

Teijin Group Slavery & Human Trafficking Statement for FY 2018

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, 2018 to March 31, 2019 (“FY2018”) 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, plastics & films, composites, fibers and product converting, healthcare and IT. The number of Teijin Group companies is 172 in total, including 61 in Japan and 111 overseas (as of March 31, 2019). There are 20,671 employees in the Teijin Group in total, including 9,473 in Japan and 11,198 overseas (as of March 31, 2019). Teijin Group’s net sales in FY2018 are 888.6 billions of yen, 44.42% 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.

We also express 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.

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

In June 15, 2018, Teijin Group has established new 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.”

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

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

Teijin Group Human Rights Policy

In March 1, 2019, Teijin Group has established our 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. The Chief Executive Officer of the Teijin Group takes responsibility for implementing this 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/social/human_resource.html?open=tab-04&move=anc-11

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. 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

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

Human rights due diligence

In 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 and business contents etc.) and the characteristic of our suppliers of each businesses (place of operation, materials 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 already promoted efforts to respect human rights, but we will continue to promote improvement as a high priority business.

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. We are conducting these supplier surveys not only of major suppliers in purchasing divisions in Japan but also of major suppliers of the general affairs and human resources department and overseas Teijin Group companies. Based on the results of these surveys, in FY2018, we have conducted detailed interviews, alerted and/or requested submission of an improvement plans to 28 companies in Japan and overseas.

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

https://www.teijin.com/csr/social/purchase_procurement/procurement.html

- 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 and sends it to its suppliers in Japan and overseas who conduct transactions on a continuous basis. Teijin Frontier has prepared Japanese and English versions of the Standards for Sustainable Procurement until FY2017. In FY2018, Teijin Frontier has prepared a new Chinese version of the Standards for Sustainable Procurement, in addition to English and Japanese versions, and additionally sent its Standards for Sustainable Procurement to about 1,000 suppliers including Japanese, English and Chinese versions. 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 FY2018, Teijin Frontier has actually visited 28 sewing factories etc. in Japan and overseas and conducted actual condition surveys.

Furthermore, since 2014, Teijin Frontier holds a CSR Supply Chain Seminar every year in Vietnam for local sewing and embroidery factories, material manufacturers, etc. with the aim of enforcing legal compliance and the protection of human rights. In FY2018, Teijin Frontier has held a seminar in China for the first time. The Teijin Group believes it is important to raise awareness of CSR procurement locally on an ongoing basis.

Whistle-blowing

Since 1999, the Teijin Group has established counseling and whistle-blowing procedures for all Teijin Group company employees. As of FY2018, such procedures are available in 13 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.

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

We conduct corporate ethics workshop every year at all Teijin Group companies in Japan and overseas. 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.

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 1, 2019.

August 1, 2019



Jun Suzuki
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