

CSR Roadmap 2022 (FY 2020 - FY 2022)

The CSR Roadmap 2022 is directly linked to TORAY VISION 2030 and Project AP-G 2022. These management strategies are designed to ensure the Group lives up to its corporate philosophy, which includes the principles and values it has upheld since the beginning, and which is also its reason for being and purpose. The new roadmap also aims to achieve sustainable development for the Group and society as a whole, as well as the Toray Group Sustainability Vision, ensuring that Toray Group remains a highly valuable corporate group that is respected by society.

The relationship between CSR, the Toray Group Sustainability Vision, the Toray Philosophy, and our management strategies is illustrated by the following diagram.



Figure 1. The relationship between CSR, the Toray Group Sustainability Vision, the Toray Philosophy, and our management strategies

By setting specific goals for each theme of our CSR Guidelines, listing as “main initiatives” what needs to be done to achieve the goals, and setting KPIs from the following three perspectives, the CSR Roadmap 2022 aims for measurable achievements.

Three Perspectives for CSR Roadmap 2022

Achieving the Toray Group Sustainability Vision

- (1) Achieve the Toray Group Sustainability Vision, with a direct link to the TORAY VISION 2030 and Project AP-G 2022, thereby contributing to the sustainable development of Toray Group and society as a whole

Remaining a highly valuable corporate group

- (2) Taking into account the expectations of the international community, address issues such as safety, ethics and compliance, human rights promotion and human resources development, and social contribution, in order to remain a corporate group that is highly valuable to all stakeholders

Enhancing the Toray Group’s CSR activities

- (3) Encourage each employee of Toray Group to embrace the Toray Philosophy and foster greater awareness of CSR, further deepening initiatives across Toray Group to create the ideal situation

By systematically implementing the CSR Roadmap 2022, build a foundation for the sustainable development of Toray Group and society as a whole based on the CSR perspective.

1 Corporate Governance

【Implementation leader】
General Manager of Corporate Strategic Planning
Division
(Department responsible for implementation:
Corporate Strategic Planning Division)

Continually revise management systems, strengthen internal controls as part of efforts to fulfill the company's social responsibilities.

CSR Roadmap goals

- (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.

Main initiatives

	KPI
(1) Regularly hold Toray Group Business Strategy Discussion sessions at Board of Directors meetings	1-①
(2) Consider the appropriate form of Toray head office involvement in the execution of business at each group company from the viewpoint of balancing the effectiveness of group-wide governance with the dynamic decision-making of subsidiaries	—
(3) Expand the opportunities for training, etc., needed for directors and corporate auditors to acquire the knowledge necessary for their responsibilities (excluding execution) and to fulfill their roles appropriately	—
(4) Operate an effective internal control system	1-②

2 Ethics and Compliance

【Implementation leader】
 General Manager of
 Legal & Compliance Division
 (Department responsible for
 implementation: Compliance Department)

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

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

	KPI
(1) Aim for no major cases of non-compliance with or violations of laws and regulations	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 [Related Main initiative] 8-(3)	—
(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

Related Materiality for CSR

- Corporate ethics and legal compliance

3 Safety, Accident Prevention, and Environmental Preservation

【Implementation leader】

General Manager of Manufacturing Division
 (Dept. responsible for implementation:
 Environment & Safety Dept.) : Main initiatives (1)-(5),
 (8)-(13)、 General Manager of Engineering
 Division (Dept. responsible for implementation:
 Second Engineering Dept.) : Main initiatives(6)(7)

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

CSR Roadmap goals

- (1) Place the highest priority on safety, thoroughly uphold the basic rules, and strive to prevent disasters and accidents
- (2) Reduce environmental impact by working to fulfill the Medium-Term Environmental Plan
- (3) Pursue environmental and biodiversity preservation on the basis of policies on water resources and biodiversity

Main initiatives

Safety	KPI
(1) Aim for zero major accidents	3-①
(2) Achieve world's best standard for safety management	3-②
(3) Create a comfortable working environment to ensure the safety and health of employees and to raise the level of safety and health	—
Accident Prevention	
(4) Aim for zero fire and explosion accidents	3-③
Environmental Prevention	
(5) Aim for zero environmental accidents	3-④
(6) Reduce greenhouse gas emissions per unit of revenue [Related initiatives] 7-(3)(5)(6), 9-(3)(4)	3-⑤
(7) Reduce water consumption per unit of revenue	3-⑥
(8) Reduce atmospheric VOC ¹ emissions	3-⑦
(9) Aim for a high waste recycling rate [Related main initiatives] 7-(5)(6)	3-⑧
(10) Conduct a survey of palm oil contained in raw materials and switch to certified products	3-⑨
(11) Systematically adopt renewable energy [Related main initiatives] 7-(6)	—
(12) Reduce atmospheric emissions of substances subject to the PRTR Act ²	—
(13) Pursue the greening of each site in consideration of the regulations of each country and region and harmony with the surrounding environment [Related main initiatives] 10-(4)	—

¹ Volatile organic compounds

² Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Related Materiality for CSR

- Ensuring safety and disaster preparedness
- Initiatives for managing water resources
- Addressing resource and energy issues
- Reducing greenhouse gas emissions
- Addressing substances with negative environmental impact
- Conserving biodiversity

4 Product Quality and Safety

【Implementation leader】
 General Manager of Quality Assurance Div.
 (Dept. responsible for implementation:
 Quality Assurance Planning & Administration Dept.,
 Product Safety Planning & Administration Dept.)

Provide safe, highly reliable products by striving to enhance management systems for product quality assurance and safety, and disclose appropriate information.

CSR Roadmap goals

- (1) Achieve zero product accidents
- (2) Enhance the group-wide framework for product safety and quality assurance

Main initiatives

	KPI
(1) Aim for zero product accidents	4-①
(2) Establish a system to audit effectiveness of improvement and continuity of Toray Group's overall quality assurance framework	—
(3) Introduce a group-wide quality control system with fraud prevention features	—
(4) Prepare and build a quality assurance system that covers quality assurance and quality control functions in each business	—
(5) Provide quality assurance and product safety education	4-②

Related Materiality for CSR

- Ensuring product quality and safety

5 Risk Management

【Implementation leader】
 General Manager of Corporate Strategic
 Planning Division
 (Department responsible for implementation:
 Corporate Strategic Planning Division)

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

CSR Roadmap goals

- (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

Main initiatives

	KPI
(1) Follow up on Toray's priority risks	5-①
Conduct periodic risk management (priority risk mitigation activities through a three-year cycle) and routine risk management (observing trends in and outside Japan, and establish a group-wide system to respond to risks that may have a significant impact on management, as identified through research and analysis, as "specified risks"); and in the event of a group-wide crisis, respond appropriately in accordance with the Risk Management Regulations	—
(3) Regarding major earthquakes in Japan, prepare and regularly review business continuity plans for key products, and conduct regular drills to establish a group-wide emergency response headquarters	—
(4) Regarding information security risks, monitor and bolster the contents of communications and enhance education and training on the risk of cyberattacks and information leakage	—
(5) Provide risk management education	5-②

6 Communication

【Implementation leader】
 General Manager of General Administration & Communications Div.
 (Department responsible for implementation: Corporate Communication Dept.)

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

CSR Roadmap goals

- (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

Main initiatives

	KPI
(1) Actively dispatch information on the Toray Philosophy and use education to ensure it is embraced throughout the Group	—
(2) Strengthen the dissemination of information via websites	6-①
(3) Facilitate exchange of opinions between management and employees	6-②
(4) Facilitate communication between management and stockholders and investors	6-③
(5) Encourage communication with mass media	6-④
(6) Work to utilize various tools and strengthen systems in order to effectively disseminate information and promote dialogue in response to digitalization and globalization	—

7 Contributing Solutions to Social Issues through Business Activities

【Implementation leader】

Director in charge of Global Environment Business Strategic Planning Dept. and Life Innovation Business Strategic Planning Dept.

(Department responsible for implementation: Global Environment Business Strategic Planning Dept., Life Innovation Business Strategic Planning Dept.)

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.

CSR Roadmap goals

Help address social issues by developing innovative materials and new technologies, focusing on the fields of Green Innovation and Life Innovation

Main initiatives

	KPI
(1) Increase revenue from Green Innovation products	7-①
(2) Increase revenue from Life Innovation products	7-②
(3) Expand contribution to CO ₂ reduction in the value chain [Related main initiatives] 3-(6)、9-(3)(4)	7-③
(4) Expand water filtration throughput contribution by Toray's water treatment membranes [Related main initiatives]3-(7)	7-④
(5) Conduct a wide variety of product research and technology development to help build a low-carbon, circular economy [Related main initiatives]3-(6)(7)(9)	—
(6) Contribute to the utilization of biomass in and recycling of plastic products, the spread of renewable energy and hydrogen, and the reuse of water resources [Related main initiatives]3-(6)(7)(9)(11)	—
(7) Contribute to countermeasures to public health risks, including infectious diseases, by developing and upgrading materials and products for protective clothing and personal protective equipment, as well as materials to protect environmental hygiene including of air and water	—

Related Materiality for CSR

- Contributing to the solution of environmental issues through business activities
- Contributing to health maintenance and longevity through business activities
- Initiatives for managing water resources

8 Human Rights Promotion and Human Resources Development

【Implementation leader】
 General Manager of
 Personnel & Industrial Relations Division
 (Department responsible for implementation:
 Personnel Dept., Life Industrial Relations Dept.)

Respect human rights, provide safe and healthy workplaces for employees, secure and train personnel, and diversify while striving to protect employment.

CSR Roadmap goals

- (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
- (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

Main initiatives

Human Rights Promotion	KPI
(1) Implement human rights education and training	8-①
(2) Achieve the legally mandated employment rate of persons with disabilities	8-②
(3) Operate a whistle-blowing system and consultation service at each Toray Group company to promptly and appropriately respond to problems in an effort to reduce human rights risks [Related main initiatives]2-(5)、 9-(2)	—
Human Resources Development	
(4) As part of career develop initiatives for core staff, use the career path worksheets included in the new personnel information system	8-③
(5) Systematically hire, develop, and appoint core staff outside Japan	—
(6) Create workplace environments in which women will feel comfortable performing their duties	—
(7) Support the return to work from long-term childcare leave	8-④
(8) Reduce the number of employees who exceed non-statutory working hours	8-⑤
(9) Encourage the use of annual paid leave by labor union members	8-⑥

Related Materiality for CSR

- Respecting human rights
- Creating a positive workplace
- Securing and developing human resources

9 Facilitating CSR Initiatives Throughout the Supply Chain

【Implementation leader】
General Manager of Purchasing & Logistics Division (Department responsible for Implementation: Purchasing & Logistics Planning & Administration Dept.)

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.

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

KPI

(1)	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	9-①②
(2)	Address issues in the supply chain such as human rights challenges and conflict mineral issues [Related main initiatives] 8-(3)	—
(3)	Reduce CO ₂ emissions intensity from distribution activities [Related main initiatives]3-(6)、 7-(3)	9-③
(4)	Promote modal shift ³ across distances of 500 km or more [Related main initiatives]3-(6)、 7-(3)	9-④
(5)	Continually work to reduce the environmental impact and improve the quality of distribution activities	—
(6)	In accordance with the Declaration of Voluntary Activities for the White Logistics Movement, ⁴ contribute to sustainable logistics, for instance by selecting logistics companies that are engaged in working style reform, etc.	—

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

Social Contribution 10 Activities as a Good Corporate Citizen

【Implementation leader】
General Manager of General Administration &
Communications Div.
(Department responsible for implementation:
CSR Operations Dept.)

Proactively participate in local communities and the larger society in order to contribute to development in a way betting a good corporate citizen.

CSR Roadmap goals

- (1) As a member of society, implement social contribution activities that help to solve the global issues addressed by the SDGs and other initiatives
- (2) Voluntarily and continuously engage in the priority areas of “science and technology promotion,” “environment and communities,” and “health and welfare”

Main initiatives

	KPI
(1) Implement social contribution activities at the appropriate scale	10-①
(2) Actively engage in social contribution activities that are distinctive of Toray Group, focusing on science and technology promotion	—
(3) Promote social contribution activities in collaboration with stakeholders such as local communities and non-profit organizations	—
(4) Educate employees in Toray Group in order to instill the significance of social contribution, and encourage each site to continually participate voluntarily and actively in social contribution activities [Related main initiatives]3-(13)	10-②
(5) Develop a wide range of educational support activities such as sending employees to teach science, environmental, and career education classes at schools	10-③
(6) Support the improvement and development of science and technology and the promotion of science education through the activities of Toray science foundations in and outside Japan	—
(7) Share information with internal and external stakeholders on Toray Group’s social contribution activities via websites and other means	—

CSR Roadmap 2022 KPI List

Reporting Scope : ※1: Toray Group Companies、※2: Toray Industries, Inc.


















	KPI (Key Performance Indicators)	Targets			Reporting Scope
		Fiscal 2020	Fiscal 2021	Fiscal 2022	
1 Corporate Governance	① Toray Group Business Strategy Discussion sessions held at Board of Directors meetings (number)	8 times	8 times	8 times	※ 1
	② Board of Directors' positive assessment of the implementation of the Basic Policy for Internal Control Systems (%)	90%	90%	90%	※ 1
2 Ethics and Compliance	① Number of major violations of laws or ordinances	0	0	0	※ 1
	② Implementing internal legal audits of group companies, group companies improving problems found in internal legal audits in the previous year (%)	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			※ 1
	③ Group companies providing information and implementing education on major laws and regulations and other compliance-related matters (%)	100%	100%	100%	※ 1
3 Safety, Accident Prevention, and Environmental Preservation	① Number of major accidents	0	0	0	※ 1
	② Achieve world's best standard for safety management (not exceeding 0.05 frequency rate for occupational accidents resulting in lost work time)	No more than 0.05	No more than 0.05	No more than 0.05	※ 1
	③ Number of fire and explosion accidents	0	0	0	※ 1
	④ Number of environmental accidents	0	0	0	※ 1
	⑤ Reduction of greenhouse gas emissions per unit of revenue (%)	At least 20% lower than fiscal 2013 (Fiscal 2022)			※ 1
	⑥ Water usage per unit of revenue (%)	At least 25% lower than fiscal 2013 (Fiscal 2022)			※ 1
	⑦ Reduction of atmospheric VOC emissions (%)	At least 70% lower than fiscal 2000	At least 70% lower than fiscal 2000	At least 70% lower than fiscal 2000	※ 1
	⑧ Waste recycling rate (%)	At least 86%	At least 86%	At least 86%	※ 1
	⑨ Conduct a survey of palm oil contained in raw materials (%)	Usage survey of certified products : 100%	Decision making (Yes/No) of shifting to certified raw materials : 100% (Fiscal 2022)		※ 2
4 Product Quality and Safety	① Number of product accidents	0	0	0	※ 1
	② Group companies implementing product quality assurance and safety education (%)	100%	100%	100%	※ 1
5 Risk Management	① Group companies conducting follow-up on the Toray Group's priority risks (%)	100%	100%	100%	※ 1
	② Group companies implementing risk management education (% achieved compared to the plan at the beginning of the fiscal year)	100%	100%	100%	※ 1

	KPI (Key Performance Indicators)	Targets			Reporting Scope
		Fiscal 2020	Fiscal 2021	Fiscal 2022	
6 Communication	① Number of corporate website page views (per month)	1 million page views	1 million page views	1 million page views	※ 2
	② Interviews conducted to exchange opinions within the company (rate of progress)	40%	60%	80%	※ 1
	③ Interviews with key investors in which management participates (number)	Cumulative total of 80	Cumulative total of 80	Cumulative total of 80	※ 1
	④ News releases (number)	200	200	200	※ 1
7 Contributing Solutions to Social Issues through Business Activities	① Revenue of Green Innovation products (IFRS)	1,000 billion yen (Fiscal 2022)			※ 1
	② Revenue of Life Innovation products (IFRS)	300 billion yen (Fiscal 2022)			※ 1
	③ Contribution to CO ₂ reduction in value chain ³	5.3 times compared to fiscal 2013 (Fiscal 2022)			※ 1
	④ Contribution of Toray water treatment products ⁴	2.4 times compared to fiscal 2013 (Fiscal 2022)			※ 1
8 Human Rights Promotion and Human Resources Development	① Group companies implementing human rights education and training (%)	100%	100%	100%	※ 1
	② Group companies that have achieved legally mandated employment rate of persons with disabilities (%)	100%	100%	100%	Toray Group (Japan)
	③ Career development of core staff using the new personnel information system (% of staff using a career path worksheet)	20%	30%	100%	※ 2
	④ Employees returning to work from childcare leave (%)	100%	100%	100%	Employees of Toray Industries, Inc.
	⑤ Reduction in employees who exceed 45 hours/month of non-statutory working hours (%)	Year-on-year reduction	Year-on-year reduction	Year-on-year reduction	※ 2
	⑥ Available annual paid leave used by labor union members (%)	About 90%	About 90%	About 90%	※ 2
9 Facilitating CSR Initiatives throughout the Supply Chain	① Group companies requesting their suppliers to practice CSR (%)	At least 80%	At least 90%	At least 95%	※ 1
	② Suppliers confirming the status of CSR initiatives as requested by Toray Group (%)	At least 70%	At least 70%	At least 70%	※ 1
	③ Reduction in CO ₂ emissions intensity from distribution activities (year-on-year)	1%	1%	1%	Toray Group (Only specified consigners)
	④ Modal shift to sea or rail for transport across distances for 500 km or more (%)	40% (Fiscal 2022 target)			※ 2
10 Social Contribution Activities as a Good Corporate Citizen	① Social contribution expenditure (% change from average expenditure over last six years)	100% or higher	100% or higher	100% or higher	※ 1
	② Social contribution activities (number)	2,500 or more	2,500 or more	2,500 or more	※ 1
	③ Beneficiaries of educational support activities such as science classes for schools and career education (number)	15,000 or more	15,000 or more	15,000 or more	※ 1

³ Toray calculates the CO₂ emissions reduced throughout the value chain of products in accordance with the chemical sector guidelines of the Japan Chemical Industry Association, the International Council of Chemical Associations (ICCA), and the World Business Council For Sustainable Development (WBCSD).

⁴ Toray calculates water treated with Toray's water treatment membranes by multiplying the amount of fresh water that its ultrafiltration water treatment membranes can produce per day, including reverse osmosis (RO), ultrafiltration (UF) and membrane separation bioreactors (MBR), by the number of membrane elements sold.

Relationship between CSR Guidelines and SDGs and ESG Categories

CSR Guideline		1	2	3	4	5	6	7	8	9	10
		Corporate Governance	Ethics and Compliance	Safety/Accident Prevention, and Environmental Preservation	Product Quality and Safety	Risk Management	Communication	Contributing Solutions to Social Issues through Business Activities	Human Rights Promotion and Human Resources Development	Facilitating CSR Initiatives Throughout the Supply Chain	Social Contribution Activities as a Good Corporate Citizen
SDGs	 1 NO POVERTY										●
	 2 ZERO HUNGER							●			●
	 3 GOOD HEALTH AND WELL-BEING			●				●			●
	 4 QUALITY EDUCATION								●		●
	 5 GENDER EQUALITY								●	●	●
	 6 CLEAN WATER AND SANITATION			●				●			●
	 7 AFFORDABLE AND CLEAN ENERGY			●				●			
	 8 DECENT WORK AND ECONOMIC GROWTH			●					●	●	●
	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE			●					●		●
	 10 REDUCED INEQUALITIES									●	●
	 11 SUSTAINABLE CITIES AND COMMUNITIES			●		●					●
	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION			●	●		●	●		●	●
	 13 CLIMATE ACTION			●		●	●	●			●
	 14 LIFE BELOW WATER			●				●			●
	 15 LIFE ON LAND			●				●			●
	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	●	●							●	
	 17 PARTNERSHIPS FOR THE GOALS						●				●
ESG Categories	E Environment			●				●		●	●
	S Social			●	●		●	●	●	●	●
	G Governance	●	●		●	●					