

CSR Report  
Corporate Social Responsibility  
**2012**



# BASIC COMMITMENT OF THE TOSHIBA GROUP

We, Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community.

## COMMITMENT TO PEOPLE

We endeavor to serve the needs of all people, especially our customers, shareholders, and employees, by implementing forward-looking corporate strategies while carrying out responsible and responsive business activities. As good corporate citizens, we actively contribute to further the goals of society.

## COMMITMENT TO THE FUTURE

By continually developing innovative technologies centering on the fields of Electronics and Energy, we strive to create products and services that enhance human life, and which lead to a thriving, healthy society. We constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment.

Toshiba Group Slogan

**Committed to People,  
Committed to the Future. TOSHIBA**

### Framework of Toshiba Group's Management Philosophy

#### Basic Commitment of Toshiba Group

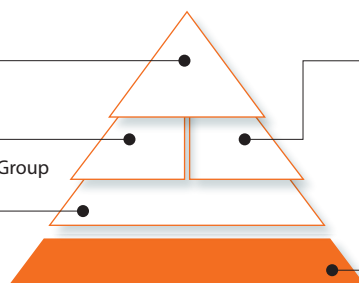
Toshiba Group's mission

#### Toshiba Group Management Vision

A set of values and targets shared throughout Toshiba Group

#### Toshiba Group Standards of Conduct

Standards of conduct to which everyone in Toshiba Group is required to adhere



#### Toshiba Brand Statement

#### UN Global Compact\*

Responsibilities as a global enterprise

\* UN Global Compact: A voluntary corporate citizenship initiative concerning human rights, labor, the environment, and anti-corruption proposed by the former UN Secretary-General Kofi Annan in 1999 at the World Economic Forum. Toshiba joined the UN Global Compact in 2004

Toshiba Group's Corporate Philosophy emphasizes respect for people, creation of new value, and contribution to society. The Group slogan "Committed to People, Committed to the Future. TOSHIBA." expresses the essence of our corporate philosophy. We recognize that it is our corporate social responsibility (CSR) to put our philosophy and slogan into practice in our day-to-day business activities. In doing so, we accord the highest priority to human life and safety and to compliance.

### Toshiba Group's Integrity

#### Meet our responsibilities to society

Proactively contribute to solutions to social issues such as climate change through business activities









#### Secure sound management and finances

Ensure sound management by according the highest priority to human life and safety and to compliance so that Toshiba continues to be trusted by society

**Toshiba Group strives to constantly act with unshakable integrity and aims to continue to be trusted as a “corporate citizen of planet Earth”**

In CSR management, Toshiba Group emphasizes the keyword “integrity” with the above two connotations and ultimately seeks to fulfill its responsibilities toward a wide range of stakeholders.

### Major Stakeholders and Toshiba Group's Responsibilities

Major Stakeholders		Key Responsibilities
<b>Customers</b>	 <p>With its wide range of products—from home appliances, digital products, and electronic devices to social infrastructure systems—Toshiba Group has a diverse range of customers, including individual and corporate customers as well as government and public bodies.</p>	<ul style="list-style-type: none"> <li>● Supplying products in a stable manner</li> <li>● Providing safe, secure products and services that offer great value</li> <li>● Creating environmentally conscious products and services</li> <li>● Promoting universal design</li> <li>● Providing appropriate product information</li> <li>● Offering excellent customer relations and support</li> <li>● Managing customer information appropriately</li> </ul>
<b>Shareholders/Investors</b>	 <p>Toshiba has approximately 457,000 shareholders. Of the 4.24 billion shares issued, 38.9% are held by financial institutions, 32.0% by individuals and others, and 23.7% by foreign corporations (as of March 31, 2012).</p>	<ul style="list-style-type: none"> <li>● Disclosing information in a timely and appropriate way</li> <li>● Providing an appropriate return of profits</li> <li>● Maintaining and enhancing corporate value</li> <li>● Responding to the needs of SRI organizations</li> </ul>
<b>Suppliers</b>	 <p>Toshiba deals continuously with some 5,000 suppliers in Japan and overseas (as of March 31, 2012).</p>	<ul style="list-style-type: none"> <li>● Selecting suppliers fairly and engaging in fair trading practices</li> <li>● Paying attention to human rights in the supply chain</li> <li>● Paying attention to the environment in the supply chain</li> </ul>
<b>Employees</b>	 <p>Around 210,000 people work for Toshiba Group at 554 companies, including approx. 120,000 employees working in Japan and approx. 90,000 employees overseas (as of March 31, 2012).</p>	<ul style="list-style-type: none"> <li>● Conducting fair assessment and treatment</li> <li>● Respecting human rights and diversity</li> <li>● Optimizing human resources and promoting their growth</li> <li>● Supporting diverse working styles</li> <li>● Maintaining and enhancing skills and capabilities</li> <li>● Ensuring occupational health and safety</li> </ul>
<b>Local communities</b>	 <p>Toshiba Group has major business sites in over 30 countries worldwide. In carrying out our business operations, we respect the cultures, history, and customs of people in each region.</p>	<ul style="list-style-type: none"> <li>● Respecting different customs and cultures</li> <li>● Engaging in corporate citizenship activities in local communities</li> <li>● Preventing accidents and disasters at business sites</li> <li>● Supporting neighboring communities in case of a disaster</li> </ul>
<b>Government/Authorities</b>	 <p>Toshiba Group operates worldwide. Governments and public bodies of many countries are also our customers.</p>	<ul style="list-style-type: none"> <li>● Complying with laws and regulations, and paying taxes</li> <li>● Supporting government policies toward solving social issues</li> </ul>
<b>NPOs/NGOs</b>	 <p>We cooperate with and draw on the strengths of NPOs and NGOs on areas such as the environment, human rights, and social contributions, and always endeavor to engage in constructive dialogue with them.</p>	<ul style="list-style-type: none"> <li>● Providing support to solve diverse global issues</li> <li>● Collaborating with and helping local communities solve their social problems</li> <li>● Collaborating on our priority areas of corporate citizenship</li> </ul>
<b>Global environment</b>	 <p>In striving to become one of the world's foremost eco-companies, we are promoting business activities in harmony with the global environment.</p>	<ul style="list-style-type: none"> <li>● Mitigating climate change</li> <li>● Reducing waste discharges</li> <li>● Reducing release of chemicals</li> <li>● Conserving biodiversity</li> </ul>

Note: The word “integrity” means 1. the quality of being honest and having strong moral principles; 2. (formal) the state of being whole and not divided (Oxford Advanced Learner's Dictionary)

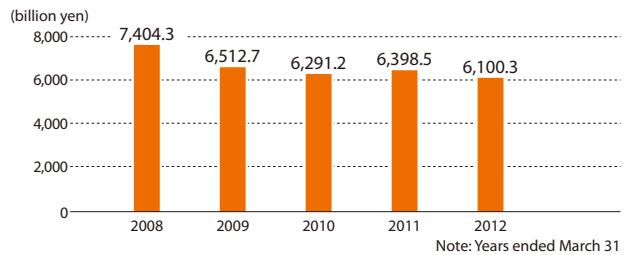
## Toshiba Group Business Overview

### Company Overview (as of March 31, 2012)

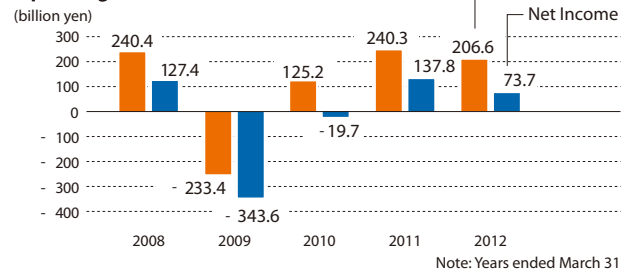
Company name	Toshiba Corporation
Headquarters address	1-1, Shibaura 1-chome, Minato-ku, Tokyo
Founded	July 1875
Paid-in capital	439.9 billion yen
Consolidated net sales	6,100.3 billion yen
Number of employees	209,784 (consolidated)
CSR-related international charters/guidelines Toshiba endorses	<ul style="list-style-type: none"> <li>United Nations Global Compact</li> <li>Global Reporting Initiative (GRI)</li> <li>Electronic Industry Citizenship Coalition (EICC) Code of Conduct</li> </ul>
Number of shareholders	457,467
Number of shares issued	4,237,600,000 shares
Number of consolidated subsidiaries	554 (188 in Japan, 366 overseas)
Number of affiliates accounted for by the equity method	196
Stock exchange listings	Tokyo, Osaka, Nagoya and London
Membership in CSR-related organization	Business for Social Responsibility (BSR) Council for Better Corporate Citizenship (CBCC) Electronic Industry Citizenship Coalition (EICC) World Business Council for Sustainable Development (WBCSD)

### Financial Results (Consolidated)

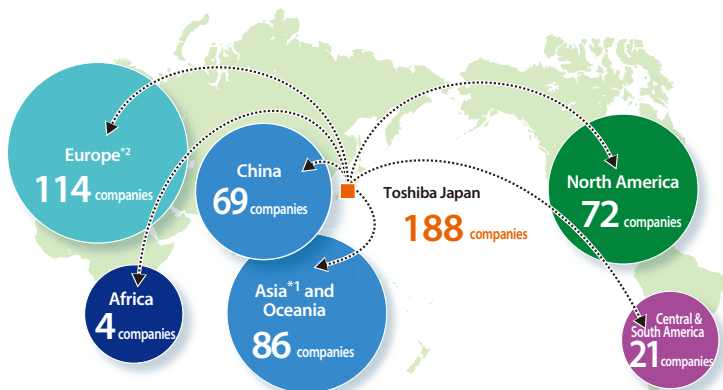
#### Net Sales



#### Operating Income & Net Income

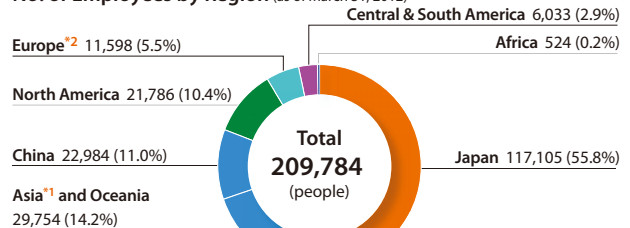


### Business Structure (numbers in the map indicate overseas consolidated subsidiaries)

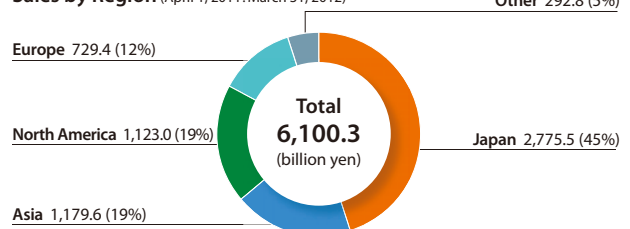


\*1 Excluding Japan and China  
\*2 Including Russia

#### No. of Employees by Region (as of March 31, 2012)



#### Sales by Region (April 1, 2011?March 31, 2012)



### Distribution of Economic Value to Stakeholders

Consolidated financial results for FY2011 indicate decreases in net sales and operating income compared to the last fiscal year and an increase in distribution to shareholders and the government/authorities.

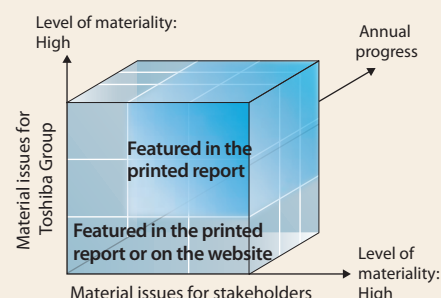
Stakeholders	Amount distributed (billion yen) FY2011	Amount distributed (billion yen) FY2010	Calculation method
Suppliers	5,893.6	6,158.2	Cost of sales (excluding personnel costs) and selling, general, and administrative costs (excluding personnel costs)
Employees	293.3	270.0	Data limited to Toshiba Corp. (figure derived by multiplying the total number of Toshiba Corp. employees by their average annual compensation, as mentioned in the Financial Reports)
Shareholders	37.0	17.6	"Dividends paid" on the cash flow statement
Creditors	31.8	32.3	"Interest" included in costs and expenses on the income statement
Government/Authorities	65.0	40.7	Income taxes
Society	3.0	3.0	Expenditure for corporate citizenship activities* (See p. 53)
Environment	54.7	55.2	Environment-related expenditure.* Equals environmental costs in environmental accounting. For details, see the following website: <a href="http://www.toshiba.co.jp/env/en/management/account.htm">http://www.toshiba.co.jp/env/en/management/account.htm</a>
Within company	44.1	129.4	Amount of net income minus dividends paid

\* Amounts distributed to society and to the environment are also included in those distributed to suppliers and employees



# Our efforts to report on the priority issues for our stakeholders and those for Toshiba Group

In editing the CSR Report, we examine and take into consideration the issues material for both our stakeholders as well as the Group, then verify the results using a Toshiba-specific index for determining materiality. Based on this, we have edited this CSR Report 2012 with the two new features described below. In addition to the CSR Report, Toshiba Group also publishes the Annual Report, the Environmental Report, and the Social Contributions Activities Report and provides the latest information on the corporate website (see p. 55).



## Report Update

**Describes Toshiba Group's actions and recovery support activities in relation to the Great East Japan Earthquake**



## Special Feature

**Summarizes smart community projects in response to growing demand around the world**



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## Organizations covered in this report

In principle, Toshiba Group (Toshiba Corporation and its 554 consolidated subsidiaries in Japan and overseas) are covered in this report, but individual entities are indicated in cases where information does not pertain to Toshiba Group.

Note: "Toshiba" in this report refers to Toshiba Corporation.

## Reporting period

This report focuses on the results of activities in FY2011 (from April 1, 2011 to March 31, 2012), but also includes some activities continuing from the past as well as more recent ones.

## Significant change during the reporting period

As of July 2011, Toshiba acquired the shares of Landis+Gyr, Inc., a Swiss manufacturer/distributor of smart meters, and converted the company and its subsidiaries into Toshiba consolidated subsidiaries.

## Publication

Current issue: August 2012 (next issue scheduled for August 2013; previous issue: August 2011)

## Reference Guidelines

Sustainability Reporting Guidelines ver. 3.1 (G3), Global Reporting Initiative (GRI)  
Environmental Reporting Guidelines (FY2007 Version), Ministry of the Environment of Japan  
Environmental Accounting Guidelines 2005, Ministry of the Environment of Japan  
ISO 26000:2010, Guidance on Social Responsibility

## Disclaimer

This report contains plans and strategies for the future of Toshiba, as well as predictions and prospects regarding our performance. Such information is based on our determinations and convictions made based in accordance with the facts and information currently available to us.

# An Active Contributor to Society's Development as a Corporate Citizen of Planet Earth

## Promoting CSR Management by Pursuing Unshakable Integrity

As President and CEO of Toshiba, I recognize that the basis for setting ambitious goals for the innovations that will make Toshiba Group an even stronger global contender, and for realizing the accelerated globalization essential for our future, is to promote CSR management as the cornerstone of management policy. And we must do this with an unshakable integrity.

At Toshiba, integrity embodies two meanings. First, it refers to meeting our responsibilities to society. We seek to contribute to the future of a sustainable planet Earth by addressing global issues, such as global warming, and by carrying out social contribution programs. Beyond that, integrity refers to securing sound management and finances. To this end, we place the highest priority on human life, safety and compliance in all areas of business. As we work toward securing a strong financial footing, we will also endeavor to retain the trust of all our stakeholders.

## Continuing to Support Recovery from the Great East Japan Earthquake

Toshiba Group has channeled extensive resources into supporting recovery from the devastating earthquake and tsunami that hit Tohoku on March 11, 2011.

As a first step, we arranged for the early supply of emergency aid, including provision of essential products manufactured by the Group. Following on from that, we believe that the most important contribution we can make to reconstruction is to create employment. Measures here include rebuilding the fishing industry by supplying fishing boats and assisting electrical appliance stores in resuming their business. We have also set up a fund and granted Toshiba scholarships to 230 university students who were victims of the disaster.

### Basic Management Policies

Aim to be a global contender



### Allocate resources to strategic business areas

Continue to accelerate globalization  
Set up ambitious goals for innovation and speed its pace  
Push forward with CSR management

This is a long-term commitment, embodied in our "Toshiba East Japan *ASHITA* (Future) Plan." In FY2012, we will provide support worth 500 million yen for the continued reconstruction of fisheries and other job creation efforts, re-establishing the independence of local communities, and other areas of need. In April 2012, we dispatched 767 new employees to the stricken areas to support reconstruction efforts and to raise their awareness of the importance of embracing social responsibility.

As a developer of nuclear power generation systems, we realize the serious implications of the accident at the Fukushima Daiichi Nuclear Power Plant. At the request of the Japanese government and Tokyo Electric Power Company, Inc., we have made utmost efforts to implement measures that ensure the integrity of the site. Drawing on our technology and expertise, we developed highly efficient, stable contaminated water-disposal equipment that contributed to the cold shutdowns of Units 1 to 3. We have also developed portable water and soil disposal systems and proposed their application to administrative agencies and other entities.

Toshiba Group will continue support reconstruction activities in light of progress made. We will also offer support through our business operations and contribute to the reconstruction by proposing and implementing safe, environmentally aware city planning.

## Implement the Fifth Environmental Action Plan as one of the World's Foremost Eco-Companies

We are deeply aware of the many social issues facing the world today, particularly environmental challenges, such as global warming. We are committed to responding with initiatives guided by four key concepts: Greening of Products, Greening by Technology, Greening of Process and Green Management. In FY2012, as part of our Fifth Environmental Action Plan, Toshiba Group has set ambitious mid-term goals for the period up to FY2015.

Through Greening of Products we aim to develop products, across our businesses, which offer the highest levels of environmental performance. We will increase sales of products certified as Excellent Environmentally Conscious Products (ECP), and in doing so reduce annual CO<sub>2</sub> emissions by 15 million tons in FY2015.

Through Greening by Technology we will improve power generation systems that utilize renewable energy and promote solar and wind power in addition to hydraulic power and geothermal energy. We will also pursue the best mix of energy generation, including high efficiency thermal power and safer nuclear power, thereby contributing to the realization of a low-carbon society.

Toshiba Group is also taking the lead in smart community, next-generation technologies for integrated management

and optimal control of all infrastructures, including electricity and water supply, transportation, distribution, health care and information. In May 2012, we were involved in 27 smart community projects in Japan and abroad. In this essential area, we will make free use of the Group's diverse capabilities and collective strengths to contribute to the realization of a secure, comfortable and sustainable society.

Through Greening of Process we aim to minimize environmental impact by boosting the efficiency of manufacturing processes. In FY2012 Toshiba Group will make investments in energy conservation totaling 3.7 billion yen as part of an all-out effort to cut power consumption in all of our facilities and to establish high efficiency manufacturing systems. Our target is to reduce overall CO<sub>2</sub> emissions by 30,000 tons during the year.

Green Management underpins these three approaches. It centers on creating a greater environmental awareness among all Toshiba Group employees worldwide and promoting protection of biodiversity and other environmental initiatives on a global scale. As one of the world's foremost eco-companies that drive the world, we will actively push forward with these four initiatives.

### Worldwide Social Contribution Programs

As it helps to ameliorate social problems through its business activities, Toshiba Group also promotes social contribution programs that support educational and cultural activities around the world. Education provides sustenance for future generations, and we have long made this, particularly science education, a focus area. In North America we have sponsored a K-12 student science contest since 1992; in China we have helped build elementary schools in the provinces since 2002 and also run a competition for science teachers; in Japan we work with NPOs to support hands-on science education.

We also contribute to preserving culture and the arts around the world. For instance, we have supported the Japanese galleries at Britain's Victoria and Albert Museum since 1986. In France, we have been installing LED lighting to illuminate the Louvre Museum since 2011.

### Meeting the Expectations of our Many Stakeholders

Toshiba Group strives to live up to the expectations of a diverse stakeholder base that includes shareholders, investors, customers, suppliers and local communities, and to promote CSR management that meets global standards. In 2004 Toshiba became a signatory to the United Nations Global Compact, as we share its commitment to human rights, labor standards, the environment and anti-corruption. We also observe ISO 26000, a set of international guidelines on social responsibility published in 2010.



We consider it our responsibility as a global corporation to request that our partners in our supply chain promote CSR management. Toshiba Group fully recognizes the serious human rights issue posed by trade in conflict minerals from the Democratic Republic of the Congo and adjoining countries. In contributing to finding a solution to this problem we have formulated a policy that we ask our suppliers to join us in observing.

We will continue to operate as a corporate citizen of planet Earth that contributes to the global environment while respecting the diverse histories, cultures and customs of different countries. As we do so, I hope that we may rely on your continued support and cooperation.

A handwritten signature in black ink, which appears to read 'Norio Sasaki'.

**Norio Sasaki**  
Director, President and CEO  
Toshiba Corporation



## Toshiba Group Businesses and Responsibilities

# Contributing to society through our four business domains



### Global issues addressed by Toshiba Group

#### Solutions for shortage of energy, water, and food supplies

- Meeting the rapidly growing demand of emerging countries caused by economic growth
- Providing a stable supply of resources required to maintain life in poverty-stricken areas

#### Reducing environmental impacts

- Mitigating climate change and environmental risks
- Ensuring sustainable use of energy and resources

#### Taking measures to cope with natural disasters

- Helping recovery and reconstruction efforts following the Great East Japan Earthquake
- Establishing business continuity plans (BCP) with anticipated major emergencies
- Ensuring the safety of nuclear power plants

#### Measures to deal with declining birthrate and aging population

- Securing human resources and improving social welfare

#### Response to human rights issues

- Protecting human rights in disputed areas
- Improving the labor environment in the supply chain

#### Improvement in medical care and education

- Ensuring the equality of opportunities and fair access

#### Advanced use of information and communication technology

- Bridging the digital divide
- Ensuring information security, preventing cyber-terrorism, etc.
- Supporting increasingly rapid communication and ever-expanding Internet communities



## Business

### Social Infrastructure

We contribute to meeting globally growing demand for electric power and mitigating climate change by promoting highly efficient thermal power systems, nuclear power systems and renewable energy systems such as hydroelectric and solar power systems, as well as geothermal and wind power systems. In addition to providing safe, convenient elevators, we contribute to improving healthcare through the most advanced diagnostic imaging systems.

% of total employees



% of total sales



## Main Products



Elevators for TOKYO SKYTREE®  
©TOKYO-SKYTREE

### Electronic Devices

We provide products that leverage cutting-edge technology, including semiconductors such as NAND flash memories, as well as SSD and HDD.

% of total employees



% of total sales



NAND flash memory

### Digital Products

We offer products with high environmental performance such as super-lightweight notebook PCs, energy-saving LCD TVs, and electronic book readers.

% of total employees



% of total sales



Ultrabook™

### Home Appliances

We develop and provide wide range of products such as refrigerators, washer dryers, LED lightings, and commercial air-conditioning systems, all well thought out and designed to meet regional demand, providing better environmental performance.

% of total employees



% of total sales

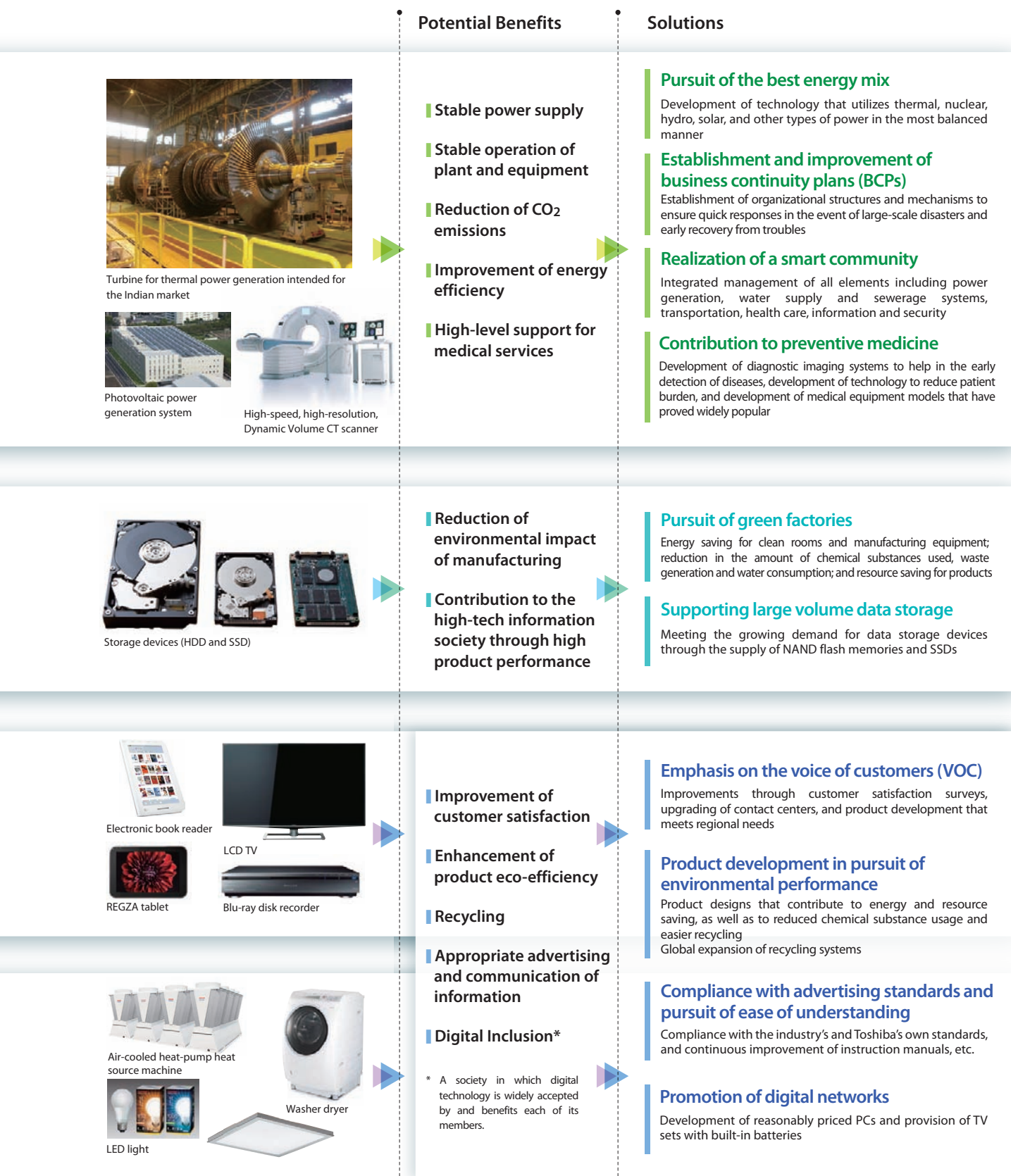


Refrigerator

Note: Pie graphs indicate the percentage of consolidated total sales and percentage of total employees for each business domain in FY2011.

(Total sales include 5% from businesses other than those mentioned above; total employees include 8% from corporate divisions and other businesses)

Toshiba Group provides various products and services globally in the following four domains: social infrastructure, electronic devices, digital products, and home appliances. As part of its business activities, Toshiba Group strives to identify the concerns of its stakeholders and fulfill its responsibilities to help resolve social issues.



\* A society in which digital technology is widely accepted by and benefits each of its members.



# Continuing to provide support for affected areas in cooperation with Group companies in Japan and overseas




We offer our deepest condolences to all victims of the Great East Japan Earthquake of March 11, 2011. In order to support the earliest restoration and recovery of the affected areas and the people living there, Toshiba Group donated relief supplies, including company products, worth 1.2 billion yen in FY2011. We also utilized the collective efforts of all Group companies to provide cooperation and support in ensuring the safety of the Fukushima Nuclear Power Station as well as stable power supplies. In FY2012, in accordance with the "Toshiba East Japan ASHITA (Future) Plan," we will donate approximately 500 million yen to support the recovery of key local industries and promote employment, and we will continue working toward the restoration of affected areas.

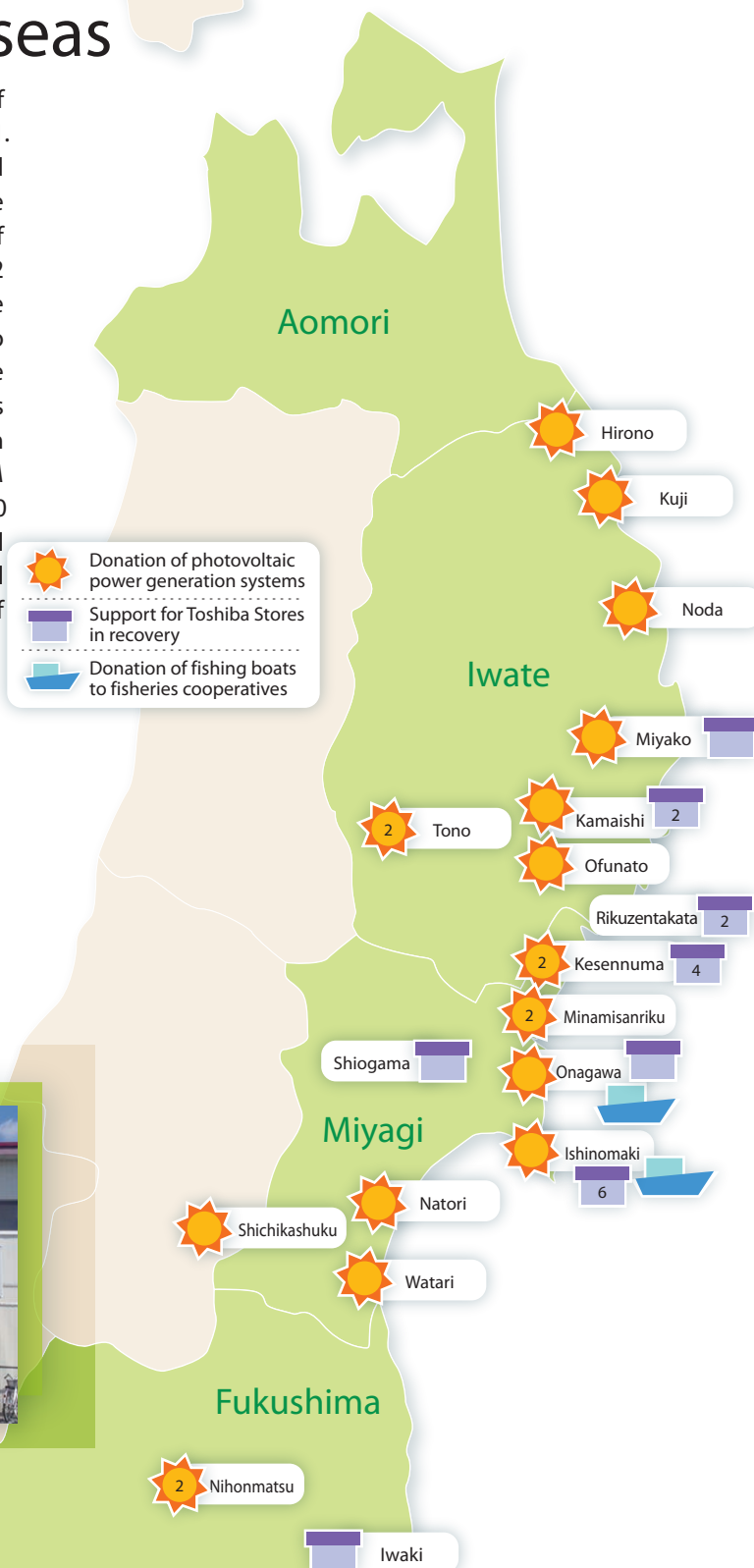


Installation of a photovoltaic power generation system (evacuation center in Kesennuma City)



A Toshiba Store in Ishinomaki

-  Donation of photovoltaic power generation systems
-  Support for Toshiba Stores in recovery
-  Donation of fishing boats to fisheries cooperatives



Note) Numbers in the figure indicate the number of Toshiba Stores supported or the number of places photovoltaic power generation systems were installed

## Securing employment

In order to support the quick recovery of fisheries, a key industry in coastal areas, Toshiba Group offered an initial 100 million yen to the Miyagi Prefecture Fisheries Cooperative in FY2011 as funds to purchase 26 small fishing boats, then decided in April 2012 to provide an additional 100 million yen. We also donated 50 million yen to the "Signal of Hope" Fund to support the resumption of Tohoku fisheries.

We provided sales space as well as personnel to 21 Toshiba Stores (home appliance stores) that suffered damage from the Earthquake in order to support their sales activities as well as to enable people in the affected areas to purchase home appliances in their neighborhoods.

In addition, Toshiba Group also assisted in securing employment by recruiting new employees for Toshiba factories and contact centers in the affected prefectures.



Providing funds to purchase fishing boats to support the quick recovery of fisheries

## Supporting local governments

Toshiba Group donated photovoltaic power generation systems, PCs, TVs, air conditioners, and multifunction copy machines to local government offices and temporary facilities to assist local governments in continuing their operations. We also donated air conditioners, electric fans, air purifiers, and other products to elementary and junior high schools to provide relief from the summer heat.



A thank-you note for air conditioners from the Ofunato City Kita Elementary School Children's Club Yuyu



A PC donated to a local government

## Supporting affected people

Immediately after the Earthquake, Toshiba Group offered relief supplies including food and water as well as flashlights, radios, and batteries, which were indispensable during blackouts. After the recovery of power supplies, we provided electrical goods—TVs, refrigerators, and rice cookers—essential items for daily life in evacuation areas. After the construction of temporary housing facilities, we donated vacuum cleaners, electric fans, LED light bulbs, and other electrical products.



A washing machine donated to an evacuation center in Rikuzentakata City  
©Nippon International Cooperation for Community Development (NICCO)

## Supporting the growth of future generations

With a view to supporting young people's education, which is of crucial importance in the restoration of Japan, Toshiba provides 100,000 yen per person per month as a Toshiba scholarship to 230 university students living in Iwate, Miyagi, and Fukushima Prefectures until their graduation. These scholarships are awarded to students who have difficulty in continuing their education due to financial reasons as a result of the Earthquake. Fifty recipients celebrated their graduation in March 2012.

In addition, as part of activities to support children, members of Toshiba sports clubs, including the baseball and basketball clubs and the Toshiba rugby club, which is active in the leading national league, held sports workshops for children in affected areas. We also supported the Tohoku Teacher Encouragement Project, which was organized by Real Science Education Institute, an NPO that promotes experiential science and math education, for elementary, junior, and senior high school teachers.



Toshiba scholarships provided to 230 university students until their graduation



Rugby workshop in Iwaki City



Ishinomaki  
and  
Minamisanriku

## Support programs: Supporting the recovery of fisheries in Tohoku

## New employees participating in support activities in Ishinomaki and Minamisanriku

Toshiba Group incorporated fisheries support activities into its training program for new employees in FY2012. From April 16 to 20, 767 new Toshiba employees stayed in Ishinomaki City and Minamisanriku-cho in three groups to help ship wakame seaweed under the guidance of local fishermen.

This training program was implemented in cooperation with JEN, a government-certified NPO. The purpose of the training was to support the recovery of fisheries, a key industry in the affected areas, as well as to provide an opportunity for new employees to think about their roles and responsibilities as a good social member through interaction with local residents.

We also contributed to the local economies by donating tools required for fishing operations, and by staying at hotels, purchasing supplies, and shopping at local stores.



Sorting and packaging salted wakame seaweed



Making weights (sand bags) to sink seaweed nets in the water

## Comments about Toshiba Group's activities

We would be pleased if we could help these young people to grow strong and work to the best of their abilities, just like fishermen.

I admire Toshiba for having sent all its new employees to the affected areas for training. I got the impression that these young people still have much to learn as working members of society and I hope they will be able to use this opportunity to learn as much as possible. We would be pleased if we could help these young people to grow strong and work to the best of their abilities, just like the fishermen in this area who are striving to overcome the damage from the Earthquake and rebuild their lives. We would like to help them learn and grow as working members of society while they are here.



Yasufumi Miura  
JF (Japan Fisheries Cooperative) Miyagi

## Young people's activities gave us courage

Many of the young people may have wondered how their activities could be of any use during such a short period of time. However, JEN's staff members easily noticed changes in their attitude well before they finished their activities to go home. These young people brought new life to the local communities. Their message will be conveyed to local residents and will change the fishermen's lives as well. Working with young people enabled the local fishermen to regain their self-confidence and pride and also to find courage.

I hope these support activities encourage new Toshiba employees to realize that human relationships can generate so many positive things and to draw lessons for their future work from their experience. I would be delighted if Toshiba Group will continue with these wonderful activities.



Keiko Kiyama  
Secretary General  
Government-certified  
NPO JEN

Head office  
and plants

## Support programs: Supporting the recovery of fisheries in Tohoku

## Continuing to exhibit the local products of Tohoku

We are continuing to organize fairs to sell local products of Aomori, Iwate, Miyagi, and Fukushima Prefectures at the stores in the Toshiba head office building and at Toshiba plant. In FY2011 we held fairs in collaboration with antenna shops in these prefectures and NPOs, selling confectionery, rice, sake, and other local products to Toshiba employees with the aim of supporting the recovery of the affected areas.



Selling Fukushima Prefecture's local products at Toshiba Group CSR Conference (see p. 26)

## Cooperation and support to help maintain the integrity of the Fukushima Nuclear Power Stations

Since immediately after the accident at the Fukushima Daiichi Nuclear Power Station, Toshiba Group has been working to the best of its ability to eliminate the consequences and ensure safety in response to a request by the government and the Tokyo Electric Power Company, Incorporated (TEPCO).

As a company engaged in nuclear power generation, we take the accident very seriously and have remained united in our resolve to overcome every difficulty.

### Preventing the release and discharge of radioactive materials

#### Actions for step 1 (occurrence of the earthquake to July 2011)

In April 2011, the government and TEPCO developed a preliminary roadmap consisting of three steps for termination of the accident.

In step 1, where we effectively reduced the high radiation dose rate, Toshiba Group worked to prevent the nuclear-contaminated cooling water injected into the damaged plants from flowing out into the ocean. Under harsh work conditions with blackouts and high levels of radiation, we built and began operating a circulation cooling system designed to purify and recycle contaminated water within the short period of two months. As a result, we were able to prevent the contaminated water from flowing outside the power plant premises.

### Achieving a stable state of cold shutdown

#### Working toward step 2 (August to December 2011)

A contaminated water treatment system developed by an overseas manufacturer was initially installed to deal with the emergency. The operation of this system led Toshiba to conclude that in order to process the massive amounts of contaminated water, it was necessary to improve the system's treatment capabilities and ensure its stable operation. Consequently, we proposed to TEPCO that we develop a new system in cooperation with partner companies in the United States and Japan. We commenced development in May and began operating the new system in August.

The new system, which we named SARRY™,<sup>\*1</sup> was highly valued for its stable operational performance and high decontamination ability, and came to be used as the primary decontamination device from October onward. The stable operation of SARRY allowed us to effectively cool the nuclear reactors with circulated cooling water, and to help achieve a state of cold shutdown for the Fukushima Daiichi Nuclear Power Station's Units 1 through 3 in December.

<sup>\*1</sup> SARRY™: Simplified Active Water Retrieve and Recovery System

<sup>\*2</sup> Places with locally high radiation levels

<sup>\*3</sup> SARRY-Aqua: Jointly developed with IHI Corporation

### Supporting full-scale decontamination in areas outside the power plant through advanced technologies

Based on the expertise obtained through our experience in the Fukushima nuclear accident and nuclear power plant technologies with proven track records, Toshiba Group has developed a number of products and systems designed to detect radioactive materials and deal with decontamination. We will discuss how to use these products with national and local governments.

- **A high-performance, small-size portable gamma camera that shows hot spots at a glance**

Smaller in size and higher in performance than gamma cameras used in the power plant, this portable gamma camera

identifies hot spots<sup>\*2</sup> clearly by using different colors to show different levels of radiation, thereby improving decontamination efficiency. Toshiba's original semiconductor packaging and signal processing technologies make it possible to detect low-level radiation that does not affect human health.



Portable gamma camera

- **SARRY-Aqua,<sup>\*3</sup> a system that purifies water containing radioactive materials**

Smaller than the SARRY, SARRY-Aqua is a transportable, radio-contaminated water treatment system that can be carried on a truck. SARRY-Aqua treats pool water, agricultural water, and decontamination water containing radioactive cesium onsite and reduces the concentration of radioactive cesium in the water to a level that meets drinking water standards.



SARRY-Aqua

- **SARRY-Soil, a soil purification system**

SARRY-Soil is a radioactive contamination soil treatment system that can be transported like SARRY-Aqua. It is used to purify soil and incinerate ash from wastewater sludge and waste ash containing radioactive cesium onsite.



SARRY-Soil



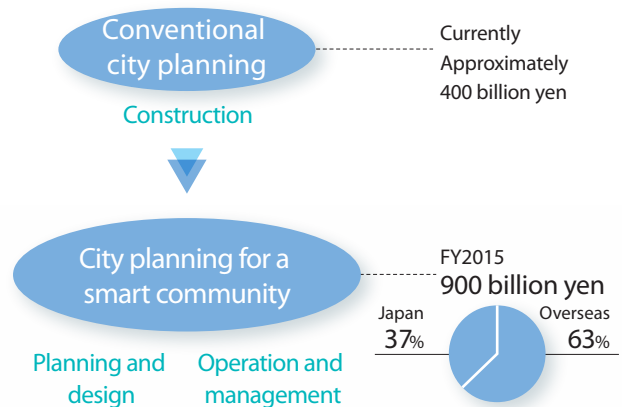
## Why now?

We are faced with a number of problems that must be solved if we are to achieve sustainability of the world. One such example is population growth. The population of Africa and Asia will continue to grow in the years to come, and in 2050, the combined population of these regions is expected to reach around 1.5 times what it is now, boosting the world's population to over 9 billion people. This is causing increased concern over food, resources, the environment, and other problems. The influx of more people into urban areas, meanwhile, is expected to cause serious urban problems. As a result, world demand for energy is predicted to rise approximately 1.5 times compared to the 2006 level by 2030, causing problems such as increases in CO<sub>2</sub> emissions and wider disparities between countries that are rich in natural resources and those that are not. These effects will inevitably have significant impact on the world economy and business activities if this situation continues unchecked.

For this reason, it is now indispensable to take measures to cope with such problems through the sustainable use of energy and resources. Therefore, the necessity of smart communities is drawing close public attention.

## Business goal

Toshiba Group will contribute to realize the expanding smart community through its business. It has already participated in many commercial and pilot projects in various regions of the world and will drive the market as a pioneer of smart communities.



## Special Feature

# Realization of smart communities

With the growth in the world population and its concentration in cities as well as the rise in energy demand, the issue of how wisely we can use various resources is of global concern.

One promising solution is "smart communities."

Toshiba Group will concentrate its energies on the realization of smart communities by fully utilizing the technology it has accumulated over the years together with its collective strength.





## Characteristics of Toshiba 1

### Comprehensive solutions

The smart community that Toshiba Group is aiming to create covers a wide range of areas, including not only smart grids that efficiently use energy but also water management, traffic control, health care, security, and disaster prevention. Integral to the realization of the smart community is the technology required to collect accurate data that is continually changing according to the situation in these areas, and to process large amounts of such data and control them in optimal ways.

Toshiba Group has sensing and control technologies required for detection and measurement and ICT that underpins information infrastructures. Since the Group has accumulated such comprehensive technology, it can support the very foundations of smart-community development and provide the best solutions.

## Characteristics of Toshiba 2

### Global business development

Toshiba Group participates in many smart community projects in various regions of the world (see next page). Solutions for smart communities cover a wide range of areas from community development to the management thereof. Toshiba Group therefore collaborates with companies that are expected to complement Toshiba Group or produce a synergy effect when they work together as well as with those companies that possess proprietary technology related to smart communities. Toshiba Group is implementing M&A projects as exemplified by the acquisition of Landis+Gyr, Inc., one of the world's leading manufacturers of smart meters, in July 2011. Thus Toshiba Group is pushing forward with its smart community projects worldwide.

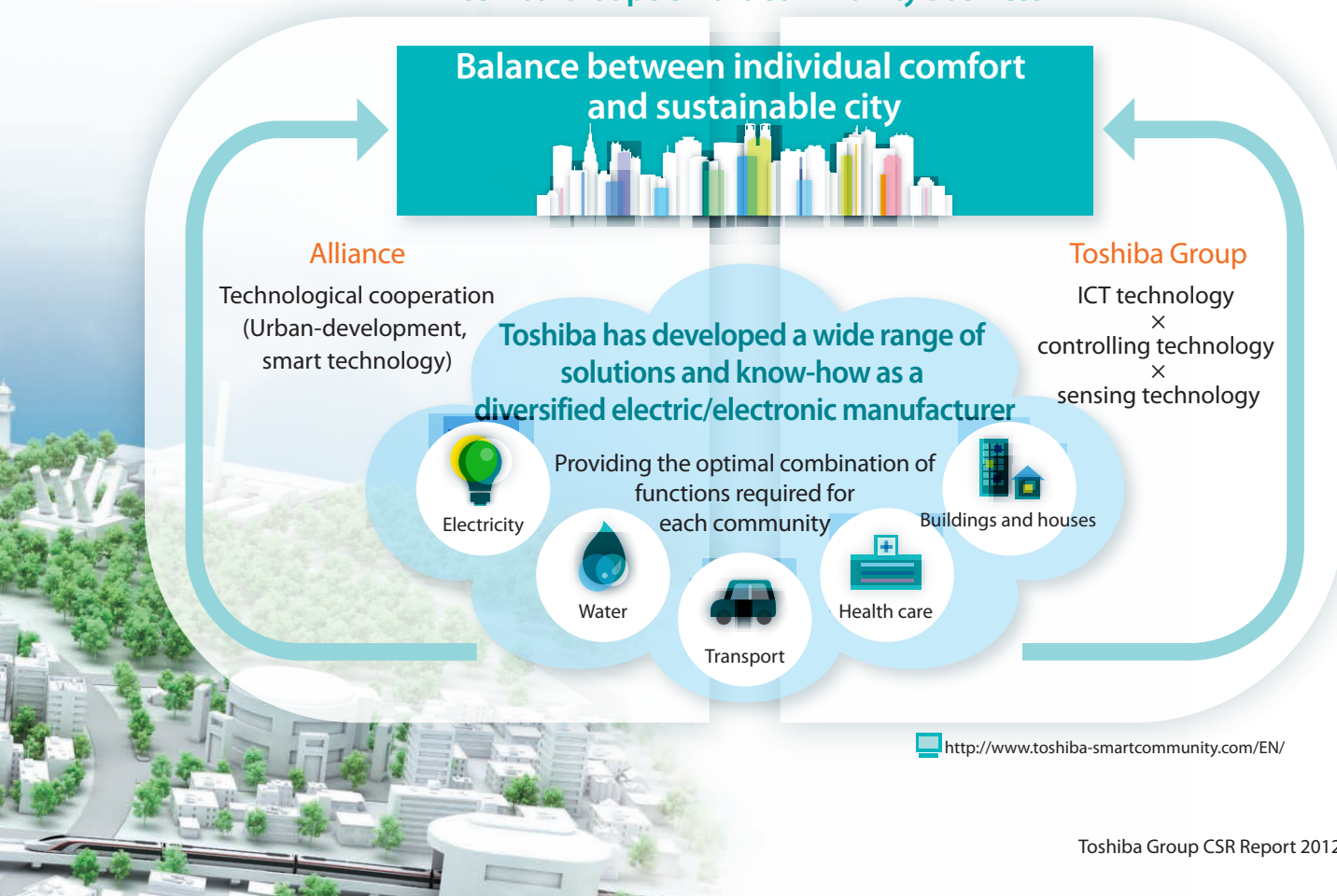
Toshiba Group is also stepping up localization through efforts such as collaboration with China's state-run enterprises and the Singapore government. Thus we will provide the best solutions to achieve two goals simultaneously: the comfortable living of individuals and sustainable cities.

#### Column

#### Energy management for stabilizing and utilizing natural energy

In managing electric energy, it is indispensable to capture natural energy, which generates varying amounts of electricity depending on the weather, and control the amounts of electricity generated by it. In conjunction with electricity storage facilities, generators are required to control and stabilize the frequency of electricity and the level of voltage in real time. Such technology enables the introduction of photovoltaic, wind, and other power generation systems, as distributed power sources that also play a vital part in ensuring energy security in the event of natural disasters.

### Toshiba Group's Smart Community Business

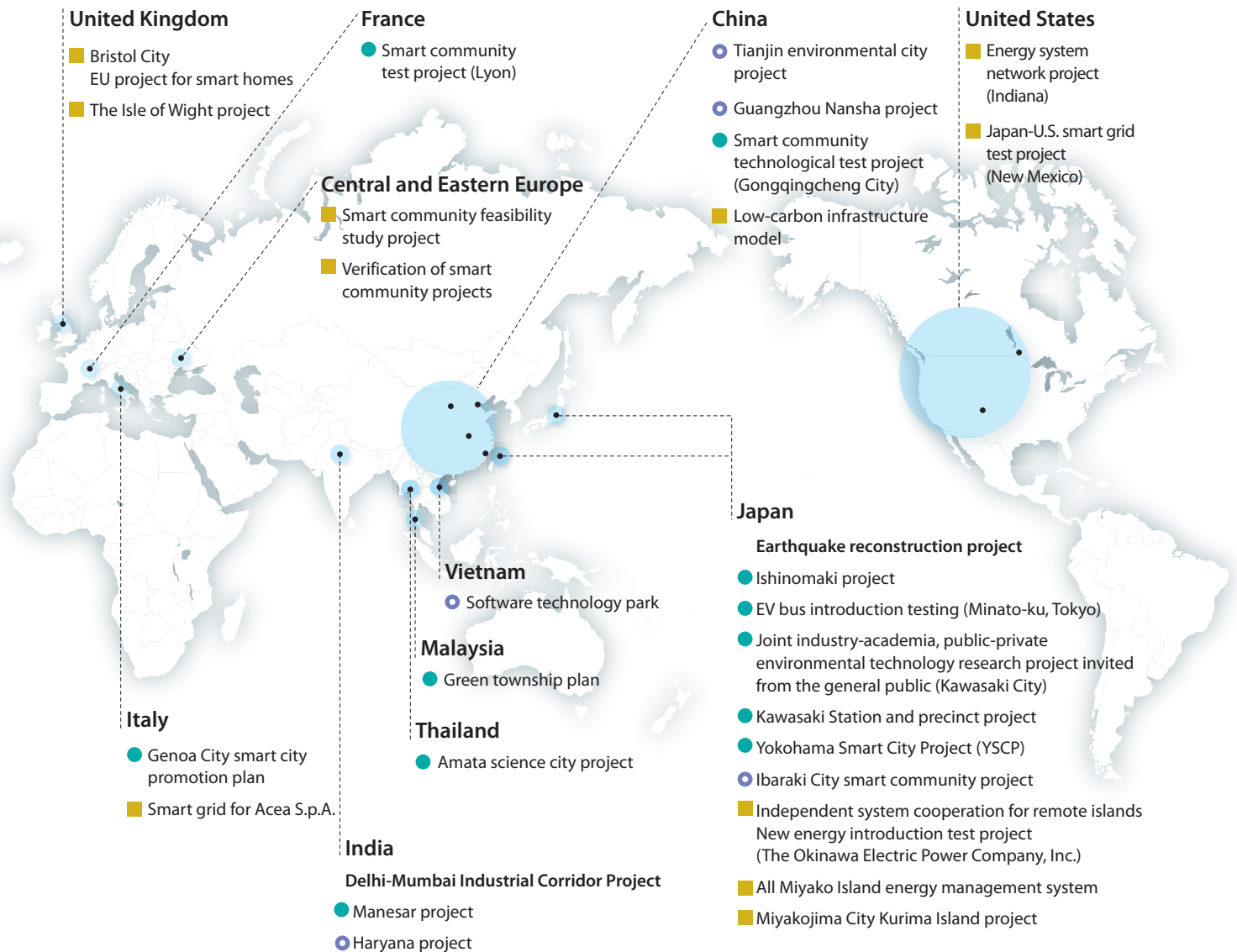


<http://www.toshiba-smartcommunity.com/EN/>

Present status of Toshiba's initiatives for smart community projects

## Participating in 27 projects\* in Japan and overseas focusing on each community's priority issues

\* As of April 2012



■ Smart grid type  
(Includes the use of renewable energy) **11** projects

These projects focus on the development of smart grids, which control the balance between energy supply and demand in an optimal manner. They include projects that use a renewable energy supply.

● Smart community  
Redevelopment type **11** projects

These projects introduce smart technology into the entire community, including water, transport, distribution, and other aspects of life such as energy. They are divided into two categories: redevelopment, for the redevelopment of existing communities; and new development, for the development of new smart communities.

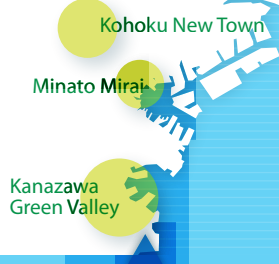
○ Smart community  
New development type **5** projects

Prominent example: ● Redevelopment type

Japan



Yokohama



Population

Approx. 420,000  
(Some 170,000 households)

Area

Approx. 60 km<sup>2</sup>



# Yokohama Smart City Project (YSCP)

Establishing a social system that aims to achieve a  
**30% reduction in CO<sub>2</sub> emissions**

**CEMS** Community energy management system (CEMS)



**HEMS**

Home energy management system (HEMS)

Visualization of power consumption and testing of demand response system

Introduced into  
**4,000 homes**

**20%** CO<sub>2</sub> reduction  
Investment recovery  
in three years



**BEMS**

Building energy management system (BEMS)

Implementation of an integrated BEMS and next-generation BEMS

Introduced into  
buildings with a  
combined area of  
**1.6 million m<sup>2</sup>**

**20%** CO<sub>2</sub> reduction  
Investment recovery  
in five years

Other initiatives in this project include:



Introduction of **2,000 electric vehicles (EV)**

**30%** CO<sub>2</sub> reduction per vehicle

The Yokohama Smart City Project (YSCP) is one of the largest-scale smart city experiments in Japan. YSCP covers three areas in the city: the Minato Mirai area in central Yokohama, Kohoku New Town, and Kanazawa Green Valley. The combined area of these three areas is approximately 60 km<sup>2</sup> with a population of around 420,000 (170,000 households). The project, which aims to establish a social system with a 30% reduction in CO<sub>2</sub> emissions, will test wide-area energy management and demand response (DR) systems.

Wide-area energy management combines three systems: the community energy management system (CEMS) for the community as a whole, home energy management system (HEMS) for houses, and building energy management system (BEMS) for commercial districts. HEMS will be introduced into 4,000 homes to make power consumption visible and encourage households to save electricity and reduce CO<sub>2</sub> emissions through DR.

Toshiba is mainly responsible for CEMS and BEMS as well as HEMS for condominiums and houses. In particular, Park Homes Okurayama will become the first condominium to introduce a DR system. New Toshiba air-conditioning

installed in each unit, which will be connected to CEMS, the central control system, will be controlled according to the status of power consumption for optimal operation. The plans call for control equipment to be introduced in the autumn of 2012 to enable the DR system to be launched in April 2013. Toshiba will install BEMS in commercial buildings covering a combined area of 1.6 million m<sup>2</sup>, in order to optimize power consumption control and help reduce CO<sub>2</sub> emissions. By developing an infrastructure that enables introduction of 2,000 electric vehicles into the entire area, Toshiba will also aim to help reduce CO<sub>2</sub> emissions in the transport sector.

The Yokohama Smart City Project is a typical example of smart community development that uses all three systems: CEMS, HEMS, and BEMS. The results obtained from the experiment during the period up to FY2014 will be utilized for even larger-scale community planning.



Yokohama City won the World Smart Cities Award at Smart City Expo World Congress 2011.

Prominent example: ● Redevelopment type

France

Lyon

Redevelopment  
District  
Confluence

Area

About 150 ha

© DESVIGNE Conseil - Jean-Philippe Restoy  
pour SPLA Lyon Confluence

# Project in Lyon, France

## Sustainable city based on systems to utilize and manage renewable energy

Aiming to achieve the "20-20-20"\* targets set by the European Union five years earlier

Details of experiments and important contributions (from 2012 to 2015)

### Important point 1

Realizing positive energy buildings by introducing renewable energy based power generation equipment and by promoting efficient energy use in buildings



Use of  
electricity  
generated using  
solar energy

15 % or more



Reduction in  
energy  
consumption

20 % or more

### Important point 2

Realizing transport infrastructure emitting no green house gas by allowing residents to share electric vehicles powered by renewable energy sources



Use of renewable  
energy

70 % or more



Reduction in  
greenhouse  
gas emissions

**Important point 3** Making energy consumption at homes visible through energy consumption audit systems and changing resident awareness of energy consumption

**Important point 4** Establishing a community management system and applying smart technology to the community as a whole

\* "20-20-20" refers to the EU's targets to mitigate global warming. By 2020, the EU aims to reduce greenhouse gas emissions and energy consumption by 20% each compared to 1990 levels, and boost the percentage of natural energy used as a proportion of total energy consumption to 20%.

A project is currently underway at the Lyon Confluence redevelopment district in Lyon, France. This district consists of a sandbar between two rivers, where smart equipment will be introduced as a part of the new urban infrastructure planned in the redevelopment plan. The project is based on the main theme of "realizing a sustainable city based on systems which utilize and manage renewable energy" and involves homes, buildings, and transport in an area measuring around 150 hectares. It involves the active introduction of photovoltaic power generation and other systems and the establishment of management technology for their efficient use.

Along with the application of energy conservation technology, the project targets newly constructed buildings generating more energy than they consume with about 15% of expected energy consumption covered by photovoltaic power generation and around 83% by cogeneration. In addition, electric vehicles powered by electricity that is generated using renewable energy will be shared as a means of transport. Thus the project will realize a means of transport that achieves zero

emissions and helps alleviate traffic congestion.

The Lyon project, which plans experiments for the period from 2012 to 2015, aims to utilize solar energy to achieve the "20-20-20" targets set by the EU five years earlier.

Firstly, Toshiba was commissioned by the New Energy and Industrial Technology Development Organization (NEDO) to conduct a feasibility study from January until the end of October 2011. In the years to come, together with Toshiba Solutions Corp., Toshiba Group will continue to serve as a supervisor of this project. Toshiba will work with major French corporate groups in the area of construction and transport and several Japanese businesses in other areas, thus establishing the best practices in this European smart community project and applying them to projects in other regions of the world.



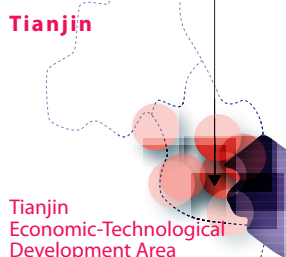
The conceptual drawing of positive energy buildings at their completion was made by Japanese architect Mr. Kengo Kuma.  
© Cyril Thomas pour Bouygues / Asylum pour SPLA Lyon Confluence



China



Tianjin

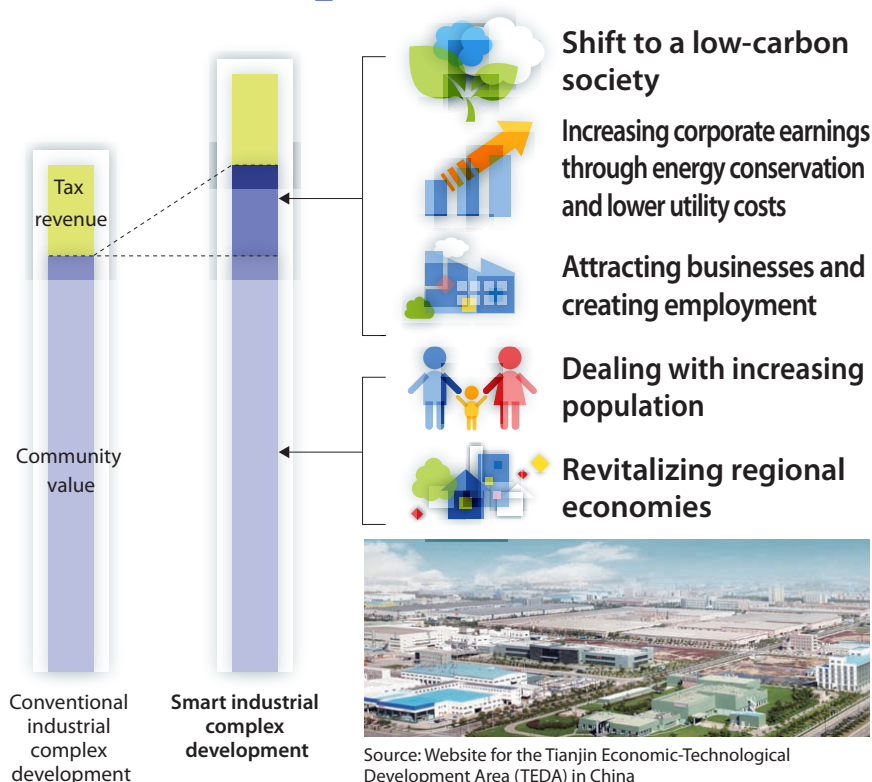


Tianjin  
Economic-Technological  
Development Area



# Construction of a smart industrial complex in Tianjin, China

Contributing to China's national policy, which aims to abolish income disparities and reduce CO<sub>2</sub> emissions



The urban project for China's Tianjin is divided into two phases. Phase 1 aims to make the existing equipment of buildings and plants in the Tianjin Economic-Technological Development Area (TEDA) more energy efficient. Based on the knowledge gained in Phase 1, Phase 2 will involve the formulation of basic plans to build a smart community in the industrial complex.

This industrial complex development project follows the Chinese government's five-year plan. The principal objectives of the plan are to abolish income disparities and reduce CO<sub>2</sub> emissions, and in order to achieve the former goal, the government aims to increase the minimum wage level by at least 13% annually to boost consumption. The project constitutes part of a plan to build in the eastern, central, western, and northeastern parts of the country several urban areas consisting of key large cities and medium-sized and small cities as the government continues to propose well-balanced regional development in order to achieve its goal.

As TEDA involved the development of new industrial parks, Toshiba carried out a feasibility study for projects with these industrial parks in mind. In these industrial parks it is necessary to develop smart communities as well as attract businesses from overseas. For this reason, even if smart communities are created, the goal cannot be achieved if it is costly for businesses to operate in the industrial park. In order to provide solutions that achieve both a low-carbon society and the profitability of business, Toshiba is considering high-efficiency cogeneration systems to enable the respective requests of the government, businesses, and residents to be met.

Many similar projects are planned for all areas of China, and with the Tianjin project as a starting point, Toshiba Group is considering applying the expertise it gains therefrom to various other regions of the country.



TEDA website  
<http://en.investteda.org>



# Strengthening CSR Management Based on the Principles of ISO 26000



Toshiba signed the United Nations Global Compact in 2004 and has since taken steps to pursue CSR management in line with global standards. For CSR Report 2010, we aligned our reporting with the seven core subjects of the ISO/DIS 26000 Draft International Standard.

In FY2010 we also launched initiatives to integrate ISO 26000 into our overall management practices. We evaluated the status of our initiatives in line with the seven core subjects, confirmed and established medium-term key performance indicators (KPIs), and disclosed the results of evaluations in the CSR Report 2011.

In FY2011, based on the progress in achievement of KPIs, we verified again that the status of Toshiba Group's CSR practices were consistent with the "recommended actions" sections for each of the seven core subjects. At the beginning of FY2012, we invited ISO experts to discuss the essence of stakeholder engagement and at the same time internally examined a number of main issues and determined the direction of future initiatives.

## The Seven Core Subjects of ISO 26000



### Organizational Governance

Organizational governance



### Human Rights

Due diligence, Human rights risk situations, Avoidance of complicity, Resolving grievances, Discrimination and vulnerable groups, Civil and political rights, Economic, social and cultural rights, Fundamental principles and rights at work



### Labor Practices

Employment and employment relationships, Conditions of work and social protection, Social dialogue, Health and safety at work, Human development and training in the workplace



### The Environment

Prevention of pollution, Sustainable resource use, Climate change mitigation and adaptation, Environmental protection, biodiversity and restoration of natural habitats



### Fair Operating Practices

Anti-corruption, Responsible political involvement, Fair competition, Promoting social responsibility in the value chain, Respect for property rights



### Consumer Issues

Fair marketing, factual and unbiased information and fair contractual practices, Protecting consumers' health and safety, Sustainable consumption, Consumer service, support, and complaint and dispute resolution, Consumer data protection and privacy, Access to essential services, Education and awareness



### Community Involvement and Development

Community involvement, Education and culture, Employment creation and skills development, Technology development and access, Wealth and income creation, Health, Social investment

Note: Core subjects and issues are based on the International Standard ISO 26000:2010, Guidance on Social Responsibility.

## The Ten Principles of the United Nations Global Compact

### Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

### Labor Standards

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labor;

**Principle 5:** the effective abolition of child labor; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Environment

**Principle 7:** Business should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

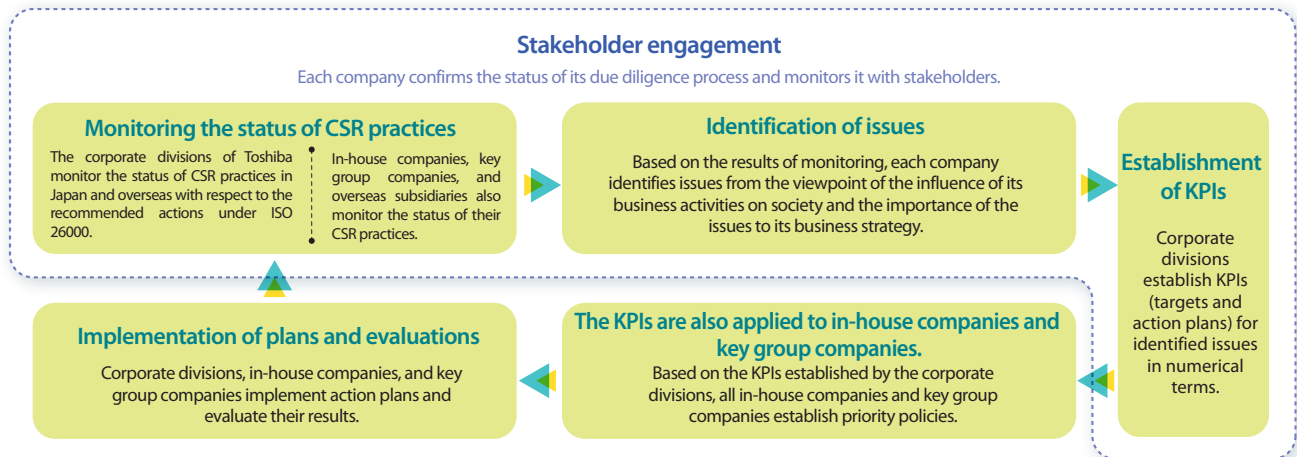
### Anti-Corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## Making CSR management based on global standards an integral part of the organization

In FY2011 we strove to ensure that ISO 26000 was implemented throughout Toshiba Group and made sure that the PDCA cycle of checking, identification of issues, planning, action, and evaluation based on ISO 26000 was implemented without fail.

### Toshiba Group's CSR Management Cycle



## Identifying major issues through stakeholder dialogues by engaging stakeholders from the policy-making stage

In April 2012, a discussion was held between experts involved in the formulation of ISO 26000 and members of Toshiba's CSR Implementation Office under the theme of the "essence of stakeholder engagement." The objective was to evaluate the way Toshiba implemented stakeholder dialogues and engagement and examine how it should do so in the future.

### Opinions of participants

In order to implement ISO 26000, which was developed as a result of consensus of diverse stakeholders, I recommend that Toshiba, together with its stakeholders, monitor, analyze, and verify the effects of its business activities on society and the actions it takes toward society. It is important for multinational corporations to manage their suppliers in overseas markets and contribute to the communities where they operate, and I hope that Toshiba will pay further attention to this point.



Kenichi Kumagai  
Japan Association for Advancement of ILO Activities

Stakeholders should also be involved in the policy-making process when Toshiba determines its policy for supply chain initiatives and community involvement, two of the major issues identified for FY2012. I hope that Toshiba will not only eliminate the negative effects of its business activities but also contribute actively to the development of local communities.



Sachiko Kishimoto  
Co-Director, CSR Review Forum-Japan  
Executive Director, Center of Public Resources Development

In community involvement and development, it is important to hold dialogues with members of the local community properly, identify issues to be addressed, and solve them. Furthermore, I hope that Toshiba will always keep in mind that socially vulnerable people are also important stakeholders.



Kaori Kuroda  
Executive Director, CSO Network Japan

We held a dialogue with Toshiba on the topic of "what is stakeholder engagement." For a company and its stakeholders to be able to engage in open and frank discussions, both parties need to have the willingness and desire to do so. I realized that Toshiba was committed to advance to the next stage of CSR management through stakeholder engagement.



Tomohiko Yamaguchi  
Co-Director, CSR Review Forum-Japan

### After the discussion

Toshiba, as a company aiming for a global company, reconfirmed through our dialogue with the experts that "supply chain management" and "community involvement" are the most important themes for CSR management. We will work to improve CSR management by deepening the engagement of each stakeholder in decisions on active policy, establishment of KPIs, and development of action plans.

**Makoto Shirai**  
General Manager of the CSR Implementation Office  
Toshiba Corporation

## Major Achievements in FY2011 and Targets &amp; Plans for FY2012

Core Subjects	Sub-items	Targets and Plans for FY2011	Major Achievements in FY2011
Organizational Governance	CSR Management	<ul style="list-style-type: none"> <li>Promote the implementation of high-priority CSR themes by all in-house companies</li> <li>Spread the concept of integrity to all Toshiba Group companies in Japan and overseas</li> </ul>	<ul style="list-style-type: none"> <li>Checked progress every three months with the Chief CSR Officers of all in-house companies and established a total of 60 CSR priority themes for implementation. The degree of goal achievement for FY2011 was 97.7%.</li> <li>Initiated meetings on integrity topics at each workplace in Japan (three meetings were held at each workplace during the year with participation of 280,000 employees in total)</li> </ul>
	Corporate Governance	Continue to promote appropriate information disclosure in accordance with the revised Cabinet Office Ordinance on Disclosure of Corporate Affairs in Japan, step up effective use of indirect governance, and continue appropriate operation of the Board of Directors	<ul style="list-style-type: none"> <li>Compiled financial statements in accordance with the revised Cabinet Office Ordinance on Disclosure of Corporate Affairs</li> <li>Participated in discussions on revision of the Companies Act in Japan and a revision of the Tokyo Stock Exchange's independent director system</li> </ul>
	Dialogue with Stakeholders	<p>Enhance communication with analysts and investors worldwide on Toshiba Group's management policies and strategies to promote their understanding and strengthen information disclosure of the policies and strategies</p> <p>Continue to conduct the employee morale survey, organize forums that provide an opportunity for employees to directly interact with the president, promote top executives' interactions with employees through their visits to manufacturing sites, and hold periodic meetings with various stakeholders</p>	<p>Hosted meetings for investors to provide explanation on Toshiba's businesses, a topic of great interest to investors. Smart communities and energy-related business were explained by President Sasaki (December 2011 and March 2012). The director in charge took part in discussions with Japanese organizations that had signed the United Nations' Principles for Responsible Investment (May 2011). Toshiba Group's response to the Great East Japan Earthquake was explained to individual investors through its website and shareholder newsletters. Its website continued to be highly rated.</p> <ul style="list-style-type: none"> <li>Conducted an employee morale survey (TEAM Survey)</li> <li>President Sasaki interacts with employees at forums. Conducted "Top Executive Innovation Visits" by top executives to manufacturing sites worldwide (more than 29 visits).</li> <li>Held periodic meetings with various stakeholders such as local communities, NPOs, and NGOs</li> </ul>
Human Rights/Labor Practices	Respect for Human Rights and Prohibition of Discrimination	<p>Continue to organize human rights enlightenment programs</p> <p>Continue to manage CSR (consideration of human rights) in the supply chain (take appropriate steps in response to the issue of conflict minerals)</p>	<ul style="list-style-type: none"> <li>Provided human rights education for new recruits and for employees at the time of promotion and appointment to managerial positions</li> <li>Held a Human Rights Week Memorial Lecture during the CSR month in December</li> <li>Put in place an internal system to cope with conflict minerals. Toshiba established Toshiba Group Conflict Mineral Policy and announced it publicly (November 2011)</li> <li>Revised Toshiba Group Procurement Policy and requested that suppliers to pay due attention to human rights (May 2012)</li> <li>Began investigation of the status of use by suppliers of conflict minerals for semiconductor and other businesses (November 2011)</li> </ul>
	Development of Human Resources	Upgrade educational programs and ensure their effective implementation	Conducted education on topics such as innovation leadership, Toshiba value, and liberal arts to develop globally minded personnel
	Promotion of Diversity	<p>Enhance recruitment from overseas universities</p> <p>Continue to maintain the rate of employment of people with disabilities at group companies in Japan above the statutory level of 1.8%</p>	<p>Hired more employees directly from among non-Japanese students studying in Japan and from overseas universities</p> <p>Assessed the jobs and work environment of those who had already entered the Toshiba to improve their career development</p> <ul style="list-style-type: none"> <li>Continued operation of special subsidiary Toshiba With</li> <li>Achieved the employment rate of 1.96% in Toshiba Corp. (2.12% in case of group companies in Japan) as of April 2012, surpassing the statutory employment rate</li> </ul>
	Support for Diverse Work Styles	<ul style="list-style-type: none"> <li>Continue to periodically obtain data on work hours and to promote each workplace's initiatives to reduce overtime</li> <li>Continue to provide work-style innovation training</li> </ul>	<ul style="list-style-type: none"> <li>Included questions for group leaders about check items to improve subordinate performance in the employee morale survey and gave them feedback on the results of the survey</li> <li>Continued to use the system to indicate the number of hours worked and the system for work record notification</li> <li>Continued to publish Kirameki Times, an educational tool</li> </ul>
	Occupational Health and Safety	Prevent serious accidents (Make all-out efforts to reduce risks through risk assessment and implement other measures)	Conducted risk assessments based on OHSAS 18001 and took measures to reduce risks (Toshiba finished implementing measures to cope with all of the maximum risks identified in the previous year)
		Take measures to maintain the mental health of employees	Conducted stress checks and provided individual employees with feedback on their results
		Take measures to prevent and provide support to employees with high risk of cerebrovascular or cardiovascular diseases	Conducted classification of employment based on the results of medical examinations (carried out at all workplaces)
The Environment	Enhancement of Environmental Management	Enhance efforts to implement measures for achieving the Environmental Vision 2050 and emphasize Toshiba Group's environmental initiatives	Achieved the target of improvement in overall eco-efficiency
		Promote biodiversity conservation programs through regional cooperation at production sites	<ul style="list-style-type: none"> <li>Provided training to develop biodiversity promotion leaders</li> <li>Developed simple biotopes at business sites and employees' homes to establish a network of habitats for wildlife</li> </ul>
	Creation of Environmentally Conscious Products (ECPs)	Increase the ratio of sales of ECPs to 70%	Surpassed the target by achieving a sales ratio of 72%. Further improvements were made on social infrastructure products with a long product development cycle.
		Develop 20 new Excellent ECPs	Surpassed the target by developing 29 new Excellent ECPs (six digital products, six social infrastructure products, and 13 home appliances, others)
		Continue to eliminate all the 15 specified hazardous substances contained in products (100% free from such substances)	Confirmed that all shipped products did not contain any of the specified substances. Attained the target with 100% of products free of such substances
		Achieve 6.8 million tons of CO <sub>2</sub> emissions control effects through ECPs	Failed to achieve the target—achieved only 4.7 million tons of CO <sub>2</sub> emissions reduction effects through ECPs. However, CO <sub>2</sub> emissions reduction effects rose by 0.7 million tons compared to the previous year (4 million tons for FY2010) although total sales of ECPs were less than a year earlier.
	Environmentally Conscious Business Processes	Reduce energy-derived CO <sub>2</sub> emissions per unit production by 44% (Promote energy-saving and other activities based on analysis of the effects of the Great East Japan Earthquake)	Achieved the target by reducing energy-derived CO <sub>2</sub> emissions per unit production by 49%—achieved the target by continuing to implement energy conservation measures in a systematic way
		Increase the expansion rate for the quantity of recycling of end-of-use products to 170%	Achieved the target, with the quantity of end-of-use products recycled at 219%. While the amount of cathode-ray tube TV sets recycled continued to fall with the shift to digital terrestrial broadcasting, that of other products recycled in Japan and overseas continued to rise.
		Reduce water intake per unit production by 9.5%	Achieved the target by reducing water intake per unit production by 24%—continuously promoted water reuse through systematic introduction of wastewater treatment and collection equipment
		Reduction of emissions of chemicals to air and water by 52%	Failed to achieve the target, with a 44% reduction in the amount of chemicals discharged—failed to achieve this target due to a delay in taking measures to reduce discharges at certain business sites where facility investments were not made
	Promotion of Environmental Communication	Continue to promote environmental initiatives via Environmental Report and corporate website	<ul style="list-style-type: none"> <li>Published Japanese, English, and Chinese versions of the Environmental Report (Environmental performance data acquired third-party certification)</li> <li>Updated the environmental pages of the corporate website by revamping the Top page's structure and overall design. In addition, new attempts such as announcements of awards received, active provision of information on new product launches, and cooperation with the Toshiba Facebook page were made.</li> </ul>
		Adopt a strategic approach to environmental advertising and publicity, exhibitions	Engaged in proactive promotion of Toshiba Group's environmental initiatives at exhibitions in Japan and overseas (including the 21st Toshiba Group Environmental Exhibition, Eco-Products 2011 (Japan), Earth Day NY (United States), IFA Berlin 2011 (Germany), and 2011 International CES (U.S.)). Carried out active environmental publicity activities with "eco-style" as our concept

Achievement level: ◎ Surpassed target (\*\*120% or above); ○ Achieved; △ Not achieved

	Achievement level	Numeric value			Page No.	Targets and Plans for FY2012	
		Target	Result	Unit			
	○	95	98	%	P25–26	<ul style="list-style-type: none"> <li>Establish priority themes for all in-house companies based on identified ISO 26000 issues and promote their implementation. Achieve all goals established</li> <li>Spread the concept of integrity to all Toshiba Group companies in Japan and overseas</li> </ul>	
	○	100*	100*	%	P27	<ul style="list-style-type: none"> <li>Disclose information appropriately in accordance with the revised Cabinet Office Ordinance on Disclosure of Corporate Affairs and the independent director system revised by the Tokyo Stock Exchange</li> <li>Enhance the role of indirect governance</li> <li>Continue appropriate operation of the Board of Directors and ensure transparent management through independent directors</li> </ul>	
	○	100*	100*	%	P28	Continue communication with investors and individual shareholders in Japan and overseas to make Toshiba's policy and strategy recognized. In particular, enhance communication of information on the direction of its business structure transformation and raise its level of recognition among global funds.	
	○	100*	100*	%		<ul style="list-style-type: none"> <li>Conduct the employee morale survey</li> <li>Hold dialogues with various stakeholders</li> </ul>	
	○	100*	100*	%	P29	Continue to organize human rights enlightenment programs	
	○	100*	100*	%	P29, 45	Educate members of the supply chain of the need to pay attention to human rights and request that they investigate the status of use of conflict minerals	
	○	100*	100*	%	P30–33	Provide education to develop CSR-minded personnel	
	○	100*	100*	%		Create an environment that enables employees to play an active role irrespective of nationality, gender, disabilities, and age	
	○	1.8	2.12	%		1) Hire more foreign employees 2) Support the employment of female employees by providing training and communication of information 3) Continue to maintain the rate of employment of people with disabilities at group companies in Japan above the statutory level	
	○	100*	100*	%		Continue to periodically obtain data on work hours and to promote each workplace's initiatives to reduce overtime	
	○	100*	100*	%	P33, 34	Make all-out efforts to reduce risks through risk assessments (risk reduction, management, and monitoring) (Implement risk-reduction measures for all new risks)	
	○	100*	100*	%		Improve workplaces through stress checks	
	○	100*	100*	%		Implement classification of employment based on periodic medical examinations at all workplaces without fail	
	○	2.16	2.50	Factor	P35–42	Increase Eco-efficiency	Overall eco-efficiency: 2.5 times (compared to the FY2000 level)
	○	100*	100*	%			Product eco-efficiency: 2.8 times (compared to the FY2000 level) Business process eco-efficiency: 1.35 times (compared to the FY2000 level)
	○	70	72	%		Greening of Products (Environmentally Conscious Products)/Greening by Technology (Low Carbon Energy Technologies)	Increase sales of Excellent ECPs to 500 billion yen and those produced by Greening by Technology to 1.36 trillion yen
	◎	20	29	No. of products			Mitigation of climate change: Reduce CO <sub>2</sub> emissions by 6 million tons through Greening of Products initiatives
	○	100	100	%			Efficient use of resources: Increase the percentage of products recycled to 33%
	△	6.8	4.7	M tons			Management of chemicals: Reduce the amount of specified chemical substances (PVC and BFR) used (discontinue their use entirely for 20 product groups) * Except for specified purposes
	○	44	49	%		Greening of Process (Environmentally Conscious Manufacturing)	Mitigation of climate change: Reduce total greenhouse gas emissions to 3.45 million tons (at 51% compared to the FY1990 level)
	◎	170	219	%			Efficient use of resources: Reduce the amount of waste generated to 107,000 tons (at 65% compared to the FY2000 level)
	◎	9.5	24	%			Efficient use of resources: Reduce water intake per unit production to 96% (compared to the FY2000 level)
	△	52	44	%			Management of chemicals: Reduce the amount of chemicals discharged to 1,694 tons (at 66% compared to the FY2000 level)
	○	100*	100*	%		Green Management (The Base of Our Environmental Management)	Conservation of biodiversity: Develop ecosystem networks in collaboration with local communities (Target percentage of biodiversity surveys conducted at major business sites: 5%)
	○	100*	100*	%			Environmental education/human resource development: Develop 200 Toshiba eco-style leaders
							Environmental communication: Expand environmental communication to connect people around the world (employee community development)

\* Target for qualitative indicators set at 100%. Evaluation for remarkable progress: ◎ (120% or above); for targets achieved: ○ (100% up to 120%); and for targets not achieved: △ (below 100%)

## Major Achievements in FY2011 and Targets &amp; Plans for FY2012

Core Subjects	Sub-items	Targets and Plans for FY2011	Major Achievements in FY2011
Fair Operating Practices	Risk Management and Compliance	Implement various compliance measures throughout Toshiba Group worldwide	Complied with the UK Bribery Act 2010 (established new anti-bribery guidelines, requested all group companies in Japan and overseas to adopt the guidelines, and took other measures)
		Continue to develop educational programs for risk management and compliance	Continued to provide training by organizational level, job category, etc. Provided trainings in Europe, US, and Asia using e-learning materials in English
	Fair Competition and Trading Practices	Continue to reinforce the audit system to ensure compliance with rules regarding procurement at relevant companies (Implement audit programs for Group companies)	<ul style="list-style-type: none"><li>Implemented audit programs for 109 group companies (implementation rate: 100%)</li><li>Provided e-learning courses on the compliance with rules regarding procurement (attendance: 93,067)</li></ul>
	Information Security Management	Continue to promote information security management	<ul style="list-style-type: none"><li>Provided some 180,000 group employees, including 30,000 from Toshiba, with education in information security and protection of personal data</li><li>Strengthened monitoring and countermeasures against cyber attacks</li><li>Conducted self-audits on information security at Toshiba and 554 Group companies in Japan and overseas</li></ul>
	Protection of Intellectual Property	Continue to take measures against counterfeit products and to protect brands	Worked with local regulatory authorities to promote activities aimed at eradicating counterfeit products and registered with customs offices in a wider range of countries (two more countries)
		Reinforce risk management regarding intellectual properties and continue to provide intellectual property education	Completed the establishment of related regulations to ensure appropriate software management at group companies; Toshiba and its group companies conducted education and self-audits to ensure appropriate software management (implementation rate: 100%)
Customers	Dealing with Product Accidents	Continue to ensure 100% disclosure of product accident information based on the Consumer Products Safety Act	<ul style="list-style-type: none"><li>Disclosed information on all serious product accidents related to Toshiba products, with the announcement being made by the Consumer Affairs Agency on Toshiba's corporate website</li><li>Disclosed information on 196 cases—118 cases in which it was suspected that the accident was attributed to the product and 78 cases in which it was not confirmed whether the accident was attributed to the product</li></ul>
	Quality Assurance and Safety	Increase awareness of the Electrical Appliance and Material Safety Act and conduct audits to ensure compliance (increase attendance rate for education on the Act)	<ul style="list-style-type: none"><li>Provided e-learning courses on the Electrical Appliance and Material Safety Act to employees in Japan and Japanese employees at overseas subsidiaries (eligibility: approximately 103,000 employees; attendance: 99.9%)</li><li>All 14 Toshiba models chosen for the Ministry of Economy, Trade and Industry's trial purchase tests passed the tests</li></ul>
		Enhance efforts to ensure product quality (utilize feedback from the external quality survey, i.e., JUSE Quality Management Level Research; compare items of the survey with our internal quality survey to form a common database)	Conducted no evaluation because the 2011 survey was cancelled by the Union of Japanese Scientists and Engineers, its organizer, due to review of the survey's examination standards
		Continue to promote training on quality management for personnel in charge (analyze the outcome of quality education and identify the status of global personnel upgrading programs)	Provided 21 courses on product quality, including those held at business sites in Japan and overseas, attended by a total of 1,227 employees, and began measuring their effects
	Enhancing Customer Satisfaction & Product and Service Improvement Based on VOC	Improve satisfaction levels of individual customers with regard to aftersales services	As a measure to improve the quality of call centers, anonymous calls were made by call center personnel and outsiders to the call centers twice a year. In addition to various training programs, the call centers conducted customer satisfaction surveys immediately after customer calls, as well as annual questionnaire surveys via e-mail and self-checks using quality checklists.
		Improve the quality of response to corporate clients for aftersales services	<ul style="list-style-type: none"><li>Shared examples of CS improvement with group companies through Toshiba Group CS Service Committee (a total of about 200 employees attended 12 such meetings), and held joint training sessions for field engineers (a total of about 100 engineers attended the 10 sessions)</li><li>Organized the Telephone Response Contest, with participation of 30 operators from 22 call centers, including those for individual customers</li></ul>
		Enhance customer satisfaction with regard to products and aftersales services in the markets of Asia and emerging economies	<ul style="list-style-type: none"><li>Provided training for field engineers, with participation of around 140 engineers in two cities in Vietnam and 280 in three cities in China, and promoted the localization of teaching materials (completed the production of versions in four languages)</li><li>Conducted product assessments in emerging economies</li></ul>
	Promotion of Universal Design	<ul style="list-style-type: none"><li>Share internal UD examples with the relevant divisions (at least 12 cases)</li><li>Conduct UD evaluations mainly in consultation with UD advisors (at least ten cases)</li></ul>	<ul style="list-style-type: none"><li>Shared internal UD examples (12 cases), including education, research technology, and product development, among all group companies</li><li>Conducted UD evaluations (10 cases) by surveying the situation and awareness of its users at the time of the Earthquake, product assessments as well as evaluation by UD advisors</li></ul>
Community Involvement and Development	Corporate Citizenship Activities	Continue to promote Group-wide corporate citizenship activities, such as science education, disassembly workshops, the 1.5 Million Tree-planting Project, and the Pink Ribbon Campaign (target participation: more than 3,000 employees)	Promoted science education initiatives, disassembly workshops, the 1.5 Million Tree-planting Project, and the Pink Ribbon Campaign (participation: approximately 2,100 employees)
		Continue to promote regional corporate citizenship activities (target participation: more than 100,000 employees)	A total of 107,000 employees from 190 Toshiba Group companies worldwide participated in these activities
	Support in the Aftermath of Disasters	Provide appropriate relief support at disaster-stricken areas (relief aid to victims of the Great East Japan Earthquake)	<ul style="list-style-type: none"><li>Toshiba Group carried out relief support activities worth 1.2 billion yen (including the provision of fishing boats, photovoltaic power generation systems, and home appliances as well as the reconstruction of Toshiba stores)</li><li>Provided 230 disaster-stricken students with a Toshiba scholarship worth 100,000 yen per month</li></ul>



Achievement level: ◎ Surpassed target (\*120% or above); ○ Achieved; △ Not achieved

	Achievement level	Numeric value			Page No.	Targets and Plans for FY2012
		Target	Result	Unit		
	○	100*	100*	%	P43–44	Consider and establish systems to prevent serious violations in Asia in regards to compliance
	○	100*	100*	%		
	○	100*	100*	%	P45–46	Continue to strengthen systems to audit compliance in Group-wide procurement (continue audit programs for group companies; target implementation rate: 100%)
	○	100*	100*	%	P46	Promote and strengthen information security measures (Target implementation rate for information security self-audits: 100%)
	○	100*	100*	%		Take measures against counterfeit products and protect brands on an ongoing basis
	○	100*	100*	%		Continue to strengthen risk management for intellectual property (target implementation rate: 100%)
	○	100	100	%	P47–48	Remain committed to 100% disclosure of information on product accidents based on the Consumer Product Safety Act
	○	99.9	99.9	%		Promote education on the Electrical Appliance and Material Safety Act and continue to conduct audits to ensure compliance with the Act (increase the rate of course attendance)
	–	–	–	Rank		Improve our position in the ranking of external quality evaluations (applying JUSE Quality Management Level Research internally and making third-party evaluations an integral part of quality initiatives)
	○	100*	100*	%		Foster quality awareness (expand educational programs and create a keener quality awareness among employees)
	○	100*	100*	%	P49–50	Improve satisfaction levels of individual customers with regard to aftersales services
	○	100*	100*	%		Improve the quality of responses to corporate clients with regard to aftersales services
	○	100*	100*	%		Enhance customer satisfaction with regard to products and aftersales services in the markets of Asia and emerging economies
	○	100	100	%		<ul style="list-style-type: none"> <li>● Implement measures to spread UD philosophy and standards among employees (at least six cases)</li> <li>● Share internal UD examples with the relevant divisions (at least 12 cases)</li> </ul>
	△	3,000	2,100	Persons	P51–54	Promote business activities to help local communities develop and become independent
	○	100,000	107,000	Persons		Continue to promote regional corporate citizenship activities (target participation: more than 100,000 employees)
	◎	100*	120*	%	P9–12	Continue to help reconstruction from the Great East Japan Earthquake as part of the "Toshiba East Japan ASHITA (Future) Plan" (providing support worth 500 million yen)

\* Target for qualitative indicators set at 100%. Evaluation for remarkable progress: ◎ (120% or above); for targets achieved: ○ (100% up to 120%); and for targets not achieved: △ (below 100%)



# Organizational Governance

## Major progress and achievements in FY2011

▶ Conducting e-learning program for engineers in Japan and overseas on the subject of engineering ethics in accordance with ISO 26000. **P25**

▶ Established KPIs based on ISO 26000 **P25**  
▶ Workplace meetings on integrity held three times and attended by a total of 280,000 employees in Japan **P26**

## CSR Management

### Positioning CSR as an integral part of management policy

In carrying out its business activities, Toshiba Group considers promotion of CSR management as one of its basic management policies. The key word in the promotion of CSR management is integrity.

#### Toshiba Group's Integrity

- 1 Meet our responsibilities to society**  
Proactively contribute to solutions to social issues such as climate change through business activities.
- 2 Secure sound management and finances**  
Ensure sound business management by according the highest priority to human life and safety and to compliance so that Toshiba continues to be trusted by society.

### Establishment of key performance indicators (KPIs) based on the outcome of a CSR Governance Committee meeting

The CSR Governance Committee, consisting of the Corporate Senior Executive Vice President, who heads the CSR Division, and the executives concerned, holds meetings twice a year with the attendance of the President, in order to discuss and determine Toshiba Group CSR Action Policies. Based on the

polices determined, the Corporate Environment Management Committee, Risk Compliance Committee, Customer Satisfaction Promotion Committee, and other relevant committees (see the chart below) formulate and implement action plans for the topics corresponding to their responsibilities.

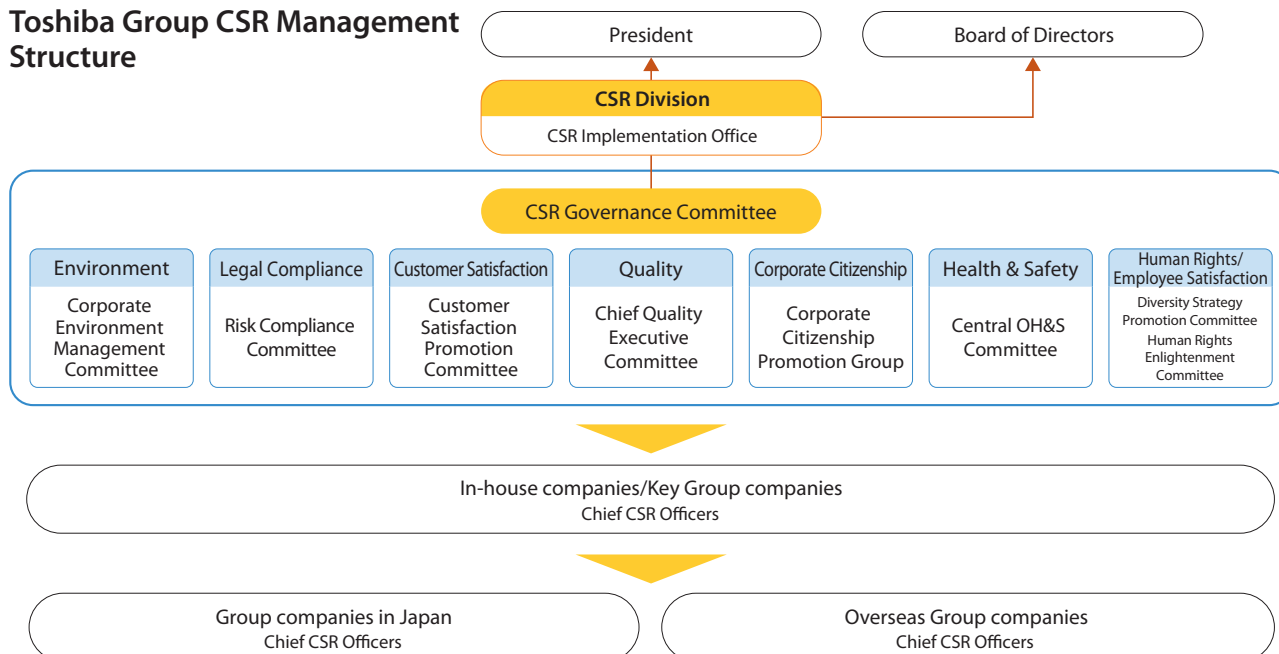
As part of their business activities, in-house companies, business sites, and Group companies in Japan and overseas appoint their own Chief CSR Officers. To discuss CSR progress and issues, the CSR Division holds a monthly meeting called the Corporate CSR Meeting, which is attended by representatives from CSR-related divisions such as human resources, diversity, environment, and procurement.

### We are striving to raise employee awareness of CSR throughout the year.



In order to enhance CSR awareness among all Toshiba Group employees and encourage them to put it into practice, the President explains the Group's policy with regard to CSR management on various occasions, such as at explanatory sessions at the beginning of the half-year terms in April and October, in his address for the company's anniversary, and in his New Year's greeting. These messages are also communicated to our subsidiaries in Japan and overseas through appropriate channels and also via in-house newsletters. In addition, Toshiba educates employees working in different job positions, such as new employees and newly appointed managers, and provides e-learning throughout the year on various CSR topics such as environment, information security, human rights, and engineering ethics. In FY2011 we chose ISO 26000 as a subject for engineering ethics and provided ethical education to all engineers in Toshiba Group worldwide.

## Toshiba Group CSR Management Structure



Visit our official website for other detailed information. <http://www.toshiba.co.jp/csr/en/governance/index.htm>

## Reconfirming at the CSR Conference the status of support for reconstruction from the Great East Japan Earthquake and Toshiba Group's intention to offer ongoing support

Toshiba Group has designated December as its CSR Month since FY2006. During this month, we assess our CSR initiatives and hold a variety of events, such as the Group-wide CSR Conference and other events at our companies and business sites focusing on social contribution and other CSR activities. In order to allow each and every employee to conduct self-assessments of their CSR awareness and practices, we provided e-learning from November 2011 to January 2012 on topics such as export control, information security, protection of personal data, engineering ethics, copyright, and the Electrical Appliance and Material Safety Act (in Japan). In addition to holding workplace meetings focusing on integrity, we asked our in-house companies and key Group companies to conduct self-assessments of their CSR activities in accordance with ISO 26000.

On December 14, we held our annual CSR Conference, which was attended by some 700 participants, including executive officers and labor union representatives. At the Conference, a ceremony was held to commend the teams that demonstrate outstanding practices with regard to health and safety, environmental initiatives, and social contribution. The winning teams also shared examples of their outstanding CSR efforts. In addition, the General Manager of the Tohoku Office presented Toshiba Group's efforts to support reconstruction from the Great East Japan Earthquake and reconfirmed with participants that the Group would continue its support for such efforts in the future.



Outstanding examples of CSR initiatives such as social contribution were officially recognized at the CSR Conference.

## Monitoring CSR progress throughout global operations



In management audits performed by the Corporate Audit Division we monitor the progress of activities regarding compliance and other priority issues throughout the Group.

We also conduct annual CSR surveys of overseas consolidated subsidiaries to monitor the status of CSR initiatives for human rights, labor standards, customer satisfaction, and social contribution based on the ten principles of the UN Global Compact and the guidance provided in the ISO 26000 Standard. In the FY2011 survey we confirmed the absence of problems with items such as the existence of a system to resolve grievances about human rights violations, communication with labor unions, and the promotion of CSR at suppliers. Meanwhile, we included items on which Toshiba had not concentrated its full energies but that were attracting much public attention—such as the protection of biodiversity and support for local community development and independence—in our initiatives for FY2012 and established new KPIs for them.

We confirm compliance with our environmental guidelines through the implementation of internal environmental audits. Similarly, to ensure compliance with anti-corruption guidelines, our Legal Affairs Division provides appropriate instructions directly to those concerned at overseas subsidiaries. In addition, CSR-related items such as compliance awareness are included in the annual employee awareness survey in order to keep track of the Group's CSR progress.

In order to ensure that Toshiba Group's policies and plans are properly implemented, we also monitor the progress of company activities through quarterly reports submitted to the President as well as interviews with Chief CSR Officers of in-house companies and group companies conducted by the CSR Implementation Office prior to holding the semi-annual CSR Governance Committee.

At its meeting held on March 28, 2012, the CSR Governance Committee reported to top management on progress made in major KPIs established by divisions such as Human Resources and Administration, Procurement, and Environment, and the President gave directions to accelerate Toshiba's CSR initiatives as a leading global corporation.

### Workplace Meetings Focusing on Integrity

In order to promote the concept of integrity throughout our entire organization, in FY2010 we initiated workplace meetings focusing on integrity for all our employees in Japan. In FY2011, we held these meetings three times at each workplace, with the participation of a cumulative total of 280,000 employees.

Three topics were offered for discussion at each meeting, and the participants discussed the one most relevant to their workplace for around 30 minutes. Major topics taken up during the year included elimination of antisocial forces, information security, engineering ethics, and business etiquette.

Unlike conventional one-way education, this kind of workplace meeting aims to improve the workplace climate by encouraging each and every employee to be aware of integrity issues and to freely express their opinions. We will continue to hold these meetings in FY2012.

### Examples of topics taken up in FY2011:

- Protection of copyright on the Internet
- Elimination of antisocial forces



## Corporate Governance

### Aiming to enhance management mobility and transparency

As a “company with committees,” Toshiba aims to enhance its management mobility, supervisory functions, and increase transparency. The board of directors consists of 14 members, half of whom are non-executive directors. The non-executive directors include four outside directors, the chairman, and two full-time Audit Committee members. Each committee has a majority of outside directors and the Nomination and Compensation Committees are both chaired by outside directors.

Notification has been filed regarding all outside directors as being independent directors stipulated in the Securities Listing Regulations of the Tokyo Stock Exchange.

### Reinforcing audit procedures

To help the Audit Committee perform its duties, we have created the office for the committee. The personnel transfers of the staff members of the office are determined by prior consultation with the Audit Committee. The Corporate Audit Division, which is in charge of internal audits, consults with the Audit Committee in advance to formulate annual auditing policies and plans. The Corporate Audit Division also participates in discussions on the audited divisions and shares audit information through semimonthly liaison meetings with the Audit Committee.

Along with these activities, the Audit Committee normally draws on field surveys conducted by the Corporate Audit Division for detailed information. Though the Audit Committee obtains reports on the results of audits conducted by the Corporate Audit Division, it also conducts its own audits if deemed necessary.

### Strengthening internal control throughout Toshiba Group

The Toshiba Group Standards of Conduct prescribes the values and codes of conduct that all executives and employees should share. In response to the Companies Act of Japan, which came into effect in May 2006, we also determined basic policies on the internal control system at a meeting of the board of directors.

Accordingly, in order to enhance the Group-wide internal control system, all group companies also adopted a similar resolution at respective board of directors’ meetings and established related regulations. Thus they are continuing to strive to bolster their internal control systems.

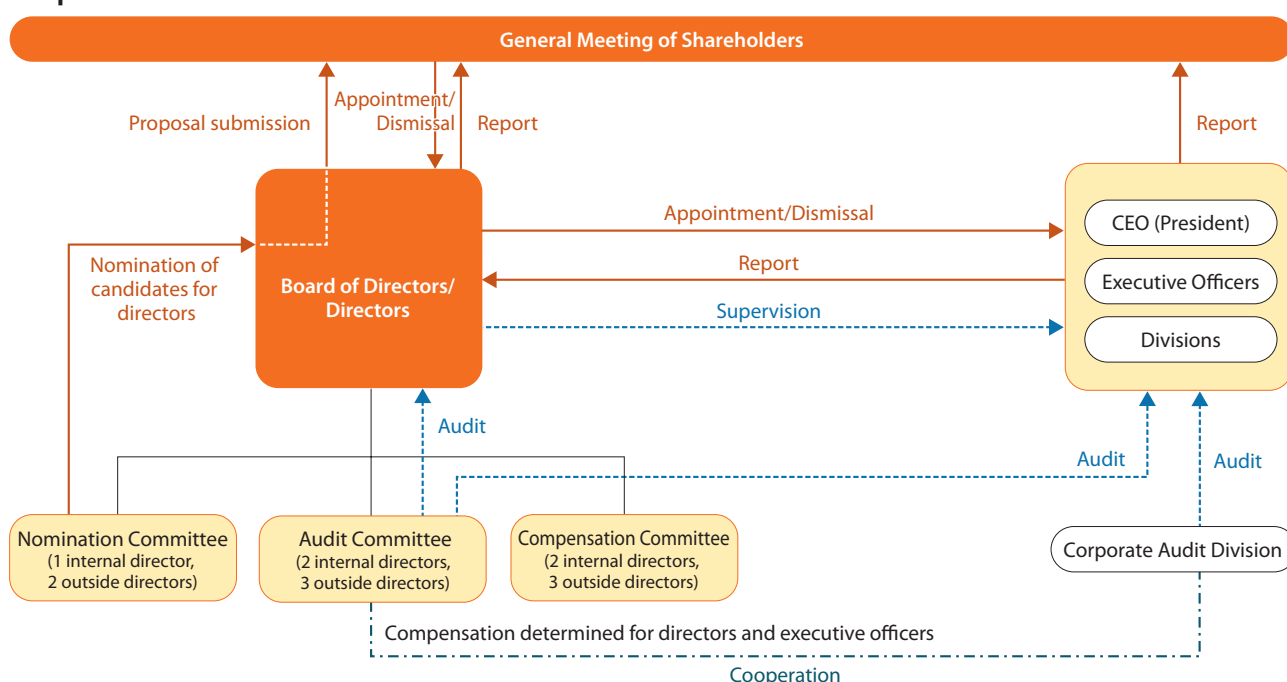
In addition, Toshiba Group has created an organization for the internal control reporting system and assesses the effectiveness of internal controls over financial reporting. We will continue our efforts to properly manage the internal control system regarding financial reporting.

### Compensation for directors and executive officers

We have designed a compensation system for retaining talented human resources, and for providing incentives to directors and executive officers to effectively execute their duties. Directors receive fixed compensation according to their duties and their status as full-time or part-time directors.

Executive officers receive basic compensation based on their ranks and service compensation calculated according to their duties; 40% to 50% of the service compensation fluctuates from zero (non-payment) to double depending upon the year-end performance of the division for which the executive officer is responsible or that of Toshiba Corporation.

## Corporate Governance Structure





# Dialogue with Stakeholders

## Promoting CSR management while holding dialogues with diverse stakeholders

In order to ensure a sound and just CSR management, we engage in dialogue with a wide range of stakeholders, including shareholders, investors, customers, employees, suppliers, and local communities.

### We held stakeholder dialogues on ISO 26000.

In April 2012, we held a dialogue with experts, including the two who represented Japan in the development of ISO 26000, under the theme of the “essence of stakeholder engagement.”

In the future, in order to promote CSR management, we will provide opportunities to analyze the status of our due diligence process and monitor it with our stakeholders in terms of initiatives for the supply chain and community involvement (see p. 20).

## Major Points of Contact for Stakeholder Dialogues and Examples of Dialogues Held during FY2011

### Customers



Major point of contact for dialogues: Customer Satisfaction Division

#### Utilization of customer voices

We receive comments and requests for products and services in our daily operations, which are shared among related personnel including top managers, and use them to improve product quality and repair services (see pp. 49-50).

### Shareholders



Major point of contact for dialogues: Legal Affairs Division and Corporate Communications Office

#### Publication of shareholder newsletters

We endeavored to communicate with individual shareholders via shareholder newsletters and delivered a lecture on medical systems at a particular securities firm's forum for individual investors. We continued to improve our IR website as exemplified by the addition of text-to-speech functions.

### Investors



Major point of contact for dialogues: Corporate Communications Office

#### Briefing for investors

We held meetings to provide investors with explanations of our semiconductor, storage, medical system, and smart community businesses. In addition, in collaboration with a securities firm, President Sasaki briefed overseas investors on management policy for energy-related businesses.

### Suppliers



Major point of contact for dialogues: Procurement Division

#### Explanations of procurement policy

We ask suppliers to promote CSR management through regular meetings to explain procurement policy and daily procurement operations (see p. 45). In FY2011, due to review of the Green Procurement Guidelines, we held meetings at our operation bases in Japan and overseas to explain the new guidelines to suppliers.

### Employees



Major points of contact for dialogues: Innovation Promotion Division, Human Resources and Administration Division, and Diversity Development Division

#### Visits by top managers to business sites

We actively provide opportunities for direct exchange of opinions between top managers and employees. In FY2011 we organized 29 “Top Executive Innovation Visits,” which involved top executives visiting manufacturing sites and other facilities to talk directly with employees in Japan and overseas.

#### Kirameki Forum

With diversity as its main theme, the Kirameki Forum provides the President and employees with an opportunity to communicate directly with each other (see p. 31).

### Local communities



Major point of contact for dialogues: Each company and business site

#### Environmental communication

We organize plant tours, hold meetings, and communicate information to enable a broad range of stakeholders such as communities around plants and offices, schools, customers, businesses, and students to learn about Toshiba Group's activities, and to invite them to think about the environment (see p. 42).

### NPOs and NGOs



Major point of contact for dialogues: CSR Implementation Office

#### Exchange of opinions on conflict minerals

We exchanged opinions on conflict minerals with two NGOs: Enough Project and Japan's A SEED Japan (see p. 29).

#### Exchange of opinions on CSR activities

We held discussions with an NPO that is involved in CSR surveys from a citizen's perspective and the compliance study group established by the Nippon Association of Consumer Specialists (NACS) on how CSR activities should be.



# Human Rights and Labor Practices

## Major progress and achievements in FY2011

Establishing and Publicizing the Toshiba Group Conflict Mineral Policy, revising the Toshiba Group Procurement Policy, and requesting suppliers to respect human rights **P29**

Acquisition of OHSAS 18001 by 110 consolidated companies in and outside Japan and implementation of risk assessment and risk-reduction measure **P34**

## Respect for Human Rights and Prohibition of Discrimination

### Respect for human rights

The "Toshiba Group Standards of Conduct" stipulates adherence to all relevant laws and regulations, respect for fundamental human rights, and prohibition of discriminatory treatment, child labor and forced labor. It requires that respect be accorded to diverse values, individuality, and privacy of individuals, prohibits discriminatory behavior based on race, religion, gender, nationality, disability, age, or sexual orientation, and prohibits physical abuse, sexual harassment, abuse of power, and any other actions that disregard the dignity and individuality of others.

### Supporting the principles of the United Nations Global Compact and ensuring the three rights of labor to employees

Toshiba supports the principles of the Universal Declaration of Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises, and works to ensure that its employees have fundamental labor rights.

In the labor agreement concluded with the Toshiba Labor Union, Toshiba stipulates that the Labor Union has the three rights of labor (the right to association, the right to collective bargaining, and the right to act collectively).

### Human rights education initiative

Toshiba Group strives to be a discrimination-free organization in which employees enjoy optimal job satisfaction, based on our policy of respecting fundamental human rights and the diverse values of individuals and prohibiting discriminatory treatment; and foster an awareness of human rights among our employees through the activities of the Employee Wellness Division. Education on human rights is provided to new recruits and to employees at the time of promotion, including those promoted to managerial positions. In December every year during Human Rights Week, Toshiba holds a Human Rights Week Memorial Lecture at the Toshiba headquarters in Japan, as one of Toshiba Group CSR month events.

### Protecting human rights throughout our supply chain



Having recognized the importance of implementing our human rights policy not only among Toshiba Group employees but also throughout our supply chain, we urge our suppliers to respect human rights in their business activities in accordance with our supplier code of conduct "Supplier Expectations," which is specified in the Toshiba Group Procurement Policy. Their compliance is monitored through our CSR survey.

### EICC membership

In June 2011, Toshiba joined the Electronic Industry Citizenship Coalition (EICC), which is a CSR promotion group in the electronics industry. We support the EICC Code of Conduct and promote CSR throughout our supply chain (see p. 45). In May 2012, we revised the Toshiba Group Procurement Policy to specify the use of conflict-free minerals as an additional request to our suppliers in the area of human rights and to present specific examples of inhumane acts such as slavery and human trafficking.



### Support for the Use of Conflict-Free Minerals

For humanitarian reasons, Toshiba Group's policy stipulates that raw materials such as gold, tantalum, tungsten, and tin mined in the Democratic Republic of the Congo and adjoining countries experiencing armed conflicts must not be used. In October 2011, we built an internal system for conflict minerals and established the Toshiba Group Conflict Mineral Policy and publicized it on our website.

As a part of our efforts to carry out due diligence, we conduct surveys with the suppliers of our semiconductor department and other departments regarding the use of conflict minerals and the smelter verification using the EICC-GeSI\* reporting templates.

We are also a participant in the Public-Private Alliance for Responsible Minerals Trade (PPA), which is a private-public project advocated by the US Government. We hope to eliminate the fund sources of armed groups and provide economic support to the Democratic Republic of the Congo and adjoining countries. In February 2012, we exchanged opinions with a US NGO (Enough Project) and A SEED JAPAN, which are working on issues related to conflict minerals.

\* Global e-Sustainability Initiative (mainly for Information and Communications Technology (ICT) companies)

#### Toshiba Group Conflict Mineral Policy

Toshiba Group promotes the ban on the use of cassiterite (the crude ore of tin), wolframite (the crude ore of tungsten), coltan (the crude ore of tantalite), gold and their derivatives, the demand for which is fueling the conflict in the Democratic Republic of the Congo and adjoining countries and giving rise to inhumane acts such as human trafficking, slavery, forced labor, child labor, abuse, and war crimes.

## Stable Employment

### Valuing human resources as our greatest assets

The Toshiba Group Human Resources Management Policy regards human resources as Toshiba's greatest asset and stipulates that employees should be provided with various opportunities to enable them to realize their unlimited potential, and to encourage them to develop their skills and maximize their value. Based on this Policy, we ensure that labor conditions conform to the relevant laws and regulations. Furthermore, having established the action guidelines for stable employment, which were accepted by both labor and management, we are carrying out business activities in line with the spirit of these guidelines.

#### Human Resources Management Policy (extract)

##### Human Resources are the Most Valuable Assets

We provide employees with opportunities to realize their potential and encourage them to develop their capabilities and maximize their value.

##### Utilization and Development of Human Resources

We endeavor to match the right person with the right assignment to make the best use of human resources.

##### Wherever We Operate, We're Mindful of Social Mores

We respect human rights and ensure that decisions within the business are made using objective criteria; no discrimination is tolerated against any sector in society (e.g. on grounds of gender, race, age, nationality, religion, thought or disability). Wherever we operate in the world, we comply with applicable laws and regulations and respect local customs, culture and social mores.

### Toshiba Group Employees (as of March 31, 2012)

Region	No. of employees	Business domain	No. of employees
Japan	117,105	Digital Products	35,206
China	22,984	Electronic Devices	41,199
Asia* <sup>1</sup> & Oceania	29,754	Social Infrastructure	91,596
North America	21,786	Home Appliances	24,027
Central & South America	6,033	Others	13,904
Europe* <sup>2</sup>	11,598	Common to the Group	3,852
Africa	524		
Total	209,784	Total	209,784

\*<sup>1</sup> Excluding Japan and China

\*<sup>2</sup> Including Russia

### Promoting labor-management dialogue

We provide various opportunities to promote labor-management dialogue in order to facilitate labor-management relations and corporate business activities. Labor and management have agreed that important matters such as business plans, business performance, and major organizational reforms must be periodically explained to the labor union, and that other matters such as changes in labor conditions must be discussed in advance by labor and management.

## Human Resources Development

### Principle of human resources cultivation

Toshiba's principle of human resources cultivation is to provide all employees with opportunities for skills development and self-actualization in a fair and non-discriminatory manner.

### Cultivating global human resources with intercultural communication skills

Based on Toshiba's corporate philosophy, Toshiba Group emphasizes the importance of cultivating well-rounded global human resources who have a deep cross-cultural understanding and the ability to perform their jobs through direct communication with stakeholders around the world.

In an effort to develop such human resources, we offer country and/or region-specific education programs such as "Toshiba Value Education" to cultivate the desired attitude and mindset fostered over the course of Toshiba's history, and provide "Liberal Arts Training" to develop well-rounded individuals who can embrace diversity. Such region-specific education has a long history, with Europe and Asia boasting the longest with programs commencing more than 15 years ago.

Furthermore, we offer global-integrated training programs such as the "Innovation Leaders Program" targeted at future leaders of Toshiba Group companies around the world.



Europe Manager Education

### Using full-fledged systems to support employee career development

Toshiba supports the career development of each employee in an effort to maximize their current and future job performance.

We have well-developed career development systems in place. For example, our performance management system gives each employee a semi-annual opportunity to review with their superior their job performance over the past six months and to discuss their job objectives for the next six months. The career design system provides each employee with an annual opportunity to share their medium-term goals for skills development as well as their planned means of developing and utilizing such skills, and to review their long-term career development plan with their superior.

We also have career development systems that allow employees to build their careers autonomously. For example, our internal job posting system allows each employee to apply for personnel transfer in order to fill a vacant post announced by a division, and the internal FA system enables each employee to apply for personnel transfer to a division of their choice.



## Promotion of Diversity

### Promoting diversity as a management strategy

The maximization of the capabilities and strengths of diverse employees is critical for active innovation and corporate growth. Based on this belief, Toshiba Group has positioned the promotion of diversity as one of its management strategies. The president has, in his start-of-term addresses to employees and at "Kirameki Forum" for employees (which also features experts from outside the company), spoken directly on the importance of diversity.

We have established a dedicated division, the Diversity Development Division, with the aim of promoting diversity by taking measures including improvement of the personnel management system.



President Sasaki, advocating diversity as a management strategy at the Kirameki Forum

### Recruiting more non-Japanese employees



As part of our diversity promotion program, we are increasing the recruitment of non-Japanese employees.

Since 2006, we have conducted our "global recruitment" program in an effort to directly recruit students graduating from foreign universities. To facilitate their adaptation to life and work in Japan, we provide a wide range of life-related assistance as well as work-related support such as providing each non-Japanese employee with a mentor who provides them with guidance based on a tailor-made job skill improvement plan.

Beginning in FY2011, we conduct regular assessment of job duties and workplace environments in order to further improve training and education.



Initiation ceremony for new employees hired under the global recruitment program

Visit our official website for other detailed information. <http://www.toshiba.co.jp/csr/en/labor/>

### Supporting employees with disabilities

As of April 1, 2012, Toshiba Corp. had 511 employees with disabilities, accounting for 1.96% of the overall workforce. Of the 137 Group companies, 134 have already achieved the statutory employment ratio of people with disabilities. We are striving for Group-wide achievement of this statutory target.

We have also been making efforts to improve work environments for employees with disabilities. In FY2010, we established a network connecting seven divisions engaged in supporting people with disabilities, including the Human Resources and Administration Division and the Design Center. This network has enabled us to devise and implement comprehensive measures to support such employees.

### ● Toshiba With to promote employment of people with disabilities

Toshiba With was established in February 2005 as a special subsidiary which, in accordance with Toshiba's basic policy, aims to employ people with disabilities. It was named "With" in the hope of creating an environment where people with and without disabilities can live and work together. Currently, 25 employees, most of whom have intellectual disabilities, are working at five business sites of Toshiba Group.

### Employment Ratio of People with Disabilities (%)

	June 2010	June 2011	April 2012
Toshiba	1.86	1.93	1.96
Group companies*	2.21	2.13	2.17
Group as a whole*	2.10	2.08	2.12

\* In Japan

### Toshiba Initiative:

#### Sign language club members attending the Eco Products Exhibition

Toshiba Group has been providing employees with a monthly sign language lesson, "Toshiba sign language club," since FY2009. At the club, employees with impaired hearing serve as instructors, teaching sign language to facilitate smooth communication and providing information to promote understanding of hearing disabilities.

The sign language club members are engaged in activities outside the Company as well. In FY2011, they attended the Eco-Products environment exhibition and provided explanations of stage presentation using sign language at the Toshiba booth. They also served as sign language teachers at a summer educational program of an elementary school near the Toshiba headquarters.



Sign language interpretation at the Eco-Products exhibition



## Extending employment of older employees

In order to promote diversity and counter the declining birth rate and aging population in Japan, we have established a system to extend employment of older employees.

Under this system, any employee wishing to continue working for Toshiba Group (in Japan) even after the retirement age of 60 can remain employed up to the age of 65. This system has provided many older employees with opportunities to continue their jobs.

## Support for Diverse Work Styles

### Promoting work-style innovation

Work-style innovation (WSI) refers to a campaign aimed at creating a positive spiral, where employees work very hard and efficiently and also make the most of their private life to rejuvenate and improve themselves so that they can add higher value to their work.

In connection with this, Toshiba Group has been promoting a work-style reform through the following two approaches: the self-management approach, taken by each employee, and the team management approach, led by a team leader. We have also been conducting a campaign with the catchphrase "Enjoy your work!," for which we have created a related web page on our intranet as a way of letting employees learn from the experiences of top managers and co-workers.

#### Toshiba Initiative:

### Senior Research Scientist Rieko Fukushima receives the APEC Women Innovators Award

Rieko Fukushima, a Senior Research Scientist at Toshiba's Corporate Research & Development Center, who won the Grand Prize at the Woman of the Year 2011 Award Ceremony, which was held by Nikkei Woman and supported by the Cabinet Office (Japan), received the APEC Women Innovators Award\* at the APEC Women and the Economy Summit (WES) held in San Francisco, United States in September 2011.

Her achievements in the development of glass-free 3D displays have greatly contributed to the future development of the display market. Furthermore, in Toshiba Group companies in Japan, she is regarded as a role model for working mothers seeking to balance career and family.

\* This award is given to women who have contributed to economic development in various fields. Two women from each APEC country—a total of 42 recipients—receive the award.



UN Women Executive Director Michelle Bachelet and Japanese delegation members  
Rieko Fukushima, a Senior Research Scientist, is on the far right of the front row

#### ● Issuance of Kirameki Times

As part of our awareness-raising activities regarding diversity and WSI, we issue a quarterly internal newsletter called the "Kirameki Times." This Japanese-English bilingual newsletter carries messages including those from the president and other executive officers, offering examples of WSI implementation.



Example cases of WSI implementation featured in the Kirameki Times

#### Toshiba Initiative:

### Management survey of group leaders

In order to become a "global leader," as stated in the Basic Management Policies, it is indispensable for all of us to fully utilize our skills to achieve shared goals.

We added a question concerning the check items to improve subordinate performance to the questionnaire of the annual employee morale survey conducted in FY2011. This question is designed to be answered by group leaders who serve as team leaders. The survey results are publicized in the internal gazette issued for those in managerial positions and are used by group leaders to reflect on their day-to-day behavior and to review their ways of sharing goals and communicating with team members.

#### Toshiba Initiative:

### Use of the system for visualizing working hours

In order to promote WSI, it is necessary to accurately monitor the work hours of each employee. For this purpose, Toshiba introduced a system that allows employees to display and visually monitor hours worked on their computers. We also operate the systems for work record notification and work record display, in order to ensure that employees and their superiors pay constant attention to work hours.

The work record notification system automatically sends an e-mail to each employee and their superior to inform them of their work record. The work record display system uses the three colors of traffic lights (red, yellow, and green) to classify each employee's current work record, thereby drawing attention to overtime work hours. Thus, this system supports the visualization of work hours.



## Human Rights and Labor Practices

### Supporting employees' work and childcare

Toshiba Group strives to enhance the flexibility and scope of systems that allow employees to change their working styles according to their personal circumstances. Toshiba has supported the concept of work-life balance since the 1990s, implemented various measures based on the Act on Advancement of Measures to Support Raising Next-Generation Children since FY2005, and established support systems that exceed the statutory requirements.

### Systems to Support Diverse Work Styles and Employee Participation (Toshiba Corp.)

System	Period	FY2010	FY2011
Childcare leave	Until the child is 3 years old, even if the spouse is not working	Male: 11	Male: 16
		Female: 269	Female: 258
Paternity leave	Up to 5 days including the day of birth within 6 weeks of the birth <sup>1</sup>	Male: 356	Male: 399
Family care leave	Up to 365 days per person requiring nursing	Male: 5	Male: 2
		Female: 3	Female: 5
Short-time shift	For childcare: Until the child finishes elementary school <sup>2</sup> For nursing care: Up to 3 years per person requiring nursing care	Male: 8	Male: 7
		Female: 399	Female: 398

<sup>1</sup> Until FY2011: Up to 5 days including the day of birth within 2 weeks of the birth

<sup>2</sup> Until FY2011: Until the child finishes grade three of elementary school

#### Toshiba Initiative:

#### Our internal childcare center "Kirame-kids"

In an effort to support the work-life balance of employees, we opened an internal childcare center named "Kirame-kids Yokohama" on the premises of one of our business sites, Yokohama Complex, in April 2011. Its flexible childcare services such as two-day-a-week care, three-day-a-week care, and temporary care are designed to meet the needs of working mothers as well as working fathers. The center, which has a large garden and abundant greenery, provides full-time high-quality childcare in a relaxed atmosphere.

#### Comments by users

- I appreciate the center's flexible handling of childcare schedule changes.
- I like the teachers because they are always cheerful and energetic.
- I have used other childcare centers, but I think this is the most pleasant and reassuring childcare center.
- The meals provided at the childcare center are really tasty. My child always asks for another helping and eats everything.



Kirame-kids Yokohama

## Occupational Health and Safety

### Prioritizing employee health and safety as one of our top management issues

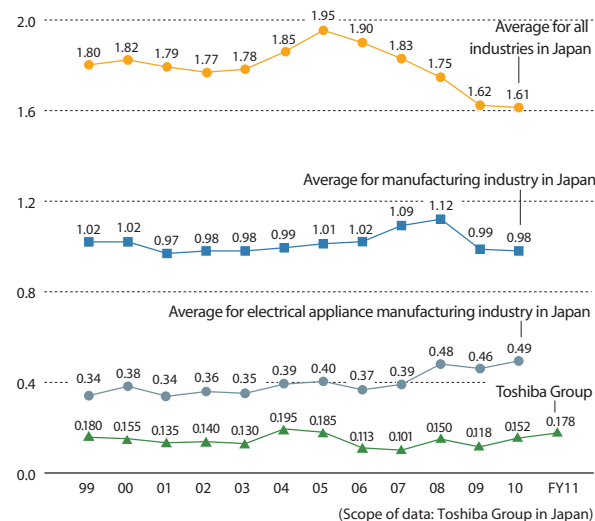
Based on our "Commitment to People," the basic commitment of the Toshiba Group, we have been striving to ensure the health and safety of our employees.

Currently, the frequency of work-related accidents of the Toshiba Group in Japan is much lower than the national average for the manufacturing industry. We will continue to implement further measures to prevent work-related accidents.

In particular, we will place priority on the reduction of hazardous risks that could lead to serious injuries and diseases and conduct a risk assessment of all workplaces and tasks. Based on the results of this risk assessment, we will take necessary measures according to a preset schedule such as a review of tasks, the improvement of facilities, and the provision of education and training to all employees. We will strive to raise awareness of risks and prevent unsafe behavior by providing employees with safety education with a focus on human behavioral characteristics.

### Rate of Work-related Accidents

(Number of accidents per million work hours resulting in at least 4 days off work)



Note: Figures other than those for the Toshiba Group are calculated based on industrial accidents statistics issued by the Ministry of Health, Labour and Welfare.

#### Toshiba Initiative:

#### Toshiba's Oita Operations achieve a Type-5 no accident record (35.5 million hours)

Attention

On March 27, 2011, Toshiba's Oita Operations was awarded a Type-5 no accident record (35.5 million hours) by the Director of the Labour Standards Bureau of the Ministry of Health, Labour and Welfare.

Continuous efforts have been made at Oita Operations by various job safety expert committees and by Oita Operations as a whole, which independently designate special health and safety weeks. As a result of such efforts, since July 25, 2005, Oita Operations has been continuously operating for 68 months without any work-related accidents resulting in employee absences from work or more serious damage. This is the 23rd time that a Toshiba Group factory has received this award.

## Group-wide efforts to obtain occupational health and safety management system certification



In FY2007, the Toshiba Group introduced OHSAS 18001, an international certification standard for its occupational health and safety management system, to ensure global integration of the health and safety management activities of the Group. By the end of FY2008, all Group-wide manufacturing consolidated subsidiaries had obtained the certification. The implementation of this management system enables us to identify health and safety issues and make continuous improvements.

We will further enhance global Group governance to ensure safety, and continue to monitor and improve our safety management status based on the work-related accident data of overseas Group companies.

### Consolidated Subsidiaries with OHSAS 18001 Certification



## Various measures to maintain and improve employees' physical and mental health

Toshiba Group strives to raise employees' awareness of the importance of health and takes various measures to maintain their physical and mental health.

With a view to promoting standardization and greater efficiency of medical checkups and followup measures, we introduced a system that centrally manages the results of medical checkups and medical interviews for the purpose of using the data to implement effective measures such as the provision of health guidance and education.

In addition to health education provided at each business site, we provide various services designed to help each employee improve their quality of life. These services include the provision of physical as well as mental health counseling by telephone as well as in person. These health-related services have been provided in cooperation with the Toshiba Health Insurance Association.

Employees assigned to work overseas have to cope with drastic lifestyle changes, so it is important to ensure that such employees can perform their work without unnecessary health concerns. To this end, we implement a range of measures such as organizing hospitals and the local

ambulance service in the event of an emergency and offer overseas medical service visits whereby an industrial health specialist periodically visits and consults with these employees.



Overseas medical service visit to Toshiba Home Appliances Manufacturing (Nanhai) Co., Ltd.

### Toshiba Initiative:

#### Management of health risks and creation of a health-and-safety-conscious workplace

##### • Devising measures to support high-risk employees through multiple projects

Toshiba Group has established multiple project teams consisting of industrial doctors, public health nurses, and other nurses sent from various Toshiba companies in order to enhance the health management system and implement various measures to maintain and improve employee health.

Through the project aimed at high-risk employees, we have established internal standards specifically for employees at a higher risk of developing cerebrovascular or cardiovascular disease and, based on the judgment of work classification, we provide each high-risk employee with appropriate work management support, health guidance, and other priority assistance.

Meanwhile, through the mental health project, we are in the process of reviewing the assistance process including the criteria for determining the timing of returning to work under the re-work assistance program for those with mental illness.

##### • Introduction of the mental health survey

Since FY2011, we have been conducting a mental health survey as a part of our effort to protect employees' mental health in order to promote stress management for individual employees and workplaces.

##### • Promoting communication by encouraging employees to pay attention and talk to their co-workers

Employees are encouraged to pay attention to their co-workers and talk to them in order to detect any unusual signs that imply poor health. This practice has become the norm in the workplace. In order to raise health and safety awareness at each workplace, we have been promoting communication by holding periodic informal workplace meetings.





# The Environment

## Major progress and achievements in FY2011

Formulation of the Fifth Environmental Action Plan ending FY2015 **P35**

Certification of 29 Excellent ECPs (9 more than the initial target) **P40**

## Environmental Vision and Management

### Promoting the three "Greens" based on Environmental Vision 2050

Toshiba endeavors to create values in harmony with the environment based on recognition of the fact that it is our responsibility to maintain the health of the global environment as an irreplaceable asset for future generations. In its role as one of the world's foremost eco-companies, Toshiba Group established its Environmental Vision 2050 to take the lead in realizing a world where people can lead affluent lives in harmony with the Earth. The Group defines overall eco-efficiency (see p. 37) using an indicator to measure the achievement of value creation in harmony with the environment, and aims to increase eco-efficiency tenfold from the 2000 level by 2050.

In order to achieve this goal, we are promoting initiatives aimed at reducing the environmental impact of all our products and business activities, from the perspective of mitigation of climate change, efficient use of resources, and management of chemicals, based on the concept of the three "Greens": Greening of Process, Greening of Products, and Greening by Technology which are supported by Green Management.

### Environmental Vision 2050

Toshiba Group practices environmental management that promotes harmony with the Earth, contributing to the creation of a richer lifestyle for society.



## The Fifth Environmental Action Plan



### Becoming one of the world's foremost eco-companies through the new Environmental Action Plan

In FY2011 Toshiba Group determined that it had mostly achieved the targets of the Fourth Environmental Action Plan ending in FY2012, and formulated the Fifth Environmental Action Plan ending in FY2015. The Fifth Plan comprises a total of 22 items, including new targets for biodiversity, environmental education and human resource development, and environmental communication, in addition to reduction of the environmental impact of all products and business processes, which have been carried over as priority targets from the previous plan, in order to promote environmental management in a comprehensive manner.

The Fifth Environmental Action Plan's targets include increasing overall eco-efficiency for FY2015 to three times that of FY2000, with improvements in product eco-efficiency being 3.4 times and business processes eco-efficiency 1.5 times greater the levels of FY2000. The principles of the "Three Greens" will be implemented continuously from the Fourth Action Plan. Under "Greening of Products/Greening by Technology," targets are set for both the sales amounts and number of Environmentally Conscious Products (ECPs), thereby promoting integration of business and environmental management. For the "Greening of Process," targets are set for environmental impact and for per unit production, with the aim of achieving the world's highest efficiency in production.

The three categories outlined below were established under "Green Management."

The first, biodiversity, is an issue that drew attention in the activity check based on ISO 26000. Toshiba intends to globally expand the development of ecosystem networks with production sites playing a central role in cooperation with local communities, in particular by focusing on the conservation of flora and fauna in ecosystems with regional characteristics in mind.

For environmental education and human resource development, Toshiba promotes development of environmental leaders at each production site (Toshiba eco-style leaders) and is further enhancing activities at sites with the aim of registering 2,000 leaders globally by 2015.

With regard to environmental communication, through the commitment of 200,000 members of Toshiba Group to community-based environmental activities throughout the world, Toshiba Group is expanding environmental communication to connect people around the world.



## The Fifth Environmental Action Plan

Core Subjects	Indicator		FY2012	FY2015
General	Overall Eco-efficiency (compared to FY2000 levels)		2.5 times	3 times
	Product Eco-efficiency (compared to FY2000 levels)		2.8 times	3.4 times
	Business Process Eco-efficiency (compared to FY2000 levels)		1.35 times	1.5 times
Greening of Products/ Greening by Technology	Sales Amounts of Excellent ECPs		0.5 trillion yen	1.8 trillion yen
	Sales Amounts resulting from Greening by Technology		1.36 trillion yen	1.9 trillion yen
	Mitigation of Climate Change	Reduction of CO <sub>2</sub> emissions (Greening of Products) <sup>*1</sup>	6 M tons	15 M tons
		Reduction of CO <sub>2</sub> emissions (Greening by Technology) <sup>*2</sup>	450 M tons	490 M tons
	Efficient Use of Resources	Percentage of resource savings <sup>*3</sup>	33%	50%
		Percentage of use of recycled plastics <sup>*4</sup>	2.6%	3%
	Management of Chemicals	Reduction of Specified Chemical Substances (reduction of PVC/BFRs <sup>*5</sup> )	Complete abolition in 20 product groups <sup>*6</sup>	Complete abolition in all 80 product groups <sup>*6</sup>
Greening of Process	Mitigation of Climate Change	Total greenhouse gas emissions (compared to FY1990 levels) <sup>*7</sup>	3.45 M ton (51%)	4.39 M tons (65%)
		Total energy-derived CO <sub>2</sub> emissions per unit production (compared to FY2010 levels) <sup>*7</sup>	96%	90%
		Total CO <sub>2</sub> emissions resulting from product logistics per unit production (compared to FY2010 levels)	98%	95%
	Efficient Use of Resources	Waste emissions (compared to FY2000 levels)	0.107 M tons (65%)	0.117 M tons (71%)
		Total volume of waste generated per unit production (compared to FY2010 levels)	96%	90%
		Percentage of final waste disposal (relative to Toshiba Group total emissions) <sup>*8</sup>	1.8%	0.5%
		Volume of water received per unit production (compared to FY2010 levels)	96%	90%
	Management of Chemicals	Total emissions (compared to FY2000 levels)	1,694t (66%)	1,967t (77%)
		Chemical substance handling amounts per unit production (compared to FY2010 levels)	99%	95%
Green Management	Conservation of Biodiversity	Developing ecosystem networks with production sites playing a central role in collaboration with local communities	Percentage of major production sites at which the biodiversity survey was conducted: 50%	Measures implemented to improve biodiversity
	Environmental Education/Human Resources Development	Development of Toshiba eco-style leaders	Development of 200 leaders	Development of 2,000 leaders
	Environmental Communication	Expanding environmental communication to connect people around the world	Creating an employee community to raise eco-awareness	Promotion of "Simultaneous Environmental Actions" to cope with global environmental issues

Notes: Covers operation sites (manufacturing and non-manufacturing sites) worldwide.

Unit basis targets, specifically product quantity-base indices, which have real output as the denominator, were used to facilitate evaluation of environmental activities.

Real production = [Nominal output in Japan] / [Corporate goods price index (for electrical equipment) announced by the Bank of Japan for the year (compared to 1990 levels, where 1990 is represented as 1)] + [nominal output outside Japan]

<sup>\*1</sup> [CO<sub>2</sub> emissions of assumed substitute products] – [CO<sub>2</sub> emissions of shipped products] (Compares annual emissions during the usage stage and cumulates emissions for half the product life.)

<sup>\*2</sup> Compared with CO<sub>2</sub> emissions (rate to net production output) for average thermal power of the same fuel type; for nuclear power/renewable energy, compared with CO<sub>2</sub> emissions (rate to net production output) for average thermal power of all types

<sup>\*3</sup> [(Increase in the amount of resources saved) / (Increase in product total by weight)] × 100

<sup>\*4</sup> [Amount of recyclable plastics] / [amount of plastics used for products] × 100

<sup>\*5</sup> PVC: Polyvinyl chloride is one of the most common plastics and is used in a wide range of products. However, there is concern over the generation of hazardous substances due to inappropriate treatment at disposal, as well as the toxicity of certain plasticizers (e.g., phthalate esters) added to PVCs.

BFRs: Brominated flame retardants are used in plastics. Some BFRs are raising health concerns while others persist in the environment or are bioaccumulative. There is also concern over the generation of hazardous substances due to inappropriate treatment at disposal.

<sup>\*6</sup> Special uses are excluded.

<sup>\*7</sup> 3.50 t-CO<sub>2</sub>/10-thousand kWh is used for the power factor in Japan, and GHG Protocol data is used overseas.

<sup>\*8</sup> Toshiba Group's definition of "zero emissions" of waste is that the amount of landfill waste after treatment is equivalent to less than 0.5% for manufacturing sites and 1.0% for non-manufacturing sites of the total amount of by-products and other items generated (total amount of waste discharged) as a result of business activities (excluding the sites with restrictions under laws and administrative guidance).



## Actual Results for FY2011

### Achievement of the overall eco-efficiency target for FY2011

Toshiba Group uses the degree of improvement in eco-efficiency generally known as the "Factor" as the indicator of improvement in its environmental management. This is calculated by dividing the value of products offered by the assessment of environmental impact. The overall eco-efficiency is calculated by combining product eco-efficiency and business process eco-efficiency.

In FY2011, product eco-efficiency increased by 2.79 times over the 2000 level, exceeding the target (2.38 times) due to improvements in product value and reductions in environmental impact mainly in the area of digital products and electronic devices. Meanwhile, due to an increase in sales resulting from improvements in recycling and economic conditions, business process eco-efficiency increased by 1.36 times over the 2000 level, also exceeding the target (1.28 times). Accordingly, overall eco-efficiency increased by 2.50 times over the 2000 level, enabling us to achieve our target (2.16 times).

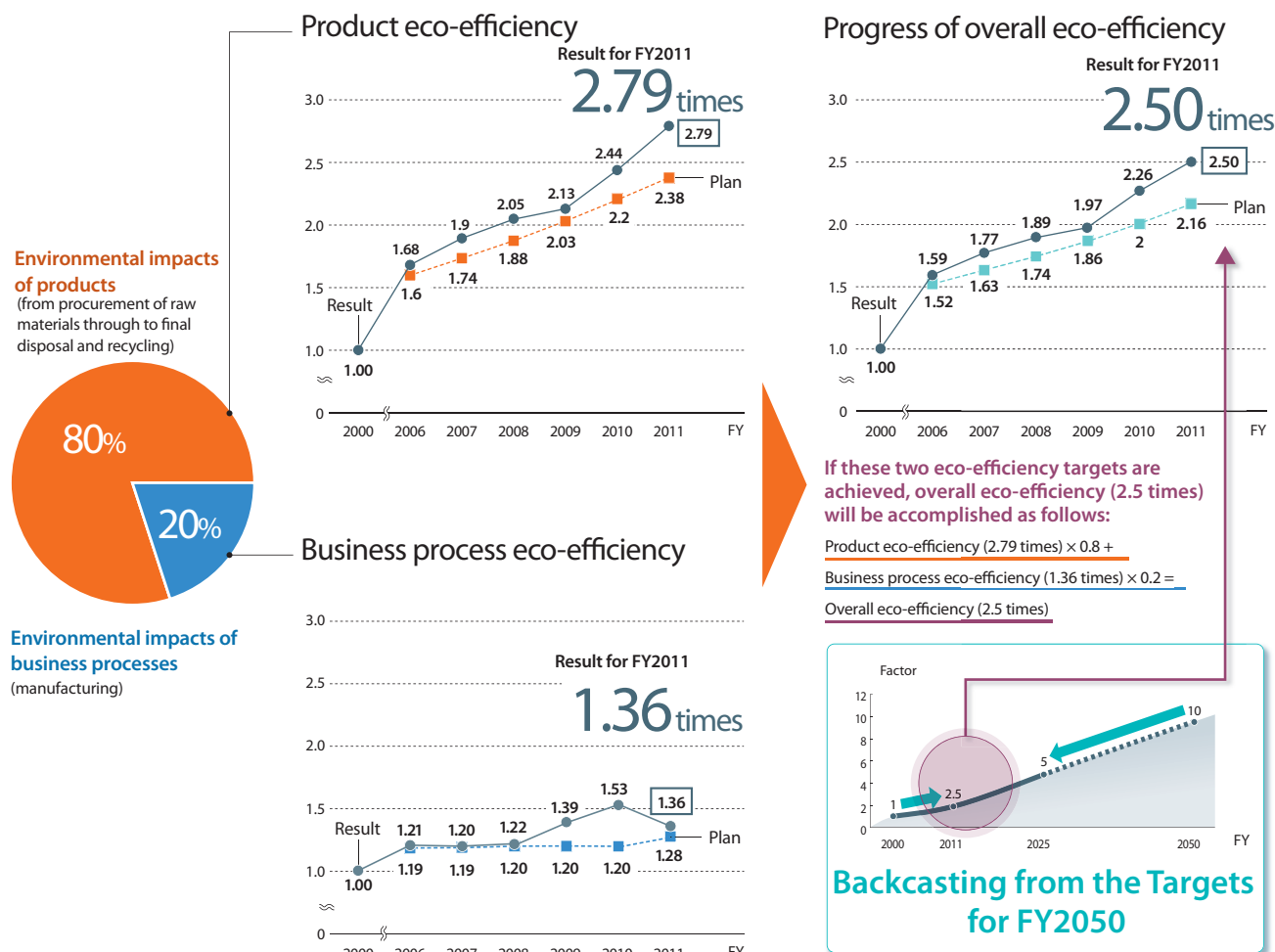
### The Fourth Environmental Action Plan: Target Achievement Level

In our Fourth Environmental Action Plan, we have developed indicators to assess improvements in product eco-efficiency from the viewpoint of the development of environmentally conscious products (ECPs). We have also developed indicators to assess improvements in business processes from three perspectives: mitigation of climate change, efficient use of resources, and management of chemicals.

In FY2011 we achieved three out of four product target categories and seven out of nine business-process target categories. In particular, 29 products were certified as Excellent ECPs, which is nine more than the initial target (see p. 40). Six products including indirect hydrogen-cooled power generators were certified in the field of social infrastructure systems. As a result, ECPs are now offered by all our business fields. Meanwhile, while we did not achieve our targets for the reduction effect of CO<sub>2</sub> emissions caused by eco products due to the slow recovery in sales, we achieved an increase by 0.7 million tons of reduction effect (from 4 million tons in the previous fiscal year). In the business process, due to delays in the progress of zero emissions of waste at overseas sites and execution of capital investment, we did not achieve the targets for reduction of chemical emissions into air and water.

Under the Fifth Environmental Action Plan, we will further promote measures to achieve reductions in the three target categories that were not achieved within the Fourth Environmental Action Plan.

### Progress of overall eco-efficiency



## The Fourth Environmental Action Plan: Target Achievement Level

Indicator		FY2011 Plan	FY2011 Results	Evaluation <sup>*4</sup>
<b>Improvement of Product Eco-efficiency</b>				
Creation of ECPs	Percentage of ECPs to total net sales	70%	72%	○
	Number of Excellent ECPs created	20 products	29 products	◎
	CO <sub>2</sub> emissions reductions through Eco Products	6.8 M tons	4.7 M tons	△
	15 specified chemicals contained in products <sup>*1</sup> (all use has been discontinued)	Abolition of use of all those substances	Abolition of use of all those substances	○
<b>Innovation in Business Process</b>				
Mitigation of Climate Change	Reduction of energy-derived CO <sub>2</sub> emissions (compared with FY1990) <sup>*2</sup> (Rate to net production output)	44%	49%	○
	Manufacturing sites in Japan	44%	50%	○
	Reduction of greenhouse gas emissions (other than CO <sub>2</sub> ) [Total emissions]	37%	78%	◎
	Reduction of CO <sub>2</sub> emissions associated with product logistics in Japan [Rate to net production output]	42%	56%	◎
Efficient Use of Resources	Reduction in the total amount of waste generated [Rate to net production output]	22%	34%	◎
	Sites achieving zero emissions of waste <sup>*3</sup>	100%	83%	△
	Increase in the amount of recycling of end-of-use products (compared with FY2001)	170%	219%	◎
	Reduction in water intake [Rate to net production]	9.5%	24%	◎
Management of Chemicals	Reduction of total emissions of chemicals to air and water [Total emissions]	52%	44%	△

Note: Unless otherwise specified, the targets are based on comparison with FY2000 and cover manufacturing and non-manufacturing sites worldwide. Net production output means: Nominal output (Japan + overseas) / Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (index for 1990 is 1); and is used for the purpose of evaluating activities.

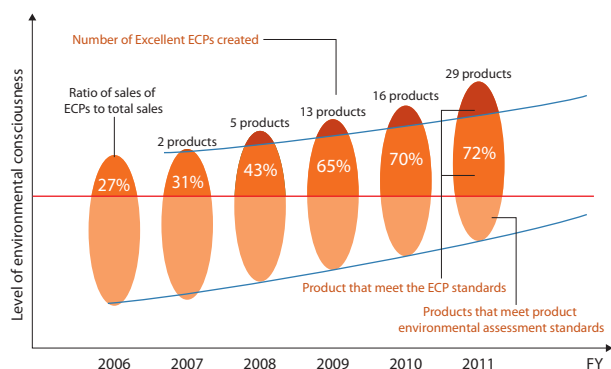
<sup>\*1</sup> 15 substance groups subject to restriction: [1] bis (tributyl tin) oxide (TBTO), [2] tributyl tins (TBTs), triphenyl tins (TPTs), [3] polychlorinated biphenyls (PCBs), [4] polychlorinated naphthalenes (PCNs with 3 or more chlorines), [5] short-chain chlorinated paraffins, [6] asbestos, [7] azo colorants, [8] ozone-depleting substances, [9] radioactive substances, [10] cadmium and its compounds, [11] hexavalent chromium compounds, [12] lead and its compounds, [13] mercury and its compounds, [14] polybrominated biphenyls (PBBs), and [15] polybrominated diphenyl ethers (PBDEs). (Detailed definitions and specific applications to be excluded are specified separately.)

<sup>\*2</sup> 3.50 t-CO<sub>2</sub>/10-thousand kWh is used for the power factor in Japan, and GHG Protocol data is used overseas.

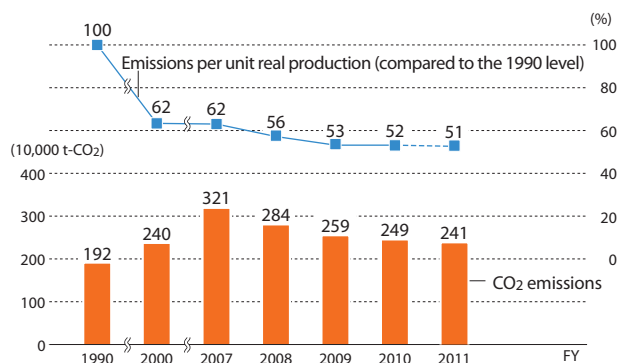
<sup>\*3</sup> Toshiba Group's definition of "zero emissions" of waste is that the amount of landfill waste after treatment is equivalent to less than 0.5% for manufacturing sites and 1.0% for non-manufacturing sites of the total amount of by-products and other items generated (total amount of waste discharged) as a result of business activities (excluding the sites with restrictions under laws and administrative guidance).

<sup>\*4</sup> Evaluation: ◎ Targets surpassed (120% & above); ○ Targets reached (100% & above but below 120%); △ Targets not reached (below 100%)

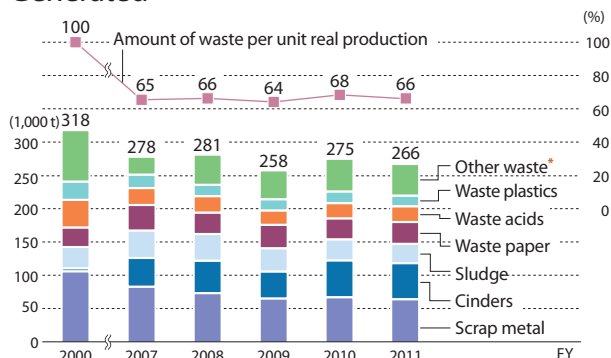
### Products: Creation of Excellent ECPs and ECPs



### Business Processes: Energy-derived CO<sub>2</sub> Emissions, Total Amounts, and Emissions Per Unit Production

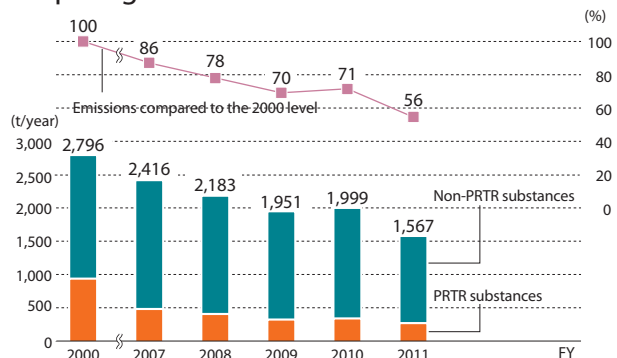


### Business Processes: Total Amount of Waste Generated



\* Other waste includes waste oil, wood chips, refuse glass, and specified hazardous industrial waste, etc.

### Business Processes: Emissions of Chemicals Requiring Reduction





## Greening of Process

### Environmentally Conscious Manufacturing

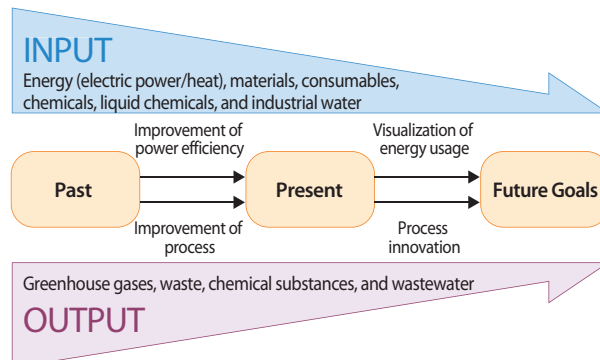
**Aiming to achieve the world's lowest level of environmental impact while lowering costs through highly efficient manufacturing**

An increase in production in response to growing demand involves an increase in the consumption of energy and resources. Manufacturers are thus faced with the challenge of controlling increases in energy consumption.

As a manufacturer producing a wide range of products in factories around the world, Toshiba Group is working continuously to minimize the environmental impact of production from the perspective of mitigation of climate change, the efficient use of resources, and the management of chemical substances. Every Toshiba factory in the world is striving to save energy in manufacturing by controlling material procurement to the lowest possible levels to eliminate unnecessary emissions, and working to minimize the increase in environmental impacts resulting from increased production.

As part of our efforts to mitigate the impacts of global climate change, we implement energy-saving measures and production efficiency enhancement, including making air conditioners and compressors more efficient and improving the efficiency of cleanrooms, mainly in semiconductor factories, which account for around half Toshiba Group's greenhouse gas emissions, in order to minimize increases in emissions. In order to promote efficient use of resources, we are working to achieve our zero-emission goal in all our production sites by reducing the amount of waste generated and recycling it. With regard to the management of chemical substances, we are working to replace hazardous chemicals with alternative substances and eliminate their use in order to reduce hazardous chemical emissions.

## Greening of Process: Concept



### Efforts to reduce electricity consumption to cope with power shortages after the Great East Japan Earthquake

Immediately after the 3.11 Earthquake, Toshiba Group implemented every possible measure to save power, including removing some fluorescent lamps and reducing the use of air conditioning at operating sites, stopping some elevators, and shifting production from daytime to nighttime. At the peak of power demand in the summer, in order to cooperate with the Government's policy on the reduction of power consumption, further efforts were made throughout the entire Toshiba Group. From June 2011, power usage was monitored on a real-time basis at major operation sites to strengthen efficient control. Furthermore, in order to reduce power consumption during the periods of peak power demand in the summer, summer vacation dates were changed, servers were decentralized, and standby generators were installed. A reduction of 22% was achieved in the areas covered by both Tohoku Electric Power Co., Inc. and TEPCO, an improvement on the target reduction of 15% during the peak period for power demand in July, August, and September.

### Toshiba Initiative:

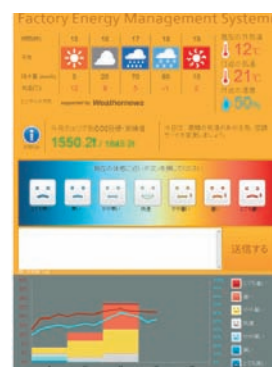
#### Construction of the "visualized power usage" system using cloud computing

Toshiba has been promoting demonstration experiments at the Toshiba Fuchu Complex. These include "visualization" of CO<sub>2</sub> emissions using cloud computing and establishment of an "eco system" to increase employee awareness of Company involvement in energy-saving initiatives.



Image of a "visualization" screen showing monthly CO<sub>2</sub> emissions information

In the "visualization" of CO<sub>2</sub> emissions, data on power and gas on a building basis are collected to identify CO<sub>2</sub> emissions and conversion prices. To increase employee awareness of involvement in energy-saving actions, "visualization" of the workplace is also carried out. Information on the temperature/humidity of the workplace together with CO<sub>2</sub> emissions resulting from power usage is shown on our intranet web page, in addition to asking employees to rate how they feel in temperatures of seven degrees as "comfortable," "hot," "cold," and so forth. These demonstration experiments enable us to analyze the results of visualization of CO<sub>2</sub> emission reductions as well as the responses from employees regarding energy-saving activities in consideration of work efficiency and well-coordinated environmental investment.



Input and presentation of information on employee body sensations



# Greening of Products

## Environmentally Conscious Products

### Creating highest environmental performance products and expanding Excellent ECPs

As the demand for social infrastructure products and the use of home appliances in emerging and developing countries are increasing considerably, significant increases are expected in power consumption and CO<sub>2</sub> emissions. In order to support convenient and comfortable lifestyles while at the same time minimizing CO<sub>2</sub> emissions everywhere, Toshiba Group is doing its utmost to achieve the highest levels of environmental performance for all developed products, and further increase the number of Excellent ECPs with the highest environmental performance in the industry. In FY2011 we successfully increased the number of Excellent ECPs to 29 products.

ECPs are developed through the procedures shown below.

1. Product planning stage  
Setting "eco-targets," which specify the conditions required to achieve the highest level of environmental performance
2. Development and design stage  
Assessing whether product designs meet ECP standards with regard to the mitigation of climate change, the effective use of resources, and the management of chemicals
3. Product approval stage  
Confirming whether products have achieved the eco-targets and meet ECP standards, and certifying products with the highest level of environmental performance (at the time of launch) as Excellent ECPs

#### Toshiba Initiative:

#### Zero standby power LCD TV equipped with Eco Chip™

The digital hi-vision LCD TV "REGZA 32BE3," which is equipped with the newly developed "Eco Chip™," is the first television in the industry to achieve zero standby power.\*1

In addition, this TV has a consumption power of only 45 kWh/yr, which is also the best in the industry,\*2 by utilizing a low-power-consuming LED backlight for the panel. It also comes with two backlight-saving modes that can be activated by simply pressing the save button on the remote control to enable effective energy saving.



LCD TV "REGZA 32BE3" equipped with Eco Chip™

\*1 Zero standby power

When the television is in standby mode, power is cut by the relay to create the same condition as if the AC power was unplugged. However, when standby mode continues for around 10 hours or more, approximately 0.5 W on average is consumed for about three minutes to recharge the large-capacity capacitor.

\*2 Data surveyed by Toshiba in December 2011

#### Example of Products Certified as Excellent ECPs in FY2011

Digital products: 6 products

- LED TV: 32BE3 (equipped with Eco Chip™)
- LED TV models: 47Z2, 46A2, and 55A2
- Blue-ray disk recorder: DBR-C100
- Ultrabook™: dynabook R631
- Slim compact PC: dynabook R731
- Power slim mobile PC: dynabook R741, R751



Ultrabook

Social infrastructure systems: 6 products

- Indirect hydrogen-cooled power generator: ICH-670MVA
- Standard type elevator: standard type (load: 1,000-kg class) SPACEL-GR
- Circulation heating heat pump unit: HWC-H451H
- Multi-slice CT system: Alexion
- Solid-state weather radar: TW4321A
- Hybrid shunting locomotive: HD300



Indirect hydrogen-cooled power generator



Hybrid shunting locomotive for Japan Freight Railway

Home appliances: 13 products

- Refrigerators: GR-E50FX and GR-E55FX
- Washer dryer: TW-Z9200
- Home air-conditioner: RAS-NDR1 series
- Air conditioner system for emerging countries: MCY-MAP0804HT8-C
- Electric fan: F-DLN10
- Vacuum cleaners: VC-C11 and VC-C11A
- LED light engines: LECF/24N-W20GHP50 and others
- LED light bulb (beam lamp type): LDR9L-W and others
- LED light bulb (ball type): LDG10L
- LED light bulb (general bulb type): LDA11L-G and others
- LED lighting (LED ceiling light): LEDH82102Y-LC and others
- LED lighting (straight tube LED base light): LEDT-42307-LDJ and others
- LED lighting (high ceiling fixtures): LEDJ-20021W-DJ2 and others



Electric fan



Air conditioner for emerging countries



LED lighting fixtures



## Greening by Technology

### Low Carbon Energy Technologies

**Aiming to achieve an optimum mixture of power sources and realizing an energy-saving society by utilizing our cutting-edge low-carbonization technology around the world**

Toshiba Group is working to supply stable power and mitigate the impact of climate change in the area of energy through the development of technologies for low-carbon energy supply.

In the area of main energy resources, we promote R&D for high-efficiency thermal power generation and safe nuclear power generation. In thermal power generation, we globally promote our highly advanced coal-fired supercritical thermal power plant and combined cycle power generation systems, in which an advanced gas turbine and high-performance steam turbine/generator are combined, to contribute to a reduction in CO<sub>2</sub> emissions. With regard to nuclear power generation, we are endeavoring to develop permanent safety measures for preexisting power plants while promoting the development of next-generation nuclear reactors with improved safety.

In the area of electric power distribution, our aim is to create a smart community that enables both the effective use of energy and stable supply of power by utilizing the main energy resources and renewable energy resources in a well-balanced manner.

#### Toshiba Initiative:

### Geothermal power generation to contribute to mitigating the impacts of climate change

Geothermal power generation takes hot water and steam generated by the Earth's magma and uses the energy to rotate steam turbines to generate power. As the amount of CO<sub>2</sub> emitted for geothermal power generation is extremely low, this technology has been drawing attention worldwide as a renewable energy source with a low environmental impact.

In 1966 Toshiba Group provided turbines and generators to the Matsukawa Geothermal Power Plant (Hachimantai City, Iwate Prefecture), Japan's first commercial geothermal power plant, and since then, we have delivered geothermal power generation facilities to various countries around the world including the U.S., the Philippines, Iceland, and Mexico. Toshiba offers



Yanaizu Nishiyama Geothermal Power Station, Tohoku Electric Power Co., Inc.

### Contributing to mitigating climate change by promoting renewable energy

Toshiba Group is working to develop various power generation technologies such as photovoltaic, hydroelectric, geothermal, and wind power, and promote expansion of applications with the aim of contributing to mitigating the impacts of climate change through the use of renewable energy resources.

In the area of photovoltaic generation, our power conditioning system (500 kW) offers the industry's highest level of power-conversion efficiency (97.7%) and solar battery modules that optimally correspond to the system, thereby promoting the development of mega solar systems globally. We are also working to expand installation of dispersed-type power sources and increase the use of photovoltaic generators by providing photovoltaic generation systems for homes. In the areas of hydroelectric power and geothermal power, we are endeavoring to provide high-efficiency power generation systems mainly in emerging countries where an increase in energy demand is expected, by focusing on the renewable energy resources that are best suited to a particular region, based on R&D and accumulated records of the delivery of systems in the past.

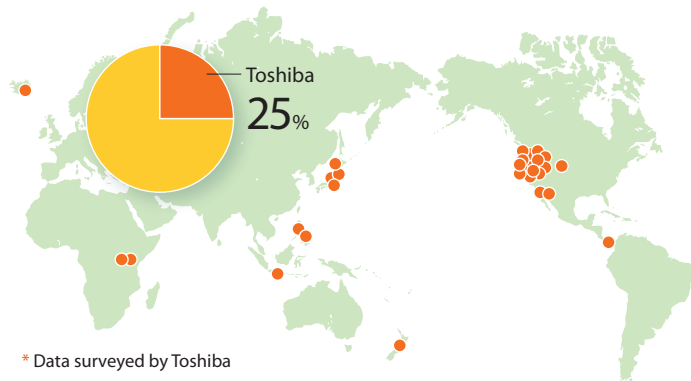
Furthermore, we have also begun studying the application of solar thermal power generation in which turbines are rotated by collected solar heat. We are working to contribute to a reduction in CO<sub>2</sub> emissions by making full use of renewable energy.

stable geothermal plant systems that can effectively use heat in a wide range of temperatures.

In FY2011 we received an order for two 83-MW facilities featuring geothermal turbines and generators from New Zealand-based Contact Energy and an order for 75-MW facilities featuring geothermal turbines and generators from the Kenya Electricity Generating Company for the largest scale geothermal project in Kenya. We also received an order for a geothermal power generation project from PT Geo Dipa Energi in Indonesia.

We are striving to further expand geothermal power generation while working to supply energy from wind power, hydroelectric power, photovoltaic power, and other renewable energy resources in a stable manner.

### Toshiba Group's Delivery Record for Geothermal Turbines and Generators and our Global Market Share\*



## Green Management

### The Base of Our Environmental Management

#### Global promotion of environmental management

Toshiba Group promotes environmental management worldwide. Toshiba's Corporate Environmental Officer supervises the entire Group, ensuring that in-house companies and key group companies are informed of the relevant policies, targets, and plans. We have organized regional environmental divisions in Europe, the United States, China, and Asia-Oceania in order to keep track of and share information on the formulation of environmental policies and trends in legislation in each region, and to cooperate and support group companies in the regions.

Furthermore, Toshiba intends to enhance the quality of its environmental management by evaluating the degree of implementation of environmental management by in-house companies and key group companies based on the "Toshiba Group's Environmental Audit System."

#### Toshiba Group's Global Environmental Management Promotion Organizations



#### Developing environmental communication activities worldwide

Toshiba Group promotes various environmental communication activities around the world to create opportunities for a wide range of stakeholders to gain an understanding of Toshiba Group's commitment to the environment and as a means to discuss environmental problems together.

We have actively been participating in environmental exhibitions around the world, where we have been able to demonstrate our commitment to the environment. In "Eco-Products 2011" held in Japan, which attracted over 180,000 visitors, we introduced environmentally conscious products and smart communities and products and technologies that contribute to the achievement of smart communities.

We provide information on various environmental activities in a timely manner on our environmental management website (see p. 56) where we collect opinions from stakeholders by conduction survey questionnaires. We began providing environment-related information on Facebook in FY2011.



Exhibited at "Eco-Products 2011"

#### Toshiba Initiative:

##### Illumination of culture under LEDs (The Louvre Museum, France)

The Louvre Museum is promoting a lighting replacement project as part of its environmental conservation activities and Toshiba provided the LED lighting for Napoléon Court, Pyramids, Pyramidion, and Cour Carrée under the partnership agreement. Toshiba developed lighting equipment that offers an artistic element as well as environmental performance without harming the beauty of the Louvre. With regard to environmental performance, a reduction in annual power consumption of 73%<sup>\*1</sup> has been achieved compared to existing lamps such as xenon lighting.

The Grand Mécénat Award<sup>\*2</sup> was given to Norio Sasaki, the President & CEO of Toshiba, by the French Government in recognition of his contribution to the project.

<sup>\*1</sup> Comparison of 4,500 current lighting fixtures (power consumption: 392 kWh) and the 3,200 Toshiba LED lighting fixtures (power consumption: 105 kWh) that replaced them.

<sup>\*2</sup> Award given to individuals or businesses that have made a significant contribution to the development of culture in France by the French Government. President Sasaki is only the second Japanese person to receive the award.



The Louvre under Toshiba LED illumination  
(From left: Pyramid, Colbert, and Pyramidion)





# Fair Operating Practices

## Major progress and achievements in FY2011

Establishing new anti-bribery guidelines in response to global regulatory trends and developing these guidelines for Toshiba Group companies worldwide

P44

Reviewing the Business Continuity Plan in light of the Great East Japan Earthquake and the floods in Thailand

P44

## Risk Management and Compliance

### Ensuring compliance worldwide

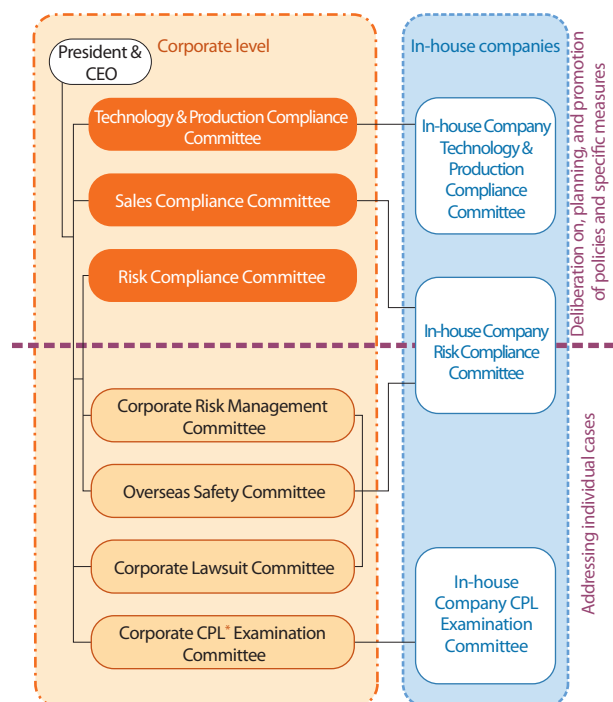
At Toshiba, throughout our worldwide operations, we strive to ensure compliance with laws and regulations, social and ethical norms, and internal rules. Giving top priority to human life and safety and to compliance in everything we do underpins our commitment to promoting business activities through fair competition and serving the interests of customers to the best of our ability.

We consider thorough adherence to the Toshiba Group Standards of Conduct (SOC), which embody the Basic Commitment of Toshiba Group, to be the foundation of our compliance. Thus we are working toward the SOC becoming an integral part of the entire Toshiba Group.

### Establishing a risk compliance system

In order to ensure thorough risk compliance management at Toshiba, a board member is assigned the responsibility of overseeing risk compliance.

### Risk Management and Compliance Management Structure



\* CPL: CPL is an abbreviation combining CL (contractual liability) and PL (product liability).

If a serious noncompliance incident occurs, we swiftly consider how to deal with it and take the necessary action in the risk compliance system.

Furthermore, we endeavor to reinforce risk compliance management by closely examining ways to prevent SOC violations and the recurrence of similar incidences through cooperation among the relevant divisions.

### Compliance education appropriate to the circumstances of individual regions

With a view to ensuring compliance with the SOC, Toshiba Group provides various education programs such as education based on the needs of different organizational levels and job functions, as well as seminars on compliance topics for top executives. We also provide e-learning for all employees on a continual basis.

For overseas subsidiaries, we have developed e-learning materials in English with a view to preventing serious SOC violations such as the formation of cartels and bribery. We offer such e-learning to our subsidiaries in Europe, the United States, and Asia. In China, we have developed a collection of risk compliance examples based on local circumstances and distributed these materials for compliance education in Toshiba Group companies in China.

We also provide education appropriate to the characteristics of individual regions to prevent the recurrence of similar SOC violations in each region (as in the past). Thus we have been promoting initiatives that suit the circumstances of individual regions.

### Effective use of the whistleblower system

In January 2000, Toshiba established a whistleblower system to collect internal information on SOC violations, particularly those concerning laws and regulations, and to deal with wrongdoing through a self-rectification system. Under this system, an employee can report an incident and seek advice. In April 2006, Toshiba also set up a supplier whistleblower system to receive reports from suppliers and business partners to prevent SOC violations by employees in charge of procurement and order placements for construction and other works.

By putting in place systems to receive reports from inside and outside the company, Toshiba anticipates that the system will play a role in deterring SOC violations in addition to self-rectification. Toshiba Group companies have also introduced a similar whistleblower system.



## Developing various measures to promote rigorous compliance

In light of global regulatory trends, Toshiba has been making rigorous efforts to prevent cartelization and bribery. In FY2011, the Company continued to step up its initiatives to ensure thorough compliance.

Specifically, the initiatives involve Toshiba Group companies worldwide performing self-audits based on two Toshiba-developed guidelines: one on antitrust and the other on anti-bribery. Through these audits, Toshiba Group aims to identify compliance levels at the companies concerned and to provide thorough compliance education.

Furthermore, in order to prevent bribery in accordance with the UK Bribery Act (enforced in July 2011), which stipulates the prohibition of bribery to private citizens as well as public officials, Toshiba established new anti-bribery guidelines by drastically revising its old guidelines on bribery to foreign public officials and requested Toshiba Group companies worldwide to adopt the new guidelines. At the same time, we also educated trainers in Japan as well as in Europe, the United States, and Asia with the aim of promoting the adoption and observance of these guidelines.

Toshiba promotes rigorous compliance with business-related laws and regulations by providing education, effectively utilizing databases that contain relevant information, and performing periodic self-audits.

In addition, Toshiba's compliance initiatives are objectively evaluated by outside lawyers once a year. We make improvements to reduce risks pointed out by third parties in order to continue to enhance our compliance structure.



Trainer education for subsidiaries in Asian countries

## Appropriate measures in response to violations

In the event of a major noncompliance incident, Toshiba investigates all facts to identify the cause of the violation, treats the facts seriously, and handles such violations rigorously by imposing appropriate disciplinary sanctions on the offenders or implementing other such measures. It makes every effort to prevent recurrence and discloses information in a proper and timely manner as necessary.

In FY2011, we conducted a survey to check whether there were any inappropriate business dealings similar to the dishonest act committed by a Group company employee. At the same time, we are implementing Group-wide initiatives to prevent the recurrence of similar incidents, including the provision of e-learning.

## Developing measures to continue breaking relationships with anti-social groups

In order to end relations with anti-social groups, Toshiba has made an explicit statement to that effect in the Toshiba Group Standards of Conduct and has also taken various actions, including adding a clause to standard contracts to pro-

hibit relationships with gang groups. In support of the recent enforcement of the Organized Crime Control Ordinances by local governments across Japan, Toshiba will consult with its legal advisors to request that all Toshiba Group companies review their contract clauses and thoroughly investigate the backgrounds of their business partners.

## Risk Management through the Business Continuity Plan (BCP)

Attention

### Reviewing the BCP and disaster strategies based on experience of the Great East Japan Earthquake

The Great East Japan Earthquake was the largest earthquake and tsunami ever recorded in Japan's history and caused unprecedented damage.

Iwate Toshiba Electronics Co., Ltd., Toshiba's semiconductor manufacturing subsidiary located in Kitakami City, Iwate Prefecture, stopped operations immediately after the Earthquake. However, the company partly restarted production in mid-April and is now back in full operation. In order to minimize the effects on customers, we manufactured some of the company's products at our Oita Operations, Himeji Operations - Semiconductor, and Kaga Toshiba Electronics Corp.

Based on the experience of the Great Earthquake, Toshiba Group has reviewed its assumptions about damage in the BCP that the Group has been developing company-wide since 2007. We are currently working to protect the safety of employees at individual business sites while also implementing measures to ensure business continuity.

### Developing measures to provide a stable supply of parts based on BCP procurement guidelines

Many of our suppliers, including parts manufacturers, suffered damage from the Earthquake, especially companies in affected areas in the Tohoku region.

Since immediately after the Earthquake, we have made every effort to minimize the effects of material supply shortages on production by using every available means to secure supplies, including taking an inventory of all supplies (including stock in trade), manufacturing parts at sites other than suppliers' plants, and implementing emergency measures to use alternative products.

At the same time, we brought together Toshiba Group's collective efforts to support affected suppliers in restoring their production lines as soon as possible.

Based on the experience of the Great East Japan Earthquake and the floods that occurred in Thailand in September 2011, the Procurement Division newly established BCP procurement guidelines in order to clarify the procedures for risk assessment during normal times, in addition to rules and basic operations required in the event of an emergency. We have also incorporated the BCP in the Toshiba Group Procurement Policy, which was revised in May 2012, and explicitly specified what cooperation is required from suppliers in order to minimize the effects of disasters on production and to facilitate quick disaster recovery.



## Fair Operating Practices

### Fair Competition and Trading Practices

#### Employee education and internal audits to ensure sound procurement

We believe that ensuring compliance in transactions with suppliers is a fundamental requirement for building sound partnerships with them. Toshiba Group provides e-learning on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors for all employees and conducts surveys on transactions with suppliers in order to prevent noncompliance.

#### Whistleblower system for suppliers and business partners

We have established a whistleblower system for business partners called Clean Partner Line. We notify our business partners of this system and request that they make use of it to report any issues regarding noncompliance and unfair trading practices that involve Toshiba Group employees to enable such concerns to be promptly resolved.

#### Free and fair competition in accordance with prevailing regulations

Toshiba Group strives to ensure that its business activities are carried out in accordance with not only prevailing laws and regulations but also sound business customs and social norms. We provide guidelines on compliance with antitrust laws and other regulations and conduct business through free and fair competition based on these guidelines. We regard information as an important asset and use appropriate methods to manage confidential and personal information concerning third parties obtained through our business activities.

### Managing CSR in the Supply Chain



#### Sharing our management know-how with suppliers worldwide

In order to enable customers to use Toshiba products safely as well as to fulfill CSR in regards to human rights, labor, and the environment in cooperation with suppliers, Toshiba Group continues to ensure that its suppliers are also committed to improving working conditions and reducing their environmental impact.

We also believe that in addition to proper management of working hours and wages, ensuring improved communication between workers and managers, as well as paying attention to occupational health and safety and to the environment in areas around factories will boost employee morale and contribute to improved work efficiency.

Accordingly, Toshiba Group will continue to share its management know-how acquired through experience with suppliers worldwide, particularly those in emerging economies.

In addition to problems regarding the use of conflict-free minerals (see p. 29), there are increasingly diversified concerns about CSR among stakeholders, including laws on human trafficking and slavery, such as the California Transparency Act and the UK Bribery Act, and environmental issues. With a view to resolving these issues, Toshiba Group will focus its efforts on programs for CSR in the supply chain.

#### EICC membership

In June 2011, Toshiba Group joined the Electronic Industry Citizenship Coalition (EICC), the electronics industry's CSR promotion organization.

In order to fulfill CSR for labor, occupational health and safety, the environment, and ethical standards throughout the supply chain in accordance with the spirit of the EICC's code of conduct, we provided education on the EICC's code of conduct for those working in semiconductor manufacturing plants in Japan and overseas.

#### Requesting suppliers to observe laws and regulations as well as social norms

In May 2012, we also revised the Toshiba Group Procurement Policy to accord priority to suppliers that comply with laws and regulations as well as social norms when beginning new transactions or continuing existing ones. In addition, in reference to the UK Bribery Act, we added the prohibition of bribery to all interested parties as a requirement for suppliers and made an announcement to that effect to all suppliers in Japan and overseas.

#### Assessing the greenness level for suppliers to ensure environmentally conscious procurement

With regard to suppliers' environmental activities, Toshiba Group assesses the greenness level (company-specific criteria) in compliance with ISO 14001. In choosing suppliers, the Group gives priority to higher ranked suppliers and constantly asks its other suppliers to improve their greenness level.

#### Greenness level for suppliers in FY2011 (%)

Rank S	Rank A	Rank B	Lower than Rank B
85.4	11.8	1.8	1.0

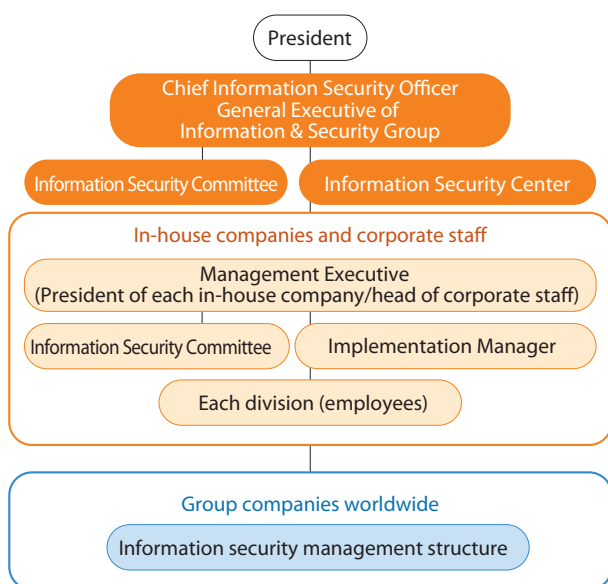
Note: Rank S (excellent), Rank A (good), and Rank B and lower than Rank B (improvements requested)

## Information Security Management

### Appropriate management of all corporate information worldwide

Toshiba Group regards all information managed by the Group as important assets and adopts a policy to manage all important corporate information as confidential information, as well as to ensure that the information is not inappropriately disclosed, leaked, or used.

#### Toshiba Group Information Security Management Structure



### Continuing to enhance information security

In order to identify problems and make improvements, all divisions of Toshiba perform self-audits each year to see whether Company rules are observed. Self-audit activities are also being developed in Toshiba Group companies. In FY2011, Toshiba and 554 Group companies worldwide, performed self-audits.

In order to prevent cyber attacks and other unauthorized access from the outside, including targeted attacks that have caused serious problems in recent years, and to avoid information exposure, Toshiba Group is implementing effective measures to protect server data released to the public. We are also working to strengthen the monitoring of internal systems and to implement protection systems to enable us to take quick action in the event of a virus infection.

### Providing yearly education on information security

Toshiba Group provides education on information security and the protection of personal data to all employees on an annual basis to ensure adherence with internal rules. In FY2011, nearly 180,000 Toshiba Group employees received such education through e-learning and other educational programs.

### Ensuring strict management of personal information

Toshiba was quick to recognize the importance of the protection of personal data, and in 2000 established the Toshiba Personal Data Protection Program based on JIS Q 15001, a management system standard in Japan, and in 2001 obtained the Privacy Mark certification from the Japan Institute for Promotion of Digital Economy and Community. Toshiba strives for continual improvement of its management system.



Toshiba adopts the principle of obtaining personal data directly from customers only after obtaining their approval to use the data for explicitly specified reasons. All personal data, including data on employees and job applicants obtained with prior approval for the purpose of use, is strictly managed.

## Protection of Intellectual Property

### Protecting our rights and respecting the rights of others

Toshiba Group's policy for intellectual property rights states compliance with laws and regulations associated with those rights, protection of the results of intellectual activities with intellectual property rights and extensive use of those rights, and respect for the legitimate intellectual property rights of third parties. This policy is stipulated in the Toshiba Group Standards of Conduct.

As part of this policy, we are working with the regulatory authorities of each country to eliminate counterfeit products that damage the Toshiba brand and enhance our management system, including providing education to executives and employees of Toshiba and other Group companies in Japan and overseas, with the aim of preventing the unauthorized use of other people's publications.



# Customers

## Major progress and achievements in FY2011

Disclosed information on all serious product accidents related to Toshiba products, with the announcement being made by the Consumer Affairs Agency on Toshiba's corporate website **P48**

In order to enhance the quality of aftersales service in Vietnam and China, training programs were implemented to improve customer satisfaction awareness and etiquette. **P49**

## Quality Assurance and Safety

### Striving to establish a global quality control structure and ensure product quality and safety

Under the global quality control structure, the Chief Quality Officer is responsible for quality control throughout the Group, while Chief Quality Executives are in charge of quality control within in-house companies and key group companies. The Chief Quality Officer convenes periodic meetings to develop policies and discuss quality control measures with the Chief Quality Executives who are responsible for providing guidance and conducting audits of factories, suppliers, maintenance and service companies and manufacturing outsourcees worldwide to enhance the quality level throughout product life cycles, from development and production through to final disposal.

In addition, we established the training system to foster personnel who can contribute to quality improvement. We develop and promote education programs depending upon the requirements of each division in Toshiba Group to improve awareness on quality management as well as to improve skills on reliability techniques and quality control methods.

Based on the Basic Policy on Product Safety,\* we are committed to ensuring the safety of our products. In order to eliminate product accidents and ensure customer safety, we comply with the prevailing safety-related laws and regulations and proactively disclose full information to customers.

\* Toshiba Group Basic Policy on Product Safety  
<http://www.toshiba.co.jp/csr/en/customer/safety.htm>

### Toshiba Initiative:

#### Promoting Product Safety Information Sharing

In Toshiba Group, the plans and results of product safety-related activities of in-house companies and key group companies are investigated and the information is shared by the Group. As part of the process, information is organized from the perspectives of "organization," "process," "technology," "human resources/culture," and "information," and the results of activities in relation to the target are evaluated on a self-assessment basis.

To boost activities, in FY2011, the persons in charge of product safety issues in in-house companies and group companies began holding meetings to exchange opinions and information. Even though products differ from person to person, they can learn much from each other by sharing views on product safety, thereby helping to improve product safety.

### Toshiba Group's Basic Policy on Product Assurance: Standards of Conduct

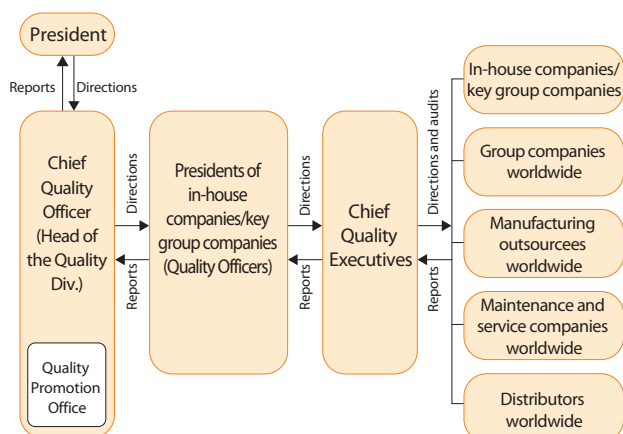
- 1 We engage in quality assurance from the customers' point of view.
- 2 We observe relevant laws and contracts and respect the rights of customers and third parties.
- 3 We maintain quality systems aimed at achieving 100% quality.
- 4 We ensure that all of our departments and all of our employees act on this Policy.
- 5 We aim for essential improvement by investigating the root causes of process failures.

### Strengthening the system to prevent reoccurrence of serious product accidents by sharing information within Toshiba Group



In 2011 we created the "Guidebook for Preventing Reoccurrence of Accidents," which is a compilation of accident cases that have occurred since 2004 in Toshiba Group. The Guidebook was distributed to division managers and meetings were held to explain the content to the persons in charge of quality issues in the Group in order to strengthen measures to prevent reoccurrence of accidents. In addition, the information was converted into an e-book for access by personnel in charge of quality and safety-related issues in the Company via the intranet. A serious accident not only signals an alarm for the quality and safety of products, but also can provide precious insight into product development and assessment. We will promote the system of sharing information within the Group and strive to prevent reoccurrence of product accidents.

### Quality Promotion Structure



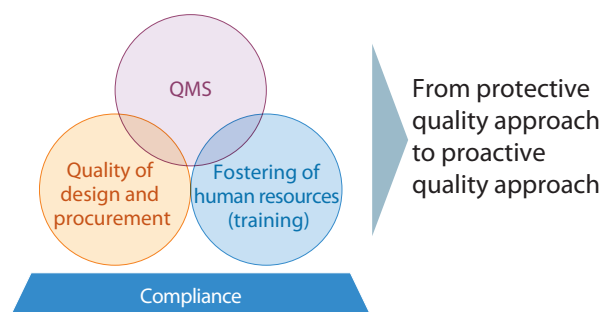
Visit our official website for other detailed information. <http://www.toshiba.co.jp/csr/en/customer/>



## Promoting initiatives aimed at enhancing capabilities to ensure product quality

Toshiba Group is working to enhance its capabilities to ensure quality by adopting a proactive approach to quality rather than the conventional protective one. Of the four main pillars of quality listed below for promoting initiatives, we focus on improving the Quality Management System (QMS), not simply obtaining ISO 9001 certification but also improving the system by means of raising the quality of design and procurement, the root cause of losses, as well as by enhancing the training of personnel who can support the development of the system. Compliance is the foundation for all these activities.

### Four Pillars to Enhance Quality Capabilities



### Training personnel in charge of quality assurance

In order to foster personnel that are capable of taking charge of quality assurance, we develop and implement 21 quality training programs for employees in all divisions related to product life cycles on methods of analyzing the causes of product accidents and preventing them. In FY2011 a total of 1,227 employees participated in the training programs. We also provide compliance training and e-learning on the Electrical Appliance and Material Safety Act for approximately 103,000 Group employees and overseas subsidiary staff at a Group-wide level.

#### Promoting local-based training programs in the key manufacturing base of China

The Toshiba China Academy of Toshiba China Co., Ltd. plays a central role in Toshiba Group in raising the skills of quality assurance personnel and improving the education system. In FY2011, in addition to existing training programs, improvement of the quality of procurements, and quality innovations, we implemented the following programs in which 171 employees participated: new programs in which various cases



Quality improvement training program at the Toshiba China Academy

were incorporated as training materials, "Quality awareness and quality risk management," and "How to audit suppliers" in Dalian, Shanghai, Guangzhou, and other areas. We will continue our efforts to contribute to the improvement of quality levels in China.

## Dealing with Product Accidents

### Providing information on product accidents



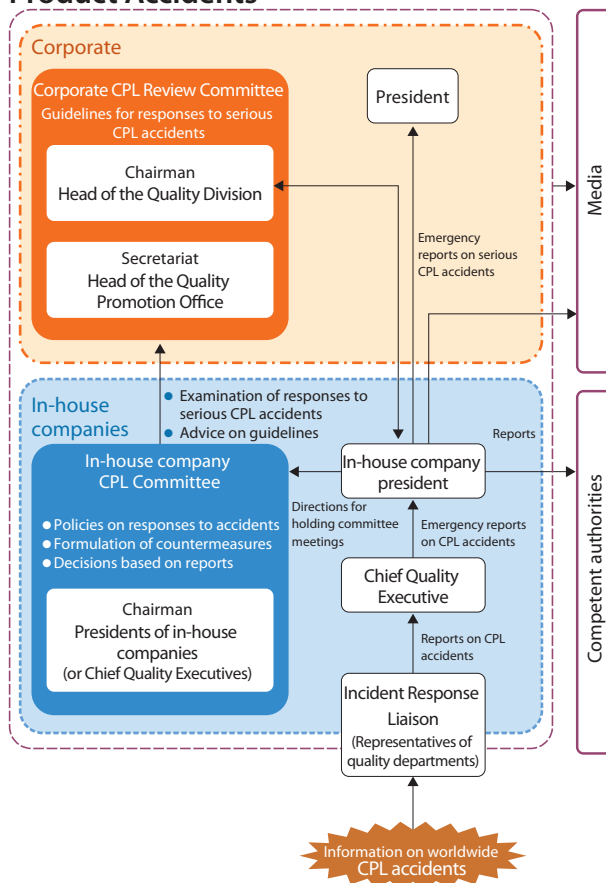
An employee who becomes aware of information concerning a Toshiba product accident must alert the division(s) in charge of dealing with safety issues concerning the product in question. The CPL Committee,\* chaired by the President of the in-house company, then acts upon the matter. In the event of an accident attributable to a product that is likely to recur, we inform customers of the danger and request that they cease using such products, promptly report to the competent authorities, and establish countermeasures as soon as possible.

In FY2011, on the "information on serious product accidents" page of our website, we reported a total of 196 cases of product accidents of which 118 are suspected to have been caused by products while the causes of the other 78 cases are unknown.

Furthermore, we are developing an information system to enable swift communication with quality assurance divisions and top management regarding information on product accidents obtained by repair and service staff as well as on how such incidents are being handled by Toshiba.

\* CPL Committee: CPL is an abbreviation combining CL (contractual liability) and PL (product liability). The CPL Committee, chaired by a senior executive, promptly determines measures to deal with product accidents and quality issues.

### Toshiba Group's Structure to Respond to Product Accidents





### Enhancing Customer Satisfaction

#### Constant improvement based on voice of customer

Toshiba Group sets targets and implements measures to enhance customer satisfaction (CS) every year, based on our CS Promotion Policy. In addition, at the periodic meetings of the CS promotion committee, attended by the CS senior executive officer, the CS enhancement measures and results of each in-house and Group companies are discussed. Based on this, the officers in charge of CS promotion for the company are urged to take further measures, where necessary.

In FY2011 a description of employee training programs—"Toshiba's customer satisfaction: everyone's involvement and commitment"—was placed on the intranet to raise employee awareness of customer satisfaction. The aim is to remind every employee that "customer satisfaction" involves not only the efforts of the divisions that directly deal with customers, but also the involvement of all personnel in every division.

The "Voice of Customer (VOC) survey" is conducted in common at Toshiba Group companies. In FY2011, we incorporated the feedback of around 2,700 corporate customers from 800 companies in order to improve our business operations, products, and services and to enhance our provision of information to customers. In FY2011 the surveying of some customers was partially suspended due to the Great East Japan Earthquake. In FY2012 we plan to receive customers' opinions on Toshiba Group's activities in relation to recovery from the Earthquake.

#### Toshiba Group CS Promotion Policy

We make the "voice of customers" the starting point for all ideas and provide products, systems and services that deliver customer satisfaction.

1. We provide products, systems and services that are safe and reliable.
2. We respond to requests and inquiries from customers sincerely, rapidly and appropriately.
3. We value the "voice of customers" and endeavor to develop and improve products, systems and services to deliver customer satisfaction.
4. We provide appropriate information to customers.
5. We protect personal data provided by customers

#### Enhancing the quality of response to customers

In Japan, representatives from each contact centers at Toshiba Group companies periodically hold meetings to exchange information on developing and implementing plans, including telephone response skill training, CS awareness surveys for contact center staff, and self-checks on response quality.

In November 2011, we held the third Toshiba Group Contact Center Awards involving the participation of 30 operators in charge of customer services, selected from 22 contact cen-

ters. Through such events, we rewarded the efforts of skilled, customer-oriented operators and shared their skills and outstanding responses among the contact centers as a means to enhance overall quality.

#### Improving customer-orientation to provide aftersales service for all our customers



Toshiba Group companies in charge of repairing home appliances, elevators, medical systems, POS systems, digital MFPs, and PCs have formed a working group to share information on problems and make improvements.

To facilitate the provision of services tailored to the needs of individual customers and companies, the working group established a sub-group called the Toshiba Group CS Service Committee, which has close ties with the local community. The working group's activities include providing joint education for field engineers and sharing case examples of CS improvement in the area of services.



Customer satisfaction awareness training for service technicians in Vietnam

In FY2011 we implemented training programs that focused on customer satisfaction awareness and etiquette to improve the quality of aftersales service in Vietnam and China, with around 420 employees participating in five cities.

#### Toshiba Initiative:

##### Prompt maintenance support and new services in Toshiba Elevator and Building Systems Corporation

On the day of the Great East Earthquake, the staff of Toshiba Elevator and Building Systems Corporation began visiting buildings in difficult circumstances due to major aftershocks and disruptions of public traffic and communication systems. The following day on March 12, the first group of employees and staff arrived in the Tohoku area. Staff from branches and offices, manufacturing sites, and business partners as well as technicians arrived from all over Japan by registered emergency vehicles via emergency access roads. The support staff have been working on the prompt recovery of affected elevators by utilizing an integrated system of design, manufacturing through maintenance service, and a nation-wide service network, and their efforts continue to this day.

As part of the measures to prepare for post 3.11 aftershocks and scheduled blackouts due to exceeding demand for power, the Company also established an information service for "elevator operation information during earthquakes," in which information on the operation of elevators can be checked via computer when earthquakes occur, and a "service to stop elevator operation by remote control" that is free of charge from September 1, 2011 (Disaster Prevention Day in Japan).

In response to the experiences gained from the Earthquake, Toshiba Group companies that provide aftersales services are currently working on revisions of disaster response manuals to improve our system to offer better services without interruption in the case of a disaster.



## Promotion of Universal Design

### Toward realizing a comfortable society for everyone

Toshiba Group is promoting universal design (UD), which is easy for everyone to use, in a wide variety of products and services ranging from home appliances to industrial equipment.

In February 2012, Toshiba Group products, LED flashlights (KFL-102/202/302) and cordless irons (TA-FVX900/800), won the Universal Design Award in Germany. In addition, a total of seven Toshiba Group products won prizes in the Fifth Kids Design Award, including our water-proof rechargeable radio (TY-JR11) selected for an Excellent Prize in the Universal Safety category.



LED flashlight:  
KFL-102/202/302



Cordless iron:  
TA-FVX900/800



Waterproof re-chargeable radio:  
TY-JR11



#### Toshiba Initiative:

### Introducing the voice-controlled home air conditioner, "Daiseikai VOiCE"

In November 2011, Toshiba introduced the world's first home air conditioner equipped with a voice controller.<sup>\*1</sup> The Daiseikai VOiCE air conditioner can be operated by voice when users cannot see the buttons and displays on the remote control in a dark room, or when they are busy cooking and their hands are full. This feature is useful for people who have difficulties with operating ordinary remote control devices. We are gathering information from users by participating in exhibitions for the visually impaired and implementing evaluation by UD advisors<sup>\*2</sup> in order to develop products that are easy to use for a wide range of people.

<sup>\*1</sup> NDR Series introduced in November 2011. A home air conditioner equipped with a voice controller for the first time in the world. Surveyed by Toshiba.

<sup>\*2</sup> A system to include non-Japanese employees and employees with disabilities in the development and evaluation process of products irrespective of the divisions to which they belong.



Daiseikai VOiCE, a home air conditioner equipped with a voice controller, was exhibited at "Sight World," an event for the visually impaired.



## Product and Service Improvement Based on VOC

### Improving products and services with VOC as the starting point of concept development

After the launch of new home electronic products, Toshiba Group collects VOC via its sales team, service personnel at contact centers, and the website. The VOC is analyzed and the results are shared with product planners, quality managers, and sales groups so as to use it effectively for product improvements. This mechanism has become an integral part of the Group's business operations.

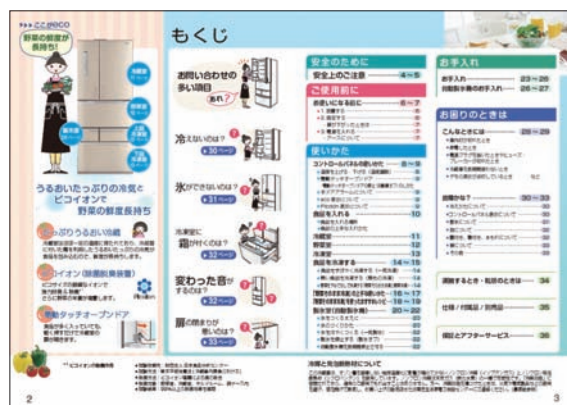
In overseas markets, Toshiba Group conducts VOC analysis and in-person visit surveys to identify the needs of customers in regions with various climates and customs.

#### Toshiba Initiative:

### Improvement of instruction manuals

Toshiba Group is working to improve instruction manuals in response to customer requests for "more easy-to-understand instruction manuals" by establishing a company-wide trans-sectional working group.

In addition to evaluating the achievement of improvements on the basis of regular VOC surveys, we apply for "Japan Manual Awards,"\* a process that entails evaluation by external experts in the area. In FY2011 two Toshiba manuals, a washing machine installation manual and refrigerator instruction manual, won this award. In the installation manual for the washing machine, the illustrated instruction "when carrying the washing machine," which is placed on the cover page of the manual, making it easy to see when users open the box, received a high rating. In the refrigerator manual, the effective use of illustration to make the manual more user-friendly was one of the points rated highly. We will continue to work on creating easy-to-understand manuals for all products.



Effective use of illustration on the Table of Contents page of the refrigerator manual.

\* The Japan Manual Contest is held annually by the Japan Technical Communicators Association.

### Proper labeling and advertisement

Toshiba Group endeavors to provide accurate product information and proper labeling and advertisement based on the Toshiba Group Standards of Conduct and in accordance with regulations and voluntary industry rules.





# Community Involvement and Development

## Major progress and achievements in FY2011

▶ Contributing to employment through the integrated production of turbine bodies in a factory in India

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▶ Supporting disaster recovery in the aftermath of the Great East Japan Earthquake and floods in Thailand

P9-12 P54

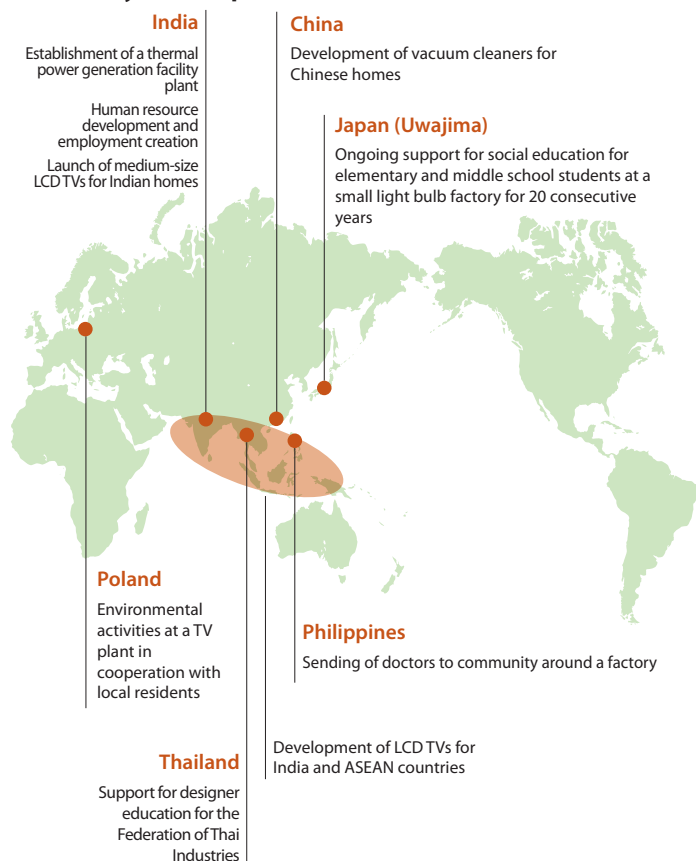
## Support for Local Community Development and Public Policies

### Contributing to economic, educational, and cultural development in host countries around the world where we do business

Toshiba Group contributes to the development of local communities and solution to issues imposed on them through not only our business activities, but also our worldwide corporate citizenship activities. At our manufacturing sites, we have been making efforts to localize management, foster management development, and promote local procurement. We have also contributed to the development of social infrastructure in developing and emerging countries in addition to the development of products that meet the needs of local communities.

In an effort to provide support to the areas affected by the Great East Japan Earthquake, we are making plans for the restoration and development of local communities in these areas based on local interviews and the analysis of local needs.

### Toshiba Group's Major Support for Local Community Development and Public Policies (FY2011)



### Development of Products that Meet Local Needs

#### Launch of a vacuum cleaner for China

In urban areas of China, brooms and mops are being replaced by vacuum cleaners as a result of the change in aesthetic values and living conditions, including increases in the number of condominiums.

Using the catch phrase, "Farewell to the age of brooms," Toshiba Home Appliances Manufacturing (Shenzhen) Co., Ltd. launched a vacuum cleaner for Chinese homes in October 2011. In order to develop the product, the company's manufacturing, planning, and engineering staff worked together to research customer needs and reflect them in the product design. In order to achieve a reasonable price for the product, the company's staff also increased the rate of local parts procurement and developed a low-price motor.



Horsehair broom brush suited to tiled and wooden floors



The VC-B50C vacuum cleaner launched in China

#### Development of LCD TVs for Southeast Asian countries

Toshiba's Digital Products and Services Company conducts interview surveys on the use and design of LCD TVs in Indonesia, Vietnam, and India, and develops products based on analysis of survey data.

The company produces products with specifications and functions that satisfy local needs, such as TV models equipped with batteries to allow access to programs even during a blackout, models with large speakers designed in accordance with customer taste, and 24-inch medium-size models priced in an affordable range.

### Contributing to Local Medical Care

#### Sending doctors and dentists to areas around a factory in the Philippines

Toshiba Information Equipment (Philippines), Inc. since year 2006 has been providing medical and dental examination services to promote and improve the physical well-being of intended beneficiaries in the nearby community. In addition to pharmaceutical products given free of charge to poor local residents, a nutritious feeding activity was also done for the younger recipients. Over the past years, the company has examined a total of around 6 thousand residents through these services, which are provided twice each year. The company also offers education programs on occupational health and safety and environmental protection to residents as they await their examination.



Medical examination of local residents by doctors sent by the company



## Creating Employment through Total Operation of a Factory

### New thermal power generation facility plant in India contributes to job creation and local development

In February 2012, Toshiba JSW Turbine & Generator Pvt. Ltd. in Chennai, India began the integrated production of steam turbine bodies. The company ships products to domestic markets in India as well as markets in emerging countries in Southeast Asia and the Near and Middle East, where the demand for energy is rapidly growing.

As part of its efforts to develop a production system managed by local personnel, the company is focusing on the recruitment and training of personnel. It plans to increase the number of local employees, which numbered around 200 in February 2012, to approximately 500 by 2014.

To build the factory, the company developed a site measuring 400,000 m<sup>2</sup> and constructed roads and sewerage facilities in the surrounding area. The company will further contribute to the development of public infrastructure in the area, including requesting the state government to develop roads from around the factory to the port.



Steam turbine factory in Chennai (above) and a production line operated by local employees (right)

## Development of Local Industries and Human Resource

### Supporting the training of industrial product designers in Thailand in cooperation with JEITA

In September 2011, Toshiba offered a basic course in industrial design in Bangkok in cooperation with the Federation of Thai Industries (FTI) and the Japan Electronics and Information Technology Industries Association (JEITA).

The training session was held for the second time following the first session in 2010 as part of efforts to support industrial designer education in Thailand. In this session, designers from the Toshiba head office taught basic skills in product design, including group work for the development of design concepts, individual work, and presentation techniques, to 40 employees working in local companies.



Designer education session

## Supporting the Growth of Future Generations

### Supporting social education for elementary and middle school students in a mountainous area in Shikoku

Inan Electric Co., Ltd., which manufactures small light bulbs for automobiles, operates its business in a community with a population of around 10,000 people located in a mountainous area in Uwajima City, Ehime Prefecture. In an effort to support social education for children, the company has invited local elementary students to see the manufacturing process of small light bulbs every year since 1990. Since 2000, the company has also invited middle school students to the workplace to provide hands-on education for three days.

The steady efforts of this company of around 100 employees are an indispensable part of elementary and middle school education in this local community.



Elementary school children learning the manufacturing process of small light bulbs

## Public Relations with Local Community Residents

### Raising environmental awareness of local community residents at a factory in Poland

In addition to energy conservation and other environmental activities within the company, Toshiba Television Central Europe Sp. z o.o. is working in cooperation with local communities to promote various initiatives aimed at raising the environmental awareness of local residents.

The company provides environmental seminars at local elementary schools every year and distributes cotton gloves and plastic rubbish bags that are necessary for cleaning in local communities. In addition, the company also collects unneeded electrical products from employees' homes in order to raise their awareness of the proper treatment and recycling of waste.



Providing plastic rubbish bags for cleaning



## Community Involvement and Development



### Corporate Citizenship Activities

#### Promoting corporate citizenship activities worldwide

Each Toshiba Group company and business site has Social Contributions Coordinators (223 in Japan and 120 overseas) in charge of promoting corporate citizenship activities.

Between April 2010 and March 2011, more than 107,000 employees in 190 Toshiba Group companies participated in 1,403 corporate citizenship activities.

At Toshiba Group CSR Conference in December 2011, five outstanding activities and six organizations were commended, based on the evaluation of Social Contributions Coordinator Working Group. Evaluation criteria included purpose, employee participation, uniqueness, continuity, impact on society, and cooperation with other organizations.

#### Support for the Promotion of Science and Math Education

#### ExploraVision Award competition in the U.S. and Canada

Toshiba holds the ExploraVision Awards (EVA) contest for science and technology every year, in which participants propose technologies that may come to fruition within a period of twenty years, in collaboration with National Science Teachers Association (NSTA). 13,387 people from the United States and Canada participated in the 19th contest in 2011 in 4,346 teams, eight of which received awards in Washington D.C. in June for their innovative ideas in various fields, mainly in medical and environment. The total number of competition participants to date is approximately 287,000.



Award ceremony in Washington D.C.



Team from New York winning the award in the high school student category

### Expenditures for Corporate Citizenship Activities (FY2011)

Other (donation of products, etc.)<sup>\*2</sup> 13%

#### Healthcare 2%

Global: Pink Ribbon Campaign

#### International Exchanges and Friendship 2%

Toshiba Youth Conference for a Sustainable Future (attended by high school students from Japan, the U.S., Thailand, and Poland)

#### Social Welfare 2%

Global: Blood donation, volunteer day  
Japan: Disability support activities

#### Nature Conservation 3%

Global: 1.5 Million Tree-planting Project, participation in the Earth Day event  
Japan: Training for nature observation guides

<sup>\*1</sup> Expenditures include cash contributions, corporate-initiated programs, and donations of products.

<sup>\*2</sup> "Other" includes donations of products and allowing access to facilities for public use (gyms, etc.).

Visit our official website for other detailed information. <http://www.toshiba.co.jp/csr/en/community/index.htm>  
<http://www.toshiba.co.jp/social/en/index.htm>

### The Toshiba Science Museum celebrates its 50th anniversary

Over fifty years since its opening in 1961, the Toshiba Science Museum has played an important role as a center for cultural activities developed in collaboration with local communities to promote communication between people and science, and also as a facility that provides scientific and technological knowledge to the public at large. The Museum is visited by approximately 130,000 people annually, with an overall total of 8.77 million visitors since it opened.

Various products are exhibited in the Museum, including precious industrial and technological heritage items and cutting-edge technologies, to help visitors learn about the progress of science and technology in different areas and to experience the mysteries of technology first hand. The Museum also contributes to the growth of future generations through activities such as experimental workshops to teach children the pleasure of learning science and mathematics, in addition to conducting science workshops at local elementary and middle schools.

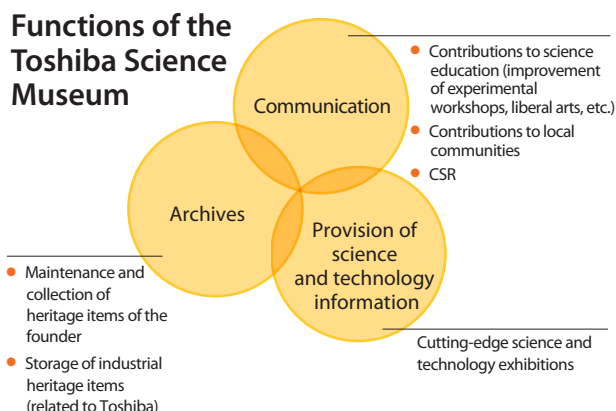
To celebrate its 50th anniversary, the Museum held exhibitions of past Toshiba products and also a special exhibition featuring the founder of Toshiba in 2011.

Toshiba Science Museum: <http://museum.toshiba.co.jp/>



Environmental education for elementary school children

### Functions of the Toshiba Science Museum



#### Science and Technology Education 32%

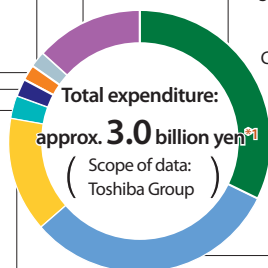
Japan: Experimental workshops at the Toshiba Science Museum, Support for promotion of experiential science and math education, Disassembly workshops  
North America: Science and technology contest  
China: Science and math teaching education program competition

#### Support for Disaster Recovery 31%

Support for areas affected by disasters, including the Great East Japan Earthquake and the floods in Thailand

#### Promotion of Sports and Culture 14%

Japan: Classes for baseball, rugby, basketball, etc.  
Europe: Co-sponsorship of the London Symphony Orchestra





## Holding a disassembly workshop at the CEATEC Japan event site

In October 2011, we held a disassembly workshop onsite at CEATEC Japan, an IT electronics show, in collaboration with Nikkei Electronics. Under the guidance of Toshiba Group employee volunteers, 24 children disassembled TVs and learned about the TV mechanism. This workshop commenced in 2005 with the aim of providing children with a better understanding of electrical products and has been held a total of 21 times.



Children observing the inner workings of a TV

## Supporting promotion of experiential science and math education

Toshiba Group, since 2008, has been supporting the activities of the Real Science Education Institute, an NPO engaged in the development of experiential science and math education programs, the training of instructors, and the provision of educational support to schools in order to foster people who are able to contribute to the global community in the field of science and math.

## Supporting an education for students at normal universities in China

Toshiba has been holding science and math teaching program contests since 2008 for students at normal universities in China in cooperation with the Ministry of Education of China. In FY2011 approximately 18,000 students from 40 schools joined the contest and the 18 award winners were invited on a training tour to Japan.

### Contribution to Nature Conservation and Social Welfare Activities

## Promoting tree-planting activities in Asia

Four Toshiba Group companies in the Philippines worked together for the first time to hold a joint tree-planting event in which 100 employees and about 50 government officials participated. In an effort to reduce traffic noise and air pollution, participants planted 2,700 saplings along a highway with the heaviest traffic in Manila City.

## Joining a Pink Ribbon Campaign in Sendai

Toshiba Group supports the Pink Ribbon Campaign to encourage the early diagnosis and treatment of breast cancer. In an effort to contribute to increasing the cancer screening rate, approximately 80 Toshiba employees joined the Pink Ribbon Campaign held in October 2011 in Sendai. Toshiba employees also participated in various other events held in Tokyo, Nagoya, and Kobe.

## Support for Large-Scale Disaster Relief



### Disaster-relief activities

As a global company with approximately 200,000 employees involved in our worldwide businesses, we believe that we are interconnected with local communities. Against this backdrop, we are actively engaged in providing emergency support services, including donations, in the event of large-scale disasters throughout the world.

### ● Support activities for flood recovery in Thailand

Toshiba donated 17 electric underwater drainage pumps worth around 65 million yen through Thailand's Ministry of Industry to support efforts for recovery from the floods that occurred in Thailand in September 2011. In addition to contributing to improving sanitary conditions by coating the classroom walls of inundated schools with RENECAT®, a visible light photocatalyst, Toshiba also donated power TVs with built-in batteries to the Rajaprajanugroh Foundation under Royal Patronage.

In addition, Toshiba Thailand Co., Ltd. is also engaged in various other support activities, including repair of electrical products in affected areas, blood donation by employees, and provision of emergency relief supplies for affected people.



Donation of electric underwater drainage pumps



Donation of a power TVs

### ● Support for tornado recovery in the United States

Toshiba issued a message of sympathy to the people living in the southern states of America affected by a tornado in April 2011 on the Toshiba Vision display in New York Times Square. We also donated TVs and PCs worth 65,000 US dollars (about 5.2 million yen) to Habitat for Humanity, an NGO that has provided temporary housing in affected areas.



Sympathy message presented in Times Square

### ● Other disaster relief efforts

Typhoon No. 12 in Japan ..... 5 million yen (Wakayama and Nara)

Earthquake in Turkey ..... 10 million yen

Typhoon in the Philippines ... 10 million yen

Note: For disaster relief activities for areas affected by the Great East Japan Earthquake, see p. 9–12.

# Reporting Media and Disclosure Items on the Corporate Website

## Disclosing information through our CSR Report, Annual Report, Environmental Report, and Social Contributions Activities Report

In order to provide relevant information to our stakeholders, Toshiba Group publishes the CSR Report (a non-financial report) and the Annual Report (a financial report). Recognizing our responsibility to provide detailed non-financial information, especially on environmental issues, we also publish the Environmental Report separately from the CSR Report. Furthermore, we issue the Social Contributions Activities Report.

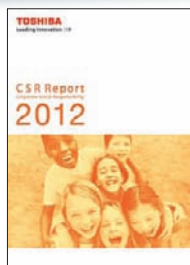
We also provide timely information on such matters through our corporate website.

## Disclosing detailed CSR-related information on our website

In order to enhance our stakeholders' understanding of Toshiba Group CSR activities, we not only arrange our CSR website according to the structure of our CSR Report, but also provide additional information that is not available in the report. For instance, on our CSR website, we provide a detailed report on our CSR performance along with a GRI Content Index. We also make certain information available only on our website in an effort to make the website useful for our stakeholders.

## CSR Report/CSR Website

 <http://www.toshiba.co.jp/csr/en>



CSR Report  
(Issued in August 2012)



CSR website

The CSR Report provides information on Toshiba Group's major CSR management activities.

The CSR website provides detailed and timely CSR-related information.

### Key reporting items (CSR website)

- Topics
- Management and Policy
- Highlights
- CSR performance
  - Organizational Governance, Human Rights, Labor Practices, the Environment, Fair Operating Practices, Customers, Community Involvement and Development
- Engagement
- Other information



## The structure and main content of the CSR Report

<b>Corporate Philosophy</b>
<b>Company Overview</b>
<b>CEO Commitment</b>
<b>Report Update</b> Response to the Great East Japan Earthquake and Recovery Support Activities
<b>Special Feature</b> Realization of Smart Communities
<b>Annual Activity and Performance Report</b> Strengthening CSR Management Based on the Principles of ISO 26000
<b>Major Achievements in FY2011 and Targets &amp; Plans for FY2012</b>
1) <b>Organizational Governance</b> CSR Management/Corporate Governance/Dialogue with Stakeholders
2) & 3) <b>Human Rights and Labor Practices</b> Respect for Human Rights and Prohibition of Discrimination/Stable Employment/Human Resources Development/Promotion of Diversity/Support for Diverse Work Styles/Occupational Health and Safety
4) <b>The Environment</b> Environmental Vision and Management/Fifth Environmental Action Plan/Action Plan for FY2011 and Actual Results/Greening of Process/Greening of Products/Greening by Technology/Green Management
5) <b>Fair Operating Practices</b> Risk Management and Compliance/Risk Management through the Business Continuity Plan (BCP)/Fair Competition and Trading Practices/Managing CSR in the Supply Chain/Information Security Management/Protection of Intellectual Property
6) <b>Customers</b> Quality Assurance and Safety/Dealing with Product Accidents/Enhancing Customer Satisfaction/Promotion of Universal Design/Product and Service Improvement Based on VOC
7) <b>Community Involvement and Development</b> Support for Local Community Development and Public Policies/Corporate Citizenship Activities/Support for Large-Scale Disaster Relief
<b>Third Party Review of the CSR Report</b>
<b>Evaluation of CSR by External Parties (FY2011)</b>



## The structure and main content of the CSR website

<b>Philosophy and Policy</b> CEO Commitment/Corporate Philosophy/*Toshiba Group Standards of Conduct/ *UN Global Compact/Stakeholders/Toshiba Group Business Overview/Toshiba Group Business and Responsibility/Distribution of Economic Value to Stakeholders
<b>Special Feature</b> Response to the Great East Japan Earthquake and Recovery Support Activities
<b>Special Feature</b> Realization of Smart Communities
<b>CSR Performance</b> CSR Management Reinforcement Utilizing ISO 26000
1) <b>Organizational Governance</b> CSR Management/Corporate Governance/Dialogue with Shareholders and Investors/Dialogue with Employee and Customer
2) <b>Human Rights</b> Respect for Human Rights and Prohibition of Discrimination
3) <b>Labor Practices</b> Stable Employment/Human Resources Development/Promotion of Diversity/Support for Diverse Work Styles/Occupational Health and Safety
4) <b>The Environment</b> Toshiba Group's Basic Policy for the Environment/Environmental Vision 2050/Fifth Environmental Action Plan/Achievements in FY2011/Greening of Process (Environmentally Conscious Manufacturing)/Greening of Products (Environmentally Conscious Products)/Greening by Technology (Energy and Environmental Technologies)/Green Management (The Base of Our Environmental Management) Note) For more details, see Toshiba Group's environmental activity website.
5) <b>Fair Operating Practices</b> Risk Management and Compliance/Risk Management through Business Continuity Plan/Fair Competition and Trading Practices/CSR Management in the Supply Chain/Export Control/Information Security Management/Protection of Intellectual Property
6) <b>Customers</b> Quality Control/Ensuring Product Safety/Information on Product Safety/Enhancement of Customer Satisfaction/Response to Customer and Voice of Customer (VOC)/ Universal Design
7) <b>Community Involvement and Development</b> Support for Local Community Development and Public Policies/Corporate Citizenship Activities/*Community Relations/Support in the Aftermath of Disasters/Local Community Development/*Government and Authorities/*NPOs and NGOs
<b>Engagement</b> *Evaluation of CSR Report by External Parties/Stakeholder Dialogue/CSR Report 2012/*GRI Content Index/*History of CSR Activities, etc.
<b>Other information</b> Site Map/Search by Keywords, etc.
* Information available on the website only. (The website structure is subject to change without prior notification.)



## Annual Report/Investor Relations (IR) Website

<http://www.toshiba.co.jp/about/ir/index.htm>



Annual Report  
(Scheduled to be issued  
in September 2012)



IR website

In the Annual Report, we primarily report on Toshiba Group's business performance as of the end of the fiscal year and on our three-year midterm management plan.

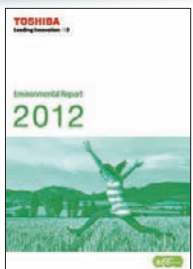
On the IR website, we aim to provide Toshiba's corporate information in a timely manner. An IR website for mobile phone access is also available.

### Key reporting items (IR website)

- IR News
- Management Policy
- Financial Data
- IR Library
- Stock and Bond Information
- For individual investors

## Environmental Report/Environment Website

<http://www.toshiba.co.jp/env/en>



Environmental Report  
(Scheduled to be issued  
in October 2012)



Environment website

\* Website update scheduled to be performed in conjunction with the issuance of the Report

In the Environmental Report, we provide a detailed description of the global environmental activities of Toshiba Group as a whole. On the environment website, we provide not only information on the Group's environmental activities in a timely manner, but also environmental reports on our production sites and group companies. Furthermore, we have established a special website called "TOSHIBA eco style."

### Key reporting items (Environment website)

- Topics
- Green Management
- Greening of Process
- Greening of Products
- Greening by Technology



eco style website

<http://www.toshiba.co.jp/ecostyle/en>

## Social Contributions Activities Report/Corporate Citizenship Activities Website

<http://www.toshiba.co.jp/social/en>



Social Contributions  
Activities Report  
(Scheduled to be issued  
in December 2012)



Corporate citizenship activities website

In the Social Contributions Activities Report, we report on Toshiba Group's global corporate citizenship activities.

On the corporate citizenship activities website, we provide detailed, timely information that is not covered by the Social Contributions Activities Report.

### Key reporting items (Corporate citizenship activities website)

- Social Contribution Activities
- Education
- Environment (Tree Planting)
- Coexisting Society
- Sports and Culture
- Disaster Recovery Support
- Employee Voluntary Support
- Activities of Group Companies and Businesses
- Activities of Foundations



### Major information available only on Toshiba Group websites



Smart Community

<http://www.toshiba-smartcommunity.com/EN>



TOSHIBA BATON

Photo sharing website on environmentally conscious activities undertaken by employees passing the baton to the next around the world

<http://toshibaton.com>



TOSHIBA Facebook:

Information on biodiversity-conservation activities in Toshiba factories and local community initiatives

<http://www.facebook.com/toshiba.japan>

## Third Party Review of the CSR Report



### Enhanced materiality

Toshiba Group follows its well-established approach of organizing CSR activities based on materiality levels assessed in accordance with ISO 26000, and this year, Toshiba Group has further developed its approach. Of particular importance is the fact that the Group has adopted a process of selecting key issues through stakeholder dialogue with outside experts. CSR defines a company's obligations toward society; by its very nature, it is difficult to determine a company's CSR by its members alone. In order to implement effective CSR initiatives, it is therefore essential to adopt the views of outsiders. In this respect, Toshiba Group's approach is to be highly commended. We hope that Toshiba Group will follow the same approach not only in the P phase of the PDCA but also in the more major phases of the management cycle in the future.

### Determined actions in response to the Great East Japan Earthquake

Another important characteristic of this year's CSR Report is the disclosure of detailed information on its actions taken in response to the Great East Japan Earthquake, a disaster that caused unprecedented damage. As President Sasaki states in his message, Toshiba Group fully recognizes the serious implications of the accident at the Fukushima Nuclear Power Station as a company engaged in the development of nuclear power generation systems. Accordingly, Toshiba Group has disclosed information about the proactive initiatives it has taken to ensure nuclear safety and treat contaminated water. In particular, Toshiba Group's personnel support activities, including generating local employment and providing support by employee volunteers, are highly valued by local community residents. We hope that Toshiba Group will continue its collective efforts to support the recovery of the affected areas through its business activities.

### Support for the development of smart communities

Realizing a smart community is a goal for all of humanity as a means to resolving global energy issues. Detailed explana-

tions of Toshiba Group's contributions to the development of smart communities are another important characteristic of this year's CSR Report. The development of smart communities has highly important implications in contemporary society and the Group's positive contributions in countries around the world are to be commended. We hope that Toshiba Group will incorporate goals and other initiatives into its CSR activity plans as part of its efforts to disclose information in an ongoing and systematic manner.

### Activities as a company engaged in advanced environmental practices

Toshiba Group is also widely recognized as a company group engaged in advanced environmental practices. In this year's CSR Report, Toshiba Group presents its Fifth Environmental Action Plan for the further promotion of environmental activities. Of particular importance is the fact that the Group has expanded the scope of its activities based on ISO 26000 and other environmental management standards. This approach of placing the highest priority on comprehensive KPIs, including overall eco-efficiency, product eco-efficiency, and business process eco-efficiency, also deserves high appraisal as a method for implementing systematic environmental management. As general assessment indexes, these KPIs can be used in the same way as profit rate indexes in accounting. We therefore hope that Toshiba Group will develop these indexes as fundamental environmental KPIs comparable to financial KPIs that can be used for information disclosure for Toshiba Group as a whole.

國部克彦

Professor Katsuhiko Kokubu

Graduate School of Business Administration  
Kobe University

Professor Kokubu completed his Ph.D. at Osaka City University. After serving as Associate Professor at Osaka City University and Kobe University, he has served as Professor of Social and Environmental Accounting at Graduate School of Business Administration, Kobe University since 2001. In 2003, he established the Institute for Environmental Management Accounting, an organization that applies the results of research. He has served as Convenor of Working Group 8: Material Flow Cost Accounting at ISO TC 207, and has also been appointed as Chairperson of the Ministry of Economy, Trade and Industry's Material Flow Cost Accounting Development Project Committee, as well as member of the Committee for the Revision of the Environmental Reporting Guidelines. His publications include Environmental Management and Accounting (Yuhikaku).

### Toshiba's Response to Third Party Review

The recovery from the Great East Japan Earthquake has only begun and Toshiba Group will continue programs to support the endeavors of affected areas to regain their independence in FY2012. We will continue our efforts to contribute to the reconstruction of social infrastructures in affected areas through our business as well as to generate employment through the support of key local industries, including fisheries.

We have also begun implementing our smart community ini-

tiatives for the future by participating in 27 field experiment projects in countries around the world. We hope to achieve tangible results in FY2012.

In order to promote the Fifth Environmental Action Plan, which will be newly launched this year, we will implement our open corporate management policy by incorporating stakeholder dialogue into our management cycle in accordance with ISO 26000.

CSR Implementation Office  
Toshiba Corporation

# Evaluation of CSR by External Parties (FY2011)

Item	Evaluation	Evaluated Entity
<b>General CSR Activities Related (including Socially Responsible Investing)</b>		
Corporate Sustainability Assessment by SAM, a Swiss SRI organization	SAM Bronze Class	Toshiba Group
Member of Dow Jones Sustainability Index (DJSI)	Selected for 12 consecutive years since 2000	Toshiba Group
Corporate Integrity and Transparency Survey by Integrex (Japan)	3rd place	Toshiba Group
The 10th JCGI Index Survey by Japan Corporate Governance Research Institute, Inc.	2nd place	Toshiba Group
Toshiba Group Corporate Social Responsibility Report 2011 (Japanese-language edition)	Toyo Keizai Inc's 15th Sustainability Reporting Awards, Excellent Report Award	Toshiba Group
<b>IR Related</b>		
Ranking Survey of Excellent Websites by Nikko Investor Relations Co., Ltd. (surveyed: 3,603 Japanese companies)	1st place (for four consecutive years)	Toshiba Group
Internet IR Best Company Award 2011 by Daiwa Investor Relations Co., Ltd. (surveyed: 3,661 Japanese companies)	Grand Prix (Best Company Award for seven consecutive years, Total 10 times)	Toshiba Group
Gomez IR Site Ranking by Morning Star Japan k. k. (surveyed: 3,535 Japanese companies)	8th place (gold award)	Toshiba Group
<b>Customer Related</b>		
LED flashlights KFL-102/202/302, cordless irons TA-FVX900/800	Germany's Universal Design Award 2012	Toshiba Group
Japan Manual Contest 2011	Excellent Manual Award in the First Operation Manual Category	Toshiba Home Appliances Corp.
Washing machine installation manual, refrigerator GR-D62F instruction manual	Outstanding Manual Award in the Second Usage Manual Category	Toshiba Home Appliances Corp.
A total of seven items, including the waterproof rechargeable radio TY-JR11 and electric kettles PHK-800R/800	Fifth Kids Design Awards, Excellent Prize in the Universal Safety Category	Toshiba Group
<b>Quality Related</b>		
Toshiba Information Equipment (Philippines), Inc. manufacturing sites	2011 Good Factory Award and Factory Management Award of the Japan Management Association	Toshiba Information Equipment (Philippines), Inc.
<b>Employee Related</b>		
2011 Survey on Japan's Worker Friendly Companies by Nikkei Inc.	3rd place	Toshiba Corp.
APEC Women and the Economy Summit (APEC USA 2011)	APEC Women Innovators Award (Rieko Fukushima, Senior Research Scientist at the Toshiba's Corporate Research & Development Center)	Toshiba Corp.
Toshiba Oita Operations	Ministry of Health, Labour and Welfare's Labour Standards Bureau Director's Award for a Type-5 no accident record (35.5 million hours)	Toshiba Corp., Oita Operations
<b>Environment Related</b>		
Ranking based on the 15th Environmental Management Level Survey by Nikkei Inc.	5th place (category: manufacturing)	Toshiba Corp.
Combination of three basic heat source equipment models, including Universal Smart X RUA-SP24	2011 Grand Prize for Excellence in Energy Efficiency and Conservation, Product and Business Model Category, Minister's Prize, the Ministry of Economy, Trade and Industry	Toshiba Carrier Corp.
The storage device: "enterprise-class solid state drives (SSDs)", three models including MK4001GRZB.	2011 Grand Prize for Excellence in Energy Efficiency and Conservation, Product and Business Model Category, Director-General's Prize, the Agency for Natural, Resources and Energy	Toshiba Corp.
Refrigerator VEGETA series models, GR-E50FX and GR-E55FX	2011 Grand Prize for Excellence in Energy Efficiency and Conservation, Product and Business Model Category, Chairman's Prize, Eco-Efficiency Category, the Energy Conservation Center, Japan	Toshiba Home Appliances Corp.
Electric fan with a DC motor, SIENT F-DLN100	2011 Grand Prize for Excellence in Energy Efficiency and Conservation, Product and Business Model Category, Chairman's Prize, Eco-Efficiency Category, the Energy Conservation Center, Japan	Toshiba Home Technology Corp.
Cloud service for visualization of power consumption	8th Eco-Products Awards, Excellence Award for Energy Saving Service in the Eco-Service Category	Toshiba Corp., Toshiba Solutions Corp.
LCA services in the semiconductor field	8th LCA Society of Japan Awards, Honorable Award in the LCA Category	Toshiba Corp.
Development and promotion of eco-efficiency assessment methods in the solution field	8th LCA Society of Japan Awards, JLCA Chairman's Award in the Eco-Efficiency Category	Toshiba Solutions Corp.
MFP System allowing Paper to be Reused	Minister of the Environment's FY 2011 Commendation for Global Warming Prevention Activity, in the Technological Development and Commercialization Category	Toshiba TEC Corp.
P9 adjustable speed drive	Consulting-Specifying Engineer 2011 Product of the Year (Silver award)	Toshiba International Corp.
Energy saving for power generation equipment through potential development	2011 Grand Prize for Excellence in Energy Efficiency and Conservation, Successful Case of Energy Conservation Category, Chairman's Prize, the Energy Conservation Center	Toshiba Corp., Yokkaichi Operations
3R promotion activities	Reduce, Reuse, Recycle Promotion Association Chairman's Award for Achievement in Promoting Reduce, Reuse, Recycle Activities	Toshiba Corp., Oita Operations
Environmental conservation activities	Wuxi City green-level certification for environmental management	Wuxi Tongzhi Microelectronics Co., Ltd.
Energy efficiency/Special energy saving projects - e.g. Turbo Chiller, PC reduction at Test process	ASEAN Energy Awards - Best Energy Management Practice (Large Industry Category)	Toshiba Information Equipment (Philippines), Inc.
Green curtains for building windows	Green Curtain Competition Best Performance Award in the Office Category	Toshiba Corp., Yokohama Complex
Environmental conservation activities	Certified as a Green Company by the 2010 Hangzhou City Corporate Environmental Management Assessment	Toshiba Hydro Power (Hangzhou) Co., Ltd. (China)
3R (reducing, reusing, recycling) of packaging waste	3R Packaging Awards 2011, Merit Award Category	Joint project: Toshiba Asia Pacific, Toshiba Singapore and Toshiba Data Dynamics; Toshiba TEC Singapore
Advanced environmental initiatives	Donald Cousens Conservation & Environmental Leadership Award	Toshiba Canada, Ltd.
"With 10 years of life" advertisement for LED light bulbs	Cannes Lions International Festival of Creativity Gold Award in the Outdoor Category/41st Fuji Sankei Group Advertisement Awards, Media Mix Grand Prize, and others.	Toshiba Corp.
LED lighting for the Louvre Museum (73% reduction in power consumption compared to conventional lighting)	French Government's Grand Mecenat Award	Toshiba Corp.
Multilateral environmental communication inside and outside the Company	20th Global Environment Grand Prize, Japan Business Federation Chairman's Award	Toshiba Corp.
Publication of information on environmental conservation activities and their results	Best Report Award, Dalian City Sustainable Development Report (Environmental Report)	Toshiba Dalian Co., Ltd. (China)
<b>Product and Technology Related</b>		
Development and promotion of a processor LSI for real-time 3-D graphics	Medal with Blue Ribbon	Toshiba Corp.
Development of MRI equipment that produces clear images of blood vessels without using contrast medium	The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology Prizes for Science and Technology Development Category	Toshiba Medical Systems Corp.
Development of a high efficiency Dual rotary compressor for Air-conditioner	The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology Prizes for Science and Technology Development Category	Toshiba Carrier Corp.
Photomask development technology for large storage capacity of semiconductor memory devices	The Ichimura Prizes in Industry Contribution Prize	Toshiba Corp. Tokyo Electron Kyushu Ltd.
Commercialization of a prediction and control technology that reduces the start-up time of steam turbines for thermal power generation	The Electrical Science and Engineering Promotion Awards the Education, Culture, Sports, Science and Technology Minister's Promotion Award	Toshiba Corp.
Commercialization of an electrochemical DNA chip and automated DNA detection system	The Electrical Science and Engineering Promotion Awards	Toshiba Corp.
Development and commercialization of the world's first color image intensifier	JEMA TECHNICAL AWARD	Toshiba Corp.
Development and commercialization of the world's first refurbishment technology for power generation gas turbine blade	JEMA TECHNICAL AWARD	Toshiba Corp.

## Committed to People, Committed to the Future.

### TOSHIBA CORPORATION

1-1, Shibaura 1-chome, Minato-ku, Tokyo,  
105-8001, Japan

#### Contacts:

Corporate Social Responsibility Division  
(about CSR Report)

Tel: +81-3-3457-2395 Fax: +81-3-5444-9222

Inquiry page on Toshiba website (general inquiries)

URL <http://www.toshiba.co.jp/csr/en/contact/>

The CSR Report is available on the Toshiba website

URL <http://www.toshiba.co.jp/csr/en>

Production and printing of the Toshiba Group CSR Report 2012 reflect the following considerations:

#### Paper



##### Use of FSC-certified Paper

Paper certified by Forest Stewardship Council (FSC) is used, which is made from wood from FSC-certified forests.



##### Use of Forest Thinning Support Paper

Toshiba Group supports forest thinning project in Misawa City, Aomori prefecture, aiming to preserve the nature for the next generation.



A-(2)-060002

##### Use of paper made from domestic wood

In the Kyoto Protocol, Japan set a target of reducing greenhouse gas emissions by 6%, 3.9 %, of which namely about two-thirds will be achieved by CO<sub>2</sub> absorption by forests. Active consumption of domestic wood leads to the growth of healthy forests, which will absorb considerable CO<sub>2</sub>. While expressing our gratitude towards forests, we print this brochure using paper made from domestic wood to contribute to the further absorption of CO<sub>2</sub> by domestic forests.

#### Printing



##### Waterless Printing

Waterless printing, a printing process that eliminates the use of water, is adopted, taking advantage of the characteristics of printing plates made of ink-shedding material.



##### Non-VOC Ink

100% vegetable ink containing no volatile organic compounds (VOCs) is used.