

## **Teijin Group Slavery & Human Trafficking Statement for FY 2019**

This statement is made in accordance with Section 54 of the Modern Slavery Act 2015 and covers the steps that the Teijin Group has taken during financial year from April 1, 2019 to March 31, 2020 (“FY2019”) to ensure that slavery and human trafficking is not taking place in our business and our supply chains.

The Teijin Group recognizes that any activity of our business or our supply chains should not prevent other people from enjoying human rights. We also recognize slavery and human trafficking are global human rights issues of our time. The Teijin Group will continue to carry out actions to ensure that slavery and human trafficking is not occurring in any part of our own business and in any of our supply chains.

### **1. Our business and organizational structure**

The Teijin Group began with the establishment of Japan’s first rayon manufacturer in 1918. The Teijin Group now combines wide range of businesses including advanced fibers, resin, composites, fibers and products converting, healthcare and IT (\*). The number of Teijin Group companies is 174 in total, including 56 in Japan and 118 overseas (as of March 31, 2020). There are 20,075 employees in the Teijin Group in total, including 9,364 in Japan and 10,711 overseas (as of March 31, 2020). Teijin Group’s net sales in FY2019 are 853.7 billions of yen, 43.71% of which is overseas net sales.

\* We had been conducting the film business until the end of September 2019.

For further details of the Teijin Group and our business, please visit the Teijin’s website at the following link:

<https://www.teijin.com/>

### **2. Our policies in relation to slavery and human trafficking**

In the following policies, the Teijin Group states that the Teijin Group will prevent any slavery and human trafficking in any part of our own business and in any of our supply chains.

#### **Teijin Group Corporate Philosophy**

Teijin Group Corporate Philosophy is “Enhancing the Quality of Life”, “In Harmony with Society” and “Empowering Our People”. We conduct business based on this philosophy. The starting line of the Teijin Group’s Corporate Social Responsibility (CSR) is also this philosophy. We pursue CSR activities rooted in this Corporate Philosophy.

## **Teijin Group Code of Conduct**

The Teijin Group has established Teijin Group Code of Conduct as standard for action that aligns with our Corporate Philosophy.

Teijin Group Code of Conduct states “We — the Teijin Group, including its officers and employees — act according to our conscience, with the aim of enhancing the quality of life for all stakeholders.” and “We act with integrity in compliance with laws and regulations, and show respect for human rights and local communities in which we operate.”

In order to better understand and practice Teijin Group Code of Conduct, we have also formulated How We Behave for each item of Teijin Group Code of Conduct and we have been conducting publicity activities within our group.

For further details of Teijin Group Code of Conduct and How We Behave, please visit the Teijin’s website at the following link:

<https://www.teijin.com/about/philosophy/>

## **Teijin Group Human Rights Policy**

The Teijin Group has established Teijin Group Human Rights Policy as our basic stance to respect every human’s dignity and rights, which is crucial for realizing the Corporate Philosophy.

Teijin Group Human Rights Policy states “Acknowledging that it is our important corporate social responsibility to value human rights, we do our best to avoid direct involvement, as well as indirectly influence through our relevant external parties, any abuse of human rights.” In addition, we clearly state “our relevant external parties” are all external organizations and people, including suppliers and partners, with whom we relate in our business” in our Human Rights Policy.

We also express in our Human Rights Policy that we follow the fundamental principles described in the United Nation (UN) International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and we respect the UN Guiding Principles on Businesses and Human Rights and the 10 Principles of the UN Global Compact. Teijin Limited has joined the UN Global Compact since March 2011.

Furthermore, Teijin Group Human Rights Policy states “We develop the human rights due diligence process to identify actual or potential negative impacts on human rights and seek to prevent or mitigate the negative impacts.”

The Chief Executive Officer of the Teijin Group takes responsibility for implementing this Human Rights Policy.

For further details of Teijin Group Human Rights Policy, please visit the Teijin's website at the following link:

[https://www.teijin.com/csr/policy/human\\_rights.html](https://www.teijin.com/csr/policy/human_rights.html)

## **Policies for purchasing and procurement**

### **- Teijin Group Basic Policy for Purchasing and Procurement**

Teijin Group Basic Policy for Purchasing and Procurement states “The Teijin Group promotes purchasing and procurement from suppliers that respect human rights and do not commit human rights infringements such as unjust discrimination, slave labor, forced labor, child labor, human trafficking, etc.”

### **- Teijin Group Basic Stance of Persons in Charge of Purchasing and Procurement**

We have also determined Teijin Group Basic Stance of Persons in Charge of Purchasing and Procurement that describes in specific terms how purchasing and procurement personnel should behave. Teijin Group Basic Stance of Persons in Charge of Purchasing and Procurement states “Purchasing/procurement personnel do not force inappropriate transaction terms on suppliers nor force them to accept unreasonably low prices, etc. and promote purchasing and procurement from suppliers that respect human rights and do not support forced labor or long working hours.”

### **- Teijin Group CSR Procurement Guidelines**

In accordance with Teijin Group Basic Policy for Purchasing and Procurement, we have prepared Teijin Group CSR Procurement Guidelines including items relating to human rights, such as forced labor, child labor and young workers, foreign workers, working hours and holidays, wages and benefits, discrimination, harassment, freedom of association, consideration for local communities, contact point for consultations and internal reporting and responsible supply chain promotion. The Teijin Group is requesting our suppliers to comply with our Guidelines.

For further details of Teijin Group Basic Policy for Purchasing and Procurement, Teijin Group Basic Stance of Persons in Charge of Purchasing and Procurement and Teijin Group CSR Procurement Guidelines, please visit the Teijin's website at the following link:

[https://www.teijin.com/csr/social/purchase\\_procurement/procurement.html](https://www.teijin.com/csr/social/purchase_procurement/procurement.html)

## **3. Our steps to ensure that slavery and human trafficking is not taking place**

### **Human rights due diligence**

In accordance with our Human Rights Policy which states the human rights due diligence, since FY2018, the Teijin Group has begun activities to build a process for

human rights due diligence and to understand the negative impact and risks to human rights due to the activity of our business or our supply chains.

As initiatives in the first fiscal year (FY 2018), the Teijin Group has conducted a survey with the support of an external NGO in order to sort out the types of human rights issues that could be considered for each our business, and to identify places where such issues might become apparent. The businesses targeted by this survey is a total of 11 businesses: aramid, carbon fibers, resin, film (\*), composites, fibers and products converting, pharmaceuticals, home healthcare, IT, material new business and healthcare new business. As a specific survey method, we quantitatively analyzed the human rights issues risk in each of the above 11 businesses, from the two perspectives of “country / region” and “business contents”, based on the characteristic of each of the above 11 businesses (country / region of operation and business contents etc.) and the characteristic of our suppliers of each businesses (place of operation, types of their products and business contents etc.). Through this survey, we have confirmed that in the business of fibers and products converting, human rights issues are most likely to take place, particularly in the countries of Myanmar, China, Vietnam and Thailand. In the business of fibers and products converting, we have been already promoting efforts to respect human rights, we will continue to promote improvement as a high priority business.

\* We had been conducting the film business until the end of September 2019.

In FY 2019, we dialogued with the leading experts who active in the fields of “Business and Human Rights” as part of reviewing the method and results of human rights due diligence in our group and considering our policy for future efforts. We received a good evaluation of the mechanism of our supplier surveys. However, we were pointed out that there is room for improvement in the method of specific extraction of human rights issues.

For further details of Teijin Group human rights due diligence, please visit the Teijin’s website at the following link:

[https://www.teijin.com/csr/social/human\\_rights.html](https://www.teijin.com/csr/social/human_rights.html)

## **CSR procurement**

The Teijin Group conducts the following activities for CSR procurement in cooperation with our suppliers.

### **- Teijin Group supplier surveys**

We have developed and launched an original system for surveying and rating our supplier’s status of efforts on CSR. The system utilizes an online questionnaire to confirm whether or not suppliers are complying with the Teijin Group CSR Procurement Guidelines, and the results are used to determine their place in a 5-level ranking system. In addition, we conduct detailed interviews, etc., as necessary, based on the contents of each supplier’s response to such survey, and request the suppliers who we consider to be at risk to create an improvement plan and we check their

implementation status and provide necessary support. In FY2019, we conducted detailed interviews directly with 22 companies in Japan and overseas who did not respond sufficiently. We will continue to review all these companies until we confirm that slavery, human trafficking and other human rights risks do not actually occur.

#### **- Efforts in the business of fibers and products converting**

In the business of fibers and products converting, we are making further efforts. Teijin Frontier Co., Ltd. (“Teijin Frontier”), a Teijin Group company with an integrated value chain from material development/procurement to product realization operating on a global scale, has created an original Standards for Sustainable Procurement in Japanese, English and Chinese and sends it to its suppliers in Japan and overseas who conduct transactions on a continuous basis. In FY2019, Teijin Frontier has continued to send its Standards for Sustainable Procurement to new suppliers and also sent to logistics-related suppliers that it had not previously sent. In addition, based on the results of the above Teijin Group supplier surveys, Teijin Frontier requests its suppliers to cooperate in on-site-survey, and in FY2019, Teijin Frontier actually visited 21 sewing factories etc. in Japan and overseas and conducted actual condition surveys.

Furthermore, since 2014, Teijin Frontier has been holding a CSR Supply Chain Seminar every year for local sewing and embroidery factories, material manufacturers, etc. with the aim of enforcing legal compliance and the protection of human rights. In FY2019, Teijin Frontier held seminars in Vietnam and China and in Tokyo, Osaka, Nagoya and Hokuriku. The Teijin Group believes it is important to raise awareness of CSR procurement locally on an ongoing basis.

For further information of the Teijin Group CSR procurement activities, please visit the Teijin’s website at the following link:

[https://www.teijin.com/csr/social/purchase\\_procurement/procurement.html](https://www.teijin.com/csr/social/purchase_procurement/procurement.html)

#### **Whistle-blowing**

Since 1999, the Teijin Group has established counseling and reporting center for all Teijin Group company employees. As of FY2019, such procedures are available in 16 languages of the Teijin Group’s major bases.

We also have the reporting desk on the Teijin’s website to receive notifications from other than the Teijin Group company employees, such as suppliers.

For further information of the Teijin Group whistle-blowing procedures, please visit the Teijin’s website at the following link:

<https://www.teijin.com/csr/social/compliance/>

#### **Effectiveness**

In order to assess the effectiveness of the steps we are taking to ensuring that slavery and human trafficking is not taking place in our business or supply chains, we will

continue to (i) conduct the human rights due diligence survey periodically, (ii) review the results of the surveys of our suppliers and (iii) monitor the number and the contents of reports made through the whistle-blowing procedures from employee, suppliers or others who convey concerns about slavery and human trafficking.

### **Training**

The Teijin Group has been holding the Corporate Ethics Workshop every year during Cooperate Ethic Month (October) targeting all executives and employees (including contract/temporary employees) of our group. Our corporate ethics workshop includes case studies and group discussions. We have been deepening the understanding of the policies of the Teijin Group on human rights through this workshop.

For further information of the Teijin Group training, please visit the Teijin's website at the following link:

<https://www.teijin.com/csr/social/compliance/>

This statement was made by Teijin Limited on behalf of itself and Teijin Group companies, and approved by the board of directors of Teijin Limited on July 31, 2020.

July 31, 2020

A handwritten signature in black ink, appearing to read 'Jun Suzuki', written in a cursive style.

Jun Suzuki  
President and CEO, Teijin Limited