

Sustainability

Teijin Group Anti-Corruption Policy

Teijin Limited established "Teijin Group Anti-Corruption Policy" in September, 2021 and established anti-corruption procedures and systems.

Teijin Group Anti-Corruption Policy

The Teijin Group is committed as its corporate philosophy to enhancing the quality of life through a deep insight into human nature and needs, together with the application of creative abilities. Corruption is against the Group's corporate philosophy and totally unacceptable as it leads to violations of human rights, distorts the market and erodes the quality of life. Therefore, we (Note 1) hereby establish the "Teijin Group Anti-Corruption Policy".

1. Fundamental Principles

In this policy, "corruption" refers to the abuse of entrusted power for an improper gain, including but not limited to all forms of corruption, such as extortion, bribery (Note 2), conflicts of interest (Note 3), and illicit receipt of rebates and kickbacks. We recognize that the prevention of bribery is a particularly important issue for us. Thus, we strictly prohibit any direct or indirect involvement with bribery in violation of applicable laws and regulations. In addition, we do not permit any facilitation payment that is made for the purpose of obtaining an improper gain (Note 4).

We comply with all applicable anti-corruption laws and regulations. We prohibit any direct or indirect involvement with corruption in violation of laws and regulations. We meet our stakeholders' expectations by sincerely working to combat corruption through our business activities.

Furthermore, we broadly promote fair business practices and strive to contribute to the realization of peaceful, just, and inclusive societies.

2. Implementing a compliance program under the commitment of top management

The Teijin Group CEO will assume full responsibilities for taking necessary measures to implement this policy in the Teijin Group, including; repeatedly communicating this policy both inside and outside the company; maintaining and allocating appropriate the authority and resources to the Chief Social Responsibility Officer; and establishing a group compliance program that includes procedural rules and organizational structure.

3. Adopting a risk-based approach

To identify corruption risks within the Group, we assess risks from various aspects including the nature of our business operation, our business relationship, and our products or services and the scale and location of our business activities. We will take priority measures on the business activities with a high risk of corruption.

4. Education and training

We establish and implement a system for conducting regular education and training on the implementation of this policy and the related procedures for Group officers and employees.

5. Third party due diligence

We prohibit not only direct involvement with corruption but also the involvement through third parties such as sales agents. We strictly control contracts and transactions with third parties such as agents and develop procedures for monitoring third party activities regularly in order to prevent any involvement in corruption through a third party.

6. Effective operation of the whistleblowing hotline system

We establish and implement an effective whistleblowing hotline system that allows all the officers and employees to make a report whenever they become aware of corruption. We keep confidentiality of these reports and prohibit any disadvantageous treatment against the reporters.

7. Appropriate responses when any misconduct is identified

If corruption is detected or suspected, we prudently investigate any allegation, analyze the root cause of the misconduct, and take remedial actions to prevent recurrence. Any officers and employees who were involved in corruption shall be subject to strict disciplinary actions regardless of their positions.

8. Control measures before and after mergers and acquisitions

We carry out due diligence of any target company from a perspective of corruption risk prior to mergers and acquisitions as well as business alliances. We also integrate the company's compliance program into that of our Group through the post-merger integration.

9. Monitoring and continuous verification / review

We regularly monitor the implementation of this policy, verify its effectiveness and, if necessary, review it under the supervision of the Board of Directors.

10. Recording and reporting our efforts

We keep accurate records in our accounting books to avoid any doubt of our involvement in corruption. We also endeavor to disclose our anti-corruption efforts to the extent possible recognizing that anti-corruption is an important concern for both internal and external stakeholders.

Note 1 "We" refers to the Teijin Group and its officers and employees.

Note 2 "Bribery" refers to any payment of money, any provision of entertainment, gifts, or any other benefit, any payment of expenses, any donations or subsidies, etc. to public officials, etc. (including private citizens when commercial bribery is prohibited) in order to obtain an improper gain in violation of any applicable laws and regulations. This includes cases where we receive bribes in violation of any laws and regulations.

Note 3 "Conflict of interest" refers to a situation in which any individual or company is confronted with conflicts between the duties and demands of their position and their own private interests.

Note 4 "Facilitation payment" refers to a small amount of payment to public officials, etc. for the purpose of facilitating procedures related to ordinary administrative services.

Resolution by the Board of Directors of TEIJIN LIMITED on September 30, 2021

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Main Activities

The Teijin Group provides conduct standard for preventing corruption in the Teijin Group Corporate Ethics Handbook and thoroughly informs employees about those standards.

In addition, entertainment with public institutions such as governmental organizations is in principle prohibited, but in cases of transactions with public institutions, when payment is made for benefits such as entertainment and gifts or donations are provided with a reasonable basis, prior approval by the designated responsible person is required.

In addition, we perform due diligence to confirm the eligibility of potential business partners from the perspective of preventing corruption conducted by external partners. We also conduct appropriate due diligence of target companies when conducting corporate acquisitions to confirm that there is no past or current corruption. We require new business partners to comply with our CSR procurement policies including the prohibition of bribery.

While taking these measures, we regularly conduct compliance education and training relating to anti-corruption and conduct internal audits.

FY2020 Activity Results

Risk assessment

In FY2019, we conducted assessments of the domestic and overseas sales functions of each Teijin group company in order to study the exposure of the risk of corruption throughout the entire group companies. The results did not identify any sales departments with significant corruption risks. In business with public institutions including governmental organizations, however, it was recommended that development of management systems and regular and proper trainings be conducted preferentially in accordance with Teijin Limited fundamental policies, taking into consideration characteristics at the site of business.

In FY2020, we confirmed the rules for preventing corruption in all business divisions.

Education

At the June 2020 CSR Committee meeting, we held an anti-corruption compliance lecture conducted by an outside attorney. Training with the same content was conducted for compliance personnel in each division.

Status of violations of laws and regulations relating to corruption

There were no incidents resulting in employee discharge or the imposition of legal measures for corrupt conduct in FY2020.

Future Issues

We periodically conduct internal audits and risk assessment surveys and assess and review (the PDCA cycle) management systems for the prevention of corruption so that we can maintain ongoing and effective management in accordance with rules.

In addition, we will encourage Group employees who encounter corruption and other risks to make extensive use of consultation hotlines and reporting systems, and for outside business partners, we will proceed with development in stages including education and the creation of channels for the provision of information.

Status of the Provision of Capital

In principle, the Teijin Group does not make political donations. In the case of expenditures necessary for the conduct of business, however, donations may be made within the scope of relevant regulations and in accordance with the Regulations for Teijin Group Responsibilities and Authorities. No direct donations were made to specific political parties in FY2020.

Also, within the Teijin Group, Teijin Pharma Limited, which engages in the pharmaceutical business, established a policy relating to transparency in relationships with medical institutions and discloses the status of the provision of funds to such organizations in accordance with that policy.

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