

Teijin Group Slavery & Human Trafficking Statement for FY 2022

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, 2022 to March 31, 2023 (“FY2022”) 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, resin, composites, fibers and products converting, healthcare, IT, and environment and engineering. The number of Teijin Group companies is 169 in total, including 54 in Japan and 115 overseas (as of March 31, 2023). There are 22,484 employees in the Teijin Group in total, including 9,594 in Japan and 12,890 overseas (as of March 31, 2023). Teijin Group’s net sales in FY2022 are 1,018.8 billions of yen, 53.9% 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 sustainability promotion is also this philosophy. We pursue sustainability promotion 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

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

3. Our due diligence processes in relation to slavery and human trafficking in our business and supply chains

In accordance with our Human Rights Policy which states the human rights due diligence, since FY2018, the Teijin Group has begun building a process for human rights due diligence to identify, prevent, mitigate and account for how we address our negative human rights impacts. Our current human rights due diligence process is as follows:

Human rights risk assessments and human rights impact assessments

The Teijin Group conducts human rights risk assessments every few years to identify and understand the negative human rights risks and impacts of each of our businesses. Based on the results of this risk assessments, we conduct human rights impact assessments to analyze and evaluate the identified negative human rights risks and impacts.

Supplier surveys

The Teijin Group implements supplier surveys every year. We have developed and launched our own CSR procurement questionnaire for surveying and rating our supplier's status of efforts on Corporate Social Responsibility (CSR). This survey 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. Through such survey, we identify the risks of each of the suppliers. Moreover, we conduct detailed interviews, etc., with the suppliers that we consider may be at risk based on their responses. If we confirm that there is a risk, we request those suppliers to create an improvement plan and we check their implementation status and provide support as necessary.

Additionally, we adopt 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.

Dialogues

We hold dialogues with international NGOs, leading experts who active in the fields of "Business and Human Rights" and stakeholders that are potentially or actually affected by operations of our business and our supply chains.

Whistle-blowing

We establish counseling and reporting center, which will also have the effectiveness in identifying human rights issues that were not captured in the above series of processes.

Activities to prevent and mitigate negative human rights impacts

Based on the findings through the above assessment activities, the Teijin Group conducts the activities to prevent and mitigate negative human rights impacts in cooperation with our suppliers and other relevant parties.

Communication

The Teijin Group regularly discloses information how we address the negative human rights impacts and risks through this statement, integrated report and Teijin's website.

4. Our steps to ensure that slavery and human trafficking is not taking place in our business and supply chains

Human rights risk assessments and human rights impact assessments

In FY2018, the Teijin Group conducted a human rights risk assessment 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 assessment were 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 assessment method, we quantitatively analyzed the human rights violation 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 business (place of operation, types of their products and business contents etc.). Through this assessment, 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 assessment, we continue to promote improvement in the business of fibers and products converting as a high priority business.

In FY2022, we have begun a second human rights risk assessment. This assessment is currently underway and we will disclose the results as soon as such assessment is completed.

For further details of Teijin Group human rights risk assessments (survey), please visit the Teijin's website at the following link:

https://www.teijin.com/csr/human_rights/initiatives.html

Teijin Group supplier surveys

In FY2022, we continued to conduct supplier survey targeting suppliers with high domestic and overseas purchases volumes related to the supply of products and services of each business of the Teijin Group and were concerned about the responses of 72 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 72 companies and have confirmed, for 70 companies of them, that slavery, human trafficking and other human rights risks do not actually occur. Regarding the remaining 2 companies, we could not finish up the same confirmation within FY2022. Therefore, we are working on the confirmation these 2 companies' actual situation.

Also, in FY2022, we continuously attempted to confirm actual situation of 3 companies in Japan and overseas that did not respond sufficiently in supplier survey conducted by us in FY2021. However, we have not yet been able to confirm for these 3 companies that slavery, human trafficking and other human rights risks have not actually occurred. Accordingly, we are still working on the confirmation these 3 companies' actual situation.

Additionally, since FY2021, we have been conducting trials of compliance surveys of our suppliers using the database. We are considering utilizing such compliance surveys using database in researching suppliers with whom we do not have a direct contractual relationship.

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

https://www.teijin.com/csr/materiality5/csr_procurement.html?open=tab-02

➤ **Efforts in the business of fibers and products converting**

In the business of fibers and products converting, which is identified as the business where human rights issues are most likely to take place, we are strengthening efforts related to supplier surveys.

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 Teijin Group's 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 such as Myanmar, China, Vietnam, and Thailand that conduct transactions on a continuous basis. In FY2022, Teijin Frontier 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 FY2022, 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 13 processing or sewing factories etc. in Japan and overseas, including remote surveys.

Further initiatives

The Teijin Group is considering and implementing further initiatives with a view to contributing to the sustainability of society by continuing to take on each and every challenge in order to realize our corporate philosophy of “Enhancing the Quality of Life”, “In Harmony with Society” and “Empowering Our People”.

➤ **Cross-divisional initiatives**

We believe that any activities to ensure that slavery and human trafficking is not occurring in any part of our own business and in any of our supply chains should be conducted in cooperation between our divisions involved and should be incorporated to our practical processes in order to address appropriately.

In FY2022, we clarified that the procurement and logistics division and the division in charge of sustainability will work together under a divisional role assignment, on which the procurement and logistics division will be in charge of activities related to sustainable procurement, while the division in charge of sustainability will support these activities. This approach of having the procurement and logistics division, which is actually in charge of purchasing and procurement, take the lead in implementing activities related to sustainable procurement, will facilitate the reflection and incorporation of the results of supplier surveys into the supplier selection process and other practical processes, and which will in turn help to make sustainable procurement more firmly established in our group. On the other hand, we also believe that we are able to address appropriately to deal with human rights risks by having the division in charge of sustainability provide support, such as joint investigations for particularly high-risk cases.

➤ **Efforts with foreign technical intern trainees in Japan**

We recognize that, in general, there are issues with foreign technical intern trainees in Japan, such as long working hours, poor work environments, and low wages and we should address such issues.

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 borne 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.

Also, in the business of fibers and products converting, we conduct periodic survey on the treatment status of the foreign technical intern trainees employed by our suppliers. In FY2022, we conducted this survey again and confirmed that there were no serious violations of the laws such as Japanese Labor Standards Act at 59 suppliers covered by such survey.

Whistle-blowing

Since 1999, the Teijin Group has established counseling and reporting center for all Teijin Group company employees. As of FY2022, such procedures are available in 18 languages of the Teijin Group's major bases. Through this counseling and reporting center, in FY2022, we received 100 consultations and reports.

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. Through this reporting desk, in FY2022, we received 16 reports.

In addition, since FY2021, 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>

5. Training

Teijin Group Corporate Ethics Workshop

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 are deepening our understanding of the policies of the Teijin Group on human rights through this workshop. In FY2022, we conducted this workshop utilizing a remote conference system in consideration of the situation of COVID-19.

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

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

Training in the business of fibers and products converting

In the business of fibers and products converting, we also offer the following training:

We have organized e-learning program for employees of such business. In this program, each participant takes 3 courses: beginner, intermediate, and advanced. In FY2022, 54 employees in Japan and overseas took these courses.

Additionally, we have adopted new training in the form of a game, which was invented by Global Compact Network Japan. In this training, participants are given a situation that they may face in their CSR procurement practices. Participants take on the role of a company representative or a stakeholder in the supply chain and consider what actions they would take.

The Teijin Group intends to continue to conduct a variety of training programs to deepen our understanding of human rights and how they relate to our business.

CSR Supply Chain Seminar in the business of fibers and products converting

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 FY2022, Teijin Frontier held such seminars for Vietnam, China and Japan respectively, of which the seminars for China and Japan were held 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.

For further information of the Teijin Group CSR Supply Chain Seminar, please visit the Teijin's website at the following link:

https://www.teijin.com/csr/materiality5/csr_procurement.html#anc-05

6. Assessing the effectiveness of our efforts to ensure that slavery and human trafficking is not taking place in our business and supply chains

Dialogues with external experts

In FY2022, continuing from the previous year, the Teijin Group held dialogues with the leading experts who active in the fields of “Business and Human Rights” and international NGOs, 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 of our efforts to engage with external rights holders.

We also received the comment, from the external expert of the fields of “Business and Human Rights” with whom we have regular dialogues, regarding progress of our efforts

particularly for 3 areas extracted in human rights due diligence process conducted in FY2021: (a) in the business of fibers and products converting, the working environment at the contractors to whom we outsource sewing processing, (b) 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 (c) in each business under the materials business domain, the working environment for migrant workers, especially employed at Teijin Group's overseas bases.

For further information of the dialogues between the Teijin Group and external experts, please visit the Teijin's website at the following link:

https://www.teijin.com/csr/human_rights/pdf/status_2023_EN.pdf

Ongoing monitoring

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 and supply chains, the Teijin Group will continue to (i) conduct the human rights risk assessments periodically and based on the risk assessments, conduct the human rights impact assessments, (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 1st, 2023.

August 1, 2023

A handwritten signature in black ink, appearing to read 'A. Uchikawa', with a stylized flourish on the left side.

Akimoto Uchikawa
President and CEO, Teijin Limited