

CSR Activity Report (CSR Guideline Activity Reports)

Ethics and Compliance

Ensure all executives and employees uphold a sense of responsibility, fairness and high ethical standards, and act with a keen sense of compliance to maintain the trust of society



Basic Approach

Toray Group's corporate philosophy is "Contributing to society through the creation of new value with innovative ideas, technologies and products."

To deliver on this commitment, Toray Group is contributing to society by leveraging innovative technologies and advanced materials to tackle important global issues. This effort requires that the Group earn and maintain the trust of diverse stakeholders by ensuring that its business activities comply with the laws and regulations of the countries where it does business, and by always acting with integrity.

Top management is taking the initiative by giving the highest priority to securing compliance, and by requiring that the Group and its suppliers facilitate ethics and compliance practices.

Related Policies

Internal Rules for Ethics and Compliance

Toray Industries, Inc. has established a set of internal rules for ethics and compliance, together with related standards and procedures. These internal rules set out the framework for practicing corporate ethics and legal compliance, and they are designed to foster a healthy corporate culture. The rules also outline how to respond to issues, identify causes and prevent recurrence, as well as initiatives to be taken by group companies in and outside Japan.

Ethics & Compliance Code of Conduct

Toray Group has established the Ethics & Compliance Code of Conduct as an important rule which every Toray Group executive and employee must comply with.

› [Ethics & Compliance Code of Conduct](#)

Structure

Toray Industries has established an Ethics and Compliance Committee, which is chaired by the president with membership comprising the Company's vice-presidents. At this committee, management and workers come together to consider and discuss policies related to corporate ethics and compliance. The status of the whistle-blowing system in Toray Group, including number of reports (consultations) received through hotlines and the outline of the cases, are reported to Board of Directors by the Ethics and Compliance Committee.

In fiscal 2023, the Ethics and Compliance Committee convened twice to deliberate on and discuss the results of fiscal 2022 initiatives, action plans for fiscal 2023, and the progress of implementation thus far. The committee also discussed individual measures such as the implementation of Compliance Month.

In each workplace, Toray Group is shifting away from a top-down approach to compliance measures, with the general manager of the division or department taking the lead on initiatives. Instead, a middle-up/middle-down approach starts with mid-level employees, who formulate and carry out the activities deemed necessary in their workplace and then report to top management with feedback based on their experience with the implemented activities.

In initiatives for group companies around the world, Toray Group has established the Affiliate Companies' Compliance Meeting and the Overseas Affiliate Companies' Compliance Meetings under the Ethics and Compliance Committee. Through these committees, the Group is promoting compliance activities in each company, country and region.



¹ Plant-Level CSR and Legal Compliance Committee has been established at each plant located outside of Tokyo and Osaka.

CSR Roadmap 2025 Targets

CSR Roadmap goals

1. No major cases throughout the Toray Group of non-compliance with or violation of bribery regulations, antitrust laws, etc
2. Implement monitoring to raise ethical and compliance awareness throughout Toray Group
3. Enhance awareness-raising and educational activities relating to corporate ethics and compliance

Main Initiatives and Key Performance Indicators

(1) Aim for no major cases of non-compliance with or violations of laws and regulations

KPI

2-①

(2) Practice appropriate transactions based on free, fair, and transparent market competition	-
(3) Prohibit any association with organized criminal groups or other anti-social forces and take a firm stance against them	-
(4) Conduct internal legal audits and improve problems found in the audits	2-②
(5) Appropriately operate a whistle-blowing system	-
(6) Thoroughly disseminate the Ethics & Compliance Code of Conduct	-
(7) Provide information and implement education on major laws and regulations and other compliance-related matters	2-③

Key Performance Indicator (KPI)	Target			Fiscal 2023 Result
	Fiscal 2023	Fiscal 2024	Fiscal 2025	
2-① Number of major violations of laws or ordinances	0	0	0	0
2-② Group companies implementing internal legal audits (%)	Toray Industries, Inc. : 100% Group companies in and outside Japan : Implemented focusing on high-risk companies			100%
2-③ Group companies providing information and implementing education on major laws and regulations and other compliance-related matters (%)	100%	100%	100%	100%

Reporting scope: Toray Group

Related Materiality for CSR

- Ensuring Ethics and Compliance

* Click [here](#) for the Materiality View of CSR Roadmap 2025 (PDF:392.4KB).

[PDF](#)

Looking to the Future

With the slogan “Have the Integrity to Do the Right Thing in the Right Way,” since fiscal 2018, Toray has been promoting initiatives including the following four principles for taking more effective action to ensure compliance.

Compliance Action Principles

- **B** : Be fair, be honest and have Integrity
- **E** : Encourage respect and communication
- **A** : Adopt a *genba*² approach – Look to the facts!
- **R** : Responsibility as a member of our excellent company



² *Genba* is the Japanese word for “actual worksite.”

Under the name “Mission BEAR,” taking its acronym from the first word of each principle, Toray Group companies establish action plans and execute initiatives in line with the actual conditions of each company.

Toray Group performs regular follow-up to check the progress of each group company. Outstanding initiatives are shared with other companies in the Group, which are encouraged to independently enhance their compliance activities.

In fiscal 2023, Toray Industries continued to assist compliance initiatives at group companies and actively share compliance-related best practices such as Compliance Month, as well as sharing and utilizing compliance awareness survey results. Through these efforts, the Company strengthens the Group’s overall risk response by emphasizing factors unique to each region and type of business while reinforcing integrity driven corporate culture.

Click [here](#) for the main initiatives and KPIs for CSR Guideline No. 2 “Ethics and Compliance” during the CSR Roadmap 2025 period (fiscal 2023–2025). [PDF](#)

CSR Activity Report (CSR Guideline Activity Reports) - Ethics and Compliance

Establishing a Corporate Culture of Total Respect for Ethics and Compliance

Toray Group Ethics & Compliance Code of Conduct

CSR Roadmap 2025
Main Initiatives (6/7)

The Ethics & Compliance Code of Conduct was updated in June 2023, and is an important set of rules that must be followed by every Toray Group executive and employee, including contracted, part-time and dispatched workers. This code of conduct is subject to periodic review by the Ethics and Compliance Committee, which is chaired by the president with membership comprising the Group's vice-presidents, and the results are reported to the directors. All of the employees are fully informed of this code of conduct.



[Download \(472KB\)](#)

[PDF](#)

Distribution rate of the Toray Group Ethics & Compliance Code of Conduct

CSR Roadmap 2025
Main Initiatives (6/7)

Distribution rate of the Toray Group Ethics & Compliance Code of Conduct

100%

Toray Group

Toray Group translates and distributes its code of conduct in eight languages (English, Chinese, Korean, Thai, Malay, Indonesian, Spanish, and Hungarian) to ensure that Toray Group employees around the world understand the content.

1. Compliance for safety and the environment

(1) Working environment

We must protect the health and safety of ourselves and our co-workers by maintaining safe equipment, working conditions and working procedures. Besides following related laws and company rules, we should continue to take an active part in safety initiatives, with the aim of reducing workplace accidents to zero. Also, we should be mindful of the importance of close communication in promoting mental health in the workplace. Showing respect for others helps to create a positive and healthy work environment for all.

(2) Caring for the environment

We must follow all laws and company rules that relate to the environment, disaster prevention and the handling of chemical substances, based on the principle that we must leave the environment in a better state.

We should strive to reduce the impact that our business activities, products and services have on the environment, while also promoting diversity and sustainable use of resources.

2. Compliance for quality

(1) Safe and satisfactory products

We must always act according to the law and in the interests and spirit of product safety to ensure that we continue to make safe and satisfactory products in response to requirements of our customers. Also, we must understand the requirements of our customers appropriately, and design, manufacture and provide products in response to such requirements. If a problem should arise, we must respond quickly.

(2) Quality data management

We must obtain, forward, store and confirm quality data in agreed ways, and correctly inform customers of the data as necessary to ensure that we continue to keep our promise to customers. We as a company do not permit quality data falsification.

3. Compliance for human rights

(1) Respect for the character and individuality of employees

We must respect the individuality of every Toray Group employee and must not engage in spiteful treatment or discrimination.

We must respect the privacy of other employees and handle personal information with the utmost care.

(2) Preventing harassment and discrimination

We as Toray Group do not tolerate any form of harassment or discrimination, including sexual harassment and power harassment.

(3) Respect for the human rights of all stakeholders

We will not infringe on human rights or be complicit in infringing on the human rights. We must respect international human rights norms and act consistently with the Toray Group Policy for Human Rights.

4. Compliance for fair business activities

(1) Competing fairly

We must not participate in cartels or other illegal concerted practices, unfair treatment of business partners, or any conduct violating competition laws of each country/region.

We must not give or receive bribes both in relation to public officials and other business partners, or participate in any other form of corrupt practice. We must follow relevant laws and company rules in making political contributions and charitable donations.

We must accurately communicate information about the quality, functions and price of our products and services so as not to mislead our business partners and end users.

(2) Fair transaction and asset management

All transactions including purchase, sales and payment of expense must be done appropriately in accordance with the law and general accounting principles.

All company assets such as inventories and fixed assets must be controlled, used and maintained for business purpose only.

(3) International trade control and security trade administration

We must follow the relevant laws and regulations and comply with appropriate import and export procedures and trade controls when purchasing, exporting or importing products, machines, materials and samples, or when sharing our technology overseas, to avoid violation of sanctions imposed by the United Nations and governments such as the United States.

(4) Compliance with applicable laws in general

We must acknowledge that a violation of laws and regulations could undermine trust in the company, and comply with any and all laws and regulations including those related to;

- Insider trading
- Shut off of any relationship with antisocial forces
- Conflicts of interest

5. Compliance for intellectual property

(1) Respect for intellectual property rights of others

We must ensure that we do not infringe intellectual property rights of others, either intentionally or as the result of insufficient investigation.

6. Compliance for information management

(1) Information management

When we become aware of confidential information owned by either Toray Group or others, we must not disclose, publicize or use such information for unauthorized purposes both during and after our employment at Toray Group.

When handling personal information as part of our work, we must follow company policies for protecting such information and manage such information carefully and appropriately.

(2) Reporting and public disclosures

We must make disclosures as required by law and follow the Toray Group's Information Disclosure Principles with the aim of providing full, fair, accurate and timely reports and public disclosures about our business.

Major violations of laws or ordinances

CSR Roadmap 2025
Main Initiatives (1)

Number of major violations of laws or ordinances

■ Reporting scope
Toray Group

■ Target in fiscal 2023
0

Result in fiscal 2023

0

Group companies providing information and implementing education on major laws and regulations and other compliance-related matters (%)

■Reporting scope	■Target in fiscal 2023
Toray Group	100%

Result in fiscal 2023

100%

Toray Industries posts links to information on CSR and legal compliance on its corporate intranet. Toray Group circulates important information about legal and compliance matters that are highly relevant to its business in Japan and other countries. Group companies implement workshops to examine these matters and study cases of corporate misconduct in an effort to foster discussion in the workplace. Since fiscal 2012, Toray Industries has provided online training courses on Toray ethics and legal compliance for all executives and employees, including contracted, part-time and dispatched workers. In addition to training designed to instill an understanding of the Ethics and Compliance Code of Conduct and whistleblowing system, the Company sets specific course themes for each year on such topics as anti-corruption/bribery, human rights, and harassment. In fiscal 2023, the Company provided training on the Toray Group Ethics & Compliance Code of Conduct and the Group’s whistleblowing system. Participation in this course was 97.1% of targeted employees. In a survey of participants who took part in the online course, 58.9% responded that they “understand” the content of the Ethics and Compliance Code of Conduct, and 40.8% responded that they “understand to some extent.” Toray Industries will continue to disseminate information and provide education to ensure that ethics and legal compliance is even more fully understood moving forward. Group companies in Japan are using these materials to implement their own training.

Toray Industries has also added an evaluation point to the performance review system that applies to safety, CSR, quality assurance, and compliance. The aim is to reflect employees’ individual efforts regarding ethics and compliance in their personal evaluations and compensation.

Examples of Workplace Initiatives in Fiscal 2023

The Legal & Compliance Division at Toray Industries held an in-person Global Legal & Compliance Meeting for the first time in four years. Toray Group legal and compliance officers from various companies and regions gathered to discuss challenges and share solutions pertaining to legal and compliance activities.



The Global Legal & Compliance Meeting being held in person for the first time in four years

At the Toray Industries Seta Plant, an ethics training session was conducted for all employees involved in medical device quality assurance, technology, and production. The session featured a clinical technician who works with the SATAKE HotBalloon™ ablation catheter. Delivered from the perspective of a medical professional, the training explained how the Toray product is used in medical settings and what potential health risks product defects could pose.



Ethics training concerning medical devices

Expanding the Whistleblowing System

CSR Roadmap 2025
Main Initiatives (5)

Toray Industries established the Corporate Ethics and Legal Compliance Helpline as a whistleblowing system in fiscal 2003 and expanded the system to include all Toray Group companies in Japan in fiscal 2010. In 2022, the Company revised its internal rules in accordance with revisions to the Whistleblower Protection Act that went into effect in June of the same year. Executives, employees who have been retired for a year or less, and business partners were added as users of the whistleblowing system, and a provision regarding the designation of those who respond to reports to the whistleblowing system (whistleblowing report responders) was also added. Further, Toray Industries endeavored to encourage greater use of the whistleblowing system by, for example, providing examples of how to utilize the system.

The Company ensures that employees have access to alternative means of reporting and consulting such as via internal contact points at its offices and plants or directly to the secretariat of the Ethics and Compliance Committee via email or a dedicated form on the corporate intranet.

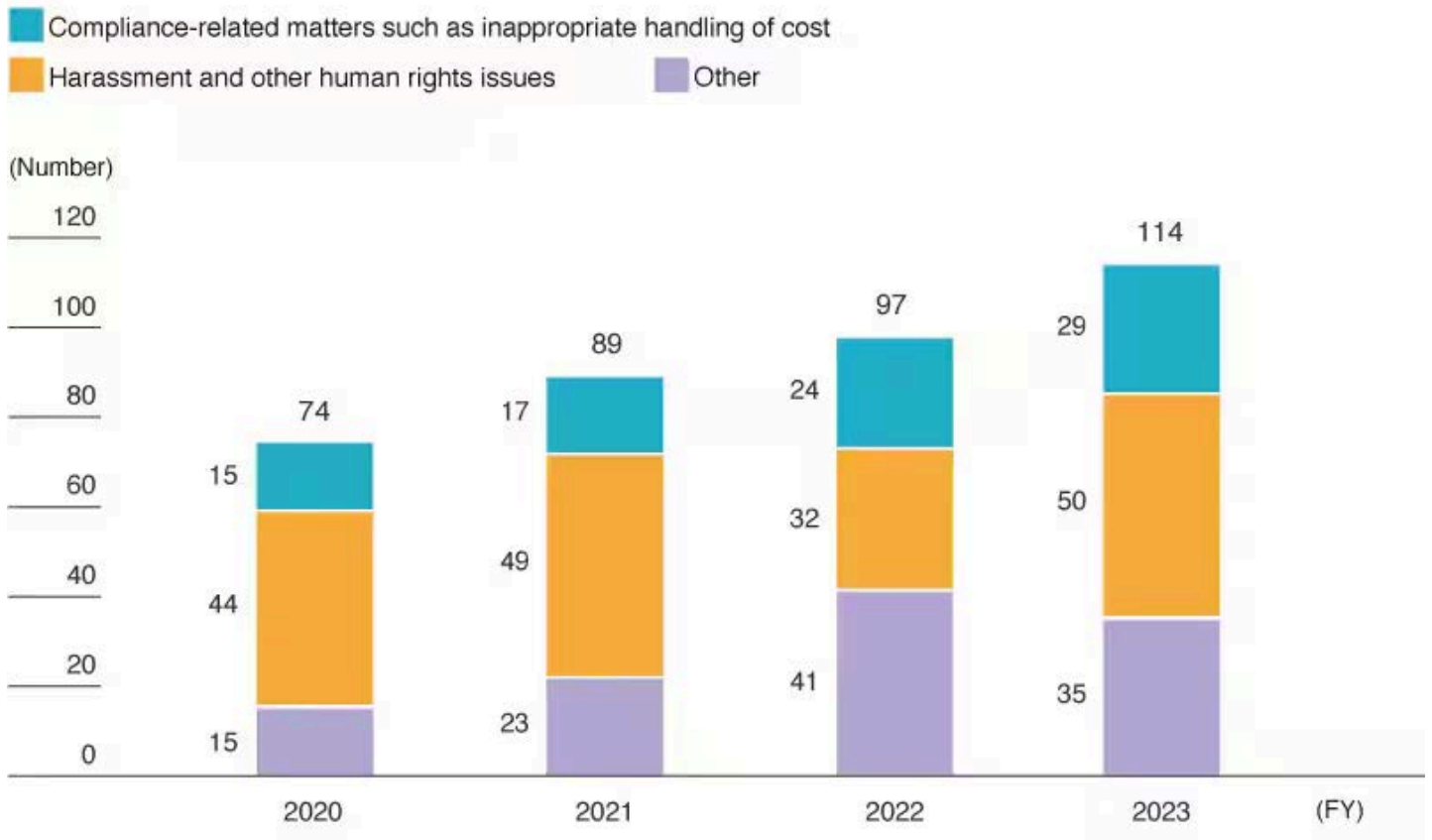
In addition, each Toray Group company in Japan has established a Helpline contact point. Moreover, Toray Industries has also created an external Helpline contact point shared by all group companies in Japan to make it easier for employees to report and consult.

Each group company outside Japan has also established a Helpline contact point (internal, outside, or regional contact points). These Helpline contact points have been in operation at all companies since fiscal 2017. Toray Group has worked to resolve reported issues, while carefully confirming circumstances in interviews and investigations, based on the laws, customs, and other regulations of each country and region.

Since fiscal 2016, Toray Industries has also maintained an additional whistleblowing system for group companies to directly report serious misconduct such as violations of antitrust laws and bribery, and it is working to inform all Toray Group companies about the system.

In fiscal 2023, Toray Industries and its group companies received a total of 114 whistleblowing reports and consultations, with 17 cases resulting in disciplinary action. Of these disciplinary cases, six were compliance-related matters such as inappropriate handling of cost, nine were harassment and other human rights issues, and two were categorized as other. Of the six compliance related cases, one involved a conflict of interest. No cases resulted in disciplinary action for antitrust law violation, corruption or bribery, mishandling of personal information belonging to customers, insider trading, or money laundering. The facts were investigated with complete discretion to protect against any risk of negative impact on the individual reporting to or consulting with the hotline. If a problem was identified, efforts were made to solve the problem and measures were taken in accordance with the internal rules of each company, such as employment rules.

Number and Subject of Reports (Consultations) Across Toray Group

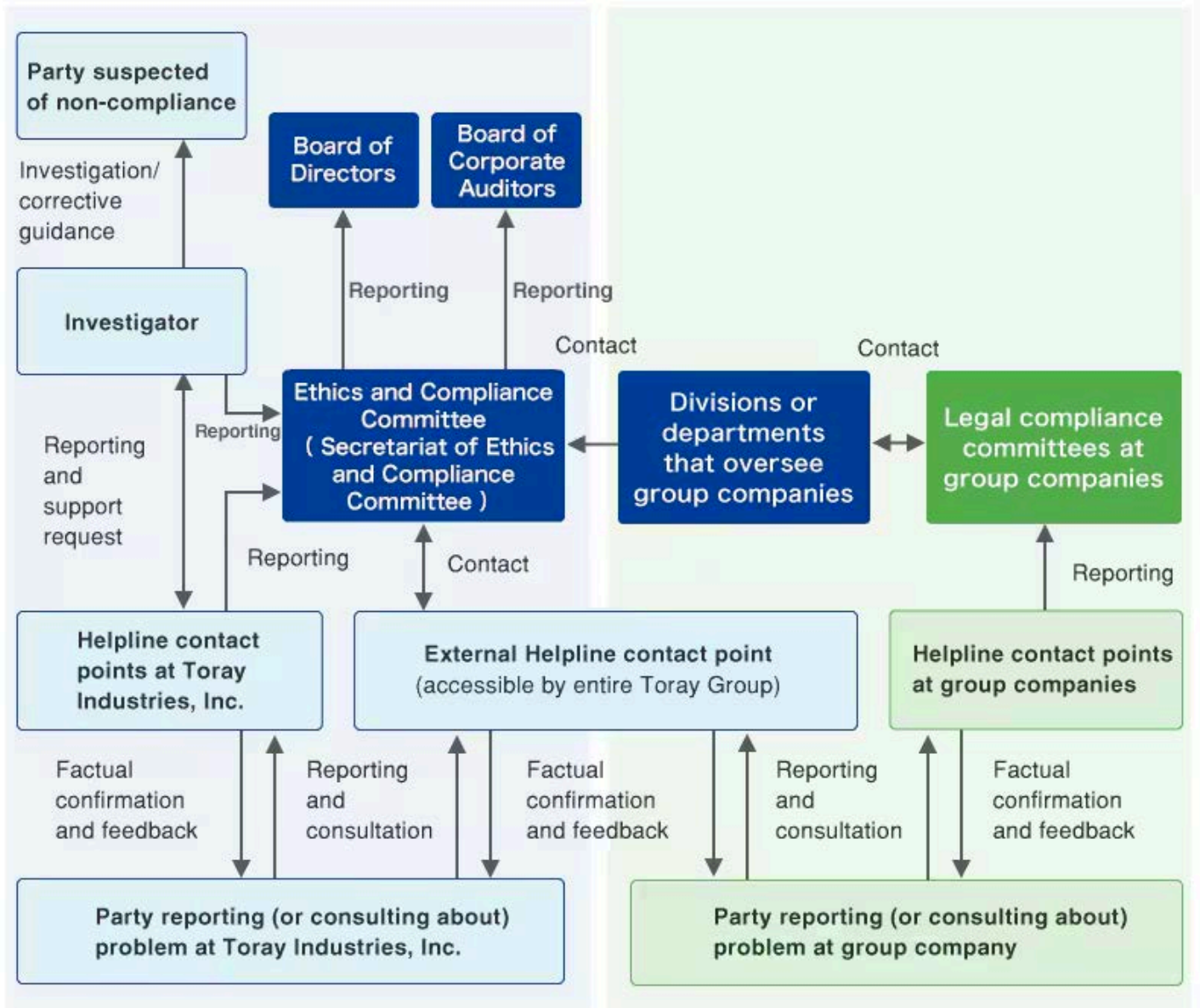


The number of reports (consultations) and the details of the cases are reported to the Board of Directors and the Board of Corporate Auditors by the Ethics and Compliance Committee.

Group companies in and outside Japan that have established a whistle-blowing system

100%

Corporate Ethics and Legal Compliance Helpline System (Toray Industries, Inc. and its Group Companies in Japan)¹



¹ In addition to the above avenues, Toray Industries, Inc. receives reports on and addresses serious misconduct at all group companies in and outside Japan.

Implementing Internal Legal Audits

CSR Roadmap 2025
Main Initiatives (4)

Group companies implementing internal legal audits (%)

■ **Reporting scope**
Toray Group

■ **Target in fiscal 2023**

- Toray Industries, Inc. : 100%
- Group companies in and outside Japan : Implemented focusing on high-risk companies

Result in fiscal 2023

100%

In fiscal 2023, Toray Industries undertook an internal legal and compliance audit of designated divisions of Toray Industries and designated group companies worldwide to ensure compliance with the highly important antitrust laws, anti-bribery regulations, insider trading regulations, and contract signing rules. Although no inappropriate transactions were found under any of the audit items, the Company plans to continue working to ensure thorough awareness of legal compliance through educational activities and the dissemination of information in media such as company magazines.

Click [here](#) for the main initiatives for CSR Guideline 2, “Ethics and Compliance” in CSR Roadmap 2025.

Ensuring Tax Compliance

Toray Group Tax Policy

CSR Roadmap 2025
Main Initiatives (1)

With the release of a policy by the Organisation for Economic Co-operation and Development (OECD) to combat base erosion and profit shifting (BEPS), the complexity of taxation rules worldwide is steadily increasing. Due also to the growing importance of corporate governance related to taxation in Japan, Toray Group recognizes the necessity of highly transparent tax practices and corporate social responsibility. Therefore, the Group has enhanced its tax compliance efforts based on the Toray CSR Guidelines.

To ensure that this initiative can be taken to an even higher level, the Group has once again clarified the basic taxation compliance approach that each employee should take, and established the Toray Group Tax Policy, which was approved by the Board of Directors in April 2020.

Under the responsibility of the general manager of the Finance and Controller's Division¹, Toray Group will continue striving to improve its tax compliance while building its tax governance structure, centered on the Tax Department, to enhance corporate value.

Toray Group operates the Corporate Ethics and Legal Compliance Helpline, a whistleblowing system for group companies in and outside of Japan to report and consult on ethics and compliance issues, including unethical or illegal activities and concerns related to tax matters.

¹ As of July 2024, a senior vice president (member of the board) serves as the general manager of the Finance and Controller's Division.

Toray Group Tax Policy (Established April 2020)

Toray Group will continue to uphold the following tax policy and strive to improve its tax compliance while building its tax governance structure, to enhance corporate value.

Basic Policy

1. Toray Group makes efforts to pay taxes appropriately by complying with the tax laws of each country and international taxation rules.
2. Toray Group makes efforts to enhance corporate value and maximize shareholder value while minimizing tax risks and optimizing tax expenses.
3. Toray Group will not conduct arbitrary tax avoidance using tax havens or other methods.
4. Toray Group establishes good relationships with the tax authorities of each country.

Tax Compliance

Toray Group employees (including executives) recognize that complying with tax laws and rules is the best way to minimize tax risks and enhance corporate value. The Group conducts trainings so that employees can ensure tax compliance.

Tax Governance

Toray Group clarifies and implements tax rules within the Group to manage tax expenses and aim for an appropriate tax burden.

The Group makes efforts to establish good relationships with tax authorities in each country on matters that require cooperation.

Other Initiatives

CSR Roadmap 2025
Main Initiatives (1)

Transfer pricing is becoming more important as global trade increases. Toray Group therefore strives to allocate income appropriately by calculating transfer pricing using the arm's length principle. Moreover, the Group does not carry out tax planning strategies with the intention of inappropriately reducing Group taxes.

Click [here](#) for the main initiatives for CSR Guideline 2, "Ethics and Compliance" in CSR Roadmap 2025.

Improving Security Trade Controls

Watching the Latest Trends and Management Strategies for Security Trade Controls

CSR Roadmap 2025
Main Initiatives (1)

In addition to ongoing concerns about the spread of weapons of mass destruction, changes in the international security balance necessitate further risk management addressing security trade controls. Toray Industries, Inc. convenes a Security Trade Administration Committee comprising officers of divisions that are involved in exports and technology transfer. In fiscal 2023, the committee decided on measures to implement for the fiscal year after considering pressing risks based on recent international circumstances and regulatory trends. The committee members also convene a Divisional Security Trade Administration Committee that communicates corporate measures and implements supplementary programs, such as precautions to be taken by departments and group companies under its supervision.

Practically Addressing Risks

CSR Roadmap 2025
Main Initiatives (1)(7)

Toray Group performs risk management of security trade controls for the export of all products, devices, materials, and samples, as well as the provision of technology to non-residents of Japan (including residents falling under specific categories). Particularly strict management is necessary for TORAYCA™ carbon fiber and its composite materials, semiconductor coating agents, and water treatment membranes, which are listed as restricted items requiring export permission from the Japanese Minister of Economy, Trade and Industry.

The following measures to enhance risk management associated with security trade controls have been implemented based on conditions in and outside of Japan.

(1) Enhanced employees' capacity for accurate judgment within Toray Industries' divisions and group companies

With the implementation of measures to mitigate the risk of COVID-19 infection, Toray Industries utilized web conferencing for highly specialized practical training and e-learning for basic level specialized training. The training programs continue to be improved to provide more effective teaching suitable to these methods. In fiscal 2023 Toray Industries provided the necessary practical knowledge to mid-level employees who play a central role in security trade control. Training was also given to newly appointed managers to promote appropriate management on the front lines. Study sessions and discussion meetings were held to focus on individual departments and companies in order to increase the reliability of transaction information. (A total of 11 courses were held with 364 employees participating in the web conference courses, 141 employees taking part in the e-learning courses, and 438 participating in hybrid meetings.) The Company also conducted a series of advanced courses for employees with specialized expertise to practice classifications. (A total of two courses were held with 334 employees participating in the web conference courses.)

In addition, the Company systematically encourages employees to take the various qualification exams authorized by the Center for Information on Security Trade Control (CISTEC) in Japan. In fiscal 2023, 254 Toray Group employees passed the exam, bringing the cumulative number of Toray Group employees who have passed the exam to 4,850 persons.

(2) Conducted regular audits

Toray Industries carried out paper audits and onsite audits of group companies, and provided individualized guidance based on the results to help group companies make improvements.

(3) Enhanced information sharing and reporting

Toray Industries integrated and centralized information on concerns such as suspicious trade inquiries, reported or consulted with the appropriate authorities as required, and took the appropriate measures. The Company also shared suspicious trade information at various company meetings, and took steps to improve its risk management.

(4) Improved inspection systems

Toray Industries has fully linked its security trade control system with its backbone sales system in order to prevent legal violations due to human error. The system increases the reliability of transaction information by thoroughly reviewing automatic matching results with CISTEC chaser information (i.e. high-risk entities from various watch lists). Support was also provided for the system's implementation across group companies in Japan. (The system has been implemented at Toray Research Center Inc. Implementation is under review at the following companies: Du Pont-Toray Co., Ltd., Toray Celanese Co., Ltd., and Toray Medical Co., Ltd.)

Click [here](#) for the main initiatives for CSR Guideline 2, "Ethics and Compliance" in CSR Roadmap 2025.

Antitrust Compliance and Corruption/Bribery Prevention

1. Compliance with Antitrust Laws

The Toray Group Ethics & Compliance Code of Conduct, revised in June 2022, stipulates the rules that all Toray Group executives and employees must follow regarding antitrust laws. Educational materials on antitrust laws have also been prepared in Japanese and English for all group employees. The Group has an Antitrust Law Compliance Program that is utilized by departments in Japan, along with Antitrust Law Red Cards that can be carried as a guide by employees.

In fiscal 2023, there were no legal actions taken against Toray Group due to anticompetitive activities, antitrust actions, or monopolistic practices.

2. Corruption and Bribery Prevention

In January 2020, the Group issued Anti-Bribery Regulations to clearly prohibit corrupt relationships with public officials and business partners. Approval and reporting rules were also established concerning the provision (or receiving) of money and other items to (from) public officials and business partners. Similar rules have been implemented at group companies worldwide.

The Ethics & Compliance Code of Conduct stipulates the guidelines that all Toray Group executives and employees must follow to avoid involvement in corruption and bribery. Guidelines and educational materials on related corruption and bribery prevention have also been prepared in Japanese and English for all Group employees and shared throughout the Group. In fiscal 2023, there were no legal actions taken against Toray Group due to corruption and bribery prevention.

In October 2023, Toray Industries, Inc. conducted e-learning on the Ethics & Compliance Code of Conduct, which includes topics such as compliance with antitrust laws and the prevention of corruption and bribery. This training was provided to all executives and employees, including contracted, part-time and dispatched workers, with 7,139 people taking the training.

Click [here](#) for the main initiatives for CSR Guideline 2, "Ethics and Compliance" in CSR Roadmap 2025.

Protection of Personal Information

In order to comply with Japan's Act on the Protection of Personal Information, Toray Industries, Inc. has established Regulations for the Management of Personal Information, together with a management framework and practices to ensure each department manages personal information appropriately. Audits are regularly conducted into the management conditions in each department.

In fiscal 2023, the Company received no complaints concerning personal information and there were no data breaches.

Major Toray Group companies in and outside Japan also appropriately manage personal information in accordance with the management systems and methods set forth in the rules and regulations of each company.

Click [here](#) for the main initiatives for CSR Guideline 2, "Ethics and Compliance" in CSR Roadmap 2025.

Ethics and Compliance for Research Involving Human Biological Subjects and Information

Toray Industries Inc. aims to expand its business by helping to realize “a world where everyone enjoys good health and hygiene.” In addition to developing new products in the pharmaceutical and medical fields, the Company is working on creating high-value-added materials for the broader healthcare market, including functional fibers designed to appeal to human sensibilities. During its research and development processes, when conducting studies using human subjects or samples/information obtained from people (“research/testing involving humans”; hereafter, “human studies”), Toray personnel comply with the Company’s ethical standards¹, which are based on national ethics guidelines².

The most important consideration for human studies is to protect the dignity and human rights of the research participants (providers of human samples or information). Therefore, individuals engaged in human studies (hereafter, “researchers”) are required to undergo prior training before starting their involvement, receive regular refresher training at least once a year, and submit research plans in advance for review and approval by internal and external experts.

The Company has established an Ethics Committee on Research Involving Human Biological Subjects³ (the “Ethics Committee”) and an Ethics Review Committee on Research Involving Human Biological Subjects⁴ (the “Ethics Review Committee”) to deliberate on the ethical and scientific validity of proposed human studies.

Research plans submitted by researchers to the Ethics Committee are rigorously reviewed by the Ethics Review Committee from the perspectives of ethical validity, scientific rationality, and the appropriateness of personal information management. The conclusions are then reported to the Ethics Committee. Based on this report, the Ethics Committee makes a comprehensive determination on whether to approve a proposed human study, taking into account factors such as institutional suitability.

Ethical Review System for Human Studies



The operation and review activities of the Ethics Review Committee are conducted in accordance with the Operational Procedures for the Ethics Review Committee on Research Involving Human Biological Subjects (hereafter, the “Procedures”) created based on the Company’s ethical standards. In addition to reviewing proposed studies, the Ethics Review Committee also conducts researcher training, and fiscal year-end reviews of all current studies. It plays a key role in managing and ensuring the proper operation of the entire process for human studies. The Ethics Review Committee members, the Procedures, and the committee minutes are released on the Company’s website and submitted to the Research Ethics Review Committee Reporting System operated by Japan’s Ministry of Health, Labour and Welfare.

- 1 The Company’s ethical standards: Toray Ethic Code for Research Involving Human Biological Subjects (established March 10, 2011; revised August 1, 2023; 6th Edition)
- 2 National ethics guidelines: “Ethical Guidelines for Medical and Biological Research Involving Human Subjects” (March 21, 2021; Ministry of Education, Culture, Sports, Science and Technology / Ministry of Health, Labour and Welfare / Ministry of Economy, Trade and Industry Notification No. 1)
- 3 Ethics Committee on Research Involving Human Biological Subjects: This body, chaired by the head of Toray’s Research & Development Division, manages and oversees the Ethics Review Committee. As of July 2024, the corporate vice president serves as the head of the R&D Division.
- 4 Ethics Review Committee on Research Involving Human Biological Subjects: Taking a scientific and ethical standpoint, this body deliberates on whether proposed human studies should proceed based on Toray’s ethical standards. Its conclusions are reported back to the Ethics Committee. The Ethics Review Committee consists of i) internal experts in natural sciences, ii) internal experts in humanities and social sciences, and iii) members of the public. The committee chair is an internal expert appointed by the Ethics Committee chair, and as of July 2024, the position is held by the director.

- [Member of Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 86KB\)](#) [PDF](#)
- [Minutes of 1st Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 87KB\)](#) [PDF](#)
- [Minutes of 2nd Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 83KB\)](#) [PDF](#)
- [Minutes of 3rd Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 85KB\)](#) [PDF](#)
- [Minutes of 4th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 85KB\)](#) [PDF](#)
- [Minutes of 5th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 88KB\)](#) [PDF](#)
- [Minutes of 6th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 85KB\)](#) [PDF](#)
- [Minutes of 7th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 85KB\)](#) [PDF](#)
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- [Minutes of 11th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 86KB\)](#) [PDF](#)
- [Minutes of 12th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 83KB\)](#) [PDF](#)
- [Minutes of 13th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 112KB\)](#) [PDF](#)
- [Minutes of 14th Ethics Review Committee on Research Involving Human Biological Subjects \(PDF : 112KB\)](#) [PDF](#)

Click [here](#) for the main initiatives for CSR Guideline 2, “Ethics and Compliance” in CSR Roadmap 2025.

CSR Activity Report (CSR Guideline Activity Reports) - Ethics and Compliance

Disclosure of Information Regarding the Ethical Treatment of Laboratory Animals

CSR Roadmap 2025
Main Initiatives (1)/(7)

Toray Industries, Inc. aims to contribute to society and personal health enhancement through the creation of new pharmaceuticals and medical devices. The Company believes that animal testing is necessary and required for verifying the safety and efficacy of these products. However, these tests must be carried out with respect for animal life, considering the 3R principles for animal testing; Replacement (use of alternatives to animals), Reduction (reducing the number of animals used), and Refinement (minimization of pain).

With these 3R principles as the core philosophy, Toray Industries has established company's rules to ensure that its animal testing is conducted ethically. The rules comply with the Act on Welfare and Management of Animals, the Standards Relating to the Care and Keeping and Reducing Pain of Laboratory Animals, the Guidelines for Proper Conduct of Animal Experiments, and other relevant guidelines. The Company is committed to the proper care and scientific use of laboratory animals.

Under the leadership of the head of the testing facility, the Company has set up an Animal Care and Use Committee. This committee carries out ethical and scientific review of the adequacy of all Company animal testing plans, focusing on the minimization of pain (Refinement), use of alternatives to animals (Replacement), and reducing the number of animals used (Reduction). Through these efforts, the Company strives to conduct appropriate animal testing based on the 3R principles. Specifically, as alternatives to animal testing, Toray has proactively adopted *in silico* evaluation¹ using computers and *in vitro* evaluation² using cultured cells. For pharmacokinetic evaluation, the Company has been able to reduce the number of animals used by adopting a simultaneous analysis method for multiple compounds administered in mixed doses. Humane endpoints (criteria for suspending and discontinuing experiments to avoid causing undue suffering) are also set for all planned experiments.

The committee provides all staff involved in animal testing with training on the handling of laboratory animals and biannual ethics education, making completion of these educational programs mandatory for those involved in such activities. The committee also works to raise awareness of animal testing and laboratory ethics.

In addition, the Animal Care and Use Committee carries out annual self-monitoring and evaluation of the regulations and systems in place, the committee actions, facility maintenance, and animal testing to verify that each test is conducted appropriately.

Toray Industries' Basic Research Center has continually received certification from the Assessment and Accreditation Center for Laboratory Animal Care and Use, Japan Pharmaceutical Information Center³ since 2012. Finally, as a symbolic act to express gratitude and respect toward the animals used in its tests, the Company holds a memorial service every year to honor these laboratory animals.

¹ *in silico* evaluation: An evaluation method that uses computers to predict the physiological activity, pharmacokinetics, toxicity, and other characteristics of a compound from existing data.

² *in vitro* evaluation: An evaluation method that detects the physiological activity, pharmacokinetics, toxicity, and other characteristics of a compound using human or animal cells and tissues in test tubes or culture dishes.

³ For a list of facilities certified by the Japan Pharmaceutical Information Center, click [here](#).