

## Comments from Thought Leaders

Comments are made on the basis of information publicly available as of October 2023.



### **Sachiko Kishimoto**

Representative Director and Managing Director  
Public Resources Foundation

#### **Profile of Sachiko Kishimoto**

Graduated from, College of Arts and Sciences, The University of Tokyo. After working for a trading company and think tank, she pursued studies outside Japan and then in 2000 joined the Public Resource Center, which later became the Public Resource Foundation she established in 2013. She has served as the foundation's Representative Director and Managing Director since it was established. The foundation promotes philanthropy by matching private and corporate endowments with exemplary non-profits and social entrepreneurs, as well as helping companies to pursue CSR and assess the impacts. Her recent published works include *Giving Japan 2021*.

These comments focus on the three sections of the Toray Group CSR Report 2023 entitled “Contributing Solutions to Social Issues through Business Activities” “Social Contribution Activities as a Good Corporate Citizen,” and “Human Rights Promotion and Human Resources Development.”

The section “Contributing Solutions to Social Issues through Business Activities” describes how Toray Group is responding to diversifying sustainability needs. Under the Medium-Term Management Program, Project AP-G 2025, announced by the Group in March 2023, the Green Innovation (GR) and Life Innovation (LI) businesses are combined to form its Sustainability Innovation (SI) business. In conjunction with its Digital Innovation (DI) business, the Group will pursue business expansion initiatives under a new SI & DI Project. In June 2023, Toray released its CSR Roadmap 2025, which defines new initiatives and specific KPIs to be achieved under the medium-term CSR plan. This systematic and planned promotion of CSR activities is highly commendable. In fiscal 2022, the GR business accounted for 40% of the Group's consolidated revenue, while the LI business accounted for 15%. I have high expectations for Toray's continued efforts to develop new businesses with the aim of helping to solve social issues.

The section “Social Contribution Activities as a Good Corporate Citizen” shows that Toray Group has established specific policies to achieve two main CSR objectives under its CSR Roadmap 2025. One objective is the promotion of social contribution activities in three priority areas: science and technology promotion, environment and communities, and health and welfare. The other is carrying out social contribution activities that help solve global issues highlighted by the SDGs. In particular, the ongoing efforts of the Toray Science Foundations operating in Japan and abroad, as well as the Group's environmental and science education initiatives in which employees participate as instructors, resonate as social contribution activities deserving of the Toray Group name. Going forward, in addition to adding the percentage of employees taking volunteer and similar leave to its KPIs, I hope that Toray will expand its efforts to meet employee needs for autonomy and participation in society. This could

include the promotion of pro bono social contribution activities that utilize the professional skills and experience of employees.

Finally, I was impressed with the section “Human Rights Promotion and Human Resources Development” as the Group has quickly established a human rights policy, along with clear policies for securing and developing human resources. However, a remaining challenge for Toray is how to take a more proactive approach to career advancement for its female employees. In fiscal 2022, relevant training was held not only for female managers and occupational specialists, but also for male managers and occupational specialists who have female subordinates. This can be considered a step forward, and I expect additional progress with future initiatives. These should include increasing the representation of women in management positions and expanding the proportion of women chosen for the selective training to foster managerial candidates.



### **Shunsuke Managi**

Distinguished Professor  
Kyushu University

#### **Profile of Shunsuke Managi**

Distinguished Professor of Technology and Policy, Director of the Urban Institute, Professor of the Department of Civil Engineering, and Assistant to the President at Kyushu University since 2015. Awarded the Japan Society for the Promotion of Science Prize, and chair of the Science Council of Japan's Industrial Impact of Sustainable Investment Committee. Director for the UN Environment Programme's *Inclusive Wealth Report 2018*, lead author for Intergovernmental Panel on Climate Change (IPCC), coordinating lead author for Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), and reviewer for the UN Global Sustainable Development Report 2013. Expert on global and national Inclusive Wealth Indexes and promotes development and natural capital for sustainability assessment. Written works include *Implementing ESG Management*, *Sustainable Community Development and Inclusive Wealth Theory*.

In March 2023, Toray Group announced its Medium-Term Management Program, Project AP-G 2025, covering the period from fiscal 2023 to 2025. The Group is aiming to achieve sound, sustainable growth and has clearly indicated financial and sustainability goals based on numerical targets to be achieved by fiscal 2025. One of the sustainability KPIs, namely contribution to CO<sub>2</sub> reduction in the value chain, encompasses the entire value chain in its scope. While the KPI for fiscal 2022 was 9.5 times the base year (fiscal 2013) level, the KPI for fiscal 2025 is 15 times that level, an ambitious target. The Group is also emphasizing targets related to water, such as increasing the water filtration throughput contribution by Toray's water treatment products and reducing water usage in production activities per unit of revenue. Reducing water usage is generally more difficult than lowering CO<sub>2</sub> emissions and energy use. Nevertheless, the fiscal 2025 target for water filtration throughput contribution by Toray's water treatment products is 2.9 times the level in fiscal 2013, and the water usage per unit of revenue is set at 40% below the fiscal 2013 level. Consequently, Toray appears to be moving forward with ever more challenging targets. While CO<sub>2</sub> emissions are a global issue, water is a local issue. It is great to see that Toray Group is embracing both of these aspects and is considering a wide range of stakeholders as it strives to achieve sound, sustainable growth. By gathering data on water usage across the value chain, the Group can achieve comprehensive improvements in resource efficiency moving forward.

In June 2023, Toray Group announced its medium-term CSR plan, CSR Roadmap 2025 (Fiscal 2023 – Fiscal 2025), which sets out a clear program of Toray Group CSR activities. Looking at the KPI achievement results for the previous CSR Roadmap 2022 (Fiscal 2020 – Fiscal 2022), we can see how well Toray Group has performed on each CSR guideline point. These include corporate governance, ethics and compliance, safety, accident prevention, and environmental preservation, risk management, human rights promotion and human resource development, CSR initiatives throughout the supply chain, and social contribution activities as a good corporate citizen. Since it will be increasingly necessary to obtain data related to environmental and human rights issues across the supply chain, I encourage Toray to continue promoting such efforts. Turning to Toray's social contribution activities, the Group carries out more than 1,500 activities annually. The number of beneficiaries of its educational support activities, such as science classes for schools and career education, is over 10,000 people a year, which is very commendable. Toray Group should continue to raise the visibility of its social contribution activities and demonstrate that it is a global company active in local communities. Ongoing contributions at the community level can lead to positive global impact, and Toray Group is in a great position to make this happen. I hope the Group will continue to implement leading examples of such activities and aim to achieve sound, sustainable growth by helping to solve global issues.