





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 working 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 who is 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.

## LINTEC WAY

Important values supporting the company motto

### Five Rules of Sincerity

1. Always be sincere.
2. Sincerity opens people's mind.
3. Please people.
4. Be a giver.
5. Care about colleagues and family.

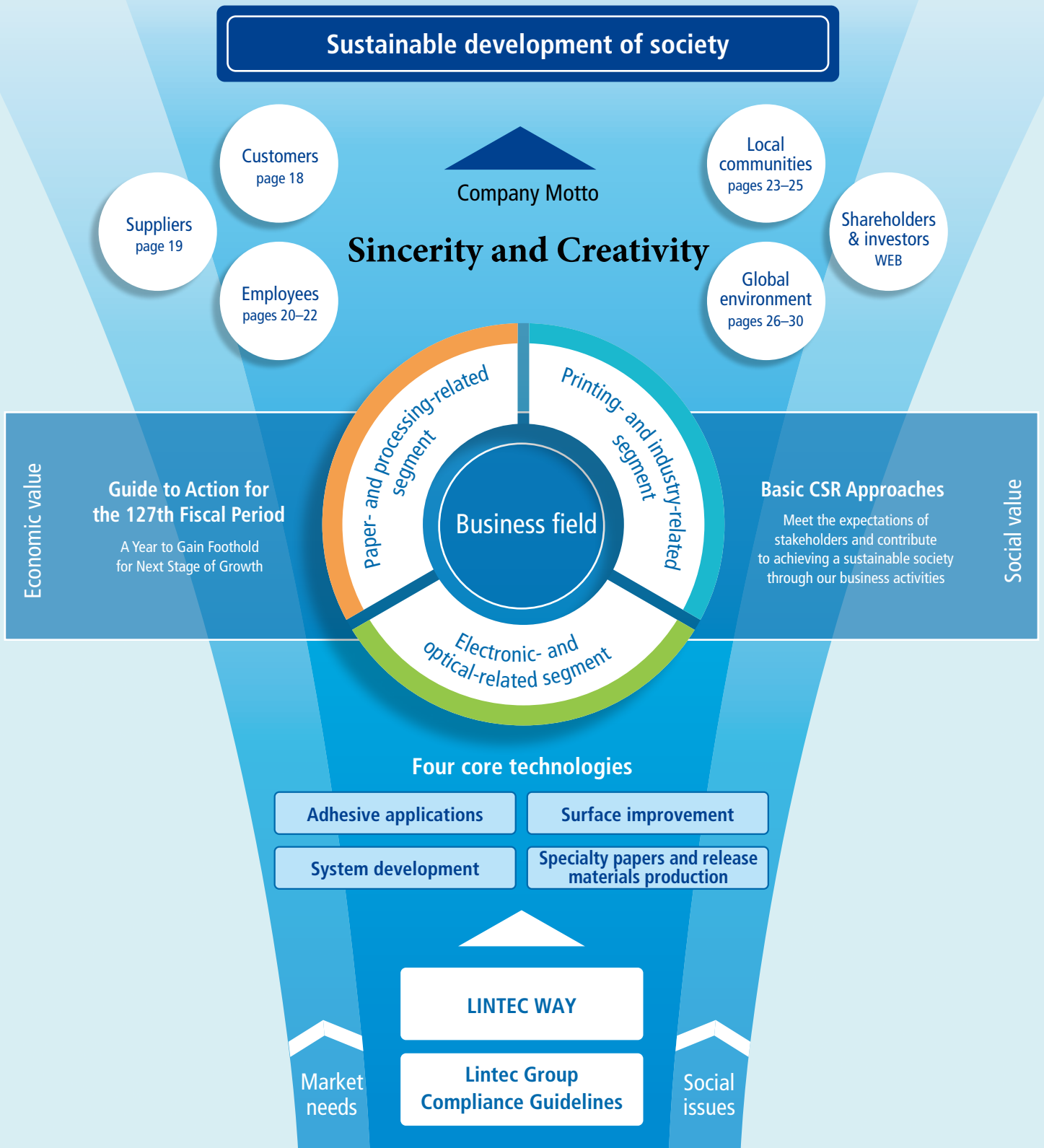
### Five Rules of Creativity

1. Be committed until you succeed.
2. Be proud of being unique.
3. Be resilient and take advantage of changes.
4. Think globally.
5. Look for connections to potential everywhere.

# What Is the Lintec Group?

To realize the company motto, "Sincerity and Creativity," the Lintec Group is creating new value by evolving four basic technologies in accordance with the LINTEC WAY and the Lintec Group Compliance Guidelines.

The Lintec Group aims for the sustainable development of society by implementing initiatives both in terms of "economic value" and "social value," in line with the Guide to Action for Fiscal 2020, defined as "A Year to Gain Foothold for Next Stage of Growth."



# Index and Editorial Policy

Message from the President

04

We will take another step forward by implementing CSR activities based on the company motto, "Sincerity and Creativity," through concerted efforts of all employees.

What is needed for us to put the Lintec Group's motto of "Sincerity and Creativity" into practice? This section presents a message from Makoto Hattori, who took office as President and CEO of the company in April 2020.

Highlight

08

Dialogue on the SDGs:  
To Achieve Sustainable Growth together with Society

The SDGs<sup>\*1</sup> Committee was established as a company-wide organ in 2018. The previous and current officer in charge of the committee talk about its roles and innovation from the perspective of the SDGs.



SUSTAINABLE DEVELOPMENT GOALS



- What Is the Lintec Group? .....01
- Index and Editorial Policy .....02
- Message from the President .....04
- Highlight: Dialogue on the SDGs ...08
- Non-Financial and Financial Highlights ..... 10
- Materiality and the SDGs in the Lintec Group ..... 12
- CSR in the Lintec ..... 14
- Value Chain and Stakeholders ..... 16

## Editorial Policy

The Lintec Group follows the company motto of "Sincerity and Creativity" when conducting its CSR activities. This report explains our CSR activities during fiscal 2019. The Highlight section features an executive dialogue on the future vision of the SDGs Committee, which was inaugurated to contribute to achieving the SDGs and to create new business. The section also presents the voices of stakeholders<sup>\*2</sup>. This report publishes certain information that is important for both stakeholders and the Lintec Group. For more detailed information, please visit our CSR website.

## Publication Date

Previous publication: August 2019  
Current publication: August 2020  
Next publication: August 2021

## Guidelines Referenced

*Sustainability Reporting Standards* of the Global Reporting Initiative (GRI)  
*Environmental Reporting Guidelines* (2012/2018) of the Ministry of the Environment of Japan  
*Environmental Accounting Guidelines* (2005) of the Ministry of the Environment of Japan  
ISO 26000 (Guidance on social responsibility)

To ensure better communication with its stakeholders, the Lintec Group works to disseminate information via a variety of media channels. For details on each channel, please refer to "Main Channels for CSR Information" on page 37.

\*1 SDGs: Stands for Sustainable Development Goals, which were adopted by the United Nations in 2015. The SDGs comprise 17 goals and 169 targets to be achieved by 2030 as a set of common goals for the international community. To achieve the SDGs by 2030 and thereby realize a better world, various countries and entities around the globe are expected to hold discussions and take action.

\*2 Stakeholders include consumers, employees, shareholders, creditors, suppliers, local communities, and government agencies.

## Social Report

- Providing Value to Customers ..... 18
- Cooperating with Suppliers..... 19
- Human Rights and Diversity ..... 20
- Related Data ..... 21
- Safety and Disaster Prevention..... 22
- Community Participation..... 23
- Global CSR Report..... 24

## Environmental Report

- Climate Change Mitigation and Adaptation ..... 26
- Material Flow ..... 27
- Reducing Waste and Water Usage ..... 28
- Reduction of Environmentally Hazardous Substances ..... 29
- Related Data ..... 30

## Governance Report

- Practicing Sincerity..... 31
- Related Data ..... 33

- Overview of the Lintec Group..... 34
- Third-Party Opinion ..... 36
- Main Channels for CSR Information ..... 37



### Reporting Period

This report covers the period from April 1, 2019, to March 31, 2020 (fiscal 2019). It also includes some information up through July 31, 2020 concerning specific initiatives.

Environmental data for 15 group companies outside Japan covers the period from January 1 to December 31, 2019.

### Organizations Covered

#### Corporate Governance Social Report

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

#### Environmental Report

Lintec: Lintec Corporation (Head Office, 10 production sites<sup>\*1</sup>, and Research Center) and Tokyo Lintec Kako, Inc.  
 Lintec and 15 group companies outside Japan: Sites listed above and 15 overseas group companies<sup>\*2</sup>  
 Lintec Group: Lintec Corporation plus group companies in and outside Japan

<sup>\*1</sup> 10 production sites: Agatsuma, Kumagaya, Ina, Chiba, Tatsuno, Shingu, Komatsushima, Mishima, Doi, and Niihama

<sup>\*2</sup> 15 overseas group companies: Lintec (Suzhou) Tech Corporation; Lintec Printing & Technology (Tianjin) Corporation; Lintec Speciality Films (Taiwan), Inc.; Lintec Advanced Technologies (Taiwan), Inc.; Lintec Korea, Inc.; Lintec Speciality Films (Korea), Inc.; PT. Lintec Indonesia; Lintec Industries (Malaysia) Sdn. Bhd.; Lintec Industries (Sarawak) Sdn. Bhd.; Lintec Singapore Private Limited; Lintec (Thailand) Co., Ltd.; Madico, Inc.; Mactac Americas, LLC; VDI, LLC; and Lintec Europe (UK) Limited

### Note on the fiscal year of consolidated subsidiaries

The fiscal year of Mactac Americas, LLC, Lintec (Thailand) Co., Ltd., and another 36 consolidated subsidiaries ends on December 31. As the difference between the fiscal year end of these 38 consolidated subsidiaries and the consolidated closing date is within three months, consolidated financial statements use each company's financial statements based on the fiscal year, and make necessary adjustments with regard to important transactions that occurred between the two accounting dates.

### Verification of the reliability of this Report

Performance indicators marked by an asterisk\* have been verified by a third party, SGS Japan Inc. As a result of third-party verification, no important issues that require correction were found.

# Message from the President



We will take another step forward by implementing CSR activities based on the company motto, “Sincerity and Creativity,” through concerted efforts of all employees.

## Greetings

I am Makoto Hattori and I took office as President and CEO this year.

I would like to express our heartfelt sympathy to everyone affected by the novel coronavirus pandemic, and to offer our deepest condolences to all those who lost loved ones in this disaster. I also sincerely appreciate and respect the great efforts made by frontline healthcare workers in fighting against COVID-19.

We are now faced with unprecedented hardship on a global scale. Lintec has striven to quickly address the hardship, giving top priority to the safety of our employees and stakeholders. However, there is still no bright prospect in view. To ensure its business continuity, Lintec will continue to work together with all stakeholders to resolve this great challenge.

Based on the spirit of the company motto, “Sincerity and Creativity,” Lintec has been globalizing its business by offering various products that meet the needs of society and expanding its business scope. I myself have been involved in business operations of the company for nearly four decades, primarily in the field of sales and marketing. Looking back on this period, I realize anew that I always enjoyed freedom and was able to work

in spirited manner thanks to the generous support I received from my senior colleagues. Even after I was promoted to a responsible management position, I continued to heed the opinions of various people inside and outside the company, and placed stock in their views in making my own decisions. What has served as a foundation for my final decision-making is the spirit of “Sincerity and Creativity.”

Now I serve as President and CEO and have serious responsibilities to fulfill, but the aforementioned values and attitudes that I have upheld since my early career will never change. I am determined to listen earnestly to the voices of our stakeholders and to strive to manufacture products that delight a variety of people. While sharing that delight with all stakeholders, and making progress together with them, we strive to achieve sustainable growth.

A handwritten signature in black ink that reads "Makoto Hattori". The signature is fluid and cursive, written in a professional style.

**Makoto Hattori**

Representative Director, President, CEO and COO  
LINTEC Corporation



Q

**First, could you tell us about the business performance for fiscal 2019 and the results of the medium-term business plan, LIP-2019?**

**As for our LIP-2019 medium-term business plan, unfortunately we did not completely reach our initial targets. However, I believe that we were able to accumulate valuable experience to facilitate new growth.**

Since fiscal 2017, the company has been implementing its three-year medium-term business plan, called the LINTEC INNOVATION PLAN (LIP-2019), with the objective of deepening innovation with the aim of driving new growth. Although we considered fiscal 2019 important as the final year of LIP-2019, we fell significantly short of the initial targets. The major influential factors for these results were the global economic slowdown due to the US-China trade friction as well as production adjustments in the semiconductor and electronic product-related markets.

In fiscal 2019, we launched the global brand "Livasta"<sup>\*1</sup> to bolster sales in the domestic and overseas markets for our mainstay adhesive products for labels. Lintec also focused on manufacturing products that contribute to the reduction of environmental impact, by such means as expanding its lineup



of adhesive products featuring the plant-derived biomass adhesive. Looking overseas, while steadily enlarging its markets in Asia, in North America the company strived for business restructuring at Madico, Inc. and for business improvement at Mactac Americas, LLC.

Although we did not attain the targets set under medium-term business plan LIP-2019, when looking back on the past three years I think that the company has achieved steady growth. Capitalizing on these valuable achievements, we now renew our commitment to working toward new growth.

Q

**What do you think of the social responsibility to be fulfilled by Lintec?**

**We will address global challenges through "manufacturing" with a sense of mission, based on the spirit of the company motto of "Sincerity and Creativity."**

The global environment surrounding companies is undergoing major changes, not the least being the worldwide spread of the novel coronavirus. The era of passive mass consumption has passed, with the value that society seeks shifting more toward sustainable and recycling-oriented development.

To fulfil its corporate social responsibility, Lintec has continuously pushed forward with CSR activities from a global perspective. Our LIP-2019 medium-term business plan has specified "activities for realizing a sustainable society" as one of its key initiatives. The company's CSR activities are based on the

spirit of its motto of "Sincerity and Creativity," and these activities to implement the spirit have been widespread not only in Japan but also overseas. One of them is mangrove planting<sup>\*2</sup> that we have carried out in cooperation with local residents in Indonesia. We have planted mangroves annually since 2016, and I have visited the planting site in person to participate in this activity.

Moreover, we have incorporated the SDGs perspective into our CSR activities. For example, in February 2018, the SDGs Committee was established, with myself serving as the first officer in charge. In this manner, we have been vigorous in promoting activities to make the SDGs part of our corporate management and business. The SDGs Committee is a company-wide organization that comprises members selected from a wide variety of sections, regardless of their division and title. These members have engaged in free and frank discussions, through

\*1 Livasta: Our global brand of adhesive materials for labels. It was launched on July 1, 2019. The brand name incorporates the name "LINTEC" and the words "Value," "Stick," and "Advance."

\*2 Mangrove planting: PT. Lintec Indonesia has been carrying out mangrove planting since 2016, in cooperation with its sales office, PT. Lintec Jakarta, local residents, and students of a local fisheries university. Participants in this activity plant mangrove seeds and follow up on their growth through periodic observation of the growing conditions.

which many ideas have been produced. Meanwhile, the respective business divisions have started initiatives based on their business domains, taking advantage of the technologies and products that they have developed so far. In the future, by combining approaches on these two aspects, we will take more proactive action, including product development that embraces the SDGs as a business opportunity. Among themes related to the SDGs, some may be difficult for the company to address. Examples include the elimination of the use of solvent from a manufacturing process. Nevertheless, we should not avert our eyes from these difficult

themes but rather take action step by step to accomplish the targets.

I believe that all companies that conduct business must have a social license to operate in order to engage in tasks to address the SDGs. This has something in common with our CSR activities, which are centered on the company motto, "Sincerity and Creativity." By reminding all employees including myself of this spirit, we will contribute to resolving social issues, thereby pressing ahead with the company's distinctive activities that will delight people around the world.

Q

**What kind of initiatives are you going to drive forward in order to generate innovation?**

**To generate innovation, it is essential to create an environment that enables all employees to maximize their abilities. The company will therefore put its energies into establishing flexible organizations that foster employees' positive attitudes.**

To bring about innovation by quickly responding to changes in society, it is essential to create an environment that enables each individual employee to maximize his or her abilities. I believe that developing flexible and positive attitudes in employees is truly important.

In this sense, the SDGs Committee, which brings together a diverse group of people transcending the boundaries of

their divisions and positions, may provide a clue. We intend to develop an organization that encourages people with different characteristics to work in collaboration toward the goals to be achieved, and that leverages its diversity to create new value.

We will continue to promote work style reforms as well as diversity<sup>\*3</sup> to facilitate the improved performance and active contributions of diverse employees. The company's Iidabashi Office is scheduled to move to the Bunkyo Kasuga Office in November 2020. In addition to encouraging paperless operations, the new office will introduce a "hot-desking"<sup>\*4</sup> (or "non-territorial office") system to realize a flexible working style. Going forward, we will also focus on creating a breeding ground for innovation.



#### [Profile]

Joined the company in 1980. He has pursued a career primarily in the field of sales and marketing. After having served as Executive General Manager of the Advanced Materials Operations, in 2017 he was appointed the Executive General Manager of the Business Administration Division, which has control over six business segments, before taking office as President and CEO. His motto is "To do the right thing in the right way." As his personal creed, he attaches importance to being humble and making persistent efforts, while always maintaining a sense of gratitude. His hobbies are playing golf (although he says he is "not so good at it") and walking, which he enjoys every morning.

<sup>\*3</sup> Diversity: Diversity means the existence of people in different positions and with different values in a single group. When the diverse characteristics of people and groups are respected, the right people will be able to exercise their abilities in the right place, and problem-solving from a diverse perspective as well as the generation of ingenious ideas will be facilitated.

<sup>\*4</sup> Hot-desking: A work style in which employees do not have their own personal desks in the office, but freely select the desk at which to do their work each day. It is likely to have such advantages as cost savings and improved security, and to prove effective in encouraging communication among employees.



Guide to Action for the 127th Fiscal Period

## A Year to Gain Foothold for Next Stage of Growth

- Continue addressing with all Group employees the abiding challenge of creating new value that inspires the future
- Refine sales, manufacturing, and development capabilities in pursuit of what customers truly need
- Strengthen initiatives focused on meeting SDGs as a company that resolves a diverse array of social issues

Q

**Could you tell us about Lintec’s long-term future vision for fiscal 2020 and beyond?**

**We are in the process of preparing a long-term vision for 2030 to steadfastly maintain sustainable growth while flexibly responding to social trends.**

In accordance with global changes, value that is sought by society has become diversified, and this trend will be further accelerated in the future. Under these circumstances, to achieve sustainable growth, it is important for the company to flexibly formulate strategies in anticipation of such changes and swiftly put them into practice. The company also needs to establish a

long-term goal that can be shared by all employees, to ensure that their efforts are aligned in the same direction. Furthermore, the company should not be shortsighted but should have a long-term perspective in order to develop innovative technologies and products that pioneer new business fields.

The company is in the process of formulating a long-term vision toward 2030 as its target year—2030 being the last year by which the SDGs should be achieved. Discussions are currently underway in the company to clearly envisage what the Lintec Group should be like 10 years hence, and determine that ideal as our vision. By compiling specific measures suggested through these discussions, we will also draw up the medium-term business plan for the next fiscal period.

We have decided to establish a single-year business plan for fiscal 2020, in line with the new guide to action, “A Year to Gain Foothold for Next Stage of Growth,” which positions 2020 as a preparatory period. We will then implement three-year medium-term business plans from fiscal 2021 as the milestones for achieving the long-term vision.

Taking a look back over our history up until today, we can see that the company has developed many epoch-making technologies and products, which range from gummed tape for packaging, adhesive paper, and adhesive films, to semiconductor-related products. We hope that our next 10 years will prove to be likewise characterized by the development of many innovative technologies and products. Under the long-term vision looking ahead to the future, we intend to drive innovation forward.

Q

**Finally, what is your message to stakeholders?**

**To become a company that can share in the delight with its all stakeholders, we will gather the combined wisdom of everyone and create innovation together with everyone.**

When attending in-company meetings, I often hear many people saying, “Let’s create products that delight everyone.” These are my favorite words, which I myself frequently use. By the word “everyone” here I mean a variety of people, including employees,

their families, our clients’ customers, end consumers, suppliers, and shareholders. It could even be said that the word refers to all people living on Earth. I also feel that the word “delight” implies significantly diverse value. I believe that the word essentially has something in common with the concept of the SDGs.

As stated above, we aim to become a global company that can delight everyone in the world and whose existence is valued by society. To this end, we will gather the combined wisdom of everyone and create innovation together with everyone.

## Creating new business from the perspective of the SDGs

**Kaiya:** It is two years since the SDGs Committee was set up. President Hattori, you acted as the corporate officer in charge of the committee for the past two years. What do you think are the major characteristics of the committee?

**Hattori:** The SDGs Committee comprises members gathered from a wide variety of sections beyond the corporate framework of the company, and each of them has a strong enthusiasm for the SDGs. In this respect, I think the committee is an unprecedented organization in the company. I also find it novel that the committee takes an outreach approach. Specifically, it tries to actively introduce third-party viewpoints by interviewing university researchers and observing facilities in other industries, so as to develop a business model that had not previously existed in the company.

**Kaiya:** Recently the committee has attracted increasing attention in the company. I have heard that new members joining in fiscal 2019 include many young employees who hoped to participate in the committee voluntarily. Although its activities were previously conducted mainly in eastern Japan, after a



What I expect from the SDGs Committee is for it to function as a catalyst for innovation.

## Makoto Hattori

Representative Director, President, CEO and COO  
LINTEC Corporation

subcommittee was newly established in western Japan the scope of the committee's activities was further broadened.

**Hattori:** To contribute to the achievement of the SDGs, it is important to promote community-based activities in each

Highlight

Dialogue on SDGs

# To Achieve Sustainable Growth together with Society

## Lintec's initiatives based on the SDGs

Established in February 2018, the SDGs Committee is a company-wide organization with the objectives of promoting contribution to achieving the SDGs and of creating new business. The previous officer and current officer in charge of the committee talked about its roles and innovation from the perspective of the SDGs.



We will implement activities to help achieve the SDGs, on a long-term basis and in a flexible manner, without being short-sighted.

## Takeshi Kaiya

Current Officer in charge of the SDGs Committee  
Director, Managing Executive Officer  
Lintec Corporation

region. In the future, I am planning to develop these activities as a global corporate group by encouraging the participation of overseas Group companies.

### Inquiring minds and power to accomplish goals are a driving force for innovation

**Kaiya:** The company has always assigned the name "LIP" ("Lintec Innovation Plan") to each of its respective medium-term business plans. Despite such naming, I fear that it has become difficult for the company to generate innovation.

**Hattori:** I feel that way too. We tend to be too obsessed with the conventional technologies and products that we have been developing for many years, making it difficult to take on new challenges. This tendency may narrow our own range of possibilities not only in technological development and product planning, but also in other various aspects of our daily operations. I hope that our employees become aware of this.

**Kaiya:** I am afraid that there are many cases where even technologies that actually have great potential are buried and unutilized because we cannot come up with new ideas for practical application. It is true that innovation could be generated by introducing external technologies and ideas, but this method involves considerable difficulties around having the

innovation take root within the company. We should therefore favor a method of discovering technologies that remain obscure in the company and identifying their new value. It is important to constantly carry out these activities. I consider that contribution to achieving the SDGs will provide us with a new perspective.

**Hattori:** I completely agree with you. What I expect from the SDGs Committee is for it to function as a catalyst for innovation.

### Remaining committed to activities to help achieve the SDGs, looking at the vision for where we want to be 10 years from now

**Hattori:** You have taken over my position as the officer in charge of the SDGs Committee as of fiscal 2020. How are you going to conduct the committee's activities?

**Kaiya:** Well, I feel that contribution to achieving the SDGs is a theme that would assess how seriously a company addresses social issues. Since you have clearly declared that the company will incorporate the SDGs into its corporate management, I will steadfastly maintain your intent.

**Hattori:** Ever since the inception of the SDGs Committee, I have continued to say these words as the officer in charge. This intent will remain unchanged in the future.

**Kaiya:** Currently, the company is preparing the long-term vision, looking ahead to 2030. We will henceforth flexibly implement three-year medium-term plans as the milestones for achieving the goals for a decade from now. Likewise, I think that we should also promote SDGs-related initiatives on a long-term basis and in a flexible manner. If we go too fast, our activities will be short-sighted. I essentially believe that we should not take such kind of approach to attaining the SDGs.

**Hattori:** Exactly. I therefore hope that our employees will work on their daily activities, while always being aware of the vision for where we want to be as a company 10 years from now. This attitude will enable us to generate innovation.

In the booklet/PDF version, "Dialogue on SDGs" has been edited to present highlights of the entire session. The full text is available from the related webpage at:

[www.lintec-global.com/csr/special/](http://www.lintec-global.com/csr/special/)

# Non-Financial and Financial Highlights



## Social (non-consolidated)

### Community support expenses

**8,720** thousand yen



### Response rate of CSR procurement supplier survey

**93.9%**



**114**  
companies surveyed

**107**  
companies responded

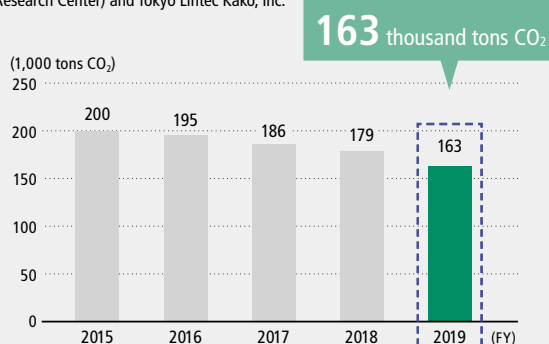
Approx. 500 suppliers of raw materials



## Environmental

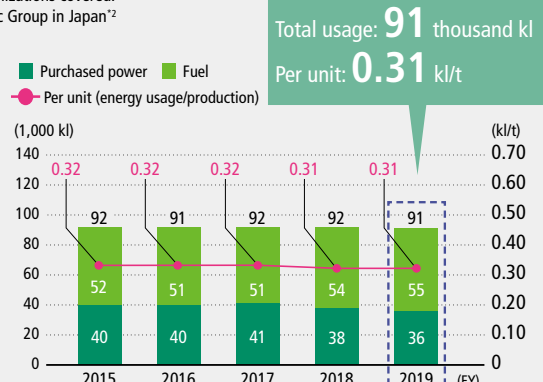
### CO<sub>2</sub> emissions

Organizations covered:  
Lintec Corporation (Head Office, 10 production sites<sup>\*1</sup>, and Research Center) and Tokyo Lintec Kako, Inc.



### Total energy use (crude oil equivalent)

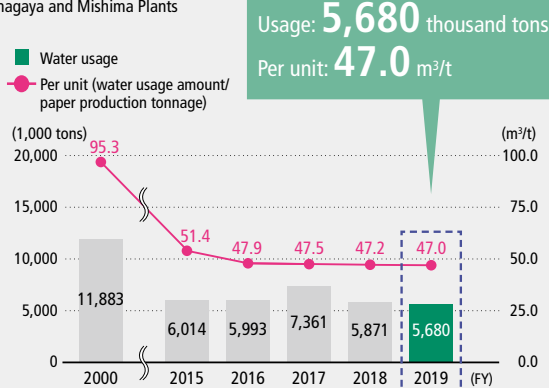
Organizations covered:  
Lintec Group in Japan<sup>\*2</sup>



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

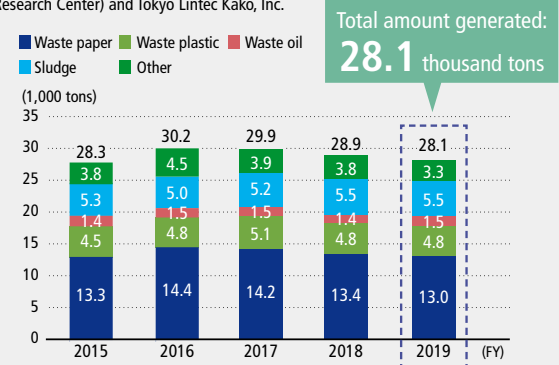
### Water usage

Organizations covered:  
Kumagaya and Mishima Plants



### Waste generated

Organizations covered:  
Lintec Corporation (Head Office, 10 production sites, and Research Center) and Tokyo Lintec Kako, Inc.



\*1 For 10 production sites, see page 03.

\*2 Lintec Group in Japan: Lintec Corporation and its sales offices; Tokyo Lintec Kako, Inc.; Printec, Inc.; Lintec Services, Inc.; and Lintec Commerce, Inc.



## Human Resources

Number of employees (consolidated)

**4,948**  
persons



Percentage of paid leave taken  
(non-consolidated)

**66.5%**

6th straight year  
of increase



Number of participants in rank-based  
training programs (non-consolidated/total)

**2,299**  
persons (total)

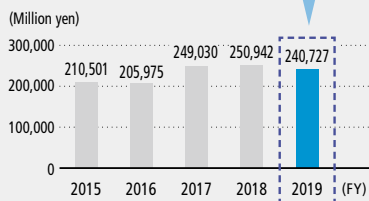


## Financial (consolidated)

See page 03 for a note on the fiscal year of consolidated subsidiaries.

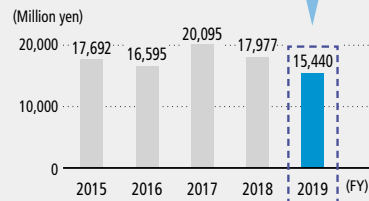
Sales

**240,700** million yen

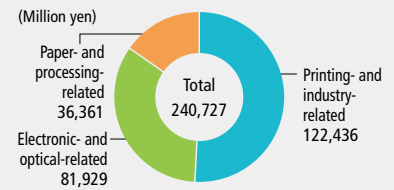


Operating income

**15,400** million yen

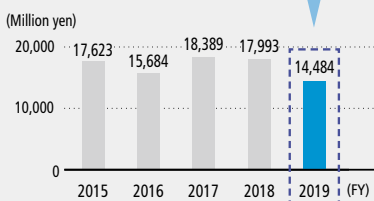


Sales by segment (Fiscal 2019)



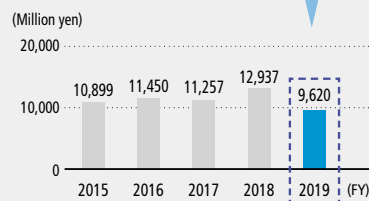
Ordinary income

**14,500** million yen



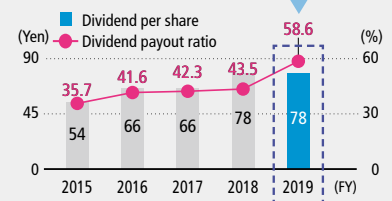
Profit attributable to owners  
of parent

**9,600** million yen



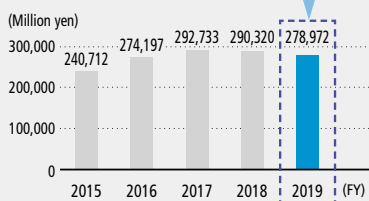
Dividend  
per share

Dividend per share: **78** yen  
Dividend payout ratio: **58.6%**



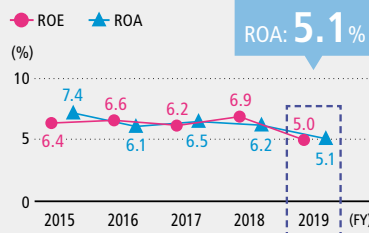
Total assets

**279,000** million yen



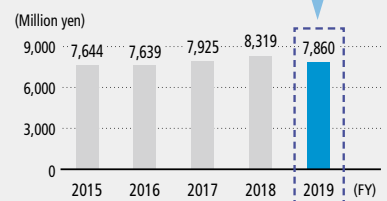
ROE\*<sup>3</sup>/ROA\*<sup>4</sup>

ROE: **5.0%**  
ROA: **5.1%**



R&D expenses

**7,900** million yen



\*3 ROE: ROE stands for Return on Equity. It is an index for financial analysis that shows how much profit was generated from shareholders' equity (net asset).

\*4 ROA: ROA stands for Return on Assets. It is an index for financial analysis that shows how much profit was generated from total assets.



























# Materiality (Important Issues) and the SDGs in the Lintec Group

Materiality means issues that a company should focus on, identified from among a wide range of CSR activities. While the Lintec Group identified its materiality in 2014, the Group has been reviewing its materiality themes in light of ever changing social issues, and through a series of dialogues with stakeholders.

The Lintec Groups is currently at STEP 2 of the reviewing process, with the new materiality incorporating the SDGs point of view. In the future, we also plan to update key performance indicators (KPIs)\*1.

Organizations covered in Results:

[A] Lintec Corp.; [B] Lintec Group; [C] Lintec Corp., Tokyo Lintec Kako, Inc.; [D] Lintec Corp. Head Office, 10 production sites, Research Center; [E] Lintec Corp. production sites (excl. Ina), Research Center

Materiality		Scope		Related SDGs	Specific actions
		Circles mean applicable			
		Internal	External		
Governance	Operating global governance	○	○	 	Enhance global governance.
The environment	Effectively using raw materials	○	○	 	Procure materials that will help to reduce environmental impact based on the Lintec Procurement Policy.
	Reducing atmospheric emissions	○	○	  	Reduce emissions into the atmosphere based on our mid-term environmental target.
	Making environmental contributions through products and services	○	○	 	Develop and spread environmentally friendly products through LCA*2.
	Ensuring environmental compliance	○	○		Ensure and manage environmental compliance using the environmental management system.
Labor practices	Ensuring occupational health and safety	○	○	 	Conduct activities to ensure occupational safety according to the occupational safety and health management system.
	Achieving workplace diversity	○	-	 	Respect the diversity of employees and provide rewarding workplaces.
	Improving employee satisfaction	○	-		Build working environments where employees feel motivated to work.
Society	Conducting human rights due diligence*3	○	○		Respect human rights and determine risks throughout the supply chain.
	Ensuring social compliance	○	○		Instill and ensure group-wide compliance.
	Ensuring product compliance	○	○		Use the quality management system to eliminate and prevent accidents.
	Making contributions to sustainable consumption	○	○		Publicize the effects of environmentally friendly products to stakeholders.
	Achieving harmonious co-existence with local communities	○	○		Introduce social contribution activities for local communities as a good corporate citizen.
Contribution to business	Developing business models for local production & consumption in emerging countries	○	○	   	Conduct R&D for products intended for local procurement and for solving social issues.
	Entering new areas	○	○	Under review	

\*1 Key performance indicators (KPIs): KPIs are important indicators related to organizational strategies, and quantitatively measure progress toward targets.

\*2 LCA (Life Cycle Assessment): 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

## What are the SDGs (Sustainable Development Goals)?

The SDGs or Sustainable Development Goals were adopted by the United Nations in 2015 and came into effect from January 1, 2016. The SDGs are a set of 17 goals and 169 targets to be achieved by 2030 regarding issues that require support from the international community for their resolution. The SDGs call on all businesses to apply their creativity and innovation to solve sustainable development challenges. All stakeholders, including governments, civil society, and the private sector, are expected to contribute to the achievement of the SDGs.



KPIs	Results*	Related pages
(1) Use of consultation contact points in and outside Japan (2) Results of audits by the Internal Audit Office according to local laws and regulations and internal standards	(1) 3 cases [B] (2) No serious findings [B]	33 31
Amount of organic solvents used	18,000 t [A]	CSR site
(1) CO <sub>2</sub> emissions from business activities in Japan (2) VOC <sup>4</sup> emissions from business activities in Japan	(1) 163,000 t [C] (2) 869 t [E]	27 29
Number of environmentally friendly products developed	59 products [A]	26
Number of serious violations of environmental laws and regulations (fines/sanctions)	0 violations [D]	CSR site
(1) Number of occupational accidents and accidents resulting in absence from work (2) No occupational accidents	(1) 4 accidents [C] (2) No accidents occurred at five business sites <sup>5</sup> during the year [C]	22 CSR site
(1) Ratio of female managers (2) Return to work after taking time off for childcare leave	(1) 13% [B] (2) 100% [A]	20 CSR site
Turnover in three years of employees hired as new graduates	12.6% [A]	21
Number of responses to supplier survey	107 companies [A]	19
Response rate to compliance survey by officers and managers	Response rate to risk identification survey: 82.0% [B] Compliance survey was not conducted as risk identification survey was conducted.	32
Number of serious product accidents reported	0 accidents [C]	18
Number of exhibitions participated in as an exhibitor in and outside Japan (activity evaluation)	47 times [A]	CSR site
(1) Total number of participants on plant tours (2) Implementation of social contribution activities	(1) 800 persons [C] (2) See page 23 [B]	23
Development of a system for registering local raw materials at sites outside Japan (activity evaluation)	Search system for global raw material information management under development [B]	19
Number of patent applications (activity evaluation)	354 applications [A]	CSR site

## Process of reviewing materiality

### STEP 1 Identify social demands

We identified and narrowed down important ESG<sup>6</sup> topics based on changes in various international guidelines and frameworks, such as the SDGs, GRI Standards, the United Nations Global Compact, and ISO 26000, as well as on information from ESG rating agencies.

### STEP 2 Internal engagement (Determine priority)

We discuss hypotheses with internal organizations, such as the Research & Development Division and the New Project Planning Office, and determine the importance.

### STEP 3 Identify key initiatives

Based on the results of STEPs 1 and 2, we identify key initiatives, and have them evaluated by and obtain the approval of the president, the final decision maker.

### STEP 4 Set KPIs again

Based on the identified materiality, we set performance indicators for our activities and proceed with implementation.

\*3 Human rights due diligence: A process exercised by an organization not only to comply with laws but also to address and reduce the risk of human rights violations (ISO 26000 6.3.3. Human Rights Issue 1)

\*4 VOC: VOC stands for volatile organic compounds. VOC collectively refers to organic compounds that become gas in the atmosphere.

\*5 Five business sites: Kumagaya Plant, Research Center, Chiba Plant, Shingu Plant, and Komatsushima Plant

\*6 ESG: ESG collectively refers to the following three elements: environmental, social, and governance. It is used as an index to judge whether a company can achieve sustainable growth.

# CSR in the Lintec

Many stakeholders support the business of the Lintec Group. To continue to meet these stakeholders' expectations and be trusted by them, all Lintec Group employees actively conduct CSR activities centered on the company motto, "Sincerity and Creativity," and in accordance with the "LINTEC WAY," which is an important value supporting the company motto, the Basic CSR Approaches, and the Lintec Group Compliance Guidelines. The LINTEC INNOVATION PLAN 2019 (LIP-2019), our medium-term business plan that has its final year in fiscal 2019, sets forth "Contribute to achieving a sustainable society" as one of its key initiatives. Under the plan, we

have implemented various CSR activities, such as manufacturing products that contribute to the reduction of environmental impact, toward new growth. By incorporating the viewpoint of the SDGs into these CSR activities to help resolve social issues, we aim to conduct business operations that delight people around the world. The Lintec Group has identified materiality, and set key performance indicators (KPIs)<sup>\*1</sup>, so as to implement PDCA cycles efficiently for strategic CSR activities. In addition, the Group promotes business operations and CSR activities based on international standards by participating in the United Nations Global Compact and referring to ISO 26000.

## Stakeholder Communication

The Lintec Group proactively holds dialogues with stakeholders to carry out initiatives that meet social expectations.

### ▶ Impressions on serving as an outside advisor to the SDGs Committee

In a nutshell, the Lintec SDGs Committee can be thought of as a "sustainable innovation community." I feel that these words well express the true nature of the committee. The characteristics of the committee are that it transcends departmental boundaries, position titles, and gender to bring together a diverse group of employees, and that it actively holds a series of dialogues with various stakeholders from both inside and outside the company in order to embed diverse value in the company. After all,



SDGs Committee members holding a meeting

innovation, in short, means the "combination of heterogeneous elements."

The SDGs Committee is likened to an incubator<sup>\*2</sup> of value, in which its members strive for the "creation" of something during the limited period of one year, on the basis of "diversity" and "partnership." I am astonished to see the remarkable growth achieved by each committee member within such a short period. When these members leave the committee and return to their original workplaces, I expect that they will serve as communicators who share the essence of CSR and the SDGs with other employees and raise their awareness.

In addition to the SDGs Committee covering the head office area, a subcommittee will be set up in western Japan this year. I think that the committee's future task is to rapidly apply these SDGs activities to overseas sites, so as to develop them into company-wide initiatives on a global basis. For transforming our world as called for by the SDGs, it is crucial to accumulate innovation. In actuality, however, many companies and organizations have great difficulties creating innovation. I earnestly hope that the SDGs Committee will break this barrier and demonstrate that CSR is the very driving force behind innovation. This will pave the way for resolving social issues.



Mr. Hiroyuki Tada

Representative of Sustainability Business Research Laboratory

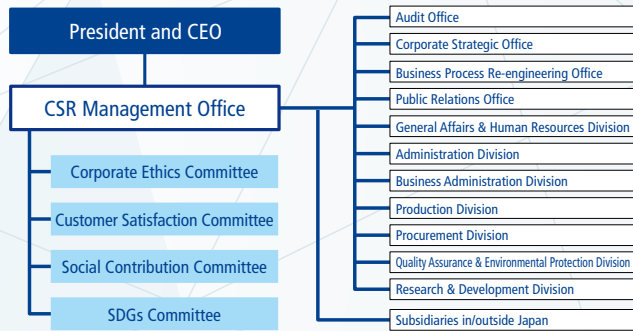
\*1 For key performance indicators (KPIs), see page 12.

\*2 Incubator: A piece of equipment used to house eggs in order to artificially hatch them. Here, the word "incubator" means a place for discovering and cultivating value.

## CSR Promotion System

The CSR Management Office under the direct control of the president strives to foster high ethical standards, disseminate information on CSR, and support the initiatives of relevant committees.

The committees, which are each led by a corporate officer and have a cross-organizational membership, lead initiatives with responsibility from the standpoint of management.



As of April 1, 2020

## United Nations Global Compact

Having participated in the United Nations Global Compact since April 2011, the Lintec Group conducts business activities based on the following Ten Principles to contribute to the sustainable growth of society.

### ● 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.

## ▶ Through communication with stakeholders

Lintec embraces occasions to communicate with people in the local community. In fiscal 2019, the company organized various communication events. For example, we held the Lintec Fureai Concert, and invited local residents to watch a baseball game at Tokyo Dome. The baseball game spectator event drew a total of 616 participants living in Itabashi City, including people with disabilities and their caregivers as well as members of a children's baseball team and their families. During the event, Lintec employees had opportunities to support the mobility of people with disabilities. In such cases, we make efforts to ensure these invitees can fully enjoy the event in comfort by carefully guiding them and talking to them. When seeing them off, we received favorable comments from the invitees, such as "Thank you. I had a great time." We also received a handwritten letter saying "I really want to participate again."

For those who are pleased with our support, we will continue devising better ways to bring smiles to the faces of local residents, based on their opinions and comments.

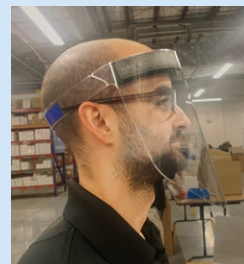


Participants enjoy watching a baseball game at Tokyo Dome



**Aki Hoshino**

Finance & Accounting Section  
Finance & Accounting Department



Face shield



**Kelli Houdek**

Human Resources  
Madico, Inc.

To fight the spread of the novel coronavirus, we donated 1,000 sets of masks, 40 bottles of antiseptic solution, and other items to Pinellas County, Florida in the United States, which is where Madico, Inc. is based. At the same time, Madico contacted its suppliers to call for support. In addition, the company preferentially hired the family members of employees who were economically affected by COVID-19. They worked to mass-produce face shields, and 150,000 sets of these face shields were donated to the county. For this initiative, the local emergency rescue team gave us a letter of thanks expressing their sincere appreciation for our company for providing personal protection gear for medical staff in the region.

We are proud that our company can help protect the safety of local residents and contribute to the life of the community through the above-mentioned initiative and other support activities. I am greatly delighted that we can form and strengthen special bonds with the local community.



# Value Chain and Stakeholders

## Lintec's Thinking about the Value Chain

Business activities of the Lintec Group have impacts on every link of the value chain. We proactively review and improve business operations informed by the SDGs at each phase and promote interdepartmental collaboration, aiming at the realization of a sustainable society.

We also provide opportunities for dialogue with stakeholders, and reflect the input obtained through these dialogues in our business activities.



## VOICE

### Procurement of raw materials

In countries overseas, product life cycles are often very short. We therefore need to be quick to identify customer needs, and to procure and evaluate raw materials more speedily than in Japan. Lintec (Suzhou) Tech Corporation endeavors to produce fairly priced products with short delivery times by increasing the local procurement ratio.



**Takashi Muroi**  
Purchase Section  
Lintec (Suzhou) Tech Corporation

### Social issues related to business



### Raw material procurement



Implement CSR procurement to co-exist and co-prosper with suppliers.

### R&D



Create new innovative products for society, led by the R&D Division.



### Highlights of Lintec's initiatives

Material suppliers  
About **500** companies  
Questionnaire survey response rate from 114 major suppliers **93.9%**

Aggressive R&D to meet customer expectations  
R&D cost **7.9** billion yen



## VOICE

### Research & development

We strive to offer customers products having high quality by working on material design, taking into account the processes involved from the time of product use to disposal. Meanwhile, we promote adjustment and improvement of raw materials in cooperation with the manufacturing division in order to ensure stable production. I believe that these continuous efforts will lead to an improvement in customer satisfaction.



**Shinya Suzuki**  
Adhesive Materials Labs  
Product Research Department  
Research Center

#### Social issues related to business



## VOICE

### Production

To secure product quality and improve productivity, we make it a rule to share all relevant information with employees at each production process, and conduct inspections and maintenance on a regular basis. Our efforts are also focused on creating an environment where employees can work in a safe and healthy manner by such means as talking to individual employees on the production floor and conducting disaster drills for the entire plant.



**Hitoshi Harada**  
Second Production Section  
Agatsuma Plant

#### Social issues related to business



### Manufacturing



Improve production efficiency, reduce environmental impact, and mass-produce new products in and outside Japan.

### Distribution



Reduce environmental impact and achieve a stable supply of products as a result of our modal shift<sup>\*1</sup>.

### Sales/Use



Provide security and trust based on high-quality manufacturing that can satisfy customers.

### Disposal/Recycling



Reduce waste and use it effectively.

Carrying out social contribution activities at each business site  
Annual spending on social contribution activities

**8.72** million yen

Reduction of CO<sub>2</sub> emissions from distribution compared to FY2018

**4.3** %

Improvement of energy consumption per production unit

About **0.7** %

Reduction of quality accidents compared to 2010 (benchmark year) with thorough quality control

**63** %

Final landfill disposal rate

**0.3** %

\*1 Modal shift: An initiative to reduce CO<sub>2</sub> emissions by changing the mode of transport for passenger or cargo transportation from truck to railway or ship, allowing mass transport

# Providing Value to Customers

WEB

For more detailed information, please visit our CSR website. (in English)

Lintec Providing Value to Customers

Search



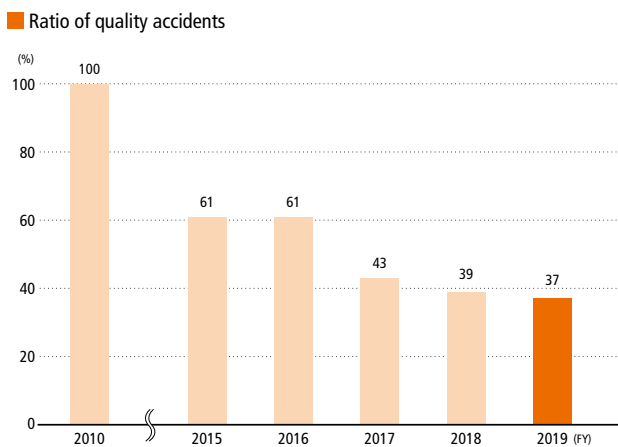
“We adhere to the fundamentals of ‘manufacturing.’ We shall develop, manufacture, and sell ‘quality,’ ‘environment friendly,’ and ‘safe’ products, and pursue business activities that are trusted by all stakeholders.” While upholding this Quality Policy, the Lintec Group is making efforts for improving the added value of our products and services to meet customer expectations.

Materiality	KPIs	Results*
Entering new areas	Number of patent applications (activity evaluation)	354 applications [A]
Ensuring product compliance	Number of serious product accidents reported	0 accidents [C]
Making contributions to sustainable consumption	Number of exhibitions participated in as an exhibitor in and outside Japan (activity evaluation)	47 times [A]

Organizations covered in Results: [A] Lintec Corp.; [C] Lintec Corp., Tokyo Lintec Kako, Inc.

## Quality Assurance System

The Lintec Group has established a quality assurance system based on ISO 9001.<sup>\*1</sup> In Japan, we have integrated the quality assurance systems of six divisions into a group-wide QMS. As for overseas group companies, the quality assurance system has been set up and put into operation at 11 business sites.



Notes: 1 Ratio of quality accidents at Lintec Corp., Tokyo Lintec Kako, Inc. and Shonan Lintec Kako, Inc.  
2 Ratio to the number recorded in fiscal 2010 as 100%.

## Assessment of Health and Safety Impacts

The Lintec Group selects appropriate raw materials in compliance with standards and guidelines based on the RoHS Directive<sup>\*2</sup>, the Industrial Safety and Health Act, and other regulations, and takes careful measures to prevent contamination during manufacturing processes. In fiscal 2019, no instances of noncompliance or violation were reported in relation to our business activities.

## Disclosing Product Information

To ensure customers’ safe and secure use of our products, the Lintec Group provides product information via the Lintec website and through various written documents. We confirm and evaluate the quality of products in accordance with the Japanese Industrial Standards and other official standards, and using the company’s own measurement methods.

## Promoting One-stop Development

The Research & Development Division promotes “one-stop development,” which considers the mass production process simultaneously with product design. In fiscal 2019, the division undertook the development of biomass adhesive agents and recycled materials, enabling the company to strengthen the lineup of environmentally friendly products.

### My Next Stage

All the employees will work closely together to address various issues, aiming to further develop our systems and improve product quality, to ensure that we can continue to please our customers.



**Eva Liyana**  
Quality Assurance  
PT. Lintec Indonesia

### My Next Stage

Going forward, I will make effective use of test coating facilities for mass production, not only for the early launch of new products, but also for considering the introduction of new coating methods.



**Shohei Asaina**  
Adhesive Materials Lab  
Product Research Department  
Research Center

\*1 ISO 9001: The international standard for quality management systems  
\*2 RoHS Directive: Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment issued by the EU  
\*3 For human rights due diligence, see page 13.

\*4 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.

# Cooperating with Suppliers



**WEB** For more detailed information, please visit our CSR website. (in English)

Lintec Cooperating with Suppliers

Considering all suppliers as “partners who should grow together with Lintec,” the Lintec Group strives to establish relationships built on trust with them. When selecting suppliers, we evaluate them appropriately based on the principle of free competition. We engage in fair and transparent transactions, and ensure legal and ethical compliance in our procurement activities.

Materiality	KPIs	Results*
Conducting human rights due diligence <sup>3</sup>	Number of responses to supplier survey	107 companies [A]
Developing business models for local production & consumption in emerging countries	Development of a system for registering local raw materials at sites outside Japan (activity evaluation)	Search system for global raw material information management under development [B]

Organizations covered in Results: [A] Lintec Corp.; [B] Lintec Group

## Green Procurement

For procurement with lower environmental impact, the Lintec Group is ensuring thorough chemical substance management for raw materials, parts, and secondary materials. We conduct investigations into substances contained not only in new materials that we procure for the first time but also in materials that we have continuously procured in order to ensure compliance with new regulations.

In fiscal 2019, we asked suppliers to respond to our survey based on the REACH Regulation<sup>4</sup> (21th and 22th candidate lists) and chemSHERPA<sup>5</sup> (version 2.00), covering around 5,000 raw materials.

Together with suppliers, we will continue to promote environmental protection activities and ensure control of chemical substances.

## CSR Procurement

Lintec has established the Lintec Procurement Policy, the Lintec Green Procurement Policy, and the Lintec Lumber Pulp Procurement Policy, all of which are based on CSR. Its procurement activities follow the Policies.

We request suppliers, on various occasions, to ensure CSR activities from multiple perspectives, including respect for human rights, occupational health and safety, information security, and corporate ethics.

In fiscal 2019, we asked 114 companies, which we selected out of roughly 500 domestic material suppliers based on the transaction amount and from the BCP<sup>6</sup> perspective, to complete a questionnaire, and 107\* of them did so. The survey covered CSR-related items, including legal compliance, prohibition of child labor, and safe/healthy working environments. Of the survey respondents, we required 10 suppliers to make improvements regarding chemical substances management and costs. We are also using the survey results in supplier evaluation.

We will continue to improve procurement activities and enhance cooperation with our suppliers.

### Overview of items covered in the supplier questionnaire survey

Corporate management	<ul style="list-style-type: none"> <li>Financial status</li> </ul>
Management/Labor	<ul style="list-style-type: none"> <li>Legal compliance/Corporate ethics</li> <li>Labor (Respect for human rights, working hours, wages, etc.)</li> <li>BCP</li> <li>Information security</li> </ul>
Service	<ul style="list-style-type: none"> <li>Cost</li> <li>Deadline</li> <li>Information provision (Information on products, technology, industry, etc.)</li> </ul>
Quality	<ul style="list-style-type: none"> <li>Third-party certification (ISO 9001, etc.)</li> <li>Management system (Suppliers, raw materials, manufacturing processes, products, etc.)</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Third-party certification (ISO 14001, etc.)</li> <li>Chemical substance management system</li> </ul>

## Conflict Minerals<sup>7</sup>

Lintec recognizes that conflict minerals, mined to fund armed conflict, are a serious social problem, and investigates whether materials it uses include metals from mines that serve as funding sources for armed groups.

We will continue to confirm that our supply chain is not funding armed groups and conduct procurement management that avoids the use of conflict minerals.

\*5 chemSHERPA: A scheme, recommended by Japan’s Ministry of Economy, Trade and Industry, for communicating information about chemical substances contained in products. The mechanism is aimed at properly managing chemical substances contained in products across supply chains, from upstream to downstream, to ensure continued compliance with tighter regulations.

\*6 BCP stands for a Business Continuity Plan. It is 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.

\*7 Conflict Minerals: Metals derived from conflict minerals defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act include tantalum, tin, tungsten and gold.

# Human Rights and Diversity



WEB

For more detailed information, please visit our CSR website. (in English)

Lintec Human Rights

Search

All employees of the Lintec Group work together under the company motto, "Sincerity and Creativity." To ensure that all employees have the opportunity to engage in equally rewarding work, the group respects the diversity<sup>\*1</sup> of its employees and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality, religion, age, origin, physical disabilities, native inhabitation, immigrant status, sexual orientation, or gender identity. In 2011, Lintec joined the United Nations Global Compact, which seeks to eliminate the use of child and forced labor. The Lintec Group will continue to promote diversity so that all employees can grow through mutual understanding and respect.

Materiality	KPIs	Results*
Achieving workplace diversity	(1) Ratio of female managers (2) Return to work after taking time off for childcare leave	(1) 13% [B] (2) 100% [A]
Improving employee satisfaction	Turnover in three years of employees hired as new graduates	12.6% [A]

Organizations covered in Results: [A] Lintec Corp.; [B] Lintec Group

## Diversity Committee

Lintec's Diversity Committee has been carrying out activities to realize a workplace environment where a diverse team of employees, who each have different lifestyles and ways of thinking, can exercise their abilities to the full and make active contributions.

So far, the committee has held ongoing and constructive discussions to enhance in-company programs and environments for supporting childcare and nursing care of family members. In fiscal 2019, the committee focused on supporting sick or injured employees, and launched a new program to support such employees to ensure that they can continue working while receiving treatment. The related work regulations were also revised.

In addition, we made a revision to the Support Programs Guidebook. The committee will promote improved understanding of the details of the programs among employees.



Support Programs Guidebook

### ■ Details of a new program and revision made in fiscal 2019

New program	<p><b>Program to support sick or injured employees in continuing to work</b></p> <p>Intended to support employees who are deemed in need of support in the performance of their work due to a disease that requires repeated or ongoing treatment, or injuries they received during work or on the way to/from work. The program provides support in the form of shorter working hours/flex time and reduced workdays (three or four days per week).</p>
Revision to related work regulations	Easing requirements for sick or injured employees to take accumulated time-off days

## Increasing Career Development Opportunities for Female Employees

Based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Phase 2), Lintec has established targets for the period from April 1, 2019 to March 31, 2022 to increase career development opportunities for female employees. The company aims to raise the average percentage of females in the total number of new hires (graduates from a junior college or technical college/university/graduate school) to over 35%. The percentage of female employees hired in fiscal 2019 stood at 34.7%.

Initiatives are also underway to develop role models for female employees on a continuous basis, setting the target of increasing the percentage of female managers/supervisors by 10% from the fiscal 2018 level by March 31, 2022. In fiscal 2019, the company held a roundtable discussion meeting at which female employees working at the Head Office exchanged views with female managers/supervisors. In addition, we held interviews with young female employees hired at the Head Office (in their fourth and seventh year) on an ongoing basis to support their career development.

### ■ Number of employees by gender: LINTEC Corporation



### ■ Number of employees by gender: Lintec Group (incl. non-consolidated companies)



(Outside Japan: as of December 31, 2019; In Japan: as of March 31, 2020)

\*1 For diversity, see page 06.

\*2 Percentage of each gender in management positions

## Respect for Human Rights in Labor Management and Education

The Lintec Group believes that compliance forms a foundation for its activities and thoroughly adheres 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. Unfair discrimination, child labor, and harassment are prohibited.

Lintec incorporates human rights education into its rank-based training programs. So far, the company has held a training session on the theme "UN Global Compact and CSR," and provided training on sexual harassment and workplace bullying.

## Work-life Balance

Achieving work-life balance is indispensable to help employees perform their jobs with peace of mind and exercise the full range of their abilities.

For creating workplace environments where diverse employees can make active contributions and promoting career development, the Diversity Committee has led discussions and the implementation of multifaceted initiatives.

## Mental Health Measures

The Lintec Group has introduced a precautionary Employee Assistance Program (EAP)<sup>\*3</sup> that provides employees with opportunities to obtain a mental health checkup once a year. Through this checkup, employees come to understand their own stress level, which is useful for personal mental health management. The manager of each business unit receives the results and analysis for employees in the unit, and takes appropriate improvement measures as needed. In fiscal 2019, the checkup was offered across the Group to a total of 3,660 employees, 94.2% of whom actually received it.

The Lintec Group has also set up an employee support hotline that employees and their families can contact directly to talk confidentially with a specialist about their worries, including in relation to physical and mental health, childcare, nursing care, legal issues, or personal finances.

### ■ Precautionary EAP System Overview

Telephone counseling	<ul style="list-style-type: none"> <li>● Counseling by counseling psychologist</li> <li>● Three-way interview with supervising doctor/Referral to medical institution</li> </ul>
In-person counseling	<ul style="list-style-type: none"> <li>● Directly managed consultation centers (Tokyo, Osaka, Nagoya)</li> <li>● Cooperating medical institution (150 locations in Japan)</li> </ul>
Web-based counseling	<ul style="list-style-type: none"> <li>● Individual counseling through the Internet</li> </ul>
General information website	<ul style="list-style-type: none"> <li>● Basic mental health information</li> <li>● Mental health self-checks</li> </ul>

## Related Data

### ■ Employees by region and by gender (persons)

	Male	Female	Total
Japan	3,032	670	3,702
Asia	1,095	371	1,466
Other	544	235	779
Total	4,671	1,276	5,947

(Outside Japan: as of December 31, 2019; In Japan: as of March 31, 2020)

### ■ Local employees at sites outside Japan (persons)

	Male	Female	Total
Total number of employees	1,738	606	2,344
Total number of local employees	1,639	606	2,245
Managers <sup>*4</sup>	258	113	371

### ■ Three-year turnover of employees hired as new graduates<sup>\*5\*</sup> (persons)

	Joined	Left	Turnover
New employees joined in 2017 (group-wide)	79	10	12.6%
Male	58	8	13.7%
Female	21	2	9.5%

### ■ Use of programs<sup>\*5\*</sup>

Program	FY2017	FY2018	FY2019
Family care leave program (persons)	0	1	0
Family care time off (persons)	3	0	0
Accumulated time off (persons)	74	89	92
Childbirth leave (persons)	23	19	20
Childcare leave (persons)	36	39	41
Child nursing care time off program (persons)	7	9	13
Shorter hours/flex time (persons)	36	45	57
Paid social contribution time off (persons)	21 (Total 54 days)	38 (Total 71.5 days)	22 (Total 40 days)
Percentage of paid leave taken (%)	64.0	65.2	66.5

### ■ Company-wide rank-based training programs: participants and training hours<sup>\*5\*</sup>

Total participants	Total training hours <sup>*6</sup>
2,299	11,791.5 hours

<sup>\*3</sup> 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.

<sup>\*4</sup> Managers: Managers as defined in each country or at each site

<sup>\*5</sup> The above tables titled "Three-year turnover of employees hired as new graduates," "Use of programs," and "Company-wide rank-based training programs: participants and training hours" indicate data for LINTEC Corporation. However, with regard to the last-named table, the data on the rank-based training program "harassment prevention to improve the workplace environment" include the figures of Group companies.

<sup>\*6</sup> Calculated for time-based programs only.



# Safety and Disaster Prevention



WEB

For more detailed information, please visit our CSR website. (in English)

Lintec Safety and Disaster Prevention

Search

The Lintec Group continues to operate the Occupational Safety and Health Policy, which it established based on ISO 45001.<sup>\*1</sup> According to the policy, annual safety and health plans are developed. Relevant activities are carried out in accordance with the plans, which set targets and specific activities for individual priority actions. Activity results are evaluated by way of internal audit and management review to assist activities in the following fiscal year.

Materiality	KPIs	Results <sup>*</sup>
Ensuring occupational health and safety	(1) Number of occupational accidents and accidents resulting in absence from work (2) No occupational accidents	(1) 4 accidents [C] (2) No accidents occurred at five business sites <sup>*2</sup> during the year [C]

Organizations covered in Results: [C] Lintec Corp., Tokyo Lintec Kako, Inc.

## Occupational Safety and Health Policy

The Lintec Group revised the Lintec Occupational Safety and Health Policy in 2018, in response to the ISO 45001 standard for occupational health and safety published in the same year. In conjunction with this, we revised the Lintec Occupational Safety and Health Manual to provide an appropriate manual and regulations in conformity with the new ISO standard.

Mutual safety audits and fire prevention patrol activities are carried out at the corporate-wide level, while annual safety and health plans are developed at individual plants, which implement plan-do-check-act (PDCA) cycles to promote safety activities. Lintec also holds a corporate Safety Convention every year. The convention for 2019 was held at the Mishima Plant in May.

The Lintec Group will continue to vigorously conduct activities for accident-free operation.

## Annual Safety and Health Plans

Each fiscal year, the Lintec Group formulates annual plans for safety and health activities. The plans indicate top management policies and set priority action items to realize the policies, including safety patrols, risk assessment, and safety education. More specific activities and targets are set for the priority action items and are reflected in safety and health activities. The results of activities and the progress are reported in the monthly Safety and Health Committee meetings, and all members of the Committee engage in discussions on improvement. By implementing such PDCA cycles that lead to the next round of initiatives, the Lintec Group continues to step up its safety and health activities.

## Safety and Health Committee and Health Committee

Every month, the Lintec Group plants in and outside Japan hold Safety and Health Committee meetings, while the Head Office, Iidabashi Office, Osaka Branch, and other business sites having sales departments convene Health Committee meetings. Each of these meetings are attended by representatives of the labor union, and the

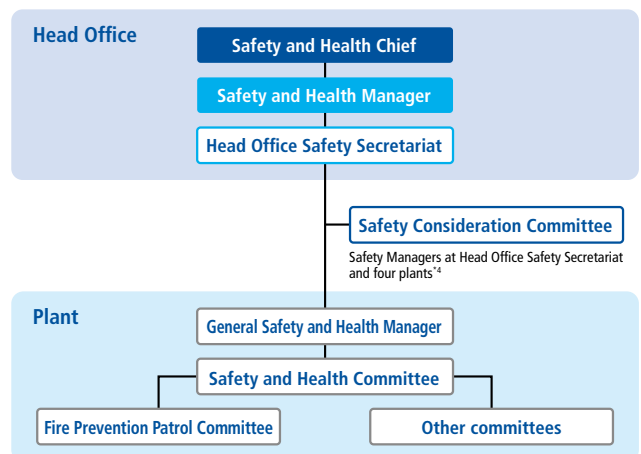
head of each site acts as the final decision-maker.

After risk assessments<sup>\*3</sup> and Safety and Health Committee meetings conducted at each business site, employees' opinions submitted at these events are recorded in the proceedings, and relevant information is communicated to all employees.

### Committees on workplace safety and health

Committee	Scope	Activities
Safety and Health Committee	Plants, Research Center	<ul style="list-style-type: none"> <li>Implement plans</li> <li>Share information, incl. disaster occurrence, safety education implementation status, facilities inspection results, feedback and improvements found during patrol</li> </ul>
Health Committee	Head Office and plants having a sales section	<ul style="list-style-type: none"> <li>Discuss health, safe driving, and disaster prevention activities</li> </ul>

### Lintec Safety and Health Management System (excluding the head office and sales division)



## Toward Zero Accidents Resulting in Absence from Work

In fiscal 2019, there was one accident in which a worker was caught in machinery, resulting in a long-term absence from work. For this reason, the number of days of absence from work significantly increased from the previous fiscal year.

\*1 ISO 45001: International standard for occupational health and safety management systems  
\*2 For the five business sites, see page 13.

\*3 Risk assessment: Evaluating risks to set safety standards  
\*4 Four plants: Agatsuma, Kumagaya, Tastuno, and Mishima

# Community Participation



**WEB** For more detailed information, please visit our CSR website. (in English)

Linec Local Communities

Search

Recognizing that it is part of society and local communities, the Lintec Group is engaged in various initiatives to contribute to society while ensuring harmonious co-existence with society.

Materiality	KPIs	Results*
Achieving harmonious co-existence with local communities	(1) Total number of participants on plant tours (2) Implementation of social contribution activities	(1) 800 persons [C] (2) See below [B]

Organizations covered in Results: [B] Lintec Group; [C] Lintec Corp., Tokyo Lintec Kako, Inc.

## Fureai Concert\*

In October 2019, Lintec held its ninth Lintec Fureai Concert at the Itabashi Culture Hall, inviting persons with disabilities and their helpers living in Tokyo's Itabashi City, as well as people from neighboring areas. A total of about 550 people, including Lintec employees, participated in the concert.

The concert program included a dance performance incorporating sign language by children of members of Itabashi "Hohoemi-no-Kai," an association of parents of people with Down syndrome; a chorus by "Harmony Korine" from the Daito Bunka University a cappella club; a jazz performance by "FUN TIME BIG BAND," a group of adults who play big-band music; and a dance performance by a dance team of children living in Itabashi City.

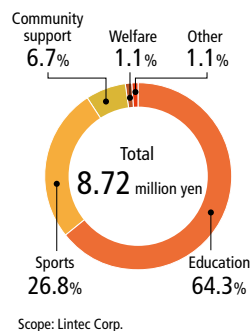
We will continue to value opportunities to communicate with local residents.



Support staff

## Breakdown of Community Support Expenses (FY2019)

In fiscal 2019, expenses for educational support accounted for over half of the total expenses. We also provided support for sports and local communities.



## Global Activities

The Lintec Group carries out social contribution activities in locations where it operates.

Lintec Singapore Private Limited donated daily necessities, food, and other items to elderly people in neighboring areas through a collaborative event with Lintec Asia Pacific Regional Headquarters Private Limited.

Lintec Industries (Sarawak) Sdn. Bhd. planted herbal hedges in a village of the Bidayuh tribe, who are indigenous to the province of Sarawak.

The Lintec Group will continue to engage in social contribution activities rooted in the community.

## My Next Stage

In 2019, Lintec Advanced Technologies (Taiwan), Inc. worked in collaboration with a public corporation that protects children and women who have suffered domestic violence and sexual abuse, and assists them in finding employment. Our company collected surplus kitchen utensils and clothing from employees and donated a total of ten containers of these items. This donation program proved useful not only in terms of social contribution, but also in regard to saving resources and environmental protection. We realized that

we can implement CSR activities in various forms.



Donating 37 kitchen utensils, 22 electrical appliances, 70 pieces of clothing, and 14 bags.

**Pei-Chi Chou**

Public Relations Department  
Lintec Advanced Technologies  
(Taiwan), Inc.





### Environmental Activities

#### LIITEC (SUZHOU) TECH CORPORATION

- Location: Suzhou, China
- No. of employees: 176
- Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products



Shuifang Yang  
Engineering Department

In April 2019, seven employees of our company took part in a program to release juvenile fish organized by a local environmental protection industry association, with the objective of protecting water quality in Lake Taihu in Suzhou. Together with about 300 other participants, these employees released roughly 10,000 crucian carp, redfin culter, and other fish species that eat blue-green algae so as to contribute to preserving water quality in the lake.



Releasing juvenile fish



### Environmental Activities

#### LIITEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

- Location: Tianjin, China
- No. of employees: 94
- Main business activities: manufacture and sale of printing- and industry-related products



Zhang Kun  
Quality Assurance & Environmental Safety Department

As part of our efforts to preserve biodiversity, in April 2019 we planted five persimmon trees and one apple tree on the premises of our company. In autumn, these trees bore fruit, which all employees enjoyed appreciating. The tree planting increased our opportunities to commune with nature, thereby raising our environmental awareness.



Planting a persimmon tree



### Social Activities

#### LIITEC SPECIALITY FILMS (TAIWAN), INC.

- Location: Tainan, Taiwan
- No. of employees: 88
- Main business activities: manufacture and sale of electronic- and optical-related products



Cheng Wen-chieh  
Environment & Safety Office

In May 2019, before the full-scale typhoon season began, we conducted a drill in preparation for torrential downpours caused by typhoon weather. All employees participated in the drill, in which they cooperatively practiced the emergency response procedures, from the occurrence of a typhoon and the issuance of a warning to its cancellation, as stipulated in our company's BCP. Through the drill we confirmed that these procedures worked properly.



Simulating inspection to be conducted after a typhoon has passed



### Environmental Activities

#### LIITEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

- Location: Kaohsiung, Taiwan
- No. of employees: 78
- Main business activities: manufacture and sale of electronic- and optical-related products



Chen-Jung Liao  
ISO Promotion Department

In December 2019, we cleaned the beach of Yuguang Island near Tainan, a city adjoining Kaohsiung. Besides employees of our company, their families and friends participated in the cleanup. These participants worked together to collect 46.2 kg of waste. After the cleanup, they visited cultural facilities and a natural park in Tainan City, and learned about the importance of nature and biological diversity.



Participants of the beach cleanup

# Global CSR Report



### Social Activities

#### LIITEC KOREA, INC.

- Location: Cheongju-si, Chungcheongbuk-do, Korea
- No. of employees: 112
- Main business activities: manufacture and sale of electronic- and optical-related products



Moon Ji-Eun  
General Affairs Section

In November 2019, we engaged in "kimchi making with love." About 25 employees made kimchi, which was then delivered to elderly people living alone and single-parent families via the community support center. These employees worked on making the kimchi in the sincere hope that those eating it would feel warmer during the cold winter season.



Participating employees and their handmade kimchi



### Social Activities

#### LIITEC SPECIALITY FILMS (KOREA), INC.

- Location: Pyeongtaek-si, Gyeonggi-do, South Korea
- No. of employees: 124
- Main business activities: manufacture and sale of electronic- and optical-related products



Seung-Soo Kim  
Personnel and General Affairs Section

At the end of 2019, we donated the proceeds from the coffee machines used by our company and money raised for charity to the House of Anayul, a welfare facility for persons with severe disabilities. We plan to continue this charity to donate the proceeds from our coffee machines every year.



Donating the proceeds from our coffee machines and money raised



### Environmental Activities

#### PT. LIITEC INDONESIA

- Location: Bogor, Indonesia
- No. of employees: 161
- Main business activities: manufacture and sale of printing- and industry-related products



Sugiharto  
Quality Assurance Department

In April 2019, we carried out mangrove planting. In advance of the planting activity, we delivered a lecture to 42 students participating from Bogor Fisheries University. We explained the effectiveness of mangroves in reducing greenhouse gases and appropriate methods of planting. The students listened attentively to our lecture.



Giving a lecture at the university



### Social Activities

#### PT. LIITEC JAKARTA

- Location: Jakarta, Indonesia
- No. of employees: 24
- Main business activities: sale of printing- and industry-related products



Sitha Damayanti  
General Affairs and Human Resources

We distributed SDGs badges to all employees to enhance their awareness as members tasked with realizing a sustainable society. Since the degree of public recognition of the SDGs is still low in Indonesia, we summarized SDGs-related articles and communicated the information to employees by e-mail to promote their understanding of the SDGs.



Document explaining the SDGs, which was distributed along with the SDGs badge



### Environmental Activities

#### LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

- Location: Penang, Malaysia
- No. of employees: 97
- Main business activities: manufacture and sale of electronic- and optical-related products



Mokhtar Bin Osman  
Production Department

As part of our environmental protection activities, we planted trees in the state of Penang in October 2019. From our company, 79 employees took part in the event. In cooperation with members from the forest management section of the state government, they planted 100 trees.



Employees planting trees



### Social Activities

#### LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

- Location: Sarawak, Malaysia
- No. of employees: 25
- Main business activities: manufacture and sale of electronic- and optical-related products



Michael Benzi Junior  
General Affairs & Human Resources

Our company has been doing cleanups for more than 15 years. Every morning, we spend around 15 minutes sweeping fallen leaves from the neighborhood roads and cleaning ditches before the workdays begins. In fiscal 2019, we repainted the zebra pattern painted on the road shoulder during a work break.



Zebra pattern we repainted



### Social Activities

#### LINTEC SINGAPORE PRIVATE LIMITED

- Location: Singapore
- No. of employees: 65
- Main business activities: manufacture and sale of printing- and industry-related products and electronic- and optical-related products



Faith Lim  
Human Resources Department

In September 2019, our company conducted a collaborative event with Lintec Asia Pacific Regional Headquarters Private Limited to donate medicated oil, powder, face towels, food, and other items to 250 elderly people in neighboring areas. Seeing their smiling faces, we recognized anew the importance of social contribution. We plan to hold this event next year.



Event participants



### Social Activities

#### LINTEC (THAILAND) CO., LTD.

- Location: Chachoengsao, Thailand
- No. of employees: 190
- Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products



Paweena Hang-Klang  
ISO Clerk

In February 2020, we made a company trip to Cha-am Beach in Phetchaburi Province, a renowned tourist spot in Thailand. In the evening, we held a team-building party. On the following day, we visited the Wat Huay Mongkol temple, which is home to the world's largest statue of Luang Phor Thuat, a legendary Thai monk of great sanctity. The trip provided us with an opportunity to deepen communication among employees.



Commemorative photo taken in front of the statue of Thuat

Each of our group companies outside Japan is promoting community-based CSR activities to fulfill our responsibility as a global company.



For more detailed information, please visit our CSR website. (in English)

Lintec CSR activities at group companies outside Japan



### Environmental Activities

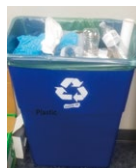
#### LINTEC OF AMERICA, INC. Nano-Science & Technology Center

- Location: Texas, U.S.A.
- No. of employees: 29
- Main business activities: research and development



Will Barron  
Operational Safety Assistant

To promote waste reduction and recycling, we focused on classifying waste generated at offices and research facilities into corrugated cardboard, plastic beverage bottles, aluminum cans, etc.



Container for collecting plastic beverage bottles



### Environmental Activities

#### MADICO, INC.

- Location: Florida, U.S.A.
- No. of employees: 196
- Main business activities: manufacture and sale of printing- and industry-related products



Kelli Houdek  
CSR Committee

We supported an environmental initiative hosted by the local non-profit organization. Our company employees took part in an event in which participants worked to vertically connect a number of oyster shells, each having a hole through which they threaded a rope, and then to hang these shells from the shore. During the spawning season, oyster larvae drifting on the current will attach to these shells and grow into healthy adult oysters.



Employees participating in the event



### Social Activities

#### VDI, LLC

- Location: Kentucky, U.S.A.
- No. of employees: 41
- Main business activities: manufacture and sale of printing- and industry-related products



Toni Doughty  
CSR Committee

Our company supports the activity of Dare to Care Food Bank, which offers food to households suffering from food insecurity. In fiscal 2019, we helped with the sorting and packing of more than 4,500 kg of food, which was donated by people in the local community.



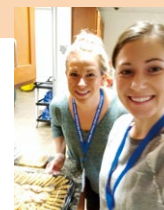
CSR team that took part in the support activity



### Social Activities

#### MACTAC AMERICAS, LLC

- Location: Ohio, U.S.A.
- No. of employees: 453
- Main business activities: manufacture and sale of printing- and industry-related products



In February 2020, our company conducted social contribution activities in cooperation with Ronald McDonald House Charities. This organization provides accommodations for children undergoing medical treatment and their families. In the house adjacent to a children's hospital located in Akron, Ohio, six employees offered meals.



Cooking at the house



# Climate Change Mitigation and Adaptation

**WEB** For more detailed information, please visit our CSR website. (in English)

Lintec Climate change mitigation and adaptation



The domestic Lintec Group is committed to carrying out various environmental activities to mitigate climate change and other environmental issues that impose risks on the continuity of its business.

Materiality	KPIs	Results*
Effectively using raw materials	Amount of organic solvents used	18,000 t [A]
Reducing atmospheric emissions	CO <sub>2</sub> emissions from business activities in Japan	163,000 t [C]
Making environmental contributions through products and services	Number of environmentally friendly products developed	59 products [A]

Organizations covered in Results: [A] Lintec Corp.; [C] Lintec Corp., Tokyo Lintec Kako, Inc.

## Lintec Group Quality, Environmental and Business Continuity Policy

The Lintec Group sets forth its Basic Policy in the Lintec Group Quality, Environmental and Business Continuity Policy. To practice specific activities, the Group has drawn up a Quality Policy, Environmental Policy, and Business Continuity Policy, as well as Action Guidelines for each. For climate change mitigation and adaptation, based on the Action Guidelines for Environmental Policy, we promote the development of environmentally friendly products at the research division, and work to reduce VOC<sup>\*1</sup> and CO<sub>2</sub> emissions, energy (electricity and fuel) usage, and waste discharge, among others, at the production division.

## Environmental Management System

Based on the Lintec Group Quality, Environmental and Business Continuity Policy, the Lintec Group proactively works on conservation of the global environment. With regard to worldwide integrated ISO 14001 certification, in fiscal 2019 we received an examination due to the relocation of Madico, Inc. We have been promoting information sharing among 12 domestic sites and 10 overseas sites covered by the integrated certification. Also in fiscal 2019, we started to undergo third-party verification regarding VOC emissions, in addition to the conventional four items—CO<sub>2</sub> emissions, electric

power consumption, production water usage, and waste discharge. The verification found no important issues requiring correction. For biodiversity conservation, we continue to engage in relevant activities, such as tree planting and beach cleanups. Moreover, LINTEC Corporation became a member of CLOMA<sup>\*2</sup> as part of our efforts to propose and promote environmentally friendly products.

## Efforts to Address Climate Change

In fiscal 2019, total energy use (crude oil equivalent, covered by the Energy Conservation Act) for the Lintec Group in Japan<sup>\*3</sup> decreased by 1.3% from the previous year due to a decrease in production volume. Energy use per unit of production improved by 0.7% to 0.309 kl per ton. CO<sub>2</sub> emissions were 163 thousand tons, down from 179 thousand tons in fiscal 2018. In fiscal 2020, Lintec aims to reduce its CO<sub>2</sub> emissions and electricity consumption by 1.0% each on a per-unit of production basis compared to fiscal 2019, by continuously facilitating the use of low-carbon electric power.

## Product Development Initiatives

The Lintec Group strives to develop products intended to reduce environmental impact. The group also works to reduce impact on the environment by introducing LCA<sup>\*4</sup> at all stages from product design to disposal.

## Medium-Term Targets (2017 to 2019) and Results Scope: Lintec Corp.

Item	Target	FY2019 results (year-on-year reduction)
CO <sub>2</sub> emissions	1% reduction from the previous year (per unit of production)	9.0% <span style="background-color: #d4edda;">Achieved</span>
Electric power consumption	1% reduction from the previous year (per unit of production)	4.8% <span style="background-color: #d4edda;">Achieved</span>
Production water usage	1% reduction from the previous year (per unit of production) (Paper production at the Mishima and Kumagaya plants)	0.3% <span style="background-color: #fff3cd;">Not achieved</span>
Waste discharge	0.1% reduction from the previous year	5.3% <span style="background-color: #d4edda;">Achieved</span>

With regard to CO<sub>2</sub> emissions and electric power consumption, we achieved the targets. This is due, among others, to the introduction of cogeneration systems, which increased the amount of self-generated electricity from 51,000 MWh to 56,000 MWh, enabling us to reduce the amount of purchased power. We did not achieve the target for production water usage as the amount of water used for washing

increased to fulfill orders for a wide variety of products sought in small quantities. We will redouble our reduction efforts by devising a better method of reusing water used in manufacturing one product for producing another product. The target for waste discharge was achieved as a result of improvements made to increase the yield rate and thorough classification.

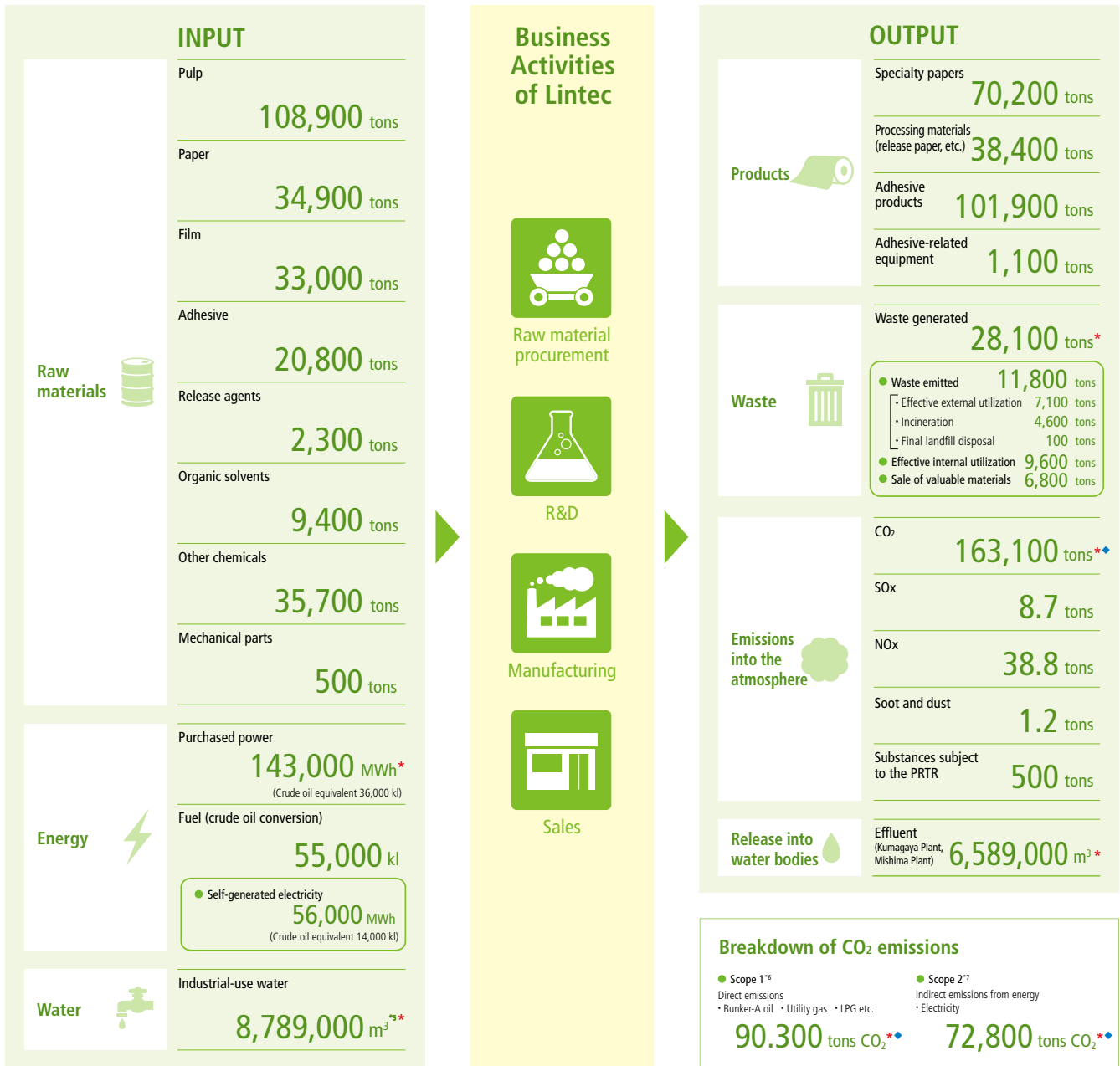
\*1 For VOC, see page 13.

\*2 CLOMA: CLOMA stands for Clean Ocean Material Alliance. It is a platform to promote the sustainable use of plastic products and development and introduction of plastic alternatives, and to accelerate innovation through public-private partnerships, toward the reduction of marine plastic litter. CLOMA was established under the initiative of the Ministry of Economy, Trade and Industry.

\*3 For the Lintec Group in Japan, see page 10.

\*4 For LCA, see page 12.

\*5 While tons were used for calculation, the measurement was converted to m<sup>3</sup> for this report.



As figures with \* are information collected based on the Energy Conservation Act, they have undergone third-party verification by SGS Japan, Inc. Scope of verification for figures with ◆ is equivalent to 98% of the conventional figures reported. In responding to CDP,<sup>8</sup> we have been expanding the scope through total volume control.

### Product Development Initiatives

Energy use by the entire Lintec Group in Japan exceeds 1,500 kl of crude oil equivalent each year. As a result, the Group was designated as a "specified business operator," pursuant to the provisions of the Act on the Rational Use of Energy ("Energy Conservation Act") in Japan, and is required to improve its energy use per production unit as well as its weighted electricity use per production unit (for reducing peak hour demand) by 1% per year. Since nine plants in Japan account for 95% of the Group's total energy consumption, it is important for each plant to take measures to reduce energy use. In fiscal 2019, the Lintec Group in Japan implemented a variety of energy-saving measures, such as effective operation of production facilities and boilers, air-conditioning control, and promoting the introduction of LED lighting.

### Efforts in Distribution

Lintec does not have distribution and transportation sections but is a "Designated Shipper" under the Revised Energy Conservation Act in Japan because it consigns the transport of more than 30 million ton-kilometers<sup>9</sup> annually. As a Designated Shipper, Lintec submits an annual report to the government in accordance with this Act. In fiscal 2019, the volume of transportation decreased by 3.6% (3,534,000 ton-kilometers) from the previous year, and CO<sub>2</sub> emissions also decreased by 4.3% (467 t-CO<sub>2</sub>). Energy use per unit of transportation improved by about 0.7%. We will continue to improve our distribution system and transportation loading efficiency, with the goal of reducing environmental impacts.

\*6 Scope 1: Direct CO<sub>2</sub> or other greenhouse gas emissions from the consumption of purchased gas and liquid fuels, such as liquid natural gas (LNG), liquid petroleum gas (LPG), utility gas, kerosene, light oil, and gasoline

\*7 Scope 2: CO<sub>2</sub> or other greenhouse gas emissions generated by other companies in the production of energy, such as electricity and steam, purchased by the reporting company

\*8 CDP: CDP is an international NGO that calls for disclosure of corporate information on environment-related topics (climate change, water, forests, etc.) and issues regular analysis reports.

\*9 Ton-kilometers: A unit of cargo transport amounts, computed by multiplying the cargo tonnage by the transportation distance. Transporting 1 ton of cargo over a distance of one kilometer equals one ton-kilometer.



# Reducing Waste and Water Usage

WEB

For more detailed information, please visit our CSR website. (in English)

Lintec Reducing Waste Search

Lintec Water Usage Search



In order to help realize a recycling-oriented society, the Lintec Group is working to reduce waste. It is also striving to save water, reuse waste water, while complying with the effluent control regulations and improving the quality of effluent generated.

Materiality	KPIs	Results*
Ensuring environmental compliance	Number of serious violations of environmental laws and regulations (fines/sanctions)	0 violations [D]

Organizations covered in Results: [D] Lintec Corp. Head Office, 10 production sites, Research Center

## Reducing Water Usage and Effluent

In fiscal 2019, Lintec used 8,789,000 m<sup>3</sup> of water. Of this amount, about 90% was used by the Kumagaya and Mishima plants, which are Lintec's Fine & Paper Products Operations. Water usage per unit of paper production was 47.0 m<sup>3</sup>/t<sup>1</sup>. Lintec was unable to achieve the target of a 1.0% reduction on a year-on-year basis.

The target in fiscal 2020 is a 1.0% reduction per unit of production from the previous year. To that end, the plants will make continued efforts to reduce water usage and effluent discharge in each process and prevent water leaks.

### Water usage and effluent discharge

Category	FY2019 (1,000 m <sup>3</sup> )
Total water usage (calculated by source)	8,789
● Tap water	510
● Industrial water	4,455
● Groundwater	3,824
Effluent	6,589

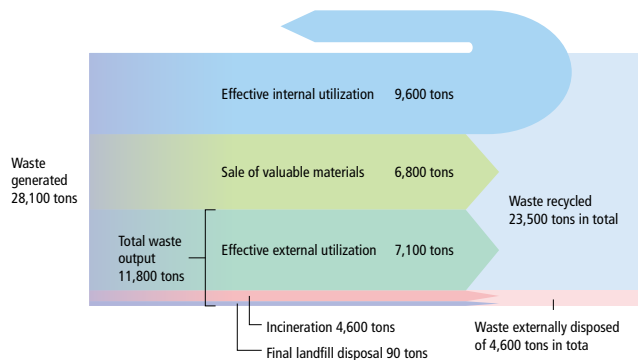
## Efforts for Zero Emissions\*3

In fiscal 2019, the amount of waste generated, including manufacturing loss, at Lintec was 28,100 tons. The total waste output was 11,800 tons. Of this waste output, 7,100 tons were recycled by outside recycling companies and the remaining 4,600 tons were properly disposed of by waste disposal companies.

The final landfill disposal rate\*4 for fiscal 2019 was 0.3%, achieving the target final landfill disposal rate of 1.0% or less. Lintec's target from fiscal 2019 to fiscal 2020 is a 0.1% reduction in the amount of waste generated, on a year-on-year basis.

### Flow of waste (FY2019)

Organizations covered: LINTEC Corporation (Head Office, 10 production sites, and Research Center) and Tokyo Lintec Kako, Inc.



## My Next Stage

The Mishima Plant makes effective use of production water and heat by recovering and reusing drain\*2. We will continue our efforts for further water saving and reuse, so as to reduce the consumption of production water.



**Noboru Yamada**  
Maintenance Department  
Mishima Plant

## My Next Stage

To reduce the amount of waste, the Chiba Plant carries out thorough classification and sells part of the waste generated as valuable materials. As a result of each workplace's efforts, waste generation has gone down year by year. The entire plant will continue to strive for waste reduction.



**Susumu Kaneko**  
Assistant to Plant Manager  
Chiba Plant

\*1 While t/t was used for calculation, the measurement was converted to m<sup>3</sup>/t for this report.

\*2 Drain: When steam changes from a gaseous state into a liquid state to become water, it is called "drain." Drain is generated when steam is used in heat exchangers, etc.

\*3 Zero emission: Lintec's standard is a final landfill disposal rate of one percent or less.

\*4 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.

# Reduction of Environmentally Hazardous Substances



**WEB** For more detailed information, please visit our CSR website. (in English)

Lintec Reduction of Environmentally Hazardous Substances Search

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.

Materiality	KPIs	Results*
Reducing atmospheric emissions	VOC <sup>5</sup> emissions from business activities in Japan	869 t [E]

Organizations covered in Results: [E] Lintec Corp. production sites (excl. Ina), Research Center

## Compliance with PRTR Act<sup>6</sup>

In fiscal 2019, Lintec reported the use of toluene, xylene, and other substances designated under the PRTR Law, and the total quantity of these PRTR chemicals was 7,817 tons. Toluene accounted for approximately 98%, the largest portion of the total amount, standing at 7,652 tons, down 267 tons from the previous year. Emissions of toluene into the atmosphere were 464 tons, down 25 tons from the previous year, and the transferred amount was 363 tons, down 166 tons from the year before.

Lintec has installed exhaust gas treatment facilities to remove atmospheric emissions of organic solvents. Its plants are not permitted to manufacture products without operating these treatment facilities. In fiscal 2019, there was no case where a plant did not operate these treatment facilities during production.

## Complying with EU Regulations Concerning Chemical Substance Management and Environmental Preservation

Lintec has specified chemical substances that may have an environmental impact, and examines these substances in the raw materials it purchases. The company properly grasps and manages its use of chemical substances to comply with related laws and regulations, and communicates information to customers.

In January 2020, under the REACH Regulation<sup>7</sup>, four substances were added to the Candidate List of substances of very high concern (SVHCs), on which information must be communicated. Accordingly, there are now a total of 205 SVHCs on the REACH Candidate List. Meanwhile, the RoHS Directive<sup>8</sup> was revised to expand the scope of its application. In the revised RoHS Directive, four phthalate esters are specified as restricted substances, in addition to the six substances whose use has been already regulated. The four new substance restrictions were brought into effect on July 22, 2019.

Lintec is working on switching over to raw materials containing no phthalate esters to ensure that its products are friendly to the environment. The company will continue to reinforce the management of chemical substances contained in products.

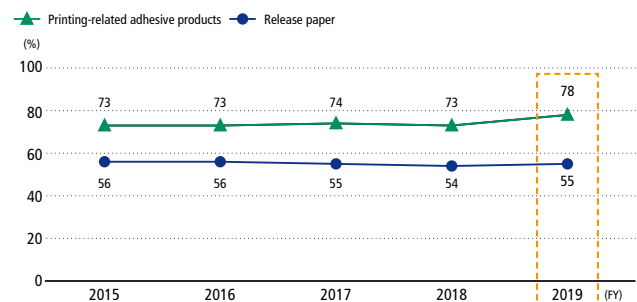
## Reducing VOCs

Lintec is reducing VOCs. In product design, 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 2019, the percentage of solvent-free release paper (production basis) was 55%. The percentage of solvent-free printing-related adhesive products (sales basis) was 78%. The percentage of solvent-free paper and products remained at the same level as in the past.

Lintec has completed the installation of exhaust gas treatment facilities, and will continue to ensure reliable management of treatment facilities, manage the percentage of solvent-free products, and develop and promote sales of solvent-free products to further reduce its environmental impact.

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



Notes: 1 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 × 100  
2 Percentage of solvent-free release paper = quantity of solvent-free release paper produced/quantity of all release paper produced × 100

## My Next Stage

The Agatsuma Plant has introduced a regenerative thermal oxidizer (exhaust gas treatment equipment) to process low-concentration solvent gas released not only from coaters but also from indoor local ventilation equipment. Moreover, the plant's rate of removing solvent gas is as high as 98%. We will continue to endeavor to reduce VOC emissions.



**Nachio Satoyoshi**  
Production Department  
Agatsuma Plant

\*5 For VOC, see page 13.

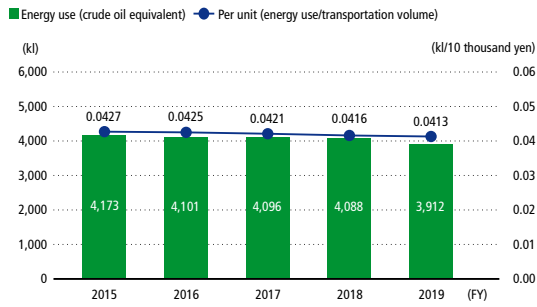
\*6 The PRTR (Pollutant Release and Transfer Register) Act is formally named the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvement to the Management Thereof.

\*7 For REACH Regulation, see page 18.

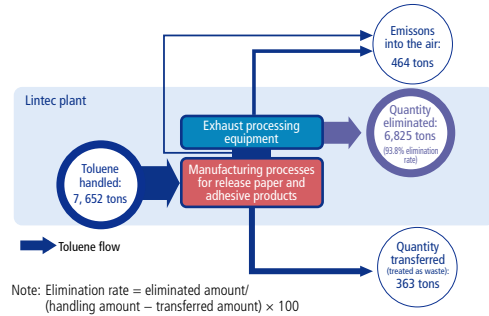
\*8 For the RoHS Directive, see page 18.

## Related Data

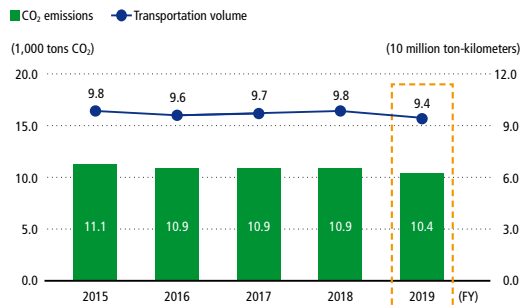
### Energy use in distribution



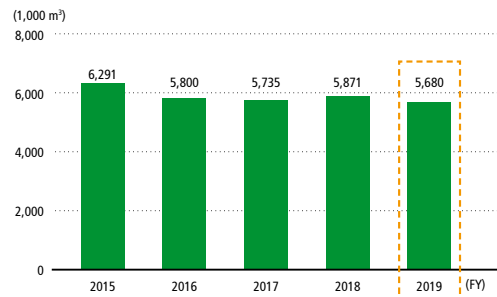
### Emission and transfer of toluene



### CO<sub>2</sub> emissions and transportation volume in distribution



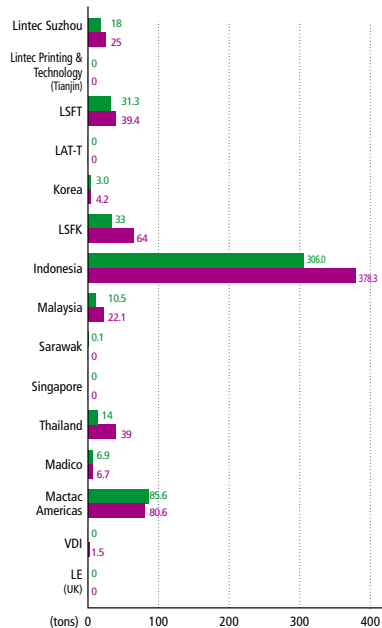
### Effluent treated (Kumagaya and Mishima plants)<sup>\*1</sup>



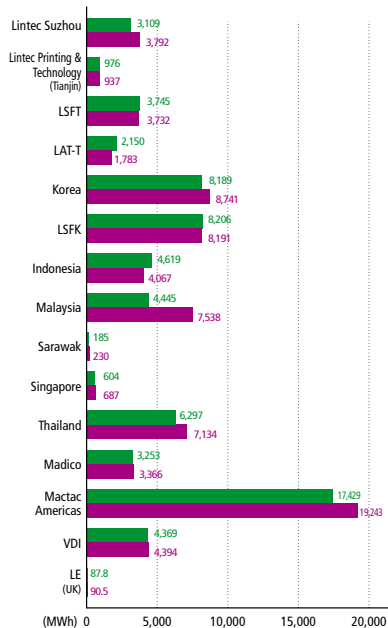
### Environmental data at 15 group companies outside Japan

FY2019 data (Jan. 1, 2019 to Dec. 31, 2019)    FY2018 data (Jan. 1, 2018 to Dec. 31, 2018)

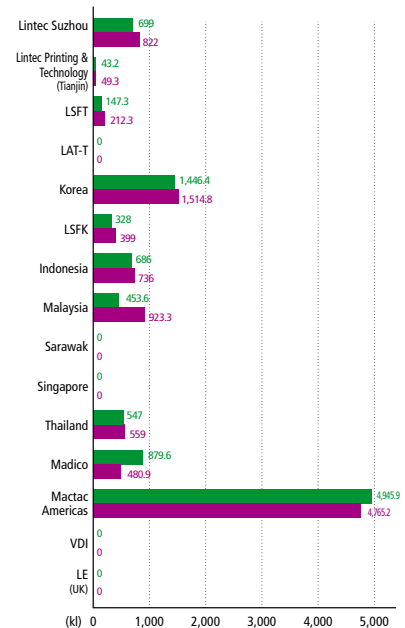
#### VOC<sup>2</sup> emissions



#### Electricity usage



#### Fuel (light oil and natural gas) usage (crude oil conversion)



Notes: 1. VOC = 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. LSFT = Lintec Specialty Films (Taiwan); LAT-T = Lintec Advanced Technologies (Taiwan); LSFK = Lintec Specialty Films (Korea); LE (UK) = Lintec Europe (UK) Limited

\*1 Total of flowmeter data for effluent treatment equipment installed at the Kumagaya and Mishima plants

\*2 For VOC, see page 13.

# Practicing Sincerity

**WEB** For more detailed information, please visit our CSR website. (in English)

Lintec Governance

Search



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 and common benefit to shareholders.

Materiality	KPIs	Results*
Operating global governance	(1) Use of consultation contact points in and outside Japan (2) Results of audits by the Internal Audit Office according to local laws and regulations and internal standards	(1) 3 cases [B] (2) No serious findings [B]
Ensuring social compliance	Response rate to compliance survey by officers and managers	Response rate to risk identification survey: 82.0% [B] Compliance survey was not conducted as risk identification survey was conducted.

Organizations covered in Results: [B] Lintec Group

## Corporate Governance Framework

For organizational design<sup>\*3</sup>, Lintec has chosen to be a company with an audit and supervisory committee,<sup>\*4</sup> and appoints directors as Audit and Supervisory Committee members to enhance the function of supervising the Board of Directors, with the aims of stepping up corporate governance and improving management further.

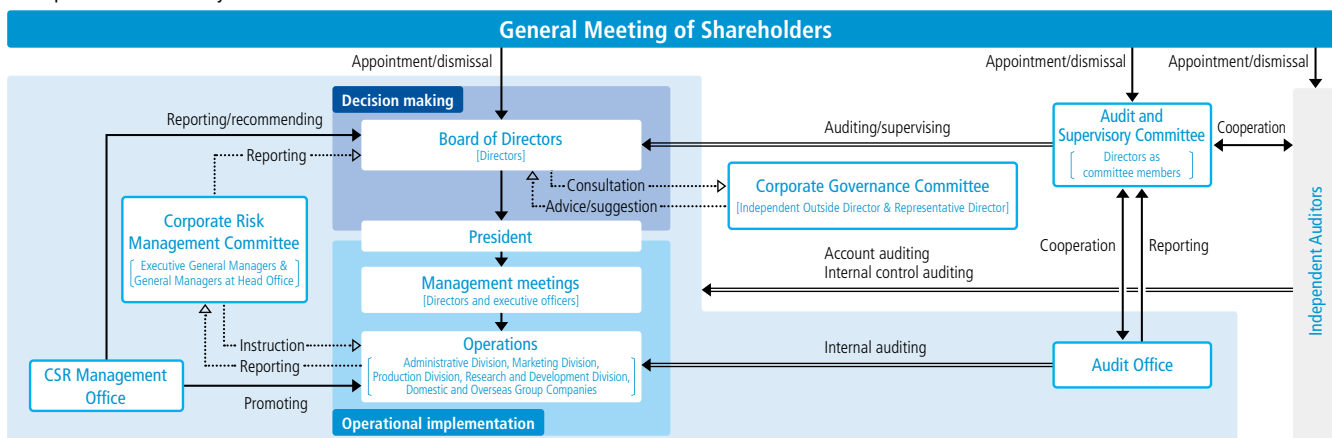
The company has 10 directors, three of whom are members of the Audit and Supervisory Committee. Also, Lintec has four outside directors (two men and two women), including three independent outside directors (one man and two women). Of these three, two directors (one man and one woman) serve as Audit and Supervisory Committee members. With the adoption of the executive officer system, Lintec separates the function of directors in charge of making decisions on important management issues from that of executive officers in charge of business operations.

In addition, the Corporate Governance Committee, comprising two independent outside directors and a representative director and chaired by an independent outside director, has been established as an advisory body for the Board of Directors. The Committee checks the validity of remuneration and personnel affairs of corporate officers.

## Actions taken to enhance corporate governance

FY	Major actions
2004	<ul style="list-style-type: none"> <li>Appointed an outside director, first in the company</li> </ul>
2006	<ul style="list-style-type: none"> <li>Established the Audit Office</li> <li>Reformed the executive compensation system (abolished retirement benefits and introduced stock options)</li> <li>Established the Remuneration Assessment Advisory Meeting (to check the validity of remuneration of corporate officers)</li> </ul>
2008	<ul style="list-style-type: none"> <li>Established CSR Management Office</li> <li>Increased the number of outside directors from one to two</li> </ul>
2011	<ul style="list-style-type: none"> <li>Adopted the executive officer system; decreased the number of directors significantly from 18 to 10</li> </ul>
2015	<ul style="list-style-type: none"> <li>Shifted to a company with an audit and supervisory committee (from a company with a board of auditors)</li> <li>Set the number of board members at 16 (including four directors serving as Audit and Supervisory Committee members and four outside directors)</li> <li>Complied with principles of the Corporate Governance Code</li> </ul>
2018	<ul style="list-style-type: none"> <li>Reformed the executive compensation system (for the long-term incentive plan, replaced stock options with restricted stocks in order to encourage directors' holding of treasury stocks)</li> <li>Abolished the buyout countermeasure (anti-takeover measure)</li> <li>Established the Corporate Governance Committee, comprising two independent outside directors and a representative director and chaired by an independent outside director, as an advisory body for the Board of Directors to check the validity of remuneration and personnel affairs of corporate officers (Remuneration Assessment Advisory Meeting was dissolved as a result)</li> </ul>

## Corporate Governance System



\*3 Organizational design: Determining the structure of organizations (e.g., shareholder meeting, board of directors) in charge of decision-making or operation of a joint-stock company

\*4 A company with an audit and supervisory committee: A stock company where its audit and supervisory committee, comprising more than three directors (with outside directors as a majority) as committee members, audits and supervises how directors administer business operations

## Compliance with the Corporate Governance Code\*1

Lintec complies with principles of the Corporate Governance Code. Thus far, referencing the code, the company has taken various measures, such as the implementation of PDCA cycles through evaluating the effectiveness of the Board of Directors, and the establishment of the Corporate Governance Committee.

Lintec will continue to comply with and implement the Corporate Governance Code. In light of social circumstances and the progress of its initiatives, top management and outside directors of Lintec also hold discussions on areas of deficiency to continue the company's improvement efforts.

## Risk Management

The Lintec Group established the Corporate Risk Management Committee in April 2018 to further enhance its risk management system. The committee consists of executive general managers and general managers of offices under the direct control of the president, and holds meetings on a regular basis. The committee strives to prevent problems by clarifying all possible risks associated with company management, and by identifying, analyzing, and assessing the risks to be addressed. The chair of the Corporate Risk Management Committee reports on the activities of the Committee to the Board of Directors every quarter, thereby sharing information and receiving instructions.

In the future, we will intensify our efforts to improve our risk management ability, and grasp the risks and opportunities in a timely manner, to facilitate the sustainable growth of the Lintec Group.

## Legal Education for Top Management and Employees

To promote understanding of corporate legal affairs, Lintec provides directors and executive officers with a top-management training program. In fiscal 2019, we held two training sessions, one on the theme of "M&A and Directors' Responsibilities" in October 2019, and the other on "Transfer Price and Revenue Recognition" in January 2020.

As for training for employees, we implement legal training for salespersons (around eight times a year) geared to selected mid-level employees in charge of sales. We are also incorporating legal lectures into annual group training programs for newly appointed managers and newly appointed section chiefs. In addition, Legal News is published six times a year to provide notable information related to legal affairs to employees of the Lintec Group.

Through these training programs and information dissemination, we help employees to enhance their cognizance of potential legal risks lurking in daily business activities, which is expected to lead to early risk detection and response.

## Legal News published in fiscal 2019

Publication month	No.	Title
May 2019	28	Witness the transformation of our time!—Amendment of the Civil Code (1)
July 2019	29	Witness the transformation of our time!—Amendment of the Civil Code (2)
October 2019	30	Ignorance is inexcusable!—Export control and regulation and our company rule
November 2019	31	Unfair Competition Prevention Act
January 2020	32	Insider trading regulations
March 2020	33	Summary of news between April 2019 and March 2020

## Global Surveys on Human Rights and Labor Standards

The Lintec Group conducts a survey of all Group companies once a year to monitor working conditions and human rights.

The survey covers a wide range of items, including legal compliance, elimination of discrimination, respect for human rights, prohibition of child labor, prohibition of forced labor, wages, working hours, dialogue and negotiation with employees, safe/ healthy working environments, and human resource development.

As a result of the survey in February 2020\*, it was confirmed that all sites comply with local and regional laws and regulations, that the Lintec Group Compliance Guidelines are well understood by employees, and that Lintec employees work in a healthy and safe working environment where their fundamental human rights are respected.

We will continue this regular survey every year to understand our current conditions, and improve them.

## Establishing Group-wide BCMS\*2

LINTEC Corporation, Tokyo Lintec Kako, Inc., and Lintec Speciality Films (Taiwan), Inc. have developed a BCP\*3 to allow them to minimize human casualties and resume business as early as possible after an earthquake or other disaster.

Becoming certified under ISO 22301\*4: 2012 in March 2014, we are operating the BCMS to maintain and improve the BCP.

We will make continued efforts to share the BCMS among employees to initiate and enhance activities, while repeatedly performing drills.

## Information Security

Lintec has developed Information Security Management Rules, and conducts an internal audit every year at each department based on the Information Security Operational Rules and Internal Audit Checklist.

In fiscal 2019, Lintec launched an e-learning program for performing a self-audit of information security as part of its efforts to promote understanding and raise awareness among employees concerning information management.

\*1 Corporate Governance Code: A compilation of key principles set out by the Financial Services Agency and Tokyo Stock Exchange in the form of a code that listed companies in Japan are expected to comply with as a means of enhancing corporate governance

\*2 BCMS stands for a Business Continuity Management System. It is a management technique to develop a business continuity plan, based on the understanding of the current conditions of the organization, to ensure that the businesses are continued in the event of a serious incident that will or may have grave impact on major products/services of the organization. Drills are also performed to validate the effectiveness of the BCP.

In light of the fact that the posting of inappropriate contents has become a social issue, Lintec provides comprehensive education that includes things to note when using social media in a personal capacity, as well as internal rules on information management.

### Establishing the Counseling Desk (for Internal Reporting and Harassment Consultation)

The Lintec Group has a helpline (internal reporting system) to enable employees to report, without any disadvantage, any serious legal or ethical violations that they identify. Lintec added a third-party lawyer to the helpline system to facilitate prompt investigations while protecting reporters and reported details.

Instructions on how to use the helpline are provided in the Compliance Guideline to raise awareness of the helpline across the Group.

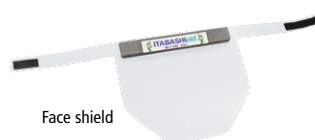
In May 2019, Lintec established its harassment counseling desk to improve working environments, and the desk has since been in operation. This is a system under which employees can directly consult specialists, including clinical psychologists. Its objective is to help resolve harassment and other workplace issues through cooperation between specialists and the Human Resources Department.

### Measures against the Novel Coronavirus

As the novel coronavirus (COVID-19) pandemic continues to spread, the Lintec Group has been taking measures, such as prohibition of business trips and implementation of remote working, in response to the changing situation.

In April 2020, LINTEC Corporation and Printec, Inc.\*5 produced 100 sheets for floor marking that calls for social distancing and 3,000 sheets of stickers that recommend take-out dining, and gave these products to Itabashi City for free.

In addition, we donated 10,000 sets of face shields to Itabashi City in May. These donated products were effectively used by medical institutions, restaurants, and other facilities in the city.



Face shield



Sticker to recommend takeaway

## Related Data

### Outside Directors

**Director**  
Hiroya Kakehashi  
(General Manager, Corporate Planning Division,  
Nippon Paper Industries Co., Ltd.)

Hiroya Kakehashi enhances the supervisory function of Lintec's Board of Directors by drawing on his long years of experience, as well as the knowledge and experience he has acquired in an administrative capacity, at Nippon Paper Industries Co., Ltd.

**Director**  
Akiko Okushima  
(Representative Director and President, JBtoB CO., LTD.)

Akiko Okushima enhances the supervisory function of Lintec's Board of Directors by drawing on her broad expertise in marketing, as well as the knowledge and experience she has acquired through serving as president for many years at a company in a different industry.

**Director/  
Audit & Supervisory Committee Member**  
Satoshi Ohoka  
(Lecturer, Chuo University Graduate School of Commerce;  
Outside Director, Ryobi Limited)

Satoshi Ohoka enhances the auditing and supervisory functions of Lintec's Board of Directors by drawing on his experience in policy-based financial institutions, his rich international experience, his specialized academic experience, and the knowledge and experience he has acquired as an outside director in other industries.

**Director/  
Audit & Supervisory Committee Member**  
Kanako Osawa  
(Lawyer at Kajitani Law Offices)

Kanako Osawa enhances the auditing and supervisory functions of Lintec's Board of Directors by drawing on her advanced legal knowledge, broad insights, and knowledge and experience acquired in corporate legal affairs in and outside Japan.

(As of July 1, 2020)

### No. of Board of Directors meetings

● No. of meetings.....	14
● Attendance of directors (%).....	100
Attendance of outside directors (%) .....	100

### No. of Audit & Supervisory Committee meetings

● No. of meetings.....	13
● Attendance of committee members (%).....	100
Attendance of outside committee members (%).....	100

### Total amount of executive compensation

Executive category	Total compensation (million yen)	Total compensation by category (million yen)			No. of officers covered (persons)
		Basic compensation	Restricted stocks	Bonus	
Director (excl. Audit & Supervisory Committee member) (excl. outside director)	361	266	33	62	10
Director (Audit & Supervisory Committee member) (excl. outside director)	19	19	—	—	1
Outside director	21	21	—	—	6

(As of March 31, 2020)

\*3 For BCP, see page 19.

\*4 ISO 22301: An international standard for BCMS that a corporation or organization should follow in establishing and effectively operating a system to prepare for earthquake, fire, trouble in the IT system, financial crisis, bankruptcy of supplier, pandemic, or other natural disaster or accident

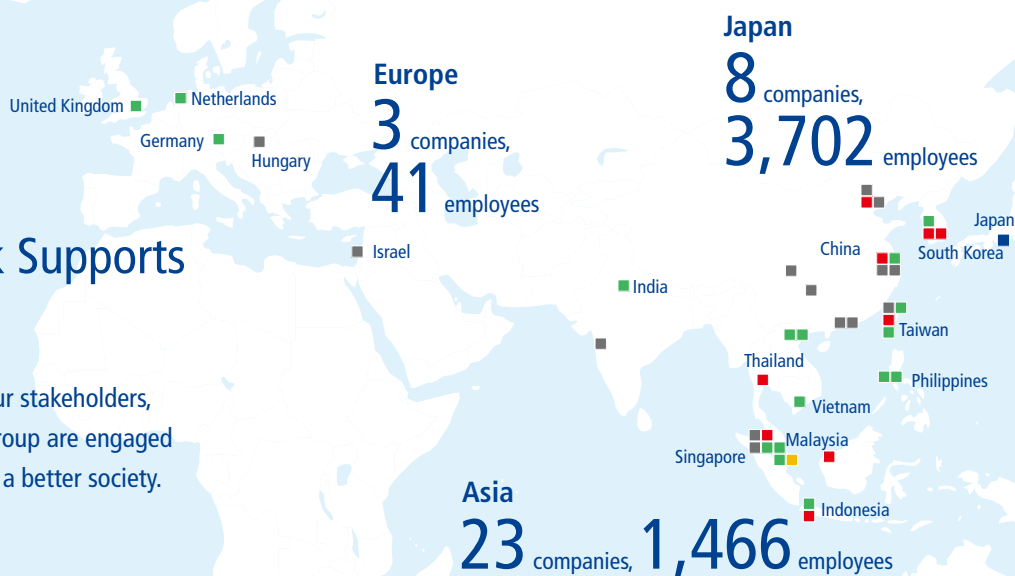
\*5 Printec, Inc.: A Lintec Group company in Japan



# Overview of the Lintec Group

## Global Network Supports Our Activities

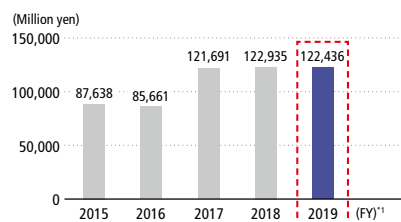
In response to the views of our stakeholders, all employees of the Lintec Group are engaged in CSR activities to help build a better society.



### Printing- and industry-related segment

We provide products to which various functions are added to suit the purpose or usage environment, including: adhesive papers and films for labels on household goods, food products and home electronics, tapes for fixing parts of mobile devices, adhesive products for automobiles, industrial barcode printers, labeling machines for automatic labeling, window films for buildings and automobiles, materials for outdoor signage and advertisements, marking films for decorating car bodies, and interior decorative sheets.

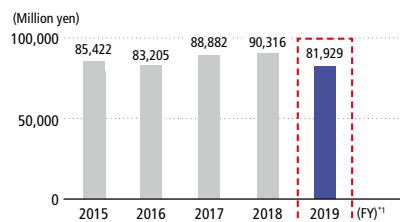
#### Sales



### Electronic- and optical-related segment

We provide products that leverage our unique R&D and technologies, including special tapes for semiconductor chip manufacturing and mounting processes, devices to make the best of these tapes' properties, release films indispensable for laminated ceramic capacitor manufacturing, LED-related adhesive products, and touch screen-related products. We play a part in expanding the IoT<sup>\*2</sup> society by providing materials for manufacturing processes used in producing smartphone and other electronic devices and highly functional tapes required for flash memory production.

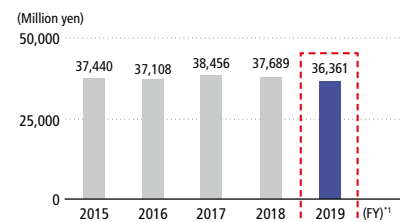
#### Sales



### Paper- and processing-related segment

Taking advantage of paper-making technologies, we provide a wide variety of products, including: color envelop paper and color paper in a wide array of colors, function paper including greaseproof paper and dust-free paper for food packaging, high-quality printing paper, and release paper and release film for protecting adhesive coated surfaces, as well as casting paper used when manufacturing synthetic leather and carbon fiber composite materials. Recently, we have developed highly water-repellent yet printable craft paper, which is used for envelopes, wrapping and book printing. We continue to improve our products according to market needs.

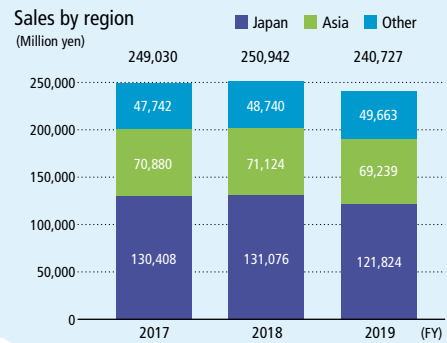
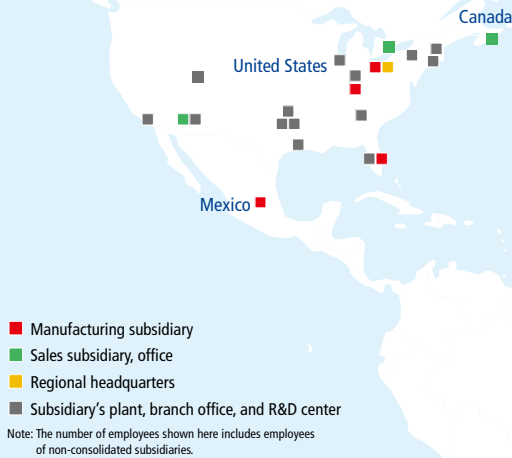
#### Sales



\*1 See page 03 for a note on the fiscal year of consolidated subsidiaries.

\*2 IoT: IoT stands for Internet of Things, which collectively refers to a wide variety of "things," such as buildings, appliances, automobiles and medical equipment, connected to the Internet for the purpose of exchanging information.

North America  
8 companies, 738 employees



## Four core technologies

Working with four core technologies (technologies for adhesive applications, for surface improvement, for system development, and for specialty papers and release materials production), the Lintec Group develops differentiated and highly distinctive products by integrating the technologies at a high level.

### Adhesive applications

By developing adhesives and various base materials, as well as through their composite technologies, we apply the basic functions of adhesive products (attaching and releasing) to a broader range of areas.

### Surface improvement

Through chemical and physical treatment on the surface of paper and film, we improve their performance and add new functions.

### System development

In addition to system development for machines and devices, we propose advanced solutions through the establishment of sophisticated systems that take advantage of the properties of materials.

### Specialty papers and release materials production

By leveraging our unique papermaking technologies and technologies for coating, impregnation, and pasting, we develop paper with special functions beyond those of conventional paper as well as high value-added materials.

## Corporate Profile (as of March 31, 2020)

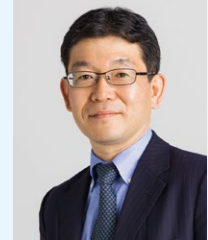
<b>Company name</b>	LINTEC Corporation	<b>Sites</b>	Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto Production sites: Agatsuma (Gunma Prefecture), Kumagaya, Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno, Shingu (Hyogo Prefecture), Mishima, Doi, Niihama (Ehime Prefecture), and Komatsushima (Tokushima Prefecture) R&D facility: Research Center (Saitama Prefecture)
<b>Head office</b>	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan	<b>Business activities</b>	Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, 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 (labeling machines, semiconductor-related equipment, etc.)
<b>Website</b>	www.lintec-global.com/	<b>Sales (fiscal 2019)</b>	Consolidated: 240.7 billion yen Non-consolidated: 159.8 billion yen
<b>Established</b>	October 1934	<b>Operating income (fiscal 2019)</b>	Consolidated: 15.4 billion yen Non-consolidated: 9.0 billion yen
<b>Capital</b>	23.2 billion yen		
<b>Stock listing</b>	Tokyo Stock Exchange, First Section (Securities Code: 7966)		
<b>Fiscal year-end</b>	March 31		
<b>Representative</b>	Makoto Hattori, Representative Director, President, CEO and COO		
<b>Number of employees</b>	Consolidated: 4,948 Non-consolidated: 2,584		

# Third-Party Opinion

At the beginning of the Message from the President, he clearly states that “We will take another step forward by implementing CSR activities based on the company motto, ‘Sincerity and Creativity,’ through concerted efforts of all employees.” As exemplified by this statement, the first impression created by the Lintec CSR Report 2020 is that Lintec takes the attitude of greatly valuing its employees as stakeholders. In fact, in 2018 the company established the SDGs Committee, the meetings of which have functioned as a forum for frank discussion of the future vision of the company among employees with a wide variety of roles gathered together from different departments. The respective Lintec business sites have implemented various CSR activities, displaying characteristics of a global corporate group. This report carefully describes the company’s CSR initiatives, and introduces the voices of diverse employees from a future-oriented perspective in the “My Next Stage” section. In this manner, the report provides a wealth of information on Lintec’s CSR activities focusing on employees. That information plays a role in specifically conveying to readers the important value upheld by the company in the form of the “LINTEC WAY,” and constitutes a major characteristic of this report.

In recent years, ESG investment has gained increasing sway as an investment approach that focuses on non-financial value, such as environmental, social, and governance factors, to identify the long-term potential of businesses. A CSR report is an important source of information also in terms of ESG investment. In particular, after the novel coronavirus pandemic is over, companies are expected to assume more significant roles than before with regard to the social aspect, in other words, as employment bases. In this respect, it can be said that this report has truly great potential. I would therefore like to note what I will be looking forward to in future Lintec CSR reports, from this viewpoint.

The key to linking the value of this report focusing on “human resources” with the logic of ESG investment lies in the creation of “an environment that enables each individual employee to maximize his or her abilities” to generate innovation. This is stressed by President Hattori in his message and in the Dialogue on the SDGs in the Highlight section. I recommend establishing a narrative to underpin the report by considering the following three points. (1) As for your competitiveness, what kind of risks and opportunities will the company encounter due to changes predicted to occur in the external environment in the future? (2) What is the innovation that can translate these risks and opportunities into new growth? (3) In what way



**Keisuke Takegahara**

Executive Officer  
Deputy Chief Research Officer  
Development Bank of Japan Inc.

will the company develop human resources who can bring about innovation by exercising their abilities to the full? I hope that, following the narrative, Lintec will organically integrate its long-term growth strategies and business attitudes that attach importance to “human resources.” In establishing this narrative, it is extremely useful that the company places emphasis on the SDGs. This is because Lintec will be able to achieve its corporate growth while at the same time resolving social issues by making effective use of the SDGs for identifying the forthcoming risks and opportunities, in conjunction with the long-term vision that is under discussion.

In the process of considering this narrative, I advise viewing non-financial factors that have tremendous impact on long-term growth (sustainability of the business model) as “materiality.” In so doing, Lintec can naturally define its materiality that is currently under review. I presume that the company will identify its materiality with the two key phrases—“environmental contribution” through products and services, and “power of human resources”—that are consistently upheld throughout this report. For example, the rapid advancement in digitalization that will characterize the post-coronavirus age will offer great opportunities for electronic and optical technologies of your company, while simultaneously having a tremendous impact on society on the environmental front through improvements in customers’ productivity. I advise Lintec to consider materiality in terms of both the “value” that the company provides society through business, and “human resources” as the foundation for supporting that value. I believe this dual approach will allow the company to define its materiality in a way that represents Lintec’s long-term growth in an easy-to-understand manner.

I hope that Lintec, by harnessing its potential, will evolve its CSR report to convey the company’s strength to a wider range of stakeholders, while capitalizing on the distinctive features created by valuing employees.

## Response to Third-Party Opinion

We are grateful to Mr. Takegahara for his third-party opinion about our 2020 CSR report. This is the first time we have invited his opinion. We are pleased that he rated highly the report’s latent potential in relation to the Lintec Group’s attitudes of valuing employees and the role it plays as an employment base.

In line with his suggestion, we will organically integrate the identification of risks and opportunities based on the SDGs, our corporate growth driven by innovation, and the development and effective use of human resources, into a single narrative, thereby facilitating the resolution of social issues and the company’s growth.

As for materiality, I believe that our company should implement the SDGs-related initiatives as part of daily operations as a matter of course. We will identify key initiatives that will lead to our long-term growth, from the perspectives

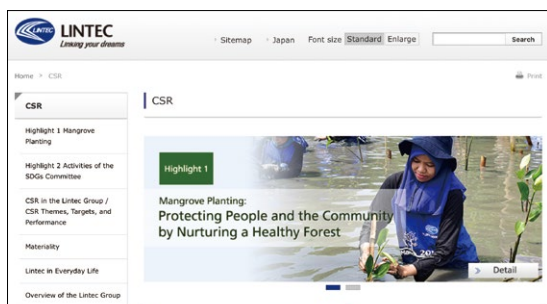
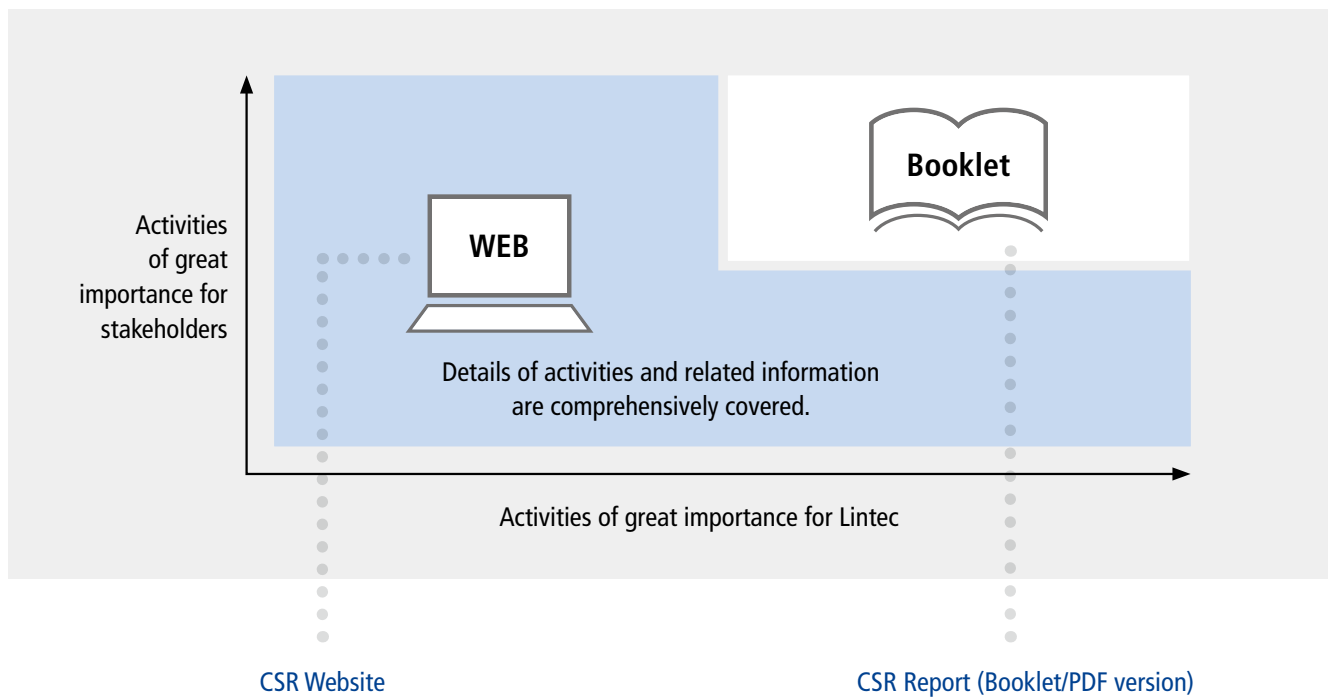
of both “providing value” that is instrumental in resolving social issues and “developing human resources” that serve as the foundation for the growth.

We will take seriously the opinion received and promote CSR management based on the company motto of “Sincerity and Creativity” together with all employees. We aim to be a company that contributes to addressing global challenges through manufacturing with a sense of mission, and to developing a sustainable society.

**Makoto Hattori**

Representative Director, President, CEO and COO  
LINTEC Corporation

# Main Channels for CSR Information

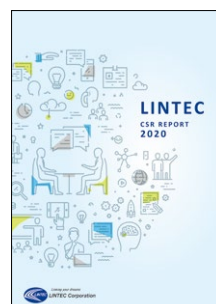


More detailed information on the CSR activities of the Lintec Group is available.

Scheduled for update in October 2020 (The previous update was in October 2019)

[Japanese] [www.lintec.co.jp/csr](http://www.lintec.co.jp/csr)

[English] [www.lintec-global.com/csr](http://www.lintec-global.com/csr)



Fiscal 2019 version

The booklet describes information on the CSR activities of the Lintec Group in a simple manner.

In the PDF format, a full version is created in English. An abridged version is created in Korean, Chinese (traditional), Chinese (simplified), Malay, Indonesian, and Thai.

## Editor's Postscript

The Message from the President states that the social responsibility to be fulfilled by the Lintec Group is to contribute to resolving social issues based on the company motto, "Sincerity and Creativity."

The Highlight section features a dialogue on activities of the SDGs Committee initiated in 2018. In the dialogue, it is pointed out that incorporating the SDGs into corporate management leads to activities to generate innovation required for the sustainable growth of the Lintec Group.

The Value Chain section features the VOICE column, which introduces our activities from the viewpoint of the SDGs in the respective fields of raw material procurement, research and development, and production.

In preparing this report, this year we gained more support than usual, and it is thanks to this generous support that we were able to publish the report successfully. For our Group to achieve sustainable growth together with society, all employees are thinking about their activities and seeking to independently implement them in an integrated manner.