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Toray Battery Separator Film Co., Ltd.

## **Toray Battery Separator Film's CSR Procurement and Purchasing**

While providing products as a manufacturer of advanced materials, Toray Battery Separator Film Co., Ltd. (Toray BSF), as one of Toray Group, emphasizes the needs of its product users as the starting point for its management of production facilities and procured raw materials and resources. Accordingly, Toray BSF has established its Basic Purchasing Policies to realize this approach and ensure that the transactions it conducts are fair. Furthermore, Toray BSF regards its suppliers as partners in procurement, and works with them to ensure that the supply chain meets social expectations. To this end, Toray BSF has created its CSR Procurement Guidelines with the aim of providing customers with environmentally friendly and socially responsible materials and products.

### **Basic Purchasing Policies**

1. Toray BSF does its utmost to select suppliers and determine actual purchases fairly and on the basis of economic rationality, with consideration for price, quality, capability to provide stable supplies, technological capabilities, reliability, and other factors.
2. In selecting suppliers, Toray BSF opens its doors to a wide range of companies inside and outside Japan. Toray BSF does not rely solely on vendors it has existing or past relationships with, or on members of its corporate group.
3. In making purchases, Toray BSF complies with relevant laws and regulations while taking environmental preservation and fulfilling corporate social responsibility (CSR) issues into account. Toray BSF actively pursues green procurement and purchasing as part of its environmental efforts.
4. Toray works to maintain and improve the quality of purchased products through cooperation with its suppliers.
5. Toray BSF works to uphold its corporate social responsibilities on a company-wide basis.

### **CSR Procurement Guidelines**

1. Establish an internal CSR organization and be committed to CSR
2. Work to enhance corporate ethics and comply fully with all laws and regulations
3. Position safety, accident prevention, and environmental preservation as a management priority and practice green procurement and purchasing whenever and wherever possible
4. Put crisis management systems into place, including capabilities for responding swiftly in unexpected situations, and disclose accurate information

5. Encourage dialogue and cooperation among all stakeholders
6. Ensure product safety as a precondition for supplying products
7. Respect human rights, eliminate discrimination, and improve workplace environments; prohibit forced labor, slave labor, child labor, and unfair low-wage labor
8. Maintain the confidentiality of information and respect others' intellectual property rights

### **Implementing CSR procurement**

Toray BSF has established company-wide rules designed to enable accurate reporting of its progress in implementing CSR procurement to customers that use Toray products. Toray BSF has also set up an office to handle inquiries regarding CSR procurement, and is managing and sharing relevant information about suppliers with customers.

As part of its ongoing promotion of CSR procurement, Toray BSF regularly conducts surveys of its suppliers to determine the status of their CSR initiatives. After collecting and analyzing the content of these surveys, Toray BSF evaluates the results and provides them to the suppliers as feedback. Toray BSF requests improvements with a view to further strengthening its partnerships with suppliers while checking the progress of each company's CSR initiatives, including making visits to certain suppliers. All of these activities are performed in a plan-do-check-act (PDCA) cycle.

### **Conducting CSR Procurement Surveys of Suppliers**

In fiscal 2012, Toray BSF conducted a CSR procurement survey of its principal suppliers and manufacturing subcontractors which together account for about 90% of the Company's total purchases.

The procurement survey was designed to check the status of CSR initiatives in reference to Toray BSF's CSR Procurement Guidelines at all of the companies where it was distributed. Toray BSF also added some items in the survey to identify each supplier's awareness of biodiversity protection, a topic which has been attracting attention in recent years, as well as their potential association with conflict minerals. \*1

\*1. Conflict minerals are classified as gold, tin, tantalum, and tungsten mined in the Democratic Republic of Congo and the nine surrounding countries of Angola, Burundi, Central African Republic, Congo Republic, Rwanda, Sudan, Tanzania, Uganda, and Zambia. A section of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States requires manufacturers to publicly disclose their sources of these four minerals for the purpose of cutting off sources of funding for armed groups in the Democratic Republic of Congo.