

2009

# Annual Report

Year Ended March, 2009

Corporate

Social Responsibility



# Corporate Social Responsibility

## CSR Principles

Toyobo's fundamental principle for CSR lies in the ancient proverb, *Junri-Sokuyu* ("Adhering to Reason Leads to Prosperity"). This maxim, espoused by the Song neo-Confucian scholar Cheng Yi (1033–1107), was a favorite of Toyobo's founder, Eiichi Shibusawa, and to this day remains at the heart of our philosophy. *Junri* ("Adhering to Reason") means thinking and acting rationally and logically, as well as expresses the need to have respect for morality and ethics, the nature of being human, and an ethical sense of values.

This ideal of "Adhering to Reason Leads to Prosperity" is at the core of our CSR, from which our management vision and policies are derived.

## CSR Initiatives

For many years Toyobo's corporate ethics were overseen by the Ethics Committee, chaired by the President. In March 2008 this was renamed the CSR Committee, and provides a framework for the unified oversight and administration of Toyobo's relationship with all stakeholders, including customers, shareholders and investors, business partners, local communities, employees and the global environment.



The CSR Charter formulated at that time commits Toyobo to actively fulfill its social responsibility, and to contribute to the development of a sound and sustainable society. Under this philosophy Toyobo has implemented a program of measures, including the following.

**1. Crisis management training** ► Toyobo has established several committees to handle risk management, including the Global Environment and Safety Committee, the Product Liability Prevention/Quality Assurance Committee, and the Internal Control Committee, providing a solid framework for dealing with risk. To put this structure into practice, we regularly conduct crisis management trainings based on possible scenarios, focusing on actions to prevent any impairment in corporate value.

In December 2008 we conducted a training envisioning a case of compliance violation, putting together a crisis response headquarters to confirm the command structure, and disclosure to stakeholders. We plan to conduct additional crisis management training in 2009.

**2. Environmental measures** ► Toyobo recognizes that consideration for the global environment is a fundamental principle for corporate activity, and believes it has a social responsibility to pursue environmental conservation at all levels in the business process, from product development to design, manufacturing, sales, disposal and recycling.

During fiscal 2009 we strengthened our pollution control management framework, revising and expanding the structures and methods to ensure full compliance with laws and regulations. Measures to help prevent global warming, such as reductions in CO<sub>2</sub> emissions, have been implemented in all manufacturing and logistics divisions, as well as at group companies.

Toyobo has also strengthened its measures to reduce its output of industrial waste and harmful chemical substances. We took steps to reduce the environmental burden with products free of hazardous chemicals, and conservation of energy and resources. Specific measures included a drastic

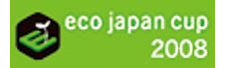
reduction in truck transport from our facility in Tsuruga, Fukui Prefecture with modal shift to transport via ships using the Tsuruga port.



Tsuruga port

**3. Environmental Business Award from “eco japan cup 2008”** ▶ Toyobo’s efforts in the water treatment membranes business were recognized with an Environmental Business Award at the “eco japan cup 2008”, a contest for “discovering and growing seeds of green business” sponsored by the Ministry of Internal Affairs and Communications, the Ministry of the Environment, the NPO Environmental Business Women, and Sumitomo Mitsui Banking Corporation.

Toyobo’s seawater desalination membranes, which have superior resistance to chlorine, are considered a very effective solution to prevent biological fouling in the RO process. The superior bio-fouling resistance allows for minimizing the chemical consumption and for stable production of high-quality water at low cost. The main material (cellulose triacetate) used in these membranes is made from a natural material. These factors were highly rated for their contribution to lowering the environmental burden.

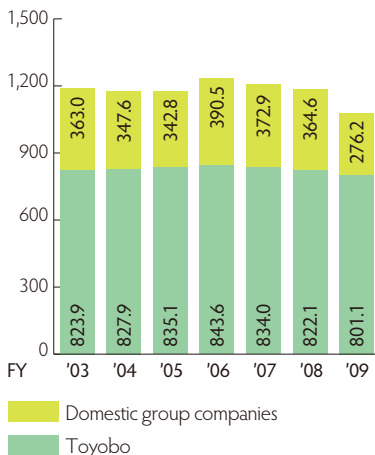


### Upcoming CSR Initiatives

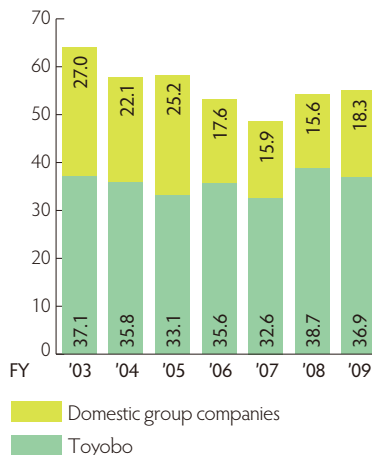
Toyobo will clarify its initiatives for fiscal 2010 through the formulation of its medium-term CSR plan, with specific measures for each committee. The plan activities reflect an analysis of shifts in the perception, values or actions of stakeholders with regard to the Company, and whether these are being emphasized in the various measures.

The business climate has changed radically from last year, and Toyobo was forced to modify its business plan in response, but our philosophy toward CSR remains unchanged. We will continue to act with responsibility toward society, while adapting to the changing times.

### Volume of CO<sub>2</sub> Emissions (Thousand t)



### Industrial Waste Generated (Thousand t)



### Selected for Inclusion in the FTSE4Good Index



FTSE4Good

Toyobo has been included in the FTSE4Good Global Index, which was established by FTSE International Limited, an independent company jointly owned by the U.K. newspaper *The Financial Times* and the London Stock Exchange. The index selects for inclusion in the index companies pursuing corporate social responsibility (CSR) initiatives, based on the following criteria: environmental sustainability; human rights; countering bribery; supply chain labor standards; and climate change.