

Human Resources Management

Commitment to Human Rights

We at Toray Group believe respect for human rights is a mandatory management principle for ensuring the continuity of corporate activities and building positive relationships with all of the Group's stakeholders. Working to promote and raise awareness of human rights, the Group also has declared its commitment to the respect of human rights in its Corporate Guiding Principles and **Ethics & Compliance Code of Conduct**. In the Code, discrimination of any kind based on race, creed, skin color, gender, religion, nationality, language, physical characteristics, socioeconomic status, place of birth, or any other personal characteristics, is strictly forbidden in every process from recruiting and hiring to work placement, treatment, training, and retirement.

The Ethics & Compliance Code of Conduct also explicitly states that sexual, maternity, and power harassment in the workplace shall not be tolerated. In addition, Toray has established a system for preventing and dealing with harassment in the workplace in its "Guidelines for Preventing Harassment in the Workplace," which is thoroughly conveyed to all executives and employees. The Group has also been tackling the issue of discrimination based on gender identification and sexual orientation. In January 2017, the Group established a dedicated hotline for LGBT (sexual minority) issues, **Nijihiro Consultation Service**.

In addition, as a global enterprise, the Group respects international norms such as the Universal Declaration of Human Rights, the International Labor Organization's conventions, and the UN Guiding Principles on Business and Human Rights. The Group has also established the **Toray Group Policy for Human Rights**, which lays out the Group's commitment to ensuring that it is not complicit in any human rights violations in the overall supply chain, which includes not only itself, but also suppliers and contract processing destinations, and to promptly and appropriately addressing issues if and when they arise. In addition, Toray respects human rights upon purchase of raw materials, and makes sure that the purchase is in accordance with its **CSR Procurement Guidelines** and that there is no forced labor, slave labor, or unfair low-wage labor upon production. In the event it has tentative confirmation that there are any problems, Toray's policy is to immediately suspend transactions.

Identifying, Assessing, and Preventing Human Rights Risk

Toray Group conducts **surveys related to awareness, education, and other human rights promotion activities once per year** at all offices and plants, major group companies in Japan, and overseas subsidiaries and affiliated companies. The Group verifies the

results of these through the Human Rights Promotion Committee in Japan and the Global Human Rights Promotion Committee. From among the results, the Group identifies human rights related issues and problematic points, as well as points of concern, and investigates and implements initiatives in accordance with the human rights promotion framework. Moreover, the Group has designed systems that enable group employees to report and consult on human rights issues as part of its efforts to take prompt, appropriate action when a problem occurs and to help reduce human rights risk.

Implementation of Human Rights Training

In order to promote a correct understanding and awareness of human rights, Toray conducts an annual human rights awareness campaign, and at each office and plant, the Company holds training sessions for personnel in charge of operations and managers, as well as study sessions that utilize workplace meetings, in order to raise the human rights awareness of each and every employee. In fiscal 2020, remote training was provided to each office and plant in conjunction with the human rights awareness campaign. In addition, in March 2021, the Company held **an annual e-learning program on corporate ethics and legal compliance, specifically on human rights**, for all executives and employees (including temporary, part-time, and dispatched employees), with **6,849** participants attending.

Securing and Developing Human Resources

Based on on-the-job training, Toray systematically implements specialized training by grade and business field, and through personnel systems such as rotations and assessments, seeks to develop professional human resources who can perform globally. Toray also makes efforts to expand and raise the level of key personnel who are ready to put their strong capabilities to use in taking action on the frontlines, and strengthens their skills as future management candidates who can lead the next generation. The Company also dispatch personnel to the world's top universities and public institutions where they endeavor to acquire the foremost knowledge and techniques in various fields and to conduct joint research.

In fiscal 2020, to prevent the spread of COVID-19, many internal training programs were cancelled, as was the dispatch of personnel to domestic and overseas universities and public institutions, while participation in training and academic conferences was limited to those that were held online. As a result, the **training expenditures per employee** in fiscal 2020 was **¥36,092**, compared to ¥96,821 in the previous fiscal year.

On the other hand, as part of its efforts to secure employment at its production plants where production fell due to the worsening of market conditions, Toray provided education and training for approximately 2,200 personnel involved in production to improve various skills that will be useful when production volume recovers.

Initiatives for Career Development Utilizing New HR Information System

Toray has introduced its “career sheet” as a human resources development tool to promote employee growth. By using the career sheet, employees reflect on their own past work experience and the level of skills required in their field, and in-depth career-focused discussions take place between supervisors and their subordinates. In fiscal 2020, **23%** of employees had made use of the career sheet, exceeding the target of 20%.

Systematically Securing, Developing and Promoting National Staff Outside Japan

One of Toray Group’s management issues is to systematically secure, train, and promote national staff at its affiliated companies outside Japan, and the Group is actively promoting them to the management level of each company. In addition, **in fiscal 2020, two core personnel from overseas affiliates were appointed as Toray’s Vice Presidents, and three as Toray’s directors** (a position equivalent to a senior management in terms of duties and responsibilities), and these executives are participating in Toray Group management.

Promoting Diversity

Toray Group is endeavoring to promote diversity toward the creation of thriving workplaces in which a diverse range of individuals can fully demonstrate their potential.

Fostering an Organizational Culture Conducive to the Career Advancement of Women

Toray has long advanced the creation of workplace environments in which women will feel comfortable in performing their duties. The number of female employees in upper-level positions has increased steadily, and as of **April 2021, women held 9.8% of unit manager or higher positions, and 5.6% of section manager or higher positions.** In addition, in June 2015, Toray appointed its first female director (a position equivalent to a senior management in terms of duties and responsibilities). As of March 2021, there was one female director.

In March 2021, the Company formulated and announced a five-year action plan (April 2021 to March 2026) with the aim of increasing the retention rate of female employees and the ratio of female employees in management positions. The targets set in this action plan are as follows.

- **Raise the ratio of female managers from the fiscal 2020 level of 5.1% to 6.5%.**
- **For employees who have been with the Company for up to 10 years, the ratio of female to male employees who continue to be employed shall be 1.0 for each human resources management category.**

Hiring Diverse Human Resources

Toray Group is committed to securing outstanding human resources who have a high sense of ambition and who can play an active role in global business, regardless of gender, nationality, or career history at the time of hiring. In promoting globalization, Toray has

been **hiring regardless of nationality** since 1998, and has hired **112** foreign nationals as full-time employees by fiscal 2020. The Company is actively recruiting non-Japanese employees, mainly international students to Japan, as well as Japanese students who have graduated from overseas universities. Each of these hires is playing an active role by utilizing his/her outstanding abilities and individuality.

Employment of Persons with Disabilities

Toray Group hires and employs persons with disabilities, from those with physical challenges to persons with intellectual and mental challenges. The Group is making workplace improvements to remove physical barriers for persons with handicaps as well as instituting safety measures. Additionally, the Group provides comprehensive training upon work placement and gathers feedback from persons with disabilities to make workplace improvements. Further, Toray meets Japan’s legal minimum of 2.2% persons with disabilities, as do **62.5%** of Toray group companies in Japan. Group companies actively seek to hire persons with disabilities through public organizations and job placement agencies. However, some individual group companies do not meet the mandated legal requirement due to hiring difficulties.

Creating a Positive Workplace for Employees

Toray has worked to further improve systems that help employees achieve a harmonious balance between work and family life by offering a wider variety of lifestyle options for both men and women. In particular, the systems Toray provides for childcare, family care, and maternity protection exceed the legally mandated minimums and have been improved for easy use. In 2007, Toray was **certified as an employer that complies with the action plan standards under the Act on Advancement of Measures to Support Raising Next-Generation Children.** From fiscal 2020, the Company is introducing an hourly annual paid leave system that allows employees to take hourly leave, an interoffice interval system, and hourly nursing and care leave.

Employee Health

Toray views employee health management as a management priority, and thus actively implements measures that encourage employee health, including sharing health information via in-house communication tools, holding participatory events that utilize health related information sites, and organizing awareness seminars for the prevention of lifestyle-related diseases. Toray is also addressing mental health, and has been independently implementing employee stress checkups through an external provider. Toray uses the results of these checkups in helping employees to recognize their own stress levels, supporting approaches to dealing with stress, and improving the workplace environment. In recognition of these efforts, Toray has received consecutive **Health and Productivity Management Organization certification.**