Not achieved

	Basic Commitment	Theme	Fiscal 2012 Targets	Status	Main Activities in Fiscal 2012	Comment from Officer in Charge	Fiscal 2012 Performance
Corporate Ethics	Treat corporate ethics and compliance as priority management themes and ensure that every employee is aware of their importance and practices them every day	<ul style="list-style-type: none"> <li>All employees behave as good citizens with self-awareness</li> <li>Aspire to be a company trusted by society by ensuring thorough compliance</li> </ul>	<ul style="list-style-type: none"> <li>Promote ethics through interactive participation frameworks</li> <li>Comply with and revise management rules (information security, personal information, business secrets, etc.)</li> <li>Undertake activities based on employee proposals</li> </ul>	○	<ul style="list-style-type: none"> <li>Continued the <i>Rinni Kawaraban</i> ethics news column and published the Vol. 6 booklet</li> <li>Provided ethics training through e-learning</li> <li>Implemented rank-based training</li> <li>Confirmed compliance with operational regulations on information security and held training at each business site</li> <li>Created guidelines on the use of social media</li> <li>Promoted intranet access (system construction)</li> </ul>	<p>Corporate Ethics Officer <b>Kenji Kobayashi</b> (Director, Senior Managing Executive Officer)</p> <p>All employees understand how society has changed and the corporate ethics required today. The Corporate Ethics Committee will continue to ensure that employees have a solid sense of ethics that they can apply to their own actions.</p>	<p><b>Corporate Governance</b> Practicing Sincerity pp. 14-15</p> <p>Organizational governance *2</p> <p>Fair operating practices *2</p>
Customer Satisfaction	Provide a stable supply of products and improve quality management and service based on the key concepts of reliability and fulfilling responsibilities	<ul style="list-style-type: none"> <li>Establish and implement a specific action plan based on the Lintec Quality Policy and Action Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Achieve concrete actions devised along the lines of the eight Action Guidelines under the concept of the customer satisfaction slogan, "Lintec Products make everybody happy!"</li> </ul>	○	<ul style="list-style-type: none"> <li>Took measures for REACH substances of very high concern</li> <li>Promoted the construction of a system for management of chemical substances in products at the Agatsuma Plant</li> <li>Provided e-learning (4th Statistical Techniques Course: 66.4% participation, and 4th Design Review Course: 65.4% participation)</li> </ul>	<p>Customer Satisfaction Officer <b>Makoto Iiumi</b> (Director, Managing Executive Officer)</p> <p>In line with the slogan, "Lintec products make everybody happy," we are cooperating internally and with suppliers, while aiming to further increase customer satisfaction.</p>	<p><b>Social Report</b> Providing Value to Customers Cooperating with Suppliers pp. 16-17</p> <p>Consumer issues *2</p> <p>Fair operating practices *2</p> <p>Human rights *2</p>
Safety, Disaster Prevention, and Health	Proactively develop workplace environments where people can work with security, based on the concept of improving employee satisfaction	<ul style="list-style-type: none"> <li>Prepare for rapid response to natural and human-made disasters</li> <li>Establish a management system for ensuring employee health and safety</li> <li>Establish measures to prevent communicable disease</li> <li>Establish measures against long working hours and encourage the taking of annual paid leave</li> </ul>	<ul style="list-style-type: none"> <li>Minimize damage from natural disasters</li> <li>Adopt an occupational safety and health management system</li> <li>Nurture the mental and physical health of employees</li> <li>Support action plan by each overseas group company</li> <li>Ascertain the current status and causes of long working hours</li> <li>Consider how to encourage the taking of annual paid leave</li> </ul>	○	<ul style="list-style-type: none"> <li>Head office created a manual for responding to a major earthquake in the Tokyo region and made preparations to expand it to other sites</li> <li>Implemented mutual safety audits as part of the occupational safety and health management system</li> <li>Implemented training concerning guidelines for overseas business trips</li> <li>Implemented mental health seminars and awareness raising</li> <li>Vaccinated 2,480 employees against influenza</li> <li>Surveyed the current status of and promoted the taking of annual paid leave</li> </ul>	<p>Safety, Disaster Prevention, and Health Officer <b>Koji Koyama</b> (Director, Senior Managing Executive Officer)</p> <p>We will create even better workplace environments so that all Lintec Group employees can carry out their jobs confidently and in good health, while enjoying job satisfaction.</p>	<p><b>Together with Employees</b> pp. 18-22</p> <p>Human rights *2</p> <p>Labour practices *2</p>
Social Contributions	As a good corporate citizen of both the local communities where we operate and the international community, help solve social challenges and carry out realistic activities that contribute to the sustainable development of societies	<ul style="list-style-type: none"> <li>Realistic activities</li> <li>Sustainable activities</li> <li>Community-based activities</li> </ul>	<ul style="list-style-type: none"> <li>Interact with local communities</li> <li>Expand and firmly continue activities</li> <li>Raise employees' willingness to participate in activities and support their participation</li> </ul>	○	<ul style="list-style-type: none"> <li>Employees volunteered to help with reconstruction after the Great East Japan Earthquake</li> <li>Performed beautification and cleanup activities</li> <li>Supported local festivals</li> <li>Participated in a campaign against local organized crime in Itabashi</li> <li>Took initiatives to support persons with disabilities</li> <li>Made monetary donations for the victims of the Great East Japan Earthquake</li> <li>Accepted a total of 864 people for plant and facilities tours at 4 business sites</li> <li>Conducted blood donations</li> </ul>	<p>Social Contribution Officer <b>Koji Ichihashi</b> (Director, Senior Managing Executive Officer)</p> <p>While maintaining steady efforts to meet expectations as a member of local communities, the Lintec Group will continue looking for ways to help solve social issues and take the necessary action.</p>	<p><b>Together with Local Communities</b> (Community Participation) p. 23</p> <p>Community involvement and development *2</p>
Investor Relations	Conduct management that emphasizes shareholders and investors, and improve the corporate brand	<ul style="list-style-type: none"> <li>Increase valuation in the stock market (appropriate stock pricing) and attempt to improve corporate and shareholder value</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate and strengthen relationships with investors and securities analysts</li> <li>Strengthen relationships with shareholders and recruit new individual investors</li> <li>Distribute information and strengthen communication</li> </ul>	○	<ul style="list-style-type: none"> <li>Held more than 200 IR meetings and accepted interviews with institutional investors and securities analysts in Japan</li> <li>Visited 1 city in the U.S. and 2 cities in Europe to meet with institutional investors at a total of 50 companies</li> <li>Participated in 3 IR events in Japan for investors from outside Japan and held IR meetings with a total of 16 companies</li> <li>Enhanced the provision of information through a shareholder newsletter and IT website</li> </ul>	<p>IR Officer <b>Hitoshi Asai</b> (Director, Vice President Executive Officer)</p> <p>We will continue IR activities such as providing accurate information promptly and fairly, in order to further strengthen relationships of trust with shareholders and investors.</p>	<p><b>Communicating with Stakeholders</b> p. 24</p> <p>Organizational governance *2</p> <p>Community involvement and development *2</p>
Environmental Protection	As a materials manufacturer, conduct company-wide activities in R&D, production, and other areas based on the principle of reducing environmental impact and effectively using resources	<ul style="list-style-type: none"> <li>Ensure thorough compliance</li> </ul>	<ul style="list-style-type: none"> <li>Confirm status through mutual internal audits and make improvements</li> </ul>	◎	<ul style="list-style-type: none"> <li>Confirmed environmental compliance situation at each site through mutual internal audits</li> </ul>	<p>Environmental Protection Officer <b>Yoshiyuki Yamato</b> (Managing Executive Officer)</p> <p>Along with continuing efforts to reduce the environmental impact of our business activities, we are developing new products that can help solve environmental problems from an LCA perspective.</p>	<p><b>Environmental Report</b> pp. 25-32</p> <p>The environment *2</p>
		<ul style="list-style-type: none"> <li>Enhance environment-related PR and education</li> </ul>	<ul style="list-style-type: none"> <li>Conduct company-wide awareness-building and education on environmental activities</li> </ul>	○	<ul style="list-style-type: none"> <li>Distributed 25 issues of <i>Eco News</i> and provided 4 e-learning programs</li> </ul>		
		<ul style="list-style-type: none"> <li>Conserve biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Conduct awareness-building and education on biodiversity</li> </ul>	○	<ul style="list-style-type: none"> <li>Raised awareness with <i>Eco News</i> and conducted surveys at each site</li> </ul>		
		<ul style="list-style-type: none"> <li>Develop environmentally friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Develop 8 products according to guidelines</li> </ul>	◎	<ul style="list-style-type: none"> <li>Achieved target by developing 30 products</li> </ul>		
		<ul style="list-style-type: none"> <li>Reduce energy use</li> </ul>	<ul style="list-style-type: none"> <li>Improve by 2% in per-unit energy use (compared to fiscal 2010)</li> </ul>	◎	<ul style="list-style-type: none"> <li>Achieved target with a 3.2% improvement compared to fiscal 2010</li> </ul>		
		<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions reduction target: 180,000 tons/year</li> </ul>	△	<ul style="list-style-type: none"> <li>Did not achieve target with about 184,000 tons/year*1</li> </ul>		
		<ul style="list-style-type: none"> <li>Reduce disposal costs for industrial waste</li> </ul>	<ul style="list-style-type: none"> <li>Target for industrial waste disposal costs: ¥181.3 million or less</li> </ul>	◎	<ul style="list-style-type: none"> <li>Achieved target with ¥166,445,000</li> </ul>		
		<ul style="list-style-type: none"> <li>Ensure thorough management of chemical substances</li> </ul>	<ul style="list-style-type: none"> <li>Audit five suppliers</li> </ul>	◎	<ul style="list-style-type: none"> <li>Achieved target with 5 audits performed</li> </ul>		
<ul style="list-style-type: none"> <li>Reduce release of VOCs to the atmosphere</li> </ul>	<ul style="list-style-type: none"> <li>Target for atmospheric VOC emissions: 990 tons/year or less</li> </ul>	◎	<ul style="list-style-type: none"> <li>Achieved target with about 850 tons/year</li> </ul>				

\*1 CO<sub>2</sub> emissions are calculated using emission coefficients provided by the power companies that supply electricity to the facilities concerned. The emissions figure increased in fiscal 2012 due a change in the coefficients provided by the power companies.

\*2 One of the seven core subjects of ISO 26000. This guide is referenced when reporting Lintec's CSR activities.



# Practicing Sincerity

As expressed by the Lintec Group's company motto, "Sincerity and Creativity," corporate ethics and compliance are themes of paramount importance in management. At the same time, they are positioned at the foundation of CSR in the group's efforts to strengthen its management structure.

## Corporate Governance

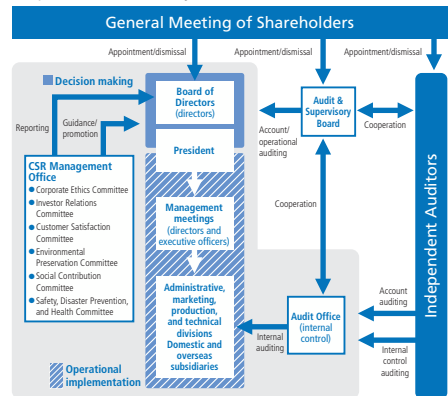
The Lintec Group regards the basics of corporate governance to be the practice of thoroughgoing compliance, maximum management transparency, awareness of corporate ethics, rapid decision-making, and efficient administration of business operations. The Lintec Group aims to increase its corporate value by continually improving its corporate governance.

### Corporate Governance Framework

The introduction of one-year terms for directors has helped to clarify their responsibilities. In June 2011, Lintec adopted an executive officer system, separating directors who perform management decision-making and executive officers who administer business operations.

The company's two internal and two external audit and supervisory board members always attend meetings of the board of directors and management meetings and listen to the opinions expressed. They operate with the internal Audit Office and independent auditors to audit the overall work of the directors. Through meetings, the members share the results of their audits of operations and strengthen the checks on directors' decision-making and the appropriateness and effectiveness of executive officers' administration of business operations.

### Corporate Governance System



## Compliance

Based on the company motto, "Sincerity and Creativity," every employee in the Lintec Group strives to practice careful self-monitoring. In February 2013, a questionnaire survey on matters such as harassment was given to 428 officers and managers, and a response rate of 88.8% was obtained (68.6% in 2012). The results were reported to the Risk Assessment Committee, which is making effective use of them in internal awareness-building campaigns.

With the aim of raising compliance awareness, Lintec has posted a Compliance Self-Assessment Checklist on its intranet. All employees are able to use this to examine their own compliance actions.



Compliance Self-Assessment Checklist

### Global Surveys on Human Rights and Labor Standards

From December 2012 to January 2013, the Lintec Group surveyed all its group companies and sites regarding human rights and labor standards. In addition to confirming compliance with relevant laws and regulations, the survey investigated employees' understanding of the Lintec Group Compliance Guidelines, and the maintenance of safe and healthy workplace environments where basic human rights are respected. Regular surveys will continue to be performed to ascertain and improve human rights and labor standard compliance.

### Compliance with Antimonopoly Law & Prevention of Corruption

Employees carry the Lintec Group Compliance Guidelines with them, and thoroughly adhere to stipulations on antimonopoly law compliance, as well as anti-corruption measures. Since May 2012, the company has issued the bimonthly *Legal News* for all employees, which explains the basics of corporate law, trends in law revision, and legal issues relating to social themes. The newsletter has featured articles on why laws are still necessary today, corporate agencies, the Subcontract Act, labor law, legal risks associated with social media, and insider trading prevention.

## Close-Up

### Rinri Kawaraban ethics news column

Twice a month since June 2006, Lintec has been publishing the *Rinri Kawaraban* ethics news column on its intranet. The column features a short haiku-like poem with an additional explanation to illustrate standards for ethics and conduct. The aim is to foster even better ethics and adherence to the Compliance Guidelines. On April 1, 2013, the column reached its 165th installment. The poems are also compiled and published once a year as a booklet. Volume 6 of the booklet was distributed to Lintec Group employees in Japan in March 2013.

The poems convey ethics and the Compliance Guidelines to employees in a more accessible way. The poem compilations are also shown to suppliers and customers as an example of Lintec's CSR initiatives, and they are issued to newly hired graduates.



Six compilations of Rinri Kawaraban have been published

PDF compilations of Rinri Kawaraban are available on the Lintec website in Japanese.



Rinri Kawaraban Ethics News Column  
<http://www.lintec-global.com/csr/governance/compliance/>

## Risk Management

The Lintec Group strives to prevent problems by identifying all possible risks associated with company management and working at making improvements throughout the group according to the degree of urgency and importance. In April 2009, a Risk Assessment Committee, consisting of the general managers of each division, was established with the objective of strengthening the risk management system. The committee meets once a quarter and reports the outcome of its meetings to the board of directors.

## Business Continuity Plan (BCP)\*

In September 2012, a Head Office Earthquake Response Manual was created, based on the premise of the occurrence of a major earthquake in the Tokyo region. Although earthquake preparedness measures were already being promoted, the manual was specially prepared to deal with a major event like the recent Great East Japan Earthquake. The head office disaster response headquarters and its activities were also revised.

A head office emergency drill was held in September 2012. The head office disaster response headquarters was activated according to the manual, and the route to the local evacuation shelter was confirmed.

Materials on earthquake response have been posted on the intranet for all employees to see. Emergency food and other supplies have also been distributed and stockpiled in case of an emergency.



Disaster response headquarters activation drill at the head office

## Information Security Management

Lintec conducts internal audits in each department based on detailed regulations on information security and an internal audit checklist. In March 2013, the company established the Lintec Group Social Media Policies and the Social Media Usage Rules in order to clarify basic principles and prohibited activities for the private use of social media by Lintec Group employees. To ensure thorough employee understanding of the policies and rules, Social Media Guidelines and Examples of Social Media Abuse have been provided on the company intranet. The Lintec Group Social Media Policies are also posted on the Lintec website.



Lintec Group Social Media Policies

## Helpline


Lintec has a helpline (internal reporting system) for employees to obtain consultations on legal violations and other workplace worries. In April 2008, Lintec added a third-party corporate lawyer to the helpline system, to facilitate prompt consultations and investigations. Efforts have been made to raise internal awareness of the helpline in order to encourage its use, including mentioning it in the Compliance Guidelines. The goal is to quickly identify and solve problems.

\* BCP: A plan developed in advance to enable the minimization of damage and the continuation or early resumption of business in the event that a company encounters an emergency situation such as an accident or disaster.

## Providing Value to Customers

The Lintec Group strives to provide a stable supply of products, to ensure thorough quality management, and to improve its services in order to meet the expectations and secure the trust of customers.

### Quality Assurance

Believing that customer-trusted manufacturing depends on efforts at the factory frontlines, each Lintec Group plant has a manufacturing system based on quality, the environment, and safety. The aim is to produce reliable quality on a number of fronts, including ISO 9001\*<sup>1</sup> quality management, manufacturing that protects the surrounding environment, maintenance of manufacturing equipment and facilities, and thoroughly safe operations. In fiscal 2012, the group enhanced its chemical substance management system for purchased raw materials and took measures to eliminate quality incidents in the manufacturing process. Under the slogan "Lintec Products make everybody happy!" the Lintec Group will continue to improve the quality of its products and services. 

### Quality Assurance System

The Lintec Group has obtained ISO 9001 certification for its principal manufacturing sites in and outside Japan. Now the group is further strengthening its quality management and assurance systems, by expanding the applicable departments and pursuing integrated ISO 9001 acquisition for relevant sites. In order to respond more quickly and accurately to customer needs, Lintec uses global conferencing and management systems and actively shares customer information within the group.

### Acquisition of ISO 9001 certification

	FY2010	FY2011	FY2012
Number of sites certified	19	21	22

### Close-Up

#### Plant Initiatives for Customer Satisfaction

The Chiba Plant is introducing frontline reform through its Chiba Innovation Project (CIP). Each activity period lasts for six months, and every section has targets to achieve. The entire facility is also continually promoting 5S activities (sorting, setting in order, systematic cleaning, standardizing, and sustaining discipline). Through these efforts the plant is improving its quality and productivity.



5S inspection patrol at the Chiba Plant

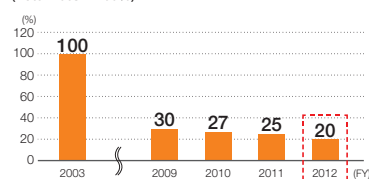
### Improving Customer Satisfaction

In order to better meet customer requests, the Lintec Group is making effective use of ISO 9001 and ISO 14001\*<sup>2</sup> to ensure product quality. Lintec is also actively learning about and sharing information for customer satisfaction improvement measures to create products that delight customers.

### Preventing Quality Incidents

Quality incidents must be avoided. As part of ISO 9001 measures, Lintec strives to prevent such incidents through the application of design reviews\*<sup>3</sup> based on the FMEA\*<sup>4</sup> and FTA\*<sup>5</sup> methods. Internal process management is performed using defect detectors and other instruments, and systems have been created to prevent defective products from ever leaving the plant.

Ratio of Quality Accidents to the Number Recorded in Fiscal 2003 (Fiscal 2003 = 100%)



At the Chiba Plant, where I work, we are further improving quality and productivity by enhancing workplace efficiency through 5S activities. We began these activities by disposing of unnecessary materials. Now we ensure that only the necessary items are kept in the proper locations, not only on the manufacturing frontlines but also in the offices of indirect departments. This has made operations a lot easier. In order to maintain this situation, the plant general manager leads 5S inspection patrols around the facility each month.

**Susumu Kaneko**  
Production Section, Chiba Plant




## Cooperating with Suppliers

The Lintec Group strives to engage in fair, highly transparent transactions, always pursuing seamless cooperation and mutual benefit with suppliers.


### Fair Transactions

The Lintec Group has a basic policy for fair and transparent transactions based on the principle of free competition between all suppliers. The door is open to all companies during the supplier selection process, and suppliers are chosen based on fair and impartial evaluations of their compliance with relevant laws and regulations. Lintec will continue to build relationships of trust with its key business partners for mutual growth.

### CSR Procurement

In order to achieve manufacturing that makes customers happy, the Lintec Group must work with its suppliers as key business partners. As part of efforts to strengthen these partnerships, the company continually reminds suppliers of the Lintec Basic Policy for Raw Materials Procurement. It also requires suppliers to maintain through CSR activities, including measures to ensure human rights, occupational health and safety, product quality and safety, information security, and corporate ethics. 

### Green Procurement

Under the Lintec Green Procurement Policy, the group is committed to procurement that also reduces environmental impact, while ensuring thorough chemical substance management for raw materials, parts, and secondary materials. The requirements for management of chemical substances in products increase every year, and environmental regulations such as the RoHS Directive\*<sup>6</sup> and the REACH Regulation\*<sup>7</sup> keep getting more stringent. Whenever a new controlled substance arises, Lintec works with its suppliers to conduct a timely survey of the supply chain. Communication with suppliers is essential for environmental protection and thorough chemical substance management. Therefore, Lintec will continue to enhance this communication. 

### Conflict Minerals

Lintec recognizes that conflict minerals, mined to fund armed conflict, are a serious social problem. The company investigates and ensures that no conflict minerals are present in any of its raw materials. Lintec will continue to conduct procurement management that avoids the use of conflict minerals.

### Close-Up

#### Supplier Quality and Environmental Audits

The Lintec Group is committed to raw material management that improves product quality. Since fiscal 2006, the group has been conducting planned quality and environmental audits at its suppliers. Lintec implements regular audits and confirms defect correction measures at major suppliers, while performing special audits and follow-up audits at new suppliers to check improvement progress. As of fiscal 2012, the company has performed a total of 170 supplier audits. The original audit objective was to improve the quality of raw materials and strengthen quality management systems. In fiscal 2010 however, Lintec began conducting environmental audits to tighten management of chemical substances contained in products. In fiscal 2012, 22 quality audits and 5 environmental audits were carried out. In order to provide customers with high-quality products that are reliable and safe, Lintec will continue to further strengthen supplier relationships, while enhancing upstream management through quality and environmental audits.

In fiscal 2012, we checked progress made on complaint resolution during seven quality audits and presented quality improvement requests directly to suppliers. In conjunction with the head office Quality Assurance Department, we will strive for even greater quality improvement in fiscal 2013.

**Keisuke Aoyama**  
Quality Assurance Section, Tatsuno Plant



### BCP with Suppliers

Along with promoting business continuity plan (BCP) creation in each division, Lintec participates in BCP surveys by customers. The company also asks its raw material suppliers to assist with the surveys by answering questions about their business continuity capabilities and response measures. The aim is to build a business continuity management system that includes suppliers in order to earn the confidence of customers and other stakeholders.

\*1 ISO 9001: the international standard for quality management systems.

\*2 ISO 14001: the international standard for environmental management systems.

\*3 Design review: a method for checking and evaluating materials under development (specifications, design documents, etc.) from different standpoints such as the manufacturing and sales divisions. Design review is defined in the Japan Industrial Standard (JIS) and ISO 9000 series standards.

\*4 Failure mode and effect analysis (FMEA): a method for systematically analyzing potential malfunctions

\*5 Fault tree analysis (FTA): a method for analyzing the causes of malfunctions using a tree diagram

\*6 RoHS Directive: EU directive that prohibits the use of certain hazardous substances in electrical and electronic equipment sold since 2006.

\*7 REACH Regulation: a chemical substance regulation in the EU on the "Registration, Evaluation, Authorization and Restriction of Chemicals." Registration is required when exporting a chemical substance into EU states in quantities of one

metric ton or more per year. Notification must also be submitted to the authorities when a chemical substance falling under the category of "candidate for required authorization" is present in a product at more than 0.1 percent of the mass of the object.

 See the CSR website for more information on the following:  
Lintec Group Quality and Environmental Policy, Lintec Procurement Policy, Lintec Green Procurement Policy, Lintec Wood Pulp Procurement Policy and Green Pulp Way

# Together with Employees: Creating a Rewarding Workplace (Human Rights / Employment)

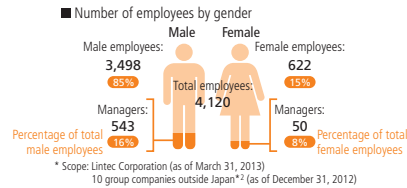
The Lintec Group has been carrying out a variety of initiatives such as the creation of awareness-raising and support systems to enable all employees to perform their jobs with energy and inspiration.

## Close-Up

### Respecting Human Rights and Diversity

The employees of the Lintec Group are working together based on the company motto, "Sincerity and Creativity." To ensure that all employees may find their work equally rewarding, the group respects the diversity\*<sup>1</sup> of every employee and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality or age. Lintec joined the UN Global Compact, which seeks to eliminate the use of child and forced labor, in 2011. The group aims to continue its growth based on mutual understanding and respect between all employees.

#### Employment



In Germany, work and private life are kept separate, and there is respect for human rights and diversity. Therefore, the work environment is supportive of both male and female employees. Measures to ensure equal opportunities for men and women are stronger here than in Japan.

### Maki Taniguchi

Senior Manager,  
Business, General Affairs & Human Resources  
Lintec Advanced Technologies (Europe) GmbH

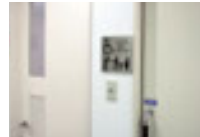


### Respect for Human Rights in Labor Management

Compliance forms a foundation for the activities of the Lintec Group, and the company ensures thorough adherence to both social rules and relevant laws and regulations in and outside Japan. This also applies to the recruitment and treatment of employees. Labor management is performed in accordance with relevant laws, and unfair discrimination, child labor, and harassment are prohibited.

### Employment of Persons with Disabilities

Lintec strives to provide employment to persons with disabilities. The full-year employment rate at Lintec for persons with disabilities in fiscal 2012 was 1.72 percent, which was below the legally mandated rate of 1.8 percent. In fiscal 2013, the mandated rate was increased to 2.0 percent, making Lintec all the more determined to increase company-wide employment of persons with disabilities. [WETA](#)



Improved accessibility\*<sup>3</sup> in a new head office building

### Job Return Program

In April 2010, Lintec introduced a job return program. Under this program, the company re-hires employees who had retired for personal reasons such as marriage, pregnancy, childbirth, childcare, nursing care of a family member, or other family circumstance such as the transfer of one's spouse to a different work location. This enables the company to regain skilled employees who are familiar with Lintec's businesses. [WETA](#)

### Employment of Older Persons

Lintec continues to offer employment to its retirees. In fiscal 2012, the company re-hired 28 of 41 retirees. Following a revision of Japanese law in April 2013, the company also revised its rules to basically enable all interested retirees to be re-hired. These professionals are working vigorously, making use of the skills and experience they have developed over many years. [WETA](#)



Re-hired retiree (left) providing guidance on the frontlines

### Management Labor Relations

At Lintec, the labor union is called Lintec Forest. Labor-management consultations are conducted with an attitude of respecting each other's standpoint and a commitment to resolving issues through discussion. Constructive discussions are also carried out at regular labor-management consultations to advance the business. [WETA](#)

## Work-Life Balance

Lintec is working to promote a balance between professional and personal life by creating supportive workplace environments. Consequently, employees are able to perform their jobs with confidence and display their full abilities. Lintec offers an accumulated time-off program that can be used either for long-term treatment of an employee's own illness or injury or for caring for a family member. There is also a paid social contribution time-off program that allows employees to participate in local volunteer activities. In April 2013, Lintec extended the period for a program that allows employees performing childcare or family care to receive shortened working hours. Accordingly, the company is striving to create systems that allow employees to work with peace of mind. [WETA](#)

#### Program users

Programs	FY2010	FY2011	FY2012
Family care leave program	0	2	0
Family care time off	1	2	2
Accumulated time off	47	55	51
Childbirth leave	16	13	16
Childcare leave	22	22	19
Child nursing care time off program	7	11	10
Shorter hours / flex time	8	11	10
Paid social contribution time off	24 (total of 42 days)	23 (total of 41 days)	26 (total of 54 days)

### Mental Health Measures

The Lintec Group has introduced a precautionary Employee Assistance Program (EAP)\*<sup>4</sup> system that enables employees to get mental health checkups once a year. Using a questionnaire, each Lintec employee is able to ascertain his or her own stress level, which is useful for personal mental health management. In fiscal 2012, the questionnaire was made available to 3,397 employees across the group, and the completion rate was 95.3 percent. The Lintec Group has also set up a support hotline where employees and their families can talk confidentially with a specialist about their worries, including physical and mental health, childcare, nursing care, legal issues, or personal finances. [WETA](#)



Mental health seminar at the Tatsuno Plant

### Measures against Working Long Hours

Lintec strives to make appropriate personnel appointments and to ensure equal sharing of workloads in order to prevent the harmful effects of working too many hours. The company has introduced systems for carrying out work efficiently and systematically, such as no-overtime-days in each workplace and flextime programs. Supervisors also manage overtime hours carefully to help employees avoid excessive strain on the body and mind. The company has also adopted an attendance system that enables detailed labor management.

## Company-wide Rank-based Training Programs

With the aim of developing human resources that contribute to the company and society, Lintec has introduced company-wide rank-based training programs to develop its human resources. These programs enable all employees with diverse values to achieve personal growth and a sense of accomplishment. They help boost employees' skills and support each person's self-motivated career planning. [WETA](#)

#### Fiscal 2012 training details and numbers of participants

Training details	Number of participants (trainee category)
<b>Management practice program (group training)</b> Over eight months, participants develop action plans based on an awareness survey, and present the results.	Began in fiscal 2013 (Grade 9 and 10 employees)
<b>General manager training (group training)</b> Over six months, participants hone their management perspective, and present the results.	14 (Grade 8 general managers and assistant general managers)
<b>Next-generation leader development training (group training)</b> Over a period of two or three months, participants continually focus on and discuss important management issues and make strategy recommendations.	38 (Selection of managers)
<b>New managers training (group training)</b> Participants acquire the management knowledge, skills, and practical frontline abilities necessary for managers.	28 (New managers)
<b>New managers training (correspondence course)</b> Participants acquire the basic business administration knowledge, management knowledge, and skills necessary for managers.	28 (New managers)
<b>New section chiefs training (group training)</b> Participants acquire the management knowledge and skills necessary for frontline leaders.	27 (New section chiefs)
<b>Grade 5 employee training (correspondence course)</b> Participants systematically acquire skills on solving workplace problems as a group leader, guiding and developing subordinates, and creating energetic workplaces.	249 (Employees promoted to Grade 5)
<b>Grade 4 employee training (correspondence course)</b> Participants acquire general business skills by selecting courses to match their goals.	66 (Employees promoted to Grade 4)
<b>New salesperson training (group training; held every two years)</b> With the aim of enhancing communication skills for sales, participants learn how to improve their interpersonal skills, while becoming more customer oriented and self-aware.	22 (Third and fourth-year employees)
<b>Second-year follow-up training (group training)</b> Participants look back on their own growth over the year and clarify initiatives through self-study and group learning.	42 (Second-year employees)
<b>New hires training (group training)</b> Participants acquire business skills and work-related knowledge, along with basic skills specific to their own companies. They get an understanding of basic knowledge and occupational theory as members of society and professionals.	49 (New hires)
<b>Prospective employee training (group training)</b> Participants learn about becoming working members of society and the necessary preparation before starting work at Lintec.	38 (Prospective employees)
<b>New language training (volunteers with division recommendation)</b> As part of corporate globalization, the purpose of this training is to broaden the perspectives of candidates for postings outside Japan and to enhance their abilities to work overseas.	11 (Selected from volunteers)

\*1 Respecting diversity: By respecting diverse characteristics that exist among people and groups, it is possible to generate more original ideas, solve problems, using diverse perspectives, and allow people to display their full potential by appointing the best person for each job.

\*2 10 group companies outside Japan: Lintec (Suzhou) Tech Corporation, Lintec (Tianjin) Industry Co., Ltd., Lintec Specialty Films (Taiwan), Inc., Lintec Korea, Inc., Lintec Specialty Films (Korea), Inc., PT Lintec Indonesia, Lintec Industries (Malaysia) Sdn. Bhd., Lintec Industries (Sarawak) Sdn. Bhd., Lintec Singapore Pte. Ltd., and Muelco, Inc.

\*3 Accessibility: Enabling older persons and those with disabilities to have easy access to facilities, products, and services.

\*4 Precautionary EAP: an employee program that aims to improve productivity through the creation of comfortable workplaces and by focusing on precautions for healthy employees in addition to addressing the concerns of employees who already have a health issue.

[WETA](#) See the CSR website for more information on the following:  
Employment rate for Persons with Disabilities, Number of Job Return Program Users, Employment of Older Persons, Status of the Lintec Forest, Employee Assistance Programs, Overview of Precautionary EAP system, and Fiscal 2012 Rank-based Training Schedule

Close-Up

Individual Education Programs

Lintec Environmental & Safety Information Site

In December 2012, the Lintec Econews, published on the company's intranet as part of environmental education activities, was re-launched as the Lintec Environmental & Safety Information site. In addition to environmental news, the site now features more details on ISO 14001 and chemical substance management, as well as health and safety information. The new site is also quicker to update and maintain, as all the work is now done internally. There were over 2,000 visits in the three months since it was re-launched in December 2012. The site will continue to be updated regularly, and the aim is to provide easy-to-understand information to employees, including photos of outstanding activities and corrective measures for environmental protection and safety.



Lintec Environmental & Safety Information site

Since fiscal 2010, I have been in charge of managing Lintec's environmental information. We place importance on conveying easy-to-understand information to all employees working in a variety of departments, from development to manufacturing and sales. It is very encouraging to hear from employees who find the information useful.

Noriko Kijima

Section Chief, Environmental Safety Group  
Environmental and Safety Department



Quality Education

In addition to maintaining quality management systems based on ISO 9001, the Lintec Group is committed to educating employees and improving their quality awareness. This is achieved through external seminars, as well as internal learning opportunities such as e-learning and correspondence courses. Since e-learning enables employees at workplaces with different working hours to learn at their own convenience, a total of 3,774 employees participated in two e-learning courses on quality in fiscal 2012.

Environmental Education

Lintec is working to improve the environmental awareness of its employees. In fiscal 2012, four e-learning courses were provided, teaching employees about environmental laws and regulations, environmental management systems, and chemical substance management. Employees were able to deepen their understanding of environmental issues and Lintec's environmental protection activities. The company also provided ISO 14001 self-awareness training at its head office, Research Center, plants, and at Tokyo Lintec Kako. Training specific to each department was given covering chemical substance management and biodiversity protection.

Number of environmental education participants

Date	Number of sessions	Invitees	Content	Total participants
April to December 2012	31	Head Office, Research Center, plants, and Tokyo Lintec Kako, Inc.	Chemical substance management training, ISO14001 self-awareness training, industrial waste separation methods, and on-the-job hazardous materials training at warehouses	3,391
January to March 2013	3	Ina Technology Center, and plants	ISO 14001 self-awareness training and activities related to biodiversity protection	147

Self-motivated Education System

Self-development Correspondence Training Courses

Twice a year, Lintec offers self-development correspondence training courses to interested employees. The company subsidizes a part of the cost for those who complete a course within a given timeframe. There is a wide variety of course content available, such as management, business skills, computer skills, foreign languages, liberal arts, and qualifications acquisition. The company will continue offering these courses to encourage employees to keep learning and growing.

Self-development correspondence training course participants

FY	Number of participants	Completion rate (%)
2010	357	58
2011	337	61
2012	276	59

Language Training

In order to develop employees that can excel on a global stage, Lintec has introduced a language-training program as a support system for self-motivated study. Participants apply voluntarily for the program and are then approved by a selection committee based on recommendations by the participant's immediate superior and division general manager. Although the training time varies based on each employee's language level, the aim is for participants to reach their target level with about 100 to 150 hours of instruction.

Together with Employees: Safe Workplace Environments (Safety and Disaster Prevention)

The employees of the Lintec Group are engaged in a variety of initiatives, including the raising and improving of safety awareness, enabling everyone to work in safety and with peace of mind.

Occupational Safety

Occupational Safety and Health Policy

In 2010, the Lintec Group established the Lintec Occupational Safety and Health Policy. Since then it has been carrying out ongoing activities based on an occupational safety and health management system (OSHMS).<sup>\*1</sup>

Plan-do-check-act (PDCA) cycles are carried out for these group-wide activities, based on the OSHMS. An annual safety and health plan have been prepared, including plans for mutual safety audits and fire prevention patrols at the plants. A Safety Consideration Committee, consisting of members engaged in safety initiatives in plants and members of the group-wide Safety Secretariat, has been established to consider group-wide safety rules. In fiscal 2012, Lintec was able to eliminate boxcutter accidents, and in addition, it standardized displays including placards that outline Lintec's Four Safety Principles,<sup>\*2</sup> signs to indicate door opening range, and route passage signs.

Annual Safety and Health Plan

The Lintec Group has established an annual safety and health plan, and it is managing health and safety through the implementation of PDCA cycles. The plan includes matters such as a patrol program, safety education, a training program, an inspection and measurement schedule, health checkups, internal audits, and management reviews.

In fiscal 2012, Lintec carried out mutual safety audits, fire prevention patrols, and top management patrols. Individual plants also carried out patrols by members of the plant's top management, managers, and the union, as well as employee volunteer patrols. The company is also promoting safety through the use of mailing lists to distribute the minutes of the Safety and Health Committees to all business sites and executive officers.



Safety patrol at the Mishima Plant

Safety and Health Committees & Health Committees

The Lintec Group holds monthly committee meetings to discuss safety and health in the workplace. At plants and the Research Center, a safety and health committee gathers reports on plan implementation, accident occurrence, safety education provision, equipment inspection results, and the status of patrol findings and corresponding improvements. At the head office and business sites with a sales department, a health committee discusses issues pertaining to health, safe driving, and disaster prevention activities.

The meeting minutes are distributed to all business sites and executive officers through a mailing list, as part of an information-sharing system.



Safety and Health Committee meeting at Lintec (Tianjin) Industry

Accidents Resulting in Absence from Work

In fiscal 2012, six occupational accidents occurred at Lintec Group companies in Japan, resulting in 361 days of absence from work. Due to the occurrence of rotator accidents, the number of days of absence increased compared to the previous year. The Safety Secretariat visited the plants concerned and conducted safety audits. To prevent reoccurrence, safety barriers and operation standards were revised and ongoing risk assessment was implemented. In the future, the safety rules will be clarified and the group will work towards reducing accidents to zero.

Occurrence of accidents resulting in absence from work

	FY	FY2010	FY2011	FY2012
Number of accidents resulting in absence from work		5	2	6
Number of days of absence from work		41	31	361
Accident sites		Lintec and partner companies	Partner companies	Lintec and partner companies

Note: The fiscal 2012 report mistakenly indicated three accidents resulting in absence from work in fiscal 2010. The actual number was five.

Close-Up

Safety Management at Lintec Korea

Lintec Korea performs thorough safety management activities for hazardous materials, and it has maintained a zero accident record in this area since its establishment. In November 2012, Jang Dae-Jung, the hazardous materials safety manager, received an award from the East Cheongju Fire Department for excellence in hazardous materials safety management. The company will continue to undertake hazardous materials management with a strong awareness of safety and a sense of responsibility.



Receiving an award for excellence in hazardous materials safety management

\*1 OSHMS: a company's voluntary independent management system for increasing the level of safety and health at a business site.  
\*2 Four Safety Principles: Safety rules established by Lintec: 1) Point to and call out hazards; 2) Never reach towards rotating parts; 3) Use signals when working with others; 4) Stop machinery when there is an irregularity

See the CSR website for more information on the following: Technology Family Workshops, CSR Briefing and Information Security Education, Voices of Madico and Lintec Industries (Malaysian Employees), Lintec Occupational Health and Safety Policy, and Overview of the Lintec Occupational Health and Safety Manual

Striving to Be Accident Free

The Lintec Group has established a system for recognizing plants in Japan with a continuous record of no occupational accidents,\*1 including accidents not resulting in absence from work. Awards are given for the achievement of 500,000, 750,000, 1 million, and 1.25 million accident-free hours. A One Year Accident Free award system has been also established for plants that remain completely accident free for one year, even if they do not accumulate 500,000 hours of continuous accident-free operation. This year, the Chiba Plant, Shingu Plant, Komatsushima Plant, Ina Technology Center, and Tokyo Lintec Kako received this award. Using these commendations, Lintec will continue to raise safety awareness in its facilities in Japan. [WEB](#)



Shingu Plant managers with their award

Continuous accident-free hours achievements

Business site	Continuous accident-free hours	Date achieved
Research Center	0.5 million	June 2012
Kumagaya Plant	0.75 million	July 2012
Agatsuma Plant	0.5 million	July 2012
Chiba Plant	0.5 million	August 2012
Ina Technology Center	0.75 million	September 2012
Shingu Plant	0.75 million	October 2012
Research Center	0.75 million	November 2012
Agatsuma Plant	0.75 million	November 2012
Mishima Plant	0.5 million	February 2013
Tatsuno Plant	0.5 million	March 2013

One-year accident free achievement

Business site	Date achieved
Chiba Plant, Shingu Plant, Ina Technology Center	April 2012

Top Management Patrols at Production Bases

The Lintec Group conducts top management patrols in which the president inspects plants worldwide, as well as the Research Center in Japan. In fiscal 2012, the president visited 24 sites in 14 countries. For patrols in Japan, the president is also accompanied by the general manager of the Production Division, the general manager of the Environmental Safety Department, and the president of Lintec Service, Inc., to ensure thorough safety management. By having the president check general safety, the 5S points, and workplace environments in person, Lintec is working to raise employee awareness of workplace safety and environments.



President Ouchi visiting the Kumagaya Plant

Crisis Management during a Disaster

Distribution of Disaster Response Guidelines

Lintec has issued Disaster Response Guidelines, based on earthquake risk. To ensure their effective use, the guidelines were sent to all Lintec Group sites by the Lintec Safety, Disaster Prevention, and Health Committee in fiscal 2012. Each site has begun preparing its own disaster response manual.

Close-Up

Emergency Drills

Various drills are carried out at Lintec Group business sites in order to prepare for fires and natural disasters such as earthquakes. The group is striving to reduce risk by updating crisis management rules based on great earthquake scenarios and preparing disaster supplies. In June 2012 for example, an evacuation drill was held at the seven-story Iidabashi Office building where over 300 people work. The drill was based on the scenario of the building being partially damaged in an earthquake, resulting in orders to evacuate outside. Based on the instructions of evacuation leaders, 195 employees made their way to the assembly point, a local playground. An evacuation report was made to the disaster response headquarters. At the end of the drill, feedback was provided by the local fire department, which had observed the evacuation. Drills will be continued in the future to ensure that everyone is able to respond calmly in the event of a disaster. [WEB](#)



Evacuation drill at the Iidabashi office

The Tatsuno Plant holds emergency drills regularly. We won the indoor fire hydrant category of the 7th Fire Defense Conference competition, sponsored by the Tatsuno Fire Protection Association, and we also received an award in the fire extinguisher category of the event. We will continue to prepare for disasters through drills and utilize the skills for daily safety as well.

**Takashi Yamada**  
Plant Engineering Section  
Tatsuno Plant



Together with Local Communities: Community Participation

The Lintec Group is supported by society and local communities. In recognition of this support, the group is engaged in various social contribution activities to fulfill its role as a corporate citizen. [WEB](#)

Ongoing Disaster Support

The Lintec Group has been making relief donations as an ongoing activity to support recovery after the Great East Japan Earthquake. In fiscal 2012, the company began participating in the Watari Green Belt Project to regenerate tidewater control forests on affected coastlines, sponsored by the Global Compact Japan Network. Lintec employees volunteered to help with the project activities. The company will continue various forms of reconstruction support activities in the future.



Participating in the Watari Green Belt Project

Support for Persons with Disabilities

In June 2012, Lintec invited 130 people with disabilities and their helpers living in Tokyo's Itabashi Ward to a professional baseball game at Tokyo Dome—Hokkaido Nippon Ham Fighters vs. Tohoku Rakuten Golden Eagles. This marked the sixth such event arranged by Lintec. The company received smiles and many words of thanks from participants who expressed their enjoyment of the game and a strong desire to participate again next year. Lintec will continue this kind of social contribution activity that brings joy to local residents.



Welcoming participants at Tokyo Dome



President Ouchi meeting participants

Beautification Projects and Cleanups

The Lintec Group carries out neighborhood beautification projects and cleanups around all its factories. The Chiba Plant holds a Zero Litter Campaign around the Midori Daira Industrial Park where the plant is located, while the Kumagaya Plant conducts an Arakawa Riverside Cleanup along a nearby river. The Komatsushima Plant removes litter from the Yokosu shoreline as part of its Seto Inland Sea Restoration effort. Elsewhere, Lintec Industries (Malaysia) carried out water purification activities on its local coastline (see page 31). The group will actively continue its local cleanup and environmental beautification efforts in the future. [WEB](#)



Zero Litter Campaign by the Chiba Plant

Community Safety Activities

Lintec serves as the presiding company on the Itabashi Coordinating Committee Against Local Organized Crime. Together with the Itabashi Police Station's Organized Crime Division, the committee held a seminar to address issues related to local organized criminal groups at the Itabashi Police Station in May 2012. A total of 100 people participated in the seminar, including Itabashi Ward Mayor Takeshi Sakamoto, police personnel, and member company representatives. In November 2012, a street campaign was held to deter organized crime groups. The company will continue to strengthen its cooperation with the committee and the Itabashi Police Station and work to help eliminate organized crime activity in the area.

Close-Up

Activities by Lintec Korea to Support the Local Community

Lintec Korea is engaged in various CSR activities. For example, the company provides partial financial support for disadvantaged university students raised by their grandparents, through an in-house volunteer group. Other activities include monthly cleanups in the neighborhood around the plant and providing donations of coal briquettes to help provide warmth for those on social assistance. Volunteers from Lintec Korea and local companies also visit nearby elderly residents on New Year's Day and Mid-autumn Festival Day,\*2 and bring them gifts such as fruit.



New Year's gifts for the elderly

Lintec Korea conducts a cleanup in a local shopping street every month. Not only has the neighborhood become cleaner, but recently people walking by have also complimented us on our efforts. By also increasing our interaction with locals on the shopping street, the cleanups have become a meaningful activity. We will continue to support the community in this way.

**Sang-Hyeon Song**  
Manager, Manufacturing Technology Section,  
Manufacturing Department  
Lintec Korea, Inc.




\*1 Continuous accident-free hours: total number of working hours with no occupational accidents (accidents not resulting in absence from work, accidents resulting in absence from work, and accidents during commuting) involving Lintec or partner company employees working full time at a business site.

[WEB](#) See the CSR website for more information on the following: Regular Safety Conferences at the Kumagaya Plant, Joint Drills with the Fire Department to Deal with Hazardous Chemicals Leaks, and Fiscal 2012 Emergency Drills


\*2 Korean holiday on the 15th day of the 8th month of the lunar calendar. People visit graves and perform rituals for their ancestors.

[WEB](#) See the CSR website for more information on the following: Social Contribution Activities by the Lintec Group, School Visits by Lintec Science Instructors, Blood Donation, Tree Planting, Sponsoring and Participating in Local Festivals, Saving Electricity with "Green Curtains" of Bitter Melon Vines, and Fiscal 2012 Beautification Projects and Cleanups

## Communicating with Stakeholders

In order to better understand the expectations of society, it is essential to have continual communication with stakeholders. Therefore, in addition to providing information, the Lintec Group works to maintain a dialogue with its stakeholders. 

### Customers Exhibiting at Exhibitions in and Outside Japan

In order to communicate with even more customers, Lintec actively participates in exhibitions held in and outside Japan. In fiscal 2012, Lintec took part in a total of 32 exhibitions and received valuable feedback on its products and technologies. 



Exhibiting at the 4th Film Tech Japan

### Suppliers ITC Suppliers' Day

As part of its communication with suppliers, the Ina Technology Center holds annual meetings with all of its suppliers in an effort to improve mutual understanding. In November 2012, 55 people from 32 companies participated, with the center explaining Lintec's financial performance, and giving status reports from the development, manufacturing, quality assurance, and business management departments. The company's initiative policies for the second half of the year and the CSR initiative progress were also presented.


### Local Communities Offering Plant and Facility Tours

Every year the Lintec Group accepts numerous students, local authorities, NPOs, and community residents for tours of its plants and facilities in Japan. In addition to social studies and environmental learning for elementary school students, career opportunity presentations are given to high school and university students. In fiscal 2012, a total of 864 tour participants were welcomed at four Lintec sites. 



Tour at the Kumagaya Plant

### Media News Releases and Media Interviews

In addition to distributing news releases to various media outlets concerning new products and events, the company welcomes requests for interviews as well as articles written by Lintec representatives. In fiscal 2012, the company issued about 30 news releases and granted about 70 interview and writing requests. 

### Employees Publication of the Community Magazine

The Lintec Group publishes a quarterly magazine, *LINTEC*, as a tool for communicating with its stakeholders. An English version and two Chinese versions (simplified and traditional characters) of the magazine are also available. The magazine is distributed to all group employees as well as customers, suppliers, retirees, the media, and government offices. Group companies Madico and Lintec Korea each issue their own monthly newsletters in PDF format, which are also useful for promoting good communication in the workplace. 

### CSR Communication

The Lintec Group issues translated PDF versions of its CSR Report in several languages for group companies outside Japan. In fiscal 2012, employee CSR briefings were held at five group companies in Europe and North America, an initiative started in fiscal 2011. These meetings enabled the group to share an awareness of its CSR initiatives worldwide.



CSR briefing at Lintec of America

### Shareholders and Other Investors Active Promotion of IR Activities

Lintec carries out various IR initiatives with the aim of achieving appropriate share pricing and increasing corporate value. For institutional investors and securities analysts in Japan, the company holds IR meetings and accepts media interviews each quarter. For institutional investors outside Japan, Lintec offers telephone conferences and participates in IR events arranged by securities companies, while making regular overseas visits. In order to provide information to individual investors and shareholders, Lintec continually enhances its IR website, while also publishing a quarterly shareholder magazine. Once a year, a reader survey is included in the magazine, and the feedback received is used to improve the magazine's content and Lintec's IR initiatives.



<http://www.lintec-global.com/ir/>




Visiting investors in North America

## Environmental Management

The Lintec Group has built an environmental management system based on the ISO 14001 international standard. It is carrying out a variety of environmental protection initiatives under the slogan, "We have to broaden our scope when working to support the environment. There is only one earth."

### Lintec Group Quality and Environmental Policy

The entire Lintec Group\*1 is promoting a range of activities based on the Lintec Group Quality and Environmental Policy, in order to meet stakeholder expectations for quality and environmental protection. This policy has also become an important shared foundation for all Lintec employees, as a global effort that combines quality and environmental protection activities. 

### Close-Up

#### Environmental Management System: Efforts to Obtain Integrated Certification

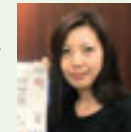
In October 2008, the Lintec Group obtained integrated certification for the head office, ten plants in Japan, the Research Center, and Tokyo Lintec Kako. The group is also working towards inclusion of its companies outside Japan in its integrated certification.\*2 In January 2013, integrated certification was completed for seven group companies, including Lintec Singapore and Madico. With the aim of constructing a global environmental management system, the Lintec Group will continue to pursue integrated global certification for its companies outside Japan, and it will actively promote group-wide environmental protection activities.

#### Obtaining Integrated Certification through the Assistance of Group Sites

In January 2013, Lintec Singapore obtained integrated global ISO14001 certification. Although there were difficulties due to the different legal systems in the countries and regions where the applicable organizations are located, each group site provided the necessary assistance. We will continue to promote environmental protection activities in the future.

#### May Lee

Assistant Administrative Manager,  
Adhesive Products Group  
Lintec Singapore Private Limited



### Internal Environmental Auditing

Ensuring the proper operation of the environmental management systems and improving operation levels at each site have become very important elements in the promotion of global management. To enhance system operation, Lintec conducts internal and mutual site audits. The group is working to develop more lead auditors\*3 that can conduct mutual site audits, and trained 21 new lead auditors in fiscal 2012, bringing the total to 148.



Internal audit at the Tatsuno Plant

### Environmental Compliance


The Lintec Group's business operations are subject to numerous environmental laws and regulations. The group's environmental management departments at sites in and outside Japan surveyed changes in relevant laws and municipal regulations, and conducted internal legal audits to check compliance. Legal compliance has been incorporated into the group's environmental management system and compliance is monitored regularly. There have been no major legal violations in the three years from fiscal 2010 to 2012.

### Biodiversity Conservation Initiatives

Due to the destruction of the natural environment and the loss of ecosystems in recent years, the world is now faced with a biodiversity conservation crisis. Lintec has incorporated biodiversity conservation into its Environmental Policy based on ISO 14001, and it is continuing to raise awareness among employees. The company has implemented a concrete action plan, including internal education at sites in Japan and the provision of information on biodiversity conservation through the Environmental & Safety Information intranet site. At the Ina Technology Center, 26 employees and their family members participated in a nature experience in a nature experience in March 2013. Lintec will continue these activities, and strive to increase awareness of biodiversity conservation.



Nature experience provided in the Kitamoto Nature Observation Park of the Saitama Nature Study Center

 See the CSR website for more information on the following:  
Main Activity Awards, Major Events Where Lintec Exhibited in Fiscal 2012, Plant and Facility Tours in Fiscal 2012, TV Station Interview Given by the Kumagaya Plant, and CSR Reports in Six Languages, in Addition to Japanese

\*1 Entire Lintec Group: Lintec Corporation and its group companies in and outside Japan. The reporting scope in the Environmental Report differs from that in the Corporate Governance and Social Report sections. See page 3 for details.  
\*2 Integrated global ISO 14001 certification: ISO 14001 certification covering multiple business sites worldwide as a single organization.

\*3 Lead auditor: an auditor certified to perform mutual site audits

# Fighting Climate Change

The Lintec Group is carrying out initiatives to save energy and reduce CO<sub>2</sub> emissions. As a manufacturer, Lintec is also dedicating itself to the development of products with less environmental impact.

## Efforts in Manufacturing

**Status of Compliance with Japan's Energy Conservation Law**  
Energy use by the entire Lintec Group in Japan\*1 exceeds 1,500 kL of crude oil equivalent each year. As a result, the group was designated a "Specified Business Operator," pursuant to the provisions of Japan's Act on the Rational Use of Energy (Energy Conservation Law), and required to improve its energy use per production unit by 1 percent per year.

In fiscal 2012, the Lintec Group in Japan implemented a variety of energy-saving measures. These ranged from lowering electrical consumption for air conditioning and expanding installation of LED lighting, to capturing and utilizing waste heat, as well as halting production equipment when it is not needed.

## Energy Savings Promotion Committee

In July 2012, members from the plant general manager (and equivalent) level joined the Energy Savings Promotion Committee, an activity-focused organization of the Lintec Group in Japan. This created a system that can promote energy management activities with oversight right across the manufacturing frontlines. In fiscal 2012, the committee discussed energy conservation measures such as summertime power use and cutback of fuel. It also promoted improvements to energy-saving activities at each business site.



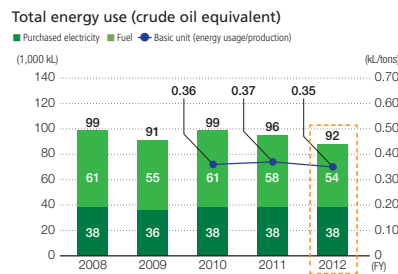
Patrol by the Energy Savings Promotion Committee at the Shingu Plant

## Complying with the Saitama Prefecture Ordinance on the Promotion of Global Warming Countermeasures

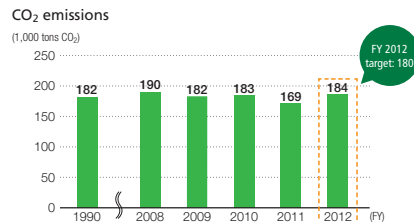
As of March 2013, Lintec has complied with the Saitama Prefecture Ordinance on the Promotion of Global Warming Countermeasures for three years. The Kumagaya Plant continued its initiatives for CO<sub>2</sub> emissions reduction. A new building was completed at the Kumagaya Plant in fiscal 2012, and the entire facility is a clean room. The plant is saving energy by using outside air and groundwater to reduce pre-heating and pre-cooling needs for the air conditioning system. In fiscal 2012, measures were taken to make energy usage more visible, such as installing monitors to display power consumption on the paper production floor. This is helping to stimulate energy-saving activities in the workplace.

## Total Energy Use and CO<sub>2</sub> Emissions

In fiscal 2012, total energy use (crude oil equivalent) for the Lintec Group in Japan decreased by 3.9 percent, compared to fiscal 2011, to 92,000 kL. This was a result of reducing peak power consumption during the summer based on production plan adjustment and other energy-saving activities such as waste heat recovery and utilization. Consequently, energy use per unit of production fell 0.02 kL per ton over fiscal 2011 to 0.35 kL per ton. With 184,000 tons of CO<sub>2</sub> emissions in fiscal 2012, the Lintec Group in Japan was short of its target for the year of no more than 180,000 tons. However, this was due to a change in the CO<sub>2</sub> emission coefficient. In fiscal 2013, Lintec aims to reduce its CO<sub>2</sub> emissions by 1.6 percent and its energy usage by 0.2 percent over fiscal 2012, on a per-unit-of-production basis.



Note: Fuel means kerosene, Bunker-A oil, liquid natural gas (LNG), liquid petroleum gas (LPG), and utility gas.



- The amount of CO<sub>2</sub> emissions is calculated by applying a CO<sub>2</sub> emission coefficient to the amounts of electricity and fuel used.
- The CO<sub>2</sub> emission coefficient is established by the enforcement order for Japan's Act on Promotion of Global Warming Countermeasures. The coefficients were revised in December 2002 (used until fiscal 2005), March 2006 (used fiscal 2006 to 2008), and March 2010 (used fiscal 2009 to 2012). For the purchased electricity coefficients however, Lintec uses the emission coefficients provided by the power companies that supply electricity to the facilities concerned.
- The emissions shown above are CO<sub>2</sub> emissions from fossil fuels.

## Solar Power

Lintec has begun full-scale use of photovoltaic technology. An approximate 1,000 kW system was installed on all the rooftops at the Doi Plant and began operation in January 2013. In March, an approximate 500 kW system was installed and began operation at the Agatsuma Plant. The two systems will reduce CO<sub>2</sub> emissions by about 500 tons per year.



Solar panels at the Doi Plant (about 10,000 m<sup>2</sup>)



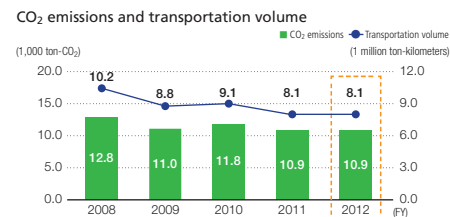
Solar panels at the Agatsuma Plant (about 5,000 m<sup>2</sup>)

## Efforts in Distribution

Lintec has no distribution or transportation department, but it is a Designated Shipper under Japan's Revised Energy Conservation Law, because it consigns the transport of more than 30 million ton-kilometers annually. This law requires designated shippers to improve their transport-related energy efficiency. It also requires the submission of an annual transport-related energy conservation plan. In fiscal 2012, CO<sub>2</sub> emissions from transportation were 10,900 tons, unchanged from the previous year. Energy use was 4,096 kL (crude oil equivalent), a rise of about 0.3 percent from fiscal 2011. Energy use per unit of sales was 0.0263 kL per million yen, an increase of about 4.4 percent over the previous year. This increase was due to an approximate 4 percent decline in sales over the same period. Lintec will continue to improve its transportation efficiency as part of its efforts to fight climate change.



Initiative at the Mishima Plant to reduce transportation frequency



## Product Development Initiatives

### Guidelines for Environmentally Friendly Products

In February 2010, Lintec established guidelines for the development of new environmentally friendly products. Environmental impact is assessed at the design stage for a product's entire life cycle (LCA\*2), from the procurement of raw materials through product manufacturing to disposal. In fiscal 2012, the company developed 30 products based on the guidelines, exceeding the target of 8 products. Lintec will continue to follow these guidelines to develop products with lower environmental impact.

## Close-Up

### Developing Products That Help Reduce Environmental Impact

The Lintec Group has positioned environmental and energy businesses as an important focus. Some of the main products are window films that contribute to energy conservation through superior sunlight filtering and backsheets that increase the durability of photovoltaic cells. The group will continue focusing on the development of products that help reduce environmental impact and save energy, including environmentally friendly products and new materials for next-generation photovoltaic cells.

### RAD-2100m/12 LED UV Irradiation System

Lintec manufactures and sells UV curable tape and UV irradiation systems for use in semiconductor wafer dicing.\*3 The RAD-2100m/12 LED UV irradiation system offers an approximate 70 percent reduction in power consumption compared to a conventional Lintec model equipped with a high-pressure mercury UV lamp. Due to its long lifespan, the LED light source minimizes waste by reducing replacement frequency. It also contains no mercury, making the product more environmentally friendly.

After the arrival of an LED UV lamp on the market, the technology was applied to a conventional UV irradiation system to provide better energy efficiency. The resulting new product was launched in August 2012. Lintec strives to provide customers with products offering more convenience while reducing environmental impact.



RAD-2100m/12

\*1 Lintec Group in Japan: Lintec Corporation and its sales offices, Tokyo Lintec Kako, Osaka Lintec Kako, Inc., Printec, Inc., Lintec Service, Inc., Lintec Commerce, Inc., and Renji, Inc.

\*2 LCA: see page 10  
\*3 Semiconductor wafer dicing: a process whereby an ingot (wafer) of silicon or other material is sliced into chips

See the CSR website for more information on the following:  
Lintec Group Quality and Environmental Policy, Solar Power at the Agatsuma Plant, Efforts to Reduce CO<sub>2</sub> Emissions: Fuel Shift to LNG / Doi Plant, Energy Usage for Distribution, and Products for Lowering Environmental Impact

# Reducing Waste and Water Usage

In order to help realize a recycling-oriented society, the Lintec Group is working to make effective use of resources and reduce waste. It is also striving to save water, while improving the quality of effluent generated.

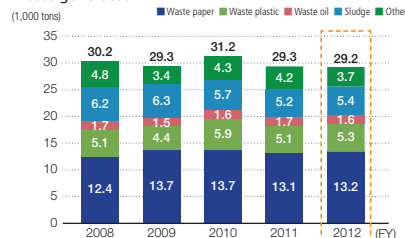
## Amounts of Waste Generated and Effectively Used

In fiscal 2012, the amount of waste generated, including manufacturing loss, was 29,180 tons. This was down about 100 tons from the previous year as a result of decreased production and higher yield rates. The amount of waste output (amount of waste generated minus the amount effectively used internally and the amount sold as valuable resources) was 11,210 tons, a decrease of about 4.1 percent from fiscal 2011. From the waste output, 10,330 tons were effectively used externally. The remaining 880 tons were consigned to waste treatment companies and combusted (860 tons) or buried (20 tons), as appropriate. The target of 0.2 percent or less for the final landfill disposal rate\*1 was achieved in fiscal 2012, with a rate of about 0.07 percent. Zero emissions were therefore achieved (Lintec's standard is a final landfill disposal rate of no more than one percent), as has been done since fiscal 2007. In the future, Lintec will continue to maintain zero emissions and also further reduce the final landfill disposal rate of waste. In fiscal 2013, Lintec is aiming for a 0.1 percent reduction in the waste generated, compared to fiscal 2012.

### Fiscal 2012 waste flow



### Waste generated



### 3R Efforts

The Lintec Group strives to reduce, reuse and recycle (3R). Each plant worked to increase productivity in order to reduce waste. Some product roll cores and plastic shipping pallets were collected and reused. The group also continued to perform material

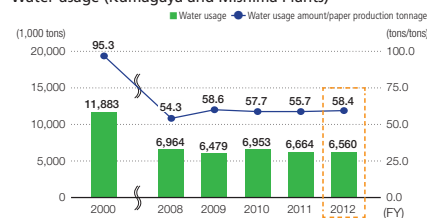
recycling,\*2 such as reusing paper, and thermal recycling,\*3 including the use of paper waste as solid fuel. [Web](#)

## Water Usage and Water Conservation Measures

In fiscal 2012, Lintec used 7.143 million tons of water. Of this amount, about 92 percent was used by the Kumagaya and Mishima plants, which are Lintec's papermaking facilities. Together, these two plants used 6.560 million tons of water, which was a decrease of about two percent from the previous year. This decrease was the result of decreased production, plus efforts to reduce water usage. In fiscal 2012, the two plants' water usage per unit of paper production was 58.4 tons per ton, a decrease of 2.7 tons per ton compared to fiscal 2011.

As a water conservation measure, the papermaking division is reducing water usage in each process. It has also implemented measures to prevent water leaks in an effort to lower water usage. Further, it is attempting to reduce water use and effluent by reusing recovered water. In fiscal 2013, the division aims to reduce its water usage per unit of paper production by 1.7 percent compared to fiscal 2012.

### Water usage (Kumagaya and Mishima Plants)



## Reducing Effluent and Improving Effluent Quality

The entire amount of effluent produced by Lintec in fiscal 2012 was 6.857 million tons. About 93 percent of this (6.369 million tons) was released from the Kumagaya and Mishima plants. In order to maintain and improve effluent quality in the papermaking process, efforts are being made to reduce SS\*4 by changing the retention aid and to reduce raw material runoff through control of rejects from pulp cleaners. In the management of water quality, such as with COD\*5 and nitrogen, the company strictly adheres to internal standards, which are set even stricter than environmental standard values.



Effluent processing equipment at the Mishima Plant

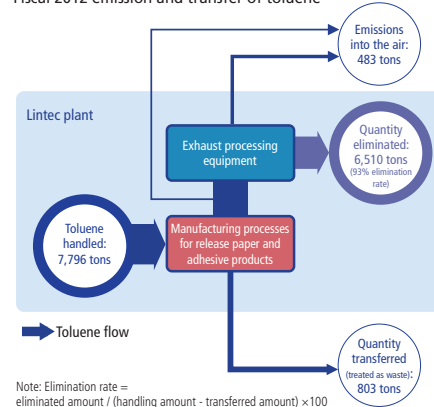
# Reduction of Chemicals with Environmental Impact

The Lintec Group complies with relevant laws and regulations in and outside Japan and strives to reduce its use of chemical substances that have an impact on the environment.

## PRTR Compliance

In fiscal 2012, Lintec used eight substances that are subject to PRTR\*6 reporting. The total quantity of PRTR chemicals was 7,888 tons. Toluene accounted for the largest portion of this amount, at 7,796 tons, down 789 tons from the previous year (8,585 tons). Emissions of toluene into the atmosphere were 483 tons, down 28 tons from the previous year (511 tons), and the transferred amount was 803 tons, up 217 tons from the year before (586 tons).

### Fiscal 2012 emission and transfer of toluene



## Proper Storage and Management of PCB

Lintec securely stores and manages waste containing PCBs,\*7 in accordance with the law. Among the 38 PCB-containing units of waste being stored, five units contain low-concentration PCBs, and five more are fluorescent light ballasts. [Web](#)

(The PCB waste at the Tatsuno Plant reported in the CSR Report 2012 was investigated and revealed to be five fluorescent light ballasts.)

## Reducing Atmospheric VOC Emissions

### Transitioning to Solvent-free Release Agent

Lintec is working on switching to a solvent-free release agent for its release paper and solvent-free adhesive for printing-related adhesive products to reduce the amount of organic solvents it uses. In fiscal 2012, the percentage of solvent-free release paper (production basis) was 53 percent. The percentage of solvent-free

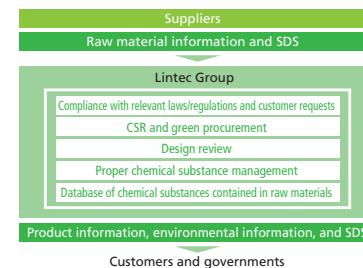
printing-related adhesive products (sales basis) was 68 percent. The company has carried out measures to reduce atmospheric VOC emissions from two angles: product design and use of equipment to treat exhaust gases. The switchover to solvent-free agents has been completed for the main products, and the installation of exhaust gas treatment equipment has also been completed. Numerical values will continue to be monitored, and the company will continue reducing its environmental impact.

## Complying with EU Regulations Concerning Chemical Substance Management

Lintec surveys substances with environmental impact in its raw materials and conveys the necessary information to customers. In March 2012, the company updated its List of Substances Subject to Investigation for Inclusion as a Substance That Has an Impact on the Environment, following an increase in the chemical substances subject to regulation, and is carrying out the appropriate management.

Based on Japan's Industrial Safety and Health Act, Lintec is preparing to adopt the GHS,\*8 using SDS\*9 for applicable products. The company is also preparing for future compliance with increasingly strict regulations in Europe. Under the REACH Regulation,\*10 companies are required to provide information about using substances of very high concern (SVHC). In June 2013, the candidate list for required authorization of SVHCs was increased by six substances, for a total of 144. There are also banned and restricted-use substances under the RoHS Directive\*11 and the organotin compounds regulations.\*12 In November 2012, a phthalates regulation was introduced in Denmark, which will apply to some of Lintec's products starting December 1, 2015. In order to comply with these environmental regulations, Lintec will further strengthen its management of chemical substances in products.

### Product information flow



\*1 The final landfill disposal rate is a value found using the following formula: Final landfill disposal rate = Final landfill disposal amount / Amount of waste generated × 100.

\*2 Material recycling: the recycling of waste as a raw material, such as using recovered paper as a raw material for recycled paper or turning empty cans into metal and PET bottles into synthetic fiber material; does not include thermal recycling.

\*3 Thermal recycling: the recycling of waste as a source of energy, recovering heat and electricity from it and turning it into a fuel, instead of simply incinerating it.

\*4 SS (suspended solid): material suspended in water, making it murky.

\*5 COD (chemical oxygen demand): amount of oxygen needed to oxidize oxidation reactants in water.

\*6 PRTR (Pollutant Release and Transfer Register): a system for ascertaining, aggregating, and publishing data on the amounts of chemical substances released and transferred. The system is based on Japan's Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

\*7 PCB (polychlorinated biphenyl): The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law) mandates the proper storage, management, and disposal of wastes containing PCBs.

\*8 GHS (Globally Harmonized System of Classification and Labeling of Chemicals): a system for labeling and providing safety data sheets with chemical substances categorized according to the type and degree of danger and toxicity following global rules.

\*9 SDS (Safety Data Sheet): a document detailing the components, properties, toxicity, and handling for individual chemical substances.

\*10 REACH Regulation: see page 17

\*11 RoHS Directive: see page 17

\*12 Organotin compounds regulations: The EU had already been regulating organotin compounds for a long time when it strengthened its regulations of organotin compounds contained in products in June 2009. Various regulations have become effective since June 2010.

[Web](#) See the CSR website for more information on the following:

3R Efforts (Examples of Reduce, Reuse and Recycle), Process from Water Intake to Effluent, Effluent Water Quality at the Kumagaya and Mishima Plants, Status of Proper Storage and Management of PCB in Fiscal 2012, and Drills for Disasters and Chemical Substance Leaks



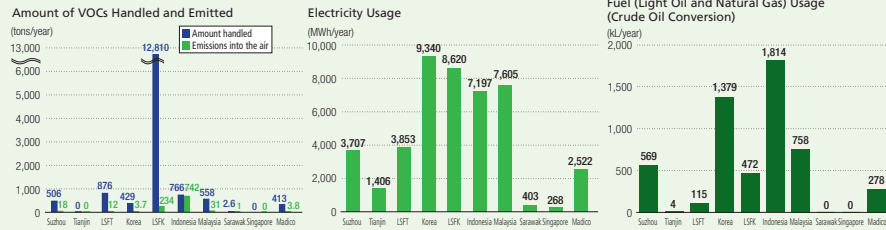
# Environmental Activities of 10 Group Companies Outside Japan

The Lintec Group puts effort into environmental protection activities at group companies outside Japan to fulfill its responsibility as a global company.



## Environment Performance Data in Fiscal 2012

Below is the 2012 environmental performance data for the 10 Lintec Group companies outside Japan. The data cover January 1, 2012 to December 31, 2012.



Notes: 1. VOCs = toluene and methyl ethyl ketone. 2. Figures stipulated in Article 4 of the enforcement regulations for Japan's Energy Conservation Act were used for the calorific value of each fuel used in order to calculate the crude oil equivalent of consumed fuel. 3. LST = Lintec Speciality Films (Taiwan); LSFK = Lintec Speciality Films (Korea)

### Lintec Speciality Films (Korea), Inc.

In January 2012, the company began sorting and recycling its office waste in addition to its manufacturing waste. The aim is to increase the company's recycling rate, as part of its corporate social responsibilities.



Garbage sorting for recycling

● Company Overview  
Location: Pyeongtaek, Gyeonggi Province, Korea  
No. of employees: 119 (as of December 31, 2012)  
Main business activities: manufacture and sale of electronic- and optical-related products

### PT. LINTEC INDONESIA

Lintec Indonesia began recycling its waste paper in April 2012. Waste paper is taken to a paper recycler, and file boxes and other products made from the recycled paper are returned to the office of Lintec Indonesia. The environmental awareness of employees is being raised through this kind of familiar activity.



File box made from recycled paper

● Company Overview  
Location: Bogor, West Java, Indonesia  
No. of employees: 346 (as of December 31, 2012)  
Main business activities: manufacture and sale of products relating to printing materials and industrial materials

### Lintec (Suzhou) Tech Corporation

Currently, the company is conducting field-testing on several thermal barrier coatings to prevent temperature rise inside the building, reduce the cooling load, and protect the building. The company also plans to begin thermal coating of the first factory building in fiscal 2013. This is expected to have significant energy-saving benefits and also reduce CO<sub>2</sub> emissions.



Field testing of thermal coating

● Company Overview  
Location: Suzhou New District, Jiangsu Province, China  
No. of employees: 221 (as of December 31, 2012)  
Main business activities: manufacture and sale of printing materials, industrial materials, and products related to paper and processing material

### Lintec (Tianjin) Industry Co., Ltd.

The company held study sessions for all its employees to promote the understanding of CSR management in the Lintec Group. In fiscal 2012, study sessions entitled, "What is CSR?" were held, and employees learned that environmental measures are important CSR initiatives. These learning activities will continue in the future.



CSR study session in April 2012

● Company Overview  
Location: Nankai District, Tianjin, China  
No. of employees: 224 (as of December 31, 2012)  
Main business activities: manufacture and sale of products relating to printing materials and industrial materials

### Lintec Industries (Malaysia) Sdn. Bhd.

In April 2012, the company created water-purifying balls and tossed them into the sea in order to clean the seawater. The balls contain effective microorganisms\* that can break down sludge in the ocean. The company will continue to deepen its understanding of the need to protect water quality, as it seeks to continue prospering with the local community.



Improving water quality with water purification balls

● Company Overview  
Location: Bukit Mertajam, Pulau Pinang, Malaysia  
No. of employees: 88 (as of December 31, 2012)  
Main business activities: manufacture and sale of electronic- and optical-related products

### Lintec Industries (Sarawak) Sdn. Bhd.

Lintec Industries (Sarawak) achieved independent ISO 14001 certification in November 2012, under the strong leadership of those concerned. With the aim of getting integrated global certification in 2013, the company is promoting even more environmental initiatives.



Training as part of ISO 14001 acquisition

● Company Overview  
Location: Kuching, Sarawak, Malaysia  
No. of employees: 27 (as of December 31, 2012)  
Main business activities: manufacture and sale of electronic- and optical-related products

### Lintec Speciality Films (Taiwan), Inc.

In fiscal 2010, the company installed an automatic monitoring and measurement device for VOCs and has been reporting the results to the Environmental Protection Administration once a year. It is also reducing the generation of waste by improving yield rate in production processes and recycling resources through separation. In fiscal 2012, it began making the switch over to LED lighting, while striving to reduce electricity use.



Changing office lighting to LED

● Company Overview  
Location: Shanhu District, Tainan City, Taiwan  
No. of employees: 92 (as of December 31, 2012)  
Main business activities: manufacture and sale of electronic- and optical-related products

### Lintec Korea, Inc.

In May 2012, the company reduced its use of electricity and steam by installing high-efficiency inverters for four air conditioning units that use a lot of energy, and adjusting the volume of air circulation. Inverters were also installed for 13 air conditioning units in 2013, and further energy-saving measures will be carried out in the future.



Air conditioner with added high-efficiency inverter

● Company Overview  
Location: Cheongwon-Gun, Chungcheongbuk-Do, Korea  
No. of employees: 71 (as of December 31, 2012)  
Main business activities: manufacture and sale of electronic- and optical-related products

### Lintec Singapore Private Limited

In January 2013, the company obtained integrated global ISO 14001 certification, the first such achievement by a Lintec Group sales company. The company will continue to raise the environmental awareness of its employees, while reducing power consumption and the amount of waste generated during material processing.



Members of the ISO 14001 acquisition team

● Company Overview  
Location: Cyberhub, Singapore  
No. of employees: 85 (as of December 31, 2012)  
Main business activities: manufacture and sale of products relating to printing materials and industrial materials and electronic- and optical-related products

### Madico, Inc.

Madico obtained integrated global ISO 14001 certification in January 2013. The company also provided all its employees with training on the concepts of the new environmental management system. This initiative has improved the environmental awareness of employees.



Audit team for ISO 14001 certification

● Company Overview  
Location: Woburn, Massachusetts, U.S.A.  
No. of employees: 295 (as of December 31, 2012)  
Main business activities: Manufacture and sale of printing materials and industrial materials

\* Effective microorganisms: Microbes developed for soil improvement. A symbiotic mix of lactic acid bacteria, yeast, photosynthetic bacteria and other microbes.

# Relationship between Lintec and the Environment

Lintec develops and manufactures various products, including adhesive products, specialty papers, processing materials such as release papers, and adhesive-related equipment. The company is working to improve its manufacturing methods and production efficiency in order to reduce the environmental impact caused by waste, CO<sub>2</sub>, toluene, and other PRTR substances, and effluent released into the environment through these business activities.

## Fiscal 2012 Material Flow (Japan only)



## Environmental Accounting

Lintec uses environmental accounting to ascertain the costs and benefits of environmental protection, and will continue to carry out environmental protection initiatives as effectively and efficiently as possible.

### Calculation Basis

- The scope of data collection covers Lintec Corporation and Tokyo Lintec Kako. Other affiliates are not included.
- The data is for the period from April 1, 2012, to March 31, 2013.
- The Environmental Accounting Guidelines (2005) from the Japanese Ministry of the Environment were used as a reference.

## Fiscal 2012 Environmental Conservation Costs

(Unit: ¥1 million)

Category	Equipment to be subjected	Investments	Details of main initiatives	Expenses	
1. Business area cost	① Pollution prevention cost				
	a. Preventing air pollution	Exhaust processing equipment installation	121	Management and maintenance of equipment to prevent air pollution	592
	b. Preventing water pollution	Effluent processing equipment installation	32	Management and maintenance of equipment to prevent water pollution	91
	c. Preventing overall pollution	-	-	Sludge treatment	19
	② Global environmental conservation cost				
	a. Preventing global warming	Fuel conversion equipment installation	12	Fuel conversion	192
b. Energy conservation	Installation of cogeneration equipment and photovoltaic system	1,319	Management and maintenance of in-house power generation equipment	543	
5 Resource circulation cost					
	a. Efficient utilization of resources	Wastepaper processing equipment installation	81	Management and maintenance of wastepaper processing equipment	296
	b. Treating, reducing, and recycling waste	Paper sludge drying equipment installation	24	Management and maintenance of incinerator and boiler equipment; waste processing	399
2. Upstream/downstream cost	① Collecting, recycling, and reusing byproducts	-	-	Collecting, recycling, and reusing pallets and roll cores	19
	② Green procurement and purchasing	-	-	Purchasing environmentally friendly office supplies	4
	③ Environmental education	-	-	Participating in seminars and courses	1
3. Administration cost	① Environmental education	-	-	Participating in seminars and courses	1
	② Monitoring and measuring environmental impact	Equipment for monitoring and measuring air and water	0	Analysis of product, air, and water quality	27
	③ Constructing environmental management systems and obtaining certification	-	-	ISO 14001 and forest certification investigation	4
	④ Organizational management for environmental conservation measures	-	-	Environmental preservation management	312
	⑤ Environmental information disclosure	-	-	Preparation of the CSR Report; participation in the Eco-Products fair	22
4. R&D cost	-	-	R&D relating to environmental protection	791	
5. Environmental improvement cost	-	2	On-site beautification	29	
6. Environmental remediation cost	-	-	Payment of pollution load levy	19	
<b>Total</b>		1,591		3,360	

Note: Investment in exhaust processing equipment installation includes spare parts and miscellaneous work.

\*1 "Input" and "Output" figures are calculated including sales offices.  
\*2 Inside sales are not included in "Output" figures.

See the CSR website for more information on the following:  
Details of Fiscal 2012 Material Flow, and Environmental Conservation Effects

# Third-Party Opinion

After reading the Lintec Group CSR Report 2013 and carefully comparing it to past issues, I was able to confirm that the company has been steadily promoting its CSR initiatives over the years. I also got a sense of the steady improvement in Lintec's corporate culture.

Commitment that begins at the top of the company is essential for CSR management. This is because CSR activities can only be meaningful and optimized through the unified efforts of the whole company, not just individual departments. In his message, Lintec's president referenced the two words in the company motto, with "sincerity" representing defensive CSR activities, and "creativity" as proactive CSR activities. I like how he has described the company's approach in plain terms for the stakeholders.

The launching of CSR Meetings to discuss proactive CSR initiatives, based on my recommendation last year, was a positive step. By expanding it globally in the future, it can be a conduit for bottom-up creativity. I hope Lintec will further deepen its CSR discussion to determine what kind of sustainable society should be promoted through "Sincerity and Creativity," and then work towards that vision.

The CSR Report shows the faces of employees working in each field, is written objectively, and has a good tone overall. Since it is essential to continually implement PDCA cycles, there needs to be

## Hiroyuki Tada

Japan for Sustainability

Chief director of the non-profit organization Japan for Sustainability, visiting professor at Hoshi University, professor at the Tohoku University Graduate School of Environmental Studies, and committee member in various government agencies



an evaluation yardstick for the company's planning, execution and results. On pages 12 and 13, targets are listed for each activity theme, but there is not much target quantification. Lintec should promote internal discussion, and refine its evaluation indicators in order to get a deeper sense of PDCA evaluation.

With the frequent occurrence of torrential rains in Japan in recent years, the effects of climate change have already become apparent in many parts of the world. This makes it a pressing global issue. Therefore, Lintec should make CO<sub>2</sub> emission reduction a high priority, and set definite targets for total emissions reduction over the short and medium terms. Also, since there is no explanation of the results for the material flow and environmental accounting on page 32, it will be difficult for external stakeholders to understand the significance of the numbers. Although this is just one example, for subsequent reports it will be important to adopt a more reader-oriented presentation style.

## Response to Third-Party Opinion

Hiroyuki Tada has provided us with his third-party opinion for the 2012 and 2013 issues. We appreciate his favorable acknowledgement of our down-to-earth initiatives, which also match our corporate culture. We will continue to actively promote CSR management based on serious consideration of his comments. The entire Lintec Group is working together on CSR initiatives to help realize a sustainable society. At the same time, we will investigate the creation of easy-to-understand indicators in order for employees and others to get a real sense of progress being made.

As for the environmental targets pointed out by Mr. Tada, although we disclosed single-year targets for 2014 in

this 2013 report, in the 2014 report we will present three-year medium-term targets and promote initiatives towards their achievement. Furthermore, by coordinating the printed and website versions of the report, we will try to present the information from the stakeholders' perspective and avoid any explanation oversights.

Lintec's company motto of "Sincerity and Creativity" forms the foundation for the group's business. All of our employees will continue to share this approach as we further our CSR activities.

**Akihiko Ouchi**  
President and CEO

## Editor's postscript

In his message, the president explained how the company motto of "Sincerity and Creativity" forms Lintec's CSR approach, with "sincerity" representing defensive CSR and "creativity" representing proactive CSR. In the Highlight section, we profiled our CSR efforts through core business activities and craftsmanship, focused on constant efforts to effect environmental impact reductions. This theme was examined from the standpoints of development, manufacturing, quality assurance, and management. Lintec will continue to fulfill its social responsibilities by promoting manufacturing that considers the sustainability of both the environment and society.



CSR Report 2013 production project members