

**TOSHIBA**

# 2020 | Sustainability Report



# Reporting and Disclosure Items

Toshiba Group provides an overview of its financial and non-financial management in our Integrated Report. In addition, our Financial Report gives detailed financial information and our Sustainability Report gives detailed non-financial information including environmental activities. We also provide the latest information on related matters in a timely manner through our corporate website.

We recommend viewing each report (PDF) in the latest browser.

Note that content may not display or operate correctly depending on the device being used, and browser type, version and settings.

\* It has been confirmed that content displays and operates correctly on Google Chrome version 77 and 80.

## About financial and outline of non-financial information

### Integrated Report / Financial Report / Investor Relations Website



> [Integrated Report](#)



> [Financial Report](#)



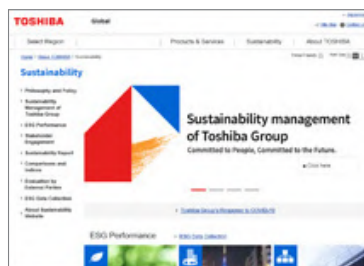
> [Investor Relations Website](#)

## About non-financial information (ESG)

### Sustainability Report / Sustainability Website / Environment Website



> [Sustainability Report](#)



> [Sustainability Website](#)



> [Environment Website](#)

Starting in FY2020, Toshiba Group published the Sustainability Report, integrating the CSR Report and the Environmental Report.

# Sustainability Reporting Policy

## Our Effort to Report on the Priority Issues for Our Stakeholders and Those for Toshiba Group

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In the Sustainability Report, we report sincerely on the issues material for both our stakeholders as well as the Toshiba Group. The content of the report obtained approval at the meeting body attended by executives in charge of sustainability, environment, legal affairs, and strategic planning.

### Organizations Covered in This Report

In principle, Toshiba Group (Toshiba Corporation and its 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. “Toshiba Group in Japan” refers to Toshiba corporation and its consolidated subsidiaries in Japan. “Toshiba Group overseas” refers to consolidated subsidiaries overseas.

### Reporting Period

This report focuses on the results of activities in FY2019 (from April 1, 2019 to March 31, 2020). It also includes some activities continuing from the past as well as more recent ones.

### Significant Change during the Reporting Period

- Amendments to the Articles of Incorporation
- Completion of Toshiba’s repurchase of its own shares
- Completion of Withdrawal from U.S LNG Business
- Toshiba completed the tender offer for shares of Toshiba Plant Systems & Services Corporation.
- Toshiba Infrastructure Systems & Solutions Corporation completed the tender offer for shares of NISHISHIBA ELECTRIC CO., LTD.
- Toshiba Electronic Devices & Storage Corporation completed the tender offer for shares of NuFlare Technology, Inc.

### Publication

Current issue: January 2021 (previous issue: January 2020)

### Reference Guidelines

- GRI (Global Reporting Initiative) Sustainability Reporting Standard  
This report references the GRI Sustainability Reporting Standards.
- United Nations Global Compact [COP(Communication on Progress) Advanced level]
- Environmental Reporting Guidelines 2018, Ministry of the Environment of Japan
- Environmental Accounting Guidelines 2005, Ministry of the Environment of Japan
- ISO 26000

# 2020 | Sustainability Report

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# Basic Corporate Data

(As of March 31, 2020)

|  |  |
|--|--|
| Company Name:                                | Toshiba Corporation                            |
| Headquarters Address:                        | 1-1, Shibaura 1-chome, Minato-ku, Tokyo, Japan |
| Founded:                                     | July 1875                                      |
| Chairman:                                    | Satoshi Tsunakawa *                            |
| President and CEO:                           | Nobuaki Kurumatani *                           |
| Common Stock:                                | ¥200,175 million                               |
| Net Sales:<br>(Consolidated basis)           | ¥3,389.9 billion (FY2019)                      |
| Fiscal Year:                                 | April 1 to March 31                            |
| Number of Employees:<br>(Consolidated basis) | 125,648  |
| Number of Shares issued:                     | 455 million shares **                          |
| Total Number of Shareholders:                | 269,067 **                                     |
| Stock Exchange Listings:                     | Japan : Tokyo and Nagoya                       |

\* From April 1, 2020

\*\* As of record date (May 15, 2020) for voting right of the 181st annual general meeting

# Business Domains

## Energy Systems & Solutions

The scope of our business embraces large-scale power generation systems for nuclear and thermal power, along with renewable energy generation systems for hydro, geothermal, solar, and wind power. Our related businesses include power transmission and distribution systems that deliver electricity directly to end users, and a hydrogen-based autonomous energy system that realizes "local production for local consumption."

### Main Business Areas

- Power Generation Systems for [Nuclear Power](#), [Thermal Power](#) and [Renewable Energy](#)
- Power Generation Business for [Renewable Energy](#)      ○ [Transmission and Distribution Systems](#)
- [Hydrogen Energy Systems](#)      ○ [Energy Digital Service](#)      ○ [Heavy-ion Therapy System](#)



Nuclear Power/Thermal Power



Hydro Power



Geothermal Power



Wind Power



Photovoltaic



T&D



Hydrogen-based Autonomous Energy Supply System H2One™



Failure Prediction/Performance Monitoring Service for Power Plant and Power Grid System



Heavy-Ion Radiotherapy System for Cancer Treatment (Courtesy of QST/NIRS)

### Main Consolidated Subsidiaries (As of April 2020)

- [Toshiba Energy Systems & Solutions Corporation](#)
- [Toshiba Plant Systems & Services Corporation](#)

# Business Domains

## Infrastructure Systems & Solutions

For many years, we have provided products, systems, and services to customers in the public sector that have the responsibility for maintaining the infrastructure of essential utilities. We will also embrace IoT and artificial intelligence (AI) in years ahead in order to establish safer, more secure, and more convenient social infrastructure systems.

### Main Business Areas

- [Water Supply & Wastewater Treatment Systems](#)
- [Broadcasting & Network Systems](#)
- [Railway Transportation Systems](#)
- [Substation Systems](#)
- [Defense & Electronic Systems](#)
- [Motor/Drive Systems](#)
- [Traffic Control Systems](#)
- [Security & Automation Systems](#)



Water Supply & Wastewater Treatment Systems



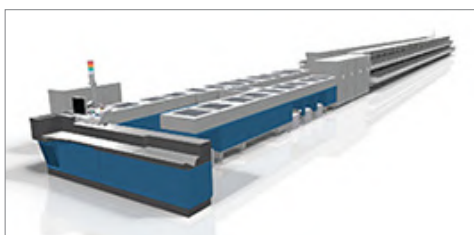
Substation Systems (UPS)



Broadcasting & Network Systems



Defense & Electronic Systems  
(Doppler VOR/DME)



Security & Automation Systems  
(Letter Sorting Machine)



Security & Automation Systems  
(De-Palletizer)



Railway Transportation Systems



Motor/Drive Systems

### Main Consolidated Subsidiary (As of April 2020)

- [Toshiba Infrastructure Systems & Solutions Corporation](#)

# Business Domains

## Building Solutions

Our portfolio covers elevators & escalators for buildings and facilities, ventilation, and lighting, all businesses essential to the day-to-day comfort of people. Through these businesses, we also offer energy-saving, environmentally conscious products and services, as well as building solutions that improve building security and reliability.

### Main Business Areas

- [Elevators](#)
- [Escalators](#)
- Building Facilities
- [Materials for Electrical Construction](#)
- [Lighting Equipment, Airport Ground Lighting System, Stage and Studio Lighting System](#)
- [Automotive Light Sources, Industrial Light Sources and Modules](#)
- [Air conditioners, Multi Systems for Buildings, Heat Source System](#)
- [Heat Pump Hot Water Supply System, Ventilating Fans, Ventilating Systems](#)
- Cold-Chain Equipment



Elevators



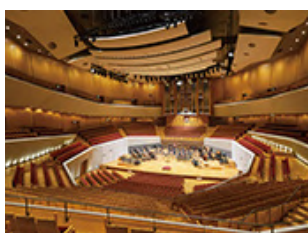
Office Lighting



Building Multi Air-Conditioning Systems



Escalators



Stage Lighting System



Heat Pump Module Chilling Unit

### Main Consolidated Subsidiaries (As of April 2020)

- [Toshiba Elevator and Building Systems Corporation](#)
- [Toshiba Lighting & Technology Corporation](#)
- [Toshiba Carrier Corporation](#)

# Business Domains

## Retail & Printing Solutions

We are expanding our range of solutions by using products like in-store POS systems and office MFPs (Multifunction Peripherals) as platforms. We are a solutions partner that helps clients to solve on-site issues.

### Main Business Areas

- [POS Systems](#)
- [Automatic Identification Systems](#)
- [Multifunction Peripherals](#)
- [Inkjet Heads](#)



POS Systems



Multifunction Peripherals



Automatic Identification Systems



Inkjet Heads

### Main Consolidated Subsidiary (As of April 2020)

- [Toshiba Tec Corporation](#)



# Business Domains

## Electronic Devices & Storage Solutions

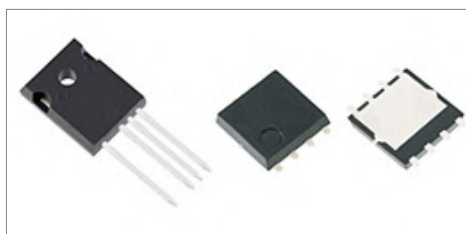
We are expanding our business by focusing on markets where we anticipate steady growth, such as automotive and industrial semiconductors, large capacity HDDs for data centers, semiconductor manufacturing equipment, and materials and devices. By providing high-added-value products, we are helping to advance the role of big data in society while reducing environmental loads, and contributing to the realization of a safe and secure society.

### Main Business Areas

- [Discrete semiconductors: Power Devices, Small Signal Devices, Photocouplers, etc.](#)
- [System LSI: Analog ICs, Microcontrollers, Automotive Digital ICs, etc.](#)
- [Storage Products: Nearline HDDs, Mobile HDDs, etc.](#)
- [Semiconductor Manufacturing Equipment: Electron Beam Mask Writer, etc.](#)
- [Devices: Thermal Printheads, etc.](#)
- [Materials: Fine Ceramics, etc.](#)



HDD



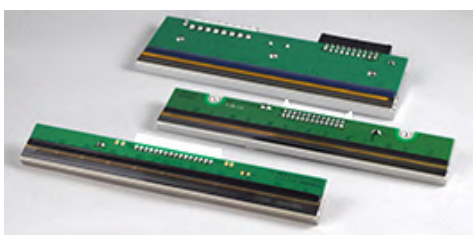
Power Devices



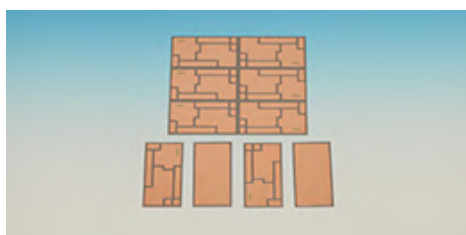
Image Recognition Processors Visconti™



Electron Beam Mask Writer



Thermal Printheads



Silicon Nitride Ceramics:  
Insulating Circuit Substrates

\* Visconti™ is a trademark of Toshiba Electronic Devices & Storage Corporation.

### Main Consolidated Subsidiary (As of April 2020)

➤ [Toshiba Electronic Devices & Storage Corporation](#)



# Business Domains

## Digital Solutions

By utilizing the knowledge that Toshiba has amassed across numerous business domains, along with cutting-edge technologies like IoT and AI, we create digital solutions that provide our customers with new value and services, and that enrich the wider society.

### Main Business Areas

- Solutions for Businesses
- Solutions for Industries
- IoT Solutions
- AI/Analytics
- Managed Services
- Security Solutions
- ICT Infrastructure



Solutions for the Manufacturing Industry



Solutions for the Logistics Industry



Solutions for National and Regional Government



Human Resource Management Solutions



IoT Platform



Analytics AI/Communication AI



Managed Services



Simulated Bifurcation Machine

### Main Consolidated Subsidiary (As of April 2020)

- [Toshiba Digital Solutions Corporation](#)

# Business Domains

## Battery Business

We develop, manufacture, and sell the "SCiB™," a rechargeable lithium-ion battery that is highly safe, has a long lifetime, recharges fast, and operates at low temperatures.

SCiB™ is used in many fields—in automobiles, railways, industrial equipment like automated transfer machines, and even in large-scale stationary power storage system, where it regulates the frequency of renewable energy generation. We are expanding our business by bringing the SCiB™ into markets where its unique characteristics make a difference, whether it be a reduced carbon footprint and lower operating cost from system electrification, or improved reliability from the establishment of an emergency battery system.

## Main Business Areas

### ○ [Development, manufacturing, and sale of battery cells, modules, and packs](#)



SCiB™ Cells



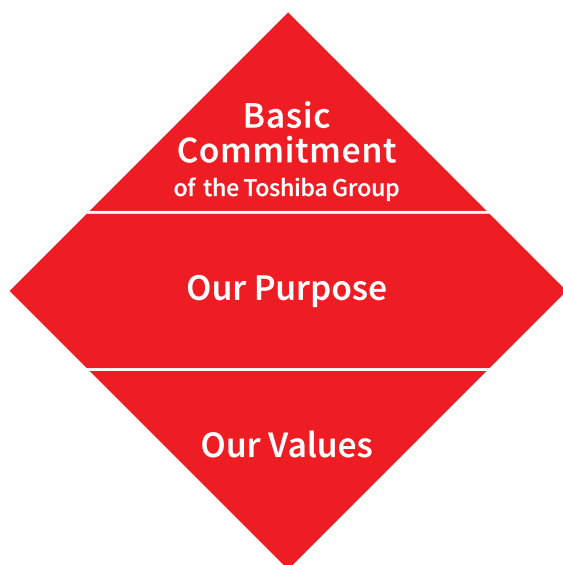
SCiB™ Module



SCiB™ Industrial Pack Series

# The Essence of Toshiba

The Essence of Toshiba is the basis for the sustainable growth of the Toshiba Group and the foundation of all corporate activities.



The Essence of Toshiba comprises three elements: Basic Commitment of the Toshiba Group, Our Purpose, and Our Values.

With Toshiba's Basic Commitment kept close to heart, we clarified our purpose – the difference that Toshiba Group makes in society – together with our values, the shared beliefs that guide our actions.

## Basic Commitment of the Toshiba Group

### Committed to People, Committed to the Future.

At Toshiba, we commit to raising the quality of life for people around the world, ensuring progress that is in harmony with our planet.

## Our Purpose

We are Toshiba. We have an unwavering drive to make and do things that lead to a better world.

A planet that's safer and cleaner.  
A society that's both sustainable and dynamic.  
A life as comfortable as it is exciting

That's the future we believe in.  
We see its possibilities, and work every day to deliver answers that will bring on a brilliant new day.

By combining the power of invention with our expertise and desire for a better world, we imagine things that have never been – and make them a reality.

That is our potential. Working together, we inspire a belief in each other and our customers that no challenge is too great, and there's no promise we can't fulfill.

### We turn on the promise of a new day.

## Our Values

### Do the right thing

We act with integrity, honesty and openness, doing what's right – not what's easy.

### Look for a better way

We continually strive to find new and better ways, embracing change as a means for progress.

### Always consider the impact

We think about how what we do will change the world for the better, both today and for generations to come.

### Create together

We collaborate with each other and our customers, so that we can grow together.

# Message from Top Management



## Towards a Toshiba Group that Turns on the Promise of a New Day

Corporations, members of a global society that faces with many issues, should not simply pursue short-term profits, but also consider the long-term impact of their activities on that society, and aim to resolve some of these issues through their business activities, know-how and technologies. As social anxieties rise with the COVID-19 pandemic, companies are increasingly expected to adopt this position.

“Committed to People, Committed to the Future.” is the long standing Basic Commitment of the Toshiba Group, a statement that expresses our enduring credo to contribute to the development of society through our business. Since our founding, with the venture spirit that has inspired Toshiba for many generations, Our Purpose has been to combine the power of invention with our expertise and desire for a better world, to tackle increasingly complex and serious social issues, and to turn on the promise of a new day.

Motivated by this philosophy, we are promoting the Toshiba Next Plan, a company-wide transformation plan for the five years from FY2019. Through corporate transformation, we will maximize corporate value and meet the expectations of our various stakeholders. The premise for this is a strong awareness that “we will never allow actions that undermine the healthy relationship of trust,” and we prioritize life, safety and compliance over all other management issues. By taking full advantage of CPS technology, we will complete the transition to become an infrastructure services company, and we will achieve stable profits and further growth through enhanced portfolio management and by strengthening basic profitability.

With highly reliable services and cutting-edge technologies, we will contribute solutions to social issues, such as climate change, and further increase corporate value. As a signatory to the UN Global Compact, we are improving our environmental, social and governance (ESG) performance, and while cooperating with our diverse stakeholders we will create and provide rich value. We are particularly focused on 10 goals of the SDGs, and doing all we can to maximize positive impacts and minimize negative impacts for each of them, and we also contribute to the achievement of the SDGs through our corporate activities.



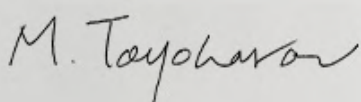
The 10 SDGs Toshiba Group is focusing on

**TOSHIBA CORPORATION**  
Representative Executive Officer, President and CEO, Nobuaki Kurumatani

\* SDGs: Sustainable Development Goals. Goals adopted by the United Nations in 2015, to be achieved by 2030.

# Message from the Executive in charge of Sustainability

## Advancing sustainability management for a dynamic, sustainable future



Masayasu Toyohara  
Representative Executive Officer  
Corporate Senior Executive Vice President



Our thinking on sustainability is inspired by our basic commitment, “Committed to People, Committed to the Future.” and our sustainability policy puts that into practice. The start point of Our Purpose is an unwavering desire for a better world, and inspired by this conviction we contribute to solving social issues through our business.

In recent years, population growth, resource depletion, environmental destruction, poverty inequality, human rights issues, all issues represented in the SDGs, have increasingly become a threat to society as a whole. The environment in which Toshiba Group operates has changed significantly, and with it the values and concerns of our stakeholders. I feel that companies are increasingly expected to help solve these major issues. We are responding positively to this global movement for sustainability. By bringing together the creativity and technical capabilities that we have long cultivated, and under the “Toshiba Next Plan,” we want to provide sustainable products and services that enrich people's lives. Moving forward, we will promote technological innovation and create value that can only be realized by Toshiba Group.

Climate change is clearly having an ever stronger impact, and we are accelerating our efforts in this area as one of management's major concerns. In FY2019 we expressed our support for the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)”<sup>\*1</sup>, and we are committed to making proactive disclosures on the business risks and opportunities associated with climate change. In FY2020, we reviewed our conventional environmental vision, “Environmental Vision 2050,” and updated and reformulated it as “Environmental Future Vision 2050.” Our greenhouse gas reduction targets for FY2030, part of the Vision for achieving the 2050 goal, have been approved by the Science Based Targets (SBT) initiative<sup>\*2</sup>. Going forward, we will continue to contribute to the realization of a decarbonized society.

2020 has been the year of the coronavirus. It has hit society hard, and the corporate world too. Toshiba Group's basic policy is to prioritize the safety of our customers, business partners, members of local communities, and our employees and their families. At the same time, we are also doing all we can to fulfil our social responsibilities as an infrastructure company. The coronavirus has forced us to adopt new lifestyles and make behavioural changes in the way we work. As work styles change, it will be increasingly important to create a work environment in which diverse human resources can feel comfortable and fully demonstrate their individuality and powers of innovation.

In fact, we intend to further advance initiatives to promote diversity and inclusion, with the aim of fostering a corporate culture that recognizes all kinds of diversity, including employees from overseas, with disabilities and in sexual minorities. In addition, from FY2020 we have introduced a new evaluation system that encourages employees to increase their productivity and create value by ensuring that they are properly evaluated and treated. Also, in order for Toshiba Group to continue to be a sustainable company, we want to respect the human rights of our employees and strengthen our efforts to consider the human rights of those involved in our business, throughout the supply chain.

Toshiba Group signed the United Nations Global Compact in 2004. By observing its 10 principles, covering the four fundamentals of human rights, labor, the environment, and anti-corruption, we will continue to promote corporate activities by building ethical and transparent management foundations. In order to clarify what needs to be done, and to meet our purpose and “turn on the promise of a new day,” we will continue to hold dialogues with all of our stakeholders and to advance sustainability management, toward realizing the sustainable and dynamic societies of 20 and 30 years from now that Toshiba Group aims to achieve.

\*1. The TCFD is an organization established by the Financial Stability Board (FSB) in 2015 where financial institutions and companies discuss the climate change issue from the perspective of financial stability.

\*2. Science-based targets are scientifically grounded GHG reduction targets set by companies on a medium- to long-term basis in order to keep the global average temperature increase this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Science-based targets are validated by the SBT initiative.



# Message from the Executive in charge of Environment

**We have developed an updated environmental vision and will advance our proactive approach toward the achievement of a sustainable society.**

Tsutomu Kamijo  
Executive Officer  
Corporate Vice President



In recent years, various social issues such as those represented by the SDGs have grown increasingly serious, to the point where they threaten the safe, secure lives of future generations. Starting with climate change, many of these issues are related to the environment, such as depletion of energy and resources, water shortages, and loss of biodiversity, and various movements to address these issues are spreading worldwide.

Regarding climate change in particular, the impact of floods, typhoons, and other natural disasters is already being felt in many parts of the world, and we recognize addressing this issue is extremely urgent and highly important. According to the IPCC<sup>\*1</sup>, if the current situation persists, the global average temperatures may increase by 1.5°C as early as 2030 compared to the pre-industrial level<sup>\*2</sup>, so we as a company must make our best efforts to restrain the increase of the global temperature well below 2°C (ideally, 1.5°C), which is a goal set out in the Paris Agreement.

Against the backdrop of a higher global population and increased economic growth, the issues of resource depletion and waste disposal are also increasing in severity. A transition to a “circular economy,” in which resources are circulated without creating waste, is underway mainly in Europe, and it has become important to establish business models that aim to achieve both resource circulation and economic growth.

In order to contribute to resolving these issues and to aim to achieve sustainable growth as a company, it is important for us to continue to create and provide rich value while responding to global trends from a long-term perspective. As early as 2007, Toshiba Group incorporated the concept of backcasting<sup>\*3</sup> to set out a long-term vision for 2050, and we have been working to resolve environmental issues and to create new value. Recently, we reviewed the content of our vision by taking into account changes in social circumstances and other matters; we then formulated “Environmental Future Vision 2050.”

Under the “Environmental Future Vision 2050,” we will promote activities in three areas: “response to climate change,” “response to the circular economy,” and “consideration of ecosystems.” In response to climate change, we aim to reduce greenhouse gas emissions by 50% by FY2030 (compared to the FY2019 level) throughout our Group's value chain, thereby contributing to the achievement of a net zero emissions society by 2050 in line with the direction of the Paris Agreement. We will contribute to the decarbonization of society as a whole by measures such as creating and providing advanced energy technologies to realize decarbonization as well as energy-saving products and services. As for the circular economy, in addition to effectively making use of resources in both business activities and on the side of products and services, we will utilize our digital technologies to promote circular economy businesses. With regard to consideration of ecosystems, we will promote appropriate management of chemical substances and water resources as well as other activities aimed at biodiversity conservation. Through these activities, we aim to contribute to realizing a sustainable society.

In order to achieve our vision, we have set out a breakdown of greenhouse gas reduction targets for 2030, and acquired approval of the Science Based Targets (SBT)<sup>\*4</sup> initiative in 2020. Toshiba Group has also declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)<sup>\*5</sup> and will focus efforts on information disclosure regarding the risks and opportunities related to climate change in our Group's businesses.

With the aim of creating affluence and ensuring coexistence with the earth and with the foundation of our basic commitment being Toshiba Group's statement of intent, “Committed to People, Committed to the Future,” we will further deepen our environmental management. Striving to stay faithful to our efforts to address various social issues, we will continue to endeavor to make the utmost efforts. We would very much appreciate your continued support.

\*1: The Intergovernmental Panel on Climate Change

\*2: Source: “Special Report on Global Warming of 1.5°C” by the IPCC

\*3: Backcasting is a method that defines a desired goal and works back through the series of actions necessary for its achievement.

\*4: Science-based targets are scientifically grounded GHG reduction targets set by companies on a medium- to long-term basis in order to keep the global average temperature increase this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Science-based targets are validated by the SBT initiative.

\*5: The TCFD is an organization established by the Financial Stability Board (FSB) in 2015 where financial institutions and companies discuss the climate change issue from the perspective of financial stability.



# Standards of Conduct for Toshiba Group

These Standards of Conduct for Toshiba Group have been established in order to make our management principles a reality and as a basis to guide our activities so that we can operate under the principles of fairness, integrity and transparency and contribute to the formation of a sustainable society.

Since its first establishment in May 1990, Standards of Conduct for Toshiba Group have been updated as necessary, in light of the social and environmental change. This new edition issued in October 2014 places a greater emphasis on respect for human rights, supply chain management, and compliance awareness.

Toshiba Group Standard shall, on their adoption by each Toshiba Group company by resolution of the board of directors or other appropriate corporate actions, apply to all directors and employees, including advisors and contract employees.

## Introduction

Toshiba Group have set up management principles: we commit to raising the quality of life for people around the world, ensuring progress that is in harmony with our planet.

These Standards of Conduct for Toshiba Group (hereinafter called the “SOC”) have thus been established in order to make our management principles a reality and as a basis to guide our activities so that we can operate under the principles of fairness, integrity and transparency and contribute to the formation of a sustainable society.

Each of the directors, corporate auditors, and officers (hereinafter called the “Directors”) and employees (hereinafter called the “Employees”) of Toshiba Group should comply with the SOC and strive to operate a sound and high quality business as a part of a global enterprise which emphasizes a balance between the environment, human rights and local communities under the principle of giving the highest priority to life, safety and compliance with laws, regulations, social standards and ethics.

## 1. Human Rights

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. comply with all applicable laws and regulations concerning human rights in each country and region, understand international standards, and respect human rights, and shall not condone use of either child labor or forced labor;
2. take appropriate measures in the event that Toshiba Group becomes aware of violation of human rights and demand that suppliers redress any violations of human rights; and
3. seek to raise awareness among related stakeholders with respect for human rights.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. accept and accommodate different values, and respect the character and personality of each individual, observe the right to privacy and human rights of each individual; and
2. avoid any violation of human rights based on race, religion, sex, national origin, physical disability, age or sexual orientation, and avoid physical abuse, sexual harassment, power harassment (i.e., bullying or harassment by superiors in the office) or violation of the human rights of others;

## 2. Customer Satisfaction

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall supply products, systems and services (hereinafter called “products and services”) that are based on voice of customer comments that satisfy customer needs and requirements, and that comply with laws, regulations and contracts.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. supply safe and reliable products and services;
2. provide reliable information regarding products and services in an appropriate manner;
3. respond to requests and consultations from customers in an honest, prompt and appropriate manner; and
4. respect voice of customer and endeavor to develop and improve products and services that satisfy customer needs.

### 3. Procurement

#### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. comply with all applicable laws, regulations and practices established by industry and international organizations;
2. provide suppliers (hereinafter including prospective suppliers) with equal opportunities for transactions with Toshiba Group;
3. conduct procurement in such a manner as to fulfill corporate social responsibilities together with the suppliers; and
4. conduct procurement based on mutual understanding and trust with suppliers.

#### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. prioritize suppliers that:
  - abide by all applicable laws, regulations and social standards, and take seriously human rights, good labor practices, occupational safety and health, and environmental protection;
  - have sound finances;
  - can supply goods and/or services to Toshiba Group with emphasis on appropriate quality, price and delivery lead-time;
  - can provide a stable supply of goods and/or services as well as flexibly and quickly respond to demand fluctuations;
  - possess technology that contributes positively to Toshiba Group products;
  - have a plan to prevent interruptions in the supply of goods and/or services in times of unexpected circumstances that may affect the company and its supply chain; and
  - require their suppliers to observe a procurement policy equivalent to that of Toshiba Group.
2. prior to procurement of necessary goods and services, undertake a comprehensive and fair evaluation in accordance with the standards set forth below:
  - environmentally friendly;
  - appropriate quality and reasonable and economically rational pricing; and
  - deliver on schedule and with a stable supply;
3. refrain from receiving any personal benefits from suppliers with regard to corporate procurement, and fulfill contractual obligations to suppliers in good faith, ensuring that all transactions fully comply with ethically sound commercial practices and with all applicable laws and regulations to protect suppliers; and
4. ensure that all purchases are authorized by the relevant purchasing, procurement or subcontractor departments in accordance with Toshiba Group internal regulations.

### 4. Production and Technology, Quality Assurance

#### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. observe all applicable laws and regulations, as well as contracts related to production, technology and quality assurance; and
2. promote constant technological innovation and product improvement and strive to supply safe, reliable and high quality products and services that meet customers' needs and incorporate the most advanced technologies.

#### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. assure the fulfillment of warranty commitments giving priority to customer satisfaction, and ensuring the safety of products;
2. promote the research and development of advanced technologies, products and services, and the continuous improvement of technology infrastructure; maintain basic technological and functional infrastructure so as to respond in a timely and appropriate manner to changes in the technological environment and to develop products and services that effectively utilize advanced technologies; and
3. in case Directors or Employees obtain information regarding an accidents involving any product or service, or the safety of any product or service, verify such information instantly and take appropriate measures in accordance with all applicable laws and internal regulations, including information provision, product recalls, and warning notices and labeling.

## 5. Marketing and Sales

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. comply with all applicable laws and regulations (including prohibitions on commercial bribery and kickbacks) and conduct fair marketing and sales activities in accordance with proper corporate ethics; and
2. deliver superior products and services that satisfy customer needs and requirements.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. follow sound and fair business practices in all dealings with customers;
2. promote marketing and sales that comply with all applicable laws and regulations (including prohibitions on commercial bribery and kickbacks), observe sound business practices and respect socially accepted ideas; and
3. endeavor to understand customer needs from their perspective and deliver optimal products and services

## 6. Competition Law and Government Transactions

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. comply with all applicable laws and regulations enacted for the purpose of maintaining free and fair competition (hereinafter called "Competition Laws") in all business activities, including in all transactions with any government;
2. prepare and properly implement Competition Laws compliance programs and company rules on marketing activities that set out corporate policies and procedures for assuring compliance with applicable Competition Laws and related regulations; and
3. observe all applicable laws, regulations and lawful business practices in all government transactions, and not engage in activities such as bid obstruction (Note 1) .

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. observe the Competition Laws compliance programs as well as company rules on marketing activities and promote free and fair business activities;
2. avoid, whether express or implied, agreements or understandings with competitors relating to pricing (including quotations and bids), the volume of production and sales, allocation of markets, customers or territories, or restrictions on production capacities or technology. The prohibition of such agreements is not limited to those actually recorded in writing by way of memoranda or minutes, but also extends to oral agreements;
3. if the customer is a government agency, observe the company rules on marketing activities toward government agencies and not engage in activities such as bid obstruction or competitor coordination on orders (Note 2), and not provide false information, such as false estimates of contract prices, to any governmental agency or its officials (hereinafter including past officials);
4. not organize or participate in meetings, make pledges or arrangements, or exchange information or engage in any other activities which may result in suspicion of engaging in the activities set forth in paragraph 2 and 3 above;
5. not require distributors or dealers to agree to or maintain resale prices for any Toshiba Group Company product;
6. not allow third parties (including sales representatives) to engage in activities prohibited under paragraphs (2) to (5) above; and
7. when hiring former government officials, strictly examine the candidate in accordance with all applicable laws and regulations and the internal regulations of the governmental agency in which he or she worked, and, if such candidate is hired, not allow him or her to engage in marketing activities aimed at such governmental agency, except to the extent permitted by law.

Note1: Herein, "bid obstruction" means, when dealing with a government agency, inquiring about the agency's intentions regarding which prospective bidder will be contracted or the possible bid price, or acting in order for the agency to realize its such intentions.

Note2: Herein, "competitor coordination on orders" means exchanging information or coordinating with competitors regarding which prospective bidder will be contracted, bid prices and other information.

## 7. Bribery

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. observe all applicable laws and regulations, and lawful business practices, prohibit illegal or improper payments against lawful business practices; and
2. not provide any illegitimate benefits or favors to any politicians or political organizations.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. neither make nor offer, either directly or indirectly, any payment or anything of value, whether in the form of compensation, business entertainment, gift, contribution, gratuity, or other form, that is illegal or prohibited by any applicable law or regulation, in any dealings with any government agencies, their officials, or members of any political party (including holders of a political office or candidates for such office) (except for cases that do not violate applicable laws or regulations and are considered socially acceptable), and shall not engage in sales transactions, loan transactions and the like (including guarantee transactions) that are not at arm's length;
2. not pay monies or offer benefits to any politicians (including former members of any legislative body, or current or former secretaries of any such politicians) or any company a politician may be involved with, regardless of the form such monies or benefits take (for example "commissions" or "consulting fees"), in connection with marketing toward governmental agencies;
3. refrain from offering cash or other benefits to representatives of foreign governments as a means to gain unlawful benefits or profits when conducting international business transactions;
4. not allow third parties including intermediaries, such as distributors or agents, to engage in any activities described in paragraphs 1 to 3 above;
5. ensure that reasonable compensation and all necessary terms and conditions are specified in advance when working with intermediaries, such as distributors or agents, and observe all measures required by all applicable laws and regulations of each country or region for such compensation;
6. not make contributions to political parties or committees, unless permitted to do so by applicable laws, regulations, and company rules; and
7. respect the established practices of any customer, government entity or other party, as well as all applicable laws and regulations, regarding the provision of or the restrictions or controls over the acceptance of business entertainment, gifts or other business courtesies by its employees or officials.

## 8. Environment

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. strive to promote a sustainable environment with the recognition that the Earth is an irreplaceable asset and that there is a collective obligation to leave it to future generations in a sound state;
2. comply with all applicable international, regional and national standards, laws, regulations, agreements, industry guidelines and company rules related to the environment;
3. contribute to society by developing and offering excellent products that incorporate technologies for environmental protection; and
4. strive to reduce the environmental impact of business activities.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. endeavor to do research and development activities and product manufacturing that reduce the impact on the environment, and also work proactively to maximize the efficient use of energy, reduce the use of natural resources and recycle in the course of all business activities in order to prevent global warming and efficiently use resources;
2. continually improve environmental activities by implementing action plans from both short-term and long-term perspectives through daily operations;
3. conduct periodic measurements and inspections and maintain records accordingly. When there is an irregularity, promptly take corrective and preventive measures;
4. perform timely and appropriate environmental impact assessments during the planning of new plants and plant relocations, investment in production facilities, product planning and design and the purchase of new parts, components or materials;
5. try to avoid the use or emission of any substance that, although not prohibited by applicable laws or regulations, is recognized as a threat to the environment by the government or public environmental authority of any country or region in which Toshiba Group operates. If such a substance should be used by Toshiba Group Companies, for whatever reason, every effort shall be made to minimize its environmental impact through application of the best available technology and know-how;
6. try to maintain good and open communication channels for disclosure of sufficient information regarding our environmental activities; and
7. pay due consideration to environmental issues in every-day life, including global warming, and actively participating in environmental activities of local communities.

## 9. Export Control

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. refrain from any transactions that may undermine the maintenance of global peace and security;
2. comply with all applicable export laws and regulations in each country and region of operation, and with those of the United States if we are engaged in transactions involving U.S. products and technological information; and
3. prepare and implement export control compliance programs (hereinafter called the “Export Control Programs”) that stipulate corporate policies and procedures for assuring compliance with the foregoing laws and regulations.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. refrain from any transactions that may undermine the maintenance of global peace and security or any product or technology transactions that may violate the following laws and regulations:
  - all applicable export control laws and regulations in each of the countries and regions where Toshiba Group operates
  - the export control laws and regulations of the United States applicable to transactions involving U.S. products and technological information;
2. assure strict management of transactions from the initial inquiry through the delivery of products and services by observing detailed procedures for control of transactions stipulated in the Export Control Program; and
3. prevent our products from being used for development and manufacturing of conventional weapons and weapons of mass destruction by verifying the end use and the end user of products and technology.

## 10. Antisocial Groups

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall not have any relationships, including business transactions, with antisocial groups (Note1).

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. refuse participation or contributions by antisocial groups in our business activities, and not promote their activities (Note2);
2. refuse any unjustifiable demand (Note3) decisively and unequivocally; and
3. comply with all applicable laws and regulations governing money laundering (concealing the origins of money obtained illegally).

Note1: Herein, “Antisocial Groups” means any groups or individuals pursuing illicit financial gain by violence, power and fraudulence.

Note2: Herein, “promote their activities” means subscription to or purchase of publications or books, purchase of goods, endorsement by advertisement, offering of services, offering of cash or goods, and any other activities providing benefits or favors.

Note3: Herein, “Unjustifiable demand” means a demand or other action related to business activities made by a member of criminal organization with the threat of violence.

## 11. Engineering Ethics

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. engage in technology activities with a high level of ethics; and
2. comply with all applicable laws, regulations and contracts.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. utilize their expertise, skills and experience to contribute to the health and happiness of humans and the safety of society;
2. rely on scientific facts and recognize changes in all applicable laws, regulations, and conventional wisdom to make fair and independent judgments and act honestly and with good faith;
3. continuously seek to improve their expertise and capabilities to create new and innovative technology and offer safe and excellent products and services;
4. endeavor to foster future engineers and bestow technology to them; ; and
5. promote more active communication with relevant parties to create an open-minded and transparent working environment.

## 12. Intellectual Property Rights

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. comply with all applicable laws and regulations associated with patent law, copyright law and other intellectual property rights (Note) laws; and
2. protect the results of intellectual activities with intellectual property rights, make extensive use of those rights, and respect the legitimate intellectual property rights of third parties.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. proactively acquire and utilize intellectual property rights in order to strengthen business competitiveness;
2. understand and observe company rules providing that intellectual property rights in any invention, utility model, design for or actual work, such as mask work (i.e., the layout of an integrated circuit chip), computer program or digital content, that is determined to have been made by anyone during the period of his or her services for or employment by a Toshiba Group Company, and the ability to apply for such rights, belong to the Toshiba Group Company;
3. adequately maintain intellectual property rights and take appropriate measures against infringement of these rights by a third party; and
4. respect and take due care of the legitimate intellectual property rights of third parties.

Note: Herein, "intellectual property rights" means patent rights, utility model rights, design patent rights, trademarks, copyrights, mask work rights, trade secrets, and any other such rights.



## 13. Accounting

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall comply with all applicable laws and regulations regarding accounting and conduct proper accounts management and financial reporting in accordance with generally accepted principles.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. maintain proper and timely accounts in accordance with generally accepted accounting principles;
2. promote the prompt release of accurate accounts; and
3. endeavor to maintain and improve the accounting management system, and establish and implement internal control procedures for financial reporting.

## 14. Corporate Communications

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. endeavor to obtain the understanding of stakeholders, including customers, shareholders and the local community, with respect to corporate activities, products and services, and further improve public recognition of Toshiba Group and its corporate image by means of positive and timely corporate communications activities on business information (Note), such as corporate strategy and financial data; and
2. ensure that management policies are well communicated within the company, and promote information sharing as a means of raising morale and creating a sense of unity.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. conduct corporate communications with integrity on the basis of objective facts;
2. conduct corporate communications by appropriate means, to enable customers, shareholders, potential investors and the members of the community of each country or region to obtain a reasonable understanding of Toshiba Group's activities; and
3. obtain prior consent from the persons responsible for corporate communications before disclosing business information to analysts and to the media, including newspapers, magazines and television stations.

Note: Herein, "business information" includes but is not limited to information regarding actions or activities which may raise the suspicion of such actions prohibited by these SOC (hereinafter called "Risk Compliance Information").

## 15. Advertising

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. use advertising activities to increase public awareness of the Toshiba brand and public awareness of, and trust in, Toshiba Group; and
2. seek heightened awareness of Toshiba Group as a global company and a "good corporate citizen" at national and regional levels.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. increase public trust in the Toshiba brand and acquire the good will and trust of the people in each of the countries or regions in which Toshiba Group operates, thereby creating an environment whereby sustained business development and sales promotion activities may be achieved;
2. not use advertising to cast third parties in a negative light in an attempt to make Toshiba Group appear more favorable, or for any other negative purpose; and
3. not make reference to politics or religion in advertising, cause offense or show disrespect by implying discrimination based on race, religion, sex, national origin, physical disability, age or sexual orientation.

## 16. Workplace

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. develop a working environment where Employees may perform their duties creatively and efficiently so that they may achieve a work/life balance (i.e., balance between work and home); and
2. endeavor to ensure a safe and comfortable working environment for Employees.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. accomplish their tasks to the utmost of their abilities, in light of their authority and the responsibilities assigned to them by the company, and endeavor to learn continuously and to improve their own abilities;
2. realize employees' work/life balance through various ways of working so that they can maximize their capabilities to the fullest extent;
3. cultivate a workplace environment that encourages the development of open-minded, cooperative and orderly work activities; and
4. maintain safety, cleanliness and good order in the workplace and endeavor to prevent industrial accidents, and try to maintain good health.

## 17. Information Security

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. properly manage and protect corporate information (Note)(hereinafter including the Toshiba brand and other intangible assets);
2. respect proprietary information and maintain corporate information as confidential, and prohibit disclosure or improper use of corporate information; and
3. strive to prevent information security incidents, and take recovery and corrective measures immediately in the event of an incident.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. not disclose or divulge corporate information, either during or after employment, without following appropriate internal procedures;
2. not use corporate information or company assets to benefit themselves or any third party, to harm the interests of Toshiba Group, or for any other improper use, either during or after employment;
3. not disclose or divulge to the company any confidential or proprietary information belonging to any third party acquired prior to their employment in violation of their obligations to such third parties, including inter alia, former employees and clients;
4. protect any personal data, in accordance with all applicable laws, regulations and company rules, including observance of lawful and appropriate procedures for obtaining and maintaining personal data, and use personal data only for appropriate purposes;
5. observe information security regulations, and endeavor to protect corporate information and use corporate information only in a proper manner;
6. not to use any company-owned information technology equipment or services for any personal purposes;
7. not hurt the informational interests of third parties, such as accessing third party information without authorizations; and
8. not be party to any illegal insider trading (i.e., using nonpublic corporate information in trading the shares or the like of a company)

Note: Herein, "corporate information" means all information, including personal information, third party information such as customer and supplier information and company information (hereinafter including information relating to third parties) that is handled by the Directors and Employees in the course of conducting business, except information open to the public.

## 18. Company Assets and Conflicts of Interest

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. properly manage company assets (hereinafter including the Toshiba brand and other intangible assets); and
2. always act in the best interest of the company.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. refrain from diverting or appropriating company assets for personal use and endeavor to maintain company assets;
2. refrain from making improper use of company equipment and facilities;
3. not make unauthorized use of their position or authority within the company to benefit themselves or any third party or to impair the credibility or brand name of the company; and
4. avoid business relationships with customers, suppliers, and competitors of the company that would pose a conflict of interest.

## 19. Community Relations

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

1. contribute to and cooperate with all local communities in which Toshiba Group operates in order to perform its duties as a member of these communities and engage and collaborate with a wide range of stakeholders such as nonprofit organization, nongovernmental organization, administrative organization and international body;
2. support Directors and Employees in undertaking voluntary activities and give full consideration to each individual's desire to exercise his or her civil rights;
3. make appropriate donations in each country and region where Toshiba Group operates, after considering the contribution to the community, the public nature and the reasons for making donations; and
4. try to improve the brand image in all aspects of their relationships with the communities.

### 2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

1. assure that Toshiba Group Companies undertake all activities in harmony with the community, by respecting the local culture and community traditions and customs;
2. actively participate in developing communication with the local community, to encourage and maintain mutual respect and understanding;
3. actively participate in community social and voluntary activities;
4. act responsibly and with integrity as a member of society; and
5. aspire to exhibit honesty and integrity in words and actions with an awareness of being member of Toshiba Group, whether at the workplace, in public places, or online.

# Scope and Implementation

## 1. Scope of the SOC

1. These SOC shall, on their adoption by each Toshiba Group Company by resolution of the board of directors or other appropriate corporate actions, apply to all Directors and Employees, including advisors and contract employees;
2. The SOC does not state or establish legal obligations on the part of the Toshiba Group and does not create any legal rights or claims on the part of any person. Instead, the SOC sets forth the values of the Toshiba Group and the expectations that the Toshiba Group has for its Directors and Employees. In many instances, these values and expectations exceed applicable legal obligations.

## 2. Implementation of the SOC

1. Each Toshiba Group Company shall appoint a “Chief Implementation Administrator” to assume overall responsibility for implementation of the SOC. The Chief Implementation Administrator of Toshiba Corporation shall be the Chief Risk-Compliance Management Officer;
2. Each Chief Implementation Administrator may appoint, as necessary, “Implementation Administrators,” who shall be responsible for the implementation of each article of the SOC. Within Toshiba Corporation, the General Manager of each staff division shall assume the role of Implementation Administrator. In this capacity, they are responsible for implementation of the SOC in their divisions and also for guiding implementation in Toshiba Group Companies for which they are responsible;
3. The corporate staff division of each Toshiba Group Company in charge of any of the items of these SOC shall formulate relevant rules or compliance programs and shall support that Toshiba Group Company's Implementation Administrators and any related companies by providing information and advice on formulating implementation rules and on developing educational programs;
4. Toshiba Corporation's Corporate Representatives responsible for overseas business in their respective regions shall guide, support and cooperate with Toshiba Group Companies' overseas offices and subsidiaries in implementing the SOC in the businesses for which they are responsible; and
5. CSR department and legal department shall be the bodies responsible for the maintenance of the SOC and the promotion and support for the adoption and implementation of the SOC by the Toshiba Group Companies.

## 3. In-house Information Reporting System and Protection of Information Providers

1. Toshiba Group Companies shall establish an in-house information reporting system to ensure that Toshiba Group Directors and Employees are able to report Risk Compliance Information (Note) directly to Chief Implementation Administrators or the division responsible for risk-compliance matters;
2. Directors and Employees of each Toshiba Group Company are to report any Risk Compliance Information they have to their supervisors immediately or provide such information using the in-house information reporting system;
3. The Chief Implementation Administrators, the divisions responsible for risk-compliance matters and supervisors who receive Risk Compliance Information must respond and act promptly and appropriately; and
4. Directors and Employees who provide Risk Compliance Information for good reason and in good faith must not be treated disadvantageously on the grounds that they provided such information.

## 4. Disciplinary Action

Any conduct in violation of these SOC shall be subject to disciplinary measures up to and including dismissal, according to and as set forth in each Toshiba Group Company's Disciplinary Rules/Staff Handbook.

Note: “Risk Compliance Information” means any information regarding actions, or activities which may raise the suspicion of actions prohibited by these SOC.

# Sustainability Management of Toshiba Group

## Sustainability Management

Toshiba Group has long positioned “Committed to People, Committed to the Future.” as the main text of our Basic Commitment, the expression of our unwavering determination to contribute to society’s development through our business activities. Grounded in this commitment, as a member of a society that faces issues that include energy shortages, resource depletion, and climate change, we aim to help to solve issues by considering the impact of our corporate activities on society over the long-term, rather than simply pursuing short-term profits.

In order to build ethical and transparent management foundations for our sustainable development as a company, Toshiba Group strives to strengthen E (environment), S (social), and G (governance) and implement sustainability management, and to create and provide rich value in collaboration with our various stakeholders, such as our customers, shareholders and investors, procurement partners, employees, and local communities. We conduct all corporate activities fairly and honestly, guided by the “Standards of Conduct for Toshiba Group.”

 [Toshiba Group's Value Creation Cycle](#)(PDF:260KB)

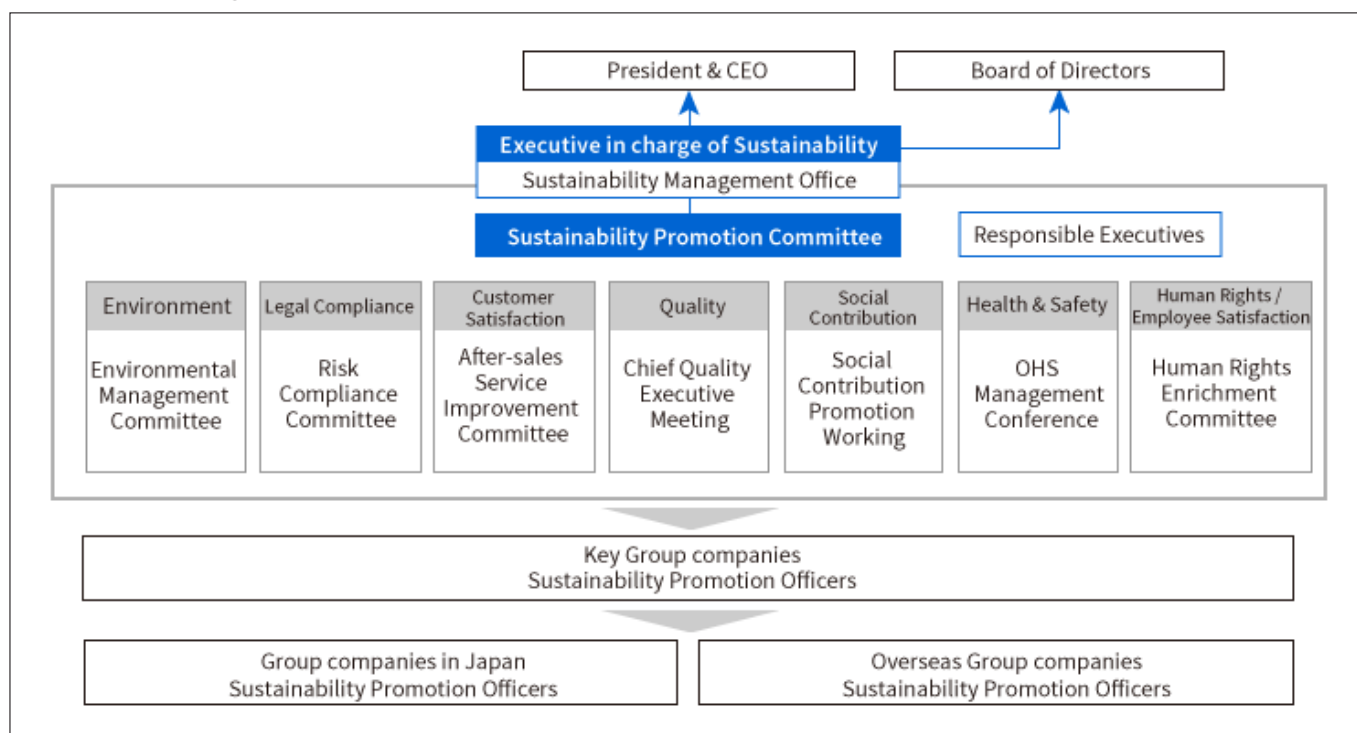
## Sustainability Management Structure

In 2003 Toshiba Group established an in-house organization to promote CSR, and put in place a group-wide promotion system.

The Sustainability Promotion Committee, headed by the executive in charge of sustainability and other responsible executives, meets as appropriate to discuss and decide upon the Toshiba Group's activity policy. Subsequently, the Corporate Environmental Management Committee, Risk Compliance Committee, and other Committees formulate and promote action plans and key performance indicators (KPIs) based on the policy decisions, for each area of their responsibility.

Sustainability Promotion Officers appointed at Group companies in Japan and overseas ensure thorough implementation of Toshiba Group's sustainability activity policies, and track the progress of priority issues at key Group companies.

### Sustainability Management Structure



The Corporate Sustainability Meeting is held four times a year and attended by representatives from sustainability-related divisions such as general affairs, human resources, environment, procurement, quality assurance and legal affairs to verify the progress of activities. The annual CSR Forum provides the opportunity for Sustainability Promotion Officers of key Group companies to deepen their understanding of global social issues and make the promotion of sustainability their own. In FY2019, we invited an outside instructor to give a lecture and workshop to Sustainability Promotion Officers and staff working in our harassment consulting staff as part of our efforts regarding diversity and inclusion. The lecture served to deepen understanding of LGBT+ and reaffirmed the necessary considerations for creating a framework that makes employees at each site feel at ease seeking consultation from human resources managers close to them.

## Monitoring

Toshiba Group has been conducting human rights surveys (human rights due diligence) since FY2005 as part of our risk management program. In FY2019, we surveyed 254 domestic and overseas Group companies. The answers submitted by the Group companies are gathered, analyzed, and shared with the departments in charge and corrective actions are requested where improvements are necessary.

## Increasing Employee Awareness of CSR

In order to raise sustainability awareness throughout Toshiba Group, the President reaffirms the philosophy of Basic Commitment of the Toshiba Group at every opportunity, such as the start of each term, at company ceremonies, and at start-of-year addresses. The importance of implementing sustainability management is also communicated. Their messages are circulated among domestic and overseas facilities and Group companies through in-house media and the management system. We also conduct training for newly hired employees and newly appointed officers every year as well as e-learning in line with the Standards of Conduct for Toshiba Group in areas such as the environment, information security, human rights, engineering ethics, compliance with antitrust laws and prohibition of bribery.

### Toshiba Group's CSR Month

The Toshiba Group has designated December as its CSR Month since FY2006. During this month, we assess our CSR initiatives and conduct Group-wide events comprehensively, such as the CSR Conference as well as social contributions activities at each Group companies and business sites.

In FY2019, a message from the President was sent to all Toshiba Group employees confirming the importance of responding to social demands and ESG issues, beginning with the SDGs and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). The message also conveys that we must ensure compliance throughout the Group and always put in place the promotion of sustainability. Additionally, Toshiba Group Volunteer Day was held around December 5, the International Volunteer Day, to provide volunteering opportunity for all Toshiba Group employees.

On December 17, 2019, we held our annual CSR Conference, which was attended by executive officers, employees, and labor union representatives. The event was recorded and was provided on intranet to Group employees who were not able to attend the conference. In the conference, the President emphasized the importance of promoting sustainability management and contributing to the SDGs throughout the Group. There also was an annual ceremony to present, the awards for outstanding efforts related to social contribution and promotion of health and safety activities. In addition, Megumi Sakuramoto, Chief ESG Analyst at Asset Management One Co., Ltd., was invited to give a lecture titled "Strong demand on ESG," presenting on the necessity of ESG response and challenges for Toshiba Group.



# Sustainability Management of Toshiba Group

## Material Issues


Toshiba Group identified “Respect for Human Rights,” “CSR Management in the Supply Chain,” and “Environmental Management” as material issues (key themes) in 2013 following consideration of self-evaluations based on ISO 26000, opinions received via dialogue with stakeholders and evaluative reviews from third-party organizations, and respecified the issues in March 2015. Since then, we have continued our efforts to tackle these issues.

### The Toshiba Group's Material Issues



## Process of Material Issue Identification

### Process of Material Issue Identification

|                  |  |
|------------------|--|
| <b>Process 1</b> | <b>Self-evaluation based on the ISO 26000 core subjects</b><br>Related corporate divisions perform self-evaluation based on the items of the seven ISO 26000 core subjects: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues and community involvement and development.  |
| <b>Process 2</b> | <b>CSR activity review by a third-party organization</b><br>Based on the results of self-evaluation, a third-party organization conducts a CSR activity review targeting CSR-related divisions through interviews and evidence checks. We then confirm the gap between Toshiba Group activities and society's demands.   |
| <b>Process 3</b> | <b>Extraction and identification of material issues</b><br>Based on the core subjects (345 items) of ISO 26000, we analyze the importance to stakeholders and to Toshiba Group, map them in the general order of high, medium and low priority and identify material issues.<br><a href="#">  Prioritizing to identify material issues (180KB)         </a> |

Toshiba has outlined initiatives related to material issues for FY2019 in its ESG activity report.

ESG Activity Report

- > [Respect for Human Rights](#)
- > [CSR Management in the Supply Chain](#)
- > [Environment \(Environment Website\)](#)
- > [Performance Indicators](#)

Toshiba Group values regular dialogues with stakeholders, and assesses its own efforts based on the results of such dialogues, leveraging them when developing and executing measures.

- > [Stakeholders](#)

# Sustainability Management of Toshiba Group

## Toshiba Group and the SDGs

The main plank of the “Toshiba Group Basic Commitment” is “Committed to people, Committed to the Future.” This expresses Toshiba Group’s unwavering determination to contribute to the development of society through its business, and is consistent with the direction of the SDGs, which aim to realize a sustainable society. Acting in good faith in our daily activities, and with a passion to make the world a better place, looking to the future beyond the next generation, and to create that future with our stakeholders—inspired by these ideas, Toshiba Group has and will continue to bring together the creativity and technological capabilities it has cultivated to confront social issues that are becoming more complicated and serious, and to turn on the promise of a new day.

### The Essence of Toshiba



#### Basic Commitment of the Toshiba Group

Committed to People,  
Committed to the Future.

#### Our Purpose

We turn on the promise of a new day.

#### Our Values

Do the right thing

Look for a better way

Always consider the impact

Create together

### Sustainable Development Goals

#### SUSTAINABLE DEVELOPMENT GOALS



## Contributions to Achieving the SDGs through Corporate Activities

The SDGs Secretariat, comprising Toshiba's corporate divisions, promotes SDGs understanding and initiatives, and has played the central role in coordinating with key Group companies and exchanging opinions to clarify the relationships between our business and the SDGs. Within that process, and with consideration of impacts on society throughout our value chain, eight goals that Toshiba Group can contribute to through its business were identified, and our intention to accelerate those initiatives was announced in the [Toshiba Next Plan \(FY2019-23 Business Plan\)](#). Since then we have added two more goals where we can contribute outside of business, and by centering on these 10 goals Toshiba Group will continue to contribute to the achievement of the SDGs in all of its corporate activities.

- [CO<sub>2</sub> Capture System](#)
- [Hydrogen Energy System](#)
- [Renewable Energy](#)
- [Heavy-Ion Therapy System](#)
- [MicroRNA Detection Technology](#)
- [Phased Array Weather Radar](#)
- [Railway Transportation Systems](#)
- [Disaster Management Solutions](#)
- [Robotics, Logistics System Solutions](#)
- [Occupational Health and Safety](#)
- [Diversity & Inclusion Promotion](#)
- [Training System for Talent Development](#)



- [Water Supply and Sewerage](#)
- [Image Recognition Processors](#)
- [Power Devices MOSFET](#)
- [High Capacity HDD for Data Center](#)
- [LED Light](#)
- [Elevator System](#)
- HAVC
- [SCiB™](#)
- [Manufacturing IoT Solutions](#)
- Electronic Receipt Service
- [Employment and Labor Relations](#)
- [Stakeholder Engagement](#)
- [Sustainability and Disclosure of Information](#)

**Toshiba Group is “Committed to People, Committed to the Future.” and contributes to fulfillment of the SDGs through all its corporate activities.**

With the SDGs, working toward one goal has the ripple effect of contributing to another goal, and with this in mind, Toshiba Group will continue to undertake initiatives that extend beyond the aforementioned 10 goals to cover all 17 of the SDGs.

# Response to Climate Change



Among the wide range of issues identified by the SDGs, climate change is one with a social impact that increases in seriousness with each passing year and that threatens the safety and security of future generations. Given this situation, companies are also required to play their part in taking speedy and positive action.

Toshiba Group recognizes responding to climate change as one of its most important management issues. Accordingly, we set annual targets to guide initiatives for reducing greenhouse gas emissions in both our own business activities and the products and services we provide.

Going forward, we will intensify our activities based on Environmental Future Vision 2050, a long-term vision looking ahead to the year 2050. As part of the Vision's response to climate change, which calls for a contribution encompassing Toshiba Group's entire value chain, we aim to achieve a 50% reduction in greenhouse gas emissions generated within the Group value chain by FY2030 compared to FY2019 level and to contribute to realizing a net zero emissions society by 2050. To fulfill these targets, we will concentrate in our business activities on investing in energy-saving equipment and expanding the use of renewable energy, while in the area of products and services we will focus on development of energy technologies to realize decarbonization, highly energy efficient social infrastructure products and building-related products, and so on.

As the basis for initiatives, the FY2030 greenhouse gas reduction target is divided into separate figures for emissions generated by Toshiba Group's business activities and those generated by the utilization of our products and services. The reduction target was approved by the Science Based Targets (SBT<sup>\*1</sup>) initiative as fully meeting science-based targets for "keeping the global average temperature increase this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius" as defined by the Paris Agreement<sup>\*2</sup>.

Meanwhile, to respond to public calls for disclosure of climate-related information, we support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and apply them to our analysis of risks and opportunities and our information disclosure.

\*1 Science-based targets are scientifically grounded GHG reduction targets set by companies on a medium- to long-term basis in order to keep the global average temperature increase this century well below 2 degrees Celsius above pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Science-based targets are validated by the SBT initiative.

\*2 The Paris Agreement is an international framework adopted at the 21st session of the Conference of the Parties (COP21) that seeks to reduce the amount of greenhouse gas (GHG) emissions. It aims to restrain the increase in the global average temperatures to less than 2°C from the pre-industrial level and to pursue efforts to limit the temperature increase even further to 1.5°C. To this end, the Agreement's target is to lower the amount of GHG emissions to substantially zero by the latter half of this century.

- > [Environmental Vision 2050](#)
- > [In Response to Climate Change](#)
- > [Environment](#)

## Activities to Promote the SDGs

Toshiba Group undertakes various activities to boost awareness internally of the importance of the SDGs as part of our program to help achieve these goals.



April 2018  
Peter D. Pedersen explains the perspective of resolving global social issues in a lecture titled "Is there a path to new business development based on Society-in, the next innovation frontier?"



June 2018  
Conducting a workshop for engineers at Toshiba Fuchu Complex to show how the SDGs are everyone's problems to resolve



September 2018  
Kazuo Tase, CEO at SDG Partners, Inc. and Akitsugu Yamaguchi, Director at Toshiba Digital Solutions Corporation, discussed the SDGs in a dialogue.



December 2018  
A briefing on the SDGs given by the CSR Management Office for branch managers of Toshiba Corporation from all around Japan



December 2018  
Chairman Kurumatani discusses Toshiba Group's SDG initiatives at the 14th Toshiba Group CSR Conference.



February 2019  
Kazuo Tase, CEO at SDG Partners, Inc., gives a lecture to SDGs managers from core Toshiba Group companies on the topic, "The corporate value demanded today and the SDGs."



Toshiba Life, August 2018 issue, Special edition Vol. 13 (Japanese)  
The topic "SDGs and what we can do today to realize our philosophy, 'Committed to People, Committed to the Future'" was discussed in the aforementioned in-house communication magazine for Toshiba Group employees and their families.



Toshiba Clip released in August 2018  
The topic "Design philosophy x Amazing technology applied to business for SDGs" was included on the public website introducing trends of "Toshiba companies around the world."



# Participation in External CSR Organizations

## Active Participation in and Cooperation with External CSR Organizations

Toshiba Group promotes participation and collaboration with external CSR organizations, industry associations, government, international organizations and NGOs.

### Membership in CSR-related organization

- [UN Global Compact](#)
- [Responsible Business Alliance](#) (RBA)
- [World Economic Forum](#) (WEF)
- [Science and Technology in Society Forum](#) (STS Forum)
- [Busibess for Social Responsibility](#) (BSR)
- [Council for Better Corporate Citizenship](#) (CBCC)
- [Task Force on Climate-related Financial Disclosures](#) (TCFD)

## UN Global Compact

In January 2004 Toshiba joined the United Nations Global Compact, pledging to adhere to universal principles covering human rights, labor and the environment. The Global Compact is a voluntary corporate citizenship initiative proposed by UN Secretary-General Kofi Annan in 1999 at the World Economic Forum (annual meeting in Davos). The Global Compact envisages that in the course of business, companies' fulfillment of their corporate social responsibilities through compliance with internationally recognized principles concerning human rights, labor, the environment and anti-corruption will lead to the emergence of a sustainable global economy.

As a participant of the United Nations Global Compact, in 2007, Toshiba participated as an advisory to the project utilizing GRI guidelines for "Communication on Progress (COP)", a report of the progress on the implementation of Global Compact principles.

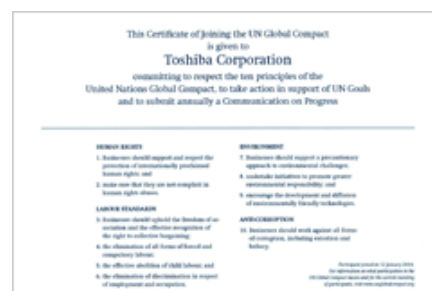
Toshiba clarifies the implementation progress of the ten principles of the Global Compact by submitting a COP advanced level report once per year.

> [United Nations Global Compact "Communication on Progress \(COP\)"](#)

> [United Nations Global Compact](#)



Then President Tadashi Okamura signed the Global Compact in January 2004.



Certificate



## 10 Principles of the UN Global Compact

### Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

### Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies

### Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

> [The Ten Principles](#)

## RBA Membership

The Responsible Business Alliance (RBA) is the electronics industry's CSR promotion organization committed to fulfill CSR for labor, occupational health and safety, the environment, and ethical standards throughout the supply chain. It is founded in October, 2004, and as of April 2017 110 companies all over the world have joined. Toshiba Joined in June 2011 to promote supply chain CSR based on global standard.

\*In October, 2017, EICC changed to RBA.

> [RBA](#)



## Participation in the World Economic Forum

The World Economic Forum (WEF) is an international platform which brings together corporate CEOs, political leaders, scholars, journalists, and others who take global leadership roles to discuss important issues facing the world such as those related to the environment, energy, and health etc.

Toshiba Group participated in the forum as a Partner and the Toshiba representative served as a co-chairman at the 2013 Annual Meeting in Davos, Switzerland. Currently, we are participating as a managing company in the Infrastructure & Urban Development Community Initiative, which discusses how to achieve sustainable infrastructure and economic development, as well as in the Future of Production Initiative, which assesses future possibilities of the manufacturing industry, and the Future of Energy Initiative, which discusses more sustainable and affordable energy. We also actively participate in regional meetings held in countries around the world in order to contribute to solving problems unique to individual regions.

> [World Economic Forum](#)

## Participation in the STS Forum

The Science and Technology in Society (STS) forum is a platform which aims to ensure appropriate development of science and technology, gathers scientists, policymakers, business leaders, journalists, and others in one place to discuss and exchange opinions about issues related to science and technology as well as society from the perspective that these are issues shared by humanity. Toshiba has participated in the STS Forum since 2004.

In addition to attending annual general conferences, we also participate in science and technology dialogues held in countries around the world, including India and Kenya.

> [STS Forum](#)

## Participation in BSR

Business for Social Responsibility (BSR) is a global nonprofit organization for CSR activities which is established in the U.S. in 1992. 250 or more global organizations and companies had participated as a member, and Toshiba joined in 2003. We engaged in stakeholder dialogues facilitated by BSR, and participated in Study Forums on human rights and supply chain CSR.

> [BSR](#)



## Participation in CBCC

Council for Better Corporate Citizenship (CBCC) is an association, established in 1989 by Keidanren (Federation of Economic Organizations), which supports Japanese company to be accepted by regional communities as “Good corporate citizen” as well as promotes CSR activities in practice. Toshiba joined CBCC from its establishment, and currently takes part in activity as a member of planning committee.

> [CBCC](#)

# Supports and to Promote Recommendations of Task Force on Climate-related Financial Disclosures (TCFD)

TCFD is a private-sector-led task force established in 2015 by the Financial Stability Board in order to enhance climate-related information disclosure of companies. Toshiba Group expresses its support for the TCFD's recommendations released in 2017, and will actively disclose information on financial impacts of climate change. Additionally, Toshiba Group has become a member of the TCFD Consortium, a Tokyo-based initiative dedicated to promoting the goals of the TCFD, a step which leads to the enhancement of our own ESG information disclosure.

> [In Response to Climate Change](#)

> [TCFD](#)



## Related Information

- > [Toshiba press release, "Toshiba Joins the United Nations Global Compact and Revises the Toshiba Group Standards of Conduct"](#)  
(January 6, 2004)

# Stakeholders

Toshiba Group's business activities involve relationships with diverse stakeholders. Here we clarify definition of each stakeholder, points of communication, and responsibilities of Toshiba Group.

## Major Stakeholders

### Customers

With its wide range of products - from electric 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.

### Global Environment

We are promoting business activities in harmony with the global environment.

### NPOs/NGOs

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.

### Governments and Public Bodies

Toshiba Group operates worldwide. Governments and public bodies of many countries are also our customers.

### Local Communities

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.

### Shareholders/Investors

Toshiba has approx. 270,000 shareholders. Of the 460 million shares issued, 13.4% are held by financial institutions, 20.2% by individuals and others, and 62.7% by overseas investors. (as of May 15, 2020)

### Suppliers

Toshiba deals continuously with the total number of 7,000 suppliers worldwide (as of March 31, 2020)

### Employees

Approx. 130,000 people work for Toshiba Group at 331 companies, including approx. 80,000 employees in Japan and approx. 50,000 employees overseas. (as of March 31, 2020)



## Examples of Communications



### Customers

#### Key responsibilities

- Supplying products in a stable manner
- Providing safe, secure products and services that offer great value
- Creating environmentally conscious products and services
- Promoting universal design
- Providing appropriate product information
- Offering excellent customer relations and support
- Managing customer information appropriately

#### Major means of identifying stakeholders' views and requests

- Routine sales activities
- Call center (via phone, email, etc.)
- Exhibitions

We receive opinions and requests for products and services in our daily operations, which are shared among related departments, and use them to improve product quality and repair services.

> [Improvement of Customer Satisfaction](#)



### Shareholders/Investors

#### Key responsibilities

- Disclosing information in a timely and appropriate way
- Providing an appropriate return of profits
- Maintaining and enhancing corporate value
- Responding to the needs of SRI organizations and ESG investment

#### Major means of identifying stakeholders' views and requests

- General Meeting of Shareholders
- Shareholder Newsletters
- Communication with Institutional Investors and Securities Analysts
- Reports (Securities Report, Integrated Report, Sustainability Report)
- Websites (Investor Relations, Sustainability, Environment)

Toshiba will continue to actively disclose risk and other information, so that the disclosure structure throughout the entire Toshiba Group may provide information promptly, and contribute to our shareholders' and investors' profits.

**Communication with Shareholders [Point of contact: Legal Affairs Division and Strategic Planning Division]**

## General Meeting of Shareholders

The ordinary general meeting of shareholders for FY2018, held on June 26, 2019, and attended by 752 people, granted approval to proposals for an amendment of the Articles of Incorporation and the election of directors. The ordinary general meeting of shareholders for FY2019, held on July 31, 2020, with a decreased attendance of 127 due to COVID-19, granted approval to proposals for an amendment of the Articles of Incorporation and the election of directors nominated by the Company (the proposals for the election of directors nominated by the shareholders were rejected). To allow shareholders unable to attend the meeting to follow the proceedings, an Internet live stream was provided.

We will continue to make efforts to run our general meetings of shareholders so that our shareholders may have a better understanding of Toshiba.

## Publication of Shareholder Newsletters

Toshiba Group strives to communicate with individual shareholders through our shareholder newsletters.

> [Shareholder Newsletter \(Japanese\)](#)

**Dialogue with Investors [Point of contact: Strategic Planning Division]**

## Dialogue with Institutional Investors and Securities Analysts

We hold analyst briefings on the same day as our quarterly business results announcements. We also hold strategy briefings and factory tours for individual businesses. Executive officers, including the CEO, visit major shareholders in Japan twice a year. We also actively dialogue with overseas investors, and executive officers, including the CEO, visit major shareholders in the U.S., Europe and Asia to explain business activities and management policy. We also participate in conferences, both overseas and in Japan.

In line with our commitment to creating opportunities for dialogue between outside directors and shareholders, in January and October 2019, we organized the Group meetings between outside directors, including the chairman of the Board of Directors, and institutional investors in Japan and overseas and published the meeting minutes on our website.

> [Meeting between an outside director and a group of shareholders](#)

## Enhancement of IR Website

On our IR website, we endeavor to provide all investors, including individual investors, with fair, timely and easy-to-understand information disclosure that helps them to evaluate their investment decision. We meet investor requests by providing audio feeds, including live streaming, of presentations and Q&A sessions during major briefings for analysts. We also set up the questionnaire page on our website.

> [IR Website](#)

> [Questionnaire on the IR Website](#)





## Suppliers

### Key responsibilities

- Selecting suppliers fairly and engaging in fair trading practices
- Respecting human rights in the supply chain
- Promoting environmental management in the supply chain

### Major means of identifying stakeholders' views and requests

- Routine procurement activities
- CSR survey
- Clean Partner Line

**Communication with Suppliers [Point of contact: Procurement Division]**

## Request to Suppliers for Promoting CSR Management

We ask suppliers to promote CSR management through daily procurement operations.

In FY2014, we revised our procurement policy so that the priority requirement when choosing new suppliers upon starting or continuing business relationships is to comply with laws and ordinances as well as social codes, and we made this revision fully known to each of Toshiba Group's approx.10,000 suppliers (cumulative total). In addition, we conduct surveys on suppliers based on the [RBA Code of Conduct](#) presented in Toshiba Group's procurement policy to confirm the status of compliance.

> [CSR Management in the Supply Chain](#)

> [Cooperation with Industry Organizations](#)



## Employees

### Key responsibilities

- Conducting fair assessment and treatment
- Respecting human rights and diversity
- Optimizing human resources and promoting their growth
- Supporting diverse working styles
- Maintaining and enhancing skills and capabilities
- Ensuring occupational health and safety

### Major means of identifying stakeholders' views and requests

- Employee morale survey (TEAM Survey)
- Dialogues, information exchange meetings
- 360-degree survey
- CSR workplace meetings
- Providing Information through an in-house website
- Toshiba Hotline
- Audit Committee Hotline
- In-house communication magazine
- Labor-management negotiation

**Communication with Employees [Point of contact: Human Resources and Administration Division, Legal Affairs Division, and Corporate Communications Division]**

## Messages from Top Executives

Top executives deliver messages to the Group employees on the importance of promoting sustainability, improving customer satisfaction, raising quality, ensuring legal compliance, and other key concerns. In addition to this, in FY2019, the President used videos and email messages to explain the COVID-19 infection, its impact on business, and other important issues.

## Employee Morale Survey (TEAM survey) and Disclosure of Results

Toshiba Group has conducted the employee morale survey (TEAM survey) every year since FY2003, as a way to gain feedback from employees. Through this survey, we periodically monitor the level of understanding among our employees towards the company's each measures, and how widespread this understanding is. We strive to improve the issues that emerge to help enhance corporate culture. The survey assesses employees' understanding of company's measures and whether their working conditions allow them to exercise their abilities. We are also investigating questions about opinions regarding such things as the top management and the status of compliance.

> [Fair Evaluation and Talent Development](#)

## 360-degree Survey

We conduct a 360-degree survey for managers every other year. We investigate managers from multifaceted perspectives with regard to their day-to-day work attitude and actions, with such perspectives including those of managers themselves, as well as of their subordinates, peers, and supervisors. The main aims are to encourage the growth of managers by repeatedly identifying strengths and weaknesses and confirming progress in an objective manner, and to enhance their leadership in order to create a more sound organization.

> [Fair Evaluation and Talent Development](#)

## CSR Workplace Meetings

We hold CSR workplace meetings, so that managers and the employees they manage can talk and think together at a workplace level, and share feelings and opinions, in order to build a work environment where everyone feels free to discuss any matter. Themes are set every year and include communication style, and verification of compliance awareness. Increasing understanding of differences in individual philosophies among employees helps create a better workplace environment for the future and enhance CSR awareness.

> [Risk Management and Compliance](#)



## Local Communities

### Key responsibilities

- Respecting different customs and cultures
- Engaging in social contribution activities in local communities
- Preventing accidents and disasters at business sites
- Supporting neighboring communities in case of a disaster

### Major means of identifying stakeholders' views and requests

- Dialogues, information exchange meetings
- Factory visits
- Employees' participation in community activities
- Local volunteer activities

**Communication with Local Communities [Point of contact: Each company and business site]**

## Environmental Communication

As part of efforts to communicate about our environmental initiatives, we organize factory tours, nature-watching sessions, and on-site classes at local elementary schools. The aim is to introduce the activities of the Toshiba Group to a wide range of stakeholders, from the communities around our factories and offices to schools, customers, enterprises, and students, and at the same time to create an opportunity to reflect on environmental questions.

> [Environmental Communication](#)

## Coexistence with Local Communities

Toshiba Group not only seeks to resolve issues faced by local communities through business, but to do various activities that are rooted in the area as a member of the local community.

> [Coexistence with Local Communities](#)

## Social Contribution Activities

Toshiba Group actively engages in a range of social contribution activities in addition to business activities toward the realization of a sustainable society.

> [Social Contribution Activities](#)



## Governments and Public Bodies

### Key responsibilities

- Complying with laws and regulations, and paying taxes
- Supporting government policies toward solving social issues

### Major means of identifying stakeholders' views and requests

- Dialogues and proposals via economic associations and industry associations

**Communication with Governments [Point of contact: Each company, business site, and Government & External Relations Office]**

## Participation in Industry Associations

Toshiba actively participates in the activities of Keidanren (Japan Business Federation), Japan Electrical Manufacturers' Association, the Japan Electronics and Information Technology Industries Association, the [World Economic Forum \(WEF\)](#), and other industry organizations to help address various issues such as the realization of a sustainable society and protection of the global environment.

> [Participation in External CSR Organizations](#)



## NPOs/NGOs

### Key responsibilities

- Providing support to solve diverse global issues
- Collaborating with and helping local communities solve their social problems
- Collaborating on our priority areas of corporate citizenship

### Major means of identifying stakeholders' views and requests

- Dialogue through collaboration
- Exchange of views at stakeholder dialogues

**Dialogue with NPOs and NGOs [point of contact for dialogue: Sustainability Management Office, Environment Management Office]**

## Support for and collaboration with NPOs and NGOs

We are making the most of our strengths to establish partnerships with NPOs and NGOs across a wide range of areas such as environmental protection, human rights, and social contribution by holding active dialogues with such organizations.

We review our support for and collaboration with NPOs and NGOs based on criteria such as the degree of contribution to solving social problems, relationships with Toshiba Group's priority business sectors, creativity, pioneer spirit, and relations with local communities.

> [Participation in External CSR Organizations](#)

> [Respect for Human Rights](#)



## Global environment

### Key responsibilities

- Response to climate change
- Response to the circular economy
- Consideration of ecosystems (chemical substances, water, biodiversity conservation)

### Main methods and opportunities for day-to-day dialogue

- Reduction of environmental impacts in Toshiba Group's business activities
- Development and promotion of products and services for reduction of environmental impacts in society as a whole

Based on Toshiba Group's Environmental Future Vision 2050, we work simultaneously to reduce the environmental impacts in our business activities and to deliver value through products and services.

> [Environment](#)

> [Toshiba Group's Environmental Future Vision 2050](#)

# Main Contents of ESG Performance

Toshiba Group tackles issues related to the environment, social aspects of corporate activities (human rights, personnel training, promotion of diversity, occupational health and safety, CSR Management in the Supply Chain, quality control, customer satisfaction, social contribution activities, etc.) and governance (corporate governance, risk compliance, etc.), setting medium- to long-term vision and implementing initiatives to improve performance.

|             | Items  | Main contents   |
|-------------|--|---|
| Environment | Environmental Vision and Plan                                | Environmental policy, Environmental Future Vision 2050, The Sixth Environmental Action Plan, overview of environmental impacts, in response to climate change   |
|             | Reducing environmental impacts in manufacturing              | Reducing total GHG emissions, reducing waste volumes, reducing the amount of water received, reducing emissions of chemical substances  |
|             | Improving environmental performance of products and services | Reductions in CO <sub>2</sub> emissions by eco-products, increasing the amount of resources saved, increasing the use of recycled plastics, management of chemicals contained in products                       |
|             | Strengthening the foundation of environmental management     | Environmental management structure, ensuring environmental risk compliance, environmental communication, conservation of biodiversity   |
| Social      | Respect for Human Rights                                     | Policy on human rights, identifying human rights risks, monitoring and education  |
|             | Employment and Labor Relations                               | Relationship with labor unions, labor-management dialogue, and employees data   |
|             | Fair Evaluation and Talent Development                       | Fair evaluations, talent development, and employee morale surveys   |
|             | Promotion of Diversity and Inclusion                         | Diversity management, strategies (for women, non-Japanese nationals, disabled persons, elderly people, and LGBT+ employees), work-style reforms and work-life balance   |
|             | Occupational Health and Safety                               | Occupational health and safety management policy, occupational health and safety management systems, occurrence occupational accidents, health management, and supply chain safety management                   |
|             | CSR Management in the Supply Chain                           | Procurement policy, CSR promotion support to suppliers, responsible minerals sourcing, “greenness” of suppliers and procurement   |
|             | Quality Control for Safety and Reliability                   | Quality control policy, quality promotion structure, ensuring product quality, and disclosure of information on quality   |
|             | Product Safety and Product Security                          | Policy, response to product safety accidents, prevention of accident reoccurrence, and disclosure of product safety/quality information   |
|             | Improvement of Customer Satisfaction                         | Customer satisfaction policy, enhancing customer support, sharing and utilizing customer feedback, protecting customer information, and providing customers with business continuity support                    |
|             | Universal Design   | Policy related to universal design, promotion of universal design   |
|             | Coexistence with Local Communities                           | Check and evaluation of local impacts of establishing new operational sites, contributions to local communities around business sites   |
| Governance  | Social Contribution Activities                               | Basic policy on social contribution activities, expenditures for corporate citizenship activities, and various social contribution activities   |
|             | Corporate Governance   | Governance policy, governance structure, Directors status, and compensation   |
|             | Risk Management and Compliance                               | Whistleblower system, compliance with the antimonopoly act and anti-corruption, fair trading, export control, information security management, product safety information and advertising, BCP, and tax affairs |
|             | Research & Development and Intellectual Property             | R&D structure, R&D expenses, collaborations with external parties, intellectual property strategy, patents portfolio, and anti-counterfeit measures   |

# FY2019 Performance Indicators

Toshiba Group have medium- and long-term key performance indicators according to the ISO 26000 core subjects and are promoting relevant Sustainability activities.

## Governance

| Corporate Governance   | FY2018       | FY2019                | FY2019       | FY2020                |
|--|--------------|-----------------------|--------------|-----------------------|
|  | Achievements | Targets               | Achievements | Targets               |
| Number of directors  | 12           | –                     | 12           | –                     |
| Number of directors not concurrently serving as executive officers | 7            | Half of all directors | 10           | Half of all directors |
| Number of female directors<br>(Percentage of female directors)     | 2 (16.7%)    | Over 1                | 1 (8.3%)     | Over 1                |
| > <a href="#">Corporate Governance</a>                             |              |                       |              |                       |

| Risk Management and Compliance  | FY2018   | FY2019  | FY2019                 | FY2020  |
|---|--|---------|------------------------|---------|
|   | Achievements   | Targets | Achievements           | Targets |
| Education for “Standards of Conduct for Toshiba Group”<br>(Toshiba Group in Japan)  | 100%   | 100%    | 100%                   | 100%    |
|   | “Standards of Conduct for Toshiba Group” was published in 24 different languages. Various education programs are provided such as education based on the needs of employees at different organizational levels, job functions, and e-learning as well as seminars on compliance topics for top executives. |         |                        |         |
| Number of Workplace CSR meetings ;<br>Number of cumulative participants<br>(Toshiba Group in Japan)   | 1<br>56,000  | 1       | 1<br>66,000            | 1       |
| Percentage of self-audits conducted at Group companies based on “Anti-Bribery Guidelines” and “Guidelines on Contacts with Competitors”<br>(Toshiba Group in Japan) | 100%   | 100%    | 100%                   | 100%    |
|   | In FY2019, each of our key Group companies carried out a self-audit.   |         |                        |         |
| Number of reports received by the whistle blower system “Toshiba Hotline”<br>(In-house contact window / attorney's office)<br>(Toshiba Group in Japan)              | 209 reports<br>(206/3)   | —       | 110 reports<br>(109/1) | —       |
|   | Calls reporting inappropriate situations or concerns were reported to the relevant division so that instructions for improvement could be provided or alerts could be issued.  |         |                        |         |
| Number of violations of the Act against Unjustifiable Premiums and Misleading Representations<br>(Toshiba Group in Japan)   | 0  | 0       | 0                      | 0       |
|   | We conducted education on advertising and labeling in the e-learning on sales risks, thus ensuring full compliance with advertising and labeling regulations.  |         |                        |         |
| > <a href="#">Risk Management and Compliance</a>  |  |         |                        |         |

## Environment

> [The Sixth Environmental Action Plan \(Environment Website\)](#)



# Social

| Respect for Human Rights   | FY2018   | FY2019  | FY2019       | FY2020  |
|--|--|---------|--------------|---------|
|  | Achievements   | Targets | Achievements | Targets |
| Number of companies surveyed about conflict minerals Cumulative Numberss <sup>1</sup>  | Approx. 800  | –       | Approx. 560  | –       |
|  | Toshiba Group conducted a survey on the use of conflict minerals for Toshiba Group suppliers that could have been using 3TG*2 conflict minerals through the Conflict Minerals Reporting Template (CMRT). Toshiba Group carries out due diligence by conducting an additional survey for high risk suppliers. |         |              |         |
| > <a href="#">Ensuring Responsible Minerals Sourcing</a>   |  |         |              |         |
| <p>*1 As Toshiba Group companies conduct surveys based on each contract, we count one contract in case multiple contracts are concluded with one supplier. Also the company numbers are approximate due to their being commercially sensitive information.</p> <p>*2 Abbreviation of four minerals, tin, tungsten, tantalum, and gold, which are specified as “Conflict Minerals”.</p> |  |         |              |         |
| > <a href="#">Respect for Human Rights</a>   |  |         |              |         |

| Promotion of Diversity and Inclusion  | FY2018  | FY2019                                | FY2019  | FY2020                                |
|---|---|---------------------------------------|---|---------------------------------------|
|   | Achievements  | Targets                               | Achievements  | Targets                               |
| Number and percentage of female managers (Toshiba and key Group companies)                              | 330<br>(4.7%)   | 7.00%                                 | 339<br>(4.9%)   | 7.00%                                 |
|   | The 7% target will remain until the end of FY2020.  |                                       |   |                                       |
| Percentage of female recruits (Toshiba and key Group companies)   | Administrative: 46%<br>Technical: 14%   | Administrative: 50%<br>Technical: 25% | Administrative: 37%<br>Technical: 19%                 | Administrative: 50%<br>Technical: 25% |
| Employee male-female rate (Toshiba and key Group companies)   | Male: 87.4%<br>Female: 12.6%  | –                                     | Male: 86.8%<br>Female: 13.2%                          | –                                     |
| Employment percentage of people with disabilities (Toshiba incl. a special subsidiary company in Japan) | 2.37%   | 2.20%                                 | 2.41%   | 2.20%                                 |
|   | In the timing of June, each year. Toshiba Group will continue to operate “Toshiba With”, a special subsidiary company aiming to expand workplace for people with disabilities by cooperating with the national and local governments' employment support agencies as well as by using employment support firms effectively. |                                       |   |                                       |
| Average number of years with company (Toshiba)  | Ave.19.8yrs.<br>(Male: 20.2yrs.,<br>Female: 18.2yrs.)   | –                                     | Ave.18.5yrs.<br>(Male: 19.0yrs.,<br>Female: 16.5yrs.) | –                                     |
| Leave utilization rate (Toshiba)  | 74.9%   | –                                     | 73.7%   | –                                     |

|  |  |   |                                |   |
|--|--|---|--------------------------------|---|
| Number of employees to use Childcare leave<br>Percentage of number to use Childcare leave:<br>(Number of qualified person to use the leave/ Number of qualified person)<br>(Toshiba and key Group companies) | Male: 10 (1.8%)<br>Female: 277   | – | Male: 34 (6.2%)<br>Female: 316 | – |
|  | Until the end of the month when the child turns 3 years old. It is possible to apply for childcare leave up to three times per child.<br>A handbook focusing on system and application procedure were distributed for promotion. |   |                                |   |
| Number of employees to use Paternity leave<br>(Toshiba and key Group companies)  | 194  | – | 203                            | – |
|  | Up to 5 paid holidays (100%) consecutively or separately, including the day of birth, within 6 weeks of the birth.   |   |                                |   |
| Number of employees to use Family care leave<br>(Toshiba and key Group companies)  | Male: 6<br>Female: 5   | – | Male: 9<br>Female: 4           | – |
|  | Up to 365 days in total per person requiring nursing care.<br>A handbook focusing on system and application procedure were distributed for promotion.  |   |                                |   |
| Number of employees to use short-time shift<br>(Toshiba and key Group companies)   | Male: 5<br>Female: 329   | – | Male: 5<br>Female: 411         | – |
|  | Employees who are raising children who have not yet completed elementary school.   |   |                                |   |
| > <a href="#">Promotion of Diversity and Inclusion</a>   |  |   |                                |   |

| Occupational Health and Safety   | FY2018   | FY2019   | FY2019       | FY2020   |
|--|--|----------|--------------|----------|
|  | Achievements   | Targets  | Achievements | Targets  |
| OHSAS18001 certification rate<br>(no. of companies)<br>(Japan-based manufacturing<br>companies and other companies<br>subject to mandatory certification)<br><small>*The 2020 figure indicates the ISO 45001 certification rate.</small> | 100%<br>(54)   | 100%     | 100%<br>(52) | 100%     |
|  | Toshiba Group assessed risks related to OHSAS18001 and promoted to reduce such risks. The decrease in the number of OHSAS18001-certified companies in FY2019 was due to a decrease in the number of eligible companies resulting from business mergers. In FY2020, the transition from OHSAS 18001 to ISO 45001 will be completed.   |          |              |          |
| Lost-time frequency rate<br>(Number of fatal accidents)<br>(Toshiba Group in Japan)  | 0.21<br>(0)  | –<br>(0) | 0.21<br>(1)  | –<br>(0) |
|  | Lost-time frequency rate: The number of lost time injuries occurring in a workplace per 1 million man-hours worked.<br>Result of our performance is less than average for all industry in Japan (1.58 days), manufacturing industry in Japan (0.94 days), and electrical appliance manufacturing industry in Japan (0.41 days) of Industrial Accident Statistics (FY2019) issued by the Ministry of Health, Labour and Welfare. In March 2020, there was however one fatal accident due to “Caught in” at a Japan-based manufacturing company. In FY2020, we aim to return to our previous record of zero fatal accidents among employees. |          |              |          |
| > <a href="#">Occupational Health and Safety</a>   |  |          |              |          |

| CSR Management in the Supply Chain  | FY2018  | FY2019  | FY2019   | FY2020  |
|---|---|---------|--|---------|
|   | Achievements  | Targets | Achievements   | Targets |
| Percentage of suppliers consenting for the Toshiba Group Procurement Policy   | 96%   | 100%    | 96%  | 100%    |
|   | In accordance with the Toshiba Group Procurement Policy, we screen new suppliers, provide them with a copy of the Policy, explain its content, and require their agreement to it.   |         |  |         |
| Number of suppliers at which the CSR survey is conducted <sup>*3</sup>  | 6,277   | –       | 12,183   | –       |
|   | In terms of considerations to labor, safety, and the environment, and prohibition of child labor, we have stated in the Toshiba Group Procurement Policy that we will promote activities that follow the RBA Code of Conduct. We confirm the situation regarding our suppliers' management of these individual items every year, through the supplier CSR survey. |         |  |         |
| Number of suppliers to which Toshiba Group provided guidance and support, and the number of transactions ceased <sup>*3</sup>   | Guidance and support provided: 183<br>Transaction suspended: 2  | –       | Guidance and support provided: 1,085<br>Transaction suspended: 0 | –       |
|   | Should a supplier breach the Toshiba Group Procurement Policy, Toshiba Group firstly request the company to take any corrective actions and provide guidance and support if needed. If it is found out that the supplier is not be able to take such actions or correct the situation, we will suspend the transaction with the company.                          |         |  |         |
| <sup>*3</sup> As Toshiba Group companies conduct surveys based on each contract, we count one contract in case multiple contracts are concluded with one supplier. That surveys conducted to suppliers which supply products and components whether they consist Toshiba brand products or not from FY2019. |   |         |  |         |
| > <a href="#">CSR Management in the Supply Chain</a>  |   |         |  |         |

| Social Contribution Activities  | FY2018   | FY2019  | FY2019           | FY2020  |
|---|--|---------|------------------|---------|
|   | Achievements   | Targets | Achievements     | Targets |
| Expenditures for Social Contribution Activities including donations for natural disasters, etc.   | 1.80 billion yen   | –       | 1.22 billion yen | –       |
| Number of social contribution programs  | 1,527  | –       | 1,072            | –       |
|   | In FY2019, we held the Toshiba Group Volunteer Days on or around December 5th, International Volunteer Day. A total of 267 social contribution activities were carried out in Japan and worldwide. |         |                  |         |
| <div>&gt; <a href="#">Social Contribution Activities</a></div> <div>&gt; For ESG-related data for FY2019, please see <a href="#">ESG Data Collection</a>.</div> |  |         |                  |         |

# Environmental Vision and Plan

## Basic Policy for the Environment

Toshiba Group has formulated the Basic Policy for the Environment which lays out specific environmental strategies to be shared by all members of the group.

### Toshiba Group's Basic Policy for the Environment

Toshiba Group holds environmental initiatives to be one of our top priority tasks in corporate management, guided by the “Essence of Toshiba.” We will strive to create enriched value and ensure harmony with the earth for people around the world now and in the future. Through our environmental management that aims to achieve a decarbonized society, a resource circulating society, and a society in harmony with nature, we will contribute to the realization of a sustainable society and turn on the promise of a new day.

#### Promoting environmental management harmonized with business operations

- Toshiba Group assesses the impacts of its business activities and products and services on the environment (including biodiversity), sets environmental impact reduction targets, and implements environmental activities.
- Toshiba Group continuously improves its environmental management through audits and activity reviews.
- Toshiba Group complies with all laws and regulations, industry guidelines it has endorsed, and its own standards on the environment.
- Toshiba Group further raises employees' environmental awareness, and the company as a whole makes efforts for environmental protection.
- Toshiba Group operates globally and promotes environmental activities throughout the Group accordingly.

#### Reducing environmental impacts through business activities and offering environmentally conscious products and services

- Toshiba Group recognizes that natural resources are finite, and it implements vigorous environmental measures to promote their effective, practical use in terms of both business activities as well as products and services.
- Toshiba Group develops and provides environmentally conscious products and services that contribute to reducing environmental impacts throughout their life cycle.
- In all phases of activities – including the design, procurement, manufacturing, logistics, sales, and disposal phases – Toshiba Group implements measures to decrease environmental impacts, such as those for responding to climate change, effective resource use, and chemical management.
- Toshiba Group considers what value and meaning it can provide to society and strives to develop environmental technologies for the future in order to contribute to realizing a sustainable society.

#### Working together with stakeholders

- Toshiba Group actively communicates with stakeholders, such as local communities and society, and promotes environmental activities in collaboration with them.

> [The Essence of Toshiba](#)

> [Toshiba Group Standards of Conduct 8. Environment](#)

## Environmental Management Structure

Toshiba Group is promoting environmental management worldwide as a group. Details about Toshiba Group's environmental management structure are on page 84.

# Environmental Future Vision 2050

“Committed to People, Committed to the Future.” is the long standing Basic Commitment of the Toshiba Group, a statement that expresses our enduring credo to contribute to the development of society through our business. Since our founding, Our Purpose has been to combine the power of invention with our expertise and desire for a better world, to tackle increasingly complex and serious social issues, and to turn on the promise of a new day. Motivated by this philosophy, we are promoting the Toshiba Next Plan, a company-wide transformation plan for the five years starting from FY2019. While providing highly reliable services and state-of-the-art technologies that contribute to solving social issues, we will contribute to the achievement of the Sustainable Development Goals (SDGs) and further enhance our corporate value.

> [The Essence of Toshiba](#)

> [Toshiba Next Plan](#)

> [Actions for the Achievement of Sustainable Development Goals \(SDGs\)](#)

In 2007, Toshiba Group developed Environmental Vision 2050, which envisages affluent lifestyles in harmony with the earth as the ideal situation for mankind in 2050, and we have been promoting activities to realize this vision. Under Environmental Vision 2050, we strive to provide safer, more comfortable lifestyles and to create enriched value for customers while working to mitigate climate change, use resources efficiently, and manage chemical substance properly with the aim of achieving harmony with the earth. This concept is also reflected in the Sixth Environmental Action Plan (FY2017-FY2020), which is the specific activity plan for realizing the Vision.

> [The Sixth Environmental Action Plan](#)



## Environmental Future Vision 2050

In recent years, climate change, the depletion of energy and resources, and various other environmental issues have grown increasingly serious, to the point where they threaten the safe, secure lives of future generations. With regard to climate change in particular, given the impacts of floods, droughts, and enormous typhoons in many parts of the world, the 2015 adoption of the Paris Agreement<sup>\*1</sup> has spurred the movement toward decarbonization to accelerate in each country. In the face of these circumstances, companies must recognize the importance of climate change from a long-term perspective and proactively respond in order to realize a decarbonized society.

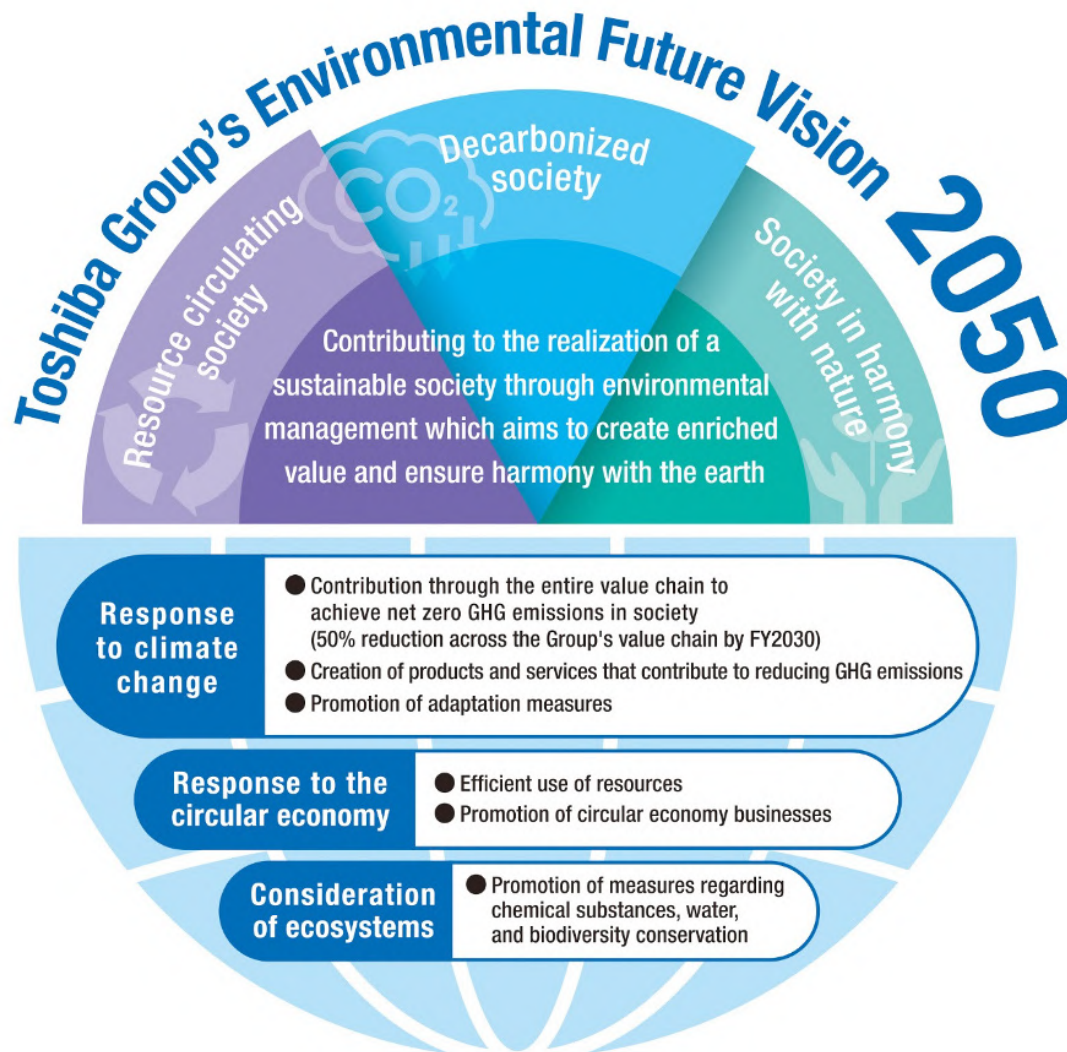
In addition, over the last several years, countries worldwide have been trying to address issues such as the transition to a circular economy, marine plastics, water resources, and biodiversity conservation; society's interest in such issues is growing. Meanwhile, the dissemination of the SDGs, an expansion in ESG investment, and other movements related to companies' overall sustainable management are gaining momentum.

In line with these social changes, business structure transformation is also underway within Toshiba Group. Under the Toshiba Next Plan, we will complete the transition to become an infrastructure services company by making the most of Cyber-Physical Systems (CPS) technology.

Amid these changing circumstances, we consider it important to continue to provide enriched value to customers as we respond to global trends from a long-term perspective in order to contribute to the realization of a sustainable society and to aim to grow as a sustainable company. As such, Toshiba Group has formulated “**Environmental Future Vision 2050**” as a new long-term vision from a global perspective for responding to decarbonization, the circular economy, and other issues. With the goal of “contributing to the realization of a sustainable society through environmental management which aims to create enriched value and to ensure harmony with the earth,” Environmental Future Vision 2050 aims to realize a sustainable society—in other words, a decarbonized society, a resource circulating society, and a society in harmony with nature. Under the same concept of “backcasting,”<sup>\*2</sup> which we incorporated into the formulation of the previous Vision from 2007, we will promote the implementation of initiatives in three areas: “**response to climate change**,” “**response to the circular economy**,” and “**consideration of ecosystems**” so as to realize the ideal situation in 2050.

<sup>\*1</sup>: The Paris Agreement is an international framework adopted at the 21st session of the Conference of the Parties (COP21) that seeks to reduce the amount of greenhouse gas (GHG) emissions. It aims to restrain the increase in the global average temperatures to less than 2°C from the pre-industrial level and to pursue efforts to limit the temperature increase even further to 1.5°C. To this end, the Agreement's target is to lower the amount of GHG emissions to substantially zero by the latter half of this century.

<sup>\*2</sup>: Backcasting is a method that defines a desired goal and works back through the series of actions necessary for its achievement.



Under “**response to climate change**,” we aim to contribute to realizing a net zero emissions society by 2050 by reducing the amount of GHG emissions throughout our entire value chain (Scopes 1, 2, and 3) by 50% by FY2030 compared to the FY2019 level. With regard to our own target for the amount of GHG emissions throughout the value chain, we aim to reduce emissions by 80% by FY2050 compared to the FY2019 level.

These goals are consistent with those of the Paris Agreement, and we consider these efforts to be essential to realize the future envisaged by the Paris Agreement. Specifically, in addition to our investment in energy-saving equipment and expansion of the use of renewable energy, we will suspend new orders for coal-fired thermal power plant construction work, and leverage our technological capabilities to create products and services that contribute to GHG reductions in society. Such products and services include energy technologies to realize decarbonization: renewable energy, energy aggregation\* for power supply and demand adjustment, CO<sub>2</sub> separation and capture technology, highly energy-saving social infrastructure products and building-related products, and so on. We will even promote business that involves adaptation measures.

Under “**response to the circular economy**,” we will promote efficient use of resources in both business activities and products and services. At the same time, we will actively collaborate with relevant parties, such as industry organizations, government agencies, and other companies, in order to adapt our business models to the circular economy. Specifically, we will work to reduce the amount of waste from business activities and to recycle used products and parts, as well as aim to construct circular economy business models based on solutions that employ digital technologies, which is our focus.

Under “**consideration of ecosystems**,” we will contribute to the creation of a society where humans live in harmony with nature and continue to enjoy the blessings of ecosystems by promoting compliance with the policy and regulations on chemical substance management in countries around the world, proper management of water resources, and activities for biodiversity conservation at company sites.

Through these efforts, we will reduce environmental impacts in the lifecycle of products and services, thereby contributing to the realization of a sustainable society. With the aim of integrating business and environmental management, we will actively develop environmental contribution measures in our business areas of focus in a way that is consistent with the business strategy presented in the ongoing Toshiba Next Plan.

\* A mechanism for consolidating various energy resources, such as renewable energy and EV (Electric Vehicle), and controlling output according to power supply and demand conditions.



## Setting Targets for FY2030

In order to achieve Environmental Future Vision 2050, we set out the following breakdown of greenhouse gas (GHG) reduction targets for FY2030 and are promoting initiatives to achieve such targets. In 2020, we also acquired approval of the Science Based Targets (SBT)\* initiative regarding our FY2030 target.

\* Science-based targets are scientifically grounded GHG reduction targets set by companies on a medium- to long-term basis in order to strain the global average temperature increase this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Science-based targets are validated by the SBT initiative.



(For all items below, the base year is FY2019.)

- **Reduce the total of Scope 1<sup>\*1</sup> and Scope 2<sup>\*2</sup> (GHG emissions generated from Toshiba Group's own business activities) by 28% by FY2030.**
- **Reduce use-phase GHG emissions of "products and services associated with power supply"<sup>\*3</sup> sold in Scope 3<sup>\*4</sup> by 50% by FY2030.**
- **Reduce use-phase GHG emissions of "products and services associated with power consumption"<sup>\*5</sup> sold in Scope 3 by 14% by FY2030.**

\*1: Amount of direct emissions through fuel use at Toshiba Group

\*2: Amount of indirect emissions through use of electricity and heat purchased by Toshiba Group

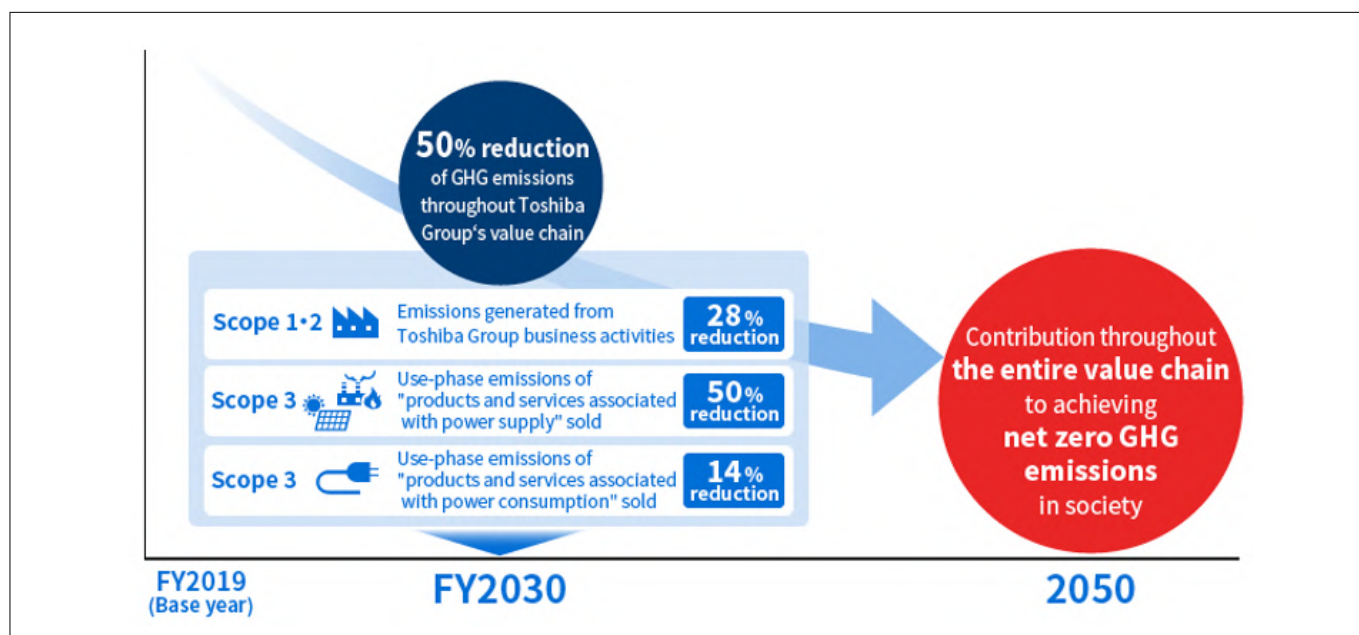
\*3: Power generation plants, etc.

\*4: Amount of indirect emissions generated by Toshiba's value chain (raw materials procurement, distribution, sales, disposal, etc.) outside Scopes 1 and 2

\*5: Social infrastructure products, building-related products (air conditioners, lighting equipment, elevators and escalators), retail and printing equipment, power devices, etc.

For Scopes 1 and 2, we will reduce the amount of emissions by measures such as investing in energy-saving equipment and increasing the use of renewable energy in Toshiba Group's own business activities.

For Scope 3, we will set Category 11, "Use-phase GHG emissions of sold products" as the boundary and will incorporate "products and services associated with power supply," which was not included previously, into the calculations. Also, we will aim to significantly reduce emissions by transitioning from the coal-fired power business.



> [In Response to Climate Change](#)

> [Greenhouse Gas Emissions across the Value Chain](#)

## Formulation of the Seventh Environmental Action Plan

We are currently formulating the Seventh Environmental Action Plan (FY2021-FY2023) based on Environmental Future Vision 2050, and we will promote activities by setting target values as specific KPIs for each fiscal year.

\* Specific KPIs for each fiscal year are being formulated. Activity areas and content are also being formulated and are subject to change.

### Proposed Seventh Environmental Action Plan Items

| Activity area  |   |   | Activity content   |  |
|--|---|---|--|--|
| Response to climate change<br>(Priority items)       | Business activities                     |   | Reduction of total GHG emissions   |  |
|  |   |   | Improvement of total energy-derived CO <sub>2</sub> emissions per unit activity  |  |
|  | Products & services                     | Products and services associated with power supply      | Reduction of GHG emissions during power supply   |  |
|  |   |   | Contribution to GHG reduction through introduction of renewable energy   |  |
|  |   | Products and services associated with power consumption | Contribution to GHG reduction during product use   |  |
|  | Business activities/Products & services |   | Contribution to GHG reduction through digital technology   |  |
|  |   |   | Promotion of climate change adaptation measures  |  |
| Response to the circular economy<br>(Priority items) | Business activities                     |   | Reduction of waste volume  |  |
|  |   |   | Improvement of the volume of waste generated per unit production   |  |
|  | Products & services                     |   | Increased amount of plastic resources recycled   |  |
|  |   |   | Increased amount of resources saved  |  |
|  |   |   | Promotion of circular economy businesses   |  |
| Consideration of ecosystems                          | Chemical substance management           | Business activities                                     | Reduction of the amount of chemicals discharged per unit production  |  |
|  |   | Products & services                                     | Reduction of specified chemical substances contained in products   |  |
|  | Water resource management               | Business activities                                     | Improvement of the amount of water received per unit production  |  |
|  | Biodiversity conservation               |   | Activities on and off the premises of Toshiba sites that support the “Post-2020 Global Biodiversity Framework”         |  |
| Enhancement of the basis of environmental management | Environmental communication             |   | Information disclosure & publicity/Networking with stakeholders  |  |
|  | Environmental risks & compliance        |   | Strengthening of internal management to comply with laws and regulations/Thorough implementation of internal education |  |

# The Sixth Environmental Action Plan

We of Toshiba Group have formulated the Environmental Action Plan to achieve our long-term environmental vision. In this plan, we specify detailed areas of activity as well as set and manage targets. Since we formulated our first Environmental Action Plan in 1993, we have reviewed the areas of activity and the scope of governance every few years. In the ongoing Sixth Environmental Action Plan (activity period: FY2017–2020), we have set targets for 15 areas in the Business category (promoting initiatives to reduce environmental impacts in product/service lifecycles) and the Management category (promoting basic activities that support business initiatives). We will further refine our activities in line with these targets to achieve our long-term vision and to help resolve climate change and various other social issues.

In FY2019, we achieved all of our targets in all 15 areas of activities, making progress in each category. We will continue our activities with the goal of achieving our targets for FY2020, which is the final year of the plan, and prepare for the Seventh Environmental Action Plan, which will begin in FY2021.

> [The Seventh Environmental Action Plan](#) (under development)



## Toshiba Group's Sixth Environmental Action Plan

### Business

| Activity area   | Activity content  |                                | FY2019  |  |            | FY2020                         |
|---|---|--------------------------------|---|--|------------|--------------------------------|
|   |   |                                | Target  | Result   | Evaluation | Goal                           |
| <u>Reducing environmental impacts in manufacturing</u>              | <u>Reduction of total greenhouse gas emissions<sup>1</sup></u>  |                                | 1.61 million t-CO <sub>2</sub>  | 1.14 million t-CO <sub>2</sub>   | Achieved   | 1.66 million t-CO <sub>2</sub> |
|   |   |                                | We reduced greenhouse emissions by actively implementing energy-saving and production efficiency improvement measures at each site.   |  |            |                                |
|   | <u>Improvement of total energy-derived CO<sub>2</sub> emissions per unit activity</u><br>(Compared to FY2013 level)   |                                | 94%   | 93%  | Achieved   | 92%                            |
|   |   |                                | We reduced energy-derived CO <sub>2</sub> emissions per unit activity by actively implementing energy-saving and production efficiency improvement measures at each site.       |  |            |                                |
|   | <u>Reduction of waste volumes<sup>2</sup></u>   |                                | 51,000 t  | 35,000 t   | Achieved   | 52,000 t                       |
|   |   |                                | We improved production processes as well as fully and thoroughly sorted waste at the time of discharge to generate more value from waste, thus reducing the volume disposed of. |  |            |                                |
|   | <u>Improvement of the total volume of waste generated per unit production</u><br>(Compared to FY2013 level)   |                                | 97%   | 80%  | Achieved   | 96%                            |
| <u>Improving environmental performance of products and services</u> |   |                                | We improved production processes and reduced the total volume of waste generated per unit production.   |  |            |                                |
|   | <u>Improvement of the amount of water received per unit production</u><br>(Compared to FY2013 level)  |                                | 97%   | 87%  | Achieved   | 96%                            |
|   |   |                                | We improved production processes and promoted recycling of wastewater to reduce the amount of water received per unit production.   |  |            |                                |
|   | <u>Reduction of the total amount of chemicals discharged per unit production</u><br>(Compared to FY2013 level)  |                                | 97%   | 59%  | Achieved   | 96%                            |
|   |   |                                | We reassessed production processes and promoted use of alternative substances to reduce the total amount of chemicals discharged.   |  |            |                                |
|   | <u>Increased reduction of CO<sub>2</sub> emissions</u><br>(cumulative total)  | Power supply <sup>3</sup>      | 16.1 million t-CO <sub>2</sub>  | 16.21 million t-CO <sub>2</sub>  | Achieved   | 16.3 million t-CO <sub>2</sub> |
|   |   | Power consumption <sup>4</sup> | 4.9 million t-CO <sub>2</sub>   | 5.48 million t-CO <sub>2</sub>   | Achieved   | 6.3 million t-CO <sub>2</sub>  |
| <u>Improving environmental performance of products and services</u> | <u>Increased amount of resources saved</u><br>(cumulative total)  |                                | 270,000 t   | 300,000 t  | Achieved   | 380,000 t                      |
|   |   |                                | We significantly reduced resource consumption of products in all business areas.  |  |            |                                |
|   | <u>Increased amount of recycled resources (recycled plastics) used</u><br>(cumulative total)  |                                | 2,280 t   | 2,636 t  | Achieved   | 3,000 t                        |
|   |   |                                | We continue to use recycled plastics in MFPs, industrial air conditioners, etc.   |  |            |                                |
| <u>Improving environmental performance of products and services</u> | <u>Reduction of specified chemical substances contained in products</u><br>Using alternative materials for four phthalates <sup>5</sup> or identifying alternates for all products by July 2019 |                                | —   | We completed the substitution of four phthalates used in regulated products for the European market. | Achieved   | Activities will be continued.  |

## Management

| Activity area   | Activity content   | FY2019  |            | FY2020                        |
|---|--|---|------------|-------------------------------|
|   |  | Result  | Evaluation | Goal                          |
| <a href="#">Ensuring of environmental risk compliance</a> | Enhancement of compliance with global environmental regulations and human resource development <ul style="list-style-type: none"> <li>• Reviewing of measures to ensure compliance with global environmental regulations</li> <li>• Enhancement of local networks of environmental human resources at overseas production sites</li> </ul>                                 | <ul style="list-style-type: none"> <li>• We strengthened our compliance by gathering information on laws and regulations around the world, sharing such information via meetings, and implementing human resource development measures.</li> <li>• We strengthened compliance at production sites by holding meetings of personnel in charge of environmental affairs in China and using actual cases of legal violations as examples to discuss how to prevent recurrence.</li> </ul>  | Achieved   | Activities will be continued. |
| <a href="#">Environmental communication</a>               | Improvement of information disclosure <ul style="list-style-type: none"> <li>• Improvement of reporting based on external requirements</li> </ul>  | <ul style="list-style-type: none"> <li>• We received the Bronze Prize at the ESG Finance Awards presented by Japan's Ministry of the Environment for our ESG information disclosure activities.</li> </ul>  | Achieved   | Activities will be continued. |
|   | Development of networks with stakeholders <ul style="list-style-type: none"> <li>• Enhancement of communication with customers through Toshiba Group Environmental Exhibition and education program at Toshiba Science Museum</li> <li>• Enhancement of communication with local communities by implementing Global Environmental Action at our sites worldwide</li> </ul> | <ul style="list-style-type: none"> <li>• We hosted <a href="#">education programs for children</a> at five locations, including Toshiba Science Museum and elementary schools.</li> <li>• We held an <a href="#">internal exchange event, Toshiba Group Environmental Seminar 2020</a>, to raise the environmental awareness of personnel in charge of environmental affairs and to promote exchanges among them.</li> <li>• We carried out at least 600 <a href="#">Global Environmental Action</a> events worldwide.</li> </ul> | Achieved   | Activities will be continued. |
| <a href="#">Conservation of biodiversity</a>              | Contributions to Aichi Targets <ul style="list-style-type: none"> <li>• Choosing 10 of the 20 Aichi Targets as Toshiba goals to develop measures at our sites worldwide</li> </ul>   | <ul style="list-style-type: none"> <li>• We carried out <a href="#">activities to achieve the Aichi Targets</a> at 63 sites worldwide.</li> </ul>   | Achieved   | Activities will be continued. |

Note: Values related to the energy consumption required for manufacturing (nominal production amounts, number of products manufactured, number of persons, total floor area, etc.) are used for basic-unit goals for greenhouse gas emissions. For waste, water, and chemical substances, volume-based nominal outputs are used as an indicator for basic-unit goals that allows appropriate assessment.

\*1: For the CO<sub>2</sub> emission coefficients for electricity, emission coefficients provided by each power company are used.

\*2: Obtained by deducting the volume of objects with value from the total volume of waste generated (excluding the sites engaged in waste treatment and power generation)

\*3: Reductions in emissions from products and services associated with power supply such as power plants. The calculation method is as follows:

For thermal power, compare with average CO<sub>2</sub> emissions per unit of electricity for the same fuel type; for renewable energy, compare with CO<sub>2</sub> emissions per unit of electricity for average thermal power of all types. Acquired the cumulative total amount of CO<sub>2</sub> emission reductions through power generation in FY2017 onward due to newly installed or upgraded facilities.

\*4: Reductions in emissions from products and services associated with power consumption such as social infrastructure products. The calculation method is as follows:

[CO<sub>2</sub> emissions of assumed substitute products – CO<sub>2</sub> emissions of shipped products] (Compares emissions per year during the usage stage and cumulates emissions for half the expected number of years of use)

\*5: Bis (2-ethylhexyl) phthalate, butyl benzyl phthalate, di-n-butyl phthalate, and diisobutyl phthalate. These substances are used mainly as plasticizers for plastics (e.g., cable coatings) and there is some concern about their effects on the human body.

## Overview of Environmental Impacts

Toshiba Group is proceeding to quantify the environmental impacts at each stage of the product life cycle — from materials procurement, manufacturing, transportation to customer use, collection and recycling. This data on actual results for FY2019 was collected from 331 Toshiba Group companies.

 [Overview of Toshiba Group's Environmental Impacts](#) (PDF)

## In Response to Climate Change

### Information Disclosure Based on the TCFD Recommendations

The impacts of climate change are becoming more serious every year, public interest in this issue is rising, and society is demanding that companies step up with big actions. The Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board, published its final report in 2017 that urged companies to disclose information on their climate-related risks and opportunities. We have expressed our support for the TCFD recommendations and are a member of the TCFD consortium, which aims to promote actions by organizations in Japan in support of the TCFD recommendations. We will actively disclose information on climate change in the four areas (Governance, Strategy, Risk Management, and Metrics and Targets) specified by the TCFD.

#### Governance

We have a system in place by which the board of directors appropriately monitors our efforts to address climate change and other important environmental issues. In particular, the Corporate Environmental Officer brings up important issues related to management risks and opportunities to the President at Management Committee meetings or executive officers' meetings. These issues are also reported about twice a year to all directors, including outside directors, at board of directors meetings. What is discussed and decided upon at board of directors meetings is reflected in our group's management strategy.

Prior to board of directors meetings, the policies, strategies, and measures related to the environment, including climate change, are discussed at the Corporate Environmental Management Committee, which is chaired by the Corporate Environmental Officer. This semiannual meeting is attended by the environmental promotion managers of key group companies, corporate staff division managers, and Corporate Environment Management Office personnel.

> [Environmental management structure](#)

#### Strategy

We have identified three important issues (material issues), one of which is environmental management. Environmental management consists of specific tasks, namely "climate change mitigation and adaptation," "sustainable resource use," and "prevention of pollution." We proceed with our environmental efforts based on an understanding that climate change in particular creates risks and opportunities that significantly impact business management.

#### Significance of Environment-related Items in Toshiba Group's High Priority Responsibilities

| Priority for stakeholders | Impact on Toshiba Group |  |   |
|---------------------------|-------------------------|--|---|
|                           | Basic                   | Middle   | High  |
|                           | High                    |  | <ul style="list-style-type: none"> <li>Climate change mitigation and adaptation</li> <li>Sustainable resource use</li> <li>Prevention of pollution</li> </ul> |
|                           | Middle                  | <ul style="list-style-type: none"> <li>Environmental protection, biodiversity and restoration of natural habitats</li> </ul> |   |
| Basic                     |                         |  |   |

For more details on Toshiba Group's material issues, visit our [Sustainability Website](#).



During the development stage of our medium-term management plan, the Toshiba Next Plan, we considered a wide variety of mega-trends. At this time, we also considered the risks and opportunities presented by climate change and reflected our decisions in our business strategy. For example, in response to the trend toward decarbonization in society, we decided to expand our renewable energy business, and to suspend new orders for coal-fired thermal power plant construction work.

We are attempting to predict the future, specifically 2030 and 2050, by analyzing climate change-focused scenarios such as the 2°C (and beyond 2°C) scenario by the International Energy Agency (IEA) and the 4°C scenario by the Intergovernmental Panel on Climate Change (IPCC). The 2°C (and beyond 2°C) scenario predicts risks (e.g., stricter energy efficiency regulations and the introduction of a carbon tax) as well as opportunities (e.g., increased demand for energy-saving products and energy technologies to realize decarbonization). The 4°C scenario predicts higher physical risks due to disasters such as flooding and typhoons. Based on these predictions, each group company analyzes risks and opportunities in each business field and shares the analysis results at Corporate Environmental Management Committee meetings. We will estimate the medium-to long-term risks and opportunities for market expansion/creation for each business based on the TCFD recommendations, and we will reflect these estimates in our future business strategies.

The table below shows the currently assumed risks and opportunities for Toshiba Group.

### Transition Risks

| Area                   | Assumed risks  | Toshiba Group's response   |
|------------------------|--|--|
| Policy and regulations | Increased costs due to the tightening of energy efficiency regulations and the introduction of a carbon tax; missing out on sales opportunities in the case of a failure to adapt to these changes                                       | <ul style="list-style-type: none"> <li>• <a href="#">Set a medium- to long-term goal to reduce GHG emissions across the Group's value chain</a></li> <li>• <a href="#">Reduce total GHG emissions in manufacturing</a></li> <li>• <a href="#">Reduce CO<sub>2</sub> emissions by eco-products</a></li> <li>• <a href="#">Enhance compliance with global environmental regulations and human resource development</a></li> <li>• <a href="#">Greenhouse gas emissions across the value chain</a></li> <li>• <a href="#">Energy-saving management in a new technology building using the latest sensor technology</a></li> </ul> |
| Technology and markets | Delayed response to market demand for energy-saving products and services as well as energy technologies to realize decarbonization; missing out on sales opportunities due to delayed adaption to country-/region-specific energy mixes | <ul style="list-style-type: none"> <li>• <a href="#">Set a medium- to long-term goal to reduce GHG emissions across the Group's value chain</a></li> <li>• <a href="#">Reduce CO<sub>2</sub> Emissions by eco-products</a></li> <li>• <a href="#">Improve the energy efficiency of products and services associated with power consumption</a></li> <li>• <a href="#">Develop energy technologies to realize decarbonization and provide a wide variety of energy technologies</a></li> <li>• Suspend new orders for coal-fired thermal power plant construction work</li> </ul>   |
| Reputation             | Lower corporate evaluations and reputation due to delayed response to climate change; the impact of such delays on the stock price and sales   | <ul style="list-style-type: none"> <li>• Acquire approval of the Science Based Targets (SBT) initiative for our FY2030 GHG emission targets</li> <li>• Improve reporting based on external requirements</li> </ul>   |

### Physical Risks

| Assumed risks   | Toshiba Group's response  |
|---|---|
| Damage to production equipment due to disasters (e.g., flooding and typhoons); suspended procurement of raw materials and parts; suspended operations of production sites due to disrupted logistics and sales capabilities | <ul style="list-style-type: none"> <li>• Formulate BCP measures at each site, such as <a href="#">raising the floor where equipment is installed in areas at risk to large-scale water hazards</a></li> <li>• Secure multiple suppliers that are based in different locations</li> <li>• Check BCP measures during the assessment process prior to new site construction</li> </ul> |

## Opportunities (Products and Services)

| Assumed opportunities  | Toshiba Group's response   |
|--|--|
| Increased demand for products related to electric vehicles (EV) due to expansion of the EV market                          | <ul style="list-style-type: none"> <li>• Focus on the SCiB™ rechargeable battery business and increase investments in this area by projecting sales growth for automotive and industrial use</li> <li>• Strengthen production capacity by building a new SCiB™ plant</li> </ul>  |
| Growth in the renewable energy business and increased demand for energy technologies to realize decarbonization            | <ul style="list-style-type: none"> <li>• Suspend new orders for coal-fired thermal power plant construction work</li> <li>• Invest in the growth of the renewable energy business</li> <li>• Promote CO<sub>2</sub> separation and capture technology</li> </ul>   |
| Increased demand for high energy-efficiency building equipment in response to promotion of ZEBs by the Japanese government | <ul style="list-style-type: none"> <li>• Promote smart BEMS and the ZEB-related business, including highly energy saving air conditioners, lighting, elevators, and substation systems</li> <li>• Implement integrated management of the building solution business (air conditioners, lighting, and elevators)</li> </ul> |
| Increased market demand for climate change adaption solutions as the impact of climate change becomes more visible         | <ul style="list-style-type: none"> <li>• Promote the climate change adaption solutions business, such as weather radars and rainwater drainage systems</li> </ul>  |

“Response to climate change” is one of the priority actions in the newly created “Environmental Future Vision 2050.” Considering this “response” to be to both risks and opportunities for Toshiba Group's sustainable growth, we will aim to significantly reduce greenhouse gas emissions throughout the value chain and to create more products and services that contribute to the reduction of greenhouse gas emissions in society.

We also understand the importance of taking into consideration the characteristics of our Group's businesses; while most greenhouse gas emissions occur during product and service use throughout our value chain, in some business areas, such as electronic devices and storage, greenhouse gas emissions during the manufacturing stage account for much of the total emissions. We will appropriately deal with both. For the former, we will enhance product and service energy efficiency and expand our energy business to realize decarbonization; for the latter, we will promote emissions reduction measures at production sites.

> [Toshiba Next Plan](#)

> [Environmental Future Vision 2050](#)

## Risk Management

At the business risk meeting, we assess risks of matters, including climate change-related risks, that have a significant impact on management. Matters that are especially important due to their business risks are discussed at the Management Committee meeting. Note that matters related to environmental risks including climate change are also reported to the Risk Compliance Committee, directly under the president's control, and their countermeasures and preventive measures are considered.

Moreover, climate change-related risks and opportunities that have been assessed and identified are shared by the Corporate Environmental Officer, group companies, and corporate staff divisions at Environmental Management Committee meetings, and these are managed through the aforementioned organizational structure for promoting environmental management.

> [Responses to environmental risks](#)

## Metrics and Targets

Under the “Environmental Future Vision 2050,” we aim to contribute to realizing a net zero emissions society by 2050 by reducing greenhouse gas emissions by 50% compared to the FY2019 level by FY2030 throughout Toshiba Group's entire value chain (Scopes 1–3).

With regard to our own target for the amount of GHG emissions throughout the value chain, we aim to reduce emissions by 80% by FY2050 compared to the FY2019 level.

We set out the following breakdown of greenhouse gas (GHG) reduction targets for FY2030 and are promoting initiatives to achieve such targets. In 2020, we also acquired approval of the Science Based Targets (SBT) initiative regarding our FY2030 target.

(For all items below, the base year is FY2019.)

- **Reduce** the total of **Scope 1<sup>\*1</sup>** and **Scope 2<sup>\*2</sup>** (GHG emissions generated from Toshiba Group's own business activities) **by 28% by FY2030.**
- **Reduce use-phase GHG emissions of “products and services associated with power supply”<sup>\*3</sup> sold in Scope 3<sup>\*4</sup> by 50% by FY2030.**
- **Reduce use-phase GHG emissions of “products and services associated with power consumption”<sup>\*5</sup> sold in Scope 3 by 14% by FY2030.**

\*1: Amount of direct emissions through fuel use at Toshiba Group

\*2: Amount of indirect emissions through use of electricity and heat purchased by Toshiba Group

\*3: Power generation plants, etc.

\*4: Amount of indirect emissions generated by Toshiba's value chain (raw materials procurement, distribution, sales, disposal, etc.) outside Scopes 1 and 2

\*5: Social infrastructure products, building-related products (air conditioners, lighting equipment, elevators and escalators), retail and printing equipment, power devices, etc.

> [Environmental Future Vision 2050](#)

> [The Sixth Environmental Action Plan](#)

> [The Seventh Environmental Action Plan](#) (under development)

## Greenhouse Gas Emissions Across the Value Chain

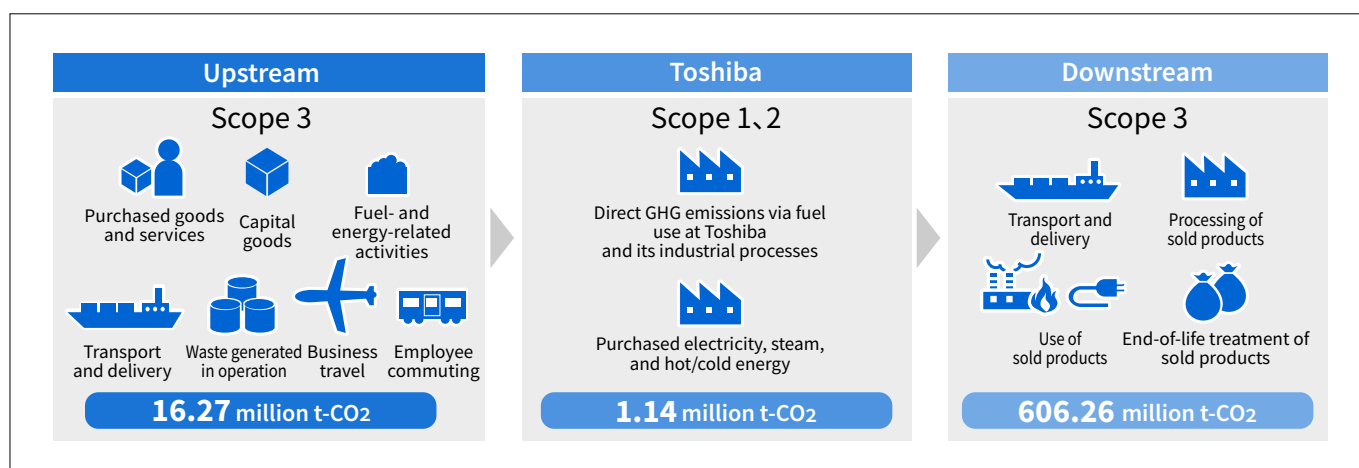
As climate change becomes an increasingly serious issue, companies must manage not only their own greenhouse gas (GHG)<sup>\*1</sup> emissions but also emissions generated across their entire value chain. Based on the GHG Protocol<sup>\*2</sup>, which provides international standards for calculating GHG emissions, and the Ministry of the Environment's Basic Guidelines for Calculating GHG Emissions throughout the Supply Chain, Toshiba Group calculates indirect GHG emissions generated outside the scope of its own business activities (Scope 3) in addition to its own emissions (Scopes 1 and 2). Toshiba Group will continue working effectively throughout product lifecycles by quantitatively analyzing emissions per category as described above.

Starting in FY2019, we decided to expand the range of Category 11 “Use of sold products” to include products and services associated with power supply.<sup>\*2</sup> GHG emissions through the use of sold products account for a high percentage of emissions across the value chain. We will therefore continue to promote the development of energy technologies to realize decarbonization and to improve the energy efficiency of products.

\*1: The Greenhouse Gas Protocol (GHG Protocol): Guidelines for calculating and reporting GHG emissions formulated by companies, NGOs, and government organizations under the leadership of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)

\*2: For example, power plants

(FY2019)



| Category                | Categories covered by calculations |  |  | FY2018<br>calculation<br>results<br>(10,000<br>t-CO <sub>2</sub> ) | FY2019<br>calculation<br>results<br>(10,000<br>t-CO <sub>2</sub> ) | Considerations  |
|-------------------------|------------------------------------|--|--|--|--|---|
| Upstream<br>emissions   | 1                                  | Purchased goods and services                                     |  | 1,753  | 1,571  |   |
|                         | 2                                  | Capital goods  |  | 43   | 40   |   |
|                         | 3                                  | Fuel- and energy-related activities not included in Scope 1 or 2 |  | 6  | 6  |   |
|                         | 4                                  | Transportation and distribution (upstream)                       |  | 3  | 3  |   |
|                         | 5                                  | Waste generated in operations                                    |  | 2  | 1  |   |
|                         | 6                                  | Business travel  |  | 3  | 2  |   |
|                         | 7                                  | Employee commuting   |  | 4  | 4  |   |
|                         | 8                                  | Leased assets (upstream)   |  | —  | 0.3  | As a result of reviewing the boundary, we began to calculate this category from the FY2019 results.   |
| Toshiba Group           |                                    | Direct emissions (Scope 1)                                       |  | 34   | 32   |   |
|                         |                                    | Indirect emissions associated with energy use (Scope 2)          |  | 90   | 82   |   |
| Downstream<br>emissions | 9                                  | Transportation and distribution (downstream)                     |  | 22   | 22   |   |
|                         | 10                                 | Processing of sold products                                      |  | —  | —  | Toshiba primarily sells final products and parts that do not need processing.   |
|                         | 11                                 | Use of sold products   | Products and services associated with power supply <sup>1</sup>      | —  | 53,763   | As a result of reviewing the range, we began to calculate this category from the FY2019 results.  |
|                         |                                    |  | Products and services associated with power consumption <sup>2</sup> | 4,501  | 6,839  | The figure increased after reviewing the range, which led to the addition of product groups.  |
|                         | 12                                 | End-of-life treatment of sold products                           |  | 2  | 2  |   |
|                         | 13                                 | Leased assets (downstream)                                       |  | —  | —  | This category does not apply to Toshiba's business.   |
|                         | 14                                 | Franchises   |  | —  | —  | This category does not apply to Toshiba's business.   |
|                         | 15                                 | Investments  |  | —  | —  | This category does not apply to Toshiba's business.   |
| Total                   |                                    |  |  | 6,463  | 62,367   | In FY2019, we began to include products and services associated with power supply under Category 11 “Use of sold products.” This made the FY2019 figure significantly higher than the FY2018 total. |

\*1: For example, power plants

\*2: Social infrastructure products, building-related products (air conditioners, lighting equipment, elevators and escalators), retail and printing equipment, power devices, etc.

# Reducing Environmental Impacts in Manufacturing



## Medium- to Long-term Vision

In response to climate change, we will **reduce** GHG emissions from our Group's business activities

by **28%** (from the FY2019 level) by FY2030, thereby **reducing GHG emissions** toward 2050 **throughout the entire value chain** to contribute to realizing a **net zero emissions society**.

## FY2019 Achievements

Total GHG emissions **1.14** million t-CO<sub>2</sub>

Waste volumes **35,000** tons

The amount of water received per unit production

**87%** (Compared to FY2013 level)

The total amount of chemicals discharged per unit production

**59%** (Compared to FY2013 level)

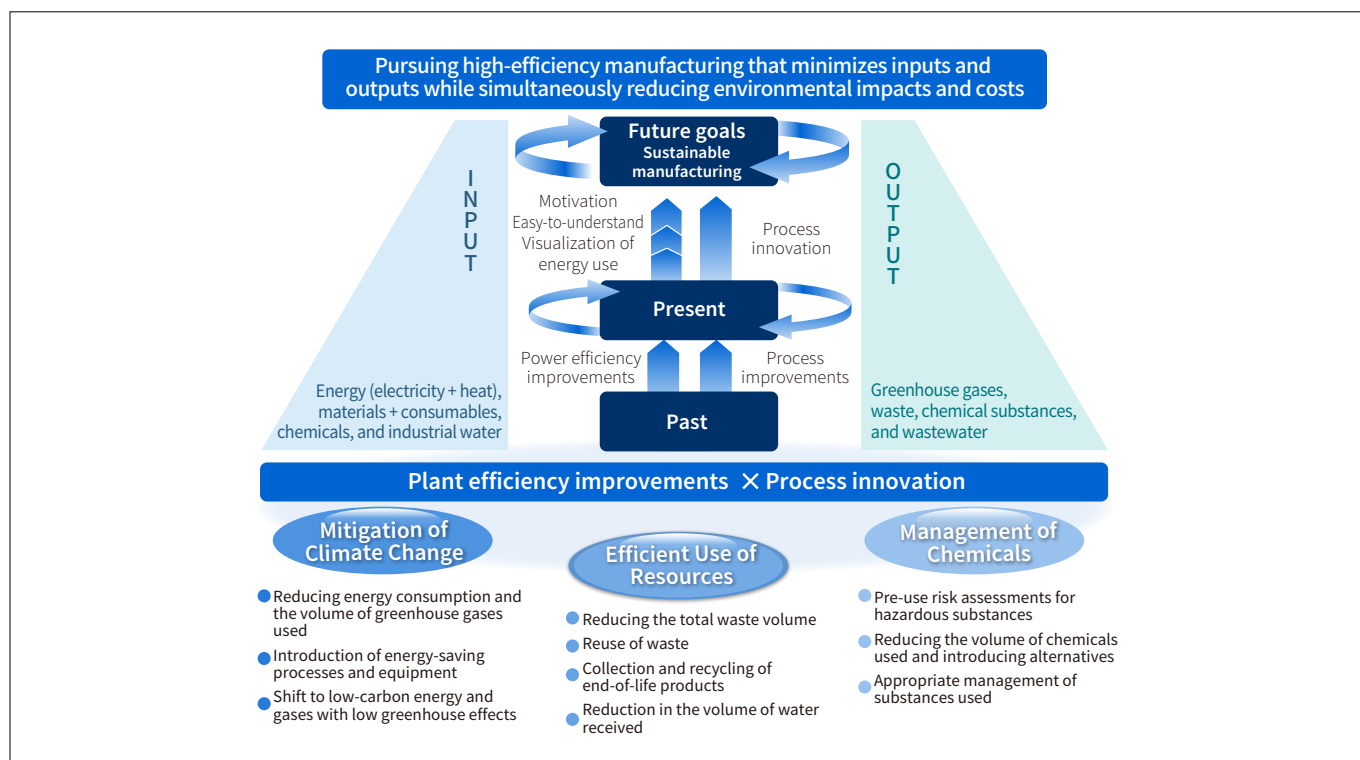
## Future Challenges and Approaches

Toshiba Group aims to reduce our GHG emissions by responding to climate change from a long-term perspective under the "Environmental Future Vision 2050," and we will also promote the reduction of waste volume and the total amount of chemicals discharged to contribute to realizing a sustainable society.

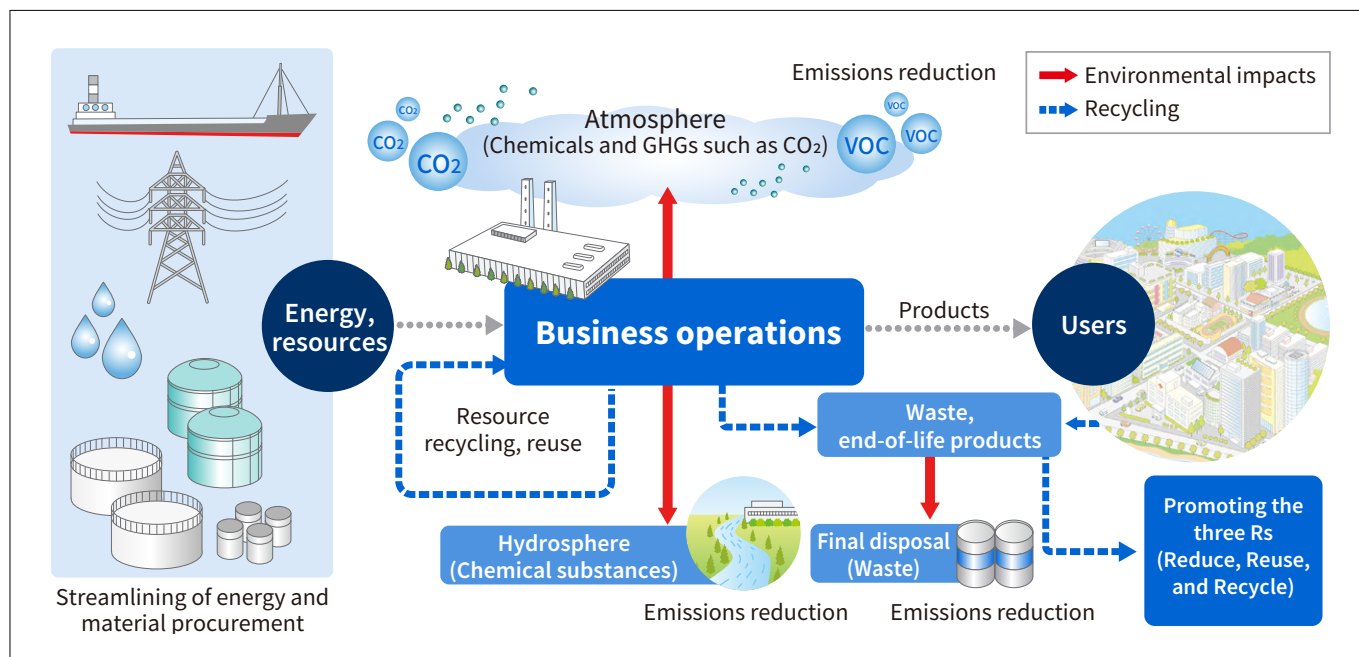
Toshiba Group is pursuing high-efficiency manufacturing that minimizes resource inputs in production processes in Japan and abroad, eliminates unnecessary tasks in manufacturing processes, and reduces to minimum emissions into the atmosphere and waters, thus simultaneously reducing environmental impacts and costs.

We aim to contribute to resolving climate change and other environmental issues by making efforts to reduce environmental impacts through the following two initiatives: "improvement of plant infrastructure efficiency," which refers to efforts to grasp energy consumption appropriately in order to ensure effective improvement of equipment operation and introduce high-efficiency equipment, and "process innovation," which aims to achieve sustainable manufacturing in collaboration with all involved divisions.

## High-efficiency manufacturing



## Environmental impacts of business operations



## Reducing Total GHG Emissions

Toshiba Group proactively installed systems to collect and/or remove sulfur hexafluoride (SF<sub>6</sub>), which is used to insulate heavy electric machinery, and perfluorocarbons (PFCs), which are used to produce semiconductors. By steadily taking measures to improve our production processes, the Group is working to reduce the total amount of GHG\* emissions of our business activities. In particular, to reduce energy-derived CO<sub>2</sub> emissions resulting from the use of electricity, we are making efforts to proactively adopt energy-saving measures at our production sites, including those overseas, to improve production efficiency, as well as to introduce renewable energy.

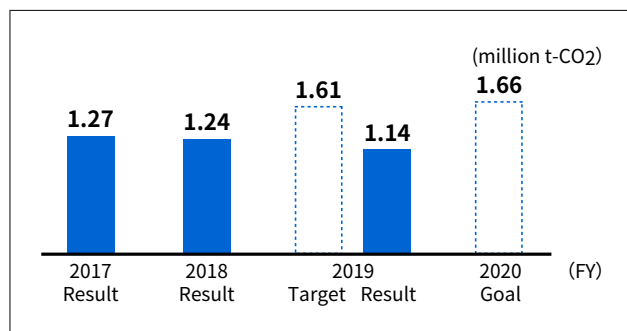
In FY2019, total GHG emissions were 1.14 million t-CO<sub>2</sub>, so we achieved our target of 1.61 million t-CO<sub>2</sub>. Energy-derived CO<sub>2</sub> emissions per unit activity were 93% compared to the FY2013 level. Although total GHG emissions have remained almost constant compared to the previous year, an improvement was made in per unit activity as a result of investment in high-efficiency equipment and other efforts. In FY2020, the Group aims to reduce total GHG emissions to 1.66 million t-CO<sub>2</sub> and energy-derived CO<sub>2</sub> emissions per unit activity to 92% compared to the FY2013 level.

Going forward, Toshiba Group will contribute to the realization of a decarbonized society by working to significantly reduce GHG emissions through the active promotion of measures such as expansion of the use of renewable energy at our sites worldwide based on our long-term GHG emissions reduction targets set in line with the direction indicated in the Paris Agreement.

\* Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), dinitrogen oxide (N<sub>2</sub>O) (= nitrous oxide), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>)

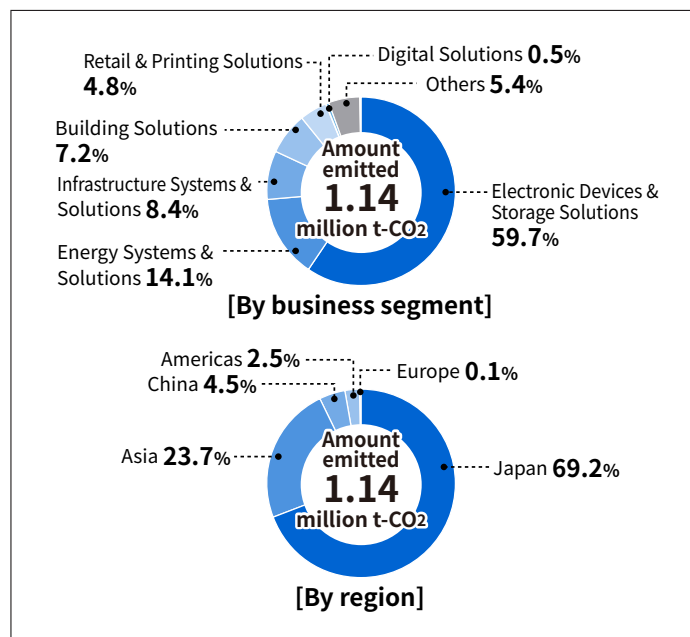


## Total GHG emissions

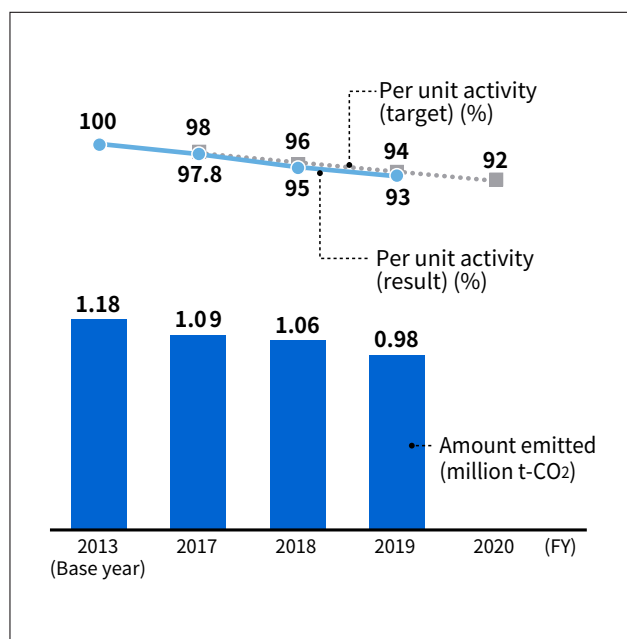


\* For the CO<sub>2</sub> emission coefficients for electricity, emission coefficients provided by each power company are used.

## Breakdown of total GHG emissions (FY2019)



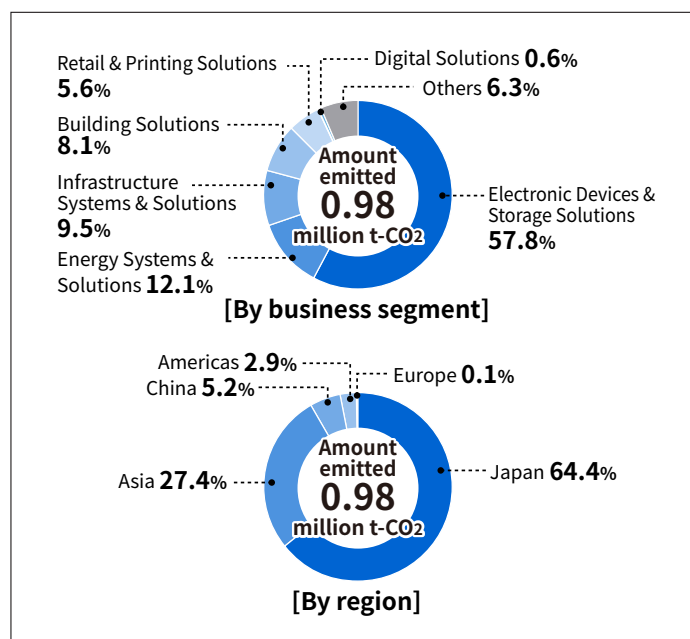
## Energy-derived CO<sub>2</sub> emissions and those per unit activity



\* For the CO<sub>2</sub> emission coefficients for electricity, emission coefficients provided by each power company are used.

\* For the per unit activity, values related to the energy consumption required for manufacturing (nominal production amounts, number of products manufactured, number of persons, total floor area, etc.) are used.

## Breakdown of energy-derived CO<sub>2</sub> emissions (FY2019)



## Case: Energy-saving Management in a New Technology Building Using the Latest Sensor Technology



### Toshiba Carrier Corporation

Construction of the new technology building “e-Third” at Fuji Works of Toshiba Carrier Corporation was completed in January 2020, and the building was put into operation in May. We position “e-Third,” our evolution + Technology hub of R&D, as the core of our technology development, which stretches around the world; at “e-Third,” we conduct research and development of products and solutions for global markets.

Since many engineers work at the multiple laboratories of “e-Third,” many kinds of equipment and technologies have been installed to achieve a comfortable working environment and energy management.

In addition to using high-efficiency devices, more than 600 sensors (image sensors, radiation temperature sensors, temperature sensors, CO<sub>2</sub> sensors, etc.) have been installed on all floors (from the first to the fourth). Based on the information obtained from these sensors, human body sensor lighting is toggled ON and OFF, the air flow from the AHU\* is controlled according to the CO<sub>2</sub> concentration, ventilation ducts are controlled to suit the temperature, and natural ventilation windows are opened and closed. In this way, the entire building achieves comfort and conserves energy in the optimal manner.

\* Air Handling Unit (air conditioner)



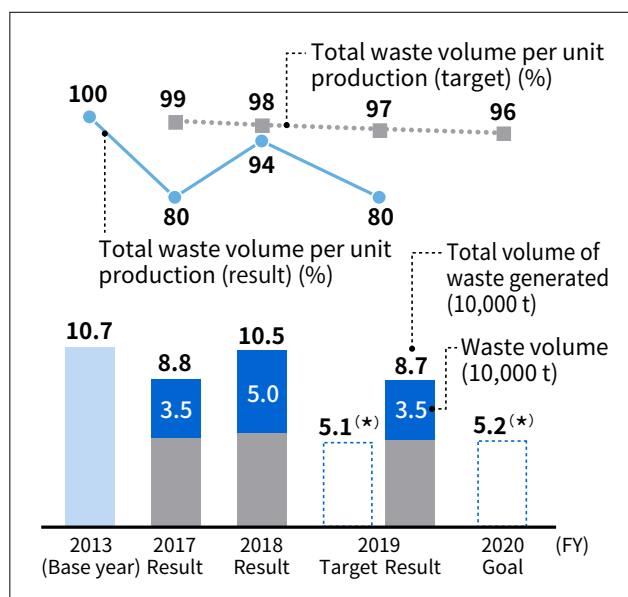
Exterior of the new technology building “e-Third”

## Reducing Waste Volumes

Toshiba Group is working to reduce waste generation by minimizing the volume of waste generated per unit production, which indicates business process efficiency improvement, as well as by reducing the total volume of waste to a level below the Earth's environmental capacity.

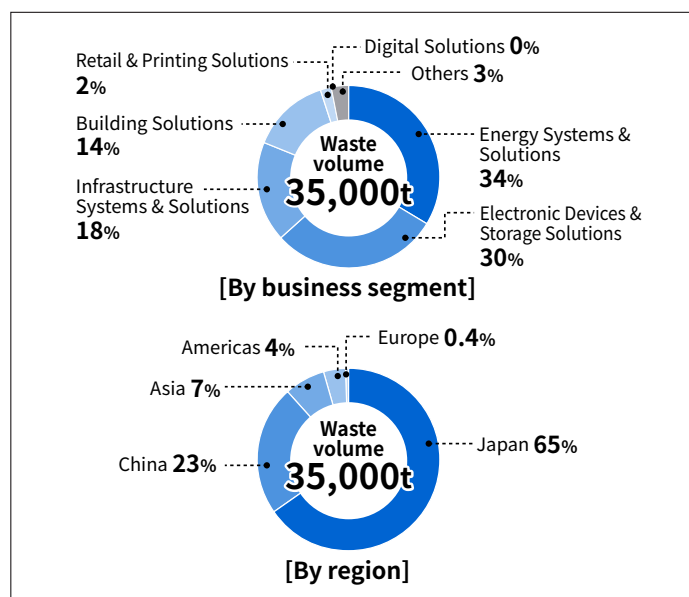
In FY2019, the volume of waste (excluding that of objects with value) totaled 35,000 tons. The total volume of waste generated per unit production was 80% compared to that of FY2013, achieving the initial target.

### Waste volume and total volume of waste generated/per unit production



\* The target values are for the waste volume only.

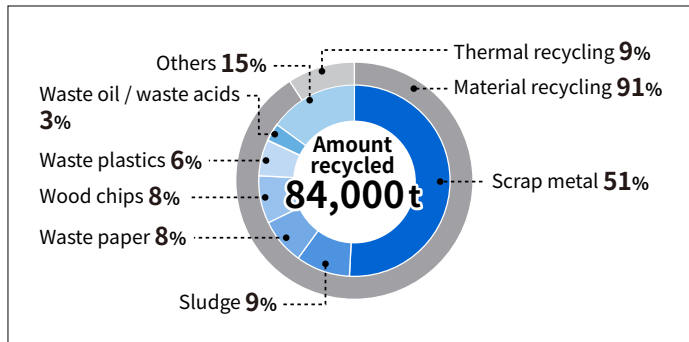
### Breakdown of the waste volume (FY2019)



## Promoting Recycling

In FY2019, Toshiba Group recycled 84,000 tons of resources, and 97% of the total volume of waste generated was reused effectively as various resources. The recycled resources consisted mainly of scrap metal, waste paper, and wood chips, and 91% of them were used effectively for material recycling (recycled into materials for products), and the remaining 9% for thermal recycling (heat recovery). In the future, Toshiba Group will continue to increase the total volume of resources recycled and at the same time will strive for higher quality recycling chiefly by increasing the percentage of resources recycled into materials.

### Breakdown of the volume recycled (FY2019)



### Case: Reducing the Amount of Timber Used for Wooden Boxes at a Chinese Site



#### Toshiba Elevator (Shenyang) Co., Ltd.

Lumbering in forest, which plays a role in preventing global warming; illegal waste dumping; waste plastics; and other issues brought about by the mass-production, mass-consumption society and lifestyles greatly impact the environment. When delivering escalator products to customers, Toshiba Elevator (Shenyang) uses wooden boxes to pack and transport parts. The amount of timber used for such boxes and the volume of waste generated after transport have been issues. Thus, the company worked to improve the packing method for parts in an attempt to reduce the number of wooden boxes used and the volume of such packing boxes. As a result, the company is expected to reduce the amount of timber used by approximately 13 tons per year and to significantly reduce the volume of waste generated in FY2020.

|  |   |   |   |
|--|---|---|---|
|  |   |   |   |
|  |   |   |   |
| Placement of small parts in the machine room, and reduction of wood box dimensions | Placement of the tip deck in the inspection and repair room, and elimination of wooden boxes for it | Improvement of the packing method for decks and handrails, and elimination of wooden boxes for them | Improvement of the packing method for footsteps, and reduction of wood box dimensions |

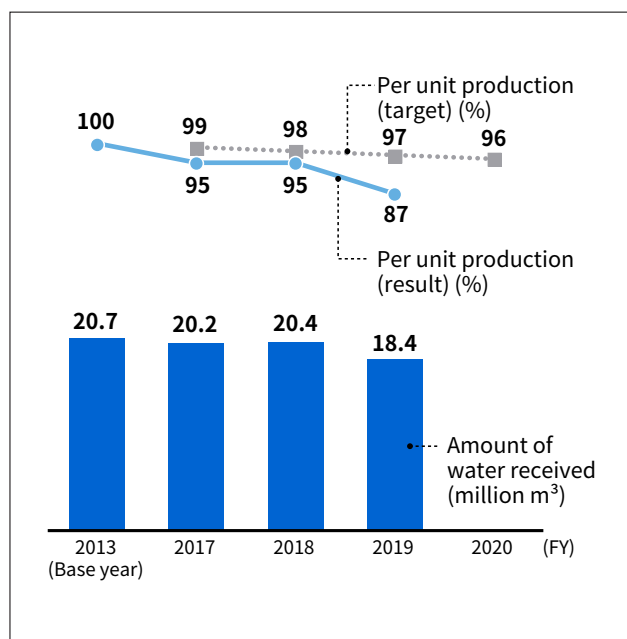
# Reducing the Amount of Water Received

In response to a global increase in concerns regarding water problems, Toshiba Group is promoting sustainable water resource management. Each of our production sites has incorporated reducing the amount of water received into its annual plan in order to develop specific strategies and conduct follow-up surveys on an ongoing basis. We are promoting wide-ranging initiatives including recycling the wastewater generated in sites and introducing systems for using rainwater.

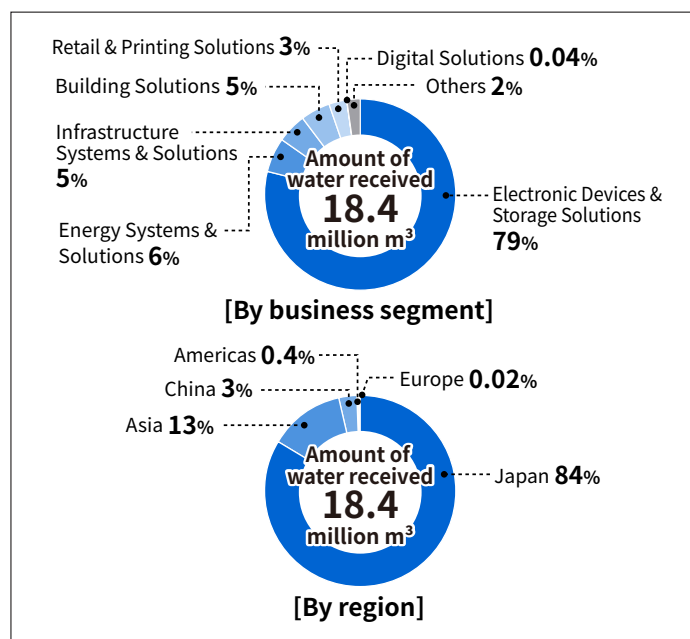
The total amount of water received in FY2019 was 18.4 million m<sup>3</sup> and the amount of water received per unit production was 87% of the total for FY2013, so we achieved our targets.

Since Toshiba Group has multiple production sites in Southeast Asia, where water risks are relatively high, we will focus our risk management efforts on appropriately dealing with each region's issues, such as by promoting recycling wastewater and using rainwater as measures for water-shortage problems as well as by raising the floor of main equipment and making other efforts as flood control measures.

**Amount of water received per unit production**



**Breakdown of the amount of water received (FY2019)**



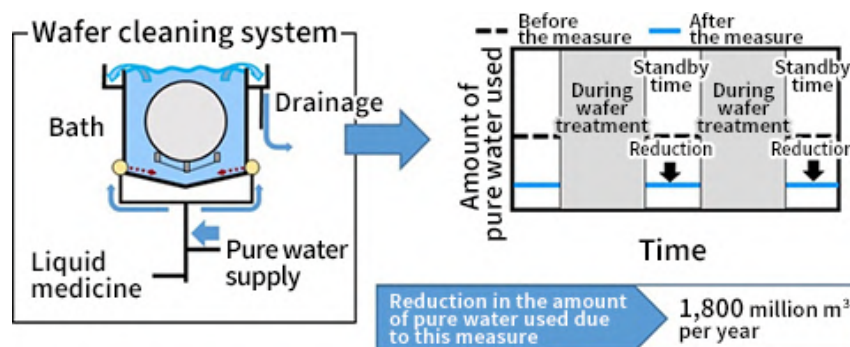
## Case: Reducing the Amount of Pure Water Used While the System Is in Standby Mode



### Kaga Toshiba Electronics Corporation

Kaga Toshiba Electronics manufactures semiconductor products that are installed in small electronic devices, automobiles, industrial equipment, and elsewhere. It uses a large amount of water during the manufacturing process and for air conditioning equipment, and this use has become an environmental and cost issue. Thus, the company has worked to reduce the amount of pure water used in wafer cleaning, which is one part of the manufacturing process.

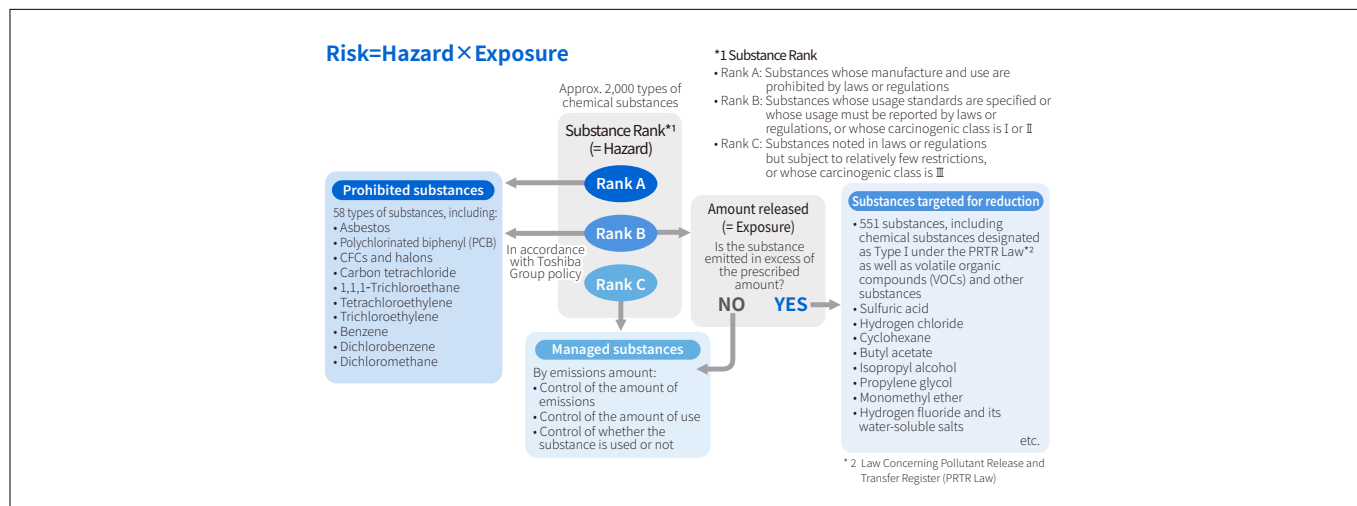
In the wafer cleaning process, liquid medicine and a large volume of pure water are used to remove dirt from wafers. Since even fine dust that is invisible to the eye can affect the product, maintaining water quality is very important. The company considered whether it could reduce the amount of pure water used without affecting product quality and focused on the wafer cleaning system's waiting time. The wafer cleaning system continues to supply pure water even while in standby mode in order to prevent any degradation in water quality and the generation of bacteria. The Engineering and Manufacturing Divisions worked together to review the amount of pure water supplied, and as a result, they successfully reduced the amount of pure water used by approximately 1,800 m<sup>3</sup> per year while maintaining water quality.



## Managing Chemical Substances by Ranking

Toshiba Group classifies standards for the handling of chemical substances into the three categories of prohibition, reduction, and control, and manages chemical substances according to the regulations for each category. The relationship between substance ranking and management classifications, which shows the concept underlying this initiative, is indicated in the figure below. Approximately 2,000 types of chemical substances are classified into three ranks (hazard level A, B, and C) based on the regulatory levels set by environmental legislation, data on carcinogenic chemicals, and other factors. The classifications of prohibition, reduction, and control are determined by judging risks for each chemical substance using the ranking of the substance equivalent to hazard levels and emissions equivalent to exposure to the substance.

### Substance ranking and management classifications





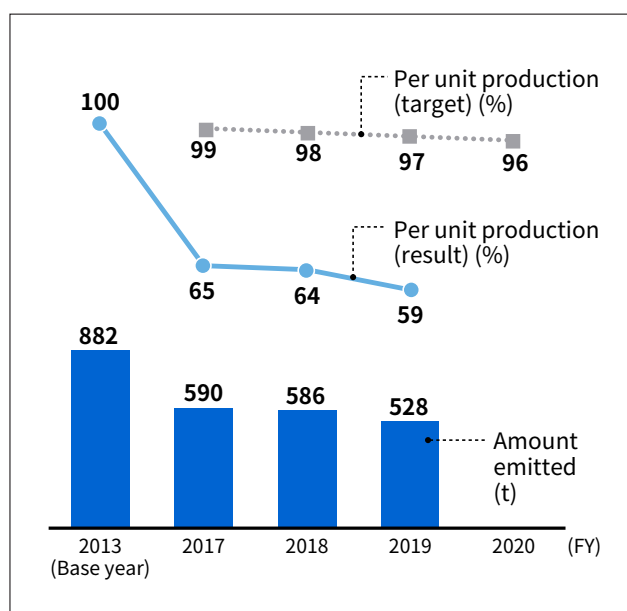
## Reducing Emissions of Chemical Substances

Toshiba Group strives to reduce the consumption of chemical substances by designating substances that have large direct impacts on the environment as those targeted for reduction.

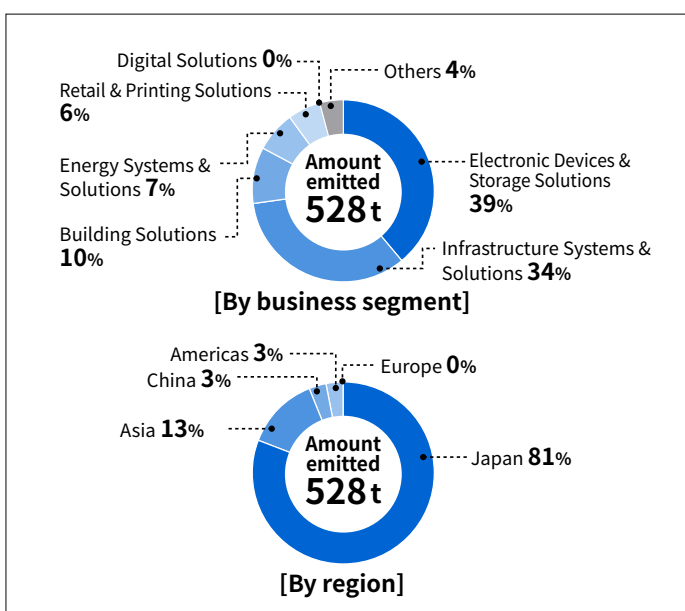
In FY2019, Toshiba Group took measures for solvents used in cleaning and resin processing, which ranked high among such emissions, and promoted initiatives such as using alternative substances and improving manufacturing processes in order to reduce the use of raw materials as well as reducing the amount of VOC evaporation by enhancing chemical management. As a result, the Group reduced emissions of substances targeted for reduction by 354 tons compared to the FY2013 level. The amount of chemical substance emissions per unit production was 59% of the FY2013 level and we therefore achieved our target.

Toshiba Group plans to use alternative substances and increase material efficiency by improving processes as an incoming countermeasure and to expand usage of emission removal and collection equipment as an outgoing countermeasure.

Emissions of substances targeted for reduction and those per unit production



Breakdown of emissions of substances targeted for reduction (FY2019)



### Case: Reducing the Amount of Chemical Substances Used and their Emissions by Introducing a Multi-spot Flow System



#### P.T. TEC Indonesia

As part of measures to reduce environmental impacts, we appropriately manage chemical substances and continue to make efforts to reduce their use and emissions in manufacturing processes. In the regular circuit board manufacturing process, isopropyl alcohol (IPA) is used in the pre-treatment for soldering to clean the entire circuit board surface. However, in an attempt to reduce environmental impacts, since some circuit boards can be cleaned with partial coating, we have adopted a soldering system called "multi-spot flow" that reduces the amount of IPA used and its emissions when performing partial coating.

This system has already been installed at our manufacturing sites in China and other countries and we have achieved some results. In FY2019, P.T. TEC Indonesia introduced this system and reduced the amount of IPA used in the circuit board manufacturing process by 25%. Partially implementing this system also reduces the energy used to melt solder, thus contributing to global warming countermeasures.



Multi-spot flow system at P.T. TEC Indonesia

Related page:

[Management of Chemical Substances](#) | [Social and Environmental Activities: Toshiba Tec Corporation](#)



## ESG Performance: Environment

# Improving Environmental Performance of Products and Services



### Medium- to Long-term Vision

In response to climate change, we will **reduce** GHG emissions from products and services associated with power supply

by **50%** (from the FY2019 level) by FY2030

as well as **reduce** GHG emissions from products and services associated with power consumption

by **14%** (from the FY2019 level) by FY2030,

thereby contributing to the achievement of **a net zero GHG emissions society** toward 2050 **throughout the entire value chain**.

### FY2019 Achievements

#### Reduction of CO<sub>2</sub> emissions from products and services\*

Products and services associated with power supply:

**16.21** million t-CO<sub>2</sub>

Products and services associated with power consumption:

**5.48** million t-CO<sub>2</sub>

#### Amount of resources saved in products\*

**0.3** million tons

#### Amount of recycled plastics used in products\*

**2,636** tons

**Completed the substitution of four phthalates used in regulated products for the European market.**

### Future Challenges and Approaches

Under the “Environmental Future Vision 2050,” Toshiba Group aims to contribute to the realization of a sustainable society by reducing GHG emissions during the use of products and services from a long-term perspective and promoting business that involves climate change adaptation measures and contributes to the circular economy.

\* The data is the cumulative total from FY2017.

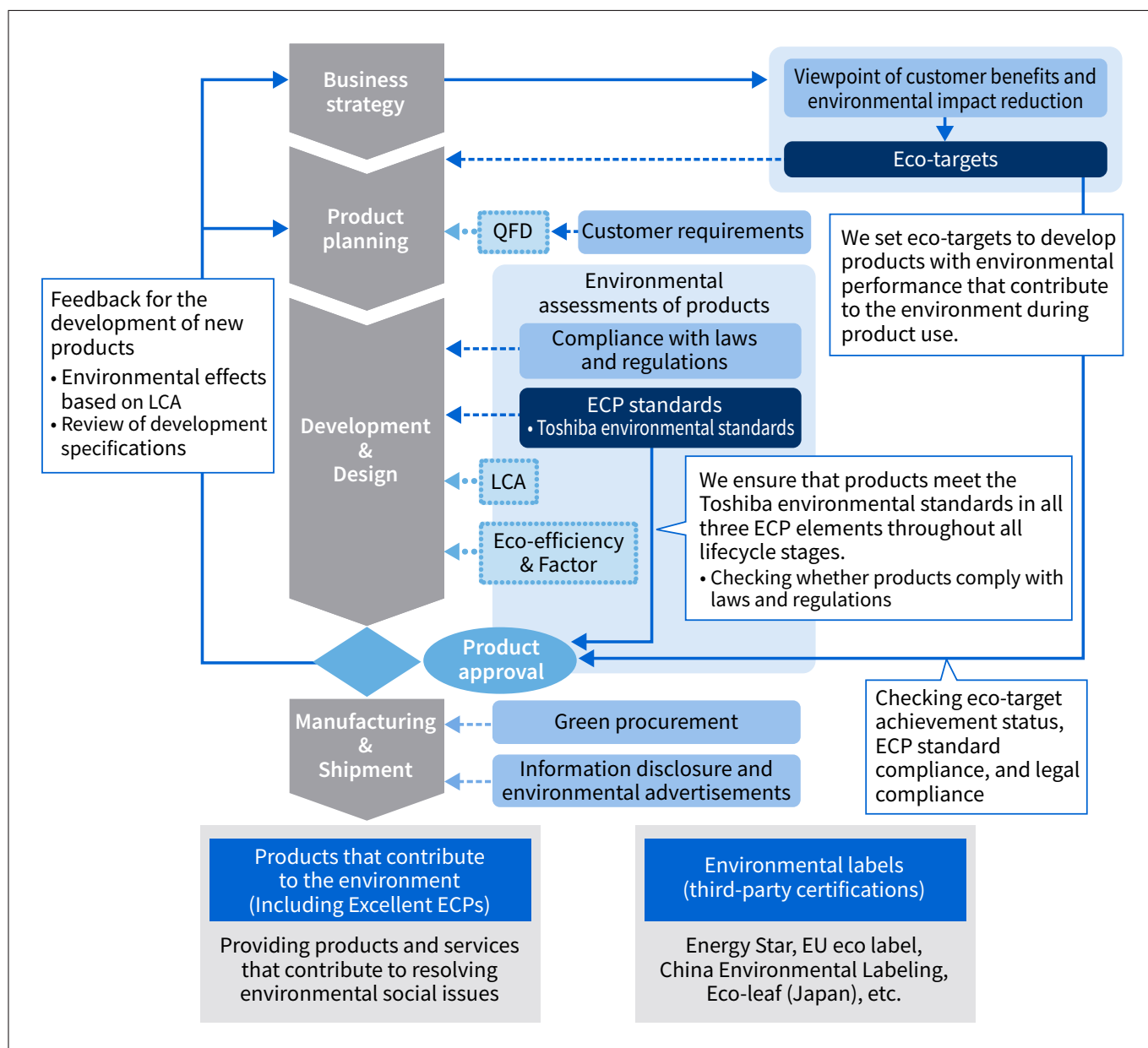
Toshiba Group aims to contribute to resolving climate change and other environmental issues by continuing to improve the environmental performance of all products and services that we develop.

First, we identify the level of environmental performance required to resolve issues facing society and customers during use of products and services, set “eco-targets” to achieve the required level of performance, and incorporate such targets into product specifications. Then, we confirm that our products and services comply with all relevant laws and regulations. Meanwhile, based on the three elements of ECPs\* (Toshiba environmental standards), we define and manage ECP standards for the environmental performance to achieve at each stage of the lifecycle of products and services in order to ensure their quality with respect to the environment. From among such products and services, we choose those with the highest levels of environmental performance at the time of product release and certify them as Excellent ECPs within Toshiba Group.

\* Environmentally Conscious Products

> [Products certified as Excellent ECPs](#)

## Process of Creating Excellent ECPs



> [Green Procurement Guidelines](#)

> [Environmental Labels](#)

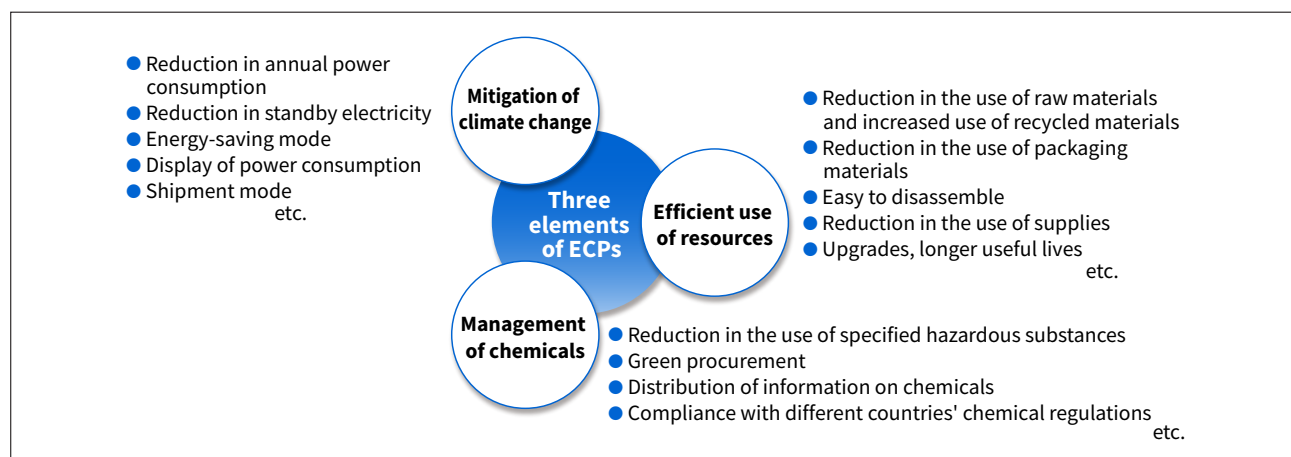
## Toshiba Environmental Standards

### - Assessment Based on the Three Elements of ECPs -

Environmentally Conscious Products (ECPs) are designed to minimize environmental impacts throughout all stages of their lifecycles, including during procurement of materials, manufacture, distribution, use, disposal, and recycling.

ECPs have three elements: mitigation of climate change, efficient use of resources, and management of chemicals. Toshiba Group sets its own environmental standards (ECP standards) for each product model to assess overall environmental performance, which includes all three of these elements. Environmental assessments are performed during development of every product to check not only whether the product complies with laws and regulations but also to check whether the product meets the ECP standards.

### Three Elements of ECPs



# Reductions in CO<sub>2</sub> Emissions by Eco-products

## (1) Eco-products (Power Supply): Contributions by Products and Services Associated with Power Supply

We contribute to reducing CO<sub>2</sub> emissions by developing renewable energy technologies and improving the efficiency of power infrastructure facilities such as power plants.

In FY2019, as a result of developing and spreading the use of a wide range of energy technologies including high-efficiency thermal power generation systems, we reduced CO<sub>2</sub> emissions since FY2017 by 16.21 million t-CO<sub>2</sub> (cumulative total), achieving the target for the year. In FY2020, we aim to achieve a cumulative total reduction of over 16.30 million t-CO<sub>2</sub>.

Going forward, in addition to focusing on the development and provision of wide-ranging renewable energy technologies, we will continue to develop and provide storage battery solutions and hydrogen power storage systems designed to realize a stable power supply toward the large-scale introduction of renewable energy.

## (2) Eco-products (Power Consumption): Contributions by Products and Services Associated with Power Consumption

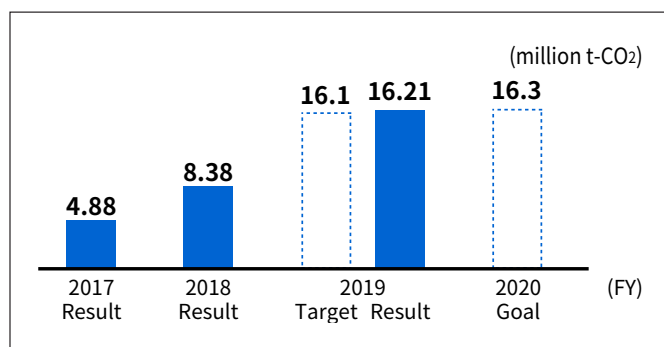
We contribute to reducing CO<sub>2</sub> emissions by improving the energy-saving performance of products and services associated with power consumption, including social infrastructure products, services and office equipment.

In FY2019, as a result of expanding the provision of products and services with enhanced energy-saving performance, we reduced CO<sub>2</sub> emissions since FY2017 by 5.48 million t-CO<sub>2</sub> (cumulative total), achieving the target for the year. In FY2020, we aim to achieve a cumulative total reduction of over 6.30 million t-CO<sub>2</sub>.

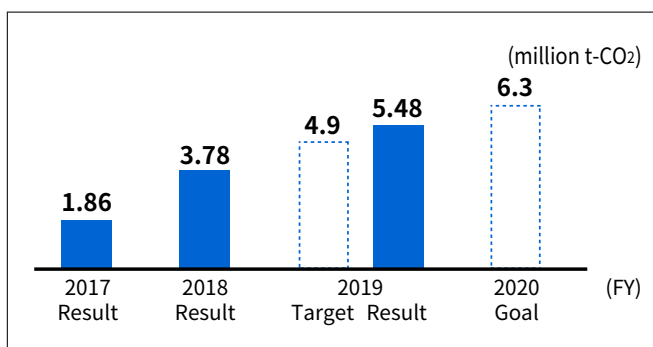
Going forward, we aim to spread the use of products that have large energy-saving effects, such as industrial air conditioners and LED lighting. Furthermore, we will expand our business in the global market for system products mainly in the social infrastructure domain, particularly in emerging countries that have rapidly increasing demand for products that can achieve significant reductions in CO<sub>2</sub> emissions.

In addition to these initiatives, we will work to reduce GHG emissions from products and services based on the reduction targets for the entire Toshiba Group set out in accordance with the Paris Agreement in order to promote the decarbonization of society.

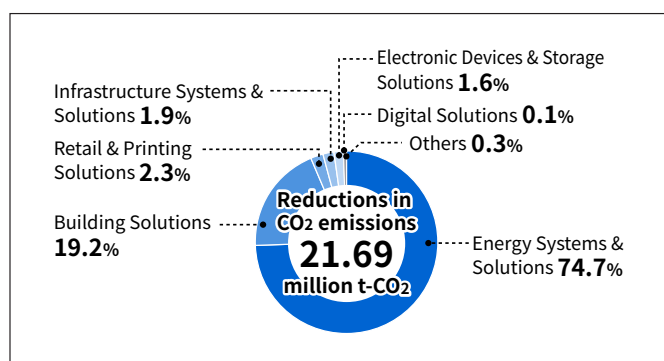
### Reductions in CO<sub>2</sub> Emission by Eco-products (Power Supply) (Cumulative Total)



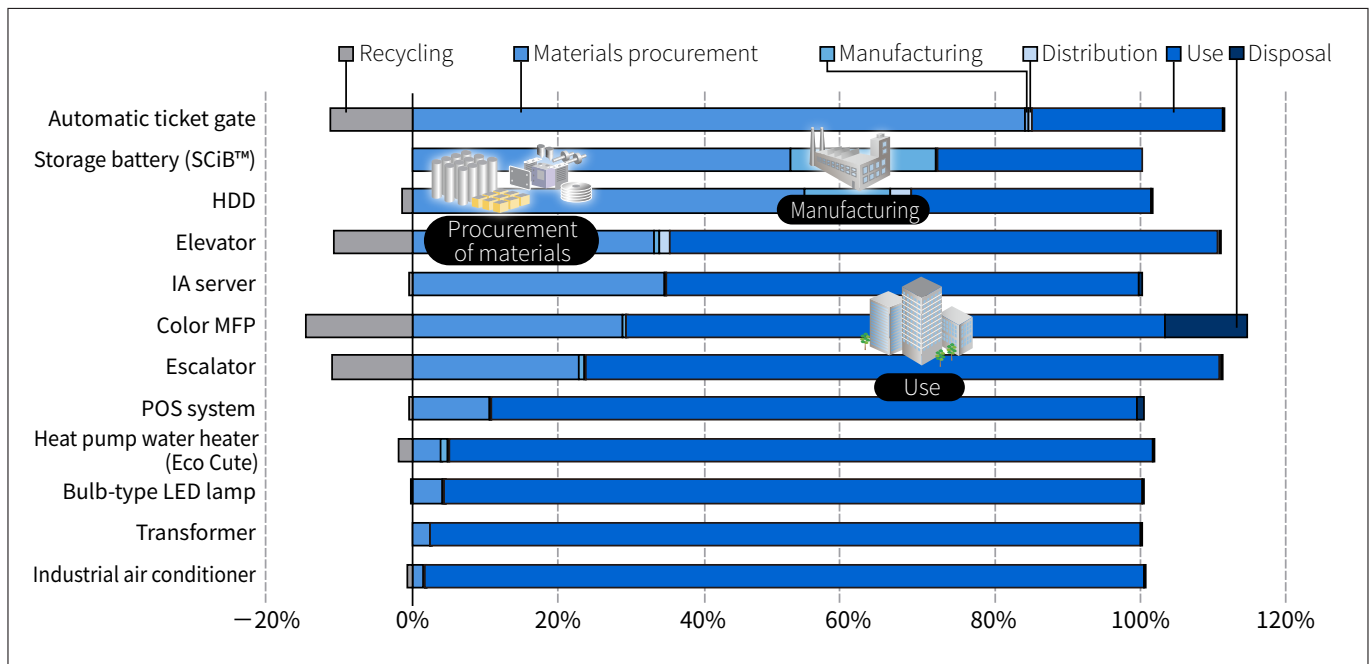
### Reductions in CO<sub>2</sub> Emission by Eco-products (Power Consumption) (Cumulative Total)



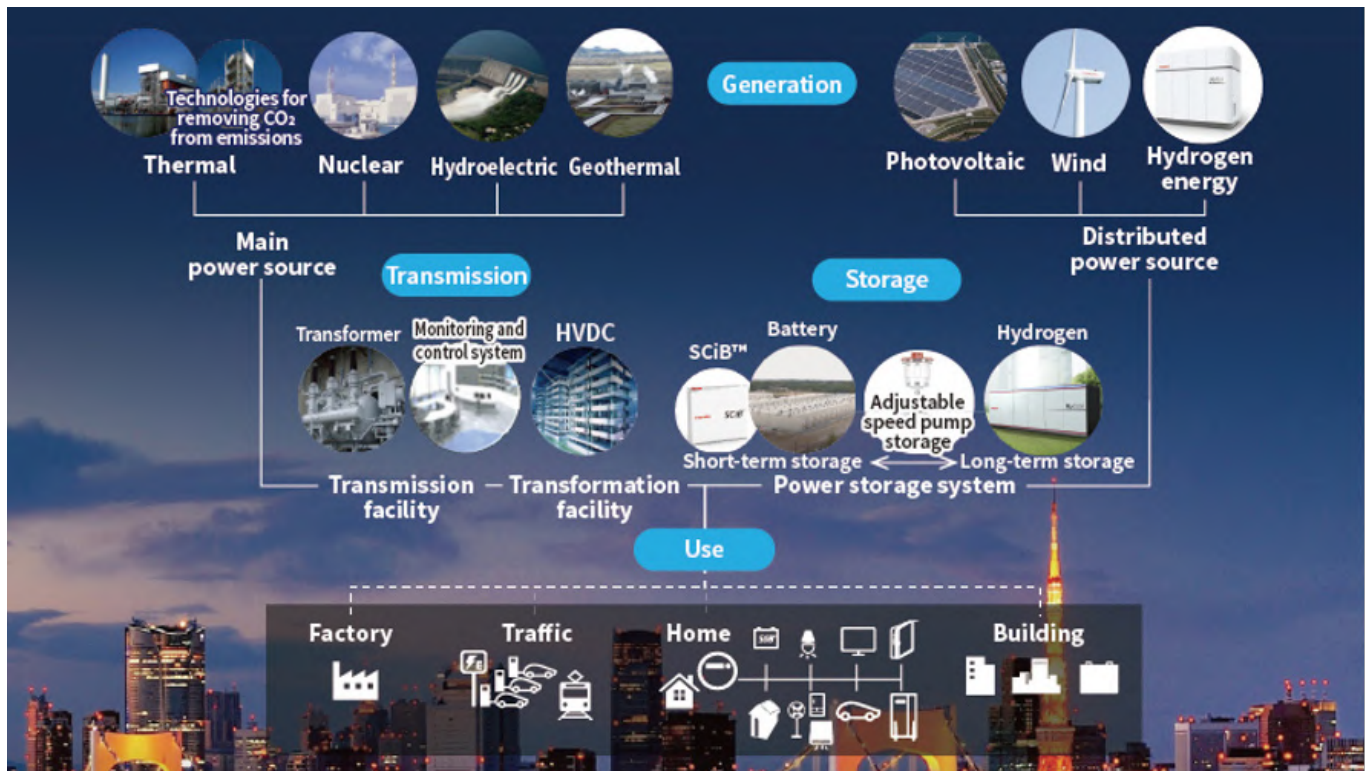
### Breakdown of Reductions in CO<sub>2</sub> Emissions by Business Segment (FY2019 (Cumulative Total))



Percentages of CO<sub>2</sub> Emissions from the Lifecycle Stages of Toshiba Group's Products



## Products and Services Associated with Power Supply



## Generating Power – Power Generation Technologies –

Electric power supply is an important lifeline that supports our lives. Toshiba Group promotes various initiatives to ensure a stable power supply as well as to mitigate climate change.

### Main Power Source

Currently, approximately 80%<sup>\*1</sup> of the world's power is produced by thermal power generation from fossil fuels. Toshiba Group aims to achieve its goal of ensuring both environmental consciousness and a stable power supply by using a variety of technologies, including high efficiency thermal power generation; technologies for separating and collecting CO<sub>2</sub> from emissions caused by thermal power generation; and super critical CO<sub>2</sub> cycle power generation which can collect CO<sub>2</sub> without the loss of energy while generating power.

We are also striving to restart nuclear power plants in Japan. To this end, we are implementing measures to enhance nuclear reactor cooling systems and control the release of radioactive materials with the aim of preventing serious accidents and mitigating the effects of radiation. In addition to developing a reactor core material that can reduce the amount of hydrogen in the event of a major accident as well as to protecting against cyber-attacks, we will continue ongoing efforts to further improve the safety of nuclear power plants.

Toshiba Group is also engaged in technology development, and we respond to a wide range of customer requirements, including the development of a technology for hydroelectric power generation that improves water runner efficiency by applying CFD<sup>\*2</sup>, promotion of the introduction of renewable energy devices by using adjustable speed pumped storage power generation systems, and the expansion of sales of Geoportable™, a compact geothermal power generation model that can be introduced at a low initial cost.

\*1 Source: World Energy Outlook 2019

\*2 CFD: Computational Fluid Dynamics

### Renewable Energy (Photovoltaic)

In the area of industrial photovoltaic power generation systems, Toshiba Group has delivered large-scale photovoltaic power plants with capacities of more than 10 MW to many locations in Japan. In addition, in 2018, we began selling a 360-W photovoltaic module with a conversion efficiency of 22.1% for residential photovoltaic power generation systems, thereby helping reduce CO<sub>2</sub> emissions.

## Storing Power – Power Storage Technologies –

The amount of power generated by some renewable energy technologies varies with the weather, so generating power with renewable energy is an unstable method for generating power. Expanding the use of this method requires controlling sharp output fluctuations and achieving load leveling through peak shifts. To handle such requirements, Toshiba Group provides products such as adjustable speed pumped storage power generation systems and a stationary storage battery system that uses Toshiba's high-performance lithium-ion battery, SCiB™, as modules.

Furthermore, in 2015, we commercialized H2One™, a hydrogen-based autonomous energy supply system that can supply power whenever needed by manufacturing and storing hydrogen using surplus power from renewable energy.

## Distributing Power – Power Transmission and Transformation Technologies –

In order to provide an economical and stable power supply, we deliver various systems, including high-voltage, large-capacity power transmission/transformation devices, medium- and low-voltage power distribution devices, system protection relay devices, and monitoring and control equipment systems that remotely control these devices. With regard to DC power transmission technology that can reduce transmission losses compared to AC power transmission, Toshiba Group leverages our own technologies to participate in international projects for DC power transmission technologies as well as to provide such projects with major devices, including suspended thyristor valves and converter transformers.



## Comprehensive Energy Coordination – Power Demand Forecasting Technology, etc. –

As renewable energies increase, technology to fill the gap between power supply and demand has become more and more important. We have been developing virtual power plant (VPP) technology to optimally control multiple batteries using IoT, a technology to accurately forecast power demand and power generation from renewable energy, and other technologies to generate, transmit, and store energy.

Both our high accuracy weather forecasting technology based on a numerical weather model and high accuracy forecasting technology for power demand and solar power generation that combines a technology to use weather big data for AI have received goods results<sup>\*3</sup> in a contest hosted by major power companies.

<sup>\*3</sup> Best award in the “First Electricity Load Forecasting Technology Contest” (2017), a contest hosted by TEPCO Power Grid, and Grand prize in the “PV in HOKKAIDO Contest on Technology for Predicting Solar Energy Production” (2019), a contest hosted by TEPCO and Hokkaido Electric Power.

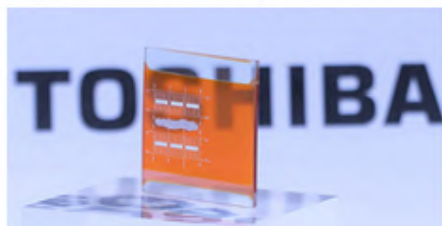
### Case: Low Cost, High Efficiency Tandem Photovoltaics Using Cuprous Oxide and Silicon



#### Toshiba Corporation Corporate Research & Development Center

With the advancement of the electrification of cars, buses, and ships as well as the spread of drones, the global market for electric mobility is expected to grow substantially going forward. Installing high efficiency photovoltaics, which supply the required large amount of power in electric mobility, makes it possible to realize solar mobility (self-charging electric vehicle systems using PV power). In the future, we expect that the high efficiency photovoltaics market will rapidly expand. However, photovoltaics that use gallium arsenide semiconductors, the typical type of high efficiency photovoltaics, are very expensive, and the material resources to make them are limited. Therefore, we have been advancing the development of low cost, high efficiency tandem photovoltaics using cuprous oxide ( $\text{Cu}_2\text{O}$ ) and silicon (Si). In general, tandem photovoltaics that employ two kinds of solar cells have high efficiency because they can efficiently transform a sunlight of wide range of wavelength into electricity.  $\text{Cu}_2\text{O}/\text{Si}$  tandem photovoltaics are also low cost because  $\text{Cu}_2\text{O}$  solar cells consist of copper and oxygen, which exist in abundance on the earth, and Si solar cells are the mainstream cell in today's market. We aim to make the most of this tandem technology to realize a low cost, high efficiency photovoltaic for widespread use in society.

#### Transparent $\text{Cu}_2\text{O}$ solar cell



#### $\text{Cu}_2\text{O}/\text{Si}$ tandem solar cell



## Products and Services Associated with Power Consumption

With regard to product groups such as air conditioners and LED lights for which CO<sub>2</sub> emissions during use account for the largest percentage of emissions generated throughout product lifecycles, improving energy-saving performance leads to significant reductions in CO<sub>2</sub> emissions. Toshiba Group helps reduce CO<sub>2</sub> emissions by developing and providing advanced energy-saving technologies.

### Case: PROCOOL Condensing Unit



#### Toshiba Carrier Corporation

In response to today's growing needs for the cold chain, we have developed the PROCOOL series of large condensing units. This product demonstrates high energy-saving performance for use in refrigeration and freezing facilities, such as cold warehouses and food processing factories, as well as for use in refrigerated and freezer showcases at drug stores and food supermarkets. With improved motor performance during low speed compressor operation thanks to the adoption of a PWM<sup>\*1</sup> converter, our development of the world's highest capacity DC twin-inverter rotary compressor with excellent partial load<sup>\*2</sup> characteristics, and adoption of an air heat exchanger specifically optimized for high-capacity blowers and the refrigeration cycle, this condensing unit achieves the industry's highest class of efficiency during operation under partial load. The technology of this product, which can operate at extremely high efficiency throughout the year, was highly evaluated, which resulted in it being awarded the Chairman Prize of ECCJ at the FY2019 Energy Conservation Grand Prize for excellent energy conservation equipment. The PROCOOL series of condensing units has also been certified as an excellent ECP<sup>\*3</sup> for FY2019.

\*1 PWM: Pulse Width Modulation, a modulation system used for power control

\*2 Partial load: A state in which the device in question is not operating at maximum output.

\*3 Our products and services that have the highest level of environmental performance in the industry upon release



## Toshiba Group's 3R Initiatives for Products

In order to achieve a sound material-cycle society, there is a need to reduce the amount of resources extracted and discharged as waste throughout product lifecycles. Toshiba Group is promoting 3R\* initiatives for products aimed at reducing waste, increasing incoming recycling, and improving outgoing recycling. We are also taking measures to promote design for 3Rs of products and recycling systems and are implementing activities to reduce environmental impacts of our products throughout their lifecycles.

\* Reduce, reuse, and recycle

### Waste Reduction

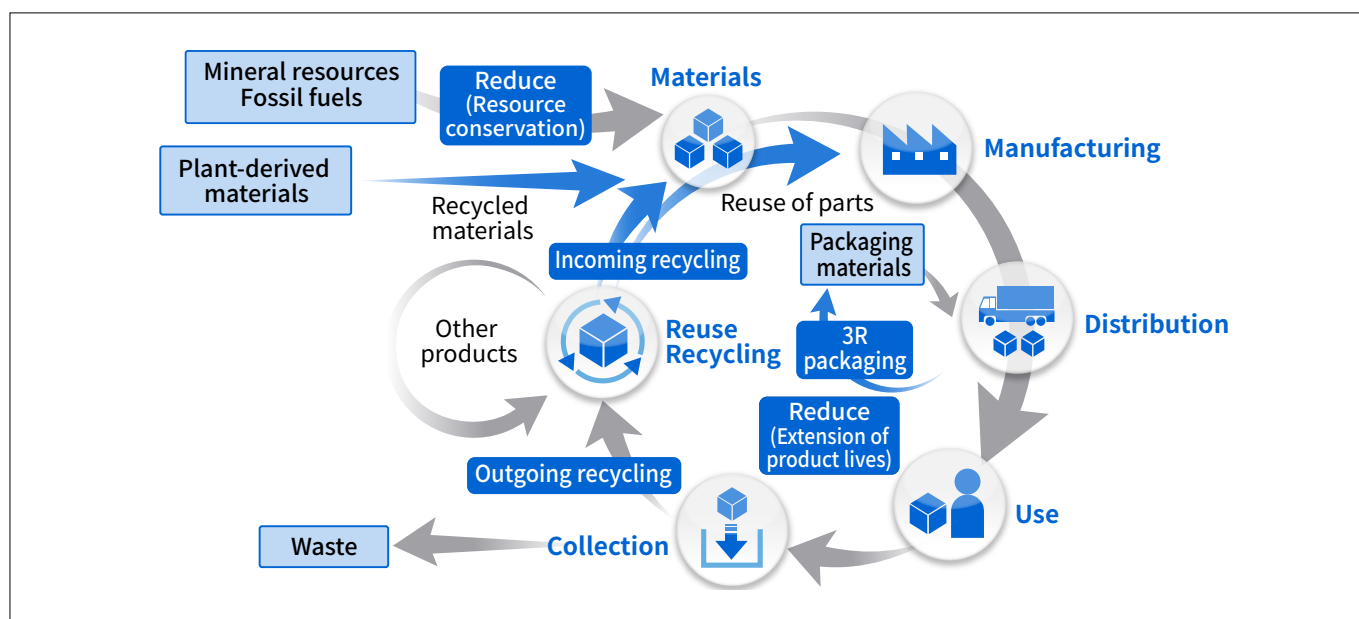
We achieve waste reduction through various means, including reducing the amount of resources used to manufacture products (reducing weight and size) and extending product lives (including upgrades and maintenance).

## Incoming Recycling

Incoming recycling refers to the application of recycled materials in products. We will work to improve our incoming recycling rate by increasing our use of recycled materials, plant-derived materials, and reusable parts.

## Outgoing Recycling

Outgoing recycling refers to the collection and recycling of end-of-life products. By promoting designs for reusing and recycling materials, we improve outgoing recycling while simultaneously improving the system design for recycling end-of-life products further.



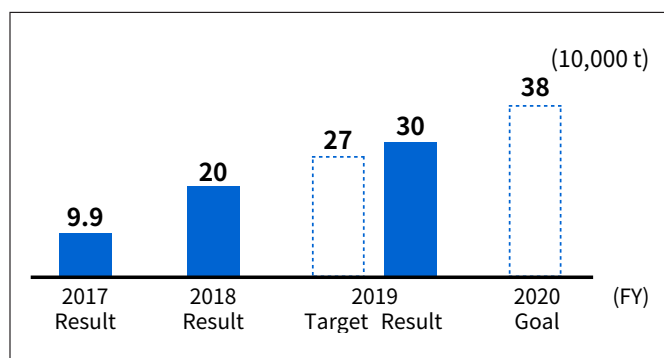
## 3R Initiatives for Packaging Materials

We will streamline the use of packaging as well as product materials to reduce environmental impacts throughout their entire lifecycles. We will work to reduce the use of packaging materials by taking into account the characteristics of each business area and product group through various measures such as reducing packaging volume, enlarging the size of returnable (reusable) cases, and using materials having low environmental impacts.

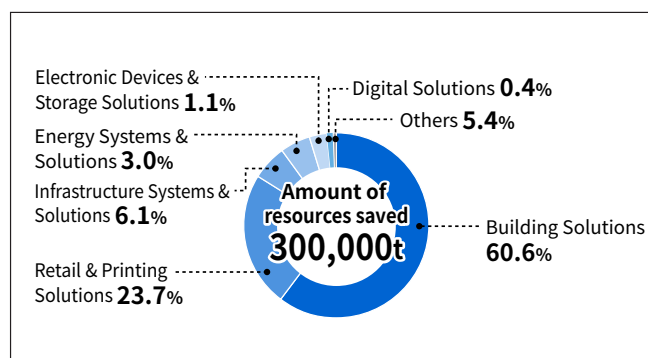
## Increasing the Amount of Resources Saved

In FY2019, the total amount of resources used in Toshiba Group's major products, estimated by multiplying the amount used for products and packaging materials by the number of shipments, was approximately 310,000 tons. Based on comparisons with previous product models and adjusting for the expected number of years of use, we also estimated to what extent resource consumption has been reduced for different products. Our comparisons show that we have reduced the use of resources by 100,000 tons compared to previous product models and by 300,000 tons in total from FY2017 and achieved the planned amount of 270,000 tons. We aim to reduce resource consumption by a cumulative total of 380,000 tons in FY2020 and promote design for reduced resource consumption in all kinds of products toward increasing the amount of resources saved.

**Amount of Resources Saved (Cumulative Total)**



**Amount of Resources Saved by Business Segment (FY2019 (Cumulative Total))**



\* Calculated by comparison with the previous product models adjusting for the expected number of years of use.

### Case: Industrial Inverter (VF-AS3J)

#### Toshiba Industrial Products and Systems Corporation

An inverter is a device that, in addition to contributing to energy saving and CO<sub>2</sub> emissions reduction by controlling the motor speed, which enables the machine to operate efficiently, also contributes to resource saving by minimizing the current upon startup, which reduces the burden on the power supply and thus reduces the size of the power-receiving facility. The new high performance inverter “VF-AS3J” that we started selling in 2019 reduces CO<sub>2</sub> emissions during use by achieving a loss reduction of approximately 30% compared to our conventional model (VF-AS1). It is also an industry-leading\* compact, lightweight model that compensates for the increased parts count due to the more advanced functionality in its main body with redesigned, highly integrated parts. This product was certified as an Excellent ECP in FY2019.

\* Comparison of models with the same functionality (as of October 2019)



## Case: Small Diameter Downlights; Small Diameter Universal Downlight



### Toshiba Lighting & Technology Corporation

In recent years, demand for small diameter downlights and universal downlights has been increasing due to a boom in new condominium and hotel construction. Given this market environment, we have developed lighting equipment that supports construction that utilizes small-diameter lighting that has excellent workability for ceiling installation with a weight of 0.4 kg, an embedding hole diameter of 50 mm, and a height of 100 mm, featuring the industry's highest level of resource- and space-saving performance. This product is designed to significantly reduce glare when looking at the lighting equipment directly, offering a shielding angle (the angle at which the light-emitting face is seen) of more than 40°.

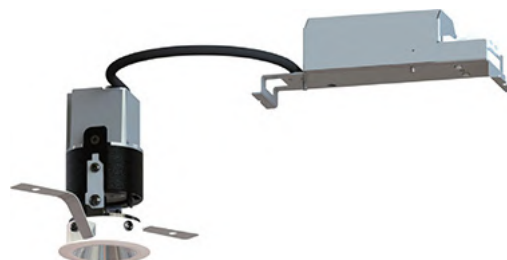
In addition, it realizes a high color rendering light that is close to that of natural light by achieving stable lighting (smooth dimming from 0% to 100%) in the low lumen domain<sup>\*1</sup> as a result of installing our unique GaN<sup>\*2</sup> power supply.

This product provides stable lighting with smooth dimming in hotel rooms and cafes, where a relaxed atmosphere is staged, and also contributes to effective use of resources by ensuring resource and space savings.

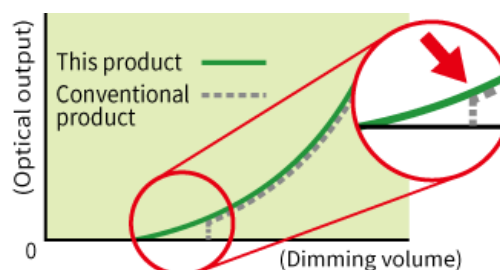
This product was certified as an Excellent ECP in FY2019.

\*1 Small current domain

\*2 Gallium nitride



Small diameter universal downlight



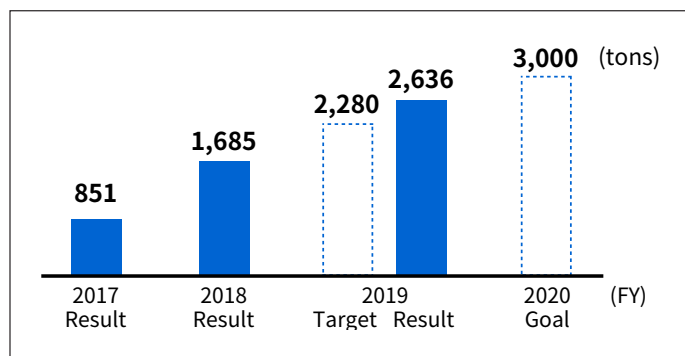
Realizing smooth dimming

## Increasing the Use of Recycled Plastics

Toshiba Group is promoting initiatives to recycle plastic waste materials generated by end-of-life products.

Use of recycled plastics by Toshiba Group is increasing mainly in multi-function printers, hard disk drives, batteries, industrial air conditioners, and ceiling lighting equipment. From FY2017 to FY2019, the cumulative total amount of recycled plastics used was 2,636 tons, exceeding the target of 2,280 tons. In FY2020, we aim to increase the cumulative total of recycled plastics used to 3,000 tons. Going forward, in order to increase the use of recycled plastics, we will ensure a supply of waste plastics as well as develop new uses for recycled plastics.

### Amount of Recycled Plastics Used (Cumulative Total)



## Recycling of End-of-Life Products

In order to ensure efficient use of resources and appropriate treatment of hazardous substances, in accordance with recycling regulations in each country and region of the world, Toshiba Group is promoting the collection and recycling of products that customers have discontinued use of. In Japan, in addition to products covered by the Act on Recycling of Specified Kinds of Home Appliances and the Act on the Promotion of Effective Utilization of Resources, we have established a unique scheme to collect elevators, MFP/POS systems, and other office equipment. Toshiba Group also responds appropriately to the WEEE Directive\* in Europe and state laws in the United States. Furthermore, we are preparing to respond appropriately to recycling-related laws enacted in China, India, and Australia and those expected to be enacted in the future by governments in other countries in Asia and Central/South America.

\* WEEE Directive: The European Union (EU) Waste Electrical and Electronic Equipment Directive

## Management of Chemicals Contained in Products

### Initiatives for Management of Chemicals Contained in Toshiba Group Products

Toshiba Group provides a wide range of products, from electronic devices to building- and facility-related equipment, industrial systems, and energy and social infrastructure products. Various chemicals are used to manufacture these products. To properly manage these chemicals, Toshiba Group considers “minimizing the risks involved in the use of chemicals,” the precautionary principles proposed and adopted at the WSSD\* and other conferences, as an important challenge to address, and we have been promoting initiatives to specify the chemicals to be managed, to eliminate the use of specified chemicals (including the use of substitute substances), and to reduce the amount of chemicals contained in our products. In addition, in order to minimize the risks of these chemicals to human health and the global environment, we also promote information sharing on such identified chemicals in each process of our production activities.

Also, to respond to the globalization of business, Toshiba Group is developing global measures to manage chemicals contained in products. To this end, we gather and assess the latest trends in policies and regulations on chemical management of countries around the world and reflect them in Toshiba Group's management of chemicals.

Furthermore, to promote the Green Procurement initiative, Toshiba Group has specified “prohibited substances,” whose presence is prohibited in procurement items, including product materials and parts, and “managed substances,” whose environmental impacts should be reduced, based on their actual usage, via reduction of use and substitution. Our aim is to procure products, parts, and materials in cooperation with our business partners and suppliers to minimize the environmental impacts.

\* WSSD: World Summit on Sustainable Development

#### Toshiba Group Environment-related Substance List

| Category                       | Definition   |
|--------------------------------|--|
| Rank A (Prohibited Substances) | Substances whose presence is prohibited in procurement items (including packaging) in Toshiba Group. Substances whose use in products (including packaging) is prohibited or restricted by domestic or foreign laws and regulations. |
| Rank B (Managed Substances)    | Substances whose environmental impact should be reduced, based on actual usage, via reduction of use and substitution, or recovery and detoxification in a closed system.  |

\* Due to sector-specific conditions and other circumstances, details of the management of chemicals (substances managed, management levels, threshold values, etc.) may differ among Toshiba Group companies.



## Promoting Substitution of the Four Phthalates<sup>\*1</sup>

Toshiba Group promotes substitution of the four phthalates as part of our priority measures for management of chemicals contained in products.

Phthalates are used as a plasticizer for PVC and other plastics. They are widely used in electrical and electronic equipment as plasticizers for cords and internal wire cable coatings as well as for various types of packing. However, concerns have been raised over the reproductive toxicity of phthalates. Also, use of the four phthalates has been regulated for electrical and electronic equipment placed on the EU market since July 22, 2019 under the EU RoHS Directive. Due to their regulation in the EU, use of the four phthalates is becoming subject to regulation in various countries.

Toshiba Group defined the four phthalates as prohibited substances in the Toshiba Group Green Procurement Guidelines and is promoting substitution of materials containing phthalates with alternatives<sup>\*2</sup> under the Sixth Environmental Action Plan.

Also, as technology development to promote substitution while maintaining product quality, we are evaluating alternative substances' reliability and developing methods to easily assess whether high polymer materials contain phthalates.

For our products for Europe, we have completed our response to the regulation that came into force on July 22, 2019 that restricted phthalates. We will continue to conduct thorough ongoing management of products subject to the EU RoHS Directive, and we will further substitute or take other actions for our energy and social infrastructure products as well.

<sup>\*1</sup> Bis(2-ethylhexyl) phthalate, butyl benzyl phthalate, di-n-butyl phthalate, and di-isobutyl phthalate. Used mainly as plasticizers for plastics (cable coatings, etc.) and other materials; there is concern about its effects on the human body.

<sup>\*2</sup> We aim to complete identification of alternative materials for some products (product groups) for which RoHS regulation starts in 2021 as well as for products not regulated by the RoHS Directive.

# Strengthening the Foundation of Environmental Management



## Medium- to Long-Term Vision

- Environmental risks & compliance: Strengthening of internal management to comply with laws and regulations/ Thorough implementation of internal education
- Environmental communication: Information disclosure & publicity / Networking with stakeholders
- Biodiversity conservation: Activities on and off the premises of Toshiba sites that support the “Post-2020 Global Biodiversity Framework”

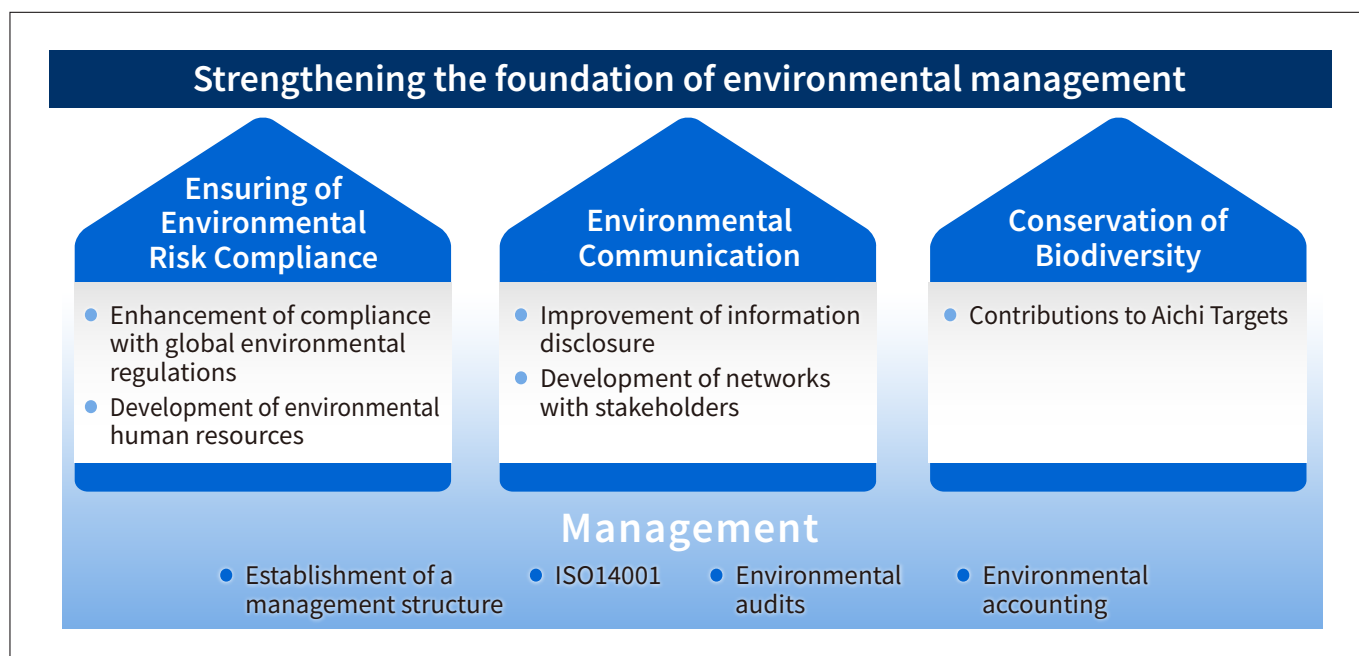
## FY2019 Achievements

- Environmental risks & compliance: We **further improved compliance** by aggregating information on global laws and regulations, sharing information, and training human resources, and we **strengthened compliance with laws and regulations at production sites** by holding meetings for personnel in charge of environmental affairs in China.
- Environmental communication: We held **education programs for children** and **internal environmental seminar** in Japan and carried out **more than 600 Environmental Actions** worldwide.
- Biodiversity conservation: We implemented activities to **achieve the Aichi Targets** at **63 sites** worldwide.

## Future Challenges and Approaches

Under the “Environmental Future Vision 2050,” Toshiba Group will continue to strengthen the basis of our environmental management to become a sustainable company that meets society's expectations.

In an effort to support “Business” activities for manufacturing as well as products and services, Toshiba Group is also promoting “Management” initiatives to enhance its basis for environmental management. In management, we give priority to full compliance. We are increasing the level of compliance activities by maintaining a compliance check system using our own environmental audit system and by implementing environmental education for employees and human resource development programs. Moreover, we engage in a wide variety of activities to further strengthen the basis of our environmental management. For example, we are enhancing information disclosure and creating networks with stakeholders in the area of environmental communication, and we are contributing to the achievement of the Aichi Targets, which are international targets, in the field of biodiversity conservation.

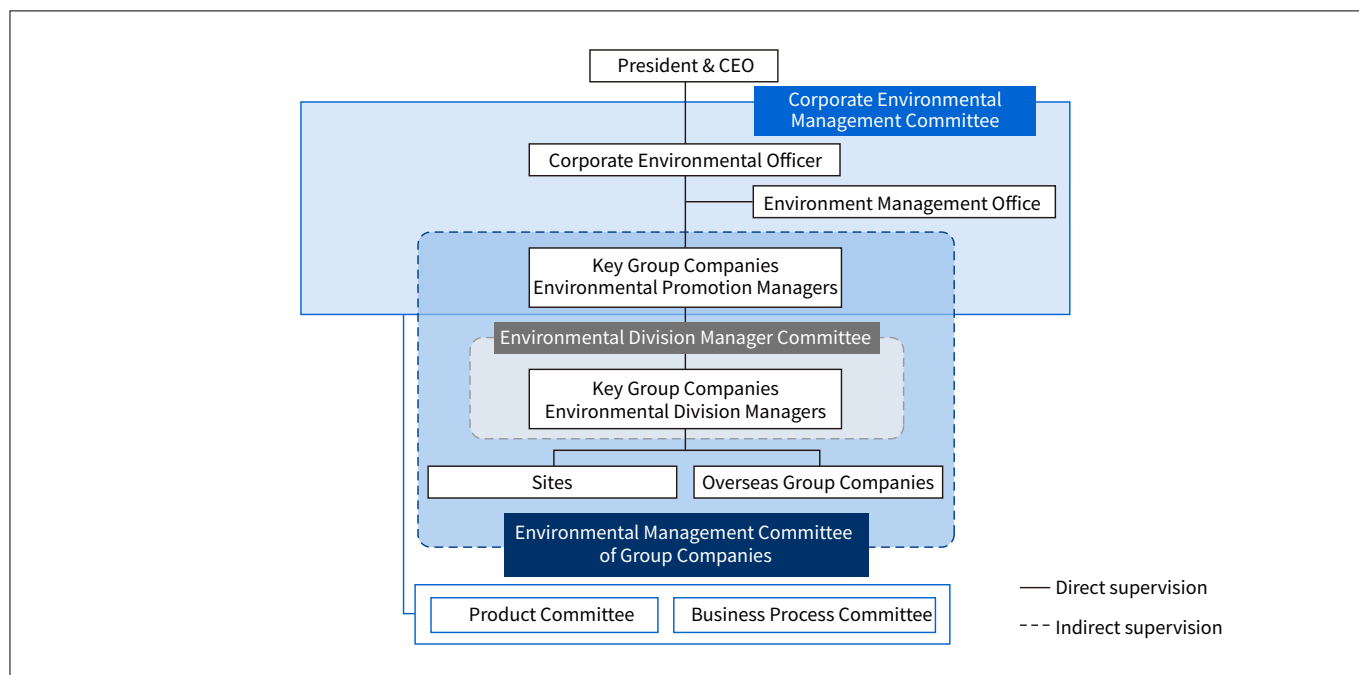


# Environmental Management Structure

We, the entire Toshiba Group, are promoting environmental management worldwide.

The Corporate Environment Management Office drafts and promotes important policies, strategies, and measures to be enforced throughout the group. It obtains executive officers' approval of these policies, strategies, and measures and then implements them throughout the group. More specifically, it semiannually convenes the Corporate Environmental Management Committee, which is a decision-making body for the entire group and consists of the Corporate Environmental Officer as the chair, environmental promotion managers of key group companies, and corporate staff division managers. At committee meetings, it makes recommendations on environmental measures related to management, design, procurement, manufacturing, logistics, sales, and disposal. It also checks and follows up on the progress of the Environmental Action Plan, which has been formulated to achieve the Environmental Vision. It discusses and decides the future direction and plans, and ensures that corporate policies are implemented throughout the group. Among the important environmental measures and policies discussed at Corporate Environmental Management Committee meetings, critical issues related to management are reported to the President by the Corporate Environmental Officer at management committee meetings or executive officer meetings. These issues are also reported roughly twice a year to all directors, including outside directors, at board of directors meetings. What is discussed and decided upon at board of directors meetings is reflected in our group's management strategy.

## Toshiba Group Environmental Management Structure



Under the Corporate Environmental Management Committee, there are two subcommittees: the Product Committee, which manages the development of environmentally conscious products and technologies, and the Business Process Committee, which promotes efforts to reduce the environmental impacts caused by business activities. With these subcommittees, the Corporate Environment Management Office develops detailed plans, identifies issues, explores solutions to the identified issues, and shares information across the group. Note that under these subcommittees, specialized working groups set themes and engage in activities that cover a wide variety of fields.

## Global Environmental Management Structure

Toshiba Group has a particularly large number of production sites in China. To ensure proper environmental management there, we have established a local department in charge of the environment. In Europe, the U.S., and Asia-Oceania, we work with the relevant regional headquarters to formulate environmental measures in each region, to gather and share information on trends in laws and regulations, and to provide cooperation and assistance to group companies in these regions with respect to their environmental efforts.

Moreover, we are training local auditors under the [Toshiba Group environmental audit system](#) to conduct environmental audits of overseas sites.

## ISO 14001

With regard to promotion of environmental management, we place importance on worksite environmental efforts. For this reason, by 1997, all business and production sites of Toshiba Corporation had obtained ISO 14001 certification. Currently, 65 sites of Toshiba Group have become ISO 14001-certified.

Companies such as Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation are striving to obtain integrated certification that covers their headquarters, sales offices, production sites, and their group companies. Thus, they are working with their own group companies to prepare environmental management systems.

### Number of ISO 14001-certified Sites

| Business domains                                     | Number of certified sites               |
|--|---|
| Toshiba Corporation                                  | 7                                       |
| Energy Systems & Solutions                           | 7 (including integrated certification)  |
| Infrastructure Systems & Solutions                   | 14 (including integrated certification) |
| Retail & Printing Solutions                          | 14 (including integrated certification) |
| Electronic Devices & Storage Solutions               | 5 (including integrated certification)  |
| Digital Solutions                                    | 3 (including integrated certification)  |
| Building Solutions                                   | 14 (including integrated certification) |
| Other (Toshiba Plant Systems & Services Corporation) | 1 (integrated certification)            |
| <b>Total</b>   | <b>65</b>                               |

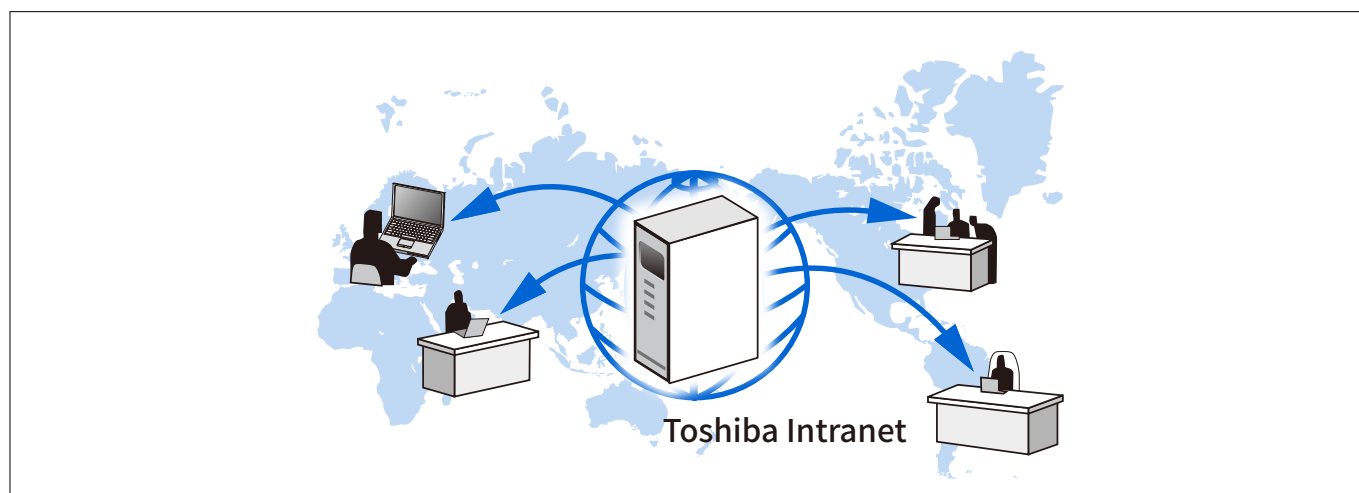
Note: As of October 30, 2020

## Environmental Management Information System

We have developed an Environmental Management Information System in order to collect and manage environmental data required to promote environmental management.

The Environmental Management Information System makes it possible to centrally manage and register not only performance data, such as energy consumption required for business activities and the amount of waste generated from these activities, but also environmental accounting information and the results of site environment audits. It covers all consolidated subsidiaries within the scope of management of Toshiba Group (331 companies in FY2019) and is accessible from countries around the world.

### Global Support System

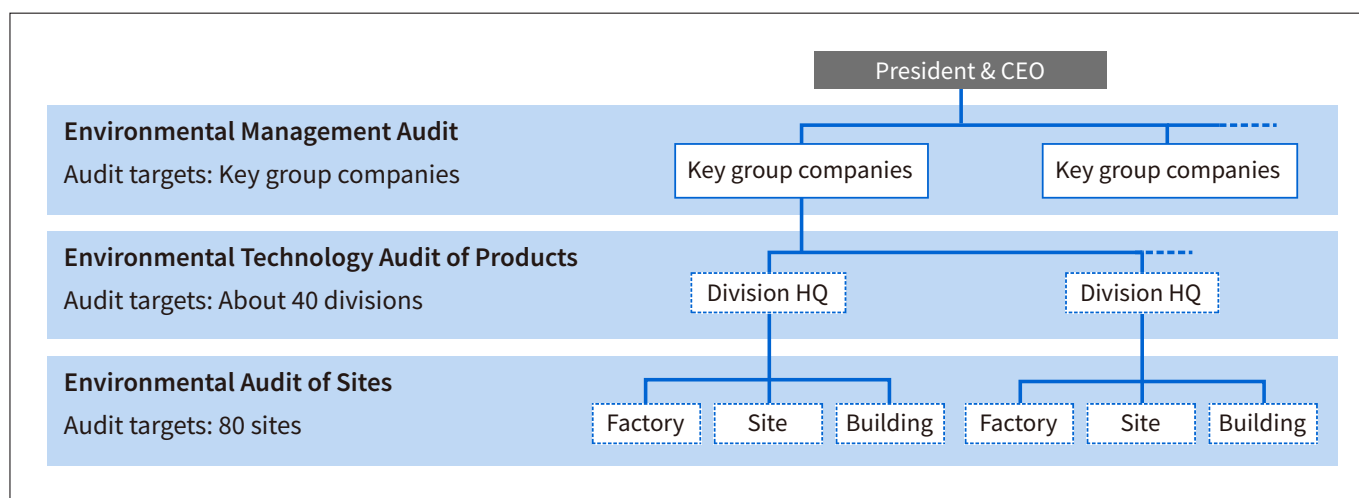


# Environmental Audits

## Toshiba Group Environmental Audit System

Toshiba Group conducts three types of internal audits: (1) “environmental management audit” of key group companies, (2) “environmental technology audit of products” of business divisions, and (3) “environmental audit of sites,” specifically production sites and non-production sites with high electricity consumption. Production sites with relatively low environmental impacts are excluded from the environmental audits of sites but use the same audit criteria to conduct a self-audit (inspection) within the relevant group company.

### Toshiba Group's Environmental Audit System



To improve assessment quality, we review these audit areas every year. Since FY2017, we have been conducting qualitative assessment in these audit areas in line with the Sixth Environmental Action Plan. We are strengthening our environmental management by inspecting specific environmental efforts.

### Environmental Management Audit

#### FY2019 Audit Results

Audited targets: eight key group companies

| No. | Audit area (number of items)                 | No. of non-conformities/recommendations | No. of good practices |
|-----|--|---|-----------------------|
| 1   | Environmental policies and systems (14)      | 8                                       | 15                    |
| 2   | Legal compliance and risk management (9)     | 4                                       | 0                     |
| 3   | Business processes (11)                      | 8                                       | 9                     |
| 4   | Products and services (15)                   | 5                                       | 10                    |
| 5   | Information disclosure and communication (7) | 6                                       | 15                    |
| 6   | Supply chain management (2)                  | 1                                       | 0                     |

#### Examples of Non-conformities/Recommendations

- Insufficient analysis of environmental data resulted in insufficient implementation of specific environmental impact reduction measures.
- Systems for managing risks and compliance with environmental laws and regulations were incomplete.

#### Examples of Good Practices

- The analysis results from questionnaires answered by participants in environmental education were effectively applied to the following year's education.
- The results of environmental audits of sites were comprehensively analyzed and shared throughout the Group.

## Environmental Technology Audit of Products

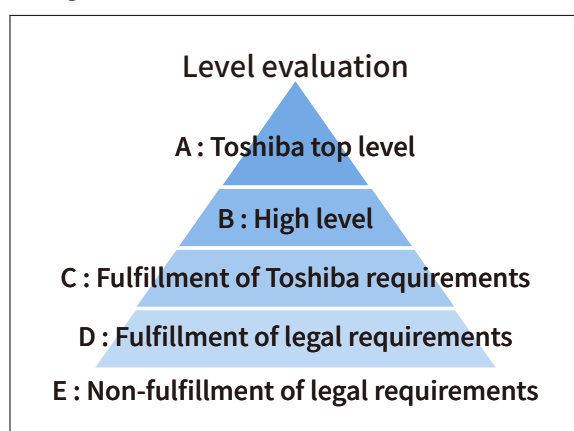
The objective of the environmental technology audit of products is to improve the environmental quality of products and increase their contribution to the environment. To this end, the audit checks compliance with relevant legal requirements and the ECP\* standards set for each product (group) to guarantee environmental quality and the progress of ECP creation activities, which have the goal of creating products that contribute to reducing environmental impacts.

\* ECP: Environmentally Conscious Product

## Environmental Audit of Sites

The objective of the environmental audit of sites is to improve each site's environmental control by checking the status of its environmental management, worksite management, and compliance.

### Ratings for the Environmental Audit of Sites



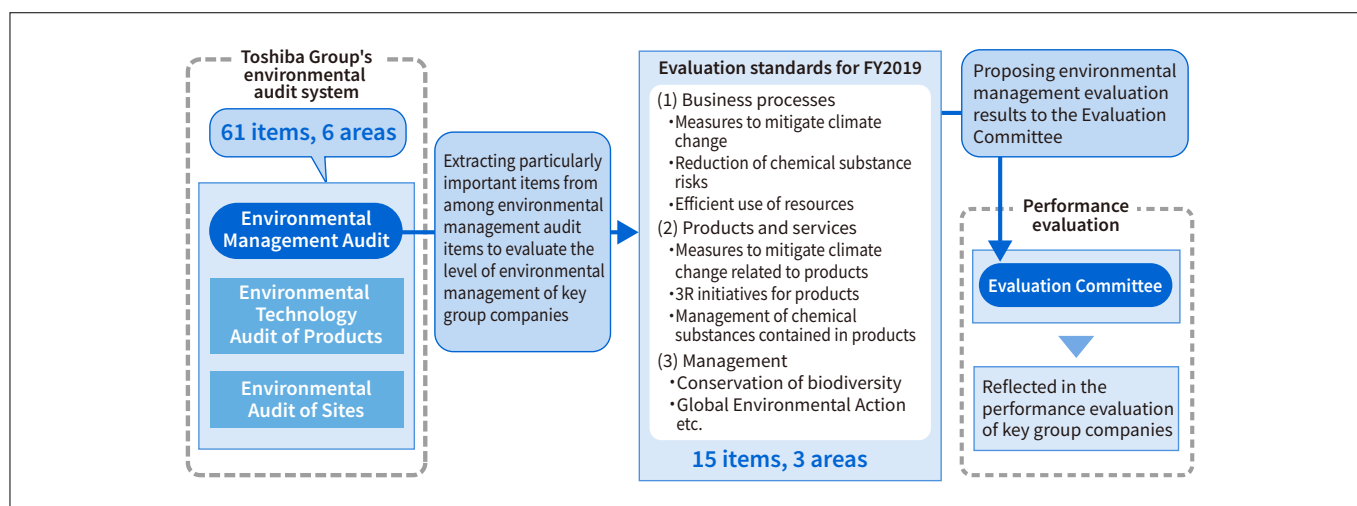
> [Environmental education and human resource development](#)

## Performance Evaluation System

### Reflecting the Environmental Management Level in Performance Evaluation Results

Based on the Toshiba Group's environmental audit system, we evaluate key group companies' environmental management levels. Among 61 items in the 6 areas of the environmental management audit, we use those that match the top priority items in the Sixth Environmental Action Plan as performance evaluation criteria. In FY2019, as performance evaluation criteria, we used 15 items in 3 areas, namely (1) business processes, (2) products and services, and (3) management. We then carried out quantitative evaluation using these criteria with the key group companies. We submitted the evaluation results to the Performance Evaluation Committee and reflected the environmental management level assessment results in the performance evaluation results of each evaluated company.

### Performance Evaluation System





# Environmental Education and Human Resource Development

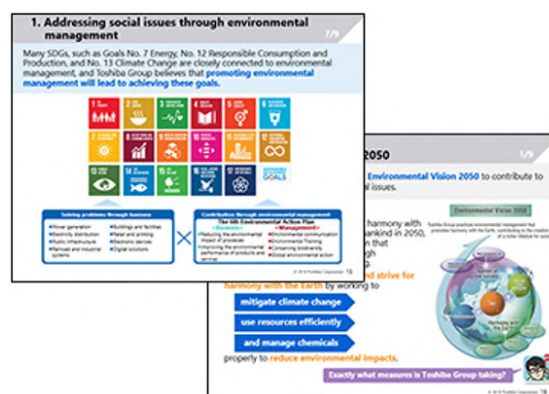
In order to raise the level of our environmental activities, we provide environmental education to all employees. Our environmental education scheme consists of (1) management education, (2) general education, (3) ISO 14001 education, and (4) specialized education. We implement curricula appropriate for different posts, occupational roles, and specializations, and we review the content annually to ensure we always share up-to-date information.

## Environmental Education System

| Management education     | General education                             | ISO 14001 education                       | Specialized education  |
|--------------------------|---|---|--|
| Education for management | e-learning<br>(for all Toshiba Group members) | Education for employees                   | Education for certification<br>of site environmental<br>auditors               |
|                          | Education for<br>new employees                | Education for managers                    | Education for certification<br>of product environmental<br>technology auditors |
|                          | Education for managers                        | Education for<br>special employees        | Education on introduction<br>to environmentally<br>conscious design            |
|                          |   | Training courses for<br>internal auditors |  |

## Environmental E-learning

We hold an annual environmental e-learning program in which all employees worldwide participate. This program effectively deepens employees' understanding of global environmental issues and the efforts made by Toshiba Group.



E-learning material for FY2019

## Education for New Employees

To encourage new employees to become businesspeople and members of society with high environmental awareness, we provide them with interactive environmental education every April.



## Education for Auditors

Toshiba Group internally trains auditors for environmental audits, which we started to conduct in 1993. In the training program for site environmental auditors, the first screening uses off-the-job training, onsite training, and a written examination to determine who passes. Those who pass the first screening then take part in actual audits as support staff members and submit reports to become certified as auditors. Product environmental technology auditors are certified after they complete off-the-job training and pass a written examination. In FY2019, 16 site environmental auditors, 8 product environmental technology auditors, and 4 overseas auditors were certified. Currently, a total of 336 individuals have been certified as auditors.

### Site Environmental Auditor Certification Process



## Environmental Accounting

With a view to promoting environmental management, Toshiba Group is working to introduce an environmental accounting approach aimed at collecting accurate data on investments and costs required for its environmental conservation initiatives and analyzing the collected data in order to reflect investment effects and cost benefits in managerial decision making.

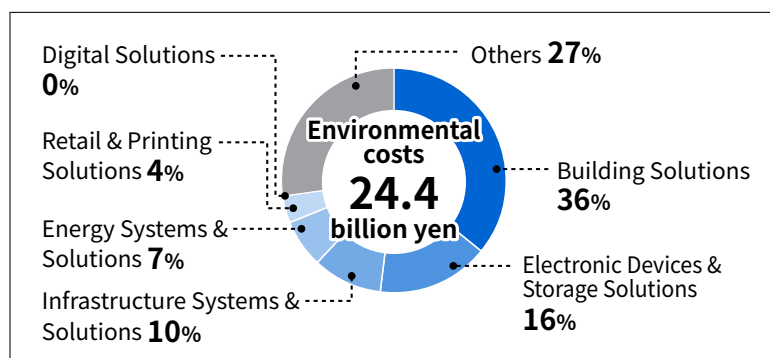
Environmental costs are calculated in accordance with the Ministry of the Environment's Environmental Accounting Guidelines 2005. To assess benefits, we show reductions in environmental impacts in physical amounts and also calculate benefits on a monetary basis.

### Environmental Costs (FY2019)

Unit: million yen

| Category                               | Description  | Investments | Costs  |
|--|--|-------------|--------|
| Business area costs                    | Reduction in environmental impacts   | 2,909       | 5,715  |
| Upstream/downstream costs              | Green procurement, recycling, etc.   | 538         | 689    |
| Administration costs                   | Environmental education, EMS maintenance, tree planting on factory grounds, etc. | 91          | 2,299  |
| R&D costs                              | Development of environmentally conscious products, etc.                          | 1,177       | 15,504 |
| Public relations costs                 | Support for local environmental activities, donations, etc.                      | 12          | 16     |
| Environmental damage restoration costs | Restoration of polluted soil, etc.   | 7           | 149    |
| Total                                  |  | 4,734       | 24,372 |

## Breakdown of Environmental Costs by Business Segment (FY2019)



## Environmental Benefits (FY2019)

| Category                | Description  | Reductions in environmental impacts              |                          | Benefits measured as a monetary value (million yen) | Calculation method   |
|-------------------------|--|--|--------------------------|---|--|
| (A) Actual benefits     | Costs that can be measured directly as a monetary value, such as electricity and water charges | Energy   | 925,629(GJ)              | 870   | Reductions in electricity charges and waste processing costs compared to the previous year, plus sales of valuables.   |
|                         |  | Waste  | 9,422(t)                 | 713   |  |
|                         |  | Water  | 666,728(m <sup>3</sup> ) | 44  |  |
|                         |  | Total monetary benefits                          |                          | 1,627   |  |
| (B) Assumed benefits    | Reductions in environmental impacts measured as a monetary value                               | Reductions in the amount of chemicals discharged | 113(t)                   | 9,988   | To obtain monetary values, we assessed the impact of different substances by using the equivalent amount of cadmium for each substance, which we calculated based on environmental standards and on threshold limit values for chemical substances specified by the American Conference of Governmental Industrial Hygienists (ACGIH-TLV), and then multiplying such amounts by the damage compensation for cadmium contamination. In order to compare different environmental impacts by the same standard, reductions in environmental impacts on the atmosphere, hydrosphere, and soil compared to the previous year are shown alongside monetary amounts that represent the values of such reductions. |
| Total monetary benefits |  |  |                          | 11,615  |  |

\* Reductions in environmental impacts for actual and assumed benefits indicate differences between FY2019 and FY2018. Negative benefits indicate that the increase in environmental impacts exceeded reductions due to increases in production and other factors.

# Ensuring Environmental Risk Compliance

## Compliance with Environmental Laws and Regulations

We, Toshiba Group, are pursuing the highest standard of compliance with environmental regulations and requirements that relate to our products and services. To this end, we implement control over the entire process, from development and design through to shipment, and ask our customers for their cooperation. We have also independently set discharge/emission limits that are stricter than legal requirements in order to manage discharges/emissions into the water/air during manufacturing. Each plant obeys these limits.

Through [in-house environmental audits](#), we identify potential risks in our business activities and implement measures to prevent environmental incidents and violations of laws. At the same time, we make the most of opportunities such as company-wide environmental education, environmental auditor certification training, and the Corporate Environmental Management Committee meeting to internally share the audit results for each site and business division, the latest trends in laws and regulations, and incidents that have occurred within the group. Through these actions, we carry out activities comprehensively.

Regrettably, however, there were three legal violations in FY2019. We will promptly and appropriately address them and make greater efforts in recurrence prevention and compliance management.

### Himeji Operations – Semiconductor, Toshiba Electronic Devices & Storage Corporation (March 2020)

- Unreported construction of a facility specified in the Act on Special Measures concerning the Conservation of the Environment of the Seto Inland Sea
- Failure to submit a request to check compliance with the proviso of Article 3 of the Soil Contamination Countermeasures Act
- Failure to notify the government of the construction of a facility specified under Hyogo prefecture's "Ordinance Pertaining to Environmental Preservation and Creation"

#### > [Past Cases](#)

The Sixth Environmental Action Plan states that ensuring the highest standard of environmental risk and compliance management is a top priority task for management, and promotes specific measures to prevent risks in products and services as well as manufacturing.

In FY2019, in the area of products and services, we improved compliance by gathering information on environmental laws and regulations worldwide, sharing such information through meetings, and implementing human resource development measures. In the area of manufacturing, we held a meeting with the personnel in charge of environmental affairs at Chinese sites. At this meeting, we used case examples of legal violations that occurred in China to discuss recurrence prevention measures and to further strengthen compliance at these manufacturing sites.

## Responses to Environmental Risks

The Risk Compliance Committee examines how to cope with diversified risks under the direct supervision of the Chairman and President and also takes measures to prevent environmental risks.

If any environmental risk should materialize, Corporate Environment Management Office works in collaboration with environmental promotion managers and related persons of key group companies and the sites under the direction of the Corporate Environmental Officer to implement appropriate measures, including sharing information, checking relevant business and production sites, and preventing recurrence.

# Soil and Groundwater Purification

#### > [Soil and Groundwater Purification](#)

## Preventing Contamination and Reducing Contamination Risks

#### > [Preventing Contamination and Reducing Contamination Risks](#)

## Storage and Management of PCB

> [Storage and Management of PCB](#)

## Management of Ozone-depleting Substances

> [Management of Ozone-depleting Substances](#)

## Environmental Communication

### Environmental Education Programs for Children

As part of our environmental communication initiatives, we collaborate with the Association of Corporation and Education, an NPO that specializes in developing classroom lectures with companies, to hold environmental education programs for children at Toshiba Science Museum and elementary schools.

In these programs, we raise children's awareness of global warming, resource depletion, and other environmental issues that seriously affect people's lives. We also introduce various scientific technologies to help solve such issues. By doing so, we encourage children to consider environmental issues, explore ways to help society, and take action. These activities are in alignment with the concept of Education for Sustainable Development (ESD)\* proposed by the United Nations.

\* Education for equipping children with the capabilities to achieve a sustainable society in the future. ESD requires two perspectives: (1) development of personality and qualities, which include self-discipline, the ability to make decisions, and a sense of responsibility; and (2) training of individuals to recognize their relationships with others, society, and the natural environment as well as to respect the concepts of 'relationships' and 'connections.' (Source: Ministry of Education, Culture, Sports, Science and Technology website)

The content of these programs is also in line with the elementary school curriculum guidelines and is suitable for science, social studies, and general education classes. The program places importance on experiments, group activities, and active communication with teachers in order to provide children with an opportunity to learn about initiatives and technologies that have been developed to resolve environmental issues while having a good time.

In FY2019, we implemented two programs: *What's on the other side of the power outlet?* (theme: energy) and *A mysterious material that controls electricity!?*—*Learning how to use energy from discovery and use of semiconductors* (theme: semiconductors). We held classes at five locations in total, including Toshiba Science Museum and elementary schools near our business and production sites. We will continue this educational initiative to provide children, who will take part in the development of a sustainable society in the future, with an opportunity to think about what they can do now and what they can do 10 and 20 years from now.



> [Website introducing our environmental education programs for children](#) (in Japanese)



### What's on the Other Side of the Power Outlet? (Theme: Energy)



In this class, which includes an experiment, children learn about the characteristics of various types of power generation, such as wind, geothermal, solar, and thermal power generation. They learn that electricity is indispensable in our daily lives. They also develop an interest in the future of energy by learning about global warming issues and combined use of multiple energy sources.

### A Mysterious Material That Controls Electricity!—Learning How to Use Energy from Discovery and Use of Semiconductors (Theme: Semiconductors)



Children learn about the functions of semiconductors, which are essential in the use of electricity, by examining the evolution of appliances such as washers and air conditioners that we use every day. By learning that semiconductors not only enable products to save energy but also are manufactured in an environmentally aware way to reduce environmental impacts, children gain insights into the roles of semiconductors in society. We believe this program provides a smooth introduction to the programming class that became mandatory in elementary schools in FY2020.



**Shota Wada**  
Executive Director  
Association of Corporation and Education

#### <Energy program>

Although there are various energy education programs, there are few lessons that discuss a combination of power generation methods. The program was intended to ensure that children understand the characteristics of power generation methods and think about how they should supplement each other.

#### <Semiconductor program>

The mechanism and roles of semiconductors are closely connected with the study of subjects such as science and social studies. We tried not only to have the students actually realize how everyday study is connected to familiar products and technologies, but also to create a program that will lead to constructive study that can be applied to solutions to environmental issues.



## Toshiba Group Environmental Seminar 2020

On February 7, 2020, we held Toshiba Group Environmental Seminar 2020, an internal exchange event for personnel in charge of environmental affairs, at the Smart Community Center in Kawasaki City. The purposes of the event were to raise environmental awareness, promote personal exchanges, and use the knowledge and connections obtained through the seminar in future environmental measure development. The event had four parts: (1) Experience, (2) Learning, (3) Exchanges with companies in the same industry, and (4) Exchanges with Toshiba employees from other departments. Participants actively exchanged opinions in each part and shared their perspectives on what they, their departments, and their companies should pay attention to going forward.



Speech by Sadao Harada from Osaka University of Commerce



A scene from the event

|   |  |
|---|--|
| Part (1): Experience  | Introduction of single-use plastic reduction measures (paper straws and reusable shopping bags) in collaboration with the café and convenience store in the Center                       |
| Part (2): Learning  | A speech on marine plastic issues by Sadao Harada, an associate professor at Osaka University of Commerce and the representative of Project Hozugawa, a specified non-profit corporation |
| Part (3): Exchanges with companies in the same industry           | An opinion exchange with guest companies in the electronics and electric industry  |
| Part (4): Exchanges with Toshiba employees from other departments | Group discussions and presentations on the future direction of Toshiba Group's environmental management  |

## Environmental Advertisements

We introduced Toshiba Group's environmental communication activities. With a focus on Global Environmental Action, which is our global employee participation activity, and environmental education programs for children that we implement at Toshiba Science Museum and elementary schools in the Tokyo Metropolitan area as well as near our business and production sites, we noted that, through community-based environmental activities, we are deepening communication with stakeholders, such as local community members and NPOs, and are contributing to addressing social issues. We also explained that these activities were raising employees' awareness. Finally, we introduced our internal environmental awareness-raising event, Toshiba Group Environmental Seminar 2020, for personnel in charge of environmental affairs who are developing environmental activity plans.

> [Past cases](#)



Nikkei ESG (March 2020 issue) by Nikkei BP

## Toshiba Group's Global Environmental Action

Toshiba Group is promoting Global Environmental Action, which is an employee-supported environmental action program. In the Sixth Environmental Action Plan, which started in FY2017, we have set a theme for each fiscal year and carry out activities worldwide in accordance with that theme. The theme for FY2019 was “resources.” Each business and production site engaged in an activity such as recycling, resource education, cleaning, or community events. Across the group, the number of such activities exceeded 600\*. We foster solidarity across Toshiba Group companies by setting a common activity theme. By introducing a new theme each year, we raise employees' awareness about a wide range of environmental issues. We also collaborate with local communities to enhance communication with them as well as with NPOs and NGOs.

With “chemical substances” as the theme for FY2020, we plan to promote activities worldwide. We will share activity details within the group to further expand and enhance our future activities.

\* Including activities based on themes other than “resources”

### Case: Resource Recycling at a Plant's Autumn Festival Organized by Plant Managers and Workers

#### Kanuma Works, Toshiba Lighting & Technology Corporation (Japan)

As part of its CSR activities, the plant organized a festival in which its employees (approximately 1,000 people) and local community residents participated. At the festival, the plant collected stationery items to be donated to Cambodian children and handed out AAA batteries which had become non-moving inventory at the plant, in order to promote reuse of AAA batteries.



Promoting reuse of AAA batteries

### Case: “Eat-it-all” Campaign

#### Toshiba Hydro Power (Hangzhou) Co., Ltd. (China)

In the Fuchunjiang Plant cafeteria, the company held an event about effective use of food ingredients. At the event, which was attended by 78 employees, the company suggested that food ingredients could be reduced if employees took an appropriate amount of food to eat.



Reducing leftovers

## Case: Promotion of Reusable Shopping Bags

### Head Office, Toshiba Elevator and Building Systems Corporation (Japan)

The company gave out bags to a total of 550 Head Office and contractors' employees in order to reduce the use of plastic bags and paper bags from convenience stores. As a result, in six months the company reduced the number of shopping bags used by 30,000.



Used for lunch shopping and other purposes

## Case: "Waste-to-Christmas Craft Contest"

### Toshiba Information Equipment (Philippines), Inc. (Philippines)

In an attempt to promote reuse and recycling of packaging waste generated from the work place, the company held a craft contest with a Christmas theme. Approximately 170 employees participated in the contest; they made beautiful Christmas decorations rich in originality from plastic, expanded polystyrene, and corrugated cardboard materials that were no longer needed.



Christmas decorations made from packaging waste

For other activity cases of Toshiba Group's Global Environmental Action, please visit [Toshiba Group's Global Environmental Action \(Environment Website\)](#).

# Conservation of Biodiversity

## The Importance of Taking Action for the Conservation of Biodiversity

Recently, recognition of the importance of the conservation of biodiversity and sustainable use has increased around the world. In 2010, the Aichi Targets were adopted as global goals at the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) held in Japan. In 2015, the 2030 Agenda for Sustainable Development was adopted by the United Nations General Assembly, and the Sustainable Development Goals (SDGs) were announced, which included goals related to biodiversity. In 2019, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)<sup>\*1</sup> released its global assessment results. This report highlighted the adverse effects of human activities on ecosystems, stating that “around 1 million animal and plant species are now threatened with extinction” and “nature is declining globally at rates unprecedented in human history.” For companies, efforts to conserve biodiversity are becoming an integral part of the promotion of sustainable management.

We of Toshiba Group are assessing the environmental impacts, including those on biodiversity, of our environmental measures. We implement these measures in relation to manufacturing, products and services, and they include global warming prevention, effective resource use, and chemical substance management. We set activity goals to reduce environmental impacts based on the assessment results. We are also contributing to creating a society that coexists with nature through biodiversity conservation activities that directly act on nature. Recovery and improvement of biodiversity and ecosystems take years. We will analyze risks and opportunities that may result from our biodiversity-related actions and continue to engage in long-term biodiversity conservation activities.

### Toshiba Group's biodiversity conservation: Risks and opportunities of not taking or taking action

**Risks :** Unstable, costly resource procurement (e.g., water and minerals); damage to the company's reputation

**Opportunities :** Avoidance of risks due to unstable, costly resource procurement; increased corporate value; heightened employee motivation











<sup>\*1</sup> IPBES is an intergovernmental platform covering biodiversity and ecosystem services and is also known as the biodiversity version of the Intergovernmental Panel on Climate Change (IPCC). The pillars of its work are Assessments, Capacity Building, Knowledge Generation, and Policy Support. It works with specialists from various fields of study to assess the relationship between humans and nature, generate new knowledge, develop capabilities, and reflect such assessment results, knowledge, and capabilities in policy making. In May 2019, IPBES released a Summary for Policymakers (SPM) in the Global Assessment Report on Biodiversity and Ecosystem Services.

## Contributions to the Achievement of 10 Aichi Targets

The Strategic Plan for Biodiversity 2011–2020 was adopted at the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) held in Nagoya City in 2010. The plan sets a medium- to long-term vision for achieving “a society in harmony with nature” by 2050 and aims to achieve the mission and specific action goals, the Aichi Targets, by 2020. The Aichi Targets consist of 5 strategic goals and 20 individual targets.

Toshiba Group considers biodiversity conservation activities an important element of environmental management and manages them as one of the areas of the Sixth Environmental Action Plan. We have set a goal for 2020 to contribute to the achievement of 10 of the 20 individual Aichi Targets that are closely connected to our business activities (Targets 1, 2, 4, 5, 8, 9, 11, 12, 14, and 19). With the aim of contributing to the achievement of these 10 targets, we are promoting biodiversity conservation activities that are appropriate for the regional characteristics of each of 63 sites worldwide (39 in Japan, 24 overseas).

## The Sixth Environmental Action Plan (FY2017–2020) – Biodiversity Conservation Activities –

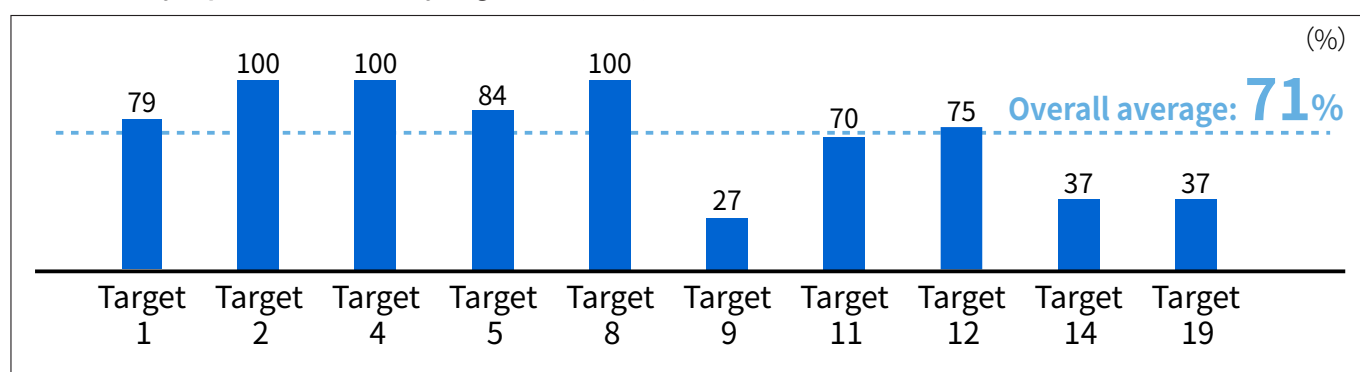
| Category of Aichi Targets |   | Aichi Targets | Toshiba Group's Activity Targets  |  |
|---------------------------|---|---------------|---|--|
|                           |   |               | Theme   | Description  |
| Strategic Goal A          | Address the underlying causes of biodiversity loss by mainstreaming biodiversity                | Target 1      |  <b>Raising awareness</b>                                  | Environmental education, information disclosure, and collaboration with outside organizations                                  |
|                           |   | Target 2      |  <b>Incorporating targets into strategies and plans</b>    | Incorporation of targets into environmental policies, Environmental Action Plans, and ISO 14001 goals and targets              |
|                           |   | Target 4      |  <b>Sustainable production</b>                             | Mitigation of climate change and efficient use of resources  |
| Strategic Goal B          | Reduce the direct pressures on biodiversity and promote sustainable use                         | Target 5      |  <b>Reducing habitat loss</b>                              | Building ecosystem networks that connect natural habitats with Toshiba Group sites, planting trees                             |
|                           |   | Target 8      |  <b>Reducing chemical pollution</b>                        | Management of chemicals  |
|                           |   | Target 9      |  <b>Eliminating alien species</b>                          | Elimination of alien species at company sites  |
| Strategic Goal C          | Improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity    | Target 11     |  <b>Conserving protected areas</b>                         | Activities that contribute to preserving protected areas outside Toshiba Group sites   |
|                           |   | Target 12     |  <b>Conserving endangered species</b>                     | Protecting rare plant and animal species, ex-situ conservation   |
| Strategic Goal D          | Enhance the benefits to all from biodiversity and ecosystem services                            | Target 14     |  <b>Maintaining and managing ecosystem services</b>      | Maintenance and improvement of cultural services   |
| Strategic Goal E          | Boost implementation through participatory planning, knowledge management and capacity building | Target 19     |  <b>Improving and spreading knowledge and technology</b> | Accumulating and disclosing ecosystem survey data (including habitat maps) and creating biodiversity conservation technologies |

## Biodiversity Conservation Activities at 63 Sites Worldwide

In FY2019, activities to achieve the 10 Aichi Targets were implemented at an average of 71% of sites. Implementation rates were high for Targets 1, 2, 4, 5, 8, 11, and 12 but low for Targets 9, 14, and 19.

For targets with low activity implementation rates, we will examine the causes and consider strategies to achieve higher rates to prepare for the final year of the Aichi Targets.

### FY2019 Activity Implementation Rate by Target (All 63 Sites)\*<sup>2</sup>



\*<sup>2</sup> The percentage (%) of the number of sites that achieved each target (10 targets × 63 sites)




|           | Implementation results by target   |
|-----------|--|
| Target 1  | We promoted stakeholder education, nature watching events, workshops, and information dissemination.   |
| Target 2  | We created and implemented biodiversity conservation plans in line with ISO14001: 2015 <sup>*3</sup> .   |
| Target 4  | We promoted reduction of GHG emissions and effective use of resources through our regular business activities.   |
| Target 5  | We promoted tree planting and continuation of the “creation of an ecosystem network” proposed in the Fifth Environmental Action Plan (2012–2016).  |
| Target 8  | We primarily focused on promotion of chemical substance management in business activities as well as environmentally conscious products and services.  |
| Target 9  | We launched efforts to remove alien species at Toshiba Group sites, but we made poor progress overall because there were many legal restrictions and cases that required specialized knowledge.                                    |
| Target 11 | We promoted activities to conserve biodiversity not only at Toshiba Group sites but also in protected areas outside Toshiba Group sites.   |
| Target 12 | We continued to promote “protection of rare species” as proposed in the Fifth Environmental Action Plan (2012 -2016).  |
| Target 14 | We participated in activities such as tree planting designed to conserve underground water, but we made little progress overall because these activities often grew large in scale involving the government and local communities. |
| Target 19 | We failed to translate our intention to conduct detailed ecosystem surveys, disclose survey results, and develop technologies to conserve biodiversity into Toshiba Group activity goals, so we made little progress.              |

\*3 The 2015 version added “sustainable resource use,” “climate change mitigation and adaptation,” and “protection of biodiversity and ecosystems” to the scope of environmental conservation activities.

## Toshiba Group's Activities Introduced in Biodiversity Journals

Toshiba Group's biodiversity conservation activities were introduced in the casebook on private sector engagement in biodiversity published by the Ministry of the Environment (May 2020) and *KNCF NEWS Vol. 85* published by the Keidanren Committee on Nature Conservation (August 2020).



 [Casebook on private sector engagement in biodiversity published by the Ministry of the Environment](#)  
(in Japanese)(page introducing Toshiba)



*KNCF NEWS Vol. 85* published by Keidanren Committee on Nature Conservation  
(page introducing Toshiba)

## Toshiba Group Biodiversity Conservation Activity Database

We aggregate activities implemented at individual sites in a database, which we make available to the public on our website. The database also shows the correspondence between our activities and the Aichi Targets.

> [Toshiba Group Biodiversity Conservation Activity Database](#)



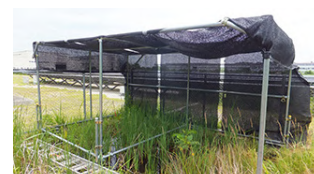


## Case1: Protection of Rare Plant and Animal Species Within the Premise

(Aichi Target 12 )

### Kakegawa Engineering Center, Toshiba Carrier Corporation

The company chose black-spotted pond frogs and hyacinth orchids, which are both rare species, as protection targets and continues to study their habitats. For black-spotted pond frogs, the company has put up a sunshade in a marsh on the company premises to maintain an egg-laying and habitation area for them. The company also makes the most of the greenery area on its premises to invite nearby elementary schoolchildren to nature watching events. In addition, it donates beetle larvae from the site to kindergartens in the surrounding area. In this way, the company works to achieve a nature-rich environment and contribute to the local community.



A sunshade for black-spotted pond frogs

## Case2: Tree Planting in Cooperation with a Water Utility Company and a Government Agency

(Aichi Target 14 )



### P.T. TEC Indonesia

In Batam, Indonesia, where forest destruction in water reservoir areas has continued over the last several years and concerns about a significant impact on water resources have arisen, the water utility company that manages the area called out to BP Batam, an organization under the control of the Batam Central Government, to jointly participate in the green restoration activities at Sei Harapan Reservoir, where the damage is the most serious. In support of this activity, P.T. TEC Indonesia is participating in the tree planting activities in order to contribute to the green restoration and maintenance as part of its CSR activities.



Green & water restoration activities through tree planting

## Case3: Community-based Activities at Semiconductor Manufacturing Sites Across the Country

(Aichi Target 1 & 12  )

### Toshiba Electronic Devices & Storage Corporation

At the company's eight main manufacturing sites, environmental staff members work together with various stakeholders including experts, NPOs, NGOs, local residents, public administration, and employees to promote ongoing community-based biodiversity conservation activities. These sites share the content of their specific activities with one another in order to refine their own activities, which sparks a sense of unity within the Group and leads to heightened environmental awareness. The outcomes of these activities have been well received, and were awarded the "Biodiversity Action Award 2019" and the "Japan Nature Conservation Award 2020."



"Biodiversity Action Award 2019" ceremony

## Case4: Creation of Ecosystem Networks with Outside Biotores

(Aichi Target 5 )

### Nishinihon Kaden Recycle Corporation

Four kilometers west of the company is Japan's largest biotope, the "Hibikinada Biotope." The company plants pansies in its biotope with the hope that birds and butterflies would use the biotope as a stopping point. As a result, many butterflies fly to this biotope every year. The company also takes part in the tree planting project hosted by the Kitakyushu City government. The company grows stocks of laurel trees (oaks) from locally originated acorns and plants one part of them within their premise, and another part within public areas.



A pansy biotope

\* Each case is categorized under the Aichi Target number most relevant to the described activity. However, each activity may also relate to other targets as well.

# Respect for Human Rights



Guided by The Basic Commitment of the Toshiba Group, we respect the rights of all stakeholders, such as our employees, customers, and shareholders. We support the universal principles regarding human rights and labor practices, including the Universal Declaration of Human Rights, and respect human rights through sound business activities.

## Medium- to Long-term Vision

- Raise awareness on respect for human rights.
- Identify priority areas to carry out human rights impact assessments and conduct 100% human rights due diligence at business sites with high human rights risks.
- Conduct ongoing education and enrichment on respect for human rights

## FY2019 Achievements

- Created and updated our statement on the Modern Slavery Act.
- Held human rights awareness seminars (including training on harassment) 190 times for around 8,000 participants.
- Conducted a human rights survey for 254 consolidated Group companies in Japan and overseas.

## Future Challenges and Approaches

Based on the human rights risks identified through human rights impact assessment (including potential risks) and the findings from the human rights survey conducted at our Group companies worldwide, we will strive to make systematic improvements and implement monitoring. We will also conduct surveys on domestic Group companies regarding human rights risks peculiar to Japan such as with foreign technical trainees and work to create a framework to avoid and mitigate these risks. In addition, we will communicate with human rights experts and stakeholders to deepen our understanding of human rights issues and focus on global trends. We will also provide ongoing education and enrichment on respect for human rights to prevent issues and all forms of discrimination in the workplace.

## Policy on Respect for Human Rights

Toshiba Group's policy on human rights is stipulated in the Article 1 "Respect for Human Rights" in the [Standards of Conduct for Toshiba Group](#), which Toshiba Group's executives and employees must adhere. The policy was formulated with reference to international norms and guidelines such as the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and ISO26000. As part of this policy, we will demand to take corrective actions not only from Toshiba Group executives and employees but also from our suppliers for any human rights violations found. At the same time we will start our dialogues with relevant stakeholders.

The corporate officer in charge of Human Resources and Administration Div. is responsible for the operation of this policy.

## Policy on Respect for Human Rights

### 1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

- (1) comply with all applicable laws and regulations concerning human rights in each country and region, understand international standards, and respect human rights, and shall not condone use of either child labor or forced labor;
- (2) take appropriate measures in the event that Toshiba Group becomes aware of violation of human rights and demand that suppliers redress any violations of human rights; and
- (3) seek to raise awareness among related stakeholders with respect for human rights.

### 2. Standards of Conduct for Toshiba Group for Toshiba Group Directors and Employees

Directors and Employees shall:

- (1) accept and accommodate different values, and respect the character and personality of each individual, observe the right to privacy and human rights of each individual; and
- (2) avoid any violation of human rights based on race, religion, sex, national origin, physical disability, age or sexual orientation, and avoid physical abuse, sexual harassment, power harassment (i.e., bullying or harassment by superiors in the office) or violation of the human rights of others;

Toshiba Group has declared its commitment to participate in the [UN Global Compact](#), which supports universal principles on human rights and labor, referring to the United Nations Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. We put these principles into practice to realize our human rights policy and conduct our business activities.

Some of the international standards and guidelines on human rights that we refer to in the course of our corporate activities:

- UN Universal Declaration of Human Rights
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct
- UN Guiding Principles on Business and Human Rights
- UN Guiding Principles Reporting Framework
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- UN Global Compact
- ISO 26000 (Guidance on social responsibilities)
- GRI Standards
- Responsible Business Alliance Code of Conduct (RBA)

We recognize the importance of implementing our human rights policies not only within the Group but also throughout our supply chain. To this end, we stipulate this policy as “[Supplier Expectations](#)” in [Toshiba Group Procurement Policy](#) and request all parties' adherence. We monitor through the annual CSR surveys.

> [Toshiba Group Procurement Policy](#)

## Modern Slavery and Human Trafficking Statement

Toshiba Group has issued statements on slave labor and human trafficking based on the UK Modern Slavery Act and the Australian Modern Slavery Act.



[Toshiba Corporation](#) (PDF:152KB)



[Toshiba International \(Europe\) Ltd](#) (PDF:488KB)



[Toshiba Information Systems\(UK\) Limited](#) (PDF:376KB)

> [Toshiba TEC U.K. Imaging Systems](#)



[Toshiba \(Australia\) Pty Ltd](#) (PDF:401KB)

> [Past statements](#)

## Toshiba Group Slavery and Human Trafficking Statement

Pursuant to the United Kingdom's Modern Slavery Act 2015, Chapter 30, Part 6, Section 54, Toshiba Group hereby certifies that it has carried out procedures during the financial year (financial year 2019, April 1, 2019 to March 31, 2020) to ensure that slavery and human trafficking do not occur in any of our supply chains or in any part of our business. These procedures include the adoption of appropriate policies, a framework for ensuring respect for human rights, ongoing identification and monitoring of human rights risks, employee training and the establishment of a whistleblower system, and a consulting service that monitors and makes sure that modern slavery is not taking place in any part of our business or supply chains.

### Company overview

Toshiba Group delivers products and services worldwide in energy systems & solutions, infrastructure systems & solutions, building solutions, retail & printing solutions, electronic devices & storage solutions, digital solutions, and the battery business. Toshiba was founded in 1875, and today operates a global network with approx. 126,000 employees worldwide and annual sales of 3.39 trillion yen.

<http://www.toshiba.co.jp/worldwide/index.html>

### Policies

We comply with universal principles regarding human rights and labor practices worldwide, including the Universal Declaration of Human Rights, and respect human rights throughout our business activities. In addition to complying with laws and regulations, the Toshiba Group Standards of Conduct stipulates respect for basic human rights, including opposition to child labor and forced labor.

<https://www.toshiba.co.jp/sustainability/en/policy/soc.htm>

Our suppliers play important roles in Group companies' production and provision of services, and we request them to understand and apply the Toshiba Group Procurement Policy, which contains clear prohibitions on forced labor (including slave labor) and human trafficking.

<https://www.toshiba.co.jp/procure/en/policy/index.htm>

The Toshiba Group Conflict Mineral Policy prohibits the use of raw materials, including tin, tantalum, tungsten and gold, that are mined in the Democratic Republic of the Congo and its neighboring countries, which violate human rights.

[https://www.toshiba.co.jp/sustainability/en/performance/social/procure.htm#conflict\\_mineral](https://www.toshiba.co.jp/sustainability/en/performance/social/procure.htm#conflict_mineral)

### Framework for Respecting Human Rights

The Human Rights Enlightenment Committee provides Group companies with leadership in promoting human rights awareness, under the basic principle of respect for human rights. The

committee promotes basic principles on human rights, enforces their practice, and provides instructions and support in order to promote respect for human rights throughout Toshiba Group.

### **Identification and Monitoring of Human Rights Risks**

Toshiba Group regularly investigates potential human rights risks in its business activities through reviews based on ISO 26000, the international standard that provides guidelines for corporate social responsibility. We monitor implementation of our human rights initiatives by using the Human Rights Risks Survey to perform gap analyses, as a part of the Risk Assessment Programs of the Toshiba Group Risk Management System. The survey is based on guidelines and principles regarding human rights, labor practices worldwide and global trends, and in FY2019 it was used to conduct annual human rights due diligence on 254 Group companies.

This due diligence found some concerns about foreign migrant workers at a Group company in Malaysia, which subsequently made improvements, including revising its recruitment policy to comply with the RBA Code of Conduct. Oversight of foreign technical trainees was added to the survey for Group companies in Japan, and this confirmed that their treatment is in compliance with law and regulations.

### **Training**

The Toshiba Group Standards of Conduct has been adopted by Group companies and is available in 24 languages. Training on the Standards of Conduct is provided annually to Group employees, so as to make the Standards of Conduct the guiding principles of our daily business activities.

### **Establishment of Whistleblower System and Consulting Service**

The Toshiba Group receives internal reports and consultations concerning human rights through various points of contact, including our Risk Hotline, Audit Committee Hotline, and Clean Partner Line.



**Nobuaki Kurumatani**

Representative Executive Officer

President and CEO

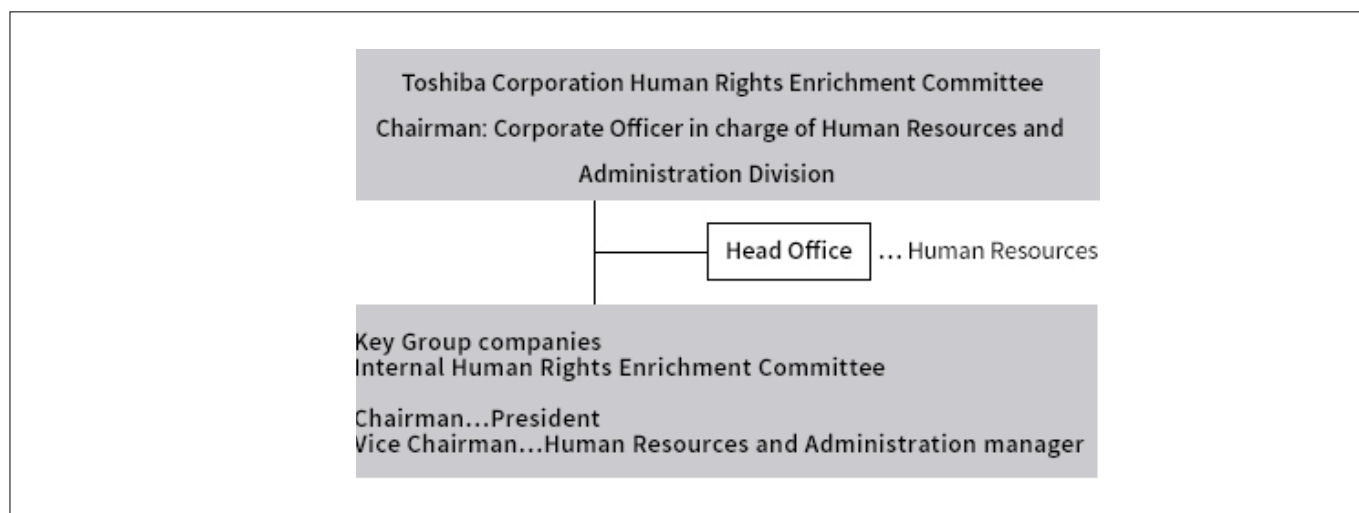
Toshiba Corporation

September 2020

## Structure for Promoting Respect for Human Rights

Led by Human Rights Enrichment Committee, chaired by the corporate officer in charge of human resources and general affairs, Toshiba plans and executes training courses covering key topics on human rights to educate and enlighten employees under the basic principle of Respect for Human Rights. Human Resources and Administration Division serves as the office for the Human Rights Enrichment Committee, formulating basic policies for human rights awareness and enforcing them Group-wide, establishing an internal promotion system, drafting and promoting Group-wide policy on education and training, preparing training materials, developing instructors, following up on the progress of training, consulting and coordinating with outside organizations, and providing instructions and support to promote the concept of Respect for Human Rights throughout Toshiba Group.

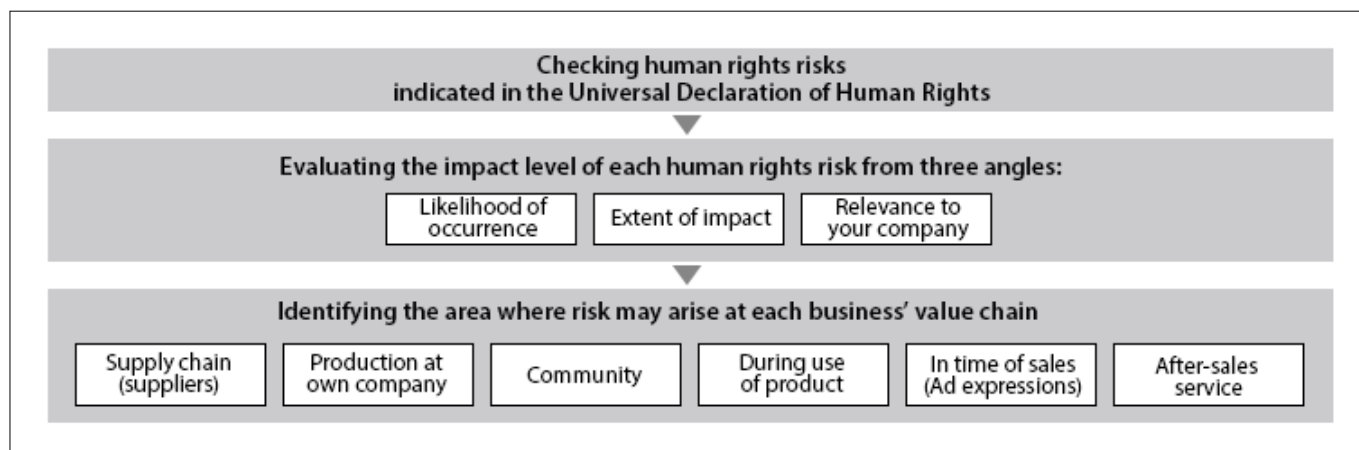
### Promotion Structure



## Identification and Monitoring of Human Rights Risks

Toshiba Group continuously investigates potential human rights risks in its business activities through reviews on ISO 26000. In FY2017, we once again performed a human rights impact assessment in each business in collaboration with Business for Social Responsibility (BSR), an US-based non-profit organization that promotes CSR, in order to further understand how our business activities impact human rights issues and recognize the following priorities.

### Human Rights Impact Assessment: Methodology





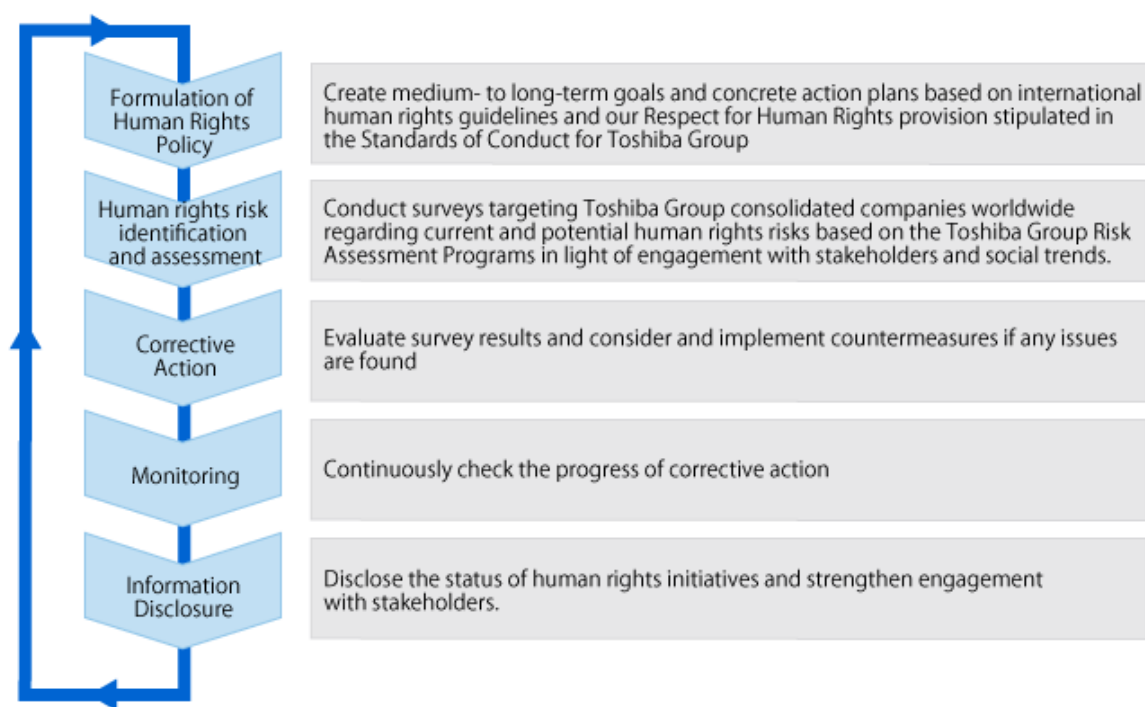
### Major Human Rights Issues Identified by the Human Rights Impact Assessment

- [Consideration of human rights in raw material procurement \(such as responsible mineral procurement\)](#)
- Consideration of human rights in the supply chain, especially in developing countries
- Consideration of Toshiba Group employees' human rights
- [Consideration of customers' human rights \(protection of personal information, privacy, etc.\)](#)
- Respecting human rights when venturing into new markets

Based on the result, we grasp the situation in each company regarding human rights concerns, which vary depending on the business area, country or region, and make the appropriate response when an issue arises. Also, to ensure ongoing monitoring, we perform human rights surveys (human rights due diligence) targeting our Group companies worldwide and CSR surveys targeting our suppliers, as well as mineral procurement surveys, etc.

- > [Surveys on human rights \(Human rights due diligence\)](#)
- > [CSR surveys targeting our suppliers](#)
- > [Responsible Minerals Sourcing Survey](#)

### Human Rights Due Diligence Process



Human rights surveys are conducted as part of the Risk Assessment Programs of the Toshiba Group Risk Management System, with content that centers on child labor and forced labor. Based on the results of the FY2019 survey, we uncovered some concerns related to foreign migrant workers at a Group company in Malaysia, which subsequently made improvements, including revising its recruitment policy to comply with the RBA Code of Conduct. In addition to the survey on child labor and forced labor, we conducted a survey related to foreign technical trainees in Japan, and as a result, confirmed proper implementation of technical training for foreigners as stipulated by the Ministry of Justice, compliance with Act on Proper Technical Intern Training and Protection of Technical Intern Trainees (Technical Intern Training Act) and response in accordance with Operational Guidelines for the Technical Intern Training Program issued by the Ministry of Health, Labor and Welfare.



# Education and Enrichment on Respect for Human Rights

Our Human Rights Enrichment Committee is the driving force to raise awareness about respect for human rights among employees. It aims to increase the familiarity of all employees at the facilities and Group companies with the Standards of Conduct for Toshiba Group and provide trainings on human rights at the time of hire and before/after employees get promoted or appointed to managerial positions.

## Human Rights Awareness Seminars

Various human rights awareness seminars were implemented at Toshiba Group companies in Japan 190 times in FY2019, with around 8,000 participants. This includes training for general personnel and executives concerning human rights issues, training for new recruits, training for promoted employees and training for recruitment interviewers.

## Human Rights Week Lecture

In December every year during Human Rights Week, Toshiba holds a Human Rights Week Memorial Lecture at the Toshiba headquarters as a Toshiba Group CSR month event. In FY2019, an outside lecturer gave a talk on the importance of media literacy in ensuring that social media users are not perpetrators of human rights violations titled “What is media literacy? —You as content creator in a world of social media.” Around 90 managers from human resources and administration departments of Toshiba Group companies attended.

## Disclosure of Risk Management Case Studies Regarding Human Rights

Toshiba publishes case studies from outside the company regarding violation of human rights on our company intranet, in order to improve employee awareness. We summarize and introduce the key points of management risks, and related laws in a comprehensive fashion.

## Workshops on Human Rights

In order to promote the understanding of human rights issues within Toshiba Group, we hold workshops on human rights at various locations.

### Records of Workshops on Human Rights

| Time      | Place       | Participants   | Contents   |
|-----------|-------------|--|--|
| Jan. 2020 | Japan       | Approximately 150 staff member who work for CSR promotion, harassment consulting service, and diversity promotion                  | <ul style="list-style-type: none"> <li>Implementing training and a workshop run by an outside instructor to promote understanding of LGBT</li> <li>Implementing training and a workshop run by an in-house instructor on recent trends related to harassment</li> </ul>  |
| Mar. 2019 | Japan       | 24 CSR promotion staff in Toshiba Group  | <ul style="list-style-type: none"> <li>Deepening understanding of the importance of human rights due diligence based on UN Guiding principles on Business and Human Rights</li> <li>Learning how to identify potential risks and avoid and prevent them through case studies at a human rights workshop</li> </ul>                                   |
| Mar. 2018 | Japan       | 40 CSR promotion staff in Toshiba Group  | <ul style="list-style-type: none"> <li>Implementing a study session and a workshop run by outside instructors on global trends on human rights, the background to human rights issues and the risk of human rights violation in business</li> <li>Verifying human rights risks in the value chain for each business group in the workshop</li> </ul> |
| Apr. 2015 | Thailand    | 33 people and managers from general affairs and human resources, procurement departments of 14 Toshiba Group companies in Thailand | <ul style="list-style-type: none"> <li>Learning about global human rights issues, and about human rights violations in Thailand</li> <li>Exchanging opinions and sharing information between Group companies about potential risks in each company</li> </ul>  |
| Dec. 2014 | Japan       | 53 people from general affairs and human resources departments of 24 Toshiba Group companies in Japan                              | <ul style="list-style-type: none"> <li>Learn about global standards on human rights such as the Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights.</li> <li>Hold a workshop to detect possible human rights risks at each step in each business's value chain.</li> </ul>                            |
| Nov. 2014 | China       | 54 managers from general affairs and Human Resources Departments of 31 Toshiba Group companies in China                            | <ul style="list-style-type: none"> <li>Learn from case studies about global issues, and potential risks and the impact they might have on our business.</li> </ul>   |
| Feb. 2014 | Philippines | 45 managers from human resources department of 9 countries in Asia and others  | <ul style="list-style-type: none"> <li>Lectures on cases of human rights violations, and outlines of international principles</li> <li>Group discussions on human rights risks in the country</li> </ul>   |



A human rights workshop held in Japan in March, 2019

## Prevention of Harassment

[The Standards of Conduct for Toshiba Group](#), a code of conduct for executives and employees, prohibits discriminatory behavior related to race, religion, gender, nationality, disability, age, and sexual orientation as well as violence, sexual harassment, and abuse of power (workplace bullying and other forms of harassment).

In accordance with this policy, our employment regulations and collective agreements also prohibit sexual harassment and abuse of power and stipulate disciplinary action for anyone involved in wrongdoing.

We also provide consulting services and training for consulting service staff at each workplace on a regular basis.

In FY2019, we provided training to promote understanding of LGBT+ related issues and recent trends in harassment targeting CSR promotion staff, harassment consulting service staff, and diversity promotion officers within our CSR Forum and as part of training for all staff involved in providing consultation on matters concerning harassment.



A workshop for CSR promotion staff and harassment consulting service staff held on January 2020

> [Promotion of Diversity and Inclusion](#)

## Establishment of Whistleblower System and Consulting Service

Toshiba Group receives internal reports and consultations concerning human rights through points of contact for employees and client companies.

### Whistleblower System “Toshiba Hotline” for Employees

Toshiba has established the “Toshiba Hotline” for providing information and consulting on action that may be problematic relative to laws, regulations, social norms, corporate ethics, the Standards of Conduct for Toshiba Group, or internal regulations. The aim of the hotline is to prevent risks related to breaches of compliance such as legal violations and fraudulent transactions, and to promote problem resolution. Under this system, all employees working in the Toshiba Group<sup>\*1</sup>, including non-regular employees, can anonymously consult full-time counselors on concerns they may have on such matters as workplace culture and interpersonal relations, personnel conditions, or harassment, by phone or e-mail etc. Personal information such as department, name and contact details will not be disclosed elsewhere without the consent of the whistleblower or person seeking advice. In addition, internal regulations stipulate that whistleblowers and people seeking advice shall not be subject to unfair treatment.

In FY2019, there were 110 cases concerning harassment and other issues in the workplace were reported to the Toshiba Hotline, and in each case we undertook measures that included conducting hearings with the person concerned and related party after obtaining the consent of the person who made the report.

\*1. Limited to Toshiba and its domestic consolidated subsidiaries

### Whistleblower System “Harassment Consultation Center” for Employees

Toshiba Group is creating a system that facilitates employee consultation and aims to build an inclusive and comfortable working environment in which counselors address concerns together with the employees. Key Group companies have set up consultation centers to deal with issues related to harassment and have appointed both male and female to serve as counselors.

## Whistleblower System for Employees “Audit Committee Hotline”

Toshiba established an Audit Committee Hotline in FY2015 that allows employees to report directly to the Audit Committee, which is not under the command of the President and COO. The Audit Committee Hotline has been established primarily to prevent any occurrence of compliance violation risks, such as violations of laws and regulations, and improper transactions, as well as to accelerate the resolution of issues.

## Whistleblower System “Clean Partner Line” for Suppliers

In April 2006, Toshiba set up a supplier whistleblower system “Clean Partner Line” to receive reports from suppliers and business partners to prevent noncompliance and unfair trading practices by employees in charge of procurement and order placements for construction and other works.

> [Risk Management and Compliance](#)

# Activities with Stakeholders

## Participation in Human Rights Initiatives

Toshiba Group is actively participating in initiatives developed by international and industrial organizations to review human rights issues.

- Human Rights Working Group held by Business for Social Responsibility (BSR), an US-based non-profit organization that promotes CSR (FY2015-)
- Japan Human Rights Study Forum hosted by BSR, an US-based non-profit organization that promotes CSR (FY2012)
- Practical discussions on identifying and dealing with human rights issues in the Stakeholder Engagement Program hosted by Caux Round Table (CRT) Japan (FY2014-2017)
- Human Rights Seminars hosted by Caux Round Table (CRT) Japan, the 2016 Business Human Conference in Tokyo
- Human Rights Seminars hosted by Caux Round Table (CRT) Japan, the Global Conference on CSR and Risk Management 2014
- Human Rights Due Diligence Study Group organized by the Global Compact Network Japan (GC-NJ) (FY2013-FY2015 and 2018~)
- Research on Respect for Human Rights in Business Development in Developing Countries conducted by Business Policy Forum, Japan (BPF) (FY2012)

## Support for Human Rights NGOs

We donated a mini rugby ball signed by the captain of Japan’s national rugby team, Michael Leitch, who belongs to Toshiba Brave Lupus, to a charity auction commemorating the 50th anniversary of Amnesty International Japan. We will continue to support the activities of this organization that aims to realize a society in which the human rights of all people are respected.



The Donated signed mini rugby ball

# Employment and Labor Relations



Sound and stable labor relations are an essential foundation for achieving continuous corporate growth. Toshiba holds labor talks with Toshiba Union, which employees may join, for practical and amicable solutions under three fundamental principles: Labor-management Equality, Mutual Trust and Understanding, and Prior Consultation.

## Medium- to Long-term Vision

Toshiba Corporation and Toshiba Union will jointly promote, maintain, and improve our businesses and union member's working conditions in order to achieve stable and orderly labor relations.

## FY2019 Achievements

- Conducted negotiations and discussions with Toshiba Union.
- Briefed on an overview of management work style reform, and other matters at the Toshiba Group Labor-management Congress (Two times).
  - Spring Bargaining
  - Revised the Human Resource System with the aim of more appropriately evaluating behavior and achievements, and ensuring fair treatment.

## Future Challenges and Approaches

We shall share matters such as business operations and major reorganizations with Toshiba Union and discuss between labor and management changes in working conditions and other labor-related issues. We will continue to hold labor-management talks in accordance with the Labor Agreement, and labor and management will work together to implement measures to prevent the spread of COVID-19 and promote work style reform.

## Policy on Labor-management Relations

Toshiba supports the principles of the Universal Declaration of Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises, and ensures that its employees have fundamental labor rights, which include respecting freedom of association as a company and the right to collective bargaining.

Cognizant of the fact that formation of a labor union is permitted in Japan, Toshiba Union was established, consisting of employees belonging to the Company. In the Labor Agreement concluded with Toshiba Union, it stipulates that Toshiba Union has the three rights of labor (the right to association, the right to collective bargaining, and the right to act collectively). Toshiba Union was comprised of 15,743 members as of March 31, 2020, accounting for 95.7% of employees<sup>\*1</sup>.

We pay salaries in compliance with the laws and regulations setting the minimum wage in each country. In addition, the payment of bonuses is determined based on consultations between labor and management at Toshiba and its key Group companies. The bonus system reflects the evaluation result of company performance in the amount of bonuses paid, with the aim of rewarding employees for their contribution to the company and fostering a sense of responsibility for company performance.

In order to foster awareness of employee participation in management and contribute to their asset-building efforts, we established the Toshiba Employees Shareholding Association<sup>\*2</sup>, which regularly purchases shares of Toshiba Corporation for assets building purposes. We have introduced a framework for granting restricted stock incentives<sup>\*3</sup> with the aim of encouraging officers and certain employees who are candidates for succession to the management team to share the same values as shareholders and strengthen the driving force for enhancing corporate value.

\*1. This percentage refers to the ratio of Union members to regular employees, excluding supervisors, pursuant to the Labor Standards Act. Of the employees stated above, employees (HR, Accounting, Security work, etc.) who are stipulated as non-Union members in the labor agreement are not included in the ratio calculation. Including Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation.

\*2. Employee participation rate stands at 57% for Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation.

\*3. Introduced to Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, Toshiba Digital Solutions Corporation, Toshiba Elevator and Building Systems Corporation, Toshiba Lighting & Technology Corporation and Toshiba Carrier Corporation.

## Relationship with Toshiba Union

Toshiba maintains a good relationship with Toshiba Union, which represents our employees. Management and the union representatives periodically negotiate and discuss employee working conditions and other matters.

At the Toshiba Group Labor-management Congress held every six months, which is attended by executive management including the president, executive officers and presidents of key Group companies, Toshiba discusses Toshiba Group's business policies with representatives of the Association of Toshiba Group Unions, with which the labor unions of Toshiba and Toshiba Group companies in Japan are affiliated.

Toshiba Group companies overseas hold discussions with their labor unions or employee representatives in accordance with the laws and regulations of the countries in which they operate.

## Promoting Labor-management Dialogue

Toshiba and Toshiba Union hold dialogues based on a spirit of mutual trust, mutual understanding and prior consultation in line with our basic philosophy of labor-management equality with the aim of improving labor-management relations and business operations. Management condition is explained on a regular basis through a labor-management council held once every six months and labor-management meetings with top representatives from both parties. In addition, discussions between labor and management are held on a daily basis at the Toshiba Group company level and business site level.

Large-scale transfers of union members and changes in working conditions are also deliberated between labor and management in advance, and these discussions are held with sufficient time given for both parties to agree.

In FY2019, the Human Resource System revisions were discussed from the conceptual stage while changes to the evaluation system based on these revisions and measures to encourage employees to independently develop their careers were explained to Toshiba Union.

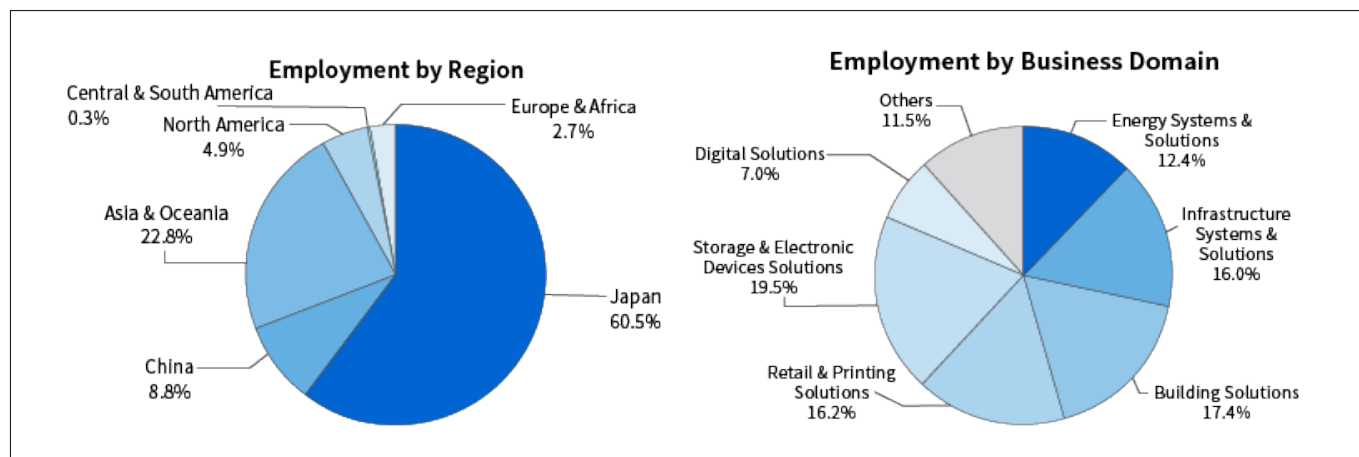
Labor-management discussions were held promptly following declaration of a state of emergency in April 2020 due to the spread of COVID-19 with the aim of minimizing contact to the extent possible in order to reduce the risk of infection to employees, customers, business partners and local community. Toshiba Group's domestic bases reduced the number of business days in April mainly by moving ahead days off originally scheduled for the Tokyo Olympics.

We will continue to hold labor-management talks as appropriate in accordance with the Labor Agreement.

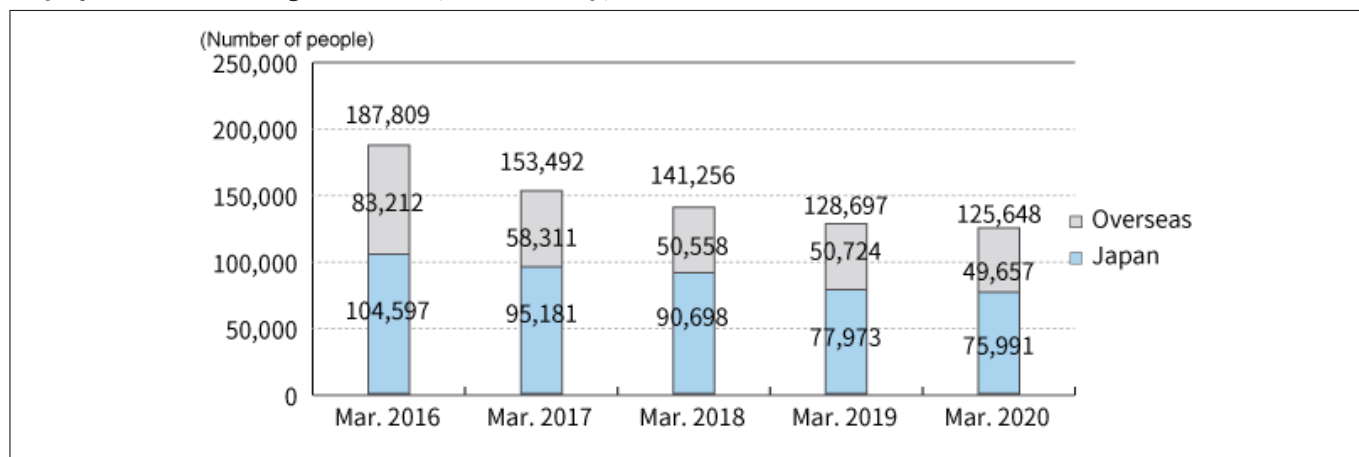
## Employees Data

### Employment by Region and Business Domain\*<sup>4</sup> (as of March 31, 2020)

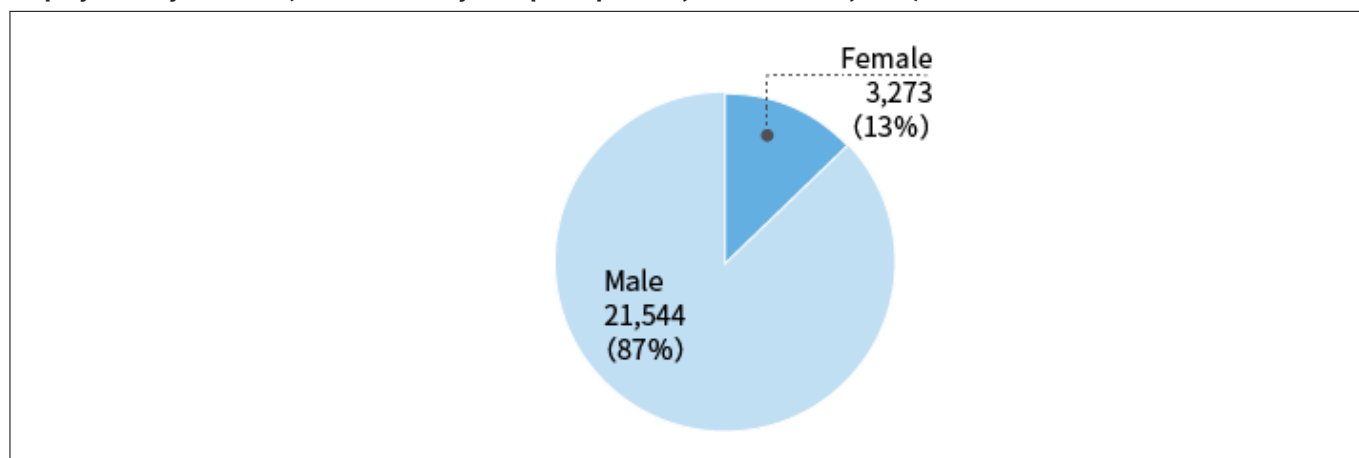
| Region                        | Number of employees | Business domain                        | Number of employees |
|-------------------------------|---------------------|--|---------------------|
| Japan                         | 75,991              | Energy Systems & Solutions             | 15,594              |
| China                         | 11,007              | Infrastructure Systems & Solutions     | 20,077              |
| Asia* <sup>5</sup> & Oceania  | 28,706              | Building Solutions                     | 21,936              |
| North America                 | 6,124               | Retail & Printing Solutions            | 20,308              |
| Central & South America       | 409                 | Storage & Electronic Devices Solutions | 24,494              |
| Europe* <sup>6</sup> & Africa | 3,411               | Digital Solutions                      | 8,755               |
| Total                         | 125,648             | Others                                 | 14,484              |
|                               |                     | Total                                  | 125,648             |



#### Employment Status Change Over Time (Toshiba Group)



#### Employment by Gender<sup>\*4</sup> (Toshiba and key Group companies<sup>\*7</sup>, as of 31 March, 2019)



<sup>\*4</sup> The number of employees is the sum of the workers who are expected to work or have worked over a year among regular employees and fixed-term employees.

<sup>\*5</sup> Excluding Japan and China.

<sup>\*6</sup> Including Russia.

<sup>\*7</sup> Including Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation.



## Employment Status in FY2019 (Joined in April 2020)

Figures in parentheses represent planned figures

|  | Business<br>Administrative Staff | R&D/Engineer | Technical Operator | Total            |
|--|----------------------------------|--------------|--------------------|------------------|
| Domestic consolidated                      | 170<br>(150)                     | 810<br>(800) | 60<br>(50)         | 1,040<br>(1,000) |
| Of which, parent alone, etc.* <sup>8</sup> | 70<br>(60)                       | 270<br>(280) | 10<br>(10)         | 350<br>(350)     |

\* 8. Including Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation.

Mid-career employment is carried out when it is deemed necessary for business (FY2019: 400 people on a consolidated basis, including 70 on a parent-alone basis, etc.)

Toshiba Corporation has 3,299 employees with an average age of 44.8 years old, an average length of service of 18.5 years and a turnover rate of 1.5%<sup>\*9</sup> at Toshiba and its key Group companies<sup>\*10</sup>. The average annual salary is ¥8,675,871. Starting monthly salary in Japan, which accounts for 60% of employees, is ¥215,500, which is 137% of the minimum wage set by law.

\* 9. Retirement based on personal reasons only.

\*10. Including Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation.

# Fair Evaluation and Talent Development



Toshiba Group states “We turn on the promise of a new day” in “The Essence of Toshiba.” To achieve this, we are creating and promoting an open corporate culture, and have established fair evaluation systems while seeking to develop and deploy talents to the greatest extent in order for our sincere and richly diverse human resources with a passion for change to work together and to generate new value based on a vision of the future of the company.

## Medium- to Long-term Vision

To create and promote an open corporate culture and a highly creative and productive organization in which each employee plays an active role, and to nurture workforce who lead us toward growth and change.

## FY2019 Achievement

We began to entrench this vision by reflecting Toshiba Group’s Basic Commitment in level-specific training and expanded efforts supporting non-Japanese employees playing the active role. In order to “turn on the promise of a new day” by way of digital transformation, we took steps to develop and nurture employees.

## Future Challenges and Approaches

In order for Toshiba Group to “turn on the promise of a new day,” we will foster employees who help drive continuous change aimed at creating a new future and establish a framework that assesses and treats employees fairly based on their achievements and behavior in relation to roles required within the organization. In addition, Toshiba Group will continue to support each and every employee in developing his/her skills and support independent career advancement through our diverse systems for talent development. We will also accelerate efforts to promote health and safety management, work style reform, and diversity and inclusion with a view to a post-COVID world.

## Policy on Fair Evaluation and Talent Development

To “turn on the promise of a new day,” the new Human Resource Policy will provide total support for people with a sincere passion for transformation who envision the company’s future and cooperate with one another to create new things.

### Toshiba Group Human Resources Policy

#### Appraisal

People who take on new challenges will be highly evaluated and rewarded for their actions and performance.

#### Talent (management, assignment, and training)

People who lead growth and innovation and take on new challenges will be assigned and trained.

#### Organization

A highly creative and productive organization will be created where each person can play an active role.

# Training System for Talent Development

## Cultivating Global-Minded Talents

Toshiba Group emphasizes the importance of training to develop well-rounded global-minded talents who have deep cross-cultural understanding and the ability to perform their jobs through direct communication with stakeholders around the world in order to ensure that diverse human resources can play an active role and grow. We provide “Liberal Arts Training”<sup>1</sup> to develop well-rounded individuals who can embrace diversity and have the ability to think thoroughly. In addition, we aim to develop global-minded personnel through international joint trainings such as the Overseas Management Course, which helps to promote understanding of Toshiba Group's philosophy and nurture bridge-builders<sup>2</sup> both inside and outside Japan. Such region-specific education has a long history, with Europe and Asia boasting the longest with programs commencing more than 20 years ago. To enhance our education programs, the Toshiba China Academy and Toshiba University in the United States provide training courses in China and the Americas, respectively.



Global Talents Development Program

\*1 Liberal Arts: Develop intellectual capabilities and techniques to deepen understanding in various subjects

\*2 A bridge-builder: Our term for talented personnel who can foster smooth communication between our Japanese companies and overseas subsidiaries

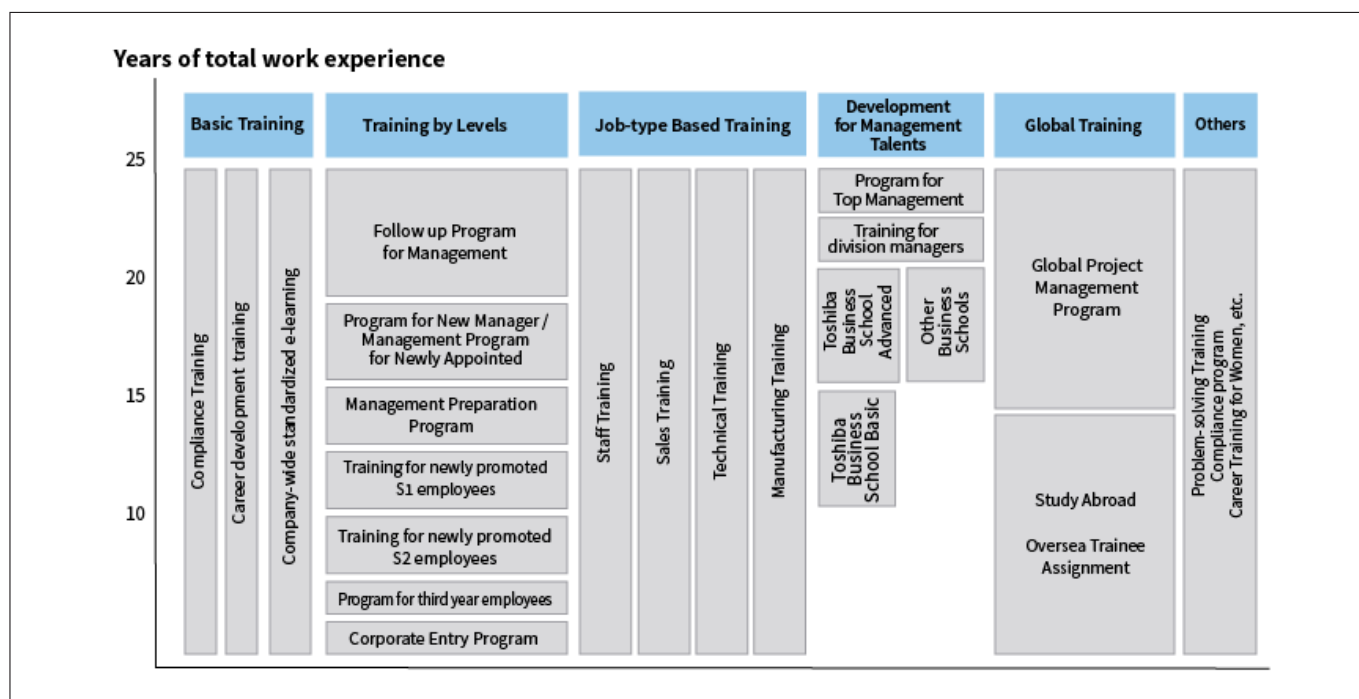
## Training Programs

Toshiba Group has various training systems to help form a common ground of understanding among employees and programs based on requirements at each career level.

### Main Training Programs (For Toshiba Group's regular employees)

| Training Category  | Outline  |
|--|--|
| Basic Training and Development                             | A program that is designed to teach employees about the actions and values that form the shared basis for all members of the Toshiba Group, such as compliance* education, Toshiba Value Education and Liberal Arts Training.<br>* For non-regular employees as well   |
| Global Training and Development                            | A program that seeks to develop global-minded people who can not only perform the jobs within the scope of their countries or regions, but at a global level, by accepting cross-cultural differences and communicating with a wide range of stakeholders. The program also aims to teach the skills that allow people to succeed globally.  |
| Training and Development based on Levels of Responsibility | A program that seeks to improve basic knowledge, skills, and management capabilities required for employees assigned to a new position (leader, manager, etc.). This program also includes training to continuously improve the management capabilities required of managers, as well as education aimed at acquiring at an early stage knowledge and skills required for global business. |
| Job-type based Training and Development                    | Aims to equip employees, based on their career stages, with knowledge and skills required for different job functions.   |
| Training and Development for Management Talents            | Training program for the select group of individuals who are candidates to take up managerial/leadership positions in Toshiba Group. The training is held for senior management as well.   |

## Talent Development Program Roadmap (Toshiba Group in Japan)



## Talent Development Program Roadmap (Toshiba Group Overseas)

| Region            | Entry                               | High Potential   | Managers                           | Executives                |
|-------------------|-------------------------------------|--|------------------------------------|---------------------------|
| Global Integrated | Global CEP #web-based               | Overseas Management Course                                 | Global Project Management Program  |                           |
|                   | Compliance Training                 |  |                                    |                           |
| China             | Global CEP Chinese Language Version | Functional Program   | Basic Management Course            | Senior Management Program |
| Asia              |                                     | Management Training Workshop<br>People Management Workshop | Asia Management Development Course |                           |
| Americas          |                                     | Toshiba University Online Courses                          |                                    |                           |
| EMEA              |                                     | PEMP - I   | PEMP - II                          |                           |

## Participation in education/training for FY2019 (Toshiba Group)

|   |                |
|---|----------------|
| Number of employees who participated in company-wide standardized educational program/training for the year | 65,826         |
| Total cost of company-wide standardized educational program/training  | ¥3,090 million |
| Training time per employee (average)  | 20.8 hours     |

## Using Full-fledged Career Development Systems

Toshiba supports the career development of each employee in an effort to maximize his/her current and future job performance. The Performance Management System was previously implemented on an individual basis, giving each employee an opportunity to review and discuss job objectives and job performance with their superiors. To enhance the creativity and productivity of the entire organization, however, this will now be implemented on an organizational basis. In addition, the Career Design System provides each employee with an annual opportunity to discuss and share their views on long-term career development plans as well as on mid-term goals for skill acquisition, improvement, and the way to utilize such skills with their superiors. In FY2019, we confirmed that 68% of all employees received regular reviews.

### Implementation of reviews aimed at career development in FY2019 (Toshiba)

|                         |   |
|-------------------------|---|
| Reviews implemented for | 68% of all employees                        |
| By attribute            | Male 69%, Female 62%                        |
|                         | Exempt employees 70%, General employees 67% |

We introduced the 360-degree survey in FY2015 to investigate managers from various perspectives with regard to their day-to-day work performance and activities, with such perspectives including those of managers themselves, as well as of their subordinates, peers, and supervisors. The survey is implemented every other year, and targeted 666 general managers in FY2018. The major aims of this survey are to encourage growth by objectively and repeatedly identifying their strengths and weaknesses and confirming progress on change and enhancing leadership in order to create healthier organizations. Managers must accept survey results in a sincere manner and use the results to improve themselves and workplace communication, thereby creating a better corporate culture. Toshiba also provided follow-up training programs to promote ongoing self-improvement for general manager-class employees.

We also have career development systems that encourage employees to plan 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.

To further strengthen support for the career development of employees who are strongly motivated and passionate about taking on challenges at work, we will integrate both of these systems into the Career Challenge System in FY2020, which is easier to understand, and put this into practice.

### Job Transfers Involving Use of Open Recruitment in Toshiba Group and the In-house Free Agent System (Toshiba Corp.)

| System                            | Eligibility   | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 |
|-----------------------------------|---|--------|--------|--------|--------|--------|
| Open recruitment in Toshiba Group | Full-time employees of the eligible Toshiba Group companies who have been employed by the company for three years or more | 66     | 37     | 32     | 24     | 58     |
| In-house free agent               | Full-time employees who have been employed by the company for three years or more   | 22     | 16     | 22     | 18     | 8      |

## Employee Engagement Survey

Since FY2003, Toshiba Group has conducted the TEAM Survey every year for the purpose of soliciting the opinions of employees. Through the survey, we periodically monitor the level of employee awareness of various measures and how far they have propagated into the organization. Where issues are identified, we seek to resolve them, applying the results to improve the corporate culture.

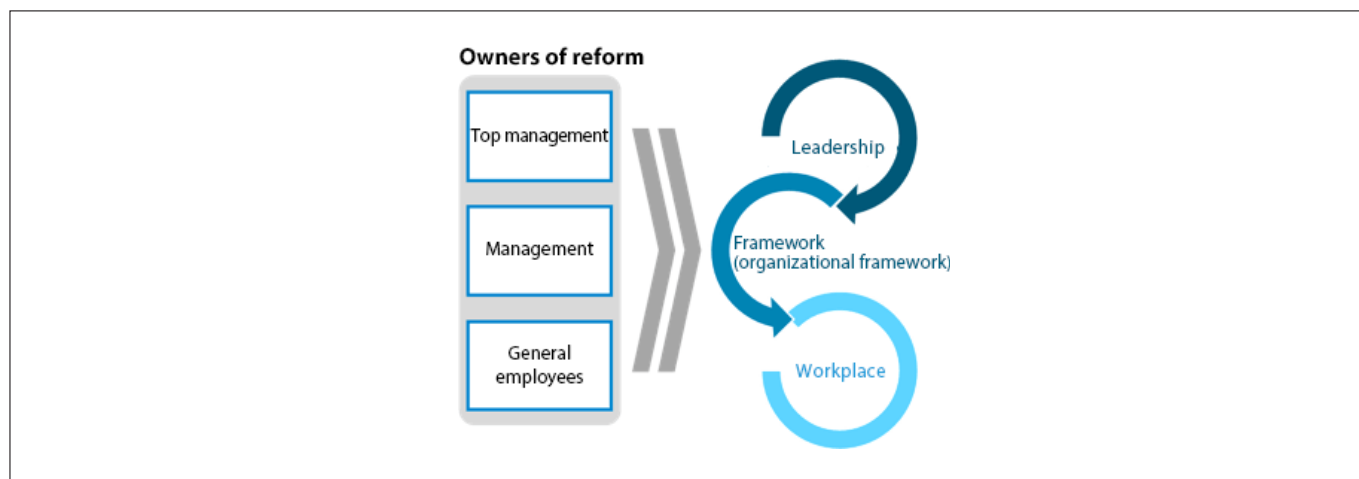
In FY2019, we conducted an anonymous survey targeting about 60,000 employees in 74 Toshiba Group companies in Japan and overseas, and received responses from approximately 92% of the employees. This survey assesses employees' understanding of the company policies, and whether their working conditions allow them to exercise their abilities. In addition, since FY2015, we have also asked questions about opinions regarding the president and top management as well as about legal compliance.

Although the score was lower for such statements as "Feedback from own manager," "Swiftly invest in new ideas," it improved for "Clear direction and decision-making by top management," "Sense of accomplishment," and "Corporate culture enabling open discussion." The "Engagement score," a key indicator, improved four percentage points year on year to 20%\*.

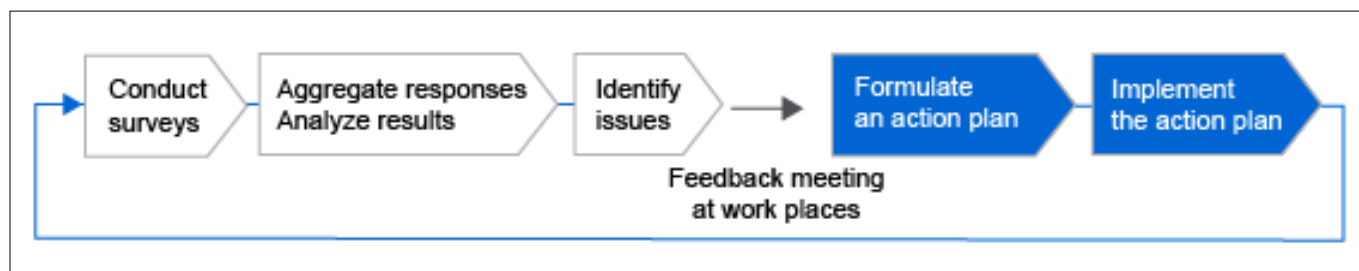
Based on these survey results, in order for management and employees to come together and improve, our top management is taking the lead in declaring a commitment to build a workplace environment where everyone can voice their opinions frankly. By transmitting messages from top management and disclosing information more actively, we are endeavoring to build an open corporate culture.

In addition, we are working to create an environment that prioritizes change by preparing and implementing an action plan for each workplace so that leadership, mechanism and workplace each serve as drivers to enhance organizational capabilities.

**We aim to have all employees take ownership of change and work to improve organizational culture.**



#### TEAM survey execution cycle (annual)



\* The percentage of employees from Toshiba and its four key Group companies who responded “Strongly agree” or “Agree” to the six questions pertaining to engagement.

## Establishment of Consulting Service

We established the “Toshiba Hotline” as a whistleblower system for providing information and consulting on action that may be problematic relative to laws, regulations, social norms, corporate ethics, the Standards of Conduct for Toshiba Group, or internal regulations. The aim of the hotline is to prevent risks related to breaches of compliance such as legal violations and fraudulent transactions, and to promote problem resolution. All employees working in the Toshiba Group\*, including non-regular employees, can anonymously consult full-time counselors on concerns they may have on such matters as workplace culture and interpersonal relations, personnel conditions, or harassment, by phone or e-mail etc.

In FY2019, there were 110 cases concerning harassment and other issues in the workplace were reported the Toshiba Hotline, and in each case we undertook measures that included conducting hearings with the person concerned and related party after obtaining the consent of the person who made the report.

\* Employees from Toshiba and its consolidated subsidiaries in Japan

> [Whistleblower System “Toshiba Hotline” for Employee](#)



# Promotion of Diversity and Inclusion



“Diversity” as it pertains to human resources refers to the differences between people as individuals, from race, nationality, age, gender and sexual orientation or gender identity to religion, beliefs, culture, disability, career and lifestyle.

“Inclusion” means to recognize the abilities and skills of individuals with different and varied values and ways of thinking and provide the opportunity for each and every person to take on an active role in the organization.

By respecting, accepting, and making use of individual differences, Toshiba Group will promote diversity and inclusion (D&I) that will lead to sound and sustainable growth by generating new values and ideas and enabling company, organization, and employees with differing backgrounds to feel empowered at work.

We also aim to create a work environment and foster a culture in which all employees feel that their personal attributes are respected, and their existence is valued.

## Medium- to Long-term Vision

To achieve the company's growth by enabling a diverse workforce who share the Values and Essence of Toshiba to excel globally.

### Quantitative Target Percentage of female managers

(Toshiba and key Group companies, at the end of FY2020)

# 7.0%

Targets for FY2021 and beyond are currently being formulated.

## FY2019 Achievement

### Percentage of female managers (Toshiba and key Group companies)

Achievement **4.9%**

In April 2020, employees able to do so started working from home to prevent the spread of COVID-19. Lines providing connection to internal systems were increased fivefold as a means to enhance this work environment.

## Future Challenges and Approaches

A female executive officer was appointed internally in April 2019. Going forward, we will make further efforts to promote managerial diversity, appointing diverse human resources as women and foreign national employees in executive posts, as well as developing candidates. We will also work to expand the place of people with disabilities in the workforce. We will create a work environment where each employee can demonstrate his or her talents to the greatest extent possible.

## Policy on Promoting Diversity and Inclusion

Toshiba Group believes that promoting diversity and inclusion leads to greater corporate value in such areas as securing labor and creating innovation, and aims to establish a corporate culture that enables diverse personnel to play active roles irrespective of gender, nationality, or whether they have disabilities or not.

Toshiba Group is working to enhance its systems and initiatives, especially for female employees, foreign employees, employees with disabilities, and LGBT+ employees.

## Structure of Promoting Diversity and Inclusion

In 2004, we at Toshiba established our Kirameki Life & Career Promotion Office, an organization under the CEO's direct control, to promote gender equality. After that, we expanded the scope of our activities to include foreign nationals and people with disabilities. As diversity became the very core of our human resources work, the office was reorganized as a structure under the umbrella of the Human Resources & Administration Division in FY2013, which has been advancing diversity measures as a general human resources matter.

The office was once again reorganized into the Human Resources and Administration Division, Human Resources Management Dept. 1, Organization & Talent Development and Diversity Group in April 2020. The new office promotes measures to expand the role of women in Japan, policy and measures to proactively appoint women to managerial positions, support of the active role of persons with disabilities and the fostering of global human resources and establishment of an environment conducive to this in conjunction with key Group companies.

## Approach to Diversity and Inclusion

Toshiba Group strives to create an organizational culture where diverse individuality and employee values are accepted and respected and where each employee is provided the opportunity to maximize their capabilities and strengths. Our efforts include diversity training where employees learn to accept and respect diversity of each individual and study about human rights for all employees. Further, we conduct awareness surveys targeted at Group employees in Japan, and monitor the level of diversity awareness throughout the workplace. Where improvements are called for, we conduct training as necessary, and strive for better work environments.

### Disseminating Information about Diversity and Inclusion

Toshiba Group has set up an intranet web page about diversity and inclusion for employees in Japan. On it, we provide information about topics such as supporting employees in balancing their child-raising and nursing care duties with their work, a portal site to support personnel who work with non-Japanese employees, and support for employees with disabilities.

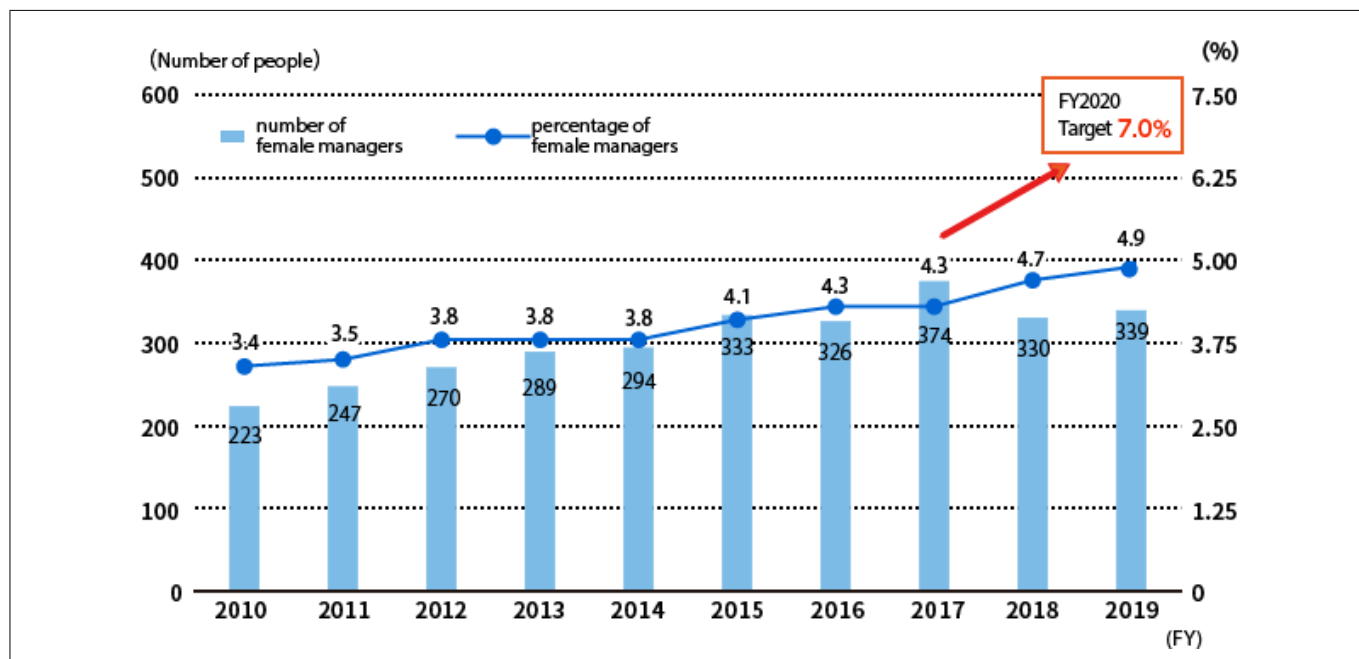


Intranet web page "Kirameki"

## Promoting the Career Development of Female Employees

Toshiba is promoting measures to accelerate success for female employees. The Act to Advance Women's Success in Their Working Life was enacted in FY2016. The act defines the obligations of national and local governments and private business owners to advance women's careers to realize a society that enables women to fully develop their creativity and abilities. Based on this act, Toshiba has developed an action plan aimed at increasing the percentage of female managers to at least 7% by the end of FY2020. We have also set our recruitment target for new female university graduates at 50% for administrative positions and 25% for technical positions. In our action plan, we formulated measures to achieve these targets, including training for female manager candidates and awareness raising for managers and workers.

### Trends in the number / percentage of female managers (Toshiba, section manager level or higher)



\* FY2017, 2018, 2019: Sum of Toshiba and key Group companies

### Percentage breakdown of female managers (Toshiba)

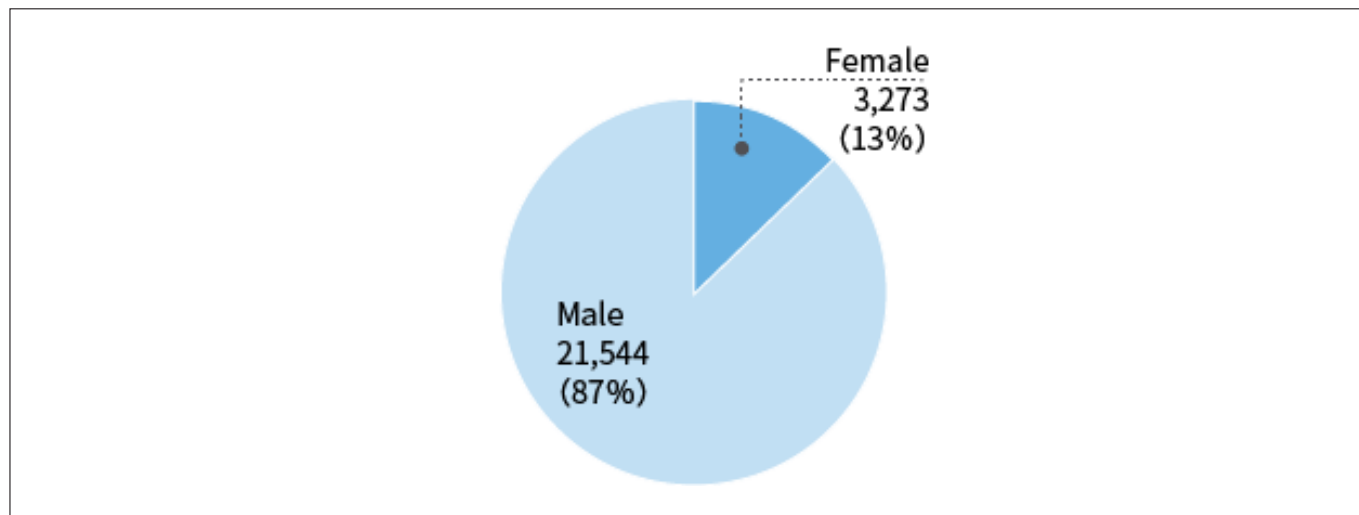
|                               | FY2015 | FY2016 | FY2017* | FY2018* | FY2019* |
|-------------------------------|--------|--------|---------|---------|---------|
| Percentage of female managers | 4.1%   | 4.3%   | 4.3%    | 4.7%    | 4.9%    |
| Section manager class         | 4.8%   | 5.1%   | 5.1%    | 5.6%    | 5.7%    |
| Division manager class        | 2.9%   | 3.0%   | 3.2%    | 3.4%    | 3.6%    |

\* FY2017, 2018, 2019: Sum of Toshiba and key Group companies

### Percentage of female recruits (Toshiba and key Group companies)

The ratio of new female graduates to join Toshiba and key Group companies in April 2020 was 37% for business administrative positions (target 50%) and 19% for R&D/Engineer positions (target 25%).

### Number of Employees (Toshiba and key Group companies, as of end of March, 2020)



### Key training systems and measures for promoting the career development of female employees (for Toshiba Group's full-time employees in Japan)

| System/Measure   | Overview  |
|--|---|
| Career training for young female employees                                   | From FY2015, we have conducted career design training for all female employees in their third year since joining the company.<br>Program overview:<br><ul style="list-style-type: none"> <li>• Thinking about how to balance possible future life events and work</li> <li>• Improving mindset via letters from supervisors</li> <li>• Role model lectures from senior female colleagues</li> </ul> |
| Sending employees to cross-industrial exchange training for female employees | We send female prospective leadership candidates to cross-industrial exchange training, to encourage them to widen their perspective, engage in networking, and improve their communication skills (initiated in FY2014, and participated in by young female employees from eight different cross-industry companies, including Toshiba).   |
| Awareness promotion training for top management                              | A subject covering diversity management (how to train and communicate with diverse subordinates) has been included in the curriculum for mandatory training for persons promoted to manager (since FY2010, roughly 210 programs have been held with a total of over 6,641 participants until FY2019).   |
| Seminar to support employees returning after childcare leave                 | Since FY2015, we have conducted seminars for those scheduled to return to work after childcare leave, those who have already returned to work to support their smooth return to the workplace. The seminars for the returnees require the attendance of their partner, in order to provide an opportunity to think together about balancing work and family.  |



Group work at the career training for young female employees



Seminar by an external instructor at the cross-industrial exchange training for female employees



Group work at the cross-industrial exchange training for female employees



Working with spouses in a seminar to support employees returning after childcare leave

## Recruiting Non-Japanese Employees and Utilizing Them Effectively

As part of our diversity and inclusion promotion, Toshiba Group is actively recruiting of non-Japanese employees.

In FY2006, in addition to employing foreign nationals who have studied in Japan as exchange students, we started our Global Recruitment Program in an effort to directly recruit foreign students who have graduated universities overseas. By FY2019, more than 400 global recruits have joined Toshiba and they play active roles in various fields as sales, R&D and design. We support global recruits' smooth start of a new life in Japan and assign mentors to each new non-Japanese employee to give guidance based on a tailor-made job skill improvement plan. Since FY2011, we have conducted regular assessments of job duties and work environments in order to improve them, presenting good examples from other workplaces. In these assessments, global recruits and their superiors discuss what they each respectively regard as challenges, as well as good methods/means of encouraging foreign national employees to actively involve themselves in their workplaces. Training is also provided for managers and trainers in workplaces receiving those who are newly employed through global recruitment.

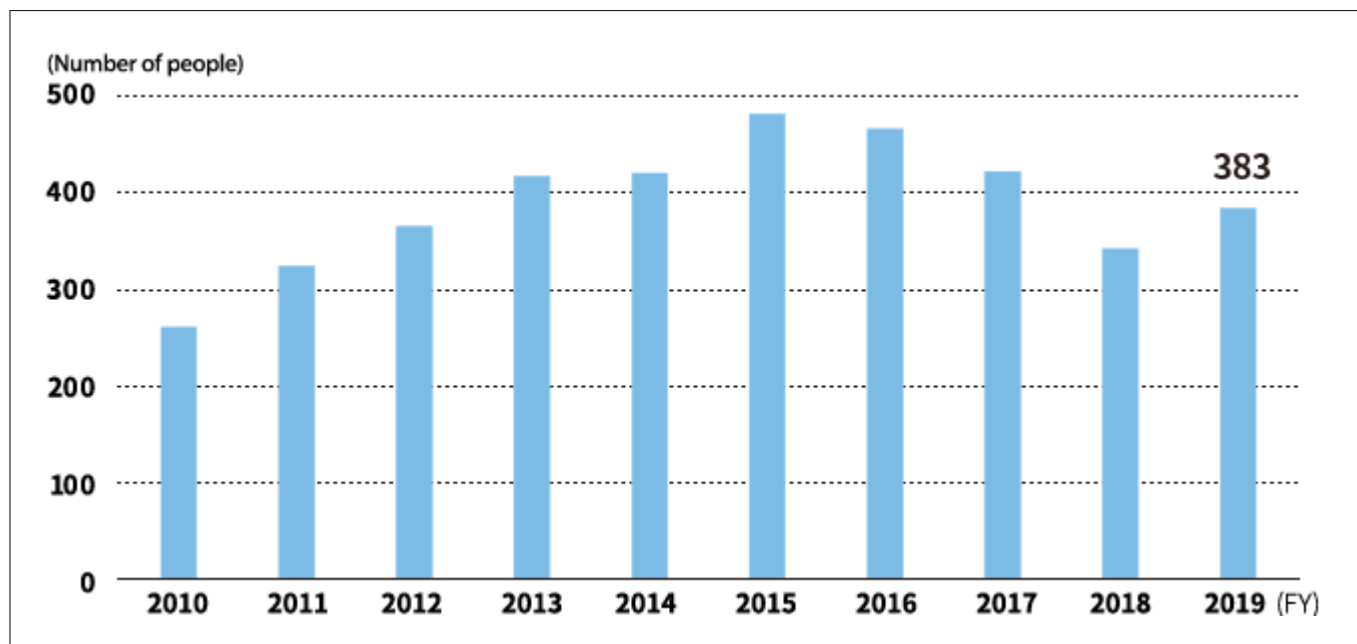
### Designating Prayer Rooms

Since FY2013, we have designated prayer rooms and prayer spaces in head quarter and some of our offices, to provide a work environment where Toshiba Group employees from diverse cultural backgrounds can work comfortably.

## Portal Site for Assisting those Involved with Non-Japanese Employees

We established a portal site assisting Toshiba Group employees involved with non-Japanese employees. The portal provides information on the company and public services as well as useful information on living in Japan in English to non-Japanese employees. The site also provides basic information, knowhow and more on the subject of employing non-Japanese employees for those in the workplace concerned, training on understanding other cultures, and testimonials and case studies concerning accepting non-Japanese employees. The abundance of information helps cultivate work environments where foreign national employees can work comfortably.

### Trends in the number of non-Japanese employees (Toshiba)



\* FY2017, 2018, 2019: Sum of Toshiba and key Group companies

## Employment of People with Disabilities

As of June 1st, 2020, the percentage of employees with disabilities has become 2.41% at Toshiba (including a special subsidiary company). 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 Human Resources and Administration Division and Toshiba Design Division. This network has enabled us to devise and implement comprehensive measures to support such employees.

### Trends of the employment number of people with disabilities (Toshiba incl. a special subsidiary company in Japan)

|   |                          | June 2015 | June 2016 | June 2017 | June 2018 | June 2019 | June 2020 |
|---|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Toshiba incl. a special subsidiary company in Japan | Number of people         | 822.0     | 764.0     | 637.5     | 594.5     | 573.0     | 574.5     |
|   | Percentage of Employment | 2.03%     | 2.05%     | 2.33%     | 2.37%     | 2.31%     | 2.41%     |

\* Until CSR Report 2016, we presented the percentage of people with disabilities for the Toshiba Group as a whole. However, since April 2017, our data has been limited to the employment percentage at Toshiba Corporation (including a special subsidiary company). Data for past fiscal years has been corrected accordingly.

## A Special Subsidiary Company Toshiba With

Toshiba With Corporation was established in February 2005 as a special subsidiary company, 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, 49 employees, most of whom have intellectual disabilities, are working at 6 different business sites of Toshiba Group. Core work revolves around cleaning, copying/printing, collecting, and delivering in-house mail, and a health keeper (in-house therapist) inside Toshiba Group. In FY2013, Toshiba With was awarded the Toshiba Corporate Citizenship Award in "Social Contribution by Business" category for its contributions to society through business.



Clean-up activity



Copying and printing work



Collecting and delivering in-house mail



A health keeper (in-house therapist)  
in action

> [Toshiba With Corporation \(Japanese\)](#)

## Active Utilization of Elderly People

In 2001, amidst the backdrop of the declining birthrate and aging of the society, we established a system to extend the employment of older employees until they reach age 65. Under this system, wage levels are determined according to skills and abilities and employees are expected to provide expertise and knowledge as seasoned professionals.

According to the revised Act on Stabilization of Employment of Elderly Persons enforced in April 2013, we have decided to extend employment opportunities to all full-time employees reaching age 60 in April 2013 or thereafter if they so desire.

We will continue to actively encourage older employees to play active parts in their workplaces according to their work styles, needs, and skills.

## Efforts to Promote Understanding of LGBT+

In the [Standards of Conduct for Toshiba Group](#), the code of conduct for executive officers and employees of Toshiba Group, it clearly states that human rights shall not be violated, prohibiting such behavior as discriminatory speech and conduct related to sexual orientation.

In addition, we aim to create a workplace in which employees with diverse values can work comfortably by taking care with the handling of names used in the Company and the gender noted on the insurance card.

Further, regular training is held to improve the skills of employees in charge of harassment consultation. In FY2019, along with deepening the understanding of LGBT+, we created a system enabling employees at each site to easily consult with the personnel manager or other similar figure close to them.

In addition, in May 2020, we formulated the Toshiba Group Basic Policy on Prohibition and Elimination of LGBT+ Discrimination and made it available to all employees.



### Toshiba Group Basic Policy on Prohibition and Elimination of LGBT+ Discrimination

Toshiba Group sets “Respect for Human Rights” as a core concept within the Standards of Conduct for executives and employees, and clarifies that it will not engage in behavior violating human rights, such as discriminatory language or action related to race, religion, gender, nationality, disability, age or sexual orientation, as well as violence, sexual harassment, and power harassment (bullying and harassment in the workplace). Toshiba Group takes responsibility for protecting LGBT+ (Lesbian, Gay, Bisexual, Transgender and other sexualities) and other minority groups according to the following policy.

#### **We do not discriminate against minorities.**

Gender identity and sexual orientation are unrelated to the ability of a person that the Group values, and there should be no discrimination or harassment simply for being a minority.

#### **We respect individual autonomy.**

Information related to gender identity and sexual orientation, its disclosure or non-disclosure, and their expression are controlled by the preferences of the person, and must not be unjustly interfered with.

#### **We remove barriers to work and operations.**

Barriers to work and operations for minorities such as LGBT+ must be removed to a reasonable extent through consensus building by appropriate process.

To initiate a new future for Toshiba Group, it is essential to draw out the individuality and diverse abilities of people with a sincere passion for transformation who envision the Company's future and cooperate with one another to create new things. We formulated the aforementioned basic policy for this reason and will implement it for all Toshiba Group employees.

☺ Based on the Basic Principles and Guidelines on LGBT+ Inclusion at University of Tsukuba.

In January 2020, we held the CSR Forum and training for harassment consulting service staff, which included inviting an outside lecturer to discuss LGBT+ and run a workshop. Through the training, we deepened understanding of LGBT+ and reaffirmed the conditions necessary for creating a system enabling employees at each site to easily consult with the personnel manager or other similar figure close to them. In addition, we will release content related to LGBT+ in our in-house communication magazine and Company-wide e-learning and continue to boost understanding and acceptance among a wider group of people.

## Work-Style Reform and Work-Life Balance

Toshiba Group has been promoting work-style reform since April 2019 to resolve social issues as an infrastructure service company and contribute to the further development of society.

By encouraging flexible work styles, business reform and health management, we aim to reduce long working hours and execute work that is of high added values on that each and every employee can work safely, healthily and happily. In addition, employees who can work from home have been asked to do so in principle since April 2020 due to the spread of COVID-19. We increased the number of lines used to access our internal systems from outside to 50,000 lines in April 2020, which is five times more than normal.

### Reduction of Working Hours and Consideration of Scheduled Working Hours

We have set goals for hours of overtime work and are aiming to gradually reduce overtime work for reducing long working hours and executing work with high added values. In addition, Toshiba is making the transition to a style of work that does not depend on overtime work, to allow the utilization of diverse personnel and promote work-style reform.

## Key systems and measures concerning working hours for full-time employees (Toshiba)

| System/measure   | Overview  |
|--|---|
| Flexible work system   | Flextime system, discretionary labor system, and work-at-home system (trialing since October 2017, introducing in full-scale in April 2019)   |
| Long Leave System  | Employee can avail of a maximum of 20-day accumulated leaves for clear and meaningful objectives, such as self-development, social contribution activities, nursing, and also for treatment of non-occupational injuries and diseases, and other conditions including infertility.  |
| Family Week initiatives and days set to leave the office at normal quitting time | In order to accelerate WSI and create time for employees to spend with their families, employees are prompted to leave work at the official quitting time at least two days during Japan's "Family Week" in November. Special announcements and after-hour patrols are made to promote awareness during such days.  |
| Introduction of PC shutdown system   | Introduction of a system that automatically shuts down PCs at a specified time  |
| Annual Paid Vacation   | For the employees' rejuvenation, Toshiba has been facilitating the planned use of annual paid vacation. In FY2019, percentage of annual paid vacation taken by Toshiba employees was 73.7%.<br>* To reflect the actual situation more accurately, Toshiba shifted to a report on leave utilization rate for Toshiba employees rather than for Toshiba Union members in FY2018.  |
| Making working hours visible   | Toshiba has introduced systems such as "Monitoring Display of Office-Stay Hours" (FY2009), "Work Record Notification" (FY2010), and "Work Record Display" (FY2010) to increase transparency of working hours.   |
| Addressing long working hours at Toshiba Group workplaces                        | We implement measures in various divisions and business sites to address the problem of long working hours, and publish case examples on our intranet site to spread good practice among departments (e.g. declaring target time (time of leaving work), forbidding employees from coming to work on Sundays, banning late-night overtime in principle, setting "focus hours," and banning meetings outside normal working hours in principle). |

In Toshiba, the average total annual actual working hours per employee was 2,153 hours, and the average annual overtime working hours per employee was 317 hours in FY2019, down from FY2018.

### Activity Example: Use of the System to Make Working Hours Visible

In order to effectively monitor the working conditions of our employees, Toshiba launched a system that allows employees to visually monitor working hours on their computers (FY2009). We also started using the systems called Work Record Notification and Work Record Display in order to ensure for employees and their superiors to pay constant attention to work hours (since FY2010).

The Work Record Notification system automatically sends an e-mail to each employee and their superior on the work record of the employee.

The Work Record Display system draws attention to overtime work hours to the employee concerned and his or her superior based on results and alerts in line with the Work Style Reform Bill that came into effect in April 2019.

## Supporting Employees in Balancing Work with Childcare/Nursing Care

Since 1990s, Toshiba Group has been supporting employees to balance their work and personal life. Starting in 2005, in accordance with the Law for Measures to Support the Development of the Next Generation, we have implemented various measures and systems, which surpass the legal standards, and continue to make them more adaptable and flexible.

In FY2014, we revised our Hourly-Unit Annual Leave system. Now employees can take leave on a quarterly hour basis instead of hourly when they take a leave over an hour.

### The Major Supporting Systems for Full-time Employees' Work and Childcare (Toshiba)

|                              | System                                      |   | Toshiba system  | As required by law  |
|------------------------------|---|---|---|---|
| Childbirth/<br>Child-rearing | Childcare leave                             | Period                                    | Until the end of the month in which the child turns 3 years old   | Up to 1 year old except when certain requirements are met |
|                              |   | Number of times                           | Up to 3 times per child   | Up to once per child                                      |
|                              | Life Support Leave <sup>*1</sup>            |   | Five days of paid leave (100%) may be taken continuously or dividedly within six weeks before and after the spouse's expected date of giving birth. (Life support leave can also be used for marriage and bereavement)  | —   |
|                              | Short-time shift                            | Target                                    | Employees who are raising children in elementary school   | Employees who are raising children under three years old  |
|                              |   | Others                                    | 1) No limits to the number of times one can apply<br>2) Possible to combine with the flextime system<br>3) Can be set in 15-minute units  | —   |
|                              | Hourly leave system                         |   | Leave is available in 1-hour units. If more than one hour is taken at a time, however, employees may take leave in 15-minute units <sup>*2</sup> for those over an hour.  | —   |
| Family care                  | Family care leave                           |   | Up to 365 days in total per person requiring nursing care   | Up to 93 days in total per person requiring nursing care  |
|                              | Short-time shift                            |   | Possible to use for 3 years in total per person requiring nursing care, as separate from the period for family care leave (short-day shifts available for 1 year)   | —   |
|                              | Hourly leave system                         |   | Leave is available in 1-hour units. If more than one hour is taken a time, however, employees may take leave in 15-minute units <sup>*2</sup> for those over an hour.   | —   |
| Returning to work            | Subsidies for expenses                      | Allowance for raising the next generation | To be provided to each eligible child<br>* The child being taken care of by the spouse of the applicant, who works for the other company, is also eligible for the allowance.   |   |
|                              |   | Selective Welfare system "Teatime"        | For child-rearing and nursing care points will be worth 1.2 to 1.5 times the value of normal points.  |   |
|                              | Mutual understanding program                |   | The program offers the opportunity for employees to discuss future career plans and any necessary arrangements with their superior and HR personnel before taking a leave of absence or after resuming work, thus helping to reduce concerns of the employees who take such leaves.   |   |
|                              | Reemployment system (return to work system) |   | Established a system to reemploy employees who had to resign for the following reasons:<br>1) Resignation in order to accompany a spouse who has been transferred (within 5 years)<br>2) Resignation in order to provide nursing care for those requiring nursing (within 5 years)<br>3) Resignation for childbirth, childcare, and raising children (within 5 years) |   |

\*1 Consolidate the spousal maternity leave system and the marriage leave system and bereavement leave system in 2020

\*2 Until FY2013, leave was taken in 1-hour units

## Employee Participation of Diverse Working Style Options (Toshiba)

|                   | FY2015                  | FY2016                  | FY2017*                 | FY2018*                 | FY2019*                 |
|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Childcare leave   | Male: 10<br>Female: 358 | Male: 17<br>Female: 348 | Male: 20<br>Female: 363 | Male: 10<br>Female: 277 | Male: 34<br>Female: 316 |
| Paternity leave   | Male: 372               | Male: 388               | Male: 382               | Male: 194               | Male: 203               |
| Family-care leave | Male: 1<br>Female: 2    | Male: 2<br>Female: 2    | Male: 5<br>Female: 2    | Male: 6<br>Female: 5    | Male: 9<br>Female: 4    |
| Short-time shift  | Male: 9<br>Female: 456  | Male: 10<br>Female: 426 | Male: 11<br>Female: 462 | Male: 5<br>Female: 329  | Male: 5<br>Female: 411  |

\*FY2017, 2018, 2019: Sum of Toshiba and key Group companies

### Activity Example: Our Internal Childcare Center “Kirame-kids”

As part of our work-life balance support system for full-time employees of Toshiba Group, we opened an internal childcare center named “Kirame-kids Yokohama” on the premises of one of our business sites, Yokohama Complex in FY2011. The center, which has a large garden and abundant greenery, provides full-time high-quality childcare in a relaxed atmosphere and hosts various age-appropriate events for children throughout the year.

#### < User Comment Concerning “Kirame-kids Yokohama” >

Upon returning to work after childbirth and childcare leave, my husband and I made the decision to leave our child at Toshiba Group's internal childcare center “Kirame-kids Yokohama.” We both split the drop-off and pick-up duties and because it's a little far from home, we're grateful that there's a parking space we can use when doing so. Although it's sometimes difficult to get there straight away when sudden pick up is necessary due to my child's fever or some other reasons, depending on the situation, the childcare worker are more than flexible, and we are even able to extend the childcare time if required, which really lessened the burden both time-wise and stress-wise. Even though I was concerned about returning to work, I was able to start full-time work without regret thanks to this system. I want to continue giving my best to both childcare and work as my family grows and life stage changes. To make this happen requires more than the cooperation of family and surroundings, and a major contributing factor has been the enhancement of the welfare program offered by Toshiba Group, including the childcare center and childcare leave system. Such an environment has provided me the opportunity to pursue my career the way I want to.



Our internal childcare center “Kirame-kids Yokohama” handmade signboard



Chiho Ishii  
(in charge of general affairs in the Administration Department at Toshiba Business Expert Corporation)

## Raising Awareness

In order to spread the concept of work-style reform and put it into practice, we raise awareness through various means such as training programs and distributing brochures.

### Key awareness-raising measures concerning work-style reform and diverse work styles

| System/Measure           | Target   | Overview   |
|--------------------------|--|--|
| Time management training | Full-time employee of Toshiba Group companies in Japan | Learning diverse work styles (work-life balance), how to work efficiently, and managing subordinates' time, as part of training programs at based on levels. |
| Nursing care seminars    | Employees of Toshiba Group companies in Japan          | Nursing care seminars (held in FY2019 at 22 business sites)  |

### Informational materials concerning work-life balance support system

| Title   | Contents   |
|---|--|
| Easy! How-To Guide for our nursing care support system (from FY2010 onward) | A handbook that provides information on the various plans supporting family / nursing care so as to help balance work and family care  |
| Easy! How-to Guide for our nurturing support system (from FY2008 onward)    | An easy-to-understand brochure on systems designed to support working mothers and fathers from pregnancy through to their return to work, including necessary procedures (being distributed to eligible employees) |

### Providing information on the intranet website

On our intranet website we provide information for employees of Toshiba Group in Japan, introducing external sources of information as well that can be used for reference when nursing care is needed or being considered, and when work life has to be balanced with treatment for an illness or this needs to be considered. That way employees are able to secure the information they need.

| Name  | Details  |
|---|--|
| Consultation on mental and physical wellbeing | Free telephone consultation for people with questions or concerns about nursing care   |
| Introduction to external websites             | <ul style="list-style-type: none"> <li>Ministry of Health, Labour and Welfare website: Nursing care facilities, living-related information search website</li> <li>Toshiba Health Insurance Association website: System of nursing care insurance</li> </ul> |

## Activity Example: Nursing Care Seminar

Due to changes in family compositions and increase of two-income households, an increasing percentage of employees are expected to take care of elderly family members while working full time. In FY2012, Toshiba conducted a fact-finding survey on nursing care, which revealed a strong need for information on nursing care among employees. As a result, we held nursing care seminars by sites from FY2015 for Toshiba Group employees in Japan, with 219 seminars conducted in the five years to FY2019.



Nursing care seminar at Toshiba Smart Community Center

## Benefitss

**Toshiba Corporate Pension Plan:** For our domestic Group full-time employees' lives after retirement, we have the Toshiba Corporate Pension Plan (defined benefit plan), in addition to their old-age pension from Japan's welfare pension insurance scheme. Currently, around 65,000 employees from 87 companies have subscribed to the Toshiba Corporate Pension Plan. In October 2015, we also introduced a defined contribution pension to further improve employees' post-retirement funds.

**Health Insurance Association:** Toshiba Group in Japan has the Toshiba Health Insurance Association to which 175 business owners and approximately 225,000 people (including retirees and dependents) have subscribed. The association strives to prevent illness and enhance the health and physical strength of the Group employees as well as bear the burden of medical expenses and provide benefits in the event of illness, injury, childbirth, etc. for Group employees and their families.

**Teatime, a Selective Welfare System:** Toshiba offers a selective welfare system called "Teatime" under which full-time employees can make choices according to their needs and receive support from a wide range of welfare benefits. This system has been introduced at 21 companies in domestic Toshiba Group (approximately 40,000 employees).

In addition to reimbursement for self-development programs and health support, the system also covers support for childcare and nursing care, including costs for day-care centers, child-rearing, education, and nursing care, among others. Our wide-ranging support deals with the various needs of employees.

**Other Welfare Programs:** In terms of medical, accident and life insurance for Toshiba Group in Japan, Toshiba's insurance takes advantage of the Group's scale to provide a fulfilling insurance at low premiums, thereby providing stable living to Group employees. We also have programs in Japan supporting the financial independence of Group employees such as a accumulating scheme for house acquisition, and for retirement funds.



# Occupational Health and Safety



It is vital for each and every employee to maintain and strengthen both his and her mental and physical health in order to shine and flourish professionally. This, in turn, is only possible in a safe and comfortable work environment. We place the top priority to human life, safety and legal compliance, and support employees' OHS\*.

\* In this section, "Occupational Health and Safety" is abbreviated to "OHS."

## Medium- to Long-term Vision

Toshiba aims to provide a work environment where employees can create value and raise productivity while being free from risks and concerns.

### Quantitative Target

Percentage of companies that have acquired OHSAS18001 certification:

**100%**

Toshiba will gradually shift over to ISO45001 certification.

## FY2019 Achievement

### Percentage of companies that have acquired OHSAS18001 certification:

(FY2019, Manufacturing companies of Toshiba Group in Japan)

**100%**

### Implemented measures against COVID-19

- Took steps to prevent infection
- Created a contact system in the event of employee infection
- Manage attendance rate to low level by introducing a basic policy of working from home
- Disseminated information about health management while working from home

## Future Challenges and Approaches

To uphold OHS as one of our top management priorities, we will implement measures to build a safe and comfortable work environment, including improving the safety of facilities and working conditions and ensuring compliance with basic safety rules, and will mitigate risks based on risk assessments. We will also provide education to improve employees' health literacy, such as health consideration training for management and self-care education for all employees, and promote measures supporting independent health management for employees in line with work styles that are becoming the new normal.

# Occupational Health and Safety Management Policy and Occupational Health and Safety Management Declaration

## Occupational Health and Safety (OHS) Management Policy

The Toshiba Group OHS Management Policy was established in 2004 in response to the declaration of commitment to OHS by the top management with a goal of all employees sharing the commitment. The content was revised together with revision of the Toshiba Group's Philosophy in 2018 and the new content specifies our consideration of the people working in diverse conditions related to our business, including independent contractors as described in item 4 of the Toshiba Group OHS Management Policy, based on the requirements of ISO45001, a new standard for OHS management systems.

## The Toshiba Group OHS Management Policy

At the Toshiba Group, we practice CSR, including Occupational Health and Safety, management in accordance with the Basic Commitment of the Toshiba Group. While according full respect to the culture and customs of the societies in which we operate, we conduct business activities that contribute to realization of a sustainable society.

To realize this, in our all business conduct, we place the highest priority on human life, safety and legal compliance, and we make concerted efforts throughout our operations to create safe and healthful workplace environments.

1. We position health and safety as one of the most important priorities for management, and strive to prevent occupational injury and disease in the workplace by continual improvements in occupational health and safety management.
2. We comply with legally mandated requirements and also with other requirements to which Toshiba Group companies voluntarily subscribes that relate to our occupational health and safety hazards.
3. We set objectives and targets and act decisively to achieve the following:
  - (1) Eradication of occupational accidents and disease in the workplace, elimination of hazards, and the mitigation of risks that may cause such accidents and disease;
  - (2) Maintenance and promotion of physical and mental health in order to enable all employees to bring their individual capabilities into full play
4. We commit to ensure appropriate consultation and participation, on occupational health and safety initiatives of workers and their representatives in various positions, who are involved in the Toshiba Group's business.
5. We contribute to society's enhancement of health and safety management standards through various communication on occupational health and safety matters.



## Occupational Health and Safety (OHS) Management Declaration

For Toshiba Group to resolve social issues and contribute to the further development of society, it is necessary to promote work style reform that includes enhancing the work environment and reforming operations in order to motivate employee to work. Steadily promoting work style reform is a key to ensuring that each employee is safe and healthy, works in a lively manner and leads a fulfilling life, and as such, it is important to take steps aimed at boosting health and safety to increase employees' vitality.



Toshiba Group has made further improvements to its OHS management activities and codified them into the OHS management to penetrate them throughout the organization from top management to all employees. We declared launching of this at the Toshiba Group CSR Conference in December 2018.

We designated the executive in charge of Human Resource and Administration Division as a chief OHS officer (CHSO) and disseminated the Toshiba Group OHS Management Declaration by CHSO, formulated to specify the roles in the field of OHS management to be fulfilled by executives, managers, OHS staffs and employees.

In addition, to spread awareness of OHS management, we established a OHS management conference (described later) chaired by the CHSO in FY2019 and the meeting is being convened on a regular basis.

## The Toshiba Group Occupational Health and Safety Management Declaration

To keep fulfilling our commitment to raising the quality of life for people around the world and thus ensuring progress in harmony with our planet, we the Toshiba Group position the health and safety of our employees, Group's greatest assets, as the most important management task, and accordingly promote "Occupational Health and Safety (OHS) Management."

To this end, in accordance with The Toshiba Group OHS Management Policy, we will develop a system enabling Toshiba Group personnel at every level to fulfill their respective responsibilities as indicated below, define key performance indicators concerning health and safety to be monitored periodically, and aim at continuous improvement through construction and operation of OHS management systems.

### 1. Executives (leaders of organizations) shall take the initiative in implementing OHS management and set a good example.

- Recognize that the OHS indicators are the most important management indicators and communicate the importance of their improvement.
- Invest the resources (human, physical, financial) commensurate with the health and safety issues and risks of each company.

### 2. Managerial personnel shall fully consider health and safety of their subordinates.

- Pay attention to health and safety of subordinates in daily labor management and deal with the issues appropriately in a timely manner.
- Secure opportunities and time appropriately to ensure health and safety of subordinates in accordance with internal rules.
- Strive to create vibrant workplaces with good communication.

### 3. Staff engaged in OHS shall endeavor to cultivate health and safety culture of the site.

- Emphasize active safety (accident prevention) and primary prevention of disease through daily analysis of OHS issues at each site.
- Enhance expertise and provide appropriate support, advice, and guidance to production lines and departments.
- Strive to develop human resources involved in OHS, including supporters in other groups, in order to ensure continuous OHS management.

### 4. Employees shall strive to ensure their own and co-workers' health and safety, taking the initiative and through cooperation.

Employees are requested to do the following:

- Strive to ensure your own safety and promote health by utilizing the various systems and opportunities available, provided by related social resources.
- Recognize that health and safety of you and your family is a valuable asset of the Toshiba Group and accord priority to health and safety in your daily life and behavior.
- In the case of any matter difficult for you to resolve on your own, consult your superiors, co-workers, and/or OHS staff, or seek advice from external consulting services etc.
- Be attentive to co-workers and environment around you and strive to create workplaces where health and safety are ensured, through mutual support.

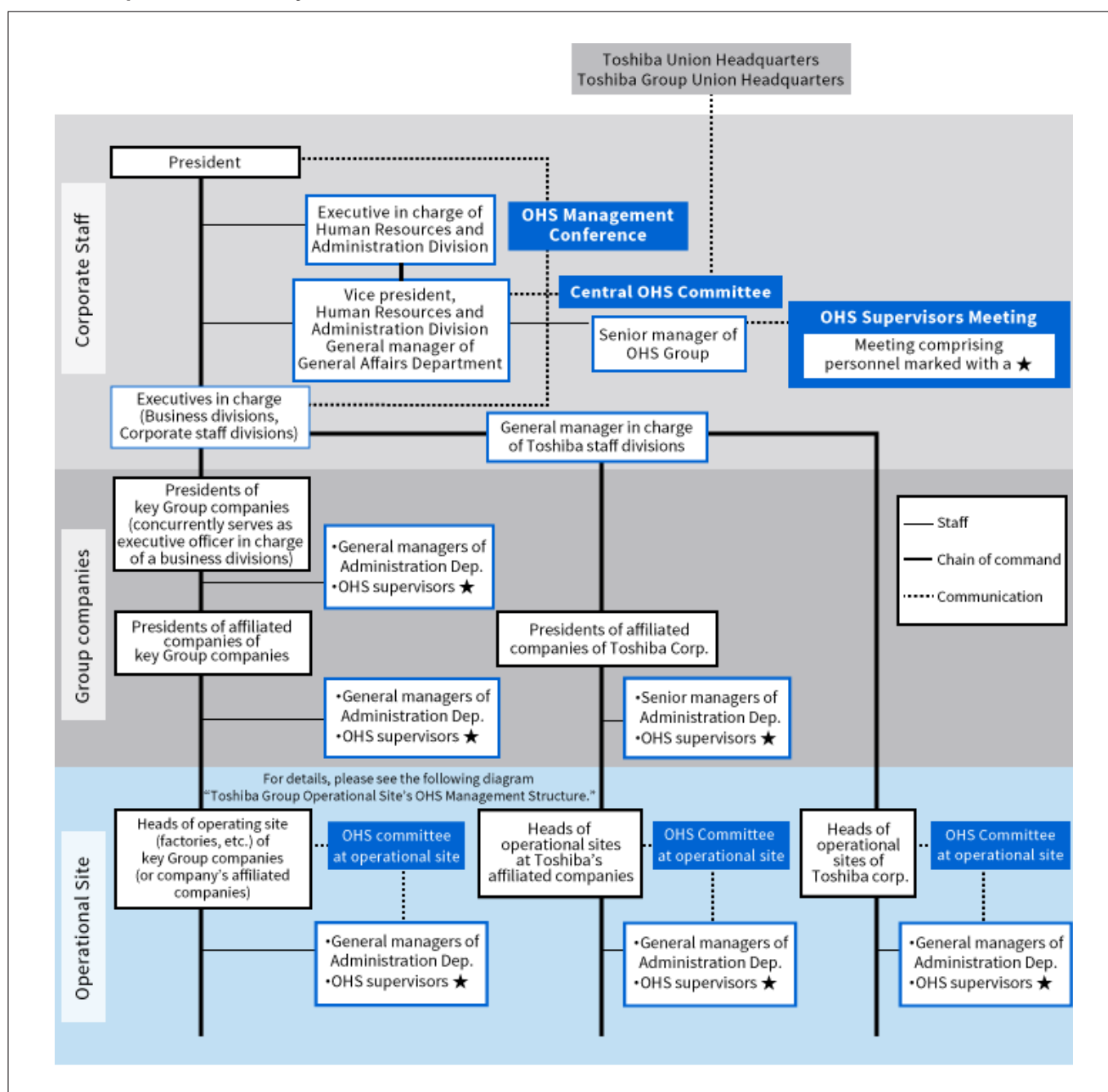


# Promotion of OHS

## Line Management

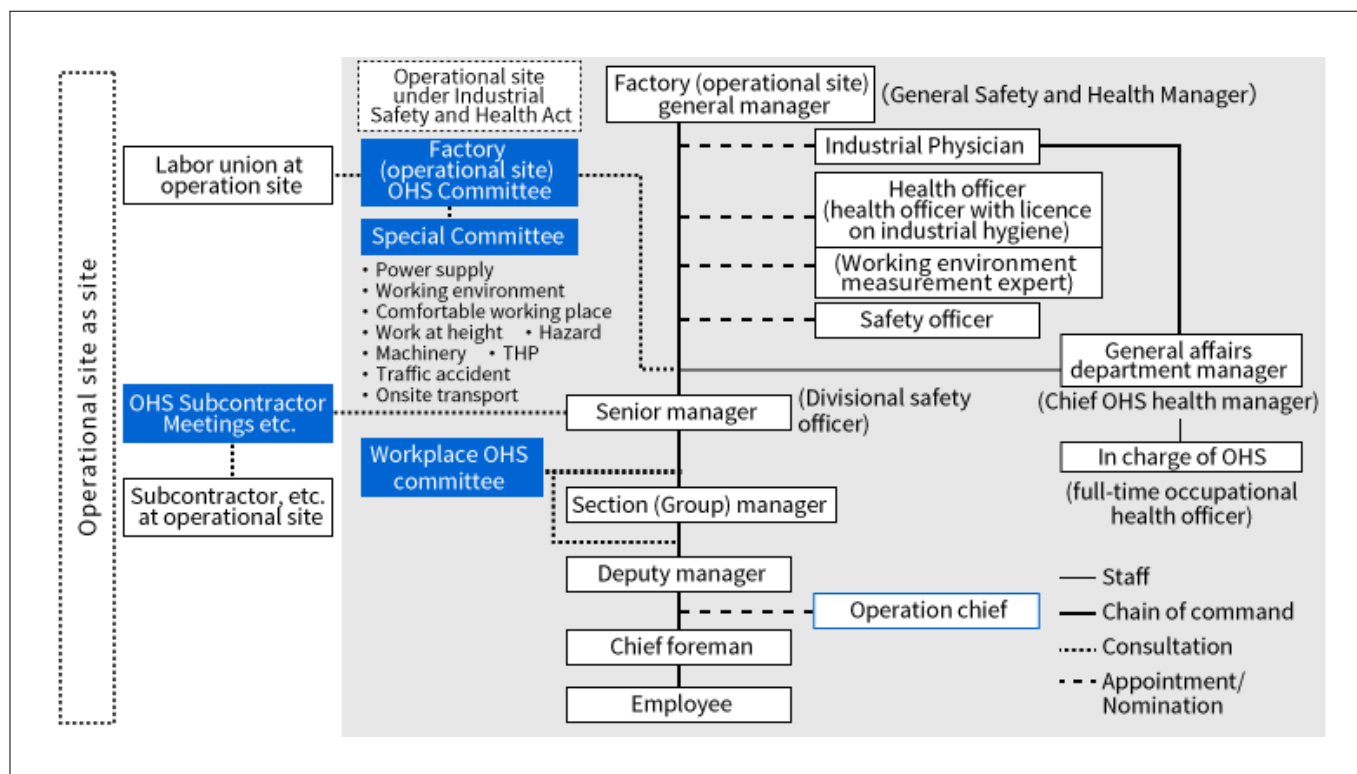
The OHS activities of Toshiba Group are developed at the level of operational sites (or individual Group companies) with specific measures to achieve the OHS objective from the corporate department, which is the supervisory division of the Group, and Group companies, based on a line management system from top managers through to employees.

### Toshiba Group OHS Promotion System



Statutory activities at each site (or Group company) include the appointment of dedicated OHS staff and the establishment of an OHS Committee. Many sites and Group companies go beyond this to set up other autonomous OHS activities, such as specialist or workplace committees, which cater to the work process and the risk factors.

## Toshiba Group Operational Site's OHS Management Structure



## Participation, Discussion and Communication at Different Levels

Toshiba Group in Japan provides the following opportunities for communication.

### Participation, discussion and communication related to OHS management

| Level   | Target  | Opportunity   | Communication Function   |
|---|---|---|--|
| Corporate Staff                               | Company president, executive of Toshiba Corp. and presidents of the key Group companies | OHS Management Conference (biannual)  | Deliberation and discussion of Toshiba Group OHS management measures           |
|   | Toshiba Union Headquarters (general employee representative)                            | Central OHS Committee OHS Debriefing  | Discussion and information sharing on Toshiba Group OHS measures               |
|   | OHS supervisors (Officer in charge of OHS) at the Group companies                       | Toshiba Group OHS Supervisor Meeting (annual)   |  |
| Group company                                 | Employee representative   | OHS Committee, etc. (depending on company)  | Implementation at individual companies as needed                               |
| Operational site                              | Labor union management at operational sites (employee representative)                   | OHS Committee Meetings (statutory) (monthly)  | Deliberation and discussion of OHS measures at operational sites               |
|   | Subcontractors, etc.  | OHS Liaison Committee Meetings (depending on operational site)  | Discussion and information sharing on OHS-related matters at operational sites |
| Construction site (when principal contractor) | Related contractors   | OHS Consultative Meetings (statutory) (monthly)<br>* Consultative organization in which the specified principal employer and all related constructors participate | Discussion of matters related to disaster prevention in production processes   |

In corporate staff terms, since FY2019, we have been holding OHS Management Conference every six months as an opportunity to communicate with top management regarding OHS management. The Conference is chaired by the CHSO and attended by the Company president, corporate officers, and the presidents of key Group companies. They serve to verify the general condition of Toshiba Group's OHS and the progress of measures as well as to deliberate on objectives and measures for coming fiscal years.

In addition, the Central OHS Committee in January and the OHS Debriefing in June are held together with Toshiba Union Headquarters. We are striving to ensure that Company-wide health and safety measures take into consideration the perspectives of employees through close communication with the Toshiba Union Headquarters. At the Central OHS Committee in January 2020, we shared with the Toshiba Union Headquarters Company-wide OHS objectives for FY2020 as well as a change from the OHSAS18001 standard prior to the transition to the ISO45001 standard for OHS management systems (OHSMS).

As a means to laterally share information among Toshiba Group in Japan, we hold the Toshiba Group OHS Supervisor Meeting once a year that is attended by OHS Supervisors from Group companies and operational sites. They report on matters such as the occurrence of occupational accidents and objectives that are to be promoted across the Group, as well as efforts for high priority issues and the activities undertaken at each site.

We also hold statutory OHS Committee at operational sites once a month as an opportunity for employees to participate and discuss and communicate health and safety issues. The meetings are used to deliberate and decide on various measures related to the OHS management system such as the basic OHS policy at the operational site, annual objectives and OHS promotion plans. OHS Committee have been held in online format since April 2020 to help prevent the spread of COVID-19 by minimizing contact. The meetings continue to be held regularly in view of their importance. Further, we are striving to ensure appropriate communication as a group by securing opportunities for OHS subcontractor Meetings and OHS Consultative Meetings that include resident subcontractors at operational sites and related subcontractors at construction sites for which a Toshiba Group company is the primary contractor.

### (For reference) Toshiba's heritage of OHS activities

The history of Toshiba's OHS activities goes back to the days of Toshiba's predecessor, Tokyo Electric. In 1914, Toshibumi Gamo, then chief of general affairs, witnessed a tragic electrocution accident, and thereafter dedicated his life to safety-related activities. He became a central figure in Japan's safety movement, setting up the Association for Prioritization of Safety (Anzen Daiichi Kyokai) with Kakichi Uchida and others in 1917. The green cross that is used on safety flags in Japan is said to originally be designed by Gamo, and have been used as a symbol in the National Safety Week. Toshiba Group has inherited this DNA and placed the top priority to employees' OHS. Thanks to the efforts made over the years, Toshiba Group's domestic occupational accident incidence (accident frequency rate) has remained below the average for the manufacturing industry in Japan.



Toshibumi Gamo



# OHS Management System

Toshiba Group defines fatal accidents or accidents for which more than one person requires leave from work at the same time as serious accidents and strives to eliminate them. Although Toshiba Group companies are engaged in a wide variety of industries, there are certain industries among these where the risk of serious accident is relatively high, as judged from past cases. We therefore identified target industries to introduce the international OHSMS standard OHSAS18001<sup>\*1</sup> based on third-party assessment and have been incorporating this standard into and acquiring external certification for manufacturing companies in those industries since FY2007. In FY2019, all manufacturing companies and 52 non-manufacturing companies (accounting for 76.1% of all personnel from Group companies in Japan) in Toshiba Group in Japan. Some 43 major manufacturing subsidiaries overseas (accounting for 73.5% of all personnel from Group companies abroad) have attained certification. This visible OHS management system enables us to continuously evaluate and manage OHS risk through risk assessment based on OHSAS18001 and ensure legal compliance<sup>\*2</sup>. In addition, Group companies that fall outside the scope of OHSAS18001 certificate acquisition also operate under an OHSMS in accordance with guidelines set by the industry or a simple PDCA cycle based on the each OHS Management Policy and promotion plan. In corporate staff terms, we are working to raise the level and make improvements to our OHSMS by regularly conducting assessments of processes for our activities.



OHSAS18001 Certificate of Registration

\*1 OHSAS: Occupational Health and Safety Assessment Series. For companies that have acquired OHSAS18001 certification, Toshiba Group is taking steps to shift to the certification to the ISO45001 standard announced in March 2018.

\*2 The following major regulations fall under the scope of OHSAS18001 compliance.

- Industrial Safety and Health Act
- Ordinance on Industrial Safety and Health and other related regulations  
Prevention of organic solvent poisoning / Prevention of health impairment due to specified chemical substances / Prevention of health impairment due to ionizing radiation / Prevention of anoxia / Prevention of lead poisoning / Prevention of health impairment due to asbestos / Health standards in the office / Safety of boilers and pressure vessels / Crane safety / Gondola safety, etc.
- Other related laws and regulations  
Pneumoconiosis Act / Working Environment Measurement Act / Health Promotion Act / Act for Maintenance of Sanitation in Buildings / Poisonous and Deleterious Substances Control Act / High Pressure Gas Safety Act / Fire Service Act / Road Traffic Act, etc.

In general, the OHSMS operated by Toshiba Group companies covers employers (company) and employees (including dispatched workers and temporary workers) in accordance with the Industrial Safety and Health Act. However, subcontractors (people engaged in business related to the Group's operations such as resident subcontractors and other subcontractors) are asked to cooperate with and participate in various OHS activities. We identify and assess the risks each subcontractor may face directly and inform them of these risks via an educational program prior to them entering the site. We also share the measures we take through OHS subcontractor meetings, provide the opportunity for communication and coordination, and jointly implement emergency training.

## Evaluation and Control of Risks Associated with Safety and Health

### Identification and Risk Assessment of Hazards Related to Safety and Health

Toshiba Group in Japan conducts two types of risk assessment (general OHS and chemical substance) based on guidelines concerning investigation into dangerous and harmful operations stipulated by the Japanese government. This helps us to identify hazards<sup>\*1</sup>, evaluate risk and formulate control measures<sup>\*2</sup> in the course of operating our OHSMS. With this risk assessment, Toshiba Group employees strive to identify the hazards they as well as subcontractors and visitors encounter.

To ensure the effectiveness of our risk assessment, we provide training to OHS staff and risk assessors to enhance their capabilities. We also verify the validity of risk assessment findings through an annual review by members of the department that holds the risk and audit by the OHSMS Internal Audit.

In the event of an occupational accident, the hazards and cause are identified and then a risk assessment is undertaken to evaluate risk prior to the accident and following implementation of assumed measures, which enables us to make the necessary adjustments.

In addition, for anything designated as an emergency situation in the risk assessment, we have established response procedures and if required, conduct evacuation drills regularly that also include subcontractors in order to ensure smooth evacuation in the event of an emergency.

\*1 In addition to risk assessment as a means of identifying hazards, we conduct risk prediction activities prior to work, make "near-miss" reports and have top management, industrial physicians and health officers implement workplace inspections to complement this.

\*2 Toshiba selects the control measures to reducing the risks according to the following hierarchy:

- (1) elimination, (2) substitution, (3) engineering controls, (4) signage/warnings and/or administrative controls, (5) personal protective equipment.

## Disaster Prevention Measures

We reflected our fundamental approach to mitigating the risk of natural disasters in Japan such as a large-scale earthquake or storm and flood damage in a basic guideline for disaster prevention countermeasures and business continuity plan (BCP) for the Group, which prioritizes the life and personal safety of employees, and is based on a policy of protecting our social credibility, property and equipment, and fulfilling our corporate social responsibility for customers, shareholders and other stakeholders.

The guideline stipulates the role of corporate staff divisions, Toshiba Group companies and operational sites in drafting and implementing policies and measures regarding disaster prevention and formulating a BCP so that each company and organization can prepare for disasters in accordance with their role. In addition, we established Toshiba Group Disaster Countermeasures Headquarters, headed by the president of Toshiba, to coordinate with disaster response headquarters at Toshiba Group companies and operational sites. This framework enables the coordination, direction and support of relief and recovery efforts.

We are also taking steps in preparation for future disasters that include creating regulations, introducing educational programs and conducting drills for employees, and stockpiling items and equipment required in a disaster.

### Examples of Activities

#### Development of Disaster Prevention System

- Maintenance of Company-wide disaster prevention system (establishment of regulations and guidelines, etc.)
- Development of a fire defense plan and fire and disaster prevention management regulations as well as creation of a promotion framework at each company and operational site

#### Implementation of Educational Programs and Drills

- Provision of educational programs on fire and disaster prevention for employees and issuance of a guidebook to raise awareness of disaster prevention
- Implementation of training (evacuation drills, safety confirmation, operational training of disaster response headquarters)

#### Deployment of Supplies as Disaster Countermeasure

- Securing of supplies required in a disaster at each site
- Development of emergency communication infrastructure at between disaster headquarters at each company and operation site and within Disaster Countermeasure Headquarters  
(Deployment of satellite mobile phones and mobile phones exclusively for emergencies)

## Further Response to Crisis-Related risk

Toshiba Group seeks to prevent and avoid damage to parties and facilities related to our operations in countries and regions in addition to Japan as well as to prevent and avoid damage these parties and facilities may cause to third parties. In the event of such damage occurring, we have established and operate a basic policy for safe operations overseas with the aim of minimizing said damage.

When implementing a new project, we confirm risks in advance as required through such means as risk assessments covering matters that include local laws and regulations, the surrounding environment, infrastructure, facilities, and substances used.

## Prioritizing Life, Safety and Legal Compliance in All Business Activities

At Toshiba Group in Japan, we have set items related to health and safety in the Toshiba Labor Agreement and work regulations, and when faced with life-threatening risk, employees are required to first report to their superior (or General Affairs division) and then follow the instructions given as a basic behavior. However, employees are permitted to prioritize evacuation in order to protect themselves when it is difficult to make a report in a timely manner. Employees will not be treated unfairly in such a case.

# Raising Awareness and Education on OHS

## Message from Top Management to All Employees for National OHS Weeks

Every year at Toshiba Group, during National Safety Week in July and National Occupational Health Week in October, the top management of Toshiba sends a message to all employees to share his unshakable determination to ensure OHS.

The president and CHSO both convey messages from FY2020.

In addition to messages to the entire Group, each top at Group company and operation site sends messages to all their employees and develops their own OHS initiatives.

## Toshiba Group OHS Conference

First held in 1975, Toshiba Group OHS Conference is held every December for the purpose of raising the level of OHS activities and generating greater awareness about OHS management. The main participants are management from Toshiba and Group companies, labor union representatives, and people in charge of OHS activities in Japan and the President's Award\* for Excellence is conferred to companies and operational sites that set an example for others for excellent OHS-related activities, as well as to small-group activity programs and improvement proposals.

Since FY2008, the Conference has been integrated with the CSR Conference. Now in this Conference, CEO commend the efforts in OHS management made by global (not only Japanese but also overseas) Group companies.

We established regulations for OHS awards consisting of OHS slogan, OHS promotion and OHS improvements with the aim of enhancing the Group's safety management and the three\* occupational health management activities and raising awareness of employees' participation in OHS activities.

In FY2019, there was one winning slogan for safety and one for health, two operational sites won OHS promotion awards and four organizations won OHS improvement awards. The winning slogans will be used in OHS posters for the next fiscal year at Toshiba Group operational sites throughout Japan.



CHSO address on promoting health and safety management

## Examples of OHS Award Winners for FY2019

## OHS Activities to Ensure a Disaster-free Workplace

**改善の効果、活動の成果 課題1：ボトムアップ活動**

**1. 平常時からの“予知活動”**

作業担当者の「気づき」に重点を置いた不具合未然防止活動  
・やり難い、間違え易い、悩む、そんな時に「予知カード」で問題提起！  
・対応結果は、常時モニター検出

作業現場から「気づき」をカードに記録。カードへの記載は作業者の負担にならないよう、簡単な情報を入力する方式で配布（各目録カード時）

対応結果のモニターでの進捗状況可視化により、関心度アップ

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**改善の効果、活動の成果 主な改善事例**

◆重量物運搬・作業姿勢の改善

【課題】 試験のためユニット（38kg）の床への上げ下ろし作業が発生  
ランニング用台車を作成し、スライディングで搬送替えが可能

ユニットの上げ下ろしが不要

【効果】 ①危険リスク低減（落下・腰痛等）；  
②リスクレベルⅢ→Ⅰ  
③作業効率アップ：240分短縮（1台2分×120台/ロット）

【課題】 低姿勢での作業のため膝への負担が大  
リフター使用により、作業性の良い高さ、姿勢での作業が可能

作業のしやすい高さをキープ

【効果】 ①危険リスク低減（腰痛等）；  
②リスクレベルⅢ→Ⅰ  
③作業性の向上

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## Created a System for the Hearing Impaired to Know When an Emergency Occurs Immediately to Help Save Lives

**課題（目標）設定とその背景**

課題：聴覚障がい者が何らかの理由で動けなくなった場合、緊急であることを知らせることが困難。発見が遅れることで人命に関わる事態や重症化する恐れあり

① 階段歩行時のRA

② 大規模災害時のRA

③ 想定されるリスク（階段歩行時）

④ 想定されるリスク（大規模災害時）

階段等で転落、身動き取れず、周囲へ救助の連絡が困難（人の往来が少ない環境での有事発生）  
破損被害等、死角となる場所に取り残され、身動きが取れず、自分の存在を知らせることが困難

リスクレベルを一般者と同レベルに引き下げる改善を行うこととした

**改善の効果、活動の成果**

アピールポイント：聴覚障がい者が不測の事態に陥った時、自らの意思表示を音と光で周囲に知らせることができる。

効果：リスクレベルⅢ⇒リスクレベルⅡに低減（一般者と同レベル）  
波及効果として、聴覚障がい者の出退勤状態が把握できる

**Before**

異常時に周りに知らせる手段がない

**After**

緊急ブザー・振動し異常時にピンを抜き、周りの人に助けを呼べる。

## FY2020 Safety/Health-related Posters (based on award-winning slogans from FY2019)



\* This refers to the following three types of occupational health management: (1) Operational management, which defines procedures for preventing environmental pollution, and reducing exposure to harmful substances as well as workload, and their suitable implementation; (2) Operational environment management, for identifying and evaluating factors that may cause harm in the workplace through statutory working environment measurement and risk assessment of chemical substances to ensure the best conditions possible; and (3) health management to confirm the health condition of each employee through medical examination, detect abnormalities early on, prevent exacerbation, and take medical and work management-related steps to get back to healthy condition.



## Education and Training for OHS

Toshiba Group in Japan conducts various types of OHS-related educational programs for each level of the organization, from corporate staff through to operational sites.

We conduct regular corporate-sponsored Company-wide training programs for employees who are newly appointed to OHS-related posts, and employees in mid-level, and regular Company-wide education for industrial physicians and occupational healthcare staff to enhance skills as OHS staff. We also strive to boost health literacy through e-learning on health-related matters for all Toshiba Group employees in Japan.

In addition to the education required by the Industrial Safety and Health Act, we provide unique courses and training tailored to the conditions and issues of the operational site as well as programs for employees engaged in OHSMS in an effort to enhance the capabilities of personnel engaged in OHS.

### Attendance of Educational Courses at Corporate (Programs Organized by Human Resources and Administration Division) (FY2019)

| Educational Program  | Target  | Period  | FY2019 Attendance Numbers  |
|--|---|---|--|
| Training for OHS staff (employees in charge of OHS activities)     | Employees in charge of OHS activities at operational sites                                | April every year                                  | 116  |
| Education for new employees in charge of OHS activities            | Employees who have been in charge of OHS activities at operational sites in the past year | September every year                              | 26   |
| Education introduced for new industrial healthcare professionals   | Industrial physicians and public health nurses who joined the Company                     | At time of joining Company and after three months | 27   |
| Education for industrial nursing professionals                     | Public health nurses  | February every year                               | Postponed in FY2019 due to COVID-19<br>For reference: 61 in FY2018 |
| Training on how to work lively (Includes health-related education) | Toshiba Group employees in Japan  | July every year                                   | 71,792<br>(Participation rate of 99.1%)                            |

### Key Examples of Education and Training at Operational Sites

| Category                             | Type of Education  | Target  | In Charge of Education                                |
|--------------------------------------|--|---|---|
| Statutory Education on legal affairs | The said worker education for OHS concerning work operations, when a new worker is employed or when the contents of the operations have been changed | New recruits and employees who have changed work duties   | OHS staff at operational sites or accepting workplace |
|                                      | Training when appointed safety officer   | Employees newly appointed to position of safety officer from among those in possession of the qualification provided for by the Ordinance of the Ministry of Health, Labour and Welfare | Qualified in-house personnel or outside instructor    |
|                                      | OHS education on foreman duties  | Employees newly charged as foremen or others to directly guide or supervise workers in operations (except operations chief)   |   |
|                                      | Special educations for safety and/or health concerning the said operations, courses for various licenses, skills training, etc.                      | The said workers engaging in restriction work and operational chiefs  |   |
|                                      | Education in order to enhance individual abilities for Safety Officer, etc.  | Employees with at least five years experience since obtaining qualification, etc.   |   |
| Independent education and training   | Health education by age  | Employees who have reached the age of 30, 40 and 50   | OHS staff at operational sites                        |
|                                      | OHS-related education at time of promotion (mental health, etc.)   | Employees promoted to managerial position   |   |
|                                      | Education for OHSMS risk assessors   | Employees conducting workplace risk assessments   |   |
|                                      | OHSMS internal auditor training  | Employees appointed to position of internal auditor at each operational site  | Outside instructor                                    |
|                                      | Education for employees engaged in specified work  | Workers engaged in operations involving the risk subject to website management  | Applicable workplaces                                 |
|                                      | Workplace emergency response training  | Workplace-specific emergencies  |   |
|                                      | Simulation of large-scale earthquake at operational sites  | Employees, resident subcontractors, etc.  | General affairs departments at operational sites      |

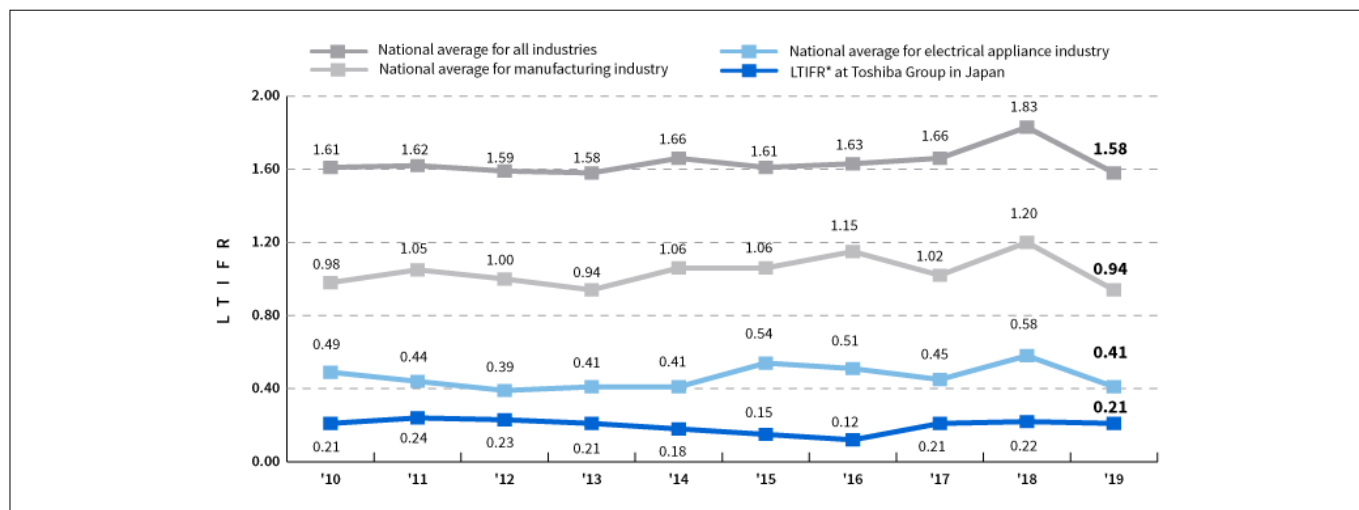
## Occurrence of Occupational Accidents

The frequency of occupational accidents (frequency of lost workdays) of Toshiba Group in Japan in FY2019 was almost the same as that of the previous fiscal year. This is much lower than the national average for the manufacturing industry. The number of occupational accidents in FY2019 was 96 in total, down 17% year on year, with one fatality, 30 cases resulting in lost workdays and 65 cases without lost workdays. Regrettably, this was the first fatality of a Toshiba Group employee in seven years.

The most common types of accidents were falling, caught in/between, cut/abrasion and fall from height. Of these, the accidents caused by normal activity of daily life (ex. falling while walking or falling downstairs), make up the majority at 31% of total accidents. In light of the number of accidents occurring from normal activities, we incorporated content aimed at preventing falls in addition to conventional health management information in our Company-wide e-learning program, drawing attention to the need for vigilance among all Group employees. The number of accidents where employees were caught in/between was roughly on par with standard years, but there was one fatality stemming from this in FY2019, so we are working to share information throughout the Group on exactly what happened, the cause and our response to ensure that the same kind of accident does not happen again under similar conditions and with similar equipment.

As for occupational accident prevention activities, our Corporate division has set objectives for promoting OHS of Toshiba Group. Based on these objectives, each Group company and business site formulates promotion goals and plans while sharing their unique challenges being faced at each Group company and business site, and undertakes actions aimed at preventing occupational accidents.

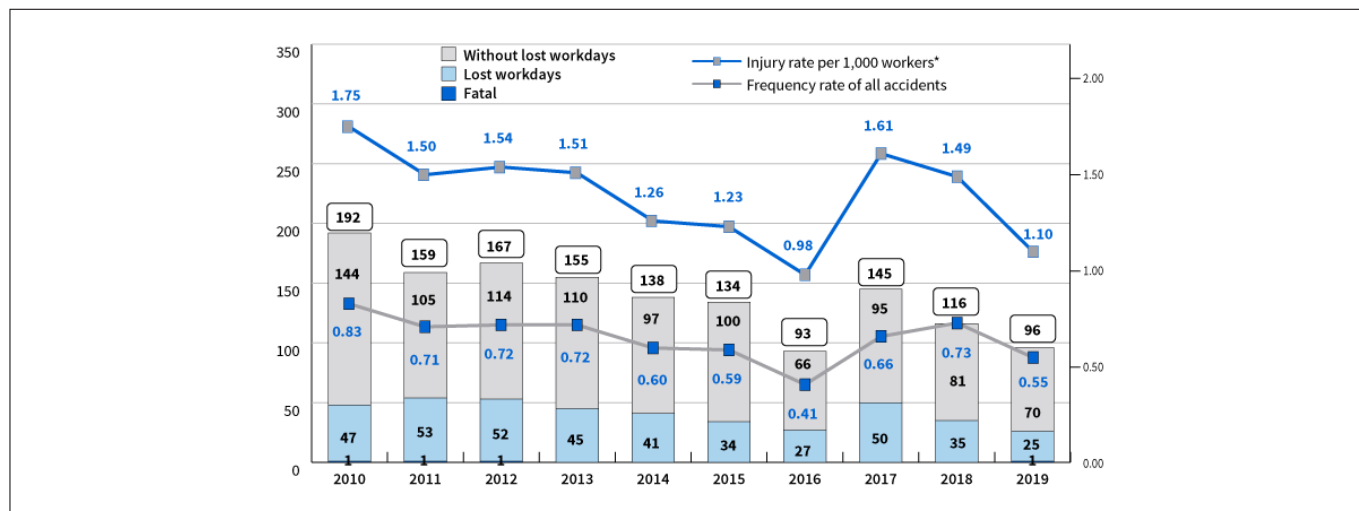
### Lost-Time Injury Frequency Rate at Toshiba Group in Japan\*



\* LTIFR: Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million man-hours worked.

\* Includes accidents involving part-time workers, fixed-term workers and dispatched workers.

### Incidence of Work-related Accidents (Toshiba Group in Japan)

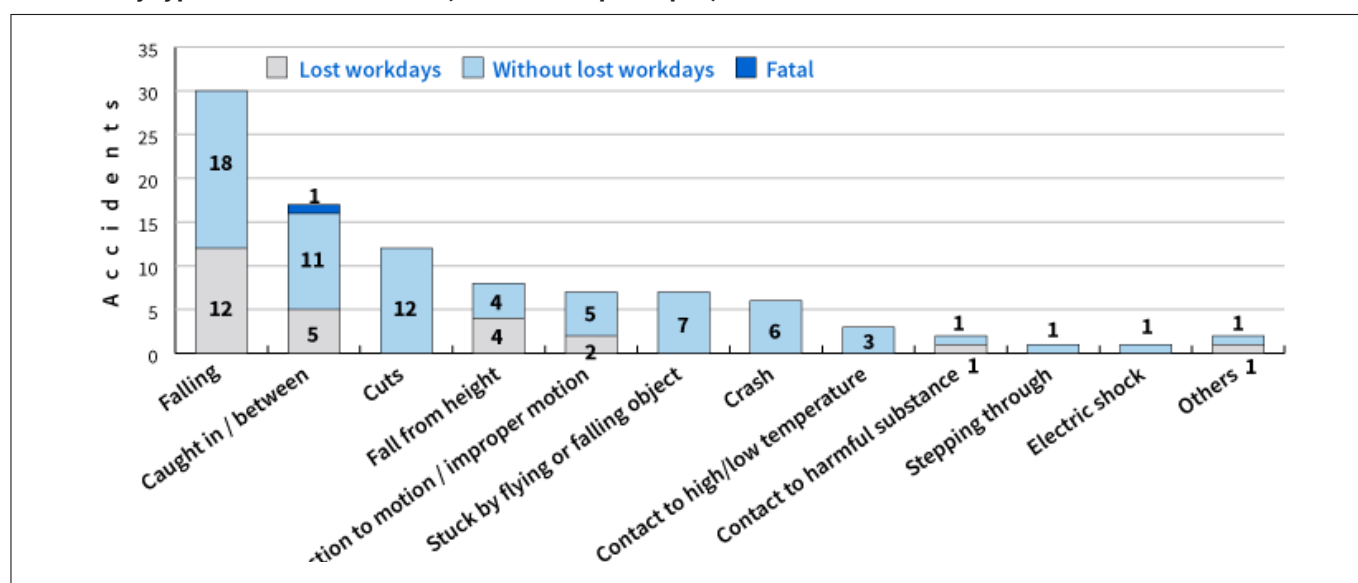


\* Injury rate per 1,000 workers (all accidents): The number of lost-time injuries occurring in a workplace per 1,000 workers

\* Includes accidents involving part-time workers, fixed-term workers and dispatched workers.



### Accidents by type of accident in FY2019 (Toshiba Group in Japan)



\* Includes accidents involving part-time workers, fixed-term workers and dispatched workers.

\* In FY2019, in addition to the one employee fatality in the above statistics, there was a fatality of a subcontracted worker at a site for which a Toshiba Group company is the primary contractor (caught between construction vehicles).

Toshiba Group takes a very serious view of the fatal accident that occurred in FY2019, and with the aim of striving for zero serious accidents on an ongoing basis, we will place top 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 identify current and potential risks, review work methods, and systematically take necessary measures to reduce and eliminate such risks as well as to improve facility and provide thorough training for employees.

## Measures to Maintain and Enhance Health

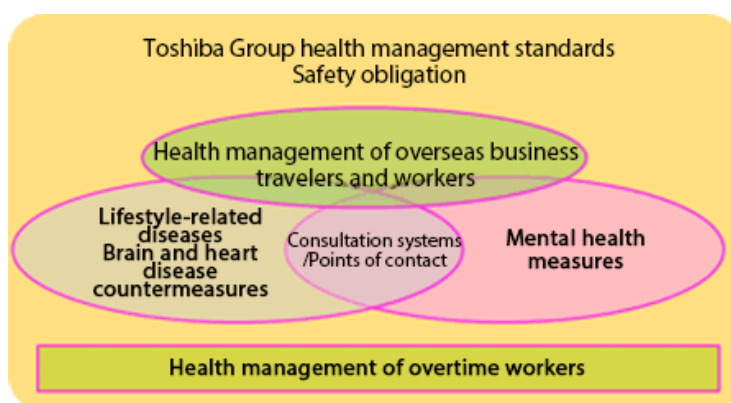
Toshiba Group in Japan has set the prevention of lifestyle diseases, enhancement of mental health and prevention of overwork as the basis to achieve this as the top priority measures within the Group's standards for health management. We strive to raise employees' awareness of the importance of health and take various measures to maintain their physical and mental health from both a high-risk approach<sup>\*1</sup> and population approach<sup>\*2</sup>.

\*1 High-risk approach: A method of health management that focuses on people at high risk of disease

\*2 Population approach: A method of health management that focuses on the whole group rather than a specific group to lower the exposure to risk

### Toshiba Group's key health management measures

|  | Mental health measures   | Lifestyle-related disease measures   | Other  |
|--|--|--|--|
| High-risk approach                                       | <ul style="list-style-type: none"> <li>Return-to-work program support</li> <li>Strengthen ties between workplace, personnel and industrial healthcare profession</li> <li>Anti-suicide measures</li> </ul> | <ul style="list-style-type: none"> <li>Brain and cardiovascular disease countermeasures (work classification determination by regular medical checkup data level)</li> </ul> | <ul style="list-style-type: none"> <li>Prevent diabetes becoming severe</li> <li>Strengthen health management of employees on overseas assignment</li> </ul> |
| Population approach                                      | <ul style="list-style-type: none"> <li>Line care education</li> <li>Self-care education</li> <li>Stress checks</li> </ul>  | <ul style="list-style-type: none"> <li>Targets for improvement and support for lifestyle improvement</li> <li>Health education for each age group</li> </ul>                 |  |
| Measures to comply with regulations and prevent overwork |  |  |  |



## Response to COVID-19 Outbreak

Toshiba Group is responding to the changing situation to ensure the safety of customers, suppliers, local communities, employees and their families and business continuity. Toshiba Group is engaged in many businesses and services that sustain society such as social infrastructure, the cornerstone of life. In light of the need to fulfill our responsibilities and provide these businesses and services, we are continuing activities at sites engaged in manufacturing, services and distribution after taking appropriate measures to minimize the risk of novel coronavirus infection. The following outlines Toshiba Group's basic policy against the coronavirus pandemic.

### Basic Policy

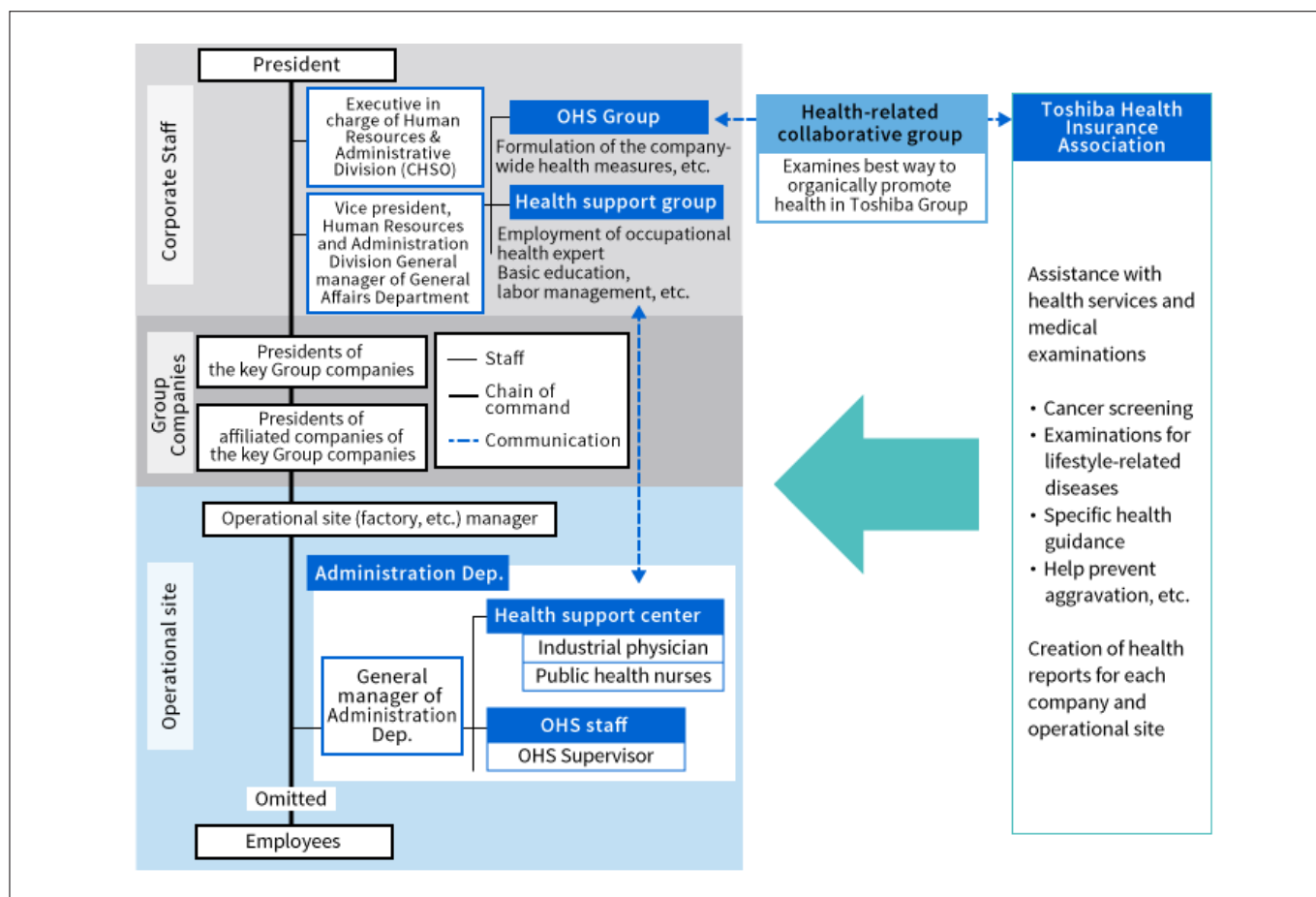
1. We will prioritize the safety of customers, suppliers, local communities, employees and their families.
2. Given the need to fulfill our social responsibilities and provide businesses and services that sustain society, we will continue activities at sites engaged in manufacturing, services and distribution after taking appropriate measures to minimize the risk of infection.

In response to the pandemic, the COVID Countermeasures Headquarters was established to manage the situation within Toshiba Group and provide information on measures based on the latest trends and knowledge through internal notices and a dedicated website. When the government declared a state of emergency in Japan in April 2020, we sought to minimize interpersonal contact to reduce the risk of infection by reducing the number of business days in April, mainly by advancing holidays that were already scheduled at Toshiba Group's domestic bases. In addition, we made a decision that in principle employees were to work from home where possible and we set a target attendance rate for each job type, for workplace where it is possible to work from home. In support of this policy, we increased the number of lines enabling access to our internal systems. In line with the rapid rise in the proportion of people working from home, we have been conscious of informing people of websites containing information about exercise and other ways to alleviate stress, which were most often requested, as well as establishing an online health consultation system run by occupational healthcare staff. For employees that need to go into work, we have made it mandatory to measure body temperature, report to superiors and wear a mask to prevent infection. For employees from overseas who are unable to return home due to border restrictions, we are conducting health-related surveys, which includes determining if the person is on medication and if this can be continued, and providing the necessary support.

## System for Health Management

Toshiba Group in Japan has held OHS management meetings on regular basis since FY2019 to share the Group's health-related issues and regular monitoring indicators, or key performance indicators (KPIs), and the top management of each key Group company in attendance are then requested to incorporate those into measures to improve the safety and health management of their employees through the governance line. In the execution system, the function of providing support in the area of occupational healthcare was being provided by a separate company from FY2002, with related services developed based on the contract with each Group company. In light of the increasing importance of health management under OHS management, however, this system was discontinued in November 2019 and now an occupational healthcare officer is sent to an operational site and placed under the direct control of management there (excluding certain companies that employ such officers directly). This new system enables more tailored and flexible health services to be deployed in line with the challenges facing each operational site. In addition, we launched "Collabo-Health Meeting" and started convening meetings in FY2019 together with Toshiba Health Insurance Association, and ways to promote health measures throughout the Group organically are being looked into. This meeting aims to accelerate OHS management and enhance health at the various life stages in addition to realizing the Company's objectives of enhancing corporate value and ensuring a bright and vibrant life for our employees, and contribute to achieving the social missions and goals of Toshiba Health Insurance Association such as optimizing medical expenses.

### Toshiba Group's Health Management System (including the role of Toshiba Health Insurance Association)



### Toshiba Group Key Performance Indicators (KPIs)

Key performance indicators (KPIs) for health management were set forth as shown below at the OHS management meeting for FY2019. We will aim to make further improvements to items for which we have already attained our nationwide target figure and raise the level in items for which we are yet to achieve our target nationwide. Our varied approach will center on improving lifestyle habits, an indicator for this process.

|                       | Health-related KPIs<br>Monitor the ratio of each item to the whole                      |  | Toshiba Group in<br>Japan FY2019 Result | Target Figure <sup>*1</sup><br>(Nationwide) | Achieved/<br>Not achieved |
|-----------------------|---|--|---|---|---------------------------|
| Outcome<br>Indicators | High risk of cerebral heart<br>disease  | High blood pressure<br>requiring more than<br>normal consideration | 3.1%                                    | 7.2%  | Achieved                  |
|                       |   | High blood sugar<br>requiring more than<br>normal consideration    | 2.1%                                    | 2.5%  | Achieved                  |
|                       | Metabolic syndrome<br>patients  | All ages   | 15.1%                                   | 14.5%                                       | Not achieved              |
|                       |   | Over 40  | 17.5%                                   | 13.0%                                       | Not achieved              |
|                       | Metabolic syndrome<br>preliminary group   | All ages   | 16.5%                                   | 14.1%                                       | Not achieved              |
|                       |   | Over 40  | 17.8%                                   | 12.3%                                       | Not achieved              |
| Process<br>Indicators | Smoking: Percentage of smokers  |  | 26.2%                                   | 21.5%                                       | Not achieved              |
|                       | Exercise: No. of steps below national average<br>(equivalent) (5,000 steps or less/day) |  | 17.4%                                   | 0% <sup>*2</sup>                            | Not achieved              |
|                       | Meals: Percentage of those who do not eat<br>breakfast                                  |  | 28.7%                                   | 15.2%                                       | Not achieved              |
|                       | Meals: Percentage of those who have a late-night<br>snack(within two hours of sleeping) |  | 17.1%                                   | 14.4%                                       | Not achieved              |
|                       | Sleep: Percentage of those who are sleep-deprived                                       |  | 22.7%                                   | 25.9%                                       | Achieved                  |
|                       | Drinking: Percentage of those who binge drink   |  | 27.1%                                   | 14.5%                                       | Not achieved              |

\*1 National values are calculated from the FY2018 National Health and Nutrition Survey or data from the Ministry of Health, Labour and Welfare for 20-69 year olds.

\*2 Toshiba Group aims to ensure that there is nobody who walks less than the national average of 5,000 steps per day (males: 7,636 steps, females: 6,657 steps <data from National Health and Nutrition Survey for 20-64 year olds>) (excluding people in a wheelchair or otherwise unable to walk).

## Method for Prevention of Brain, Heart and Lifestyle-Related Diseases

As a high-risk approach to preventing lifestyle-related diseases, Toshiba Group in Japan has provided priority support to employees at high risk of developing brain and heart diseases, such as work management and health guidance, according to work classification determination by regular medical checkup data level, shared across all Group companies since FY2011. We also run a program to prevent diabetes becoming severe in collaboration with Toshiba Health Insurance Association.

The effects of these initiatives have started to emerge with a decrease in the percentage of deaths caused by brain and heart disease while still at work and a decrease in people at high risk of high blood pressure and high blood sugar. (Refer to Toshiba Group KPIs)

As a population approach, we have set target values for improving lifestyle habits and have been undertaking measures such as anti-smoking measures, improvements to canteen menu and providing opportunity to exercise, since FY2013. We introduced a health-related education program for each age group in FY2014 and supported employees to maintain their health according to their stage of life.

As a result, numerous lifestyle indices, including levels of smoking and walking, are improving. There is still the need for measures to make further improvements by setting KPIs, however.

In particular, the percentage of Patients and Those Having a High Risk of Contracting Metabolic Syndrome (Visceral Fat Syndrome) is on the rise nationwide, and this is a shared issue throughout Toshiba Group. In addition to patients and those having a high risk, we aim to prevent others having the metabolic syndrome by providing specific health guidance led by the Toshiba Health Insurance Association and implementing measures to enhance health guidance as a company.

### Example of Initiative to Improve Eating Habits

At the Smart Community Center in Kawasaki, the cafeteria displays the amount of calories in food on digital signage and on the automatic cash register and health-related news by industrial healthcare professions is released. In addition, at Keihin Product Operations, we distribute pocket health cards to employees who often eat food from convenience stores when on a business trip to encourage them to choose more well-balanced meals.



Calories are displayed at the Smart Community Center in Kawasaki



A pocket health card from Keihin Product Operations

### Examples of Promoting Exercise Habits

At Toshiba Fuchu Complex, we devised a special stretching routine to help prevent locomotive syndrome and falling over type accidents and built it into workplace exercises. We are working on promoting health together with the community and in cooperation with Fuchu City in Tokyo.

At Keihin Product Operations, we have resumed fitness tests that had been stopped temporarily with the aim of getting all employees involved in activities to enhance their health. We are also conducting a course that gives advice on how to make improvements based on the test results.



Original workplace exercise routine devised at Toshiba Fuchu Complex



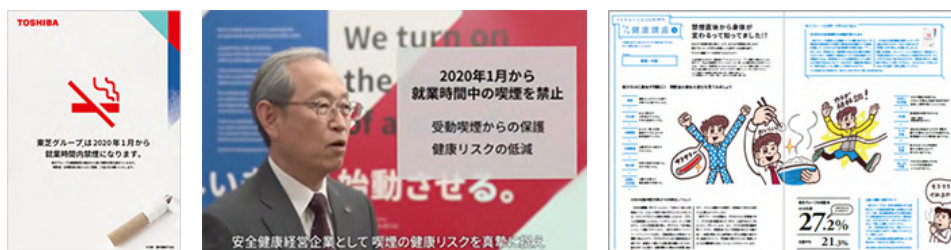
Fitness test and advice on how to enhance one's health given at Keihin Product Operations

### Anti-Smoking Measures

We have been taking various anti-smoking measures based on smoking separation systems according to the circumstance of each business site. Smoking rates tend to be higher than the national average, particularly at manufacturing sites.

In FY2019, it was decided at the OHS management meeting that smoking was not allowed during work hours and that indoor smoking areas would be abolished as a general rule at Toshiba Group in Japan. This message was also conveyed by top management during National Occupational Health Week and in our internal communication magazine. Toshiba Group is undertaking anti-smoking campaigns at operational sites that make use of the subsidy system offered by Toshiba Health Insurance Association, and there has been no smoking allowed during work hours since January 2020.

At the OHS meeting in the first half of FY2020 it was decided that all smoking areas left for use during break-times should be removed by the end of FY2021. Toshiba Group will take further smoking cessation actions from the perspective of health management, which includes providing support for smokers to help them to quit.



From the in-house communication magazine Toshiba Life Vol. 454 p26-27

Examples of tools used to spread awareness of smoking prohibition



## Mental Health Care

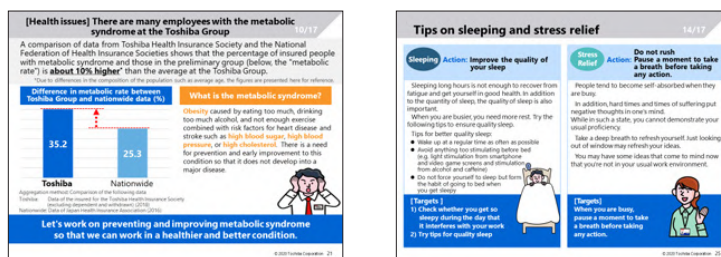
Toshiba Group in Japan was one of the first Japanese companies to address the issue of employees' mental health and has developed an advanced, comprehensive system in four areas of care to support our employees' work and daily life. In the future, we will encourage each individual to consciously maintain their physical and mental well-being, keeping in mind work styles that are now the new normal.

### 1. Self-care

#### Mental Health Enlightenment and Educational Activities

A special magazine "Kenpo Information" published by Toshiba Health Insurance Association is one of the tools to promote awareness and education about mental health. In addition, we provide e-learning on self-care for Group companies in Japan every year to support the building of an independent and healthy mind. In FY2019, 71,792 people from Group companies in Japan received the education, marking a 99.1% participation rate.

We also distribute materials to employees at manufacturing sites who are unable to take e-learning courses and strive to ensure that all employees of Toshiba Group complete the program.



e-learning material (example)

#### Stress Checks to Build Awareness and Help with Coping

Toshiba Group carries out stress checks with the main aim of getting each employee to recognize and deal with their stress. We have created a unique system linked to our medical checkup system and made it mandatory for employees to undergo stress checks at operational sites with fewer than 50 workers in FY2018. By doing so, we are promoting stress checks throughout the Group. As a result of timely follow-up, Group-wide participation rate is higher than the national average (91.2% for FY2019).

All employees whose stress check score exceeds set criteria are asked if they would like to receive consultation, with those interested, getting advice on how to better deal with stress.

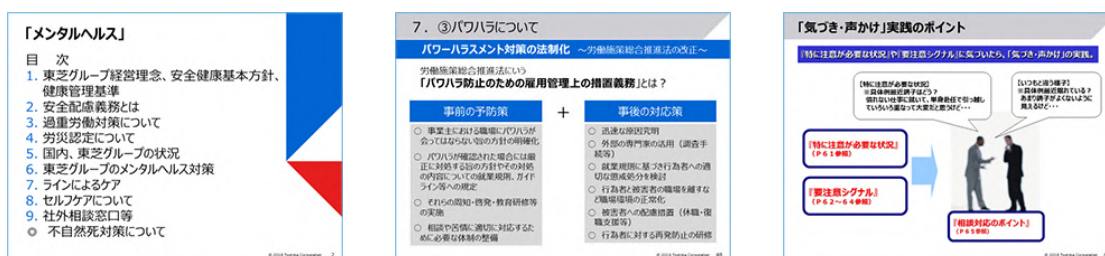
### 2. Workplace Care

Managers are informed through educational programs, messages from top management and other means about the importance of paying attention to their workers and talking to them in order to detect any unusual signs that imply poor mental health for subordinates. In order to raise health and safety awareness at each workplace and in each team, we have been promoting communication by holding workplace meetings.

#### Mental Health Education for Management

Since 1977 that started the training of "listeners," Toshiba has implemented mental health education for managerial ranks in response to the trend of times.

At present, management at each operational site can take management seminars at the time of promotion on mental health-related topics at in-house training center. The management seminars also explain the importance of independent self-care for busy managers in addition to the company's obligation to ensure safety, which is a critical issue. The seminars also include areas to be mindful of to prevent power harassment in line with a revision to the law in FY2019.



Example of material for the management seminar



### Feedback in the Form of a Workplace Stress Check Chart for Managers (stress check)

Stress checks are conducted in organizations with more than 10 employees within a Group company. We provide feedback on these stress checks to managers (and other workers in positions of authority) in the form of a workplace stress check chart that shows the relative stress levels of employees in the organization\*. Managers get ideas on how to make improvements in the workplace through these charts. Each manager then implements the improvement measures with the support of industrial healthcare profession and the general affairs division if required. Five years have passed since the system started and there have been a number of excellent examples of improvements that have been made. By sharing such measures at each Group company, we aim to enhance the level of stress management throughout the entire Toshiba Group in Japan.

\* Accumulative results for the workplace stress check charts for the Toshiba Group show that we are roughly at the national average for “workload control” and “supervisor/colleague support.”

### 3. Care by Industrial Healthcare Profession at Operational Sites

Industrial healthcare profession (including industrial physicians, public healthcare nurses and professional psychologists) offer support for the independent self-care (primary prevention) of employees through various interviews (concerning follow-up measures to medical examinations, discussions with employees working excessive overtime, etc.) and by providing opportunities for consultation. As a coordinator, they work to promote early detection and treatment of employees suffering mental health issues (secondary prevention) and smooth return to work and prevention of recurrence for employees who have taken leave (tertiary prevention) in cooperation with workplace, the general affairs division, household and medical institution, as required.

#### Return-to-Work Support Program

Toshiba Group was one of the first companies in Japan to start a return-to-work support program in FY2003 with the aim of ensuring appropriate tertiary prevention for persons who have taken leave for mental illness reasons. The program was revised in FY2011 to ensure that employees make a smooth return to work after taking leave and do not suffer a relapse. Industrial healthcare profession coordinates with the employee's doctor, workplace members and family to devise appropriate working hours, place and job style.

#### [For reference] Enhancing the skills, etc. of industrial physicians and occupational healthcare staff

We provide regular education (upon entering the Company, after three months, specialized programs, etc.) and holds regular meetings (conferences for industrial physicians <twice a year>, etc.) with the aim of improving the skills of industrial physicians and occupational healthcare staff, which includes handling consultation. The Group is continuously seeking to brush up knowledge and share safety and health measures throughout Toshiba Group.

#### [For reference] Handling of health-related information

Considering the fact that health-related information is sensitive personal information, each Group company and operational site has established regulations for handling it. Industrial healthcare profession and other related personnel in each Group company are very careful when handling the health-related information of employees that they learn in the course of their work.

### 4. Use of Other Resources to Provide Employee Care

Industrial healthcare profession at each operational site play a central role in building a network with local external medical institutions and rework facilities to make sure employees in need of treatment receive the appropriate medical care. Those sites that are small in scale and do not have resident industrial healthcare profession liaise with their local occupational health support center to supplement the care provided by industrial healthcare profession.

Company-wide, we disseminate information regarding the different consulting services established to meet the circumstances and environment of the person needing advice through various media such as self-care e-learning material, corporate and in-house health insurance association newsletters and our website.

#### Establishment of Outside Consultation Services

Toshiba Group was one of the first companies in Japan to introduce an outside Employee Assistance Program (EAP) in 2000. The program has now been taken over by a mental and physical health consultation service that is offered 24 hours a day and is run jointly by Toshiba Health Insurance Association and Toshiba.

The service covers such areas as mental and physical health problems, childcare and nursing care. The service is available to employees as well as their families, by telephone, email or in-person counseling, with the privacy treated with the utmost respect. The service has been used many times over the years.

## Health Management for Employees Working Excessive Overtime

Toshiba Group in Japan has been working to prevent health problems caused by overtime work since before the revision to the Industrial Safety and Health Law in 2006 by setting standards that exceed legal requirements; for example, employees who work 80 hours overtime per month are required to receive health guidance from industrial physician (Interview Guidance for Employees Working Excessive Overtime). At the same time, our first principle is to transition to a working style in which employees are not expected to do overtime. This standard sufficiently meets the requirements of the revised Industrial Safety and Health Regulations enforced in April 2019.

## Overseas Medical Service Visits

Toshiba Group in Japan has a specialized division to support the health management of employees who work overseas. In addition to medical checkups prior to the posting and upon return in accordance with the law, we have made it compulsory to provide a checkups once a year while away, including for the employee's family. We are taking steps to ensure our overseas transferees receive the same level of health management support as our employees in Japan based on the results of each individual's medical checkups. The services include providing employees and their family member's consultation and information on local medical institutions, arranging emergency transport in line with each country's medical care system.

We are taking a flexible approach to medical checks for employees who work overseas during the period of the COVID-19 pandemic (FY2020 and possibly beyond) with the understanding that checkups will be administered as soon as the situation improves in consideration of difficulty traveling between countries, medical conditions in the area the person is and the risk of infection.

## Infectious Disease Countermeasures

Toshiba Group compiles the latest information gathered from various sources that include the Ministry of Foreign Affairs, specialty companies in safety crisis management overseas and international medical care, international risk-related media and in the field concerning outbreaks of infectious diseases in foreign countries and their transmission, and distributes it to relevant countries in order to alert the employees on such risks. Toshiba Group in Japan also provide orientation to employees assigned to work overseas and their accompanying families, on medical, safety, infectious diseases measurements and other lifestyle-related issues pertaining to the relevant country. Once the overseas assignment is confirmed, an orientation is held, including prior medical checkups and courses of vaccination. New recruits in Japan are provided with booklets also containing information about HIV AIDS. Other awareness-raising programs also cover topics such as the prevention of HIV infection and the prohibition of unfair discrimination due to insufficient knowledge about the disease.

In addition, operational sites cooperate with the government for rubella antibody tests for target age groups by providing the opportunity for medical examination.

## Evaluation by External Parties

As a result of our health-related efforts, Toshiba and its four key Group companies, Toshiba Lighting & technology Corporation, Toshiba Carrier Corporation and its two group companies, and Toshiba IT & Control Systems Corporation (Large enterprise category) as well as Toshiba Precision Corporation (Small- and medium-sized enterprise category) were selected for "The 2020 Certified Health and Productivity Management Organization Recognition Program" by Nippon Kenko Kaigi\*. Further, Toshiba Lighting & Technology was selected for the "White 500" as one of the top 500 companies based on health and productivity management survey results.

\* An entity working with private organizations such as economic groups that is supported by the Ministry of Economy, Trade and Industry



## OHS Management in the Supply Chain

Toshiba Group promotes its procurement activities in accordance with the United Nations Global Compact (UNGC) and the Responsible Business Alliance (RBA) Code of Conduct. We also ask our suppliers to respect basic human rights and to realize safe and clean workplace environments during their business activities. We explain and request all our suppliers to comply with the Toshiba Group Procurement Policy which includes consideration for human rights, labor, OHS in their operations.

- > [Toshiba Group Procurement Policy](#)
- > [CSR Management in the Supply Chain](#)

# CSR Management in the Supply Chain



In order to fulfill CSR in regards to human rights, labor, and the environment in cooperation with suppliers, Toshiba Group continues to promote CSR activities throughout the supply chain.

## Medium- to Long-term Vision

Contributing to solving social issues in our supply chain through appropriate procurement transactions

- Full notification of our procurement policy to our suppliers
- Obtaining consent for the Toshiba Group Procurement Policy from new suppliers

**100%** of our new suppliers

- Keeping track of supplier activities, and advising on improvement

## FY2019 Achievement

- **Holding briefings for suppliers:**
  - Explaining the Toshiba Group Procurement Policy
  - Briefing on conflict minerals
- **Surveys of suppliers and providing instructions for improvement:**
  - Conducting CSR Self-Assessment (RBA Self-Assessment Questionnaire) and providing individual guidance based on the results
  - Conducting a conflict minerals survey and providing individual guidance based on the results
  - Conducting a supplier environmental conservation survey
- **Information exchange and discussion with experts toward resolution of CSR issues:**
  - Participating in RBA member meetings
- **Response to COVID-19**
  - In order to ensure business continuity and fulfill our social responsibilities, we conducted risk assessments of suppliers in Japan and overseas based on information we collected, and implemented measures to minimize the impact on business.

## Future Challenges and Approaches

We will continue to request that new suppliers' consent and practice to the Toshiba Group Procurement Policy, and to strengthen our measures to monitor and support suppliers' compliance with the policy. We will also educate our procurement employees about important CSR issues, such as compliance and responsible mineral sourcing, human rights, occupational health and safety (OHS), and environment so that they can instruct and support our suppliers.

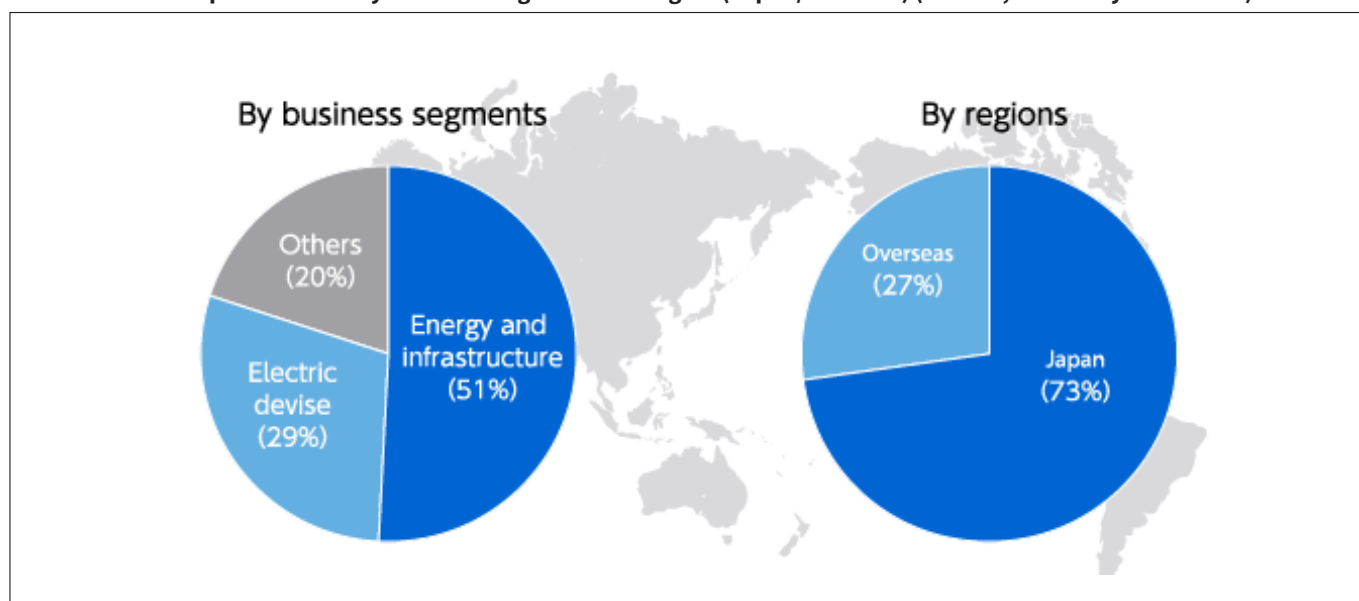
## Toshiba Group's Supply Chain

Toshiba Group procures a variety of raw materials and resources from suppliers all around the world.

In terms of the composition ratio of our procurement by business sector (monetary value), energy and infrastructure accounts for 51%, electric devices account for 29%, and others account for 20%. By region, domestic suppliers account for 73% and overseas suppliers account for 27% of the total expenditure.

In our efforts to fulfill our CSR throughout our supply chain, Toshiba Group takes a risk-based approach that gives importance to suppliers with whom we have a continuing business with, and that takes into account factors particular to the business sector and region.

Procurement Component Ratio by Business Segment and Region (Japan/overseas) (FY2019, monetary value base)



Toshiba Group appropriately implements local procurement of materials, components and equipment, etc. based on the attributes of the items produced and the environment in which they are produced. Centered on production bases in each country, and also using the International Procurement Office (IPO), we make efforts to promote optimal procurement, including local procurement.

## Toshiba Group Procurement Policy

Toshiba Group strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations.

We request all our suppliers, who play an important role in the Toshiba Group companies' production and services, to consent to and put into practice the Toshiba Group Procurement Policy. The policy is translated into English, Chinese and Thai to complement the Japanese, and whenever the contents of the said policy are revised in keeping with social conditions, we inform all our suppliers both inside and outside Japan.

In addition to this Procurement Policy, we have set the [Toshiba Group Green Procurement Guidelines](#) in order to address environmental issues and the [Toshiba Group Responsible Minerals Sourcing Policy](#) in order to address conflict minerals.

We also have the Standards of Conduct for Toshiba Group for our Group officers and employees. Our corporate policy is to fulfill our CSR through fair trade and compliance with laws, regulations and social norms, as well as to build relationships of mutual understanding and trust together with our suppliers.

## The History of the Revision of the Toshiba Group Procurement Policy

| Time              | Contents   |
|-------------------|--|
| Feb 2005          | We established the Toshiba Group Procurement Policy, and requested that our domestic and overseas suppliers comply with laws, regulations and social norms, give proper consideration to the environment etc.  |
| May 2008 Revision | We expressly informed our suppliers of our policy on giving consideration to human rights and OHS, and requested that they apply the policy's standards to their own procurement activities.   |
| May 2012 Revision | <ul style="list-style-type: none"> <li>• We declared that we give priority consideration to suppliers who comply with laws, regulations and social norms and whether they take account of human rights, when selecting new suppliers and renewing contract.</li> <li>• We requested that our suppliers comply with our policy to prohibit bribery to any stakeholders (taking into account international anti-corruption regulations such as the UK's Bribery Act), human trafficking or slavery (taking into account the California Transparency in Supply Chains Act in the USA), and the use of conflict minerals (taking into account Dodd–Frank Wall Street Reform and Consumer Protection Act).</li> </ul> |
| Oct 2014 Revision | In the Procurement Policy, we expressly requested the promotion of activities that are in keeping with the principles of the United Nations Global Compact (UNGC) and the Responsible Business Alliance (RBA)* Code of Conduct. Toshiba is a member of these initiatives.  |

\* EICC changed its name to RBA in October 2017.

- > [Toshiba Group Procurement Policy](#)
- > [Toshiba Group Green Procurement Guidelines](#)
- > [Toshiba Group Responsible Minerals Sourcing Policy](#)
- > [Standards of Conduct for Toshiba Group 3. Procurement](#)

## Cooperation with Industry Organizations

In order to drive forward its CSR management in the supply chain in accordance with global standard, in June 2011, Toshiba joined the RBA, 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, we take measures in accordance with the spirit of the [RBA Code of Conduct](#).

In January 2017, we established RBA Japan Network together with RBA membership companies in Japan. The Network builds awareness and understanding of the RBA Code of Conduct through translation support and outreach meetings. It also conducts activities to resolve common issues. In October 2019, we participated in an RBA membership meeting held in the United States where we learned about the latest global trends. To create a responsible supply chain, we exchanged information and held discussions with experts.

We request Toshiba Group companies' suppliers to carry out CSR self-assessment each year in accordance with the RBA Code of Conduct depending on their respective industries and sizes, thereby checking how initiatives are being implemented regarding compliance with regulations and social norms, human rights, occupational health and safety, environmental conservation, and ethics. Based on assessment results, we provide guidance to individual suppliers in accordance with their risk levels, and request that they make improvements.

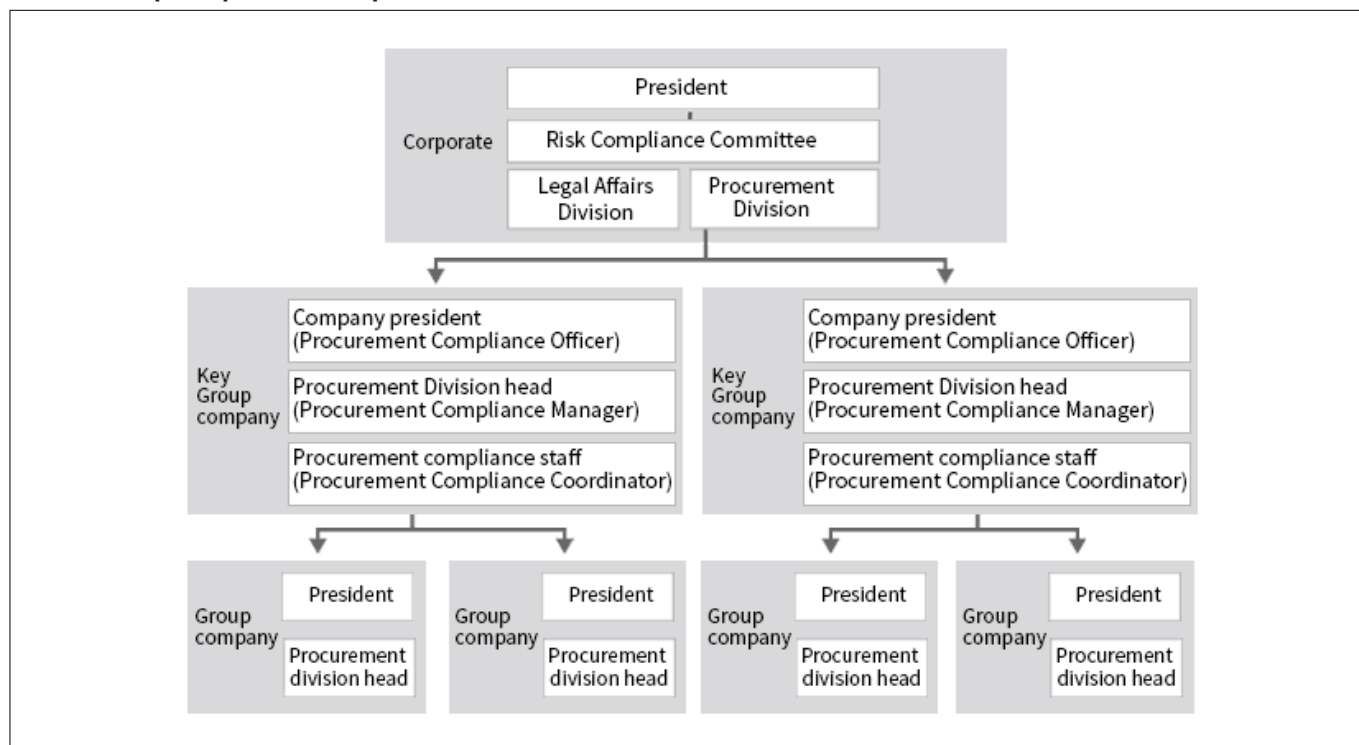


- > [RBA Membership](#)

# Promotion of the Supply Chain Management

In April 2007, Toshiba Group set up an organization dedicated to promoting CSR procurement within the procurement department at Toshiba's Head Office, which works to promote fair dealings with all our suppliers as well as CSR management in the supply chain. The organization coordinates with various business divisions and related divisions such as the CSR office and the Environment office.

## Toshiba Group CSR procurement promotion structure



## Training Procurement Employees

Compliance training of various types, such as training on the Standards of Conduct for Toshiba Group, the Toshiba Group Procurement Policy and CSR Management in the Supply Chain, is included in our training programs for procurement personnel at all organizational levels, including the training program for new employees and for transferees.

## Response to COVID-19 in the Supply Chain

In order to ensure business continuity and fulfill our social responsibility, we collected information from suppliers in the supply chain in Japan and overseas concerning COVID-19 from an early stage to determine risk, and guarantee supply by taking the necessary countermeasures in collaboration with suppliers, and minimize the impact on business.



# Thorough Implementation Measures Based on the Toshiba Group Procurement Policy and Its Monitoring

## Thorough Implementation Measures based on the Procurement Policy

We request suppliers to consider CSR in accordance with Toshiba Group Procurement Policy. In FY2014, we revised the policy and included expectations for our suppliers to act in accordance with the UN Global Compact and the [RBA Code of Conduct](#) and requested some 10,000 suppliers (cumulative numbers\*) to abide by this revised content, and got consensus from them. In FY2019, Toshiba Group selected approximately 3,000 companies as new suppliers based on the Policy for Selecting Suppliers stipulated in the Toshiba Group Procurement Policy. The Toshiba Group Procurement Policy which includes encouraging secondary suppliers to also adhere to them was distributed and explained to new suppliers. Toshiba Group request them to agree to the policy.

\* As Toshiba Group companies conduct surveys based on each contract, we count only one contract in the case multiple contracts are concluded with one supplier. Additionally, the company numbers are approximate due to there being commercially sensitive information.

> [Toshiba Group Procurement Policy](#)

## Monitoring

Toshiba Group monitors the status of CSR management in the supply chains that have ongoing businesses at manufacturing sites at the time of quality audits and requests improvements and provides guidance as necessary. For new procurement transactions, we check the supplier's conformity with Toshiba Group's procurement and selection policies, its manufacturing sites and management structure, and whether it complies with laws and regulations on environment, human rights, and occupational health and safety.

Toshiba Group holds briefings to explain to suppliers its policies on the environment, human rights, and occupational health and safety. We also conduct supplier surveys to monitor their performance in accordance with the Toshiba Group Procurement Policy (including self-assessment) at each business site.

That surveys conducted to suppliers which supply products and components whether they consist Toshiba brand products or not from FY2019.

### Suppliers participating in briefings and those covered by the survey (FY2019, Toshiba Group, Cumulative numbers)

| Topic               | Participation in briefings | Surveys* | On-site Audit* |
|---------------------|----------------------------|----------|----------------|
| Human rights/Safety | 6,953                      | 6,055    | 920            |
| Environment         | 3,790                      | 6,128    | 395            |
| Total               | 10,743                     | 12,183   | 1,315          |

\* The survey includes self-inspections using the RBA SAQ (Self-Assessment Questionnaire), third-party audits, and surveys/audits using our own standards.

## Actions on Suppliers in the Event of Breach of the Procurement Policy

If a supplier violates the standard of transaction, we request the supplier to implement remedial measures and provide guidance and support as necessary. If the remedial measure is deemed to be unsatisfactory, we suspend transactions with the supplier.

### Suppliers subject to guidance & support and suspension of transactions (FY2019, Toshiba Group, Cumulative numbers)

| Topic               | Guidance and Support | Suspension of transactions |
|---------------------|----------------------|----------------------------|
| Human rights/Safety | 924                  | 0                          |
| Environment         | 161                  | 0                          |

### Examples of supplier guidance and support (FY2019)

|   |  |
|---|--|
| Environmental Activities                            | <ul style="list-style-type: none"> <li>• Guidance on how to manage products containing chemical substances, etc. for suppliers</li> <li>• Guidance on risk assessment of chemical substances</li> <li>• Guidance on how to treat industrial waste material and liquid, etc.</li> </ul> |
| Human Rights and Occupational Health & Safety (OHS) | <ul style="list-style-type: none"> <li>• Guidance on workplace safety and improvements to regular inspections</li> <li>• Supporting smelters to obtain conflict-free certification*</li> <li>• Training to enhance safety-related knowledge</li> </ul>                                 |

\* Conflict-free certification: A system by which a third-party organization certifies that an organization does not use conflict minerals (conflict free).

### Major survey items during the audit of outsourced Toshiba-brand manufacturers Category Survey items

| Category  | Survey items  |
|---|---|
| CSR management at the companies audited                                 | <ul style="list-style-type: none"> <li>• Labor disputes</li> <li>• Communication with employees</li> <li>• Labor agreements and working hours</li> <li>• Workplace safety</li> <li>• Employee health conditions</li> <li>• Environmental initiatives such as the acquisition of ISO 14001 certification</li> </ul>                            |
| CSR management with regard to the supply chain of the companies audited | <ul style="list-style-type: none"> <li>• Adoption of CSR policy that encompasses consideration for human rights, labor conditions, and the environment</li> <li>• Communication of the CSR policy to suppliers and their status of compliance with the policy</li> <li>• Regulations concerning plant wastewater and air emissions</li> </ul> |

## “Clean Partner Line” Supplier Whistleblower System

Toshiba Group has set up a supplier whistleblower system called “Clean Partner Line” to receive reports from suppliers regarding persons in Toshiba Group who are involved in violations or possible violations of laws and regulations related to procurement and other transactions, Standards of Conduct for Toshiba Group and Toshiba Group Procurement Policy, business contracts or business ethics. Personal information of whistleblowers, is not disclosed to anyone other than Clean Partner Line staff without the whistleblower's consent. Also, the contents of reports are handled based on strict procedures, with care taken not to treat whistleblowers and their companies unfavorably for whistleblowing. We notify our suppliers of this system and request that they make use of it. Four reports were made in FY2019, and in each case, we conducted an investigation in collaboration with the related division and issued a directive to take corrective action or a warning for any inappropriate or suspicious activity discovered.

# Partnerships with Suppliers

Toshiba Group strives to build with our suppliers' partnerships founded on mutual trust. We are working to improve these partnerships by supporting our suppliers and organizing awareness-raising activities. We do this so that our suppliers can provide a reliable supply of high-quality, appropriately priced goods that give consideration to human rights, labor conditions, OHS and the environment.

## Activity Example: Initiatives at Toshiba Information Equipment (Philippines), Inc.

Toshiba Information Equipment (Philippines), Inc. (TIP) is resolute to its commitment of fostering a strong and responsible business relationship with its suppliers and service providers.

Driven by its corporate value of upholding integrity through compliance, TIP has initiated a half-day training program to introduce its Social Accountability Management System based on activities anchored on the Responsible Business Alliance (RBA) Code of Conduct. The activity was designed to cater suppliers, contractors and in-house service providers in the hope of expanding TIP's scope of influence in communicating the essence of compliance while strengthening the knowledge and awareness of its external business partners on social and environmental responsibility. An explanation of RBA Code and its requirements was given to deepen their understanding.

The training was attended by Human Resource and/or Administration representatives from 92 companies and was facilitated by internal resource speakers from TIP's General Affairs and Compliance Department. Likewise, the training provided a platform for suppliers and service providers to share their experiences and best practices in adopting the RBA Code.

On-site compliance check was also conducted to pre-selected providers every semester to support them establish and gauge their level of compliance in TIP's Social Accountability requirements.

With continuous education and awareness programs, together with a strong collaboration and communication, TIP hopes to intensify CSR management promotions and compliance within its supply chain.



Training for suppliers

## Activity Example: Capacity Building with Suppliers

Toshiba Information Equipment (Philippines), Inc. (TIP) promotes awareness and partnership to its suppliers and services providers through OHS-GUILD\*. This program aims to support suppliers to be compliant with labor standards including occupational safety and health standards. TIP shares best practices and policies during the session. Through this program, TIP supports its suppliers in promoting CSR management thereby strengthening partnerships with them. In November 2019, 92 people participants from different supplier companies joined the program. This also evaluates compliance of selected companies through site visit.

\* Occupational Health and Safety Guild




Training via the OHS-GUILD program

# Ensuring Responsible Minerals Sourcing

Since Section 1502 on conflict minerals of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) enacted in January 2013, companies listed in American Exchange are required to report on the use of conflict minerals mined in the Democratic Republic of the Congo and its adjoining countries. Toshiba Group is not a listed company, however, as a part of the supply chain of listed companies, investigates and reports to our customers. Prior to the enactment of the Act, Toshiba Group organized an internal system to address conflict minerals issues, and established the Toshiba Group Conflict Mineral Policy and publicized it on its website in October 2011. In recent years, however, there has been heightened risk associated with minerals sourcing, affecting not only the Democratic Republic of Congo and adjoining countries but also other conflict-affected and high-risk areas, and extending to child labor and other general human rights violations, as well as corruption and other sources of risk. In September 2020, therefore, we revised our Conflict Mineral Policy and formulated the Responsible Minerals Sourcing Policy.

## Toshiba Group Responsible Minerals Sourcing Policy

Toshiba Group has put in place this policy and the provisions below in order to avoid complicity in any conflict in any high-risk area, and in order to prohibit the use of tin, tantalum, tungsten, gold and cobalt whose production is the result of human rights violations, including forced labor and child labor, environmental pollution, corruption, or other abuses.

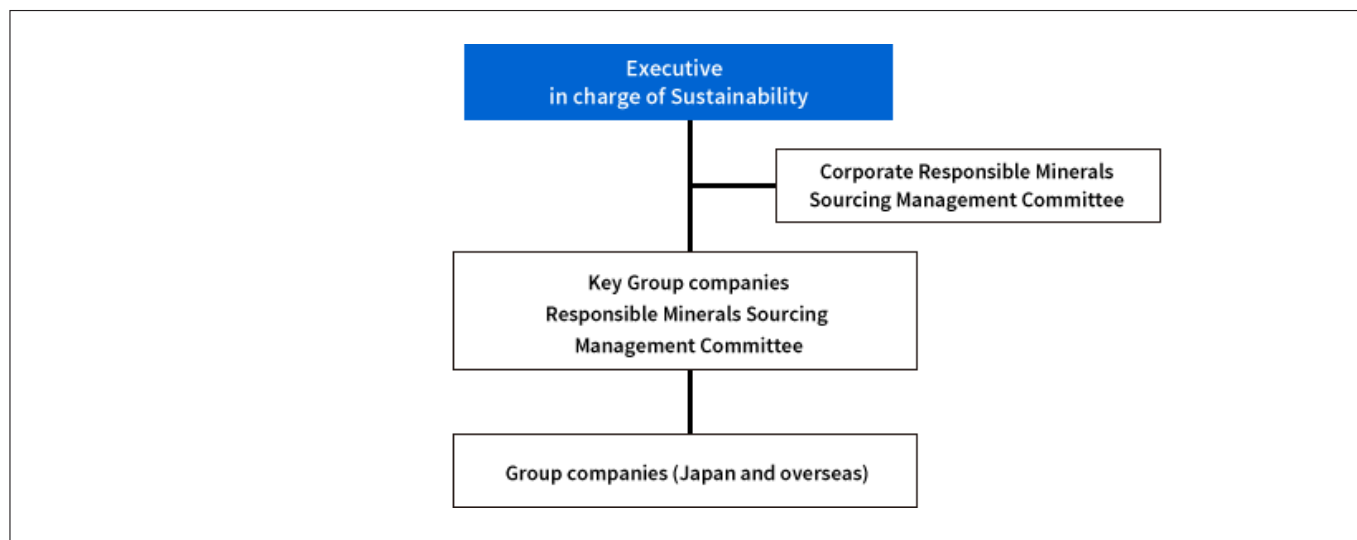
- We undertake appropriate supply chain management, in accordance with the provisions of the  [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#). (PDF: 3.5MB).
- We require suppliers to procure minerals from smelters that are compliant with the [Responsible Minerals Assurance Process \(RMAP\)](#) established by the Responsible Materials Initiative (RMI).
- We do not refrain from using minerals produced in conflict-affected and high-risk areas, provided that such minerals are sourced in regions that are not involved in conflict, human rights violations, environmental pollution, corruption, or other abuses.
- We ask our suppliers to adopt and observe the Toshiba Group Procurement Policy and Responsible Minerals Sourcing Policy, request that they provide us with information on smelters in their supply chain, and engage in dialogue and cooperation with them in order to contribute to reducing and eliminating risk in conflict-affected and high-risk areas.
- When a potential risk in the supply chain is identified, we require our supplier to take corrective action, and depending on the outcome we may suspend the transaction or take other measures.

Toshiba Group continuously gathers information on minerals sourcing and works with suppliers to conduct business operations in line with this policy.

## Toshiba Groups Promotion Structure for the Responsible Minerals Sourcing

Headed by the executive in charge of Sustainability, the Corporate Responsible Minerals Sourcing Management Committee, consisting of related corporate divisions, promotes activities in accordance with the Toshiba Group Responsible Minerals Sourcing Policy. Each Group company appoints a person and office in charge of responsible minerals sourcing management, who attend liaison meetings organized by the Corporate Management Committee and make use of information on the in-house website to develop comprehensive initiatives.

## Toshiba Group's Promotion Structure for the Responsible Minerals Sourcing



## Responsible Minerals Sourcing Survey

We conduct surveys of Toshiba Group suppliers to monitor their use of tin, tantalum, tungsten, and gold ('3TG') and the smelters they deal with using the Conflict Minerals Reporting Template (CMRT).

We surveyed around 560 suppliers (cumulative number) that might use 3TG\* in FY2019. We also took part in JEITA's Responsible Minerals Sourcing Inquiry Briefings (held 12 times in five cities throughout Japan; 930 participants) as a member of JEITA Survey Committee on Responsible Minerals Procurement in order to deepen understanding of responsible mineral procurement. We explained the questionnaire in the latest version of the survey and recent trends in mineral surveys, and provided individual consultation for participants.

> [JEITA Responsible Minerals Sourcing Inquiry Briefings 2019 \(JEITA Website, Japanese\)](#)

## Cooperation and Communication with External Organizations

In order to promote the practice and awareness of responsible minerals sourcing, we affiliate actively with industry organizations and public-private partnership projects, as well as engaging in communication with NGOs.

### Key examples of external cooperation and dialogues regarding conflict minerals issues

| Organizations and Projects related                | Toshiba Group Activities  |
|---|---|
| RBA<br>(Responsible Business Alliance)            | Joined in June 2011.  |
| RMI<br>(Responsible Minerals Initiative)          | Participate in meetings and workshops as a member.  |
| JEITA<br>Responsible Minerals Trade Working Group | Joined in November 2011 and promote the cooperation with industry organizations.  |
|   | Joined the Conflict-Free Sourcing Working Group within the Responsible Minerals Trade Working Group in May 2014, and has worked to promote and raise awareness of conflict-free minerals procurement in cooperation with the automobile and electrical industries of Japan. |
|   | As a member of this working group, issued a document continually to smelters in Japan and overseas which have not got Conflict-Free Certification in February 2017 demanding to comply with the certification program.  |

> [Japan Electronics and Information Technology Industries Association \(JEITA\) Responsible Minerals Trade Working Group](#)

# Green Procurement / Green Purchase

## Green Procurement

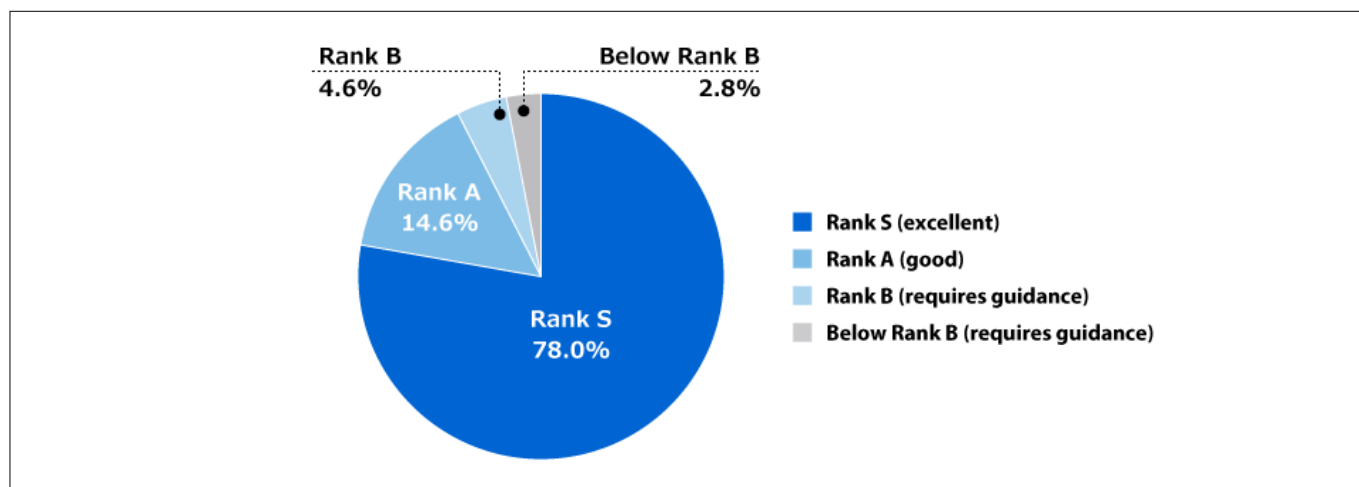
Toshiba Group promotes green procurement as a part of our environmental considerations in the manufacturing processes. Following our Green Procurement Guidelines established in 1999, we endeavor to procure products, parts, and materials that have a low environmental impact from suppliers who actively promote environmental protection. We revise the Green Procurement Guidelines whenever necessary in order to respond to circumstances such as stricter regulations on chemicals contained in products. We published Ver.5.1 of our Green Procurement Guidelines in December 2019. In Ver. 5.1 of our Green Procurement Guidelines, we revised the Toshiba Group's Basic Policy for the Environment.

We ask our suppliers for their understanding and cooperation regarding green procurement, evaluate their environmental performance, and conduct inquiries and assessments of chemical substances contained in the goods procured.

With regard to environmental performance, we request our suppliers to conduct a voluntary assessment of the level of greenness of their environmental activities (Toshiba standards) based on the environmental standard ISO 14001 by using a standard format and to report on assessment results. Assessment items include suppliers' environmental policies (corporate philosophy, environmental organizations, environmental improvement plans, environmental education, etc.), programs regarding environmental issues (air pollution, water contamination, waste, resource and energy consumption, foul odors, noise and vibration, recycling, biodiversity, etc.), and whether there are systems for managing the chemicals contained in products. In selecting suppliers, we assign priority based on the ranks of the suppliers and also encourage them to improve their level of greenness.

> [Green Procurement Guidelines \(Japanese, English and Chinese\)](#)

### The level of greenness of suppliers (FY2019) (Priority suppliers 92.6% Rank S and Rank A)



## Green Purchase: Stationery and Other Office Supplies

With regard to procurement of office equipment, stationery and other office supplies, Group companies strive to select procurement items that have lower environmental impacts. For example, environmentally conscious products such as Eco Mark certified products are registered as environmentally recommended products for procurement by Toshiba Group. We are implementing green procurement for personal computers, copiers, copier paper, etc.



# Quality Control for Safety and Reliability



The Toshiba Group aims to contribute to society by providing safe, reliable and high-quality products and services that satisfy our customers. In this endeavor, we adhere to the Group management principles, which are based on respect for people, observe relevant laws and regulations, and focus on our customers first and foremost. Specifically, we are striving company-wide to verify and improve safety and reliability throughout the product lifecycle and are focusing on the development of human resources who can contribute to these activities.

## Medium- to Long-term Vision

- Our aim is to develop personnel on a global scale who can contribute to improving product quality.
- Holding and enhancing training related to quality awareness

## FY2019 Achievement

- Conducted product quality training (9 programs) in China, attended by a total of 161 people by the local staff trained at Toshiba.
- 29 product quality programs provided trainings at training centers in Japan, attended by a total of 1,405 people.

## Future Challenges and Approaches

As we strengthen production and procurement in China and other Asian countries, we will strive to improve product quality even further, enhancing our development of personnel by expanding our training programs related to quality awareness on a global scale.

## Quality Control Policy

Based on Toshiba Group Quality Control Policy, our biggest mission is to provide our customers with safe and reliable products, services and systems, and we are working to improve the quality from our customers' point of view. By increasing our sensitivity to potential risks and dealing with them swiftly, we strive to eliminate product accidents and improvement customer satisfaction.

### Toshiba Group's Basic Policy on Quality Assurance:

Total commitment to people and to the future is the cornerstone of Toshiba's corporate philosophy. While strictly obeying all laws and statutes that affect company operations, we will strive to contribute to society by putting our customers first and providing safe, high-quality products and services with advanced features that will ensure customer satisfaction.

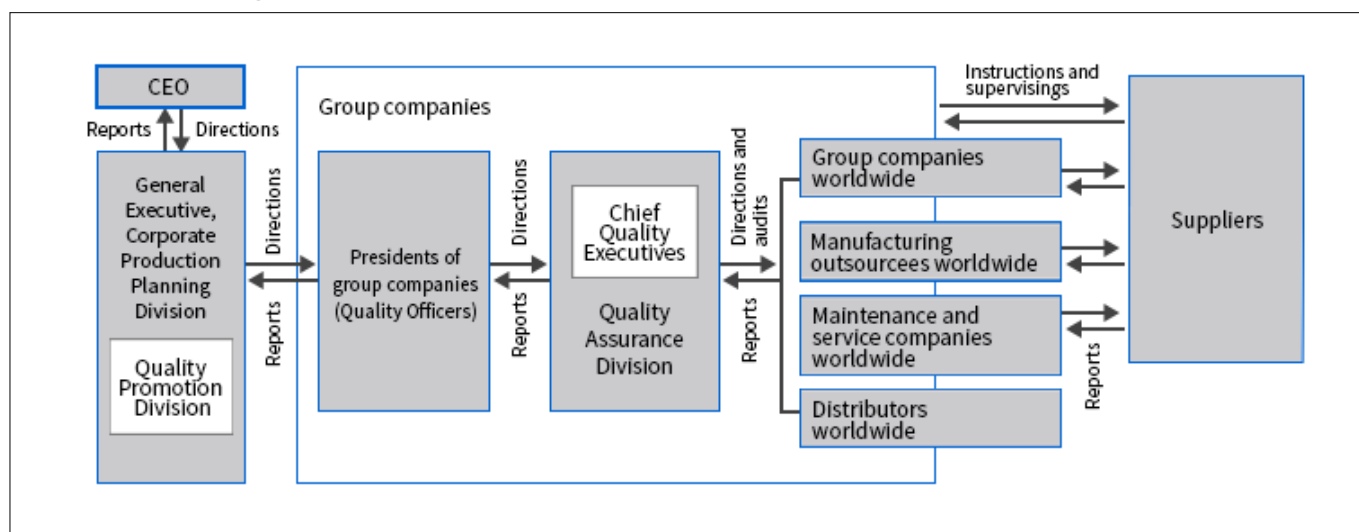
### Standards of Conduct for Quality Assurance:

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 Quality Control Policy.
5. We aim for essential improvement by investigating the root causes of process failures and aim for prevention through risk analysis.
6. We collect, analyze and appropriately disclose information with the aim of preventing quality incidents.

## Structure of Promoting Quality Control

General Executive, Corporate Production Planning Division and the Quality Promotion Division manage the quality assurance activities of Toshiba Group as a whole, while presidents of Group companies are in charge of individual products and operations. To enhance the quality level throughout product life cycles, from planning, development, and production to final disposal and recycling, Chief Quality Executives of Group companies provide guidance and conduct audits for factories, suppliers, maintenance and service companies, as well as for manufacturing outsourcees worldwide.

### Structure of Promoting Quality Control of Toshiba Group

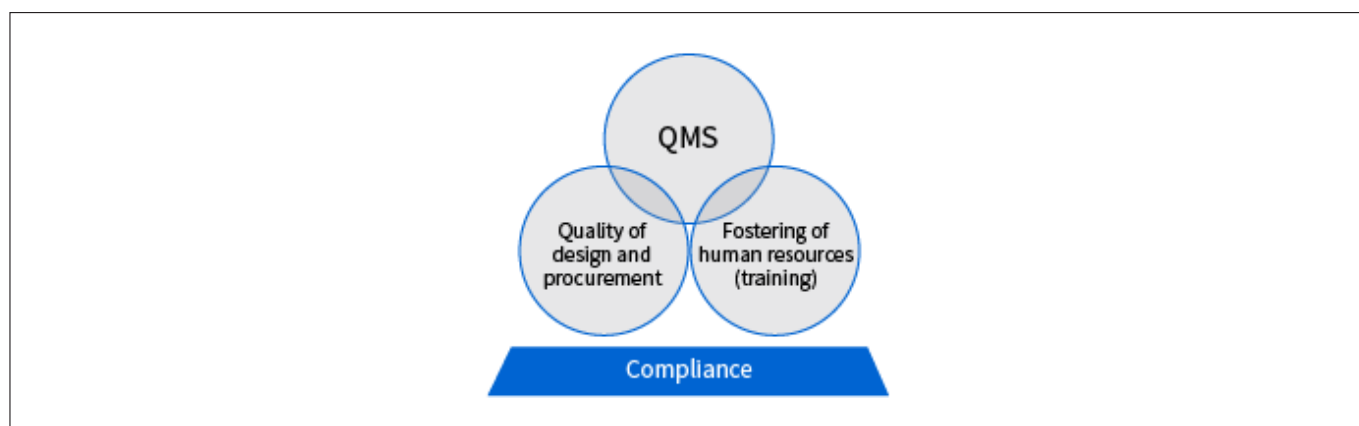


## Initiatives Aimed at Enhancing Quality Capabilities

Toshiba Group is working to strengthen our capabilities to ensure quality centered on the four main pillars of the quality enhancement initiatives listed below.

We focus on improving the Quality Management System (QMS) based on ISO 9001 to raise the quality of design and procurement, which are the root cause of defects, as well as to enhance the training of personnel who can support the development of the QMS. We regard compliance as the foundation for all these activities.

### Four Pillars to Enhance Quality Capabilities



## Improving the QMS

Toshiba Group obtains certifications including ISO9001, which is the basis of quality management systems; IATF16949, a more advanced system and for in-vehicle equipment. Rather than merely assessing whether products meet the requirements of these standards, we also endeavor to improve their effectiveness. Therefore, we evaluate the products' maturity annually, based on the seven principles of QMS and other guidelines. By comparing the results with those of previous assessments, we identify issues, and devise and implement appropriate measures.

### Status of QMS (ISO9001 and Others) Certified at Manufacturing Sites as of March 2020

|  | Targeted sites | Certified sites | Percentage of certificate |
|--|----------------|-----------------|---------------------------|
| Toshiba Group companies in Japan (including Toshiba Corp.) | 69             | 63              | 91.3%                     |
| Toshiba Group companies overseas                           | 38             | 35              | 92.1%                     |
| Toshiba Group TOTAL  | 107            | 98              | 91.6%                     |

## Training Personnel in Charge of Quality Assurance

We established the Toshiba Quality Training System to foster personnel who can contribute to quality improvement at all concerned divisions. We develop and promote education programs to improve awareness on quality management depending upon the requirements of each division, as well as to improve skills on reliability techniques and quality control methods.

In order to foster personnel that are capable of taking charge of quality assurance, we develop and implement quality training programs, including methods of analyzing the causes of product accidents and preventing them, for employees in all divisions related to product life cycles. In FY2019, a total of 1,566 employees participated in the training programs from Japan and overseas countries. We also provide compliance training and e-learning on the Electrical Appliance and Material Safety Law for 74,670 related employees in Japan in FY2019 and the execution rate was 99.9%.

### Activity Example: Enhancement of Local-based Training

Toshiba Group is focusing on the training of quality control in overseas companies. To provide education suited to local customs and environments, we train local instructors at our company sites in different countries.

In China, the Toshiba China Academy, a training institute of Toshiba China Co., Ltd., plays a central role in improving the skills of personnel. Since FY2015, local instructors have been in charge of all existing lecture courses. In addition to periodic lectures, we provide education and management that meet the needs of company sites, thereby improving the skills of quality assurance personnel and the level of education system. We aim to develop local education systems in other countries and regions based on the same policy.



Training on quality awareness in China

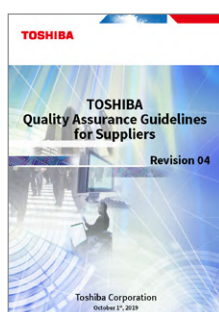
## Improving the Quality of Design

In order to enhance our capabilities to ensure product quality at the design stage, Toshiba Group is promoting FMEA (Failure Mode and Effects Analysis) mainly for design work as part of our Design for Quality (DFQ) initiatives. We are working to provide practical education to broaden the base of FMEA activities as part of our efforts to prevent defects from upstream and prioritize product safety and compliance.

## Securing Cooperation from Suppliers to Ensure Quality

In recent years, alongside increasingly complex procurement routes and globalization, the issue of product failure and accidents has come to the fore due to “silent changes” in which the specifications of a product are changed without informing the ordering manufacturer. At the same time, suppliers are the indispensable business partners of a manufacturer and ensuring the quality of procurement items is becoming increasingly important in the business operations of Toshiba Group. In order to ensure the quality of procurement items, we distribute “Toshiba Quality Assurance Guidelines for Suppliers” and “Toshiba Software Quality Assurance Guidelines for Suppliers” summarizing Toshiba Group’s quality assurance policy and supplier expectations. Toshiba Group’s divisions that handle procurement, quality assurance, and engineering operations cooperate depending on the types and importance of the procurement items and perform audits of suppliers at appropriate intervals in order to ensure quality of these items.

### > [CSR Management in the Supply Chain](#)



Toshiba Quality Assurance Guidelines for Suppliers



Toshiba Software Quality Assurance Guidelines for Suppliers

## Disclosure of Information on Quality

In the event that incidents related to quality occur, information is disclosed on the Toshiba website in order to notify customers of such incidents as quickly as possible.

### > [Important announcements for customers \(Japanese\)](#)

The Ministry of Economy, Trade and Industry (METI) has been announcing serious product accidents since the revised Consumer Product Safety Act came into force on May 14, 2007. On our website, Toshiba Group actively discloses all serious product accidents announced by METI, even those in which METI has not made our company name public, because it has not yet been determined whether the accidents were caused by the use of our products.

### > [Accident report based on the Consumer Product Safety Act \(Japanese\)](#)

# Product Safety and Product Security



Based on Toshiba Group Basic Policy on Product Safety and Standards of Conduct for Toshiba Group, we ensure product safety and product security, and positively disclose full information of safety to customers.

## Medium- to Long-term Vision

- Complying with relevant laws and regulations on Product Safety
- Eradicating serious product incidents arising from own negligence
- Proactively disclosing information on serious product incidents

## FY2019 Achievement

**The number of incident reports under Consumer Product Safety Act**

Target **0** → Number of cases **6**

Breakdown: 2 cases that were suspected to have been caused by products; 4 cases\* in which the causes unknown.

\* Figures may change going forward due to additional information, progress with incident investigation, etc.

## Future Challenges and Approaches

We will boost our efforts to swiftly retrieve products after a recall has been announced in order to ensure the safety of our customers in the market. We will also promote company-wide activities according to security of our products, systems and services.

## Basic Policy on Product Safety and Product Security

In keeping with the Standards of Conduct for Toshiba Group on Product Safety and Product Security, Toshiba Group endeavors to comply with relevant laws and regulations, to ensure product safety and product security, and also to proactively disclose reliable safety information to our customers. Furthermore, we continually research safety-related standards and technical standards (UL Standards\*1, CE Marking\*2, etc.) required by the countries and regions where we distribute products, and display the safety compliance of our products in accordance with the relevant standards and specifications.

### Standards of Conduct for Toshiba Group on Product Safety and Product Security

1. We observe both Japanese and overseas laws and regulations related to product safety and product security.
2. We collect, and proactively disclose, a wide range of information about product accidents.
3. We immediately report any product accident to the authorities concerned in accordance with relevant laws and regulations.
4. We promptly inform customers when a need arises to recall and repair products.
5. We appropriately raise caution and display warnings when deemed necessary in order to help people use its products in a safe manner.
6. If an accident should occur, we carry out a thorough analysis of the causes and take necessary measures to prevent it from recurring. We also strive to prevent accidents by predicting risk at the design stage.
7. We strive to eliminate vulnerabilities from products prior to shipment.
8. We collect a wide range of information on product vulnerabilities in order to reduce risk.
9. We widely provide product security measures in cooperation with the relevant organizations.

\*1 UL Standards: Safety standards established by UL LLC (Underwriters Laboratories Inc.) that develops standards for materials, products, and equipment and provides product testing and certification.

\*2 CE Marking: A certification mark that indicates conformity with the safety standards of the European Union (EU). The CE marking is required for products sold within the European Economic Area (EEA).

# Structure of Response to the Occurrence of Product Accidents

If an employee discovers information on accidents involving Toshiba products in the market, he/she promptly alerts the accident response staff in the relevant companies. Then the necessary measures are discussed and enacted by the CPL Committee\*1 of relevant companies, chaired by a senior executive, or if necessary, the Corporate CPL Committee. In the event of a serious 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.

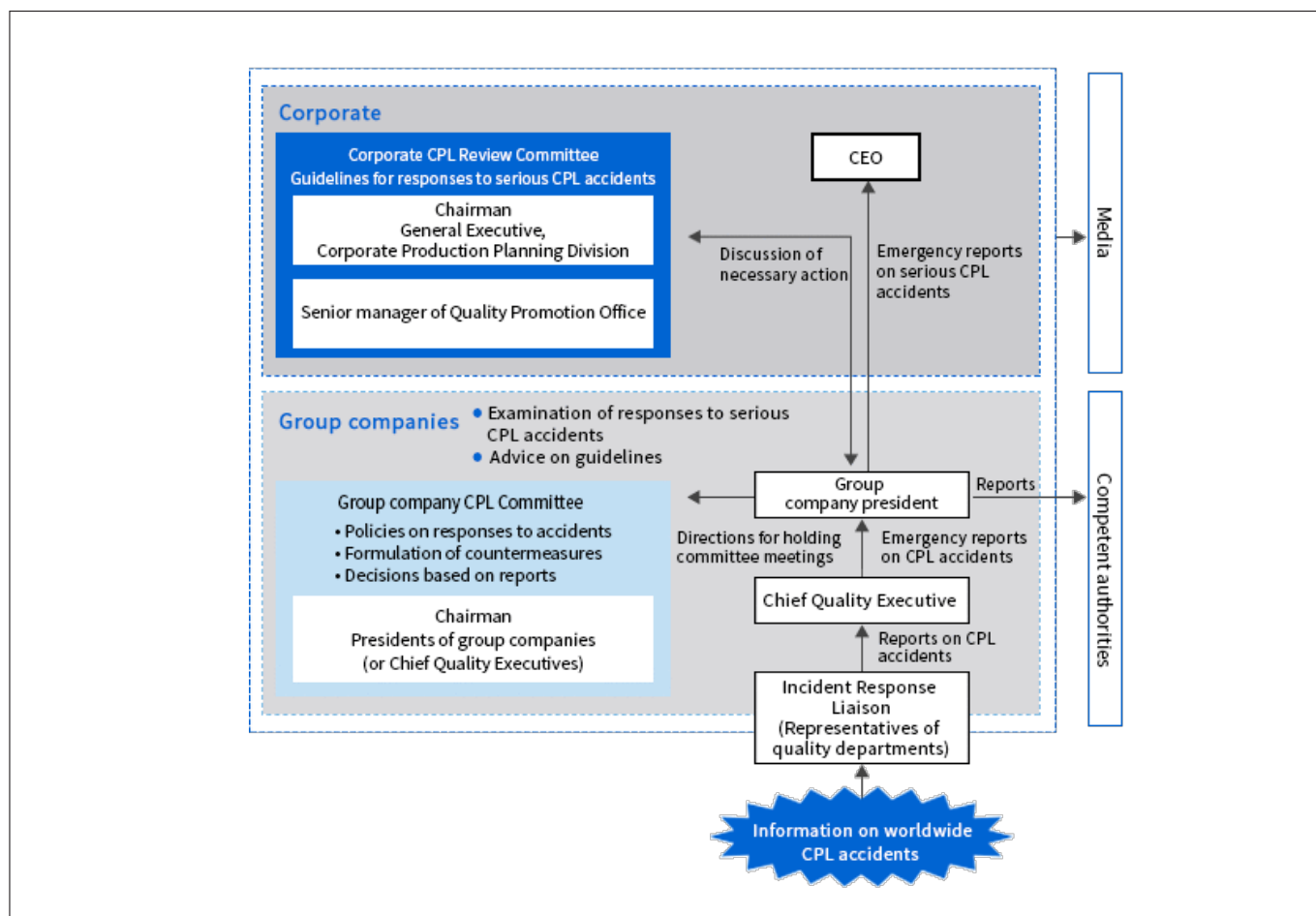
Furthermore, we are developing an information system to enable swift communication with quality assurance divisions and top management regarding information on product accidents obtained by repair and service staff as well as on how such incidents are being handled by Toshiba.

In FY2019, Toshiba disclosed a total of six accidents in the list of serious product accidents on our Japanese website\*2: two cases that were suspected to have been caused by products, four cases in which the causes unknown.

\*1 CPL Committee: CPL is an abbreviation combining CL (contractual liability) and PL (product liability). The CPL Committee of Group companies promptly determines measures to deal with product accidents and quality issues.

\*2 [Accident report based on a Consumer Products Safety Act](#) (Japanese)

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





# Preventing Occurrence and Recurrence of Serious Product Accidents

In 2011 we created the “Guidebook for Preventing Reoccurrence of Accidents (e-book),” which is a compilation of accident cases that have occurred in Toshiba Group. The information can be accessed 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.



Guidebook for Preventing Reoccurrence of Accidents (Japanese)

## To Ensure Compliance with Laws, Regulations, Rules, etc. on Product Safety

The Chief Quality Executive plays a central role in ensuring thorough compliance with product safety-related laws, regulations and rules throughout the Group and also conducts periodic monitoring and audits. We provided e-learning to all related personnel in Japan (74,739 in FY2019 with execution rate of 99.9%) concerning the Electrical Appliances and Material Safety Law in Japan since the law has an important bearing on the Group's products. By increasing understanding of the law we aim to prevent more accidents.

Toshiba Group is involved in standardization work of the [International Electrotechnical Commission \(IEC\)](#) through activities at [Japan Electrical Manufacturers' Association \(JEMA\)](#), [Japan Electronics and Information Technology Industries Association \(JEITA\)](#) and [Association of Radio Industries and Businesses \(ARIB\)](#). These activities allow Toshiba to keep abreast of the latest information and adhere to the standards specified by these organizations.

## Sharing Information on and Response to Serious Product Accidents

Toshiba Group convenes a meeting for persons in charge of the Electrical Appliances and Material Safety Law who gather from Toshiba Group companies to prevent occurrence and recurrence of serious accidents through breaches of the law. The meeting serves as the basis for sharing product information from respective companies. Information on serious accidents caused by procured items is also shared at meetings that aim to promote the quality of such items. The information is logged in a database as a means to enhance the quality of procured items. Product security liaison meetings are used to share examples of accidents and the latest information on product security obtained from such related organizations as [Japan Computer Emergency Response Team Coordination Center \(JPCERT CC\)](#). We are working to prevent accidents caused by product vulnerabilities. For details on product security, please refer to [Toshiba's Cyber Security Report](#).

## Disclosure to Ensure Safe Use of Products

Although products are equipped with various safety features, they may not be sufficient to ensure complete safety if products are in use for very long periods of time or the operating environment or conditions are extreme.

To ensure safe use of products, Toshiba Group describes correct handling of products in users' manuals and, if necessary, through alerts placed in newspapers and on the website, or by means of leaflets, educational materials, etc.

Further, in case of Toshiba brand products which businesses are transferred outside Toshiba Group such as home appliances and visual products, we also endeavor to promote information disclosure by sharing product accident information with the companies which businesses have been transferred.

## Disclosure and Sharing of Information to Toshiba Product Users

### How to use elevator and escalator safely and comfortably

> [Commitment to safety, security, comfort, and health \(Toshiba Elevator and Building Systems Corporation\)](#) (Japanese)

### Notices to ensure safe use of home appliances

Alerts concerning product safety and security, etc.

> [Notices to ensure safe and correct use of products](#) (Japanese)

### Inspection and labeling system for long-term use products

> [Inspection and labeling system for long-term use products](#) (Japanese)

## Activity Example: Education on the Proper Way of Using Elevator and Escalator

Toshiba Elevator and Building Systems Corp. organize nationwide safety campaigns to provide instructions concerning the correct use of elevators and escalators, mainly to children in kindergartens and elementary schools. This event, held at kindergartens and community spaces in residential buildings, has been continuing for over the last 30 years, thanks to the cooperation of local communities, including the children and guardians who participated in such events.

Recently, owing to the growing concern in case of earthquake, we held a safety campaign, using a trailer caravan to demonstrate how to respond in a situation in an elevator during an earthquake or power failure. Since February 2017, a virtual reality (VR) space has been used for a VR caravan to give people hands-on experience of what to do if such a situation arises. The event, using a trailer caravan, was held in five locations in FY2019.



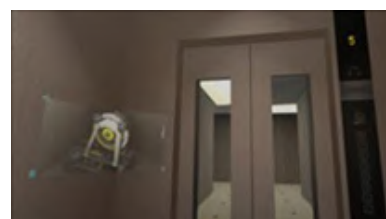
Elevator / Escalator safety campaign at a kindergarten



Safety Campaign Using a Trailer Caravan



Equipment used in the virtual reality space



Virtual reality spatial images

## Activity Example: Raising Awareness to Prevent Accidents Due to Long-term Use of Household Electrical Appliances

In order to prevent accidents attributable to the deterioration of home appliances over long-term use, in April 2008, the METI promoted consumer awareness on this issue by distributing nationwide cautionary circulars. To further raise awareness on this issue, Toshiba Group distributes cautionary flyers during repair visits, publicizes information on its website and has put in place a call center to respond to inquiries from customers.

In April 2009, the Consumer Product Safety Act was revised, and inspection and labeling system for long term use of products was enforced. While complying with the requirements under this system, Toshiba Group is providing necessary information to the customers who use its website as well as consultations through the call center.

> [Pamphlets to Build Awareness of Accident Prevention in Electrical Home Appliance Products due to Degradation Over Time](#) (Japanese)

## Disclosure of Product Safety and Quality Information

In the event of a serious defect or accident resulting from a Toshiba product or service, we promptly report the details to the competent authorities in accordance with prevailing laws and regulations. Also, in order to notify customers of such accidents as quickly as possible, depending upon the severity of damage or frequency of occurrence, we disclose product accident information directly to our customers via newspapers, websites, etc.

Through our corporate website, we disclose information on accidents involving our products as posted on the website of the Consumer Affairs Agency. We also proactively disclose information concerning serious accidents, even when it is unclear whether such accidents are attributable to Toshiba products or not.

Further, in case of Toshiba brand products which businesses are transferred outside Toshiba Group such as home appliances, we also endeavor to promote information disclosure by sharing product accident information with the companies which businesses have been transferred.

> [Important announcement for customers](#) (Japanese)

Also, we prepare flyers on products that are subject to recall and have particularly high risks of causing a fire, such as air conditioners, battery packs for laptops, vertical washer-dryers, and compact fluorescent lights. We are also developing various activities to recall our products more quickly, such as checking whether customers have any defective products when visiting them for repairs or inspections, distributing flyers together with power meter reading slips and checking whether there are any products subject to recall in care recipient's home by care managers.

We are requesting all Toshiba Group employees, including not only their families but also their relatives, neighbors and friends, to provide product information and to cooperate in repairing defective products.



[Composite flyer of recall company notice](#) (Japanese) (PDF:2.71MB)

# Improvement of Customer Satisfaction



Feedback from our customers is the origin of all our ideas. In order to increase customer satisfaction, all Toshiba Group employees operate from a customer perspective. This applies not just to those who work in direct contact with customers, such as those in sales and after-sales services, but in all divisions, from development, design, manufacturing, product quality, staff, and so on.

## Medium- to Long-term Vision

Toshiba Group's goal is to provide high-quality services to customers in all business areas.

## FY2019 Achievement

We set a special month to improve "Customer Satisfaction," and undertook measures that included education and training on CS for all Toshiba Group employees.

## Future Challenges and Approaches

We will continue to provide CS training and education, online if necessary, for our employees, in particular our Customer Satisfaction Improvement Month activities. Moreover, we will continue several activities as After-sales Service improvement committee.

## Toshiba Group Customer Satisfaction Policy

The Customer Satisfaction Policy of Toshiba Group is to make the voice of customers the starting point for all ideas and provide products, systems and services that deliver customer satisfaction.

### Toshiba Group Customer Satisfaction 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, promptly 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 information provided by customers.

The same content is included in Standards of Conduct for Toshiba Group 2. Customer Satisfaction.

> [Standards of Conduct for Toshiba Group 2. Customer Satisfaction](#)

# Customer Satisfaction (CS) Promotion Structure

## CS Promotion Structure

For cross-functional activities in accordance with the Toshiba Group Customer Satisfaction Policy, working groups (WGs) by subject and the After-sales Service Improvement Committee have been set up.

### CS Promotion Structure



## Customer Support

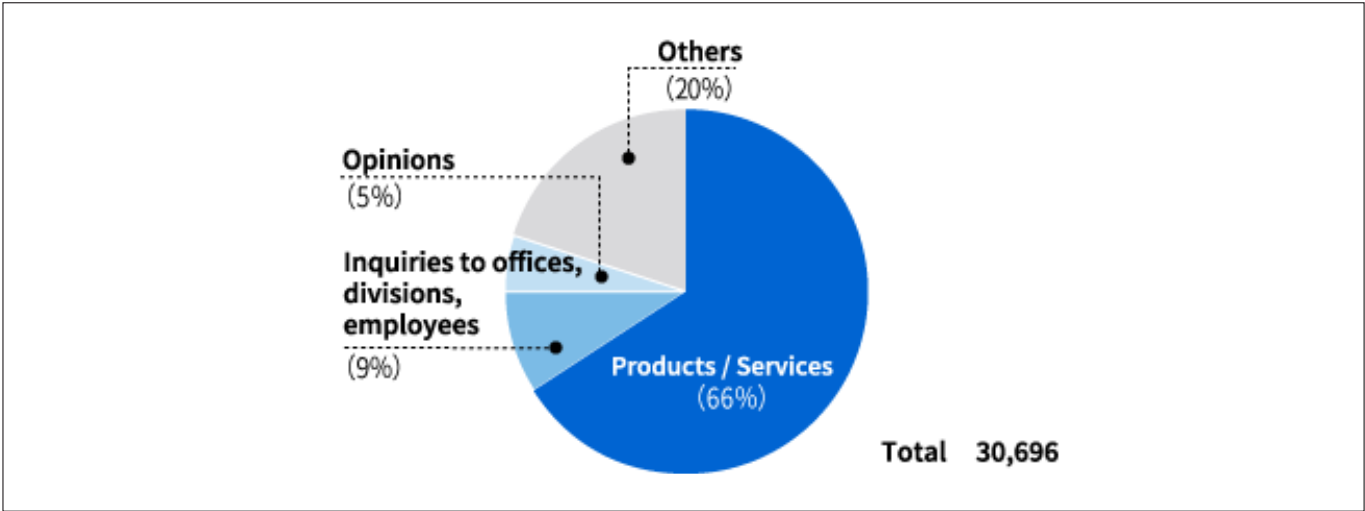
We have set up call centers for different product groups and services in various countries. Each call center formulates its own targets for improving the quality of customer support.

We respond to customer inquiries concerning the products and services offered by Group companies, both in Japan and overseas, through the Toshiba Customer Information Center. It provides cross-divisional services to our customers, by guiding them to our specialized call centers, and forwarding calls to the division in charge, etc.

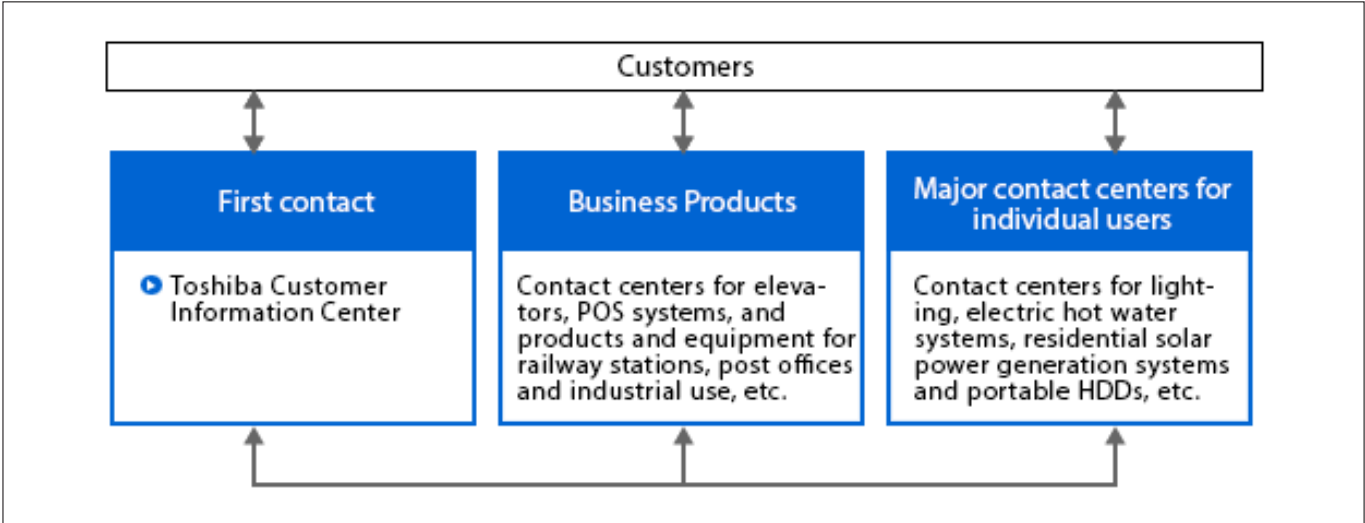
Opinions and requests from customers are fed back to the relevant divisions so that they can be reflected in product and service improvement.

Toshiba Customer Information Center has a temporary service center to ensure that the functions can continue even in the event of a natural disaster or other issue. Since the state of emergency, which was declared in April 2020 due to the spread of COVID-19, we switched to our temporary service center to ensure uninterrupted operation as part of efforts to reduce the risk of infection.

Toshiba Customer Information Center: Breakdown of Inquiries (FY2019)



Major Contact Centers for Individual Users in Japan



## Improvement of Support to Customers

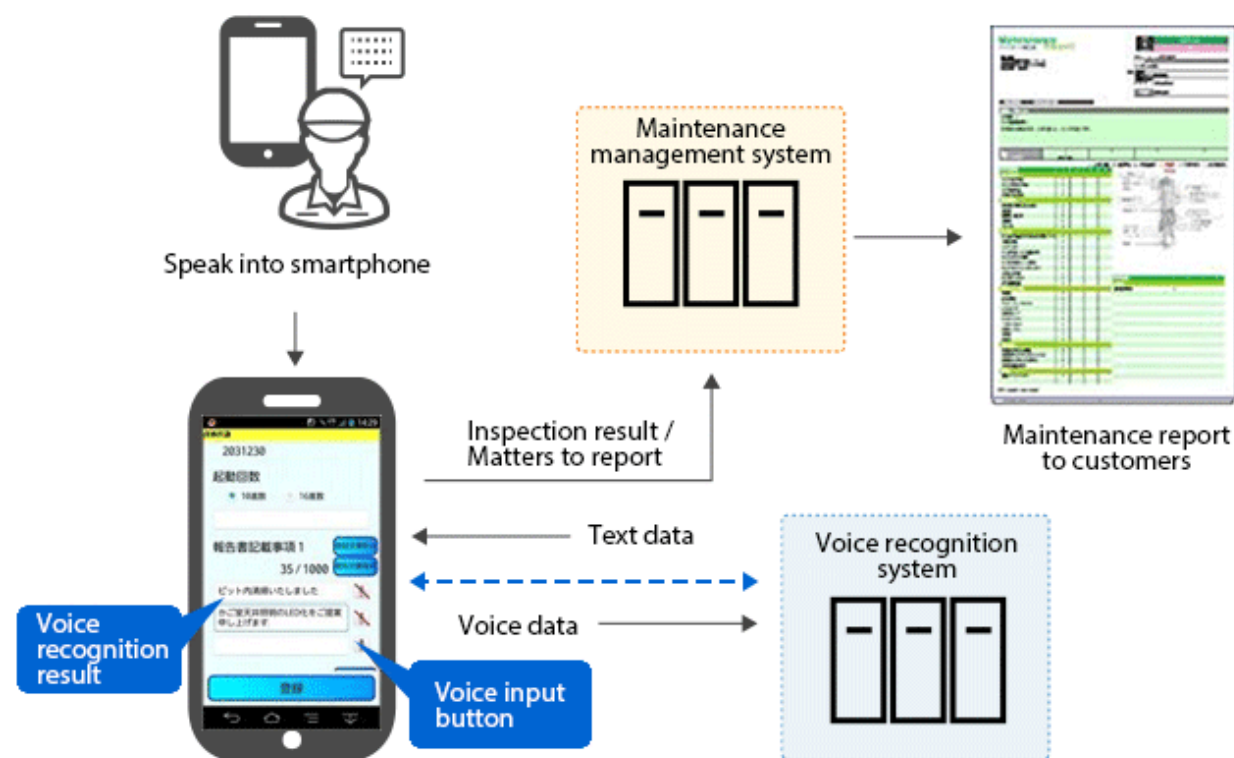
### Initiatives for After-sales Services

In order for each after-sales services division in the Toshiba Group to share their issues and good cases of CS improvement as well as tackle service improvement Group-wide, we have established an After-sales Service Improvement Working Group. This working group's activities include surveying service sites to identify issues, training for service engineers. Moreover, we also have After-sales Service Meetings by region to share information within each region and strengthen cooperation.



## Activity Example: Voice Recognition System Used in Maintenance Services

Toshiba Elevator and Building Systems Corporation is introducing a system in which matters to be reported during regular checks of elevators and escalators can be recorded as maintenance reports using a voice recognition system.



Maintenance staff voice-record the details and the state of the inspection on-site into a smartphone during the inspection. The recorded sound data is converted into text, and recorded as text data in an app installed on the smartphone. As the staff can record just by speaking a few words even during maintenance operations, this allows us to provide as required precise information to customers more quickly. It also improves safety by reducing the workload of maintenance staff. In the future, we will improve this system further, and evaluate how to apply it in times of emergency, for example after earthquakes.

## Initiatives for Handling Inquiries from Customers

We have a Contact Center Improvement Working Group, which is aimed at improving the quality of response at Toshiba Group call centers. This working group conducts surveys to identify issues with the contact center, provides training to phone operators and checks the quality of operations at the contact center.

In November 2019, we held the 13th Contact Center Competition. A total of five participants from five call centers competed in a contest of response quality, in order to encourage overall improvement.



Award for Contact Center Competition

# Improvement of Customer Satisfaction (CS) Mind of Employees

## Customer Satisfaction Improvement Month

In FY2015, Toshiba Group created Customer Satisfaction Improvement Month. Every year thereafter, we implement measures to promote and raise employees' awareness about the importance of CS during November.

### E-learning to Improve Customer Satisfaction

We provide e-learning for employees to improve customer satisfaction. In FY2019, we held e-learning sessions for 79,583 Toshiba Group employees in Japan, 99% of whom attended the sessions and learned about the importance of enhancing CS.

### Customer Satisfaction Lectures

We hold lectures for the Group employees introducing the activities of companies working actively to enhance CS and those with excellent customer satisfaction. In FY2019, around 200 Group employees took part in the lectures that showcased the initiatives of the baseball team that has succeeded in improving customer satisfaction in professional baseball.

### After-sales Service Convention

We held an After-sales Service Convention in November 2019, with Toshiba Group's after-sales companies and divisions in attendance. During the convention, we held a CS Improvement Activity Award ceremony to celebrate activities that contributed to improving customer satisfaction, as well as a CS Case Study Sharing Session to share initiatives to improve CS and enhance service efficiency. In addition, an After-Sales Service Convention was held in Shanghai, China, with service divisions from China taking part. The convention enabled the sharing of cases to improve CS and a lively exchange of opinions on after-sales service aimed at resolving issues.

## Training of Employees on Dealing with Customers

We provide trainings for employees to understand the importance of customer satisfaction, and to learn the skills necessary for dealing with customers. We also provide a variety of manuals, including the Customer Service Manual and How to write Documents, and raise employees' customer service awareness through internal training. In FY2019, we provided training to 603 employees on such topics as the basics of customer response and the basics of writing business documents and e-mails.

# Sharing and Utilization of Voice of Customers

At our Group, all relevant departments share information on customers' complaints, opinions, and requests about our products and services received through our daily sales, repair, and service activities, and via telephone or the internet, in order to improve the quality of our products and repair services.

## Activity Example: Utilizing a New Facility Training Building with Showroom Features

Toshiba Elevator and Building Systems Corp. constructed a new facility training building on the site of the Toshiba Fuchu Complex in FY2013. This new building, which also functions as a showroom, is designed for providing maintenance services for elevators and building facilities as well as for conducting engineer trainings in order to improve facility construction skills. The building is equipped with a high-rise elevator shaft for skills training on the maintenance of high-speed elevators. Such elevators have been increasing in number in recent years as increasingly taller buildings are erected. This facility training aims to ensure safety and comfort during high-speed elevator operation. In addition, the East Japan Service Information Center, which provides round-the-clock support services, including remote monitoring of Toshiba elevators and building facilities, relocated to this building and expanded its office in order to provide a variety of technologies designed to ensure security for customers. A maintenance support system that makes use of mobile phones is also available to facilitate speedy recovery from damages suffered due to an accident or large-scale earthquake.



East Japan Service Information Center of Toshiba Elevator and Building Systems Corp.

## Activity Example: Providing Various Services around the Clock throughout the Year

Toshiba Automation Systems Service Co., Ltd., which provides maintenance services such as a banknote processing system, railway station system, and logistics and postal system, supports customers in around 20 countries, including Japan, with a 24/7 support service network. Many people with on-site experience work at our call center. We are, striving to improve the quality of daily operations by leveraging their experience to enhance customer satisfaction. In September 2019, the center was relocated to a new office building with a layout that improves the work environment for operators.



Toshiba Automation System Service Co., Ltd.  
Call Center, Technology administration department

## Inspections and Audits of Customer Support

We have had quality checks based on Toshiba Group Contact Center Guideline for main call centers at Toshiba and its key Group companies once a year since 2005. Especially focused on high priority items with low implementation status. In FY2019, we implemented, such as customer response skills training and mental health training, and so on.

## Policy on Customer Information Protection

Toshiba Corp. was quick to recognize the importance of protection of personal data, and in 2000 established the Toshiba Personal Data Protection Program based on its Privacy Policy. Toshiba Corp. strives for continual improvement in its management system. Toshiba Corp. clearly states the purpose while using customers' personal data and, in principle, obtains such information directly based on the consent of customers and other individuals. The majority of the information is basic personal data essential for contacting customers or providing services, such as name, address, telephone number, and email address. Toshiba appropriately handles personal data in accordance with internal regulations and rigorously controls personal data using a framework integrated with the data security management structure. When outsourcing operations that involve the handling of personal information, we select and manage contractors in accordance with our internal standards.

The principal purposes of use of personal data with Toshiba Corp. are published on the following website.

> [Intended Use of Personal Data](#)

> [Privacy Policy](#)

Please refer to the [Cyber Security Report](#) for details on personal information protection.

> [Risk Management and Compliance](#)

# Support for Customers' Business Continuity

At Toshiba Group, we assist our customers' business continuity, providing them with the latest technologies, products and systems.

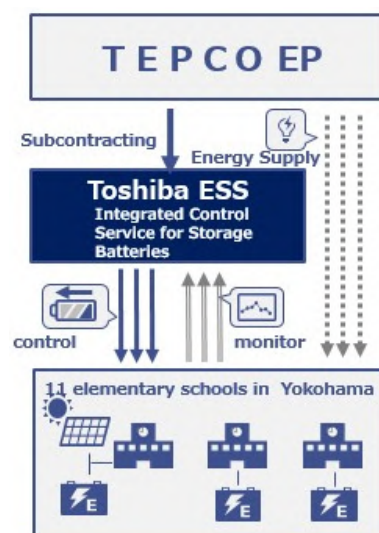
## Activity Example: Providing Operational Services for Virtual Power Plants to Control Storage Batteries for Disasters via the IoT

Toshiba Energy Systems & Solutions Corporation provides operating services for virtual power plants (VPPs) for the optimal control of multiple storage batteries using the Internet of Things (IoT).

VPP technology enables the remote control of energy sources such places as municipal and private-sector facilities via the IoT, including storage batteries, in-house power generation and solar power generation equipment so that the different sources function as a single power plant. As such, there are high expectations for using VPPs as a solution for regulating the supply/demand balance of power networks toward the proliferation of renewable energy, which is easily influenced by the weather.

Toshiba Energy Systems & Solutions Corporation has installed 15kWh storage batteries at 11 elementary schools in Yokohama City and will control them in order to efficiently limit power consumption in peak times and manage demand response depending on the condition of the power system and storage batteries in ordinary times, while supplying electricity to the schools, which serve as local disaster prevention bases, in an emergency. This makes it possible to enhance disaster preparedness at these bases while also allowing the efficient utilization of energy.

Going forward, we will contribute to the realization of a smart, sustainable society by integrating knowhow and digital technology built up through the supply of such products as power generating equipment and transmission/distribution equipment.



## Activity Example: In Emergencies, Achieve Stable Supply of Electricity with a Hydrogen-based Autonomous Energy Supply System

Toshiba Energy Systems & Solutions Corporation is offering H2One™, a hydrogen-based autonomous energy supply system that uses renewable energy and hydrogen and is suitable for a diversity of purposes.

The H2One™ supplied to Miyagi Prefecture was installed inside Rakuten Seimei Park Miyagi\*, the home field of the Tohoku Rakuten Golden Eagles professional baseball team and started operating in March 2018.

The system is an integrated system that uses solar photovoltaics to electrolyze hydrogen from water and stores, and used the hydrogen in fuel cells to provide a stable delivery of CO<sub>2</sub>-free, environmentally-friendly electricity and hot water. In normal everyday use, the electricity is supplied to the digital signage inside the baseball park and the Rakuten. FM TOHOKU radio station. In emergencies, even when lifelines have been cut off, it will provide energy supply that keep up the radio station and the signage for information to support disaster recovery. And it will also light part of the stadium's approaches, recharge for mobile phones and supply to warm water for washing hands.

This includes H2One™, Toshiba develops environmentally friendly hydrogen solutions that contribute to a low-carbon future and supports the creation of communities that remain resilient in a disaster and to ensuring that business can continue.



H2One™ installed at Miyagi Prefecture

\* At the time of order the park was called Kobo Park Miyagi. The name of the park was changed on January 1, 2018.

## Activity Example: Protecting Legacy Devices from Cyber Security Issues IoT Security Solution CYTHEMIS™

Toshiba Infrastructure Systems & Solutions Corporation devised the IoT security solution CYTHEMIS™ with the aim of providing security measures for control systems and for networks in factories and laboratories that include legacy devices for which security measures are difficult. The solution has been employed by National Institute for Materials Science.

CYTHEMIS™ is a package solution consisting of small hardware device that protects PCs and devices located at the end of the network from cyber attacks, and performs security processing that should be performed by the endpoint, and a system that manages it. As it is an add-on endpoint solution, it can provide enhanced security under various environments including legacy devices irrespective of the platform.

Toshiba Infrastructure Systems & Solutions Corporation will continue to actively work to resolve security issues such as cyber attacks that are cause for concern with the shift to IoT, and contribute to customer operations and business continuity.

> [IoT security solution CYTHEMIS™](#)



IoT security solution CYTHEMIS™

## Activity Example: Response to the Risk of Supply Chain Disruption through Swift Grasp of Information in a Disaster

Toshiba Digital Solutions Corporation provides services that support customers to continue their business activities. One of these services, the Strategic Procurement Solution Meister SRM, enables the integrated management of supplier information and the effective management of information for supplier strategies. The service has a BCP\* management function. It automatically obtains information of disaster such as an earthquake in Japan or overseas, and visualizes the effect degree on a customer's production activities. This contributes to swift response to the risk of supply chain disruptions.

Morinaga Milk Industry Co., Ltd. has strengthened its BCP measures through the introduction of Meister SRM by realizing the centralized management of supplier information and supply chain information. Accumulating price information through the digitization of price estimate operations and using the workflow function makes it possible to approve unit price without being in the office, with this and other benefits contributing to work style reform in the procurement department. Centralizing information management has led to the establishment of procurement operation foundations enabling know-how to be passed on to the next generation.

\* BCP: Business Continuity Plan



### Activity Example: Utilizing Digital Technology to Contribute to Business Transformation for Customers in the Era of “New normal”

Toshiba Digital Solutions Corporation contributes to the business transformation of customers in the era of “new normal” by integrating digital technology in such areas as IoT and AI with know-how gained from the field in social, industrial and corporate sectors. As an example, with the Meister Apps Field Work Visualization Package, information on worker position, movement and utterance is collected, visualized and analyzed using IoT and AI to enhance operational efficiency and productivity in a production site. This can be used to identify and visualize inefficient operations in a manufacturing site, ensure that workers are social distancing effectively by checking how crowded an area is, sending alerts and providing work instructions remotely. These functions help realize a new style of manufacturing site. In addition, the Distributed Co-Simulation Platform VenetDCP for the automotive industry drives evolution in model-based development, which is gaining in popularity with automobile manufacturers and automobile parts suppliers. The platform enables joint digital prototyping of automotive systems via cyber space, transcending corporate boundaries. It organically connects different companies through a network and offers a platform which enables sharing design information and knowledge and collaboration. Thereby we will provide a new methodology in automotive development for the era of “new normal” to drive advancements of the automotive industry.

> [Meister Apps™ Field Work Visualization Package](#)

> [Distributed Co-Simulation Platform \(VenetDCP\)](#)

### Activity Example: Carport-type Power Supply System Enabling EV Charging and Electricity in a Blackout with 100% Renewable Energy Carport-type Power Supply System

Toshiba IT & Control Systems Corporation provides a stationary power storage system to a variety of fields based on Toshiba's lithium-ion rechargeable battery SCiB™ boasting exceptional long-life performance and safety. A carport-type power supply system delivered to the Mikawa Power Plant of SIGMA POWER Ariake Corporation (biomass power plant), Omuta City Fukuoka Prefecture combines electric vehicles (EVs)\* with a solar power generation system and a stationary power storage system. The office and EVs at the plant are fed power through the system based on solar power generation while a power storage function in the EVs can be used to send electricity from the vehicles to the office. The system has been well received for reducing CO<sub>2</sub> emissions, utilizing EVs and including disaster prevention capability on the back of an enhanced usage rate for renewable energy. The Mikawa Power Plant can charge its EVs and supply power using 100% renewable energy through the off-grid use of this system that does not connect with any power source on-site. Toshiba IT & Control Systems Corporation will continue to propose products and systems that support developing disaster-resilient communities and business continuity.

\* EV: Electric Vehicle

### Activity Example: “TOSMOVE-NEO” Battery-operated Continuous Operation Function for Elevators during a Power Outage

Toshiba Elevator and Building Systems Corporation has developed and commercialized a continuous operation function for elevators called “TOSMOVE-NEO.” It enables continuous elevator operation for up to two hours at slow speed during an unexpected power outage such as in natural disasters. This function was developed with the aim of realizing a disaster-resistant elevator that can provide secure the lifeline as a means for vertical transportation in a building during a power outage in response to the rolling blackouts that occurred due to the Great East Japan Earthquake that struck in 2011. The system has mainly been utilized in facilities for the elderly and apartment buildings in recent years. The regenerative power generated during operation charges the battery, making the system eco-saving and environmentally friendly. In addition, the battery system employs SCiB™ rechargeable batteries developed by Toshiba Corporation. Compared to ordinary lithium batteries, SCiB™ has long life durability and excellent performance in low temperatures. Even in the unlikely event of an internal short circuit, the current doesn't flow as easily and heat generation is suppressed, making it extremely safe.



# ESG Performance: Social

## Universal Design



Toshiba Group is promoting universal design (UD), in order to contribute to the realization of a society where everyone can live at ease and in comfort, regardless of age, gender, and physical ability.

### Medium- to Long-term Vision

By providing products and services that can satisfy diverse users, Toshiba will contribute to making more comfortable lifestyles and a safer society.

### FY2019 Achievements

- Conducted universal design education (e-learning) for all Toshiba Group employees.
- Held extracurricular activities for students from Tsukuba University of Technology.
- Destination Control System FLOORNAVI won Gold Award in the 2020 iF DESIGN AWARD.
- Conducted Instant Senior® experiential training program simulating the elderly.

### Future Challenges and Approaches

Toshiba Group will further deepen each employee's understanding of the concept of universal design, and will create UD products and services that incorporate user feedback and ideas. We will also promote UD in the workplace.

## Policy Related to Universal Design

To promote universal design throughout Toshiba Group, we have established our UD Principle, Vision and Guidelines, and conduct development that incorporates our philosophy on UD and distribute Toshiba's UD-related information both inside and outside the organization.

#### Toshiba Group Universal Design Principle

Toshiba Group creates valuable products for providing peace of mind and delight to each individual user. Toshiba Group contributes to achieving a society where everyone can live comfortably and enjoy peace of mind regardless of age, gender and abilities.

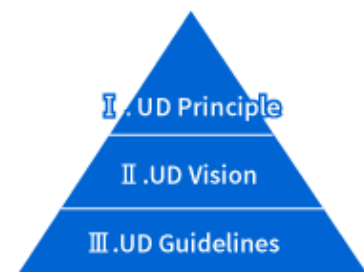
#### Toshiba Group Universal Design Vision

Making the unusable usable, making the difficult easy. Toshiba's Universal Design makes products more user-friendly and safer. Our aim is to design attractive products that even more consumers will want to use, through innovation and constantly improving the ease of use and convenience of our products.

#### Toshiba Group Universal Design Guidelines

- Design that conveys the product's ease of use
- Simple and intuitive use
- Minimize physical effort
- Provide the same effectiveness for all users, regardless of the user or the user's environment or circumstances
- Pursue safety and reduce users' psychological anxieties

(The Guidelines consists of the above five main principles and 15 sub-principles.)



## Universal Design Advisor System

Toshiba Group has a UD Advisor System in place, in which employees with disabilities and non-Japanese employees are invited to participate. Some 95 people had registered for the system as of March 2020. Based on this system, employees registered as UD advisors can contribute to the development and evaluation of UD products and UD services, stepping beyond their own department.

## Development of Universal Design Products and Services

Toshiba Group develops products and services that apply a human-centered design process that emphasizes users' perspective to a wide range of business fields and incorporate as many customer needs as possible.

For details on our initiatives, refer to the [Universal Design section on the Toshiba website](#).

Toshiba's  
UNIVERSAL DESIGN

## Promotion of Universal Design

### Education on Universal Design

An e-learning program on Universal Design (UD) has been given to all employees of Toshiba and its key Group companies in Japan, including temporary workers, in FY2008, FY2015 and FY2019 to further deepen understanding of UD at the individual level in Toshiba Group. The education has been provided to newly hired employees every year since FY2008.

### Communication with Outside Organizations

To spread and promote the use of universal design, Toshiba Group provides information on its own initiatives and the results of its activities and also actively collaborates with outside companies and organizations.

## Activity Example: Held Extracurricular Activities for Students from Tsukuba University of Technology

In November 2019, Toshiba provided extracurricular activities for five hearing-impaired students majoring in synthetic design from the National University Corporation Tsukuba University of Technology, an institution of higher learning for the hearing impaired and the visually impaired. The activities included workshops that introduced examples of design and offered the opportunity to experience the design process itself. In addition, students and employees held a dialogue session and active Q&As session while using an automatic audio subtitle system for conferences and lectures as well as a communication board currently under development at Toshiba. We were thanked at the end by the participating students and their supervising teachers, who said that it had been a valuable learning experience taking part in corporate design activities.



Extracurricular activities

## Activity example: Destination Control System FLOORNAVI Won Gold Award in the 2020 iF DESIGN AWARD

Toshiba Elevator and Building Systems Corporation has developed a destination control system called FLOORNAVI that guides passengers wanting to move to the same floor, or one nearby, into the same elevator by allowing them to specify destination before riding the elevator. The system relieves passenger stress and cuts time wasted by significantly reducing moving time during peak times, such as when commuting to work, thereby providing a more comfortable moving experience for users. The operation unit for FLOORNAVI has been designed to make it easy to use for diverse people, including those in a wheelchair. The registration device, which serves as the point of contact between user and system, has a simple and easy interface that is easy to operate even for first-time users, and card reader that allows registration in an easy-to-use position. The exceptional universal design of FLOORNAVI was recognized with the Gold Award, the top distinction of the 2020 iF DESIGN AWARD, an international design award organized by iF International Forum Design GmbH.



## In-House Awareness-Raising Activities

Toshiba provides education and distributes information for employees to promote universal design internally.

### Activity Example: Conducted Instant Senior® (experiential training program simulating the elderly)

Toshiba Design Center implemented the Instant Senior®\* program for members including designers who joined the Company in FY2019. The program simulates conditions for the elderly by restricting movement and pointing out that items people use almost without thinking everyday are actually designed cleverly with ease-of-use in mind. This provided the opportunity to make various observations about the elderly from both physical and psychological perspectives, such as increasing difficulty feeling the presence of others nearby and a tendency to stop talking. This helps provide the standpoint required for design and will contribute to the development of UD products going forward.

\* The training program allows participants to temporarily experience conditions resembling those of an elderly person by wearing nine types of equipment such as weights and supporters. Instant Senior® is a registered trademark of Japan Well Aging Association.



# Coexistence with Local Communities



For Toshiba Group, we seek not just to resolve issues faced by local communities through business, but to conduct activities that are rooted in the area as a member of the local community.

## Medium- to Long-term Vision

As a corporate citizen, Toshiba Group aims to win the trust of local communities in countries and regions across the globe.

## FY2019 Achievement

Toshiba continues to support the employment and independence of disabled people in collaboration with local supporting organizations and contributes to the enhancement of local healthy and pleasant environment by cleaning around its business sites.

## Future Challenges and Approaches

We will contribute to solving issues in local communities, in order to make sustainable society a reality. We will also maintain business activities that are firmly rooted in the local communities, respecting the cultures and customs of each country.

## Policy on Coexistence with Local Communities

Toshiba Group contributes to the development of local communities and solution to issues imposed on them through our business 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. Furthermore, we have set our policy on the relationships with local communities in Standards of Conduct for Toshiba Group. Furthermore, we have set our policy on the relationships with local communities in Standards of Conduct for Toshiba Group.

> [Standards of Conduct for Toshiba Group 19. Community Relations](#)

## Structure of Coexistence with Local Communities

The General Affairs division at each site or company is responsible for handling relations with local communities, including constant communications with communities associations and other organizations.

## Check and Evaluation of Local Impacts of Establishing New Operational Sites

When establishing new business operations, all Group companies at Toshiba Group adhere to laws and regulations, engage in dialogue with local authorities and residents and strive to maintain harmony with the community. Once operations are underway, the companies disclose information about their business activities and environmental conservation initiatives and thus engage in fruitful communication with local community.

For manufacturing sites, environmental audits of sites evaluate the extent to which operations have an impact on the local environment. Furthermore, efforts are being made to acquire ISO 14001 certification throughout Toshiba Group.

At all of these sites, we maintain good relationships with local communities.

> [Toshiba Group' Environmental Audit System](#)

> [Number of the sites that have acquired ISO 14001 certification](#)

## Contributions to Local Communities around Business Sites

### Support for the Employment and Independence of Intellectually Disabled People—Toshiba With Corporation

Established in 2005, Toshiba With Corporation is a Toshiba Group subsidiary mainly consisted of intellectually disabled people, and which aims to support the independence of those people. At Toshiba With, employees are engaged in business operations for cleaning, printing, mail delivery, and health care within Toshiba Group. Through these operations, they learn about work responsibilities and enjoyment in work, along with social rules and manners in order to achieve independent living. The independence of the people with intellectual disabilities requires not only employment opportunities, but also support in living, including lifestyle and health management. To this end, the company works in close collaboration with disabled people's families and local support organizations to create a unified support system. We will continue to support promoting awareness and understanding of disabilities, fostering employee self-reliance, so everyone may play a more active role in society.

> [Employment of People with Disabilities](#)

### Contribution to Local Communities through In-House Sales Events

Toshiba Group has been running in-house sales events during lunchtimes since 2004 with the aim of supporting the economic independence and participation in society of persons with disabilities. In fiscal 2019, sales events were held at its sites nationwide for products from Tohoku and Kumamoto and for local welfare facilities.



A sales event in support of reconstruction in Kumamoto

### Improving the Environment of Surrounding Communities

Toshiba Group companies strive to improve the environment around their business sites. In FY2019, the Group companies' employees across Japan cleaned areas around their business sites approximately 380 times.

At Toshiba Plant Systems & Services Corporation, employees clean around customer facilities that they are stationed at such as roads around business sites, sewage treatment plants, pumping plants, and power plants, contributing to the beautification of local areas.



Cleaning one of Toshiba's business sites



## Consideration for Employees' Exercise of Civil Rights

Toshiba set up a new leave system called “Saiban-in” (Lay Judge) System Leave to coincide with the commencement of the Lay Judge System from May 2009 in Japan. This leave facilitates the employees to participate as citizen jurors in criminal court procedures. Based on the law for implementation of the “Saiban-in” system in criminal court procedures, the salary per day for the employee selected to participate in such system amounts to the basic salary per day. Also, based on the above law, the number of leave days provided under this system equals to the maximum number of participation days under the Lay Judge System.

## Contribution to Local Communities through Job Creation, Procurement and Tax Payment

Toshiba Group expands its business around the world. The jobs created contribute to local communities, especially the production facilities that employ a considerable number of local people. Toshiba Group appropriately implements local procurement of materials, components and equipment, etc. based on the attributes of the items produced and the environment in which they are produced. Centered on production bases in each country, and also using the International Procurement Office (IPO), we make efforts to promote optimal procurement, including local procurement. By paying taxes in accordance with national laws and regulations, the Group companies and their employees make an economic contribution to the regions where they operate.

## Policy for Nuclear Safety Improvement

As a company involved in the nuclear industry, we recognize the importance of continuous improvements for nuclear safety. So, we are fostering a nuclear safety culture, as well as voluntarily and continuously working to improve nuclear safety, in light of lessons learned from the Fukushima Daiichi Nuclear Power Plant accident.

> [Policy for Nuclear Safety Improvement \(Toshiba Energy Systems & Solutions Corporation\)](#)

## Initiatives at Fukushima Daiichi Nuclear Power Station

The government and Tokyo Electric Power Company Holdings, Inc. (TEPCO) have developed a mid-and-long-term roadmap towards the decommissioning of TEPCO's Fukushima Daiichi Nuclear Power Station in 30 to 40 years. This roadmap has set the target for the areas of contaminated water, removal of fuel from spent fuel pools, retrieval of fuel debris, and management of radioactive waste.

Toshiba Energy Systems & Solutions Corporation has been making continuous efforts to develop the technologies to solve the challenges for achieving these targets and providing support toward decommissioning.

> [Efforts toward restoration of Fukushima site \(Toshiba Energy Systems & Solutions Corporation\)](#)

# ESG Performance: Social

## Social Contribution Activities



To realize a sustainable society, Toshiba Group actively promotes social contribution activities as well as business activities, thereby contributing to solving various societal issues.

### Medium- to Long-term Vision

Our aim is that every Toshiba Group operational site, and each and every employee working there, will take the initiative in contributing to society.

### FY2019 Achievement

Number of social contribution programs

Achievement

**1,072** programs

We gave donations to help with COVID-19 through a Chinese subsidiary and its employees and donated 10,000 face masks through the Embassy of the People's Republic of China in Japan.

### Future Challenges and Approaches

We will continue to provide more information and to make opportunities to our employees, so that many of them can get involved in activities voluntarily that contribute to society.

## Toshiba Group Basic Policy on Social Contribution Activities

Toshiba Group has set the basic policy on social contribution activities which is embodied Toshiba Group's Basic Commitment of "Committed to People, Committed to the Future."

The five key areas of activities stated in the Toshiba Group Basic Policy on Social Contribution Activities are all related to social issues that Toshiba Group regards as important. Toshiba Group will contribute to solving societal issues, attainment the SDGs and creating a sustainable society through business activities as well as social contribution activities by using knowledge and resources acquired through business. In these endeavors, we keep track of the results and impact on business through regular dialogues with stakeholders including NPOs and NGOs, and reevaluate and decide on our course of action accordingly.

### Toshiba Group Basic Policy on Social Contribution Activities

1. In accordance with the Basic Commitment of the Toshiba Group and Standards of Conduct for Toshiba Group, we make vigorous efforts to contribute to society.
2. In contribution to society, we focus on the following fields: protection of the natural environment, science and technology education, promotion of sports and culture, social welfare, and international exchange and friendship.
3. We support employees' voluntary activities.

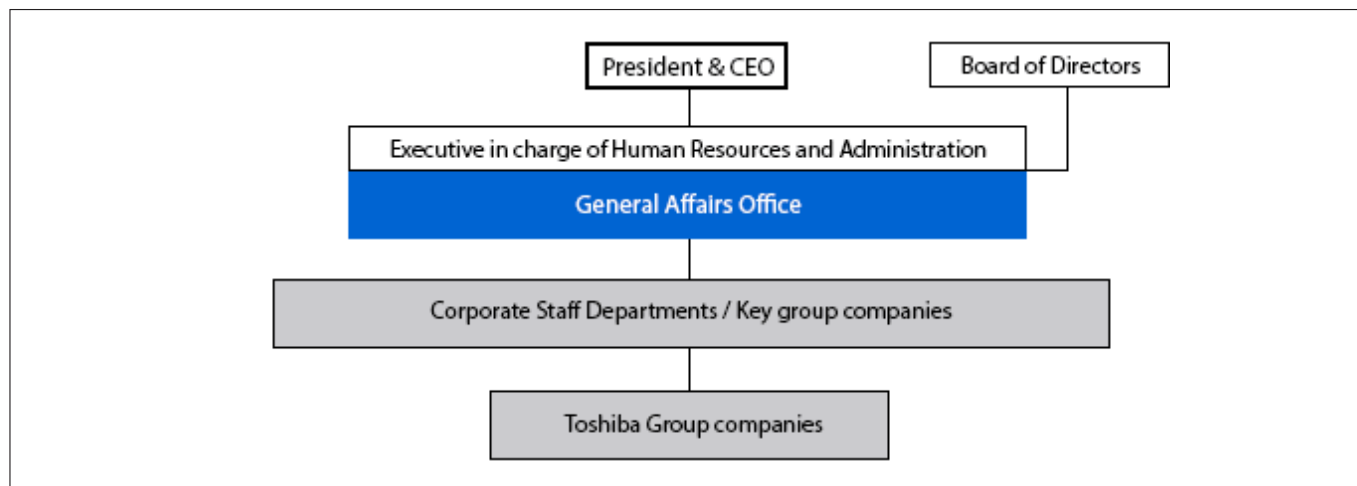
### Positioning of Social Contribution Activities in Toshiba Group



## Structure of Toshiba Group's Social Contribution Activities

In the Toshiba Group, the General Affairs Office carries out social contribution activities in cooperation with Corporate Staff Divisions, key Group companies, etc. based on the Basic Policy on Social Contribution Activities. With regard to donations to disaster relief and to NPOs and NGOs, we assess the legality and appropriateness of such donations before doing so, based on our in-house regulations.

### Structure of Toshiba Group's Social Contribution Activities

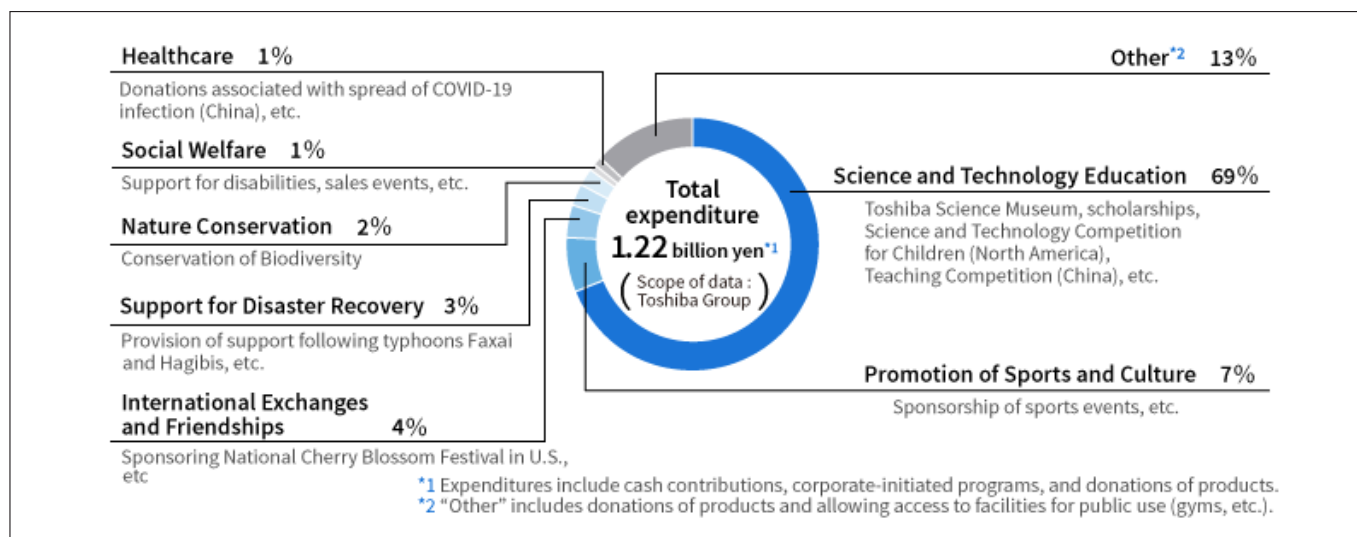


## Supporting Social Contribution Activities by Employees

Toshiba maintains a system to support social contribution activities by employees. For example, employees are able to take long-term leave by accumulating annual leave for the purpose of participating in volunteer activities. Toshiba also has a system for donating a maximum of 100,000 yen or reused PCs to NPOs and other organizations that employees belong to.

## Social Contribution Activities: Total Expenditure and its Constituent Parts

### Total expenditure and its constituent parts (FY2019)



## Support Associated with COVID-19 Infection

In response to spreads of COVID-19 infection, to ensure the safety of customers, business partners, local communities, employees and their families, and business continuity, Toshiba Group is taking measures according to circumstances as they change. In February 2020, when the COVID-19 outbreak occurred in China, a total of 1 million yuan (¥15 million equivalent) was donated by Toshiba Group's subsidiary in China and its employees to help control the virus spreading over a wider area. Some 10,000 face masks were also donated through the Embassy of the People's Republic of China in Japan as infection prevention goods.

> [Toshiba Group's Response to COVID-19](#)

## Social Contribution Award: Toshiba “ASHITA” Award

In order to invigorate our social contribution activities, Toshiba Group has been evaluating and giving awards to domestic and overseas activities. Every year we evaluate the previous fiscal year's activities from nine perspectives—goals, the extent of employee involvement, originality, continuity, social impact, collaboration with external organizations, and so on—and chairman's awards those activities that have achieved excellent results.

In FY2019, out of 1,527 programs that were carried out in FY2018 the following three programs were awarded.

- Japan Semiconductor Corporation: Environmental activities in which all employees value cooperating with the local community
- Toshiba Digital Solutions Corporation: Participation in the “Furusato Cleanup Event” in their local areas, a nationwide environmental activity campaign
- Toshiba IT & Control Systems Corporation (Koichi Ozeki): Instruction in self-defense martial arts class

## Toshiba Group Volunteer Days

Toshiba Group has held the Toshiba Group Volunteer Days (previously Toshiba Group Simultaneous Social Contribution Activities) since FY2014 around December 5, the International Volunteer Day set by the United Nations. The aim of this initiative was to make a significant social contribution that cannot be achieved by individuals, through the simultaneous participation of all Toshiba Group employees. In FY2019, about 74,000 employees joined in 238 activities in Japan, and about 2,000 employees participated in 29 activities in overseas countries. The Group companies in Japan and abroad conducted their own unique social contribution activities given the issues of each region. In Japan we held food drives and other events to achieve “Zero Hunger,” one of the Sustainable Development Goals (SDGs).



We donated a total of 142 boxes of processed quick-cooking rice and other foods as disaster supplies to the NPO Food Bank Kawasaki. (Toshiba Fuchu Complex)



Houston Food Bank donated food to communities affected by hurricanes and other disasters (Toshiba International Corp.)

# Science Technology Education

## Toshiba Science Museum: Where You Can Experience the Joy of Science and Technology

In January 2014, the Toshiba Science Museum was reopened near JR Kawasaki Station as a location for the support of science-technology education, a linchpin in Toshiba's social action programs. The museum celebrated its fifth anniversary in 2019. It is used for a multitude of purposes for people of all generations, such as for social studies field trips and corporate training, with guidance offered in Japanese, English and Chinese depending on visitors' needs.

> [Toshiba Science Museum](#)



Fifth anniversary exhibition  
Toshiba efforts supporting society and life for the next generation

## Science and Technology Competition for Children in the U.S. and Canada

Since 1992, Toshiba Group has worked with the National Science Teachers Association to host the ExploraVision Awards (EVA), a science and technology competition for k-12 students in the United States and Canada.

EVA is a competition aiming to encourage dreams in which children make predictions about technologies that they believe will become feasible within 20 years based on today's science and technology.

The program celebrated its 27th anniversary in June 2019, commemorating its long history as a Japanese company's science education support program in North America. In 2019, there were approximately 4,000 applications from all over the United States and Canada. The number of participant totals more than 400,000 to date.

### [2019 Prizewinners]

- GRADES K1-3 (Kindergarten to 3rd year elementary school)  
"i Suit" (lifesaving swimsuit)  
Saint Joseph School in Seattle, Washington
- GRADES K4-6 (4th to 6th year elementary school students)  
Algatiles (seaweed tiles)  
Coulson Tough K-6 School in The Woodlands, Texas
- GRADES K7-9 (1st to 3rd year junior high school)  
A Cure for Chronic Hepatitis B Virus (HBV) Infection  
The Nueva High School in San Mateo, California
- GRADES K10-12 (1st to 3rd year high school)  
Engineering M. Luteus to Fix the Greenhouse Gases Methane and Carbon Dioxide  
Mission Vista High School in Oceanside, California

> [ExploraVision](#)



Photo of children from the winning team



Children from GRADES K10-12 (1st to 3rd year high school) showcase their award-winning idea, "Engineering M. Luteus to Fix the Greenhouse Gases Methane and Carbon Dioxide"

## Teaching Competition in China

Seeking to contribute to the future development of scientific and technical human resources in China, in 2008 we established the Contest of Math and Science Teaching Program for the Normal University Students in China in cooperation with China's Ministry of Education. This is a contest for students of Chinese teacher training universities. Winners and their instructors are invited to Japan for the opportunities to have experience of Japanese science, technology and culture, and exchange with teachers and students of Japanese teacher training university.

In FY2019, approximately 12,000 students from 50 Normal Universities throughout China participated.



Mr. Chen Decheng of South China Normal University (left) received the Toshiba Innovation Award.

## Environmental Education Program for Children

Since 2017, we have held an environment education programs for elementary school children in collaboration with the Association of Corporation and Education at Toshiba Science Museum. We also visit elementary schools in areas around Tokyo and regions where we have manufacturing sites to provide on-site classes.

> [Environmental education program for children](#)

## Scholarships

Toshiba Group awards scholarships to students and laboratories in different countries to help support development of a new generation. Furthermore Toshiba factories are receptive to local requests for tours, and some even accept internships of a few weeks.

Toshiba granted 100,000 yen every month to 230 university students in Iwate, Miyagi, and Fukushima prefectures, which were hit hard by the Great East Japan Earthquake, until graduation.

In Vietnam, we have given a total of around 3 million yen every year since 2005 in subsidies to around 30 students at the Hanoi and Ho Chi Minh City campuses of Vietnam National University. We also run a software research center jointly with these universities. Some graduates of the universities have entered Toshiba Software Development (Vietnam) Co., Ltd. and continue to work there.

Toshiba Information Equipment (Philippines), Inc. established a scholarship system in 2008 to provide education at university or vocational educational institute to economically disadvantaged high school students. Toshiba supported 90 students with scholarships up to 2018.



## Factory Tours and Internship

At the request of local communities, Toshiba product operations throughout the facility tours, on-the-job training programs and internship programs.

- Toshiba Yokohama Complex: Each year, we invite fifth-graders from Yokohama City Sugita Elementary School to the Yokohama Complex for a tour of the biotope and recycling center inside the complex.
- Toshiba Electronic Devices & Storage Corporation Himeji Semiconductor Plant: To participate in “Try-yaru Week,” a community hands-on learning program that has been conducted by the Hyogo Prefecture Board of Education, we accept second-year junior high school students for one week to enable them to experience light work.
- Toshiba Carrier Corporation: At Fuji Plant, we hold a two-day community hands-on learning program for junior high school students from Fuji City.



Try-yaru Week  
(Toshiba Electronic Devices & Storage Corporation's Himeji Semiconductor Plant)



Work experience  
(Toshiba Carrier Corporation's Fuji Factory)

## Protection of the Natural Environment

### Conservation of Biodiversity

Toshiba Group is conducting biodiversity conservation activities at 63 sites worldwide to contribute to the achievement of Aichi Targets, a shared global goal.

> [Conservation of Biodiversity](#)

## Social Welfare

### Sending Doctors and Dentists to Areas around the Toshiba Factory in the Philippines

Toshiba Information Equipment (Philippines), Inc. has been providing medical and dental examination services to promote and improve the physical well-being of intended beneficiaries in the nearby community twice a year since 2006. In February 2020, the company dispatched a team of 20 people consisting of doctors, dentists, nurses, and many employee volunteers to Biñan where they gave medical exams, extracted teeth and provided medicine free of charge to about 230 local residents.



Medical treatment is provided free of charge.  
(Toshiba Information Equipment (Philippines), Inc.)

## International Exchanges with Friendship, and Promotion of Sports and Culture

### International Exchange Program for High School Students from Japan and the ASEAN Countries

Since FY2014, the Toshiba International Foundation (TIFO) has been holding Toshiba Youth Club Asia (TYCA), an international exchange program for high school students from Japan and the ASEAN countries.

The theme for FY2019 was “draw a TYCA Asia Vision 2040,” and the program was held over eight days in December 2019.

A total of 10 high school students from Indonesia, Malaysia, Singapore, Thailand and Brunei and six Japanese high school students listened to lectures by experts, and held group discussions about new ways of thinking learned during the program as well as Asian and global issues that ought to be prioritized based on the framework of the Sustainable Development Goals (SDGs), and then they presented their own vision and ideas to get there for 2040.

Through TYCA, TIFO will go on providing opportunities to high school students from Japan and ASEAN countries, which have diverse cultures and values, to discuss the future of Asia, bearing in mind social issues.



Results presentation

### Promoting Sports

Toshiba promotes sports not only to help children to grow up healthy but also to inspire and encourage everyone through the impressive performances of top athletes. Amateur sports teams of Toshiba employees play an active role in making a difference in society.

> [Toshiba baseball team: Brave Areus \(Japanese\)](#)

> [Toshiba rugby team: Brave Lupus \(Japanese\)](#)

## Disaster Relief

As a company that conducts business worldwide, Toshiba Group wishes to contribute to restoring areas affected by natural disasters. To that end, we review what is most appropriate in consideration of local characteristics and damage situations, and donate money, provide our company products, and collaborate with NGOs. In addition, employees also engage in fund raising and volunteer activities.

In FY2019, we provided support via donations to areas affected by typhoons Faxai and Hagibis that struck Japan.

# Corporate Governance



Toshiba Group values engagement with various stakeholders. We have established internal control systems and continue to enhance efficiency and transparency of the management to effectively respond to the demands of stakeholders, while trying to align with rapidly changing business environment. The contents of this page include the latest information as of the issuance of Sustainability Report 2020.

## Medium- to Long-term Vision

Toshiba Group endeavors to realize sustainable growth and medium- to long-term gains in corporate value, thereby benefitting all of the Group's stakeholders.

## FY2019 Achievement

- Introduced 5% rule for portfolio management.
- Completed share repurchase of 700 billion yen.
- Formulated Shareholder Returns Policy including share repurchases.
- Implemented payment of interim and year-end dividends despite COVID-19 (20 yen per share in FY2019).
- Expanded the executive compensation system to promote shareholder value creation.
- Filed an application for relisting on the First Section of Tokyo Stock Exchange and Nagoya Stock Exchange.

## Future Challenges and Approaches

- We will continue with a highly innovative structure for our Board of Directors to ensure the required skillsets essential to promoting the execution of the Toshiba Next Plan Phase 2 and appropriately handling high-risk matters. The Board of Directors is comprised of experts with international business experience in such areas as business portfolio, business transformation, M&As, capital markets, capital allocation, law and compliance, and includes four non-Japanese members. We intend to enhance shareholder value through maximizing corporate value. To achieve this, we will steadily execute the Toshiba Next Plan and appropriately handle high-risk matters in a timely manner based on monitoring and supervision of business execution and review of strategy by the Board of Directors.
- Toshiba's basic policy of shareholder returns is to maintain an average consolidated dividend payout ratio of at least 30%\*, and shareholders' equity in excess of the appropriate level of shareholders' equity will be used to provide shareholder returns, including share repurchases while we will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation.

We will consider providing shareholder returns in accordance with the above policy. Also, the appropriate level of capital shall be reviewed by the Board of Directors on a regular basis.

\* For the time being, equity method profit and loss for KIOXIA Holdings Corporation is excluded from this policy.

- We spread the Essence of Toshiba and enhance awareness of the new Toshiba brand.

> [Corporate Governance](#)

## Toshiba Corporate Governance Policy

The basic policy and objectives of Toshiba's corporate governance are to realize sustainable growth and raise the enterprise value of the Group over the medium- to long-term, and to contribute to the interests of all stakeholders, including shareholders, investors, employees, customers, business partners, creditors, and local communities. Under this policy, as we put importance on the board's function to oversee business execution by the executives, we adopt a company with three committees, etc., system that delegates business execution decisions to executives, allowing the board to concentrate on monitoring and supervising execution and determining basic strategy. Toshiba has also established "Corporate Governance Guidelines" that form the framework of governance of the Company.

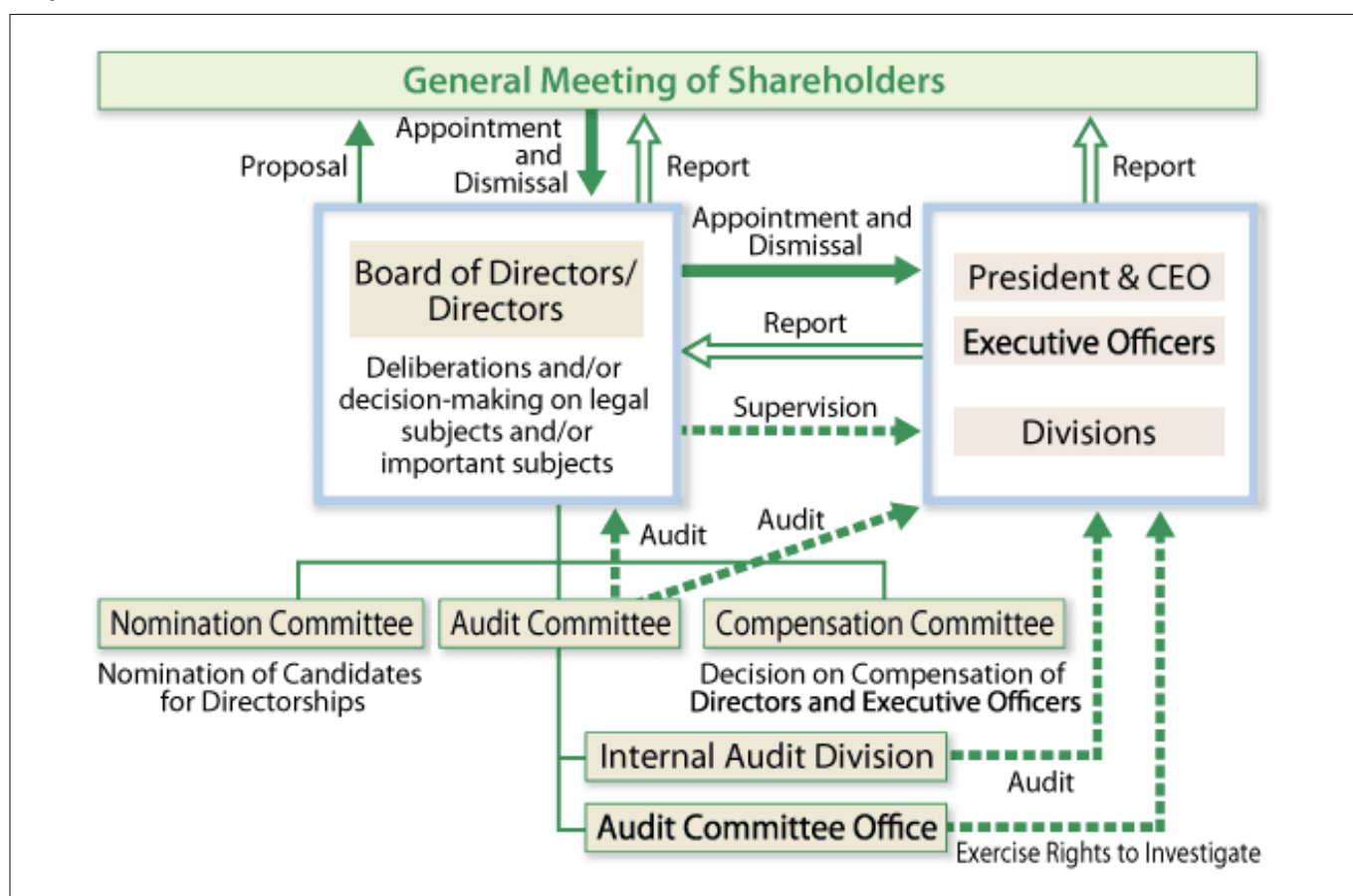
- [Corporate Governance Report \(August 25, 2020\)](#) [PDF 877KB/30 pages]
- [Corporate Governance Guidelines \(published on May 14, 2020\)](#) [PDF 115KB/12 pages]

# Toshiba's Governance Structure

Toshiba emphasizes the supervisory function of the Board of Directors over business execution, and to the extent possible delegates decisions on the execution of business to responsible executives. For this reason, Toshiba has adopted the company with a nomination committee, etc., system. The main missions of the Board of Directors are to determine the company strategy in such areas as basic management policy, and to monitor and supervise Executive Officers and Directors in the execution of their duties.

The ability of the Board of Directors to carry out monitoring and supervisory functions in an appropriate manner is ensured by a board with a majority of outside directors (10 outside directors of 12 in total, as of July 2020), with an outside director also serving as the Chairman of the Board. In addition, the Board of Directors has established Nomination, Auditing, and Compensation Committees, all comprised only of outside directors, which further enhances management transparency.

## Corporate Governance Structure



## Takeover Defense Measures

Toshiba is currently not deploying any takeover defense measures. If any party seeks to acquire a large number of shares in the Company, we will i) request the party to provide information necessary and sufficient for shareholders to properly judge whether the proposed acquisition is reasonable or not and ii) publish the opinion of the Toshiba Board of Directors to secure an amount of time and information for shareholders to consider the proposed share acquisition. Thus, the Company will continue striving to secure and improve its enterprise value and shareholders' shared benefit while taking appropriate action within a scope that is allowed under the Financial Instruments and Exchange Act, the Companies Act and other applicable laws and regulations.

# Information Disclosure Policy

Please see [Disclosure Policy](#) page.

## Directors

### List of Directors (after July 31, 2020)

#### Directors (12 members)

| Name   | Corporate management | Law and compliance | Accounting and auditing | Diversity* | M&A | Corporate restructuring | Capital markets | International business experience |
|--|----------------------|--------------------|-------------------------|------------|-----|-------------------------|-----------------|-----------------------------------|
| Satoshi TSUNAKAWA (Chairman)   | ○                    |                    |                         |            | ○   | ○                       | ○               | ○                                 |
| Nobuaki KURUMATANI (Representative Executive Officer, President and CEO) | ○                    |                    |                         |            | ○   | ○                       | ○               | ○                                 |
| Yuki FURUTA  |                      | ○                  | ○                       |            |     |                         |                 |                                   |
| Junji OTA  | ○                    | ○                  | ○                       |            |     |                         |                 | ○                                 |
| Nobuyuki KOBAYASHI   |                      | ○                  | ○                       |            |     |                         |                 |                                   |
| Takashi YAMAUCHI   | ○                    | ○                  | ○                       |            |     |                         |                 | ○                                 |
| Yoshiaki FUJIMORI  | ○                    |                    |                         |            | ○   | ○                       | ○               | ○                                 |
| Paul J. BROUGH   | ○                    | ○                  | ○                       | ○          |     | ○                       |                 | ○                                 |
| Ayako Hirota WEISSMAN  | ○                    |                    |                         | ○          |     |                         | ○               |                                   |
| Jerry BLACK  | ○                    |                    | ○                       | ○          | ○   | ○                       |                 | ○                                 |
| George Raymond ZAGE III  | ○                    |                    |                         | ○          | ○   |                         | ○               | ○                                 |
| Osamu NAGAYAMA   | ○                    |                    |                         |            | ○   |                         |                 | ○                                 |

\* Diversity indicates diversity of gender, ethnicity, nationality, and other identities.

One of the 12 directors is female.

Please see [here](#) for Directors' careers.

## Chairperson of the Board of Directors/Members of Committees

|                                       |   |
|---------------------------------------|---|
| Chairperson of the Board of Directors | Osamu NAGAYAMA  |
| Nomination Committee                  | Osamu NAGAYAMA (Chairperson), Junji OTA, Takashi YAMAUCHI, Yoshiaki FUJIMORI, Ayako Hirota WEISSMAN |
| Audit Committee                       | Junji OTA (Chairperson), Yuki FURUTA, Nobuyuki KOBAYASHI, Takashi YAMAUCHI                          |
| Compensation Committee                | Yuki FURUTA (Chairperson), Yoshiaki FUJIMORI, Jerry BLACK, Osamu NAGAYAMA                           |

### Election of twelve (12) Directors

(Source: Convocation Notice of the Ordinary General Meeting of Shareholders for the 181st Fiscal Year)

#### 1. Reasons for Proposal

The term of office of the current 12 Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed to elect 12 Directors based on a decision by the Nomination Committee.

The Company is promoting a number of policies with the aim of increasing total shareholder return (TSR) through maximizing the Company's corporate value. To realize the increase of mid- to long-term shareholder value, the Company is in the process of executing the Toshiba Next Plan, a company-wide five-year road map for corporate transformation announced on November 8, 2018. At the Ordinary General Meeting of Shareholders for the 180th Fiscal Year, a revolutionary Board of Directors was elected, including Directors with appropriate diversity in terms of deep knowledge and experience in international business, business portfolio management, business transformation and M&A, and expertise in capital markets and capital allocation, as well as gender and international experience as required in the Corporate Governance Code of Japan. In particular, four of the 12 Director candidates (33%) are of non-Japanese nationality, which makes the Company's Board of Directors extremely progressive compared to the average percentage of non-Japanese board members at Nikkei 225 companies (3.5%) and TOPIX companies (5.1%) (Source: "2019 Japan Spencer Stuart Board Index" (Spencer Stuart Japan Ltd.)).

Under this renewed Board of Directors, the Company is comprehensively and thoroughly managing and reforming its business portfolio by monitoring struggling low-profitability businesses based on a strict criteria of ROS (return on sales) of 5%, and selling non-operating assets such as listed shares, functional subsidiaries, and real estate assets, putting the utmost emphasis on capital efficiency.

The Company is promoting the improvement of shareholder returns, and steadily implemented a series of share buybacks of up to 700 billion yen, one of the largest conducted in Japan, and paid a dividend with a March 31, 2020 record date despite the effects of the COVID-19 pandemic. The Company intends to maintain an average consolidated dividend payout ratio of at least 30% (\*Note), and shareholders' equity in excess of the appropriate level of shareholders' equity will be used to provide shareholder returns, including share repurchases. The appropriate level of capital shall be reviewed by the Board of Directors on a regular basis. While the Company will focus in the short term on ensuring its financial stability during the unpredictable COVID-19 situation, it is the Company's intention in principle, to return the majority of the net proceeds from any KIOXIA Holdings Corporation divestiture to shareholders. Furthermore, if the external environment stabilizes enabling capital markets and the global pandemic to be more predictable in the fall, the Company expects to be in a position to undertake more proactive portfolio streamlining and divestitures, including the assessment of highly accretive M&A opportunities, to continuously improve capital allocation in order to further enhance shareholder returns and the long term value of the Company.

(\*Note) For the time being, equity method profit and loss for KIOXIA Holdings Corporation is excluded from Toshiba's policy on shareholder returns.

As the first phase of the Toshiba Next Plan, the Company has completed its withdrawal from the LNG business in the United States and conducted structural reforms including optimizing its personnel structure, procurement system reforms to reduce costs, optimization and reinforcement of sales systems, sales reforms including improving profitability through strengthening project evaluation and screening functions, and process reforms aiming to improve efficiency and productivity of overall operation including group-wide IT infrastructure; through these initiatives, the Group has constructed a stable, recession-resilient business portfolio focused on social infrastructure and other B2B business areas, which also coincides with the Company's mission to maintain social infrastructure for the safety and security of society, and improved basic profitability.

Regarding the Company's 40.2% holding in KIOXIA Holdings Corporation, as already announced, the Company has no strategic intention to remain in the Memory business. Therefore, the Company intends to realize the value of its investment in KIOXIA Holdings Corporation and continues to evaluate alternatives means of monetizing its stake. Once such a monetization event is completed, the Company, in principle, intends to return a majority portion of the net proceeds to shareholders.

As part of its continuing efforts to rationalize its business portfolio, the Company will seek to further grow the infrastructure service businesses and data services businesses. As for monitored businesses, as previously defined, such as the System LSI business and the Printing business, the Company is considering its available options. As for the Printing business, since Toshiba TEC Corporation is a listed subsidiary and the Company recognizes the independence of Toshiba TEC's board and management, we will continue to



closely monitor its recovery plans and progress. The Company will discuss the measures necessary to be taken for the printing business from its position as Toshiba TEC's shareholder.

The Company made applications for reinstatement to the First Sections of the Tokyo and Nagoya Stock Exchanges in April 2020. Furthermore, the Toshiba Next Plan: Phase 2 will aim for further growth by transforming the Company into an infrastructure services company leveraging Cyber Physical Systems (CPS) technology (see Note).

Note: CPS is a framework for the creation of added value by gathering data in the physical world, analyzing that data in the cyber world using digital technologies and creating actionable information and knowledge, then feeding those back into the physical world.

Since 2015, the Company has considered the enhancement of internal control to be a high-priority issue, and has worked to strengthen governance through changes to the Board of Directors regime, and to improve control by reducing the number of subsidiaries. However, as announced on February 14, 2020, it has been discovered that Toshiba IT-Services Corporation, a consolidated subsidiary of the Company, was involved in so-called cyclical transactions and fictitious transactions without actual merchandise. The Company is taking this incident seriously, and the executive side, led by the Representative Executive Officer and Chairman and CEO (at that time), swiftly addressed the incident by reporting it to the Audit Committee and engaging outside experts to conduct a thorough investigation. That investigation was conducted in a highly transparent manner that ensured objectivity and expertise, with the material parts of the investigation and reporting being led by the outside experts. Based on the results of that investigation, the Board of Directors also deliberated the causes of the incident and measures to prevent recurrence, made timely and appropriate disclosures, and implemented radical measures to prevent recurrence including a general prohibition on balancing transactions whose end users cannot be confirmed.

The Company has been engaged in ongoing improvement of its internal control systems since 2015, and in order to further address the risk of misconduct, will further strengthen its "three-line defense" comprised of cultural change, improvement of IT systems, and establishment of a Compliance Advisory Meeting:

As the first line of defense, at the operational front-lines, it is important for top management to speak about and inculcate the importance of compliance, and continue to do so, with a view to cultural change. The Company will also introduce a personnel evaluation system that emphasizes conduct evaluation, expand training for the purpose of developing and raising compliance awareness, and increase the adoption of the whistleblower system.

The second line of defense is checking by back-office departments. Functions that act as a check on the front-line departments, such as finance, accounting, and procurement, will be made to report directly to Corporate, separating their reporting lines from operating departments and ensuring the effectiveness of their checking function. This process is already underway. The Company is also introducing a new risk management system and introducing next-generation IT systems to improve data collection functions and prevent and visualize human error. The reduction of subsidiaries already implemented under the Toshiba Next Plan will also continue, which will enhance group governance.

The third line of defense is the enhancement of the auditing function. The Company will improve its ability to discover risks of misconduct through a variety of measures, including enhancing the checking function through the establishment of a Compliance Advisory Meeting including outside experts which will coordinate with the Risk-Compliance Committee for the whole Group, increasing staff for the audit function, and strengthening coordination between the Audit & Supervisory Board members of the group companies.

Based on its renewed recognition that a single incident of misconduct may undo many years of hard work, the Company will thoroughly implement measures to prevent recurrence and work to further enhance its internal control.

As a result, the Company proposes that the Board of Directors be structured as follows, and is confident that the 12 candidates in this Proposal are the best suited for achieving sustainable growth and increasing shareholder value over the mid- to long-term.

- (1) The number of Directors will be 12, with only the Representative Executive Officer, President and CEO being a Director concurrently serving as an executive officer, accompanied by one non-executive Inside Director, and ten Outside Directors. The Company previously set the number of Directors around 11 in order to enable substantive and thorough discussions and maintained the number of Outside Directors at more than half of the Board members in order to ensure effectiveness of oversight and supervision of business execution. The Company's new Board composition further advances this idea by minimizing the number of Directors concurrently serving as executive officers, while maintaining the current number of Directors.
- (2) The proposed Board of Directors remains innovative in its composition – while reflecting the composition of the Company's shareholders, it includes four non-Japanese candidates, and ensures that candidates have experience in international business, expertise in business portfolio management, business transformation, M&A, capital markets and capital allocation, and law and compliance, which are the skill sets essential to promoting the execution of the Toshiba Next Plan: Phase 2 and appropriately handle high-risk matters. Of the 12 candidates, one is a newly nominated candidate.
- (3) The Director candidates include an attorney-at-law with experience as a former Deputy Prosecutor-General of the Supreme Public Prosecutors Office who also served as a Supreme Court justice for six years and eight months, a certified public accountant who served as the Representative Member of a prominent audit corporation, Crowe Toyo & Co. for six years and seven months, a leading expert of corporate governance in Japan with experience as a former chairman of the Japan Audit & Supervisory Board Members Association and a member of the METI Corporate Governance System Study Group, and members with experience as full-time Audit & Supervisory Board members at some of Japan's largest companies. We are confident that this is the best management team from the perspective of enhancing internal control.

In deciding the candidates for Director, the Nomination Committee judged that the candidates conformed to the Director Nomination Criteria separately designated by the Nomination Committee and that the candidates have the appropriate qualifications for Directors. The specific details of the Director Nomination Criteria and the Independence Criteria for Outside Directors are described as follows.

#### **Director Nomination Criteria**

When determining the content of proposals regarding the election of directors, the Company will select candidates who fulfill the following criteria and who are able to appropriately fulfill the duties of monitoring and supervising business execution and determining the direction of management strategies:

1. Being a respected, dignified, and highly ethical person;
2. Being responsive to compliance with laws and regulations;
3. Being in good health to conduct the required duties;
4. Having the ability to make objective judgments on management issues as well as excellent foresight and vision;
5. Having no interest in or transaction with the Company's main business fields that might affect management decisions; and
6. For outside directors, having expertise, insight, and a good track record in a field such as law, accounting, or corporate management.

#### **Independence Criteria for Outside Directors**

In addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan, the Nomination Committee will judge any outside director falling under any of the following items to lack independence:

1. The outside director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company in which the Company currently holds 10% or more of the voting rights.
2. The outside director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company that currently holds 10% or more of the voting rights of the Company.
3. The outside director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company whose transactions with the Company in any of the past three fiscal years totaled a monetary amount exceeding 2% of the consolidated net sales of that company or the Company
4. The outside director currently is or at any point in the past three years has been an executive director, executive officer, or employee of a financial institution from which the Company currently borrows funds equal to 2% or more of its total assets
5. The outside director has in any of the past three fiscal years received compensation other than director compensation exceeding ten million yen from the Company as a law, accounting, or tax expert or consultant; or an organization to which the outside director belongs has in any of the past three fiscal years received from the Company compensation as a law, accounting, or tax expert or consultant exceeding 2% of the annual revenue of that organization.
6. In any of the past three fiscal years, the Company has made contributions exceeding ten million yen to the outside director or to a corporation to which the outside director currently belongs or at any point in the past three years has belonged as an officer that executes business or as an employee. However, in case of contributions to a corporation, this applies when the outside director was directly involved in the research, education, or other activity concerning the contributions.
7. The outside director currently belongs or at any point in the past three years has belonged as an executive director, executive officer, or employee to a company whose outside officers currently include any persons with experience as an officer of the Company that executed business.
8. The outside director currently is or at any point in the past three years has been a representative officer, officer, or employee of the current accounting auditor (independent auditor) or an accounting auditor (independent auditor) in the past five fiscal years of the Company.

## Reasons of Election as Outside Directors and Their Significant Concurrent Positions

(Source: Corporate Governance Report (published on August 25, 2020))

| Name               | Supplementary Explanation of the Relationship   | Reasons of Appointment  |
|--------------------|---|---|
| Yuki FURUTA        | Mr. Yuki FURUTA is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.  | Mr. Yuki FURUTA is appropriately supervising the management of the Company based on his extensive experience as a legal expert and broad expertise in corporate legal matters and corporate governance.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.  |
| Junji OTA          | Mr. Junji OTA is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>He served as an executive of Nippon Steel Corporation, a business partner of the Company, in the past, but ten years have passed since his resignation as an executive, and the volume of transactions between that company and the Company is less than 1% of each party's consolidated net sales, and therefore has no significant impact on his independence as an outside director.<br>[Significant concurrent positions]:<br>Outside Director, Heiwa Real Estate Co., Ltd.   | Mr. Junji OTA is appropriately supervising the management of the Company based on his experience as an executive, including corporate planning at a large manufacturing company, and extensive experience and broad expertise as an officer of the Japan Audit & Supervisory Board Members Association.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.  |
| Nobuyuki KOBAYASHI | Mr. Nobuyuki KOBAYASHI is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>[Significant concurrent positions]:<br>Representative Director & President, Eishin Partners Co., Ltd.<br>Outside Director (Audit and Supervisory Committee member), Imagineer Co., Ltd.  | Mr. Nobuyuki KOBAYASHI served as the representative of a mid-to-large size accounting firm in Japan in the past, has deep expertise in finance, accounting, and auditing, and is appropriately supervising the management of the Company and its accounting auditor based on his extensive experience and broad expertise as a certified public accountant.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.  |
| Takashi YAMAUCHI   | Mr. Takashi YAMAUCHI is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>He served as an executive of MITSUI & CO., LTD., a business partner of the Company, in the past, but five years have passed since his resignation as an executive, and the volume of transactions between that company and the Company is less than 1% of each party's consolidated net sales, and therefore has no significant impact on his independence as an outside director.   | Mr. Takashi YAMAUCHI has strong expertise in the management practices of Japanese companies, deep international business experience, and expertise in the auditing of Japanese companies involved in a wide range of businesses, and is appropriately supervising the management of the Company based on his extensive experience and broad expertise.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.   |
| Yoshiaki FUJIMORI  | Mr. Yoshiaki FUJIMORI is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>He served as an executive of LIXIL Group Corporation, General Electric Company and its Japanese subsidiaries, a business partner of the Company, in the past, but five years have passed since his resignation as an executive, and the volume of transactions between that company and the Company is less than 1% of each party's consolidated net sales, and therefore has no significant impact on his independence as an outside director.<br>[Significant concurrent positions]:<br>Outside Director, Takeda Pharmaceutical Company Limited<br>Outside Director, Boston Scientific Corporation<br>Senior Executive Advisor, CVC Asia Pacific (Japan) Kabushiki Kaisha<br>Outside Director and Chairman, Oracle Corporation Japan<br>Outside Director, Shiseido Co., Ltd.<br>Senior Executive Adviser, Genpact Limited | Mr. Yoshiaki FUJIMORI has deep experience in international business regarding the electronics industry, which is the Company's main business area. In addition, he is an expert in the management of large Japanese companies through his experience as CEO and outside director of leading Japanese listed companies.<br>He is appropriately supervising the management of the Company based on his experience in international business and extensive experience and broad expertise as a top management of large companies.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.   |
| Paul J. Brough     | Mr. Paul J. BROUGH is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>[Significant concurrent positions]:<br>Independent Non Executive Director, GL Limited<br>Independent Non Executive Director, Vitasoy International Holdings Limited<br>Chief Executive, Blue Willow Limited  | Mr. Paul J. BROUGH is a Chartered Accountant in the United Kingdom. He has significant expertise in finance and accounting, deep experience in M&A and business restructuring as a financial advisor and as a Chief Restructuring Officer for a number of companies, and has experience in international business from serving in positions such as executive director for multinational companies.<br>He is appropriately supervising the management of the Company based on his experience in international business, deep experience in M&A and business restructuring, and extensive experience and broad expertise as a management executive.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan. |

|                                |  |   |
|--------------------------------|--|---|
| <b>Ayako Hirota Weissman</b>   | Ms Ayako Hirota WEISSMAN is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>[Significant concurrent positions]:<br>Senior Vice President, Senior Portfolio Manager and Director in charge of Asia Strategy, Horizon Kinetics LLC<br>Non Executive Director, Nippon Active Value Fund plc  | Ms. Ayako Hirota WEISSMAN has many years of experience in many aspects of the investment business, including her experience investing in both Japanese and foreign stocks, giving her particularly deep experience and expertise in the area of investment. In addition to her experience in international business, she is an expert in Japanese business through her experience as an outside director of a Japanese company. She is appropriately supervising the management of the Company based on her extensive experience and broad expertise.<br>She does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.   |
| <b>Jerome Thomas Black</b>     | Mr. Jerome Thomas BLACK is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>He has served as an executive of Aeon Co., Ltd., a business partner of the Company, in the past, but the volume of transactions between that company and the Company is less than 1% of each party's consolidated net sales, and therefore has no significant impact on his independence as an outside director.<br>[Significant concurrent positions]:<br>Advisor, Aeon Co., Ltd. | Mr. Jerome Thomas BLACK has experience in an international consulting firm, and has worked for many years in the business execution of Japanese companies. He has experience in business execution as a manager of group strategy and IT/digital business, strong expertise in the management of Japanese companies, and experience in international business, and is appropriately supervising the management of the Company based on his extensive experience and broad expertise.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.   |
| <b>George Raymond Zage III</b> | Mr. George Raymond ZAGE III is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>[Significant concurrent positions]:<br>Independent Non Executive Director of Whitehaven Coal Limited<br>Founder and CEO, Tiga Investments Pte. Ltd.<br>Commissioner(Non Executive), PT Lippo Karawaci Tbk  | Mr. George Raymond ZAGE III has experience investing in a number of listed and unlisted companies, and also in startup investment and investment for corporate rehabilitation, through his work with a prominent investment fund group. With his experience in investment fund, he is expected to bring his expertise in business portfolios, business restructuring, M&A, capital markets, and capital allocation to the Board of Directors, and is appropriately supervising the management of the Company.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.<br>He was the managing member of Farallon Capital Asia Pte. Ltd., part of the Company's major shareholder Farallon Capital Group, until August 2018. Because Farallon Capital Group holds less than 10% of the voting rights of the Company, this does not affect his independency.<br>He has indicated his intention to perform his duties as a director for the Company, and not any specific shareholder. |
| <b>Osamu NAGAYAMA</b>          | Mr. Osamu NAGAYAMA is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges.<br>[Significant concurrent positions]:<br>Senior Adviser (Honorary Chairman), Chugai Pharmaceutical Co., Ltd.<br>President, Japan Bioindustry Association<br>Chairman, Tokyo Biochemical Research Foundation   | Mr. Osamu NAGAYAMA has extensive experience and broad expertise in management as the CEO of the global corporation Chugai Pharmaceutical Co., Ltd. and deep familiarity with the electronics industry from his experience as an outside director of Sony Corporation, and because he is expected to appropriately supervise the management of the Company.<br>He does not maintain relationships, transactions, or other significant interests as stipulated in the Independence Criteria for Outside Directors established by the Company in addition to the independence criteria established by Tokyo Stock Exchange, Inc. and other financial instruments exchanges in Japan.   |

## Activities of the Board of Directors

Please see [P. 35-38](#) of the 181st Business Report for information on activities such as attendance rate of outside directors at the Board of Directors in FY2019.

# Evaluation of the Effectiveness of the Board of Directors

(Source: Corporate Governance Report (published on August 25, 2020))

The Company undertakes annual evaluations of the effectiveness of the board of directors, for the purposes of recognizing the current status, identifying any issues, and further improving the board's functioning.

In 2020, we appointed an external evaluator, and a questionnaire and interview were conducted with all directors as follows, and a questionnaire and interview were conducted with all directors, and a third-party evaluation was conducted based on the results of the questionnaires and interviews. Based on the third-party evaluation results, discussions were held at meetings of the Board of Directors.

## Summary of Evaluation and Discussion Results

### 1. Results of third third-party evaluation

The survey highly evaluated the number and composition of the Board of Directors, the frequency and timing of meetings of the Board of Directors, the risk management system, and the appropriate provision of information to the 3 committees. In the interview, the number and composition of the Board of Directors, risk management system, and the provision of information to each committee were well-evaluated, and it was confirmed that the Board of Directors deliberated actively. Based on these results, we believe that the Board of Directors and committees are functioning effectively in general.

### 2. Future Challenges and Improvements

#### a. Consider direction for board structure, including board diversity

Regarding the diversity of directors, there were opinions that they were biased toward specialization in capital markets and capital efficiency, and that there was a shortage of people who could understand the technology, and that it was desirable to increase the ratio of internal directors. There were also opinions that gender diversity should be considered.

The Nominating Committee has so far decided on candidates for director based on their expertise, background, gender, and other factors. We will continue to consider candidates for director based on the results of this assessment of effectiveness.

#### b. Improving the efficiency of preparations and management of the Board of Directors

In order to enhance discussions at meetings of the Board of Directors, there were opinions calling for improvements in materials and presentations at meetings of the Board of Directors. In addition, while evaluating the preliminary briefing activities currently conducting, there were opinions calling for further utilization.

We continues to conduct a preliminary briefing for foreign outside directors to facilitate efficient and extensive discussions even within the limited time required for the Board of Directors, and strive to deepen directors' understanding of the agenda and important issues before the Board of Directors meetings.

#### c. Establishment of a system for prompt coordination of risk information and other information with the Board of Directors

The opinion was expressed that there was a gap in the quality and speed of information sharing between internal directors, audit committee members, and other outside directors.

In order to facilitate smoother communication among directors and facilitate information sharing and exchange of opinions, the Board of Directors will consider holding meetings for directors only (not including executive officers) separately from the Board of Directors and establishing opportunities for further information sharing and exchange of opinions through free discussions, such as the establishment of informal lunch or dinner.

# Compensation Policy and The Amount of Compensation

(Source: P.9 of Corporate Governance Report (August 25, 2020) and translation of P. 95 of the 181st Annual Securities Report)

## Compensation Policy

The Compensation Committee establishes compensation policy for the compensation of each Director and/or Executive Officer as follows: Since the main responsibility of Directors is to supervise the execution of the overall Group's business and to increase corporate value, "Compensation for Directors" is determined at an adequate level to secure highly competent personnel and ensure effective work of the supervisory function, and increasing corporate value from a medium-to long-term perspective.

Since the responsibility of Executive Officers is to increase corporate value in their capacity as executives responsible for companies or divisions within the Group, "Compensation for Executive Officers" is divided into the fixed compensation and the performance-linked compensation, and determined at an adequate level to secure highly competent personnel and ensure the effectiveness of their compensation package as an incentive to improve business performance.

### a. Compensation for Directors

- Directors are paid the Base salary (fixed amount) in accordance with the scope of their responsibilities. An allowance is provided for nonresidents of Japan (the country where the HQ is located).
- The stock compensation is paid in the form of the Company's stock, mechanisms such as restricted stocks with transfer restrictions until retirement
- Directors who concurrently hold office as an Executive Officer are paid only the compensation for Executive Officers specified in (b) below.

### b. Compensation for Executive Officers

- Compensation for Executive Officers consists of Base salary (fixed amount), and stock compensation (fixed amount), determined according to rank, and performance-linked compensation.
- Performance-linked compensation is determined in accordance with the performance of the Company as a whole and managed business and Medium-to Long-Term Management Indicators under the charge of the Executive Officers during the fiscal year, with cash and stock of the Company paid at a rate set according to rank.
- With regard to the stock compensation and performance-linked compensation (Shares) that is paid in the form of the Company's stock, mechanisms such as restricted stocks with transfer restrictions until retirement are used to secure effectiveness as an incentive for medium- to long-term improvement of business performance.

### c. Compensation Standards

Compensation standards are determined at suitable levels as a global company, with the aim of securing highly competent management personnel. The compensation standards of other listed companies and their employee payroll and benefits are considered when determining the Company's compensation standards.

Compensation pertaining to the above is set as follows:

|                   |  |
|-------------------|--|
| Director          | Base salary + Stock compensation + Allowance for non-residents of Japan              |
| Executive officer | Base salary + Stock compensation + Performance-linked compensation (shares and cash) |



## Performance-linked Compensation

We stipulate the payment of performance-linked compensation to executive officers in accordance with the compensation policy. Performance-linked compensation is a monetary compensation claim to determine the total amount to be paid in such a way as to function as an incentive to increase our corporate value, and to allocate a certain percentage in accordance with the position as a monetary compensation claim. The monetary compensation claim is invested in kind by the Company as an investment property. In addition to having the executive officers hold our common stock, the remaining percentage of the total amount paid is paid in cash.

Performance-linked compensation is set at a minimum of ¥0 and is set at a level that takes into account the payment results of similar performance at domestic and overseas peer companies if certain performance targets are achieved as targeted by us.

The following table shows the methods used to determine the indicators and amounts related to performance-linked compensation.

Total amount paid = (a) Short-term incentive compensation  
+ (b) Long-term incentive compensation

### Method of determining (a)

The amount in (a) is determined by adding or subtracting an amount ranging from the individual assessment of +/-25% to the amount calculated by multiplying (i) the degree of achievement of the previous year's operating income against our managerial accounting objectives and (ii) the multiplication rate by position based on the degree of achievement of the previous year's operating cash flow against our managerial accounting objectives, respectively, by the level of the amount by position. The evaluation indicators were selected from the viewpoint of clearly showing the company's performance for a single fiscal year among the numerical targets in the Toshiba Next Plan and indicators that contribute to achieving profit levels and promoting management on a par with those of other companies in the same industry. In addition, for executive officers in charge of individual business divisions, the amount is calculated by adding up half of the amount calculated based on indicators for the company as a whole and the business division for which he or she is responsible, and for other executive officers, the amount calculated based on indicators for the company as a whole.

### Method of determining (b)

The amount in (b) is calculated by multiplying the multiplication rate by position according to the results of relative TSR (total shareholder return) for 3 years by the monetary level for each position. The 3-year relative TSR calculation method is as follows:

3-year relative TSR = our 3-year TSR - 3-year capitalization-weighted average TSR of the peer group

The peer group consist of 7 domestic and overseas companies with an average market capitalization of at least ¥1 billion for companies that are similar to our business portfolio or listed on the First Section of the Tokyo Stock Exchange, taking the shareholder's perspective into account. Evaluation indicators were selected from the viewpoint of contributing to awareness of the enhancement of long-term corporate value and shareholder value. Since the calculation period is 3 years, performance-linked compensation will be applied from FY2019 and will begin to be paid in FY2022.

The ratio of stocks and cash paid for performance-linked compensation are as follows by position. However, due to rounding, there may not be an exact match.

| Positions                        | Stocks ratio (%) | Cash ratio (%) |
|----------------------------------|------------------|----------------|
| Chairman and President           | 60               | 40             |
| Vice Presidents                  | 60               | 40             |
| Executive Senior Vice Presidents | 60               | 40             |
| Senior Vice Presidents           | 60               | 40             |
| Vice Presidents                  | 60               | 40             |

The percentage of compensation paid, other than performance-linked compensation and performance-linked compensation, is not determined in advance and is subject to fluctuation based on performance results in the above decision-making method. Accordingly, the Company has not established a policy regarding the determination of such compensation.

## Total Amount of Compensation by Officer Category, Total Amount of Compensation by Type, and the Number of Eligible Officers

| Category                                | Total amount of Compensation (millions of yen) | Fixed compensation | Performance-linked compensation | Executives eligible (persons) |
|---|--|--------------------|---------------------------------|-------------------------------|
| Directors (excluding outside directors) | 17   | 17                 | –                               | 5                             |
| Outside Directors                       | 222  | 222                | –                               | 14                            |
| Executive Officers                      | 1,023  | 677                | 346                             | 15                            |

Note: Total amount of compensation, fixed compensation and performance-linked compensation include payment by stock.

## Total Amount of Consolidated Compensation for Each Officer

| Name               | Consolidated compensation total amount (millions of yen) | Category of directors | Category of companies | Amount by type of consolidated compensation (millions of yen) |                                 |                     |
|--------------------|--|-----------------------|-----------------------|---|---------------------------------|---------------------|
|                    |  |                       |                       | Fixed compensation  | Performance-linked compensation | Retirement benefits |
| Satoshi Tsunakawa  | 193  | Director              | Submitted Company     | 6   | –                               | –                   |
|                    |  | Executive Officer     | Submitted Company     | 101   | 86                              | –                   |
| Nobuaki Kurumatani | 193  | Director              | Submitted Company     | 6   | –                               | –                   |
|                    |  | Executive Officer     | Submitted Company     | 101   | 86                              | –                   |

Note: Of the total consolidated compensation to Satoshi Tsunakawa and Nobuaki Kurumatani, 20% of fixed compensation as an executive officer and 60% of performance-linked compensation as an executive officer are due to restricted stock compensation.

Targets for performance-linked compensation indicators for the most recent fiscal year are as follows:

|  |                                  |
|--|----------------------------------|
| Indicators related to operating income in the previous fiscal year (company as a whole, managed business)    | Managerial accounting objectives |
| Indicators related to operating cash flow in the previous fiscal year (company as a whole, managed business) | Managerial accounting objectives |
| There are no target values for individual evaluation and relative TSR for 3 years.                           |                                  |

In addition, the performance indicators related to performance-linked compensation in the most recent fiscal year are as follows.

|  |  |
|--|--|
| Indicators related to operating income in the previous fiscal year (company as a whole, managed business)    | Our actual management accounting results   |
| Indicators related to operating cash flow in the previous fiscal year (company as a whole, managed business) | Our actual management accounting results   |
| Individual evaluation  | The Compensation Committee decides on the basis of comprehensive consideration of non-financial evaluations, such as management initiatives and special contributions.   |
| 3-year relative TSR  | Relative evaluation of our TSR performance over the 3-year period and the TSR performance of the peer group over the 3-year period (there are no performance values applied to the 2019 performance-linked compensation as the 3-year period is used). |

\* The following formula is used to calculate performance-linked compensation under the executive officer compensation system. The peer group consists of 7 domestic and overseas companies with an average market capitalization of at least ¥1 billion for companies that are similar to our business portfolio or listed on the First Section of the Tokyo Stock Exchange, considering the perspective of shareholders.

Total shareholder return =  $\left(\frac{(1 + R(c)) \times P(c)}{P(o)} - 1\right) \times 100$

$R(c) = \left(\frac{1 + D(1)}{P(1)}\right) \times \left(\frac{1 + D(2)}{P(2)}\right) \times \left(\frac{1 + D(3)}{P(3)}\right) \times \left(\frac{1 + D(4)}{P(4)}\right) \times \left(\frac{1 + D(5)}{P(5)}\right) \times \left(\frac{1 + D(6)}{P(6)}\right) - 1$

D(1) = First dividend amount in the first year of each performance period

D(2) = Second dividend amount in the first year of each performance period

D(3) = First dividend amount in the second year of each performance period

D(4) = Second dividend amount in the second year of each performance period

D(5) = First dividend amount in the third year of each performance period

D(6) = Second dividend amount in the third year of each performance period

P(1) = Stock price on the ex-dividend date of the first dividend in the first year of each performance period

P(2) = Stock price on the ex-dividend date of the second dividend in the first year of each performance period

P(3) = Stock price on the ex-dividend date of the first dividend in the second year of each performance period

P(4) = Stock price on the ex-dividend date of the second dividend in the second year of each performance period

P(5) = Stock price on the ex-dividend date of the first dividend in the third year of each performance period

P(6) = Stock price on the ex-dividend date of the second dividend in the third year of each performance period

P(c) = Stock price at the end of each calculation period

P(o) = Stock price at the beginning of each calculation period.

## The Name of the Person Who Has the Authority to Make Decisions on the Policy on the Determination of the Amount of Compensation, Etc. for Officers or the Method for Calculating Such Amount, and the Contents of Such Authority and the Scope of Discretion

Since we are a company with three committees, it is the compensation committee that has the authority to decide on the amount of compensation, etc. for our officers or the policy for determining the method of calculating such amount, and the contents of authority and scope of discretion are matters stipulated in Article 404-3, 409, and Article 417-1 and -3 of the Companies Act, matters related to the operation of the compensation committee, etc. The Compensation Committee is composed of about 5 outside directors.

## Activities of the Compensation Committee in the Current Fiscal Year

The activities of the Compensation Committee during the fiscal year under review are as follows.

- The committee deliberated on the compensation received by directors from July 2019 onward.
- The committee deliberated on the return of compensation.
- The committee deliberated on executive officer stock compensation and outside director compensation.
- Based on the FY2018 performance evaluation, the committee deliberated on the payment of performance-linked compensation to executive officers and others.
- The committee deliberated on revisions to the rules for executive compensation and the rules for the Compensation Committee.
- The committee deliberated on the details of individual compensation to be received by directors and executive officers from July 2019 onward.
- The committee deliberated on the revision of the executive officer and outside director compensation systems.
- The committee deliberated on decision of a peer group.
  - \* We have established a peer group) as a benchmark for calculating the 3-year relative TSR, which is an evaluation index for long-term incentive compensation among executive officers, and considering the level of compensation for executive officers. Relative TSR refers to our TSR less the market capitalization weighted average TSR of the peer group.
- The committee deliberated on the level of compensation for executive officers, outside directors, and the Chairman.
- Since April 2020, the committee deliberated on the details of individual compensation received by executive officers and the Chairman.
- The committee deliberated on the lifting of restrictions on the transfer of stock compensation for retired executive officers and other executive officers.
- The committee deliberated on individual compensation for outside directors.

# Toshiba's Internal Control Systems Development Status

Toshiba Group constantly refines its system of internal controls, towards ensuring management effectiveness and efficiency and reliable reporting on operations and finances and to secure high level legal compliance and risk management. We also ensure that domestic Group companies, regardless of the scale of their operations, establish internal control systems based on those of the parent Company, as follows.

(Source: Page 37 of the Business Report for the 180th fiscal period)

## Systems to Ensure the Appropriateness of Business Operations of Toshiba Corp. and its Subsidiaries

### The Board of Directors resolved systems to ensure the appropriateness of business operations as follows:

#### 1. System to ensure that Executive Officers' compliance with laws and regulations and the Articles of Incorporation.

- 1) Executive Officers periodically report to the Board of Directors of Toshiba Corp. on their execution of their duties and are required to report on necessary items to the Board of Directors, as necessary.
- 2) The Executive Officer in charge of the Internal Audit Division or the General Manager of the Internal Audit Division periodically reports to the Board of Directors of Toshiba Corp. on internal audit results.
- 3) The Audit Committee of Toshiba Corp. periodically interviews Executive Officers, and the General Manager of the Internal Audit Division periodically reports to the Audit Committee on internal audit results.
- 4) Executive Officers report to the Audit Committee of Toshiba Corp. on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.
- 5) Toshiba Corp. has established the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees and ensures, through continuous execution of officer education, etc., that Executive Officers of Toshiba Corp. comply with the Toshiba Group Standards of Conduct.
- 6) Toshiba Corp. separates supervision from business execution by placing the Internal Audit Division under the direct control of the Audit Committee and establishes a system in which the Internal Audit Division effectively performs audits of accounting, compliance inspections and audits of other matters.

#### 2. System for retention and management of information concerning Executive Officers' execution of their duties.

- 1) In accordance with the Rules concerning the Document Retention Period, Executive Officers of Toshiba Corp. appropriately retain and manage material documentation, such as information materials for the Management Meetings and decision-making documents, and other documents such as account books and records.
- 2) Executive Officers of Toshiba Corp. run a system that allows Directors to access significant information, such as information materials for the Management Meetings, decision-making documents, financial statements and records and business reports.

#### 3. Rules and other systems concerning risk of loss management

- 1) In accordance with the Basic Rules concerning Risk-Compliance Management, the Chief Risk-Compliance Management Officer (hereinafter referred to as the "CRO") of Toshiba Corp. formulates and promotes measures concerning crisis and risk management of Toshiba Group in his/her capacity as the chairman of the Risk-Compliance Committee. In formulating and promoting such measures, the CRO appropriately performs risk of loss management for the entire Toshiba Group by confirming and improving the effectiveness of such measures.
- 2) Executive Officers of Toshiba Corp. formulate and promote measures necessary for continuously clarifying business risk factors of Toshiba Group and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.

#### 4. System to ensure that Executive Officers efficiently execute their duties

- 1) The Board of Directors of Toshiba Corp. determines the basic management policy and approves the midium-term business plan and annual budgets of Toshiba Group prepared by the Executive Officers.
- 2) The Board of Directors of Toshiba Corp. delegates authority and responsibilities to each Executive Officer in an appropriate manner, and Executive Officers clarify the authority and responsibilities of the Executive Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.
- 3) Executive Officers of Toshiba Corp. set concrete targets and roles for organizations and employees.
- 4) Executive Officers of Toshiba Corp. make decisions on business operations based on appropriate procedures in accordance with the Board of Directors Rules, the Corporate Decision Making Rule and other rules.
- 5) Executive Officers of Toshiba Corp. appropriately evaluate the performance of Toshiba Group by means of the Performance Evaluation Committee.
- 6) Executive Officers of Toshiba Corp. promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.

## 5. System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation

- 1) The Chairman and Chief Executive Officer and the President and Chief Operating Officer ensure, through continuous execution of employee education, etc., that employees comply with the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees.
- 2) The CRO of Toshiba Corp. formulates and promotes measures of Toshiba Group concerning compliance with laws and regulations in his/her capacity as the chairman of the Risk-Compliance Committee in accordance with the Basic Rules concerning Risk-Compliance Management.
- 3) Toshiba Corp. establishes a whistle-blower system in which the officers and employees of Toshiba Corp. are able to make a report to the business execution side of Toshiba Corp. if they become aware of an illegal act of Toshiba Corp., and the Executive Officer of Toshiba Corp. in charge endeavors to detect problems early and deal with them in an appropriate manner by making use of the whistle-blower system. The Toshiba Group Standards of Conduct clearly stipulate that the officers and employees who have used this system must not be treated disadvantageously on the grounds that they have done so. In addition, Toshiba Corp. establishes a whistle-blower system in which the Audit Committee of Toshiba Corp. directly receives internal reports and endeavors to collect information on problems early.

## 6. System to ensure the appropriateness of business operations of the corporate group composed of Toshiba Corp. and its subsidiaries

- 1) The subsidiaries adopt and implement the Toshiba Group Standards of Conduct and establish whistle-blower systems according to the legal systems and circumstances of the countries in which they operate.
- 2) Toshiba Corp. establishes a system in which its subsidiaries report to Toshiba Corp. in accordance with the Operational Communication Arrangement, etc. in the event that material issues arise in their business operations.
- 3) Toshiba Corp. formulates appropriate measures for internal control, including that of its subsidiaries, and causes its subsidiaries to promote the measures according to their situations.
- 4) The subsidiaries establish audit systems such as auditors in accordance with the Toshiba Group Auditors' Audit Policy.
- 5) Toshiba Corp. executes internal audits on the accounting treatment processes and business processes of its subsidiaries.
- 6) Toshiba Corp. appropriately and effectively manages the systems and business processes common throughout Toshiba Group and establishes a system in which shared resources are appropriately and effectively allocated.
- 7) Under the relevant license agreements, Toshiba Corp. in principle obligates its affiliates that are permitted to use "Toshiba" in part of their company names to adopt the Toshiba Group Standards of Conduct.

### Items Necessary for Performance of Duties by the Audit Committee of Toshiba Corp.

#### The Board of Directors resolved items necessary for the Audit Committee's performance of its duties as follows:

#### 1. Directors and employees assigned to assist the Audit Committee in the performance of its duties

In order to assist the Audit Committee of Toshiba Corp. in the performance of its duties, the Audit Committee Office consisting of around ten staff is established, and the head of the Audit Committee Office is an Executive Officer (including the Executive Officer who acts concurrently as a director).

#### 2. Ensuring independence of employees mentioned in the preceding paragraph from Executive Officers and effectiveness of instructions to such employees

The Audit Committee has the right to approve the appointment, request the dismissal, and veto the dismissal of the head and employees of the Audit Committee Office of Toshiba Corp., and the head of the Audit Committee Office is under the direction of the Audit Committee. The employees of the Audit Committee Office are under the direction of the Audit Committee and the head of the Audit Committee Office

#### 3. System for reporting to the Audit Committee

- 1) Directors, Executive Officers and employees of Toshiba Corp. report to the Audit Committee on each relevant occasion in accordance with the Rules concerning Reporting to the Audit Committee and the Rules concerning Operation of the System of Reporting to the Audit Committee in the event that any material issue arises that may affect operations and financial performance.
- 2) The subsidiaries of Toshiba Corp. periodically report their situations and other matters to the Audit Committee of Toshiba Corp. through the Toshiba Group Auditors Liaison Organization, etc. In addition, Toshiba Corp. establishes the Toshiba Group Auditor Hotline through which the auditors and employees in charge of audit reporting of the subsidiaries are able to make a report to the Audit Committee if they become aware of an illegal act of such subsidiaries.
- 3) Toshiba Corp. establishes the Audit Committee Hotline through which the officers and employees of Toshiba Corp. and officers and employees of its domestic subsidiaries are able to make a report to the Audit Committee of Toshiba Corp. in accordance with the Rules concerning Operation of the System of Reporting to the Audit Committee if they become aware of an illegal act of Toshiba Corp. or such subsidiaries.
- 4) The Chairman and Chief Executive Officer or the President and Chief Operating Officer provides members of the Audit Committee designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.

#### 4. System to ensure that persons reporting to the Audit Committee are not treated disadvantageously on the grounds that they have made such report

The Rules concerning Reporting to the Audit Committee and the Rules concerning Operation of the System of Reporting to the Audit Committee clearly stipulate that the officers and employees of Toshiba Group who have made a report to the Audit Committee of Toshiba Corp. must not be treated disadvantageously on the grounds that they have done so.

#### 5. Policy on procedures for advance payment or redemption of expenses arising from performance of duties of the Audit Committee's members and other settlement of expenses or debts arising from performance of such duties

If a member of the Audit Committee requests Toshiba Corp. to make advance payment of the expenses, etc. set out in Article 404, Paragraph 4 of the Companies Act in relation to the performance of his or her duties, unless it is determined after examination by the relevant departments that the expenses or debts in relation to such request are not necessary for the performance of duties of such member of the Audit Committee, Toshiba Corp. promptly settles such expenses or debts. Toshiba Corp. annually budgets a certain amount for the payment of expenses and other costs arising from the performance of duties of the Audit Committee's members. If the need arises during the fiscal year, Toshiba Corp. increases the budget after examination by the relevant departments at the request of the Audit Committee's members.

#### 6. Other system to ensure that audits by the Audit Committee are conducted effectively

- 1) The Chairman and Chief Executive Officer or the President and Chief Operating Officer periodically exchanges information with the Audit Committee.
- 2) Executive Officers and employees report the execution of their duties to the Audit Committee by means of the periodic interviews conducted by the Audit Committee and circuit interviews.
- 3) The Audit Committee places the Internal Audit Division under its direct control. The Audit Committee presents audit policies and gives audit instructions to the Internal Audit Division. The General Manager of the Internal Audit Division periodically reports the internal audit results to the Audit Committee.
- 4) The Audit Committee has accounting auditors provide explanations and reports concerning the accounting audit plan at the beginning of each fiscal year, the situation of accounting audits during each fiscal year, and the results of the accounting audits at the end of each fiscal year.
- 5) The Executive Officer in charge provides explanations to the Audit Committee concerning the settlement of accounts at the end of each fiscal year as well as each quarterly settlement of accounts prior to the approval by the Board of Directors.
- 6) The General Manager of the Internal Audit Division is appointed an Executive Officer, or the Executive Officer is appointed to being in charge of the Internal Audit Division. The Audit Committee has the right to approve the appointment, request the dismissal, and veto the dismissal of the General Manager of the Internal Audit Division and the Executive Officer in charge of the Internal Audit Division. The General Manager of the Internal Audit Division and the Executive Officer in charge of the Internal Audit Division are under the direction of the Audit Committee.
- 7) The members of the Audit Committee have the right to access all internal reports made to the whistle-blower system on the business execution side.

\* Now "Toshiba Group Standards of Conduct" is renamed to "Standards of Conduct for Toshiba Group."

## Status of Internal Audits and Audits by the Audit Committee

(Source: the securities report for the 181th fiscal period)

### 1. The Internal Audit and the Audit Committee organization, personnel and procedures

The Internal Audit Division (personnel: 43 staff) was established as an internal audit department, and is under the direct control of the Audit Committee. By monitoring the operational status of key subsidiaries (key Group companies) on a daily basis, the internal Audit Division is able to strengthen the audit system with respect to their operations. By strengthening cooperation with the Audit Committee, the Accounting Auditor, we seek to strengthen the various audit functions, such as accounting audits, internal control audits and audits on legality.

### 2. Mutual cooperation between the internal audit, the Audit Committee audit and the accounting audit, and the relationship with the Internal Control Division

Mutual cooperation between internal audits, Audit Committee's audits and the accounting audits is detailed in "1. The Internal Audit and the Audit Committee organization, personnel and procedures." In Toshiba, divisions responsible for internal controls ensure the appropriateness of all information disclosure, including financial reporting, and the effectiveness and efficiency of operations, compliance, and risk management, etc. The Legal Affairs Div., Accounting Div., CRO, and Risk Compliance Committee are included among divisions in this category. Along with providing the Audit Committee with timely reporting required by the "Audit Committee reporting and information access rules," the said divisions responsible for internal controls also provide information to the internal Audit Division and Accounting Auditor from time to time, as required.



# Risk Management and Compliance



In order to respond appropriately to changes in laws and regulations in every country of the world, the globalization of management and the diversification of business, Toshiba Group is enforcing global compliance with laws and regulations, internal rules, and social and ethical norms.

## Medium- to Long-term Vision

We aim to regain the trust from all of our stakeholders by striving to improve and strengthen our internal control system through more stringent compliance and a more robust risk management system.

## FY2019 Achievement

- To raise awareness among top management and employees, we held training sessions for executives and senior management five times with a total of 317 participants (Toshiba Group in Japan). We also continued to conduct general compliance training including accounting compliance.
- In response to COVID-19, we rolled out an emergency operating system with infection prevention measures that included regulating employee access to the workplace and adjusting the business calendar.
- In response to COVID-19, we took measures coordinated with suppliers to secure the supply of procured items.

## Future Challenges and Approaches

We will continue striving to implement a more effective compliance system and policy based on an awareness of risk in order to strengthen risk management and compliance for Toshiba Group as a whole.

## Policy on Risk Management and Compliance

Toshiba's shares were designated as securities on alert on September 15, 2015 and stock under supervision. As a result of the examinations by the Tokyo Stock Exchange and Nagoya Stock Exchange into the status of improvements made to the internal control system thereafter, the aforementioned designation was lifted on October 12, 2017. Toshiba then released its "Report on Improvements of Internal Management System" on October 20, 2017, and as reported in the "Progress Report on Improvements of Internal Management System" on July 25, 2018, Toshiba will continue its efforts to strengthen the internal control system in the future and will work to regain the trust of shareholders, investors, and all other stakeholders.

At Toshiba Group, we formulated and are striving to entrench [the Standards of Conduct for Toshiba Group](#) (SOC) as a specific action guideline since we are a company that contributes to the realization of a sustainable society while conducting fair, sincere and highly transparent business activities. Thus we are working toward making the SOC an integral part of the entire Toshiba Group. Furthermore, in order to respond to changes in the business environment, such as new technologies and growing supply chains in developing countries, and to the diverse and ever-changing risks that arise when conducting business activities, we are striving to prevent risks in advance, and to minimize losses from individual incidents.

## Toshiba Group's Policy to the Fraud Risk

Based on its policy to the fraud risk, Toshiba Group strives to detect such risks at an early stage and takes advanced measures to prevent it.

### Toshiba Group's policy to the fraud risk

#### 1. Strengthen governance through understanding of the actual situation at each Group company

- 1) In April 2019, we developed and began operating our own Risk Management System (RMS), which incorporates corporate-led PDCA\*, in order to grasp the actual status of compliance and other risk initiatives at Group companies and encourage them to improve themselves. Furthermore, in FY2020 we will systematically organize and refine fraud risk scenarios in order to reinforce our efforts to prevent fraud among Group companies. We will then strengthen guidance for understanding and improving the status of fraud risk initiatives at Group companies.

\* Plan: Identification and assessment of risks; Do: creation and operation of rules; Check: review and fact-finding surveys; Action: formulation and implementation of improvement plans

- 2) In the Toshiba Next Plan, we aim to reduce the number of affiliates by 25%. We will continue to promote this initiative to strengthen the governance of Group companies.
- 3) In the future, by introducing the next-generation mission-critical system, which is currently in progress, we will create an environment in which transaction data of each Group company can be extracted and analyzed directly from the system, and then reported to the risk management division and the audit division, etc. so that we can conduct agile investigations, etc.

#### 2. Identification of fraud risk items based on the business activities of each Group company and scandals at other companies

As stated in "Strengthening governance through understanding of the actual status of each Group company," in FY2020 we began to implement fraud risk management measures that were not sufficiently incorporated into the existing RMS. Specifically, the Group will systematically organize fraud risk scenarios by using outside experts based on cases of fraud at other companies, and collaborate with the divisional companies in charge of business areas as well as the audit division and the accounting auditor to conduct detailed identification of fraud risk items based on business characteristics. The Group will then utilize the results to ascertain the status of fraud risk initiatives at Group companies and provide guidance for improvement.

## Response to Compliance 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.

> [Compliance Initiatives](#)

# Structure of Risk Management and Compliance

At Toshiba, we appoint a Chief Risk Compliance Management Officer (CRO) to oversee risk management and compliance for the whole Group. In addition, the Legal Affairs Division responds to whistleblower reports and attempts to achieve global compliance, and is advancing effective risk management and compliance activities.

There is also a Risk Compliance Committee chaired by the CRO and attended by the executive officers of corporate staff divisions. The Committee analyzes whistleblower reports and cases both inside and outside the Company, and identifies risks based on risk tables that cover the entire management environment. It also reviews activities and deliberates on priority measures from the immediate fiscal year.

Each key Group company is advancing its own priority measures for risk management and compliance, determined by a risk-based approach, in addition to the priority measures common to the whole Company.

In the event of a serious risk management and compliance issue, there is a system in place by which the relevant in-house committees, etc. promptly evaluate and implement countermeasures.

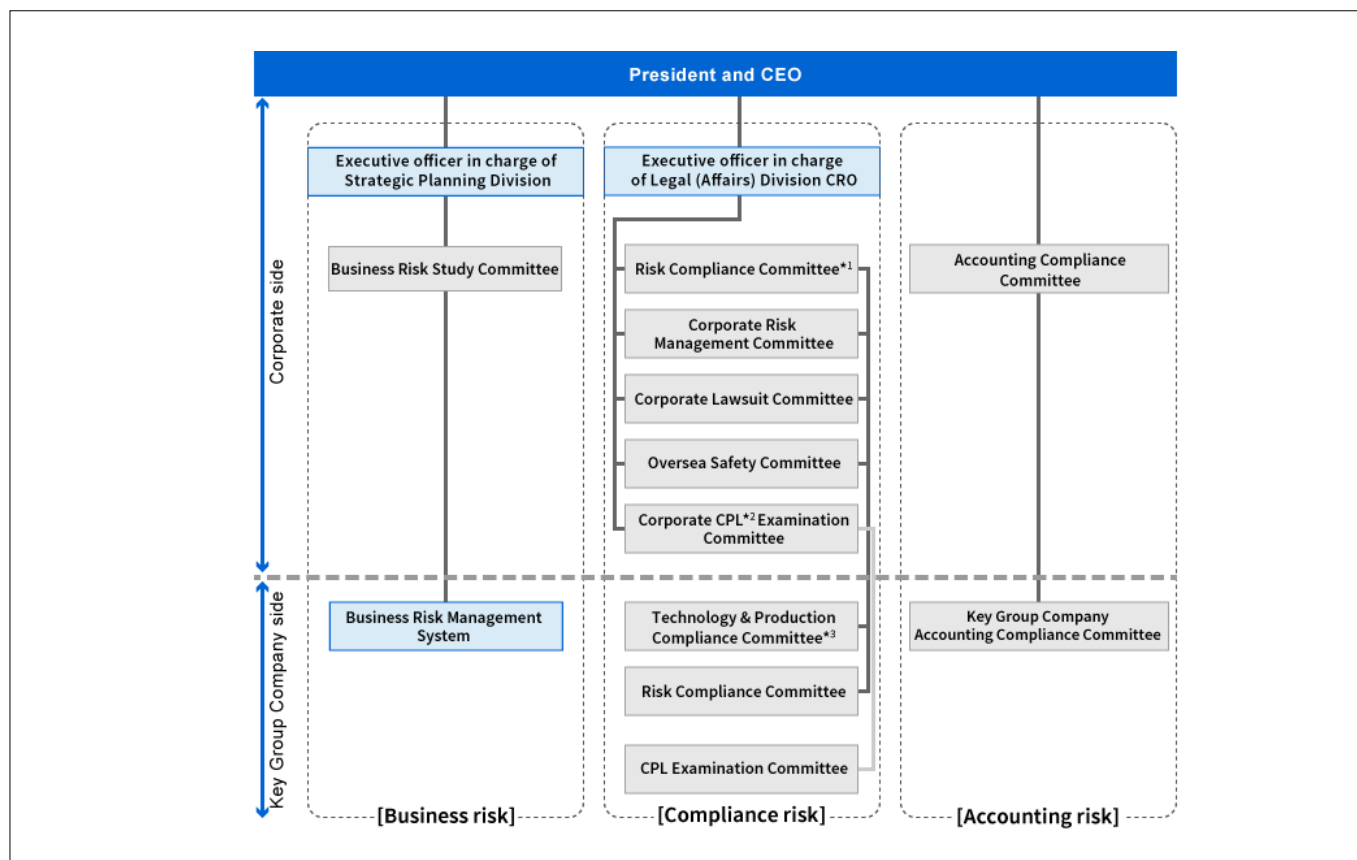
In March 2016, Toshiba established a new Accounting Compliance Committee. Its purpose is to aggregate finance- and accounting-related information, and to identify signs that might point to inappropriate financial reporting, doing both in timely fashion, and to detect risks that threaten internal control at an early stage.

The President and CEO is the head of the Accounting Compliance Committee, and the Audit Committee and the Internal Audit Division act as observers. Together they assess the risk of financial statements not being created or disclosed properly, and the risk that internal control is not functioning effectively to support the reliability of financial reports. Having done this, they supply information needed to prevent these risks, and discuss and decide on measures to deal with them.

Meanwhile, Toshiba has set up a three lines of defense, with the relevant business divisions as the front line, the administrative divisions as the second, and the audit divisions as the third. The system is designed to ensure effective risk management by assigning to each line a clearly defined role and set of duties, which it carries out appropriately, at the same time exercising a checks-and-balances function. In order to strengthen the monitoring function of the third line, on July 8, 2020, we established the Compliance Advisory Meeting by inviting two external experts with extensive knowledge of compliance as a part of wider initiatives to strengthen the internal control system. The role of the panel is to suggest improvements to the measures that Toshiba is implementing to strengthen company-wide compliance and prevent fraud, as well as to make proposals for medium- to long-term measures to achieve continuous improvement of internal control.

In addition to this compliance-related risk management, Toshiba deals with risk related to management decisions (strategic decision-making, execution of business activities, etc.) as business risk by clearly stating management's duty to contribute to the Toshiba Group's sustainable growth and corporate value increase through its decision-making, setting out the permissible risk limits and corporate policy on business withdrawal, and subjecting each case to advance risk assessment by the Business Risk Review Committee to establish the maximum risk and items for monitoring.

## Risk Management and Compliance Committee



\*1 The Risk Compliance Committee manages matters related to the Standards of Conduct for Toshiba Group and matters related to risk management and compliance.

\*2 CPL is an abbreviation combining CL (contractual liability) and PL (product liability).

\*3 The key Group company Technology & Production Compliance Committee can be integrated with other committees such as the company Risk Compliance Committee.

## Whistleblower System

In order to create an open work environment, Toshiba is enhancing its whistleblower system, on top of preventing risks by stimulating day-to-day communication in each workplace.

In January 2000, Toshiba established a whistleblower system "Toshiba Hotline" 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 via e-mail or phone. In addition to the internal office, a reception hotline was set up at an external attorney's office in January 2005, primarily to receive information about potential legal violations. 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.

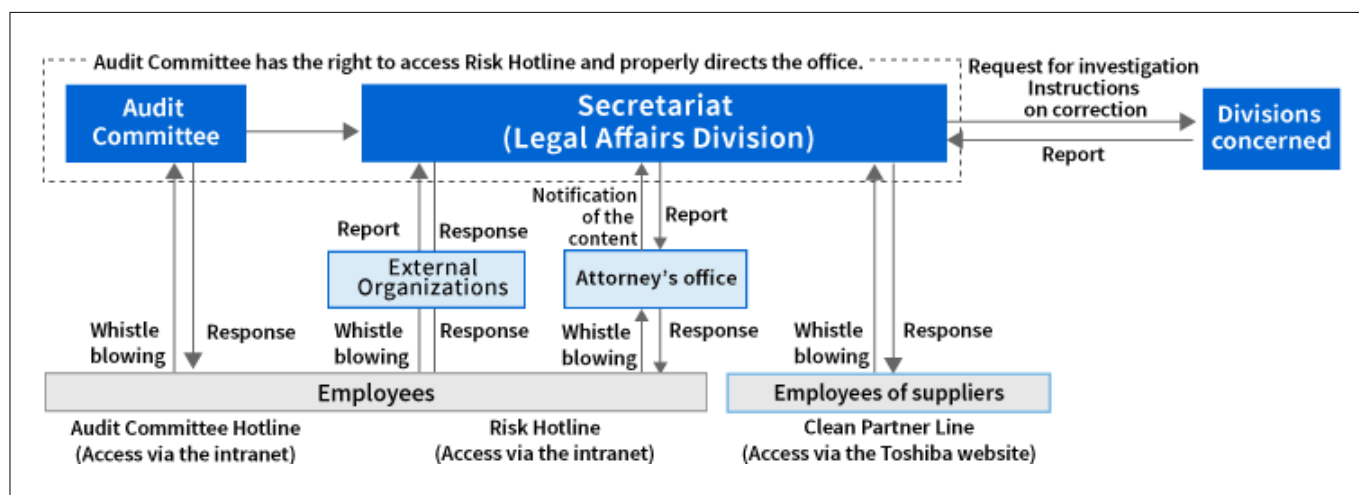
Furthermore, in October 2015, the new Audit Committee Hotline was set up, which allows people to report directly to the Audit Committee, which is composed of outside directors. With this new system, even matters in which the involvement of top management is suspected can be safely reported. The Audit Committee also has access rights to the Toshiba Hotline, and provides appropriate guidance and supervision.

To protect the whistleblower, the system ensures that officers or employees who provide risk or compliance-related information with honest and legitimate intent do not receive unfavorable treatment as a result of having provided the information.

All Toshiba Group companies have implemented a whistleblower system. The whole Group has been directed to ensure the anonymity of the whistleblower for his/her protection, and, if the whistleblower is an employee who was himself/herself involved in the relevant reported act, to take into account as much as possible the fact of his/her coming forward when deciding what internal disciplinary action should be taken. We are also working to enhance awareness of the whistleblower system by regularly issuing a compilation of whistleblower cases that have actually taken place.

\* In May 2019, the Employee Consultation Room, where employees could discuss individual concerns, and the Risk Hotline, an internal whistleblower system, were integrated as the Toshiba Hotline.

## Toshiba's Whistleblower System



## Operational Status of the “Risk Hotline” in FY2019

The numbers of reports received and consultations undertaken by the “Risk Hotline” and “Audit Committee Hotline” in FY2019 are as follows. We notified employees about the existence of the system and its assurance of strict anonymity through e-learning. We also reported on whistleblower cases to the whole Company on a number of occasions.

### Number of reports received by the “Toshiba Hotline” (previously the Risk Hotline) (within parentheses: anonymous reports)

|  | FY2015                               | FY2016                               | FY2017                               | FY2018                               | FY2019                              |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Reports received by internal secretariat | 204 reports<br>(121 reports)         | 389 reports<br>(235 reports)         | 243 reports<br>(147 reports)         | 206 reports<br>(142 reports)         | 109 reports<br>(53 reports)         |
| Reports received by attorney's office    | 4 reports<br>(1 report)              | 12 reports<br>(7 reports)*           | 10 reports<br>(2 reports)*           | 3 reports<br>(1 report)              | 1 report<br>(1 report)              |
| <b>Total</b>                             | <b>208 reports<br/>(122 reports)</b> | <b>399 reports<br/>(240 reports)</b> | <b>253 reports<br/>(149 reports)</b> | <b>209 reports<br/>(143 reports)</b> | <b>110 reports<br/>(54 reports)</b> |

\* Including duplicate reports received by the internal secretariat

### Number of reports received by the “Audit Committee Hotline” (within parentheses: anonymous reports)

|              | October 2015 to March 2016         | FY2016                             | FY2017                             | FY2018                             | FY2019                             |
|--------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Total</b> | <b>55 reports<br/>(41 reports)</b> | <b>80 reports<br/>(53 reports)</b> | <b>33 reports<br/>(17 reports)</b> | <b>29 reports<br/>(19 reports)</b> | <b>42 reports<br/>(37 reports)</b> |

## Response Status

Of the reports received, those reporting inappropriate situations or concerns about inappropriate situations were reported to the relevant division so that instructions for improvement could be provided or alerts could be issued. In cases involving consultations and questions about duties of the informants themselves, we gave advice on how to deal with the situation. For reports other than the anonymous reports described above, we explained the status of our responses to the informants, in principle. Except in cases in which consent has been obtained from employee, confidential adviser (at the internal secretariat or attorney's office) never disclose the names or contact addresses of the informants. Out of the whistleblower reports, cases that everyone should bear in mind are taught as part of employee training. In order to protect whistleblower anonymity, such cases are presented without any names. The number of reports received is released regularly on the company's internal website.

## Risk Management and Compliance Training

At Toshiba, the President issues message to all employees, and the entire Toshiba Group works to raise compliance awareness and improve corporate culture. In FY2019 the President issued a message to all employees on seven occasions, and a total of 317 people participated in five training sessions for executives and senior management, including those at the Group companies, which have taken place since FY2016 to raise the awareness of top management. Furthermore, to improve the effectiveness of accounting compliance, we also conducted employee seminars targeted by rank and function.

In addition, we provide accounting compliance education through e-learning to deepen employees' understanding about the internal control and J-SOX. In FY2019, all employees (approximately 65,000) of 117 consolidated subsidiary Group companies in Japan and approximately 650 executives of 21 overseas Group companies participated in the seminar.

Going forward, we will continue to implement these training and education programs.



Seminar for senior management

## Making the Standards of Conduct for Toshiba Group Available to All Employees

Toshiba Group has created in 24 languages and made them available on the internal website. Various compliance education programs that incorporate the SOC have been included in the level-based training, occupation-based training and senior management seminars. We are also continuing our education programs, such as e-learning and educational leaflets, for all employees.

## Fostering a Compliance-oriented Culture through Workplace Meetings

Each workplace holds meetings focusing on CSR to raise the awareness of each and every employee with regard to compliance matters so as to make compliance an integral part of the corporate culture.

These meetings aim to prevent compliance violations by encouraging managers and employees to discuss various problems that are likely to arise in the workplace and to share their thoughts with each other in order to create a work environment where they can easily seek advice on all kinds of problems.

The theme in FY2019 was information security. Each workplace held discussions based on a range of information leak scenarios to ensure a shared recognition of the importance of information management at the individual level and to reinforce understanding of correct information management procedures. Approximately 66,000 employees at around 5,800 workplaces of the Group companies participated in discussions. In addition, by soliciting the frank opinions of employees via their workplace managers, and sharing analysis results and key opinions within the company, we monitor the level of compliance awareness at each workplace and develop new measures for the future.



# Inspection of Implementation Status of Risk Management and Compliance Measures

Toshiba's corporate divisions confirm the status of compliance in operations concerning respective areas of jurisdiction and the Internal Audit Division conducts audits of the Group companies.

In April 2019, we independently developed and began operation of a risk management system (RMS) incorporating a corporate-led PDCA cycle that allows integrated risk assessment of each Group company. The aim was to identify the status at each Group company of initiatives on compliance and other risks and to promote improvement.

The Risk Compliance Committee reviews the legal compliance status in each division, as established through the RMS and other checks, as well as the implementation status of various measures to ensure compliance, and reflects its review findings in each measure.

Toshiba also conducts an employee questionnaire survey each year and uses the results as feedback in the drafting of measures to improve compliance awareness.

## Compliance with the Antimonopoly Act and Anti-Corruption

### Policy on Anti-Corruption

In accordance with the Standards of Conduct for Toshiba Group and various internal regulations, Toshiba Group's policy prohibits illegal or improper payments against sound business practices and each country's laws and regulations.

In keeping with this approach, the Toshiba Group is a signatory to the United Nations Global Compact and works globally to comply with antitrust and competition law and prevent corruption.

### Antimonopoly and Anti-bribery Efforts

In response to global regulatory trends, Toshiba has engaged in rigorous efforts to prevent violation of antitrust law and bribery, and has established compliance programs reflecting Japanese domestic law and associated sets of guidelines, which include clearly stated policies prohibiting antitrust law violation and bribery. For example, they designate prohibited acts such as cartels and facilitation payments, and also stipulate matters related to internal procedures including pre-screening and consultation, matters related to internal system, education, and audits. We continued in FY2019 with initiatives that included requiring each key Group company to undertake self-audit as well as measures to identify operating status and ensure comprehensive education.

Furthermore, we have placed managers of legal affairs in major global regions to enhance compliance and support local subsidiaries in such regions. This has been done in order to appropriately control legal risks associated with relevant anti-trust laws, bribery, and the like and ensure thorough compliance in global business, which has been expanding mainly in emerging countries.

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 risk management and compliance structure.

Toshiba is also progressing with measures to promote compliance awareness anchored in the Standards of Conduct for Toshiba Group. In Japan, we conduct regular training on themes including compliance with the Antimonopoly Act and prevention of corruption, and are working to raise the standard of sales-related legal risk management by conducting e-learning and classroom-based courses on sales-related risk for employees.

Overseas, we held legal seminars for those in charge of compliance at local subsidiaries, working together with our regional headquarters, regional legal affairs managers, and others. Attendees discussed measures to enhance compliance in keeping with the Standards of Conduct for Toshiba Group, and fortifies the foundations for strengthening the risk management network among Headquarters and all regions..

> [Standards of Conduct for Toshiba Group 6. Competition Law and Government Transactions](#)

> [Standards of Conduct for Toshiba Group 7. Bribery](#)

#### Status of breaches to laws related to anticorruption (FY2019)

| Item                          | Number of cases in FY2019 |
|-------------------------------|---------------------------|
| Exposure through price cartel | 0                         |
| Exposure through bribery      | 0                         |

## Political Contributions

The Standards of Conduct for Toshiba Group stipulates that Toshiba Group shall not provide inappropriate benefits or favors to any politician or political organization.

Also, as part of its social contributions, Toshiba offers political contributions, when necessary, in order to contribute to the realization of policy-oriented politics, to support the healthy development of parliamentary democracy and to improve the transparency of political contributions. In the case of offering political contribution, procedures in accordance with internal rules are followed as well as compliance with the Political Funds Control Law in case of Japan is strictly ensured.

Toshiba made no political contributions in FY2019.

> [Standards of Conduct for Toshiba Group 7. Bribery](#)

## Donations and Provision of Funds

While the Standards of Conduct for Toshiba Group forbid inappropriate expenses, they stipulate that appropriate donations to organizations may be made. We therefore donate to various organizations, taking into consideration factors such as the contribution made by the donee organization to society, its cause and community aspects, as specified by the Standards of Conduct for Toshiba Group.

> [Standards of Conduct for Toshiba Group 19. Community Relations](#)

> [Social Contribution Activities](#)

## Fair Trading

### Fair Trading Policy and Its Promoting Structure

Toshiba strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations.

> [CSR Management in the Supply Chain](#)

> [Toshiba Group Procurement Policy](#)

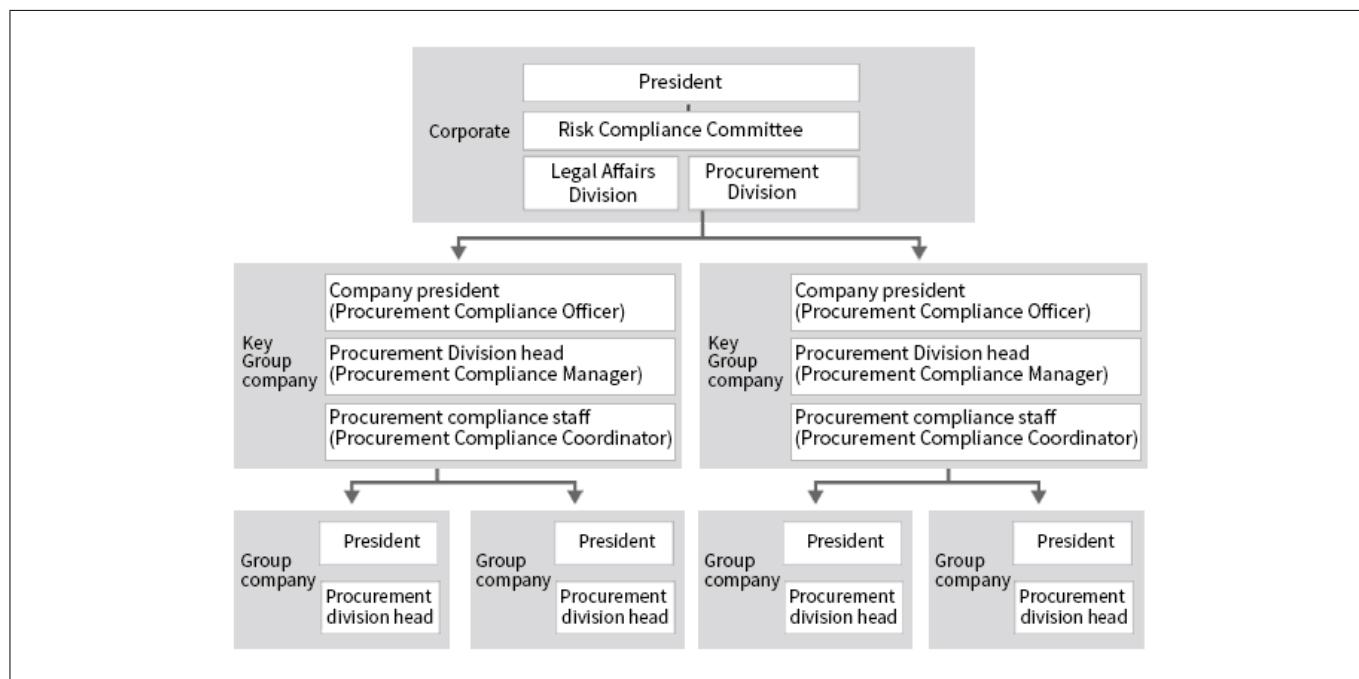
> [Standards of Conduct for Toshiba Group 3. Procurement](#)

Toshiba Group is promoting thorough observance of CSR both in its own procurement activities, and in those of its suppliers.

There is a CSR procurement promotion structure established within the Group, which acts in order to carry out each procurement transaction in compliance with the relevant Japanese and international laws and regulations. Information related to compliance concerning procurement is thoroughly informed to Group companies through this system.

Moreover, measures are thoroughly informed by means of Procurement Compliance Liaison Meetings, organized by the Procurement Division and attended by Compliance Managers and Compliance Coordinators.

## Toshiba Group CSR procurement promotion structure



In FY2019, in line with a basic policy of strengthening compliance in the procurement process, Toshiba took action to ensure adherence to regulations on legal compliance by checking the operation of each Group company's procurement processes through investigations of the procurement process and patrols to inspect procurement transactions. In FY2020, we will continue to strengthen the operation of our procurement processes.

## Clean Partner Line, Whistleblower System for Suppliers and Business Partners

In order to ensure compliance and fair transactions, Toshiba has established a whistleblower system for suppliers and business partners called Clean Partner Line, as a point of contact for our suppliers to tell us about issues or concerns regarding persons associated with the Toshiba Group. Personal information on whistleblowers, without the whistleblower's consent, is not disclosed to anyone other than the Clean Partner Line staff. Also, what is reported by whistleblowers is handled based on strict procedures, with care taken not to treat whistleblowers and their companies unfavorably for whistleblowing. We notify our business partners of this system and request that they make use of it.

## Checks of Fair Trading Practices (Thorough Compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors)

In Japan, we monitor the subcontracted transactions of the Group companies undertaking such transactions. Regarding items requiring improvement, guidance is provided to make improvements to ensure thorough compliance.

## Training to Ensure Fair Trading Practices

At Toshiba Group, various training programs on compliance in procurement are provided to ensure fair trading practices. For example, since FY2007, we have conducted e-learning for employees of Group companies in Japan on relevant acts, such as the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

In FY2019, a total of 62,606 employees between February and March 2020 participated in the e-learning program on the Subcontract Act. We also provide compliance education for employees engaged in procurement at various phases of their careers.

# Breaking Relationships with Antisocial Groups

In 1997, the Board of Directors resolved to end relations with antisocial forces such as sokaiya (groups of racketeers). Since then, the Group has strictly dealt with approaches from third parties to obstruct our lawful and appropriate corporate activities. In addition, in order to further ensure that all relations with antisocial forces are cut off, all Toshiba Group companies have taken various measures. More specifically, we have developed and implemented Basic Public Relations Management Rules and appointed public relations management officers for each department. When conducting transactions with a new customer, the public relations management officers of that department confirm that the customer has no relations with antisocial groups. If a need arises during a background check to further investigate the customer, the Legal Affairs Division verifies whether there is any information on the customer's relationship with antisocial groups. We also periodically conduct surveys on customers that we already have business relations with. Transaction contracts normally include a clause regarding the exclusion of organized crime syndicates, which enables a contract to be cancelled without notice when the business partner is identified as an antisocial group.

Toshiba Group also works with the police, corporate attorneys, and third-party organizations such as the National Center for the Elimination of Boryokudan to establish systems that enable us to respond to approaches from antisocial forces in an appropriate and timely manner. With regard to this stance, the rejection of the involvement of antisocial groups in our business activities has been explicitly stated in the SOC since 2006. Having been revised since then, "antisocial Groups" is now an independent article, further stressing our policy to reject all contact with such groups. By providing e-learning lessons about the SOC to all employees, we continuously ensure that employees understand the importance of excluding antisocial groups from the business they do.

## Export Control

### Export Control Policy

As indicated in Standards of Conduct for Toshiba Group, Toshiba Group's basic export policy is to refrain from any transaction that could potentially undermine international peace and security. We comply with all applicable export control laws and regulations of the countries and regions where we operate, for example Foreign Exchange and Foreign Trade Law in the case of Japan and US export control laws and regulations with respect to transactions involving items of US origin.

In accordance with the policy, Toshiba Group has established the Export Control Compliance Program (ECCP). Based on the program, we classify the goods and technology and screen transactions. In addition to periodic export control audits and education for all executives and employees, key Group companies and corporate staff divisions provide instructions and support to the Group companies they supervise.

#### **Toshiba Export Control Compliance Program (Toshiba ECCP)**

- Chapter 1 Statement of Corporate Policy
- Chapter 2 Definition of Terms
- Chapter 3 Export Control Organizations
- Chapter 4 Control Procedures
- Chapter 5 Education
- Chapter 6 Compliance Reviews
- Chapter 7 Notification of Violation and Corporate Sanctions
- Chapter 8 Group Companies

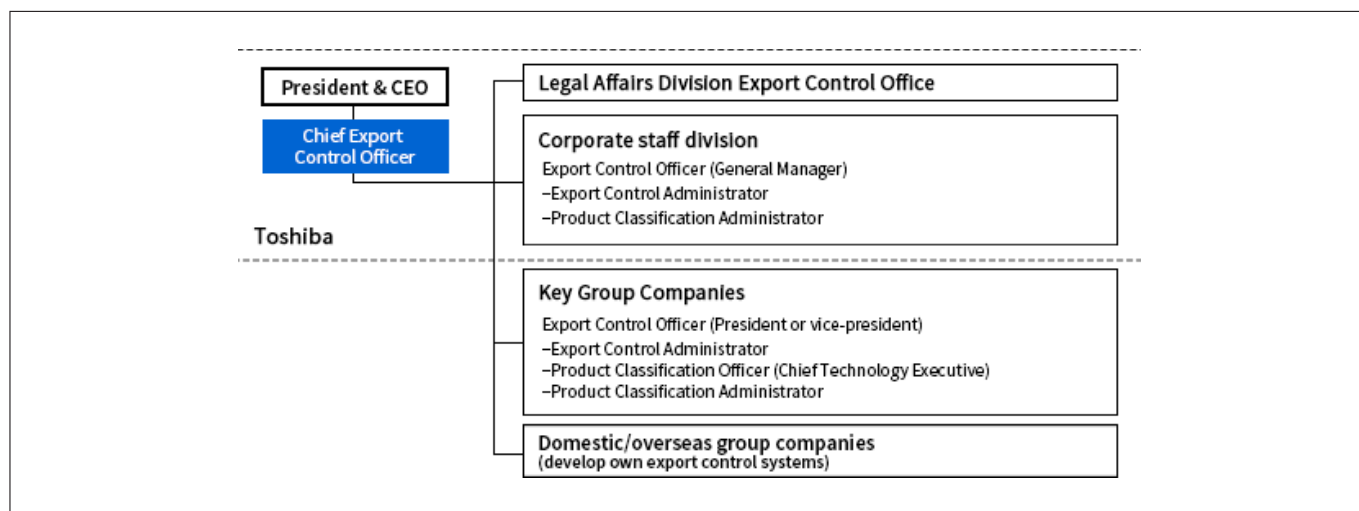
> [Standards of Conduct for Toshiba Group 9. Export Control](#)

\* ECCP: Export Control Compliance Program

## Export Control System

Toshiba's export control system is organized under the Chief Export Control Officer who has ultimate responsibility for the corporation's export control. The Chief Export Control Officer must be a representative director or an executive officer corresponding thereto. Under the Chief Export Control Officer, the Legal Affairs Division Export Control Office is responsible for overseeing the export control implemented pursuant to the Toshiba Export Control Compliance Program (ECCP). Based on the Toshiba ECPP, Toshiba Group company and corporate staff division has its own export control organization led by the Export Control Officer. The Export Control Officer must be the general manager of the corporate staff division, or president of Group company.

### Toshiba Group's export control organization



## Product Classification and Transaction Review

The technical department classifies the goods or technology and determines whether export license is required. Then, transaction screening is carried out accordingly, such as confirmation of the end-use, end-user, and final destination. Classification and transaction screening are checked and approved by multiple persons in charge. When trading with concerned countries and regions, the Export Control Office conducts stringent assessments and approvals.

## Inspection and Audit of Export Control

Each corporate staff division, as well as each Group company, perform internal self-checks. In addition, the Export Control Office or the supervising department conducts regular audits to check if export control is appropriately performed. Audits are conducted once every one to three years at target companies, and in FY2019, audits were performed for three internal divisions in Japan and seven Group companies. Overseas, audits are done in Europe, the United States, Asia and China, and in FY2019, three Group companies in Europe received audits. Where problems are identified by the audit, we demand that improvement plans be submitted, and check the progress of the plans.

## Export Control Trainings

Training courses on export controls (regular and specialized courses) are offered by the Export Control Office for corporate staff divisions and Group companies to educate employees on the importance of export control and to raise awareness and knowledge of the Toshiba Export Control Compliance Program (ECCP) and related internal regulations.

Furthermore, the Export Control Office provides compulsory export control education for all employees of Group companies in Japan through an e-learning system every year.

Export controls at Group companies including those located overseas are modeled after that of Toshiba, which is implemented under the Toshiba Export Control Compliance Program (ECCP). Export control audits are conducted periodically to evaluate their performances. The Export Control Office holds meetings with staff divisions and key Group companies to communicate on matters such as the international situation, regulatory trends, and specific requirements, and additionally to provide a forum for exchange of information and opinions. Key Group companies provide guidance and support on export control to other Group companies under their control.

Meanwhile, to enhance support for overseas Group companies, we issue a quarterly export control bulletin for local staff working in export control, where we share information on export control-related legal revisions, sanctions, cases of legal violation, and other news.

# Information Security Management

## Policy on Information Security

Toshiba Group regards all information, such as personal data, customer information, management information, technical and production information handled during the course of business activities, as its important assets and adopts a policy to manage all corporate information as confidential information and to ensure that the information is not inappropriately disclosed, leaked or used. In view of this, Toshiba has a fundamental policy “to manage and protect such information assets properly, with top priority on compliance.” The policy is stipulated in the chapter “Corporate Information and Company Assets” of the Standards of Conduct for Toshiba Group, and managerial and employee awareness on the same is encouraged.

In response to regulatory changes and changes in the social environment, Toshiba revises the related rules on an ongoing basis so as to rigorously manage its information security.

> [Standards of Conduct for Toshiba Group 17. Information Security](#)

> [Privacy Policy](#)

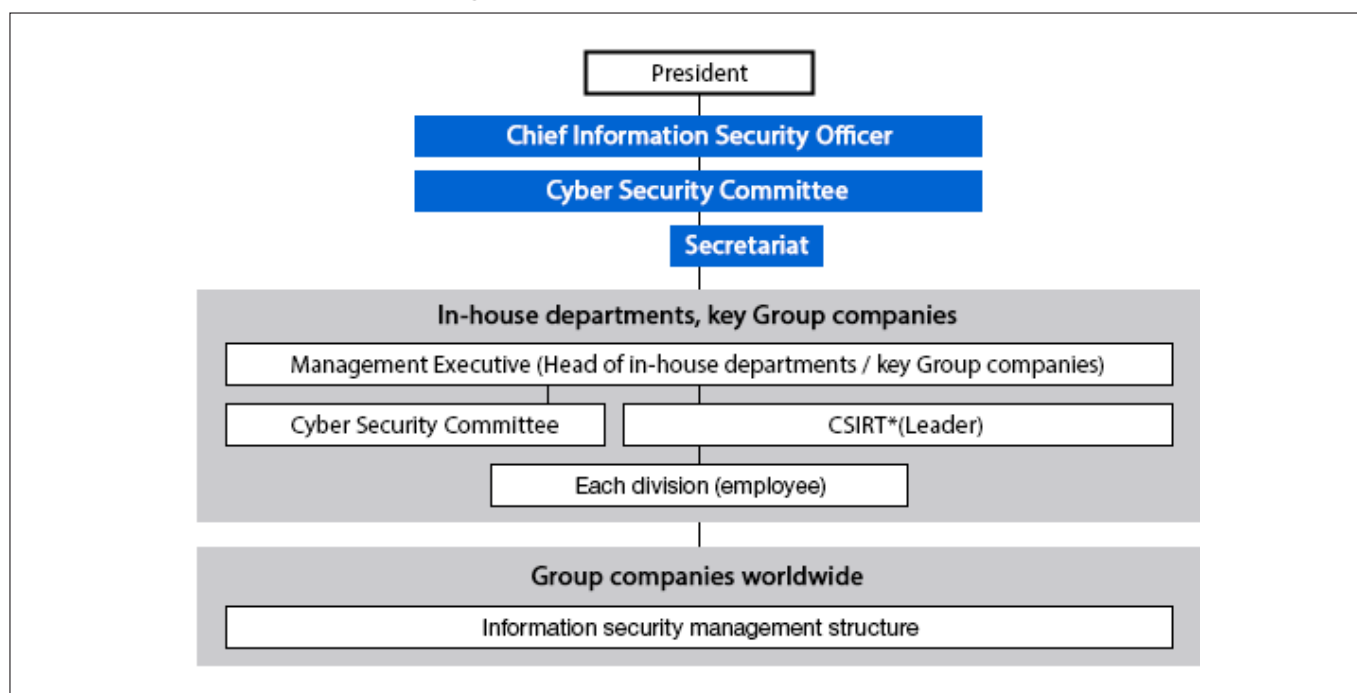
## Structure of Information Security Management

Addressing information security as a management priority, Toshiba appointed the Chief Information Security Officer (CISO) and each corporate staff division and Toshiba Group company has established, under the supervision of the CISO, an information security management structure.

The Cyber Security Committee deliberates matters that are necessary to ensure information security throughout Toshiba Group. The CISO formulates and enacts measures in order to make sure that internal rules related to information security are enforced in a problem-free, effective, and definitive manner.

At each division inside Toshiba and key Group companies, the head of the organization serves as Information Security Management Executive, bearing responsibility for information security at their respective organization. The Executives provide guidance and assistance to the Group companies under their control to ensure that they implement information security at a level equivalent to that of Toshiba.

### Toshiba Group Information Security Management Structure



\* CSIRT: Computer Security Incident Response Team



## Information Security Measures

Toshiba Group implements information security measures from four perspectives (see the table below). The Corporate Technology Planning Division incorporates these measures into regulations and guidelines and makes them fully known to all Toshiba Group companies through notices and briefings.

### Implementation of Information Security Measures from Four Perspectives

| Category  | Description  |
|---|--|
| (1) Organizational measures:<br>Establish an organizational structure and rules         | <ul style="list-style-type: none"> <li>• Periodic reviews of information security-related regulations</li> <li>• Development and maintenance of structure</li> <li>• Implementation of audits, etc.</li> </ul>   |
| (2) Personal and legal measures:<br>Ensure adherence to rules                           | <ul style="list-style-type: none"> <li>• Regulation of information protection duties and disciplinary measures for breach of duties in rules of employment</li> <li>• Provision of periodic employee education and training</li> <li>• Contractor information security evaluation and conclusion of confidentiality agreements, etc.</li> </ul>  |
| (3) Physical measures:<br>Support implementation of rules in terms of physical security | <ul style="list-style-type: none"> <li>• Carry-in/carry-out control of information devices</li> <li>• Facility access control, room / facility entry control</li> <li>• Locking of highly important information, etc.</li> </ul>   |
| (4) Technical measures:<br>Support implementation of rules in terms of technology       | <ul style="list-style-type: none"> <li>• Virus protection and hard disk encryption of information devices, and introduction of EDR tools*</li> <li>• Checking the vulnerabilities of servers accessible to the public enhancing their protection</li> <li>• Monitoring and controlling unauthorized access from the outside and information leakage, etc.</li> </ul> <p>* EDR: Endpoint Detection and Response</p> |

To protect against cyber-attacks, which are becoming more sophisticated with every passing year, we introduced a function to block suspicious e-mails, enhanced our anti-virus measures for information equipment such as IoT devices, and trained all employees in handling targeted attack e-mails. Toshiba Group has taken an attack and penetration assessment from the specialized cyber security firm in order to validate the effectiveness of its security measures. In addition, we enhanced the monitoring for our network and in-house systems to quickly cope with a virus invasion into the company systems.

## Education, Inspection, and Audit of Information Security Management

For the Toshiba Group with its wide portfolio of businesses, to ensure Group-wide information security, it is vital for each member company to conduct an independent PDCA (Plan-Do-Check-Act) cycle. Accordingly, Toshiba and all Group companies carry out an annual self-audit of their compliance with internal rules to identify issues and plan improvements. The Corporate Technology Planning Division evaluates the results of the audits and related improvements carried out by each Toshiba division and key Group companies and provides support and guidance where necessary. In FY2019, three key points were identified: (1) information security at outsourcing contractors, (2) measures to prevent information leaks due to internal fraud, and (3) measures to prevent information leaks due to negligence. In particular with reference to (3), as teleworking means that office computers are now frequently taken home, we reaffirmed measures against information leaks due to loss and theft of computers and provided guidance including presentation of past examples. The audit results and improvement initiatives of each Toshiba Group company in Japan and overseas are subject to assessment by the supervising division, which provides relevant guidance and support.

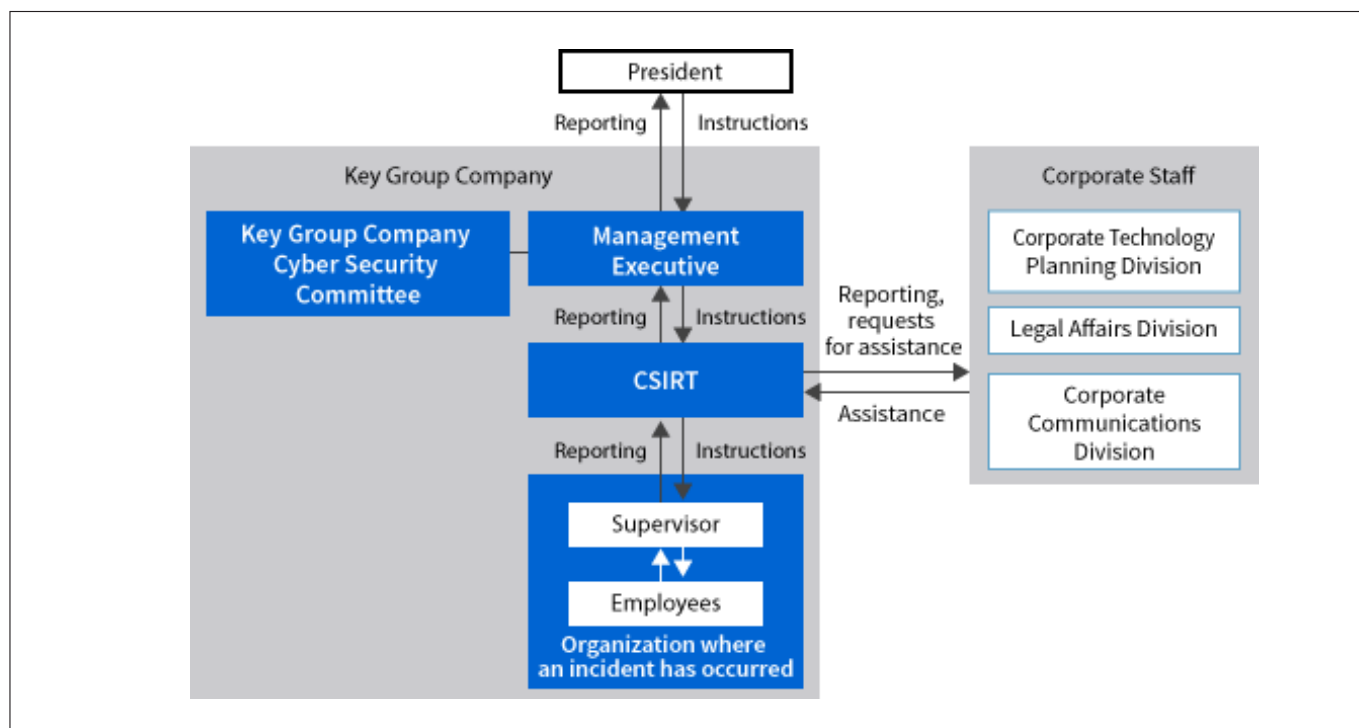
Moreover, Toshiba Group conducts yearly training for all officers, as well as permanent and temporary employees, in order to enforce strict compliance with in-house regulations. There are also programs such as training for those working in information security, and introductory training for new graduate employees.

## Response to Incidents Such as Leakage of Confidential Information

In the event an information security incident such as the leakage of confidential information occurs, Toshiba responds promptly in accordance with the information security incident reporting structure.

When an employee becomes aware of the occurrence or potential occurrence of an incident involving the leakage of corporate information, the employee promptly reports to the CSIRT. The CSIRT Leader, upon receipt of such report, devises necessary measures, such as an investigation into the cause and consideration of actions to prevent recurrence. In the case of the occurrence or potential occurrence of a serious leakage of confidential information that may entail a violation of laws or ordinances, Toshiba implements measures in accordance with the applicable laws or ordinances, such as disclosure, following discussion among the related corporate staff divisions.

### Information Security Incident Reporting Structure



## Status of Incidents Such As Leakage of Confidential Information

In FY2019, the Toshiba Group experienced no leaks of important information held by the company. There were also no personal data-related complaints or appeals filed by regulatory authorities or other external parties. We will continue working in the future to put in place a system for preventing information security-related incidents to cover all eventualities.

For details on information security management, please refer to our [Cyber Security Report](#).

# Product Safety Information and Advertising

## Policy on Product Safety Information and Advertising

Toshiba Group provides accurate product information and executes appropriate advertising in accordance with the Standards of Conduct for Toshiba Group, the Code of Fair Competition for Home Appliances<sup>\*1</sup> and other policies. Quality assurance organizations of Group companies and affiliated companies monitor the safety standards of the countries where products are marketed and technical standards such as the UL Standards<sup>\*2</sup> and CE Marking<sup>\*3</sup> to ensure that their product labeling is in compliance with the relevant standards.

> [Standards of Conduct for Toshiba Group 2. Customer Satisfaction](#)

> [Standards of Conduct for Toshiba Group 15. Advertising](#)

\*1 This refers to the fair competition agreement on representation in the home electronics manufacturing industry. Under the provisions of the Act on Premiums Labeling, the Fair Trade Commission approved in 1978. The domestic electric industry management organization is the National Electric Home Appliance Fair Trade Council, a public interest corporation group. This regulation prescribes prohibition of misrepresentation, necessary representation items, representation standards for specific matters, etc. It aims to contribute to proper product selection, to prevent attraction of unjust customers, and to ensure fair competition.

\*2 UL Standards: Safety standards established by UL LLC (Underwriters Laboratories Inc.,) that develops standards for materials products, and equipment and provides product testing and certification.

\*3 CE Marking: A certification mark that indicates conformity with the safety standards of the European Union (EU). The CE marking is required for products sold within the European Economic Area (EEA).

## Compliance with Regulations and In-House Standards Regarding Products

In FY2019, there were no violations of product safety regulations or in-house standards in the life cycle of products and services. There were also no violations of regulations or in-house standards relating to information and labeling for products and services.

## Compliance with Regulations on Advertising and Labeling

In FY2019, as a result of our strict implementation of the Manufacturing Labeling Standards, there were no violations of the Act Against Unjustifiable Premiums and Misleading Representations among Toshiba Group companies.

# Tax Affairs

Based on the basic policy on taxes, Toshiba Group complies with legal ordinances, notices, and regulations in various countries and makes efforts to properly file tax returns and pay taxes.

### Basic Policy on Tax

Toshiba Group follows the following policy to properly file tax returns and pay taxes:

#### 1. Compliance with laws and regulations

Toshiba and Toshiba Group companies shall carry out their tax operations in compliance with all applicable laws and regulations of the countries where their business is conducted, with the understanding of their intents as well as with reference to guidelines published by international organizations such as OECD.

In addition, Toshiba and Toshiba Group companies shall conduct their business with appropriate tax structures, linked with business purposes and shall not carry out any transactions for the purpose of tax avoidance.

#### 2. Optimizing tax costs

Toshiba and Toshiba Group companies shall, in compliance with tax laws and regulations, strive to utilize the legally justified measures such as consolidated tax filing regimes and other tax incentives and optimize their tax costs for Toshiba Group as a whole.

#### 3. Relationship with tax authorities

Toshiba and Toshiba Group companies shall aim to maintain good relationships with tax authorities and work with them in a sincere manner.

# Risk Management with Business Continuity Plan (BCP)

Failure to respond appropriately to large-scale disasters such as earthquakes, typhoons, and floods could result in the long-term closure of operations, triggering significant financial losses, ultimately affecting our stakeholders. Toshiba implements measures to ensure the safety of employees and their families, support recovery of devastated areas, and maintain business sites and factories.

The BCP, which we have been formulating and developing Group-wide as of FY2007, is one such measure. Focusing on our key businesses that have a large social and economic impact, we are establishing a BCP that takes into account the possibility of large-scale earthquakes and new strains of influenza, and continually update it in order to maintain and improve its effectiveness.

We created a COVID-19 team and declared an internal state of emergency in February, implementing company-wide countermeasures from two perspectives: “business continuity and fulfillment of social responsibilities” and “securing the safety of employees and society”.

We have proceeded with unprecedented company-wide countermeasures such as stringent limits on staff access to the workplace and drastic alteration of working hours, in order to prepare for the worst case scenario and to protect lives.

Toshiba Group will continue to reinforce its BCP\*, giving utmost priority to the safety of all employees, so that operations can continue even in the event of a large-scale disaster, such as earthquake, storm, flood or other major disasters, occurring in combination with an infectious disease pandemic.

\* BCP: Business Continuity Plan

> [Toshiba Group's response to COVID-19](#)

## BCP Procurement Management

In response to the Great East Japan Earthquake and the floods in Thailand, both of which occurred in 2011, Toshiba Group is promoting to establish a more disaster-resistant procurement system. Based on Toshiba Group's Procurement Policy, we request our suppliers to cooperate in continuing to provide supplies in the event of an unanticipated disaster.

In 2012, we established the BCP Procurement Guidelines to provide crisis management standards. Also, to minimize the risk of supply chain disruptions and to reduce the amount of time required to resolve supply chain disruptions, we have built a system to manage corporate information on upstream suppliers in the supply chain. In the event of an unanticipated disaster, we use this system to quickly investigate its effects on our supplies worldwide so that action can be taken promptly.

In order to ensure business continuity and fulfill our social responsibility, we collected information from suppliers in the supply chain in Japan and overseas concerning COVID-19 from an early stage to determine risk, and guarantee supply by taking the necessary countermeasures in collaboration with suppliers, and minimize the impact on business.

# Research & Development and Intellectual Property



Toshiba Group's goal is to pave the way for a safe, secure and comfortable society by creating and offering through our technology new value that leads to the solution for global-scale social issues. We aim to do this by listening at all times to the demands of the market and our customers, and by maximizing the achievements we have made during our research and development through a global intellectual property strategy.

### Medium- to Long-term Vision

In addition to providing products with outstanding performance, function, and quality as an infrastructure services company, we will create new value with solutions that make the most of the customer relationships developed through these products, thereby contributing to society.

### FY2019 Achievement

- Technology development to tackle COVID-19
  - Smart Receipt to reduce physical contact
- Acceleration of open innovation with external parties
  - Operational start of the world's largest-class hydrogen production, Fukushima Hydrogen Energy Research Field (FH2R)
  - World's first successful transmission of whole-genome sequencing data using quantum cryptography telecommunications technology
  - Development of apps in response to COVID-19 by ifLink Open Community
- Participation in WIPO GREEN, a platform operated by the World Intellectual Property Organization (WIPO) to promote transfer of environmental technology

### Future Challenges and Approaches

Focusing on six business areas that support people's lives and society — Energy System Solutions, Infrastructure System Solutions, Building Solutions, Retail & Printing Solutions, Electronic Devices & Storage Solutions, and Digital Solutions — we will create innovative technologies and globally promote research and development to resolve various societal issues by integrating solutions and services. In digital technology, a Toshiba area of strength based on devices, components, and AI, we will continue to enhance research and development and additionally leverage Toshiba IoT Reference Architecture to enhance the speed of delivery of infrastructure services. We have already used Toshiba IoT Reference Architecture to develop more than twelve services. Going forward, we will build on re-usable service components to continuously create services in the same way as goods are produced in a plant. Through this approach, and strengthened collaboration with external organizations, we will work to provide greater value to society more quickly as an infrastructure services company.

> [Evaluation by External Parties](#)

# Research and Development

## Research and Development Strategy

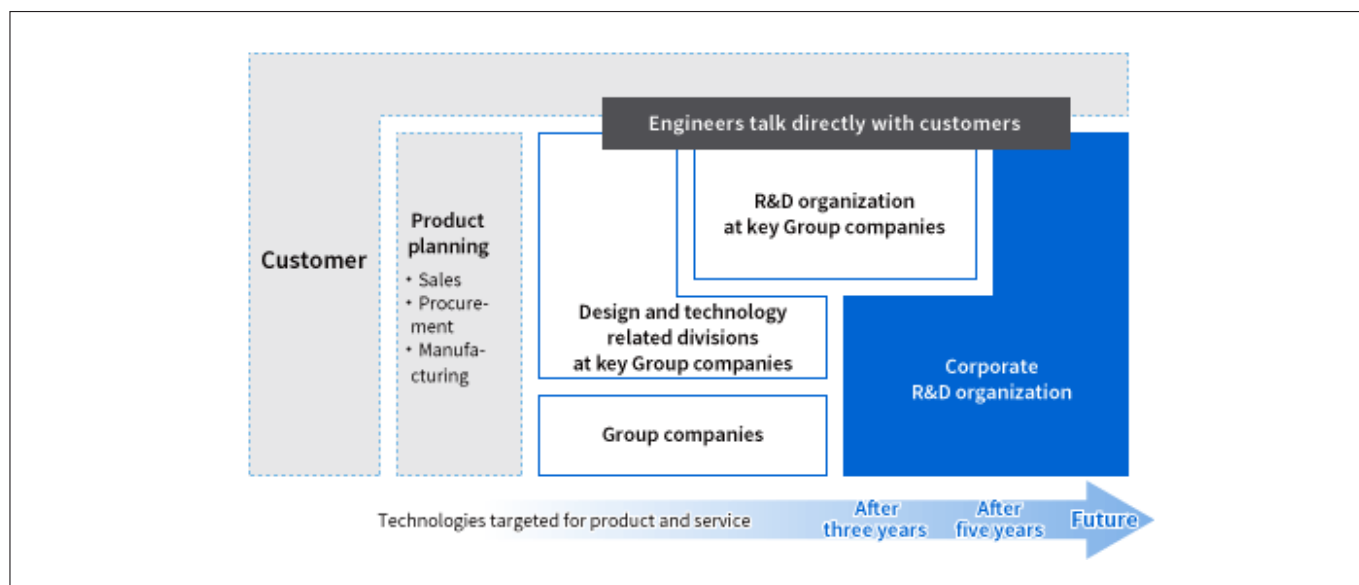
The social issues we are faced with today, such as resource and energy issues resulting from population increases, as well as climate change and environmental problems, are becoming more diverse and complex than ever. Toshiba Group focuses on areas that support people's lives and society when selecting R&D themes with a view to contributing to the realization of the SDGs, namely Energy System Solutions, Infrastructure System Solutions, Building Solutions, Retail & Printing Solutions, Electronic Devices & Storage Solutions, and Digital Solutions and will create new values using reliable technology.

In the area of Energy System Solutions, we will promote increased safety and stability in the supply of conventional energy and improved efficiency in its use. In addition, we will contribute to realizing a low-carbon society by delivering devices, systems, and services for the generation, transmission, storage, and smart purchasing of clean energies including hydrogen. In the area of Infrastructure System Solutions, we will provide highly reliable technologies and services to a wide range of customers in fields supporting society and industry, including public infrastructure and railroad and industrial systems, with the aim of realizing a safe, secure, and reliable society. In the area of Building Solutions, we will create comfortable building environments by providing smart, high-quality elevators, air conditioners, lighting devices, and services. In the area of Retail & Printing Solutions, we will work with world-leading partners to create outstanding proprietary technologies, taking creation of customer value as our starting point in order to deliver reliable quality and performance together with highly convenient products and services in a timely fashion. In the area of Electronic Devices & Storage Solutions, with a view to building infrastructure for the Big Data society, we will progress with cutting-edge development of new semiconductor and storage products for various uses including industrial and automotive applications and storage functions for data centers. In the field of Digital Solutions, we will work together with customers to create digital services that are based on IoT and AI (artificial intelligence) and that make the most of our strength in industrial know-how.

## Toshiba Group Research & Development Structure

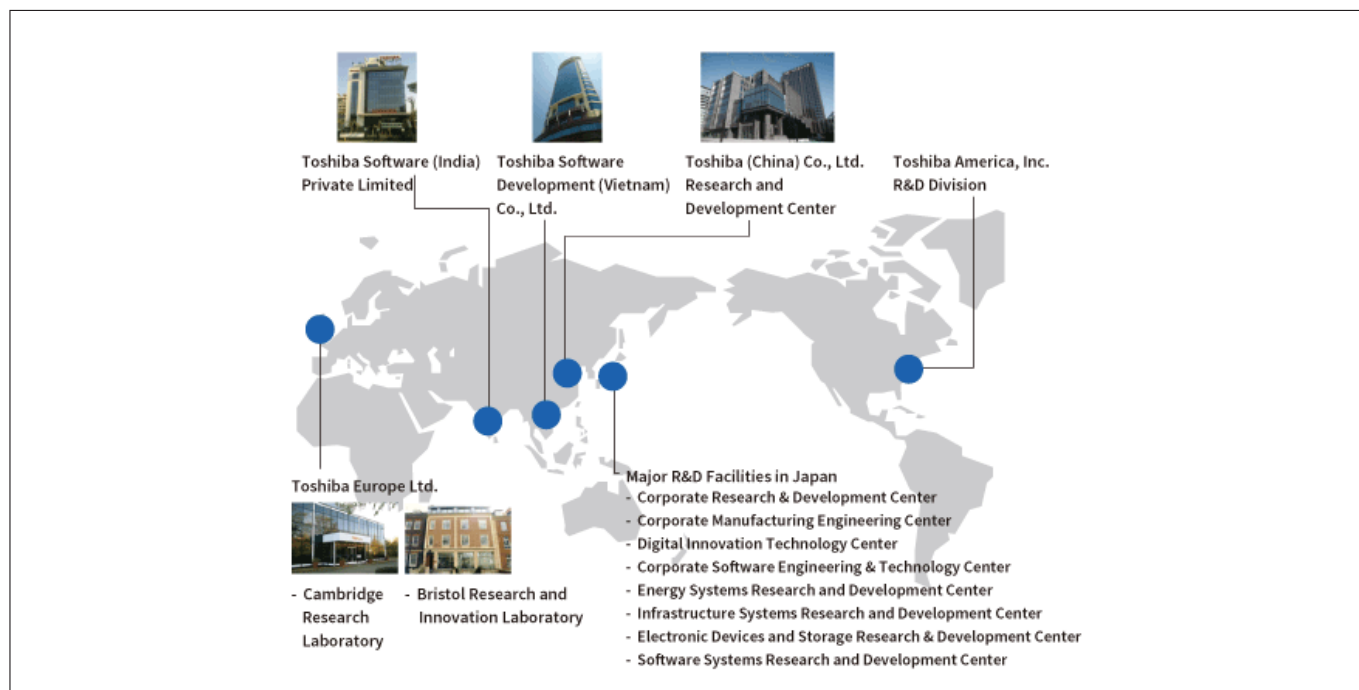
Toshiba conducts research and development in locations that best suit the purpose in question, both in terms of leading in a technical sense based on seeds and concepts, and of leading in terms of product planning and the business model. We have a research and development structure in which our research and development sites are categorized into the following: Corporate Research & Development Center that tackles medium- to long-term basic research; works laboratories of the Group companies that engage in medium-term component technology development; and engineering departments of key Group companies that deal with product technology that realizes products and services. This structure is optimal for solving technological challenges.

### Toshiba Group Research & Development Structure





## Major R&D bases in Japan and overseas



Toshiba has built research and development sites in the U.S., Europe, China, India, Vietnam and so on that conduct a wide array of cutting-edge global research and development in collaboration with Toshiba Group's technological development sites in Japan and abroad. In order to boost our global competitiveness, we are improving our capacity to respond swiftly to changes in the market, in our research and development as well. Particularly in China and the rest of Asia, where markets are expanding, we are working to build not only manufacturing sites, but also local engineering sites and development sites. In the future, we will base our research and development in developing countries, and produce products for the global market, including developed countries.

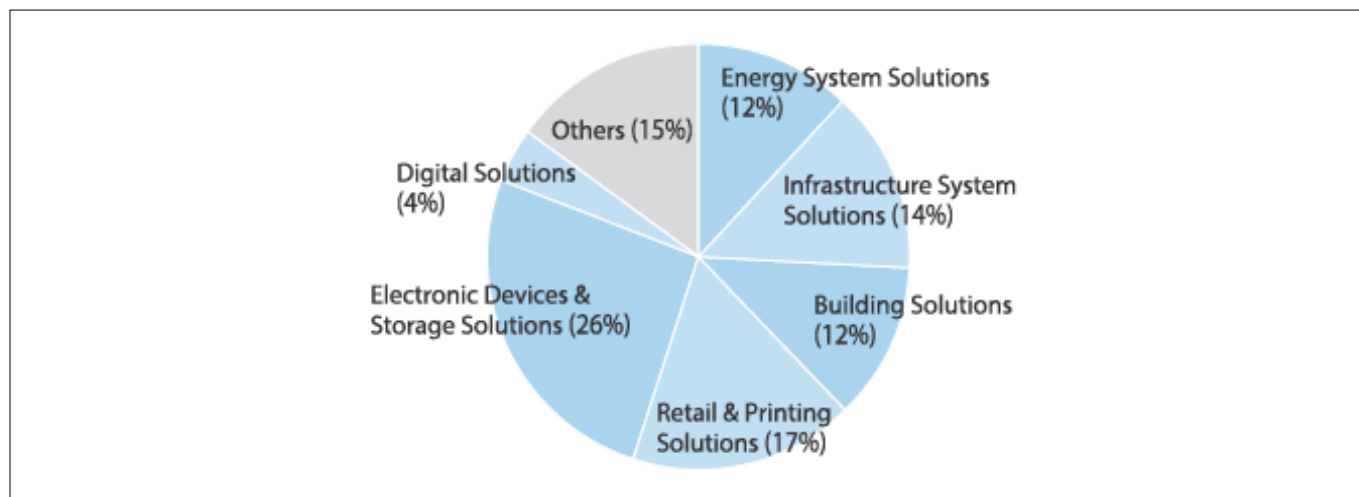
## R&D expenses

| FY2016            | FY2017             | FY2018            | FY2019            |
|-------------------|--------------------|-------------------|-------------------|
| 295.5 billion yen | 178.7 billion yen* | 167.5 billion yen | 158.9 billion yen |

\* Excludes R&D expenses related to the memory business field. Including this field, total R&D expenses come to 297.8 billion yen.

The ratio of R&D expenses to sales in Toshiba Group stands at approximately 5%.

## Breakdown of R&D expenses (FY2019)



## Technological Contribution to COVID-19 Response Measures

### Smart Receipt® Links up with Smartphone Apps to Reduce COVID-19 Infection Risk by Reducing Customer Physical Contact and Crowding (July 2020)

To reduce the risk of COVID-19 infection, it is reportedly important to reduce situations involving physical contact and to avoid 3Cs (Closed space, Crowded space, and Close-contact settings). Using Toshiba Tec Corporation's Smart Receipt®, an electronic receipt system linked to the retailer's own smartphone app, Toshiba Tec Corporation and Toshiba Data Corporation promote payment systems requiring no use of rewards cards or paper. This eliminates the two contact opportunities to deliver the card and the receipt. In addition, with the support of Toshiba Data Corporation, by issuing coupons from stores to customers that specify the effective date and time based on purchase data, it will lead to the distribution of customer visit times and promote the avoidance of "3Cs," which contributes to lowering COVID-19 infection risk. Through Smart Receipt®, Toshiba Tec Corporation and Toshiba Data Corporation provide both retailers and customers with added value and at the same time contribute to reducing COVID-19 infection risk.

\* A system that enables consumers to digitize receipt print data at a cash register when a shopper makes a transaction. Shoppers can receive digitized receipt data simply by reading the barcode displayed on the smartphone app at the cash register.

Three 'less's' that minimize close physical contacts at the supermarket, drugstore and other essential shopping sites and also save time.

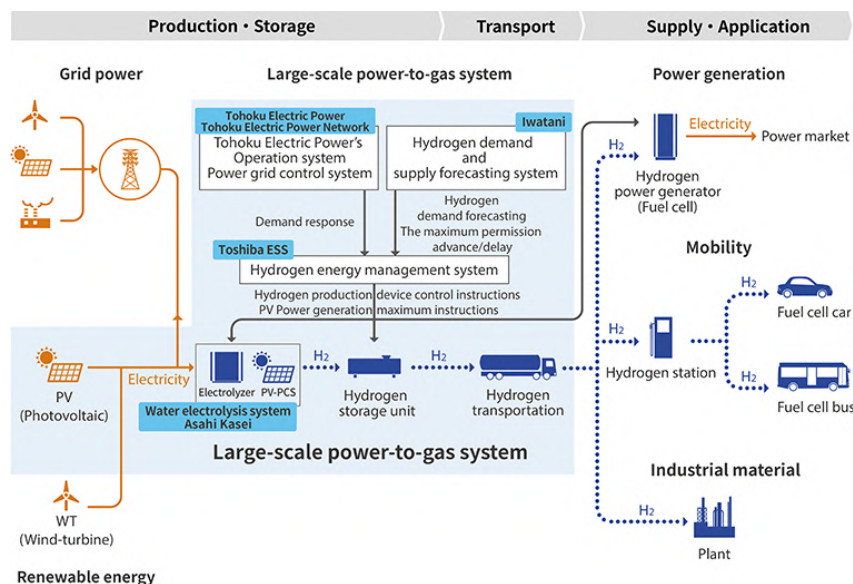


## Open Innovation through Collaboration with External Organizations

### ■ The World's Largest Class Hydrogen Demonstration Facility "FH2R" Started Operation (March 2020)

The hydrogen demonstration facility Fukushima Hydrogen Energy Research Field (FH2R), which had been under construction since 2018 at Namie in Fukushima Prefecture in partnership between the New Energy and Industrial Technology Development Organization (NEDO), Toshiba Energy Systems & Solutions Corporation, Tohoku Electric Power Co., Inc., and Iwatani Corporation, started operation following its completion at the end of February 2020. Tohoku Electric Power Network Co., Inc. and Asahi Kasei Corporation joined last September and the demonstration term has been extended until the end of February 2023. Equipped with a renewable energy-powered 10MW hydrogen manufacturing unit, placing it in the world's largest class category, the facility has capacity to manufacture 1,200Nm<sup>3</sup> of hydrogen per hour (at rated operation level) from renewable energy and other sources. To make maximum use of electric power from renewable sources, which is subject to great fluctuation in output, the facility will balance demand and supply using the electric power grid. The aim is to establish a low-cost, green hydrogen manufacturing technology.

- > [The world's largest-class hydrogen production, Fukushima Hydrogen Energy Research Field \(FH2R\) now is completed at Namie town in Fukushima.](#)
- > [Expansion and reinforcement of technology development project for practical storage and use of energy using hydrogen](#)

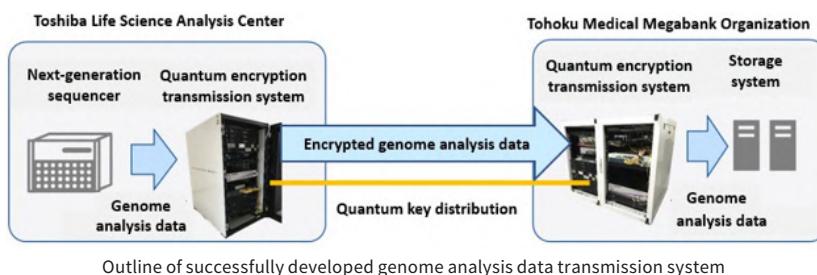


Overview of the project

### ■ World-first Demonstration of Real-time Transmission of Whole-genome Sequence Data Using Quantum Cryptography (January 2020)

In partnership with Tohoku University Tohoku Medical Megabank Organization (ToMMo), Toshiba realized the world's first successful transmission of full-genome sequencing data, which has a data volume of multiple hundreds of gigabytes, by using quantum cryptography telecommunications. Now, Toshiba and ToMMo have developed a system for sequential encryption and sequential transmission of large-volume data and used it to realize real-time transmission of whole-genome sequencing data. This achievement demonstrates that quantum cryptography technology can be used for the transmission of large-volume data and that it can be used at a practical level in the field of genome research and genomic medicine. Going forward, Toshiba will continue with initiatives aimed at the practical use of quantum cryptography technology in a wide range of applications from medicine to finance, telecommunications, and infrastructure. ToMMo likewise will continue applying safe and secure ICT technology for the realization of the medical treatments of the future based on genomic data.

- > [World-first Demonstration of Real-time Transmission of Whole-genome Sequence Data Using Quantum Cryptography](#)

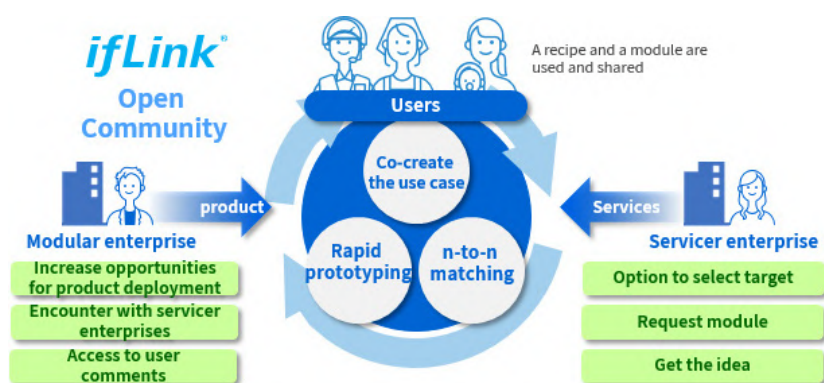


A part of this work was performed for Council for Science, Technology and Innovation (CSTI), Cross-ministerial Strategic Innovation Promotion Program (SIP), "Photonics and Quantum Technology for Society 5.0" (Funding agency: QST).

## ■ Using ifLink for Co-creation of Smartphone-based Responses to COVID-19 (April-May 2020)

The ifLink Open Community\*, established by Toshiba and Toshiba Digital Solutions Co., Ltd., is an IoT platform that integrates a range of IoT devices and web-based services as modules so that users can effortlessly and conveniently design their own combinations. The COVID-19 Response Subcommittee is active among interested enterprises that are ifLink Open Community members and is chaired by Toshiba Digital Solutions Co., Ltd., with Alps Alpine Co., Ltd., as deputy manager and numerous other enterprises as members. The committee is engaged in devising, prototyping, and verifying of new COVID-19 response solutions that can be deployed in frontline operations. AntiCluster is an app that uses a Bluetooth signal to count the number of people in the immediate vicinity and assess the risk, thus contributing to reducing COVID-19 infection risk by relieving crowding. We are now aiming to strengthen its function to realize a tablet version that can be fitted in retail stores and facilities to count the number of people in the vicinity. ThermoDetector is an app that detects a person with fever by combining a smartphone with an infra-red camera. We are working to commercialize it in collaboration with the community member COSMOWAY Inc. The community's activities are enjoying increasing recognition, with the apps presented here having been rated highly by various bodies including Japan's Cabinet Secretariat, Ministry of Internal Affairs and Communications, and Ministry of Economy, Trade and Industry. Going forward, we will take advantage of the distinctive nature of the ifLink Open Community with its many participating enterprises to contribute to the resolution of social issues.

\* ifLink Open Community allows people in its wide variety of member enterprises and associations to interact freely across organizational boundaries, creating an environment where everyone has effortless access to IoT.



Outline of ifLink

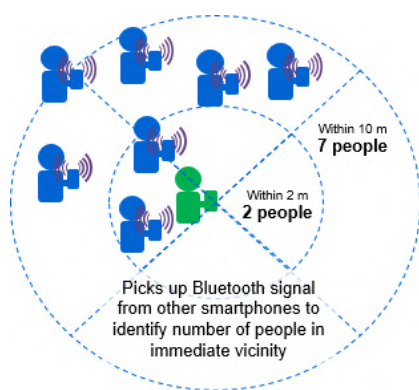


Illustration of AntiCluster app

When the smartphone is connected to an infrared camera, the body temperature of visitors can be measured



Illustration of ThermoDetector

# Protection of Intellectual Property

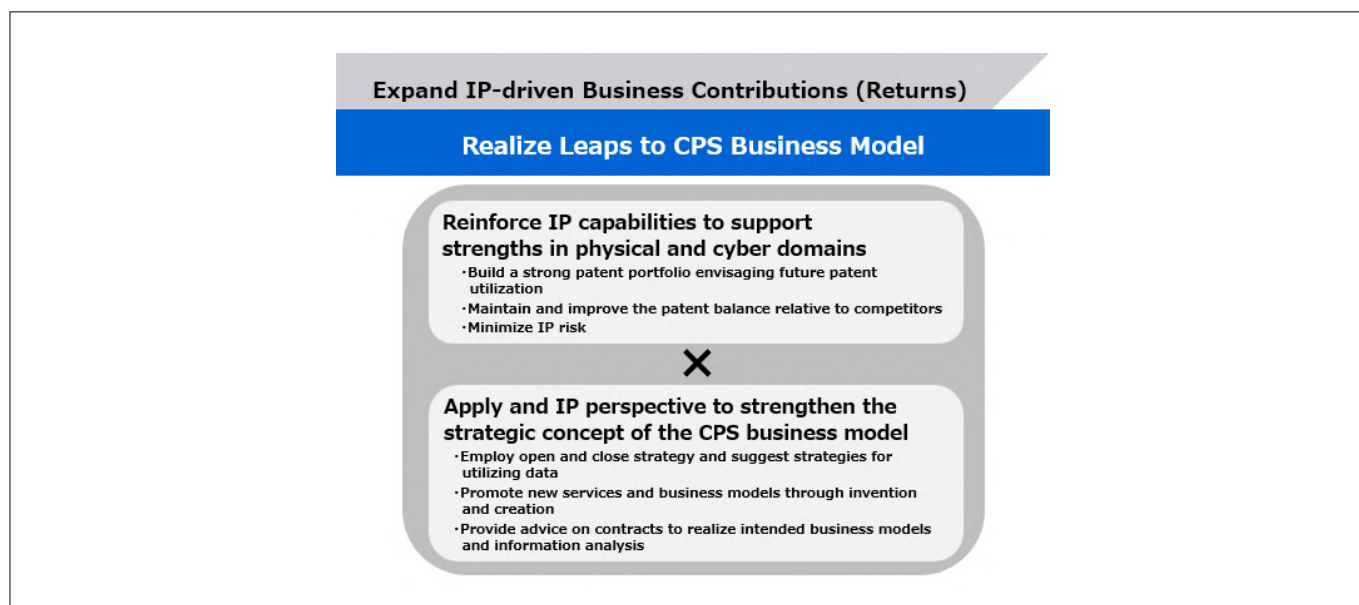
## Intellectual Property Policy and Strategy

Toshiba Group's basic policy on intellectual property rights is to observe laws and regulations associated with them, to protect the results of intellectual activities with the rights and thus make extensive use of those results, and to respect the legitimate intellectual property rights of third parties. This policy is stipulated in the Standards of Conduct for Toshiba Group.

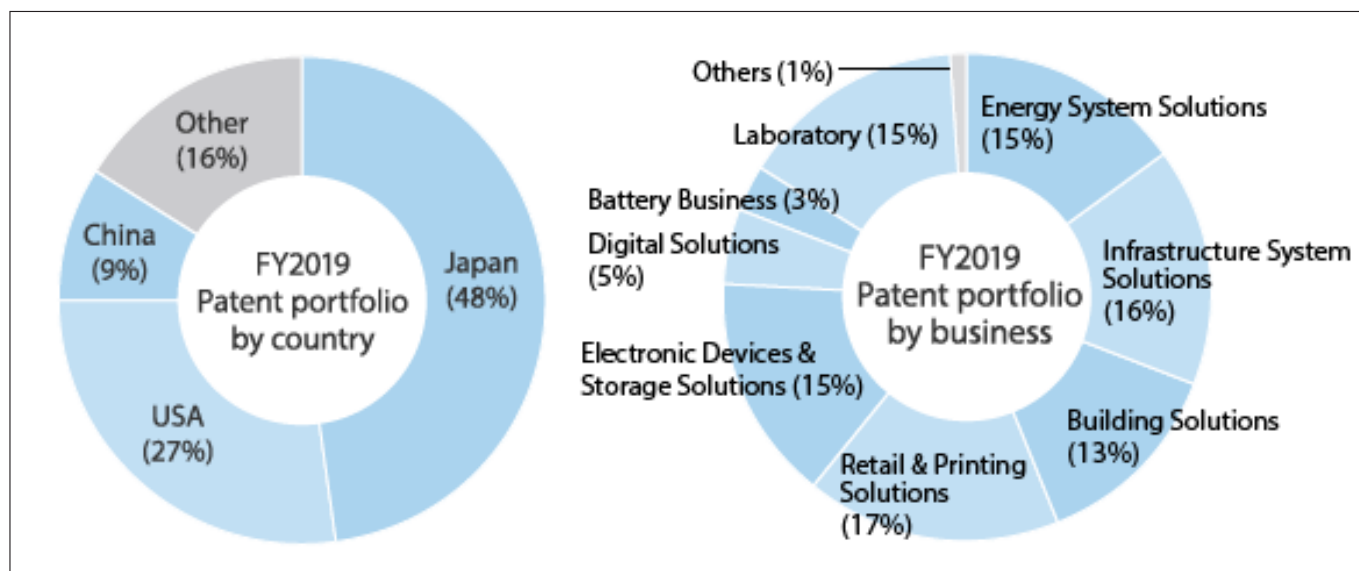
Toshiba identifies intellectual property as a tool that contributes to business activities. In addition to continuing to strengthen the intellectual property abilities that have underpinned the Toshiba Group's accumulated strengths in physical and cyber technologies, we will continue with initiatives to reinforce strategic planning ability in terms of intellectual property as part of the cyber physical system (CPS) business model including open/closed strategies. Through proactive utilization of the intellectual property resulting from research and development, we will deliver continuous new value to society.

> [Standards of Conduct for Toshiba Group 12. Intellectual Property Rights](#)

### Toshiba Group's intellectual property (IP) strategy



### Global patents portfolio

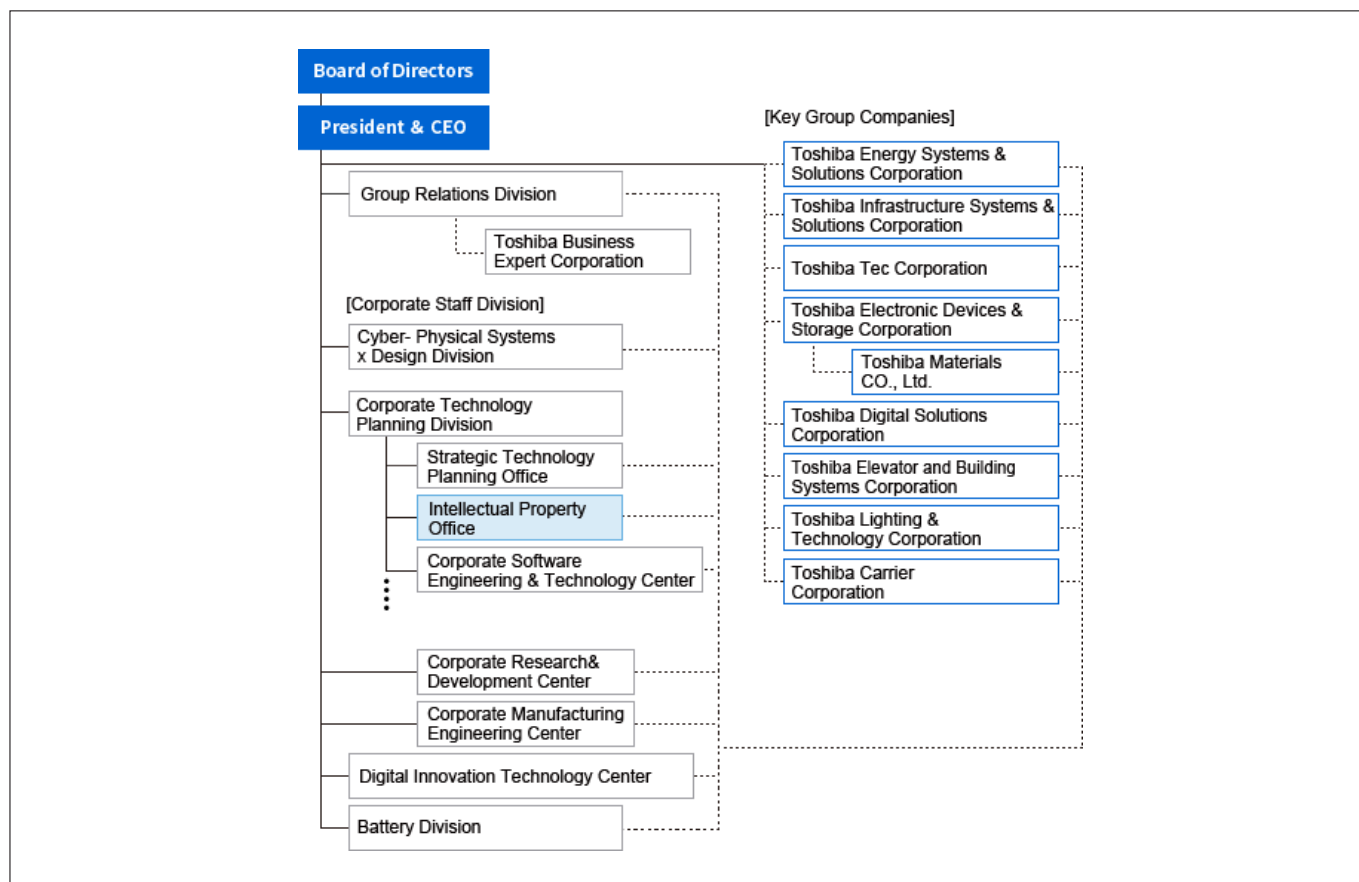




## Our Structure Concerning Intellectual Property

The organizational structure of the Intellectual Property Division is composed of the corporate Intellectual Property Office, and the intellectual property divisions at our individual laboratories and key Group companies. The corporate Intellectual Property Office formulates and promotes company-wide strategy and measures regarding intellectual property, handles contracts and disputes, manages patent information and deals with matters related to intellectual property right laws, such as the Copyright Law. Meanwhile, the intellectual property divisions of research laboratories and key Group companies pursue intellectual property strategies in their respective development and business domains and work to strengthen their intellectual property activities in order to build a superior intellectual property portfolio.

### Toshiba Group Intellectual Property Management Structure



## Participation in WIPO GREEN

In order to contribute to global environmental conservation through the utilization of patents and other intellectual properties, Toshiba has registered environmental technology-related patent rights with WIPO GREEN, a platform operated by the World Intellectual Property Organization (WIPO) to promote global transfer of environmental technology. Toshiba will continue working through this initiative to roll out environment-related technologies and intellectual properties worldwide, thus helping to resolve climate change and other environment-related social issues and contributing to the fulfillment of the SDGs.

> [WIPO GREEN](#)




## Measures against Counterfeit Products

The Toshiba brand symbolizes the value of the Toshiba Group as a corporation, and the value of the products or services that we offer. Failure to take action against counterfeits of Toshiba products would pose not only the risk of damage to Toshiba's brand value and public confidence, but also the risk of purchasing counterfeit products that do not meet the quality expectations of customers who mistake them for genuine products. For this reason, we strive to eradicate counterfeit products, collaborating with domestic and overseas anti-counterfeit organizations, and are actively appealing to local bodies such as government agencies for more stringent control.



# Evaluation by External Parties

Listed mainly on evaluation and awards received in FY 2019

| Awarding entity / Name of the award  | Evaluation  | Recipient   |
|--|---|---|
| SRI/CSR Evaluation   |   |   |
| FTSE Russell<br>FTSE4Good Index Series<br>FTSE Blossom Japan Index<br><br>FTSE4Good FTSE Blossom Japan<br><a href="#">&gt; FTSE4Good</a><br><a href="#">&gt; FTSE Blossom Japan Index</a> | ESG and CSR activities  | Toshiba Corporation   |
| Design Related   |   |   |
| GOOD DESIGN AWARD 2019<br> <b>GOOD DESIGN AWARD 2019</b>  | (GOOD DESIGN AWARD)<br>• Digital Terrestrial TV Transmitter system with remote operation support function<br>• LED baseLight TENQOO series LED Lighting with Camera ViewLED<br>etc. | Toshiba Corporation ,<br>Toshiba Infrastructure Systems & Solutions Corporation,<br>Toshiba Lighting & Technology Corporation<br>etc. |
| iF DESIGN AWARD 2020<br>  | (iF Gold Award)<br>• Destination control system FLOORNAVI<br>(iF Design Award)<br>• LED baseLight TENQOO series LED Lighting with Camera ViewLED<br>etc.                            | Toshiba Corporation,<br>Toshiba Elevator and Building Systems Corporation,<br>Toshiba Lighting & Technology Corporation               |
| Environment Related  |   |   |
| <a href="#">Evaluation of products and services</a>  |   |   |
| FY2019 Energy Conservation Grand Prize for excellent energy conservation equipment<br>Product & Business Model Division  | Minister Prize of Economic, Trade and Industry (Transportation Category)<br>Train propulsion system using a storage device and a high efficiency traction motor                     | Toshiba Infrastructure Systems & Solutions Corporation<br>*Shared award with Tokyo Metro Co., Ltd.                                    |
|  | Chairman Prize of ECCJ<br>Condensing Unit "PROCOOL"   | Toshiba Carrier Corporation   |
| FY2019 Minister of the Environment's Award for Activities to Mitigate Global Warming   | Development and introduction of a next-generation train propulsion system using the SCiB™ rechargeable battery  | Toshiba Infrastructure Systems & Solutions Corporation<br>*Shared award with Tokyo Metro Co., Ltd.                                    |

|  |  |   |
|--|--|---|
| <b><u>Evaluation of business activities</u></b>  |  |   |
| Certified as Yokohama City's "Excellent 3R Activity Facility"  | Sorting of waste from business operations and engagement in 3R activities (waste production control, reuse, and recycling)   | Toshiba materials Co., Ltd.   |
| <b><u>Evaluation of communication and human resources development programs</u></b>   |  |   |
| ESG Finance Awards<br>Bronze Prize, Environmentally Sustainable Company Division   | Toshiba Group Environmental Report 2019<br>Toshiba Group CSR Report 2019<br>Toshiba Group Integrated Report 2019   | Toshiba Corporation   |
| 2019 Excellent Enterprise Award for Environmental Human Resource Development   | Excellence Award (Large Company Division)<br>Employee awareness-raising activities, cooperation and collaboration with local communities, etc.                                   | Japan Semiconductor Corporation                                       |
|  | Encouragement Award (Large Company Division)<br>Training of environmental consultant to decrease worksite environmental risks and creation of environmentally conscious products | Toshiba Infrastructure Systems & Solutions Corporation                |
| <b><u>Evaluation of biodiversity</u></b>   |  |   |
| Japan Nature Conservation Awards 2020<br>Selected  | Community-based biodiversity conservation activities at semiconductor production sites across Japan  | Toshiba Electronic Devices & Storage Corporation Group                |
| Please look at Evaluations <a href="#">Evaluations (Environment Website)</a> for other environment-related evaluations and awards.   |  |   |
| <b>Product and Technology Related</b>  |  |   |
| Ministry of Education, Culture, Sports, Science and Technology<br>The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology 2020<br>Awards for Science and Technology Development Category | Development of large-size rechargeable batteries with long-life, high-power, and safety  | Toshiba Corporation   |
|  | Development of cryocooler-cooled superconducting magnet with excellent operability and safety without using liquid helium  | Toshiba Energy Systems & Solutions Corporation                        |
| Japan Institute of Invention and Innovation<br>National Commendation for Invention 2019  | (The Prime Minister Prize)<br>Invention of large-size rechargeable batteries with high-power and long-life performance   | Toshiba Corporation   |
|  | (The Invention Prize)<br>Invention of a pilot signal to improve area coverage of MIMO wireless LAN systems   | Toshiba Corporation   |
| Ichimura Foundation for New Technology<br>52st Ichimura Prizes<br>The Ichimura Prizes in Industry - Contribution Prize<br>The Ichimura Prize in Industry for Excellent Achievement   | Development and practical application of large-size rechargeable batteries using lithium titanium oxide anodes   | Toshiba Corporation   |
| Japan Institute of Invention and Innovation<br>Local Commendation for Invention of Kanto 2019<br>The Invention Prize   | Invention of feature computation devices for image pattern recognition   | Toshiba Corporation, Toshiba Electronic Devices & Storage Corporation |

|  |  |   |
|--|--|---|
| <p>The Japan Electrical Manufacturers' Association<br/>69th JEMA TECHNICAL AWARD</p>   | <p>Multiphysics modeling and simulation for nuclear energy</p>   | <p>Toshiba Energy Systems &amp; Solutions Corporation</p>   |
| <p>Clarivate Analytics<br/>Derwent Top 100 Global Innovators 2020</p>   | <p>Selected as Derwent Top 100 Global Innovators 2020 (Clarivate Analytics)<br/>Selected for the 9th consecutive year since 2011</p>                             | <p>Toshiba Corporation</p>  |
| Employee Related   |  |   |
| <p>Nippon Kenko Kaigi<br/>The Certified Health and Productivity Management Organization Recognition Program (2020)</p>                                  | <p>Organizations engaging in strategic Health and Productivity Management program efforts for maintain their employees' health from a management perspective</p> | <p>Toshiba Corporation, Toshiba Energy Systems &amp; Solutions Corporation, Toshiba Infrastructure Systems &amp; Solutions Corporation, Toshiba Electronic Devices &amp; Storage Corporation, Toshiba Digital Solutions Corporation</p> |
|  |  | <p>Toshiba Carrier Corporation, Toshiba Carrier Engineering &amp; Life Support Corporation, FUJI REINETSU KOGYO CO., LTD.</p>   |
|  |  | <p>Toshiba Lighting &amp; Technology Corporation<br/>* It was also selected as the "White 500" as a top 500 companies with excellent "The 2020 Certified Health and Productivity".</p>  |
|  |  | <p>Toshiba IT &amp; Control Systems Corporation</p>   |
| <p>Nippon Kenko Kaigi<br/>Organizations to engage in the Health-conscious Management Declaration (2020)</p>   |  | <p>Toshiba Precision Corporation</p>  |
| <p>NPO Good aging yells, Work with Pride private organization<br/>PRIDE Index 2020 -Silver-</p>  <p>&gt; <a href="#">PRIDE Index 2020(Japanese)</a></p> | <p>Promoting LGBT+ equality in the company</p>   | <p>Toshiba Corporation</p>  |

# History of Sustainability Activities

|        |  |
|--------|--|
| FY2020 | <ul style="list-style-type: none"> <li>Renamed CSR Management Office to Sustainability Management Office.</li> <li>Revised Toshiba Group Conflict Mineral Policy to Toshiba Group Responsible Minerals Sourcing Policy.</li> <li>Issued statement based on the Australian Modern Slavery Act.</li> <li>Toshiba Group's Environmental Future Vision 2050 is introduced.</li> <li>Integrated CSR Report and Environmental Report, and published Sustainability Report.</li> </ul>  |
| FY2019 | <ul style="list-style-type: none"> <li>Announced Endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).</li> </ul>  |
| FY2018 | <ul style="list-style-type: none"> <li>The Essence of Toshiba is introduced.</li> <li>Established SDGs managers in key Group companies and strengthened SDG-related initiatives.</li> </ul>  |
| FY2017 | <ul style="list-style-type: none"> <li>Started the Sixth Environmental Action Plan.</li> </ul>   |
| FY2016 | <ul style="list-style-type: none"> <li>Losses arose in the nuclear business; implemented various initiatives to identify the cause of the issue and to develop remedial measures.</li> <li>Issued a statement based on the UK Modern Slavery Act 2015.</li> </ul>  |
| FY2015 | <ul style="list-style-type: none"> <li>Started investigation into the cause of accounting issue, and addressing various measures for recurrence prevention.</li> <li>Held seminars to explain Global Compact and RBA Code of Conduct for both suppliers and people from Toshiba Group companies.</li> </ul>  |
| FY2014 | <ul style="list-style-type: none"> <li>Revised Standards of Conduct for Toshiba Group and added Respect for Human Rights as Article 1.</li> <li>Revised Toshiba Group Procurement Policy and requested some 10,000 suppliers (cumulative numbers) to abide by this revised content.</li> <li>Commenced Toshiba Group Simultaneous Social Contribution Activities.</li> </ul>   |
| FY2013 | <ul style="list-style-type: none"> <li>Organized "Business &amp; Human Rights Workshop" for human resource managers from 9 Asian countries.</li> <li>Newly established "Social Contributions by Business" category to Social Contribution Award.</li> <li>Introducing T-Compass, a new concept of environmental management</li> </ul>  |
| FY2012 | <ul style="list-style-type: none"> <li>Continued implementation of the PDCA cycle according to ISO 26000.</li> <li>Surveys of some 10,000 suppliers regarding their approaches to issues related to conflict minerals and CSR promotion.</li> <li>Achievement of 0.67 trillion yen in sales of excellent ECPs (Environmentally Conscious Products with the industry's highest level of environmental performance in terms of KPIs)</li> </ul>  |
| FY2011 | <ul style="list-style-type: none"> <li>Implementation of PDCA cycle of checking, identification of issues, planning, action, and evaluation based on ISO 26000</li> <li>Established Toshiba Group Conflict Mineral Policy.</li> <li>Revised Toshiba Group Procurement Policy and requested that suppliers continue to promote CSR in the supply chain.</li> <li>Formulation of the Fifth Environmental Action Plan</li> <li>Reviewing the BCP based on the experience of the Great East Japan Earthquake and the floods in Thailand</li> </ul>   |
| FY2010 | <ul style="list-style-type: none"> <li>Strengthened CSR management based on the principles of ISO 26000.</li> <li>Initiated workplace meetings focusing on integrity.</li> <li>Introduction of a system for visualizing working hours</li> <li>UD advisor system expanded to include non-Japanese employees.</li> <li>Announcement of the new concept for environmental management at a business policy briefing (Greening of Process, Greening of Products and Greening by Technology")</li> </ul>  |
| FY2009 | <ul style="list-style-type: none"> <li>Ending production of general-use incandescent bulbs</li> <li>Formulation of Toshiba Group Biodiversity Guidelines</li> <li>Establishment of Sign Language Club</li> <li>Enforcement of the requirement to leave the office at the regular time for at least two days during the Family Week in Japan</li> </ul>   |
| FY2008 | <ul style="list-style-type: none"> <li>Collaboration with NPOs to promote experiential science education (Supporting the activities of experiential science education research organizations)</li> <li>1st Toshiba Cup Contest among students specializing in science and math education at teacher-training universities in China to present their creative teaching plans</li> <li>Reorganization of home appliance call centers (change to product-wise call centers)</li> <li>Implementation of on-site CSR audit (related to human rights, occupational health and safety, the environment) of suppliers in Thailand</li> <li>Published Environmental Report.</li> <li>Announcement to allow the peak out of Toshiba Group's greenhouse gas emissions in 2012 and thereafter reduce the absolute emissions</li> </ul> |
| FY2007 | <ul style="list-style-type: none"> <li>Toshiba Group Environmental Vision 2050 is established.</li> <li>Structures and systems for Quality Control at Toshiba Group is reinforced.</li> <li>Ethical education to Technical Employees in Japan and overseas is provided.</li> <li>Toshiba Group Fourth Voluntary Plan is extended from FY2010 to FY2012, with New Targets Added.</li> <li>Statutory Ratio of Employment of People with Disabilities is fulfilled in all the subject Group Companies in Japan.</li> </ul>  |

|        |   |
|--------|---|
| FY2006 | <ul style="list-style-type: none"> <li>• Toshiba Group CSR Month is established.</li> <li>• Standards of Conduct for Toshiba Group is revised.</li> <li>• The Clean Partner Line, a whistleblower system for suppliers and other business partners, is established.</li> <li>• Toshiba Group 1.5 Million Tree-planting Project is launched.</li> <li>• The New EASTER comprehensive audit system is put in place.</li> </ul>  |
| FY2005 | <ul style="list-style-type: none"> <li>• Toshiba With Co., Ltd., a special subsidiary for employment of the disabled, is established.</li> <li>• Toshiba Group CSR Conference is held.</li> <li>• Toshiba “ASHITA” Award is established.</li> <li>• The philosophy, policies and criteria for universal design are established.</li> <li>• Standards of Conduct concerning Sales to Government and Authorities are established and thoroughly implemented.</li> <li>• Participates in the Eco-Products International Fair.</li> </ul> |
| FY2004 | <ul style="list-style-type: none"> <li>• Standards of Conduct for Toshiba Group is applied throughout the Group.</li> <li>• Published CSR Report.</li> <li>• An organization dedicated to promotion of equal opportunity is established.</li> <li>• Toshiba Group Procurement Policy based on CSR is established.</li> <li>• Toshiba Group Environmental Vision 2010 is announced.</li> <li>• Fourth Voluntary Environmental Plan is introduced.</li> </ul>   |
| FY2003 | <ul style="list-style-type: none"> <li>• Company with committees system is adopted.</li> <li>• CSR Division is established.</li> <li>• CSR Website is opened.</li> <li>• Factor T, an eco-efficiency indicator, is introduced.</li> <li>• Joins Business for Social Responsibility (BSR), an international CSR association based in the U.S.</li> <li>• Health and safety management system is introduced.</li> <li>• Standards of Conduct for Toshiba Group is revised.</li> <li>• Joins UN Global Compact.</li> </ul>               |
| FY2002 | <ul style="list-style-type: none"> <li>• Internal free agent system is introduced.</li> <li>• Zero emissions of waste is achieved.</li> </ul>   |
| FY2001 | <ul style="list-style-type: none"> <li>• Toshiba Standards of Business Conduct and Toshiba International Standards of Conduct are integrated.</li> </ul>  |
| FY2000 | <ul style="list-style-type: none"> <li>• Corporate risk management system is established.</li> <li>• Environmental accounting is introduced.</li> <li>• Third Voluntary Environmental Plan is introduced.</li> <li>• Green procurement is introduced.</li> </ul>  |
| FY1999 | <ul style="list-style-type: none"> <li>• In-house company system is introduced.</li> <li>• Environmental report is issued. Environmental Protection &amp; Recycling Planning Center is established.</li> <li>• Toshiba Customer Information Center is established.</li> </ul>   |
| FY1998 | <ul style="list-style-type: none"> <li>• Executive officer system is introduced.</li> </ul>   |
| FY1996 | <ul style="list-style-type: none"> <li>• Second Voluntary Environmental Plan is introduced.</li> </ul>  |
| FY1995 | <ul style="list-style-type: none"> <li>• ISO 14001 certification is obtained.</li> </ul>  |
| FY1993 | <ul style="list-style-type: none"> <li>• First Voluntary Environmental Plan is introduced.</li> </ul>   |
| FY1992 | <ul style="list-style-type: none"> <li>• ExploraVision Award is started in the U.S.</li> <li>• Family-care leave, child-care leave and short-time working hours systems are introduced.</li> </ul>  |
| FY1991 | <ul style="list-style-type: none"> <li>• Corporate Environmental Protection Council is established.</li> <li>• Toshiba Group Environmental Exhibition is started.</li> <li>• Toshiba Thai Foundation is established.</li> </ul>   |
| FY1990 | <ul style="list-style-type: none"> <li>• Basic Commitment of the Toshiba Group and the slogan are established.</li> <li>• Toshiba Standards of Business Conduct and Toshiba International Standards of Conduct are established.</li> <li>• Toshiba America Foundation is established.</li> </ul>  |
| FY1989 | <ul style="list-style-type: none"> <li>• Basic Policy for Environmental Protection is established.</li> <li>• Environmental auditing is introduced.</li> <li>• Toshiba International Foundation is established.</li> </ul>  |
| FY1988 | <ul style="list-style-type: none"> <li>• Environmental Protection Center is established.</li> </ul>   |
| FY1975 | <ul style="list-style-type: none"> <li>• Toshiba Group Health and Safety Convention is introduced.</li> </ul>   |
| FY1973 | <ul style="list-style-type: none"> <li>• Toshiba Management Philosophy is established.</li> </ul>   |
| FY1971 | <ul style="list-style-type: none"> <li>• Consumers Department is established.</li> </ul>  |

# Comparison with the UN Global Compact

As a signatory to the UN Global Compact, Toshiba submits Communication on Progress (COP) reports regarding the implementation progress of the ten principles of the Global Compact. The Global Compact sets forth universal principles on human rights, labor, the environment and anti-corruption advocated by the United Nations.

> [Participation in CSR-related organizations](#)

■ S: Sustainability website      ■ E: Environmental website

| Global Compact Ten Principles |  | References  |
|-------------------------------|--|---|
| Human Rights                  |  |   |
| Principle 1                   | Businesses should support and respect the protection of internationally proclaimed human rights.                         | <ul style="list-style-type: none"> <li>■ S: <a href="#">Respect for Human Rights</a></li> <li>■ S: <a href="#">Employment and Labor Relations(Relationship with Toshiba Union)</a></li> <li>■ S: <a href="#">Promotion of Diversity and Inclusion</a></li> <li>■ S: <a href="#">Occupational Health and Safety</a></li> <li>■ S: <a href="#">Risk Management and Compliance</a></li> <li>■ S: <a href="#">CSR Management in the Supply Chain</a></li> <li>■ S: <a href="#">Quality Control for Safety and Reliability</a></li> <li>■ S: <a href="#">Product Safety and Product Security</a></li> <li>■ S: <a href="#">Stakeholders (NPOs/NGOs)</a></li> </ul> |
| Principle 2                   | Make sure that they are not complicit in human rights abuses.  | <ul style="list-style-type: none"> <li>■ S: <a href="#">Respect for Human Rights</a></li> <li>■ S: <a href="#">Employment and Labor Relations(Relationship with Toshiba Union)</a></li> <li>■ S: <a href="#">Risk Management and Compliance(Compliance Training)</a></li> <li>■ S: <a href="#">Promotion of Diversity and Inclusion</a></li> <li>■ S: <a href="#">CSR Management in the Supply Chain</a></li> </ul>   |
| Labor                         |  |   |
| Principle 3                   | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | <ul style="list-style-type: none"> <li>■ S: <a href="#">Employment and Labor Relations</a></li> <li>■ S: <a href="#">Risk Management and Compliance(Compliance Training)</a></li> <li>■ S: <a href="#">CSR Management in the Supply Chain</a></li> </ul>  |
| Principle 4                   | The elimination of all forms of forced and compulsory labor  | <ul style="list-style-type: none"> <li>■ S: <a href="#">Respect for Human Rights</a></li> <li>■ S: <a href="#">Risk Management and Compliance(Compliance Training)</a></li> <li>■ S: <a href="#">CSR Management in the Supply Chain</a></li> </ul>  |
| Principle 5                   | The effective abolition of child labor   | <ul style="list-style-type: none"> <li>■ S: <a href="#">Respect for Human Rights</a></li> <li>■ S: <a href="#">Risk Management and Compliance(Compliance Training)</a></li> <li>■ S: <a href="#">CSR Management in the Supply Chain</a></li> </ul>  |
| Principle 6                   | The elimination of discrimination in respect of employment and occupation  | <ul style="list-style-type: none"> <li>■ S: <a href="#">Promotion of Diversity and Inclusion</a></li> <li>■ S: <a href="#">Risk Management and Compliance(Compliance Training)</a></li> <li>■ S: <a href="#">CSR Management in the Supply Chain</a></li> <li>■ S: <a href="#">Coexistence with Local Communities</a></li> </ul>   |



| Environment     |  |   |
|-----------------|--|---|
| Principle 7     | Businesses should support a precautionary approach to environmental challenges.              | <a href="#">■ S: Stakeholders (Governments and public bodies)</a><br><a href="#">■ E: Environment</a>   |
| Principle 8     | Undertake initiatives to promote greater environmental responsibility                        | <a href="#">■ S: SDG Initiatives</a><br><a href="#">■ S: Product Safety and Product Security</a><br><a href="#">■ S: Stakeholders (Governments and public bodies)</a><br><a href="#">■ E: Environment</a> |
| Principle 9     | Encourage the development and diffusion of environmentally friendly technologies             | <a href="#">■ S: SDG Initiatives</a><br><a href="#">■ S: Stakeholders (Governments and public bodies)</a><br><a href="#">■ E: Environment</a>   |
| Anti-Corruption |  |   |
| Principle 10    | Businesses should work against corruption in all its forms, including extortion and bribery. | <a href="#">■ S: Risk Management and Compliance</a><br><a href="#">■ S: Stakeholders (Governments and public bodies)</a>  |

# Comparison with ISO 26000

Toshiba strive to evaluate our sustainability initiatives according to the core subjects as well as to expand our sustainability initiatives and sustainability reporting.

■ S: Sustainability Website

■ E: Environmental Website

■ IR: IR Website

| Core Subjects                 | Issues  | References   |
|-------------------------------|---|--|
| 6.2 Organizational governance |   | <a href="#">■ S: Sustainability Management</a><br><a href="#">■ S: Stakeholders</a><br><a href="#">■ S: Stakeholder Dialogue by Region</a><br><a href="#">■ IR: Corporate Governance</a> |
| 6.3 Human rights              |   |  |
| 6.3.3                         | Due diligence                                   | <a href="#">■ S: Respect for Human Rights</a>  |
| 6.3.4                         | Human rights risk situations                    | <a href="#">■ S: Respect for Human Rights</a>  |
| 6.3.5                         | Avoidance of complicity                         | <a href="#">■ S: Respect for Human Rights</a>  |
| 6.3.6                         | Resolving grievances                            | <a href="#">■ S: Respect for Human Rights</a>  |
| 6.3.7                         | Discrimination and vulnerable groups            | <a href="#">■ S: Respect for Human Rights</a>  |
| 6.3.8                         | Civil and political rights                      | <a href="#">■ S: Respect for Human Rights</a>  |
| 6.3.9                         | Economic, social and cultural rights            | <a href="#">■ S: Respect for Human Rights</a>  |
| 6.3.10                        | Fundamental principles and rights at work       | <a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: Employment and Labor Relations</a><br><a href="#">■ S: CSR Management in the Supply Chain</a>                          |
| 6.4 Labor practices           |   |  |
| 6.4.3                         | Employment and employment relationships         | <a href="#">■ S: Employment and Labor Relations</a><br><a href="#">■ S: Fair Evaluation and Talent Development</a><br><a href="#">■ S: Promotion of Diversity and Inclusion</a>          |
| 6.4.4                         | Conditions of work and social protection        | <a href="#">■ S: Promotion of Diversity and Inclusion</a><br><a href="#">■ S: Occupational Health and Safety</a>   |
| 6.4.5                         | Social dialogue                                 | <a href="#">■ S: Employment and Labor Relations</a><br><a href="#">■ S: Fair Evaluation and Talent Development</a>   |
| 6.4.6                         | Health and safety at work                       | <a href="#">■ S: Occupational Health and Safety</a>  |
| 6.4.7                         | Human development and training in the workplace | <a href="#">■ S: Fair Evaluation and Talent Development</a>  |

| 6.5 The environment          |   |   |
|------------------------------|---|---|
| 6.5.3                        | Prevention of pollution   | <ul style="list-style-type: none"> <li>■ <a href="#">E: Overview of Environmental Impacts</a></li> <li>■ <a href="#">E: Reducing Emissions of Chemical Substances</a></li> <li>■ <a href="#">E: Management of Chemicals Contained in Products</a></li> <li>■ <a href="#">E: Soil and Groundwater Purification</a></li> <li>■ <a href="#">E: Preventing Contamination and Reducing Contamination Risks</a></li> <li>■ <a href="#">E: Storage and Management of PCB</a></li> <li>■ <a href="#">E: Management of Ozone-depleting Substances</a></li> </ul> |
| 6.5.4                        | Sustainable resource use  | <ul style="list-style-type: none"> <li>■ <a href="#">E: Overview of Environmental Impacts</a></li> <li>■ <a href="#">E: Reducing Waste Volumes</a></li> <li>■ <a href="#">E: Reducing the Amount of Water Received</a></li> <li>■ <a href="#">E: Increasing the Amount of Resources Saved</a></li> <li>■ <a href="#">E: Increasing the Use of Recycled Plastics</a></li> </ul>  |
| 6.5.5                        | Climate change mitigation and adaptation  | <ul style="list-style-type: none"> <li>■ <a href="#">E: Overview of Environmental Impacts</a></li> <li>■ <a href="#">E: Reducing Total GHG Emissions</a></li> <li>■ <a href="#">E: Reductions in CO<sub>2</sub> Emissions by Eco-products</a></li> <li>■ <a href="#">E: Products and Services Associated with Power Supply</a></li> <li>■ <a href="#">E: Products and Services Associated with Power Consumption</a></li> <li>■ <a href="#">E: In Response to Climate Change</a></li> </ul>   |
| 6.5.6                        | Protection of the environment, biodiversity and restoration of natural habitats | <ul style="list-style-type: none"> <li>■ <a href="#">E: Conservation of Biodiversity</a></li> </ul>   |
| 6.6 Fair operating practices |   |   |
| 6.6.3                        | Anti-corruption   | <ul style="list-style-type: none"> <li>■ <a href="#">S: Risk Management and Compliance</a></li> </ul>   |
| 6.6.4                        | Responsible political involvement   | <ul style="list-style-type: none"> <li>■ <a href="#">S: Risk Management and Compliance</a></li> <li>■ <a href="#">S: Stakeholders (Governments and Public Bodies)</a></li> </ul>  |
| 6.6.5                        | Fair competition  | <ul style="list-style-type: none"> <li>■ <a href="#">S: Risk Management and Compliance</a></li> </ul>   |
| 6.6.6                        | Promoting social responsibility in the value chain                              | <ul style="list-style-type: none"> <li>■ <a href="#">S: CSR Management in the Supply Chain</a></li> <li>■ <a href="#">S: Risk Management and Compliance (Export Control)</a></li> </ul>   |
| 6.6.7                        | Respect for property rights   | <ul style="list-style-type: none"> <li>■ <a href="#">S: Risk Management and Compliance</a></li> <li>■ <a href="#">S: Research &amp; Development and Intellectual Property</a></li> </ul>  |

| 6.7 Consumer issues                       |   |  |
|---|---|--|
| 6.7.3                                     | Fair marketing, factual and unbiased information and fair contractual practices | <a href="#">■ S: Product Safety and Product Security</a>   |
| 6.7.4                                     | Protecting consumers' health and safety   | <a href="#">■ S: Quality Control for Safety and Reliability</a><br><a href="#">■ S: Product Safety and Product Security</a>  |
| 6.7.5                                     | Sustainable consumption   | <a href="#">■ S: Quality Control for Safety and Reliability</a><br><a href="#">■ S: CSR Management in the Supply Chain</a><br><a href="#">■ E: Business (Products/Services)</a><br><a href="#">■ E: Products and Services Associated with Power Consumption</a><br><a href="#">■ E: Management</a> |
| 6.7.6                                     | Consumer service, support, and complaint and dispute resolution                 | <a href="#">■ S: Improvement of Customer Satisfaction</a>  |
| 6.7.7                                     | Consumer data protection and privacy  | <a href="#">■ S: Risk Management and Compliance (Information Security Management)</a><br><a href="#">■ S: Improvement of Customer Satisfaction (Policy on Customer Information Protection)</a>   |
| 6.7.8                                     | Access to essential services  | <a href="#">■ S: Improvement of Customer Satisfaction</a>  |
| 6.7.9                                     | Education and awareness   | <a href="#">■ S: Quality Control for Safety and Reliability (Disclosure of Information on Quality)</a><br><a href="#">■ S: Product Safety and Product Security</a>   |
| 6.8 Community involvement and development |   |  |
| 6.8.3                                     | Community involvement   | <a href="#">■ S: Coexistence with Local Communities</a><br><a href="#">■ S: Social Contribution Activities</a><br><a href="#">■ S: Stakeholders</a>  |
| 6.8.4                                     | Education and culture   | <a href="#">■ S: Social Contribution Activities</a>  |
| 6.8.5                                     | Employment creation and skills development                                      | <a href="#">■ S: Coexistence with Local Communities</a><br><a href="#">■ S: Social Contribution Activities</a>   |
| 6.8.6                                     | Technology development and access   | <a href="#">■ S: SDGs Initiatives</a><br><a href="#">■ S: Research &amp; Development and Intellectual Property</a>   |
| 6.8.7                                     | Wealth and income creation  | <a href="#">■ C: Coexistence with Local Communities</a>  |
| 6.8.8                                     | Health  | <a href="#">■ S: Coexistence with Local Communities</a><br><a href="#">■ S: Social Contribution Activities (Social Welfare)</a>  |
| 6.8.9                                     | Social investment   | <a href="#">■ S: SDGs Initiatives</a><br><a href="#">■ S: Coexistence with Local Communities</a><br><a href="#">■ S: Stakeholders (Governments and Public Bodies)</a><br><a href="#">■ C: Stakeholders (NPOs/NGOs)</a>   |

# GRI Content Index

Toshiba Sustainability Report 2020 refers to the Global Reporting Initiative (GRI) Sustainability Reporting Standards. For the connection with these standards, please see the table below.

■ S: Sustainability Website    ■ E: Environmental Website    ■ IR: IR Website    ■ O: Other Website

## General Disclosures

| No.                       | Requirements   | References   |
|---------------------------|--|--|
| 1. Organizational profile |  |  |
| 102-1                     | Name of the organization                                     | ■ O: <a href="#">Basic Corporate Data</a>  |
| 102-2                     | Activities, brands, products, and services                   | ■ O: <a href="#">Business Domains</a>  |
| 102-3                     | Location of headquarters                                     | ■ O: <a href="#">Basic Corporate Data</a>  |
| 102-4                     | Location of operations                                       | ■ O: <a href="#">Offices</a>   |
| 102-5                     | Ownership and legal form                                     | ■ O: <a href="#">Basic Corporate Data</a>  |
| 102-6                     | Markets served   | ■ IR: <a href="#">Geographic Segment Information</a><br>■ O: <a href="#">Business Domains</a>  |
| 102-7                     | Scale of the organization                                    | ■ O: <a href="#">Basic Corporate Data</a><br>■ IR: <a href="#">Integrated Report</a><br>■ IR: <a href="#">Income Statements</a><br>■ IR: <a href="#">Balance Sheets</a><br>■ O: <a href="#">Business Domains</a> |
| 102-8                     | Information on employees and other workers                   | ■ S: <a href="#">Promotion of Diversity and Inclusion (Promoting the Career Development of Female Employees)</a><br>■ S: <a href="#">Employment and Labor Relations</a>  |
| 102-9                     | Supply chain   | ■ S: <a href="#">CSR Management in the Supply Chain</a>  |
| 102-10                    | Significant changes to the organization and its supply chain | ■ IR: <a href="#">Stock Information</a>  |

|                         |   |  |
|-------------------------|---|--|
| 102-11                  | Precautionary Principle or approach   | <a href="#">■ IR: Integrated Report</a><br><a href="#">■ S: Participation in External CSR Organizations</a><br><a href="#">■ IR: Corporate Governance</a><br><a href="#">■ S: Risk Management and Compliance</a><br><a href="#">■ S: Research &amp; Development and Intellectual Property</a><br><a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: Standards of Conduct for Toshiba Group</a><br><a href="#">■ E: In Response to Climate Change</a><br><a href="#">■ E: Ensuring Environmental Risk Compliance</a><br><a href="#">■ E: Preventing Contamination and Reducing Contamination Risks</a><br><a href="#">■ E: Management of chemicals contained in products</a> |
| 102-12                  | External initiatives  | <a href="#">■ S: Participation in External CSR Organizations</a><br><a href="#">■ S: CSR Management in the Supply Chain</a>  |
| 102-13                  | Membership of associations  | <a href="#">■ S: Participation in External CSR Organizations</a><br><a href="#">■ S: CSR Management in the Supply Chain</a>  |
| 2. Strategy             |   |  |
| 102-14                  | Statement from senior decision-maker  | <a href="#">■ O: Message from Top Management</a><br><a href="#">■ S: Message from the Executive in Charge of Sustainability</a><br><a href="#">■ E: Message from the Corporate Environmental Officer</a>   |
| 102-15                  | Key impacts, risks, and opportunities   | <a href="#">■ IR: Integrated Report</a><br><a href="#">■ S: Material Issues</a><br><a href="#">■ E: In Response to Climate Change</a>  |
| 3. Ethics and integrity |   |  |
| 102-16                  | Values, Principles, standards, and norms of behavior                          | <a href="#">■ O: The Essence of Toshiba</a><br><a href="#">■ S: Standards of Conduct for Toshiba Group</a>   |
| 102-17                  | Mechanisms for advice and concerns about ethics                               | <a href="#">■ S: Risk Management and Compliance</a>  |
| 4. Governance           |   |  |
| 102-18                  | Governance structure  | <a href="#">■ IR: Corporate Governance</a><br><a href="#">■ S: Sustainability Management</a><br><a href="#">■ E: Environmental Management Structure</a>  |
| 102-19                  | Delegating authority  | <a href="#">■ S: Sustainability Management</a><br><a href="#">■ E: Environmental Management Structure</a>  |
| 102-20                  | Executive-level responsibility for economic, environmental, and social topics | <a href="#">■ S: Sustainability Management</a><br><a href="#">■ E: Environmental Management Structure</a><br><a href="#">■ E: In Response to Climate Change</a>  |



|        |  |  |
|--------|--|--|
| 102-21 | Consulting stakeholders on economic, environmental, and social topics    | ■ <a href="#">IR: Corporate Governance Guidelines</a>  |
| 102-22 | Composition of the highest governance body and its committees            | ■ <a href="#">O: Directors and Executives</a><br>■ <a href="#">IR: Corporate Governance</a><br>■ <a href="#">IR: Corporate Governance Report</a><br>■ <a href="#">IR: Articles of Incorporation</a><br>■ <a href="#">IR: Integrated Report</a> |
| 102-23 | Chair of the highest governance body                                     | ■ <a href="#">O: Directors and Executives</a><br>■ <a href="#">IR: Corporate Governance</a>  |
| 102-24 | Nominating and selecting the highest governance body                     | ■ <a href="#">IR: Corporate Governance</a>   |
| 102-25 | Conflicts of interest  | ■ <a href="#">IR: Corporate Governance Guidelines</a><br>■ <a href="#">IR: Corporate Governance Report</a><br>■ <a href="#">IR: Stock Information</a>  |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | ■ <a href="#">IR: Corporate Governance</a>   |
| 102-27 | Collective knowledge of highest governance body                          | ■ <a href="#">S: Sustainability Management</a><br>■ <a href="#">E: Environmental Management Structure</a>  |
| 102-28 | Evaluating the highest governance body's performance                     | ■ <a href="#">IR: Corporate Governance</a><br>■ <a href="#">IR: Corporate Governance Report</a>  |
| 102-29 | Identifying and managing economic, environmental, and social impacts     | ■ <a href="#">S: Sustainability Management</a><br>■ <a href="#">E: In Response to Climate Change</a>   |
| 102-30 | Effectiveness of risk management processes                               | ■ <a href="#">S: Sustainability Management</a><br>■ <a href="#">E: Environmental Management Structure</a>  |
| 102-31 | Review of economic, environmental, and social topics                     | ■ <a href="#">IR: Corporate Governance</a>   |
| 102-32 | Highest governance body's role in sustainability reporting               | ■ <a href="#">S: Sustainability Reporting Policy</a>   |
| 102-33 | Communicating critical concerns  | ■ <a href="#">IR: Corporate Governance</a><br>■ <a href="#">S: Risk Management and Compliance</a>  |
| 102-34 | Nature and total number of critical concerns                             | ■ <a href="#">IR: Business Risk Factors</a>  |
| 102-35 | Remuneration policies  | ■ <a href="#">IR: Corporate Governance</a>   |
| 102-36 | Process for determining remuneration                                     | ■ <a href="#">IR: Corporate Governance</a>   |
| 102-37 | Stakeholders' involvement in remuneration                                | –  |
| 102-38 | Annual total compensation ratio  | –  |
| 102-39 | Percentage increase in annual total compensation ratio                   | –  |

| 5. Stakeholder engagement |  |   |
|---------------------------|--|---|
| 102-40                    | List of stakeholder groups                                 | ■ <a href="#">S: Stakeholder Engagement</a>   |
| 102-41                    | Collective bargaining agreements                           | Toshiba Union membership numbers and membership rate are published.<br>■ <a href="#">S: Employment and Labor Relations</a>  |
| 102-42                    | Identifying and selecting stakeholders                     | ■ <a href="#">S: Stakeholders</a><br>■ <a href="#">S: Material Issues</a>   |
| 102-43                    | Approach to stakeholder engagement                         | ■ <a href="#">S: Stakeholders</a><br>■ <a href="#">S: Stakeholder Engagement</a><br>■ <a href="#">S: Respect for Human Rights</a><br>■ <a href="#">S: CSR Management in the Supply Chain</a><br>■ <a href="#">E: Management</a> |
| 102-44                    | Key topics and concerns raised                             | ■ <a href="#">IR: Shareholders' Meeting</a><br>■ <a href="#">S: Respect for Human Rights</a><br>■ <a href="#">E: The Sixth Environmental Action Plan</a>  |
| 6. Reporting practice     |  |   |
| 102-45                    | Entities included in the consolidated financial statements | ■ <a href="#">IR: Integrated Report</a>   |
| 102-46                    | Defining report content and topic Boundaries               | –   |
| 102-47                    | List of material topics                                    | ■ <a href="#">S: Material Issues</a><br>■ <a href="#">E: The Sixth Environmental Action Plan</a>  |
| 102-48                    | Restatements of information                                | No restatement.   |
| 102-49                    | Changes in reporting                                       | No major changes.   |
| 102-50                    | Reporting Period   | ■ <a href="#">S: Sustainability Reporting Policy</a>  |
| 102-51                    | Date of most recent report                                 | ■ <a href="#">S: Sustainability Reporting Policy</a>  |
| 102-52                    | Reporting cycle  | ■ <a href="#">S: Sustainability Reporting Policy</a>  |
| 102-53                    | Contact point for questions regarding the report           | ■ <a href="#">S: Questionnaire for Sustainability Report</a><br>■ <a href="#">S: Inquiries about Sustainability and Environmental Activities</a>  |
| 102-54                    | Claims of reporting in accordance with the GRI Standards   | ■ <a href="#">S: GRI Content Index (This page)</a>  |
| 102-55                    | GRI content index  | ■ <a href="#">S: GRI Content Index (This page)</a>  |
| 102-56                    | External assurance   | ■ <a href="#">E: Third-party Verification</a><br>A third party has verified GHG emissions due to business activities and from the use of products sold.   |

# Economic

| No.                       | Requirements  | References   |
|---------------------------|---|--|
| Economic Performance      |   |  |
| 103-1, 2.3                | Management Approach   | –  |
| 201-1                     | Direct economic value generated and distributed                                 | ■ <a href="#">IR: Integrated Report</a><br>■ <a href="#">S: Social Contribution Activities</a>   |
| 201-2                     | Financial implications and other risks and opportunities due to climate change  | ■ <a href="#">IR: Integrated Report</a><br>■ <a href="#">E: In Response to Climate Change</a>  |
| 201-3                     | Defined benefit plan obligations and other retirement plans                     | ■ <a href="#">IR: Integrated Report</a>  |
| 201-4                     | Financial assistance received from government                                   | –  |
| Market Presence           |   |  |
| 103-1, 2.3                | Management Approach   | –  |
| 202-1                     | Ratios of standard entry level wage by gender compared to local minimum wage    | –  |
| 202-2                     | Proportion of senior management hired from the local community                  | –  |
| Indirect Economic Impacts |   |  |
| 103-1, 2.3                | Management Approach   | –  |
| 203-1                     | Infrastructure investments and services supported                               | ■ <a href="#">O: Business Domains</a>  |
| 203-2                     | Significant indirect economic impacts   | –  |
| Procurement Practices     |   |  |
| 103-1, 2.3                | Management Approach   | ■ <a href="#">S: Material Issues</a><br>■ <a href="#">S: CSR Management in the Supply Chain</a><br>■ <a href="#">S: Risk Management and Compliance</a> |
| 204-1                     | Proportion of sending on local suppliers  | –  |
| Anti-corruption           |   |  |
| 103-1, 2.3                | Management Approach   | ■ <a href="#">S: Risk Management and Compliance</a>  |
| 205-1                     | Operations assessed for risks related to corruption                             | –  |
| 205-2                     | Communication and training about anti-corruption policies and procedures        | ■ <a href="#">S: Risk Management and Compliance</a>  |
| 205-3                     | Confirmed incidents of corruption and actions taken                             | –  |
| Anti-competitive Behavior |   |  |
| 103-1, 2.3                | Management Approach   | ■ <a href="#">S: Risk Management and Compliance</a>  |
| 206-1                     | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | ■ <a href="#">S: Risk Management and Compliance</a>  |

# Environmental

| No.          | Requirements  | References  |
|--------------|---|---|
| Materials    |   |   |
| 103-1.2.3    | Management Approach   | <a href="#">■ E: Environmental Future Vision 2050</a><br><a href="#">■ E: The Sixth Environmental Action Plan</a>   |
| 301-1        | Materials used by weight or volume  | <a href="#">■ E: Increasing the Amount of Resources Saved</a><br><a href="#">■ E: Increasing the Use of Recycled Plastics</a><br><a href="#">■ E: Overview of Environmental Impacts</a> |
| 301-2        | Recycled input materials used   | <a href="#">■ E: Overview of Environmental Impacts</a>  |
| 301-3        | Reclaimed products and their packaging materials  | –   |
| Energy       |   |   |
| 103-1.2.3    | Management Approach   | <a href="#">■ E: Environmental Future Vision 2050</a><br><a href="#">■ E: In Response to Climate Change</a><br><a href="#">■ E: The Sixth Environmental Action Plan</a>                 |
| 302-1        | Energy consumption within the organization  | <a href="#">■ E: Overview of Environmental Impacts</a>  |
| 302-2        | Energy consumption outside of the organization  | <a href="#">■ E: Greenhouse Gas Emissions across the Value Chain</a>  |
| 302-3        | Energy intensity  | <a href="#">■ E: Reducing Total GHG Emissions</a>   |
| 302-4        | Reduction of energy consumption   | <a href="#">■ E: Reducing Total GHG Emissions</a>   |
| 302-5        | Reductions in CO <sub>2</sub> Emissions by Eco-products   | <a href="#">■ E: Reductions in CO<sub>2</sub> Emissions by Eco-products</a>   |
| Water        |   |   |
| 103-1.2.3    | Management Approach   | <a href="#">■ E: Environmental Future Vision 2050</a><br><a href="#">■ E: The Sixth Environmental Action Plan</a>   |
| 303-1        | Interactions with water as a shared resource  | <a href="#">■ E: Reducing the Amount of Water Received</a>  |
| 303-2        | Management of water discharge-related impacts   | –   |
| 303-3        | Water withdrawal  | <a href="#">■ E: Reducing the Amount of Water Received</a>  |
| 303-4        | Water discharge   | <a href="#">■ E: Overview of Environmental Impacts</a>  |
| 303-5        | Water consumption   | <a href="#">■ E: Overview of Environmental Impacts</a>  |
| Biodiversity |   |   |
| 103-1.2.3    | Management Approach   | <a href="#">■ E: Environmental Future Vision 2050</a><br><a href="#">■ E: The Sixth Environmental Action Plan</a>   |
| 304-1        | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | –   |
| 304-2        | Significant impacts of activities, products, and services on biodiversity   | –   |

|                                   |  |  |
|-----------------------------------|--|--|
| 304-3                             | Habitats protected or restored   | <a href="#">■ E: Conservation of Biodiversity</a>  |
| 304-4                             | IUCN Red List species and national conservation list species with habitats in areas affected by operations | <a href="#">■ E: Conservation of Biodiversity</a>  |
| Emissions                         |  |  |
| 103-1, 2.3                        | Management Approach  | <a href="#">■ E: Environmental Future Vision 2050</a><br><a href="#">■ E: In Response to Climate Change</a><br><a href="#">■ E: The Sixth Environmental Action Plan</a>          |
| 305-1                             | Direct (Scope 1) GHG emissions   | <a href="#">■ E: Reducing Total GHG Emissions</a>  |
| 305-2                             | Energy indirect (Scope 2) GHG emissions  | <a href="#">■ E: Reducing Total GHG Emissions</a>  |
| 305-3                             | Other indirect (Scope 3) GHG emissions   | <a href="#">■ E: Greenhouse Gas Emissions across the Value Chain</a>   |
| 305-4                             | GHG emissions intensity  | <a href="#">■ E: Reducing Total GHG Emissions</a>  |
| 305-5                             | Reduction of GHG emissions   | <a href="#">■ E: Reducing Total GHG Emissions</a><br><a href="#">■ E: Greenhouse Gas Emissions across the Value Chain</a>  |
| 305-6                             | Emissions of ozone-depleting substances (ODS)  | <a href="#">■ E: Management of Ozone-depleting Substances</a>  |
| 305-7                             | Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions                            | <a href="#">■ E: Overview of Environmental Impacts</a>   |
| Effluents and Waste               |  |  |
| 103-1, 2.3                        | Management Approach  | <a href="#">■ E: Environmental Future Vision 2050</a><br><a href="#">■ E: The Sixth Environmental Action Plan</a>  |
| 306-1                             | Water discharge by quality and destination   | <a href="#">■ E: Overview of Environmental Impacts</a>   |
| 306-2                             | Waste by type and disposal method  | <a href="#">■ E: Reducing Waste Volumes</a>  |
| 306-3                             | Significant spills   | <a href="#">■ E: Preventing Contamination and Reducing Contamination Risks</a>   |
| 306-4                             | Transport of hazardous waste   | –  |
| 306-5                             | Water bodies affected by water discharges and/or runoff  | –  |
| Environmental Compliance          |  |  |
| 103-1, 2.3                        | Management Approach  | <a href="#">■ E: Environmental Future Vision 2050</a><br><a href="#">■ E: The Sixth Environmental Action Plan</a><br><a href="#">■ E: Ensuring Environmental Risk Compliance</a> |
| 307-1                             | Non-compliance with environmental laws and regulations   | <a href="#">■ E: Ensuring Environmental Risk Compliance</a>  |
| Supplier Environmental Assessment |  |  |
| 103-1, 2.3                        | Management Approach  | <a href="#">■ S: CSR Management in the Supply Chain</a>  |
| 308-1                             | New suppliers that were screened using environmental criteria  | –  |
| 308-2                             | Negative environmental impacts in the supply chain and actions taken                                       | <a href="#">■ S: CSR Management in the Supply Chain</a>  |

# Social

| No.                            | Requirements  | References   |
|--------------------------------|---|--|
| Employment                     |   |  |
| 103-1, 2.3                     | Management Approach   | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: Promotion of Diversity and Inclusion</a><br><a href="#">■ S: Fair Evaluation and Talent Development</a><br><a href="#">■ S: Employment and Labor Relations</a> |
| 401-1                          | New employee hires and employee turnover  | <a href="#">■ S: Employment and Labor Relations</a>  |
| 401-2                          | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | <a href="#">■ S: Promotion of Diversity and Inclusion</a>  |
| 401-3                          | Parental leave  | <a href="#">■ S: Promotion of Diversity and Inclusion</a>  |
| Labor/Management Relations     |   |  |
| 103-1, 2.3                     | Management Approach   | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Employment and Labor Relations</a>  |
| 402-1                          | Minimum notice periods regarding operational changes  | <a href="#">■ S: Employment and Labor Relations</a>  |
| Occupational Health and Safety |   |  |
| 103-1, 2.3                     | Management Approach   | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Occupational Health and Safety</a>  |
| 403-1                          | Occupational health and safety management system  | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-2                          | Hazard identification, risk assessment, and incident investigation  | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-3                          | Occupational health services  | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-4                          | Worker participation, consultation, and communication on occupational health and safety                       | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-5                          | Worker training on occupational health and safety   | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-6                          | Promotion of worker health  | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-7                          | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-8                          | Workers covered by an occupational health and safety management system  | <a href="#">■ S: Occupational Health and Safety</a><br><a href="#">■ S: Employment and Labor Relations</a>   |
| 403-9                          | Work-related injuries   | <a href="#">■ S: Occupational Health and Safety</a>  |
| 403-10                         | Work-related ill health   | <a href="#">■ S: Occupational Health and Safety</a>  |



| Training and Education                           |  |  |
|--|--|--|
| 103-1.<br>2.3                                    | Management Approach  | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Fair Evaluation and Talent Development</a>  |
| 404-1  | Average hours of training per year per employee  | <a href="#">■ S: Fair Evaluation and Talent Development</a>  |
| 404-2  | Programs for upgrading employee skills and transition assistance programs                                      | <a href="#">■ S: Fair Evaluation and Talent Development</a><br><a href="#">■ S: Promotion of Diversity and Inclusion</a>                           |
| 404-3  | Percentage of employees receiving regular performance and career development reviews                           | <a href="#">■ S: Fair Evaluation and Talent Development</a>  |
| Diversity and Equal Opportunity                  |  |  |
| 103-1.<br>2.3                                    | Management Approach  | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Promotion of Diversity and Inclusion</a><br><a href="#">■ S: Respect for Human Rights</a> |
| 405-1  | Diversity of governance bodies and employees   | <a href="#">■ IR: Corporate Governance</a><br><a href="#">■ IR: Integrated Report</a><br><a href="#">■ S: Promotion of Diversity and Inclusion</a> |
| 405-2  | Ratio of basic salary and remuneration of women to men   | –  |
| Non-discrimination                               |  |  |
| 103-1.<br>2.3                                    | Management Approach  | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a>  |
| 406-1  | Incidents of discrimination and corrective actions taken   | <a href="#">■ S: Respect for Human Rights</a>  |
| Freedom of Association and Collective Bargaining |  |  |
| 103-1.<br>2.3                                    | Management Approach  | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a>  |
| 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | –  |
| Child Labor                                      |  |  |
| 103-1.<br>2.3                                    | Management Approach  | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: CSR Management in the Supply Chain</a>   |
| 408-1  | Operations and suppliers at significant risk for incidents of child labor                                      | –  |
| Forced or Compulsory Labor                       |  |  |
| 103-1.<br>2.3                                    | Management Approach  | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: CSR Management in the Supply Chain</a>   |
| 409-1  | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | –  |

| Security Practices           |   |   |
|------------------------------|---|---|
| 103-1, 2.3                   | Management Approach   | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: CSR Management in the Supply Chain</a>            |
| 410-1                        | Security personnel trained in human rights policies or procedures   | –   |
| Rights of Indigenous Peoples |   |   |
| 103-1, 2.3                   | Management Approach   | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: CSR Management in the Supply Chain</a>            |
| 411-1                        | Incidents of violations involving rights of indigenous peoples  | –   |
| Human Rights Assessment      |   |   |
| 103-1, 2.3                   | Management Approach   | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: Sustainability Management in the Supply Chain</a> |
| 412-1                        | Operations that have been subject to human rights reviews or impact assessments   | <a href="#">■ S: Sustainability Management</a>  |
| 412-2                        | Employee training on human rights policies or procedures  | <a href="#">■ S: Respect for Human Rights</a><br><a href="#">■ S: Risk Management and Compliance</a>  |
| 412-3                        | Significant investment agreements and contacts that include human rights clauses or that underwent human rights screening | –   |
| Local communities            |   |   |
| 103-1, 2.3                   | Management Approach   | –   |
| 413-1                        | Operations with local community engagement, impact assessments, and development programs                                  | –   |
| 413-2                        | Operations with significant actual and potential negative impacts on local communities                                    | <a href="#">■ E: Soil and Groundwater Purification</a>  |
| Supplier Social Assessment   |   |   |
| 103-1, 2.3                   | Management Approach   | <a href="#">■ S: Material Issues</a><br><a href="#">■ S: CSR Management in the Supply Chain</a><br><a href="#">■ S: Risk Management and Compliance</a>      |
| 414-1                        | New suppliers that were screened using social criteria  | –   |
| 414-2                        | Negative social impacts in the supply chain and actions taken   | <a href="#">■ S: CSR Management in the Supply Chain</a>   |
| Public Policy                |   |   |
| 103-1, 2.3                   | Management Approach   | –   |
| 415-1                        | Political contributions   | <a href="#">■ S: Risk Management and Compliance</a>   |

| Customer Health and Safety |   |   |
|----------------------------|---|---|
| 103-1, 2.3                 | Management Approach   | ■ <a href="#">S: Product Safety and Product Security</a>  |
| 416-1                      | Assessment of the health and safety impacts of product and service categories                 | Data for this item has not been aggregated.<br>For information on this initiative, please refer to “Quality Control for Safety and Reliability.”<br>■ <a href="#">S: Quality Control for Safety and Reliability</a> |
| 416-2                      | Incidents of non-compliance concerning the health and safety impacts of products and services | ■ <a href="#">S: Product Safety and Product Security</a><br>■ <a href="#">S: Risk Management and Compliance</a>   |
| Marketing and Labeling     |   |   |
| 103-1, 2.3                 | Management Approach   | –   |
| 417-1                      | Requirements for product and service information and labeling                                 | –   |
| 417-2                      | Incidents of non-compliance concerning product and service information and labeling           | ■ <a href="#">S: Product Safety and Product Security</a><br>■ <a href="#">S: Risk Management and Compliance</a>   |
| 417-3                      | Incidents of non-compliance concerning marketing communications                               | ■ <a href="#">S: Risk Management and Compliance</a>   |
| Customer Privacy           |   |   |
| 103-1, 2.3                 | Management Approach   | ■ <a href="#">S: Material Issues</a><br>■ <a href="#">S: Risk Management and Compliance</a><br>■ <a href="#">S: Improvement of Customer Satisfaction</a>  |
| 418-1                      | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | ■ <a href="#">S: Risk Management and Compliance</a>   |
| Socioeconomic Compliance   |   |   |
| 103-1, 2.3                 | Management Approach   | –   |
| 419-1                      | Non-compliance with laws and regulations in the social and economic area                      | –   |

# ESG Data Collection

## Environment

| Items                        |  |   |  | FY2019 Achievement                                 | Scope         | Posted pages   |
|------------------------------|--|---|--|--|---------------|--|
| Mitigation of climate change | Scope1,2 GHG emissions (Toshiba Group)                                 | Total GHG emissions (million t-CO <sub>2</sub> ) <sup>1</sup>                             |  | 1.14   | Toshiba Group | • <a href="#">Reducing Total GHG Emissions</a>                           |
|                              |  | Energy-derived CO <sub>2</sub> emissions per unit activity (compared to FY2013 level) (%) |  | 93   | Toshiba Group | • <a href="#">Reducing Total GHG Emissions</a>                           |
|                              | Scope3 GHG emissions (downstream/upstream) (10,000 t-CO <sub>2</sub> ) | Purchased goods and services  |  | 1,571  | Toshiba Group | • <a href="#">Greenhouse gas emissions across the value chain</a>        |
|                              |  | Capital goods   |  | 40   | Toshiba Group |  |
|                              |  | Fuel- and energy-related activities not included in Scope 1 or 2                          |  | 6  | Toshiba Group |  |
|                              |  | Transportation and distribution (upstream)  |  | 3  | Toshiba Group |  |
|                              |  | Waste generated in operations   |  | 1  | Toshiba Group |  |
|                              |  | Business travel   |  | 2  | Toshiba Group |  |
|                              |  | Employee commuting  |  | 4  | Toshiba Group |  |
|                              |  | Leased assets (upstream)  |  | 0.3  | Toshiba Group |  |
|                              |  | Transportation and distribution (downstream)  |  | 22   | Toshiba Group |  |
|                              |  | Use of sold products  | Products and services associated with power supply                 | 53,763   | Toshiba Group |  |
|                              |  |   | Products and services associated with power consumption            | 6,839  | Toshiba Group |  |
|                              |  | End-of-life treatment of sold products  |  | 2  | Toshiba Group |  |
|                              | Manufacturing  | Renewable energy consumption (TJ)   |  | 31   | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>                      |
|                              |  | Energy consumption other than renewable energy  |  | Please look at “Overview of Environmental Impacts” | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>                      |
|                              | Products/services  | Power supply <sup>2</sup>   | Reduction of CO <sub>2</sub> emissions (10,000 t-CO <sub>2</sub> ) | 1,621 (cumulative total from FY2017)               | Toshiba Group | • <a href="#">Reductions in CO<sub>2</sub> Emissions by Eco-products</a> |
|                              |  | Power consumption <sup>3</sup>  | Reduction of CO <sub>2</sub> emissions (10,000 t-CO <sub>2</sub> ) | 548 (cumulative total from FY2017)                 | Toshiba Group | • <a href="#">Reductions in CO<sub>2</sub> Emissions by Eco-products</a> |
|                              |  |   | Use-phase electricity consumption (PJ)                             | 391  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>                      |

|                            |                       |  |   |               |   |
|----------------------------|-----------------------|--|---|---------------|---|
| Efficient use of resources | Manufacturing         | Waste volumes(10,000t) <sup>4</sup>  | 3.5   | Toshiba Group | • <a href="#">Reducing Waste Volumes</a>                        |
|                            |                       | Total volume of waste generated(10,000t)   | 8.7   | Toshiba Group | • <a href="#">Reducing Waste Volumes</a>                        |
|                            |                       | Total waste volume per unit production (compared to FY2013 level)(%)                   | 80  | Toshiba Group | • <a href="#">Reducing Waste Volumes</a>                        |
|                            |                       | Amount of water received (million m <sup>3</sup> )                                     | 18.4  | Toshiba Group | • <a href="#">Reducing the Amount of Water Received</a>         |
|                            |                       | Amount of water received per unit production (compared to FY2013 level)(%)             | 87  | Toshiba Group | • <a href="#">Reducing the Amount of Water Received</a>         |
|                            |                       | Amount of water received by type   | Please look at “Overview of Environmental Impacts”  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Water reused(10,000 m <sup>3</sup> )   | 59  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Water recycled (10,000 m <sup>3</sup> )  | 41  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Volume of end-of-life products recycled (1,000t)                                       | 84  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Final disposal volume (1,000t)   | 0.56  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            | Products/<br>services | Amount of resources saved (10,000t)  | 30<br>(cumulative total from FY2017)  | Toshiba Group | • <a href="#">Increasing the Amount of Resources Saved</a>      |
|                            |                       | Amount of recycled plastics used (t)   | 2,636<br>(cumulative total from FY2017)   | Toshiba Group | • <a href="#">Increasing the Amount of Resources Saved</a>      |
|                            |                       | Input materials (1,000t)   | 492   | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Major products shipped (1,000t)  | 310   | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Weight of end-of-life products recycled (t)  | 16,083  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Collection amount of end-of-life products (t)  | 18,382  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Amount of end-of-life products disposed after recycling (t)                            | 2,299   | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
| Management of chemicals    | Manufacturing         | Emissions of substances targeted for reduction (t)                                     | 528   | Toshiba Group | • <a href="#">Reducing Emissions of Chemical Substances</a>     |
|                            |                       | Total amount of chemicals discharged per unit production (compared to FY2013 level)(%) | 59  | Toshiba Group | • <a href="#">Reducing Emissions of Chemical Substances</a>     |
|                            |                       | Amount of chemical substances handled (t)  | 9,738   | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Emissions to the atmosphere  | Please look at “Overview of Environmental Impacts”  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Emissions to the hydrosphere   | Please look at “Overview of Environmental Impacts”  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            |                       | Amount of chemical substances released to the hydrosphere                              | Please look at “Overview of Environmental Impacts”  | Toshiba Group | • <a href="#">Overview of Environmental Impacts</a>             |
|                            | Products/<br>services | Reduction of specified chemical substances contained in products                       | Completed the substitution of four phthalates <sup>5</sup> used in regulated products for the European market | Toshiba Group | • <a href="#">Management of chemicals contained in products</a> |

|  |                     |   |  |   |               |   |  |
|--|---------------------|---|--|---|---------------|---|--|
| Number of products certified as Excellent ECPs |                     |   |  | 6   | Toshiba Group | • <a href="#">Excellent ECPs</a>  |  |
| Environmental Management Structure             |                     | Number of ISO 14001-certified sites                                       |  | 65<br>(including integrated certifications) | Toshiba Group | • <a href="#">Environmental Management Structure</a>                        |  |
| Ensuring of environmental risk compliance      |                     | Number of legal violations  |  | 3   | Toshiba Group | • <a href="#">Ensuring Environmental Risk Compliance</a>                    |  |
|  |                     | Number of legal violations  | Toshiba Group in Japan   | 98.5  | Toshiba Group | • <a href="#">Preventing Contamination and Reducing Contamination Risks</a> |  |
|  |                     |   | Toshiba Group overseas   | 89.9  | Toshiba Group |   |  |
|  |                     | Amount of VOCs collected from groundwater (kg)                            |  | 304   | Toshiba Group | • <a href="#">Soil and Groundwater Purification</a>                         |  |
|  |                     | PCB detoxification outsourcing expenses(billion yen)                      |  | 8.9   | Toshiba Group | • <a href="#">Storage and Management of PCB</a>                             |  |
|  |                     | Amount of specified CFCs possessed (t)                                    |  | 5.1   | Toshiba Group | • <a href="#">Management of Ozone-depleting Substances</a>                  |  |
|  |                     | CFC leaks(t-CO <sub>2</sub> )   |  | 1,004                                       | Toshiba Group | • <a href="#">Management of Ozone-depleting Substances</a>                  |  |
| Environmental communication                    |                     | Number of implementation of environmental education programs for children |  | 6   | Toshiba Group | • <a href="#">Environmental Communication</a>                               |  |
|  |                     | Number of activities of Global Environmental Action                       |  | 600   | Toshiba Group | • <a href="#">Environmental Communication</a>                               |  |
| Conservation of biodiversity                   |                     | Number of activities of our sites toward achieving Aichi Targets          |  | 63  | Toshiba Group | • <a href="#">Conservation of Biodiversity</a>                              |  |
| Environmental accounting                       | Environmental costs | Business area costs   | Reduction in environmental impacts   | Investments (million yen)                   | 2,909         | Toshiba Group   | • <a href="#">Environmental Accounting</a> |
|  |                     |   |  | Costs (million yen)                         | 5,715         | Toshiba Group   |  |
|  |                     | Upstream/ downstream costs  | Green procurement, recycling, etc.   | Investments (million yen)                   | 538           | Toshiba Group   |  |
|  |                     |   |  | Costs (million yen)                         | 689           | Toshiba Group   |  |
|  |                     | Administration costs  | Environmental education, EMS maintenance, tree planting on factory grounds, etc. | Investments (million yen)                   | 91            | Toshiba Group   |  |
|  |                     |   |  | Costs (million yen)                         | 2,299         | Toshiba Group   |  |
|  |                     | R&D costs   | Development of environmentally conscious products, etc.                          | Investments (million yen)                   | 1,177         | Toshiba Group   |  |
|  |                     |   |  | Costs (million yen)                         | 15,504        | Toshiba Group   |  |
|  |                     | Public relations costs  | Support for local environmental activities, donations, etc.                      | Investments (million yen)                   | 12            | Toshiba Group   |  |
|  |                     |   |  | Costs (million yen)                         | 16            | Toshiba Group   |  |



|                          |                        |   |                                       |  |         |               |  |               |
|--------------------------|------------------------|---|---------------------------------------|--|---------|---------------|--|---------------|
| Environmental accounting | Environmental costs    | Environmental damage restoration costs              | Restoration of polluted soil, etc.    | Investments (million yen)                            | 7       | Toshiba Group | • <a href="#">Environmental Accounting</a> |               |
|                          |                        |   |                                       | Costs (million yen)                                  | 149     | Toshiba Group |  |               |
|                          |                        | Total investments (million yen)                     |                                       |  | 4,734   |               |  | Toshiba Group |
|                          |                        | Total costs (million yen)                           |                                       |  | 24,372  |               |  | Toshiba Group |
|                          | Environmental benefits | Actual benefits                                     | Energy                                | Reductions in environmental impacts(GJ)              | 925,629 | Toshiba Group |  |               |
|                          |                        |   |                                       | Benefits measured as a monetary value (million yen)  | 870     | Toshiba Group |  |               |
|                          |                        |   | Waste                                 | Reductions in environmental impacts (t)              | 9,422   | Toshiba Group |  |               |
|                          |                        |   |                                       | Benefits measured as a monetary value (million yen)  | 713     | Toshiba Group |  |               |
|                          |                        |   | Water                                 | Reductions in environmental impacts(m³)              | 666,728 | Toshiba Group |  |               |
|                          |                        |   |                                       | Benefits measured as a monetary value (million yen)  | 44      | Toshiba Group |  |               |
|                          |                        |   | Total monetary benefits (million yen) |  | 1,627   |               |  | Toshiba Group |
|                          |                        |   | Assumed benefits                      | Reductions in the amount of chemicals discharged (t) | 113     |               |  | Toshiba Group |
|                          |                        | Benefits measured as a monetary value (million yen) |                                       | 9,988  |         | Toshiba Group |  |               |
|                          |                        | Total monetary benefits (million yen)               |                                       |  | 11,615  |               |  | Toshiba Group |

Note: Values related to the energy consumption required for manufacturing (nominal production amounts, number of products manufactured, number of persons, total floor area, etc.) are used for basic-unit goals for greenhouse gas emissions. For waste, water, and chemical substances, volume-based nominal outputs are used as an indicator for basic-unit goals that allows appropriate assessment.

\*1 For the CO<sub>2</sub> emission coefficients for electricity, emission coefficients provided by each power company are used.

\*2 Reductions in emissions from products and services associated with power supply such as power plants.

\*3 Reductions in emissions from products and services associated with power consumption such as social infrastructure products.

\*4 Obtained by deducting the volume of objects with value from the total volume of waste generated (excluding the sites engaged in waste treatment and power generation)

\*5 Bis (2-ethylhexyl) phthalate, butyl benzyl phthalate, di-n-butyl phthalate, and diisobutyl phthalate.

# Social

| Items  | FY2019 Achievement                     |             | Scope                           | Posted pages  |
|--|--|-------------|---------------------------------|---|
| Total number of shareholders (as of May 15, 2020)    | 269,067                                |             | Toshiba Corporation             | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Information</a></li> <li>• <a href="#">Stakeholders</a></li> </ul>   |
| Number of shares issued (shares, as of May 15, 2020) | 455 million                            |             | Toshiba Corporation             | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Information</a></li> <li>• <a href="#">Stakeholders</a></li> </ul>   |
| Total number of suppliers                            | Approx. 7,000                          |             | Toshiba Group                   | <ul style="list-style-type: none"> <li>• <a href="#">Stakeholders</a></li> </ul>  |
| Number of consolidated subsidiaries                  | 331                                    |             | Toshiba Corporation             | <ul style="list-style-type: none"> <li>• <a href="#">Stakeholders</a></li> </ul>  |
| Number of employees                                  | 125,648                                |             | Toshiba Group                   | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Information</a></li> <li>• <a href="#">Stakeholders</a></li> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>                                 |
| Employment by gender (%)                             | Male                                   | 21,544(87%) | Toshiba and key Group companies | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
|  | Female                                 | 3,273(13%)  |                                 |   |
| Employment by region                                 | Japan                                  | 75,991      | Toshiba Group                   | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
|  | China                                  | 11,007      |                                 |   |
|  | Asia & Oceania                         | 28,706      |                                 |   |
|  | North America                          | 6,124       |                                 |   |
|  | Central & South America                | 409         |                                 |   |
|  | Europe & Africa                        | 3,411       |                                 |   |
| Employment by business domain                        | Energy Systems & Solutions             | 15,594      | Toshiba Group                   | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
|  | Infrastructure Systems & Solutions     | 20,077      |                                 |   |
|  | Building Solutions                     | 21,936      |                                 |   |
|  | Retail & Printing Solutions            | 20,308      |                                 |   |
|  | Storage & Electronic Devices Solutions | 24,494      |                                 |   |
|  | Digital Solutions                      | 8,755       |                                 |   |
|  | Others                                 | 14,484      |                                 |   |
| An average age of employees (years)                  | 44.8                                   |             | Toshiba Corporation             | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |

|  |   |           |  |   |
|--|---|-----------|--|---|
| An average length of service (years)                                 |   | 18.5      | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>       |
|  | Male                                    | 19.0      |  |   |
|  | Female                                  | 16.5      |  |   |
| A turnover rate (%)  |   | 1.5       | Toshiba and key Group companies  | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
| The average annual salary (yen)                                      |   | 8,675,871 | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
| Starting monthly salary in Japan (yen)                               |   | 215,500   | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
| Status of Toshiba Union  | Number of members                       | 15,743    | Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
|  | Percentage of Toshiba Union members (%) | 95.7      |  |   |
| Employment status of new graduates                                   | Toshiba and key Group companies         | 350       | Toshiba Group in Japan   | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
|  | Consolidated companies in Japan         | 1,040     |  |   |
| Percentage of female recruits (new graduates)                        | Business Administrative Staff           | 37        | Toshiba and key Group companies  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
|  | R&D/Engineer                            | 19        |  |   |
| Number of employees in mid-career employment                         | Toshiba and key Group companies         | 70        | Toshiba Group in Japan   | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
|  | Consolidated companies in Japan         | 400       |  |   |
| Number of female managers  |   | 339       | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
| Percentage of female managers (%)                                    |   | 4.9       | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
| Number of employees with disabilities                                |   | 574.5     | Toshiba (including a special subsidiary company)   | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
| Percentage of employees with disabilities (%)                        |   | 2.41      | Toshiba (including a special subsidiary company)   | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
| Number of non-Japanese employees                                     |   | 383       | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
| The average total number of annual actual working hours per employee |   | 2,153     | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
| The average annual overtime working hours per employee               |   | 317       | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
| Percentage of annual paid vacation taken by Toshiba employees (%)    |   | 73.7      | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
| Childcare leave  | Male                                    | 34        | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
|  | Female                                  | 316       |  |   |

|   |  |                 |  |   |
|---|--|-----------------|--|---|
| Paternity leave   | Male   | 203             | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
| Family care leave   | Male   | 9               | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
|   | Female   | 4               |  |   |
| Number of nursing care seminars held from FY2015 to FY2019                    |  | 219             | Toshiba Group in Japan   | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
| Short-time shift  | Male   | 5               | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
|   | Female   | 411             |  |   |
| Status of Toshiba Corporate Pension Plan                                      | Number of companies  | 87              | Toshiba Group in Japan   | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
|   | Number of participants   | Approx. 65,000  |  |   |
| Status of health insurance association  | Number of business owners  | 175             | Toshiba Group in Japan   | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
|   | Number of people subscribed (including retirees and dependents)          | Approx. 225,000 |  |   |
| Status of a selective welfare system  | Number of companies  | 21              | Toshiba Group in Japan   | <ul style="list-style-type: none"> <li>• <a href="#">Promotion of Diversity and Inclusion</a></li> </ul>  |
|   | Target employees   | Approx. 40,000  |  |   |
| Employee participation rate of Toshiba Employees Shareholding Association (%) |  | 57              | Toshiba Corporation,<br>Toshiba Energy Systems & Solutions Corporation,<br>Toshiba Infrastructure Systems & Solutions Corporation,<br>Toshiba Electronic Devices & Storage Corporation,<br>and Toshiba Digital Solutions Corporation | <ul style="list-style-type: none"> <li>• <a href="#">Employment and Labor Relations</a></li> </ul>  |
| Acquisition status of OHSAS 18001 certification                               | Percentage of companies that have acquired OHSAS 18001 certification     | 100             | Toshiba Group  | <ul style="list-style-type: none"> <li>• <a href="#">Occupational Health and Safety</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>       |
|   | Number of companies that acquired the certification in Japan             | 52              |  |   |
|   | Of all personnel from companies acquired in Japan (%)                    | 76.1            |  |   |
|   | Number of companies that acquired the certification in foreign countries | 43              |  |   |
|   | Of all personnel from companies acquired abroad (%)                      | 73.5            |  |   |
| Number of OHS Management Meetings held  |  | 2               | Toshiba Corporation  | <ul style="list-style-type: none"> <li>• <a href="#">Occupational Health and Safety</a></li> </ul>  |
| Number of Central OHS Committee Meetings held                                 |  | 1               | Toshiba Corporation  |   |
| Number of Toshiba Group OHS Supervisor Meetings held                          |  | 1               | Toshiba Group in Japan   |   |
| Occurrence of Occupational Accidents  | Total  | 96              | Toshiba Group in Japan   | <ul style="list-style-type: none"> <li>• <a href="#">Occupational Health and Safety</a></li> </ul>  |
|   | Without lost workdays  | 70              |  |   |
|   | Lost workdays  | 25              |  |   |
|   | Fatal  | 1               |  |   |

|  |  |            |                                 |   |
|--|--|------------|---------------------------------|---|
| LTIFR<br>*Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million man-hours worked                  | 0.21   |            | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Occupational Health and Safety</a></li><li>• <a href="#">FY2019 Performance Indicators</a></li></ul>  |
| Frequency rate of all accidents<br>*The number of accidents occurring in a workplace per 1 million man-hours worked                                  | 0.55   |            | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Occupational Health and Safety</a></li></ul>  |
| Injury rate per 1,000 workers (all accidents)<br>*The number of lost-time injuries occurring in a workplace per 1,000 workers                        | 1.10   |            | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Occupational Health and Safety</a></li></ul>  |
| High risk of cerebral heart disease  | High blood pressure requiring more than normal consideration (%) | 3.1        | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Occupational Health and Safety</a></li></ul>  |
|  | High blood sugar requiring more than normal consideration (%)    | 2.1        |                                 |   |
| Metabolic syndrome patients (%)  | 15.1   |            | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Occupational Health and Safety</a></li></ul>  |
| Number of participants in education on OHS   | 71,792   |            | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Occupational Health and Safety</a></li></ul>  |
| Number of employees who participated in company-wide standardized educational program/training for the year  | 65,826   |            | Toshiba Group                   | <ul style="list-style-type: none"><li>• <a href="#">Fair Evaluation and Talent Development</a></li></ul>  |
| Total cost of company-wide standardized educational program/training(million yen)  | 3,090  |            | Toshiba Group                   | <ul style="list-style-type: none"><li>• <a href="#">Fair Evaluation and Talent Development</a></li></ul>  |
| Training time per employee (average) (hours)   | 20.8   |            | Toshiba Group                   | <ul style="list-style-type: none"><li>• <a href="#">Fair Evaluation and Talent Development</a></li></ul>  |
| Number of participants in awareness promotion training for top management covering diversity management as subject<br>*A total from FY2010 to FY2019 | 6,641  |            | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Promotion of Diversity and Inclusion</a></li></ul>  |
| Number of training programs for harassment held  | 1  |            | Toshiba and key Group companies | <ul style="list-style-type: none"><li>• <a href="#">Promotion of Diversity and Inclusion</a></li><li>• <a href="#">Respect for Human Rights</a></li><li>• <a href="#">Sustainability Management</a></li></ul> |
| Implementation status of reviews aimed at career development (%)   | 68   |            | Toshiba Corporation             | <ul style="list-style-type: none"><li>• <a href="#">Fair Evaluation and Talent Development</a></li></ul>  |
| Job transfers involving use of open recruitment in Toshiba Group   | Open recruitment in Toshiba Group                                | 58         | Toshiba Corporation             | <ul style="list-style-type: none"><li>• <a href="#">Fair Evaluation and Talent Development</a></li></ul>  |
|  | In-house free agent  | 8          |                                 |   |
| Employee Engagement Survey   | Number of companies that conducted the survey                    | 74         | Toshiba Group                   | <ul style="list-style-type: none"><li>• <a href="#">Fair Evaluation and Talent Development</a></li></ul>  |
|  | Received responses (%)   | Approx. 92 |                                 |   |
| Number of companies that conducted surveys on human rights   | 254  |            | Toshiba Group                   | <ul style="list-style-type: none"><li>• <a href="#">Sustainability Management</a></li><li>• <a href="#">Respect for Human Rights</a></li></ul>  |
| Human rights awareness seminars  | Number of seminars held  | 190        | Toshiba Group in Japan          | <ul style="list-style-type: none"><li>• <a href="#">Respect for Human Rights</a></li></ul>  |
|  | Total number of participants                                     | 8,000      |                                 |   |

|  |                                  |       |   |   |
|--|----------------------------------|-------|---|---|
| Number of attendees in human rights week lecture                                 | Approx. 90                       |       | Toshiba Group in Japan  | • <a href="#">Respect for Human Rights</a>  |
| Number of CSR Forum held   | 1                                |       | Toshiba and key Group companies   | • <a href="#">Sustainability Management</a>   |
| Procurement component ratio by business segment                                  | Energy and infrastructure        | 51    | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a>  |
|  | Electric devices                 | 29    |   |   |
|  | Others                           | 20    |   |   |
| Procurement component ratio by region  | Japan                            | 73    | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a>  |
|  | Overseas                         | 27    |   |   |
| Number of new suppliers  | Approx. 3,000                    |       | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a>  |
| Number of companies participated in briefings for suppliers                      | 10,743                           |       | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a>  |
| Number of suppliers covered by surveys   | 12,183                           |       | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a><br>• <a href="#">FY2019 Performance Indicators</a> |
| Number of suppliers covered by on-site audit                                     | 1,315                            |       | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a>  |
| Number of suppliers subject to guidance & support and suspension of transactions | Guidance and Support             | 1,085 | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a><br>• <a href="#">FY2019 Performance Indicators</a> |
|  | Suspension of transactions       | 0     |   |   |
| Percentage of obtaining consent for the Toshiba Group Procurement Policy         | 96                               |       | Toshiba Group   | • <a href="#">FY2019 Performance Indicators</a>   |
| The level of greenness of suppliers (%)  | Rank S                           | 78.0  | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a>  |
|  | Rank A                           | 14.6  |   |   |
|  | Rank B (requires guidance)       | 4.6   |   |   |
|  | Below Rank B (requires guidance) | 2.8   |   |   |
| Number of reports by “Clean Partner Line” that is supplier whistleblower system  | 4                                |       | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a>  |
| Number of companies conducted a conflict minerals survey                         | Approx. 560                      |       | Toshiba Group   | • <a href="#">CSR Management in the Supply Chain</a><br>• <a href="#">FY2019 Performance Indicators</a> |
| Status of QMS certified  | Targeted sites                   | 107   | Toshiba Group   | • <a href="#">Quality Control for Safety and Reliability</a>  |
|  | Certified sites                  | 98    |   |   |
|  | Percentage of certificate        | 91.6  |   |   |
| Number of participants in quality training programs                              | 1,566                            |       | The person in charge of quality assurance in Toshiba Group in Japan and China | • <a href="#">Quality Control for Safety and Reliability</a>  |
| Number of incident reports under Consumer Product Safety Act                     | 6                                |       | Toshiba Group in Japan  | • <a href="#">Product Safety and Product Security</a>   |

|   |   |   |  |   |
|---|---|---|--|---|
| Number of inquiries to Toshiba Customer Information Center                  | 30,696                                      | Toshiba Group                             | • <a href="#">Improvement of Customer Satisfaction</a> |   |
| Number of Contact Center Competition held                                   | 1   | Contact centers in Toshiba Group in Japan | • <a href="#">Improvement of Customer Satisfaction</a> |   |
| Number of participants in education and training on customer satisfaction   | 79,583                                      | Toshiba Group in Japan                    | • <a href="#">Improvement of Customer Satisfaction</a> |   |
| Number of customer satisfaction lectures held                               | 1   | Toshiba Group in Japan                    | • <a href="#">Improvement of Customer Satisfaction</a> |   |
| Number of after-sales service convention held                               | 2   | Toshiba Group in Japan and China          | • <a href="#">Improvement of Customer Satisfaction</a> |   |
| Number of quality check in operations at the contact center                 | 1   | Toshiba and key Group companies           | • <a href="#">Improvement of Customer Satisfaction</a> |   |
| Social contribution activities: total expenditure and its constituent parts | Total expenditure (billion yen)             | 1.22                                      | Toshiba Group  | • <a href="#">Social Contribution Activities</a><br>• <a href="#">FY2019 Performance Indicators</a> |
|   | Science and Technology Education (%)        | 69  |  |   |
|   | Promotion of Sports and Culture (%)         | 7   |  |   |
|   | Social Welfare (%)                          | 1   |  |   |
|   | International Exchanges and Friendships (%) | 4   |  |   |
|   | Nature Conservation (%)                     | 2   |  |   |
|   | Support for Disaster Recovery (%)           | 3   |  |   |
|   | Healthcare (%)                              | 1   |  |   |
|   | Other (%)                                   | 13  |  |   |
| Number of social contribution programs (annually)                           | 1,072                                       | Toshiba Group                             | • <a href="#">FY2019 Performance Indicators</a>        |   |
| Number of employees participated in Toshiba Group Volunteer Days            | Approx. 76,000                              | Toshiba Group                             | • <a href="#">Social Contribution Activities</a>       |   |



# Governance

| Items   | FY2019 Achievement                                 |       | Scope                  | Posted pages  |
|---|--|-------|------------------------|---|
| Number of directors   |  | 12    | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Governance</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>   |
| Number of outside directors   |  | 10    | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Governance</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>   |
| Number of female directors  |  | 1     | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Governance</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>   |
| Number of attendees in the ordinary general meeting of shareholders   |  | 752   | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Stakeholders</a></li> </ul>  |
| Number of meetings held between an outside director and a group of shareholders   |  | 1     | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Investor Relations</a></li> <li>• <a href="#">Stakeholders</a></li> </ul>  |
| Number of meetings of the Board of Directors  |  | 13    | Toshiba Corporation    | <ul style="list-style-type: none"> <li>•  <a href="#">Business Report</a></li> </ul>   |
| Amounts of compensation according to officers position (million yen)  | Directors (5 members, excluding outside directors) | 17    | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Governance</a></li> </ul>  |
|   | Outside directors (14 members)                     | 222   |                        |   |
|   | Executive officers (15 members)                    | 1,023 |                        |   |
| Total amount of compensation by officers (million yen)  | Satoshi TSUNAKAWA                                  | 193   | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Corporate Governance</a></li> </ul>  |
|   | Nobuaki KURUMATANI                                 | 193   |                        |   |
| Participation in education for “Standards of Conduct for Toshiba Group” (%)   |  | 100   | Toshiba Group in Japan | <ul style="list-style-type: none"> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>   |
| Percentage of self-audits conducted at Group companies based on “Anti-Bribery Guidelines” and “Guidelines on Contacts with Competitors” |  | 100   | Toshiba Group in Japan | <ul style="list-style-type: none"> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>   |
| Number of reports received by whistleblower system  | Toshiba Hotline                                    | 110   | Toshiba Group in Japan | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> <li>• <a href="#">Fair Evaluation and Talent Development</a></li> <li>• <a href="#">Respect for Human Rights</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
|   | Audit Committee Hotline                            | 42    |                        |   |
| Status of breaches to laws related to anticorruption  | Exposure through price cartel                      | 0     | Toshiba Group          | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |
|   | Exposure through bribery                           | 0     |                        |   |
| Political contributions (yen)   |  | 0     | Toshiba Corporation    | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |
| Number of incidents of important information leakage  |  | 0     | Toshiba Group          | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |
| Number of violations of product safety regulations  |  | 0     | Toshiba Group          | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |
| Number of violations of regulations relating to information and labeling for products and services                                      |  | 0     | Toshiba Group          | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |

|  |  |                |   |   |
|--|--|----------------|---|---|
| Number of violations of the Act Against Unjustifiable Premiums and Misleading Representations            |  | 0              | Toshiba Group in Japan                      | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul>   |
| Status of training sessions for executives and senior management to raise awareness among top management | Number of training sessions held           | 5              | Senior management in Toshiba Group in Japan | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |
|  | Number of participants                     | 317            |   |   |
| Number of participants in accounting compliance training   | Approx. 66,000                             |                | Toshiba Group                               | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |
| Number of participants in the e-learning program on the Subcontract Act                                  | 62,606                                     |                | Toshiba Group in Japan                      | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> </ul>  |
| Number of participants in the learning program on the Electrical Appliance and Material Safety Law       | 74,739                                     |                | Toshiba Group in Japan                      | <ul style="list-style-type: none"> <li>• <a href="#">Product Safety and Product Security</a></li> </ul>   |
| Status of workplace CSR meetings   | Number of meetings held                    | 1              | Toshiba Group in Japan                      | <ul style="list-style-type: none"> <li>• <a href="#">Risk Management and Compliance</a></li> <li>• <a href="#">Stakeholders</a></li> <li>• <a href="#">FY2019 Performance Indicators</a></li> </ul> |
|  | Number of workplaces                       | Approx. 5,800  |   |   |
|  | Number of participants                     | Approx. 66,000 |   |   |
| Breakdown of R&D expenses  | R&D expenses (billion yen)                 | 158.9          | Toshiba Group                               | <ul style="list-style-type: none"> <li>• <a href="#">Research &amp; Development and Intellectual Property</a></li> </ul>  |
|  | Energy System Solutions (%)                | 12             |   |   |
|  | Infrastructure System Solutions (%)        | 14             |   |   |
|  | Building Solutions (%)                     | 12             |   |   |
|  | Retail & Printing Solutions (%)            | 17             |   |   |
|  | Electronic Devices & Storage Solutions (%) | 26             |   |   |
|  | Digital Solutions (%)                      | 4              |   |   |
|  | Others (%)                                 | 15             |   |   |
| Patent portfolio by country (%)  | Japan                                      | 48             | Toshiba Group                               | <ul style="list-style-type: none"> <li>• <a href="#">Research &amp; Development and Intellectual Property</a></li> </ul>  |
|  | USA  | 27             |   |   |
|  | China                                      | 9              |   |   |
|  | Others                                     | 16             |   |   |

|                                  |  |    |               |  |
|----------------------------------|--|----|---------------|--|
| Patent portfolio by business (%) | Energy System Solutions                | 15 | Toshiba Group | <ul style="list-style-type: none"> <li>• <a href="#">Research &amp; Development and Intellectual Property</a></li> </ul> |
|                                  | Infrastructure System Solutions        | 16 |               |  |
|                                  | Building Solutions                     | 13 |               |  |
|                                  | Retail & Printing Solution             | 17 |               |  |
|                                  | Electronic Devices & Storage Solutions | 15 |               |  |
|                                  | Digital Solutions                      | 5  |               |  |
|                                  | Battery Business                       | 3  |               |  |
|                                  | Laboratory                             | 15 |               |  |
|                                  | Others                                 | 1  |               |  |

# Third-party Verification

In order to improve the reliability of the environmental performance data presented in this report, Toshiba Group requested Japan Audit and Certification Organization for Environment and Quality to provide third-party verification. The details are as follows.

## Scope of the Verification

### GHG Emissions Caused by Business Activities:

GHG emissions generated by Toshiba Corporation and its group companies in Japan and overseas (Scopes 1 and 2<sup>\*1</sup>)

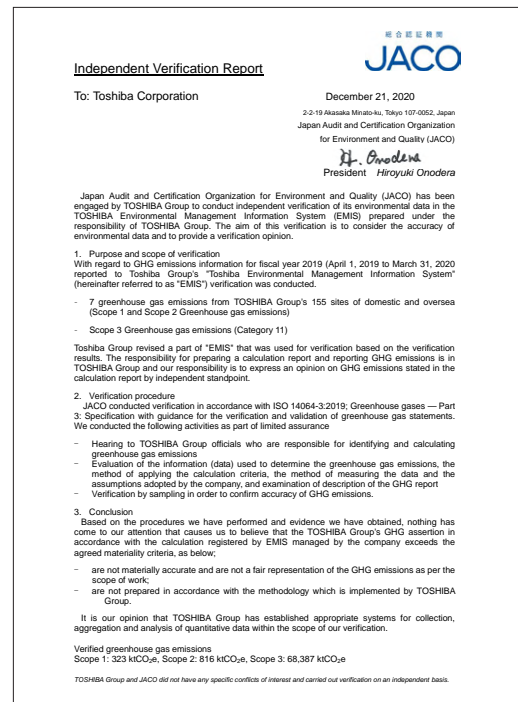
We selected and visited two production sites (Toshiba Infrastructure Systems & Solutions Corporation Mie Operations and Japan Semiconductor Corporation Oita Operations).

### GHG Emissions Caused by Use of Products Sold:

GHG emissions caused by use of products sold by Toshiba Corporation and its group companies in Japan and overseas (Scope 3 Category 11<sup>\*2</sup>)

\*1 Scope 1 and 2: GHG emissions generated by Toshiba through use of fuels and electricity as well as by manufacturing process (Scope 1: direct emissions; Scope 2: indirect emissions)

\*2 Scope 3 Category 11: GHG emissions caused by use of products and services produced and sold during the year covered by the report



## Result

Based on research conducted in accordance with Toshiba Group's policies and standards as well as with ISO14064-3<sup>\*3</sup>, it was concluded that there are no significant items that have not been disclosed or covered by the report.

\*3 ISO14064-3: Specification with guidance for the verification and validation of greenhouse gas statements

## Methods of Calculation

- CO<sub>2</sub> emissions caused by use of fuels: Calculated by the method set by Toshiba Group based on the Ministry of the Environment's Manual for Calculating and Reporting GHG Emissions (Version 4.6).
- CO<sub>2</sub> emissions coefficient for electricity purchasing: Provided by each power company.
- Greenhouse gases other than CO<sub>2</sub>: Calculated by the method set by Toshiba Group using the Global Warming Potential (GWP) in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).
- CO<sub>2</sub> emissions caused by use of products sold: Calculated by aggregating the emissions estimated to be generated during use of products in the future for the year the products were sold.

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

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