Facilitating CSR Initiatives Throughout the Supply Chain

Promote CSR initiatives in areas including environmental preservation and human rights throughout the entire supply chain by working closely with suppliers, processing vendors, customers and distribution companies.

Basic Approach

Toray Group operates a wide range of businesses in countries and regions around the world. As a result, its procurement of raw materials and supplies and the locations and industries of its contractors and suppliers are diverse. At the same time, CSR initiatives in today’s global society are increasingly important. They have become more diverse and advanced in the effort to address climate change, environmental protection, respect for human rights and improvements to the labor environment. These initiatives can no longer focus solely on a single company, and are being extended to encompass its entire supply chain.

To address this issue and ensure stable and sustainable procurement, Toray Group has established the Toray Group CSR Procurement Policies. The policies specify the Group’s commitment to building a supply chain that not only ensures quality and supply stability, but also incorporates ethical, environmental, social and human rights considerations. Accompanying the policies, the Group has also formulated Toray Group CSR Procurement Guidelines to provide specific, detailed guidelines for action to further promote CSR throughout the supply chain. Suppliers are required to comply with the guidelines.
**Toray Group CSR Procurement Policies**  Revised March 2022

1. Establish an internal CSR organization to facilitate CSR initiatives throughout the supply chain and sincerely committed to it.

2. Promote fair transactions grounded in corporate ethics, and comply fully with all laws and regulations, as well as social norms inside and outside Japan, when making purchases.

3. Take into account the impacts that purchasing activities have on the labor environment and health and safety. Also, engage in risk management through, for example, responding swiftly to unexpected situations and disclosing accurate information.

4. While appropriately managing chemical substances, pursue raw materials procurement that takes into account impacts on the environment such as green procurement and green purchasing.

5. Promote dialogue and cooperation with business partners and other stakeholders.

6. Maintain and strive to improve product quality and safety.

7. Respect human rights, eliminate all forms of discrimination, and strive to improve workplace environments. Additionally, do not be complicit in the infringement of human rights in the supply chain, such as through forced labor, slave labor, child labor, and unjust low-wage labor.

8. Do not use minerals from conflict regions or high risk regions, nor minerals that clearly contribute to conflicts or infringe upon human rights.

9. Prevent leaks of confidential information and respect intellectual property rights.

10. In selecting business partners, take into account their CSR initiatives, such as compliance with laws and regulations, respect for human rights, environmental preservation, and the like, while seeking strict adherence to the Toray Group CSR Procurement Guidelines and facilitating CSR initiatives throughout the supply chain.

---

1 Approved by a resolution of the Board of Directors, the Toray Group CSR Procurement Policies are the new and revised version of the earlier CSR Procurement Guidelines, which were formulated in 2004.

---

**Toray Group CSR Procurement Guidelines**  Formulated March 2022

The new CSR Procurement Guidelines were formulated in March 2022 and comprise the following items.

1. Ethics and Compliance
   (1) Legal Compliance
   (2) Strict Adherence to Competition Laws
   (3) Preventing Corruption and Prohibiting Bribery
   (4) Prohibition against Behavior that Presents a Conflict of Interest
   (5) Protecting Confidential Information and Personal Information
   (6) Whistle-blowing System and Whistle-blower Protections
   (7) Appropriate Import/Export Management
   (8) Respect for and Safeguarding of Intellectual Property
   (9) Appropriate Information Disclosure
   (10) Responsible Procurement of Mineral
2. Safety, Accident Prevention, and Risk Management
   (1) Occupational Safety Management
   (2) Occupational Health Management
   (3) Responding in Times of Emergency
   (4) Business Continuity Plan (BCP) Initiatives

3. Environmental Preservation
   (1) Environmental Management
   (2) Reduce Emissions of Greenhouse Gases
   (3) Minimize Impacts on the Environment
   (4) Resource Reduction and Waste Product Management
   (5) Chemical Substance Management
   (6) Concern for Biodiversity

4. Product Quality and Safety
   (1) Maintain and Improve Quality
   (2) Product Safety

5. Human Rights Promotion
   (1) Respect for Fundamental Human Rights and Elimination of Discrimination and Harassment
   (2) Prohibition of Child Labor and Due Consideration toward Young Workers
   (3) Prohibition of Forced Labor and Slave Labor
   (4) Wages and Benefits
   (5) Working Hours
   (6) Dialogue and Cooperation with Employees

6. Facilitating CSR initiatives throughout the Supply Chain
   (1) Request for Initiatives to Business Partners

---

**Policies on Purchasing and Distribution**

As a manufacturer of advanced materials that supplies a wide range of materials and products, Toray Group must expand CSR initiatives into upstream management, including production facilities and the procurement of raw materials and products. It has therefore established Basic Purchasing Policies together with Basic Distribution Policies. The entire Group works to fulfill its social responsibilities relating to procurement, purchasing, and distribution. These include measures to ensure fair and equitable transactions, quality improvement, legal compliance, environmental protection, and respect for human rights.

**Related Policies**

**Basic Purchasing Policies**  Revised March 2022

1. Toray does its utmost to select suppliers and determine actual purchases fairly and on the basis of economic rationality, with consideration for price, quality, capability to provide stable supplies, technological capabilities, reliability, and other factors.
2. In selecting suppliers, Toray opens its doors to a wide range of companies inside and outside Japan. Toray does not rely solely on vendors it has existing or past relationships with, or on members of its corporate group.

3. Toray works to maintain and improve the quality of purchased products through cooperation with its suppliers.

4. Toray strictly adheres to its Toray Group CSR Procurement Policies and Toray Group CSR Procurement Guidelines, and works to promote purchasing that upholds Toray’s corporate social responsibilities on a company-wide basis.

Basic Distribution Policies Revised March 2022

1. Toray does its utmost to select transport and warehousing providers and determine individual agreements impartially and based on factors such as economic rationality with consideration given to price, quality, supply stability, technological capabilities, reliability, and efforts to reduce environmental impact.

2. In selecting transport and warehousing providers, Toray opens its doors to a wide range of companies, rather than relying exclusively on companies with which we have done business in the past or companies affiliated with Toray Group.

3. Toray works to cooperate with our transport and warehousing providers in gauging and reducing the environmental impact of our transport and warehousing operations.

4. Toray strictly adheres to its Toray Group CSR Procurement Policies and Toray Group CSR Procurement Guidelines, and works to promote distribution activities that uphold Toray’s corporate social responsibilities on a company-wide basis.

Structure

To ensure socially responsible procurement across the Group and address today's increasingly globalized procurement risks, Toray Industries, Inc. has established a working group to lead a group-wide risk management initiative. The working group strives to ascertain the status of CSR practices at suppliers, responds to customer inquiries about Toray Industries’ CSR practices, and supports group companies in this area. The working group also regularly reports on the progress of socially responsible procurement and related risk mitigation initiatives across the Group to the Risk Management Committee, which oversees overall risks. The issues reported are discussed by the committee members.
Further, initiatives are taken to ensure that the concept of socially responsible procurement permeates and is upheld throughout the entire Toray Group. Toray Industries, Inc. provided e-learning on CSR, including content on socially responsible procurement, for every executive and employee, including contracted, part-time, and dispatched workers, in November 2020 and February 2021. The training was taken a total of 13,947 times. Toray Industries is also engaged in activities to spread awareness to group companies in and outside Japan by distributing internal educational materials that describe the necessity of socially responsible procurement, required activities, and examples of risks.

**Initiatives for Human Rights and Environmental Due Diligence in the Supply Chain**

Due diligence concerning the human rights and environmental activities of suppliers is used to identify and evaluate human rights and environmental risks in the supply chain. It allows risk prevention and mitigation measures to be taken. Toray Group carries out this due diligence in accordance with the process stipulated in the “OECD Due Diligence Guidance for Responsible Business Conduct” issued by the Organisation for Economic Co-operation and Development (OECD).

Toray Group has established policies related to this activity. It has implemented the Toray Group Policy for Human Rights, which prohibits child labor, forced labor, and unfair low-wage labor, and requires the respect for human rights throughout the entire supply chain. In the area of environmental preservation, the Group has also established Ten Basic Environmental Rules, Recycling Activity Principles, Toray Group Biodiversity Initiatives, and the Toray Group’s Basic Policy for Increasing Green Areas. The Toray Group CSR Procurement Policies and Toray Group CSR Procurement Guidelines have also been created to promote respect for human rights and environmental preservation throughout the supply chain.
Specific initiatives include regular implementation and analysis of the CSR Procurement Survey for business partners, establishment of the whistleblowing hotline system, surveys of high-risk issues related to CSR procurement, confirmation of business partner risks using a company search system, and identification of any negative impacts on human rights and the environment. Negative impacts are handled through measures such as requesting improvements from companies with low scores based on the CSR Procurement Survey, and conducting follow-up visits and confirmation.

Information about these activities is shared both in and outside the Company using the Group website and other means.

Toray Group will continue to promote initiatives to prevent and reduce any negative impacts on human rights and the environment that might occur in the supply chain.

2 To prevent or reduce the negative impacts that a company may have on society, a continuous due diligence process is used. It involves proactively investigating and identifying problems, correcting them through appropriate measures, and publicly disclosing these activities.

**Related Information**

› Initiatives to Mitigate Global CSR Procurement Risk

---

**CSR Roadmap 2022 Targets**

**CSR Roadmap goals**

To ensure socially responsible procurement by the Toray Group, request major suppliers and business partners to practice CSR and work with suppliers to promote greater awareness of human rights, social, and environmental issues

**Main Initiatives and Key Performance Indicators**

<table>
<thead>
<tr>
<th>KPI</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>⑴</td>
<td>Request suppliers to practice CSR, including by conducting CSR surveys and audits, and having them make pledges, and strive to understand the status of each company’s CSR initiatives</td>
</tr>
<tr>
<td>⑵</td>
<td>Address issues in the supply chain such as human rights challenges and conflict mineral issues</td>
</tr>
<tr>
<td>⑶</td>
<td>Reduce CO₂ emissions intensity from distribution activities</td>
</tr>
<tr>
<td>⑷</td>
<td>Promote modal shift across distances of 500 km or more</td>
</tr>
</tbody>
</table>
Continually work to reduce the environmental impact and improve the quality of distribution activities

In accordance with the Declaration of Voluntary Activities for the White Logistics Movement, contribute to sustainable logistics, for instance by selecting logistics companies that are engaged in working style reform, etc.

<table>
<thead>
<tr>
<th>Key Performance Indicator (KPI)</th>
<th>Target</th>
<th>Fiscal 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-❶ Group companies requesting their suppliers to practice CSR (%)</td>
<td>At least 80%</td>
<td>At least 90%</td>
</tr>
<tr>
<td>9-❷ Suppliers confirming the status of CSR initiatives as requested by Toray Group (%)</td>
<td>At least 70%</td>
<td>At least 70%</td>
</tr>
<tr>
<td>9-❸ Reduction in CO₂ emissions intensity from distribution activities (year-on-year)</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>9-❹ Modal shift to sea or rail for transport across distances for 500 km or more (%)</td>
<td>40% (Fiscal 2022 target)</td>
<td></td>
</tr>
</tbody>
</table>

Reporting scope: Toray Group (9-❶ and 9-❷)
Toray Group (Only specified consigners) (9-❸)
Toray Industries, Inc. (9-❹)

3 The shifting of freight transportation by truck or other vehicle to railways and ships, which have a smaller environmental impact
4 A movement aimed at ensuring stable logistics function necessary for people’s lives and for industrial activities while also contributing to economic growth in response to the shortage of truck drivers

Related Materiality for CSR

- Managing social and environmental impact of suppliers

Click here for a PDF summary of materiality-related CSR Roadmap 2022 main initiatives, KPIs and progress (PDF: 1.6MB).

Looking to the Future

In recent years, there has been an increasing demand for companies to address social issues such as human rights and environmental problems throughout the supply chain. Toray Group believes that socially responsible procurement must be pursued together with suppliers. It will continue to identify and evaluate progress on CSR practices in all processes, including the procurement of raw materials and supplies across the entire Group, as well as production activities by contractors and processing vendors. Toray Group will promote greater awareness of human rights, social, environmental, and other CSR issues while mitigating risks across the supply chain.
CSR Activity Report (CSR Guideline Activity Reports) - Facilitating CSR Initiatives Throughout the Supply Chain

Socially Responsible Procurement Initiatives at Toray Group

Toray Group's Socially Responsible Procurement

<table>
<thead>
<tr>
<th>Group companies requesting their suppliers to practice CSR (%)</th>
<th>Result in fiscal 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting scope</td>
<td>Target in fiscal 2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Suppliers confirming the status of CSR initiatives as requested by Toray Group (%)</th>
<th>Result in fiscal 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting scope</td>
<td>Target in fiscal 2021</td>
</tr>
</tbody>
</table>

Toray Group Supply Chain

Toray Group’s supply chain extends to diverse countries and regions around the world. In fiscal 2021, the Group’s purchasing by region was 43% in Japan, 41% in the rest of Asia, 11% in the Americas, and 5% in Europe. Purchasing by business segment was 31% for Fibers & Textiles, 26% for Plastics & Chemicals, 16% for Films, 11% for Carbon Fibers Composite Materials, and 16% for others.
Fiscal 2021 Purchasing Breakdowns by Region and Business Segment (Based on Transaction Value)

Purchasing Breakdown by Region

- Japan: 43%
- Asia: 41%
- Americas: 11%
- Europe: 5%
- Other: 0%

Purchasing Breakdown by Business Segment

- Fibers & Textiles: 31%
- Plastics & Chemicals: 26%
- Films: 16%
- Carbon Fibers Composite Materials: 11%
- Housing & Engineering: 7%
- Electronic & Information Materials: 3%
- Water Treatment & Environment: 2%
- Pharmaceuticals & Medical Products: 1%
- Trading & Information Services: 3%
Socially Responsible Procurement Initiatives at Toray Group

With its global supply chain, Toray Group places top priority on ascertaining suppliers' CSR activities and requesting them to implement the necessary initiatives. Toray Group is facilitating CSR initiatives across its supply chains, including at group companies around the world. These efforts include developing a socially responsible procurement system, responding to customers’ requests for CSR practices, ascertaining and providing education on supplier CSR initiatives, carrying out CSR surveys of suppliers, requesting CSR initiatives through signed agreements and commitments, and requesting compliance with the Toray Group CSR Procurement Guidelines.

In fiscal 2021, the number of group companies requesting their suppliers to practice CSR was 139 (87%) out of the 159 applicable companies (group companies whose production activities include purchasing and/or outsourcing production). Group companies that have not yet completed such requests will do so.

In addition, Toray Group uses its own questionnaire survey system to conduct CSR surveys of suppliers. The Group has established a plan-do-check-action (PDCA) cycle by regularly monitoring suppliers’ CSR initiatives, assessing suppliers based on uniform group standards, providing feedback on the results to suppliers, and following up on poor-performing suppliers. In this way, the Group endeavors to raise suppliers’ awareness and efficiently and effectively lower CSR risks across the supply chain.

Through these initiatives, in fiscal 2021, of major suppliers that Toray Group identified as in need of confirmation of their CSR practices, 87% were confirmed to be meeting Toray Group’s standards in their work on CSR.
PDCA Cycle for Supply Chain Management

**Plan**
- Developing related policies for Toray Group
  - Toray Group CSR Procurement Policies
  - Toray Group CSR Procurement Guidelines
  - Toray Group Policy for Human Rights
  - Ten Basic Environmental Rules
  - Recycling Activity Principles
  - Toray Group Biodiversity Initiatives
  - Toray Group's Basic Policy for Increasing Green Areas

**Action**
- Sharing evaluation results individually with each supplier
- Following up with suppliers having low scores (requesting improvements and facility visits)
- Disclosing activity details internally and publicly

**Socially Responsible Procurement Initiatives at Toray Group**

**Check**
- Toray evaluates the CSR procurement survey responses

**Do**
- Conducting CSR procurement surveys of suppliers
- Establishing whistleblowing hotline system
- Investigating high-risk issues related to CSR procurement
- Checking business partner risk using a company search system
Main Items of CSR Surveys of Suppliers

I. CSR promotion system
- Establishment of and familiarity with policies and guidelines
- Establishment of internal system and selection of responsible parties
- Establishment of goals and plans, review of activity results

II. Corporate ethics and compliance
- Prevention of bribery, corruption, etc.
- Prevention of misuse of advantageous position and bid-rigging
- Compliance with changes in laws and regulations and educating employees about changes
- Protection of confidential information and personal information
- Protection of and respect for intellectual property
- Avoidance of all involvement with organized criminal groups
- Prevention of use of technology barred under regulations and illegal exports
- Identification of use of conflict minerals and cobalt and country of origin

III. Occupational safety and health
- Safety measures in workplace and improvements to working environment
- Prevention of occupational accidents
- Prevention of accidents and health risks
- Adoption of management system related to occupational safety

IV. Disaster prevention and risk management
- Development of education, training and manuals for disasters
- Establishment of business continuity plan (BCP) for large-scale disasters
- Establishment of BCP for pandemic
- Defense against threats on computer network

V. Environmental conservation
- Obtaining and maintaining authorizations and registrations
- Prevention of pollutants and waste, promotion of resource use (3Rs: reduce, reuse, recycle)
- Appropriate management of chemical substances and pollutants in line with laws and regulations
- Reduction of the emission of greenhouse gases
- Green procurement, green purchasing, energy conservation activities
- Consideration for water resources and biodiversity and implementation of assessments
- Introduction of environmental conservation management system

VI. Interaction with stakeholders
- Disclosure of financial information and non-financial information
- Setting up hotlines for consultation and reporting, protection of whistleblowers
- Support for community activities and activities contributing to society, and encouragement of participation in such activities

VII. Product safety and quality assurance activities
- Assessment of product safety, management of substances contained in products
- Provision of information on specifications, quality and handling

VIII. Human rights and labor
- Ban on illegal and inhuman labor practices, such as forced labor and child labor
- Provision of appropriate information to foreign workers and employment
- Prevention of undue low wages and wage reductions, as well as labor that exceeds statutory limits
- Ban on harassment, physical punishment, abuse, etc.
- Protection for freedom of association and collective bargaining, etc.
- Responding to the impact of COVID-19

IX. CSR Initiatives in supplier’s own supply chain
- Requests for promotion of CSR along supply chain
Every two years, in principle, Toray Industries carries out a CSR survey of major suppliers, business partners and distribution companies which together are responsible for 90% of the Company's total procurement value. Questions are established based on the Toray Group CSR Procurement Policies and the Toray Group CSR Procurement Guidelines. The surveys exhaustively confirm the extent to which suppliers are addressing CSR, requesting actions on a variety of social issues such as respect for human rights, reduction of greenhouse gas emissions, consideration for water resources and biodiversity, and implementation of environmental assessments. In fiscal 2020, Toray Industries carried out CSR surveys of 483 major suppliers. The results indicated that about 99% of companies surveyed were rated S, A or B for CSR practices, thus meeting the Company’s standards for business partners. The companies surveyed rated C or D, requiring further investigation of their CSR practices, accounted for just 1%.

The assessment results have been fed back to each company along with the contents of the analysis. In fiscal 2021, the Company individually visited all seven suppliers that were rated C or D to confirm actual conditions and discuss measures for improvement. In fiscal 2022, the Company will again survey its major suppliers, including those that received C or D evaluations in the previous survey, to confirm the progress situation at each business partner. Toray Industries is aiming to facilitate awareness of CSR throughout the supply chain and to promote CSR initiatives.

In parallel with those efforts, Toray Industries is asking its suppliers to understand and comply with the Toray Group CSR Procurement Guidelines, as part of efforts to further enhance CSR activities throughout the entire supply chain. These guidelines outline specific and detailed requirements for areas such as ethics, compliance, safety, accident prevention, risk management, environmental preservation, product quality and safety, and human rights promotion.

In addition, rules for responses to CSR surveys from customers are set and a system is in place to facilitate prompt and accurate responses.

1 Survey responses are assessed on a 10-point scale for each of the nine survey items. Taking the average score for the nine items as the overall score, 8 or more points is rated as S, 6 or more points but less than 8 is rated as A, 5 or more points but less than 6 is rated as B, 3 or more points but less than 5 is rated as C, and less than 3 points is rated as D.

Percentage of suppliers with the level of efforts required by the Company (Rated as S, A, or B) 99%
Fiscal 2020 CSR Status of Suppliers (Toray Industries, Inc.)

- A rating: 39%
- B rating: 8%
- C rating: 1%
- D rating: 0%

Companies surveyed: 483

Fiscal 2020 Analysis of CSR Survey of Suppliers (Toray Industries, Inc.)

1. CSR promotion system
2. Corporate ethics and compliance
3. Occupational safety and health
4. Disaster prevention and risk management
5. Environmental conservation
6. Interaction with stakeholders
7. Product safety and quality assurance activities
8. Human rights and labor
9. CSR initiatives in supplier’s own supply chain
Toray Group Companies in and outside Japan have also established their own internal systems and rules, and are conducting CSR procurement surveys of their suppliers. They also ask suppliers to comply with the Toray Group CSR Procurement Guidelines, while conducting audits and other measures to continually ascertain the status of supplier CSR initiatives and to request improvements.

Group companies outside Japan ask their suppliers to implement CSR initiatives. For suppliers that have not received such requests, Toray Industries conducts CSR procurement surveys and other measures to support CSR procurement at overseas group companies.

In fiscal 2021, Toray Industries conducted a questionnaire survey of 111 suppliers of overseas group companies.

Group companies in Japan also pursue CSR procurement with their suppliers. In fiscal 2021, a CSR procurement survey was sent to 1,042 suppliers of domestic group companies.

In addition to checking the CSR promotion situation at each supplier using the questionnaire, the relevant evaluation results were shared with each supplier as feedback. The suppliers requiring further investigation of their CSR practices were subject to such investigation, and Toray Group companies in Japan requested that suppliers requiring further investigation of their CSR practices make improvements.

Moreover, the questionnaire survey system used by Toray Industries is being expanded to group companies worldwide. By standardizing evaluation criteria and sharing the CSR promotion situations at suppliers, CSR risks across the Group’s entire supply chain are being reduced efficiently and effectively.

Human Rights in the Supply Chain

Toray Group believes that respect for human rights and environmental preservation are especially crucial elements in ensuring that the supply chain is stable and sustainable. The Toray Group CSR Procurement Policies state that Toray will work to build a supply chain that promotes human rights and preserves the environment. Toray requests that suppliers comply with the Toray Group CSR Procurement Guidelines by taking measures to protect the environment and by respecting human rights, while prohibiting forced labor, slave labor, child labor, and unfair low-wage labor.

With the CSR procurement questionnaire, the Company strives to understand and evaluate suppliers’ initiatives related to human rights, labor practices, and environmental preservation. It also ascertains and prevents issues from arising in the supply chain.

Results of Fiscal 2020 CSR Survey of Suppliers Regarding Respect for Human Rights

The survey conducted by Toray Industries in fiscal 2020 confirmed a high rate of implementation of initiatives on 10 survey items, excluding those related to requests to secondary suppliers, out of 11 items related to human rights and labor. In fiscal 2021, the Company conducted individual status checks and requested responses from those suppliers who answered “Will address in one year” ([1] in the table below) and “Not addressed” ([0] in the table below).

In addition, in an effort to ascertain and prevent potential human rights issues within the supply chain, the fiscal 2020 survey included new questions to determine whether suppliers have been giving due consideration to and have been taking appropriate measures to address various human rights issues such as employment and labor issues that could have arisen due to the COVID-19 pandemic. In fiscal 2021, the Company checked the status of suppliers who indicated that they had not yet done so and asked them to take measures.
<table>
<thead>
<tr>
<th>Survey Questions</th>
<th>Implementation rate</th>
<th>Survey results</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Has an internal system been set up and people responsible for its promotion been designated in regards to respect for human rights, eliminating discrimination and improving the work environment?</td>
<td>98.9%</td>
<td>[4] 49%</td>
</tr>
<tr>
<td>4. Are there rules to completely avoid forced labor, labor for debt repayment, slave labor, involuntary or exploitative labor, and/or child labor?</td>
<td>96.2%</td>
<td>[3] 96%</td>
</tr>
<tr>
<td>5. Are there rules to ensure that foreign workers are given employment contracts and employment regulations in a language that they can understand, and that there is no confiscation, concealment, destruction, or misuse of ID, passports, and work permits?</td>
<td>92.7%</td>
<td>[3] 93%</td>
</tr>
<tr>
<td>6. Are conditions appropriately managed and operated in line with applicable laws, including welfare, to prevent wages that are below the minimum wage, inappropriate reductions and labor that exceeds the legal limit?</td>
<td>98.9%</td>
<td>[3] 99%</td>
</tr>
<tr>
<td>7. Are conditions appropriately managed and operated to ensure that sexual harassment, power harassment, physical punishment, emotion or physical abuse, pressure and other inhuman treatment and actions do not occur?</td>
<td>96.8%</td>
<td>[3] 97%</td>
</tr>
<tr>
<td>8. Are conditions appropriately managed and operated to ensure that the rights to freedom of association, assembly and collective bargaining are not illegally or inappropriately impeded or denied and that no retaliation is taken?</td>
<td>98.1%</td>
<td>[3] 99%</td>
</tr>
<tr>
<td>9. Are conditions appropriately managed and operated to ensure that in recruiting, hiring and employing people, race, the color of one’s skin, age, gender, sexual orientation, nationality, religion and other factors do not result in discriminatory action?</td>
<td>96.2%</td>
<td>[3] 96%</td>
</tr>
<tr>
<td>10. Is due consideration given to various employment, human rights, and labor issues that may arise due to the spread of COVID-19 and appropriate responses taken?</td>
<td>98.9%</td>
<td>[3] 99%</td>
</tr>
</tbody>
</table>

Supplemental information:
[4] Addressed well
[2] Addressed at minimum level
[1] Will address in one year
[0] Not addressed

For questions 4 to 10, only [3], [1], and [0] are used; no value has been set for [4] or [2].
Results of Fiscal 2020 CSR Survey of Suppliers Regarding Environmental Preservation

Toray Group considers the reduction of greenhouse gas emissions and biodiversity conservation to be important issues for preserving the global environment and checks progress at suppliers through a CSR procurement survey. The survey conducted by Toray Industries in fiscal 2020 confirmed a high rate of implementation of initiatives on 11 survey items, excluding those related to requests to secondary suppliers, out of 12 items related to environmental preservation. In fiscal 2021, the Company analyzed and evaluated the environmental initiatives of each respondent based on the questionnaire results, and provided feedback to each one. Toray requested that suppliers who had not taken sufficient measures take the appropriate steps. The Company will continue to promote environmental preservation efforts throughout its supply chain and procure environmentally friendly raw materials.
<table>
<thead>
<tr>
<th>Survey Questions</th>
<th>Implementation rate</th>
<th>Survey results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Have you stipulated the policies or guidelines for promote environmental preservation and familiarized them with your employees?</td>
<td>98.3%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>2. Have you prepared the internal system and designated the responsible person to promote environmental preservation?</td>
<td>97.9%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>3. Do you have any mechanism to identify risks, institute the goals / plans, verify and improve / correct results of the activities in relation to environmental preservation?</td>
<td>98.3%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>4. Have you acquired and maintained, and kept up to date all permissions and registrations to be required by the laws and public administration, etc. for the environment?</td>
<td>95.0%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>5. Do you control discharge of pollutant and generation of waste and perform the efforts of saving resource and energy including reduction / reuse / recycle (3R), etc.?</td>
<td>94.2%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>6. Do you comply with the applicable laws / regulations, (REACH, ROHS, etc.) for, and appropriately manage the procured chemical substances?</td>
<td>96.0%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>7. Do you appropriately manage discharge of chemical substances into environment including air pollutant and water pollutant and perform the efforts for reduction?</td>
<td>92.4%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>8. Do you appropriately manage emission of greenhouse gas and perform the efforts for reduction (prevention of global warming)?</td>
<td>84.0%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>9. Do you perform the activities concerning reduction of environmental load and energy saving including green procurement of raw materials and packing materials, green purchasing of office supplies office machinery, power saving of offices, use of EV cars?</td>
<td>94.7%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>10. Do you understand your business activities which may cause an impact on water resources and biodiversity, consider sustainable use of resources and perform the activities to minimize the impact for preservation of biodiversity?</td>
<td>91.0%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>11. Do you perform the environmental assessment regarding the products (assessment of the products’ impact on the environment)?</td>
<td>83.4%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
<tr>
<td>12. Do you request the suppliers for promotion of environmental preservation?</td>
<td>79.7%</td>
<td><img src="image" alt="Implementation results" /></td>
</tr>
</tbody>
</table>

**Supplemental information:**
- [4]: Addressed well
- [3]: Addressed
- [2]: Addressed at minimum level
- [1]: Will address in one year
- [0]: Not addressed

For questions 4 to 11, only [4], [3], and [2] are used; no value has been set for [1] or [0].
For questions 9 to 11, only [4], [3], [1], and [0] are used; no value has been set for [2].
As part of efforts to promote human rights protections and environmental conservation in the supply chain, the
Company enables individuals to report relevant issues at any time via the Toray website. Out of a total of 276
inquiries and consultations received in fiscal 2021 via the CSR inquiry form on the Toray website, none were related
to human rights in the supply chain.

Related Information
› Inquiries concerning CSR initiatives by Toray Group and its business partners

**Human Rights Training for Contracted Security Companies**

Toray Group outsources security services to companies specialized in that field, depending on the situation in the
area where a business site is located.

In addition to training on the guard services required, the Group also provides training on human rights as
necessary when contracting services.

**Addressing Conflict Minerals**

In recent years, the public has become more concerned about responsible procurement of minerals. In particular,
the four minerals of gold, tin, tantalum and tungsten often mined in the Democratic Republic of Congo and
surrounding countries have sometimes been a source of funding for armed groups. For this reason, under Section
1502 of the Dodd Frank Act in the United States, publicly traded companies have obligations for reporting and
disclosing use of these minerals.

To comply with the rules, Toray Industries investigates whether conflict minerals are used in any of the raw
materials and production equipment used for its products. If conflict minerals are used, the Company investigates
the suppliers to determine the locations of smelters and mines.

In fiscal 2021, the Company also investigated products made using any of four raw materials: tin, tantalum,
tungsten, and gold. It confirmed that none of the raw materials used were from conflict areas. Toray Industries has
also set up an internal system for surveys and responses so that it can respond promptly and appropriately to
requests from customers in regard to surveys on conflict minerals.

Click [here](#) for the main initiatives for CSR Guideline 9, “Facilitating CSR Initiatives Throughout the Supply Chain” in CSR Roadmap 2022.
CSR Activity Report (CSR Guideline Activity Reports) - Facilitating CSR Initiatives Throughout the Supply Chain

Toray Group Distribution Initiatives

Working Together with Business Partners

Holding Basic Distribution Policy Briefings

Toray Industries, Inc. promotes understanding of Toray Group’s distribution policies and works to improve distribution performance with annual Basic Distribution Policy Briefings for logistics companies as part of its ongoing effort to improve quality and reduce the environmental impact of its distribution process. In fiscal 2020, the briefing was canceled due to COVID-19, but was held online in fiscal 2021 and 52 logistics companies participated.

Participation in White Logistics Movement and Efforts to Improve the Logistics Environment

Toray Industries participates in the White Logistics Movement, an initiative designed to ensure the provision of the stable logistics necessary for consumers’ lives and for industrial activities, while also contributing to economic growth. In line with the declaration of voluntary activities given below, the Company is actively working to improve the logistics environment based on mutual understanding and cooperation with business partners and logistics companies.

1 In response to the growing shortage of truck drivers in Japan, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Ministry of Economy, Trade and Industry (METI) and Ministry of Agriculture, Forestry and Fisheries (MAFF) are working together to encourage the participation of shipping and logistics companies. The aim is to improve the productivity of truck transportation and raise logistical efficiency, while looking to realize a fairer labor environment, thereby making it easier for women and drivers over the age of 60 to work in the industry.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperate with the logistics improvement and proposals</td>
<td>Seriously work on eliminating incidental work, etc. that leads to increased duty hours of truck drivers.</td>
</tr>
<tr>
<td>Use pallets, etc.</td>
<td>Expand use of packing styles (pallets, etc.) that enables loading using forklifts to reduce cargo loading time.</td>
</tr>
<tr>
<td>Initiative</td>
<td>Details</td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
</tr>
<tr>
<td>Extend lead time</td>
<td>Secure sufficient lead time corresponding to the transportation distance.</td>
</tr>
<tr>
<td>Take legal compliance status into account</td>
<td>Give utmost priority to assess compliance status with relevant laws upon selecting logistics companies for signing agreements.</td>
</tr>
<tr>
<td>Actively utilize logistics vendors engaged in working style reforms, etc.</td>
<td>Actively utilize logistics companies engaged in work-style reforms, improvement of transportation safety and logistics quality.</td>
</tr>
<tr>
<td>Suspend, discontinue, etc. of operation in case of adverse weather, etc.</td>
<td>Give utmost priority to the truck driver’s safety in the event of adverse weather, earthquake, etc.</td>
</tr>
</tbody>
</table>

**Improving Logistics Productivity by Using Smart Pallets**

As part of its White Logistics initiatives, Toray Industries, Inc. is the first in the industry to use smart pallets equipped with active tags developed by UPR Co., Ltd. Typically, pallets must be replaced with different pallets during transportation and storage to prevent their loss or outflow, and the loaded products must be reloaded each time. Smart pallets, on the other hand, do not need to be replaced, since the coming, going, and inventory of pallets can be managed from a distance with the embedded active tags. Adoption of these smart pallets allows Toray’s products to go on the same pallet from production to storage, transportation, and use by the customer. This has eliminated cargo handling work by truck drivers and warehouse personnel, shortened loading and unloading time, improved the working environment, and increased logistics productivity. Moreover, the Company is reducing CO₂ emissions related to pallet recovery by using its packaging materials recovery system to recover empty pallets.

In recognition of the Company’s contribution to reducing the environmental impact and the burden on transportation companies, Toray Industries jointly received, with UPR Co., Ltd., the Special Award in the Fiscal 2020 Green Logistics Partnership Conference Award for Excellent Business Operators.\(^2\) In fiscal 2021, Toray Industries and UPR jointly received the Sustainable Activity Award in the 22nd Logistics Environment Award\(^3\).

---

\(^2\) An award, presented by the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and others, that recognizes businesses for their remarkable contributions to the establishment of sustainable logistics systems by reducing environmental burdens in the logistics sector or improving productivity in terms of distribution.

\(^3\) An award, presented by the Japan Association for Logistics and Transport, that recognizes groups, companies, and individuals who are contributing to the development of the logistics industry by reducing environmental impact. This includes conducting outstanding environmental preservation or awareness-raising activities, or pioneering technological development in the logistics field.

**Various Effects of Toray Industries’ Use of Smart Pallets**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce CO₂ emissions related to pallet recovery</td>
<td>83% reduction (by 197 t-CO₂/year)</td>
</tr>
<tr>
<td>Reduce product loading and unloading time</td>
<td>75% reduction (by 23,788 hours/year)</td>
</tr>
<tr>
<td>Improve efficiency of office work</td>
<td>100% reduction in work time (by 1,584 hours/year)</td>
</tr>
<tr>
<td>Reduce truck standby time</td>
<td>38% reduction (by 5,947 hours/year)</td>
</tr>
</tbody>
</table>
**Initiative** | **Effect**
--- | ---
· Reduce distribution accidents (broken bags) | 35% reduction (by 148 incidents/year)

## Reducing the Environmental Impact of Distribution

### Reduction in CO₂ emissions intensity from distribution activities (year-on-year)

<table>
<thead>
<tr>
<th>Reporting scope</th>
<th>Target in fiscal 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toray Group (Only specified consigners)</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Result in fiscal 2021**

3.9%

Toray Group is working hard to reduce CO₂ emissions in transport. These initiatives include reducing transport distances, shifting modes of transport to those which have less environmental impact such as sea and rail (modal shift), and raising transportation efficiency.

In fiscal 2021, at Toray Group (only specified consigners in Japan), CO₂ emissions from distribution activities were 30,400 tons, up 3,500 tons (13.2%) from the previous fiscal year, due primarily to an increase in transport volume.

Meanwhile, CO₂ emissions intensity decreased significantly for Toray Industries and Toray Advanced Film due to the fact that the denominator, a relevant transport-related index, rose by more than the CO₂ emissions concerned. The change in Toray Group’s CO₂ emissions intensity was 91.0 in fiscal 2021, taking the fiscal 2014 level (set at 100) as the base, an increase of 3.9% from the previous fiscal year (fiscal 2020).

In fiscal 2021, Toray Industries’ CO₂ emissions from distribution activities totaled 26,800 tons, up 3,100 tons (13.0%) from the previous fiscal year. This increase from the previous fiscal year was primarily due an increase in the transport volume for fiber, textile, resin and film products. It outweighed efforts for full-load transport, increased loading rates and reductions in inefficient transport, which resulted in a 230-ton emissions reduction.

Toray Industries’ CO₂ emissions intensity from distribution activities decreased by 4.0% year on year (from fiscal 2020) because the increase in net sales exceeded the increase in CO₂ emissions. Over the past five years, however, CO₂ emissions intensity decreased an average of 1.3% per year. As a result, Toray Industries is meeting its legal mandate as a specified consigner to reduce energy consumption intensity by an average of at least 1% every year over the medium- and long-term.

Toray Group will continue to seek CO₂ emissions reductions by pursuing environmentally responsible distribution.

---

4 Toray Industries, Inc. and Toray Advanced Film Co., Ltd., which have annual cargo transport totaling 30 million ton-kilometers or more, are “specified consigners” under Japanese law. In addition, Toray Building Materials Co., Ltd. is no longer designated a specified consigner, which it had been until fiscal 2020, as its total transport volume was less than 30 million ton-kilometers in fiscal 2021.

5 CO₂ emissions from distribution activities refers to “CO₂ emissions related to the transportation of cargo entrusted to freight carriers” stipulated in the Act on Rationalizing Energy Use (Revised Energy Conservation Act).

6 CO₂ emissions from distribution activities ÷ the following transport-related indexes

Toray Industries, Inc. = Net sales
Toray Advanced Film Co., Ltd. = Shipping volume
Specified consigners are required to endeavor to meet the legal mandate to reduce CO₂ emissions intensity by an average of at least 1% every year over the medium- and long-term.
CO₂ Emissions Resulting from Distribution Activities and CO₂ emissions intensity (Toray Group’s Specified Consigners in Japan)

Details of initiatives CO₂ Reduction (1,000 tons)

Full-load transport, increased loading rates, and strategic positioning of warehouses, etc. 0.052

Reduction of inefficient transport, revision of inventory storage locations, and loading at the nearest port, etc. 0.178

Total 0.230

Expanding Collection and Reuse of Packaging Materials

Toray Group is establishing a global framework to collect and recycle packaging and shipping materials that are included with products used by customers. The value of these materials collected by Toray Industries in fiscal 2021 was 720 million yen, an increase of 70 million yen (10.2%) from the previous fiscal year. The volume of the materials collected increased due to the growth in shipment volumes for fibers, textiles and films. In order to reduce the amount of new material purchasing, the Group internally shares information on the inventories of used shipping materials being collected, such as temporary inventories at collection centers.
More packaging materials are reused, including at plants outside Japan

Monetary Amounts Recovered for Packaging Materials (Toray Industries, Inc.)

(Millions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Fibers</th>
<th>Non-Fibers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>409</td>
<td>362</td>
</tr>
<tr>
<td>2018</td>
<td>412</td>
<td>362</td>
</tr>
<tr>
<td>2019</td>
<td>414</td>
<td>362</td>
</tr>
<tr>
<td>2020</td>
<td>325</td>
<td>362</td>
</tr>
<tr>
<td>2021 (FY)</td>
<td>359</td>
<td>362</td>
</tr>
</tbody>
</table>
Toray Industries laid out its commitment to environmentally friendly distribution in its Basic Distribution Policies (established in December 2004), in which it aimed to balance consideration for the environment in the distribution process with better competition achieved by cost-cutting. Toward this end, the Company has actively pursued modal shift (switching from trucks to rail and ship transport). In addition, modal shift is also effective as a measure to address the recent vulnerabilities in truck transport caused by a shortage of drivers. Toray Industries set a modal shift target of 40% to be achieved by fiscal 2022 and has been actively promoting initiatives to achieve this goal. The modal shift rate for January to December 2021 decreased by 5.0 points from the previous year to 27.1%. With the increase in rail transport demand in Japan in 2021, transport by truck increased due to the difficulty of securing containers for rail transportation and the increase in the number of cases where lead times for rail transportation were unacceptable. Shipping volumes for products that are usually transported over long distances by rail also decreased due to the COVID-19 pandemic.

Toray Group will continue pursuing modal shift in diverse product and materials transport and will work more closely with distribution partners. Through these efforts, the Group will promote environmentally responsible distribution while taking into consideration the environmental impact of the distribution process.
Toray Industries has certified as an Eco Rail Mark Company by Japan's Ministry of Land, Infrastructure, Transport and Tourism and the Railway Freight Association. This recognizes Toray's active efforts to use rail freight transport, a relatively environmentally friendly means of transportation. The Company also obtained Eco Rail Mark Product certifications for its TORAY TETORON™ fiber and TORAYCON™ polybutylene terephthalate (PBT) resin. Moreover, in fiscal 2017 Toray Industries achieved the Eco Ship Mark certification related to its film products, which are difficult to ship by rail. This program recognizes companies that are switching to ship transport and use maritime transport, which has a low environmental impact, to a certain extent.

Minimizing Natural Disaster Risks

Toray Industries implements measures to prevent or minimize the damage caused by natural disasters such as typhoons and heavy rains, which have been increasing in frequency in recent years. It does this by continually investigating and identifying natural disaster risks at external warehouse sites in Japan, and by implementing response measures together with warehouse operators.
In fiscal 2021, the Company ascertained the natural disaster risks at its 44 main external warehouse sites. This was determined based on the structure of the warehouse buildings and the site environments, using tools such as hazard maps issued by the national and local governments. Eight sites were determined to be at high risk, and on-site inspections were conducted to confirm the actual situations. Based on the results of the investigation, Toray made proposals to the external warehouse operators concerned regarding tangible and intangible mitigation measures. The measures were discussed and improvements were made.

In fiscal 2022, Toray will further increase the number of sites to be inspected and continue promoting risk mitigation activities.

<table>
<thead>
<tr>
<th>Initiative Stage</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk analysis I</td>
<td>Ascertaining site risks using hazard maps issued by national and local governments</td>
</tr>
<tr>
<td>Risk analysis II</td>
<td>Ascertaining warehouse structural risks using a questionnaire created independently</td>
</tr>
<tr>
<td>On-site confirmation</td>
<td>On-site visits with partner insurance companies to confirm risks in detail</td>
</tr>
<tr>
<td>Mitigation measure discussion</td>
<td>Proposing and implementing tangible and intangible measures appropriate for the actual risks</td>
</tr>
</tbody>
</table>

**Initiatives to Improve Safety and Quality in Distribution**

Toray Industries is working on a project to improve transport quality. The Company works with distribution partners to improve distribution quality and safety and to reduce the incidence of problems by sharing accident analysis data and distribution quality enhancement reports, conducting on-site inspections and holding quality control meetings with partners. Partners that make outstanding contributions to improving quality are recognized through annual awards. These initiatives are aimed at reducing the number of problems such as those involving breakage, and reducing transport delays and incorrect shipments of Toray products.

7 Distribution-partner companies receiving awards in fiscal 2021 (alphabetical order):

**Distribution Incidents**

Due to the adoption of straight-through pallet transportation with smart pallets, accidents during pallet transshipping and those caused by defective pallets remained at a low level in fiscal 2021, like in the previous year. However, an increase in the number of shipments compared to fiscal 2020 resulted in a corresponding rise in the number of logistics accidents. While promoting straight-through pallet transportation, Toray Group will continue working with partner companies to improve distribution quality.
Logistics Efforts for Security Trade Control

In order to ensure thorough compliance with security trade controls relating to the export of its products, Toray Industries provides ongoing security trade control training to external warehouses where regulated items are stored. In fiscal 2021, in addition to explaining security trade control measures to eight sites belonging to six companies, important points were highlighted regarding the handling of regulated items, based on past near-miss incidents. Through this training, Toray once again stressed the importance of managing and handling regulated products appropriately.

Recommending that Distribution Partners Acquire Third Party Certification

Toray Industries recommends that its distribution partner acquire external certifications such as ISO 9001, ISO 14001, Green Management Certification and G Mark. These certifications require companies to achieve legal compliance, improve quality, and practice environmental conservation in distribution processes. Toray Industries also pursues CSR initiatives in collaboration with distribution partners.

---

8 Certification is awarded by the Foundation for Promoting Personal Mobility and Ecological Transportation to companies that demonstrate a certain level of environmental improvement activities based on a manual for implementing green management (business management with a low environmental impact)

9 A system that recognizes companies that meet certain criteria and demonstrate excellent safety, based on an assessment by the Safety Evaluation Committee established by the Japan Trucking Association of proactive initiatives for legal compliance and safety recommended by the Ministry of Land, Infrastructure, Transport and Tourism
Yellow Card Emergency Response Measures

Drivers of shipping vehicles carry a yellow card\(^{10}\) detailing emergency measures to be taken to minimize damage in the event of an accident. Toray Industries has also established an emergency communication system and carries out emergency training. In the unlikely event of such an accident, the Company has procedures in place enabling the necessary staff to be dispatched as swiftly as possible to the accident site for assistance.

\(^{10}\) A Card listing the names of any hazardous substances, applicable laws and regulations, hazardous properties, procedures in case of accident, emergency reporting and contact information, methods for minimizing the spread of damage, and other relevant information.

Initiatives to Prevent Overloading

The overloading of trucks causes vibration, noise, damage to roads and facilities, and also creates driving hazards. Consequently, Toray Industries is putting considerable effort into the prevention of overloading.

Compliance and Security Measures for Importing and Exporting

As a measure to ensure the legality and safety of imports and exports as part of Toray Group's expanding global operations, a US subsidiary of Toray International, Inc. enrolled in the Customs-Trade Partnership Against Terrorism (C-TPAT)\(^{11}\) with the aim of strengthening global supply chain compliance. In order to realize more efficient imports and exports of materials and to strengthen supply chain compliance and security measures, Toray Group is also encouraging its worldwide distribution partners to obtain Authorized Economic Operator (AEO)\(^{12}\) status.

\(^{11}\) A voluntary program introduced by United States Customs and Border Protection in November 2004. The aim of the program is ensure and strengthen security through the global supply chain, based on international cooperation with private operators importing goods into the US.

\(^{12}\) A status implemented by the EU in December 2006 that gives priority in customs procedures to importers and exporters with a high level of compliance for cargo security. The Japanese Customs Act was also revised in 2007, and a similar qualification system was established to provide priority in customs procedures to highly compliant operators.

Toray Group Logistics Company Acquires “Good Workplace Certification” (FY2021)

“Good Workers Rights Certification Obtained by Toyo Logistic Service”

Toyo Logistic Service Co., Ltd. applied for recognition under the Good Workplace Certification System promoted by Japan's Ministry of Land, Infrastructure, Transport and Tourism, and was certified in February 2022. This system was established by the Ministry in 2010 with the aim of enhancing working conditions in the road transportation industry (operators of trucks and buses, etc.) to resolve the shortage of drivers. Certification examinations are conducted based on documents submitted by each business site, such as the rules of employment, "36 agreements" (based on Article 36 of Japan’s Labor Standards Act), and labor contracts. All Toyo Logistic Service sites employing drivers (Tokai, Nagoya, Gifu, Shizuoka (Mishima), Ishikawa, Fukui, Shiga, and Saitama) have been certified.

Click here for the main initiatives for CSR Guideline 9, “Facilitating CSR Initiatives Throughout the Supply Chain” in CSR Roadmap 2022.