

# Human Resources Management



## Committed to Human Rights

We at Toray Group believe respect for human rights is a mandatory management principle for ensuring the continuity of corporate activities and building positive relationships with all of the Group's stakeholders. Based on this principle, in December 2017 we formulated Toray Group Policy for Human Rights. The Group also works to promote and raise awareness of human rights, for instance, by declaring its commitment to the respect of human rights in its Corporate Ethics and Legal Compliance Code of Conduct. In the Code, discrimination of any kind based on race, creed, skin color, gender, religion, nationality, language, physical characteristics, socioeconomic status, place of birth, or any other personal characteristics, is strictly forbidden in every process from recruiting and hiring to work placement, treatment, training, and retirement.

Since fiscal 2014, the Group has also been tackling the issue of discrimination based on gender identification and sexual orientation. In January 2017, the Group established a dedicated hotline for LGBT (sexual minority) issues, Nijiirō Consultation Service.

### Toray Group Policy for Human Rights

We at Toray Group believe that respect for human rights is a mandatory principle for corporate management. Therefore, we respect international standards such as the United Nations Universal Declaration of Human Rights and the International Labor Organization's standards in compliance with the laws and regulations of countries and regions where we operate, and will endeavor to fulfill our duty of respect for human rights as a good corporate citizen.

1. We will respect human rights, character, and individuality of employees and eliminate harassment and discrimination in workplaces. Furthermore, we will prohibit child labor, forced labor and unfair low-wage labor.
2. We will strive to promote respect for human rights throughout the entire supply chain related to our business activities. In addition, we will not be complicit in infringing on the human rights.
3. We will endeavor to understand adverse human rights impacts associated with our business activities and to avoid or reduce such influences.
4. If it becomes evident that we have caused or contributed to adverse human rights impacts, we will promptly take appropriate actions.
5. We will promote educational activities about issues of human rights for every employee and foster a proper understanding of issues among them.

## Identifying, Assessing, and Preventing Human Rights Risk

Toray Group conducts surveys related to awareness, education, and other human rights promotion activities once per year at all offices and plants, major Group companies in Japan, and overseas subsidiaries and affiliated companies. The Group verifies the results of these through the Human Rights Promotion Committee in Japan and the Global Human Rights Promotion Committee. From among the results, the Group identifies human rights related issues and problematic points, as well as points of concern, and investigates and implements initiatives in accordance with the human rights promotion framework. Moreover, the Group has designed systems (Corporate Ethics and Legal Compliance Helpline in Japan and whistle-blowing contact offices at each overseas company) that enable Group employees to report and consult on human rights issues as part of its efforts to take prompt, appropriate action when a problem occurs and to help reduce human rights risk.

## Securing and Developing Human Resources to Create New Value

### Training Expenditures per Employee

90,261 yen

The success or failure of a company is decided by its people—employees shape its destiny. Guided by this concept, Toray Group, both in and outside of Japan, regards human resources as the most important management resources and considers securing and developing outstanding human resources capable of performing on a global stage as a fundamental management priority. Based on the following four goals, Toray Group is promoting human resource development.

- Development of fair-minded individuals who act with high ethical standards and a sense of responsibility
- Training of professionals with advanced expertise, technical skills and originality in problem solving
- Development of leaders who act with foresight and a sense of balance
- Development of individuals, professionals, and leaders who can play an active role in global business

### Systematic and Effective Training

Toray develops well-designed training programs and systematically executes diverse training programs to enhance management, sales and marketing, production technology, and specialized skills, and to better equip employees to address globalization. These programs cover all levels of employees

and fields, aiming to develop future management candidates while expanding and educating the base of core staff ready to employ their strong capabilities to lead on the front lines.

Over the recent years, Toray has concentrated on enhancing and expanding its development of global human resources through Overseas Training for Young Employees, the Toray Global English School, and Business English Intensive Training, as well as through joint sessions of the Toray Management School and Toray Group Senior Management Seminar. Toray also implements the Global Diversity Seminar for non-Japanese employees working at Toray.

### Development of Future Management Candidates

Toray Group implements training in order to systematically develop future management candidates. Numerous employees who have undergone the training are already active in management positions.

Since fiscal 2014, Toray Group has been working on a succession plan and personnel development plan based on a medium- and long-term perspective and drawing up a medium-term human resources plan and practicing systematic personnel assignment to ensure that core staff can tackle important business issues. The Group implements human resources strategies designed to support business strategies by verifying the availability of successor candidates for core positions and developing individualized development plans for future management candidates, including for national staff at group companies outside Japan.

### Promoting Diversity

Toray Group is committed to securing outstanding human resources who have a high sense of ambition and who can play an active role in global business, regardless of gender, nationality, or career history at the time of hiring, as part of our efforts to build thriving workplaces in which a diverse range of individuals can fully demonstrate their potential.

### Fostering an Organizational Culture Conducive to the Career Advancement of Women

#### Women in Management Positions

4.9%



Toray has long advanced the creation of workplace environments in which women will feel comfortable in performing their duties. The number of female employees in upper-level positions has increased steadily, and as of April 2019, women held 9.3% of unit manager or higher positions, and 4.9% of section manager or higher positions. In fiscal 2016, based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, enacted in that same year, Toray developed an action plan to increase the percentage of female employees promoted to managerial positions by focusing on making and steadily implementing individualized career plans and raising awareness of career development. Under this action plan, Toray has set as its immediate target to ensure an average promotion rate for women that is at least 80% that of men\* for the five-year period from fiscal 2016 to

### Management Training for Developing Future Management Candidates

Program	Participants	Purpose	Year started	Total participants through FY 2018
Management Training for General Managers	Division and department managers of Toray, Board members/officers of Group companies in and outside Japan	Develop management leaders at Toray and Group companies	2013	147
Toray Management School	Section managers of Toray	Develop future management candidates at Toray and Group companies	1991	540
Toray Group Management School	Department managers of Group companies in Japan	Develop management candidates focusing on Group companies in Japan	2006	263
Toray Group Executive Seminar	Board members/officers of Group companies outside Japan	Develop core staff at Group companies outside Japan	2004	98
Toray Group Senior Management Seminar	Senior Manager of Group companies outside Japan	Develop management candidates focusing on Group companies outside Japan	1996	301

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fiscal 2020. This figure is the Japanese Ministry of Health, Labour and Welfare's yardstick for determining whether or not excessive discrepancy exists based on gender.

\* Promotion rate of women to managerial positions compared to that of men  
= Percentage of female employees promoted to managerial positions / Percentage of male employees promoted to managerial positions  
Percentage promoted to managerial positions = Individuals promoted to managerial positions / No. of employees who were initially hired into the G Course who are eligible for promotion to managerial position that year

## Promoting Communication Among Women in the Workplace

In 2014, women serving as general managers at the Toray Group developed and initiated a career advancement seminar for women serving as managers and occupational specialists, and it has now been held four times. Since fiscal 2016, the seminar participants have organized discussion meetings for women annually at all of Toray's offices and plants in Japan. Open to all women at Toray, the meetings offer an opportunity for women in all workplaces of various ages and at various stages of life to talk honestly about balancing work and home life, sharing and educating each other about the challenges and issues they face.

## Employment of Persons with Disabilities

**Percentage of Companies Achieving Legally Mandated Employment Rate of Persons with Disabilities**

**50.0%**



Toray Group hires and employs persons with disabilities, from those with physical challenges to persons with intellectual and mental challenges. The Group is making workplace improvements to remove physical barriers for persons with handicaps as well as instituting safety measures. Additionally, the Group provides comprehensive training upon work placement and gathers feedback from persons with disabilities to make workplace improvements. Further, Toray meets Japan's legal minimum of 2.2% persons with disabilities, as do 50.0% of Toray Group companies in Japan. Group companies actively seek to hire persons with disabilities through public organizations and job placement agencies. However, some individual Group companies do not meet the mandated legal requirement due to hiring difficulties. Toray will continue to focus on this issue moving forward.

## Re-employment System

In order to support the participation of those over 60 years of age, in fiscal 2001 Toray introduced a re-employment system open to all of its unionized employees who wish to continue working. The Company expanded the system in 2005 to include employees in management and specialized fields, and has continued to apply this system ever since.

## Creating a Positive Workplace for Employees

### Helping Employees Maintain Work-life Balance

**Percentage of Available Annual Paid Leave Used by Employees**

**89.7%**



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

As part of its commitment to workplace innovation to balance work and family life, Toray strives to create a comfortable environment throughout its work sites. Since fiscal 2008, (1) regular discussions are held in each workplace to raise awareness of different working styles; (2) working late at night or on holidays is in principle prohibited; (3) all lights are turned off at a certain time at night; and (4) Company-wide "no overtime days" take place one day each month. Toray has also been working on ongoing initiatives to cut overtime hours and to encourage employees to take annual paid leave (Employees used 89.7% of available annual paid leave in fiscal 2018).

## Employee Health

Toray views employee health management as a management priority, and thus undertakes related initiatives in a strategic manner. Toray works with the employee health insurance association and actively encourages the health of its employees, including through the sharing of health related information over the intranet at all offices and plants and by holding participatory events that utilize health related information websites. Toray is also addressing mental health, and since fiscal 2011 the Company has been independently implementing employee stress check-ups through an external provider. Toray uses the results of these check-ups in helping employees to recognize their own stress levels, supporting approaches to dealing with stress, and improving the workplace environment. In recognition of these efforts, in February 2019 Toray was certified as a Health and Productivity Management Organization (White 500) as it was in 2018.

Please refer to Toray Group CSR information on our website: [Toray website](#)> Social Responsibility