



Linking your dreams
LINTEC Corporation



LINTEC

CSR REPORT
2021



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.

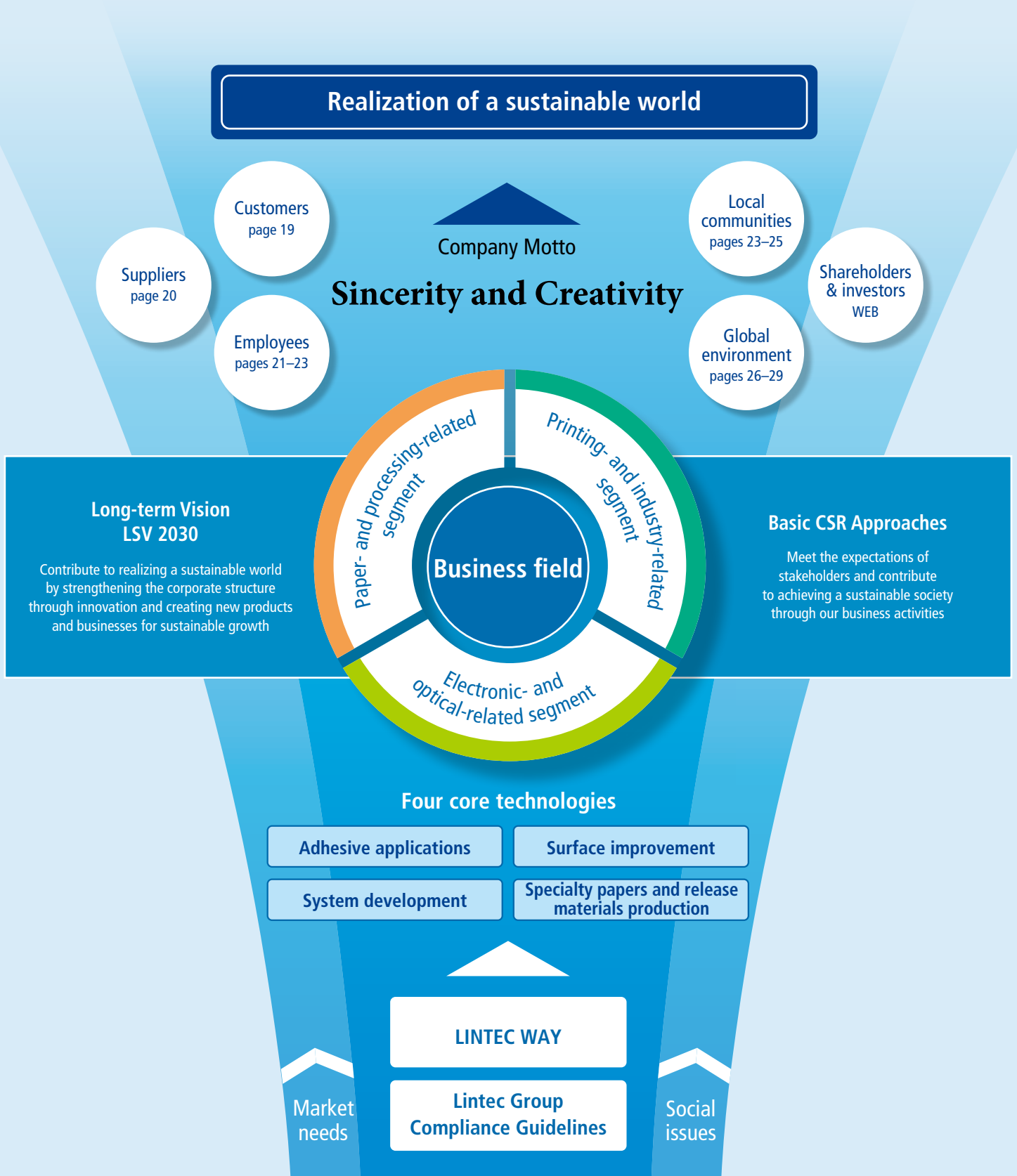
Five Rules of Creativity

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.

Under the LINTEC SUSTAINABILITY VISION 2030 (Abbreviation: LSV 2030), which spans the period through to the fiscal year ending March 31, 2030, the Lintec Group will contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth.



Index and Editorial Policy

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Message from the President

Where do we want to be in 2030?

We will nimbly adopt and adapt a diverse range of ideas that will drive us forward in contributing to realizing a sustainable world.

This section presents a message from President and CEO Makoto Hattori to stakeholders explaining the Lintec's Group's initiatives to achieve the long-term vision.



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Highlight

The SDGs Committee

Group-wide SDGs Activities to Solve Social Issues

Activities of the SDGs Committee and its West Japan Subcommittee, established to promote unified group-wide SDGs^{*1}-related activities, are featured in this section.



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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 2020. It also features the long-term vision and the medium-term business plan implemented from fiscal 2021. The Highlight section presents the outcomes of the activities of the SDGs Committee and the expansion of the scope of the committee’s activities. This report publishes certain information that is important for both stakeholders^{*2} and the Lintec Group. For more detailed information, please visit our CSR website.

Publication Date

Previous publication: August 2020
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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 35.

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



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Reporting Period

This report covers the period from April 1, 2020, to March 31, 2021 (fiscal 2020). It also includes some information up through July 31, 2021 concerning specific initiatives.

Environmental data for 15 group companies outside Japan covers the period from January 1 to December 31, 2020.

Organizations Covered

Social Report Governance 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*1, and Research Center) and Tokyo Lintec Kako, Inc.

Lintec and 15 group companies outside Japan: Sites listed above and 15 overseas group companies*2

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

*1 10 production sites: Agatsuma, Kumagaya, Ina, Chiba, Tatsuno, Shingu, Komatsushima, Mishima, Doi, and Niihama

*2 15 overseas group companies (overseas production sites): 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.



Where do we want to be in 2030?

We will nimbly adopt and adapt a diverse range of ideas that will drive us forward in contributing to realizing a sustainable world.

A handwritten signature in black ink, reading "Makoto Hattori".

Makoto Hattori

Representative Director, President, CEO and COO
LINTEC Corporation

Reaffirming the importance of the company motto of "Sincerity and Creativity"

More than a year has passed since I took office as President and CEO in April 2020, right after which we experienced rapid changes both at home and at work due to the unexpected spread of COVID-19. The Lintec Group has responded to the changes in the environment carefully and promptly, and taken various measures.

Despite restrictions imposed due to the COVID-19 pandemic, employees of the Group made every effort, with sincerity, to achieve a stable supply of products so that we could fulfill our responsibilities to society and the market. Creativity was also essential in manufacturing products that ensure the satisfaction

of constantly changing market needs and societal expectations. The unprecedented situation reminded me of how firmly rooted the company motto of "Sincerity and Creativity" is within the group, as well as the importance of its spirit.

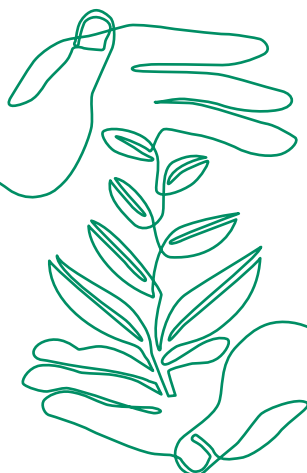
I sincerely hope that the vaccine rollout and other countermeasures will contain the spread of COVID-19 as soon as possible. Meanwhile, we need to think about rapid social changes that may happen in the future for reasons other than a pandemic, such as the increased frequency of abnormal weather events across the globe. I believe that it is important to think about various situations we have never experienced and be prepared to respond flexibly to any contingency.

Gaining a foothold for the start of the long-term vision

We positioned fiscal 2020 as a period to formulate and prepare for the start of a long-term vision toward 2030, and drove forward initiatives under a single-year business plan. While the performance of semiconductor and electronic component-related products remained robust, the overall demand declined due to the impact of the COVID-19 pandemic, especially in the first half of the fiscal year. Demand in some markets, however, showed signs of recovery from the third quarter onward. We were able to seize these opportunities and boost the business performance. In addition, we launched products related to alternatives to plastic and many other new products with an eye toward future market trends. Despite the difficult business environment, we gained a foothold for the start of the long-term vision from fiscal 2021.

Contributing to realizing a sustainable world through business activities

In formulating the long-term vision, we held discussions on what society will be like in 2030 and what the Lintec Group should do to solve some of the mounting social issues. As a result of reviewing how we should be positioned as a company, we started working on the achievement of the LINTEC SUSTAINABILITY VISION 2030 (Abbreviation: LSV 2030). Our policy is to formulate and implement a medium-term business plan every three years to serve as a milestone, using the backcasting^{*1} method to create the plan. Along with the long-term vision, we launched a new medium-term business plan covering the three years from April 2021 to March 2024.



The basic policy for the long-term vision is to contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth, and three key initiatives have been set out.

The first key initiative is to solve social issues. Areas covered by the initiative include climate change, which requires urgent global attention, and other environmental issues (Environment); social impacts that affect the lives of all people including our business partners, residents of our local communities, and our employees and their families (Social); and corporate governance that enables us to make optimal decisions promptly as a corporate group and increases the transparency of our corporate management (Governance).

In particular, we will work to solve environmental issues by helping to shape a carbon-free world. Our goal in this respect is to reduce CO₂ emissions by 50% or more by 2030 compared to FY2013 level and achieve net zero by 2050. Specific measures we are taking to achieve the goal include installing solar power generators and cogeneration systems^{*2} at each production site and utilizing green power generated from renewable sources. In addition, we will proactively work on the decarbonization of the entire value chain.

To help shape a recycling-oriented world, we will also expand our recyclable, biomass, and biodegradable product lines, as well as establish recycling systems for release papers

^{*1} Backcasting: A method to consider what to do today by setting a future status that can be a goal and thinking backwards to the present

^{*2} Cogeneration system: A system to efficiently generate two types of energy, such as electricity and heat, from one energy source, such as gas



Long-term Vision

LINTEC SUSTAINABILITY VISION 2030 (Abbreviation: LSV 2030)

■ Basic Policy

Contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth

1 Solve social issues

(1) Environment

- Help to shape a carbon-free world
 - Reduce CO₂ emissions (reduce by 50% or more by 2030 compared to FY2013)
- Contribute to achieving a recycling-oriented world
 - Expand recyclable products (build release paper recycling system, etc.)
 - Reduce water consumption and comply with wastewater quality standards
- Compatibility with the PRTR Act
 - Curb release of volatile organic compounds (VOC) into the atmosphere (zero by 2030)
- Contribute to biodiversity conservation

2021

Medium-term Business Plan

"LSV 2030 - Stage 1"

Period: April 2021 to March 2024

and films. Despite the need to overcome a number of major hurdles, I believe that the Group will be able to achieve the shift to environmentally friendly raw materials by leveraging our expertise in making the most of the functionality of materials. In a similar vein, we will continue to proceed with the switch to solvent-less products to depart from the use of organic solvents in coating our products with adhesives and release agents.

The second key initiative is to foster innovation to build a robust corporate structure. To carry on with solving social issues, we must have a robust corporate structure that can stand up to the external environment. One way to establish such a structure is to transform business processes including design, development, manufacturing, and logistics through digital transformation

(DX). Managing and eliminating difficulties and inefficiencies systematically, as opposed to intuitively, not only reduces costs but also reduces burdens on employees, establishes sustainable operations that do not depend on specific employees to carry out tasks, and reduces environmental impacts.

The third key initiative is to create new products and businesses to deliver sustainable growth. In addition to refining the development and manufacturing technologies that we have already nurtured, we will adopt technologies from new areas without being bound by conventional technological frameworks and integrate them with our own technologies, thereby being a corporate group that creates new market value and providing products and services that exceed customer expectations.

(2) Social

- Respect human rights
- Provide proper information disclosure to stakeholders and improve communication
- Promote work-style reforms
- Rigorously enforce quality and customer-first principle

(3) Governance

- Strengthen corporate governance
- Further increase effectiveness of the Board of Directors
- Appropriate information disclosure and ensure transparency
- Constructive dialogue with shareholders and investors

(4) SDGs

Ensure that business activities help to achieve the Sustainable Development Goals (SDGs)

2 Foster innovation to build a robust corporate structure

- (1) Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX)^{*1}
- (2) Install new production equipment through scrap and build with the aim of conserving energy, raising quality, increasing efficiency, and reducing labor
- (3) Strengthen cost competitiveness with innovation in production processes
- (4) Reform the structure of low-growth and unprofitable businesses and soundly manage Group companies
- (5) Maintain a solid financial base and improve capital efficiency

3 Create new products and businesses to deliver sustainable growth

- (1) Create new products and businesses driven by technological innovation
- (2) Expand strategic investment and flexibly conduct mergers and acquisitions (M&A)
- (3) Move aggressively to win a greater presence in the global market
- (4) Establish localization

Financial indicators for the fiscal year ending March 31, 2030

- Operating profit margin **12% or more**
- ROE (Return on Equity) **10% or more**

Medium-term Business Plan
"LSV 2030 - Stage 2"

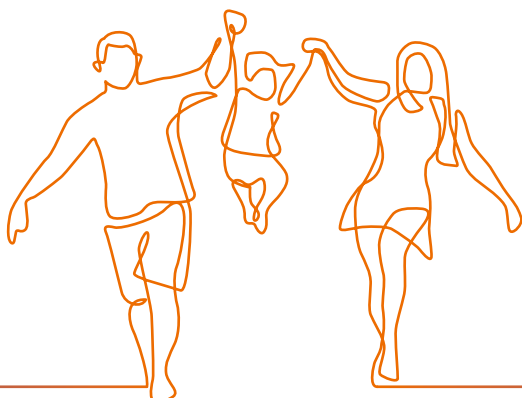
Period: April 2024 to March 2027

Medium-term Business Plan
"LSV 2030 - Stage 3"

Period: April 2027 to March 2030

2030

Changes in the social environment accelerate changes in the kinds of goods that are in demand. To exceed expectations means to detect such changes quickly and develop, suggest, and offer needed goods without delay.



Changing how we think and act based on the long-term vision

The first year of LSV 2030—Stage 1, the first three-year medium-term business plan formulated by backcasting^{*2} from the long-term vision, will be an important period for instilling the concept of the long-term vision within the company and changing how employees think. We need to clearly envisage where we want to be in 2030, approximately 10 years from now, and think about what we should do now and how by backcasting from the future vision. By continuing to broaden our horizons we can generate innovation. It goes without saying that specific targets in the

^{*1} Digital transformation (DX): Means to transform services and business models, as well as business contents and processes, organizations, and corporate culture, and establish a competitive advantage based on customer and social needs by leveraging data and digital technologies so as to adapt to changes in the business environment

^{*2} For backcasting, see page 05.

Medium-term Business Plan “LSV 2030 - Stage 1”

(April 2021 to March 2024)

Main Initiatives for Each Business Segment

Printing- and industry-related segment

Printing & Variable Information Products Operations

- Expand production bases and strengthen sales capabilities overseas, including the United States and Asia
- Generate synergies with the Mactac Group
- Pursue initiatives to coexist harmoniously with the environment and help build a recycling-oriented world
- Strengthen QCD and increase profits

Industrial & Material Operations

- Expand sales of window films and develop high-performance products in Japan and overseas
- Expand sales of automated systems centered on labeling technology
- Launch new automotive products
- Develop wall covering materials by applying digital printing

Electronic- and optical-related segment

Advanced Materials Operations

- Expand market share of semiconductor and electronic component-related products through active investment
- Develop thin-film, high-density, multi-layer products for next-generation device manufacturing processes
- Develop adhesive tape for semiconductor process used in power devices for automobiles and MEMS^{*1}
- Launch carbon nanotube products

Optical Products Operations

- Develop adhesives for next-generation displays
- Develop and expand sales of new Optical Clear Adhesive (OCA) products
- Enter new markets for light diffusion films

Paper- and processing-related segment

Fine & Specialty Paper Products Operations

- Develop and expand sales of new products that promote deplasticization and reduce food loss
- Develop and market new products
- Roll out new applications by strengthening competitiveness of existing products
- Expand sales of special function paper to overseas markets

Converted Products Operations

- Promote solvent-less and polyethylene-free release paper
- Develop and expand sales of casting paper for enamel finish and automotive synthetic leather
- Develop new products and expand market

milestone three-year medium-term business plans should be achieved without fail. Having said that, however, making the achievement of targets the sole focus would make this process no different from conventional methods.

We may face unexpected events in the future, as we are facing the COVID-19 pandemic now. Nevertheless, it is imperative for us to cope with each contingency and keep advancing toward the achievement of the ultimate goal. I expect each employee to think and act proactively while keeping in mind the spirit of our company motto, “Sincerity and Creativity,” and the long-term vision that expresses where we want to be in the future.

Promoting diversity management to take advantage of diverse viewpoints

Developing human resources is extremely important in contributing to the realization of a sustainable world. Needless to say, diversity^{*2} is the future keyword for the Lintec Group’s human resource development. As the globalization of our business domains progresses year by year, we are increasingly in need of employees who can play an active role on a global stage and offer a diversity of viewpoints. We need workforce diversity in terms of both nationality and gender. In addition to recruiting diverse individuals, it is also vital to create a comfortable environment where diversity is embraced.

*1 MEMS: Micro Electronic Mechanical Systems

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

Promoting various policies based on the concept of diversity will be an essential foundation for global management. We will develop a workforce of people who can shoulder responsibilities for the achievement of the long-term vision and exercise leadership to think and take action toward 2030.

Enhanced SDGs-related initiatives remain at the center of management

The Lintec Group places the SDGs at the center of its corporate management and works to contribute to solving social issues through its core business. When we established the SDGs Committee in 2018, I myself served as the officer in charge. Some topics included in the key initiatives of the long-term vision, such as the pursuit of a carbon-free, recycling-oriented world, are themselves SDGs. Initiatives to achieve them should naturally be put into practice through our everyday business activities.

In April 2021, the CSR Management Office under the direct control of the president changed its name to the Sustainability Management Office, and the Sustainability Committee, which is comprised of top management, relevant officers, outside directors, and other members, was established. The SDGs Committee has been positioned under the newly established committee, attracting diverse members as a company-wide organization. In that sense, the SDGs Committee may be a reflection of the kind of diversity we are aiming for. Active discussions that took place beyond the conventional organizational framework have actually given birth to many ideas that can potentially lead to new products and businesses. Instead of being left to specialized divisions, however, product development will need to be

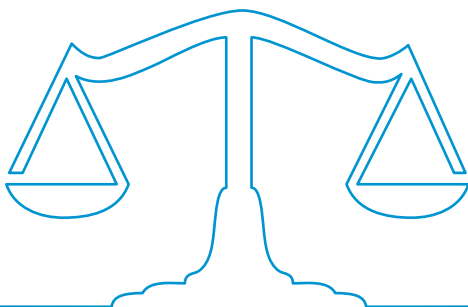
discussed by all employees. I would like to create a culture where employees truly feel that SDGs activities are not an add-on to their main job but the work itself.

In addition, the Lintec Group has identified areas of materiality, with the topics selected from a wide range of ESG themes, that should be the focus of our business activities. We review the extent of the materiality by looking at the impact on business activities throughout the value chain and incorporating social changes and SDGs viewpoints.

All employees to join forces to arrive at where we want to be

Looking back at the past year and few months, I got a strong sense of the high expectations investors have toward the Group. Through our meetings with domestic and overseas institutional investors, I received a large amount of feedback on what we should improve in our business and management. The frank exchanges of opinion resulted in constructive dialogues, which gave me a lot of food for thought. The feedback will be reflected in our management as appropriate, and we will take measures for improvement to ensure that we meet the expectations.

The world will soon enter an era of increasing uncertainty, and the occurrence of unexpected events may become commonplace. The ongoing spread of COVID-19 seems to be representative of such a trend. This means that we will be expected to respond more promptly than ever before and that our corporate stance toward society will be clearly evaluated. The Lintec Group formulated the long-term vision to squarely embrace this major change, contribute to solving a range of social issues, and achieve sustainable growth. All employees will join forces and move forward to ensure that we arrive at where the Group wants to be.





Group-wide SDGs Activities to Solve Social Issues

Based on the company motto “Sincerity and Creativity,” the Lintec Group incorporates the SDGs^{*1} into its management and strives to contribute to solving social issues through its core business. The SDGs Committee and its West Japan Subcommittee are committed to organizing group-wide activities to achieve the SDGs.

Activities in the Past

The SDGs Committee was established in fiscal 2018, with the Aggressive CSR workshops launched in fiscal 2015, the forerunner of the committee. The purpose of the committee is to generate innovation within Lintec by solving social issues through

business activities. For the Lintec Group, innovation is linked to “Creativity” in the company motto, “Sincerity and Creativity.” To make a proposition that is a step ahead of customers, we need to read the future based on social issues and take action.

The SDGs Committee consists of members from a wide range of departments, including research, production, and sales. The members have acquired knowledge on megatrends^{*2} and the SDGs from scratch. Taking inspiration from the SDGs, they came up with new business ideas and new developments for existing businesses in small groups, which were reviewed and refined at the committee level. The members bring back what they learned from these activities to each department, thereby serving as “evangelists” who spread the messaging of the SDGs throughout the company.



Voice of SDGs Committee members

Joining the SDGs Committee gave me opportunities to meet new people from different sites and departments. While I had to work hard to learn about new concepts, such as backcasting^{*3}, I came to understand the effectiveness of the knowledge and methods through the activities.



Eri Yuzaki
Corporate Strategic Office

All activities of the West Japan Subcommittee, from learning to reporting, took place online, and it was my first experience of working like that. Serving as a leader for a period of time under such circumstances took a bit of trial and error, but through this I learned how to collect team members’ views and bring them together.



Nao Iwai
Production Department
Tatsuno Plant

*1 For the SDGs, see page 02.
*2 Megatrends: Global societal trends

*3 For backcasting, see page 05.



Proposal of New Business Ideas by the SDGs Committee



The SDGs Committee has been working on the creation of business models that solve social issues through the core business. The committee was to make a report to top management in March 2020, but the spread of COVID-19 resulted in a change of plans and an online proposal meeting was held in October.

In the meeting, four teams proposed new business models for the company that aimed to solve social issues and ensure profitability at the same time.

To make the proposals, members first learned about the SDGs, sustainable societies, and the backcasting method. Then, each team envisaged the ideal state of the company, taking megatrends into account, and created a business model as a strategy necessary for

the achievement of the ideal state. All teams held discussions with the help of not only a range of supporters inside the company but also external universities, research institutes, businesses, NPOs, and NGOs. They proposed a broad and diverse range of ideas, without being bound by existing businesses and technologies of the Lintec Group.

All ideas proposed by the teams were examined by top management to decide how the ideas should be handled and how to proceed. Many of the ideas proposed have been subject to further discussion and, in addition to the committee, Production Div, the Research & Development Div, and other business divisions have joined the research and discussion.

Activities of the West Japan Subcommittee

The West Japan Subcommittee was established in July 2020, drawing members from the Osaka Branch Office and four plants in West Japan. Eleven members from various departments formed two teams. While unable to get together in person due to the COVID-19 pandemic, they engaged in online activities via a process of trial and error.

The West Japan Subcommittee first acquired basic knowledge, like the SDGs Committee had in the past, and shared the awareness that the SDGs are still not standard in the Lintec Group. Then, all employees kept their eyes open for social issues, and each team held discussions on what we should do to link the SDGs to our actions. In March 2021, they made proposals for company-wide SDGs-

related activities to the officer in charge and their own supervisors.

One of the teams included in their proposal four steps for company-wide SDGs-related activities, namely "understand the SDGs," "learn about Lintec," "promote interaction between different business sites," and "connect with stakeholders," and laid out 10 actions to take for each step. The actions expected not only the input of knowledge by each employee but also behavioral changes through output.

The other team proposed a points-based system that would generate broader interest in the SDGs and social issues and encourage people to take action. Ideas that would lead to various activities were offered in the hope of making the SDGs standard throughout the company.

When the members reflected on the activities of the West Japan Subcommittee, their feedback included comments on the realization that they were learning something new and starting to take ownership of the issue, indicating that the members themselves went through a transformation.



The Lintec Group formulated its long-term vision, LINTEC SUSTAINABILITY VISION 2030, toward the target year of 2030 for achieving the SDGs. The key initiatives include contributing to the achievement of the SDGs through business activities. The entire Group, including overseas group companies, will continue to take action.

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 reviewed the related themes in light of ever changing social issues, and through a series of dialogues with stakeholders.

Points of view based on the long-term LINTEC SUSTAINABILITY VISION 2030 implemented from April 2021, as well as on the SDGs, are incorporated in the new issues of materiality for the Group. In the future, we also plan to set key performance indicators (KPIs)**.

The Lintec Group will especially focus on material themes identified again and promote relevant activities.

Process of reviewing materiality

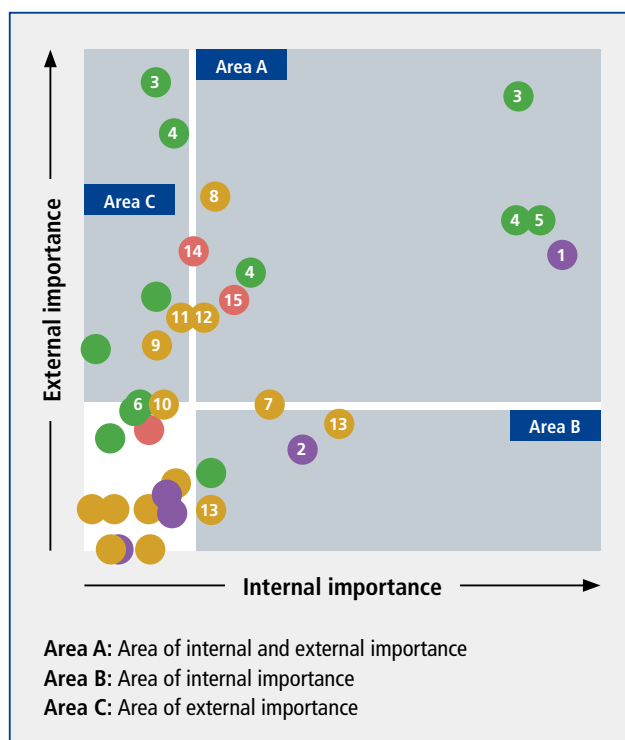


Materiality Map

Multiple departments were involved in the materiality review. Focusing on the value chain, they looked at changing societal trends, as well as global business activities and business strategies of the Lintec Group.

In identifying internal importance (STEP 3), we weighted the themes not only based on the vision and each department's strategies but also at the discretion of top management, including the chairman and the president. The themes were then mapped in relation to external importance (STEP 4). The identification of material subjects and issues was finalized after obtaining approval from the Board of Directors.

Going forward, we will develop KPIs for the issues that are material for us, engage in relevant activities, and evaluate our activities over time. We will also examine the validity and review the extent of the materiality itself on a periodic basis.



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

**2 ESG: ESG collectively refers to the following three elements: environmental, social, and governance. These three elements are considered to be important for the long-term growth of a company.


Material Issues

Overall business

Contribution through business


Map 1

Strengthening of corporate structure through innovation



Map 2

Creation of new products and businesses for sustainable growth



The environment

Contribution to a sustainable global environment

Map 3

Response to climate change



Map 4

Realization of a recycling-oriented world



Map 5

Sustainable procurement of raw materials



Map 6

Preservation of biodiversity



Society

Respect for human rights

Map 7

Human rights due diligence



Map 8

Ensuring occupational health and safety



Map 9

Promotion of diversity



Map 10

Promotion of work style reform initiatives



Enhanced value chain management

Map 11

Comprehensive customer-first approach



Map 12

Improvement in terms of quality, cost, and customer satisfaction



Better communication with stakeholders

Map 13

Harmonious co-existence with local communities




Governance

Promotion of governance across the entire Group


Map 14

Organizational governance



Map 15

Fair business activities



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.

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

Distribution

Society expects distribution systems to reduce the environmental impacts and improve the productivity of the entire distribution industry. Focusing on the three pillars of promoting modal shift^{*1}, improving loading efficiency, and optimizing transportation routes, we will continue to collaborate with distributors and production sites and aim for a distribution system that is friendly to the global and social environment.



Takeshi Kageyama
Production Administration Department

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 102 major suppliers **94.1%**

Aggressive R&D to meet customer expectations
R&D cost **7.6** billion yen

*1 Modal shift: An initiative to reduce CO₂ emissions by changing the mode of transport for passenger or cargo transportation from truck to railway or ship, allowing mass transport

VOICE

Sales/Use

In selling products, we receive requests for quality- and environment-related investigations from customers. In the case of accidents or natural disasters, we receive a lot of inquiries about the supply of products. We aim to exceed customers' expectations by promptly communicating customer requests that the sales side receives to relevant divisions and improving and speeding up the flow of product information.



Makoto Inoue
Adhesive Products Group
Lintec Singapore Private Limited

Social issues related to business



VOICE

Disposal/Recycling

The Tatsuno Plant classifies waste (into 46 types of waste and 18 types of returnables) under the slogan of "garbage if mixed, resources if separated." Visualizing the amount of waste seems to have raised employees' awareness around waste reduction. We will continue to promote classification, taking into account the trends of waste reduction in society as a whole.



Yuji Nakayasu
Maintenance Department
Tatsuno 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.

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

13.38 million yen

Reduction of CO₂ emissions from distribution compared to FY2019

4.9 %

Increase in energy consumption per production unit

About **0.5** %

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

63 %

Final landfill disposal rate

0.5 %

CSR in the Lintec

Many stakeholders support the business of the Lintec Group. 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.

To materialize the key initiatives of the LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), the long-term vision covering the period from April 2021, we established a system to promote initiatives related to ESG^{*1} and the SDGs^{*2} and reviewed the Group's issues of materiality. Going forward, we will set KPIs^{*3} for the material issues and engage in strategic sustainability promotion activities by implementing the PDCA cycle.

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 (Guidance on social responsibility).

United Nations Global Compact

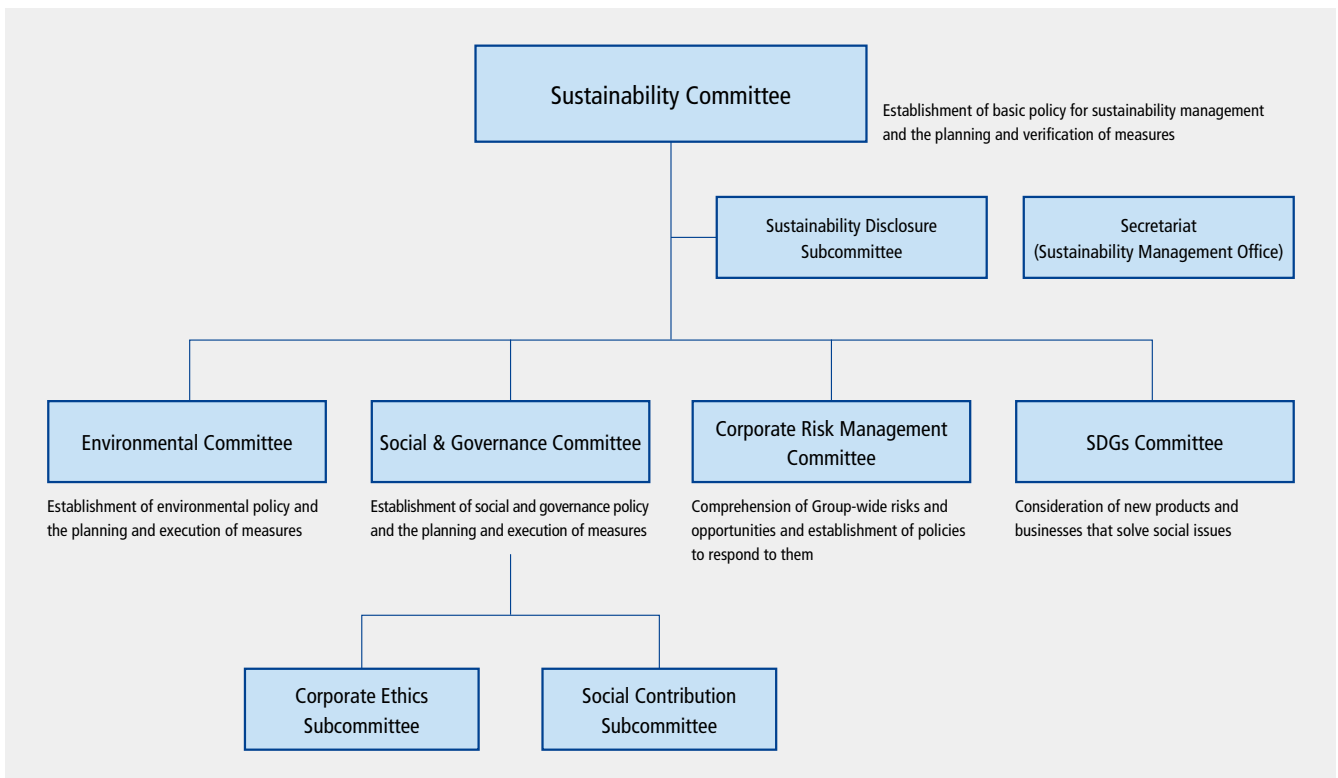
Having participated in the United Nations Global Compact since April 2011, the Lintec Group conducts business activities based on the following Ten Principles to contribute to the sustainable growth of society.

- **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.

Sustainability Promotion System

In April 2021, we established a new sustainability promotion system. Simultaneously, the CSR Management Office under the direct control of the president changed its name to the Sustainability Management Office. In addition, the Sustainability Committee was established, and relevant committees were reorganized into committees and subcommittees that promote ESG, the SDGs, etc.

■ Sustainability Promotion System



*1 For ESG, see page 12.

*2 For the SDGs, see page 02.

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

Non-Financial and Financial Highlights

Social (non-consolidated)

Response rate of CSR procurement supplier survey **94.1%**



Approx. 500 suppliers of raw materials

Human Resources

Percentage of paid leave taken (non-consolidated)

61.7%



Number of participants in company-wide training programs*4 (non-consolidated/total)*

1,341 persons (total)

Total training hours 6,269.5 hours*

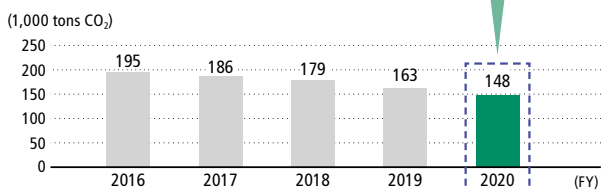


Environmental

CO₂ emissions

Organizations covered: Lintec Corporation (Head Office, 10 production sites*7, and Research Center) and Tokyo Lintec Kako, Inc.

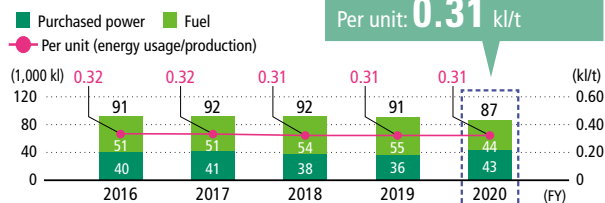
148 thousand tons CO₂



Total energy use (crude oil equivalent)

Organizations covered: Lintec Group in Japan*8

Total usage: **87 thousand kl**
Per unit: **0.31 kl/t**

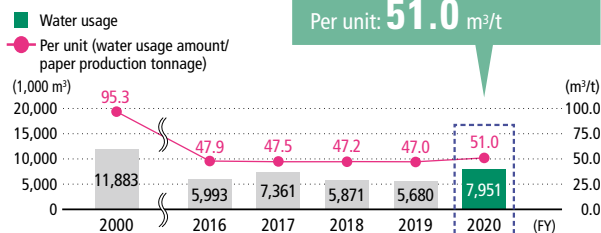


Note: Fuel means gasoline, light oil, kerosene, Bunker-A oil, liquid natural gas (LNG), liquid petroleum gas (LPG), and utility gas.

Water usage

Organizations covered: Kumagaya and Mishima Plants

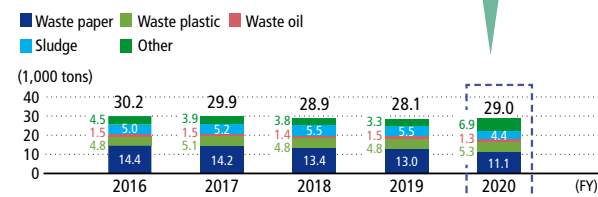
Usage: **7,951 thousand m³**
Per unit: **51.0 m³/t**



Waste generated

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

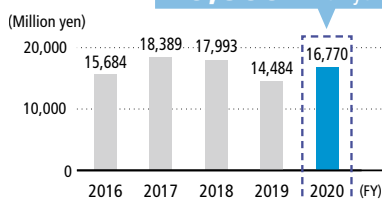
Total amount generated: **29.0 thousand tons**



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

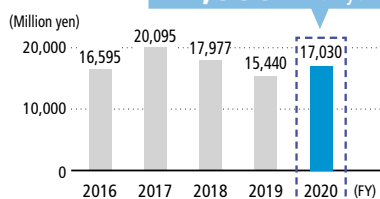
Ordinary income

16,800 million yen

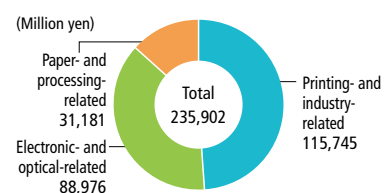


Operating income

17,000 million yen



Sales by segment (Fiscal 2020)



*4 Rank-based training programs⁵ and theme-based training programs⁶ are collectively called company-wide training programs.

*5 Regarding the rank-based programs, the program for new hires took place as at-home learning due to the COVID-19 pandemic. In the calculation of total training hours, the number of training hours for the program was deemed as equivalent to that of the conventional program.

*6 Regarding the theme-based programs, data on harassment training include those of domestic group companies.

*7 For 10 production sites, see page 03.

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

Measures against COVID-19



Due to the global spread of COVID-19, the business environment is changing in unprecedented ways.

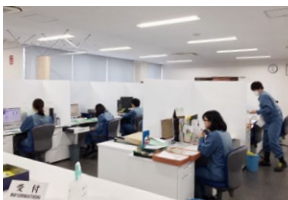
The Lintec Group has established the Lintec Group Basic Guidelines for the Prevention of COVID-19 Infection and taken measures to both protect the health and life of each employee and fulfill our corporate mission of maintaining product supply. In accordance with the state of the spread of infection in each area, we have strengthened measures taken at the workplace and implemented flexible working arrangements. In fiscal 2020, a total of 54 notices were issued to employees in Japan (Lintec and its group companies).

Measures Taken at the Workplace

■ Improvement of the Office, IT, and Communication Environments

Lintec has taken various measures and devised various methods to ensure the safety of its employees.

To improve the office environment, we installed partitions at each seat and in meeting spaces to block the transmission of droplets. Other measures to avoid the three Cs (closed spaces, crowded places, and close-contact settings) were also taken, such as setting capacity limits at 20 to 50% (depending on the state of the spread of infection) and setting up satellite offices at business sites and company housing for single employees near Tokyo. Some business sites introduced contactless facial recognition thermometers, simple CO₂ measurement devices to check the state of ventilation, and UV sterilization devices that remove viruses and germs from the air.



Partitions to block the transmission of droplets



UV sterilization device



Contactless facial recognition thermometer

We took various measures to improve the IT and communication environments as well to make the transition to remote working smooth and safe for our employees. Specific measures include shifting to mobile PCs, introducing online communication tools, improving Internet connections, and streamlining internal procedures (going paperless).

■ Measures Being Taken at the Workplace

Meetings and training programs are held via online communication tools to prevent crowding in small rooms. When meeting in person is unavoidable, we take comprehensive precautionary measures

including using large rooms to ensure social distancing and banning attendance by anyone with even the mildest of symptoms. Company events have been cancelled or postponed, depending on the state of the spread of infection in the local area. In addition, alcohol sanitizers are installed at the entrance of each workplace and business site and at other appropriate locations, and we ask visitors for cooperation with hand sanitizing, gargling, and handwashing.

Raising Awareness of Personal Preventive Measures

Each employee is a member of a local community before they are an employee of the company. The Lintec Group thus calls on its employees to take preventive measures in both their private and public lives.

For instance, we encourage our employees to make sure that they wash their hands, gargle, observe proper cough etiquette, and wear masks in crowded places; ensure social distancing; and boost their immune systems through proper diet and adequate rest.

Working Arrangements

Remote working has rapidly become commonplace in response to the COVID-19 pandemic. Lintec positions remote working not as a temporary response but as a way to improve labor productivity, with an eye to establishing a new work style.

With an intention to keep using the system, we revised the work regulations and established Remote Working Rules. Specifically, the following changes have been made.

- Introduced a remote working allowance
- Reviewed the criteria for the payment of commuter pass fares for employees working remotely
- Introduced a flextime system with no core hours

Going forward, we will aim to refine the system, responding promptly and flexibly to new developments in these rapidly changing times. Issues we will need to work on include: what measures to take for employees for whom remote working is not an option, issues around working overly long hours and mental health care for remote workers, the improvement of managers' labor management skills, and the introduction of paid leave that can be taken by the hour.

Providing Value to Customers

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

Lintec Providing Value to Customers Search

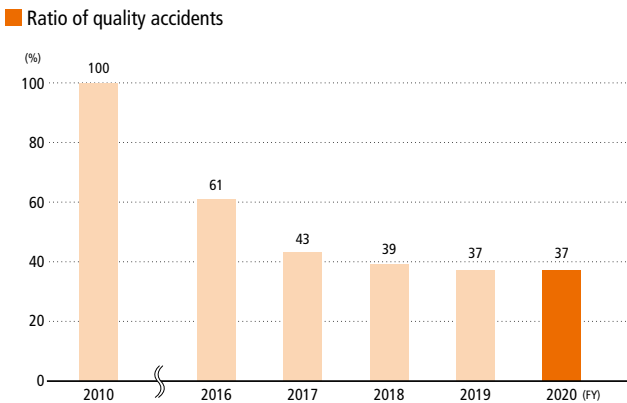


Lintec Group's Approach

"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.

Quality Assurance System

The Lintec Group has established a quality assurance system based on ISO 9001.^{*1} In Japan, we have integrated the quality assurance systems of six divisions into a group-wide QMS. In fiscal 2020, Tokyo Lintec Kako, Inc. was included in the QMS of the Printing & Variable Information Products Operations for enhanced collaboration. As for overseas group companies, the quality assurance system has been set up and put into operation at 12 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%.

Quality Accident Prevention and Education

The Lintec Group considers it important to implement the QMS effectively so as to maintain and improve the quality of products and services and prevent quality-related accidents. To deepen the entire Group's understanding of the ISO 9001 standard, the Head Office organizes ISO education every year based on the annual training plan. Fiscal 2020, however, saw the spread of COVID-19, which made it impossible to organize the training program as usual. For the next fiscal year, we are developing new training methods, as well as learning materials that are easy to understand for those who are learning about QMS for the first time. By continuing with such activities, we aim to provide more reliable products for customers and improve our services.

Assessment of Health and Safety Impacts

The Lintec Group selects appropriate raw materials in compliance with standards and guidelines based on the RoHS Directive^{*2}, the Industrial Safety and Health Act, and other regulations, and takes careful measures to prevent contamination during manufacturing processes. In fiscal 2020, 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. We respond individually to inquiries about technical data, product specifications, Safety Data Sheets (SDSs), and investigations into chemical substances contained in our products.

One-stop Development

The Research & Development Div. promotes "one-stop development," which considers the mass production process simultaneously with product design. Products commercialized in fiscal 2020 include the PLALESS series, a new brand of plastic alternatives.

My Next Stage

To acquire statistical knowledge for quality control, we plan to implement an internal education program for all employees in fiscal 2021. I intend to keep working on quality improvement with an open mind in order to learn and embrace new ideas.



Kim Nam-Hee
Quality Assurance Department
Lintec Korea, Inc.

*1 ISO 9001: The international standard for quality management systems (QMS)

*2 RoHS Directive: Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment issued by the EU

Cooperating with Suppliers

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

Lintec Cooperating with Suppliers Search



Lintec Group's Approach

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.

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 2020, we asked suppliers to respond to our survey based on the REACH Regulation^{*1} (21st and 22nd candidate lists) and chemSHERPA^{*2} (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 2020, we asked 102 companies, which we selected out of roughly 500 domestic material suppliers based on the transaction amount and from the BCP^{*3} perspective, to complete a questionnaire, and 96 of them did so. The survey covered CSR-related items, including legal compliance, prohibition of child labor, and safe/healthy working environments. 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"> Financial status
Management/Labor	<ul style="list-style-type: none"> Legal compliance/Corporate ethics Labor (Respect for human rights, working hours, wages, etc.) BCP Information security
Service	<ul style="list-style-type: none"> Cost Deadline Information provision (Information on products, technology, industry, etc.)
Quality	<ul style="list-style-type: none"> Third-party certification (ISO 9001, etc.) Management system (Suppliers, raw materials, manufacturing processes, products, etc.)
Environment	<ul style="list-style-type: none"> Third-party certification (ISO 14001, etc.) Chemical substance management system

Conflict Minerals^{*4}

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.

*1 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.

*2 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.

Safety and Disaster Prevention

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



Lintec Safety and Disaster Prevention Search

Lintec Group's Approach

The Lintec Group continues to operate the Occupational Safety and Health Policy, which it established based on ISO 45001.^{*5} 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.

Occupational Safety and Health Policy

In 2018, the Lintec Group established the Lintec Occupational Safety and Health Policy and revised the Lintec Occupational Safety and Health Manual in conformity with the ISO 45001 standard.

Our plants formulate annual safety and health plans and engage in relevant activities. We have established an occupational safety and health management system, and the Safety and Health Committee and the Health Committee hold meetings every month. In addition, employees of eight domestic plants, the Research & Development Div., and Tokyo Lintec Kako, Inc., as well as employees of partner companies who are permanently stationed at these business sites, are subject to internal audits.

In 2020, we set out our program for "Creating a Culture of Safety and Health," a systematic overview of Lintec's safety and health activities. We promote safety and health activities based on the Four Lintec Safety Principles.

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^{*6}, 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

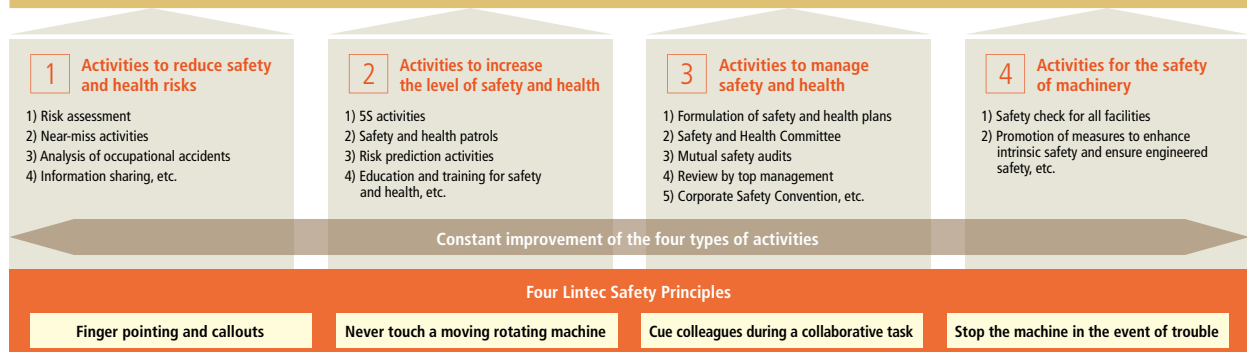
Every month, the Lintec Group plants in and outside Japan hold Safety and Health Committee meetings, while the Head Office, Iidabashi Office (currently Bunkyo Kasuga Office), Osaka Branch Office, and other business sites having sales departments convene Health Committee meetings. Each of these meetings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

Matters concerning overall safety and health, including statutory matters, are discussed by the committees, and we make it a rule to seek employee input. Regarding the outcomes of the committee meetings, the head of each site has the responsibility and authority to make the final decision. After Safety and Health Committee 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.

Creating a Culture of Safety and Health at Lintec

Culture of safety and health 1) Safety is the top priority. 2) Everyone shares the same level of awareness toward safety. 3) Create a culture where everyone can follow the rules easily.

Goals of safety and health activities 1) Prevent occupational accidents (safety) 2) Provide a safe and healthy workplace (security) 3) Stay accident-free



*3 BCP: 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.

*4 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.

*5 ISO 45001: International standard for occupational health and safety management systems

*6 Risk assessment: Evaluating risks to set safety standards

Human Rights and Diversity

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



Lintec Human Rights Search

Lintec Group's Approach

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^{*1} 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.

Increasing Career Development Opportunities for Female Employees

Following the action plan 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 2020 stood at 40.4%.

We have also set a numerical target for the number of female managers/supervisors, namely, to increase the percentage by 10% from the fiscal 2018 level. Fiscal 2020 saw an increase by 27%, indicating steady progress.

In addition, we hold interviews with young female employees hired at the Head Office on an ongoing basis (in their fourth and seventh year) to support their career development.

Use of programs*

Program	FY2018	FY2019	FY2020
Family care leave program (persons)	1	0	1
Family care time off (persons)	3	2	3
Accumulated time off (persons) [◆]	89	92	71
Childbirth leave (persons)	19	20	14
Leave for spouse giving birth (persons) [◆]	57	51	56
Childcare leave (persons)	39	41	34
(Male employees)	2	3	3
Percentage of childcare leave taken (%)	24.1	21.6	15.8
(Male employees)	3.1	4.4	3.0
Return to work after taking time off for childcare leave (%)	100	100	93.3
Child nursing care time off program (persons) [◆]	9	13	7
Shorter hours/flex time (persons)	45	57	62
Paid social contribution time off (persons) [◆]	38	22	12
Percentage of paid leave taken (%)	65.2	66.5	61.7
Average number of days of paid leave taken	12.2	12.4	11.8

[◆] indicates a leave system that can be used for the purpose of childcare
Organization covered: LINTEC Corporation

Number of employees by gender: LINTEC Corporation



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



(Outside Japan: as of December 31, 2020; In Japan: as of March 31, 2021)

My Next Stage

After a stint at the General Affairs & Legal Department, I worked on recruitment, training, and diversity promotion at the Human Resources Department. Since returning to work from childcare leave, I have been working on remuneration and social insurance. Drawing on my own experience, I would like to contribute to the creation of programs and a workplace that are satisfying and employee-friendly.



Noriko Nakamura
Human Resources Department

*1 For diversity, see page 08.

*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, we have revised the work regulations and

discussed and implemented multifaceted initiatives to create a comfortable workplace.

Mental Health Measures

The Lintec Group has introduced a precautionary Employee Assistance Program (EAP)^{*3} 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 2020, the checkup was offered across group companies in Japan to a total of 3,729 employees, 91.2% 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.

Community Participation

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



Lintec Group’s Approach

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.

Global Activities

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

My Next Stage

To support children living in a children’s home in Kaohsiung, we asked our employees for donations, and used the money to purchase gift vouchers that can be used at large supermarkets. In addition, we made a donation to a foundation that supports the children.



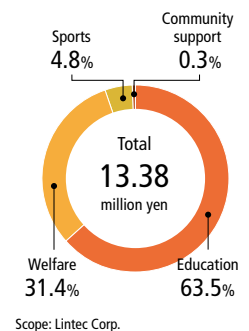
Pao-Ya Ke
Lintec Advanced Technologies (Taiwan), Inc.

To help tackle COVID-19, Madico, Inc. provided masks, clean room suits and boots, sanitizers, etc. to medical institutions in Florida. The company also developed a mass production system for face shields that use its film materials.

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

Breakdown of Community Support Expenses (FY2020)

In fiscal 2020, expenses for educational support accounted for over half of the total expenses. We also provided support for welfare and sports.



*3 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

Global CSR Report

Each of our group companies outside Japan is promoting community-based CSR activities to fulfill our responsibility as a global company. Due to the COVID-19 pandemic, restrictions were imposed on various activities in fiscal 2020, resulting in cancellations of some events. This section features activities that were able to take place.

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

Lintec CSR activities at group companies outside Japan



Environmental Activities

LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION



Zhengwu Wang
Printing Department

- Location: Tianjin, China
- Number of employees: 97
- Main business activities: manufacture and sale of printing- and industry-related products

As part of our initiatives to achieve waste (hazardous waste) reduction, which is the environmental target set based on the ISO 14001 standard, we started to use new waste rags from the second half of 2020 for three printing machines. The change reduced the amount of hazardous waste treated after ink cleaning, as well as the amount of actual waste rags used.



Old and new waste rags
(Left: old waste rags, Right: new waste rags)



Social Activities

LINTEC KOREA, INC.



Shin Ji Eun
Manufacturing Department

- Location: Cheongju-si, Chungcheongbuk-do, Korea
- Number of employees: 111
- Main business activities: manufacture and sale of electronic- and optical-related products

Our company has a volunteer organization called the Onmaum Association. We engage in volunteer activities every year and in fiscal 2020 we made donations with no face-to-face contact in light of the spread of COVID-19. Donations collected from our employees were delivered to a residential care facility for the severely disabled and a childcare facility.



Letter of appreciation from the childcare facility



Social Activities

PT. LINTEC INDONESIA



Ernawan Setyanto
Purchasing Department

- Location: Bogor, Indonesia
- Number of employees: 127
- Main business activities: manufacture and sale of printing- and industry-related products

In May 2020, we made a donation to 32 orphans who live near our plant. We would normally invite the orphans to the plant, but in fiscal 2020 employees who live in the neighborhood visited each orphan individually to deliver the donation in order to avoid the three Cs during the COVID-19 pandemic.



Delivering the donation to an orphan at her house



Environmental Activities

LINTEC (SUZHOU) TECH CORPORATION



Fang Ying
Materials Department

- Location: Suzhou, Jiangsu, China
- Number of employees: 170
- Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products

In March 2021, we participated in a local tree-planting initiative. More than 20 companies and about 500 people participated in the initiative and planted 600 trees spanning a range of varieties. About 50 people (employees and their families, etc.) participated from our company and planted 20 cherry trees near Zhongfeng Temple at Tianping Mountain, Gaoxinqu.



Planting cherry trees



Social Activities

LINTEC SPECIALITY FILMS (TAIWAN), INC.



Wen-Chieh Cheng
Environment & Safety Office

- Location: Tainan, Taiwan
- Number of employees: 89
- Main business activities: manufacture and sale of electronic- and optical-related products

To ensure that we can follow the BCP, we conducted tabletop exercises in June 2020 and March 2021, assuming that COVID-19 was reported at our company. Solutions to the issues found in the first exercise were reviewed in the second exercise. We will continue to increase our response capabilities through exercises.



The second tabletop exercise



Social Activities

LINTEC SPECIALITY FILMS (KOREA), INC.



Ji-Hun Lim
Planning Management Department

- Location: Pyeongtaek-si, Gyeonggi-do, South Korea
- Number of employees: 127
- Main business activities: manufacture and sale of electronic- and optical-related products

Our employee benefits include coffee machines that can be used for a small fee. We add company funding to the revenue earned from the machines and spend the money on CSR activities. In fiscal 2020, we donated the revenue to Doctors Without Borders, which engages in medical relief work, to tackle COVID-19.



Letter of appreciation from Doctors Without Borders



Social Activities

PT. LINTEC JAKARTA



Sitha Damayanti
General Affairs and Human Resources

- Location: Jakarta, Indonesia
- Number of employees: 14
- Main business activities: sale of printing- and industry-related products

Since the COVID-19 outbreak started, we have been making sure that employees understand and observe three principles: wearing masks, washing hands, and social distancing. We also put up posters showing measures to prevent infection and created a group chat that provides updates on the latest COVID-19 information.



Group chat (distributed flyers about vaccination and other information regarding COVID-19)



Social Activities

LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

- Location: Penang, Malaysia
- Number of employees: 102
- Main business activities: manufacture and sale of electronic- and optical-related products



Ainunisa Binti Su
Human Resources

In August 2020, we held a seminar on the revised Lintec Group Compliance Guidelines for all employees. Thorough measures to prevent the spread of infection were taken, such as wearing masks and leaving space between seats. All participants passed the test after the seminar.



Attending the seminar



Social Activities

LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

- Location: Sarawak, Malaysia
- Number of employees: 24
- Main business activities: manufacture and sale of electronic- and optical-related products



James Rigas
Maintenance Technician

Most of our company's CSR activities took place outdoors until fiscal 2020, when we cancelled outdoor activities due to the COVID-19 pandemic and made donations instead. In November 2020, we donated 6,000 masks, 44 cans of disinfectant, and three contactless thermometers to a school attended by children of our employees.



Donated goods



Environmental Activities

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

- Location: Kaohsiung, Taiwan
- Number of employees: 87
- Main business activities: manufacture and sale of electronic- and optical-related products



Chen-Jung Liao
Quality Assurance Department

In July 2020, employees of our company and their families, etc. enjoyed an aquaponics experience at a farm in Kaohsiung. Aquaponics, which integrates the raising of fish with the growing of vegetables, is a form of circular agriculture. By picking greenhouse vegetables, feeding chickens, and collecting eggs, the participants got to experience the cycle of nature.



Picking vegetables in the greenhouse



Social Activities

LINTEC (THAILAND) CO., LTD.

- Location: Chachoengsao, Thailand
- Number of employees: 189
- Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products



Kanokwan Lomchan
HR & Admin

In February 2021, we took a company trip to Khao Yai in Nakhon Si Thammarat Province, a popular tourist site in Thailand. During the trip, we visited an institution that supports disadvantaged children. Working as volunteers, we made and served lunch for the children.



Children enjoying the meal prepared by our employees



Environmental Activities

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

- Location: Texas, U.S.A.
- Number of employees: 28
- Main business activities: research and development



Luis Plata
Mechanical Engineer

We take various measures to be friendly to local communities and the global environment. Specifically, we cut energy consumption by installing LED light bulbs with timers, promote recycling by separating cardboard and plastic materials, and properly dispose of waste in cooperation with the local government.



Separating cardboard and plastic materials



Social Activities

MADICO, INC.

- Location: Florida, U.S.A.
- Number of employees: 196
- Main business activities: manufacture and sale of printing- and industry-related products



Aya Killgo
CSR Committee

In 2020, we donated food to the Florida Dream Center for the Thanksgiving holiday in late November. We also donated toys and hygiene products to the Lealman Police Athletic League, which supports low-income families.



Donated goods



Social Activities

VDI, LLC

- Location: Kentucky, U.S.A.
- Number of employees: 39
- 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 2020, we helped by inspecting food donated from local grocery stores and putting together packages, although due to the COVID-19 pandemic only three of our employees were able to participate.



CSR team that took part in the support activity



Social Activities

MACTAC AMERICAS, LLC

- Location: Ohio, U.S.A.
- Number of employees: 441
- Main business activities: manufacture and sale of printing- and industry-related products



Brittany Eppley
Corporate Marketing Communications Manager

As part of a children's hospital's "Adopt A Family" program, we participated in gift giving to help children in palliative care and their families enjoy Christmas. We donated clothes, toys, and household goods to families in eight areas.



Donated goods

Climate Change Mitigation and Adaptation

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

Lintec Climate change mitigation and adaptation



Lintec Group's Approach

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.

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^{*1} and CO₂ 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 2020 we underwent a renewal audit and received a certificate of approval (issue 14). We have been promoting information sharing among 12 domestic sites and 10 overseas sites covered by the integrated certification. We also underwent third-party verification regarding electric power consumption, production water usage, CO₂ emissions, waste discharge, and VOC emissions. 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. To reduce marine plastic waste, LINTEC Corporation has also been a member of CLOMA^{*2} and is making efforts as a corporate citizen to propose and promote environmentally friendly products.

Efforts to Address Climate Change

In fiscal 2020, total energy use (crude oil equivalent, covered by the Energy Conservation Act) for the Lintec Group in Japan^{*3} decreased from the previous year due to a decrease in production volume. Meanwhile, energy use per unit of production increased to 0.312 kl per ton. CO₂ emissions were 148 thousand tons, down from 163 thousand tons in fiscal 2019. In fiscal 2021, Lintec aims to reduce its CO₂ emissions and electricity consumption by 1.0% each on a per-unit-of-production basis compared to fiscal 2020 by 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^{*4} at all stages from product design to disposal.

Medium-Term Targets (2020 to 2022) and Results

Scope: Lintec Corp.

Item	Target	FY2020 results (year-on-year reduction)
CO ₂ emissions	1% reduction from the previous year (per unit of production)	4.9% Achieved
Electric power consumption	1% reduction from the previous year (per unit of production)	0.6% Not achieved
Production water usage	1% reduction from the previous year (per unit of production) (Paper production at the Kumagaya and Mishima plants)	8.5% increase Not achieved
Waste discharge	0.1% reduction from the previous year	3.3% increase Not achieved

In fiscal 2020, CO₂ emissions and electric power consumption decreased due to a reduction in production volume caused by the spread of COVID-19. Efficiency also declined slightly. 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. We aim to reduce waste discharge by making improvements to increase the yield rate and ensuring comprehensive classification. In addition, we aim to improve the final disposal rate through the effective use of waste.

My Next Stage

We have been working on energy-saving activities, such as efficient operation of production facilities, recovery of exhaust heat, and improvement of the air-conditioning system, and have actively introduced renewable energy. We will continue to address environmental issues from the perspectives of climate change, circulative resources, and co-existence with nature.



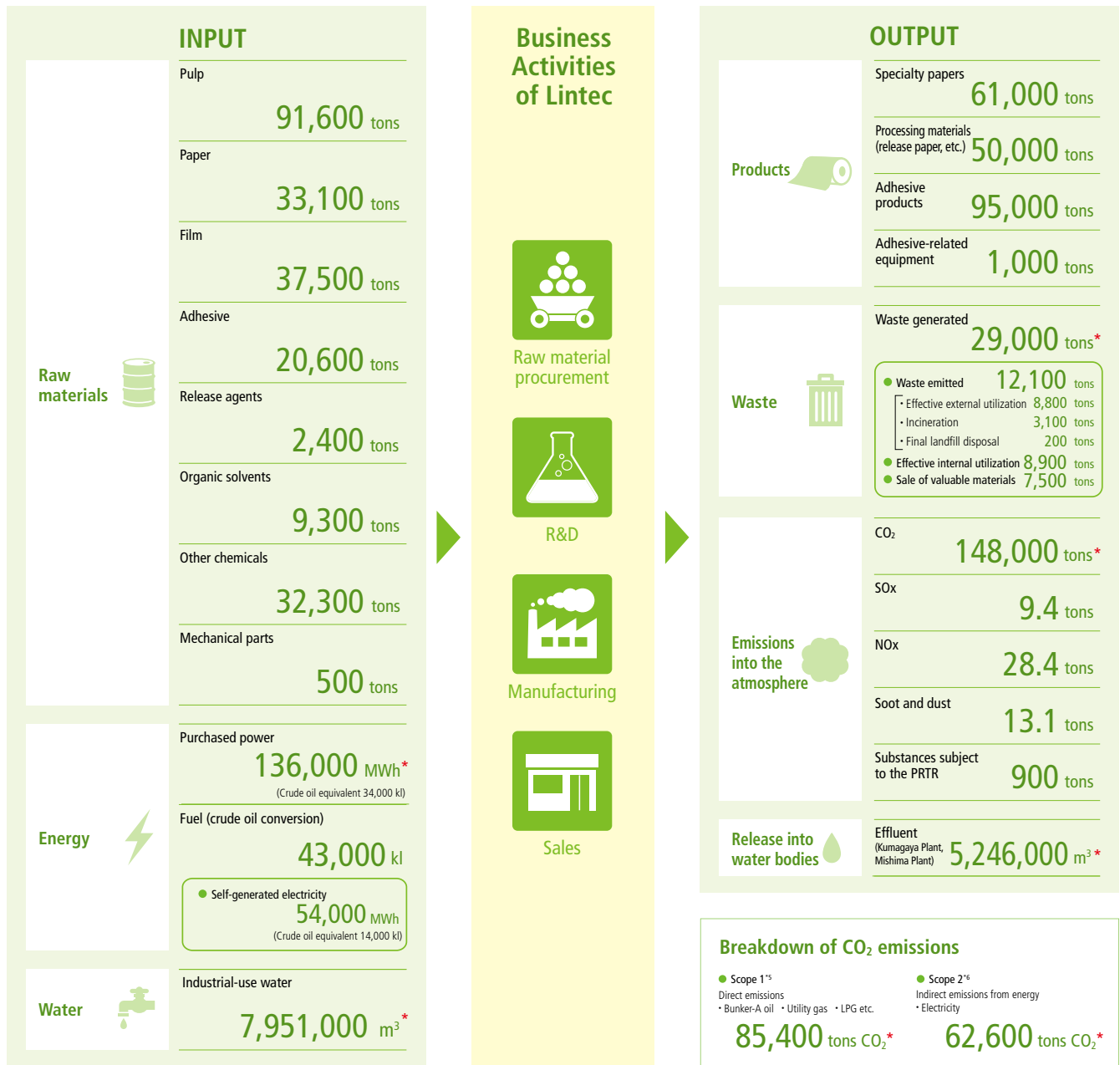
Tsuyoshi Kariya
Environmental & Safety Department

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

*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 17.

*4 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 CO₂ and hazardous chemical substances emitted throughout a product's lifecycle



As figures with * are information collected based on the Energy Conservation Act, they have undergone third-party verification by SGS Japan, Inc.

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. In fiscal 2020, 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. Due to the progress in energy saving, some business sites that have been designated as "specified business locations" may be reclassified to a different designation category or removed from the designation.

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-kilometers⁷ annually. As a Designated Shipper, Lintec submits an annual report to the government in accordance with this Act. In fiscal 2020, the volume of transportation decreased by 5.3% (5,007 thousand ton-kilometers) from the previous year, and CO₂ emissions also decreased by 4.9% (505 t-CO₂). Energy use per unit of transportation increased by about 0.5%. We will continue to improve our distribution system and transportation loading efficiency, with the goal of reducing environmental impacts.

*5 Scope 1: Direct CO₂ 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

*6 Scope 2: CO₂ or other greenhouse gas emissions generated by other companies in the production of energy, such as electricity and steam, purchased by the reporting company

*7 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



Lintec Group's Approach

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.

Reducing Water Usage and Effluent

In fiscal 2020, Lintec used 7,591 thousand m³ of water. Of this amount, about 88% was used by the Kumagaya and Mishima plants, which are Lintec's Fine & Paper Products Operations. Water usage per unit of paper production was 51.04 m³/t. Lintec was unable to achieve the target of a 1.0% reduction on a year-on-year basis. Water usage per unit of production increased due to the necessity of using water in washing for paper change, although a decrease in quantity for each product reduced the production volume. The target in fiscal 2021 is a 1.0% reduction per unit of production from the previous year. 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	FY2020 (1,000 m ³)
Total water usage (calculated by source)	7,951
● Tap water	531
● Industrial water	3,660
● Groundwater	3,760
Effluent	6,163

My Next Stage

The Kumagaya Plant has been working on the collection and recycling of cooling water used for machinery, as well as on the proper management of water for the washing process. As a result, water usage per unit of production in fiscal 2020 decreased by 11.5% from the fiscal 2013 level. Going forward, we will work with relevant departments for further water saving.



Hidetomo Inoue
Fine & Specialty Paper
Production Department
Kumagaya Plant

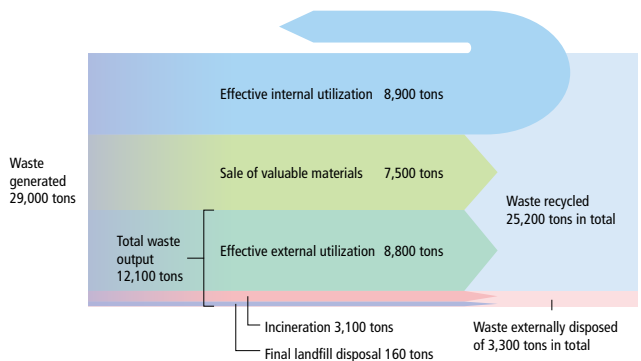
Efforts for Zero Emissions^{*1}

In fiscal 2020, the amount of waste generated, including manufacturing loss, at Lintec was 29,000 tons. The total waste output was 12,100 tons. Of this waste output, 8,800 tons were recycled by outside recycling companies and the remaining 3,100 tons were properly disposed of by waste disposal companies.

The final landfill disposal rate^{*2} for fiscal 2020 was 0.54%, achieving the target final landfill disposal rate of 1.0% or less. Lintec's target from fiscal 2020 to fiscal 2021 is a 0.1% reduction in the amount of waste generated, on a year-on-year basis.

Flow of waste (FY2020)

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



Waste generated

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



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

*2 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



Lintec Group's Approach

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.

Compliance with PRTR*3

In fiscal 2020, Lintec reported the use of toluene, xylene, and other substances designated under the PRTR, and the total quantity of these PRTR chemicals was 6,692 tons. Toluene accounted for approximately 99%, the largest portion of the total amount, standing at 6,614 tons, down 1,038 tons from the previous year due to a decrease in the production volume. Emissions of toluene into the atmosphere were 399 tons, down 65 tons from the previous year, and the transferred amount was 496 tons, down 133 tons from the year before. While the overall amounts of use and emissions fell due to the decrease in production volume, the transferred amount (amount of effluent) increased, presumably because the number of washes increased due to the smaller quantity for each product. Lintec has installed treatment facilities to remove atmospheric emissions of organic solvents. Its plants are not permitted to manufacture products without operating these treatment facilities. In fiscal 2020, 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 substances subject to environmental impact examinations, 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. Under the REACH Regulation*4, additional substances have been included in the Candidate List of substances of very high concern (SVHCs), on which information must be communicated. As a result of the 24th update, there are now a total of 211 SVHCs on the REACH Candidate List.

Meanwhile, the RoHS Directive*5 was revised to expand the scope of its application. In the revised RoHS Directive, four phthalate esters were specified as restricted substances, in addition to the six substances whose use had already been regulated. The four new substance restrictions were brought into effect in July 2019. Lintec is working on switching over to raw materials containing no phthalate esters to ensure that its products are friendly to the environment.

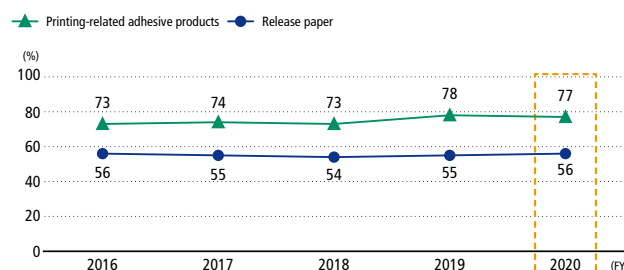
Reducing VOC*6

Lintec is reducing VOC. 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 2020, the percentage of solvent-free release paper (production basis) was 56%. The percentage of solvent-free printing-related adhesive products (sales basis) was 77%. 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

To maintain the performance of exhaust gas treatment facilities, we measure the VOC level twice a year and use continuous monitoring devices. In the manufacturing process, we work to reduce the concentration of gas by cutting the use of diluent solvents. We thus implement the PDCA cycle from every angle to reduce VOC.



Kanji Omoto

Assistant to the Plant Manager
Shingu Plant

*3 PRTR: The PRTR (Pollutant Release and Transfer Register) 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.

*4 For REACH Regulation, see page 20.

*5 For the RoHS Directive, see page 19.

*6 For VOC, see page 26.

Practicing Sincerity

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

Lintec Governance Search



Lintec Group's Approach

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.

Corporate Governance Framework (as of June 21, 2021)

For organizational design^{*1}, Lintec has chosen to be a company with an audit and supervisory committee,^{*2} 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 12 directors, three of whom are members of the Audit and Supervisory Committee. Also, Lintec has five outside directors (three men and two women), including four independent outside directors (two men and two women). Of these four, 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 independent outside directors, a representative director, and a legal advisor 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, as well as makes general recommendations on corporate governance. Of the 12 directors, two are in their 70s, five are in their 60s, and the other five are in their 50s.

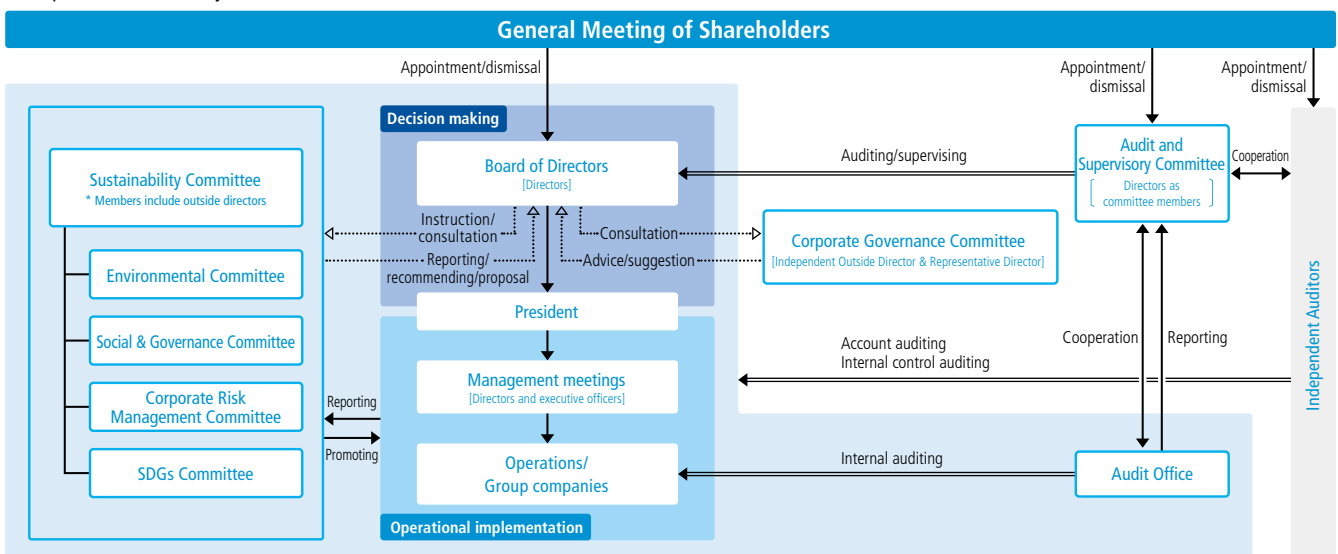
Furthermore, the company has established a sustainability promotion system and the new Sustainability Committee. Committees related to ESG and the SDGs have been reorganized, and subcommittees have been established.

Compliance with the Corporate Governance Code^{*3}

Lintec complies with 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.

Corporate Governance System



*1 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

*2 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

*3 Corporate Governance Code: A compilation of key principles in the form of a code that listed companies in Japan are expected to comply with to enhance corporate governance

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.

We revamped and strengthened our sustainability promotion system in April 2021, and redefined the purpose of the committee as “to comprehend business risks and opportunities, establish policies to respond to them, and implement and verify the policies within the corporate structure.” Agenda items brought up by each member and information based on annual risk clarification by managers, etc. constitute the main components of the input to the committee. The activities of the committee have conventionally been reported to the Board of Directors every quarter to share information and receive instructions. In collaboration with other committees, we will continue to 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 2020, we held two sessions, one on the theme of “Business Turnaround and Roles of Lawyers” in July 2020, and the other on “Trends on Key Audit Matters (KAM)” in January 2021. As for training for employees, we implement legal training for salespersons (four online sessions took place in fiscal 2020) geared to mid-level employees in charge of sales. We are also incorporating legal seminars 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 timely information related to legal affairs to employees of the Lintec Group. These training programs and information disseminated include anti-corruption regulations in other countries, as well as cases of violation. We thus 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 2020

Publication month	No.	Title
May 2020	34	Legal issues in business transactions amid the COVID-19 pandemic
July 2020	35	Beware of efforts to compromise business e-mail accounts!
September 2020	36	Legal risks of committing slander or disseminating fake news (disinformation) on social media
November 2020	37	Remote working, a new normal work style
January 2021	38	Not someone else’s problem!—Export control and other regulatory frameworks on international business transactions
March 2021	39	Summary of news between April 2020 and March 2021

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. In addition, Lintec’s harassment counseling desk has been in operation to improve working environments.

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 2021*, 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*4

LINTEC Corporation, Tokyo Lintec Kako, Inc., and Lintec Speciality Films (Taiwan), Inc. have developed a BCP*5 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*6: 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 addition, we have an e-learning program for performing a self-audit of information security to promote understanding and raise awareness among employees concerning information management. We also provide comprehensive education that includes things to note when using social media in a personal capacity.

*4 BCMS: 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.

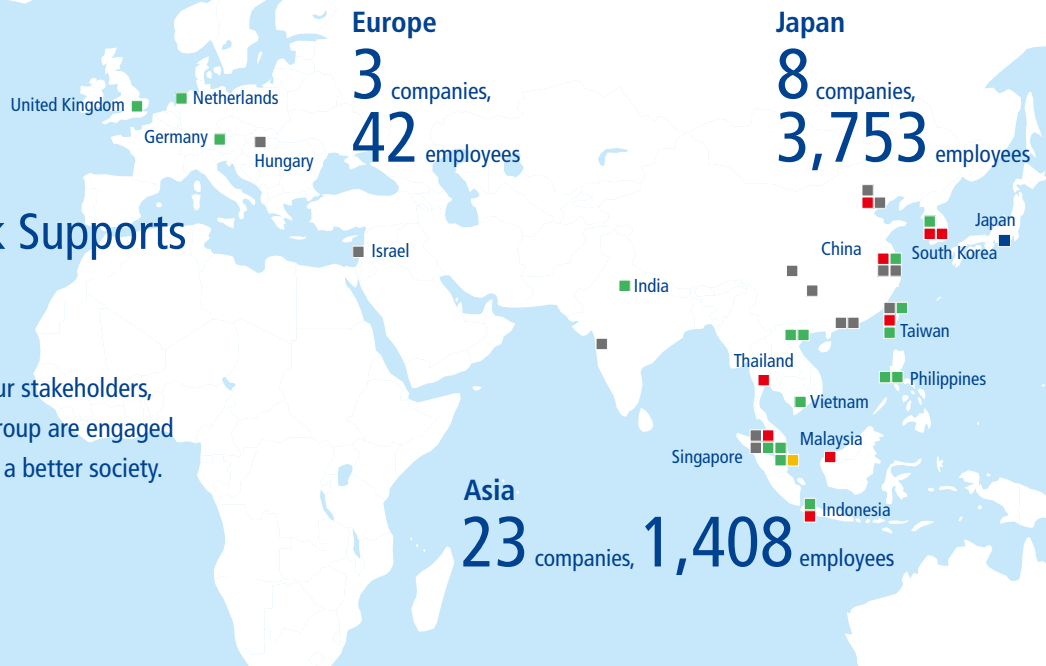
*5 For BCP, see page 21.

*6 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

Overview of the Lintec Group

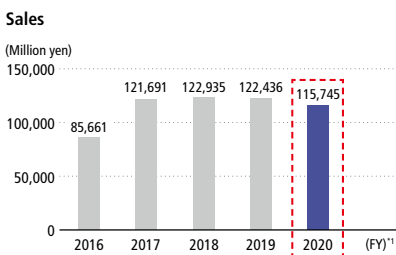
Global Network Supports Our Activities

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.



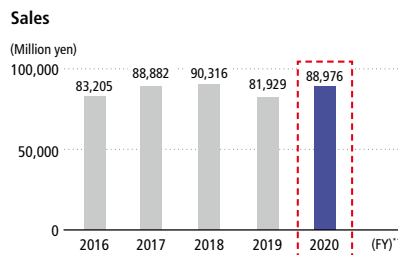
Printing- and industry-related segment

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.



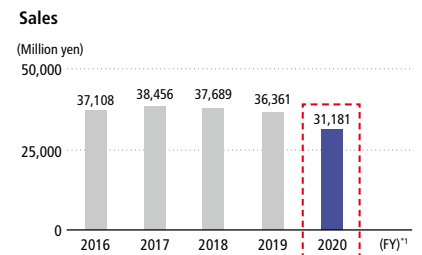
Electronic- and optical-related segment

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 IoT² society by providing materials for manufacturing processes used in producing smartphone and other electronic devices and highly functional tapes required for flash memory production.



Paper- and processing-related segment

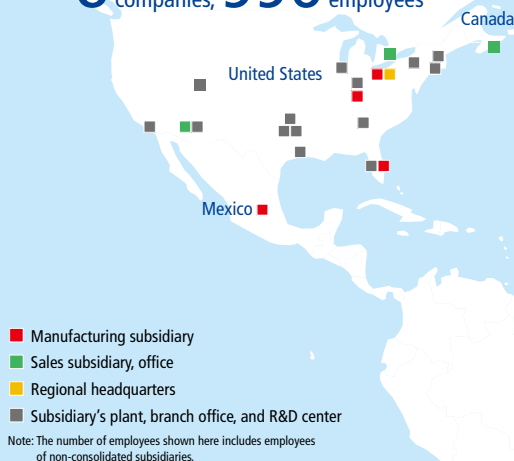
Taking advantage of paper-making technologies, we provide a wide variety of products, including: color envelop paper and color paper in a wide array of colors, function paper including greaseproof paper and dust-free paper for food packaging, high-quality printing paper, and release paper and release 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.



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

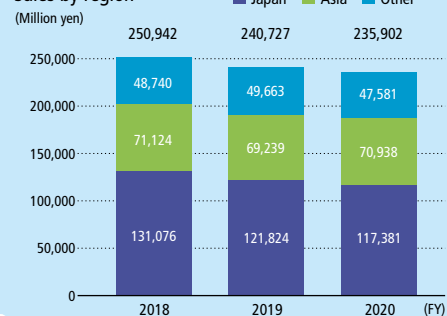
*2 IoT: IoT stands for Internet of Things, which collectively refers to a wide variety of "things," such as buildings, appliances, automobiles and medical equipment, connected to the Internet for the purpose of exchanging information.

North America
8 companies, 996 employees



Note: The number of employees shown here includes employees of non-consolidated subsidiaries.

Sales by region



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, 2021)

Company name	LINTEC Corporation	Sites	Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto
Head office	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan		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)
Website	www.lintec-global.com/		R&D facility: Research Center (Saitama Prefecture)
Established	October 1934	Business activities	Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, 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.)
Capital	23.3 billion yen		
Stock listing	Tokyo Stock Exchange, First Section (Securities Code: 7966)	Sales (fiscal 2020)	Consolidated: 235.9 billion yen Non-consolidated: 158.0 billion yen
Fiscal year-end	March 31	Operating income (fiscal 2020)	Consolidated: 17.0 billion yen Non-consolidated: 9.9 billion yen
Representative	Makoto Hattori, Representative Director, President, CEO and COO		
Number of employees	Consolidated: 4,913 Non-consolidated: 2,618		

Third-Party Opinion

There have been rapid changes in international trends in the disclosure of corporate non-financial information, as represented by mandatory disclosure based on the TCFD recommendations and standardization of disclosure rules, and we can say with certainty that addressing the changes has become more difficult. The Lintec CSR Report 2021 features new initiatives, such as the long-term vision and revised materiality, to address such changes in the business environment.

Owing to the information added this year, the report covers key elements of disclosure of non-financial information that are attracting attention at the moment. In particular, putting the long-term vision at the center of the report enhanced its overall consistency, which is a significant step forward. The long-term vision has three key initiatives: (1) Solve social issues, (2) Foster innovation to build a robust corporate structure, and (3) Create new products and businesses to deliver sustainable growth. By simultaneously presenting the strategy to grow as the company solves issues and thereby offers value to society and the elements that support the strategy, such as the capability to create innovation and new products and businesses, the vision effectively suggests the sustainability of the long-term business model.

The message from the president elaborates on the long-term vision, including the discussions that took place in the formulation process, and lays out a scenario for value creation in a way that is easy to understand. In addition, the message emphasizes the importance of changing the way each employee thinks and acts. It indicates that the new framework maintains the management style where employees are taken seriously as stakeholders. In particular, the proposal of new business ideas by the SDGs Committee constitutes a system where employees take ownership of sustainability and the entire company is committed to promote SDGs management. The remarkable activities embody the stance of the President, which is to let all employees take part in future manufacturing, instead of leaving it to specialized departments.

The report should be highly regarded for its efforts to address the latest trends in the disclosure of non-financial information, while taking advantage of the features it keeps from the past. Nevertheless, I would like to mention a few points in expectation of further advancement.

First, the elements added this year can be linked with each other more systematically. One way to achieve this is to create a more coordinated link between the long-term vision and the revised materiality, using KPIs.

Keisuke Takegahara

Executive Fellow
Research Institute of Capital Formation
Development Bank of Japan Inc.



Different people have different ideas about materiality, as can be seen from the fact that many companies have difficulty choosing between concentrating on the factors that affect the business model to satisfy institutional investors and focusing on multi-stakeholder initiatives. The new materiality themes associated with the LSV 2030 are more abstract and give some leeway as to how the KPIs will be set. They attach importance to the dynamism that can flexibly incorporate various changes in the future, which is an advantage consistent with the direction of the newly identified issues of materiality. To make the most of this aspect, I expect the company to be keenly aware of creating a link between the KPIs for materiality assessment and the determination to “solve social issues” stated in the long-term vision. Comprehending and measuring the value (impact) brought about by solving social issues through business activities and committing to it as KPIs will build a more coordinated link between the vision, materiality, and value creation scenario.

Next, more information on “people” can be disclosed. Specifically, Lintec is expected to formulate a human resources strategy to achieve the long-term vision and to set KPIs related to human capital. Amid the intensifying competition in disclosing information on social matters, this will be an effective weapon in continuing to communicate the company’s characteristics and strengths, both internally and externally.

Fiscal 2021 has been positioned as the first stage of instilling the mindset of the long-term vision throughout the company and can be considered a good time to start a full-fledged discussion. Taking advantage of the company’s strength that allows a wide range of employees to participate in the discussion, as well as the enhanced governance system including the new Sustainability Committee, Lintec is expected to make the new direction clear to a greater extent.

Response to Third-Party Opinion

We are pleased that Mr. Takegahara has given our long-term vision and revised materiality a high rating.

For the achievement of the long-term vision, it is important that each and every employee proactively changes the way they think and act and takes measures. To this end, we will familiarize our employees with the mindset of the long-term vision and create an environment as typified by the SDGs Committee, where diverse members engage in active discussions beyond the framework of conventional organizations.

I believe that we can ensure the achievement of the long-term vision by setting KPIs for progress on issues of materiality; creating coordinated links between the long-term vision, materiality, and the human resources strategy;

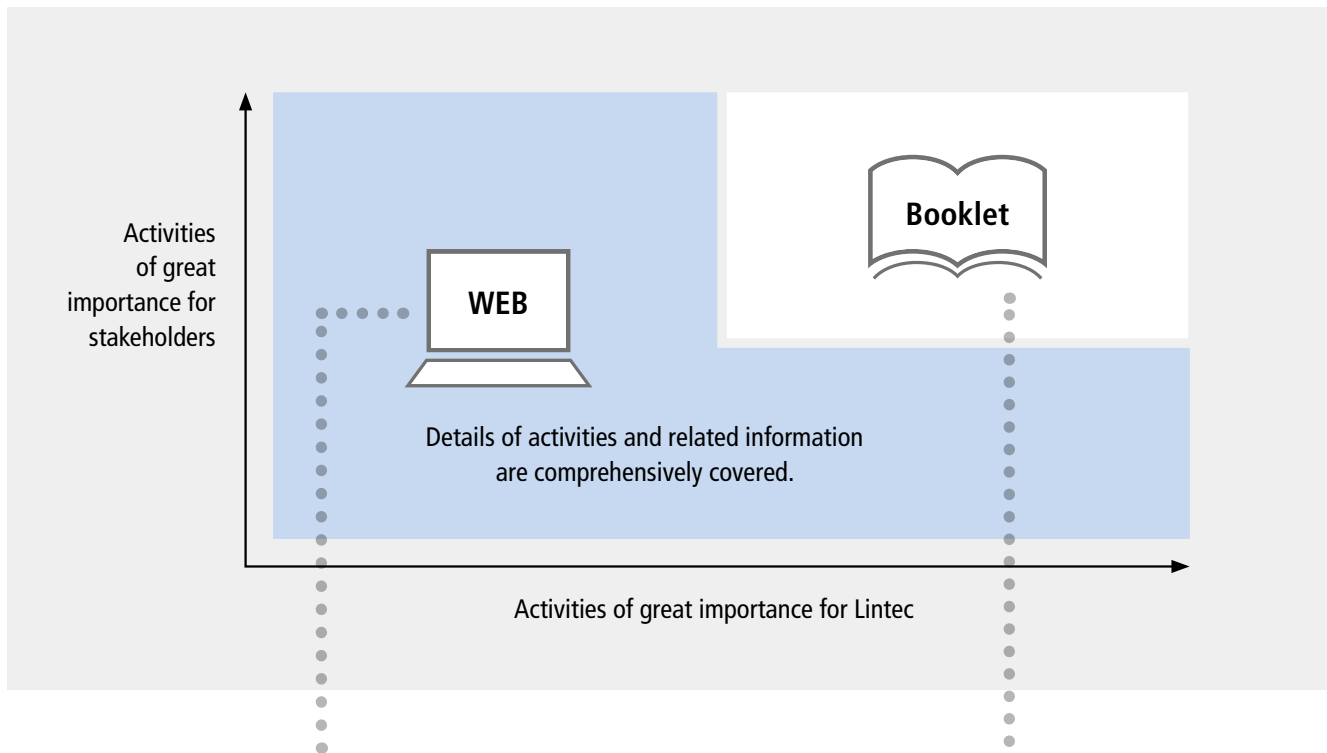
and working to solve social issues through business activities. In addition, we will be sure to meet requests for information disclosure through the effective implementation of policies by the new Sustainability Committee and subcommittees.

Based on the company motto of “Sincerity and Creativity,” we will continue to aim to be a corporate group that can contribute to realizing a sustainable world.

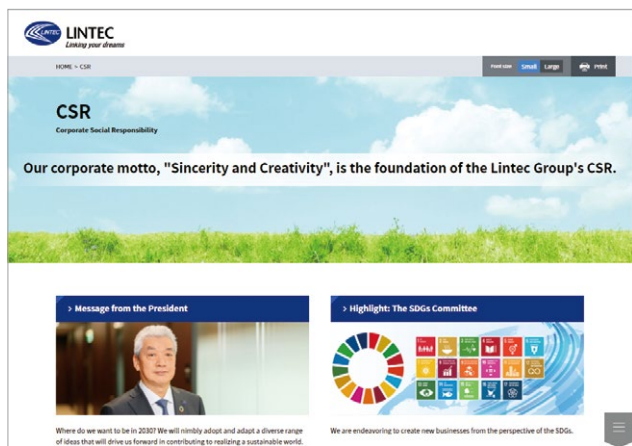
Makoto Hattori

Representative Director, President
LINTEC Corporation

Main Channels for CSR Information



CSR Website



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

Japanese version scheduled for update in September 2021

(The previous update was in October 2020)

English version scheduled for update in December 2021

(The previous update was in January 2021)

[Japanese] www.lintec.co.jp/csr

[English] www.lintec-global.com/csr

CSR Report (Booklet/PDF 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.

Key external evaluations



CDP: Climate change

CDP: Water security

CDP: Forests

MSCI: Japan ESG Select Leaders Index

MSCI: Japan Empowering Women Index