



Toyo Seikan Group Holdings, Ltd.

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Toyo Seikan Group SUSTAINABILITY REPORT 2022

Editorial Policy

With the Long-Term Management Vision 2050 "The Future, Wrapped for All," the Toyo Seikan Group will go beyond its traditional field of packaging manufacturing to be a corporate group that creates a new value and changes the world.

This report has three major parts: Environmental, Social, and Governance sections, and each section mainly describes activities we conducted during fiscal 2021, for better understanding of our specific measures and initiatives.

Please visit our website for information not covered by this report, including sustainability-related policies, systems, and data.

<https://www.tskg-hd.com/en/csr/>

Please refer to the relevant websites for details of activities at group companies described below.
(Reports marked with an asterisk (*) are available only in Japanese.)

- Toyo Seikan Co., Ltd.: Environmental information
- Toyo Kohan Co., Ltd.: CSR*
- Tokan Kogyo Co., Ltd.: CSR
- Nippon Closures Co., Ltd.: Sustainability*
- Toyo Glass Co., Ltd.: Environmental Activities*
- Mebius Packaging Co., Ltd.: CSR
- Toyo Aerosol Industry Co., Ltd.: Environmental Policy*
- TOMATEC CO., LTD.: The Measure for Environment

Report Profile

Companies covered by the Report:
Domestic and overseas group companies including Toyo Seikan Group Holdings, Ltd.

Period covered:
April 1, 2021 to June 30, 2022

Numerical data:
April 1, 2021 to March 31, 2022

Published in:
November 2022

Referenced guidelines:
GRI Sustainability Reporting Standards

The Future, Wrapped For All



Management Philosophy of Toyo Seikan Group

Management Policy

We will constantly create new and innovative values, aspire to achieve a sustainable society and contribute to people's happiness.

- Creed** We will honor dignity and always strive to be fair and unbiased in every way. All of us will fully demonstrate our own strengths and expertise, and contribute to social prosperity while we grow and thrive as an individual, a corporation or a group.
- Vision** We will aim to become the Group which can provide unique and innovative technologies and products that will meet global expectations.

Fundamental Principles of Toyo Seikan

In 1933, our founder Tatsunosuke Takasaki clearly stated our founding philosophy as the fundamental principles in the handbook "The Mission of Toyo Seikan," which was distributed to shareholders, employees, and partners in the industry. Since then, we have fulfilled our duties based on the principles. This is the origin of CSR activities of the Toyo Seikan Group.

1. Our aim is to achieve results that bring happiness to mankind.
2. We shall work not just for profit, which is merely a result of our business activities and not the main purpose.
3. All of us shall have a spirit of service to fulfill our respective duties and demonstrate the spirit as the entire organization, striving for the prosperity of our business partners in the same way as for our own success.

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We will pursue new value creation with all abilities of the Group, aiming for continuous growth to be a “daily living platform.”

Ichio Otsuka

President and Representative Director
Toyo Seikan Group Holdings, Ltd.

Raising awareness of the Long-Term Management Vision across group members to maintain their motivation for progress

Toward year 2050, a distant horizon, one of our major issues is how we raise awareness among all group members of the Long-Term Management Vision 2050 “The Future, Wrapped for All” (the “Long-Term Management Vision”), the Mid- to Long-Term Management Goals 2030, and the Mid-Term Management Plan 2025 to foster a sense of unity, revitalize our workplaces, and maintain momentum in our efforts.

In the process to formulate the Long-Term Management Vision, we did not just provide a draft prepared by management but rather had a lot of discussions with employees in their 20s to 40s, next-generation leaders, to incorporate their perspectives into the new vision. As a result, we have received unprecedented positive responses. However, establishing the Long-Term Management

Vision as well as the Mid- to Long-Term Management Goals 2030 and Mid-Term Management Plan 2025, which are linked to the long-term vision, is just the beginning of a long journey for us. On the way, we may face unexpected changes in business environment, or may sometimes struggle with difficulties. When facing such challenges, we will need measures to keep motivation, without paying too much attention to short-term profits and losing a clear view on mid- to long-term goals, or losing the direction of our efforts, so that each of us can see the issues as our own and move forward. To this end, management will continue to focus on sending messages to employees through various media and engaging in dialogue with them in every workplace.

Our intention to support society as a “daily living platform”

For over 100 years since its founding in 1917, the Toyo Seikan Group has continuously supplied the world with products that meet the values and needs of consumers, while flexibly responding to changes of the times. We provide products that people see and touch every day, including metal cans, glass and PET bottles, plastic containers for shampoo and detergent, retort pouches for food, paper cups and corrugated cardboard as well as refrigerator door materials and coating materials for built-in kitchens. These products play the same significant role as social infrastructure, which is essential to daily lives. To express our pride and responsibility in providing such products, we have stated in the Long-Term Management Vision what we aim and want to be by using the term a “daily living platform.” With this term, we show our strong desire to be able to address various social issues beyond the boundaries of packaging containers and become a platform necessary for a sustainable society.

To realize our intention, the Long-Term Management Vision has two main themes: “responding to diversity” and “creating a sustainable society.” As lifestyles are increasingly diversifying, we can even say that today there are as many needs as there are people. In such a world, we cannot survive by relying on mass production that focuses on efficiency. Meanwhile, pursuing what

is most beneficial and valuable for each individual has great importance in terms of solving social issues. For example, while beverage cans are still in great demand, they may not be friendly to users who do not have the strength to open a pull-tab can or those who are holding a little child with one hand. From this point of view, we should consider whether our products and services actually address ongoing social issues and meet individual needs. I believe that finding a new value with this attitude helps us become a daily living platform.

With increasing demand for corporate responsibility for the environment, business operations must be conducted with due consideration to the environment. We aim to provide products, systems, and services that further reduce environmental impact and build an environmentally friendly value chain. Packaging containers become garbage after the contents are consumed. We therefore recognize that our duty is to design a social infrastructure system that incorporates the production, collection and recycling processes and to build such systems in the society for a prosperous and healthy future. Taking advantage of our abilities to process every kind of materials and our unique technologies developed through packaging manufacturing, we will continuously contribute to a sustainable society.

Building a working environment that allows diverse talent to grow and thrive

In order to realize our Long-Term Management Vision, we need to develop human resources that support the Group’s future growth. It is human resources that drive business growth—based on this perspective, we are promoting female empowerment and mid-career recruitment and introducing an open internal recruitment system for new business opportunities. With these measures in place, we aim to create a vibrant corporate culture in which individuals can demonstrate their different abilities and respect each other’s personalities.

In 2021, we also launched a group-wide recruitment system for new graduates as a new initiative of human resource development.

Traditionally, the Group’s workers have built their career in a group company they belong to. However, career needs have increasingly diversified as the times change, and we are required to meet the needs through a concerted action of the entire group rather than separate efforts of individual companies for our survival. We therefore decided to introduce the new recruitment system to enable employees to build a career in a common, group-wide framework. The new system is expected to facilitate the mobility of talent across the group, causing different values to meet together and creating unexpected, surprising results.

Continue to take on the challenge of creating a new value to realize a sustainable society

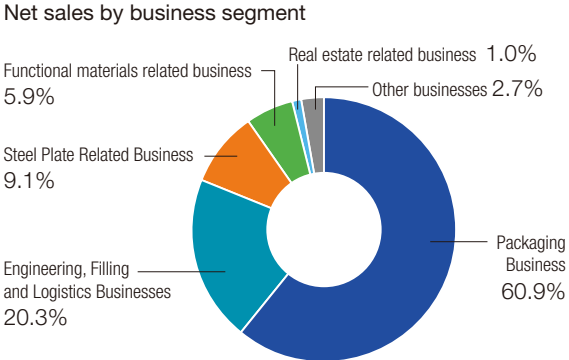
With the Long-Term Management Vision, we will go beyond our traditional field of packaging manufacturing to create a new value that changes the world. Our goal is to offer a very unique value with products and services that are exactly what people have wanted

and impress them. Taking advantage of original technologies we have developed over the years, we will continue to support people’s well-being, security, safety, and good health, thereby achieving sustainable development of ourselves and the society.

Company Profile (as of March 31, 2022)

Toyo Seikan Group Holdings, Ltd.

Founded: June 25, 1917
Representative: Ichio Otsuka,
President and Representative Director
Capital: 11,094 million yen
Head Office: Osaki Forest Bldg., 2-18-1 Higashi-Gotanda,
Shinagawa-ku, Tokyo 141-8627, Japan
Number of Employees: 470 (19,758 on a consolidated basis)



Business Segments

Packaging Business



We supply packaging containers that are essential for our daily life, including food and beverage cans, plastic bottles and pouches, caps, paper containers, and glass bottles.

Engineering, Filling and Logistics Businesses



Aiming to expand our value chain beyond packaging and reduce environmental impact, we are engaged in manufacturing of can and can end making machinery and beverage filling equipment; contract filling of beverages, aerosol products and general liquid-filled products; and trucking and warehousing services.

Steel Plate Related Business



We supply various types of steel plates for cans and other products that are used in every aspect of our daily life, including electrical and electronic components, automotive and industrial machinery parts, consumer electronics, and construction materials.

Functional materials related business



We provide materials with various functional properties, such as magnetic disk aluminum substrates, optical functional films, glazes, pigments, gel coats and micronutrient fertilizers.

Real estate related business



We are engaged in leasing of office buildings and commercial properties.

Other businesses



We also conduct manufacturing of automotive press dies, machinery and appliances, hard alloys and agricultural-use materials; sales of petroleum products; and non-life insurance agency business.

Sustainability Management of Toyo Seikan Group

Toyo Seikan Group CSR Policy

The Toyo Seikan Group defines CSR as “continuous contribution to the happiness and prosperity of mankind through fair and honest business activities.” All employees of the Group understand its CSR commitment and work for all stakeholders.

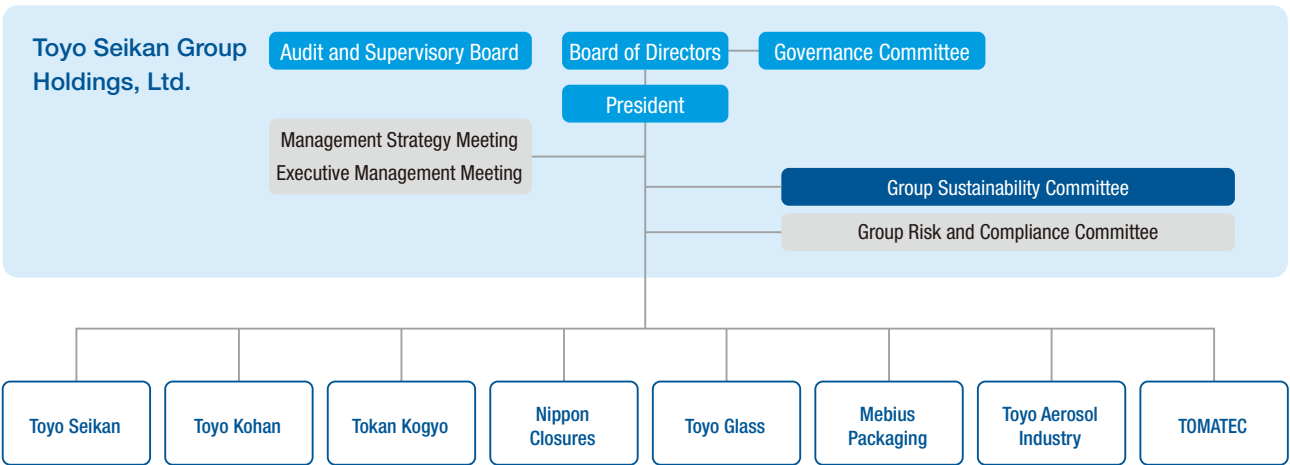


Sustainability Promotion Framework of Toyo Seikan Group

In April 2022, we established the Sustainability Department, which has responsibility for internal and external communication and public relations in addition to environmental and CSR issues. As a key organization for implementing corporate strategies, the new department will drive group-wide sustainability initiatives to ensure the continuity and development of society and our business.

We also established the Group Sustainability Committee for sustainability management in operations across the Group.

The committee, chaired by the president of Toyo Seikan Group Holdings and attended by presidents of major group companies, meets once a year in principle. The issues discussed by the committee are reported to the Executive Management Committee and the Management Strategy Committee, as appropriate, to be reflected in our corporate strategies. The committee's activities are also immediately reported to the Board of Directors to be supervised by the board.



Materiality of Toyo Seikan Group

We identify top priority issues as the Materiality of Toyo Seikan Group in order to contribute to the creation of a sustainable society. In 2021, we formulated the Long-Term Management Vision 2050 "The Future, Wrapped for All" and the Mid-Term Management Plan 2025, setting up mid- to long-term strategies and goals for the Group. In light of these strategies and goals, we have reviewed and refreshed the materiality with the six key issues as described in the chart. Going forward, we will work on setting key performance indicators (KPIs) and key goal indicators (KGIs) that are relevant to our materiality.

Materiality Identification Process

STEP 1

Identification of Issues

STEP 2

Prioritization

STEP 3

Identification of Materiality

The Toyo Seikan Group drafted a long list of issues requiring attention based on the guidelines of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) as well as the Mid-Term Management Plan 2025 and industry issues.

A list of 19 topics was drafted by consolidating and integrating similar issues.

The importance of each issue to the Toyo Seikan Group was carefully examined, taking into consideration consistency with our management philosophy and the Group's Code of Conduct and Guidelines of Behavior, as well as evaluations of each issue at workshops held with officers from operating companies.

The importance of each issue to stakeholders was carefully examined, based on a range of information including the key issues present in the packaging industry, key ESG topics institutional investors pursue with companies, and more.

Candidates for materiality for the Toyo Seikan Group were identified.

Outside experts reviewed and validated the identification process and materiality candidates generated.

Materiality for the Toyo Seikan Group is identified through resolution processes at the Board of Directors.

Materiality Matrix

Very important

Importance to stakeholders

Importance to the Group

Very important

Materiality of Toyo Seikan Group

Developing and offering products and services that support various lifestyles

Developing and offering products and services that are environmentally sound

Contributing to environmental protection

Respect for human rights

Respect for employees

Ensuring thorough compliance

Materiality of Toyo Seikan Group

Materiality	Major initiatives	Risks and Opportunities
Developing and offering products and services that support various lifestyles Aiming to achieve one of the pillars of the Long-Term Management Vision 2050: "Responding to diversity," we will provide products and services that focus on diversified lifestyles and needs of consumers and thereby contribute to social issues.	Exploring business opportunities to achieve safety, security and fulfillment in daily lives <ul style="list-style-type: none">Food industrialization (e.g. cell-cultured meat)Develop and offer products and services that support health maintenance and enhancementRespond to food personalizationDevelop and offer products and services that contribute to "zero food loss"	Risks <ul style="list-style-type: none">Weaker sales due to misalignment with consumer needsLower production efficiency as a result of dealing with a wide variety of needs Opportunities <ul style="list-style-type: none">Creating innovations in technical development and production by satisfying diverse needs of consumersStronger sales with a product lineup that meets changing environments and values, such as food personalization and food industrialization
Developing and offering products and services that are environmentally sound Aiming to achieve one of the pillars of the Long-Term Management Vision 2050: "Creating a sustainable society," we will provide products and services that support environmental protection and thereby contribute to social issues.	Building a platform for the entire value chain to reduce environmental impact <ul style="list-style-type: none">Develop and provide automotive battery componentsOffer in-house can making systems to fillers and brand ownersAdopt a next-generation beverage can making system that is environmentally friendlyOffer Re-CUP WASHER	Risks <p>Loss of trust from stakeholders and competitiveness against rivals due to delays in developing and offering environmentally sound products and services</p> Opportunities <ul style="list-style-type: none">Contributing to environmental protection and expanding social roles as a life infrastructure supplierAcquiring new customers and differentiating from competitors by developing and offering environmentally sound products and services in a timely manner
Contributing to environmental protection We will implement various initiatives to reduce environmental impact for the realization of a zero-carbon, zero-waste society that coexists with nature, which is the goal we set in our Environmental Vision and Eco Action Plan 2030.	<ul style="list-style-type: none">Reducing GHG emissionsReducing water consumptionResource recycling initiativesMore energy conservation and more use of renewable energyRespect for biodiversityRespect for the environment in the supply chain	Risks <p>Less competitive advantage due to delays in addressing environmental issues, such as GHG emissions reduction and resource recycling</p> Opportunities <ul style="list-style-type: none">Obtaining new purchase orders and continued orders from existing customers as a result of our environmental initiatives, including GHG emissions reductionAchieving cost reduction through efficient use of water, energy and other resources
Respect for human rights We will ensure that there are no discrimination, forced labor, harassment or abuse or any other human rights violations in the Group as well as in the entire supply chain and will prevent such violations.	<ul style="list-style-type: none">Conducting human rights due diligenceRespect for human rights in the supply chain	Risks <p>Lower reputation and sales resulting from disputes and protests on human rights issues</p> Opportunities <p>Ensuring stable procurement by respecting human rights across the supply chain</p>
Respect for employees We will build a rewarding work environment that cares about the health and safety of employees and their diversity and will secure and develop talent who will continuously take on challenges for new value creation, thereby aiming to maintain and boost our competitiveness.	<ul style="list-style-type: none">Ensuring occupational health and safetyBuilding a rewarding work environmentPromoting diversity, equity and inclusionSecuring and developing competitive human resources	Risks <ul style="list-style-type: none">Imbalanced skills and characteristics of human resources that lead to uniform thinking and loss of new business opportunitiesLoss of talent and lower retention rates due to a slow response to the demand for flexible work Opportunities <ul style="list-style-type: none">Fostering a corporate culture that creates new perspectives and innovations through the co-creation of diverse values as well as securing excellent talentIncreasing the sense of fulfillment of employees by building a workplace where they can respect each other's personality and grow together
Ensuring thorough compliance We will ensure compliance with laws and regulations, corporate ethics, and norms and take preventive measures against corruption and anti-competitive behavior.	<ul style="list-style-type: none">Educational programs for compliance with laws and regulationsImplementing the Code of Conduct and the Guidelines of BehaviorPreventive measures against corruption and anti-competitive behavior	Risks <p>Underperformance of operations, loss of social trust, and damage to corporate value due to noncompliance activities</p> Opportunities <ul style="list-style-type: none">Earning social trust and increasing corporate value through sound and stable business operationsReceiving a better evaluation from mid- to long-term investors and acquiring stable shareholders by maintaining highly transparent management

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Developing an Environmental Axis as a New Value Standard



Tomoaki Kaneko

Operating Officer
Sustainability and Quality Assurance
Toyo Seikan Group Holdings, Ltd.

Taking advantage of global surge in resource prices

In 2021, the United Nations' adoption of the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) showed that the world shared the stark warning of the report, which stated "Human impact on climate change is unequivocal." Since then, countries have continued their efforts to reduce CO₂ emissions for the creation of a "carbon-free" society.

However, the Russian invasion of Ukraine started in February 2022 has caused the prices of oil and minerals to skyrocket, making the world face an energy crisis, or a resource crisis. Some argue that we should temporarily relax our commitment to carbon-free operations to address the ongoing crisis.

I myself believe that we should never stop our efforts to tackle carbon-free challenges even if the severe energy conditions continue. We should take it as an opportunity rather than a threat. Think about the previous situation. There had only been slow progress in switching from fossil energy to renewable energy because crude oil and other fossil energy sources are less expensive than renewable energy ones, which did not enhance sustainability. As the saying goes, "Necessity is the mother of

invention," I am convinced that soaring resource prices will accelerate the movement toward carbon-free energy use.

What makes me convinced is a significant change in stakeholders' awareness of the environment, in particular among young people. They more value products that have less impact on the environment, pay close attention to companies' stance in their product development, and prefer a low-waste lifestyle that contributes to the environment.

Value standards for corporations have also changed. Conventional product development efforts have mainly focused on cost cutting, with environmental contribution being a side benefit. The development of cans with thinner side wall and the reduction of can weight are examples of such activities in our group. However, now that climate change is under the spotlight, an "environmental axis" is steadily beginning to take shape as a new value standard. As material prices are soaring due to the weak yen and Russia's invasion of Ukraine, among others, recycled materials that were previously perceived as expensive have become more price competitive. As a result, products that are environmentally sound have gained more strength in the market, also in terms of price. Now more people and organizations are seriously considering the environmental axis as a new value standard.

Reason why we have set our mid- to long-term targets at stricter levels

In 2021, the Toyo Seikan Group has significantly raised its mid- to long-term environmental targets, the Eco Action Plan 2030, formulated in 2019. Announcing our commitment to carbon neutrality by 2050, we have set new targets to reduce CO₂ emissions by 2030: 50% less from our operations (Scope 1 and 2) and 30% less from our supply chain (Scope 3), compared to fiscal 2019 levels.

The ambitious upward revision is because of our strong sense of crisis related to "inaction and irresponsibility." Some consider the revision, which require us to make tremendous efforts, to be a risk factor for our operation. But we concluded that this is not a risk; it will drive us to aggressively pursue sustainability.

By setting higher goals and devoting ourselves to achieving them, we will be able to find partners who share our vision and work with us. One of our main responsibilities in our environmental contribution is "cooperation with like-minded partners."

President Ichio Otsuka has shown the Toyo Seikan Group's strong will to tackle environmental issues with a firm determination, saying, "Having benefited from natural resources of the earth to conduct business, the Group should return part of the benefit to the planet." We also believe that environmental issues are to be solved by all of us as human beings, and that therefore we can find solutions with collective wisdom of all human beings. Now several systems to financially support activities are being developed, including Green Bond.

If we never give up and continue our efforts, and if we keep an eye open to look at the outside world to access various information and continuously work together with various parties, we will surely achieve the targets of the Eco Action Plan 2030.

Working with platforms aiming to reduce environmental impact

I will show you some initiatives we are working on to achieve targets, using the Group's collective strength to offer solutions to society. To encourage and enhance combined efforts in the entire value chain, we have embarked on developing a platform to reduce environmental impact. On the platform that manages all processes from raw materials to finished products, we will establish technologies for switching and processing materials and developing related equipment.

One example is the practical application of a next-generation, eco-friendly beverage can making system, aTULC Compact Line, which is our proprietary can making system that has simplified processes and is space-saving. Connecting this system directly to the filling line also reduces CO₂ emissions from transportation because cans do not need to be delivered from a can maker to a filler. Further, empty cans are not required to be strong enough to withstand impact during transportation, which allows for the commercialization of an extremely lightweight can we are developing. Overall, this is a revolutionary system that reduces both the use of aluminum and emissions from transportation.

Meanwhile, we are exploring opportunities to work with external bodies to communicate our initiatives.

Recently, we became the first packaging manufacturer to join the Ellen MacArthur Foundation in the U.K., which promotes the circular economy. Through the membership, we are learning what perspectives environmental organizations around the world have to achieve their environmental goals, as well as communicating our own contribution measures.

We have also participated in the Clean Ocean Materials Alliance (CLOMA)⁽¹⁾, a cross-industry organization to establish plastic recycling technologies, and have invested in R-plus Japan⁽²⁾.

These efforts will provide us with cutting-edge technologies to improve the environment and inspirations for such technologies, creating additional opportunities of collaboration with different companies.

Responding to growing environmental awareness

People who work for the Toyo Seikan Group also live a life as a consumer. When their children learn about environmental issues in school, it would create a conversation like this: "Oh, your mom's company (or your dad's company) makes cans and PET bottles." Those small events in our daily lives are a great motivation for each of us to work on environmental issues and technological improvements, and I believe that this awareness is what changes the world. I also feel it by the increasing number of environmental themes in improvement proposals made by employees at production facilities.

Recently, sales department staff members told that they were more often asked about what is the strength of Toyo Seikan in terms of environmental protection. I believe that is an accomplishment of our efforts with ambitious targets. We will continuously respond to the needs of business partners and society and commit ourselves to environmental activities.



Note:

1. Clean Ocean Materials Alliance is an organization established to address marine plastic pollution, an emerging global challenge. CLOMA is aimed at promoting more sustainable use of plastic products and the development and adoption of alternative materials as well as driving innovation for solutions through public-private collaboration.
2. R Plus Japan Ltd. is a joint venture for plastic waste recycling business to help resolve plastic issues toward the creation of a sustainable society.



Contributing to Environmental Protection

Our Commitment to Climate Change (Response to TCFD Recommendations)

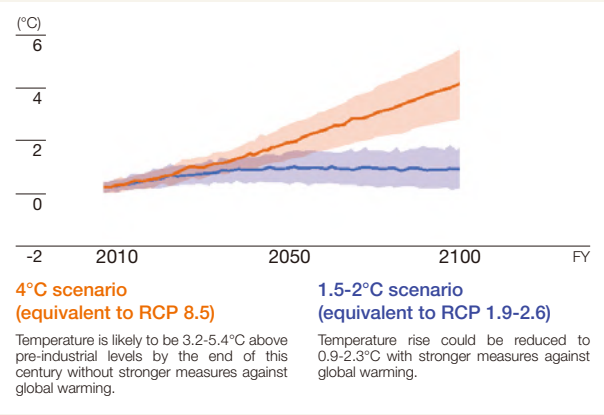
To help create a sustainable society, we have set quantitative and qualitative management targets to be achieved by 2030 as the Mid- to Long-Term Management Goals 2030, stepping up efforts to be carbon neutral by 2050. In July 2021, we announced our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)*. This section shows our scenario analysis, strategies, indicators and targets in line with the TCFD framework for disclosure.

1. Scenario analysis and strategies

We selected climate change scenarios to conduct a scenario analysis based on the viewpoints described below.

1) Selecting climate change scenarios

We referred to the climate change scenarios published by the International Energy Agency (IEA), and chose the 1.5°C, 2°C, and 4°C warming scenarios. We have analyzed the impact of climate change over the period through 2030, as we understand that such impact becomes gradually apparent over the medium to long term. Our first scenario analysis conducted in fiscal 2021 covered metal and plastic containers of our domestic packaging business.



Source: the IPCC Fifth Assessment Report

*The TCFD is a task force established by the Financial Stability Board (FSB) at the request of the Group of Twenty (G20) to discuss how climate-related information should be disclosed and how financial institutions should respond to matters associated with climate change. In June 2017, the TCFD released its final report in which it recommends that companies and other organizations disclose information about the four thematic areas of governance, strategy, risk management, and metrics and targets.

2) Results of analysis

We have organized the major climate change risks and opportunities in Japan, where the Group conducts its packaging business, using external information, and collected future prediction data for the individual risks and opportunities. Based on the data, we have examined risks and opportunities following the transition to a zero-carbon society as well as physical risks and opportunities arising from climate change, in order to identify significant risks and opportunities that may impact our operations by 2030.

As a result, we have identified the risk of higher operating costs due to carbon taxes on greenhouse gas (GHG) emissions, among other risks, under the 1.5°C and 2°C scenarios in which policies against climate change are likely to be implemented.

At the same time, we have confirmed that we can mitigate the

impact of climate change to a certain extent by achieving GHG emission reduction targets in our Eco Action Plan 2030.

We have also introduced an internal carbon pricing (ICP) program* from fiscal 2022 as a measure to reduce risks and expand opportunities. We apply our internal carbon price to CO₂ emissions from capital investments, converting the emissions into cost values, which we use as a reference when making our investment decisions. With these measures in place, we will promote business management that focuses on climate change awareness.

Going forward, we will expand the coverage of the analysis to other products, including glass and paper containers in the domestic packaging business and major products in the functional materials related business.

2. Indicators and targets

As a long-term goal for 2050, we aim to significantly reduce CO₂ emissions to realize carbon neutrality. To this end, we have set CO₂ emission reduction targets for 2030 in our Eco Action Plan 2030, as shown to the right. We are aiming to obtain approval from the Science Based Targets initiative (SBTi)* on these targets under the SBTi's updated target validation criteria for the 1.5°C scenario.

CO₂ emissions from operations (Scope 1 & 2) **Less 50%**
Compared to FY2019

CO₂ emissions from supply chain (Scope 3) **Less 30%**
Compared to FY2019

Financial impact on operations and responsive measures

Note:
1: Financial impact under the 1.5°C scenario 2: Targets in the Eco Action Plan 2030

Financial impact: Positive, 10 billion yen or more: ↑ Positive, less than 10 billion yen: ↗ Positive/negative, less than 1 billion yen: → Negative, less than 10 billion yen: ↘ Negative, 10 billion yen or more: ↓

Significant Risks and Opportunities			Time Frame	Description of Risks and Opportunities	Financial Impact Assessed	Financial Impact of Each Scenario		Current Status and Future Actions
						4°C	1.5-2°C	
Transition Risks/ Opportunities	Carbon pricing/ national carbon emissions targets and policies	Carbon tax burden	Medium	Carbon taxes are imposed on CO ₂ emissions from fossil fuels.	Rise in operating costs due to carbon taxation on GHG emissions ⁽¹⁾	→	↓	• Reduce GHG emissions from operations by 50% by 2030 ⁽²⁾ .
		Electricity price fluctuations	Short	Renewable energy charges surge as the power grid shifts to renewable sources.	Fluctuations in operating costs due to electricity price variations	→	↘	• Introduce solar power generation systems. • Accelerate energy saving investment by using ICP
	Introduction of new regulations	Decline in net revenue due to plastic taxation	Medium	Plastic taxes are imposed on packaging made of virgin plastic.	Decline in net revenue when taking account of plastic tax burden		→	• Convert all packaging products to recyclable/reusable ⁽²⁾ . • Increase the ratio of recycled materials used in products.
		Compliance with the mandatory use of recycled plastics	Medium	A minimum percentage of recycled plastic used in beverage bottles is set.	Rise in cost due to a higher ratio of recycled plastic in raw materials		↘	• Reduce the use of fossil resources for plastic products by 40% by 2030 ⁽²⁾ .
	Fluctuations in raw material prices	Rise in petrochemical material prices due to higher crude oil prices	Short	Petrochemical material prices fluctuate as the demand and supply balance and price of oil change.	Fluctuations in cost due to changes in prices of oil and petrochemical materials	↓	↗	• Reduce the use of fossil resources. • Achieve practical application of chemical recycling.
		Rise in petrochemical material prices due to carbon taxation	Medium	Taxation on raw material-derived CO ₂ emissions pushes up petrochemical material prices.	Rise in petrochemical material purchase costs due to higher carbon tax rates	→	↘	• Reduce the use of fossil resources. • Use biomass materials.
		Rise in steel material prices due to carbon taxation	Medium	Taxation on raw material-derived CO ₂ emissions pushes up steel material prices.	Rise in steel material purchase costs due to higher carbon tax rates	→	↘	• Reduce the use of exhaustible resources by 30% by 2030 ⁽²⁾ . • Use steel produced through a low-carbon process.
		Rise in aluminum prices due to carbon taxation	Medium	Taxation on refining-derived CO ₂ emissions pushes up aluminum prices.	Rise in aluminum purchase costs due to higher carbon tax rates	→	↘	• Reduce the use of exhaustible resources. • Use aluminum produced through a low-carbon process.
Physical Risks/Opportunities	Rise in average global temperature	Fluctuations in sales due to changes in output of agricultural raw materials	Long	Agricultural production fluctuates and demand for beverages grows as the average temperature rises.	Fluctuations in packaging sales due to changes in production of barley and tea leaves and stronger demand for beer and tea drinks	→	→	• Fluctuations in agricultural raw material output have a minor impact on sales. • Future Risk Factors
		Rise in air conditioning costs in summer	Medium	Rising temperatures push up air conditioning costs in summer.	Rises in air conditioning power consumption and operating costs due to rising temperatures	↘	↘	• Install rooftop solar panels. • Use energy-saving heat pumps.
	Intensifying extreme weather	Property damage and lost profits due to natural disasters	Short	Delay in production and suspension of product supply occur due to damage to our facilities caused by natural disasters.	Property damage costs and lost profits arising from natural disasters	↘	↘	• Review natural disaster risks that were previously identified. • Develop BCP and conduct drills.
		Rise in insurance premiums	Short	Increased natural disaster risks for our facilities raise insurance premiums.	Rise in insurance costs due to increased flooding and typhoons	→	→	• Review insurance contracts to improve their cost-effectiveness.



Contributing to Environmental Protection

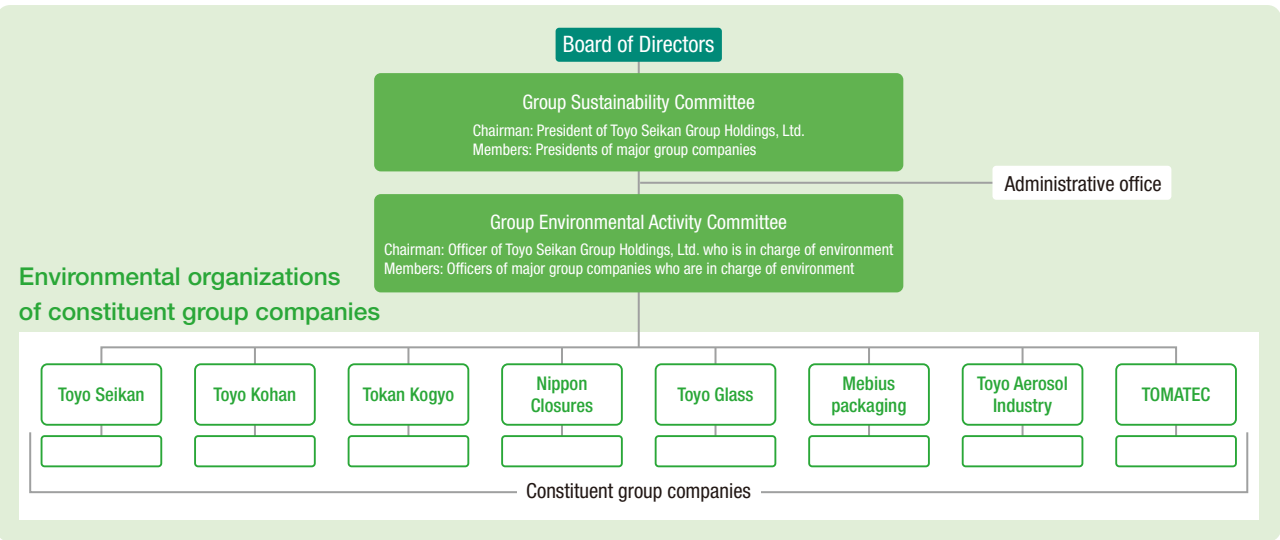
Environmental Vision and Goals

Based on the Toyo Seikan Group Environmental Policy, which was established in 2002, we have been actively working on the protection and improvement of the global environment through our business activities. In 2021, we revised our long-term goals, which had previously aimed for a "low-carbon society" but now aims to achieve carbon neutrality by 2050 toward a "zero-carbon society," and also raised the mid-to long-term targets for fiscal 2030. Taking specific measures to reduce environmental impact, we will drive our efforts in an effective manner.



Toyo Seikan Group Environmental Management System

The Toyo Seikan Group has established the Group Sustainability Committee (chaired by the President of Toyo Seikan Group Holdings) to promote sustainability management on a group-wide basis. With respect to the environmental aspect of sustainability management, the Group Environmental Activity Committee discusses relevant issues and makes decisions, overseeing environmental activities across the Group. Based on the committee's decisions, individual group companies develop initiatives to promote their environmental management activities.



Targets for 2030 and Progress in FY2021

The table below shows the progress we made in fiscal 2021 based on the Eco Action Plan 2030.

Evaluation: ★★★ Achieved ★★ Nearly achieved ★ More effort needed

Environmental Vision	FY2021 Results	Evaluation
Eco Action Plan 2030		
Zero-Carbon Society 1) Reduce CO ₂ emissions from our operations (Scope 1 & 2) by 50% (compared to FY2019) 2) Reduce CO ₂ emissions from the supply chain (Scope 3) by 30% (compared to FY2019)	1) The scope 1 and 2 emissions have decreased 5.0% from the base year (fiscal 2019) but increased 3.6% year-on-year as sales of packaging containers began to recover with the impact of COVID-19 on our operations gradually becoming less severe. We will continue with our energy-saving efforts, including the replacement of production equipment. 2) The emissions from supply chain (scope 3) have inched up 0.3% from the base year (fiscal 2019) mainly due to production growth and the expanded scope of data collection. We are enhancing our efforts for resource conservation, such as adopting recycled materials and reducing the weights of packaging containers.	★★
Zero-Waste Society 1) Reduce the use of exhaustible resources ⁽¹⁾ by 30% (compared to FY2013) 2) Reduce the use of fossil resources ⁽²⁾ for plastic products by 40% (compared to FY2013) · 15% reduction by decreasing product weight and switching materials (compared to FY2013) · Increasing the ratio of recycled and plant-based plastics by 30% (compared to FY2013) 3) All packaging to be recyclable or reusable	1) The consumption of exhaustible resources has declined 9.8% from the base year (fiscal 2013) but rose 9.5% year-on-year due to production growth, as the same with CO ₂ emissions. We will continue to work on reducing product weights and improving yield rates (lowering defect rates) to achieve the target. 2) The consumption of fossil resources for plastic products also increased. We will continuously seek to reduce the consumption by using recycled plastic from used bottles for new PET bottles and plant-based resin for other plastic containers.	★★
Society Coexisting with Nature 1) Reduce environmental risk and environmental pollutant · 15% cut in the release and transfer amount of chemical substances under the Pollutant Release and Transfer Register Law (PRTR Law) by FY2022 (compared to FY2013) 2) Promote biodiversity conservation · 30% cut in water consumption in operations (compared to FY2013) 3) Promote communication with external parties · Action to address marine plastic pollution (prevention of litter) and the disclosure of relevant information	1) The release and transfer amount of chemicals subject to the PRTR Law has declined 18% from the base year (fiscal 2013). Although there was a deviation from the target for several years because of production process control for certain products, we have achieved the target before the target date with various improvement efforts, such as excluding toluene from printing ink. 2) Water withdrawal has increased 0.4% from the base year (fiscal 2013) as water consumption is rising at both domestic and overseas facilities due to expanded operations. 3) We have established the Group's guidelines to prevent plastic pellet from escaping from the facilities of group companies. We are now working on applying the guidelines to overseas subsidiaries and plants as well.	★★

Note:
1. An exhaustible resource is a natural resource that is not replenished by natural processes as fast as humans consume it.
2. Fossil resources include crude oil and natural gas.

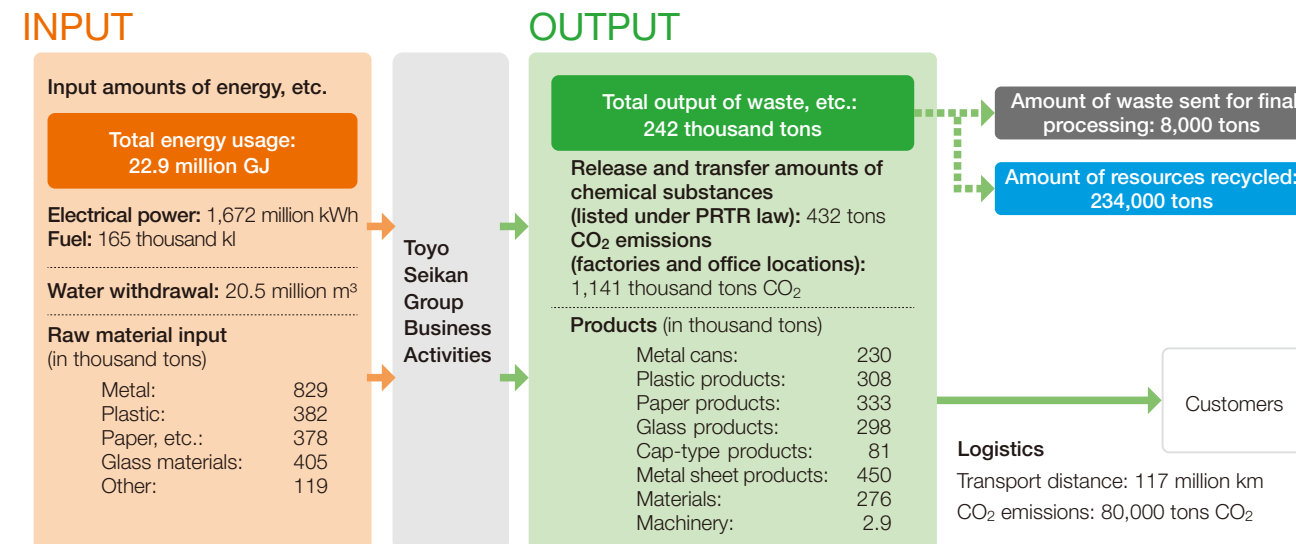


Contributing to Environmental Protection

Environmental Impact of Business Activities

We monitor the amounts of material input and output of the entire group to reduce the environmental impact of our business activities.

FY2021 Material Flow of Domestic Operations of Toyo Seikan Group



Toward a Zero-Carbon Society

As part of our efforts to address climate change, we have initiated several measures to achieve carbon neutrality. In fiscal 2021, we started a multifaceted review of sourcing and use of energy at the Osaki Forest Building (Shinagawa, Tokyo), where Toyo Seikan Group Holdings and other major group companies are headquartered, and at the Corporate R&D (Yokohama, Kanagawa), the basic research lab of the Group.

Revision of 2030 Environmental Targets Toward “1.5°C-Aligned” Approval by Science Based Targets Initiative (SBTi)

Toyo Seikan Group Holdings has revised its mid- to long-term environmental targets, the Eco Action Plan 2030, to advance its efforts to achieve carbon neutrality by 2050. By raising the CO₂ reduction targets for 2030 from 35% to 50% for emissions from our operations and from 20% to 30% for emissions from our supply chain compared to 2019, we aim to obtain approval from the Science Based Targets initiative (SBTi)* on the revised targets under the SBTi's updated target validation criteria for the 1.5°C scenario.

The revised targets are ambitious, as we intend to achieve the

initially targeted 35% reduction by 2027, three years ahead of the original schedule. By accelerating energy saving and renewable energy use, we aim to continuously reduce CO₂ emissions to meet the 1.5°C-aligned targets and thereby achieve carbon neutrality, a 2050 goal toward a zero-carbon society.

*The SBTi is an international initiative that examines the greenhouse gas reduction targets set by individual companies and approves them as consistent with scientific evidence through its target validation process.

CO₂ Emissions from Operations (Scope 1 & 2)

In fiscal 2021, total CO₂ emissions from the Group's sites increased by 3.6% from the previous fiscal year to 1,338 thousand tons CO₂.★

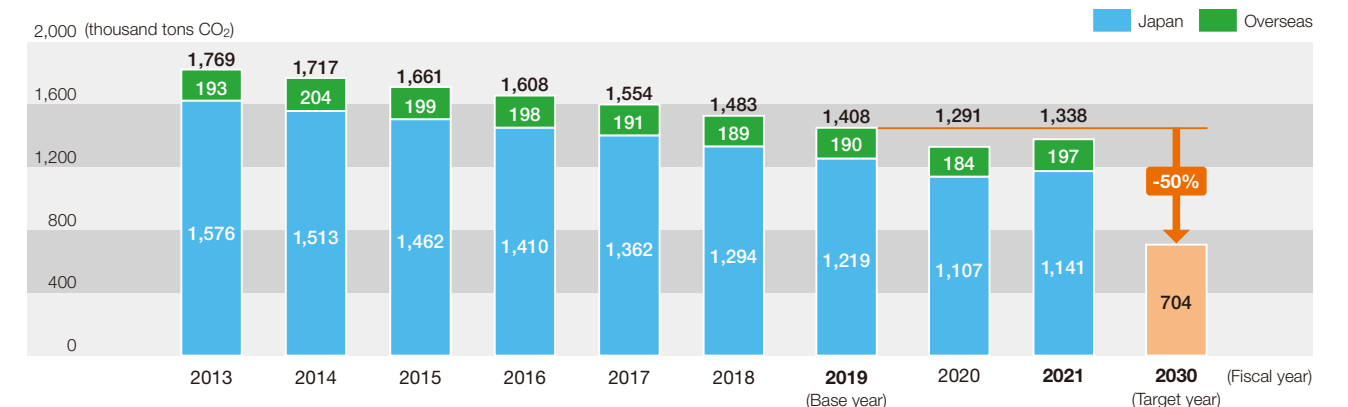
Despite higher production, the emissions from domestic facilities only showed a 34 thousand tons CO₂ increase compared to the previous fiscal year as a result of energy saving activities, such as the replacement of air compressors and periodic repairs to

melting furnaces. Meanwhile, the emissions from overseas facilities increased by 13 thousand tons CO₂ compared to the previous fiscal year due to their expanded production.

We will continue to engage in reducing carbon footprint in fiscal 2022 through energy saving efforts, such as replacing equipment, streamlining production lines and improving production efficiencies.

The figure with a star (★) has been assured by KPMG AZSA Sustainability Co., Ltd.

Changes in CO₂ Emissions from Operations



Note:

1. In November 2021, we raised the emissions reduction target from 35% less to 50% less, compared to fiscal 2019.

2. The scope of data collection has been changed to solely include Toyo Seikan Group Holdings and its consolidated subsidiaries from the data disclosed in July 2022, excluding affiliates accounted for using equity method that were previously included, and therefore the figures published here are not comparable to those published previously.

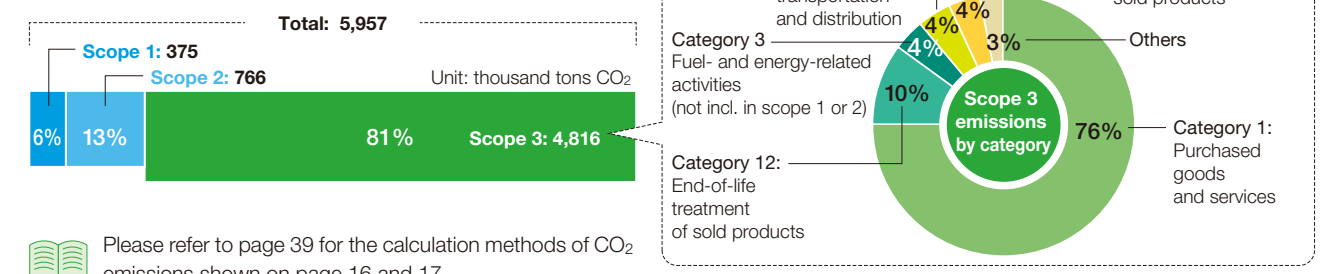
Greenhouse Gas Emissions from Supply Chain (Scope 3)

The Toyo Seikan Group calculates the amount of greenhouse gas emissions from the upstream and downstream of the supply chain (scope 3), in addition to the emissions from its own operations, which consist of direct emissions from fuel combustion (scope 1) and indirect emissions related to electricity consumption (scope 2). Under our environmental vision Eco Action Plan 2030, we aim to reduce the scope 3 emissions 30% by fiscal 2030 compared to fiscal 2019.

In fiscal 2021, the scope 3 emissions associated with our

domestic operations accounted for approximately 80% of the total emissions from the Group's domestic operations and supply chain. Of the total scope 3, the emissions from purchased products (category 1) accounted for approximately 76%, followed by disposal of sold products (category 12) and fuel- and energy-related activities that are not included in scope 1 or scope 2 (category 3). This indicates that reducing emissions related to purchased products, or material procurement, is becoming more important. We will continue to work on reducing product weights and using recycled and plant-based materials in cooperation with material suppliers.

GHG Emissions from Supply Chain (FY2021)



Please refer to page 39 for the calculation methods of CO₂ emissions shown on page 16 and 17.



Contributing to Environmental Protection

Toward a Zero-Waste Society

Our group companies produce packaging containers and steel plates by processing raw materials from exhaustible resources, such as metal and petroleum. We therefore believe we have a great responsibility for an efficient use of resources through reducing material input and waste and promoting recycling, especially for packaging. According to the Ministry of the Environment's survey on the composition of household waste for fiscal 2021*, packaging waste accounted for 66% of the total volume of household waste.

The Eco Action Plan 2030 is aimed at a 30% reduction in the use of exhaustible resources toward a zero-waste society. In addition to our ongoing efforts to lightweight our packaging containers, we are also working on expanding the use of recycled materials. Using more recycled metals in our cans and more recycled or plant-based resins in our plastic containers will help us achieve the targets of the action plan and eventually help solve social issues. Since these activities do not just lead to an effective use of resources but reduce emissions from the material production process, they should also be important in tackling global warming.

*Summary of the FY2021 survey on use and waste of packaging, conducted by the Ministry of Environment
https://www.env.go.jp/recycle/yoki/c_2_research/research_R03.html

Eco-Friendly Products

The Toyo Seikan Group has been working on developing, manufacturing and selling products with lower environmental impact, considering their entire lifecycle. We have certified certain products of the Group as Eco-Friendly Products based on our group-wide standards for evaluation in the stages of raw material procurement, production, transportation, consumption and disposal/recycling. As of April 2022, a total of 68 items have been certified as Eco-Friendly Products, for which the details are provided on the website of Toyo Seikan Group Holdings (only in Japanese).

Going forward, we expect that the commercialization of eco-conscious products will contribute to achieving the targets of Eco Action Plan 2030. We will focus on waste reduction and recycling for our packaging containers from their design process so that our products will be widely accepted in the market.



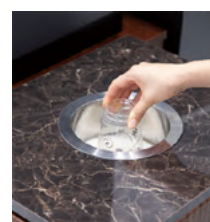
Launching Re-CUP WASHER

In January 2022, Tokan Kogyo launched Re-CUP WASHER, a cup washer the company developed for food and beverage cups after use.

Re-CUP WASHER is a self-service washing machine for used paper cups at cafes and other venues, creating opportunities for consumers to join environmental activities that lead to engagement in SDGs and promoting recycling. This is aimed at realizing a

closed loop of material recycling in which recycled paper made from washed used paper cups is used to produce new paper cups.

The Toyo Seikan Group has been implementing the OPEN UP! PROJECT, in which it tackles a variety of issues through innovation to allow for a more affluent society. The Re-CUP WASHER is one of the accomplishments of the project, focusing on social issues related to paper and plastic cups we supply.



Club Partner Agreement with Kashima Antlers

The Toyo Seikan Group signed a club partner agreement with Kashima Antlers F.C. Co., Ltd. Together with the J-League soccer team, their supporters, local communities, and other partner companies, we will work on various initiatives and experiments to realize a society with a closed loop of packaging-to-packaging recycling.

In April 2022, we set up E-DOME, a new type eco-friendly

station that uses our DAN DAN DOME⁽¹⁾, at the club's Tsukuba Academy Center with its academy members. Along with E-DOME, we have also started an experiment by installing Captain Box, a box to encourage people to collect used PET bottle caps with fun, which was developed with the concept of a field of study of "shaping behavior through design"⁽²⁾. We will continue to seek solutions to issues in realizing a circular economy.

NOTE:

1. DAN DAN DOME is a prefabricated cardboard tent that is recyclable.

2. An empirical study called "Japanese art of shaping behavior through design" that verifies the effect of a device to urge people to take action.



Participating in 2021 Project to Reduce Amount of Foreign Objects in Recycling Bins at Vending Machines



Collection boxes for caps and labels (left) and for PET bottles (right)

The soft drink industry is working on horizontal recycling of PET bottles to promote plastic recycling. Since 2020, the Japan Soft Drink Association has been conducting a project to reduce the amount of foreign objects thrown into recycling boxes for vending machines, aiming for a higher level of used PET bottle collection and preventing used containers from being scattered. In 2021, with the project scope expanded into caps and labels, Nippon Closures joined the project as a representative of cap manufacturers. We gained a great deal of insight into issues in promoting recycling, such as issues related to collection sites and intermediate treatment procedures.



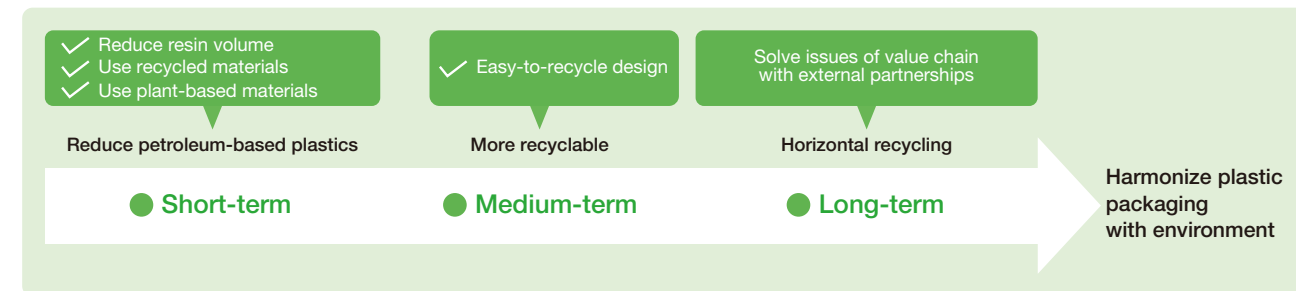
Contributing to Environmental Protection

Harmonizing Plastic Packaging with the Environment

Mebius Packaging has a roadmap to implement a series of initiatives to harmonize plastic packaging with the environment, starting from reducing petroleum-based plastics and moving forward to developing recyclable products and achieving horizontal

recycling. The company is currently focusing on three main themes of “reducing resin volume,” “using recycled materials,” and “using plant-based materials” in its products, in cooperation with many customers.

Mebius Packaging Eco Action Roadmap



As a result of these initiatives, fiscal 2021 saw the following achievements.

Bottles made from recycled materials



Fully capitalizing on its production technologies and know-how in quality control for plastic containers, the company has successfully developed new plastic bottles with the same quality and performance as conventional products, and they have been adopted by several customers.

In fiscal 2022, there are an increasing number of projects underway; the adoption plans for 18 items are now in progress

Bottles made from plant-based materials



under the three themes of reducing resin volume, using recycled materials, and using plant-based materials. Mebius Packaging will continue to increase its efforts with customers while preparing for addressing the medium- to long-term issues: developing recyclable products and achieving horizontal recycling, aiming to achieve harmony between plastic packaging and the environment.

Achieving a Society Coexisting with Nature

Risk Management of Production Facilities

Harmful substances and waste liquid that flow out of plants have a long-lasting adverse impact on the surrounding environment. While group companies have been individually implementing risk management with their environment management systems, we are now further enhancing our risk management framework. We identify equipment and facilities that carry high risks of environmental accidents based on the degrees of deterioration in facilities and

the characteristics of substances handled by individual plants. The management of piping and storage tanks are given special attention since a leakage from such equipment would have a material impact. In fiscal 2021, we established environmental risk management guidelines common to all group companies to launch a group-wide risk management system.

Addressing Marine Plastic Pollution

Engagement through Clean Ocean Material Alliance

In January 2019, the Clean Ocean Material Alliance (CLOMA) was established with a wide range of business operators participating to address marine plastic pollution, an emerging global challenge. The CLOMA is aimed at promoting a new 3R (reduce, reuse, recycle) initiative toward more sustainable use of plastic products and the development and introduction of alternative materials through public-private collaboration. Toyo Seikan Group Holdings has joined the alliance as a managing partner since the preparation phase and has been working as a key

member of a subcommittee of CLOMA to share information and enhance the network with partners from across industries. In 2020, CLOMA formulated an action plan to advance plastic recycling as a countermeasure against marine plastic pollution. Another four companies of our group: Toyo Seikan, Tokan Kogyo, Nippon Closures, and Mebius Packaging, have also joined the alliance to implement measures to achieve the action plan. In working groups that are relevant to their business domains, the companies are tackling new challenges to reduce additional marine plastic litter to zero by 2050.

Program for Forest and Water Conservation by Community Members

Kudamatsu Plant of Toyo Kohan is engaged in activities to protect forest, which helps prevent global warming and serves as a source of water essential for living and corporate activities. In October 2021, Yamaguchi prefecture conducted its 25th forest and water conservation program in the forest park upstream of the Sugano Dam in Shunan City, Yamaguchi, with approximately 200 volunteers participating from 18 companies in the region. Toyo Kohan joined activities of the program, including cutting down shrubs and removing dead trees using saws, to maintain the forest in the area that supplies water necessary for operations of Kudamatsu Plant.



Cleanup Efforts with Litter Picking App “PIRIKA”

We have been communicating cleanup efforts of group companies using a litter collection app “PIRIKA”

In fiscal 2021, a total of 679 persons across the group joined the program, picking up a total of 9,595 liters of waste. The most frequent participating organization was Toyo Seikan's Shiga Plant, which held the event 12 times during the year.

While the program has been conducted on a reduced scale to prevent coronavirus infection, we will continue our cleanup efforts through group-wide events to attract more participants going forward.



Toyo Seikan's Shiga Plant



Toyo Aerosol Industry's Mie Plant



*PIRIKA activity report on website:
<https://www.pirika.org/u/5256552586149888>



Respect for Human Rights

e-Learning on Human Rights

To improve understanding of human rights issues, all employees in the Group are provided with opportunities to learn about the Group's Guidelines of Behavior, which prohibit any discrimination, harassment or abuse.

In fiscal 2021, following the previous two years, we conducted an e-learning program on business and human rights for a total of 850 members (officers and applicable employees of the group companies stated below) who had not yet taken the program. The program uses an online material co-developed by the Asia-Pacific Human Rights Information Center "Hurights Osaka" and Amnesty International Japan. (The completion rate of the program for fiscal 2021 was 99 percent.)

For the three years from fiscal 2019, the program was attended by a total of 5,806 members, who learned about the relationship between business activities and human rights, as well as international norms such as the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

We will continue to engage in human rights education to ensure that respect for human rights becomes an integral part of our corporate culture.

Group companies joining the program

Toyo Kohan	<ul style="list-style-type: none"> • Fuji Technica & Miyazu • KYODO KAIUN
Tokan Kogyo	<ul style="list-style-type: none"> • Nippon Tokan Package • Tokan Kosan • Tokan Takayama • Tokan Logitech • Sunnap • Shosando
Nippon Closures	<ul style="list-style-type: none"> • Shin-Sankyo-Pd.
Toyo Aerosol Industry	
TOMATEC	

The table above shows companies that conducted the e-learning program in fiscal 2021. The list of all companies conducting the program during the three years from fiscal 2019 is available on our website. https://www.tskg-hd.com/en/csr/social/human_rights/

Participating in Stakeholder Engagement Program

The Group joined the 2021 Human Rights Due Diligence Workshop (Stakeholder Engagement Program) conducted by non-profit organization Caux Round Table Japan. The program for the year was conducted online using the Zoom platform under the influence of COVID-19.

In the first half session of the program for the "issues raised by experts," there were discussions on ten topics to deepen understanding of human rights issues, including human rights issues in the Xinjiang Uyghur Autonomous Region and proposals from Generation Z on climate change.

In the second half session, members from the Group joined a review of the sector-specific human rights issues that were identified by the Nippon CSR Consortium in 2020, based on UNEP FI Human Rights Guidance (issued in 2011 and revised in 2014), together with other participants from manufacturing companies.

We will continue to engage in human rights-related activities with the knowledge we have gained in the program.



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Compliance News Letter for Human Rights Education

We issue Compliance Newsletter on our intranet on a quarterly basis to raise awareness of compliance among officers and employees of the Group. The January 2022 newsletter presented a special feature on human rights.

The feature article focused on the importance of responsible supply chain management, discussing human rights issues by showing actual examples of child labor and forced labor mainly in emerging countries.

The newsletter also explains the Group's Human Rights Policy and Procurement Policy to raise awareness of human rights among all group members.

Responsible Procurement

Toyo Seikan Group Procurement Policy <https://www.tskg-hd.com/en/csr/social/purchasing/>

Toyo Seikan Group Corporate Social Responsibility Guidelines for Suppliers

We will work on sustainable development together with our suppliers, our important business partners, so that the entire supply chain can contribute to creating a sustainable society.

The following guidelines represent the principle practices that we ask our suppliers to follow in order to aim for a sustainable society by working hand in hand with us, based on the Toyo Seikan Group Procurement Policy, which stipulates matters related to law compliance, safety and quality assurance, human rights, occupational health and safety, environmental protection, and information management.

Toyo Seikan Group Corporate Social Responsibility Guidelines for Suppliers

Complying with Relevant Laws and Regulations and Social Norms

- Comply with laws and regulations governing local business transactions.
- Engage in active and fair disclosure of corporate information, including operational and financial conditions.
- Maintain a sound and proper relationship with politicians and government bodies, and never be involved in bribery or illegal political donations.
- Offer or accept no entertainment, gifts, money, etc. to gain or retain illicit profits or preferential treatment.
- Never be involved in a cartel, bid rigging or any act that impedes fair competition.
- Ensure that there is no abuse of a superior bargaining position (any act defined as abuse by the Antimonopoly Act, the Subcontract Act or other relevant laws).
- Conduct appropriate management to prevent insider trading.
- Ensure that there is no violation of intellectual property rights or other rights of third parties.
- Exclude any connection with organized crime groups.
- Refrain from purchasing raw materials such as minerals that may cause human rights issues and other social problems.

Safety and Quality Assurance

- Provide safe products that meet quality requirements of Toyo Seikan Group's companies, and establish and manage a system for constant improvement in safety and quality.
- Conduct shipping inspections and other specified procedures before delivery to make sure that the products fully meet the required specifications.
- In the event of a product failure, collect, communicate and disclose relevant information promptly and appropriately.
- Develop, manage and improve a system to identify and prevent the falsification and manipulation of information related to quality and safety matters.
- Develop a business continuity plan to ensure a constant supply of products.

Respect for Human Rights

- Respect fundamental human rights in accordance with laws and regulations and international norms.
- Perform own business activities with due consideration to ensuring that such activities do not infringe human rights directly or indirectly.
- Never discriminate on the basis of nationality, race, ethnic, religion, ideology, creed, gender, age, disability or sexual orientation.
- Ensure that no operations are performed using forced labor, child labor, or victims of restraint, human trafficking or other human rights violations.
- Respect the human rights of employees and prohibit inhumane treatment, including abuse, physical punishment and harassment.

Supplier CSR Guidelines Self-Assessment

We asked the suppliers with whom we had transactions during fiscal 2021 to conduct a self-assessment regarding our Supplier CSR Guidelines, and received responses from all of them. We intend to use this assessment as a means of communication with our suppliers in working with them toward a sustainable society.

The results and evaluation of their assessment as well as what we learned through feedback and dialogue with them will help improve our future activities to enhance sustainability of our supply chain.

- Pay wages exceeding the local legal minimum wage to employees and workers, and do not unreasonably reduce their wages.
- Do not order employees and workers to work longer than the local legal working hours or impose unreasonable restrictions on holidays or leave.
- Understand the social circumstances of local communities in which your company operates, and fully respect their cultures, customs and religious beliefs.
- Respect the freedom of association and the right to collective bargaining of employees, and provide opportunities for dialogue between labor and management.

Occupational Health and Safety

- Take necessary safety measures (preventing occupational accidents and illness) and hygiene measures (preventing problems of hazardous chemicals, noise, odors, etc.) in the workplace.
- Understand the current conditions of occupational accidents and diseases and take appropriate measures to address the situations.
- Develop a contingency plan to be prepared for potential emergency situations, and implement the plan in case of an emergency.
- Conduct training programs and drills to be prepared for health and safety issues.
- Appropriately manage the health of employees.

Commitment to Environmental Protection

- For addressing global warming and climate change, reduce the emissions of CO₂ and other greenhouse gases by promoting energy saving and the use of renewable energy.
- Promote resource conservation, reduce waste generated in operation, and use more recycled materials.
- Use less materials with high environmental impacts and switch to alternative materials.
- Promote the prevention of environmental pollution.
- Promote biodiversity conservation and sustainable use of natural resources and water.

Information Management and Protection

- Appropriately manage and protect personal information of customers, third parties and employees.
- Appropriately manage and protect confidential information received from customers and third parties.
- Take safeguard measures against threats on computer networks to protect relevant companies, including your own, from potential damage.

Participation in Sustainability Information Sharing Platforms

Sustainable growth for a business cannot be achieved without managing environmental and social risks in the entire supply chain.

The Toyo Seikan Group discloses sustainability-related information using Sedex and EcoVadis platforms, information sharing platforms for sustainable supply chain management.

Along with a request for self-assessment regarding the supplier CSR guidelines, we also made an inquiry about our suppliers' participation in the aforementioned platforms, aiming to enhance information sharing with suppliers.



Respect for Employees

Co-Creation of Diverse Talent

In order for the Toyo Seikan Group to enhance its competitiveness and continue to grow over the long term, each employee needs to make full use of their own abilities for their individual growth and for the Group's development. To this end, it is essential to create a corporate culture in which every one of us accepts both visible diversity, including differences in gender, nationality and disability, and invisible diversity, including differences in perspective.

Focusing on "responding to diversity," one of the two pillars of the Group's Long-Term Vision 2050, we are developing a human talent platform that can create new value.

Promoting Active Engagement of Older Workers

While the mandatory retirement age is set at 60, 77.4% of workers at the retirement age in the Group have chosen to continue to work under our re-employment program, which secures opportunities to work up to the age 65.

We are working on the succession of techniques and skills by assigning an educational role to the re-employed, experienced workers. We are also promoting automation in production facilities to reduce a burden of carrying heavy loads so that everyone can continue to work for a long time.

FY2021 re-employment: 455 persons (combined total for seven companies)

Note: The scope of data includes Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass, Mebius Packaging and Toyo Seikan Group Holdings.

Inclusion of People with Disabilities

We aim to create a work environment that allows all employees, regardless of disabilities, to comfortably work. For example, we are working on improving facilities in the head office building, including barrier-free, multi-functional restrooms on each floor, and introducing a voice-to-text app for the hearing impaired.

Meanwhile, several group companies and plants recruit people with disabilities through training programs at local special education schools. There is also a group company that provides such people with opportunities to work as its employees on contracted farms to help revitalize local communities. As of June 30, 2021, workers with disabilities accounted for 2.2% of the total employees of the Group. We will continue with our efforts to achieve the mandatory employment rate for the disabled.

Note: The scope of data includes Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass, Mebius Packaging and Toyo Seikan Group Holdings.

Employing Foreign Nationals

We are recruiting international students, returnee students and other talented individuals who can globally contribute to the development of our overseas operations, without setting any restrictions on application.

We also accept trainees from Southeast Asian nations and other countries for both adding our workforce and providing technical support for developing countries under Japan's foreign technical internship program.

Supporting Sexual Minorities (LGBTQ)

Our Management Creed states that "we will honor dignity and always strive to be fair and unbiased in every way," while our Guidelines of Behavior emphasizes respecting human rights, accepting diversity, and prohibiting discrimination, harassment and abuse. We are aiming to create a workplace where the human rights and personalities of all workers are respected.

Specifically, the Guidelines of Behavior, established as common standards to be complied with by all officers and employees in our group, clearly states that "we do not discriminate on the grounds of nationality, race, ethnic group, religion, belief, gender, age, disability or sexual orientation," which is shared among the employees. In addition to this ethical approach, we are taking a regulatory approach to prevent discrimination. The work rules of individual group companies prohibit anyone from causing distress or disadvantages for other workers or harming the work environment with words or actions related to sexual orientation or gender identity.

We have also established internal and external whistleblowing systems that allow employees to report or consult on any kind of harassment or abuse and any other subject while remaining anonymous.

Encouraging More Active Participation of Women

We are implementing the General Employers Action Plan we have formulated under the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children.

Current issues to address

- 1) The percentage of women in the total labor force is still low.
- 2) The retention rate of female workers with 10 years of service is lower than that of male workers.
- 3) The average length of service for women is shorter than for men.

We have set the following targets to address these issues.

Planned period:

Five years from April 1, 2021 to March 31, 2026

Targets:

- 1) 30% or more female recruits
- 2) Reduce the difference in average length of service between female and male workers to 3 years or less
- 3) Achieve 70% or higher retention rates both for female and male workers who were hired around 10 years (9 to 11 years) ago.

Results as of March 31, 2022

- 1) Female recruit ratio: 17.6% for FY2021 (For both new graduates and mid-careers)
- 2) Difference in average length of service: 3.9 years (Male: 17.9 years/ Female: 14.0 years)
- 3) Ten year retention rate: Male: 66.4%/ Female: 53.1% (All workers: 63.7%)

Note: The scope of data includes Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass, Mebius Packaging and Toyo Seikan Group Holdings.

We will implement specific measures corresponding to individual workers in different career stages, including at the time of joining the company and during maternity and childcare leave, by facilitating information sharing among group companies, especially by personnel departments. We will also develop a scheme to improve communication skills of supervisors and raise career awareness of female workers themselves.

To continue our ongoing initiatives to increase female recruits, we are introducing equipment to reduce workload in production processes and developing and enhancing systems to accommodate diverse work styles.

"Kagayaki" Project to Empower Women in Workplace

Toyo Seikan has been implementing a women empowerment initiative called "Kagayaki" (shining) Project as part of its diversity development efforts to create a working environment in which various members with diverse personalities can demonstrate their different abilities.

In FY2021, stepping up its ongoing efforts, the company defined the year as "the year to change employees' awareness" and conducted the Starting Female Empowerment Seminar for directors, officers and managers to learn the purposes and necessity of women's advancement, as well as e-learning programs for the issue. The company also issued a new internal magazine for female empowerment, Shine, which contained a message from the president and the objectives and goals of the initiative and was distributed to all employees. In addition, the company defined March 8th as Women's Empowerment Day. On the day of 2021, the first year, there were the president's video message, promotional posters, and programs for sexual harassment prevention, among other themes.

We will continue with our efforts to become a company that allows women to actively work to demonstrate all their abilities and, in turn, a company in which all members can play an active role.



Female Career Training Program

Nippon Closures has been focusing on employee career education to help individuals build their careers with confidence and a clear purpose of work in their lives. In March 2022, the company conducted a female career training program for 26 female employees with 13 to 19 years of service.

The female workers in their 30s, who are struggling with balancing work and home life and other issues amid changes in their life stages, learned and discussed various aspects of career development. There was positive feedback from participants after the program: "The discussion has made me positive about career advancement," and "The program gave me an insight into self-development." The company will implement more measures to support female workers' efforts to build their careers.

"Kurumin" Certification as a Childcare-Supporting Company

In July 2021, Toyo Seikan was certified by the Minister of Health, Labour and Welfare as a "Kurumin," a certified childcare-supporting corporation. Highly evaluated was the company's efforts to create a workplace in which employees can balance work and childcare, through various measures to reduce total working hours, encourage employees to take paid leave, improve its flexible working hours system, and introduce a teleworking system.

Kurumin Certification is a governmental program to certify companies that meet certain requirements with respect to childcare support, such as formulating and implementing action plans to help employees balance work and child rearing, based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

We will continue to be engaged in work style reforms.



Senior Life Plan Seminars

Amid the declining birthrate and aging population, we conduct life plan seminars for employees aged 55 and over to encourage their active participation after age 60 and their preparedness for post-retirement life.

In August 2021, Toyo Aerosol Industry invited a lecturer, with the cooperation of Tokan Kyoei, to hold a life plan seminar at the head office and online to discuss the details of public pension systems and the necessity and effect of life planning, and the participants experienced a life plan simulation.

We will continue to hold such seminars on a regular basis to provide opportunities for employees to learn about life planning methods.





Respect for Employees

Symposium on Inclusive Employment for Persons with Disabilities

On December 2, 2021, Nippon Closures' Okayama Plant participated in an online symposium organized by the regional employment centers for people with disabilities in Okayama prefecture. In the symposium with about 90 attendees, Nippon Closures shared the current status of its employment of disabled persons and ongoing efforts, including work assignment by taking into consideration the degree and nature of each individual's disability and technologies to be utilized. The company will continue to work together with local governments on the employment of persons with disabilities.



Seminar for Balancing Work and Elderly Care

In promoting work style reforms and diversity in the workforce, Toyo Seikan aims to achieve a goal of “reducing to zero the number of employees who leave work for elderly care” by supporting employees in balancing work and caregiving. In August 2021, as part of the initiative, the company conducted an online seminar for employees and their families on preparation for future care. Participants learned necessary knowledge to balance work and caregiving and specific care for the coronavirus diseases.

We will continue to work on creating a workplace that allows everyone to balance work and elderly care, thereby retaining employees with caregiving responsibilities.



Work Style Reform

Reducing Long Hours Working

Based on labor-related laws of relevant countries and labor-management agreements, our work regulations set rules concerning appropriate working hours, rest periods, overtime work and leave. We have been taking various measures to reduce long hours working, aiming to achieve a better work-life balance for individual employees and higher productivity.

Among the measures is the improvement of attendance management systems by group companies in Japan to prevent employees from working long hours. With the enhanced systems, they have improved the accuracy of attendance management, established and promoted flexible work hours and telework systems to allow diverse work styles, and set specific days to encourage employees to take paid leave as well as “no overtime work” days.

Launching “Enjoy Friday” Initiative

In October 2021, Toyo Seikan launched a new initiative “Enjoy Friday” at its head office to encourage employees to leave office after working hours, abolishing its previous initiative of “no overtime work day” for every Tuesday and Thursday, which had actually not worked.

Enjoy Friday is not just designed to reduce overtime work, but to promote more efficient and flexible work styles and to encourage employees to take paid leave, under the slogan of “Let's start the week with a special plan for Friday!” Since the new initiative began, the average hours of overtime work on Fridays have been decreasing, leading to a better work-life balance in the workplace.



Support for “White Logistics” Movement

In February 2022, Toyo Seikan Group Holdings expressed its support for “White Logistics” campaign led by Japan's three industry-related ministries, submitting a declaration on voluntary action toward a sustainable logistics industry.

Thirteen group companies*, including manufacturers, logistics companies and logistics partners, have issued a declaration for the campaign after detailed examination of content, and will be engaged in cooperative activities. Toyo Seikan Group Holdings is working with other group companies to build hub warehouses in the areas near delivery destinations. We aim to create a “white” working environment in logistics that allows more female and elderly workers to join, by 1) building logistics networks utilizing warehouses near delivery destinations, and 2) using the networks to reduce the number of needed vehicles and achieve stable operation for regular and irregular truck lines.

Based on the declaration, we will advance our efforts to realize sustainable logistics going forward.

Note: The scope of data includes Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass, Mebius Packaging, Toyo Aerosol Industry, TOMATEC, Nippon Tokan Package, Toyo Mebius, Tokan Logitech, Kudamatsu Unyu and Toyo Seikan Group Holdings.

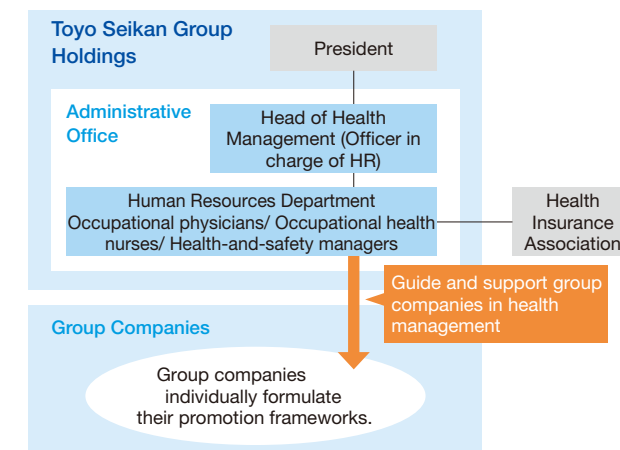
Health and Productivity Management

Under the policy that places a first priority on employees' health, the Group aims to create a workplace where everyone can work in good health and with energy.

Promotion Framework

We implement key measures to maintain and improve employees' health by driving health management under the supervision of the Group's operating officer in charge of human resources, cooperating closely with the occupational health promotion team, which consists of occupational health physicians and nurses and health-and-safety managers.

The Group's Health Management Promotion Framework



COVID-19 Workplace Vaccination Program

The Toyo Seikan Group conducted a COVID-19 workplace vaccination program to cooperate with the government's policy to reduce the burden on local governments in vaccination and accelerate the vaccination process as well as to prevent the further expansion of coronavirus infection and ensure the safety of the Group's employees and related parties. At the head office building in Osaka, Tokyo, the first and second vaccination were completed by September 2021, and the third one was provided in April 2022.

In this program, we introduced a dedicated chatbot to respond to inquiries from vaccination applicants, in particular those who were working from home. We will continue our activities to help ensure the safety and security of employees and communities and prevent the spread of COVID-19, thereby contributing to containing the pandemic as early as possible.



Establishing Group's Common Health Management Indicator

We have set a health management indicator as a common target for the entire group, based on the health management surveys conducted by Toyo Seikan Group Holdings and the six primary management companies to identify health-related issues in the Group. We are working to achieve the target with a three-year plan launched in 2021.



Group Common Indicator (Target for three years)

- 1) 70% or more of the workers maintain an ideal body weight to prevent lifestyle diseases from occurring or becoming serious.
- 2) Raise non-smoking rate from the previous year (Lower smoking rate from the previous year)

Health management data for group companies (FY2021)

Company name	Ratio of persons with ideal body weight	Smoking rate
	Target: 70% or higher	Target: Lower than previous year
Toyo Seikan Group Holdings	68.1	9.3
Toyo Seikan	68.0	30.3
Toyo Kohan	67.6	29.0
Tokan Kogyo	62.0	28.8
Nippon Closures	62.2	33.8
Toyo Glass	59.7*	37.9*
Mebius Packaging	64.2	35.0

*The data was collected from employees at age 40 or older.

2022 Outstanding Enterprise in Health and Productivity Management

In March 2022, seven of the group companies (Toyo Seikan Group Holdings, Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass and Mebius Packaging) were certified as 2022 Outstanding Enterprises in Health and Productivity Management in the large enterprise category of the certification program managed by the Nippon Kenko Kaigi and the Ministry of Economy, Trade and Industry. Among the seven, Toyo Seikan Group Holdings and Toyo Seikan were also recognized as White 500, a certification given to the top 500 enterprises. Meanwhile, TOMATEC, Nippon National Seikan, and Ryukyu Seikan Kaisha were certified in the small and mid-sized business category.





Respect for Employees

Online Workout Program

In May and June 2021, Toyo Glass invited instructors from fitness company TIPNESS Limited to conduct five sessions of an online workout class attended by a total of 76 persons from the head office and plants. With the theme of “improving body posture,” the program introduced an exercise that can be done while sitting to refresh employees who do not get enough exercise or experience cumulative stress. There was positive feedback from participants who were refreshed by the class, as some of them attended multiple times.



Health Lecture on Smoking Risk

In October 2021, the industrial physician at TOMATEC's Kyushu Plant held an online lecture for all employees of the company on “biological effects of smoking and passive smoking.” The lecturer discussed the health hazards of smoking, which do not just affect the smoker but also family members and other people around who are exposed to secondhand smoke. The audience also learned that carcinogens are contained in secondhand smoke several to 100 times more than in mainstream smoke and increase the risk of stroke and ischemic heart disease; that around 15,000 people die annually from passive smoking; that PM2.5 is also contained in secondhand smoke; and that smoking on the balcony can affect persons inside the room.

With the knowledge from the lecture, the company will advance no-smoking and separated-smoking initiatives for a healthy and comfortable workplace.



Silver Award in Cancer Ally Award 2021

As part of the Toyo Seikan Health Management Declaration activity, launched in 2017, Toyo Seikan is working to enable employees who develop cancer to balance work and medical treatment so that they can receive treatment without worries and continue to work.

In the Cancer Ally Award 2021, held by Cancer Ally Project, a private organization that addresses issues related to managing cancer and work, the company received a Silver Award for its activities such as financial support for medical treatment in cooperation with its health insurance association, educational activities for disease prevention, and creating a handbook for balancing work and treatment help employees who develop cancer to relieve anxiety.



Health Support Online Programs

Tokan Kogyo conducted various training programs both on-site and online from the perspective of preventing COVID-19 infection.

Based on the results of the stress check conducted in May 2021, the company provided a mental healthcare training program including nurse's lecture for all members. In December 2021, the head office invited a lecturer from M. Stage Co., Ltd. to conduct three sessions of self-care and line-care training focusing on “mental health in teleworking.” At production facilities, occupational physicians and external lecturers from the Occupational Health Service Center provided self-care and line-care training programs. In the training, participants learned how to deal with stress from the perspectives of both self-care and line-care; the former is aimed at early detection of their own stress based on issues in the workplace, while the latter is aimed at identifying and addressing issues for the working environment as a manager.

On July 7, 2021, the company held a seminar on hydration in work, “Water for Life.” The lecturer, invited from Meiji Corporation, discussed the importance of hydration during summer, which is crucial in preventing heat stroke and maintaining health conditions.

On October 22, 2021, the company invited an instructor from fitness club Megalos to conduct a seminar sponsored by the health insurance association on exercises for recovery from fatigue after computer work and women-specific health issues. The participants gained a better understanding of health issues, including the causes of physical pain and poor concentration after long hours of computer work, and learned how to achieve stable performance from the viewpoints of working environment, visual function, and body posture. They also experienced an exercise they can do while sitting at home and office. There was also a lecture on women-specific health issues, including premenstrual syndrome (PMS), which affects women's working conditions.

With working from home still prevalent, we continue to focus on physical and mental health support and communication with employees.



Achievement of Self-Sustaining Growth (Human Resource Development)

Coordinated Human Resource Development across the Group

We have been engaged in human resource development in a group-wide effort. Our educational programs include the Logical Thinking Training Program for younger generations; the Managers Training Programs for newly assigned general managers, managers and assistant managers; and the Technical Leaders Program (TLP) for younger technical leaders selected based on the perspective of Management of Technology (MOT). Through these cross-company programs, we have been encouraging personal exchanges to cultivate the sense of unity across group members and establish a group-wide human network.

To assist employees in their self-development activities, a financial support system has been established to reimburse those who completed a correspondence course for the full amount of the course fee; in fiscal 2021, there were a total of 3,443 applications

(up 86 from the previous year) across the group. We also offer a financial aid program to pay the full amount of TOEIC test fee to promote language skill enhancement efforts.

Meanwhile, in order to foster our next-generation leaders, we conduct the Next-Generation Management Training Program and the Toyo Seikan Group Business College (TSGBC) for general managers and managers, respectively, of key group companies. Through these programs, attendees are expected to gain “knowledge” on management and establish the “core” as a leader.

In fiscal 2021, we launched a group-wide periodic recruitment system for new college graduates*. Enhancing cooperation among group companies in fostering talent, we are advancing our efforts to establish a strong human resource base through various opportunities for human resource development.

*The group-wide recruitment system covers seven group companies: Toyo Seikan Group Holdings, Toyo Seikan, Toyo Kohan, Tokan Kogyo, Nippon Closures, Toyo Glass and Mebius Packaging.

Group-wide internal training programs (FY2021)

Category	Program	Study period	Participants	
Programs for selected candidates	Next-Gen. Management Training (9th)	3 months (online) in FY2021 *4 months (on-site) in FY2022	20	Total number of participants: 347
	TSGBC (9th, First-Half)	3 months (6 days of sessions) *The second-half program will be conducted in FY2022.	20	
	TLP (14th)	8 months (14 days of sessions)	29	
Programs for specific positions	Training for new general managers (3 sessions)	2 nights and 3 days (approx. 28 hours) / session	38	
	Training for new managers (7 sessions)	2 nights and 3 days (approx. 25 hours) / session	83	
	Training for new assistant managers (7 sessions)	2 nights and 3 days (approx. 23 hours) / session	98	
	Logical Thinking Training (4 sessions)	2 nights and 3 days (approx. 19 hours) / session	59	

The 2nd Project in Makuake Challenge

To enhance the development of new businesses and human resources for the Group, we took on a program organized together with Makuake Corporation to foster next-generation management leaders capable of drawing up a project from product planning to commercialization. In 2021, the second year, the program was joined by 15 members across the group. They were organized into four teams to create individual project plans. In the planning process, they focused not just on technologies and products, but on markets as well, which gave them a great insight into “connecting consumer needs with the significance of Toyo Seikan Group's duties.”

Our next issue is to apply the knowledge the members gained through the challenge to actual operations. We will support highly motivated employees so that this activity will have a positive impact on existing businesses and the entire group.



The 2nd Training Program for Next-Generation Leaders

TOMATEC has been implementing various initiatives by clearly defining the ideal personnel for the company. As part of its efforts, the company conducted the 2nd Next-Generation Leader Training Program. The objectives of the training are 1) to develop next-generation leaders who will serve as core members in the workplace, and 2) to provide an opportunity for prospective leaders to learn leadership mindset, logical thinking and problem-solving techniques and to master the abilities through actual operations. During a year of training, the ten attendees tackled issues in their workplaces, and presented their findings at the final report meeting.





Respect for Employees

Health and Safety Activities

2021 Safety Management Excellence Award

On November 16, 2021, Toyo Glass's Chiba Plant received the 2021 Safety Management Excellence Award with a commemorative gift from the Chiba Prefecture Federation of Labor Standards Associations.

The award winner is determined based on recommendations from the seven labor standards associations in the prefecture, for its active engagement in health and safety activities and achievement of "zero accidents" for the past three years. This year's award is a great encouragement for Toyo Glass to maintain accident-free operations. Reminded of the evaluated points, all employees will continue to work together to sustain the zero accident record.



Workload Reduction Plan

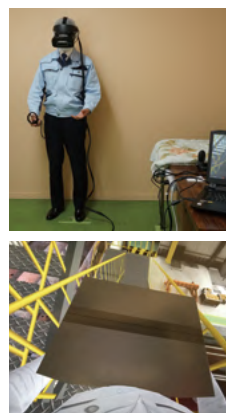
TOMATEC's Komaki Plant is introducing assistance devices for handling heavy objects (weighing about 20 kg), aiming to reduce the burden on workers handling heavy objects in the processes that cannot be automated with robots and other devices. The equipment introduced in 2021 is designed to help workers lift objects, easing the burden on the back, hips, and knees with the mechanism of springs embedded in its waist belt. It is lightweight and easy to put on and take off, and functions well without using electricity, air, or other energy. The company will continue to implement its workload reduction plan, reviewing and adjusting work procedures at its plants to enable them to install necessary machinery.



Hazard Simulation Training

From July to November 2021, Toyo Kohan's Kudamatsu Plant conducted a hazard experience training program using virtual reality (VR) to increase employees' danger sensitivity. The program was attended by approximately 1,300 employees. In the questionnaire after the training, many participants stated their requests for various types of hazard experience training with more realistic VR simulation.

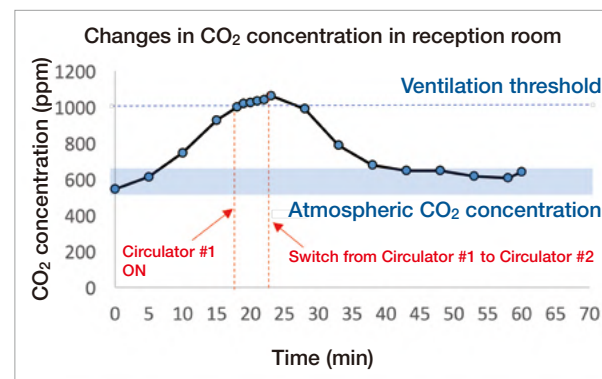
The company will continue the educational activity with updated programs, aiming to achieve "zero accidents" in operations.



VR simulation image
(Accident of falling down stairs)

Ensuring Good Hygiene in Meeting Rooms

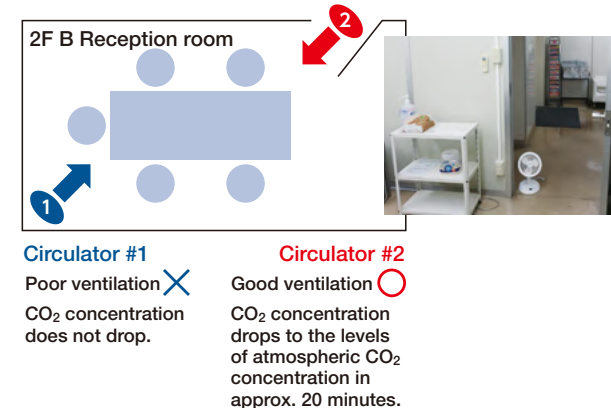
As part of the COVID19 prevention efforts, TOMATEC's Health and Safety Committee assessed meeting room environment, examining changes in CO₂ concentration and ventilation methods at a windowless meeting room that could be a "closed space" of the three Cs (closed spaces, crowded places and close-contact settings). The results showed that the CO₂ concentration in a windowless meeting room became over 1,000 ppm in 15 to 20 minutes. The committee also verified the proper placement of circulators as well as appropriate ways of taking in fresh air, which was shared with all employees through the company's bulletin boards and internal newsletters to raise their awareness. The meeting rooms have now been equipped with CO₂ sensors, which constantly measure the CO₂ concentration inside the room.



2F B Reception room

CO₂ concentration exceeds 1,000 ppm in 15-20 minutes

Ventilate!



Contributing to Communities

Social Contribution Activities

Educational Support Programs

We offer two on-site educational support programs for students: the environmental education for elementary school students and the career education for junior and senior high school students. Using the active learning method, these programs are designed to help young people think about the future through the topics related to packaging. In fiscal 2021, as conducting in-person classes was difficult due to the COVID-19 outbreak, we provided both online and on-site programs for a total of 38 schools with 3,033 students attending.

During normal times, we join events at after-school child care centers and invite students to the Museum of Package and Culture for their field studies from time to time.



Joining Summer Research Program for Students as "a Company That Makes Packaging"

Toyo Seikan conducted a class for elementary school students on a company that makes packaging containers for drinks they are familiar with, in a summer vacation event for children organized by a culture center in Yokohama. The lecture, attended by around 20 children mostly in the lower grades of elementary school, covered several topics related to PET bottles, including types of bottles and how to identify them; the processes from forming, filling, packing, and delivery to consumers; and what engineers at a packaging company focus on and care about when developing a new bottle. Through familiar PET bottles, we were able to make children more interested in packaging containers and manufacturing.



Donation to Local Community (Kudamatsu City)

Toyo Kohan makes donation every year to the Kudamatsu City, Yamaguchi, where its Kudamatsu Plant operates, for next-generation fostering activities.

Until 2019, the donation had been used to hold an art event, such as an ensemble music performance, hosted by the city for students from the first to ninth grades. However, under the influence of COVID-19, the donation for 2021 was used to purchase musical instruments, televisions, projectors, books, and other educational materials.

Offering Origami-Structured Containers to a School for Free

In September 2021, Toyo Seikan Group Holdings conducted a class in cooperation with Shibaura Institute of Technology Junior High School for seventh grade students. The class is designed for students to learn the advantages of Miura Ori*, find products and methods to which the technique is applied, and suggest a new ideas from a unique viewpoint of junior high school students. We offered Diamond-Cut Cans and Origami Containers as materials for the class. Through this activity, we helped students deepen their understanding of resource conservation using technologies as well as the SDGs.



*Miura Ori is a folding technique invented by Dr. Kosuke Miura based on space structural engineering research. It enables a folded flat material to be unfolded all at once with a small amount of force.

Social Contribution Activities Outside Japan

In response to the needs of preventing the spread of coronavirus infections, Toyo Seikan (Thailand) donated drinking water to vaccination centers, alcohol disinfectant to the Department of Labor, and food and beverages to hospitals and a dermatopathology laboratory. Toyo Filling International donated buffer sheets to schools and medical facilities for use as partitions to prevent infection and educational materials. Meanwhile, Toyo Pack (Changshu) in China donated beverages to vaccination sites, the fire department office, and police stations in the Gaoxin District.

On-Site Class at Schools

In 2021, Toyo Kohan's Kudamatsu Plant conducted on-site classes at elementary schools to support education, as the Covid-19 pandemic has made it difficult for the company to invite students to plant tours, which had been conducted every year. Its employees visited two elementary schools in Kudamatsu City and taught students using slides and quizzes about recycling activities, environmental initiatives, and manufacturing work and safety efforts at factories. The students were listening enthusiastically while taking notes.

The company received appreciation from teachers of both schools and many thanks letters from children, while its activity contributed to connecting it with the community.





Ensuring thorough compliance

Corporate Governance Structure <https://www.tskg-hd.com/en/csr/governance/cgovernance/>

Corporate Governance

Our Perspective on Corporate Governance

We believe that the enhancement of corporate governance under the Group's management philosophy, including its management policy, creed, and vision, is one of the most important management issues in improving our corporate value and continuing development and evolution while contributing to the society through our business activities. Based on this point of view, Toyo Seikan Group Holdings (the "Company") has formulated the "Basic Corporate Governance Policy" to continuously address this issue.

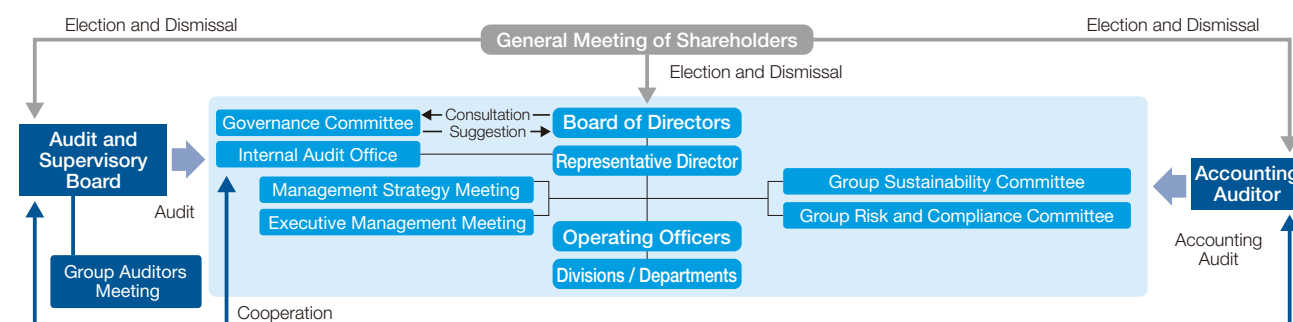
Since the market reorganization of the Tokyo Stock Exchange implemented on April 4, 2022, the Corporate Governance Code for the prime market has been applied to the Toyo Seikan Group. In light of the significance of this fact, we will further enhance our corporate governance to achieve continuous growth and increase corporate value.

Structures of Outside Directors and Auditors

The Company's Board of Directors (the "Board") is composed of nine Directors, of whom four are independent outside Directors, representing more than one-third of the Board. The Board generally meets once a month and holds extraordinary meetings as necessary to make important decisions on management matters. There were 13 board meetings in fiscal 2021 (ended March 2022). The term of office for Directors is set at one year in order to clarify Directors' management responsibility and to flexibly establish a management framework that can promptly respond to changes in business environment. The Audit and Supervisory Board is composed of five auditors, of whom three are independent outside auditors. The Audit and Supervisory Board generally meets once a month and holds extraordinary meetings as needed. There were 16 meetings of the Audit and Supervisory Board in fiscal 2021.

In addition to active discussions at the Board meetings, these outside Directors and outside Audit and Supervisory Board Members conduct monitoring on management from an objective, outsider's perspective, which allows the Company to ensure that surveillance function regarding its management structure works effectively.

Corporate Governance Structure



Executive Structure

The Company has introduced an operating officer system to ensure management efficiency and flexibility as well as to distinguish and clarify responsibilities for decision-making/supervision and business execution. It conducts on a monthly basis the Management Strategy Meeting, which consists of full-time Directors, Heads in charge of key organizational functions, and Executive Officers. The Company also holds twice a month in principle the Executive Management Meeting, which is attended by full-time Directors, Heads in charge of key organizational functions, Executive Officers, and Presidents of major group companies.

The Company provides its directors and officers with training opportunities as needed to support them in acquiring and continuously updating necessary knowledge for appropriate performance of their duties.

The Company has also established the Governance Committee, a voluntarily established consultative body consisting of the representative director and the four independent outside directors. The committee is designed for more objective, transparent and timely decision-making of the Board of Directors regarding such issues as the appointment of representative directors and director and auditor candidates and the remuneration of directors and officers. In fiscal 2021, the committee held a total of six meetings.

Structure of Internal Control System Operation

The Company and other group companies operate their internal control systems. The Company has set up the Internal Audit Office, which operates directly under the President, to ensure that corporate activities comply with laws and regulations and improve the efficiency of management. The status of development and operation of the systems and law compliance is checked through periodic internal audits conducted by the Internal Audit Office, and if necessary, improvement measures will be taken based on the audit results.

Compliance

We value dignity, and are engaged in daily efforts to ensure fairness and equality in all aspects of our business activities in order to meet the expectations of society.

Anger Management Workshop

In October 2021, TOMATEC invited an external lecturer to hold an anger management workshop as part of the month-long compliance promotion campaign. The 103 participants learned about "anger management" as a means to facilitate communication between supervisors and subordinates to prevent abuse of power in the workplace, from the standpoint of both sides. The training session satisfied many employees as they learned anger control methods and practical examples that would be useful both in work and at home.



Education on Subcontract Act

Tokan Kogyo conducted training programs to maintain and enhance its system for compliance with the Subcontract Act. In August and September 2021, approximately 250 employees participated in an online training program using Zoom platform. There was also an e-learning course on the Subcontract Act, which was attended by all employees in the procurement department (approximately 400 persons).

We will continue to work on ensuring proper transactions and preventing violation of the Subcontract Act.

Compliance Workshop

On November 17, 2021, Tokan Kogyo held a compliance workshop for directors and officers of its group companies. With the theme of "Compliance as Risk Management," the lecturer, Dr. Manabu Hirano, discussed the enhancement of the compliance system through risk management, including case studies of other companies' experiences. The workshop is expected to help the company strengthen its risk management, promote compliance activities and raise awareness of employees. Dr. Hirano also gave specific advice on the content of consultation made through the Tokan Kogyo group's reporting hotline.

Preventing Abuse of Power in Workplace

In response to the enforcement of the power abuse prevention law in 2020, the Toyo Kohan group has established the Toyo Kohan Group Power Abuse Prevention Guidelines, working to create a safe and comfortable workplace where all employees respect each other and can work without suffering abuse of power.

In March 2021, the company conducted an internal survey to grasp the state of awareness and understanding of power abuse issues among employees and to utilize the findings in future education and systems. More than 80% of the survey respondents were aware of the legal changes and the existence of the guidelines, while about 30% of the respondents did not know their contents. For the question about effective ways to eliminate abuse of power, the most common response was "creating opportunities to deepen mutual understanding among employees."

Based on the survey results, the group has had a renewed recognition of the importance of increasing employees' awareness and education, and has been conducting educational programs using DVDs and Teams platform.

The Toyo Kohan group recognizes that abuse of power is a material issue that affects its business operations, and will constantly address the matter going forward.



Ensuring thorough compliance

Establishment of Antimonopoly Act Compliance Framework

We have taken steps to establish a group-wide framework to comply with the Antimonopoly Act.

Establishment of internal regulations to comply with Antimonopoly Act

As of April 30, 2020, we established new regulations to comply with the Antimonopoly Act in order to strongly urge the group companies to comply with the Act as well as to ensure that we as the holding company conduct business activities based on fair and open competition. We have been managing our business in accordance with the regulations.

Educational program for newly appointed managers and assistant managers

The Legal Department conducted an educational program for newly appointed managers and assistant managers of major group companies. In fiscal 2021, to avoid the risk of COVID-19 infection, the program was provided online for a total of 247 participants, who attended one of several days of the program period. They learned about the topics related to the respective themes for managers and assistant managers as well as about the effective use of the Group's internal reporting system.

This program will be conducted on a continual basis for enhanced compliance going forward.

- Program for newly appointed assistant managers (3 days) 146 participants

Theme:
How to prepare documents that can avoid any risk of violating Antimonopoly Act

- Program for newly appointed managers (2 days) 101 participants

Theme:
Case study for preventing Antimonopoly Act violation

Other activities

- E-learning course on Antimonopoly Act (Basic) conducted for 5,883 employees from domestic major group companies
- Based on the December 2020 amendment of the Antimonopoly Act, the Antimonopoly Act Compliance Guidelines for the entire Group was revised and disseminated to all group members.
- Hearings planned and conducted by the Legal Department for newly appointed presidents of group companies to prevent the experiences of violation from being forgotten and to grasp the status of compliance framework of group companies.
- Written pledge to comply with the Antimonopoly Act submitted by all employees in sales departments
- Antimonopoly Act Compliance Card carried by all employees in sales departments at all times

Prevention of Bribery and Corruption

- We have been managing operations in accordance with the Group Regulations to Prevent Bribery Involving Public Officials and the guidelines against commercial bribery, established to prevent bribery and corruption.
- The aforementioned regulations and guidelines have been translated into English, Chinese, Thai and Indonesian to be disseminated to all group members inside and outside Japan.
- At the Group Compliance Workshop (in October 2021), officers from group companies joined a training program on bribery and corruption prevention, referring to cases that occurred at other companies.

Deepen Understanding of the Group's Code of Conduct and Guidelines of Behavior

- The Group's Code of Conduct and Guidelines of Behavior are available on our website and the company bulletin board to allow the employees to confirm the details at any time. All new recruits of the Group, including both the new college graduates and mid-career recruits, are given the booklet on the Code of Conduct and Guidelines of Behavior for deeper understanding.
- We are working on increasing understanding of the Code of Conduct and Guidelines of Behavior by providing education in line with their contents, through training programs for each level of employees (new recruits, newly appointed managers and assistant managers, and newly appointed officers).



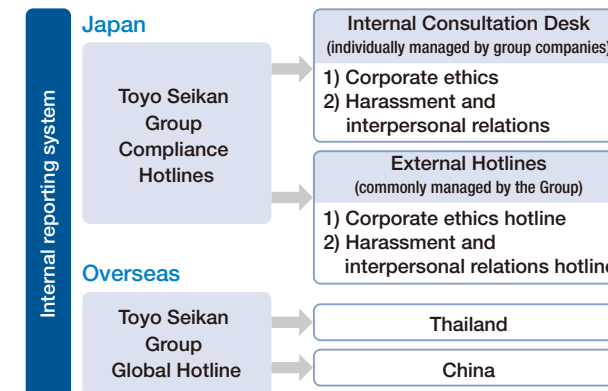
Month-Long Group Compliance Promotion Campaign (October)

- Activities related to Group's common campaign theme
 - 1) Enhancing trade secret management framework
 - 2) Maintaining and enhancing subcontract act compliance system
- Group Compliance Training Seminar
- Submission of the written pledge to comply with ethics and laws and regulations



Enhancing Whistleblowing and Consultation System (Internal Reporting System)

We have established an internal reporting system that covers all group companies in Japan, Thailand and China for early detection and correction of any non-compliance, including human rights violation, bribery and corruption, and law violation.



In Japan, to allow group members to easily access the reporting system, it is divided into internal and external channels, and each channel has the contact points for reporting on "corporate ethics" and "harassment and Interpersonal relations."

During fiscal 2021, there were 127 contacts in Japan and overseas, none of which led to material noncompliance or human rights violation.

When there is a contact to the system, we promptly respond to it in accordance with our internal regulations. We also continuously improve the system, revise relevant regulations, and add and change learning menus in our educational programs in order to prevent recurrence.

We have been promoting employees' better understanding of the reporting system with posters and self-check cards.

With the Compliance Newsletter issued to group companies, we share information on the internal reporting system with all members to increase their understanding of the significance and purposes of the system and how to use hotlines, aiming to improve its effectiveness.

Educational and Training Programs for Group Members

Various programs and educational activities, including the programs stated below, were conducted for domestic group companies.

Legal Training Program for Newly Appointed Group Officers

In May 2021, we invited an external lawyer as a lecturer to conduct a training program designed for newly appointed officers of the Group. There were 28 participants in the program (attending one of two days).

Theme:
Liability and responsibility of directors and officers

Group Compliance Training Seminar

On October 14, 2021, we invited an external lawyer as a lecturer to conduct a Group Compliance Training Seminar for 155 officers from group companies.



Theme:
Responses to compliance issues required of directors and officers—learning from incidents at other companies

Other Training Programs and Internal Educational Support

In fiscal 2021, staff members of the Legal Department gave lectures at the holding company and several group companies on laws and regulations that are related to our operations. There were a total of 33 sessions during the year.

Main themes	
Antimonopoly Act	9 sessions
Subcontract Act	2 sessions
Contract practices	8 sessions

To continuously support internal education activities, we have also developed educational materials that explain compliance issues and laws and regulations and made them available to all group companies.

Collect and Transmit Compliance-Related Information

We are working to raise awareness of compliance as a whole group through our year-around efforts to share information on compliance activities of group companies and incidents and events occurring in the society.

Preventing Harassment and Abuse

In fiscal 2020 and 2021, we provided e-learning anti-harassment programs for approximately 15,000 employees (managers, leaders and general employees) from 41 group companies to allow them to recognize the risks and causes of harassment and abuse and to help change their behavior. The program for managers focused on how to deal with harassment that has occurred or been reported and what preventive measures to be taken, while that for general employees focused on learning typical cases and countermeasures. With all employees, regardless of generation, raising their awareness and sharing a common understanding of harassment problems, the Group is aiming to create a corporate culture without harassment and abuse.

Major Activities Planned for FY2022

- Ensuring fair operating practices
- Respecting human rights
- Promoting full understanding of the Group Regulations to Prevent Bribery Involving Public Officials
- Month-long group compliance promotion campaign



Risk Management

Enhancing Risk and Crisis Management Framework

To deal with risks and crises surrounding the Group and prevent the occurrence of risks that may impact our business continuity, we have established the Risk Management Committee to build a solid framework for the entire group's risk and crisis management and the Group Risk and Compliance Committee to supervise risk and crisis management and compliance across the Group as well as the Risk Management Administration Office as a permanent secretariat of the committees.

Both committees check information related to material risks and take necessary action to improve situations and prevent risk occurrence.

In addition, in order to achieve a stable foundation for our business management, the Company and its group companies individually develop crisis management rules and crisis response manuals and review their risk management status under their respective management systems.

Furthermore, the Company and its group companies reinforce their risk management systems based on their business continuity plans (BCPs), which have been formulated to quickly resume and maintain operations in the event of a crisis.

Addressing the COVID-19 pandemic

Amid the COVID-19 pandemic, we have been concentrating on preventing infection and placing the top priority on securing the health and safety of all stakeholders, including employees and their families, suppliers and customers. Therefore, we are taking comprehensive measures for the entire group, including foreign subsidiaries, by establishing a group-wide COVID-19 crisis management committee, which meets as appropriate, and by sharing information about the current situation of infection and governmental measures through the Group's internal database on a daily basis.

To ensure the continuity of the Group's operations related to food, beverages and household products, we are also making the utmost efforts to contain infections by steadily implementing preventive measures in all of our operations.

Activities Planned for FY2022

We will place high priority on the following three items in the Group's risk and crisis management activities for the current year.

- 1) Take actions to prevent the spread of COVID-19 infection
- 2) Implement risk management activities
- 3) Formulate and disseminate our risk management policy

Formulating a BCP and Conducting Drills that Assumes Loss of Head Office Functions

Toyo Seikan has formulated a business continuity plan (BCP) assuming a loss of head office functions, a situation in which employees are unable to reach the head office due to the suspension of public transport service caused by a major earthquake in Tokyo Metropolitan Area occurred during night-time or on a holiday.

The BCP is aimed to reduce the time required for recovery and to continue operations by prioritizing in advance the tasks of individual departments and establishing instruction processes, communication flows, and information sharing methods for an emergency situation after an earthquake.

In March 2022, based on the BCP, Toyo Seikan conducted a company-wide drill assuming the loss of head office functions. In the drill, the company established a virtual crisis management headquarters, and its offices and plants verified the effectiveness of the BCP with web meeting platforms and other means of communication to receive instructions from the headquarters and report on the damage.

Workshop on Chemical Substances

To reduce occupational accidents in its technical departments, TOMATEC's health and safety committee held a workshop on the hazards of chemical substances, for inexperienced employees in technical departments. The eight participants learned definitions of chemical substances, major laws related to chemical substances and their purposes, contents and purposes of Safety Data Sheets (SDSs), and classifications of hazards based on Globally Harmonized System of Classification and Labeling of Chemicals (GHS) by looking up the SDSs for chemical substances which they regularly handle.

SDSs contain various information such as the hazards of chemical substances, precautions for handling, and applicable laws and regulations. The person handling chemical substances must correctly read SDSs and create accurate SDSs that are provided to customers.

TOMATEC has regularly held workshops to help employees fully understand the handling of chemical substances and SDSs.



Restructuring Risk Management System and Conducting Risk Assessment

Prompt risk response is significant for business continuity into the future.

Nippon Closures restructured the risk management system to enhance its effectiveness. The modified system clarified the officers and the division in charge of risk management and the workflow of holding the crisis management meeting, enabling the company to minimize damage by promptly calling the crisis management meeting in case of actual or potential risk occurrence.

In line with the restructure, the company is currently carrying out risk assessments by visualizing potential risks in each department in order to minimize the risks.

Emergency Response Drill

In preparation for emergencies such as large-scale earthquakes, the Toyo Seikan Group regularly conducts disaster response and emergency communication drills at its facilities, taking account of their regions and business environments, and organizes a system that enables individual facilities to implement disaster preparedness activities to ensure personnel safety and to minimize the impact on neighboring areas.

Fire Drill

In fiscal 2021, offices and plants of TOMATEC individually conducted drills from the perspective of COVID-19 prevention.

Its head office, Osaka Plant, and Tokyo Sales Office held a fire safety lecture using a DVD rented from the Osaka City Chuo Fire Station. The lecture was meaningful with the DVD showing realistic disasters and a quiz to measure the degree of participants' understanding. In addition, under instructions of the Kita Fire Station in Osaka, the firefighting teams in the head office and the Osaka Plant carried out fire drills. The employees actually experienced activities, such as taking a ladder truck ride, spraying water with a fire hose, and trying on a firefighter protective clothing. Meanwhile, the Komaki Plant carried out a fire evacuation exercise with special goggles to artificially provide a smoked environment that are rented from the Komaki City Fire Department. The participants experienced the danger of falling down stairs while evacuating in smoke with poor visibility.

Tsunami Evacuation Exercise

The Sendai Plant of Toyo Seikan conducted evacuation exercises for three days in April and May 2021, assuming a significant tsunami.

The plant was damaged due to tsunami caused by the Great East Japan Earthquake; however, no casualty was reported in the plant since the employees on duty quickly evacuated the site. The exercises were attended by 30 employees, including ones who started working at the plant after the earthquake with no evacuation experience and others from partner companies. They actually walked from the primary evacuation site in the plant to the nearby tsunami evacuation site, ensuring their evacuation route.

Education on Confidential Information Management

In July 2021, Tokan Kogyo prepared the Confidential Information Management Handbook as a means of confidential information management. This handbook summarizes the Confidential Information Management Rules, rules of teleworking, and other guidelines, which were established or revised in fiscal 2020.

In September 2021, the company held a confidential information management workshop based on the handbook. A total of 295 employees attended the workshop both on-site and online by Zoom. For the employees who did not attend the workshop, its recorded video was posted at a later date.

Back in April 2021, individual departments of the company updated their confidential information management tables. In May 2021, the company also revised the Guidelines for Confidential Information Management in Teleworking.

Enhancing Disaster and Epidemic Preparedness Systems

Tokan Kogyo regularly conducts the following activities as measures to prepare for natural disasters, such as earthquakes and typhoons, as well as for epidemics including the spread of COVID-19 infection.

• Sufficient emergency stockpiles for disaster and epidemic preparedness

Its individual offices and plants stockpile preserved food and water, masks, disinfectants, and protective clothing. They have also made lists and manuals of the stockpiled items to easily check their quantities and timing of rotation.

• Measures to prevent the spread of COVID-19

The company has installed partitions in offices and meeting rooms, reducing the number of seats in the meeting rooms of the head office to secure social distancing. It has also created guidelines to contain infections in meeting rooms, such as the installation of circulators and disinfection after using a meeting room. The head office stores PCR test kits to allow employees to take PCR testing before their business trips.

• Emergency communication drill

The "Emergency Call" system has been adopted as a safety confirmation and emergency communication tool in the event of a disaster, and drills for the safety confirmation response have been regularly carried out. In 2020, the company created and provided a manual card for the safety confirmation response to reduce the response time and increase the response rate.

• Updating hazard maps for the offices and plants (areas prone to flood and landslide)

• Updating the headquarters earthquake disaster manual that assumes a major earthquake in Tokyo Metropolitan Area

The company prepares various measures listed above by taking account of its individual office conditions.

Independent Assurance Report



Independent Assurance Report

To the President and Representative Director of Toyo Seikan Group Holdings, Ltd.

We were engaged by Toyo Seikan Group Holdings, Ltd. (the “Company”) to undertake a limited assurance engagement of the environmental performance indicators marked with a star ★ (the “Indicators”) for the period from April 1, 2021 to March 31, 2022 included in its Sustainability Report 2022 (the “Report”) for the fiscal year ended March 31, 2022.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Kudamatsu Plant of Toyo Kohan Co., Ltd. selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
November 14, 2022

Independent assurance

The Toyo Seikan Group has engaged KPMG AZSA Sustainability Co., Ltd. to conduct an assurance engagement of certain environmental performance data for fiscal 2021.

The indicators with a star (★) in pages 17 and 39 of this report have been assured by the firm.

Accounting for CO₂ emissions

Total emissions for FY2021

CO ₂ emissions from operations (Scope 1 & 2)		1,338 thousand tons CO ₂ ★
	Scope 1	413 thousand tons CO ₂ ★
	Scope 2	924 thousand tons CO ₂ ★
CO ₂ emissions from supply chain (Scope 3)		4,816 thousand tons CO ₂
	Category 1 (Purchased goods and services)	3,662 thousand tons CO ₂ ★
	Other categories	1,154 thousand tons CO ₂

Boundary

	Group companies	Operational sites
CO ₂ emissions from operations (Scope 1 & 2)	Toyo Seikan Group Holdings and all its consolidated subsidiaries ⁽¹⁾	The head offices, branches, sales offices, plants and all other facilities of the group companies included in the scope
CO ₂ emissions from supply chain (Scope 3)	Toyo Seikan Group Holdings and its domestic consolidated subsidiaries ⁽¹⁾	

Note 1: Please refer to the list of Toyo Seikan Group Companies at the end of this report for the information of consolidated subsidiaries.

Calculation methods

Scope 1	The emissions are calculated by multiplying the fuel consumption by the relevant emission factor set forth in Japan’s Act on Promotion of Global Warming Countermeasures.
Scope 2	The emissions associated with the purchased electricity for the Company and its domestic consolidated subsidiaries are calculated by multiplying the electricity consumption by the adjusted emission factor for each electric utility, while those for overseas consolidated subsidiaries are calculated by multiplying the electricity consumption by the emission factor in the IDEA database ⁽²⁾ . Emissions associated with purchased steam are calculated by multiplying the steam consumption by the relevant emission factor set forth in Japan’s Act on Promotion of Global Warming Countermeasures.
Scope 3 Category 1	The emissions in this category are calculated by multiplying the amount of raw materials purchased for production by the relevant emission factor in IDEA database ⁽²⁾ . The calculation also uses emission factors provided by Japan’s carbon footprint system and input-output tables. For certain purchased raw materials, the emissions are calculated using emission factors obtained by actual measurement.

Note 2: IDEA Database (for accounting for supply chain emissions)

Toyo Seikan Group Companies

● : Consolidated subsidiary As of June 30, 2022

Toyo Seikan Group Holdings, Ltd. Holding Company	
Toyo Seikan Co., Ltd.	
Manufactures and sells various packaging containers	
● Honshu Seikan Co., Ltd.	Manufactures and sells 18 liter cans, metal cans and general line cans
● Nippon National Seikan Co., Ltd.	Manufactures and sells beverage cans
● Ryukyu Seikan Kaisha, Ltd.	Manufactures and sells PET bottles and sells various packaging containers
● Toyo Seihan Co., Ltd.	Manufactures and sells printing plates for printing metal and film
● Fukuoka Packing Co., Ltd.	Manufactures and sells sealant for metal, plastic and glass containers
● Japan Bottled Water Co., Ltd.	Manufactures and sells bottled water related materials for delivery service
■ T&T Enertechno Co., Ltd.	Manufactures and sells packaging material mainly for lithium-ion secondary batteries
● Toyo Seikan Group Engineering Co., Ltd.	Manufactures and sells canning machinery, bottling machinery, packaging machinery and food processing machinery
● TM Pack Co., Ltd.	Contract filling of PET-bottled beverage products
● TOYO PACK KIYAMA Co., Ltd.	Contract filling of beverage products
● Toyo Mebius Co., Ltd.	Trucking, warehousing and others
● Bangkok Can Manufacturing Co., Ltd. (Thailand)	Manufactures and sells 2-piece aluminum cans and aluminum ends
● Next Can Innovation Co., Ltd. (Thailand)	Manufactures and sells 2-piece steel and aluminum cans
● Toyo Seikan (Thailand) Co., Ltd.	Manufactures and sells general plastic products; manufactures and sells beverage PET bottles; contract filling; technical support; administrative services for group companies
● Global Eco-can Stock (Thailand) Co., Ltd.	Manufactures and sells resin-coated aluminum materials
■ Yangon Can Manufacturing Co., Ltd. (Myanmar)	Manufactures and sells welded cans
■ Asia Packaging Industries (Vietnam) Co., Ltd.	Manufactures and sells 2-piece aluminum cans and ends
● Kanagata (Thailand) Co., Ltd.	Manufactures and sells molds for plastic products and parts for injection molding machines
● Toyo Pack (Changshu) Co., Ltd. (China)	Provides contract filling; manufactures and sells beverage PET bottles and caps
● Toyo Mebius Logistics (Thailand) Co., Ltd.	Trucking and warehousing
Toyo Kohan Co., Ltd.	
Manufactures and sells tin plates, thin plates, and various surface-treated steel sheets and various functional materials	
● Fuji Technica & Miyazu Inc.	Manufactures and sells stamping dies for car bodies and various molds
● KOHAN SHOJI CO.,LTD.	Sells steel sheets and their processed products
● KOHAN KOGYO CO.,LTD.	Manufactures and sells steel bands, automatic binders, hard alloys and manufactures magnetic disk aluminum substrates
● TOYO PACKS CO.,LTD.	Manufactures and sells packing materials and packing work
● KYODO KAIUN CO.,LTD.	Marine transport and harbor transport services, custom agent services
● TOYO PARTNER CO., LTD.	Services related to employee welfare facilities and others
■ Kudamatsu Unyu Co., Ltd.	Land transport, harbor transport services, custom agent services and warehousing
● TOYO-MEMORY TECHNOLOGY SDN.BHD. (Malaysia)	Manufactures and sells aluminum substrates for magnetic disks
● TOYO KOHAN SHANGHAI CO., LTD. (China)	Sells steel sheet related products, hard materials and automatic binders and provides related services
■ TOYO KOHAN JIANGSU CO., LTD. (China)	Manufactures laminated steel sheet for cans
■ YANTAI FUJI TECHNICA & MIYAZU TRADING INC. (China)	Trading stamping dies and other products & services for customers in China
■ YANTAI FUJI WILSON ENGINEERING CO., LTD. (China)	Stamping die and jig design for the body, NC data creation
■ KOHAN KOGYO KOREA CO.,LTD. (Korea)	Manufactures and sells automatic binders
■ TOSYALI TOYO CELIK ANONIM SIRKETI (Turkey)	Production and sales of cold rolled steel sheet and surface treated steel sheet
■ Polytech America, LLC (USA)	Development and manufactures and sells laminated steel sheet in North America
■ FUJI TECHNICA & MIYAZU AMERICA INC. (USA)	Die and body technology facilities order intermediation, procurement of a die design, an inspection jig, the proto panel of the order product
■ PT. FUJI TECHNICA INDONESIA (Indonesia)	Auto parts production, and design and production of the dies, and sale

Tokan Kogyo Co., Ltd. Manufactures and sells paper and plastic packaging container products	
●	Nippon Tokan Package Co., Ltd. Manufactures and sells cardboard products and paper container products
●	Tokan Kosan Co., Ltd. Manufactures and sells agricultural films
●	Tokan Takayama Co., Ltd. Manufactures and sells paper packaging container products and lid products
●	Tokan Logitech Co., Ltd. Trucking
●	Sunnapp Co., Ltd. Plans and sells paper and plastic dishwares
●	Shosando Co., Ltd. Manufactures and sells paperwares
●	Tokan (Changshu) High Technology Containers Co., Ltd. (China) Manufactures and sells plastic products
●	TAIYO PLASTIC CORPORATION OF THE PHILIPPINES Manufactures and sells plastic products
●	T.K.G. CORPORATION (Philippines) Land leasing
■	TAIWAN TOKAN CORPORATION Manufactures and sells paper packaging containers products

Nippon Closures Co., Ltd. Manufactures and sells metal and plastic closures	
●	Shin-Sankyo-Pd. Trucking business
●	Crown Seal Public Co., Ltd. (Thailand) Manufactures and sells metal and plastic closures and crown closures
●	Riguan Closure (Changshu) Co., Ltd. (China) Sells metal and plastic closures
●	NCC Europe GmbH (Germany) Manufactures and sells metal closures
■	PT. INDONESIA CAPS AND CLOSURES (Indonesia) Manufactures and sells plastic closures
■	NCC Crowns Private Ltd. (India) Manufactures and sells metal closures

TOYO GLASS CO., LTD. Manufactures and sells glass bottles	
●	TOYO-SASAKI GLASS CO., LTD. Manufactures and sells glassware
●	Toyo Glass Machinery Co., Ltd. Manufactures and sells molds for glass and plastic bottles, and glass bottle manufacturing machinery
●	TOHOKU KEISYA CO., LTD. Manufactures and sells silica sand
●	TOSHO GLASS CO., LTD. Sells glass products
●	TOYO GLASS LOGISTICS CO., LTD. Trucking business, various yard operation contracting
●	ICHINOSE-TRADING CO., LTD. Sells glass bottles and accessories

Mebius Packaging Co., Ltd.
Manufacturing and sales of plastic products

Toyo Aerosol Industry Co., Ltd.
Contract manufacturing and sales of aerosol and general filling products

- **Toyo Filling International Co., Ltd. (Thailand)**
Contract manufacturing and sales of aerosol and general filling products

TOMATEC CO., LTD.	
Manufactures and sells glass frits, complex inorganic color pigments, gel coats and micronutrient fertilizers	
■	ISHIKAWA INK CO.,LTD.
Manufactures synthetic resin and sells FRP materials	
●	TOMATEC (Shanghai) Fine Materials Co., Ltd. (China)
Manufactures and sells complex inorganic color pigments; sells glass frits	
●	TOMATEC (Xiamen) Fine Material Co., Ltd. (China)
Manufactures and sells glass frits	
●	TOMATEC America, Inc. (USA)
Imports and sells complex inorganic color pigments and glass frits	
●	PT. TOMATEC INDONESIA (Indonesia)
Manufactures and sells glass frits and complex inorganic color pigments	

Can Machinery Holdings, Inc. (USA)
Holding Company

<ul style="list-style-type: none"> ● Stolle Holdings, Inc. (USA) Holding Company
<ul style="list-style-type: none"> ● Stolle Machinery Company, LLC (USA) Develops, manufactures and sells can and end manufacturing machines and provides related services
<ul style="list-style-type: none"> ● Stolle Europe Ltd. (U.K.) Sells can and end manufacturing machines and provides related services
<ul style="list-style-type: none"> ● Stolle Machinery do Brasil Industria e Comercio Equipamentos Ltda. (Brazil) Manufactures and sells can and end manufacturing machines and provides related services
<ul style="list-style-type: none"> ● Stolle Asia Pacific Co., Ltd. (Vietnam) Sells can and end manufacturing machine parts and provides related services
<ul style="list-style-type: none"> ● STOLLE MACHINERY (SHANGHAI) CO., LTD. (China) Sells can and end manufacturing machine parts
<ul style="list-style-type: none"> ● Stolle Machinery (Guangdong) Co., Ltd. Manufactures and sells can manufacturing machine parts
<ul style="list-style-type: none"> ● Stolle EMS Group Limited (U.K.) Holding Company
<ul style="list-style-type: none"> ● Stolle European Manufacturing Solutions Limited (U.K.) Manufactures and sells can manufacturing machines and provides related services
<ul style="list-style-type: none"> ● Stolle EMS Precision Limited (U.K.) Manufactures and sells can manufacturing machine parts
<ul style="list-style-type: none"> ● Stolle EMS Polska Sp. z o.o. (Poland) Manufactures and sells can manufacturing machines and provides related services

Tokan Trading Corporation
Sells packaging materials, petrochemical products
and food machinery, equipment & parts

Tokai Kyoei Kaisha, Ltd.
Offers insurance products, real estate rental management services,
and tourism services