

## Basic Stance

In addition to complying with laws and regulations and respecting human rights, it is imperative that we engage in actions that are honest and based on a high level of ethics, as doing so also helps us increase shareholder value. To maintain and enhance each employee's awareness of compliance, we are fostering and preserving a vibrant, sound corporate culture through such means as communicating compliance-related information and implementing training on a global basis as well as operating a counseling and reporting system (hotline).

## Major Initiatives

In 2018, we established a new Code of Conduct. This was done in order to clarify the Teijin Group's response to the United Nations Sustainable Development Goals (SDGs), the Global Compact, and other initiatives in accordance with changes in the social environment, as well as to share values among Group employees to bring about a transformation in awareness and conduct. In fiscal 2019, we created the Teijin Group Corporate Ethics Handbook, which summarizes the key points for putting the Code of Conduct into practice from the perspective of sharing with all our employees around the world. In addition, we have been carrying out the Employee Awareness Survey to gauge employee understanding and behavioral awareness of our philosophy, including the Code of Conduct.

Furthermore, in the case that a legal or ethical problem occurs within the Group, we operate an internal and external counseling and reporting system with the aim of facilitating a resolution on our own within the organization. Among the consultations and reports received, the Chief Social Responsibility Officer (CSRO) determines the ones that could possibly become major risk issues and reports them to the Total Risk Management (TRM) Committee. They are then handled by our top management. In fiscal 2019, we formulated the new Rules

for the Teijin Group's Whistle-Blowing, which determines responsibility, authority, and specific measures for consultations/reports. We also introduced the Internal Leniency System, which lessens the punishment for employees who make reports regarding their own wrongdoings. In addition, we put in place a system where information on inappropriate conduct by members of our top management can be reported to the full-time statutory auditors. In fiscal 2019, there were a total of 116 consultations/reports from within the Group.

Moreover, as a measure aimed at the prevention of bribery, in fiscal 2018 we established the Rules on Anti-bribery of Public Officials, etc., based on the understanding that hospitality toward public servants presents the highest risk of bribery. In fiscal 2019, we carried out an assessment of bribery and other risks of corruption in the sales divisions of all Group businesses. Through such efforts, we are working to prevent our employees from participating in bribery. In fiscal 2019, there were no significant cases pertaining to the violation of laws and regulations, including bribery, nor were there any significant accidents or other incidents.

## TOPIC

### Efforts toward Respecting Human Rights

In its corporate philosophy, the Teijin Group pledges to "enhance the quality of life through a deep insight into human nature and needs, together with the application of our creative abilities." In order to achieve this, it is essential to respect the rights and dignity of all human beings. To that end, the Company's Board of Directors passed a resolution to establish the Teijin Group Human Rights Policy in March 2019.

To address human rights issues, we are taking initiatives in accordance with the United Nations Guiding Principles on Business and Human Rights and with the general principles established by the International Labour Organization. In terms of our human rights due diligence activities, we have been establishing a framework for such activities since fiscal 2018. We have evaluated human rights violation risks by business and by region and are conducting monitoring activities to prevent human rights violations as a means to survey the actual situations at Group companies and major suppliers. In fiscal 2019, we carried out a human rights due diligence risk assessment in collaboration with the external organization Caux Round Table

Japan, in order to ensure objectivity.

In regard to the human rights issues identified through this risk assessment, we held a dialogue with external experts on the global front lines of human rights issues, where we received objective evaluations and advice on how to improve these issues. Going forward, we will strive to improve the issues pointed out to us by these experts within this dialogue.

▶ P. 61 Supply Chain Sustainability (CSR Procurement)



Dialogue on human rights held with external experts (October 11, 2019)

(From the left)  
 Paulina Murphy, Engagement Director, World Benchmarking Alliance  
 Puvan J Selvanathan, CEO, Bluenumber Foundation  
 Camille Le Pors, CHRB and Senior Researcher, World Benchmarking Alliance  
 Rishi Sher Singh, Specialist, Global Supply Chain (India)

