Sustainability report 2024

Pioneering sustainability

September 9, 2025

TEIJIN CARBON

Message from the president of Teijin Carbon

Awareness of customers and employees is the key

Pioneering sustainability – Join us in shaping the future

At Teijin Carbon, we are committed to our purpose: “Pioneering solutions together for a healthy planet.” This guiding principle drives us every day – how we innovate, how we collaborate, and how we shape the future of industries that matter.

As a manufacturer of high-performance carbon fibers and semi-finished products, we play a key role in the sustainable transformation of mobility – in the air, on the ground, and in energy production. Carbon fiber enables lighter, more energy efficient and durable designs, and we are proud to supply leading aerospace, automotive, and energy producing customers who are accelerating their efforts to reduce CO_2 emissions. In particular, the aerospace industry is under intense pressure to deliver sustainable changes – and our lightweight materials help meet that challenge.

Carbon fibers are also a durable reinforcement for more sustainable construction. From bridge and tunnel retro-fitting, to reinforcing buildings and infrastructure, to resource-efficient new construction with carbon-reinforced concrete – our products enable longer lifetimes, less material use, and reduced environmental impact in every phase of the building cycle.

In the sports industry, performance and sustainability go hand in hand. Whether in bicycles, rackets, skis or high-end equipment – carbon fiber enables athletes to push their limits while manufacturers reduce weight, extend product life, and improve recyclability. As a trusted partner to global sports brands, we help develop the next generation of high-performance, responsibly produced sports gear.

In 2025, we took major steps forward:

- Launch of new carbon fiber products with up to 35% lower CO_2 emissions
- Expansion of our sustainable feedstock based on an ISCC PLUS certification
- Development of materials based on circularity and energy reduction in production
- Optimization of our production processes for lower energy consumption

We act in close cooperation with our partners. Our customers are themselves frontrunners in sustainability. Through close collaboration, we jointly develop solutions that push boundaries – not just in performance, but in responsibility and in networking. Together, we set new standards for what advanced materials can do for people and the planet.

Our ambition is clear: To be a company that supports the society of the future.

Let’s move forward – with the strength of innovation, with shared purpose, and with the determination to create real impact.

Tetsuya Ito
General Manager
Teijin Carbon Business Group

Table of contents

This sustainability report is prepared on the basis of the structure and the content of the European Sustainability Reporting Standards (ESRS). The references are given according to Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023 (see page 19 for categories)

General overview

Company introduction

Teijin Carbon ranks among the world's leading manufacturers of high-performance carbon fiber products, offering innovative and sustainable solutions. Since the 1970s, Teijin Carbon has pioneered the research and development of advanced carbon fibers, launching Tenax™ as a benchmark brand for filament yarns and short fibers. Today, the Carbon Fibers Business Unit (CFBU) provides a broad portfolio of carbon fiber materials – including thermoset and thermoplastic semi-finished products, prepregs, milled and chopped fibers, as well as next-generation sustainable carbon fiber solutions – serving demanding industries from aerospace to automotive, sports, construction, and energy.

As a global business unit of the Teijin Group, the CFBU operates a strong and interconnected network of production sites, R&D centers and sales offices across all major regions – APAC, EMEA, and the Americas. This global footprint ensures proximity to key markets and enables agile collaboration with customers and partners worldwide. A visual overview of our international presence is provided in the following map.

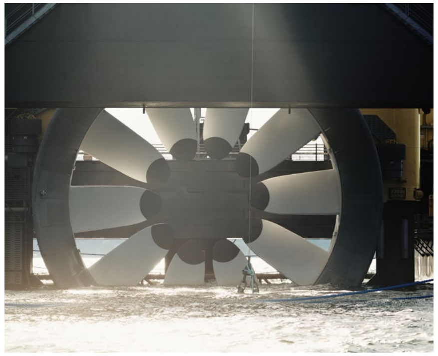
General overview

Business model and value chain

Teijin Carbon develops and manufactures high-performance carbon fiber materials for a wide range of applications in mobility, industry, construction, sports, and energy. Our carbon fibers form the backbone of composite solutions, delivering strength, lightweight, durability, and functional properties such as corrosion resistance and electrical conductivity.

By integrating fiber production, conversion technologies, and material science, we cover the full value chain – from raw materials and semi-finished products to tailored solutions for end-use applications. Our teams work closely with customers to align innovations with market needs and sustainability targets, enabling the transition to lighter, more efficient, and longer-lasting products.

Material aspects of carbon fiber reinforced composites



Aerospace

- **Thermal stability (e.g. no cold crack propagation)**
  Carbon fiber composites increase the stiffness and thermal stability of long aerospace parts.
- **Wide, complex and integrated reinforcements**
  Maximal production rates are achieved with less tooling than with metallic parts.

Energy production

- **Mechanical stiffness**
  Carbon fibers reduce the weight of the rotors.
- **Corrosion resistance**
  Offshore turbines in particular endure long maintenance periods.

Transportation

- **Mechanical strength**
  Carbon fibers reinforce pressure vessels of hydrogen tanks with an internal pressure of more than 700 bar.
- **Chemical resistance**
  Oxidized PAN fibers are used in gas diffusion layers of fuel cells due to their chemical properties.

General overview

Corporate governance of Teijin Limited

As a subsidiary of the Teijin Group, Teijin Carbon aligns its governance, values, and long-term ambitions with the Group's purpose: "Pioneering solutions together for a healthy planet."

This purpose guides our daily actions and long-term business conduct across all regions and value chains. It is rooted in core values that define how we work together and how we engage with society:

- Empowering ourselves to address challenges
- Fostering growth through diversity and expertise
- Safeguarding our planet and all life on it

To achieve our long-term vision "To be a company that supports the society of the future," Teijin addresses key societal challenges, such as:

- Mitigating and adapting to climate change (SDG 7 / 13)
- Ensuring the safety and security of people and local communities (SDG 11 / 12)
- Advancing a circular economy (SDG 12)
- Promoting healthy and comfortable living (SDG 3)

Purpose

Pioneering solutions together for a healthy planet

Core values

- Empowering ourselves to address challenges
- Fostering growth through diversity and expertise
- Safeguarding our planet and all life on it

Long-term vision

A company that supports the society of the future

Prioritizing the health of the planet, protecting the environment, and supporting a circular society → Development of functional materials and processing / solution-based businesses in the mobility, infrastructure and industrial markets

Key social issues

- 7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION: Climate change mitigation and adaptation
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 11 SUSTAINABLE CITIES AND COMMUNITIES: Safety and security of people and local communities
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION: Achievement of a circular economy
- 3 GOOD HEALTH AND WELL-BEING: Realization of healthy and comfortable living for people

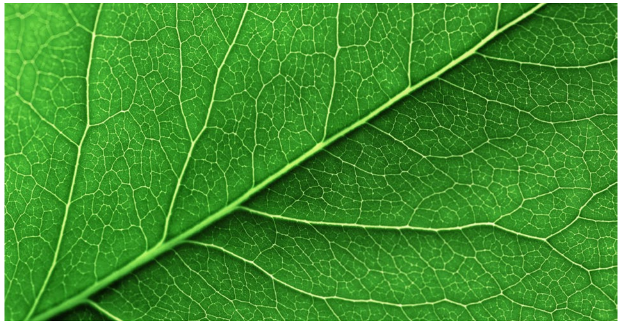
Key management issues

- 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS: Further strengthening of sustainable management base (corporate governance, risk management, compliance, human resources, technologies)

General overview

We embed these priorities into our governance and sustainability strategy. At Group level, Teijin has defined five key management issues to strengthen the foundation of sustainable value creation: Corporate governance, risk management, compliance, human resources, and the development of future-oriented technologies (SDG 5 / 8 / 12 / 16).

Guided by this framework, the Teijin Group continuously analyzes opportunities and risks to reduce its environmental and social burden and deliver innovative solutions to global challenges. Our global governance structure and internal guidelines ensure that these principles are translated into clear responsibilities and measurable actions across all business units – such as Teijin Carbon.



“Through our work at Teijin, we strive to ensure that every innovation meets the needs of today and respects the world of tomorrow. Working towards a circular, sustainable economy is key to doing both.”

Akimoto Uchikawa
President and CEO, Teijin Group

General overview

Sustainability management

Teijin Carbon manages sustainability through a dedicated international team that coordinates all environmental, social, and governance activities across the Carbon Fibers Business Unit. The team operates within a global framework and ensures alignment with Teijin Group sustainability goals and evolving regulatory requirements.

The Sustainability Management Team includes:

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The team meets monthly and reports quarterly to the Global Management Steering Committee. It oversees strategy implementation, monitors progress, and ensures consistency across regions and functions.

Sustainability policy

The Teijin Group manages its sustainability efforts through clearly defined, measurable targets that are embedded in the Group's medium-term management plan. Progress is reviewed annually and translated into concrete programs at the business unit level — including Teijin Carbon.

The following overview presents the Group's key performance indicators (KPI), which reflect our main environmental and social priorities.

KPI

KPI aimed at capturing business opportunities	Climate change Our contribution to CO_2 reduction	FY2030	**Total CO_2 emissions $<$ CO_2 reduction contribution**	CO_2 reductions in downstream supply chain due to use of Teijin's products (Scope 3)
KPIs aimed at strengthening business platform*	Climate change Our CO_2 emissions	FY2030 FY2050	**30% reduction** **Achieve net zero**	Shift to renewable energy and production optimization (Scope 1 and 2)
	Climate change Supply chain CO_2 emissions	FY2030	**15% reduction**	Greenhouse gas emissions in Scope 3, Category 1
	Circular economy Water	FY2030	**30% improvement**	Freshwater intake volume per sales unit
	Circular economy Waste	FY2030	**20% improvement**	Landfill waste volume per sales unit
	Safety/Security Hazardous substances	FY2030	**20% improvement**	Hazardous chemicals emission volume per sales unit

*All KPIs for strengthening the business platform are target values set with FY2018 as the base year.

These commitments are validated by the Science Based Targets initiative (SBTi) as science-based targets (SBT) that align with the goal of limiting global warming to well below 2°C. Teijin was the first Japanese chemical company to receive this recognition (see press release, November 25, 2021).
To achieve these goals, we:
- Prioritize our internal sustainability efforts based on their impact,
- Continuously track progress through KPIs defined for each key issue, and
- Pilot new indicators that help capture business opportunities — including KPIs for carbon footprint reduction, contributions to the circular economy, and health and comfort impacts.

General overview

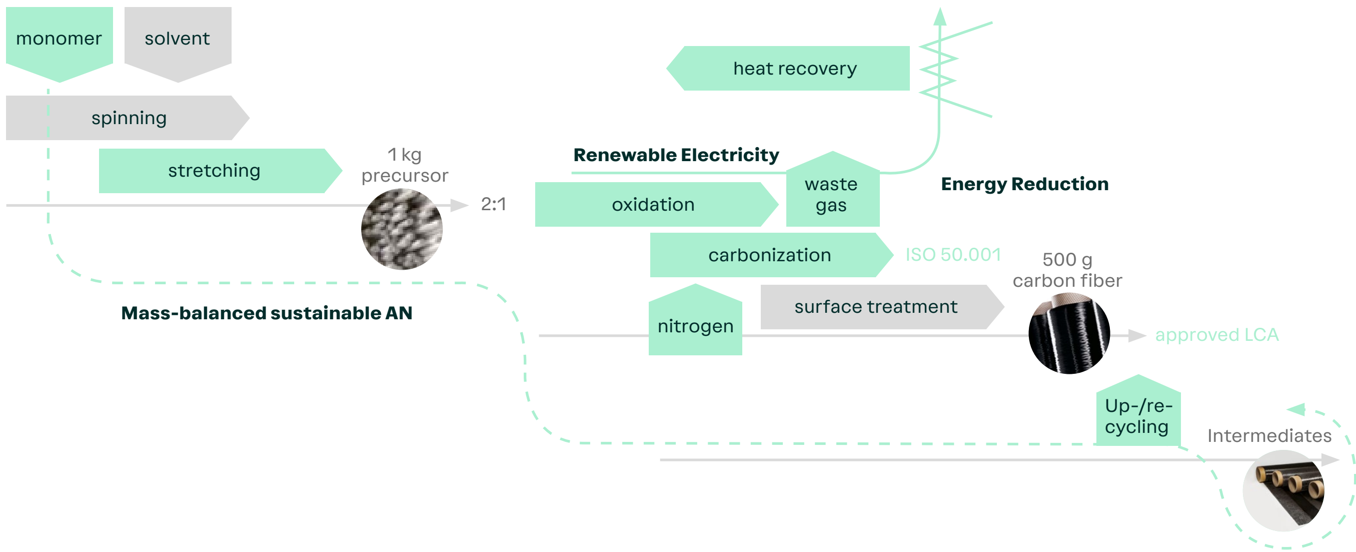
Sustainability plan (roadmap)

Teijin Carbon translates the Group's sustainability KPIs into concrete technical actions, which are organized in a strategic roadmap. This roadmap serves as a guiding framework for both internal and external stakeholders and outlines priorities and implementation steps up to 2030.

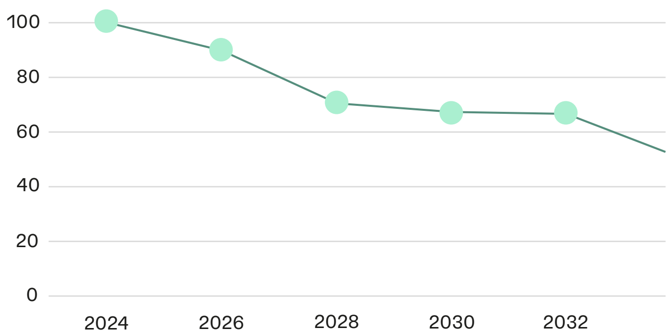
The plan is based on a systematic evaluation of energy demand and greenhouse gas emissions across all stages of carbon fiber production. Key action areas include:

- Use of sustainable polyacrylonitrile (PAN) sourced from renewable, non-fossil raw materials
- Use of renewable electricity for carbon fiber production
- Energy efficiency improvements across precursor and fiber manufacturing processes
- Development of recycling solutions to complement the existing product portfolio
- Screening and selection of sustainable suppliers (e.g. polymers, resins, logistics)

Roadmap until 2030: 30% reduction in CO_2-emissions



Roadmap CFBU
Teijin Carbon Fiber CFP (Carbon Footprint) -> selected fiber



- The Carbon Fiber LCA has been performed in Sphera's LCA for Experts (GaBi) software and has been critically reviewed by an independent third party.
- Scope of LCA: Cradle to factory gate analysis, applicable for standard modulus CF fiber types. Results are based on the EF 3. 1 methodology.
- Data quality: Foreground system uses primary data; background system uses datasets from LCA databases.
- The above figures are not guaranteed reductions; they are indicative of the proposed reductions.
- These calculated values are subject to change – they are dependent on process improvements, technology development, supplier information, prevailing legislations, updates in LCA methodologies, etc.

General overview

Reinforcing excellence

To quantify the impact of these measures, we conduct life cycle assessments (LCAs) for various carbon fibers and downstream formats. These LCAs analyze all environmental aspects along the product life cycle — from raw materials and production to use and end-of-life — and allow us to calculate the environmental benefits of targeted sustainability measures at product level.

Tenax Next™ represents a remarkable leap forward in eco-conscious material science, with a potential **35% reduction in CO_2 emissions** compared to existing solutions. Featuring circular feedstocks with a significantly reduced carbon footprint, the carbon fiber materials under this new brand maintain the strength, durability, and performance for which **Tenax™** products are known. This innovation aligns with Teijin Carbon's commitment to sustainability and responds to growing market demand for environmentally responsible high-performance materials.

Tenax Next™ HTS45 E23 24K

This filament yarn offers a 35% CO_2 reduction compared to conventional carbon fibers. Based on the well-established HTS (high tenacity) fiber type, Tenax Next™ HTS45 E23 24K combines excellent processability with proven performance in industrial and aerospace applications. With a tensile strength of over 4800 MPa and a modulus of 240 GPa, it provides a high-performance alternative with a substantially reduced environmental footprint.

From now on, Teijin Carbon produces carbon fiber filament yarn using renewable energy — with the option to integrate sustainable raw materials.

In addition, we are implementing advanced process technologies to further reduce environmental impacts.

To support the integrity of our sustainability claims, we at Teijin Carbon have established our carbon fiber production and supply system based on **ISCC PLUS certification**. This system enables us to source certified sustainable building blocks for PAN production — including recycled or bio-based acrylonitrile — and to expand the share of certified materials in our portfolio over time.

General overview

Tenax Next™ R2S P513 6MM

New **Tenax Next™ R2S P513 6MM** is a short carbon fiber product in rice-shaped form for reinforcing thermoplastic compounds that not only offers exceptional performance characteristics, but also reinforces the company's commitment to environmental responsibility and circularity. With this breakthrough, Teijin Carbon is setting new sustainability standards in the circular economy by providing manufacturers and compounders with a solution that is both technologically and ecologically future proof.

Combining sustainability and performance

Tenax Next™ R2S P513 6MM short carbon fiber is made from repurposed loose fiber materials. This advancement is not only a milestone for Teijin Carbon but also a crucial step toward more environmentally friendly and resource-efficient production. By using byproduct fiber materials, the company conserves valuable resources and offers an attractive choice to companies looking to advance their sustainability ambitions by using a material with a low CO_2 footprint.

Transparency and traceability

Tenax Next™ R2S P513 6MM marks a significant milestone with the launch of Teijin Carbon's first digital product passport (DPP). The DPP is a datasheet, accessed via QR code, which ensures full transparency and traceability throughout the entire product life cycle. It provides detailed information about the product's origins, materials and sustainability, from production to end of life.

The concept of the digital product passport is rooted in the European Green Deal and the Circular Economy Action Plan of the European Union. Both initiatives define the product passport as a key tool for fostering a climate-friendly and resource-efficient economy.

Benefits across the value chain

Tenax Next™ R2S P513 6MM short carbon fiber is targeted at several groups, offering customized advantages to each:

- Manufacturers producing or distributing end products made with fiber-reinforced plastics can now offer their customers high performance and sustainability. Thanks to full traceability, the lifecycle of the material can be transparently communicated using a DPP – a strong selling point in an increasingly eco-conscious consumer market.
- Component manufacturers and mold makers working with fiber-reinforced plastics benefit from the stability and traceability of the retrieved carbon fiber material, enabling long-term planning, security and reliable quality assurance. The product's reduced CO_2 footprint also provides a competitive advantage in cases where an environmental product declaration is required, particularly in markets where environmental regulations are becoming increasingly stringent.
- Compounders producing thermoplastic compound pellets from fiber-reinforced commodity plastics and thermoplastics rely on a stable supply of raw materials and consistent pricing. This reduces procurement risks and strengthens the company's environmentally friendly profile.

Wide range of applications

Circular short carbon fiber is suitable for numerous applications across various industries, including:

- Sporting goods: shoes (insoles, outsoles, etc.), golf clubs, bicycle components, fishing reels, tennis racquets, and hockey and lacrosse gear.
- Electronics: laptops, cameras, virtual reality (VR) devices, printers, cash-handling machines, vacuum cleaners.
- Automotive: vehicles, automotive components (tier 1/tier 2).

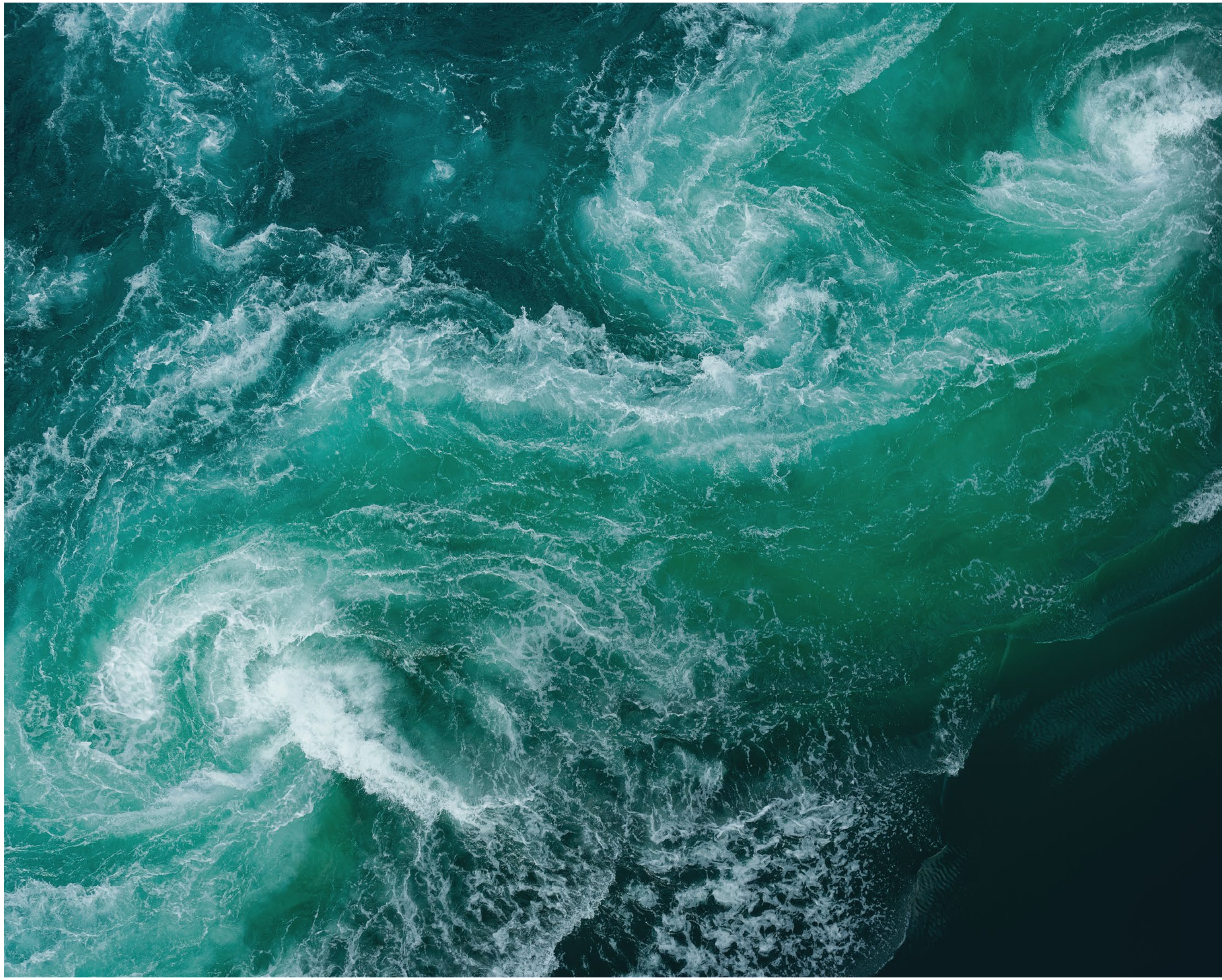
General overview

Risk assessment

While improving shareholder value, Teijin believes its mission is to undertake business activities that satisfy shareholders and other stakeholders. In achieving this mission, we must address all risks (uncertainties) that pose a threat to its realization. Accordingly, we have adopted an organizational and systematic approach to comprehensively and efficiently identify, assess, and manage the risks affecting the entire group, and to integrate these insights into group management.

The Board of Directors oversees risk management across the Teijin Group, positioning risk assessment as a critical factor in decision-making. This entails formulating management strategies and plans, taking strategic actions, deciding on individual investment projects, and assessing various adverse events that could negatively impact the company. Additionally, we require all group companies and their executives to fully understand these principles and address any risks that pose a threat to corporate activities. In line with these Basic Principles, Teijin engages in Total Risk Management (TRM), to manage risks in an integrated manner.

In 2023, Teijin Group performed the Double Materiality Assessment (DMA) to evaluate the impacts, risks and opportunities and select the topics that will be covered in the sustainability reporting. CFBU limited its material topic standards to E1, E2, E5, S1, S2 and G1. E3 (Water) and E4 (Biodiversity), S3 (Affected Communities) and S4 (Consumers and end-users) are not as significant to this assessment.



Environment

Policy

The Environment, Safety and Health Policy (ESH Policy) for the fiscal year 2024 was established at the ESH committee (February 19, 2024) and decided by the CFBU-Management Team meeting at March 15, 2024.

1. Achieve zero-accident / disaster / pollution by enhanced fundamentals of ESH activities
I.
- Improve sensitivity for potential risk in daily operation and promote ESH activity
- Promote the widespread understanding and thorough performance of “Making safety our first priority”
- Thorough performance “Not to leave unsafe behaviors and unsafe situation”
- Ensure the safety for “Walking-working surfaces” (stair, ladder, level difference, floor opening, such as Osha-warnings for “Walking-working surfaces” “slips trips & falls”)
- Improve ability by sharing activity information and working together
- Promote equipment management with “CBM” (Condition Based Maintenance)

II. Accident prevention for “Caught by rotating equipment”. Thorough implementation of procedure, any equipment, any time.
III. Activate disaster prevention activities to place importance on fire and massive earthquake

2. Actively work on environmental issues
I. Reduce volume and improve volume per unit for hazardous chemical substance emissions (acrylonitrile) / waste material / freshwater usage
II. Promote countermeasure and manage progress for CO_2 emission reduction
III. Promote to environmental activity in the community

3. Work on maintain and improve healthy conditions
I. Promote work on mental health
II. Promote suitable measures according to changing work style

Plan

The actual ESH-Targets are subdivided into the following criteria: accident, hazardous chemical substances, waste, water, production and sales. For each category, annual targets are quantified and monitored (see appendix).

These targets are well in accordance with Standard ISO 45001 - Occupational Health and Safety Management System. Several sites of the Carbon Fibers Business Units regularly achieve this certification.

Resource use and circular economy

The necessary resources for the sustainability in the global Carbon Fibers Business Unit are discussed and finally approved in the annual budget of each site (so-called short-term planning – STP). These costs include expenses for research, consultancy, reporting and human resources. The costs for important technical improvements of the production facilities are covered by the budget of the production and maintenance departments.

In addition, the development costs of new sustainable products are covered by the final sales prices of these materials. However, the understanding and the profitable offer of recycling materials need further resources. The market for recycled carbon fiber products grows around 13% per year. Mainly, high-performance and well-defined materials from the aerospace value chain are economically attractive for recycling approaches.

Well-defined materials and production steps of high-performance carbon fibers which are supervised by serious quality management ensure mono-fraction material collection as feedstock for recycling. We continue to focus on upcycling and reuse, so that by-products, scrap, and offcuts are put to good use.

Teijin Carbon has developed three different thermoplastic recycling solutions: Compound, Chips, and Crushed. For example, Teijin Carbon has developed three different thermoplastic circular solutions: Compound, Chips, and Crushed.

With the start-up of the new carbon fiber production facility at TCA-GWD in Greenwood (US), a large amount of landfill waste is generated. Due to process improvements, the amount of landfill waste is being successfully reduced to an acceptable minimum. In future, direct by-products and waste materials of the carbon fiber production itself will be in the focus of avoidance, re-usage and recycling.

Energy management

Since 2012 Teijin Carbon Europe has been certified according to ISO 50001 - *Energy Management System*. This certification requires an annually updated system to establish, manage and improve the energy efficiency. Every year, TCE defines quantified targets to reduce the energy demand. These objectives are monitored and audited by an external third party. Teijin Carbon has established an international working group to exchange lessons learned and best practice on a monthly basis and to define energy targets to optimize the energy demand of the carbon fiber production.

The following actions to reduce the energy demand were realized in 2024:

1. The production parameters of the carbon fiber manufacturing are optimized in regard of energy efficiency. In particular, start-up and shut-down procedures are streamlined without changing given process specification
2. Some auxiliary materials of the carbon fiber production show a limited thermal stability and degrade in hot stages of the production. These deposited solid materials must be cleaned in production stand-still, which is time and resources intensive. Alternative, heat resistant auxiliary materials in a reduced amount are tested, while keeping the same performance.
3. The thermal isolation and the usage of heating media are improved at several hot parts of the carbon fiber production lines to reduce the unwanted heat loss. The functionality, maintenance efforts and ESH-aspects are guaranteed.
4. The treatment of the waste gas is analyzed and optimized.

Pollution

The Carbon Fibers Business Unit (CFBU) is continually improving its environmental performance by proactive measures to minimize its environmental footprint, comply with relevant legal requirements, and achieve its environmental objectives. All main production sites of the CFBU are regularly certified according to the Standard ISO 14001 - Environmental Management System. This standard provides an externally approved framework to encompass various aspects, from resource usage and waste management to monitoring environmental performance and involving stakeholders in environmental commitments.

Life cycle assessment of products

(acc. to ISO 14040/14044/15001)

Product-specific carbon footprints of the different carbon fiber products are calculated by a life cycle assessment (LCA). All previously analyzed data of the energy management and the assessed pollution are qualified input for the product specific LCA. Since the amount of material in the carbon production process changes significantly between the different carbon fiber types from 3K (200 tex equal to 200 g/1000 m) to 48K (3200 tex equal to 3200 g/1000 m), these LCA-calculation have to be done for every product. Currently, 50% of all carbon fiber products in the portfolio are calculated. They are cross-checked and approved by an external auditor (quantis.com). The final data are exchanged with external stakeholders under non-disclosure agreements.

Social responsibility

Policy

As part of the Teijin Group, Carbon Fibers Business Unit is committed to a fundamental attitude of respect for human rights. We work to create an environment in which our diverse workforce are the driving force behind the realization of our business strategy. We are committed to respecting the dignity and rights of every human being not only where we have direct influence, but also where we have indirect influence on external partners. Our basic principles, how we ensure and monitor them, and what measures we take are described in the *Teijin Group Human Rights Policy*.

As part of the Teijin Group, we are committed to working in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights (hereafter 'UNGPs') adopted in 2011 and the standards of the International Labour Organization (ILO). These include supporting and respecting the *'effective abolition of child labor'*, the *'elimination of all forms of forced or compulsory labor'*, the *'elimination of discrimination in respect of employment and occupation'*, the *'freedom of association and the effective recognition of the right to collective bargaining in respect of employment and occupation'* and the *'creation of a safe and healthy working environment'* as core labor standards of the International Labour Organization (ILO).

In accordance with these international standards as well as European and German legislation and local agreements with the co-determination bodies, rules are in place at TCE to ensure occupational health and safety; our collective bargaining agreement guarantees fair wages based on collective bargaining; contact persons are available for incidents of discrimination and harassment, for inclusion issues and compliance violations, and processes are defined to ensure that we fulfill our responsibilities.

In addition to the legally required training and medical check-ups, we promote the health and safety of our employees by offering company sports programs and vaccinations. This is also in line with our global *Health Management Policy*.

With our spare cents campaign, in which employees donate the remainder of their salary, we support alternating social projects in our local neighborhood every year.

Plan

Targets for social responsibility are covered by an annually updated ESH program, such as measures to avoid any harm or risks to anybody inside and outside of Teijin Carbon. Identifiable risks are continuously quantified and reduced in accordance with the Standard ISO 45001 – Occupational Health and Safety Management System. In addition, a consequent training schedule is established to make colleagues aware of risks and to instruct them in correct handling within all situations.

Social responsibility

End-use applications CFBU

Due to the outstanding combination of physical properties of carbon fibers, such as high mechanical performance, chemical and thermal resistance, electrical conductivity and light weight, carbon fiber is versatile and can be used in numerous industries and applications, such as aerospace, automotive, industry, civil engineering and sports among others.

Networks

Sustainable innovation does not happen in isolation. It is the result of joint efforts – across company borders, disciplines, and regions. That is why active collaboration with other stakeholders is key to turning our vision of a sustainable future into reality.

Whether in technology-driven industry associations, regional clusters, research initiatives, or policy-oriented platforms – we actively engage to shape knowledge, learn from others, and further develop our solutions through open exchange. This reflects our guiding principle: Pioneering solutions together for a healthy planet.

Our key network activities include:

Industry and material associations
- Japan Carbon Fiber Manufacturers Association
- Composite United e. V.
- Carbon Concrete Composites e. V.
- German Aerospace Industries Association (BDLI)
- SAMPE – Society for the Advancement of Material and Process Engineering
- CARBOCON GmbH
- Initiative Energy Efficient – Network of Germany

Research, innovation, and future technologies
- Circular Valley®
- National Composites Centre (UK)
- NanoMikroWerkstoffePhotonik.NRW
- Institution of Mechanical Engineers (IMechE)
- German Institute for Standardization (DIN)
- Fraunhofer-Institut für Angewandte Polymerforschung IAP
- Strategic Innovation Promotion Program (SIP) and K-Program of the Japanese government

Policy, employers' and business associations
- Employers' Association of the Chemical Industry
- Industry Association of the Chemical Sector in North Rhine-Westphalia (VCI NRW)
- Chamber of Commerce and Industry (IHK)
- Japanese Chamber of Commerce Düsseldorf

Through these partnerships, we strengthen our innovation capabilities, unlock new sustainability potential, and help shape the framework conditions for climate-friendly high-performance materials - today and in the future.

Governance (business practice)

Policy

Teijin Group has adopted the structure of a company with an Audit & Supervisory Committee. By expanding the delegation of authority from the Board of Directors to executive management, the company aims to accelerate operational decision-making and enhance strategic discussions at the Board level – especially regarding medium- to long-term business issues. To strengthen oversight, Teijin grants Audit & Supervisory Committee Members voting rights in their capacity as Directors.

Plan

Teijin implements its governance policy through an annual plan that defines specific actions and includes on-the-job training for all employees. To raise awareness, Teijin organizes an "Ethics Awareness Month," during which all employees receive targeted training. The company measures and documents the outcomes of these activities.

Corporate culture

Integrity forms the foundation of Teijin's compliance approach and anchors its corporate culture. To ensure ethical conduct throughout the organization, Teijin actively promotes the practical application of its Code of Conduct and Code of Corporate Ethics under the supervision of the Board of Directors.

Corporate officers and employees commit to acting with integrity - not only by complying with legal requirements but also by aligning with societal norms. The company's leadership – starting with the representative directors – leads by example.

Teijin conducts compliance-related education and awareness activities throughout the company and its subsidiaries to foster a culture of honesty and accountability. In doing so, the company contributes to both shareholder value and employee satisfaction.

Corruption and bribery

Teijin conducts its business with integrity, fully complying with applicable laws and internationally accepted principles. The company respects human rights and ensures fair and responsible practices throughout its operations and supply chain.

Teijin commits to:
- Respecting fair trade
- Ensuring accurate and transparent reporting and documentation
- Providing timely and fair disclosure
- Protecting intellectual property, personal data, and confidential information
- Supporting whistle-blowing mechanisms
- Complying with security export controls

Teijin strictly prohibits:
- Anticompetitive behavior (e.g., cartels)
- Corruption and bribery
- Insider trading and market manipulation
- Money laundering and the financing of terrorism
- Any dealings with antisocial forces

Management of relationships with suppliers

The Teijin Group pursues sustainable business practices and seeks to enhance corporate value by fulfilling its social responsibilities and earning the trust of stakeholders. A key part of this commitment is to deliver high-quality products in a reliable and environmentally responsible manner that meets customer expectations.

To support this, Teijin continuously improves the quality of purchasing and procurement processes for raw materials, components, and services. The company has established a Basic Policy for Purchasing and Procurement to foster fair and sound supplier relationships. In addition, the Basic Stance of Persons in Charge of Purchasing and Procurement sets out clear behavioral guidelines to help procurement staff avoid inappropriate relationships and promote collaboration based on sustainable principles.

As a practical example, the Digital Product Passport (see chapter "Resource use and circular economy") strengthens supply chain transparency. It enables digital traceability of key material data, supports responsible supplier engagement, and facilitates the exchange of ESG-relevant information with business partners.

Attachments

Reference documents and external sources

The following documents and external sources provide further context and validation for the data presented in this report. They reflect Teijin Carbon's commitment to transparency, certified management systems, and active engagement in global sustainability frameworks and networks.

Certificates
All valid certificates can be found on our website in the Downloads section of teijincarbon.com.
- **ISO 45001** (Occupational Health and Safety)
- **ISO 50001** (Energy Management)
- **ISO 14001** (Environmental Management System)
- **ISCC PLUS** (Mass Balance & Circular Economy)

Reporting and publications
- **CDP Climate Report**
  https://www.teijin.com/csr/materiality/
- **DEHSt Report (German Emissions Trading Authority)**
  https://www.dehst.de/EN/Topics/nEHS/Evaluations-reports/evaluations-reports_node.html?utm_source=chatgpt.com

Selected press releases related to sustainability
- **Tenax™ Carbon Fiber from ISCC Plus certified sustainable raw material**
  https://www.teijincarbon.com/blog/blog-detail/iscc-plus-certified-sustainable-raw-materials/
- **Teijin Carbon Europe GmbH receives ISCC Plus certification**
  https://www.teijincarbon.com/blog/blog-detail/teijin-carbon-europe-gmbh-receives-iscc-plus-certification/
- **Networked for excellence: Teijin companies setting new standards in sustainability and composites at CAMX 2024**
  https://www.teijincarbon.com/blog/blog-detail/networked-for-excellence-teijin-companies-setting-new-standards-in-sustainability-and-composites-at-camx-2024/
- **Pioneering Sustainability: Advanced composite technologies propel Formula E racing forward**
  https://www.teijincarbon.com/blog/blog-detail/pioneering-sustainability-advanced-composite-technologies-propel-formula-e-racing-forward/
- **Teijin to invest in Circularise B.V. and adopt its supply chain traceability platform to promote the circular economy**
  https://www.teijin.com/news/2024/12/03/20241203_01.pdf

Sustainability indices and networks

Teijin Group is actively engaged in various internationally recognized sustainability indices, rating frameworks, and networks:
- **Dow Jones Sustainability Indices (DJSI)**
  – Included in global and regional indices based on ESG performance
- **FTSE4Good & FTSE Blossom Japan Index**
  – Member of both indices for responsible investment
- **MSCI ESG Ratings** – Rated AAA; included in MSCI ESG Leaders and Japan Empowering Women Index (WIN)
- **S&P/JPX Carbon Efficient Index**
  – Listed based on carbon disclosure and performance
- **UN Global Compact** – Participant since 2011, annual submission of Communication on Progress (CoP)
- **Science Based Targets initiative (SBTi)**
  – Climate targets validated as aligned with the Paris Agreement
- **Task Force on Climate-related Financial Disclosures (TCFD)**
  – Reporting aligned with TCFD recommendations
- **Japan Climate Initiative (JCI)**
  – Supporter of climate neutrality and renewable energy transition
- **GX League (Japan's Green Transformation platform)**
  – Corporate member promoting green growth
- **UNICEF's Children's Rights in Sport Principles**
  – Official supporter since 2019

For further details, see: www.teijin.com/csr/evaluation_initiative

Attachments

Abbreviations

AN	acrylonitrile
APAC	Asia – Pacific
CDP	Carbon Disclosure Project
CF	Carbon fiber
CFBU	Carbon Fibers Business Unit of Teijin Group
CFP	Carbon footprint
DMA	Double Materiality Assessment
DPP	Digital Product Passport
EF	Environmental footprint
EMEA	Europe, the Middle East and Africa
ESH	Environment, Safety and Health
ILO	International Labour Organization
ISCC	International Sustainability and Carbon Certification
ISO	International Organization for Standardization
JPY	Japanese Yen
KPI	Key Performance Indicator
LCA	Life Cycle Assessment
LTI	Lost Time Injury
OPF	Oxidized Polyacrylonitrile Fiber (Pyromex™)
PAN	polyacrylonitrile
QR-code	Quick Response-code
RMC	Renegade Materials Corporation
SBTi	Science Based Targets initiative
TCA	Teijin Carbon America
TCA - GWD	Teijin Carbon America, Greenwood
TCA - RWD	Teijin Carbon America, Rockwood
TCE	Teijin Carbon Europe
TCJ	Teijin Carbon Japan
TCV	Teijin Carbon Vietnam
TRM	Total Risk Management

The European Sustainability Reporting Standards (ESRS) provide a set of standard chapters which have to be answered according to an analysis of the materiality for each company:

ESRS 1	General requirements
ESRS 1	General disclosures

Environment

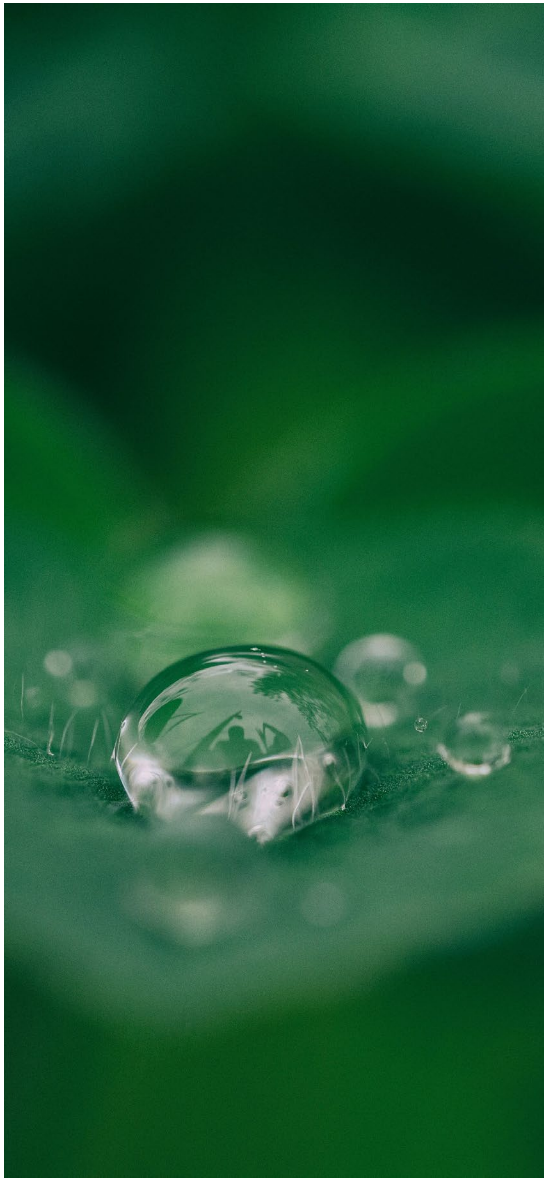
ESRS E1	Climate change
ESRS E2	Pollution
ESRS E3	Water and marine resources
ESRS E4	Biodiversity and ecosystems
ESRS E5	Resource use and circular economy

Social

ESRS S1	Own workforce
ESRS S2	Workers in the value chain
ESRS S3	Affected communities
ESRS S4	Consumers and end-users

Governance

ESRS G1	Business conduct




TEIJIN CARBON