

Progress on CSR Roadmap 2022 KPIs in Fiscal 2020

CSR Guidelines	CSR Roadmap goals	Key performance indicators	Reporting Scope ¹	Targets			Results		Implementation leader ³
				Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Degree of success ²	
1 Corporate Governance Continually revise management systems, strengthen internal controls as part of efforts to fulfill the company's social responsibilities.	(1) Further improve governance by ensuring that Board of Directors operates in a manner that contributes to the enhancement of corporate value over the medium to long term. (2) Perform monitoring based on the Basic Policy for Internal Control Systems, in accordance with Japan's Companies Act.	① Toray Group Business Strategy Discussion sessions held at Board of Directors meetings (number)	① Toray Group	① 8 times	① 8 times	① 8 times	① 8 times	① ○	Yukichi Deguchi Executive Vice President (Representative Member of the Board), Corporate Strategic Planning Division, Quality Assurance Division, Legal & Compliance Division (Security Trade Administration Dept.), HS Business Development Dept., Toray Industries, Inc.
		② Board of Directors' positive assessment of the implementation of the Basic Policy for Internal Control Systems (%)	② Toray Group	② 90%	② 90%	② 90%	② 94%	② ○	
2 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	(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 Related Materiality for CSR ● Corporate ethics and legal compliance	① Number of major violations of laws or ordinances	① Toray Group	① 0	① 0	① 0	① 1	① ×	Yoshio Yamamoto Vice President, Legal & Compliance Division, Toray Industries, Inc.
		② Implementing internal legal audits of group companies, group companies improving problems found in internal legal audits in the previous year (%)	② Toray Group	② Audits: Conduct at Toray Industries, Inc. and its group companies in and outside Japan Percent that improved: 100% for all audits by the following fiscal year			② 100% (including companies under improvement)	② ○	
		③ Group companies providing information and implementing education on major laws and regulations and other compliance-related matters (%)	③ Toray Group	③ 100%	③ 100%	③ 100%	③ 100%	③ ○	

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<p>3 Safety, Accident Prevention, and Environmental Preservation</p> <p>Ensure the safety and health of society and employees, and protect the environment in all business processes, from procuring raw materials and manufacturing to the supply and disposal of products</p>	<p>(1) Place the highest priority on safety, thoroughly uphold the basic rules, and strive to prevent disasters and accidents</p> <p>(2) Reduce environmental impact by working to fulfill the Medium-Term Environmental Plan</p> <p>(3) Pursue environmental and biodiversity preservation on the basis of policies on water resources and biodiversity</p> <p>Related Materiality for CSR</p> <ul style="list-style-type: none"> ● Ensuring safety and disaster preparedness ● Reducing greenhouse gas emissions ● Initiatives for managing water resources ● Addressing substances with negative environmental impact ● Addressing resource and energy issues ● Conserving biodiversity 	① Number of major accidents	① Toray Group	① 0	① 0	① 0	① 1	① ×	<p>Kazuyuki Adachi Senior Vice President (Member of the Board), Purchasing & Logistics Division, Manufacturing Division, Toray Industries, Inc.</p>
		② Achieve world's best standard for safety management (not exceeding 0.05 frequency rate for occupational accidents resulting in lost work time)	② Toray Group	② No more than 0.05	② No more than 0.05	② No more than 0.05	② 0.39	② ×	
		③ Number of fire and explosion accidents	③ Toray Group	③ 0	③ 0	③ 0	③ 1 ⁴	③ ×	
		④ Number of environmental accidents	④ Toray Group	④ 0	④ 0	④ 0	④ 4 ⁵	④ ×	
		⑤ Reduction of greenhouse gas emissions per unit of revenue (%)	⑤ Toray Group	⑤ At least 20% lower than fiscal 2013 (Fiscal 2022)			⑤ 13.7%	⑤ N.A.	
		⑥ Water usage per unit of revenue (%)	⑥ Toray Group	⑥ At least 25% lower than fiscal 2013 (Fiscal 2022)			⑥ 18%	⑥ N.A.	
		⑦ Reduction of atmospheric VOC emissions (%)	⑦ Toray Group	⑦ At least 70% lower than fiscal 2000	⑦ At least 70% lower than fiscal 2000	⑦ At least 70% lower than fiscal 2000	⑦ 74%	⑦ ○	
		⑧ Waste recycling rate (%)	⑧ Toray Group	⑧ At least 86%	⑧ At least 86%	⑧ At least 86%	⑧ 86.2%	⑧ ○	
		⑨ Conduct a survey of palm oil contained in raw materials (%)	⑨ Toray Industries, Inc.	⑨ Usage survey of certified products : 100%	⑨ Decision making (Yes/No) of shifting to certified raw materials : 100% (Fiscal 2022)		⑨ 93%	⑨ △	
<p>4 Product Quality and Safety</p> <p>Provide safe, highly reliable products by striving to enhance management systems for product quality assurance and safety, and disclose appropriate information.</p>	<p>(1) Achieve zero product accidents</p> <p>(2) Enhance the group-wide framework for product safety and quality assurance</p> <p>Related Materiality for CSR</p> <ul style="list-style-type: none"> ● Ensuring product quality and safety 	① Number of product accidents	① Toray Group	① 0	① 0	① 0	① 1 ⁶	① ×	<p>Yukichi Deguchi Executive Vice President (Representative Member of the Board), Corporate Strategic Planning Division, Quality Assurance Division, Legal & Compliance Division (Security Trade Administration Dept.), HS Business Development Dept., Toray Industries, Inc.</p>
		② Group companies implementing product quality assurance and safety education (%)	② Toray Group	② 100%	② 100%	② 100%	② 100%	② ○	

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5 Risk Management Under normal conditions, assess and analyze risks, and strive to mitigate and prevent them from materializing; and in the event of a crisis that could have a significant impact on management activities, strive to prevent damage from increasing, by bringing the situation quickly under control and normalizing conditions with a prompt and appropriate response	(1) Strengthen corporate risk management throughout the Toray Group and mitigate risks (2) Instill greater risk management among employees by rolling out risk management education throughout the Toray Group	① Group companies conducting follow-up on the Toray Group's priority risks (%)	① Toray Group	① 100%	① 100%	① 100%	① 100%	① ○	Yukichi Deguchi Executive Vice President (Representative Member of the Board), Corporate Strategic Planning Division, Quality Assurance Division, Legal & Compliance Division (Security Trade Administration Dept.), HS Business Development Dept., Toray Industries, Inc.
		② Group companies implementing risk management education (% achieved compared to the plan at the beginning of the fiscal year)	② Toray Group	② 100%	② 100%	② 100%	② 80%	② △	
6 Communication Disclose corporate information in an active, fair and straightforward manner to maintain management transparency; and disclose information appropriately to encourage dialogue and cooperation with stakeholders including customers, employees, stockholders, business partners, consumers, mass media, and other parties	(1) Reflect results of dialogue and collaboration with each stakeholder group in management activities in a timely and appropriate manner (2) Reflect information obtained through dialogue and collaboration with each stakeholder group in management decisions in a timely and appropriate manner	① Number of corporate website page views (per month)	① Toray Industries, Inc.	① 1 million page views	① 1 million page views	① 1 million page views	① 1.11 million page views	① ○	Hideki Hirabayashi Corporate Vice President, CSR & Investor Relations, Legal & Compliance Division, General Administration & Communications Division, Tokyo Head Office, Toray Industries, Inc.
		② Interviews conducted to exchange opinions within the company (rate of progress)	② Toray Group	② 40%	② 60%	② 80%	② 25%	② △	
		③ Interviews with key investors in which management participates (number)	③ Toray Group	③ Cumulative total of 80	③ Cumulative total of 80	③ Cumulative total of 80	③ Cumulative total of 98	③ ○	
		④ News releases (number)	④ Toray Group	④ 200	④ 200	④ 200	④ 152	④ △	
7 Contributing Solutions to Social Issues through Business Activities Leverage innovation to address global-scale environmental issues such as climate change and provide solutions for various social issues such as the need to improve the quality of medical care, the need to reduce the burden on medical staff, health maintenance and longevity, and personal safety, thereby helping to build a more sustainable world.	(1) Help address social issues by developing innovative materials and new technologies, focusing on the fields of Green Innovation and Life Innovation Related Materiality for CSR <ul style="list-style-type: none"> ● Contributing to the solution of environmental issues through business activities ● Contributing to health maintenance and longevity through business activities ● Initiatives for managing water resources 	① Revenue of Green Innovation products (IFRS)	① Toray Group	① 1,000 billion yen (Fiscal 2022)			① 711.8 billion yen	① N.A.	Koichi Abe Executive Vice President (Representative Member of the Board), Intellectual Property Division, Global Environment Business Strategic Planning Dept., Life Innovation Business Strategic Planning Dept., Technology Center, Toray Human Resources Development Center, Toray Industries, Inc.
		② Revenue of Life Innovation products (IFRS)	② Toray Group	② 300 billion yen (Fiscal 2022)			② 275.6 billion yen	② N.A.	
		③ Contribution to CO ₂ reduction in value chain	③ Toray Group	③ 5.3 times compared to fiscal 2013 (Fiscal 2022)			③ 6.4 times	③ N.A.	
		④ Contribution of Toray water treatment products	④ Toray Group	④ 2.4 times compared to fiscal 2013 (Fiscal 2022)			④ 2.0 times	④ N.A.	

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<p>8 Human Rights Promotion and Human Resources Development</p> <p>Respect human rights, provide safe and healthy workplaces for employees, secure and train personnel, and diversify while striving to protect employment.</p>	<p>(1) Respect for human rights and fair promotion based on ability throughout the Toray Group by eliminating discrimination based on race, gender, education, nationality, religion, and physical attributes</p> <p>(2) Ensure work environments take into consideration employees' health and build a vibrant and rewarding workplace culture group-wide, working systematically to secure and train personnel</p> <p>Related Materiality for CSR</p> <ul style="list-style-type: none"> ● Respecting human rights ● Creating a positive workplace ● Securing and developing human resources 	<p>① Group companies implementing human rights education and training (%)</p>	① Toray Group	① 100%	① 100%	① 100%	① 100%	① ○	<p>Shigeki Taniguchi Senior Vice President, Human Resources Division , Toray Industries, Inc.</p>
		<p>② Group companies that have achieved legally mandated employment rate of persons with disabilities (%)</p>	② Toray Group (Japan)	② 100%	② 100%	② 100%	② 62.5%	② △	
		<p>③ Career development of core staff using the new personnel information system (% of staff using a career path worksheet)</p>	③ Toray Industries, Inc.	③ 20%	③ 30%	③ 100%	③ 23%	③ ○	
		<p>④ Employees returning to work from childcare leave (%)</p>	④ Employees of Toray Industries, Inc.	④ 100%	④ 100%	④ 100%	④ 97.6%	④ △	
		<p>⑤ Reduction in employees who exceed 45 hours/month of non-statutory working hours (%)</p>	⑤ Toray Industries, Inc.	⑤ Year-on-year reduction	⑤ Year-on-year reduction	⑤ Year-on-year reduction	⑤ 67.7%	⑤ ○	
		<p>⑥ Available annual paid leave used by labor union members (%)</p>	⑥ Toray Industries, Inc.	⑥ About 90%	⑥ About 90%	⑥ About 90%	⑥ 83.4%	⑥ △	
<p>9 Facilitating CSR Initiatives Throughout the Supply Chain</p> <p>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.</p>	<p>(1) 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</p> <p>Related Materiality for CSR</p> <ul style="list-style-type: none"> ● Managing social and environmental impact of suppliers 	<p>① Group companies requesting their suppliers to practice CSR (%)</p>	① Toray Group	① At least 80%	① At least 90%	① At least 95%	① 85%	① ○	<p>Osamu Tsuneki Vice President, Purchasing & Logistics Division, Raw Materials Purchasing Dept., Toray Industries, Inc.</p>
		<p>② Suppliers confirming the status of CSR initiatives as requested by Toray Group (%)</p>	② Toray Group	② At least 70%	② At least 70%	② At least 70%	② 86%	② ○	
		<p>③ Reduction in CO₂ emissions per unit of sales from distribution activities (year-on-year)</p>	③ Toray Group (Only specified consigners)	③ 1%	③ 1%	③ 1%	③ -9.9%	③ ×	
		<p>④ Modal shift to sea or rail for transport across distances for 500 km or more (%)</p>	④ Toray Industries, Inc.	④ 40% (Fiscal 2022 target)			④ 32%	④ N.A.	

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<p>10 Social Contribution Activities as a Good Corporate Citizen</p> <p>Proactively participate in local communities and the larger society in order to contribute to development in a way betting a good corporate citizen.</p>	<p>(1) As a member of society, implement social contribution activities that help to solve the global issues addressed by the SDGs and other initiatives</p> <p>(2) Voluntarily and continuously engage in the priority areas of “science and technology promotion,” “environment and communities,” and “health and welfare”</p>	<p>① Social contribution expenditure (% change from average expenditure over last six years)</p>	① Toray Group	① 100% or higher	① 100% or higher	① 100% or higher	① 94%	① △	<p>Hideki Hirabayashi Corporate Vice President, CSR & Investor Relations, Legal & Compliance Division, General Administration & Communications Division, Tokyo Head Office, Toray Industries, Inc.</p>
		<p>② Social contribution activities (number)</p>	② Toray Group	② 2,500 or more	② 2,500 or more	② 2,500 or more	② 1,625	② △	
		<p>③ Beneficiaries of educational support activities such as science classes for schools and career education (number)</p>	③ Toray Group	③ 15,000 or more	③ 15,000 or more	③ 15,000 or more	③ 7,017	③ ×	

1 “Toray Group” refers to Toray Industries, Inc. and Toray Group companies in and outside Japan. “Toray Group (Japan)” refers to Toray Group companies in Japan. “Toray Group (Outside Japan)” refers to Toray Group companies outside Japan.

2 The degree of success is defined as follows : ○ means the target was fully met; △ means the target was 50% met or better; and × means the target was less than 50% met. "N.A." means no targets were specified for the fiscal year under review.

3 Names and job titles of implementation leaders are current as of March 31 2021.

4 This is the same accident as the one major accident listed above. For further detail, see the "Occupational Safety and Accident Prevention Activities" page of the "Safety, Accident Prevention and Environmental Preservation" section of the report.

5 Each of these environmental accidents were extremely minor. For further detail, see the "Environmental Risk Management" page of the "Safety, Accident Prevention and Environmental Preservation" section of the report.

6 No health hazard has been reported in association with this accident. For further detail, see the "Initiatives for Quality Assurance and Product Safety" page of the "Product Quality and Safety" section of this report.