

# Teijin Group Human Rights Policy

**The Teijin Group defines its Human Rights Policy in line with our corporate philosophy.**

## The Teijin Group Human Rights Policy

In Corporate Philosophy, the Teijin Group declares to enhance the quality of life through a deep insight into human nature and needs, together with the application of our creative abilities. As our basic stance to respect every human's dignity and rights, which is crucial for realizing the Philosophy, we <sup>\*1</sup> stipulate the following in this Teijin Group Human Rights Policy.

### 1. Commitment

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 <sup>\*2</sup>, any abuse of human rights <sup>\*3</sup>.

### 2. Foundational principles

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<sup>\*4</sup>.

We respect the UN Guiding Principles on Businesses and Human Rights and the 10 principles of the UN Global Compact.

### 3. Responsibility

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

### 4. Education and Training

We educate and train both our corporate officers and employees to make sure that this Policy is fully embedded in our business and carried out effectively.

### 5. Due Diligence

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.

### 6. Remedy

When we recognize that we directly cause or indirectly influence adverse impacts on human rights, we conduct dialogue with relevant parties and address such impacts through appropriate procedures.

## 7. Disclosure and Dialogue

In our corporate website, we disclose progress and outcome of our efforts to respect human rights. We also conduct dialogue with our stakeholders about our efforts.

- \*1 "We" means the Teijin Group and its corporate officers and employees.
- \*2 "Our relevant external parties" are all external organizations and people, including suppliers and partners, with whom we relate in our business.
- \*3 "The abuse of human rights" incorporates any discrimination on the basis of race, religion, gender identity (SOGIESC, Sexual Orientation, Gender Identity, Gender Expression, and Sex Characteristics), etc.
- \*4 It includes endorsement and respect for "the abolition of child labour"; "the elimination of forced or compulsory labour"; "the elimination of discrimination"; and "freedom of association and the effective recognition of the right to collective bargaining in respect of employment and occupation," as ILO Core Labour Standards.

Resolved at the Board of Directors of Teijin Limited held on March 1, 2019

Revised at the Board of Directors of Teijin Limited held on August 3, 2021

### Related information

[Our philosophy](#) > [Teijin Group Modern Slavery & Human Trafficking Statement](#) >

Sustainability

# Main Activities

**The Teijin Group has made respect for the rights and dignity of all human beings its fundamental stance for achieving enhancement of the quality life, our corporate philosophy. We are committed to working in accordance with the United Nations Guiding Principles on Business and Human Rights (hereafter, "UNGPs") established by the United Nations in 2011 and the International Labour Organization (ILO) standards\*.**

\* It includes endorsement and respect for "the abolition of child labour" "the elimination of forced or compulsory" "the elimination of discrimination" and "freedom of association and the effective recognition of the right to collective bargaining in respect of employment and occupation," as ILO Core Labour Standards.

As our corporate philosophy represents, "the Teijin Group's purpose is to enhance the quality of life through a deep insight into human nature and needs, together with the application of our creative abilities." In achieving this goal, respect for the rights and dignity of all human beings is of the essence.

In June 2018, the Teijin Group reformulated its Corporate Code of Conduct into five items, clearly expressing our commitment to human rights in the section on "Integrity."

Integrity: We act with integrity in compliance with laws and regulations, and show respect for human rights and local communities in which we operate.

- We respect human rights and do not tolerate any discrimination and harassment in any part of our business and supply chain. We also maintain accountability by ensuring that our business is conducted in a way that helps to win the trust of local communities.
- We comply with applicable laws and regulations in every country and region where we do business, including multilateral laws and regulations, and respect internationally-accepted principles.

With the aim of sharing this Code of Conduct with the entire Teijin Group, in August 2020 we created a video message featuring our CEO which was sent to all our group companies with subtitles in local languages of all regions and countries in which the Teijin Group operates.

Additionally, in March 2019, the Teijin Group Human Rights Policy was resolved at the Board of Directors of Teijin Limited. Under this policy, we pledge to endeavor neither to be involved directly nor to be complicit indirectly by way of external affiliates or business relation, in any kind of human rights violations in our business activities, in recognition of the fact that respect for human rights is an important social responsibility to be fulfilled by company.

With regard to the United Kingdom's Modern Slavery Act 2015, our "[Teijin Group Modern Slavery and Human Trafficking Statement](#)" is posted on our website.

# Human Rights Due Diligence Initiatives

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Regarding the human rights due diligence mentioned in our Human Rights Policy, the Teijin Group in FY2018 began activities to build a relevant mechanism and is committed to working on human rights risk assessments by business and region.

## FY2018

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We commissioned an external organization, the Global Alliance for Sustainable Supply Chain, and its subcontractor, the UK-based research institute RIGHTS DD Limited, to conduct a survey on "complicity in modern slavery".

### Survey Target

Branch-equivalent companies of a certain minimum size among the 153 Group companies in Japan and overseas, including the head office, belonging to the Group's 11 business units<sup>\*1</sup>

<sup>\*1</sup>: 11 business units: (1) Aramid, (2) Carbon fibers, (3) Resin and Plastic Processing, (4) Film, (5) Composites, (6) Fibers & Products Converting, (7) Pharmaceutical, (8) Home Healthcare, (9) IT, (10) Material New Business, (11) Healthcare New Business.

The suppliers selected by the survey organization from among the suppliers with which the Teijin Group does business in the above 11 business units.

### Survey Method

From qualitative information concerning the business characteristics and operating regions of the above-mentioned branch-equivalent companies and 18 suppliers, scores were given for human rights violation risks<sup>\*</sup> in each of the 11 surveyed businesses.

### Survey Results

The results of the FY2018 human rights due diligence survey revealed that the Teijin Group's policy of respect for human rights is generally in conformity with principal international best practices. Furthermore, by comparing the business characteristics and operating regions of the Teijin Group's businesses, we were able to determine that human rights violations are relatively more likely to occur in the labor-intensive fibers and products business. In addition, in businesses identified as having a relatively high potential risk of human rights violations in the light of labor health and safety conditions and the situation in operating regions, as well as already implemented measures to prevent human rights violations, we are implementing inspections to detect whether human rights violations are occurring and continuing monitoring to prevent such violations.

<sup>\*</sup> Definition of "human rights violation risk" covered by this survey

1. This survey focused on "modern slavery," a term used to describe all human rights abuses including slavery, servitude, forced or compulsory labor, and human trafficking.

2. In this survey, the following factors were analyzed to gauge modern slavery risk:

- Highly competitive industries, with low barriers to entry and operations in jurisdictions with weak labor laws and ineffective union representation;
- Prevalence of low-skilled workers;
- High number of female workers;
- Documented cases of child labor;
- High proportion of migrant labor in the workforce;
- Documented cases of human trafficking;
- Documented cases of harmful employment practice;
- Documented cases of debt bondage;
- Operation in fragile or conflict affected areas;
- High proportions of refugees in the workforce;
- Operation in countries with highly repressive regimes;
- Industries in which low-skilled labor is used to carry out so-called "three D" jobs (dirty, dangerous, and difficult), such as work involving dangerous or physically arduous manual labor, work involving prolonged periods of repetitive motion, and work that is stigmatized or socially devalued. These jobs are typically carried out by migrants, minorities, or socially marginalized groups that are highly vulnerable to exploitation.

3. In this survey, the characteristics of "forced labor" are as follows:

- The illegal withholding and deduction of wages;
- The illegal confiscation of identity documents, such as passports;
- Debt bondage (Forced labor as security for debt repayment. It is said that more than 51% of workers engaged in forced labor are bonded by debts.);
- Forced overtime
- Various forms of coercion by employers or recruiters, such as verbal, physical, or sexual harassment;
- Labor patterns involving intensive work, long working hours, or the repetition of simple tasks that give rise to serious labor health and safety risks

## FY2019

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Dialogues were held with international NGOs and other organizations, in collaboration with the Caux Round Table (CRT Japan), a third-party organization, and potential risks in human rights due diligence were assessed in accordance with the United Nations Guiding Principles on Business and Human Rights (November 2019-March 2020).

We explained to CRT Japan the flow of CSR procurement questionnaire surveys conducted by the Teijin Group since FY2014 and the process for improvement based on the survey results, all of which are conducted as measures to prevent and reduce human rights violations, such as human trafficking, forced labor, child labor, and discrimination.

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CRT Japan confirmed the appropriateness of the territories and number of companies covered by the CSR procurement questionnaire surveys and the effectiveness of the post-survey process by which Teijin Limited calls on business partners to make improvements.

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We identified potential human rights risks from business domains of the Teijin Group that significantly cause negative social impact and formulated measures to be implemented in FY2020 and beyond.

### **Measures addressing potential human rights violations**

1. Education and guidance for improvement for business partners
2. Interviews with domestic processing consignees
3. Review CSR Procurement Guidelines and survey items in response to the social conditions related to matters of human rights violations in the supply chain
4. Promoting the CSR Procurement Guidelines among business partners
5. Review of grievance handling mechanisms

Please see here for the specific CSR procurement initiatives of the Teijin Group

[CSR procurement >](#)

## FY2020

To follow up on the previous year, we conducted dialogues with international NGOs and other organizations with cooperation from Caux Round Table Japan (CRT Japan), a third-party organization. We also evaluated risks as part of our human rights due diligence in accordance with the UNGPs and took the following measures to address the risk of potential human rights violations.

- 1. Education and guidance for improvement for business partners**  
We conducted online seminars for the business partners of Teijin Frontier Co., Ltd., both in Japan and overseas (China, Vietnam, and Indonesia), which is active in the Fibers & Products Converting Business, which was identified in the FY2018 human rights risk assessment as posing the greatest risks.
- 2. Interviews with business partners**  
Interviews were conducted with processing consignees both in Japan and overseas for whom it was considered necessary to check on efforts with regard to human rights.
- 3. Review CSR Procurement Guidelines and questionnaire items in accordance with the social conditions related to matters of human rights violations in the supply chain**  
As a result of the FY2020 review, no material changes were made.
- 4. Circulating the CSR Procurement Guidelines among business partners**  
A CSR procurement questionnaire survey was again conducted in FY2020 for business partners both in Japan and overseas. In the result, the situation of human rights violations at our business partners has not confirmed.
- 5. Review of grievance handling mechanisms**  
Whistle-blowing reports filed in our existing whistle-blowing system are handled appropriately. Issues have started to be systematized on the assumption that a new reporting system aimed at employees of business partners will be introduced in the future.

The background and results of the above measures will be disclosed on the Teijin Group Modern Slavery and Human Trafficking Statement. Even amid the restrictions on activities due to COVID-19, we are promoting various online initiatives, including seminars in Japan and overseas and domestic auditing.

## FY2021

To follow up on the previous year, we conducted dialogues with international NGOs and other organizations in cooperation with cooperation from Caux Round Table Japan (CRT Japan), a third-party organization, and received the following comments.

1. Confirm whether there are any problems (such as problems concerning the freedom of association, forced labor, child labor, and discrimination) in human rights areas that are of concern to the WBA and in particular the CHRB within the TFR supply chain management system.
2. Determine the working conditions of foreign laborers who work for suppliers in domestic business and confirm whether any human rights issues have arisen (human rights due diligence and impact assessments).
3. Take measures to introduce complaint processing mechanisms that are not limited to the Teijin Group but also include suppliers.
4. Please make visible the management business-making process within initiatives based on the UNGPs.
5. Look into more optimal forms of active information disclosure.

In response to these comments, we evaluated risks as part of our human rights due diligence process in accordance with the UNGPs and took the following measures to address the risk of potential human rights violations.

1. With regard to human rights issues in the TFR supply chain management system, we confirmed responses to the questions concerning human rights in the results to the CSR procurement questionnaire survey, and in cases where responses were of concern, we confirmed the details. We then interviewed business partners, such as processing consignees in Japan and overseas, believed to require confirmation with regard to human rights initiatives and implemented practical improvement activities as necessary.
2. We determined the working conditions of foreign laborers who work for suppliers in domestic business, and to confirm human rights issues relating to those workers, we conducted a survey of domestic and overseas business partners in accordance with the CSR Procurement Guidelines, as we did in the previous year. The results did not identify any human rights violations.
3. Grievance handling mechanisms We are promoting the design of a reporting system for business partners and preparing for its specific introduction.

We are currently looking into making visible the management business-making process within initiatives based on the UNGPs and more optimal forms of active information disclosure, issues that were pointed out in the dialogues.



## Summary of Human Rights Due Diligence

	Human rights due diligence coverage rate	Ratio of human rights issues of concern	Human rights issue measures implementation rate
FY2021	100%	37%	100%
Approach	Since FY2018, human rights due diligence have covered the entire Teijin Group	Ratio of the Teijin Group's sales accounted for by the Fibers & Products Converting Business, which performs sewing and processing and is a business domain in which human rights issues have been recognized	Monitoring of all 28 business partners for which human rights risks were identified through CSR procurement questionnaire survey and other means  Survey of Suppliers for Sustainable Procurement >

## Plans for FY2022

To follow up on the previous year, we are proceeding with the development of human rights due diligence mechanisms in accordance with the UN Guiding Principles on Business and Human Rights and set our human rights due diligence policy as indicated below, reflecting the results of dialogue with external experts.

1. We will undertake human rights due diligence initiatives throughout the entire Teijin Group from perspectives that include the environment.
2. We will set human rights due diligence targets, make a commitment to human right that includes the Board of Directors, and conduct management and monitoring on a practical level.
3. We will make appropriate disclosures concerning the status of human rights due diligence.

The specific details of the plan are as follows.

- 1.** We will examine whether our policies, regulations, supply chain guidelines, and other rules relating to human rights including the Teijin Group Human Rights Policy and Code of Conduct are consistent with social requirements and we will make revisions as necessary.
- 2.** We will use various means including CSR procurement questionnaire surveys, on-site inspections, and interviews by individual Teijin Group companies to confirm conditions at business partners. In cases where there are concerns regarding conditions at business partners, such as low evaluation results in survey responses, we will provide guidance on making improvements as necessary.
- 3.** We will implement the following measures in the Fibers & Products Converting Business, which was identified as having the greatest risk in the FY2018 human rights violation risk assessment:
  - a)** As one aspect of the measures described in (2) above, Teijin Frontier Co., Ltd, will conduct interviews of domestic and overseas processing consignees and other business partners to confirm whether there are any human rights issues;
  - b)** Teijin Frontier Co., Ltd will hold seminars addressing primarily compliance with local laws and regulations and respect for human rights for domestic and overseas business partners;
  - c)** At Group companies that accept foreign technical interns, we will implement the Zero Fee Project, under which Group companies pay the fee is necessary for interns to come to Japan.
- 4.** Grievance handling mechanism  
We will proceed with designing reporting systems for business partners and introduce concrete systems.

# Dialogue with External Experts

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On October 20, 2021, the Teijin Group participated in "2021 Business and Human Rights Conference" organized by the Caux Round Table (CRT Japan). Our chief social responsibility officer held a dialogue with overseas experts on the issue of human rights and the Teijin Group's initiatives, and the following feedback was received. Regarding matters pointed out, we are committed to conducting dialogues with leading global external experts and to making improvements while receiving suggestions and assessments.

- The Teijin Group's CEO and Board of Directors have a clear commitment to respecting human rights and are demonstrating strong leadership to that end. In addition, I think it is wonderful that the Group is working to identify potential new issues, such as human rights issues that are linked to the impact of the COVID-19 pandemic, and is constantly adapting to change.
- The Teijin Group places the focus of its human rights efforts on its workers, which is obviously the correct thing to do. However, understanding how environmental issues tie into human rights concerns is an extremely important task, and I therefore hope that the Group can identify issues from that perspective and enact appropriate response measures.
- It is desirable that the Group continuously engage in dialogue with workers, who are in a vulnerable position within supply chains, and strive to solve problems in cooperation with other companies that are facing the same issues.
- There are various standards concerning disclosure of information, but the fundamental standard is the UN Guiding Principles on Business and Human Rights. It is recommended that the Group make reference to the benchmarks and frameworks proposed by the World Benchmarking Alliance.
- Social evaluation can be raised by enhancing disclosures regarding the involvement of the Board of Directors in human rights issues.




Dialogue on human rights held with external experts (October 20, 2021)

## Regular Dialogues with External Experts in Japan

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To implement initiatives relating to respect for human rights in accordance with international trends and standards regarding business and human rights measures, we conduct regular dialogues between CRT Japan, an external expert organization with a deep understanding of the formation of domestic and overseas trends, and Chief Social Responsibility Officers. During these dialogues, the participants engage in repeated discussions concerning the direction that the Group should take in light of the real-time status of the Teijin Group's business and its impact on human rights.

Status of Human Rights Due Diligence by the Teijin Group (CRT Japan commentary)(PDF:226KB) 

## Initiatives to Promote Respect for Human Rights among Employees

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### Human rights education for employees

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To raise awareness for human rights, the Teijin Group holds training sessions for all employees (including contract and dispatch employees) at each workplace during Corporate Ethics Month every October. In FY2020, we use the Corporate Ethics Handbook to hold discussions at each worksite on respect for human rights. Training participation rates in FY2020 were 91% in Japan and 98.5% overseas.

### Response and use of comments received by counseling and reporting center

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The Teijin Group has established a center for counseling and reporting and promotes its use. In FY2021, 125 consultations were received, of which 49 cases related to human rights (dissatisfaction with treatment, discrimination because of gender, etc., and sexual harassment). We investigated the facts in all of these cases. In those cases where specific issues were confirmed, we issued cautions and training for improvement and conducted monitoring so that there were no reprisals against whistleblowers.

Identifying and analyzing potential risks based on comments received by our counseling and reporting center, we determine educational activities befitting the current situation and raise awareness of the importance of respecting human rights among all employees.

# Initiatives to Promote Respect for Human Rights among Suppliers

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In order to ensure respect for human rights throughout the entire supply chain, the Teijin Group has incorporated a section on human rights and labor in our CSR Procurement Guidelines and urges our suppliers to make efforts to respect human rights.

In FY2017, with reference to ISO 20400, an international standard relating to sustainable procurement, as well as other international standards, we clearly stipulated detailed initiatives on the following items relating to human rights and labor, etc.:

## <Human Rights and Labor>

- Forced labor
- Child and youth labor
- Foreign workers
- Working hours and paid leave
- Wages and welfare
- Discrimination
- Harassment
- Freedom of association

The Teijin Group conducts CSR procurement questionnaire surveys of our major suppliers with the aim of assessing their efforts to respect human rights. For companies that provided doubtful answers regarding human rights, we inquire and confirm whether there are any concerns. In the FY2021 CSR procurement questionnaire survey, it was confirmed that no problems had occurred.

In addition, regarding the Fibers & Products Converting Business Group, which was identified as having a relatively high risk of human rights violations in the risk assessment of human rights due diligence, Teijin Frontier Co., Ltd, a representative group company, has conducted seminars and on-site audits on an ongoing basis for business partners in Asia and Japan with the aim of ensuring local business partners' legal compliance and protection of human rights. We will continue to conduct management and awareness-raising activities for businesses with high risks of human rights violations upon confirmation with third-party organizations and external experts.

Furthermore, for many years the Fibers & Products Converting Business has made use of Japan's technical intern training program to recruit technical interns from overseas. However, an internal survey indicated that such trainees were obligated to pay a large amount of recruitment expenses\* in their home countries before coming to Japan. To address this issue, we commenced the Zero Fee Project in 2019, which aims to remove the burden of payment from overseas trainees by having the plant that accepts them cover the recruitment expenses.

\* There are some instances where foreign trainees are forced to pay to local recruitment firm before they come to Japan, their recruitment costs that was incurred the local recruitment processes. In some cases, trainees are forced to pay such amounts as is even equivalent of the incomes for years. Since they want to earn as much as possible, they tend to lead to problems such as long working hours at their own request and disappearance just before returning to Japan, which is a social problem.

# Declaration of Support for UNICEF's Children's Rights in Sport Principles

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In February 2019, the Teijin Group officially endorsed the Children's Rights in Sport Principles put forward by UNICEF and the Japan Committee for UNICEF.

In the context of worldwide problems, that sports have a negative impact on children, such as violent coaching and excessive training that do not take account of children's mental and physical development, these principles were established on November 20, 2018, to build a society that supports the healthy growth and development of children and contributes to promoting the rights of children.

The Teijin Group has developed materials and products for the field of sports, sponsored the All Japan High School Soccer Tournament as part of our CSR activities, and supported soccer clinics at Teijin Polyester (Thailand) Limited. In ways such as these, we are working to aid in the development of young people through sports, and to protect children's rights to ensure that they are not negatively impacted by sports.



**Children's Rights  
in Sport Principles**

子どもの権利とスポーツの原則

## Related information

[Teijin Group Human Rights Policy](#) > [Our philosophy](#) > [Corporate Ethics and Compliance](#) >  
[CSR procurement](#) > [Supply chain seminar](#) >


Sustainability

# Teijin Group Modern Slavery & Human Trafficking Statement


**The statement is made in accordance with the United Kingdom's Modern Slavery Act which came into force in the U.K. in 2015.**

Modern Slavery & Human Trafficking Statement for FY2021(PDF:238KB) 

Modern Slavery & Human Trafficking Statement for FY2020(PDF:239KB) 

Modern Slavery & Human Trafficking Statement for FY2019(PDF:230KB) 

Modern Slavery & Human Trafficking Statement for FY2018(PDF:258KB) 

Modern Slavery & Human Trafficking Statement for FY2017(PDF:467KB) 

## Teijin Group Slavery & Human Trafficking Statement for FY 2021

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, 2021 to March 31, 2022 ("FY2021") 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 anyone from enjoying human rights and, moreover, should have a positive influence on respecting the dignity and rights of all human beings. 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 aramid, carbon fibers, films and sheets, resin, composites, fibers and products converting, healthcare, IT and environment and engineering. The number of Teijin Group companies is 169 in total, including 52 in Japan and 117 overseas (as of March 31, 2022). There are 21,815 employees in the Teijin Group in total, including 9,654 in Japan and 12,161 overseas (as of March 31, 2022). Teijin Group's net sales in FY2021 are 926.1 billions of yen, 49.0% of which is overseas net sales.

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 welfare 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 conduct activities in compliance 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 fibers, carbon fibers, resin, film, composites, fibers and products converting, medicines, at-home medical treatment, 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. Based on the result of such survey, we continue to promote improvement in the business of fibers and products converting as a high priority business.

In FY 2021, through regular dialogues with the external expert of the fields of "Business and Human Rights", we have confirmed that we have the following three areas that are considered to have a significant negative impact and risks to human rights when and if the problems become reality: (i) in the business of fibers and products converting, the working environment at the contractors to whom we outsource sewing processing, (ii) in the pharmaceutical business, the working environment at the drug substance manufacturer of febuxostat, the active ingredient of FEBURIC®, our therapeutic agent for gout and hyperuricemia and (iii) in each business, the working environment for migrant workers, especially employed at Teijin Group's overseas bases. In these areas, we have been already promoting efforts to respect human rights, we will continue to promote investigation and improvement as high priority areas.

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

### **Responsible supply chain promotion**

The Teijin Group conducts the following activities for responsible supply chain promotion 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 a 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 that we consider to be at risk to create an improvement plan and we check their implementation status and provide necessary support. We also conducted such survey in FY2021 and were concerned about the responses of 51 companies in Japan and overseas to the questions regarding human rights issues such as not employing children under the age of 15 years and not allowing young workers to engage in late-night work or overtime work. Accordingly, we conducted detailed interviews directly with such 51 companies and have confirmed, for 48 companies of them, that slavery, human trafficking and other human rights risks do not actually occur. Regarding the remaining 3 companies, we could not confirm the same within FY2021. Therefore, we are working on the confirmation these 3 companies' actual situation.

#### **- Compliance surveys using database**

We are considering incorporating a database-based compliance survey of supplier in preliminary surveys when selecting new suppliers and in monitoring surveys to confirm that human rights risks do not occur at existing suppliers. In FY2021, we started to conduct trials of such compliance surveys of our suppliers using the database.

## **- 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, in the business of fibers and products converting, has created an original Standards for Sustainable Procurement in Japanese, English and Chinese and sends it to its suppliers in Japan and overseas that conduct transactions on a continuous basis. In FY2021, Teijin Frontier has continued to send its Standards for Sustainable Procurement to new suppliers including suppliers of the subsidiaries of Teijin Frontier. In addition, based on the results of the above Teijin Group supplier surveys, Teijin Frontier requests its suppliers to cooperate in on-site-survey. In FY2021, Teijin Frontier could not actually visit to some factories due to the influence of COVID-19, but in that case, Teijin Frontier conducted actual condition surveys using a remote conference system to the extent possible. Consequently, Teijin Frontier was able to conduct actual condition surveys of 15 processing or sewing factories etc. in Japan and overseas, including remote surveys.

In addition, since 2014, Teijin Frontier has been holding a CSR Supply Chain Seminar every year for local processing, sewing and embroidery factories, material manufacturers, etc. with the aim of enforcing legal compliance and the protection of human rights. In FY2021, Teijin Frontier held such seminars for Vietnam, China and Japan respectively, using a remote conference system due to the influence of COVID-19. The Teijin Group believes it is important to raise awareness of CSR procurement locally on an ongoing basis.

## **- Efforts with foreign technical intern trainees in the business of fibers and products converting**

The business of fibers and products converting, which has adopted foreign technical intern trainees by utilizing the foreign technical intern training system for years, conducted its internal survey and found the fact that the foreign trainees have come to Japan by paying a large fee to the sending agency in their own country. To improve this, Teijin Frontier has launched so called, 'ZERO-FEE PROJECT' which would eliminate the foreign trainee's fee burden by having the factory that accepts the foreign trainee pay such fee from FY2019. Subsidiaries of Teijin Frontier that accept the foreign trainee have established a Code of Conduct regarding Foreign Workers and informed the supervising organization, and from FY2020, such subsidiaries have born such fee required for sending foreign trainees. In order to secure this ZERO-FEE, such subsidiaries have decided to accept foreign trainees from the supervising organization that discloses the information on fees at the sending agency. Such subsidiaries also confirm directly with the foreign trainees that they have not paid such fees.

For further information of the Teijin Group responsible supply chain promotion 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 FY2021, such procedures are available in 18 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.

In addition, since FY 2021, in cooperation with our suppliers, we have begun considering establishing the dedicated reporting desk for receiving reports from the employees of our 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/materiality5/compliance.html>

## **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. In FY2021, we conducted this workshop utilizing a remote conference system in consideration of the situation of COVID-19.

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

<https://www.teijin.com/csr/materiality5/compliance.html>

## **Effectiveness**

In FY 2021, continuing from the previous year, we held dialogues 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, confirming its effectiveness, and considering our policy for future efforts. In such dialogues, we received good evaluation that the commitment of the Chief Executive Officer and the board of directors is clear and our attitude of exploring new issues and constantly responding to changes is excellent. On the other hand, we were pointed out that understanding of issues by combining human rights and the environment is an urgent issue and it is necessary to identify such issues and take measures from that perspective.

We also received the comment, from the external expert of the fields of "Business and Human Rights" with whom we have regular dialogues, that the Teijin Group is advancing human rights due diligence process in stages for the entire Teijin Group considering the characteristics of its diversified and global business structure. In addition, they also commented that they hope the Teijin Group will appropriately deal with, monitor and disclose information if there is any content that needs any improvement regarding the three areas (\*) extracted in such due diligence process.

\* Refer to the three areas mentioned in the section of Human rights due diligence.

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.

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 August 3rd, 2022.

August 3, 2022

Akimoto Uchikawa  
President and CEO, Teijin Limited