

Comments from Thought Leaders

Comments are made on the basis of information publicly available as of September 2021.



Sachiko Kishimoto

Representative Director and Managing Director

Public Resources Foundation

These comments focus on the four sections of the Toray Group CSR Report 2021 entitled “Contributing Solutions to Social Issues through Business Activities” “Social Contribution Activities as a Good Corporate Citizen,” “Human Rights Promotion and Human Resources Development,” and “Facilitating CSR Initiatives Throughout the Supply Chain.”

In the area of “Contributing Solutions to Social Issues through Business Activities,” Toray Group pursues Green Innovation businesses, which provide solutions for global environmental, resource, and energy issues, and Life Innovation businesses, which improve the quality of healthcare, reduce the burden on medical staff, and contribute to health maintenance, longevity, and personal safety, as group-wide projects. Notably, Toray Group has set concrete KPIs for Green Innovation businesses such as the reduction of CO₂ emissions throughout the value chain. Toray Group deserves strong praise for steadily advancing R&D for innovative products including on-board capacitor films for EVs, environmentally-friendly polyester films, and innovative CO₂ separation membranes made from multiporous carbon fibers. Toray Group is also doing an excellent job of developing various recycling systems. I hope that Toray Group, together with its customer companies, will make an even greater effort to spur the transition to a circular economy. Toray Group also deserves strong praise in the Life Innovation business for reacting quickly to the COVID-19 pandemic by increasing production of medical supplies.

In the area of “Social Contribution Activities as a Good Corporate Citizen,” Toray Group is pursuing social initiatives, focusing on the priority areas of “science and technology promotion,” “environment and communities,” and “health and welfare.” Toray Group’s ongoing efforts, including endowments to its foundations, leave a favorable impression. I particularly hope that Toray Group will continue to conduct environmental and science workshops taught by its employees, and pursue initiatives to ensure that its business locations worldwide harmoniously coexist with local communities.

In the area of “Human Rights Promotion and Human Resources Development,” Toray Group can be commended for clearly stating in its Ethics and Compliance Code of Conduct that it does not tolerate harassment of any kind in the workplace, and furthermore establishing an LGBT support line.

In the area of “Facilitating CSR Initiatives Throughout the Supply Chain,” Toray Group is making steady progress in securing CSR compliance across the supply chain. Its CSR surveys of major suppliers (accounting for 90% of all procurement value) indicate that 99% of the companies are meeting Toray Group’s standards for CSR practice. I hope that Toray Group will continue to support its suppliers as well as secondary suppliers, to achieve greater human rights compliance and reduce CO₂ emissions.

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*.



Shunsuke Managi
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Reading through the Toray Group CSR Report 2021 gives a clear picture of the Group's efforts to practice CSR. Toray Group sets a wide range of targets in areas from "Corporate Governance" to "Social Contribution Activities as a Good Corporate Citizen" and then assesses its performance, while also practicing CSR in its supply chain. Relative to its industry competitors, Toray Group is particularly strong in the environmental aspect of ESG, with distinctive efforts in the areas of climate change (reducing CO₂ emissions) and resource utilization (water).

In terms of environmental initiatives, the Group unveiled the Toray Group Sustainability Vision in 2018, which states that the Group will work to achieve "a net zero emissions world, where greenhouse gas emissions are completely offset by absorption" by the year 2050. In effect, Toray Group is helping to build a net zero emissions, carbon-neutral world. Toray Group should be commended for including specific targets in this vision, such as a 30% reduction of greenhouse gas emissions and water usage respectively per unit of revenue by fiscal 2030. In respect to the SDGs, after low-carbon issues, water-related issues are highly relevant to Toray Group's businesses.

Both reducing CO₂ and using water efficiently are helpful in protecting the planet and people's health, when considering environmentally driven corporate management in terms of life cycle management. Reducing CO₂ has a global impact, while using water efficiently impacts communities. The same SDGs involve different areas of application. If viewed from an ESG perspective, both of the related SDGs are concerned with the environment, but target different areas. As a result, the social impacts and contributions to society differ, such as shifting the energy mix and developing comfortable communities for people to live in.

Clean water leads to good health, yet many communities around the world still have poor access to drinking water or water for agriculture. There are also ways that water could be used more efficiently in Japan. The SDGs are about businesses addressing social issues directly in their communities. Toray Group is globally contributing to society through its water purification and other businesses. I hope that Toray Group will expand these efforts to resolve issues in ways that are specifically designed for each community.

As a result, Toray Group would be able to contribute even more to local communities through the provision of solutions to various local issues via its businesses by linking a wide range of businesses, including health through clean water, as well as Toray Group's medical-related businesses and various initiatives to contribute solutions for climate change issues. In this way, I expect it will help to create a system that solves the specific issues of each community through actual business, bringing great benefit to communities. Reading this report makes me hopeful that we may see such a future, and I look forward to the Toray Group contributing further to the development of a sustainable world.

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 member of Science Council of Japan and head of subcommittee on sustainable investment. 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), vice chair of OECD Joint Working Party on Trade and Environment, co-chair of 2018 World Congress of Environmental and Resource Economists. Expert on global and national Inclusive Wealth Indexes and development for sustainability assessment. Written works include *Implementing ESG Management*, *Sustainable Community Development* and *Inclusive Wealth Theory*.