# TOSHIBA

# 2021 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 93.0.4577.63 and Microsoft Edge version 93.0961.38.

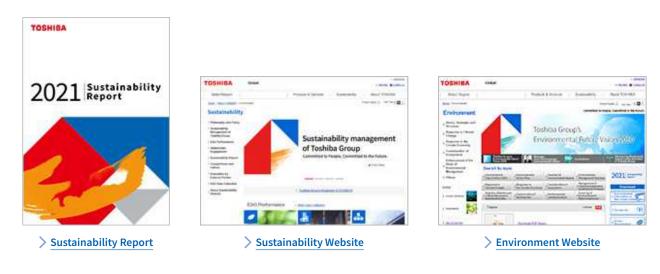
### Reporting on an overview of financial and non-financial information

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



### Non-financial information (ESG)

### Sustainability Report / Sustainability Website / Environment Website



# **Sustainability Reporting Policy**

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

In the Sustainability Report, we report truthfully the issues that are material for both our stakeholders as well as Toshiba Group. The content of the report obtains approval from the Non-financial Information Disclosure Committee chaired by the President and CEO and made up of executives and managers of sustainability related divisions.

### **Organizations Covered in This Report**

In principle, this report covers Toshiba Group (Toshiba Corporation and its consolidated subsidiaries in Japan and overseas), and information outside this scope is reported based on the definitions below.

"Toshiba" in this report refers to Toshiba Corporation.

"Corporate" refers to Executive Officer and Chairman, Executive Officer and President, executive officers in charge of the corporate staff divisions, and executive officers responsible for respective businesses, who have been delegated authority by the Board of Directors to make decisions.

"Corporate staff division" refers to the division that assists with corporate affairs and provides shared services.

"Toshiba Group in Japan" refers to Toshiba Corporation and its consolidated subsidiaries in Japan.

"Toshiba Group overseas" refers to consolidated subsidiaries overseas.

"Key Group companies" refer to Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, Toshiba Digital Solutions Corporation, and Toshiba Tec Corporation.

### **Reporting Period**

This report focuses on the results of activities from April 1, 2020 to March 31, 2021 (FY2020). It also includes some activities continuing from the past as well as more recent ones.

### **Publication**

Current issue: February 2022 (previous issue: January 2021)

### **Reference Guidelines**

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

For more details on reporting and disclosure items, please see below.

> Reporting and Disclosure Items

# 2021 Sustainability Report

# INDEX

Reporting and Disclosure Items	1
Sustainability Reporting Policy	2
Corporate Information	4
Business Domains	5
The Essence of Toshiba	12
Message from Top Management	13
Message from the Executive in charge of Sustainability $\cdots$	14
Message from the Executive in charge of Environment $\cdots$	15
Sustainability Management of Toshiba Group…	16
Sustainability Management	17
Material Issues	20
Activities to Promote the SDGs	22
Participation in External CSR Organizations	27
Stakeholders	31
Toshiba Group ESG Performance	38
Main Contents of ESG Performance	39
FY2020 Performance Indicators	40
Environment	44
Vision, Strategies and Structure	45
Response to Climate Change	59
Response to the Circular Economy	72
Consideration of Ecosystems	77

Enhancement of the Basis of Environmental Management ... 88

Social	96
Respect for Human Rights	97
Employment and Labor Relations	107
Fair Evaluation and Talent Development	111
Promotion of Diversity and Inclusion	118
Occupational Health and Safety	130
Promotion of Sustainable Procurement	
Quality Control for Safety and Reliability	159
Product Safety and Product Security	163
Improvement of Customer Satisfaction	168
Universal Design	180
Coexistence with Local Communities	183
Social Contribution Activities	186
Governance	193
Corporate Governance	194
Risk Management and Compliance	207
Research & Development and Intellectual Property $\ \cdots$	225
Evaluation by External Parties	233
History of Sustainability Activities	236
Comparisons with Various Guidelines	238
ESG Data Collection	239
Third-party Verification	251

# **Corporate Data**

(As of March 31, 2021)

Company Name:	Toshiba Corporation
Headquarters Address:	1–1, Shibaura 1–chome, Minato–ku, Tokyo, Japan
Founded:	July 1875
President and CEO:	Satoshi Tsunakawa *
Common Stock:	¥200,558 million
Net Sales: (Consolidated basis)	¥3,054.4 billion (FY2020)
Fiscal Year:	April 1 to March 31
Number of Employees: (Consolidated basis)	117,300
Number of Shares issued	455,280,690 shares
Total Number of Shareholders:	270,598
Stock Exchange Listings:	Japan : Tokyo and Nagoya

\* From April 14, 2021

Governance

# **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, Virtual Power Plant (VPP) for efficient utilization of distributed energy sources, and green hydrogen energy systems that harness renewable energy.

### **Main Business Areas**



Nuclear Power/Thermal Power



Hydro Power



Geothermal Power

Wind Power



Photovoltaic

BEBEBEEL

T&D



Fukushima Hydrogen Energy Research Field (FH2R)



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

### Main Consolidated Subsidiaries (As of April 2021)

- > Toshiba Energy Systems & Solutions Corporation
- > Toshiba Plant Systems & Services Corporation



Heavy-ion therapy system (National Institutes for Quantum and Radiological Science and Technology/QST Hospital)

Governance

# **Infrastructure Systems Solutions**

For many years, we have provided products, systems, and services to public-sector customers responsible for maintaining the infrastructure of essential utilities. In coming years, we will fully embrace IoT and artificial intelligence (AI) in order to establish safer, more secure, and more convenient social infrastructure systems.

### **Main Business Areas**

- > Water Supply & Wastewater Treatment Systems
- > Traffic Control Systems
- > Defense & Electronic Systems
- > Railway Transportation Systems



Water Supply & Wastewater Treatment Systems

- > Substation Systems
- > Broadcasting & Network Systems
- > Security & Automation Systems
- > Motor/Drive Systems



Substation Systems (UPS)



Broadcasting & Network Systems



Security & Automation Systems (Letter Sorting Machine)



Railway Transportation Systems



Defense & Electronic Systems (Doppler VOR/DME)

Security & Automation Systems (De-Palletizer)



Motor/Drive Systems

Main Consolidated Subsidiaries (As of April 2021)

> Toshiba Infrastructure Systems & Solutions Corporation

Environment S

Governance

# **Buillding Solutions**

Our portfolio covers elevators & escalators for buildings and facilities, ventilation, and lighting, all 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
- > Materials for Electrical Construction
- > Automotive Light Sources,
- > Industrial Light Sources, UV Module
- > Air-to-water heat pump, Ventilating

- > Escalators
- Lighting Equipment, > Airport Ground Lighting System,
   Stage and Studio Lighting System
- > Residential, Light Commercial and Commercial AC
- > Refrigeration





Office Lighting



Building Multi Air-Conditioning Systems



Escalators



Stage Lighting System



Heat Pump Module Chilling Unit

Main Consolidated Subsidiaries (As of April 2021)

- **>** Toshiba Elevator and Building Systems Corporation
- > Toshiba Lighting & Technology Corporation
- > Toshiba Carrier Corporation

Corporate Information	Sustainability Management	ESG Performance	Environment	Social	Governance

# **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



POS Systems



> Inkjet Heads



Comparisons and Data, etc.

Multifunction Peripherals



Automatic Identification Systems

### Main Consolidated Subsidiaries (As of April 2021)

> Toshiba Tec Corporation



Inkjet Heads

# **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, and contributing to the realization of a carbon-neutral and safe, 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





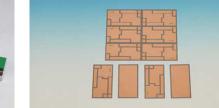
Image Recognition Processors Visconti™



Thermal Printheads



Electron Beam Mask Writer



Silicon Nitride Ceramics: Insulating Circuit Substrates

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

### Main Consolidated Subsidiaries (As of April 2021)

> Toshiba Electronic Devices & Storage Corporation

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# **Digital Solutions**

By utilizing the knowledge that Toshiba has amassed across numerous business domains, along with cutting-edge technologies like IoT, AI and quantum related technologies, 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
- > IoT Solutions
- > Managed Services
- > ICT Infrastructure

- > Solutions for Industries
- > AI/Analytics
- > Security Solutions

Quantum Related Technologies Business ( **Quantum Key** Distribution, **Simulated Bifurcation Machine** )



Solutions for the Manufacturing Industry



Human Resource Management Solutions



Analytics AI/Communication AI



Quantum Key Distribution





IoT Platform



Managed Services



Simulated Bifurcation Machine

### Main Consolidated Subsidiaries (As of April 2021)

> Toshiba Digital Solutions Corporation

ance Environment

it Social

Governance Comparisons and Data, etc.

# **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 in low temperatures. The SCiB™ is used in many fields—in automobiles, railways, industrial equipment like automated guided vehicles, 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





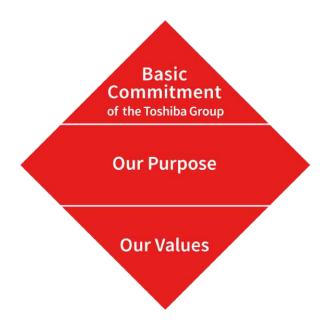
SCiB™ Cells

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 ToshibaGroup, 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**

Social

### 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 rightnot 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.

Governance

# **CEO** Message

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

Companies are members of a society that must contend with many issues, and as such they should understand and deal with those issues from a long-term perspective, and contribute to a sustainable society by providing value through their business. This approach is increasingly necessary if we are to recover from the stagnation resulting from the COVID-19 pandemic.

"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, together with our customers and business partners, to "turn on the promise of a new day."

We are about to engineer a strategic reorganization that will change Toshiba Group's structure, and allow us to manage our businesses in ways that best fit the characteristics of each business and its business environment. More specifically, toward solving problems facing the world, such as responding to climate change and building sustainable infrastructure in response to disasters that are growing in scale and complexity, we will establish new companies: Infrastructure Service Co., which will take the lead in realizing carbon neutrality and resilient infrastructure; and Device Co., which will lead the way in the development of social and information infrastructure. By creating a thoroughly professional and agile management structure, we will strengthen our competitiveness and ability to create value. Through these measures, we will strive to meet the expectations of all of the stakeholders that support Toshiba Group, and to improve our corporate value.

In order to secure sustainable improvement of corporate value, we will continue to prioritize life, safety and compliance over all other management issues, and to act with a strong awareness that we will never allow actions that undermine the healthy relationship of trust with our stakeholders. As a signatory to the United Nations Global Compact, we are striving to strengthen our environmental, social and governance (ESG) performance, and collaborating with our various stakeholders to build ethical and transparent management foundations and to create rich value. We have set our focus on 10 SDGs\* in particular, and we will work to maximize positive impacts and minimize negative impacts for each of these goals, and to contribute to the achievement of the SDGs through our corporate activities.

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



### Satoshi TSUNAKAWA

Chairperson, Board of Directors Representative Executive Officer President and Chief Executive Officer Toshiba Corporation



The 10 goals that Toshiba Group focuses on

Environment

Governance

# Message from the Executive in charge of Sustainability

# Advancing sustainability management for a dynamic, sustainable future

### Takamasa Mihara Executive Officer Corporate Vice President



A multitude of social issues has become a threat to the sustainability of society as a whole. Such issues include not justclimate change, resource depletion, and population growth, but poverty, economic inequality, and human rights—and, ofcourse, the COVID-19 pandemic. In these circumstances, if the companies that play a central role in global economicactivities do not join governments and individuals in working to find solutions to social issues, it will be impossible to avoid the impending crisis threatening our planet and all living things that inhabit it, including humankind.

Inspired by Toshiba Group's basic commitment, "Committed to People, Committed to the Future," we have a history of contributing to finding solutions to social issues.

The impacts of climate change are increasingly undeniable. Efforts to reduce greenhouse gas emissions have become anurgent necessity, as indicated in an August 2021 report by the United Nations IPCC, in which scientists from all over theworld issued a dire warning that human activities are harming our planet at an astonishing rate.

Toshiba Group makes the most of its comprehensive strength in pursuing business activities, by drawing on technologies and experience gained from long involvement with energy and social infrastructure. And in recent years we have alsofocused on services that incorporate technologies from the digital domain. In the energy field, these activities includebusinesses engaged in generating, transmitting, storing, and smartly using energy; renewables; hydrogen energy and fuelcells; and CO<sub>2</sub> capture and utilization. In the social infrastructure field, our businesses encompass the provision of infrastructure-related industrial equipment and other energy-saving products and solutions.

By playing a leading role in achieving carbon neutrality and building resilient infrastructure, we will help to resolve social issues through business.

We are also reinforcing the business foundations that underpins our operations by addressing other social responsibilities, such as employees' health and safety and personnel training, respect for human rights, and sustainable procurement.

Human rights issues, in particular, now require urgent action on a global scale. In order to support principles of human rights principles advocated internationally, and to expedite sustainable procurement throughout Toshiba Group's value chain, we will further bolster not only environmental initiatives, but also efforts that consider human rights.

Furthermore, to create a work environment in which diverse people can feel comfortable enough to deliver their true potential and skills to create innovation, we are further advancing initiatives to promote diversity and inclusion, aiming to reinforce our corporate culture that recognizes all kinds of diversity. In addition, we modified and improved our evaluation system in FY2020. By treating our employees more appropriately, we are striving to ensure that each and every one of them can work with a positive attitude, and raise their productivity.

To remain a corporate group required by society, we must continually refine our CSR activities, and also fortify sustainability as an essential part of management, so as to cope with and survive these time of heightened unpredictability and uncertainty.

In FY2021, we launched the new Sustainability Management Division, establishing a structure that will ensure sustainability-related considerations are integrated into management initiatives. We have also formulated a basic policy to share with stakeholders, to show them where our sustainability initiatives are headed, and redefined important issues (material issues) associated with our management strategies, so as to incorporate actions to address social issues into all our business activities, and to expedite related initiatives spanning the whole Group.

At the Toshiba Group, Our Purpose is to aim to contribute to resolving global issues by leveraging the technical capabilities and partnerships with clients that we have forged over the years. It all begins with an unwavering drive to make and do things that lead to a better world. Bringing together the ingenuity and technical capabilities that we have cultivated thus far, we will carry out our medium-term business plan, and contribute even more to the solving of social issues.

Environment

Social

Comparisons and Data, etc.

# Message from the Executive in charge of Environment

We will advance our proactive approach with the aim of creating enriched value and ensuring harmony with the earth

> Tsutomu Kamijo Executive Officer Corporate Senior Vice President Toshiba Corporation

T. Kamijo



Recent years have brought further deterioration of the earth's environment, typified by energy, resources and water shortages, and losses of biodiversity that threaten the safe, secure lives of future generations. Numerous movements to address these issues are springing up worldwide. Regarding climate change in particular, impacts from floods, typhoons, and other natural disasters are already being felt in many parts of the world,

and we understand the extreme urgency and importance of addressing this issue. According to the IPCC<sup>\*1</sup>, if the current situation persists, the global average temperature may increase by 1.5°C from the pre-industrial level<sup>\*2</sup> by as soon as 2030, so we as a company must make our best efforts to contribute to keeping the global temperature increase well below 2°C (ideally, 1.5°C), the goal set out in the Paris Agreement.

Against the backdrop of a rising global population and economic growth, the issues of resource shortage and waste generation are also intensifying. In response, countries, most notably in Europe, are transitioning to a circular economy, in which products and raw materials that would previously have been discarded are regarded as new resources and circulated without creating waste. Companies are asked to establish business models that aim to achieve both resource circulation and economic growth. Deterioration of the earth's environment is also causing the impairment of biodiversity. In parallel with moves to adopt the Post-2020 Global Biodiversity Framework, which provides new worldwide biodiversity targets following on from the Aichi Targets, we must strive to create a society where humans live in harmony with nature, so we can continue to enjoy the blessings of ecosystems.

In order to contribute to resolving these issues, as well as 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> into defining a long-term vision for 2050, and we have been working to resolve environmental issues and create value. After reviewing our vision by taking into account changes in social circumstances, we subsequently formulated Environmental Future Vision 2050.

Through Environmental Future Vision 2050, we are promoting 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 achieve targets in line with the direction of the Paris Agreement throughout our Group's value chain: reduction of greenhouse gas emissions by 70% by FY2030 compared to the FY2019 level, and carbon neutrality by FY2050. Not only will we invest in energy-saving equipment and expand the use of renewable energy within Toshiba Group, we will also create and provide cutting-edge energy technologies to realize decarbonization, as well as energy-saving products and services, so as to contribute to reducing greenhouse gas emissions throughout society as a whole. Toward the achievement of a circular economy, in addition to effectively making use of resources in our own business activities and in the products and services we provide, we will promote circular economy businesses that leverage digital technologies. With regard to consideration of ecosystems, we will promote appropriate management of chemical substances and water resources, as well as activities aimed at the conservation of biodiversity.

With the aim of creating enriched value and ensuring harmony with the earth, inspired by the our corporate philosophy, "Committed to People, Committed to the Future," we will further deepen our environmental management. Striving to remain dedicated to our efforts to address various environmental issues, we will continue to make our best efforts. As we do so, we would greatly appreciate your continued support.

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

<sup>\*1.</sup> The Intergovernmental Panel on Climate Change

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

Governance

# Sustainability Management of Toshiba Group

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 various issues, we have taken initiatives to help solve issues by considering the impact of our corporate activities on society over the long-term, rather than simply pursuing short-term profits.

### CONTENTS

- 16 Sustainability Management of Toshiba Group
  - 17 Sustainability Management
- 20 Material Issues
- 22 Activities to Promote the SDGs
- 27 Participation in External CSR Organizations
- 31 Stakeholders

### 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 have taken initiatives to help solve issues by considering the impact of our corporate activities on society over the long-term, rather than simply pursuing short-term profits. To further advance the initiatives and strengthen our activities to contribute to social sustainability, we have established a Sustainability Policy, for promoting sustainability management and enhancing our corporate value. The Sustainability Policy was resolved by the Board of Directors.

# **Toshiba Group Sustainability Policy**

### **Toshiba Group Sustainability Policy**

The Basic Commitment of Toshiba Group is "Committed to People, Committed to the Future.". This commitment is the foundation of Our Purpose: an unwavering drive to make and do things that lead to a better world. Toshiba Group aims to solve issues facing our society and to contribute to its development through our business.

Toshiba Group considers the long-term impact of its corporate activities on society and takes action to address the material issues we identify. In accordance with the Standards of Conduct for Toshiba Group, we place the highest priority on life, safety, and compliance (observance of laws, regulations, social norms, and ethics), and drive sustainability management in cooperation with our stakeholders in order to enhance our corporate value. We comply with international standards and seek opinions from the experts thus enabling us to make responsible decisions regarding our commitment to society.

- 1. Toshiba Group contributes to the sustainable development of society by developing and producing products and services which enrich lives. It does so by bringing together its history of creativity, technological strength and advanced quality that it has long cultivated.
- 2. Toshiba Group proactively works to reduce environmental impacts throughout its entire value chain with the goal of positively addressing various global environmental issues.
- 3. Toshiba Group supports internationally recognized principles on human rights, and respects the human rights of every stakeholder who contributes to its activities, including customers, shareholders and employees.
- 4. Toshiba Group works with suppliers to promote sustainable procurement activities which take into account such matters as human rights and the environment.
- 5. Toshiba Group's sustainability management approach incorporates a long-term perspective to protect and maintain its sustainable growth.
- 6. Toshiba Group reports on its sustainability objectives, activities and results to promote a constructive dialogue and trusted relationships with stakeholders.

October 21, 2021

# Committed to People, Committed to the Future.

In order to develop sustainably as a company, Toshiba Group strives to strengthen E (environment), S (social), and G (governance) and implement sustainability management as steps to build ethical and transparent management foundations. At the same time, we will make efforts to create and provide rich value in collaboration with our various stakeholders, such as our customers, shareholders and investors, suppliers, employees, and local communities. We conduct all corporate activities fairly and honestly, guided by **the Standards of Conduct for Toshiba Group**.

Environment

Social

Governance

# **Sustainability Management Structure**

In 2003 Toshiba established an in-house organization to promote CSR, and has put in place a promotion system that covers the Group. As companies are urged to make more effort to help solve global issues represented in the Sustainable Development Goals (SDGs) and help create a sustainable society, we established the Sustainability Management Division in April 2021. Incorporating a sustainability perspective into management, we promote ESG and SDG activities through all of our corporate activities.

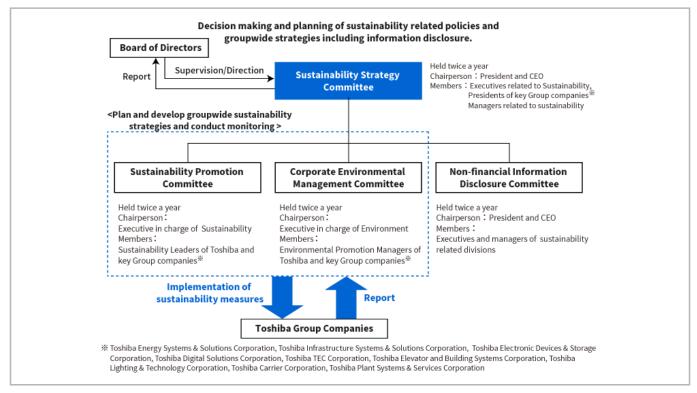
We reviewed our sustainability management structure and newly established the Sustainability Strategy Committee chaired by the President and CEO with members comprising executives related to sustainability, presidents of key Group companies<sup>\*</sup>, and managers related to sustainability. Starting from FY2021, the committee meeting is held twice a year as a general rule. The Sustainability Strategy Committee decides on strategies and measures to promote sustainability in Toshiba Group. At its meeting held in August 2021, the committee discussed and identified new material issues (important issues).

Under the Sustainability Strategy Committee, we set up three committees, namely the Sustainability Promotion Committee that considers specific measures based on decisions made by the Sustainability Strategy Committee, develops an action plan, and monitors progress; the Corporate Environmental Management Committee that has functioned since 1991; and the Non-financial Information Disclosure Committee that approves the disclosure of ESG information to be included in our Integrated Report and Sustainability Report. The Sustainability Promotion Committee is chaired by the executive in charge of sustainability. The Corporate Environmental Management Committee is chaired by the executive in charge of environment. As a general rule, each of the committees holds a meeting twice a year to discuss and examine various measures that Toshiba Group is promoting.

The executive in charge of sustainability and environment regularly report the status of measures being taken and receive supervision and advice at the Board of Directors meetings.

\* Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, Toshiba Digital Solutions Corporation, Toshiba Tec Corporation, Toshiba Elevator and Building Systems Corporation, Toshiba Lighting & Technology Corporation, Toshiba Carrier Corporation, and Toshiba Plant Systems & Services Corporation.

### Sustainability Management Structure



Until FY2020, the Corporate Sustainability Meeting was 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 sustainability-related activities carried out by each of the divisions. For the sustainability leaders of key Group companies, we hold annual Sustainability Leaders Meeting and provide them with information on trends and developments in relevant laws, regulations and guidelines, which may influence their business operations, and to deepen their understanding of global social issues and take the promotion of sustainability into their own hands. In FY2020, the Sustainability Leaders Meeting shared human rights issues to be addressed by Toshiba Group, the importance of information disclosure, and other matters.

From FY2021 onward, under the new sustainability management structure, we will promote sustainability management while closely cooperating with Group companies.

Environment

Governance

# Monitoring

The Sustainability Promotion Committee monitors the progress of sustainability-related measures developed during FY2021. We will report the progress to be made during FY2021 in Sustainability Report 2022.

# **Increasing Employee Awareness of Sustainability**

In order to raise sustainability awareness in Toshiba Group, the President and CEO 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. We also conduct training for newly hired employees and newly appointed managers 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 Sustainability Month**

Since FY2006, Toshiba Group has designated December as Sustainability Month (renamed from CSR Month in FY2020). During this month, we hold seminars on topics such as human rights, and concentrate on social contribution activities at each of the Group companies and business sites. In FY2020, the President and CEO explained in his message the importance of addressing climate change, the formulation of Toshiba Group's Environmental Future Vision 2050, and the measures taken to prevent the spread of COVID-19. He also informed employees the need to promote diversity and inclusion to create a corporate culture where diverse individuality and employee values are accepted and respected and where each employee can fully demonstrate their capabilities and strengths, and that we should aim to increase productivity and create new value in the era of the new normal as well.

Additionally, during this month, Toshiba Group Volunteer Days was held around December 5, the International Volunteer Day, to provide volunteering opportunity for all Toshiba Group employees.

Our annual Sustainability Conference in which employees of Toshiba Group in Japan gathered together before the pandemic hit was held online in FY2020 to prevent the spread of COVID-19. We prepared a virtual Sustainability Conference website on our domestic intranet to hold online seminars by experts and provide various types of digital content to promote the understanding of sustainability. On the virtual Sustainability Conference website, we also held an annual ceremony to present awards for outstanding efforts related to social contribution (Toshiba ASHITA Award) and promotion of health and safety activities, and shared details with viewers. The virtual enabled us to reach out to more employees than we did physically. From FY2021 onward, we will continue to consider a more effective way to increase each employee's awareness of sustainability.

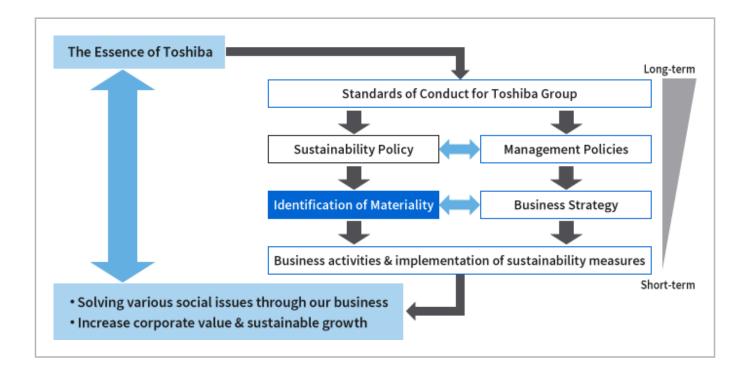
Governance

# Sustainability Management of Toshiba Group

# **Material Issues**

Guided by the **Essence of Toshiba**, Toshiba Group works on material issues in accordance with the Sustainability Policy and promotes sustainability management that contributes to the development of society.

We have tackled the material issues identified in 2013 by regularly confirming their status. However, response to climate change is now required on a global scale, and social issues are changing according to various perspectives as seen in the SDGs adopted by the United Nations. Toshiba Group also reviewed its businesses. Accordingly, we re-identified new material issues in FY2021. We position the material issues under the Essence of Toshiba and the Sustainability Policy, and will work on initiatives Group-wide.



### Toshiba Group's Material Issues

Toshiba Group will help solve social issues through its business based on the Mid-term Business Plan that starts from FY2022. By strengthening our management foundations that support our business activities and tackling the material issues below, we will increase Toshiba Group's corporate value and achieve sustainable growth.

We understand that the following re-identified material issues in particular are closely linked to our business: "responding to climate change," one of the urgent issues to be addressed on a global scale, "improving cyber resilience," one of the essential elements to drive data business, "enhancing research and development to create innovation," and "securing, retaining and developing human resources."

Environment

Social

Governance

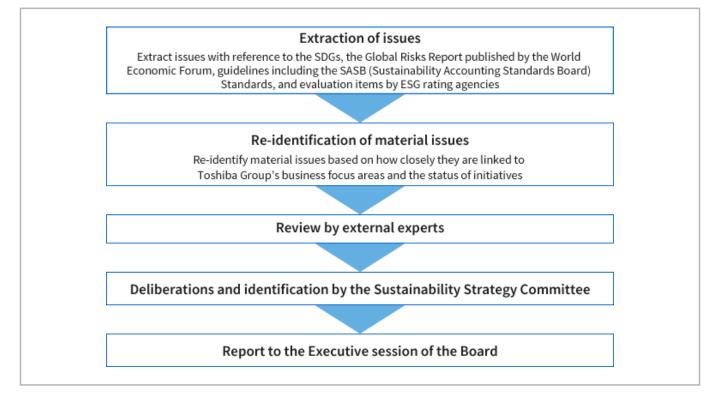
Comparisons and Data, etc.

	Vision for 2030	Materiality
For the irreplaceable global environment in which we live	Promote corporate activities with full consideration for the global environment throughout our value chain, from design, procurement, manufacturing, logistics and sales, through to disposal.	<ul><li>Respond to climate change</li><li>Respond to the circular economy</li><li>Consider ecosystems</li></ul>
For respect of human rights, to nurture people and technology, and to give back to society	Encourage every Group employee to feel pride and fulfillment in their work, and to harness creativity and technology in collaborating with business partners to realize rich value.	<ul> <li>ecure, retain and train human resources</li> <li>Ensure employee health and safety</li> <li>Promote respect for human rights</li> <li>Promote sustainable procurement</li> <li>Strengthen R&amp;D to stimulate innovation</li> </ul>
For further strengthening thorough governance	Practice transparent corporate governance and optimal internal controls; and execute management with integrity, trusted by stakeholders.	<ul><li>Strengthen governance</li><li>Strengthen cyber resilience</li></ul>

# **Process of Material Issue Identification**

Before re-identifying material issues, Toshiba Group extracted and organized issues with reference to the SDGs, which are universal social issues, the Global Risks Report published by the World Economic Forum (WEF), and guidelines including the SASB Standards. We narrowed them down to those of priority, evaluating them by their closeness to the businesses specified in the Mid-term Business Plan that starts from FY2022 and their importance in terms of strengthening the foundations to drive businesses. External experts then reviewed the draft of the selected issues. In August 2021, the Sustainability Strategy Committee chaired by the President and CEO confirmed the selection. The re-identified material issues were also reported to the Executive session of the Board in September 2021, and finalized upon reflecting opinions of the session members.

### **Process of Material Issue Identification**



> Sustainability Management

Governance

# **Activities to Promote the SDGs**

# **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.



# **Contributions to Achieving the SDGs through Corporate Activities**

In order for Toshiba Group to promote the understanding of SDGs and related initiatives, Toshiba, key Group companies, and some Group companies\* exchanged opinions to clarify the relationships between our business and the SDGs in 2018. In the discussion, we reviewed the impact our value chain has on society, identified goals for making contributions through the businesses of Toshiba Group, and announced that these initiatives will be accelerated.

In 2021, we re-identified new material issues to be addressed by Toshiba Group based on the SDGs and the social issues outlined in the Global Risks Report published by the WEF.

Toshiba Group will actively engage in helping solve social issues through its corporate activities.

\* Toshiba Elevator and Building Systems Corporation, Toshiba Carrier Corporation, and Toshiba Lighting & Technology Corporation

### > Material Issues

Corporate Information Sustainability Management

Environment

Governance



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.

# **Examples of Practices**

Based on its Basic Commitment, Toshiba Group tackles various social issues using technologies that it has cultivated over many years.

### SCiB<sup>™</sup> Rechargeable Lithium-ion Battery



We will create sustainable social infrastructure with our rechargeable lithium-ion battery that is highly safe, has a long lifetime, and recharges fast.

Demand for rechargeable batteries is rapidly increasing as electrification continues in a variety of fields—automobiles, buses, railways, other types of vehicles, industrial equipment like elevators, and infrastructure equipment like large-scale power storage facilities linked to renewable energy. With its SCiB<sup>™</sup> rechargeable lithium-ion battery that is safe, has a long life, and recharges fast, Toshiba Group will help reduce environmental impacts mindful of the whole lifecycle to achieve carbon neutrality and ensure the future social infrastructure is sustainable.

- > Toshiba's SCiB™ Rechargeable Battery
- Next-generation Technology: Aqueous Batteries

### **Power Electronics**

We will contribute to carbon neutrality with the advanced technology of power semiconductors that efficiently converts electric power without wasting it.

With the spread of renewable energy and electrification of various motion equipment, we help end users save energy and reduce greenhouse gas emissions by developing and offering smaller, lighter, and high-efficiency power semiconductor products. The products are widely used in the mobility and industrial sectors and contribute to achieving carbon neutrality.

We will promote precision medicine technologies ranging from prevention to treatment by providing a disease prevention solution using data-driven risk prediction and genome analysis; a microRNA detection technology that enables very early detection of 13 types of cancers using a tiny amount of blood; and a heavy-ion therapy technologies for cancer treatment, which reduces burdens on patients. In cooperation with many business partners and users, we will support all people in improving their quality of life so that both healthy and sick people, their families, and those around them can

> MOSFETs

13 CLIMATI

- SiC Power Devices
- > IGBTs / IEGTs

**3** GOOD HEALTH AND WELL-BEING

### **Precision Medicine**

live happily in the way they want.

- > Toshiba's Precision Medicine (Japanese)
- > Worried About Your Future Health? Toshiba's AI Technologies Can Predict Your Risk of Developing a Lifestyle Disease

Toshiba aims for a world where every individual can be healthy and

live a quality of life by helping them extend their healthy life expectancy and enabling early detection and treatment of cancer.

- ightarrow Toshiba and University of Tokyo to Collaborate in Preventive Medicine using Genomic Data
- > MicroRNA Detection Technology
- > Toshiba Heavy Ion Therapy



Sustainability Management ESG Performance

Environment

Social Gov

Environment

# Activities to Promote the SDGs inside the Group

Toshiba Group undertakes various initiatives to encourage its employees to understand the importance of the SDGs and help achieve them through their respective corporate activities.



September 2020

During the UN's Global Week to #Act4SDGs, Toshiba Group used social media to showcase to internal and external stakeholders how its initiatives in different regions are contributing to achieve the SDGs.



Governance

### 2019

Participants of the six-month program working in different fields gathered together at Toshiba Komukai Complex and Fuchu Complex to think outside the box and come up with new ideas learning about social issues featured in the SDGs as well as future scenarios and predictions.

> Young Employees Networking through the Creation of Ideas—Technological Collaboration Born from Passion





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 resolv

### Corporate Information

Sustainability Management ESG

ESG Performance

Environment

Social



September 2018

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



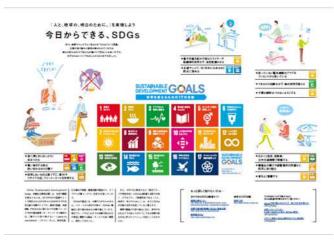
Governance

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 SDGs 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.

### Sustainability Management of Toshiba Group

# **Participation in External CSR Organizations**

Toshiba Group promotes participation and collaboration with industry associations, government bodies, international organizations, NGOs/NPOs and other external CSR organizations and initiatives.

### Toshiba Group is a member/supporter of the following CSR-related organizations and initiatives:

- UN Global Compact
- Responsible Business Alliance (RBA)
- Science and Technology in Society Forum (STS Forum)
- · Business for Social Responsibility (BSR)
- Council for Better Corporate Citizenship (CBCC)
- Science Based Targets (SBT) initiative
- Task Force on Climate-related Financial Disclosures (TCFD)
- Carbon Neutral LNG Buyers Alliance
- Japan Climate Initiative (JCI)

# **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 then 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 world's sustainable development.

As a signatory of the United Nations Global Compact, in 2007, Toshiba participated as an advisory in 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
- > Toshiba Announces Participation In United Nations Global Compact Initiative



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

Toshiba Corporation exemiting to respect the tap principles of the United Attack Golda Gaugest, to take action in support of UN Godh and to submit annually a Communication on Progress				
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Certificate

Governance

### **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 was founded in October 2004, and more than 190 companies have joined world-wide. Toshiba joined in June 2011 to promote CSR across the supply chain based on a global standard.

\* EICC changed its name to RBA in October 2017.

### > RBA



Social

Governance

# **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, gathering 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. As a council member and actively involved in setting directions of the forum's activities. 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 was established in the U.S. in 1992. BSR has over 250 members comprising global organizations and companies, and Toshiba joined in 2003. We held stakeholder dialogue 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 facilitates the acceptance of Japanese companies by regional communities overseas as good corporate citizens, and more recently, promotes CSR activities and assists companies in their practice. Toshiba joined CBCC from its establishment, and currently takes part in activities as a member of the planning committee.

> CBCC

# Acquired Approval of the Science Based Targets (SBT)

The Science Based Targets (SBT) are the targets set by companies to reduce greenhouse gas emissions five to 15 years ahead, which are consistent with those of the Paris Agreement. Toshiba Group has set a target for reducing the amount of greenhouse gas emissions throughout its entire value chain by 50% by FY2030 compared to those of FY2019. In 2020, the reduction target was approved by the SBT initiative as aligned with the science-based targets required by the Paris Agreement.

> SBT



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Governance

### Endorsing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

TCFD is a private-sector task force established in 2015 by the Financial Stability Board in order to enhance climate-related information disclosure of companies. Toshiba Group expressed its support for the TCFD recommendations released in 2017, and will actively disclose information on the financial impact 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.

> Information Disclosure Based on the TCFD Recommendations

### > TCFD

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

# **Establishment of the Carbon Neutral LNG Buyers Alliance**

Toshiba Corporation and 14 other companies have come together to establish the Carbon Neutral LNG (CNL) Buyers Alliance on March 9, 2021. The Alliance was established through the concerted efforts of Tokyo Gas Co., Ltd., which procures and supplies CNL, and the remaining companies, which purchase CNL, with the aim of spreading the use of CNL and increasing its utility value toward the achievement of a sustainable society. Choosing carbon neutral energy is an important solution that will contribute toward tackling climate change and the SDGs, as well as directly lead to ESG management.

The companies participating in the Alliance will work to increase the recognition of CNL in society and carry out initiatives to improve its evaluation by investment institutions and establish its position within the various systems in Japan with the aim of contributing toward Japan's achievement of a carbon neutral society by 2050.

### Establishment of the Carbon Neutral LNG Buyers Alliance



# Participation in Japan Climate Initiative (JCI)

In July 2018, Japanese companies, local governments, research institutions, and NGOs established Japan Climate Initiative (JCI). It is a network committed to strengthening communication and exchange of strategies and solutions among all actors that are implementing climate actions in Japan. More than 600 organizations in Japan became the members of JCI today. Toshiba Group became a member of JCI in FY2020, supporting the network's declaration of "Joining the front line of the global push for decarbonization from Japan."

### > Japan Climate Initiative (JCI)

Environment

Social

Governance

# **Stakeholders**

Toshiba Group's corporate activities involve relationships with diverse stakeholders. The relationships and dialogue with respective stakeholders can be summarized as follows:



# Customers

With its wide range of products—from electronic devices to social infrastructure systems—Toshiba Group has a diverse range of customers, including individual and corporate customers as well as government and public bodies. Feedback from our customers is the origin of all our ideas. All Toshiba Group employees operate from a customer perspective so as to increase customer satisfaction.

### **Key responsibilities**

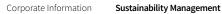
- Supplying products in a stable manner
- Providing reliable, safe products and services that offer great value
- Creating environmentally conscious products and services
- Promoting universal design
- Providing appropriate product information
- · Offering excellent customer relations and support
- Managing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



Social



Toshiba has approx. 270,000 shareholders. Of the 460 million shares issued, 24.1% are held by financial institutions, 20.5% by individuals and others, and 50.4% by overseas investors (as of March 31, 2021).

Toshiba Group aims to increase total shareholder return (TSR) through maximizing its corporate value.

### **Key responsibilities**

- Disclosing information in a timely and appropriate way
- Providing an appropriate return of profits
- Maintaining and enhancing corporate value
- Responding to socially responsible investment (SRI) and ESG investment

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

- General meeting of shareholders
- Shareholder newsletters
- Dialogue with institutional investors and securities analysts
- Reports (securities report, integrated report, sustainability report, etc.)
- Website (investor relations, sustainability, environment, etc.)

Toshiba will continue to actively disclose risk and other information by enhancing the Group-wide disclosure structure so as to align with the interests of our shareholders and investors.

### Dialogue with Shareholders [Point of contact: Legal Division and Strategic Planning Division]

### **General Meeting of Shareholders**

The ordinary general meeting of shareholders for FY2020 was held on July 31, 2020, with an attendance of 127, although it was a decrease year on year due to COVID-19. Company proposals for an amendment of the Articles of Incorporation and the election of directors were approved. (Shareholder proposals for the election of directors were rejected).

The ordinary general meeting of shareholders for FY2021 was held on June 25, 2021, attended by 183 people, and deliberated on a proposal for the election of directors. As a result, while approval was granted to elect nine directors out of the eleven candidates (one of the elected directors resigned after the conclusion of the meeting), the remaining two candidates were rejected. Accordingly, the current Board of Directors consists of eight directors, of which, two are directors who concurrently serve as executive officers and six are outside directors.

For ordinary general meetings of shareholders for FY2020 onward, the meeting is streamed live online to allow shareholders who are not physically attending the meeting to view the proceedings.

### **Publication of Shareholder Newsletters**

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

### > Shareholder Newsletter (Japanese)

Environment

Governance

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

### **Dialogue with Institutional Investors and Securities Analysts**

We hold various briefings including those for business results held on the same day as our quarterly business results announcements. During FY2020, all briefings were distributed online due to COVID-19. Our executive officers including the President and CEO have been holding dialogues with major shareholders and major institutional investors from Japan and overseas. After the pandemic hit, the dialogue has been held at the same frequency as before via a video or audio conference.

Outside directors also hold dialogue with shareholders and investors. In August 2021, the President and CEO and outside directors held group meetings with institutional investors from Japan and overseas, and we published the meeting minutes on our website. Apart from the meetings, outside directors also meet with major shareholders and major institutional investors from Japan and overseas to promote engagement.

After the ordinary general meeting of shareholders was held in June 2021, we newly established the Strategic Review Committee. The Committee is to hold dialogue with shareholders and investors in a position independent from the management team while at the same time securing interests of the Company.

### ightarrow Group Meeting between outside directors and 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 make investment decisions. In response to requests from investors, we provide audio data, including live streaming, of presentations and Q&A sessions during major briefings. Our website also features a questionnaire regarding the content of our website.

### > IR Website

> Questionnaire on the Toshiba IR Website



Toshiba has a cumulative total of 9,000 recurring suppliers worldwide (as of March 31, 2021). We ask suppliers to cooperate with the Toshiba Group Procurement Policy and strengthen partnership with them to help solve social issues through business activities.

### **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

- Daily procurement activities
- CSR survey
- Clean Partner Line

### Dialogue with Suppliers [Point of contact: Procurement Division]

### **Requesting Suppliers to Promote 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). We also ensure that new suppliers are notified of the request as well. In addition, we conduct surveys on suppliers based on the **RBA Code of Conduct** presented in the Toshiba Group Procurement Policy to confirm the status of compliance.

- > Promotion of Sustainable Procurement
- > Cooperation with Industry Organizations

Social



Toshiba Group has 296 consolidated subsidiaries with approx. 120,000 employees, including approx. 70,000 in Japan and approx. 50,000 overseas (as of March 31, 2021).

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 fully develop and deploy talents in order for our sincere and richly diverse human resources with a passion for change to work together and generate new value based on a vision of the future of the company. We will promote diversity and inclusion (D&I) that will lead to sound and sustainable growth by respecting, accepting, and optimizing individual differences among employees, thereby generating new values and ideas so that the company, organization, and employees with differing backgrounds thrive in their respective levels of operation.

### **Key responsibilities**

- · Conducting fair assessment and treatment
- Respecting human rights
- Promoting diversity and inclusion
- · 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)
- Dialogue, information exchange meetings
- 360-Degree survey for top executives
- Competency evaluation of the head of the organization (Multifaceted Evaluation)
- Workplace meetings
- · Providing information through an in-house website
- Whistleblower system (Toshiba Hotline and Audit Committee Hotline)
- In-house communication magazine
- Labor-management negotiation

# Dialogue with Employees [Point of contact: Human Resources and Administration Division, Legal Division, and Corporate Communications Division]

### **Messages from Top Executives**

Top executives deliver messages to Group employees on the importance of promoting sustainability, improving customer satisfaction, raising quality, ensuring legal compliance, and other key concerns.

### **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 various measures, and how firmly rooted they are. We strive to improve the issues that emerge and leverage them to enhance the corporate culture. The survey assesses employees' understanding of company measures and whether their working conditions allow them to demonstrate their abilities. There are also questions regarding how the President and CEO and top management are perceived, the status of compliance and other measures, which are subsequently verified.

### Fair Evaluation and Talent Development

### **360-degree Survey and Multifaceted Evaluation**

We conduct the 360-Degree Survey to look at managers and senior management every other year. And we also conduct the Multifaceted Evaluation to look at heads of each organization every year. We examine them from multifaceted perspectives with regard to their day-to-day work performance and activities, with perspectives including those of themselves, as well as of their junior colleagues, peers, and supervisors. The major aims of these initiatives are to encourage the growth of the participants by objectively identifying their strengths and weaknesses on a regular basis, and to enhance their leadership, which will lead to creating a more sound organization and organizational operation.

### > Fair Evaluation and Talent Development

Environment Sc

Governance

### **Workplace Meetings**

We hold workplace meetings to discuss various themes, 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. Such themes include verification of compliance awareness and improvement of operational processes. Increasing understanding of differences in individual philosophies among employees helps create a better workplace environment for the future.

> Risk Management and Compliance



Toshiba Group has major business sites in over 30 countries worldwide. We conduct our corporate activities while respecting different cultures, histories and customs in local communities and communicating with them.

### **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

- Dialogue, information exchange meetings
- Factory tours
- · Employees' participation in community activities
- Local volunteering activities

### Dialogue with Local Communities [Point of contact: Companies and business sites of Toshiba Group]

### **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 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 issues.

### > Environmental Communication

### **Coexistence with Local Communities**

Toshiba Group not only seeks to resolve issues faced by local communities through business, but engages in 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**

Toshiba Group operates worldwide. We comply with laws and regulations of each country, including antimonopoly and anti-bribery laws, and will help resolve social issues faced by different regions and countries as a member of the local community.

#### **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

• Dialogue and proposals via economic associations and industry associations

#### Dialogue with Governments [Point of contact: Companies and business sites of Toshiba Group, 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, tand 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

We will hold dialogue with NPOs and NGOs active in areas such as the environment, human rights, and social contributions, and build partnerships leveraging mutual strengths of all parties.

#### **Key responsibilities**

- Providing collaboration and support to solve diverse global issues
- Collaborating with and helping local communities solve their social problems
- · Collaborating on our priority areas of social contribution activities

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

- Dialogue through collaboration
- · Exchange of views through stakeholder dialogue

#### Dialogue with NPOs and NGOs [Point of contact: Sustainability Management Division, Environment Management Office]

#### Support for and Collaboration with NPOs and NGOs

We hold dialogue with NPOs and NGOs active in areas such as the environment, human rights, and social contributions, and are building partnerships leveraging mutual strengths of all parties. We determine which NPOs and NGOs to support and collaborate with 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
- > Social Contribution Activities



Governance



# **Global Environment**

Guided by the "Essence of Toshiba", we will strive to create enriched value and ensure harmony with the earth. Through 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.

#### **Key responsibilities**

- Mitigation of climate change
- Effective use of resources
- Management of chemical substances
- Conservation of biodiversity

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

- Reduction of environmental impacts of Toshiba Group's
   business activities
- Development and provision of products and services conducive to reducing environmental impacts of society as a whole

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

#### > Environment

> Toshiba Group's Environmental Future Vision 2050

#### Corporate Information Sustainability Management

**ESG** Performance

Environment

Governance

# **ESG Performance of Toshiba Group**

In order to develop sustainably as a company, Toshiba Group strives to strengthen E (environment), S (social), and G (governance) and implement sustainability management as steps to build ethical and transparent management foundations. At the same time, we will make efforts to create and provide rich value in collaboration with our various stakeholders, such as our customers, shareholders and investors, suppliers, employees, and local communities.

#### **CONTENTS**

**44 Environment** 96 Social **193 Governance** 



#### **Toshiba Group ESG Performance**

# **Main Contents of ESG Performance**

Toshiba Group tackles issues related to the environment, social aspects of corporate activities (respect for human rights, fair evaluation and talent development, promotion of diversity, occupational health and safety, promotion of sustainable procurement, quality control, improvement of customer satisfaction, social contribution activities, etc.) and governance (corporate governance, risk management and compliance, etc.), setting the medium- to long-term vision and implementing initiatives to improve performance.

	Items	Main contents			
	Vision, Strategies and Structure	Basic policy for the environment, Environmental Future Vision 2050, The Seventh Environmental Action Plan, overview of environmental impacts			
	Response to Climate Change	Information disclosure based on the TCFD recommendations, response to climate change in business activities, increased reduction of CO <sub>2</sub> emissions by products and services, products and services associated with power supply and power consumption			
Environment	Response to the Circular Economy	Reduction of waste volume, 3R initiatives for products, increased amount of resources saved, increased amount of the use of recycled plastics, recycling			
	Consideration of Ecosystems	Management of chemical substances, reduction of the amount of water received, conservation of biodiversity			
	Enhancement of the Basis of Environmental Management	Environmental communication, soil and groundwater purification, preventing contamination and reducing contamination risks, management of PCB, management of ozone-depleting substances, environmental education and human resource development			
	Respect for Human Rights	Policy on respect for human rights, identification and monitoring human rights risks, education and enrichment			
	Employment and Labor Relations	Relationship with Toshiba unions, labor-management dialogue, and employees data			
	Fair Evaluation and Talent Development	Fair evaluations, talent development, and employee engagement surveys			
	Promotion of Diversity and Inclusion	Diversity management, strategies (for women, non-Japanese nationals, disabled persor 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, the incidence of occupational accidents, health management, and supply chain safety management			
	Promotion of Sustainable Procurement	Procurement policy, monitoring, responsible minerals sourcing, green procurement and green purchase			
Social	Quality Control for Safety and Reliability	Quality control policy, quality promotion structure, enhancing quality capabilities, and disclosure of information on quality			
	Product Safety and Product Security	Basic policy, response to product safety accidents, prevention of accident , 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			
	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			
Governance	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			

Social

# **ESG** Performance **FY2020 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

	FY2019	FY2020	FY2020	FY2021
Corporate Governance	Achievements	Targets	Achievements	Targets
Number of directors	12	- 12		-
Number of directors not concurrently serving as executive officers	10	Half of all directors	11	Half of all directors
Number of female directors (Percentage of female directors)	1 (8.3%)	Over 1	1 (8.3%)	Over 1
> Corporate Governance				

	FY2019	FY2020	FY2020	FY2021	
Risk Management and Compliance	Achievements	Targets	Achievements	Targets	
	100%	100%	99.2%	100%	
Education for "Standards of Conduct for Toshiba Group" (Toshiba Group in Japan)	"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 ; Number of cumulative participants (Toshiba Group in Japan)	1 66,000	1	1 70,000	1	
Percentage of self-audits conducted at Group	100%	100%	100%	100%	
companies based on "Anti-Bribery Guidelines" and "Guidelines on Contacts with Competitors" (Toshiba Group in Japan)	In FY2020, we conducted risk assessments of each of our Group companies.				
Number of reports received by the whistle blower system "Toshiba Hotline"	110 reports (109∕1)	_	129 reports (120∕9)	-	
(In-house contact window /attorney's office) (Toshiba Group in Japan)	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	0	0	0	0	
Unjustifiable Premiums and Misleading Representations (Toshiba Group in Japan)	We conducted education on advertising and labeling in the e-learning on sales risks, thus ensuring full compliance with advertising and labeling regulations.				
> Risk Management and Compliance					

ESG Performance

Environment

Social

Governance

# Environment

> Targets for FY2021.........The Seventh Environmental Action Plan (Environment Website)

# Social

Achievements	<b>T</b> .				
	Targets	Achievements	Targets		
Approx. 560	-	Approx. 630	-		
Toshiba Group conducted a survey on the use of conflict minerals for Toshiba Group suppliers that could have been using 3TG* <sup>2</sup> conflict minerals through the Conflict Minerals Reporting Template (CMRT).Toshiba Group carries out due diligence by conducting an additional survey for high risk suppliers.					
<ul> <li>*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.</li> <li>*2 Abbreviation of four minerals, tin, tungsten, tantalum, and gold, which are specified as "Conflict Minerals".</li> </ul>					
th Te fc s	oshiba Group conduc nat could have been u emplate (CMRT).Toshi or high risk suppliers. ed on each contract, v oximate due to their b	oshiba Group conducted a survey on the use o nat could have been using 3TG* <sup>2</sup> conflict miner emplate (CMRT).Toshiba Group carries out due or high risk suppliers. ed on each contract, we count one contract in oximate due to their being commercially sensit	oshiba Group conducted a survey on the use of conflict minerals for To: nat could have been using 3TG* <sup>2</sup> conflict minerals through the Conflict M emplate (CMRT).Toshiba Group carries out due diligence by conducting or high risk suppliers. ed on each contract, we count one contract in case multiple contracts a oximate due to their being commercially sensitive information.		

	FY2019	FY2020	EV2020	5/2021
Promotion of Diversity and Inclusion	F12019 F12020		FY2020	FY2021
	Achievements	Targets	Achievements	Targets
Number and percentage of female managers (Toshiba and key Group companies*3)	339         7.00%         318           (4.9%)         (5.1%)			8.00%
(Toshiba and key Group companies )	The 8% target will rem	ain until the end of FY202	25.	
Percentage of female recruits (Toshiba and key Group companies*³)	Administrative: 37% Technical: 19%	Administrative: 50% Technical: 25%	Administrative: 34% Technical: 15%	Administrative: 50% Technical: 25%
Employee male-female rate (Toshiba Group)	Male: 73.4% Female: 26.6%	_ Male: 74.5% Female: 25.5%		-
	2.41%	2.20%	2.51%	2.30%
Employment percentage of people with disabilities (Toshiba incl. a special subsidiary company in Japan)	In the timing of June, e special subsidiary com cooperating with the n as by using employme	n disabilities by		
Average number of years with company	Ave. 19.4yrs. (Male: 20.0yrs., Female: 16.4yrs.)	_	Ave. 20.1yrs. (Male: 20.4yrs., Female: 17.7yrs.)	-
(Toshiba Group in Japan)		Until FY2020, this information only covered Toshiba Corporation, but now covers Tosh Group in Japan from FY2021 onward. Accordingly, the data for FY2019 were revised.		

Social

Comparisons and Data, etc.

Governance

Promotion of Diversity and Inclusion	FY2019	FY2020	FY2020	FY2021	
Promotion of Diversity and inclusion	Achievements	Targets	Achievements	Targets	
Leave utilization rate (FY2019: Toshiba FY2020: Toshiba and key Group companies* <sup>3</sup> )	73.7%	_	65.7%	-	
Number of employees to use Childcare leave Percentatge of number to use Childcare leave: (Number of qualified person to use the leave/	Male: 34 (6.2%) Female: 316	-	Male: 72 (11%) Female: 299	-	
Number of qualified person) (Toshiba and key Group companies*3)	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. A handbook focusing on system and application procedure were distributed for promotion.				
Number of employees to use Deternity Jeave	203	_	210	-	
Number of employees to use Paternity leave (Toshiba and key Group companies*3)	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	Male: 9 Female: 4	_	Male: 9 Female: 2	-	
(Toshiba and key Group companies*3)	Up to 365 days in total per person requiring nursing care. A handbook focusing on system and application procedure were distributed for promotion.				
Number of employees to use short-time shift	Male: 5 Female: 411	-	Male: 11 Female: 416	-	
(Toshiba and key Group companies)	Employees who are raising children who have not yet completed elementary school.				
> Promotion of Diversity and Inclusion					
*3 Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation					

	FY2019	FY2020	FY2020	FY2021	
Occupational Health and Safety	Achievements	Targets	Achievements	Targets	
OHSAS certification rate (percentage of certification of Japan-based manufacturing	100% (52)	100%	100% (44)	100%	
companies and other companies subject to mandatory certification) and the number of certified companies (including companies that are not subject to mandatory certification)	Toshiba Group implements OHSAS, assesses related risks and promotes risk mitigation measures. (The standard adopted until FY2019 is OHSAS 18001, and that from FY2020 onward is ISO 45001.) The decrease in the number of certified companies in FY2020 was due to a decrease in the number of eligible companies resulting from business integration.				
	0.14 (1)	- (0)	0.19 (0)	- (0)	
Lost-time frequency rate (Number of fatal accidents) (Toshiba Group in Japan)	Lost-time frequency rate: The number of lost time injuries occurring in a workplace per 1 million man-hours worked. Result of our performance is less than average for all industry in Japan (1.95 days),manufact industry in Japan (1.21 days), and electrical appliance manufacturing industry in Japan (0 days) of Industrial Accident Statistics (FY2020) issued by the Ministry of Health, Labour and Welfare. In March 2020, there was however one fatal accident due to "Caught in" at a Japa based manufacturing company. In FY2020,we aim to return to our previous record of zero accidents among employees.				
> Occupational Health and Safety					

ESG Performance

Environment

Social

Governance Comparisons and Data, etc.

	FY2019 FY2020		FY2020	FY2021
Promotion of Sustainable Procurement	Achievements	Targets	Achievements	Targets
December of suppliers concenting for the	96%	100%	96%	100%
Percentage of suppliers consenting for the Toshiba Group Procurement Policy			ment Policy, we screen ne ent, and require their agre	
	[Human rights/Safety] 6,055 [Environment] 6,128	-	[Human rights/Labor]         2,603           [OHS]         2,789           [Environment]         4,268	-
Number of suppliers at which the CSR survey is conducted*4	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. From FY2020, the classification was changed from "Human rights/Safety" to "Human rights/ Labor" and "OHS."			
Number of suppliers to which Toshiba Group provided guidance and support, and the	Guidance and support provided: [Human rights/Safety] 924 [Environment] 161 Transaction suspended: 0	_	Guidance and support provided: [Human rights/Labor] 68 [OHS] 193 [Environment] 68 Transaction suspended: 0	_
number of transactions ceased*4	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. From FY2020, the classification was changed from "Human rights/Safety" to "Human rights/ Labor" and "OHS."			
*4 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.				
> Promotion of Sustainable Procurement				

Social Contribution Activities	FY2019 FY2020		FY2020	FY2021	
Social Contribution Activities	Achievements	Targets	Achievements	Targets	
Expenditures for Social Contribution Activities including donations for natural disasters, etc.	1.22 billion yen	-	0.97 billion yen	-	
	1,072	-	696	-	
Number of social contribution programs	In FY2020, we held the Toshiba Group Volunteer Days on or around December 5th, International Volunteer Day. A total of 288 social contribution activities were carried out in Japan and worldwide.				
> Social Contribution Activities					

For ESG-related data for FY2020, please see **ESG Data Collection**.

Toshiba Group ESG Performance E S G

# Environment

# For the irreplaceable global environment in which we live

Promote corporate activities with full consideration for the global environment throughout our value chain, from design, procurement, manufacturing, logistics and sales, through to disposal.

#### **CONTENTS**

- **44** Environment
  - 45 Vision, Strategies and Structure
  - 59 Response to Climate Change
  - 72 Response to the Circular Economy
  - 77 Consideration of Ecosystems
  - 88 Enhancement of the Basis of **Environmental Management**

Governance

# ESG Performance: Environment Basic Policy

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 to be committed to people and committed to 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

Governance

## **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. Under the Mid-term business plan formulated based on this philosophy, while providing unique services that are highly reliable and state-of-the-art technologies to help solve social issues, we will contribute to the achievement of the Sustainable Development Goals (SDGs) and further enhance our corporate value. Toshiba Group holds environmental initiatives to be one of our top priority tasks in corporate management, and will promote such initiatives closely linked to the company-wide business plan.

#### > The Essence of Toshiba

Actions for the Achievement of Sustainable Development Goals (SDGs)

#### Formulation of Long-term Vision Environmental Future Vision 2050

In recent years, climate change, the depletion of energy and resources, and various other environmental issues have intensified, 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 accelerated the movement toward carbon neutrality 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 achieve carbon neutrality.

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; and society's interest in such issues are on the rise. Meanwhile, the dissemination of the SDGs, the expansion of ESG investment, and other movements involving corporate management aimed at sustainability overall are gaining momentum.

In line with these changes in society, Toshiba Group has been constantly transforming its business structure. Going forward, Toshiba Group aims to strengthen the competitiveness of its business and push ahead with creating new value with a professional and agile management system by establishing "Infrastructure services company" that will drive carbon neutrality and intelligent infrastructure as well as "Devices company" that will support social and information infrastructure.

Amid these changing circumstances, we consider it important to continue providing enriched value to customers while responding to global trends from a long-term perspective in order to contribute to the realization of a sustainable society and to aim to grow sustainably as a company. As such, Toshiba Group formulated the Environmental Future Vision 2050 as a new long-term vision in November 2020 to address carbon neutrality, the circular economy, and other issues from a global perspective. 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," the 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 has been incorporated at 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. In October 2021, we revised the vision "response to climate change" to further accelerate initiatives toward achieving carbon neutrality throughout the entire value chain<sup>3</sup>.

<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 volume 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 volume 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.
 \*3 Vision "Response to climate change" formulated in November 2020: "Contribution through the entire value chain to achieve net zero GHG emissions in society (50% reduction across the Group's value chain by FY2030)"

Vision "Response to climate change" revised in November 2021: "Achievement of carbon neutrality throughout the entire value chain (70% reduction of GHG emissions by FY2030)"



Under **"response to climate change,"** we aim to achieve carbon neutrality throughout Toshiba Group's entire value chain by FY2050. As a milestone, we aim to reduce GHG emissions by 70% by FY2030 compared to the FY2019 level. Specific initiatives include investing in energy-saving equipment and introducing equipment for renewable energy and procuring power derived from renewable energy in carrying out Toshiba Group's business activities; suspending the receipt of new orders for coal-fired thermal power plant construction work; and leveraging our technological capabilities to create products and services that contribute to GHG reductions in society. Such products and services include energy technologies: renewable energy, energy aggregation\* for power supply and demand adjustment, CO<sub>2</sub> separation and capture technology, social infrastructure products and building-related products with high energy-saving properties. We will promote business that involves measures to adapt to climate change, which are aimed at ensuring stable energy supply and strengthening resilience, and also reducing GHG emissions derived from products and service purchased in cooperation with our suppliers.

Under **"response to the circular economy,"** we will promote the 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 volume of waste from business activities and to recycle used products and parts, as well as aim to build circular economy business models based on solutions that employ digital technologies, which is our focus business.

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 policies and regulations on chemical substance management in countries around the world, proper management of water resources, and activities to conserve biodiversity on and off the premises of Toshiba sites.

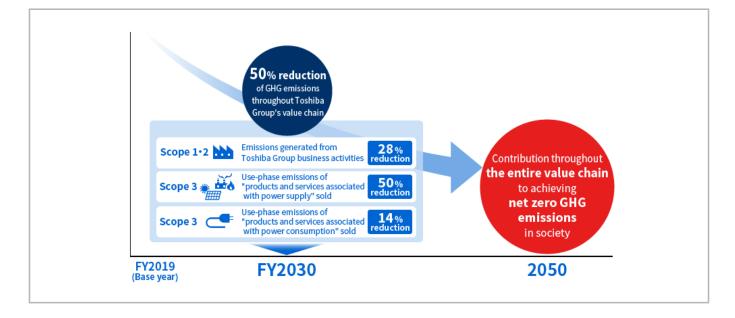
\* A mechanism for consolidating various energy resources, such as renewable energy and Electric Vehicle (EV), and controlling output according to power supply and demand conditions.

Corporate Information	Sustainability Management	ESG Performance
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Social

#### **Response to Climate Change: Breakdown of Greenhouse Gas Reduction Target**

In order to achieve the Environmental Future Vision 2050, we set out the following breakdown of GHG emissions reduction target and are promoting related initiatives.



#### Acquisition of Approval of the SBT Initiative

Our FY2030 target<sup>'1</sup> was approved by the Science Based Targets (SBT)<sup>'2</sup> initiative. Going forward, we aim to have our approval renewed under the SBT initiative's new standard.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



For Scopes 1 and 2, we will reduce the volume 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 target Category 11, "Use-phase GHG emissions of sold products" and aim to reduce emissions.

- > Response to Climate Change
- > Greenhouse Gas Emissions across the Value Chain

Governance

# **Toshiba Group's Seventh Environmental Action Plan**

We at 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. Based on Toshiba Group's Environmental Future Vision 2050, we have now formulated the Seventh Environmental Action Plan with an activity period covering FY2021 to FY2023. There are 19 targets set in three activity areas, "Response to climate change," "Response to the circular economy" and "Consideration of ecosystems," with the first two being the priority items, and also "Enhancement of the basis of environmental management," which supports the three activity areas. We will further develop and refine our activities in line with these targets to achieve our long-term vision and to help resolve various social issues, starting with climate change.

#### **Toshiba Group's Seventh Environmental Action Plan**

	Activity area		A	Activity content	FY2021 target	FY2022 target	FY2023 target	
			Reduction of total	GHG emissions <sup>*1</sup>	1.10 million t-CO <sub>2</sub>	1.08 million t-CO <sub>2</sub>	1.04 million t-CO <sub>2</sub>	
	Business ac	tivities	Improvement of to emissions per unit	otal energy-derived CO <sub>2</sub>	1% improvement compared to FY2020	1% improvement compared to FY2021	1% improvement compared to FY2022	
		Products and services		Reduction of GHG emissions during power supply (Base year: FY2019)* <sup>2</sup>	9.1% reduction	11.4% reduction	13.6% reduction	
Response to climate change (Priority item)	Products &	services	associated with power supply	Contribution to GHG reduction through introduction of renewable energy (cumulative total)* <sup>3</sup>	13 million t-CO <sub>2</sub>	28 million t-CO <sub>2</sub>	43 million t-CO <sub>2</sub>	
			Products and services associated with power consumption	Contribution to GHG reduction during product use (cumulative total)*4	26 million t-CO <sub>2</sub>	54 million t-CO2	84 million t-CO2	
	Business activities/		Contribution to GHG reduction through digital technology		Promotion of the use of digital technologies to realize remote operation, automation, and intelligence			
	Products &	services	Promotion of business that adapt to impacts of climate change		Development of	Development of measures aimed at stable energy supply, strengthened resilience, etc.		
	Business activities		Reduction of waste volume*5		31,000 t	33,000 t	33,000 t	
Response to the circular			Improvement of the volume of waste generated per unit		1% improvement compared to FY2020	1% improvement compared to FY2021	1% improvement compared to FY2022	
economy (Priority			Increased amount of plastic resources recycled (cumulative total)*6		700 t	1,400 t	2,200 t	
item)	Products & services		Increased amount of resources saved (cumulative total) $^{\star 7}$		150,000 t	300,000 t	450,000 t	
			Promotion of circular economy businesses		Creation of business models that improve both resource efficiency and corporate value			
	Chemical substance	Business activities	Reduction of the a per unit	on of the amount of chemicals discharged		1% improvement compared to FY2021	1% improvement compared to FY2022	
Consideration	management	management         Products         Reduction of specified chemic           & services         contained in products		ction of specified chemical substances ined in products		olicies and regulat cal substance man d the world		
of ecosystems	Water resource management	Business activities	Improvement of th unit	ne amount of water received per	1% improvement compared to FY2020	1% improvement compared to FY2021	1% improvement compared to FY2022	
	Conservation Biodiversity		Activities at global sites based on the themes set out in reference to the new international goals*8		targets and pron	emes <sup>*9</sup> as Toshiba notion of employee outside Toshiba s	e participatory	

Social

Governance

Comparisons and Data, etc

Activity area		Activity content	FY2021 target	FY2022 target	FY2023 target
		External communication	Communicating Toshiba Group's environmental initiatives on its Environment website		
Enhancement of the basis of	Environmental communication	Networking with stakeholders	of the "new norr	mmunication activn nal" based on colla NPOs, NGOs, and a ng employees	aboration with
environmental management	tal IntEnvironmental risk management & complianceStrengthening of the internal compliance management system and thorough implementation of internal educationBu co compliance		compliance mar Toshiba Group E Performance Eva environmental e	engthening of the i nagement system t invironmental Aud aluation System; p ducation accordin nal roles, and spec	hrough the it System and rovision of g to different

\* Basic-unit goals for energy-derived CO2 emissions, waste, water, and chemical substances: activities are assessed using indicators such as nominal output, the number of products manufactured, the number of persons and total floor area.

\*1 CO2 from electricity is calculated using emission coefficients provided by power companies.

\*2 The reduction rate of GHG emissions from products and services associated with power supply, such as thermal power generation (compared to FY2019). The calculation method is as follows: GHG emissions from power generation for FY2021 onward due to newly installed or upgraded facilities are calculated into a reduction rate from emissions in FY2019. The arithmetic mean for the results during the period of the Seventh Environmental Action Plan is used.

\*3 Contribution to GHG reduction by products and services associated with power supply such as hydroelectric, geothermal, and photovoltaic power generation. The calculation method is as follows: Obtain the difference between average GHG emissions per unit of all thermal power generation (coal, gas, oil) and GHG emissions per unit of renewable energy generation and multiply it by output, operation rate, facility utilization rate, expected service life, etc. Aggregate the cumulative total volume of contribution to GHG reduction due to power generation in FY2021 onward attributable to newly installed or upgraded facilities.

\*4 Contribution to GHG reduction by products and services associated with power consumption, such as social infrastructure products. The calculation method is as follows: Obtain the difference between total GHG emissions of assumed substitute products and total GHG emissions of shipped products and multiply it by the expected service life. Aggregate the cumulative total volume of the three years.

\*5 Obtained by deducting the volume of objects with value from the total volume of waste generated (excluding sites engaged in waste treatment and power generation).

\*6 Cumulative total volume of recycled plastics and bioplastics used over the three years.

\*7 Cumulative total volume of resources conserved due to lighter product weights and longer product service lives over the three years. The calculation method is as follows: [Total volume of input materials for assumed substitute products - Total volume of input materials for shipped products]

\*8 Post-2020 Global Biodiversity Framework scheduled to be adopted at the 15th Conference of the Parties to the Convention on Biological Diversity (COP 15) (scheduled to be held from October 2021 to May 2022). Toshiba Group has set its activity themes referring to the first draft of the framework. First draft:

ttps://www.cbd.int/doc/c/abb5/591f/2e46096d3f0330b08ce87a45/wg2020-03-03-en.pdf

\*9 (1) Building of ecosystem networks, (2) Conservation of rare species, promotion of ex situ conservation, (3) Response to marine plastics issues, (4) Response to climate change (mitigation, adaptation), (5) Conservation of water

# Achievement of the Sixth Environmental Action Plan

We at 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 Sixth Environmental Action Plan (activity period: FY2017–2020), we 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).

In FY2020, which is the final year of the plan, we achieved our targets in all 15 areas of activities, making progress in each category. Under the Seventh Environmental Action Plan which started in FY2021, we will continue to work toward achieving the new targets.

The Seventh Environmental Action Plan

Achievement of the Sixth Environmental Action Plan (Actual results for FY2017 - FY2020) (PDF: 211 KB)

Corporate Information	Sustainability Management	ESG Performance
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# Toshiba Group's Sixth Environmental Action Plan

#### Business

	Activity content		FY2020		
Activity area			Target	Result	Evaluation
	Deduction of total groups		1.66 million t-CO <sub>2</sub>	1.05 million t-CO <sub>2</sub>	Achieved
	Reduction of total greenhouse gas emissions <sup>*1</sup>		We achieved the target by actively implementing energy-saving and production efficiency improvement measures at each site.		
			92%	92%	Achieved
	Improvement of total energy-derived		We achieved the targ	get by implementing en	ergy-saving
	CO <sub>2</sub> emissions per unit act			e introduction of energ	
	(Compared to FY2013 level)		equipment, taking production efficiency improvement measures, and using renewable energy.		
			52,000 t	26,000 t	Achieved
Reducing environmental impacts	Reduction of waste volum	<b>es</b> *2	pandemic, the total \	ory utilization due to th volume of waste genera o reduced waste volum	ated significantly
in manufacturing			96%	74%	Achieved
	Improvement of the total waste generated per unit p (Compared to FY2013 level)	production	As we had lower factory utilization due to the COVID-19 pandemic, the total volume of waste generated significantly decreased, improving the total volume of waste generated per unit production.		
	Improvement of the amou	int of water	96%	93%	Achieved
	received per unit production (Compared to FY2013 level)		We achieved the target by recycling wastewater and using rainwater.		
	Reduction of the total amount of		96%	84%	Achieved
	chemicals discharged per production (Compared to FY2013 level)		We achieved the targ alternative manufact	get by improving produ curing processes.	ctivity and using
	Increased reduction of CO <sub>2</sub> emissions (cumulative total)	Power supply* <sup>3</sup>	16.3 million t-CO <sub>2</sub>	21.61 million t-CO <sub>2</sub>	Achieved
			We achieved the targ wide range of energy	get by working to develo v technologies.	op and spread a
		Device	6.3 million t-CO <sub>2</sub>	6.95 million t-CO <sub>2</sub>	Achieved
		Power consumption*4		get by expanding our lir hanced energy efficien	
	Increased amount of record	urcos coursed	380,000 t	400,000 t	Achieved
Improving environmental	Increased amount of resources saved (cumulative total)		We achieved the target by continuously reducing resource consumption of products in all business areas.		
performance of products and	Increased amount of recyc	cled	3,000 t	3,514 t	Achieved
services	resources (recycled plastics) used (cumulative total)		We achieved the target by continuing to use recycled plastics in MFPs, industrial air conditioners, etc.		
	Reduction of specified chemical substances contained in products 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, and continue to manage the products in the same way.	Achieved

Management

Activity erec	Activity contant	FY2020			
Activity area	Activity content	Result	Evaluation		
Ensuring of environmental risk compliance	<ul> <li>Enhancement of compliance with global environmental regulations and human resource development</li> <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> <li>In the area of business activities, we provided an online education program on environmental risks and compliance three times to Group companies. A total of approximately 750 employees from the environment, administration, engineering, manufacturing, and other divisions participated in the program.</li> <li>In the area of products and services, we provided an online education program on laws and regulations related to chemicals contained in products and relevant international standards to Group companies. A total of approximately 280 employees from the environment, safety, quality control, manufacturing, procurement, marketing, and other divisions participated in the program.</li> <li>We strengthened compliance at production sites by holding meetings of personnel in charge of environmental affairs in China and sharing legal and regulatory updates.</li> </ul>	Achieved		
Environmental	Improvement of information disclosure Improvement of reporting based on external requirements	<ul> <li>We were selected for the prestigious A List in the CDP Climate Change Report 2020 and recognized as a Supplier Engagement Leader in the Supplier Engagement Rating conducted by CDP.</li> <li>We received the Excellence Award of the environmental reporting category for our Sustainability Report 2020 at the 24th Environmental Communication Award.</li> <li>We published our Sustainability Report 2020 and disclosed information based on the TCFD recommendations.</li> </ul>	Achieved		
communication	<ul> <li>Development of networks with stakeholders</li> <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> <li>We hosted education programs for children at six locations, including elementary schools and event venues.</li> <li>We carried out at least 350 Global Environmental Action events worldwide on the topics of chemicals, energy, resources, and others in cooperation with local residents, NPOs, NGOs, administrative offices, and other groups.</li> </ul>	Achieved		
Conservation of biodiversity	Contributions to Aichi Targets Choosing 10 of the 20 Aichi Targets as Toshiba goals to develop measures at our sites worldwide	We carried out activities to achieve the Aichi Targets at 61 sites worldwide (39 sites in Japan and 22 sites overseas).	Achieved		

• Values related to energy consumption required for manufacturing (nominal output, the number of products manufactured, number of persons, total floor area, etc.) are used for basic-unit goals for GHG emissions.

\*1 CO<sub>2</sub> emission coefficients for electricity are calculated using emission coefficients provided by power companies.

\*2 Obtained by deducting the volume of objects with value from the total volume of waste generated (excluding 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, a comparison with average CO<sub>2</sub> emissions per unit of electricity for the same fuel type; for renewable energy, a comparison with CO<sub>2</sub> emissions per unit of electricity for average thermal power of all types. Cumulative total volume 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 use-phase emissions per year and cumulates emissions for half the expected product service life)

\*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 are some concerns about their effects on the human body.

Environment

Social

Governance

<sup>•</sup> For waste, water, and chemical substances, volume-based nominal outputs are used as an indicator for basic-unit goals for appropriate assessment.

ESG Performance

Environment

Governance

# **Overview of Environmental Impacts**

Toshiba Group quantifies its environmental impacts at each stage of the life cycle of its products and services - from materials procurement, manufacturing, distribution, customer use, to collection and recycling. This data covers the actual results of 296 Toshiba Group companies for FY2020.

Overview of Environmental Impacts (PDF: 257KB) T.

# **Creation of Environmentally Conscious Products**

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 that would lead to resolving issues facing society and customers through use of products and services, set eco-targets to achieve the required level of performance, and incorporate such targets into product specifications.

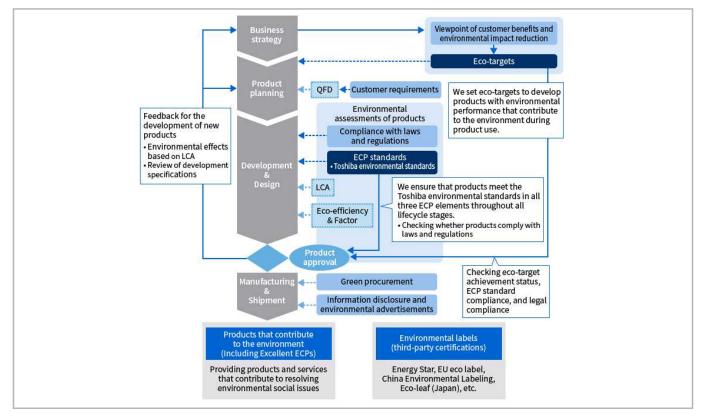
Then, we confirm that our products and services comply with all relevant laws and regulations. Meanwhile, based on the three elements of ECPs\* (Toshiba Environmental Standards), we define and manage ECP Standards as mandatory environmental performance to be achieved at each stage of the lifecycle of 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

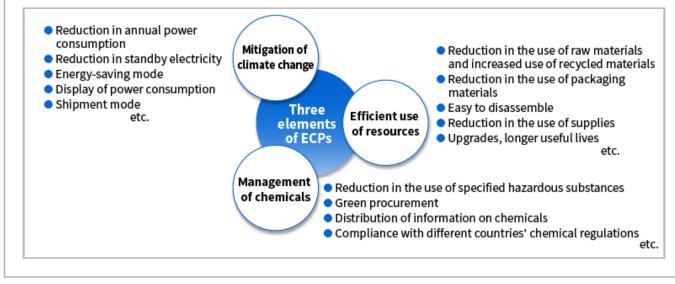
#### Toshiba Environmental Standards

#### - 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



# **Environmental Management Structure**

#### **Group-wide 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 executives' approval of these policies, strategies, and measures and then implements them throughout the Group. More specifically, it convenes semiannually the Corporate Environmental Management Committee, which is a decision-making body for the entire Group chaired by the Executive in charge of f Environment, consisting of environmental promotion managers of key Group companies, and corporate staff division managers. The Committee makes recommendations on Toshiba Group's environmental measures at its meetings. 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 in line with corporate policies.

Among the important environmental measures and policies discussed at Corporate Environmental Management Committee meetings, critical issues related to management are deliberated and reported at the Sustainability Strategy Committee chaired by the President and CEO and held semiannually. These issues are also reported roughly twice a year to all directors, including outside directors, at the Board of Directors meetings. What is reported at the Board of Directors meetings is reflected in our Group's management strategy.

Governance

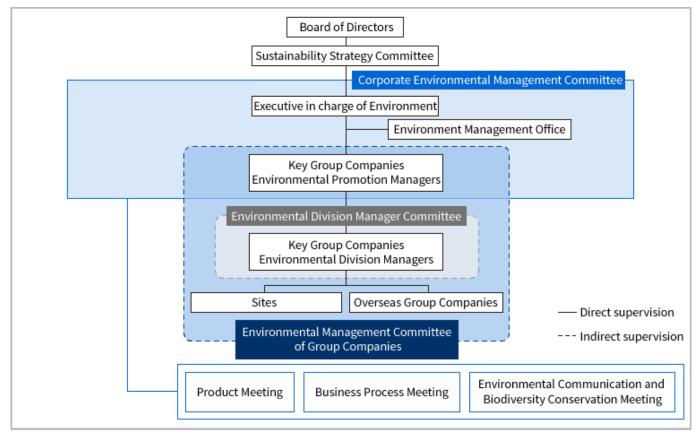


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Governance Comparisons and Data, etc.

#### Toshiba Group environmental management structure



#### > Sustainability Management

#### ■ Issues Deliberated at Corporate Environmental Management Committee Meetings in FY2020

	Issues deliberated	Other topics discussed
Corporate Environmental Management Committee meeting held for the first half of FY2020	Preparations for acquiring approval of the SBT initiative	Compliance measures related to government approval, licenses and filings of facilities compliant with environmental laws and regulations, measures to promote ESG, and other initiatives
Corporate Environmental Management Committee meeting held for the second half of FY2020	Formulation of the Basic Policy for the Environment, basic environmental regulations, long-term environmental vision, and medium- term environmental activity plan	Screening status for approval of the SBT initiative, environmental management audit results, etc.

Under the Corporate Environmental Management Committee, there are three subcommittees: the Product Meeting, which manages the development of environmentally conscious products and technologies, the Business Process Meeting, which promotes efforts to reduce the environmental impacts caused by business activities, and the Environmental Communication and Biodiversity Conservation Meeting, which promotes environmental communication and biodiversity conservation 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. Under the Product Meeting and Business Process Meeting, specialized working groups set themes and engage in activities that cover a wide variety of fields.

Environment Social

#### **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, gather and share information on trends in laws and regulations, and provide cooperation and assistance to Group companies in these regions with respect to their environmental efforts.

#### ISO 14001

In promoting environmental management, we place importance on worksite environmental efforts as well, and currently, 62 sites of Toshiba Group have become ISO 14001-certified.

In many business domains, we are striving to obtain integrated certification that covers their headquarters, sales offices, production sites, and their group companies to develop comprehensive environmental management systems.

#### ■ Number of ISO 14001-certified Sites

Business domains	Number of certified sites
Toshiba Corporation	1
Toshiba Energy Systems & Solutions Corporation Group	7 (including integrated certification)
Toshiba Plant Systems & Services Corporation Group	2
Toshiba Infrastructure Systems & Solutions Corporation Group	13 (including integrated certification)
Toshiba Elevator and Building Systems Corporation Group	4 (including integrated certification)
Toshiba Lighting & Technology Corporation Group	3 (including integrated certification)
Toshiba Carrier Corporation Group	6
Toshiba Tec Corporation Group	14
Toshiba Electronic Devices & Storage Corporation Group	4 (including integrated certification)
Toshiba Digital Solutions Corporation Group	3 (including integrated certification)
Battery Division	1
Other	4
Total	62

Note : As of October 15, 2021

#### **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 volume 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 environmental management of Toshiba Group (296 companies in FY2020) and is accessible from countries around the world.

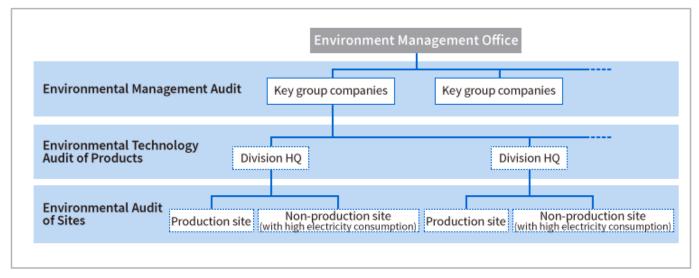
Governance

# **Toshiba Group Environmental Audits and Performance Evaluation System**

#### **Toshiba Group Environmental Audits**

Toshiba Group conducts three types of internal audits: (1) "environmental management audit" of key Group companies, (2) "environmental audit of sites," specifically production sites and non-production sites with high electricity consumption, and (3) "environmental technology audit of products" of business divisions. These internal audits are aimed at evaluating the status of the environmental management structure, compliance, facility management, and other relevant areas within Toshiba Group, and having discussions to identify and improve issues. We link the audit areas and criteria of the environmental audit of sites and environmental technology audit of products with those of the environmental management audit, to closely verify the environmentally conscious aspects in our business activities, products and services. Further, 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 each Group company.

#### Toshiba Group's environmental audit system



To improve assessment quality, we review these audit areas every year. In FY2020, we performed evaluation of audit areas in line with the Sixth Environmental Action Plan, and confirmed the status of specific environmental efforts. From FY2021 onward, we will review these audit areas in line with the Seventh Environmental Action Plan and promote environmental efforts.

#### Environmental Management Audit

#### FY2020 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)	5	13
2	Legal compliance and risk management (9)	3	9
3	Business processes (11)	0	7
4	Products and services (15)	1	7
5	Information disclosure and communication (9)	1	16
6	Supply chain management (3)	4	3

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#### Examples of non-conformities/recommendations

- Systems for managing risks and compliance with environmental laws and regulations in terms of products or site management were inadequate.
- Supply chain management was inadequate, for example, information contained in the Green Procurement Guidelines was not organized.

#### **Examples of good practices**

- Toshiba Group manages in detail its course of action and priority measures and reflects them in its activity plans.
- Each business division makes a detailed plan for creating ECP\* and appropriately manages the plan.
- \* Environmentally Conscious Products

#### 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 secure environmental quality and the progress of ECP creation activities, which have the goal of creating products that contribute to reducing environmental impacts.

#### Environmental Audit of Sites

The objective of the environmental audit of sites is to improve each site's environmental control by checking its environmental management status, control status of each environmental issue type (water discharge, air pollution, noise, waste, chemicals, energy consumption, etc.) at representative facilities, and compliance system to obey applicable laws and regulations, agreements, and rules, among others.

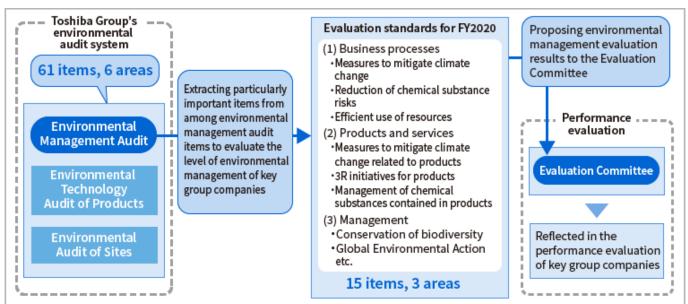
#### > Environmental Education and Human Resource Development

#### **Performance Evaluation System**

Based on the Toshiba Group's environmental audits, we evaluate key Group companies' environmental management levels. Among 61 items in the 6 areas of the environmental management audit, we select those that match the top priority items in the Sixth Environmental Action Plan as performance evaluation criteria. In FY2020, we selected 15 items in areas of business activities, products and services, management, and other as performance evaluation criteria, and carried out quantitative evaluation. 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.

From FY2021 onward, we will review these items in line with the Seventh Environmental Action Plan to promote our efforts.

#### Performance Evaluation System



#### **ESG Performance: Environment**

**Response to Climate Change** 



Governance

#### **Medium- to Long-term Vision**

 As a response to climate change: We will achieve carbon neutrality throughout the entire value chain

-Achieve carbon neutrality by FY2050

-**70% reduction** of GHG emissions by FY2030 (from the FY2019 level)

**70% reduction** of emissions generated from

Toshiba Group business activities by FY2030: (from the FY2019 level)

# 80% reduction of use-phase emissions of

products and services associated with power supply sold by FY2030: (from the FY2019 level)

**14% reduction** of use-phase emission of products

and services associated with power consumption sold by FY2030: (from the FY2019 level)  $% \left( f_{1}^{2}\right) =0$ 

- Reduce GHG emissions derived from purchased products and services in collaboration with suppliers (base year TBD)
- Promote business that related to climate change adaptation measures

#### **Future Challenges and Approaches**

Under Environmental Future Vision 2050 and the Seventh Environmental Action Plan, Toshiba Group will promote the reduction of GHG emissions in product manufacturing and in the use of products and services; and the reduction of GHG emissions derived from products and services purchased in cooperation with suppliers, to respond to climate change throughout its entire value chain. Toshiba Group also aims to contribute to the realization of a sustainable society by promoting businesses related to climate change adaptation measures.

#### > Environmental Future Vision 2050

> The Seventh Environmental Action Plan

\* Cumulative total from FY2017.

#### FY2020 Achievements

Total GHG generated from business activities:



Reduction of GHG emissions by products and services\*
 Products and services associated with power supply:



Products and services associated with power consumption:

6.95 million t-CO<sub>2</sub>

Governance

#### **Response to Climate Change**

As global warming continues and temperatures rise, we are likely to experience more natural disasters including typhoons, floods, and tornadoes, which seriously affect people's daily lives and society. Other concerns include droughts due to low precipitation and sea level rise due to melting glaciers on land. To respond to these impacts of global warming, the world is accelerating the movement toward achieving carbon neutrality by lowering GHG emissions to net zero by 2050. We are required to respond to climate change caused by global warming by striving to reduce GHG emissions in both business activities and products and services, thereby to help achieve carbon neutrality.

With the aim of achieving carbon neutrality throughout its entire value chain by FY2050, Toshiba Group has been driving responses to climate change through various measures. They include reducing energy consumption and the volume of GHG used in production processes in Japan and abroad, introducing energy-saving processes and equipment, using renewable energy, providing energy technologies to realize decarbonization, and reducing electricity consumption in the use of products and services we develop. We will also focus on the reduction of GHG emissions from products and services purchased in cooperation with suppliers and climate change adaptation solutions. As a new initiative under the Seventh Environmental Action Plan, Toshiba Group will also focus on the reduction of GHG emissions through the use of its digital technologies that enable remote operation, automation, and intelligence. In FY2020, we acquired approval of the Science Based Targets (SBT)<sup>1</sup> initiative regarding our GHG reduction target for FY2030.

We were selected for the prestigious A List in the CDP<sup>'2</sup> Climate Change Report 2020 for our climate change information disclosure. We have also endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)<sup>\*3</sup> and will continue to focus our efforts on information disclosure regarding the risks and opportunities related to climate change in our Group's businesses.

\*1 Science Based Targets are scientifically grounded GHG reduction targets set by companies on a medium- to long-term basis in order to restrain the global average temperature increase this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. Science-based targets are validated by the SBT initiative. Toshiba Group's target approved is our FY2030 target set before the revision of the Environmental Future Vision 2050 (before November 2021). For details, please see https://www.toshiba.co.jp/env/en/vision/vision2050\_0.htm

\*2 CDP is an international non-profit organization founded in the United Kingdom in 2000. Working with institutional investors, CDP conducts surveys on companies' environment-related initiatives (climate, water and forests).

\*3 The TCFD is an organization established by the Financial Stability Board (FSB) in 2015 for financial institutions and companies to discuss the climate change issue from the perspective of financial stability.

#### **Greenhouse Gas Emissions Across the Value Chain**

As climate change becomes an increasingly serious issue, companies must monitor and manage not only their own GHG emissions but also emissions generated across their entire value chain. Based on the GHG Protocol<sup>\*</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 monitors and 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 accordingly.

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.

\* 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)

#### (FY2020)



Corporate Information	Sustainability Management	ESG Performance
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Governance Comparisons and Data, etc.

Category		Categori	FY2019 calculation results (10,000 t-CO <sub>2</sub> )	FY2020 calculation results (10,000 t-CO <sub>2</sub> )	
1		Purchased goods and services		1,571	1,380
	2	Capital goods		40	32
	3	Fuel- and energy-related activities not included in Scope 1 or 2		6	6
Upstream	4	Transportation and distributior	3	2	
emissions	5	Waste generated in operations		1	1
	6	Business travel		2	0.4
	7	Employee commuting		4	4
	8	Leased assets (upstream)		0.3	0.3
Tashiha Cra		Direct emissions (Scope 1)		32	28
Toshiba Gro	up	Indirect emissions associated with energy use (Scope 2)		82	77
	9	Transportation and distribution (downstream)		22	20
	10	Processing of sold products		_	_
	11		Products and services associated with power supply <sup>*1</sup>	53,763	34,311
Downstream emissions			Products and services associated with power consumption <sup>*2</sup>	6,839	6,749
	12	End-of-life treatment of sold pr	oducts	2	2
	13	Leased assets (downstream)		_	_
	14	Franchises		_	_
	15 Investments		_	_	
Total 62,367					42,614

\*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.

Governance

# Information Disclosure Based on the TCFD Recommendations

The impact of climate change is intensifying every year, society's interest in this issue is on the rise, triggering demands that companies step up their 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 endorsed 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 that has the Board of Directors appropriately supervise our efforts to address climate change and other important sustainability-related issues. For important issues related to management risks and opportunities in particular, the executive in charge of sustainability and the executive in charge of environment bring them up to all directors, including outside directors, at the Board of Directors meetings to be reflected in the Group's management strategy.

Prior to reporting to the Board of Directors meetings, specific policies, strategies, and measures related to the environment, including climate change, are deliberated at the Corporate Environmental Management Committee, which is chaired by the executive in charge of environment. This semiannual meeting is attended by the environmental promotion managers of key Group companies, corporate staff division managers, and Corporate Environment Management Office personnel.

In FY2020, the Corporate Environmental Management Committee deliberated on the formulation of a new long-term vision Environmental Future Vision 2050 as well as the establishment of GHG reduction targets and the acquisition of approval of the SBT initiative to achieve the vision. These matters were then reported to the Board of Directors.

We established the Sustainability Strategy Committee above the Corporate Environmental Management Committee to further strengthen Toshiba Group's sustainability management structure from FY2021 onward. The Sustainability Strategy Committee is chaired by the President and CEO and convened semiannually. Corporate officers involved in sustainability, corporate staff division managers, and presidents of key Group companies discuss sustainability-related issues including climate change. Important matters related to management are regularly reported to the Board of Directors.



#### > Environmental Management Structure

Sustainability Management

#### Strategy

We consider a variety of mega-trends at the development stage of Toshiba Group's Mid-term business plan, and consider the risks and opportunities presented by climate change, which are then reflected in our business strategy. For example, in response to the trend toward achieving carbon neutrality in Japan and abroad, we decided to suspend the receipt of new orders for coal-fired thermal power plant construction work in FY2020. Furthermore, we announced that we will accelerate our efforts toward achieving carbon neutrality throughout the entire value chain under the new Mid-term business plan which starts in FY2022.

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 (RCP 8.5) 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 floods and typhoons. Based on these predictions, the Group companies analyze risks and opportunities in each of their respective business fields and share results at Corporate Environmental Management Committee meetings. Based on the TCFD recommendations, we will estimate the medium-to long-term risks and opportunities for market expansion/creation for each business and reflect them in our future business strategies.

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

Corporate Information	Sustainability Management	ESG Performance
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t Social

Comparisons and Data, etc.

#### 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> <li>Set a medium- to long-term target to achieve carbon neutrality throughout the entire value chain and pursue the target</li> <li>Reduce total GHG emissions in business activities</li> <li>Increased reduction of GHG emissions by products and services</li> <li>Enhance compliance with global environmental regulations</li> <li>Monitor GHG emissions across the value chain</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 adaptation to country-/region-specific energy mixes	<ul> <li>Set a medium- to long-term target to achieve carbon neutrality throughout the entire value chain and pursue the target</li> <li>Increased reduction of GHG emissions by products and services</li> <li>Improve the energy efficiency of products and services associated with power consumption</li> <li>Develop energy technologies to realize decarbonization and provide a wide variety of energy technologies</li> <li>Suspend the receipt of 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> <li>Promote actions to achieve our FY2030 GHG emission target</li> <li>Improve disclosure based on demands from external parties</li> </ul>

#### Physical Risks

Assumed risks	Toshiba Group's response
Damage to production equipment due to disasters (e.g., floods and typhoons); suspended procurement of raw materials and parts; suspended operations of production sites due to disrupted logistics and sales capabilities	<ul> <li>Formulate and take BCP measures at each site, such as raising the floor where equipment is installed in areas at risk of large-scale water hazards</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 automobiles and industrial products as electrification continues in such fields	<ul> <li>Increase investments in battery business for automotive and industrial use. Build a new battery plant in Yokohama.</li> <li>Increase investments in power semiconductors that enable the improvement of energy efficiency of electric vehicles and industrial equipment. Establish a new production line that mainly manufactures power semiconductors at Kaga Toshiba Electronics Corporation to increase production capacity.</li> </ul>
Growth in the renewable energy business and increased demand for energy technologies to realize decarbonization	<ul> <li>Expand renewable energy-related business</li> <li>Promote virtual power plant (VPP) business</li> <li>Promote CO<sub>2</sub> separation and capture technology</li> </ul>
Increased market demand for climate change adaptation solutions as the impact of climate change becomes more visible	<ul> <li>Promote the climate change adaptation solutions business, such as weather radars and rainwater drainage systems</li> </ul>

Response to climate change is one of the priority actions in the Environmental Future Vision 2050, and addresses both the risks and opportunities for Toshiba Group's sustainable growth. We will aim to significantly reduce GHG emissions throughout the value chain and create more products and services that contribute to the reduction of GHG emissions in society.

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

#### > Environmental Future Vision 2050

#### Corporate Information

Governance

#### **Risk Management**

At the Business Risk Review Committee meeting, we assess risks of matters including climate change-related risks that have a significant impact on management. Matters that are especially important in terms of business risks are discussed at the Management Committee meeting. Countermeasures and preventive measures for matters related to environmental risks including climate change are also discussed at the Risk Compliance Committee, directly under the control of the President and CEO.

Climate change-related risks and opportunities that have been assessed and identified are shared by the executive in charge of environment, Group companies, and corporate staff divisions at Corporate Environmental Management Committee meetings, and 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 achieve carbon neutrality throughout Toshiba Group' s entire value chain by FY2050. As a milestone, we aim to reduce GHG emissions by 70% by FY2030 compared to the FY2019 level. We set out the following breakdown of GHG reduction target for FY2030 and are promoting related initiatives.

- 1. Reduce the total of Scope 1<sup>11</sup> and Scope 2<sup>22</sup> (GHG emissions generated from Toshiba Group's own business activities) by 70% by FY2030.
- 2. Reduce use-phase GHG emissions of "products and services associated with power supply"' sold in Scope 3'4 by 80% by FY2030.
- 3. Reduce use-phase GHG emissions of "products and services associated with power consumption"<sup>5</sup> sold in Scope 3 by 14% by FY2030.
- 4. Reduce GHG emissions from products and services purchased from other companies in Scope 3.

Targets 1 to 3 above are compared to the FY2019 levels. The base year for target 4 is to be determined.

- \*1 Volume of direct emissions through fuel use at Toshiba Group
- \*2 Volume of indirect emissions through use of electricity and heat purchased by Toshiba Group
- \*3 Power generation plants, etc.

\*4 Volume 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 Seventh Environmental Action Plan

Governance

# **Response to Climate Change in Business Activities**

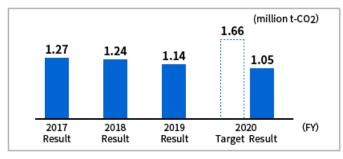
Toshiba Group has been proactively installing systems to capture and/or remove sulfur hexafluoride (SF<sub>6</sub>), which is used to insulate heavy electric machinery, and perfluorocarbons (PFCs), which are used to produce semiconductors. By steadily taking measures to improve our production processes, the Group is working to reduce the total volume of GHG\* emissions generated from our business activities. In particular, to reduce energyderived 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 FY2020, total GHG emissions were 1.05 million t-CO<sub>2</sub>, so we achieved our target of 1.66 million t-CO<sub>2</sub>. Energy-derived CO<sub>2</sub> emissions per unit activity were 92% compared to the FY2013 level. Although total GHG emissions have remained almost flat compared to the previous year, per unit activity improved as a result of investment in high-efficiency equipment and other efforts. Renewable energy accounted for 0.08% of total energy consumption.

Going forward, Toshiba Group will contribute to the realization of a decarbonized society by working to significantly reduce GHG emissions through the promotion of measures such as expansion of the use of renewable energy at our sites worldwide based on our long-term GHG emissions reduction target. As a new initiative under the Seventh Environmental Action Plan, Toshiba Group will also focus on the reduction of GHG emissions through the use of its digital technologies that enable remote operation, automation, and intelligence.

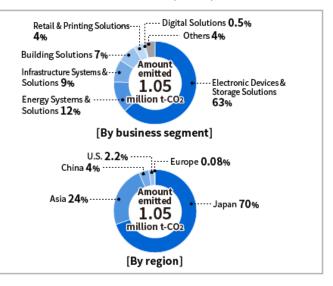
\* Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), dinitrogen oxide (N<sub>2</sub>O) (= nitrous oxide), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>)

#### Total GHG emissions

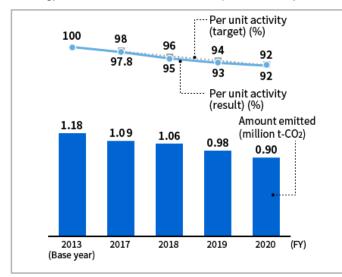


※ 電力CO2排出係数には、各電力会社より提供された排出係数を用いています

#### Breakdown of total GHG emissions (FY2020)



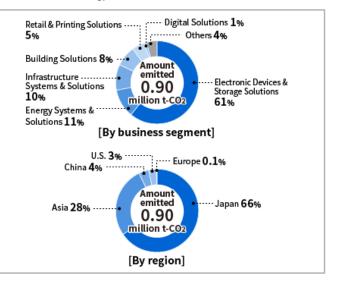
#### Energy-derived CO<sub>2</sub> emissions and those per unit activity



\* CO<sub>2</sub> emission coefficients for electricity are calculated using emission coefficients provided by power companies

\*Per unit activity refers to values related to energy consumption required for manufacturing (nominal output, the number of products manufactured, number of persons, total floor area, etc.).

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



Governance

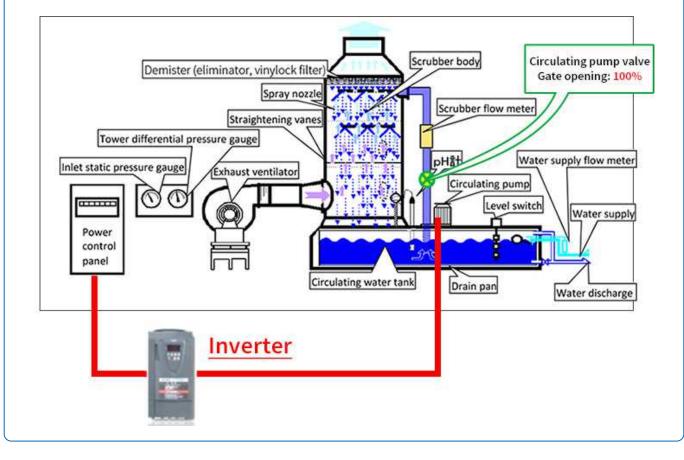
#### Case

#### Reduction of Power Consumption by Installing an Inverter in the Scrubber Circulating Pump



#### Kaga Toshiba Electronics Corporation

Kaga Toshiba Electronics Corporation installed an inverter in the circulating pump used in scrubber equipment. This reduces excessive circulating water and cuts energy used in the pump for that purpose.



#### Case

#### **Use of Carbon Neutral LNG at Toshiba Group**

#### **Toshiba Corporation**

Toshiba Group is a member of the Carbon Neutral LNG Buyers Alliance and started using Carbon Neutral LNG (CNL) in Fuchu Complex and Komukai Complex for the first time within Toshiba Group. CNL is a type of LNG that offsets greenhouse gases generated in the process from extraction to the burning of natural gas by carbon credits (carbon offsetting) obtained by projects that help conserve biodiversity and reduce poverty in emerging countries. Thus, it is deemed to be carbon neutral on a global scale even when burned. Toshiba Group will contribute to the realization of a sustainable society by responding to climate change and other social issues through increasing the use of CNL.



# Increased reduction of GHG emissions by products and services

#### (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 FY2020, 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 21.61 million t-CO<sub>2</sub> (cumulative total), achieving the reduction target of more than 16.30 million t-CO<sub>2</sub> (cumulative total) set in the Sixth Environmental Action Plan. We have rolled out the new Seventh Environmental Action Plan starting from FY2021. Under the plan, we will continue to reduce GHG emissions during power supply from thermal power generation and other types of power generation and to manage contribution to GHG reduction by products and services associated with power supply such as hydroelectric, geothermal, and photovoltaic power generation, as part of our efforts to contribute to reducing CO<sub>2</sub> emissions.

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

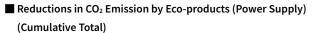
We will contribute to reducing CO<sub>2</sub> emissions by improving the energy-saving performance of products and services associated with power consumption, including social infrastructure products, services and office equipment.

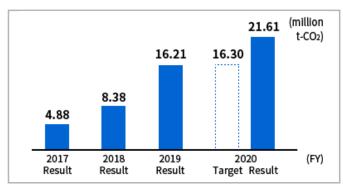
In FY2020, as a result of expanding the provision of products and services with enhanced energy-saving performance, we reduced CO<sub>2</sub> emissions since FY2017 by 6.95 million t-CO2 (cumulative total), achieving the reduction target of more than 6.3 million t-CO2 (cumulative total) set in the Sixth Environmental Action Plan. We have rolled out the new Seventh Environmental Action Plan starting from FY2021. Under the plan, we will continue to contribute to reducing  $CO_2$  emissions from products and services associated with power consumption.

Going forward, we aim to spread the use of products and services that have large energy-saving effects, such as industrial air conditioners and LED lighting. Furthermore, we will expand our business for products that can achieve significant reductions in CO2 emissions such as system products mainly in the social infrastructure domain, particularly in emerging countries that have rapidly increasing demand.

We newly added "Contribution to GHG reduction through digital technology" to the activity content of the Seventh Environmental Action Plan. We will also focus on activities to reduce GHG emissions in society by providing customers with services and solutions that utilize digital technology.

Through these efforts, Toshiba Group will promote reductions in emissions from products and services, to contribute to realizing a carbon-neutral society.



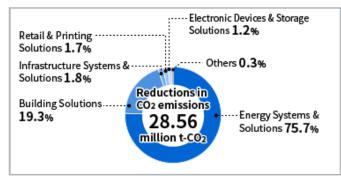


Reductions in CO<sub>2</sub> Emission by Eco-products (Power Consumption) (Cumulative Total

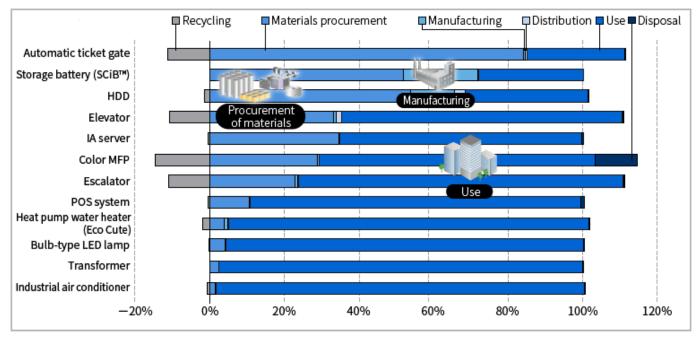


Toshiba Group Sustainability Report 2021 67

#### Breakdown of reductions in CO<sub>2</sub> emissions by business segment (FY2020 (cumulative total))



#### Percentages of CO<sub>2</sub> emissions from the lifecycle stages of Toshiba Group's products

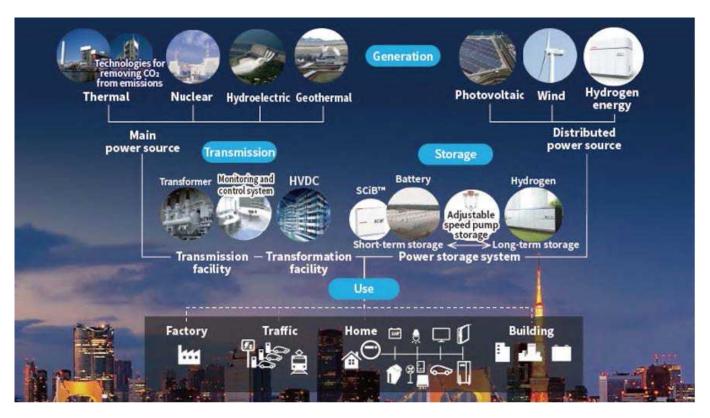


Governance

# **Products and Services Associated with Power Supply**



#### **Contribution by 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 global warming.

#### Main Power Source

Currently, approximately 60%<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 environment-friendliness and a stable power supply by using a variety of technologies, including high efficiency thermal power generation and technologies for separating and capturing CO<sub>2</sub> from emissions caused by thermal power generation.

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 volume of hydrogen in the event of a major accident as well as to promoting cyber security measures, we will continue ongoing efforts to further improve the safety of nuclear power plants.

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

\*1 Source: World Energy Outlook 2020 \*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 quantity of power generated by some renewable energy technologies fluctuates depending on 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<sup>™</sup>, 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 its 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 the use of renewable energy increases, 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 as comprehensive technologies to generate, transmit, and store energy.

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

We are also developing P2G<sup>-4</sup> technology that uses hydrogen as adjustments for renewable energy. Hydrogen is positioned as a key technology for carbon neutrality since it is a CO<sub>2</sub>-free energy source that can be stored and transported. In March 2020, we started the operation of one of the world's largest P2G demonstration facilities at Namie Town in Fukushima Prefecture.

\*3 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.

\*4 P2G: Power to Gas (converting surplus electricity to hydrogen and other gases)

Governance

# **Products and Services Associated with Power Consumption**

#### **Contribution by 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.

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#### Air-conditioning Systems SMMS-u Series for Buildings

#### Toshiba Carrier Corporation

Today, building owners are facing situations where they need to replace air-conditioning systems in their building not only because they are old or out of order but also they need to comply with energy regulations or guidelines that are getting more stringent overtime. This series was developed based on the concept of combining "compact and energy-saving" and "new solutions for reducing the Life Cycle Cost (LCC) of building-use air-conditioning systems." The world's largest capacity triplet rotary compressor and the world's first dual-state inverter that allows to switch between connection motor drives are key innovations adopted for this series to cover a wide operating range while attaining high efficiency. This series has accomplished the industry's highest annual performance factor (APF) for 18 and 20HP models while using one of the smallest chassis in the industry. As a result, it won the Minister of Economy, Trade and Industry Prize, the highest honor at the 2020 Energy Conservation Grand Prize for excellent energy conservation equipment. The series has also been certified as an Excellent ECP\* for FY2020.

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

Related pages: Release of the Super Multi u (SMMS-u) Series High-efficiency Air-conditioning Systems for Buildings (Japanese) Toshiba Carrier's New VRF Series SMMS-u Won the Highest Honor at 2020 Energy Conservation Grand Prize Award of Japan





#### Toshiba Group Sustainability Report 2021 71

# **Reduction of Waste Volume in Business Activities**

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 that does not exceed the Earth's environmental capacity.

In FY2020, the volume of waste (excluding that of objects with value) totaled 26,000 tons. The total volume of waste generated per unit production was 74% compared to that of FY2013, achieving the target.

Waste is a matter of concern to all employees. We have decided to promote measures at all workplaces having all employees participate, focusing first of all on not generating waste and aiming to improve the recycling rate. At each stage of design, development, production, and distribution, we give thorough consideration to reducing, recycling, and facilitating waste disposal. We monitor the composition of waste and promote the reduction or elimination of hazardous substance content, as well as thorough sorting and storage.

The total volume of hazardous waste\* is 2,800 tons, and its recycling rate is 78%.

The total volume of hazardous waste indicates the quantity of specially controlled industrial waste specified by the Waste Management and Public Cleansing Act of Japan (the "Waste Management Act").
 The volume recycled refers to the quantity reused or recycled of the specially controlled industrial waste specified by the Waste Management Act.

# ESG Performance: Environment

Corporate Information

**Response to the Circular Economy** 

### **Medium- to Long-term Vision**

- Promote efficient use of resources in both business activities and products and services.
- 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.

Under the Environmental Future Vision 2050 and the Seventh Environmental Action Plan, Toshiba Group aims to contribute to the realization of a sustainable society by reducing waste volume in business activities, increasing amount of resources saved in our products and services, and recycling resources from a long-term perspective, while promoting businesses conducive to the circular economy.

**Future Challenges and Approaches** 

- > Environmental Future Vision 2050
- > The Seventh Environmental Action Plan

### \* Cumulative total from FY2017.

Under the concept of the Circular Economy, Europe, and various other countries are currently promoting a rapid policy shift to an economic system that circulates resources without creating waste. The new system treats products and raw materials that have been discarded without being used in the linear economic system of mass production, mass consumption, and mass disposal as new resources. We, as a company, are required to use limited resources with care in our production activities and cyclically use resources to curb resource consumption and environmental impact.

Toshiba Group is promoting the efficient use of resources in both business activities and products and services by minimizing resource inputs in production processes in Japan and abroad, eliminating unnecessary tasks in manufacturing processes, thus simultaneously reducing environmental impacts and costs, as well as by promoting the 3R (Reduce, Reuse and Recycle) initiatives in products. In the future, we will actively collaborate with relevant parties, such as industry organizations, government agencies, and other companies, and consider waste as a new resource to circulate resources without creating waste, as a means to promote circular economy businesses that pursue a business model that increases both resource efficiency and corporate value.

# FY2020 Achievements

- Waste volume in business activities:
- Amount of resources saved in products\*:
- Amount of the use of recycled plastics in products \*:

Sustainability Management ESG Performance

Social



**26,000** t

**400,000** t

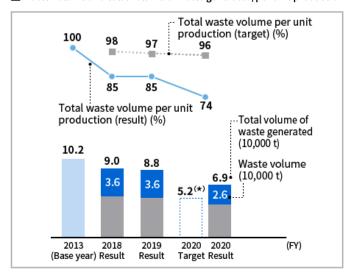
3,514 t

ESG Performance

Environment

Breakdown of the waste volume (FY2020)

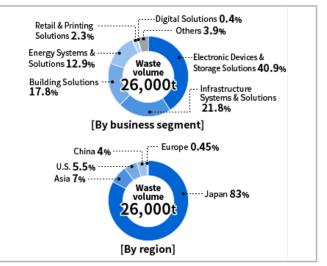
### Waste volume and total volume of waste generated/per unit production



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

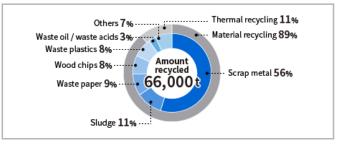
### **Promoting Recycling**

In FY2020, Toshiba Group recycled 66,000 tons of resources, and 96% 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 89% of them were used effectively for material recycling (recycled into materials for products), and the remaining 11% 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 to raise the quality of recycling chiefly by increasing the percentage of resources recycled into materials.



Governance

### Breakdown of the volume recycled (FY2020)



### Case

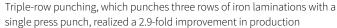
### **Resource Saving through Improved Material Yield in the Manufacturing Process**

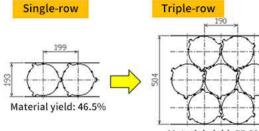


### **Toshiba Industrial Products and Systems Corporation**

Toshiba Industrial Products and Systems Corporation manufactures iron cores for generators used in hybrid electric vehicles. Its iron core stamping process had generated raw material losses. The company was faced by the challenge of reducing losses and costs through more efficient production methods and saving resources to reduce environmental impact.

Accordingly, the company used its original technologies - a large highprecision mold technology and a technology - to stabilize the conveyance of thin and wide rolled materials and improved the stamping method from single-row punching to triple-row punching. This improved the material yield by 9.4% and achieved resource saving.





Material yield improved by 9.4%

Material yield: 55.9%

efficiency and reduced the energy used during manufacturing, thus achieving high-efficiency manufacturing.

Governance

# **3R Initiatives for Products (Reduce, Reuse, Recycle)**

In order to achieve a sound resource circulating society, there is a need to reduce the volume of resources extracted and discharged as waste throughout product lifecycles. Toshiba Group is promoting 3R\* initiatives for products from the three perspectives of reducing waste, increasing incoming recycling, and upgrading outgoing recycling. We are also taking measures to incorporate 3Rs in product design as well as designing recycling systems and are implementing activities to reduce environmental impacts of our products throughout their lifecycles.

### **Waste Reduction**

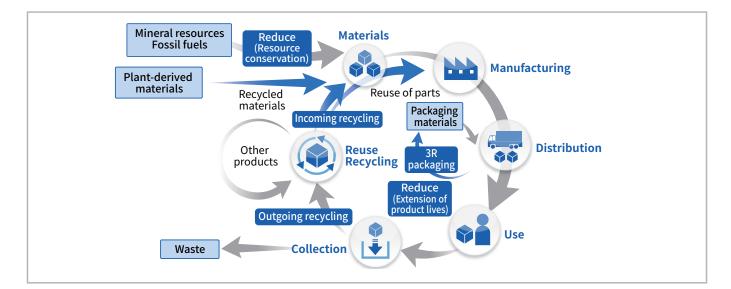
We achieve waste reduction through various means, including reducing the volume of resources used to manufacture products (reducing weight and size) and extending product lives (including upgrades and maintenance).

### **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 that enable reusing and recycling materials, we enhance outgoing recycling while further improving the design of the system for recycling end-of-life products.



### **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 through various measures taking into account the characteristics of each business area and product group such as reducing the space taken up by packaging, expanding the use of returnable (reusable) cases, and using materials with low environmental load.

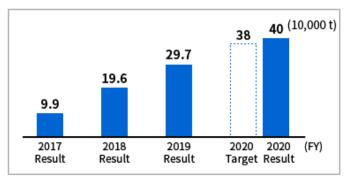
### Corporate Information Sustainability Management ESG Performance

Environment

# Increased Amount of Resources Saved in Products

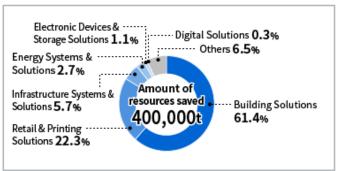
In FY2020, the total volume of resources used in Toshiba Group's major products, estimated by multiplying the weight of products and packaging materials by the number of truck shipments, was approximately 300,000 tons. Based on comparisons with previous product models adjusted for the expected number of years of use, we also estimated the volume of resources saved for different products. Our comparisons show that we have reduced the use of resources by 110,000 tons compared to previous product models and by 400,000 tons in total from FY2017 and achieved the target volume of resources saved of 380,000 tons (cumulative total) set in the Sixth Environmental Action Plan. Under the new Seventh Environmental Action Plan which started in FY2021, we will continue to promote design that will reduce resource consumption in all kinds of products toward increasing the volume of resources saved.

### Amount of resources saved (cumulative total)



### Amount of resources saved by business segment (FY2020 (cumulative total))

Governance



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

### Case

### LED Studio Light "UNI-SOL"



### **Toshiba Lighting & Technology Corporation**

In recent years, LED lighting equipment has become widely used to save energy. However, many special-purpose lighting still use conventional light source products, and studio light with 575 W metal-halide lamp are generally used for shooting of movies and TV programs. Studio lights, due to their purpose, need to be small size and lightweight. However, switching to LED light source with keeping same product size and brightness was challenging due to large housing. Focusing on the fact that studio lights are only used for a short time, the company commercialized the LED studio light "UNI-SOL" for shooting by optimization design of LED lifetime and brightness. With the same brightness, half the luminaire weight, four-fold light source lifetime (compared to metal-halide lamps), and no mercury, UNI-SOL is a great improvement over conventional products in both practicality and environment performance.

LED lighting equipment usually needs to be fully replaced when the light source reaches the end of life. On the other hand, UNI-SOL is designed as only LED light source replacement, is an environmentally-friendly lighting equipment with reducing waste by 90%. This product was certified as an Excellent ECP\* in FY2020.

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

Related page: LED Studio Light UNI-SOL (Japanese)



ESG Performance

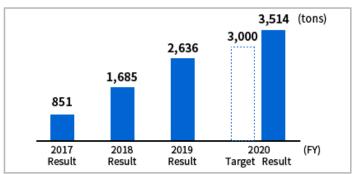
Environment

Governance

# **Increased Amount of the Use of Recycled Plastics in Products**

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 FY2020, the cumulative total volume of recycled plastics used was 3,514 tons, achieving and exceeding the target of 3,000 tons (cumulative total) set in the Sixth Environmental Action Plan. From FY2021 onward, we will continue our efforts under the Seventh Environmental Action Plan. 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 stopped using. In Japan, in addition to products subject to 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 observes 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

# **ESG Performance: Environment Consideration of Ecosystems**

### **Medium- to Long-term Vision**

- Compliance with policies and regulations on chemical substance management in countries around the world
- Proper management of water resources
- Promotion of activities for biodiversity conservation on and off the premises of Toshiba sites



Governance

### FY2020 Achievements

The amount of chemicals discharged per unit



Reduction of specified chemical substances contained in products:

Completed the substitution of substances used in regulated products for the European market and continued control.

The amount of water received per unit



### Activities for biodiversity conservation:

Carried out activities to achieve the Aichi Targets at 61 sites worldwide.

### **Future Challenges and Approaches**

Under the Environmental Future Vision 2050 and the Seventh Environmental Action Plan, 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 policies and regulations on chemical substance management in countries around the world, proper management of water resources, and activities to conserve biodiversity on and off the premises of Toshiba sites.

- > Environmental Future Vision 2050
- > The Seventh Environmental Action Plan

What we should not forget when we conduct our business activities is coexistence with nature. Our lives and well-being are supported by the blessings of nature. To continue to enjoy such blessings, we must recognize that humans are part of the ecosystem and work together to preserve them. At the same time, we must use natural resources in a sustainable manner so as not to exhaust or contaminate them.

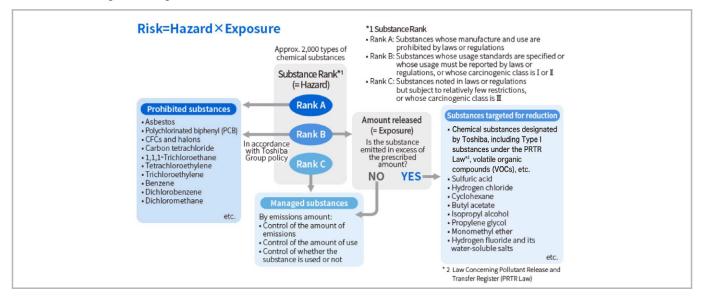
Toshiba Group has its operational sites at a variety of locations around the world. Some of the sites are located in areas with high water risks, and others use large volumes of water and chemical substances for production. In addition, we use various chemical substances in many of the products and services we supply. Toshiba Group 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 initiatives to conserve biodiversity on and off the premises of its sites, while properly managing water resources and chemical substances.

Governance

# Management of Chemical Substances Based on Rank

Toshiba Group classifies the handling of chemical substances into the three categories of prohibition, reduction, and control, and manages each of them according to internal regulations. The relationship between the ranking of substances and management classifications, which underlies this initiative, is indicated in the chart 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 properties, and other factors. Chemicals are classified into prohibition, reduction, or control by determining their respective risk upon combining the rank of the substance that shows the hazard level and their emission which mean the impact of exposure to the substance.

### Substance ranking and management classifications

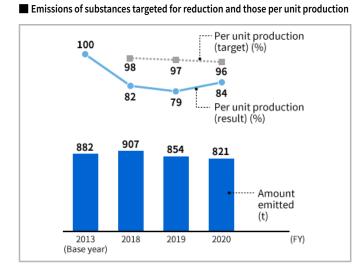


# **Reduction of Emissions of Chemical Substances in Business Activities**

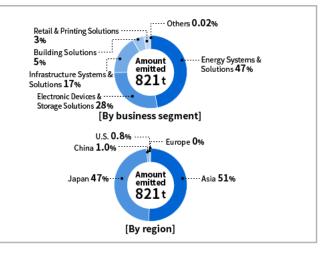
Toshiba Group strives to reduce the emission of chemical substances by designating substances that have large direct impacts on the environment as those targeted for reduction.

In FY2020, Toshiba Group took measures to address solvents used in cleaning and resin processing, which are the major emissions in terms of volume. We promoted initiatives such as using alternative substances and improving productivity and manufacturing processes in order to reduce the use of raw materials as well as reducing the evaporation of volatile organic compounds (VOCs) by enhancing chemical management. As a result, the quantity of chemical substance emissions per unit production was 84% of the FY2013 level and we therefore achieved our target.

Toshiba Group plans to use alternative substances and increase the efficiency of using materials by improving processes as an incoming countermeasure and to expand the usage of equipment to remove and capture emitted substances as an outgoing countermeasure.



### Breakdown of emissions of substances targeted for reduction (FY2020)



Toshiba Group Sustainability Report 2021

### Toshiba Group Sustainability Report 2021 **79**

### Case

### Reducing the Emissions of Chemical Substances by Introducing Powder Coating

### Toshiba Carrier Corporation

Toshiba Carrier Group has been manufacturing products with less environmental impacts by promoting reduction, substitution, and proper management of chemical substances. The group has multiple coating processes involving the use of paints and solvents that contain VOCs. VOCs such as suspended particulate matters and photochemical oxidants are chemical substances that are considered to be one of the causes of air pollution, and can be harmful to human health. A few years ago, Toshiba Carrier's Fuji Factory & Engineering Center began increasing the use of powder coating that use VOC-free paints, largely contributing to reduction of VOCs. Furthermore, powder paint that falls inside the equipment can be collected and reused as is. This has also reduced the waste of paints. In FY2020, the amount of VOCs used in the Fuji Factory & Engineering Center is expected to be reduced by 62% compared to the previous year, thanks to the introduction of powder coating for painting air conditioner casings. This is an example of how the group has been steadily reducing the emissions of chemical substances.

# Management of Chemical Substances Contained in Products

## Initiatives for Management of Chemical Substances 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. Toshiba Group considers "minimizing the risks involved in the use of chemicals," the precautionary principles proposed and adopted at the WSSD<sup>11</sup> and other conferences, as an important challenge to address if it were to properly manage these chemicals. 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, we share information on such specified chemicals in each process of our production activities in order to minimize the risks of these chemicals to human health and the global environment.

Also, to respond to the globalization of business, Toshiba Group takes global measures to manage chemicals contained in products. 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, Toshiba Group promotes the Green Procurement initiative, which specifies *prohibited substances*, which are prohibited from use in procured items such as product materials and parts, and *managed substances*, which are monitored for use in procured items, to be reduced and substituted to mitigate their environmental impact. Our aim is to procure products, parts, and materials with less environmental impact in cooperation with our business partners and suppliers.

Rank A (prohibited) substances are those prohibited or restricted from use in products (including packaging) by laws and regulations in Japan and abroad, and include substances on the Declarable Substance List of IEC 62474: Material Declaration for Products of and for the Electrotechnical Industry prepared by the International Electrotechnical Commission (IEC). For substances in the IEC 62474 Declarable Substance List that are stated on the Candidate List of Substances of Very High Concern (SVHC) of EU's REACH Regulation, we manage them as Rank B (managed) substances.









Corporate Information Su	ustainability Management	ESG Performance
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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.

Environment

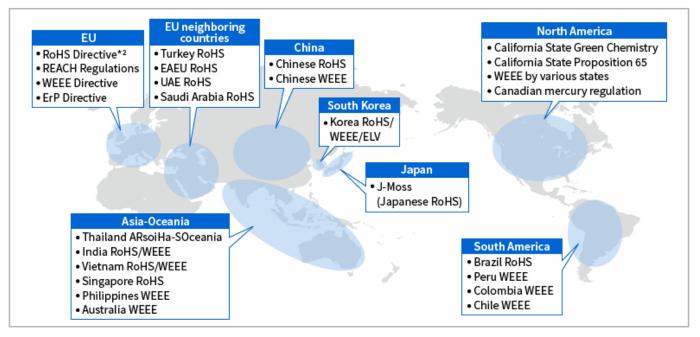
Social

Governance

Comparisons and Data, etc.

\* 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.

### Examples of regulations on chemicals contained in products in different countries



\*1 WSSD: World Summit on Sustainable Development

\*2 RoHS:The Restriction of the use of certain Hazardous Substances in electrical and electronic equipment

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

Toshiba Group promotes substitution of the four phthalates as part of our priority measures for managing 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 sold in 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>12</sup>.

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

Our products for Europe have been updated to comply with the regulation that came into force on July 22, 2019 that restricts 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.

\*1 Bis (2-ethylhexyl) phthalate, butyl benzyl phthalate, di-n-butyl phthalate, and di-isobutyl phthalate. These substances are used mainly as plasticizers for plastics (e.g., cable coatings), and there are some concerns about their effects on the human body.

\*2 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.

ESG Performance

Environment

Social

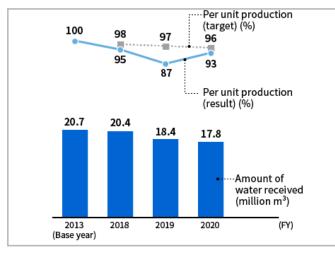
# Reduction of the Amount of Water Received in Business Activities

In response to rising concerns over water problems worldwide, Toshiba Group is promoting sustainable water resource management. Each of our production sites has incorporated the policy of reducing the volume 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.

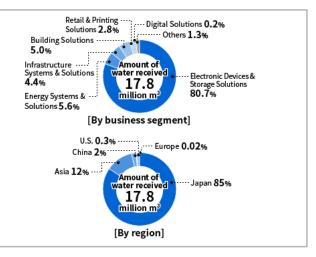
The total volume of water received in FY2020 was 17.8 million m<sup>3</sup> and the volume of water received per unit production was 93% of the total for FY2013, so we achieved our targets.

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 the issues of each region by promoting recycling of 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 (FY2020)



### Case

### Reducing the Volume of Water Used through the Effective Use of Rainwater



### Toshiba JSW Power Systems Pvt., Ltd.

Toshiba JSW Power Systems Pvt. Ltd. (Toshiba JSW) has been reducing the volume of water used by utilizing rainwater and reusing treated water.

The company stores rainwater in a pond and uses the water for various uses, such as sprinkling water for plants in the premises, cooling water for manufacturing processes, and water for flushing toilets.

The rainwater storage pond is cleaned regularly so that the quality of water is maintained. The rainwater falling on the factory building roofs is not wasted either; the rainwater is once stored in the rainwater tank equipped with a monitor to grasp the water level. The monitor allows us to transfer the rainwater to the pond before it overflows from the tank. Through the use of rainwater, Toshiba JSW reduced 15,000 m<sup>3</sup> water used annually.



**Cleaning the pond** 

Pond to store rainwater

**Rainwater tank** 

Annual reduction in water used: approx. 15,000 m<sup>3</sup>

### Corporate Information Sustainability Management ESG Performance

Environment

Social

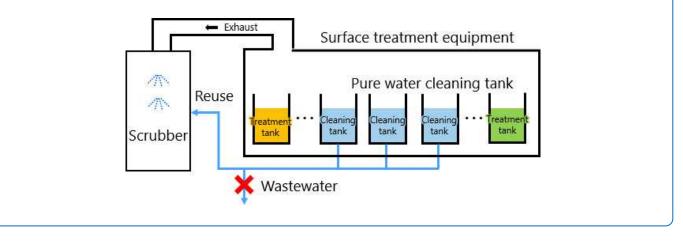
### Case

### Reducing the Volume of Water Used through the Reuse of Cleaning Water



### **Toshiba Hokuto Electronics Corporation**

Toshiba Hokuto Electronics has succeeded in reducing the volume of water used by reusing wastewater. Specifically, wastewater from the pure water cleaning tank for substrates is reused for sprinkling water on the odor control scrubber. (This technology was codeveloped with Toshiba Materials Co., Ltd.)



# **Conservation of Biodiversity**

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

Triggered by the adoption of the Aichi Targets in 2010 and the announcement of the Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development in 2015, the world has seen increased recognition of the importance of the conservation of biodiversity and sustainable use in recent years. In 2019, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)'1 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." The Post-2020 Global Biodiversity Framework, which is the new global target replacing the Aichi Targets, is scheduled to be formulated at the 15th Conference of Parties to the Convention on Biological Diversity (COP15) during the period from the second half of FY2021 to the beginning of the next fiscal year. Biodiversity conservation needs to be addressed comprehensively by economic society as it is closely related to the challenges facing the world today — the COVID-19 crisis and climate change. For companies aiming to create a sustainable society, efforts to conserve biodiversity are becoming an integral part of their challenges.

Toshiba Group aims to create a sustainable society in harmony with nature by promoting the reduction of environmental impacts through our business activities, products, and services, such as responding to climate change and the circular economy and ensuring water and chemical substance management, as well as biodiversity conservation activities that directly act on nature. It takes a long time to recover and improve biodiversity and ecosystems. We will monitor the impact the Group has on biodiversity and the risks and opportunities associated with biodiversity so as to 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 Planel on Climate Change (IPCC). The pillars of its work are Assessments, Capacity Building, Knowledge Generation, and Policy Support. IPBES 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.

Governance

### Activities under the Toshiba Group's Sixth Environmental Action Plan (FY2017-2020)

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.

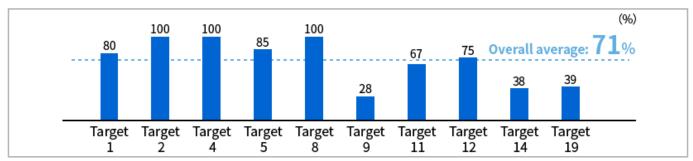
Considering biodiversity conservation activities an important element of environmental management, Toshiba Group promoted related activities under the Sixth Environmental Action Plan. We have set a goal for FY2020 to contribute to the achievement of 10 of the 20 individual Aichi Targets that are closely connected to our business activities (Targets 1, 2, 4, 5, 8, 9, 11, 12, 14, and 19). We carried out biodiversity conservation activities in accordance with the regional characteristics of each of 61 sites worldwide (39 in Japan, 22 overseas).

In FY2020, activities to achieve the 10 Aichi Targets were implemented at an average of 71% of sites. Implementation rates were relatively high for Targets 1, 2, 4, 5, 8, 11, and 12 but relatively low for Targets 9, 14, and 19. For targets with a low implementation rate, we are analyzing why.

### Toshiba Group's Sixth Environmental Action Plan (FY2017-2020) - 10 Activity Targets -

Aichi		Toshiba Group's Activity Targets
Targets	Theme	Description
Target 1	Raising awareness	Environmental education, information disclosure, and collaboration with outside organizations
Target 2	Incorporating targets into strategies and plans	Incorporation of targets into environmental policies, Environmental Action Plans, and ISO 14001 goals and targets
Target 4	Sustainable production	Mitigation of climate change and efficient use of resources
Target 5	Reducing habitat loss	Building ecosystem networks that connect natural habitats with Toshiba Group sites, planting trees
Target 8	Reducing chemical pollution	Management of chemicals
Target 9	Eliminating alien species	Elimination of alien species at company sites
Target 11	Conserving protected areas	Activities that contribute to preserving protected areas outside Toshiba Group sites
Target 12	Conserving endangered species	Protecting rare plant and animal species, ex-situ conservation
Target 14	Maintaining and managing ecosystem services	Maintenance and improvement of cultural services
Target 19	Improving and spreading knowledge and technology	Accumulating and disclosing ecosystem survey data (including habitat maps) and creating biodiversity conservation technologies

Governance



### FY2020 Activity Implementation Rate by Target<sup>\*2</sup> and Analysis Results (61 Sites Worldwide)

\*2 The percentage of the number of sites that worked on each target to all 61 sites

	Analysis 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.*3
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 little progress overall because these activities are subject to many legal restrictions and require 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 activities to achieve this target often involve the government and local communities and become large in scale.
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 Biodiversity Conservation Activity Database

We aggregate activities implemented in FY2020 at 61 sites worldwide in a database, and make it available to the public on our website. The database also shows how our activities correspond to the Aichi Targets.



> Introducing Biodiversity Conservation Activities of Toshiba Group

### Corporate Information Sustainability Management ESG Performance

Environment

Social

### Case 1

# Participation in "How Far Can Dragonfly Fly" Forum (Aichi Target 1 & 19 🏩 🏠 🍾

### Keihin Product Operations, Toshiba Energy Systems & Solutions Corporation

The Keihin Product Operations has participated in the "How Far Can Dragonfly Fly Forum," which are held in collaboration with companies, administrative offices, citizens, experts, and educational institutions in the Keihin coastal area. The forum investigates the dragonflies living in the area. Specifically, it tracks dragonflies by marking them with numbers on their wing to study what kind of dragonflies live, how it changed over time, how far they can travel, and how the natural environment connect between the coastal and inland areas. This activity is one of the ecological survey models in collaboration among industry, government, and academia in the Keihin area. The Keihin Product Operations contributes to the activity by surveying the many dragonflies that return to the area every year.



Dragonfly marked with a number on its wing

### Case 2

# Tree Planting in Areas Around a Dam in Collaboration with Local Communities (Aichi Target 1 & 14 💼 手)

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

Angat Watershed has the Angat Dam, which supplies water to meet Metro Manila's needs. The company planted 1,000 endemic trees (Narra, Palosapis, and Guijo) in one hectare of land around the dam. A total of 83 people, including the company's employees, university staff, government staff, and the Philippine Army, participated in the activity.



Participants wearing matching T-shirts to mark the occasion

### Corporate Information Sustainability Management ESG Performance

Environment

Governance

### Case 3

# Reduction of Single-Use Plastics in Operational Sites (Aichi Target 8 & 14 🐻 🚭 )

### Toshiba Tec Group

Addressing marine pollution problems, Toshiba Tec Group has been working to reduce the use of single-use plastics in its operational sites. Efforts made by the Japan headquarters and sites in China and other Asian countries include discontinuing the use of plastic checkout bags, charging for them, as well as discontinuing the use of plastic knives, forks, spoons, straws, and muddlers at staff canteens'<sup>5</sup>. At a site in France, some menu items in the coffee vending machines were upgraded to allow the use of personal mugs. In addition, a site in the United States has provided its employees and their families with education on marine pollution problems. The group will further enhance these activities to reduce the use of single-use plastics at each site.



Poster for awareness-raising of single-use plastic problems



Coffee vending machine compatible with mugs

### Case 4

# Conservation of Rare Plants Including Linaria Japonica (Aichi Target 11 & 12 🧭 😧 )

### Imabari Complex, Toshiba Lighting & Technology Corporation

The Imabari Complex is promoting activities to protect and nurture critically endangered species (CR)<sup>\*6</sup>, namely Marsilea guadrifolia, Hydrocharis dubia, and Linaria japonica, by creating biotopes within its premises. Linaria japonica is a rare species and naturally grow only in the Odagahama beach in Imabari City, if limited to Shikoku island. In 2015, the company started the conservation activities after two roots of Linaria japonica were provided by the Ehime Prefectural Biodiversity Center, which performs an experiment on growing Linaria japonica. Since 2016, the complex has been creating a map which plots the habitat of endangered species found at Odagahama beach. The map was made in collaboration with the fourth grade children of the local elementary school, Ehime Prefectural Government staff, an NPO, and a neighborhood community association. In



Creating a map of the habitat of rare plants and animals at Odagahama beach

FY2020, the complex started two activities with children of two elementary schools. One is creating the map at Karakohama National Park where Scutellaria strigillosa (CR+EN) naturally grow. The other is observing endangered species such as Suaeda malacosperma (VU) and Trigochin asiatica (VU) at the mouth of the Shinabe river.

\*4 The main items in the Aichi Targets the activity contributes to. The activity may also contribute to targets other than those stated. The same applies below. \*5 Items subject to reduction in use differ by site.

\*6 Ehime Prefecture Red List. The same applies below.

Corporate Information	Sustainability Management	ESG Performance	Environment	Social	Governance	Comparisons and Data, etc.

### 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).





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

### Launch of Toshiba Group's Seventh Environmental Action Plan

In Toshiba Group's Seventh Environmental Action Plan which starts in FY2021 (and will end in FY2023), we have set the following five activity themes: Building of ecosystem networks, Conservation of rare species, promotion of ex situ conservation, Response to marine plastics issues, Response to climate change (mitigation, adaptation), and Conservation of water, with reference to the Post-2020 Global Biodiversity Framework (first draft) <sup>+7</sup>, which is the new global target replacing the Aichi Targets. Under these themes, we will promote employees' participation in the activities. We aim to refine and enhance the activities while keeping in mind education, corporate communications, and collaboration.

\*7 Toshiba Group's activity themes have been set with reference to the first draft of the Post-2020 Global Biodiversity Framework. First draft:

ttps://www.cbd.int/doc/c/abb5/591f/2e46096d3f0330b08ce87a45/wg2020-03-03-en.pdf [

### Participation in the Biodiversity Working Group of the 4 Electrical and Electronic Industry Associations\*8

With the aim of raising awareness of and promoting biodiversity conservation activities in the industry, we work with other member companies to roll out measures to make biodiversity conservation mainstream. In FY2020, we published case studies of activities run by member companies online<sup>'9</sup>, issued the English version of Let's Try Biodiversity!<sup>'10</sup>, a booklet introducing specific approaches to and good cases of biodiversity conservation activities (the Japanese version had been already issued), and held webinars for member companies by lecturers from external organizations. In addition, the working group collected information and held discussions on new and important trends in biodiversity including the Post-2020 Global Biodiversity Framework. From FY2021 onward, Toshiba Group will continue acting as a member of the working group to contribute to facilitating biodiversity conservation activities in the industry.

- \*8 The Japan Electrical Manufacturers' Association (JEMA); Japan Electronics and Information Technology Industries Association (JEITA); Communications and Information Network Association of Japan (CIAJ); and Japan Business Machine and Information System Industries Association (JBMIA)
- \*9 Biodiversity Conservation Activity Database: https://bio.jema-net.or.jp/Japanese/env/biodiversity\_db/ (Japanese)
- \*10 ttps://www.jema-net.or.jp/Japanese/env/ltb\_tool/LTB\_E-ver.pdf



Let's Try Biodiversity (English Version)

Governance

### **ESG Performance: Environment**

# **Enhancement of the Basis of Environmental Management**

# **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<sup>1</sup> 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 align with the concept of Education for Sustainable Development (ESD)<sup>2</sup> proposed by the United Nations.

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 fun.

In FY2020, we held two programs: What's on the other side of the power outlet? (Theme: Energy) and A mysterious material that controls electricity!?— Discovery and use of semiconductors and learning how to use energy (Theme: Semiconductors). We held classes at five locations in total, including event venues and elementary schools near our business and production sites<sup>'3</sup>.

We will continue these educational initiatives 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 (Japanese)

\*1 In FY2020, classes at the Toshiba Science Museum were canceled due to the COVID-19 pandemic.

\*2 Education that aims to equip current and future generations with capabilities to create a sustainable society. 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)

\*3 Some classes were held online.

Corporate Information Sustainability Management ESG Performance

### 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.

Environment

Social

Governance

### A Mysterious Material That Controls Electricity!?—Discovery and Use of Semiconductors and Learning How to Use Energy (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 the combination of power generation methods. The program was intended to ensure that children understand the characteristics of power generation methods and think about how those methods 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 realize first-hand 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 solving environmental issues.





: Social

### **Environmental Advertisements**

We introduced our new long-term vision, Toshiba Group's Environmental Future Vision 2050. In particular, we delivered a message on how we are contributing to carbon neutrality around the world throughout our entire value chain by describing the specific cases of products and services so as to inform that Toshiba Group is taking measures in a wide range of business fields.

### > Past Cases



Nikkei ESG (April 2021 issue) by Nikkei BP

### **Toshiba Group's Global Environmental Action**

Toshiba Group is promoting Global Environmental Action, which is an employee participatory environmental program. In the Sixth Environmental Action Plan, which started in FY2017, we have set a theme for each fiscal year and carried out activities worldwide in accordance with that theme. The main theme for FY2020 was chemical substances. Each operational site provided its employees with seminars and education programs as well as held meetings at production sites to check the control status. Although the number of activities was lower than usual due to the COVID-19 pandemic, approximately 350\* activities were carried out across the Group. We fostered solidarity across Toshiba Group companies by setting a common activity theme. By introducing a new theme each year, we raised employees' awareness about a wide range of environmental issues. We also collaborated with local communities to enhance communication with them as well as with NPOs and NGOs.

\* Including activities based on themes other than chemical substances

### **Providing Education on Work Related to Chemical Substances**

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

Toshiba Information Equipment (Philippines) held a webinar for its 120 employees on chemical substance management, inviting an external consultant well-versed in occupational health and safety. The webinar provided education on the Philippines' environmental laws and regulations as well as the uses of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and Safety Data Sheet (SDS), enhancing employees' knowledge and awareness of chemical substances.



Learning about chemical substance management via a webinar

### Toshiba Group Sustainability Report 2021 91

Environment

Social

### Call for Entries and Result Announcement of Environmental Iroha Karuta, an Environmental Slogan Contest

### Toshiba Carrier Corporation (Japan)

During the Environment Month and Energy Saving Month every year, Toshiba Carrier solicits environmental ideas and slogans from its employees, and publishes them on Toshiba Carrier Group Social Environmental Report. In FY2020, 362 slogans were entered and 50 of them were published as Iroha Karuta (a Japanese card game) on the report. This activity brings a fresh perspective to the content of our report and is effective in raising environmental awareness among our employees. It also allows us to communicate our passion for the environment to our external stakeholders. Readers commented that "Some of the slogans are unique and interesting" and "The environmental slogan contest is a feature I am looking forward to every year."

FY2020 report (Japanese)

FY2021 report (Japanese)

Examples of Environmental Iroha Karuta

### **Holding a Recycling Facility Tour**

### Nishinihon Kaden Recycle Corporation

Nishinihon Kaden Recycle has periodically invited citizens, students, companies, and administrative bodies including international institutions to its recycling facility to introduce them to recycling and a resource circulating society. In FY2020, in collaboration with the Kitakyushu Eco-town Center, the company held an event providing an online tour and an environment class to 83 school students of elementary, junior high, and special support schools in Kitakyushu City, Nakama City, and Onga District. At the event, students were able to tour the factory online and directly ask questions to people working in the factory. In addition, staff of the Eco-town Center visited their classrooms to give lectures.

Touring the factory online

### Holding the TELC-BATON 2020

### Toshiba Elevator and Building Systems Corporation (Worldwide)

Toshiba Elevator and Building Systems has an annual environmental event, where one site of the company conducts environmental activities for a week, and then another site does the next week, just like passing the baton in a relay race in track and field. FY2020 was the sixth year of the event. Through the event, all of the 265 sites, those of Japan and Chinese subsidiaries, enjoyed "passing the baton" to improve environmental awareness. This activity won an Excellent Award at the 2020 Excellent Enterprise Award for Environmental Human Resource Development held by the Ministry of the Environment and Environmental Consortium for Leadership Development (EcoLeaD)\*.

\* Received the award along with activities to promote the development of environmentally conscious products, company-wide measures for reducing environmental impacts, and development of successful applicants for the Certification Test for Environmental Specialists (Eco Test).

Green Fund campaign (Central Tokyo Branch of Tokyo Branch Office)



Baton passing ceremony (passed on from Kawasaki Branch of Kanagawa Branch Office to Kawasaki-Higashi Sales Office)







Governance



Governance

### Launch of Toshiba Group's Seventh Environmental Action Plan

In FY2021, the first year of the Seventh Environmental Action Plan, Toshiba Group will continue to disseminate its environmental initiatives and world trends through its Environment Website and environmental education opportunities. In addition, we will promote environmental communication activities suitable for the era of the new normal to create networks with stakeholders, based on collaboration with communities and organizations at each site worldwide, such as local residents, NPOs, NGOs, and administrative offices as well as among employees.

# **Ensuring of Environmental Risk Compliance**

### **Responses to Environmental Risks**

We, Toshiba Group, pursue the highest standard of compliance management in environmental management operations that relate to our business activities, products, and services.

Corporate staff divisions draft and formulate Group-wide policies and regulations related to environmental compliance management. In accordance with such policies and regulations, each Group company sets its compliance management items to be observed by its business divisions and sites, and executes its business.

In addition, corporate staff divisions conduct <u>in-house environmental audits</u> to meticulously check whether environmental policies are in place and how relevant laws and regulations are managed at key Group companies, business divisions, and sites on a regular basis. This helps us identify potential environmental risks and implement measures to prevent environmental incidents and violations of laws.

If a major environmental risk is identified, the Risk Compliance Committee, chaired by the executive officer in charge of the Legal Division, discusses preventive measures to be taken. If any environmental risk should materialize, all the concerned parties, including environmental promotion managers and related persons of relevant Group companies and sites, will work together under the direction of the executive in charge of environment to take preventive measures, check relevant business and production sites as well as consider recurrence prevention measures.

To manage environmental risks and ensure compliance, we make the most of opportunities such as **Company-wide environmental education**, environmental auditor certification training, and the **Corporate Environmental Management Committee meeting** to share the latest trends in laws and regulations, incidents occurred within the Group, and audit results for each Group company, business division, and site. This has contributed to raising the awareness of compliance.

### **Compliance Management in Products and Services**

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. For chemical substances in particular, we gather and assess the latest trends in policies and regulations around the world and incorporate the information into **Toshiba Group's chemical substance management**.

### **Compliance Management in Business Activities**

Toshiba Group manages chemical substances by ranking. At the same time, the Group works on soil and groundwater purification, and manages products using polychlorinated biphenyl (PCB) and ozone-depleting substances, in accordance with relevant laws and regulations. In particular, we have independently set discharge/emission limits of chemical substances that are stricter than legal requirements in order to manage discharges/ emissions into the water/air. Each site observes these limits.

### **Violations of Laws and Regulations**

The Sixth Environmental Action Plan states that ensuring the highest standard of environmental risk and compliance management is a priority task for management, and promoted specific measures to prevent risks in products and services as well as manufacturing. As a result, no violations of laws and regulations occurred in FY2020. Under the Seventh Environmental Action Plan, which has started in April of FY2021, we will continue to strive for compliance management as part of the enhancement of the basis of environmental management.

### > Past Cases

# **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

Governance

# **Environmental Education and Human Resource Development**

### **Environmental Education and Qualification**

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 and general education, (2) specialized education, and (3) ISO 14001 education\*. We implement curricula appropriate for different posts, occupational roles, and specializations, and review the content of education annually to ensure we share up-to-date information.

### Environmental Education System

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

### **Introducing Environmental Activities via E-learning**

We hold an annual e-learning program on the Standards of Conduct for Toshiba Group in which all employees including executives worldwide participate. In the program, we also introduce our environmental activities. This program helps employees deepen their understanding of global environmental issues and the efforts made by Toshiba Group.

### **Education for New Employees**

To encourage new employees to become businesspeople and members of society with high environmental awareness, we provide them with environmental education every April. Education was provided online in FY2020 and FY2021 due to the COVID-19 pandemic.



### **Education for Environmental Auditors**

As specialized education, Toshiba Group internally trains auditors for environmental audits, which we started to conduct in 1993. In the education for obtaining certification as site environmental auditor, 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 environmental auditors. In the course for obtaining certification as product environmental technology auditors, candidates are certified after they complete off-the-job training and pass a written examination. Although the education programs were suspended in FY2020 due to the COVID-19 outbreak, we resumed them in FY2021 by implementing new ways of education. For example, we provided some programs online and introduced one-on-one education programs.

ESG Performance

Environment

Social

Governance

Comparisons and Data, etc.

# **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.

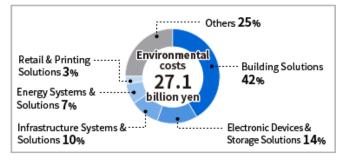
Environmental costs are calculated in accordance with the Ministry of the Environment's Environmental Accounting Guidelines 2005. To assess benefits, we show reductions in environmental impacts in physical amounts and also calculate benefits on a monetary basis.

### Environmental Costs (FY2020)

Unit: million yen

Category	Description	Investments	Costs
Business area costs	Reduction in environmental impacts	2,376	5,746
Upstream/downstream costs	Green procurement, recycling, etc.	684	659
Administration costs	Environmental education, EMS maintenance, tree planting on factory grounds, etc.	31	2,383
R&D costs	Development of environmentally conscious products, etc.	947	18,154
Public relations costs	Support for local environmental activities, donations, etc.	0	9
Environmental damagerestoration costs	Restoration of polluted soil, etc.	0	165
	Total	4,038	27,116

### Breakdown of Environmental Costs by Business Segment (FY2020)



### Environmental Benefits (FY2020)

Category	Description	Reductions in environmental impacts		Benefits measured as a monetary value (million yen)	Calculation method
	Costs that can be	Energy	1,409,000 (GJ)	1,324	
(0) 0 = t = = 1	measured directly	Waste	17,900 (t)	1,355	
(A) Actual benefits	as a monetary value, such as	Water	720,408 (m <sup>3</sup> )	68	Reductions in electricity charges and waste processing costs compared to the previous year, plus sales of valuables.
	electricity and water charges	Total moneta	ary benefits	2,747	
(B) Assumed benefits	Reductions in environmental impacts measured as a monetary value	Reductions in the amount of chemicals discharged	482 (t)	18,721	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 n	nonetary benefits	21,468	

\* Reductions in environmental impacts for actual and assumed benefits indicate differences between FY2020 and FY2019.

Negative benefits indicate that the increase in environmental impacts exceeded reductions due to increases in production and other factors.

Governance

Toshiba Group ESG Performance 🗉 S G

# Social

# For respect of human rights, to nurture people and technology, and to give back to society

Encourage every Group employee to feel pride and fulfillment in their work, and to harness creativity and technology in collaborating with business partners to realize rich value.

### **CONTENTS**

- **96** Social
- **97** Respect for Human Rights
- 107 Employment and Labor Relations
- 111 Fair Evaluation and Talent Development
- **118** Promotion of Diversity and Inclusion
- **130** Occupational Health and Safety
- **149** Promotion of Sustainable Procurement
- **159** Quality Control for Safety and Reliability
- 163 Product Safety and Product Security
- 168 Improvement of Customer Satisfaction
- 180 Universal Design
- 183 Coexistence with Local Communities
- **186** Social Contribution Activities

Governance

# ESG Performance: Social 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 through ongoing education and enrichment on respect for human rights.
- Aim to increase the total number of participants in human rights awareness training in Japan by 10% from the FY2020 level.
- Identify priority areas to carry out human rights impact assessments and conduct human rights due diligence at 100% of business sites with high human rights risks.

### FY2020 Achievements

- Created and updated our statement on the Modern Slavery Act.
- Conducted e-learning on "Respect for Human Rights" in the Standards of Conduct for Toshiba Group, achieving a 99% participation rate.
- Held human rights awareness training in Japan 120 times for around 7,300 participants.
- Conducted a human rights survey for 211 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 continue to closely monitor 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 to. 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 ISO 26000. As part of this policy, we will require corrective actions not only of Toshiba Group executives and employees but also of our suppliers for any human rights violations found. Furthermore, we will engage in dialogues with relevant stakeholders on human rights issues.

The executive in charge of Human Resources and Administration Division 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;

Governance

Toshiba Group has declared its commitment to participate in the <u>UN Global Compact</u>, 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 the Toshiba Group Procurement Policy and request all parties' adherence. We monitor them through 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: 156KB)
- Toshiba International (Europe) Ltd (PDF: 113KB)
- Toshiba Europe Limited (PDF: 131KB)
- > Toshiba TEC U.K. Imaging Systems Ltd. 🗖
- <mark>1 Toshiba (Australia) Pty Ltd</mark> (PDF: 401KB)
- Toshiba International Corporation Pty Ltd (PDF: 4.41MB)
- > Past statements

Corporate Information Sustain

Governance

# TOSHIBA

### **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 as generally stated below, during the financial year (financial year 2020, April 1, 2020 to March 31, 2021) to ensure thatslavery and human trafficking do not occur in any of our supply chains or in any part of our own business operations. These procedures include the adoption of appropriate policies, aframework 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. 117,300 employees worldwide and annual sales of 3.54 trillion yen. https://www.global.toshiba/jp/outline/corporate/profile.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, Standards of Conduct for Toshiba Group 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.global.toshiba/ww/procurement/corporate/policy.html

The Toshiba Group Responsible Minerals Sourcing Policy prohibits 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. https://www.toshiba.co.jp/sustainability/en/performance/social/procure.htm#conflict\_mineral

### Framework for Respecting Human Rights

The Toshiba's 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.

Governance

### **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 aligned with guidelines and principles regarding human rights and labor practices worldwide, and in FY2020 it was conducted as annual human rights due diligence on 211 Group companies.

In FY2020, we surveyed 211 Group companies and found that some of those in Asia were conducting medical tests which were not deemed necessary as part of the medical examinations conducted upon employment. Further investigations and interviews revealed that the purpose of these tests was to determine the type of work to be done and to check if candidates meet the required level of health conditions for the job. However, at the same time, it also became clear that there was a lack of awareness that these tests could lead to potential discrimination. The companies that had conducted the tests understood that the results could lead to discrimination, and have reviewed their current employment regulations, handbooks and any related documents and changed the contents to comply with global standards and the RBA Code of Conduct. In addition, we conducted a survey of our Group companies in Japan regarding foreign technical trainees, who were generally considered to be at high risk of forced labor, and confirmed that 3 Group companies had accepted the technical trainees as of December 2020. As a result of our investigation, we have confirmed that the companies were in compliance with the relevant Japanese laws and regulations. We will conduct further investigations to see if any technical intern trainees were charged exorbitant fees upon coming to Japan, and will consider and implement measures to prevent human rights violations against these interns.

### Training

Standards of Conduct for Toshiba Group 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 asto 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.

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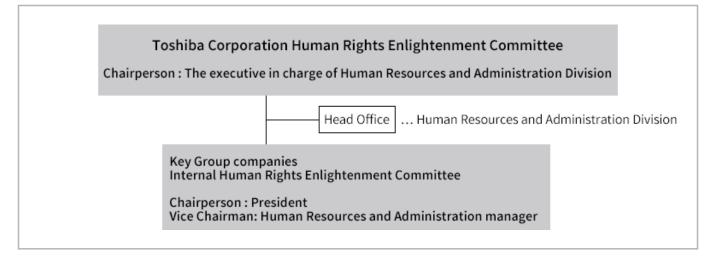
Satoshi Tsunakawa Representative Executive Officer President and CEO Toshiba Corporation September 3, 2021

Governance

# Structure for Promoting Respect for Human Rights

Led by Human Rights Enrichment Committee, which is chaired by the executive in charge of Human Resources and Administration Division, 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 secretariat 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.

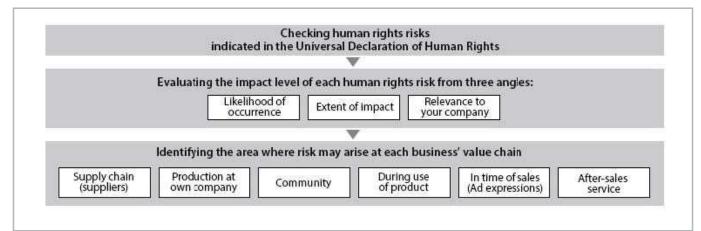
### **Promotion Structure**



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

Toshiba Group has constantly verified potential human rights risks in its business activities through ISO 26000 reviews. In FY2017, we performed another 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



Governance

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

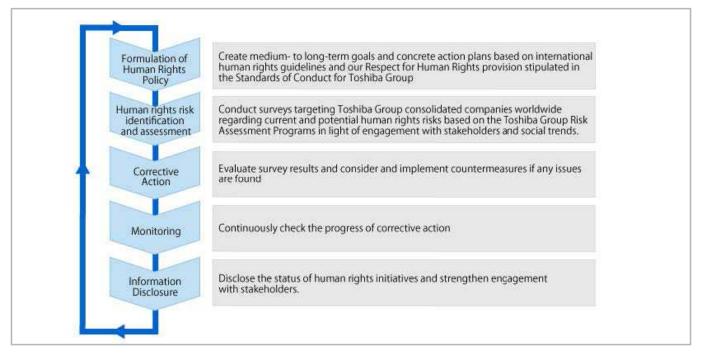
- · Consideration of human rights in raw material procurement (such as responsible mineral procurement)
- · Consideration of human rights in the supply chain, especially in emerging countries
- · Consideration of Toshiba Group employees' human rights
- Consideration of customers' human rights (protection of personal information, privacy, etc.)
- · Consideration of 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.

**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. They have been conducted on an ongoing basis since 2005.

In FY2020, we surveyed 211 Group companies. In the surveys, we found that some Group companies in Asia had conducted pregnancy tests and some medical examinations that were considered unnecessary as part of the medical checkups upon employment. Subsequent in-depth surveys and interviews revealed that the purpose of these tests were to confirm that there were no obstacles in working and to consider work style after employment. At the same time it became clear that there was a lack of awareness that such tests might lead to discrimination. The companies that conducted those tests are now aware that the results may lead to discrimination and they revised their current recruitment policy and handbooks to comply with international standards and the RBA Code of Conduct. At our Group companies in Japan, we surveyed foreign technical trainees who tend to be subject to high risk of bonded labor. As of December 2020, we confirmed that the Group had accepted 287 technical trainees from Vietnam, Thailand, and China. In 2019, we had confirmed that we complied with the relevant laws and regulations in Japan. We will further investigate whether technical trainees had been charged unreasonable fees, and measures will be considered and taken to prevent violations of their human rights.

ESG Performance

Environment

Governance

# **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 among all employeesin Toshiba Group and its business sites with the Standards of Conduct for Toshiba Group and provide training programs on human rights at the time of hire and before/after employees get promoted or appointed to managerial positions.

### **Human Rights Awareness Training**

Various human rights awareness seminars were held at Toshiba Group in Japan 120 times in FY2020, with around 7,300 participants. This includes training concerning human rights issues for general personnel and executives, 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 as a Toshiba Group Sustainability Month\* event. In FY2020, Mr. Takeo Furuta of the Tokyo Metropolitan Human Rights Promotion Center gave a lecture titled "Basic Recognition on the Dowa Problem (Buraku Discrimination)" on what the Dowa problem is, its historical background, and how to resolve the issue. Approaching human rights as an important element of sustainability management, Mr. Hidemi Tomita of Lloyd's Register Japan, K.K. presented "Business and Human Rights in the Age of ESG Investment." He highlighted the initiatives that Toshiba Group needs to take.

The videos of both lectures are posted on our intranet website for viewing by Toshiba Group employees in Japan.

\* Since FY2006, Toshiba Group has designated December as Sustainability Month (renamed from CSR Month in FY2020) to implement various initiatives.



### **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 risk management and related laws in a nutshell.

Corporate Information	Sustainability Management	ESG Performance	Environment	Social	Governance	Comparisons and Data, etc.
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# Workshops on Human Rights

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

### Record of workshops on human rights

Time	Place	Participants	Contents
Jan. 2020	Japan	Approximately 150 staff engaged in CSR promotion, harassment consultation service, and diversity promotion in Toshiba Group	<ul> <li>Implemented training and a workshop run by an outside instructor to promote understanding of LGBT+</li> <li>Implemented training and a workshop run by an internal instructor on recent trends related to harassment</li> </ul>
Mar. 2019	Japan	24 CSR promotion staff in Toshiba Group	<ul> <li>Deepened understanding of the importance of human rights due diligence based on the UN Guiding Principles on Business and Human Rights</li> <li>Learned 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> <li>Implemented 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>Verified human rights risks in the value chain for each business group in the workshop</li> </ul>
Apr. 2015	Thailand	33 people and managers from human resources and administration, and procurement departments of 14 Toshiba Group companies in Thailand	<ul> <li>Learned about global human rights issues, and about human rights violations in Thailand</li> <li>Exchanged opinions and shared information between Group companies about potential risks in each company</li> </ul>
Dec. 2014	Japan	53 people from human resources and administration departments of 24 Toshiba Group companies in Japan	<ul> <li>Learned about international standards on human rights such as the Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights</li> <li>Held a workshop to detect possible human rights risks at each step of the value chain per business</li> </ul>
Nov. 2014	China	54 managers from human resources and administration departments of 31 Toshiba Group companies in China	<ul> <li>Learned 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 departments of 9 countries in Asia and others	<ul> <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

### ESG Performance

Environment

Governance

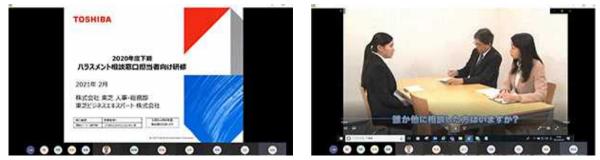
### **Prevention of Harassment**

The Standards of Conduct for Toshiba Group, a code of conduct for executives and employees, prohibit 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 at each workplace and regular training for consulting service staff.

In FY2020, we provided online training on how to acquire basic knowledge about harassment and the attitude and method of how to respond to consultation.



Training for harassment consulting service staff held from February to March 2021

> 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 business partners.

### Whistleblower System for Employees : Toshiba Hotline

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 the resolution of problems. Under this system, all employees working in Toshiba Group in Japan\*, 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. Personal information such as department, name and contact details will not be disclosed elsewhere without 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 FY2020, 129 cases were reported to the Toshiba Hotline, and in each case we undertook measures that included conducting hearings with the person who made the report and related parties after obtaining the consent of the reporter.

\* Limited to Toshiba and its domestic consolidated subsidiaries

### Whistleblower System for Employees : Harassment Consultation Center

Toshiba Group is creating a system that facilitates employee consultation about harassment 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 one male counselor and one female counselor.

Governance

### **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 CEO. The Audit Committee Hotline has been established primarily to prevent the emergence 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 for Suppliers : Clean Partner Line

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.

### > Risk Management and Compliance

# **Activities with Stakeholders**

### **Participation in Human Rights Initiatives**

Toshiba Group actively participates in initiatives by international and industrial organizations to address human rights issues.

- Electronic Industry Citizenship Coalition (EICC) (now Responsible Business Alliance), a non-profit organization in the electronics industry that promotes CSR (joined in 2011)
- 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, continued from FY2018)
- Research on Respect for Human Rights in Business Development in Developing Countries conducted by Business Policy Forum, Japan (BPF) (FY2012)

# **ESG Performance: Social 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.

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. Toshiba respects the freedom of association of its employees and ensures that they maintain their fundamental labor rights including 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 15,088 members as of March 31, 2021, accounting for 94.7% of employees <sup>*1</sup> . The Toshiba Union belongs to the Toshiba Group Unions <sup>*2</sup> , which has a membership accounting for 93.8% of Toshiba Group employees. We pay salaries in compliance with the laws and regulations related to the minimum wage and equal pay for equal work in each country. 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>*3</sup> , which regularly purchases shares of Toshiba Corporation for asset building purposes. We have introduced a framework for granting restricted stock incentives <sup>*4</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 drive 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
- 12. The Toshiba Group Unions is headed by the Japanese Electrical Electronic & Information Union (JEEIU). It is formed mainly by labor unions organized within Toshiba Group in Japan in agreement with the association's principles, objectives, and bylaws

\*3. 70 out of 107 domestic consolidated Group companies (65.4%) have joined the Shareholding Association.

4. 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 and CEO, 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.



Governance

Mediani to Long term vision
Toshiba Corporation and Toshiba Union will jointly promote,
maintain, and improve our businesses and union members' working
conditions in order to achieve stable and orderly labor relations

Sustainability Management

Corporate Information

### Medium- to Long-term Vision

ESG Performance

Conducted negotiations and discussions with Toshiba Union. • Briefed on an overview of corporate management, measures against COVID-19, work style reform, and other matters at the Toshiba Group Labor-Management Congress (twice).

Environment

- Spring bargaining
- Took COVID-19 countermeasures (reduced the number of business days in April 2020 and conducted trial of a four-day workweek at sites).

FY2020 Achievements

### **Future Challenges and Approaches**

We share matters such as the business overview and major reorganizations with Toshiba Union and discuss changes in working conditions and other labor-related issues with the union. We will continue to hold labor-management talks in accordance with the Labor Agreement, and both parties will work together to implement COVID-19 countermeasures, promote work style reform, and address human resources measures in the era of the new normal.

Governance

# **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. The management status 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 deliberated between labor and management in advance, and these discussions are held with sufficient time given for both parties to agree.

In FY2020, we explained to Toshiba Union about preventive measures against COVID-19 and measures for employees under the new normal and implement these measures. In addition, labor-management discussions were held promptly following the declaration of a state of emergency in April 2020 due to the spread of COVID-19 with the aim of minimizing physical contact to the extent possible in order to reduce the risk of infection among employees, customers, suppliers and the 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 and Paralympics.

We will continue to hold labor-management talks on measures to be taken during and post-COVID as appropriate in accordance with the Labor Agreement.

# **Employees Data**

New graduate recruitment in FY2020 (Joined in April 2021) Figures in brackets represent planned figures

	Business administrative staff / Sales staff	R&D/engineers	Technical operators	Total
Toshiba Group in Japan	170	860	60	1,090
	[220]	[870]	[80]	[1,170]
Of which, Toshiba and key Group companies*5	70	270	10	350
	[60]	[280]	[10]	[350]

\*5. 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 (FY2020: 220 people at Toshiba Group in Japan, 70 people at Toshiba and key Group companies).

Social

Governance

Comparisons and Data, etc.

ltem	Aggregate categor	у	FY2020	FY2019	FY2018
		Male	2,866	2,621	2,106
	Toshiba (non-consolidated)	Female	747	678	566
	(	Total	3,613	3,299	2,672
		Male	58,293	61,931	64,137
	Toshiba Group in Japan (excluding Toshiba)	Female	9,425	10,761	11,164
N		Total	67,718	72,692	75,301
Number of employees*6		Male	26,236	27,671	28,971
	Toshiba Group overseas	Female	19,733	21,986	21,759
		Total	45,969	49,657	50,730
	Total	Male	87,395	92,223	95,214
		Female	29,905	33,425	33,489
		Total	117,300	125,648	128,703
	Toshiba (non-consolidate	d)	1,300	1,333	1,186
Number of exempt employees*7 (out of all employees)	Toshiba Group in Japan ( Toshiba)	excluding	13,956	15,514	16,008
	Total		15,256	16,847	17,194
	Toshiba (non-consolidate	d)	61	57	0
Number of part-time workers* <sup>8</sup> (out of all employees)	Toshiba Group in Japan ( Toshiba)	excluding	714	1,058	1,147
	Total		775	1,115	1,147
	Toshiba (non-consolidate	d)	45.0	44.8	45.0
Average age	Toshiba Group in Japan ( Toshiba)	excluding	46.4	46.2	46.1
	Total		46.3	46.1	46.0
	Toshiba (non-consolidate	d)	18.6	18.5	19.8
Average length of service	Toshiba Group in Japan ( Toshiba)	excluding	20.1	19.5	19.4
	Total		20.1	19.4	19.4
Turnover rate <sup>*9</sup>	Toshiba and key Group companies <sup>*10</sup>		1.2%	1.5%	1.9%

\*6. Number of employees at the end of each fiscal year

 $^{\star}7.~$  Including managerial positions and officials equivalent to exempt employees

\*8. Excluding employees whose total contract period is less than one year

\*9. People who retired for personal reasons only (excluding retirees under the early retirement incentive programs)

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

Corporate Information Sustainability Management ESG	Pertormance
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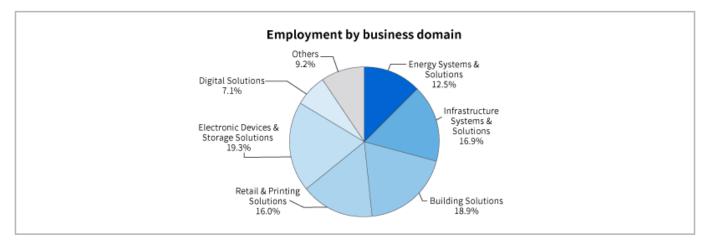
Social

Governance

#### Employment by region and business domain\*<sup>11</sup> (as of March 31, 2021)

(Persons)

Region	Number of employees	Business domain	Number of employees	
Japan	71,331	Energy Systems & Solutions	14,692	
China	9,997	Infrastructure Systems & Solutions	19,787	
Asia <sup>*12</sup> & Oceania	26,768	Building Solutions	22,193	
North America	5,480	Retail & Printing Solutions	18,821	
Central & South America	424	Electronic Devices & Storage Solutions	22,621	
Europe <sup>*13</sup> & Africa	3,300	Digital Solutions	8,369	
Total	117,300	Others	10,817	
		Total	117,300	



\*11. 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.

\*12. Excluding Japan and China

\*13. Including Russia

Toshiba's average annual salary is 8,665,339 yen (average for men: 9,154,752 yen, for women: 6,674,525 yen). Starting monthly salary in Japan, where 60% of our employees are located, is 215,500 yen, which is 137% of the minimum wage set by law.

Governance

# ESG Performance: Social 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 fully develop and deploy talents in order for our sincere, richly diverse and autonomous 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 and autonomous role, to achieve The Essence of Toshiba, and to nurture a workforce that leads us toward growth and change.

In response to the COVID-19 pandemic, we shifted our training program from classroom training to online training. We also feature the promotion of diversity and inclusion in level-specific training to promote understanding and acceptance among employees. We also expanded our efforts to support the activities of non-Japanese employees and encourage diverse and autonomous career development. In order to "turn on the promise of a new day" by way of digital transformation, we took steps to inspire and develop employees.

FY2020 Achievements

#### **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 competency 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 Toshiba Group Human Resources Policy provides total support for people with a sincere passion for transformation who envision the company's future and cooperate with one another to create new value.

## **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.

In accordance with the Toshiba Group Human Resources Policy, we implement the following initiatives.



mance Environment

# **Appraisal**

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

Since FY2020, Toshiba Group introduced a new human resource system that clarifies the roles that employees should play in the organization, and appropriately evaluates and compensates for competency and achievements of employees who have a venturing spirit and who, as the first penguins, continue to innovate toward a new future, regardless of age and length of service.

We have changed our qualification system from one based on employees' ability to perform their duties to a role-based grading system that clarifies employees' roles in the organization and determines the grade based on those roles.

Evaluations are determined by *performance evaluation* (reflected in wages and bonuses), which evaluates individual performance and contribution through goal management on an organizational basis, and *competency evaluation*, which evaluates the behavior expected of each role-based grade in the spirit of The Essence of Toshiba. The competency evaluation of the head of the organization is determined by referring to the evaluation by junior colleagues (Multifaceted Evaluation). Then, the overall evaluation is determined by performance evaluation and competency evaluation and used for reviewing promotion or demotion in the role-based grade.

Bonuses are performance-linked, and the amount paid is determined by (i) the portion calculated for each role-based grade, (ii) the portion reflecting company performance, and (iii) the additional portion for individuals based on the results of the performance evaluation. The portion reflecting company performance described in (ii) is reflected in the amount of bonuses paid, with the aim of fostering a sense of responsibility for company performance among employees. As for the performance evaluation described in (iii), the supervisor provides appropriate feedback to the employee, not only on performance evaluation but also on competency evaluation, having discussions for future growth.

## Talent

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

Toshiba Group considers the development of successors and executive candidates to be important management tasks. Accordingly, we implement the Succession Plan to systematically select and develop successors for all management positions, from business managers to chief foremen. As part of the Succession Plan, candidates for key positions in the whole Group, such as business managers and corporate staff division managers, are designated as the *Next 150*. They are intensively trained and nurtured in the Next & Future Executive Talent Development Program, along with the *Future 300*, which consists of high potential employees under age 35 selected for early development.

Among the national staff who are active overseas, we also select those expected to take the initiative in the whole Group, named the *Universals*, and assigns and trains them systematically. They are expected to play an active role overseas in the future launch of new businesses, overseas development and re-expansion of existing businesses, and post-merger integration (PMI) after mergers and acquisitions (M&As).

In addition, we have introduced a human resource system under which personnel with outstanding expert skills in the areas of focus for the Group are designated as *Jokyu Experts (Distinguished Expert)*, who are then appointed as *Chief Fellows, Senior-Fellows*, or *Fellows* according to their level of expertise. We aim to further improve our expertise through the optimal assignment and training of Jokyu Experts. At the same time, we will continue to produce Jokyu Experts, as a means to strengthen our competitive edge in business.

## Organization

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

Toshiba Group has prepared guidelines for establishing organizations to optimize decision-making processes and to encourage open-minded communication between supervisors and junior colleagues. Organizations are established and managed based on these guidelines which specify the maximum number of organizational levels and the number of subordinate organizations, as well as the appropriate number of their constituent members.

Sustainability Management

# **Training System for Talent Development**

ESG Performance

Environment

Social

Governance

# **Cultivating Global-Minded Talents**

Corporate Information

Toshiba Group focuses on 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 as part of its efforts 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 things through in each level of responsibility.

In addition, we aim to develop global-minded personnel through international joint program such as the Overseas Management Course, which helps to promote understanding of Toshiba Group's philosophy and nurture bridge-builders\*2 both inside and outside Japan.

Toshiba has a long history of region-specific education, with programs held in Europe and Asia launched 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.

\*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

# **Cultivating AI Experts**

In order for Toshiba Group to leap forward as an infrastructure services company, it is essential to increase the number of AI experts. We are working to develop AI experts to increase the number of AI experts to 2,000 by FY2022. For example, we launched an AI engineer training program in collaboration with the Graduate School of Information Science and Technology at the University of Tokyo in the first half of FY2019. We are training more than 300 highly-skilled AI experts by holding training sessions for approximately 50 people each, twice a year. We have also set up programs based on employees' knowledge and requirement levels, such as basic courses to provide AI knowledge, practical courses to perform hands-on training using AI tools, and courses specializing in deep learning, as part of our efforts to enhance in-house education. The Toshiba Group's AI experts are active in various business fields, contributing to improving the environmental performance of products and services as well.

A panel discussion at the final project presentation of the Toshiba AI engineer training program (students participated online)



Global Talents Development Program

Corporate Information	Sustainability Management	ESG Performanc

Environment Social

Comparisons and Data, etc.

# **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)

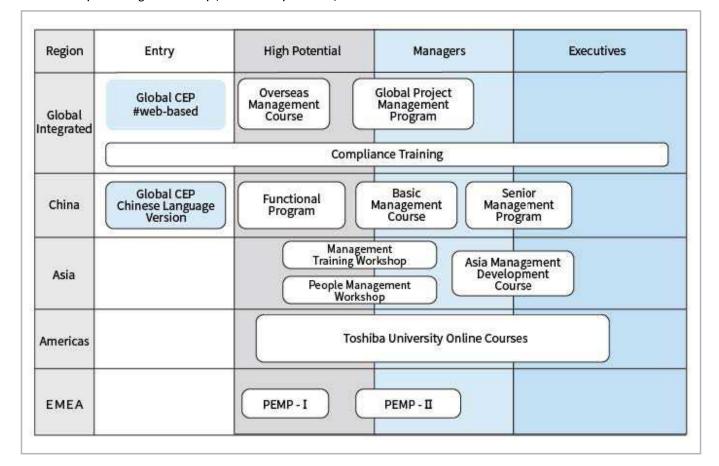
Training category	Outline
Basic training and develop- ment	A program that is designed to help employees learn about the actions and values that form the shared basis for all members of the Toshiba Group, such as compliance* education and Liberal Arts Training. * For non-regular employees as well
Global training and develop- ment	A program that seeks to develop global-minded people who can perform their duties not only in their countries or regions, but also at a global level, by accepting cross-cultural differences and directly communicating with Toshiba Group companies or stakeholders around the world.
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 knowledge and skills required for global business early.
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 a 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)

5	Bas	ic Tra	ining	Training by Levels	Job	type Ba	ased Tra	ining	Develop for Mana Tale	gement	Global Training	Others
				Follow up Program					Progra Top Mana Trainin	agement		
			-	for Management					Trainin division m	anagers	Global Project	
20	Compliance Training	Career develo pment training	Company-wide stan dardized e-learning	Program for New Manager / Management Program for Newly Appointed	ing	ing	Technical Training	Manufacturing Training	Toshiba Business School Advanced	Other Business Schools	Management Program	Problem- solving Training Compliance program Career Training for Women, etc.
.5	ance T	lo pm(	andar	Management Preparation Program	Staff Training	Sales Training	ical Tr	turing	a ss asic			solvir iance i ing fo
.0	Compli	areerdeve	any-wide st	Training for newly promoted S1 employees	Staf	Sale	Techn	Manufac	Toshiba Business School Basic		Study Abroad	Problem Compl
		0	Compa	Training for newly promoted S2 employees							Oversea Trainee Assignment	
				Program for third year employees								

Corporate Information	Sustainability Management	ESG Performance	Environment	Social	Governance	Comparisons and Data, etc.
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#### Talent Development Program Roadmap (Toshiba Group overseas)



#### Participation in education/training (Toshiba Group in Japan)

	FY2019	FY2020
Number of employees who participated in company-wide standardized educational programs/training for the year	118,989 (cumulative)	31,455 (cumulative)
Total cost of company-wide standardized educational programs/training	3,090 million yen	2,100 million yen
Training time per employee (average)	12.2 hours	7.4 hours

In the wake of the COVID-19 pandemic, we canceled or postponed training sessions to prevent infection in FY2020, resulting in significant decreases in the number of employees who participated in educational programs/training for the year, total cost of educational programs/training, and training time per employee (average). Meanwhile, we have shifted from the formerly predominant face-to-face training to online training. As a result, most of the training sessions were held online in the second half of FY2020.

From this report, we have decided to calculate the number of participants based on the figures for Toshiba Group in Japan, including those who have participated in e-learning and other education and training programs, and to calculate the training time per employee based on the number of employees in Toshiba Group in Japan. Accordingly, we have revised the figures for FY2019.

# 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 supervisors. To enhance the creativity and productivity of the entire organization, however, this is now implemented on an organizational basis. In addition, the Career Design System provides each employee with an annual opportunity to discuss and share their views with supervisors on long-term career development plans as well as on mid-term goals for skill acquisition, improvement, and the way to utilize such skills. In FY2020, we confirmed that 87% of all employees received regular reviews.

Corporate Information	Sustainability Management	ESG Performar
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Environment

Social

Governance

#### Implementation of reviews aimed at career development in FY2020 (Toshiba)

Reviews implemented for	87% of all employees
By attribute	Male 88%, Female 82%
by attribute	Exempt employees 92%, General employees: 86%

We introduced the 360-Degree Survey in FY2015 to look atmanagers and senior management from various perspectives with regard to their day-today work performance and activities, with perspectives including those of themselves, as well as of their junior colleagues, peers, and supervisors. The survey is implemented every other year, and the most recent one was implemented in FY2019 with 264 employees, including senior management. In addition, in line with the introduction of the new human resource system in FY2020, we have changed the former 360-Degree Survey for managers to a Multifaceted Evaluation and established a system to conduct it annually starting in FY2021. The major aims of these initiatives are to encourage the growth of the participants by objectively identifying their strengths and weaknesses on a regular basis, and to enhance their leadership, which will lead to creating a more sound organization and organizational operation. Managers are expected to embrace the survey results and use the results to improve themselves and workplace communication, as steps to create a better corporate culture.

From FY2020, as part of the overall review of the human resource system, we introduced various programs to support employees' autonomous and proactive career development. By creating an environment where each employee aims to enhance their potential and achieve continuous growth without having to passively endure constraints and changes in their environment, we will revitalize the organization and increase corporate value.

#### Programs to support employees' autonomous and proactive career development (Toshiba and key Group companies\*)

System name	Outline	Achi	evement in FY	2020
	Training for each age group to support employees' autonomous career		Training for age 35	361
Career development			Training for age 45	502
training for each age group	development	participants	Training for age 50	919
			Training for age 55	913
Interview with career advisors	A program that supports the career development of individual employees through interviews with internal career advisors, leading to organizational revitalization	Number of interviewees		1,828
Career Challenge System	System that enables employees with strong motivation and interest to apply for jobs posted internally by each division and screened for transfer	Number of employees transferred		91
Second job	Program that allows employees to take a second job that meets certain conditions on a request-basis * A trial was implemented in some divisions in FY2020. The number of divisions for trial will be expanded in FY2021.	Number of employees who started a second job		58
External transfer	Program that revitalizes the organization through personnel exchanges with companies and organizations outside the Group, leading to new value creation	Number of newly dispatched employees		2
Next Career Support Program	Program that supports employees aged 50 or older who wish to pursue new careers outside the company, such as changing jobs, starting a business, or taking on challenges in new fields by using their skills	Number of a	applicants	25

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

# **Employee Engagement Survey**

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 various measures, and how firmly rooted they are. We strive to improve the issues that emerge and leverage them to enhance the corporate culture.

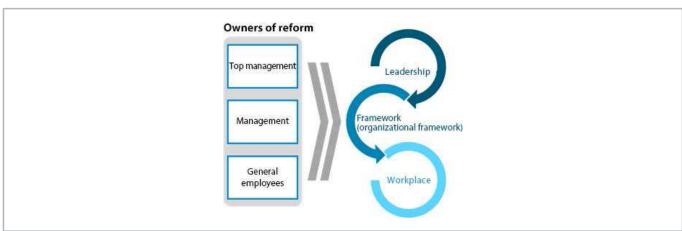
Environment

Social

In FY2020, we conducted an anonymous survey targeting around 60,000 employees in 79 Toshiba Group companies in Japan and overseas, and received responses from approximately 92% of the employees. The survey assesses employees' understanding of company measures and whether their working conditions allow them to demonstrate their abilities. Since FY2015, the survey also features questions regarding how the President and CEO and top management are perceived, the status of compliance and other measures. Although the score fell for "Feedback from manager" and "Systems for growth and career development" compared to the previous fiscal year, it improved for other items. In particular, the scores related to "Integrity," "Values," and "Pride to company" improved significantly, with the "Engagement score," a key indicator, improving by 2 percentage points year on year to 22%\*.

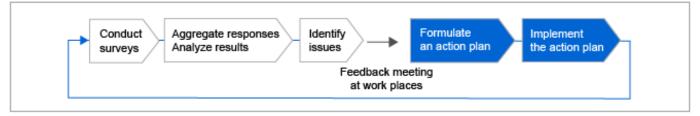
Based on these survey results, in order for management and employees to come together and make improvements, our top management is taking the lead in declaring a commitment to build a workplace environment where everyone can voice their opinions frankly. By transmitting messages from top management and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

In addition, we prepared and implemented an action plan for each workplace to create an environment that prioritizes change and improvement to the corporate culture. We also provide education on improving engagement and developing organizations for those in charge of the TEAM Survey, encouraging them to take action to foster a sense of ownership and improve the corporate culture. In this way, the 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 key Group companies (Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation) who responded "Strongly agree" or "Agree" to the six questions pertaining to engagement.

# **Establishment of Consulting Service**

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 the resolution of problems. Under this system, employees working in Toshiba Group in Japan, 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. In FY2020, 129 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 who made the report and related parties after obtaining the consent of the reporter.

#### > Whistleblower System for Employees : Toshiba Hotline

Governance

# **ESG Performance: Social**

# **Promotion of Diversity and Inclusion**

"Diversity" refers to the differences between individuals in attributes ranging from race, nationality, age, gender, sexual orientation, gender identity to religion, beliefs, culture, disability, career and lifestyle.

"Inclusion" means the state that the abilities and skills of individuals with different and varied values and ideas are recognized and each and every person is provided the opportunity to take on an active role in the organization.

Toshiba Group will promote diversity and inclusion (D&I) that will lead to sound and sustainable growth by respecting, accepting, and optimizing individual differences among employees, thereby generating new values and ideas so that the company, organization, and employees with differing backgrounds thrive in their respective levels of operation.

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

8.0%

70.0 %

## **Medium- to Long-term Vision**

To achieve the company's growth by enabling a diverse workforce who share values and The Essence of Toshiba to thrive in the global stage.

#### **Quantitative Target**

Percentage of female exempt employees (Toshiba and key Group companies<sup>\*1</sup>, at the end of FY2025)

Childcare leave utilization rate among male employees (Toshiba and key Group companies\*1,

at the end of FY2025)

- \*1. Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation
- \*2. Sum of the 15% childcare leave utilization rate and the 55% paternity leave utilization rate among male employees
- Toshiba Group has drastically expanded the scope of working from home, allowing employees to take care of their children while working from home without interrupting their careers. As work styles significantly change in the future, we will continue to provide support based on the work styles of employees raising children.

## FY2020 Achievements

Percentage of female exempt employees (Toshiba and key Group companies<sup>\*1</sup>)

Achievement **5**.1 %

Childcare leave utilization rate among male employees (Toshiba and key Group companies<sup>\*1</sup>)



- \*3. Sum of the 11% childcare leave utilization rate and the 44% paternity leave utilization rate among male employees
- In April 2020, to prevent the spread of COVID-19, working from home for employees at workplaces was implemented where it is feasible, in principle. Access lines providing connection to internal systems were increased fivefold as a means to enhance this work environment. Under the selective welfare system Teatime, additional points were provided to support employees working from home.

## **Future Challenges and Approaches**

A female executive was appointed internally in April 2019. Going forward, we will make further efforts to promote diversity in the management team, appointing such diverse human resources as women and non-Japanese employees in executive posts, as well as developing candidates. We will also work to expand the presence 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 and equal opportunity leads to greater corporate value in areas such as securing workforce and creating innovation, and aims to establish a corporate culture that enables diverse employees to play active roles irrespective of gender, nationality, or whether

they have disabilities or not.

We are working to enhance our systems and initiatives, especially for female employees, non-Japanese employees, employees with disabilities, and LGBT+ employees.

Governance

# **Structure of Promoting Diversity and Inclusion**

In 2004, we at Toshiba established our Kirameki Life & Career Promotion Office, an organization under the President and CEO's direct control, to promote gender equality. After that, we expanded the scope of our activities to include non-Japanese and people with disabilities. As diversity became the very core of our human resources policy, the office was reorganized as a structure under the umbrella of the Human Resources and Administration Division in FY2013, to advance diversity measures as part of a general human resource policy. 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 policies and measures to expand the role of women in the workforce in Japan, proactively appoint women to managerial positions, support the active role of persons with disabilities, foster global-based human resources and establish 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 can fully demonstrate their capabilities and strengths. Our efforts include education programs on diversity and human rights for all employees.

Furthermore, we conduct awareness surveys targeted at Toshiba Group employees in Japan, and monitor the level of diversity awareness throughout the workplace. Where improvements are called for, we give guidance 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, which features useful information on support for employees in balancing their child-raising and nursing care duties with their work, a portal site to support non-Japanese employees and their workplace, support for employees with disabilities.

# **In-house Community for Diversity and Inclusion**

In December 2020, we launched an internal volunteer-based community dedicated to diversity and inclusion, the Chameleons Club. The Chameleons Club is an online platform on our intranet in Japan. It has four channels, including LGBT+ Allies\*, for employees to hold seminars and exchange information. In this community, employees are learning from one another about diverse languages, cultures, and ideas, regardless of nationality, religion, age, position, sexual orientation, or gender identity. We believe that enhancing employees' language and communication skills and promoting their understanding and awareness of diversity will facilitate inclusion in the entire workplace. We also hope that this community helps deepen the bonds and understanding among employees and create an organizational culture that is more respectful and accepting of individuality.

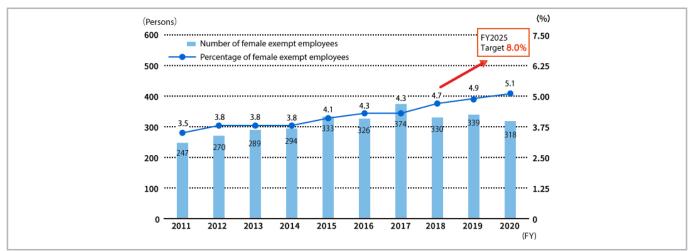


Governance

# **Promoting the Career Development of Female Employees**

Toshiba is promoting measures to accelerate the success of 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 the Act, Toshiba developed an action plan aimed at increasing the percentage of female exempt employees to at least 7% by the end of FY2020. However, it stopped short at 5.1%, partly due to factors such as the subsequent status of Toshiba brought by organaizational and business restructuring. In the second-term action plan formulated in April 2021, Toshiba and key Group companies\* set a target percentage of female exempt employees at 8% to be achieved by the end of FY2025 through systematic human resource development and mid-career employment. In addition, a new 15% target has been added for childcare leave utilization rate among male employees by the end of FY2025. We formulated measures to achieve these targets, including training for female manager candidates, support for male employees to utilize childcare leave, and awareness raising seminars for supervisors and workers.

## Trends in the number / percentage of female exempt employees (Toshiba and key Group companies\*, section manager level or higher)



\* FY2011 through FY2016: figures for Toshiba

From FY2017 onward: Sum of the figures for Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation

### Percentage breakdown of female exempt employees (Toshiba and key Group companies\*)

		FY2016*	FY2017	FY2018	FY2019	FY2020
Perce	entage of female exempt employees	4.3%	4.3%	4.7%	4.9%	5.1%
	Section manager class	5.1%	5.1%	5.6%	5.7%	5.5%
	Division manager class	3.0%	3.2%	3.4%	3.6%	4.0%

\* FY2016: figures for Toshiba

From FY2017 onward: Sum of the figures for Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation

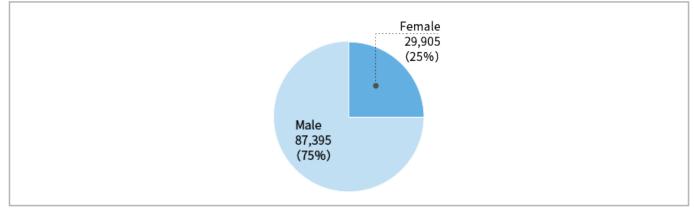
Toshiba had one female director (10% of all directors) and one corporate officer (11% of all corporate officers) as of the end of FY2020.

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

The ratio of new female graduates to join Toshiba and key Group companies in April 2021 was 34% for business administrative positions (target 50%) and 15% for R&D/engineer positions (target 25%).

Corporate Information	Sustainability Management	ESG Performance	Environment	Social	Governance	Comparisons and Data, etc.

## Number of Toshiba Group employees by gender (as of end of March 2021)



### > Employment and Labor Relations (Employee Data)

## 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	<ul> <li>Implemented career design training for all female employees in their third year of employment since fiscal 2015.</li> <li>Program overview: <ul> <li>Thinking about how to balance possible future life events and work</li> <li>Interviewing supervisors</li> <li>Role model lectures from senior female colleagues</li> </ul> </li> </ul>
Participation in 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 (since FY2014, and attended by young female employees from eight different cross-industry companies, including Toshiba).
Awareness promotion training for exempt employees	A subject covering diversity management (how to communicate with diverse junior colleagues) has been included in the curriculum for mandatory training for persons promoted to exempt employees (since FY2010, roughly 210 programs have been held with a cumulative total of over 6,641 participants up to FY2019). In FY2020, diversity and inclusion education was given via e-learning.
Seminar to support employees returning after childcare leave	Since FY2015, we have been holding seminars to support a smooth return to work for those who plan to return from childcare leave and those who have returned. The seminars accept the attendance of the spouses, in order to provide an opportunity for them to think about balancing work and family.



Group work at the career training for young female employees

> Careers



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

Governance

# **Non-Japanese Employees Recruitment and Support**

Toshiba Group actively recruits non-Japanese employees as part of its policy to promote diversity and inclusion as well as to secure talent in fields where hiring is difficult in Japan.

In FY2006, in addition to employing non-Japanese students who have studied in Japan as exchange students, we started our Global Recruitment Program in an effort to directly recruit graduates of universities overseas. By FY2020, more than 400 global recruits have joined Toshiba and they play active roles in various fields such as sales, R&D and design. In FY2020, we strengthened our approach to global recruitment, such as revising our structure, internal system, and training system. Other efforts include testing indexes that measure the readiness for globalization and environmental arrangement of workplaces to support departments working with non-Japanese employees. We also worked on creating a mechanism that helps non-Japanese employees succeed in their workplaces.

We support global recruits so they can start a new life in Japan smoothly and assign mentors to each new non-Japanese employee to give guidance based on a personalized job skill improvement plan. In addition, we accept global recruits upon confirming that their status of residence is in compliance with the Immigration Control and Refugee Recognition Act. To obtain and confirm their residence qualification, we cooperate with outsourced service providers with specialized teams. Besides, we provide in-house export control training for non-Japanese employees to understand Japan's requirements.

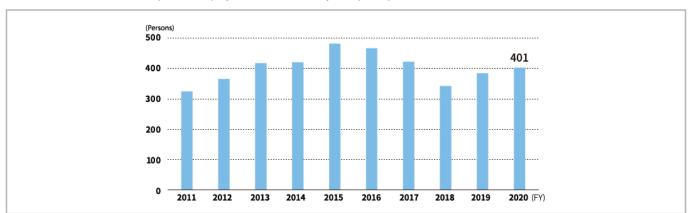
We introduce non-Japanese employees to the Chameleons Club, an internal community designed to promote diversity and inclusion, and encourage them to connect with other employees.

## **Designated Prayer Rooms**

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

## Portal Site for the Non-Japanese Employees and Their Workplace

We established a portal site for non-Japanese employees and their workplace, which can be utilized by all Toshiba Group's employees. The site provides information for non-Japanese employees themselves on the company and public services as well as useful information on life in Japan in English. For their Japanese colleagues, the site provides basic information, knowhow and more on the subject of employing non-Japanese employees, training on understanding other cultures, and testimonials and case studies that facilitate smooth onboarding at workplaces. We strive to provide enough information to cultivate work environments where non-Japanese employees can work comfortably.



#### Trends in the number of non-Japanese employees (Toshiba and key Group companies)

\* FY2011 through FY2016: figures for Toshiba

> Careers

Environment

Governance

# **Employment of People with Disabilities**

As of June 1, 2020, the percentage of employees with disabilities has become 2.41% and as of June 1, 2021, it was 2.51% 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 of seven departments, including the Human Resources and General Affairs Departments and the Design Department, that are involved in supporting people with disabilities, and are working to develop and implement comprehensive support measures.

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

		June 2017	June 2018	June 2019	June 2020	June 2021
Toshiba incl. a special	Number of people	637.5	594.5	573.0	574.5	578.5
subsidiary company in Japan	Percentage of employment	2.33%	2.37%	2.31%	2.41%	2.51%

# A Special Subsidiary Company Toshiba With Corporation

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, 53 employees, most of whom have intellectual disabilities, are working at six business sites of Toshiba Group. Core work revolves around cleaning, collecting and delivering in-house mail, and a health keeper (in-house therapist) inside Toshiba Group. In FY2013, Toshiba With Corporation was awarded the Toshiba Corporate Citizenship Award in the Social Contribution by Business category for its contributions to society through business.



Clean-up activity

> Toshiba With Corporation (Japanese)

# **Active Utilization of Elderly People**

In 2001, amidst the backdrop of the declining birthrate and aging of society, Toshiba established a system to extend the employment of older employees until they reach age 65, to give them a place to play an active role. Under this system, wage levels are determined according to skills and abilities and employees are fully deployed as seasoned professionals and expected to hand down skills and expertise after mandatory retirement at 60. 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.

Toshiba will continue to promote the activities of elderly employees in accordance with the needs of their working styles and their individual skills and abilities.

# **Efforts to Promote Understanding of LGBT+**

In the Standards of Conduct for Toshiba Group, the code of conduct for executives and employees of Toshiba Group, it clearly states that human rights shall not be violated, prohibiting discriminatory speech or behavior based on sexual orientation.

In addition, we aim to create a workplace in which employees with diverse values can work comfortably by being considerate of names used in the company and the gender noted on the insurance card.

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 to eliminate discrimination against sexual minorities.

#### ESG Performance Corporate Information Sustainability Management

Environment

Governance

#### 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. It 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 it will be implemented for all Toshiba Group employees.

⊕Based on the Basic Principles and Guidelines on LGBT+ Inclusion at University of Tsukuba.

In March 2021, we held a webinar to promote the understanding of LGBT+ and prevent harassment, attended by 280 employees, including harassment consulting service staff and managers. The webinar featured outside lecturers and LGBT individuals as speakers. They shared problems faced by LGBT+, the difficulty of coming out, and their expectations of the future society, and helped deepen employees' understanding of LGBT+. In addition, we included LGBT+ related content in our in-house communication magazine, level-based training, and Group-wide e-learning to ensure better understanding. Moreover, in December 2020, we set up an internal ally group to disseminate information, exchange opinions, and provide information on LGBT+ events.

## Awarded Gold and Bronze in PRIDE Index 2021

In November 2021, Toshiba won a gold award in the PRIDE Index 2021, an award system developed by work with Pride, a voluntary group, to evaluate the LGBT+ related efforts of companies and organizations. It was our second time to apply for this award. The award for FY2020 recognized the various efforts that we had made, including (1) establishment and dissemination of the Basic Policy on Prohibition and Elimination of LGBT+ Discrimination; (2) operation of the Toshiba Hotline and the Harassment Consultation Center; and (3) promotion







of understanding and awareness through our various training programs. In addition to such efforts, the award for FY2021 recognized (4) our social contribution and public relations activities facilitated by participating in an online Ally Project hosted by OUT JAPAN Co., Ltd., a company that offers comprehensive support for LGBT-related efforts of companies and organizations.

Since FY2021, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation have also participated in this project and each won the bronze award.

# 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 services company and contribute to the further development of society. By encouraging flexible work styles, business reform and health and productivity management, we aim to reduce long working hours and deliver work with high added value so that each and every employee can work safely, happily and in health. In addition, since April 2020, to cope with the spread of COVID-19, we have applied working from home to all employees who can, and promoted online meetings. In order to make working from home a common practice and improve its productivity, we distribute videos on how to communicate properly and even better when working remotely and provide online IT skills training. 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 before, as a means to improve the working environment.

Governance

# **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 to rectify the long working hour situation and enable work with high added value. Toshiba is striving to transition to a style of work that does not depend on overtime work, so that more diverse personnel can be deployed and work-style reform is promoted.

#### 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 (trial since October 2017, introduced in full-scale in April 2019) * Partially applied to non-regular employees as well
Long leave system	Employees can take a maximum of 20-day accumulated leave for personally selected 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 regular work hours	Employees are prompted to leave work at regular work hours 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. * Applies to non-regular employees as well
Introduction of PC shutdown system	Introduction of a system that automatically shuts down PCs at a specified time * Applies to non-regular employees as well
Annual paid vacation	We have been facilitating the planned use of annual paid vacation. In FY2020, the percentage of annual paid vacation taken was 65.7%. *Since FY2020, the scope of the report has been changed to cover the percentage of annual paid vacation taken by employees of Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, and Toshiba Digital Solutions Corporation.
Making working hours visible	<ul> <li>Introduced a system to visually monitor working hours on PC (FY2009)</li> <li>Operates Work Record Notification and Work Record Display (since FY2010)</li> <li>The attendance system was upgraded to visualize overtime across months as well as manage it on a monthly basis (since June 2021).</li> <li>* Applies to non-regular employees as well</li> </ul>
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. having employees declare the <i>target time</i> (time to leave work); setting <i>focus hours</i> ; and restricting work on Sundays, late-night overtime in principle, and meetings outside normal working hours in principle). * Applies to non-regular employees as well

In Toshiba, in FY2020, the average total annual actual working hours per employee was 2,180 hours, and the average annual overtime working hours per employee was 320 hours.

#### **Activity Example**

#### Use of a System that Makes 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 operating the systems Work Record Notification and Work Record Display to ensure a setting where employees and their supervisors are made aware of their work hours (since FY2010).

The Work Record Notification System automatically sends an e-mail to each employee and their supervisor on the work record of the employee. The Work Record Display System sends records and alerts to each employee and their supervisors to draw their attention to overtime work hours in line with the Work Style Reform Bill that came into effect in April 2019.

# System Toshiba system Period Until the end of the month in which the child turns three years old Childcare

	leave				
	leave	Number of times	Up to three times per child	Up to once per child	
Childbirth/Child-rearing	Life Support Leave*1		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)	_	
oirth/Ch	Short-	Target	Employees who are raising children in elementary school	Employees who are raising children under three years old	
Childb	time shift	Others	<ol> <li>No limits to the number of times one can apply</li> <li>Possible to combine with the flextime system</li> <li>Can be set in 15-minute units</li> </ol>	_	
	Hourly le	ave system	Leave is available in one-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 leave		Up to <u>365 days</u> in total per person requiring nursing care	Up to <u>93 days</u> in total per person requiring nursing care	
Family care	Short-time shift		Possible to use for three years in total per person requiring nursing care, separately from the period for family care leave (including up to one year for short-day shifts)	_	
Fa	Hourly le	ave system	Leave is available in one-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.	_	
	Subsidies for generation		To be provided to each eligible child * Even if the applicant's spouse who works at another company is the head of household, the child is still eligible for the allowance.		
o work	expenses	Selective welfare system <i>Teatime</i>	For child-rearing and nursing care points will be worth 1.2 to 1.5 times th	e value of normal points.	
Returning to work	Mutual understanding program		The program offers the opportunity for employees to discuss future career plans and any necessary arrangements with their supervisor and HR personnel before taking a leave of absence or after resuming work, thus helping to reduce concerns of the employees who take such leave.		
Ä		yment system 9 work system)	Established a system to reemploy employees who had to resign for the for 1) Resignation in order to accompany a spouse who has been transferred 2) Resignation in order to provide nursing care for those requiring nursin 3) Resignation for childbirth, childcare, and raising children (within five y	l (within five years) g (within five years)	
*1 Cana	It does not also as	atomite la proprieta de la pr	parriage leave system and the hereavement leave system in 2020		

**Efforts to Prevent Recurrence of Labor Issues** 

Although Toshiba Group had implemented measures to ensure the health and safety of employees, a labor issue arose in FY2019. We have taken this seriously and implemented the following measures to prevent recurrence.

Specifically, top management regularly sent out messages on health and safety. At the same time, we took measures to prevent overwork and to encourage communication within the workplace. We are also working to improve employees' self care and implemented initiatives to maintain and promote their physical and mental health.

In accordance with the Toshiba Group Occupational Health and Safety (OHS) Management Policy and the Toshiba Group OHS Management Declaration, preventing the recurrence of labor issues continues to be the top management priority. We remain fully committed to creating an environment where Toshiba Group employees, including non-regular employees, can work with peace of mind.

# Supporting Employees in Balancing Work with Childcare/Nursing Care

Since the 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.

# Major supporting systems for full-time employees' work and childcare (Toshiba)

\*1. Consolidated the paternity leave system, the marriage leave system and the bereavement leave system in 2020.

\*2. Until FY2013, leave was taken in one-hour units.

Social

Environment

As required by law Up to one year old except when

certain requirements are met

Comparisons and Data, etc.

## Corporate Information Sustainability Management ESG Performance

Environment

Social

#### Employee participation of diverse working style options (Toshiba and key Group companies)

(Persons)

	FY2016*	FY2017	FY2018	FY2019	FY2020
Childcare leave	Male: 17	Male: 20	Male: 10	Male: 34	Male: 72
	Female: 348	Female: 363	Female: 277	Female: 316	Female: 299
Paternity leave	Male: 388	Male: 382	Male: 194	Male: 203	Male: 210
Family care leave	Male: 2	Male: 5	Male: 6	Male: 9	Male: 9
	Female: 2	Female: 2	Female: 5	Female: 4	Female: 2
Short-time shift	Male: 10	Male: 11	Male: 5	Male: 5	Male: 11
	Female: 426	Female: 462	Female: 329	Female: 411	Female: 416

\* FY2016: figures for Toshiba

#### **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 Kiramekids 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 Feedback on Kirame-kids Yokohama >

Upon returning to work after childbirth and childcare leave, my husband and I made the decision to take advantage of Toshiba Group's internal childcare center *Kirame-kids Yokohama*. We both split the drop-off and pick-up duties



Handmade signboard of our internal childcare center Kirame-kids Yokohama

and because it's a little far from home, we're grateful that there's a parking space. Although it's sometimes difficult to get there straight away when sudden pick up is necessary in cases such as my child having a fever, the childcare staff is very accommodating and flexible depending on the situation, with options available to extend the childcare time if required, which really relieved 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 holding back thanks to this system. I want to continue giving my best to both childcare and work as my family grows and life stage changes. This is made possible because Toshiba Group offers enhanced welfare programs, including the childcare center and childcare leave system in addition to the cooperation of family and the community. Such an environment has provided me the opportunity to pursue my career the way I want to.



Chiho Ishii (in charge of general affairs in the Administration Department at Toshiba Business Expert Corporation)

Corporate Information	Sustainability Management	ESG Performar

Performance Environment

social

# **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 employees of Toshiba Group in Japan	Learning diverse work styles (work-life balance), how to work efficiently, and time management of junior colleagues, as part of training programs based on levels.
Nursing care seminars	Employees of Toshiba Group in Japan	Nursing care seminars (held at 46 business sites in FY2020)
Cancer treatment seminars	Employees of Toshiba Group in Japan	Cancer treatment seminars (held at 43 business sites in FY2020)

#### 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 (posted on the intranet)
Easy! How-to Guide for our child care 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 (distributed to eligible employees)

#### Providing information on the intranet website

Our intranet website for employees of Toshiba Group in Japan introduces external websites that are helpful for coping with needs that arise from life events or finding out about them beforehand, such as nursing care, balancing work life with treatment of illnesses, to ensure employees' access to 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 of external websites	<ul> <li>Ministry of Health, Labour and Welfare website: Nursing care facilities information for daily life</li> <li>Toshiba Health Insurance Association website: System of nursing care insurance</li> </ul>

#### **Activity Example**

#### **Nursing Care Seminars and Cancer Treatment Seminars**

Due to changes in family makeup and increase of two-income households, more employees are expected to need to take care of elderly family members while working full time. In FY2012, Toshiba conducted a factfinding survey on nursing care, which revealed a strong need for information on nursing care among employees. In response, we held nursing care seminars per business site from FY2015 for Toshiba Group employees in Japan, with a cumulative total of 226 seminars conducted in the six years up to FY2020. In FY2020, we also started a seminar to support employees balancing between cancer treatment and work, which was held seven times in total (43 business sites participated) in a live-streaming format.



Nursing care seminar at Toshiba Smart Community Center

#### Corporate Information

Sustainability Management

ESG Performance

Environment

Governance

## **Benefits**

Toshiba Corporate Pension Plan: For full-time employees at Toshiba Group in Japan, we provide the Toshiba Corporate Pension Plan (defined benefit plan) in addition to the old-age pension from Japan's welfare pension insurance scheme to support their lives after retirement. Currently, around 63,000 employees from 85 business sites 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 operates the Toshiba Health Insurance Association to which 172 business owners and approximately 221,000 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 supports medical expenses and provides 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 of Toshiba Group in Japan (approximately 40,000 employees). In addition to reimbursement for spending on 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 caters to the various needs of employees.

Other Welfare Programs: Toshiba Group in Japan has a program for medical, accident and life insurance for its employees that takes advantage of the Group's scale to provide a range of insurance policies at low premiums, as a means for life with reassurance for Group employees. We also provide programs in Japan to support the financial independence of Group employees such as an accumulation scheme for purchasing homes and funding life after retirement.

Governance

# ESG Performance: Social 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 is only possible in a safe and comfortable work environment. We place the top priority to human life, safety and legal compliance, and support the occupational health and safety (OHS) of employees.

## **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 ISO 45001 certification:



Toshiba will gradually shift over to ISO45001 certification.



**Percentage of companies that have acquired ISO 45001 certification:** (FY2020, manufacturing companies of Toshiba Group in Japan)



Implemented measures against COVID-19

- Took steps to prevent infection
- Created a contact system in the event of employee infection
- Manage attendance rate at a low level by introducing a basic policy of working from home
- Disseminated information about health management for 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 Essence of Toshiba 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 ISO 45001, a new standard for OHS management systems.



## The Toshiba Group OHS Management Policy

At the Toshiba Group, we implement sustainability management, including Occupational Health and Safety, 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 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. TOSHIBA
- 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 so that employees feel that work is rewarding. 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 the launching of this policy at the Toshiba Group CSR Conference in December 2018. We designated the executive in charge of Human Resource and Administration Division as the Chief Health & Safety Officer (CHSO) and formulated the Toshiba Group OHS Management Declaration to specify the roles in the field of OHS management to be fulfilled by executives, managers, OHS staffs and employees. The CHSO is in charge of making the Declaration well known within the Group. In addition, to spread awareness of OHS management, we established an OHS Management Conference (described later) chaired by the CHSO in FY2019 and convened on a regular basis.

**Raise Corporate Value** Work style innovation Change job allocation and execution Motivated to work 01 10 **Higher productivity Occupational Health and Safety Management** 

Environment

Social

April 14 202

S. Tourakawa

#### Corporate Information Sustainability Management

ESG Performance

Environment

Governance

#### 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, coworkers, 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.

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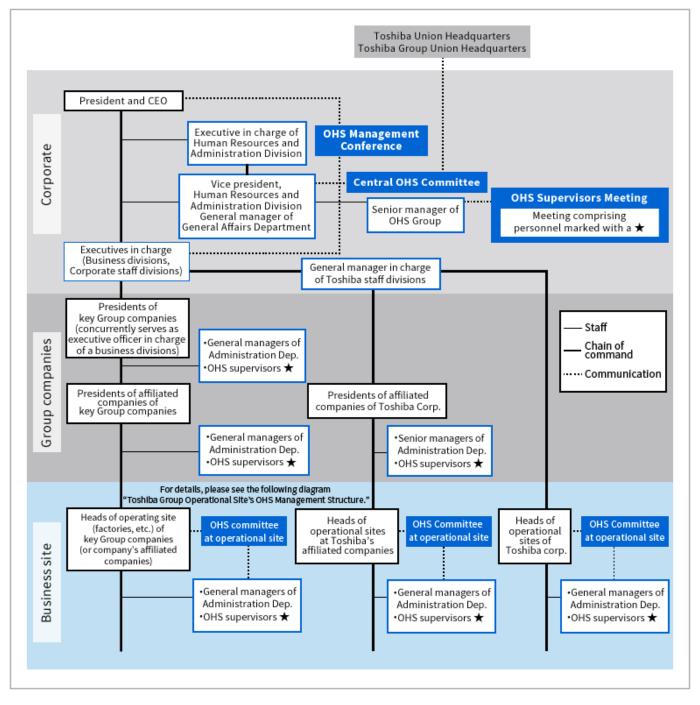
Governance

# **Promotion of OHS**

## Line Management

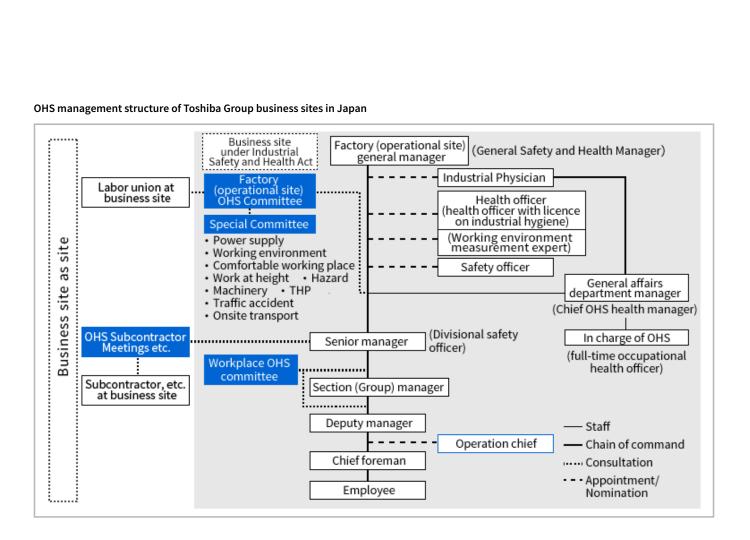
Specific OHS activities of Toshiba Group are carried out at each of the business sites (or individual Group companies) based on measures to achieve the OHS objective transmitted from the corporate department, which is the supervisory division of the Group, and Group companies, under a line management system that covers all personnel from top management through to employees.

#### Toshiba Group OHS Promotion System in Japan



Statutory activities at each business site (or Group company) in Japan 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 tailored to the work process and their risk factors.

# Toshiba Group Sustainability Report 2021



Environment

Social

Governance

Comparisons and Data, etc.

# **Participation, Discussion and Communication at Different Levels**

Toshiba Group in Japan provides the following opportunities for communication.

Corporate Information

Sustainability Management

Participation	, discussion and	l communication	related to OH	S management
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Level	Target	Opportunity	Communication function	
	President and CEO and executives of Toshiba and presidents of key Group companies	OHS Management Conference (biannual)	Deliberation and discussion of Toshiba Group OHS management measures	
Corporate and corporate staff division	Toshiba Union Headquarters (general employee representative)	Central OHS Committee OHS Debriefing	Discussion and information sharing on Toshiba Group OHS measures	
	OHS supervisors (Officers in charge of OHS) at Group companies	Toshiba Group OHS Supervisor Meeting (annual)		
Group company	Employee representative	OHS Committee, etc. (depending on company)	Implementation at individual companies as needed	
Business site	Labor union management at business sites (employee representative)	OHS Committee Meetings (statutory) (monthly)	Deliberation and discussion of OHS measures at business sites	
	Subcontractors, etc.	OHS Liaison Committee Meetings (depending on business site)	Discussion and information sharing on OHS- related matters at business sites	
Construction site (as principal contractor)	Related contractors	OHS Consultative Meetings (statutory) (monthly) * Consultative organization in which the specified principal employer and all related constructors participate	Discussion of matters related to disaster prevention in production processes	

Toshiba Group Sustainability Report 2021

Environment

Governance

Since FY2019, Toshiba has been holding the 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 President and CEO, the executives of Toshiba, and the presidents of key Group companies. They 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, together with Toshiba Union Headquarters, we co-host the non-statutory meetings of the Central OHS Committee in January and the OHS Debriefing in June. 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 2021, we shared with the Toshiba Union Headquarters for FY2021 as well as the need for further improvement of our OHS management systems (OHSMS) based on the fact that we have shifted from OHSAS 18001 to ISO 45001 in FY2020.

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 business sites. They report on matters such as the incidence of occupational accidents and objectives that are to be promoted Group-wide, as well as efforts for high priority issues and the activities undertaken at each site.

We also hold the statutory OHS Committee at business sites once a month as an opportunity for employees to participate, discuss and communicate with each other on 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 business site, annual objectives and OHS promotion plans. In view of their importance, meetings of the OHS Committee have been held in online format since April 2020 to maintain regular meetings while helping prevent the spread of COVID-19 by minimizing contact. Further, we are striving to ensure appropriate communication with entities involved in the Group's business by securing opportunities for OHS Subcontractor Meetings and OHS Consultative Meetings that include resident subcontractors at business sites and related subcontractors at construction sites managed by it will be implemented a Toshiba Group company as the primary contractor. Toshiba Group overseas has established an appropriate system in accordance with the laws and OHSMS requirements of the country where the

#### **For Reference**

company is located.

#### **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.



Toshibumi Gamo

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 of the manufacturing industry in Japan.

Environment

Governance

# **OHS Management System**

Sustainability Management

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 industries where the risk of a severe accident is relatively high, as judged from past cases. We, therefore, identified target industries to introduce the international OHSMS standard based on third-party assessment and have been incorporating OHSAS 18001 and acquiring external certification for manufacturing companies in those industries since FY2007. In FY2020, we transitioned to ISO 45001<sup>\*1</sup>. In FY2020, all manufacturing companies and 44 non-manufacturing companies (accounting for 75.1% of all personnel from Group companies in Japan) in Toshiba Group in Japan have acquired the certification. Information on Group companies overseas will be disclosed on the Sustainability website as soon as it is finalized. We visualize OHS management system by continuously evaluating and managing OHS risk through risk assessment based on OHSMS and ensuring legal compliance\*2. In addition, Group companies that fall outside the scope of ISO 45001 certificate acquisition also operate under an OHSMS in accordance with guidelines set by the industry or a simple PDCA cycle based on their respective OHS Management Policy and promotion plan. The corporate staff division is working to raise the level and make improvements to our OHSMS by regularly assessing the processes of our activities.

\*1 An international standard for OHSMS established by the International Organization for Standardization (ISO) in 2018

- \*2 Refers to the following major regulations which fall under the scope of ISO 45001 compliance:
  - Industrial Safety and Health Act

Corporate Information

· 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 in Japan 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 and inform them of these risks via an initial educational program for entry to 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.



ISO 45001 Certificate of Registration

## **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\*1, 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 that may be encountered by them as well as subcontractors and visitors.

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 division which has the risk and auditing by the OHSMS Internal Audit department.

In addition, for anything designated as an emergency situation in the risk assessment, we have established response procedures and if required, regularly conduct evacuation drills that also include subcontractors in order to ensure smooth evacuation in the event of an emergency.

At Toshiba Group overseas, especially companies that have obtained OHSMS certification, we carry out risk assessment in accordance with the requirements of the standard and implement measures against extracted risks.

In the event of an occupational accident, Toshiba Group identifies the hazards and causes and assesses the risk prior to the accident and following the implementation of assumed measures to ensure that corrective measures are taken within the Group.

Toshiba Group Sustainability Report 2021

<sup>\*1</sup> In addition to risk assessment as a means of identifying hazards, we conduct risk prediction activities prior to work, make close call reports and have top management, industrial physicians and health officers implement workplace inspections to complement this.

<sup>\*2</sup> Toshiba selects the control measures to reduce 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.

Governance

## **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. The basic guideline prioritizes the life and personal safety of employees, and is based on the policy of protecting our social credibility, property and equipment, and fulfilling our corporate social responsibility to customers, shareholders and other stakeholders.

The guideline stipulates the role of Toshiba's corporate staff divisions, Toshiba Group companies and business 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 and CEO of Toshiba, to coordinate with disaster response headquarters at Toshiba Group companies and business sites. This framework enables the coordination, direction and support of relief and recovery efforts.

To prepare for future disasters, we are also taking steps including creating regulations, introducing educational programs and conducting drills for employees, and stockpiling items and equipment required in a disaster.

#### **Examples of Activities**

#### **Development of a Disaster Prevention System**

Maintenance of a 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 the creation of a promotion

framework at each company and business 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 on disaster prevention
- Implementation of training (evacuation drills, safety confirmation, operational training of disaster response headquarters)

#### **Deployment of Supplies as Disaster Countermeasure**

• Securing supplies to prepare for a disaster at each site

- Development of emergency communication infrastructure within Disaster Countermeasure Headquarters and between disaster headquarters at each company and business site
- (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 a damage, we have established and operate a basic policy for safe operations overseas with the aim of minimizing the damage.

When implementing a new project, we confirm risks in advance as required through such means as risk assessments covering local laws and regulations, the surrounding environment, infrastructure, facilities, and substances used.

## **Prioritizing Life, Safety and Compliance in All Business Activities**

Toshiba Group has set items related to health and safety (Toshiba Labor Agreement and work regulations in Japan), and when faced with lifethreatening risk, employees are required to take the basic action of first reporting to their supervisor (or the administration division) and then following the instructions given. 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.

Social

# **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 their firm resolve to ensure OHS. The President and CEO and CHSO both convey messages from FY2020. In addition to messages to the entire Group, top management at each Group company and business site, including those overseas, sends messages to all their employees and develops their own OHS initiatives.

# **Toshiba Group OHS Conference**

First held in 1975, the Toshiba Group OHS Conference has been held every December to share information for the purpose of raising the level of OHS activities and generating greater awareness about OHS management. The main participants are top management, labor union representatives, and people in charge of OHS activities in Toshiba Group in Japan. Companies and business sites as well as to small-group activity programs and improvement proposals by individuals that set an example for others are commended for their excellent OHS-related activities through the granting of the President and CEO's Award for Excellence. Since FY2008, the Conference has been integrated with the CSR Conference, and the CEO commends the efforts in OHS management made by overseas Group companies in addition to those in Japan. In FY2020, we did not hold the conference with physical attendance to prevent the spread of COVID-19. Instead, we opened a special internal website, *Sustainability Forum*, to share information on awarded activities.

We established regulations for OHS awards consisting of awards for OHS promotion and OHS improvement as well as OHS slogans with the aim of enhancing the Group's safety management and the three occupational health management\* activities along with raising awareness of employees' participation in OHS activities.

In FY2020, two business sites won the OHS promotion award, two groups won the OHS improvement award, and one slogan each was commended for safety and health. The winning slogans will be used in OHS posters for the next fiscal year at Toshiba Group business sites throughout Japan.

\* 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 recover a healthy condition.

#### **Examples of OHS Award Winners for FY2020**

- ♦ OHS Promotion Award
- · Dissemination and development of new exercises incorporating elements of locomotion training
- · Early resumption of operations amid the COVID-19 pandemic
- OHS Improvement Award
- · Supervision and development of educational content using VR to experience dangerous situations
- · Elimination of risks in sodium loop facilities and sodium-potassium alloy equipment

#### ◆ FY2021 Safety/Health-related Posters (based on award-winning slogans from FY2020)





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Social

#### Comparisons and Data, etc.

# **Education and Training for OHS**

Toshiba Group in Japan conducts various types of OHS-related educational programs for each level of the organization, from Toshiba through to business sites.

Toshiba conducts regular Company-wide OHS training programs for entry-level and mid-level employees engaged in OHS as well as for industrial physicians and occupational healthcare staff to enhance their 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 business site as well as programs for employees engaged in OHSMS in an effort to enhance the capabilities of personnel engaged in OHS.

Toshiba Group overseas ensures the competence required for OHSMS in accordance with the actual situation in each country.

#### Attendance of educational courses at Toshiba (programs organized by the Human Resources and Administration Division) (FY2020)

Educational program	Target	Period	Number of attendees
Training for OHS staff (employees in charge of OHS activities)	Employees in charge of OHS activities at Toshiba Group in Japan	July 2020	143
Education for new employees in charge of OHS activities	Employees who have been in charge of OHS activities at Toshiba Group in Japan in the past year	September 2020	65
Introductory education for new industrial healthcare professionals	Industrial physicians and public health nurses who joined Toshiba Group in Japan	At time of joining the company and after three months	9
Education for industrial nursing professionals	Public health nurses at Toshiba Group companies and business sites in Japan (including industrial physicians in FY2020)	March 2021	115 Held concurrently with the conference for industrial physicians in FY2020
Courses on achieving a lively work style (includes health-related education)	Employees of Toshiba Group in Japan	July 2020	Number of attendees: 67,154 (Attendance rate of 98.5%)

#### Key education and training programs at business sites

Category	Type of education	Target	Instructor	
Statutory education on legal affairs	OHS education per work operation for a new worker or a worker whose operations have been changed	New recruits and employees whose work duties have changed	OHS staff at business sites or staff at the workplace accepting the new employee	
	Training when appointed safety officer	Employees newly appointed as safety officers who are qualified under the Ordinance of the Ministry of Health, Labour and Welfare		
	OHS education on foreman duties	Employees promoted to foremen or direct supervisors of workers in operations (excluding operations chief)	Qualified in-house personnel or outside instructor	
	Special educations for safety and health concerning operations, courses for various licenses, skills training, etc.	The workers engaging in restricted work or their operational chiefs		
	Education in order to enhance individual abilities for safety officer, etc.	Employees with at least five years experience since obtaining qualification, etc.		
	Health education by age	Employees who have reached the age of 30, 40 and 50		
Non-statutory education and training	OHS-related education at time of promotion (mental health, etc.)	Employees promoted to managerial positions	OHS staff at business sites	
	Education for OHSMS risk assessors	Employees conducting workplace risk assessments		
	OHSMS internal auditor training	Employees appointed as internal auditors at each business site	Outside instructor	
	Education for employees engaged in specified work	Workers engaged in operations involving the risk subject to business site management	Applicable workplaces	
	Workplace emergency response training	Workplace-specific emergencies		
	Simulation of large-scale earthquake at business sites	Employees, resident subcontractors, etc.	Administration departments at business sites	

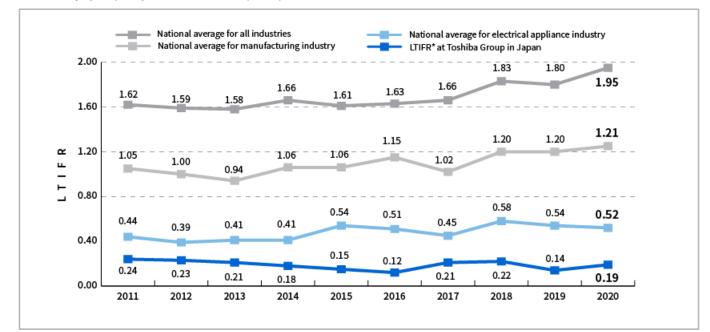
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Social

# **Occupational Accidents**

The frequency of occupational accidents (frequency of lost workdays) of Toshiba Group in Japan in FY2020 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 FY2020 was 95 in total, almost unchanged from the previous fiscal year, with 31 cases resulting in lost workdays and 64 cases without lost workdays. The number of fatal accidents involving Toshiba Group employees over the past three years was zero in FY2018 and one in FY2019 (in Japan). While no such accidents occurred in Japan in FY2020, as the number of fatal accidents outside Japan is still being calculated, it will be disclosed later on the **Sustainability website**.

The most common types of accidents were falling, reaction to motion/improper motion, caught in/between, 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 32% 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 for FY2020, 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. Therefore, 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 using similar equipment. As for occupational accident prevention activities, Toshiba's corporate staff division has set objectives for promoting OHS of Toshiba Group. Based on these objectives, each Group company and business site in Japan formulates promotion goals and plans while sharing their unique challenges, 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.

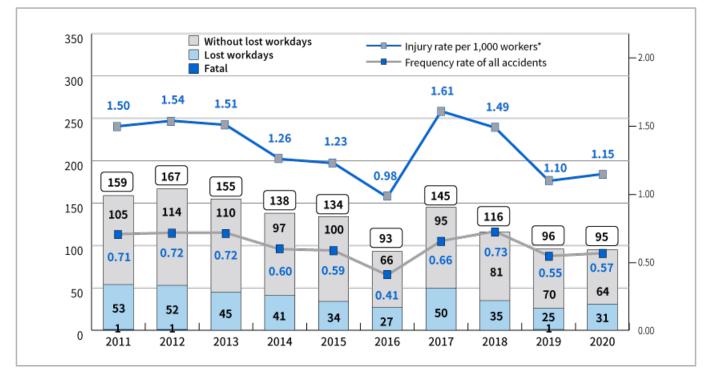
\* Includes accidents involving part-time workers, fixed-term workers and dispatched workers.

\* Due to errors in the figures for FY2019, the figures disclosed in the Sustainability Report 2020 have been revised.

Corporate Information	Sustainability Management	ESG Performance
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Governance

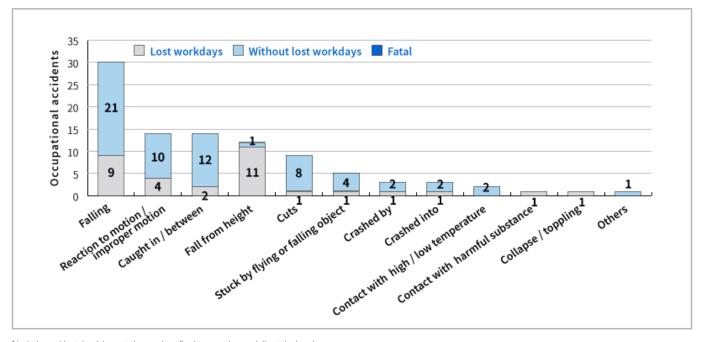
#### Incidence of work-related accidents (Toshiba Group in Japan)



\* Frequency rate of all accidents: The number of accidents occurring in a workplace per 1 million man-hours worked (the sum of those without lost workdays, with lost workdays and with fatalities). \* 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 FY2020 (Toshiba Group in Japan)



\* Includes accidents involving part-time workers, fixed-term workers and dispatched workers.

Toshiba Group takes the fatal accident that occurred in FY2019 very seriously, and 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 with the aim of striving for zero serious accidents on an ongoing basis. Based on the results of this risk assessment, we will review work methods to identify and eliminate risks, and systematically take necessary measures such as improving facilities and providing thorough training for employees to reduce and control such risks.

Environment

Governance

# **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 them as the top priority measures within the Toshiba 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\*1 and population approach\*2.

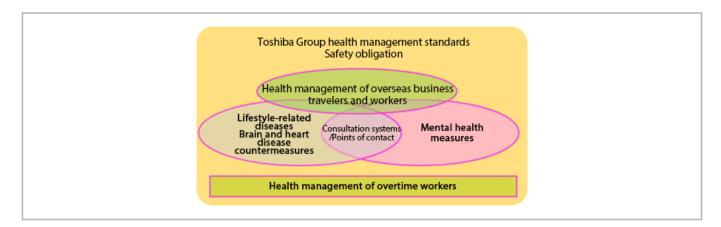
Toshiba Group overseas is working to maintain and improve the health of its employees in accordance with the actual situation of each country.

\*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> <li>Return-to-work program support</li> <li>Strengthen ties between workplace, personnel and industrial healthcare professionals</li> <li>Anti-suicide measures</li> </ul>	<ul> <li>Brain and cardiovascular disease countermeasures (work classification determined based on levels of regular medical checkup data)</li> </ul>	<ul> <li>Prevent diabetes from becoming severe</li> <li>Strengthen health management of employees on overseas assignments</li> </ul>
Population approach	<ul> <li>Workplace care education</li> <li>Self-care education</li> <li>Stress checks</li> </ul>	<ul> <li>Set targets and provide support for lifestyle improvement</li> <li>Health education for each age group</li> </ul>	
Measures to comply with regulations and prevent overwork			



## **Response to the 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 to society and provide these businesses and services, we are continuing activities at sites engaged in manufacturing, services and distribution with appropriate measures in place to minimize the risk of COVID-19 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. We made a decision that in principle employees were to work from home where possible and set a target attendance rate for each job type for workplaces where working from home is viable. To support 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 strived to inform 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 supervisors and wear a face mask to prevent infection.

For employees stranded overseas due to border restrictions, we conduct health-related surveys to confirm employees have access to medication they need and provide necessary support.

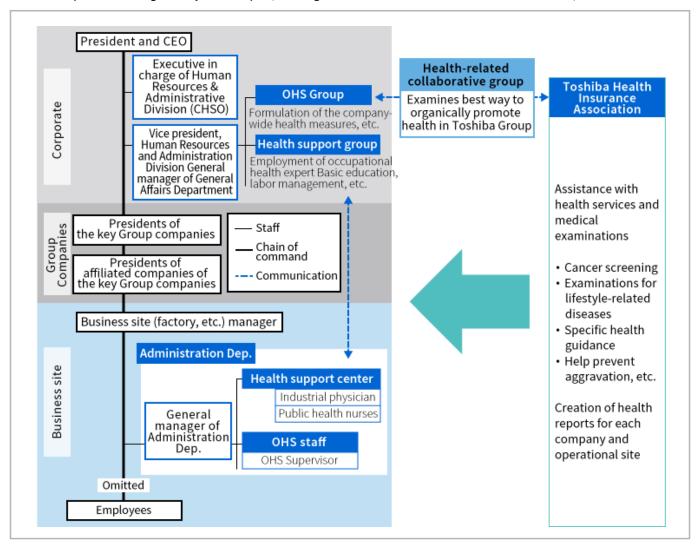
Please see "Toshiba Group's Response to COVID-19" for Toshiba Group's basic policy and the latest responses to COVID-19.

Governance

# **System for Health Management**

Toshiba Group in Japan has held the OHS Management Conference on a 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 though the governance line. As for the system for implementation, the function of providing support in the area of occupational healthcare had been provided by a separate company from FY2002, with related services provided based on a 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 business sites 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 business site. In addition, we launched the Collabo-Health Meeting and started convening meetings in FY2019 together with the Toshiba Health Insurance Association, to study how to promote health measures throughout the Toshiba Group in Japan organically. This meeting aims to accelerate OHS

Association, to study how to promote health measures throughout the Toshiba Group in Japan organically. This meeting aims to accelerate OHS management and enhance health at the various life stages of employees in addition to realizing the Company's objectives of enhancing corporate value and ensuring a bright and vibrant life for our employees. It is also designed to help achieve the social missions and goals of the Toshiba Health Insurance Association such as optimizing medical expenses.



#### Toshiba Group's health management system in Japan (including the role of the Toshiba Health Insurance Association)

Corporate Information	Sustainability Management	ESG Performance
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ce Environment

Social

Governance

#### Toshiba Group Key Performance Indicators (KPIs)

KPIs for health management were set forth as shown below at the OHS Management Conference for FY2019. We will aim to further improve items which have already attained nationwide target figures and raise the level of items which are yet to achieve targets nationwide. Our varied approach will center on improving the process indicator, lifestyle habits.

	Health-related KPIs Monitor the ratio of each item to the whole		FY2020 result of Toshiba Group in Japan	Target figure*1 (Nationwide)	Achieved/ Not achieved
	High risk of	High blood pressure requiring more than normal consideration	3.8%	7.2%	Achieved
Outcome indicators	cerebral heart disease	High blood sugar requiring more than normal consideration	2.5%	2.5%	Achieved
meina	Matabalic sundrama patients	All ages	17.7%	14.5%	Not achieved
Dutco	Metabolic syndrome patients	Over 40	20.4%	13.0%	Not achieved
	Metabolic syndrome	All ages	17.5%	14.1%	Not achieved
	preliminary group	Over 40	18.7%	12.3%	Not achieved
	Smoking: Percentage of smokers		24.2%	21.5%	Not achieved
ors	Exercise: No. of steps below national average (equivalent) (5,000 steps or less/day)		24.7%	0%*2	Not achieved
ndicat	Meals: Percentage of those who do not eat breakfast		27.8%	15.2%	Not achieved
Process indicators	Meals: Percentage of those who ha (within two hours before going to s	-	13.9%	14.4%	Achieved
	Sleep: Percentage of those who are sleep-deprived		21.0%	25.9%	Achieved
	Drinking: Percentage of those who binge drink		25.0%	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 makes efforts so that no employees have a daily number of steps clearly below the national average of 5,000 steps (male: 7,636 steps, female: 6,657 steps </adat from National Health and Nutrition Survey for 20-64 year olds>) (excluding wheelchair users or those 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 steadily provided priority support to employees at high risk of developing brain and heart diseases, through such means as work management and health guidance, according to work classification determined based on levels of regular medical checkup data, a shared standard across all Group companies since FY2011. We also run a program to prevent diabetes from becoming severe in collaboration with the 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 the canteen menu and providing opportunity to exercise, since FY2013. We introduced a health-related education program for each age group in FY2014 and have been supporting 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 improving patients and those having a high risk, we aim to prevent others from having the metabolic syndrome by providing specified health guidance led by the Toshiba Health Insurance Association and implementing measures to enhance health guidance as a company.

## Examples of initiatives to improve eating habits

At the Smart Community Center in Kawasaki, the cafeteria displays the amount of calories contained in food on digital signage and automatic cash registers, and industrial healthcare professionals issue health-related newsletters.

In addition, at Keihin Product Operations, we distribute pocket health cards to employees who tend to eat food from convenience stores during business trips to encourage them to choose more well-balanced meals.



Calories are displayed at the Smart Community Center in Kawasaki



Governance

A pocket health card from Keihin Product Operations

#### **Promoting exercise habits**

At Toshiba Fuchu Complex, we devised a special stretching routine to help prevent locomotive syndrome and accidents that involve falling over and built it into workplace exercises. We are working on promoting health together with the community and in cooperation with Fuchu City in Tokyo. Since FY2020, the Headquarters business site created an original exercise called *Mina-tore*, which is named by combining *Mina* (meaning everyone in Japanese), Minato-ku, where the Headquarters is located, and "tore" (meaning training in Japanese), and has released a video for employees.

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 health guidance 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 Conference 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 in-house communication magazine. Toshiba Group is undertaking anti-smoking campaigns at business sites that make use of the subsidy system offered by the Toshiba Health Insurance Association, and No Smoking has been enforced during work hours since January 2020.

At the OHS Management Conference in FY2020, it was decided that all smoking areas left for use during break-times



Examples of tools used to spread awareness on no smoking

should be removed by the end of FY2021. Toshiba Group will take further actions for smoking cessation from the perspective of health management, including supporting smokers to quit smoking.

Social Environment

#### Corporate Information Sustainability Management

ESG Performance

Environment

Governance

#### **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. Going forward, 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 awareness-raising and educational activities

In addition to the intranet, a PR magazine Kenpo Information published by the Toshiba Health Insurance Association is one of the tools to promote awareness and education about mental health. We also provide e-learning on self-care for Group companies in Japan every year to support employees to self-develop a healthy mind. In FY2020, 67,154 people from Group companies in Japan received the course, marking a 98.5% 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.



Examples of e-learning material

#### 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 business 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 (90.2% for FY2020).

All employees whose stress check score exceeds set criteria are asked if they would like to receive consultation, and those interested receive 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. 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, Toshiba began training managers as listeners, and has implemented mental health education for managerial ranks in response to the trend of the times. At present, management at each business site can take workplace care seminars at the time of promotion as well as courses on mental health-related topics at the in-house training center. The management seminars deal with the Company's obligation to ensure safety, which is of utmost importance, key points to prevent the abuse of power in line with a revision to the law in FY2019, as well as the importance of self-care for the busy managers themselves.



Examples of materials for the management seminar

#### Corporate Information Sustainability Management I

ESG Performance

Environment

Governance

#### Feedback of workplace stress check charts to 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\*. These charts serve as sources of ideas for managers on how to make improvements in the workplace. Each manager then implements the improvement measures with the support of industrial healthcare professionals and the administration division if required. Five years have passed since the system started and a number of excellent improvement practices have been accumulated. By sharing such measures at each Group company, we aim to enhance the level of stress management throughout the entire Toshiba Group in Japan.

\* Cumulative 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 Professionals at Business Sites

Industrial healthcare professionals (including industrial physicians, public healthcare nurses and professional psychologists) offer support for the independent self-care (primary prevention) of employees through various interviews (providing measures to follow-up 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 recurrence prevention for those who have taken leave (tertiary prevention) in cooperation with the workplace, the administration division, households and medical institutions, 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 professionals coordinate 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 joining the Company, after three months, specialized programs, etc.) and hold 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 continuously seeks 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 business site has established the Health Information Handling Regulations. Industrial healthcare professionals and other related personnel in each Group company take care in the handling of 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 professionals at each business site play a central role in building a network with local external medical institutions and return-towork 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 professionals liaise with the local occupational health support center to supplement the care otherwise provided by industrial healthcare professionals.

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 the Toshiba Health Insurance Association and Toshiba.

The service covers such areas as mental and physical health problems, childcare and nursing care provided by telephone, email or in-person counseling, while ensuring privacy. The long-standing service is available to employees as well as their families, and quite a few inquiries have been made.

Health Management for Employees Working Excessive Overtime

Sustainability Management

While the first principle of Toshiba Group in Japan is to transition to a working style in which employees are not expected to do overtime (work style reform), the Group has also been working to prevent health problems caused by overtime work since before the revision to the Industrial Safety and Health Act in 2006. For example, employees who work 80 hours or more overtime per month are required to receive health guidance from industrial physicians (interview guidance for employees working excessive overtime).

This standard sufficiently meets the requirements of the revised Industrial Safety and Health Regulations enforced in April 2019.

## Health Management of Employees Stationed Overseas

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 have a checkup once a year while away, including for the employee's family. We are taking steps to ensure employees stationed overseas 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 members with optimal support in line with each county's medical care system such as consultation and information on local medical institutions and arranging emergency transport.

We are taking a flexible approach to medical checks for employees who work overseas amid 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, conditions of local medical services and the risk of infection.

## **Infectious Disease Countermeasures**

Corporate Information

Toshiba Group compiles the latest information gathered from various sources that include the Ministry of Foreign Affairs, companies specializing 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 spread, and distributes it to those stationed in relevant countries in order to alert them on such risks. Toshiba Group in Japan also gives guidance to employees assigned to work overseas and their accompanying families, on medical, safety, infectious disease measures and other information on life overseas. Once overseas assignment is confirmed, a briefing is held, including prior medical checkups and shots of vaccination. New recruits in Japan are provided with booklets containing information about HIV/AIDS. Along with other awareness-raising programs covering topics such as the prevention of HIV infection, the Group calls for the prohibition of unfair discrimination due to insufficient knowledge about the disease. In addition, business sites cooperate with the government for rubella antibody tests for target age groups by providing the venue of medical examination.

## **Evaluation by External Parties**

As a result of our health-related efforts, we were selected by Nippon Kenko Kaigi\* as the 2021 Certified Health and Productivity Management Organization Recognition Program; namely, Toshiba and its key Group companies (excluding Toshiba Tec Corporation), Toshiba Lighting & Technology Corporation, Toshiba Carrier Corporation and its two group companies, Toshiba IT & Control Systems Corporation, and Toshiba Plant Systems & Services Corporation (Large enterprise category) as well as Toshiba Precision Corporation (Small- and medium-sized enterprise category). Further, Toshiba Lighting & Technology was also selected in the White 500 as one of the top 500 companies based on health and productivity management survey results.

\* An entity comprising private organizations such as economic groups with the support of 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 in 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

> Promotion of Sustainable Procurement



Social

## **ESG Performance: Social** Promotion of Sustainable Procurement

Toshiba Group promotes sustainable procurement activities through its supply chain.

What are sustainable procurement activities?

Sustainable procurement activities refer to procurement that is sustainable over the future, aiming to fulfill social responsibilities, such as following laws and regulations, social norms, protecting human rights, occupational health and safety, and the environment, including those of suppliers. In 2017, the ISO 20400 "Sustainable procurement - Guidance" was published, setting standards for various social responsibilities in procurement activities, including those for the environment and human rights.

#### 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 providing instructions for improvement

#### FY2020 Achievements

**Revision of the Toshiba Group Responsible Minerals Sourcing** Policy

**Revision of the Toshiba Group Procurement Policy** Surveys of suppliers and providing instructions for improvement:

 Conducted self-assessment (RBA Self-Assessment Questionnaire) and providing individual guidance based on the results

• Conducted a responsible minerals sourcing survey

· Conducted a supplier environmental conservation survey

#### Information exchange and discussion with experts toward resolution of issues:

• Participated in RBA member meetings

#### **Response to COVID-19:**

• Worked with suppliers to secure supply and minimize the impact on business

#### **Future Challenges and Approaches**

We will request suppliers to agree with and implement the Toshiba Group Procurement Policy and evaluate their CSR initiatives. We will also educate our procurement employees about important CSR issues in the supply chain, such as human rights, labor, health and safety, and the environment.

ESG Performance

Environment

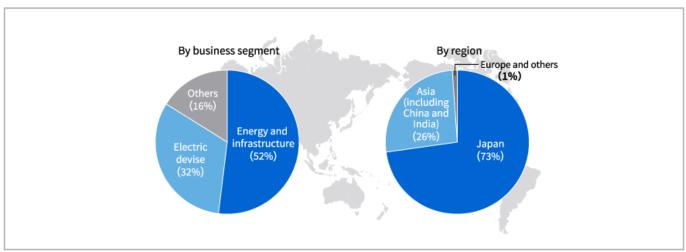
Governance

## **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 52%, electric devices account for 32%, and others account for 16%. By region, Japan accounts for 73%, Asia (including China and India) accounts for 26%, and Europe and others account for 1%.

In our efforts to promote sustainable procurement activities throughout our supply chain, Toshiba Group takes a risk-based approach that rates the importance of major suppliers with whom we have recurring business with, taking into account factors particular to the business sector and region.



#### Procurement component ratio by business segment and region (Japan/overseas) (FY2020, 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 taking advantage of the International Procurement Offices (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 version, and whenever the contents of the said policy are revised in keeping with social trends, 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 responsible minerals sourcing. In FY2020, we revised the Toshiba Group Procurement Policy to incorporate the Toshiba Group Responsible Minerals Sourcing Policy and clarify requests to suppliers.

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.

Governance

#### 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	We declared that we give priority to suppliers who comply with laws, regulations and social norms and whether they respect human rights, when selecting new suppliers and renewing contracts. 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).
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.
Feb 2021 revision	Concerning requests to suppliers, we incorporated the revision of the Toshiba Group Responsible Minerals Sourcing Policy and added guidelines that we had separately requested our suppliers to follow, namely, "Toshiba Group Green Procurement Guidelines," "Toshiba Quality Assurance Guidelines for Suppliers," "Toshiba Software Quality Assurance Guidelines for Suppliers," and "Toshiba Product Security Quality Assurance Guidelines for Suppliers (Software Edition)."

\* 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 through the supply chain in accordance with international standards, in June 2011, Toshiba joined the RBA, the organization for CSR promotion in the electronics industry. In order to fulfill CSR in the areas of labor, 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 the RBA Japan Network together with RBA member 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. We participated in an RBA membership meeting (online meeting) held in the United States in September 2020, and the RBA Outreach Meeting in Japan held online in January 2021. In these meetings, we learned about the latest global trends, exchanged information and held discussions with experts to create a responsible supply chain.

We request suppliers of Toshiba Group companies to carry out CSR self-assessment each year in accordance with the RBA Code of Conduct depending on their respective industries, to check how they implement initiatives regarding compliance with laws, regulations and social norms, human rights, occupational health and safety, environmental conservation, and ethics. Based on the assessment results, we provide guidance to individual suppliers in accordance with their risk levels, and request that they make improvements.



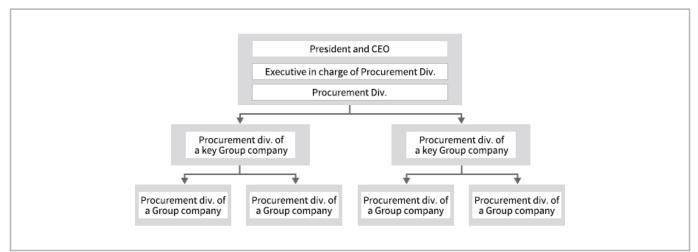
Environment

Governance

## **Structure to Promote Sustainable Procurement**

In April 2020, Toshiba Group established an independent team specializing in sustainable procurement activities within the Procurement Division at Toshiba's Headquarters. To promote sustainable procurement activities in areas such as human rights, labor, health and safety, and the environment, the specialized team collaborates with related divisions such as sustainability management, the environment, and each business division. Through our structure for promoting sustainable procurement activities, we provide information and education to Toshiba Group companies to ensure that they are fully aware of and comply with our measures.

#### Toshiba Group sustainable procurement promotion structure



#### **Training Procurement Employees**

Training on the Standards of Conduct for Toshiba Group, the Toshiba Group Procurement Policy, and sustainable procurement is included in our training programs for procurement employees at all organizational levels, including the training program for new employees and for transferees. In addition to these level-based programs in FY2020, we provided education to raise awareness on sustainable procurement to approximately 100 procurement employees of Toshiba Group in Japan, to further strengthen our initiatives.

#### **Response to COVID-19 in the Supply Chain**

In response to COVID-19, we have taken necessary countermeasures in collaboration with suppliers to ensure supply in order to minimize the impact on business. Specifically, we assess risks in corporate activities and logistics in regions where the infection is spreading to instigate measures to minimize the impact on our business.

#### Corporate Information

## Thorough Implementation of the Toshiba Group Procurement Policy and Its Monitoring

#### **Thorough Implementation of the Procurement Policy**

We request suppliers to consider CSR in accordance with the 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 primary suppliers (cumulative numbers\*) to abide by this revised content, and obtained their consent. In FY2020, Toshiba Group selected approximately 2,000 companies as new suppliers based on the Policy for Selecting Suppliers stipulated in the Toshiba Group Procurement Policy. We distributed the Toshiba Group Procurement Policy to new suppliers and briefed them on its content, requesting their consent, including to encourage secondary suppliers to also adhere to the policy.

\* As Toshiba Group companies conduct surveys based on each contract, we count a supplier with multiple contracts based on the number of contracts with the supplier, and therefore the number of suppliers is cumulative. Additionally, the company numbers are approximate due to there being commercially sensitive information.

> Toshiba Group Procurement Policy

#### Monitoring

Toshiba Group monitors the status of management at suppliers that have ongoing businesses at the time of quality audits at manufacturing sites and requests improvements and provides support 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 as well as supplier surveys to monitor their performance in accordance with the Toshiba Group Procurement Policy (including self-assessment) at each business site. In FY2020, we conducted surveys on human rights for 2,603 suppliers, health and safety surveys for 2,789 suppliers, and environmental surveys for 4,263 suppliers (the figures are cumulative numbers of Toshiba Group's suppliers). As a result of surveys, for example, we requested the proper use of protective equipment and other measures.

Since FY2019, we have expanded the scope of the survey to suppliers of products and components, regardless of whether they are used in products under the Toshiba brand, as our primary suppliers.

Торіс	Participation in briefings	Surveys*	On-site audit*	
Human rights/Labor	2,366	2,603	167	
Health and safety	2,868	2,789	222	
Environment	3,333	4,263	108	

#### Number of suppliers participating in briefings and those covered by the survey (FY2020, Toshiba Group, cumulative)

\* The surveys include self-inspections using the RBA Self-Assessment Questionnaire (SAQ), third-party audits, and surveys/audits using our own standards.

#### Handling of Suppliers in Breach of the Procurement Policy

If a supplier violates the standard for procurement transactions, 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.

#### Number of suppliers subject to guidance & support and suspension of transactions (FY2020, Toshiba Group, cumulative)

Торіс	Guidance and support	Suspension of transactions
Human rights/Labor	93	0
Health and safety	193	0
Environment	68	0

Corporate Information Sustainability Management ESG Perform	ance
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rmance Environment

Social

Governance

#### Examples of supplier guidance & support (FY2020)

Environmental activities	<ul> <li>Thorough implementation of the environmental policy and the Green Procurement Guidelines among the employees of suppliers</li> <li>Guidance on how to treat industrial waste material, etc.</li> </ul>
Human rights and OHS	<ul> <li>Thorough implementation of 5S (Sort, Set in Order, Shine, Standardize, Sustain) management</li> <li>Supporting smelters to obtain conflict-free certification*</li> <li>Guidance on proper use of protective equipment</li> </ul>

\* Conflict-free certification: A system that has a third-party organization certify that an operator does not use conflict minerals (conflict free).

#### **Clean Partner Line, Whistleblower System for Suppliers and Business Partners**

Toshiba Group 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. Two reports were made in FY2020, and for both cases, we conducted an investigation cooperating with related divisions. We issue a directive to make improvements or a warning for any inappropriate or suspicious activity discovered in business transactions.

#### Corporate Information Sustainability Management

ESG Performance

Environment

Social

## **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, health and safety, 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. Every year, driven by the Essence of Toshiba upholding "Do the right thing" through compliance, TIP conducts training for business partners, including suppliers, service providers, and contractors, to deepen their understanding of social responsibilities in the social and environmental fields. The training is a two-hour refresher program on Social Accountability Management System based on activities anchored on the Responsible Business Alliance (RBA) Code of Conduct. In FY2020, the training was conducted online to prevent the spread of COVID-19. TIP believes that holding the training online has also helped promote business activities adapted to the new normal among its business partners. This training 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. The training was attended by Human Resource and/or Administration representatives from 34 business partners and was facilitated by a lecturer from TIP's General Affairs and Compliance Department. The training provided a platform for the participants to share their experiences and best practices in adopting the RBA Code of Conduct.

As part of engagement with suppliers, virtual site compliance audit was also conducted to pre-selected suppliers every semester to support them to meet the level of compliance required by TIP'. With continuous education and awareness programs, together with a strong collaboration and communication, TIP hopes to intensify sustainability management promotions and compliance within its supply chain.



Online training for business partners

#### Toshiba Group Sustainability Report 2021 155

ESG Performance

Environment

Governance

## **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**

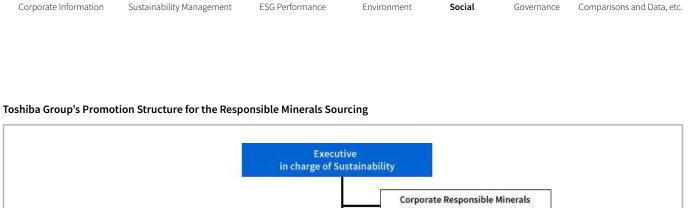
Toshiba Group has put in place this policy and the provisions below in order to avoid complicity in any conflict in any high-risk area, and in order to prohibit the use of tin, tantalum, tungsten, gold and cobalt whose production is the result of human rights violations, including forced labor and child labor, environmental pollution, corruption, or other abuses.

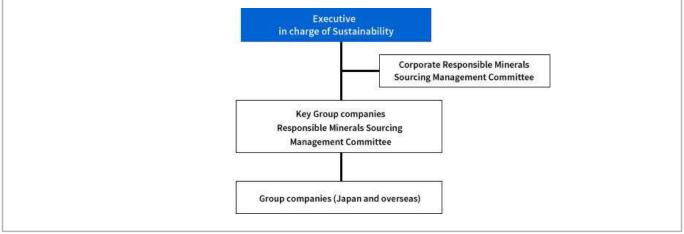
- We undertake appropriate supply chain management, in accordance with the provisions of the 🚺 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. (PDF: 3.5MB)
- We require suppliers to procure minerals from smelters that are compliant with 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 Group's Promotion Structure for 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.





## **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 630 suppliers (cumulative number) that might use 3TG in FY2020. We also took part in preparing materials explaining the recent trends in minerals surveys and the questionnaire in the latest version of the survey as a member of JEITA Responsible Minerals Trade Working Group in order to deepen the understanding of responsible mineral procurement.

> JEITA Responsible Minerals Trade Working Group (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

Related organizations and projects	Toshiba Group Activities		
RBA (Responsible Business Alliance)	Joined in June 2011.		
RMI (Responsible Minerals Initiative)	Participate in meetings and workshops as a member.		
JEITA 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.		

> JEITA Responsible Minerals Trade Working Group (Japanese)

Social

Governance

## **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 preferentially 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.6 of our Green Procurement Guidelines in February 2020 and Ver.6.1 in April 2021. In Ver.6, we revised Toshiba Group's Basic Policy for the Environment and reviewed Toshiba Group List of Environment-related Materials/Substances (in Products). In Ver.6.1, we reviewed the Toshiba Group List of Environment-related Materials/Substances (in Products) again.

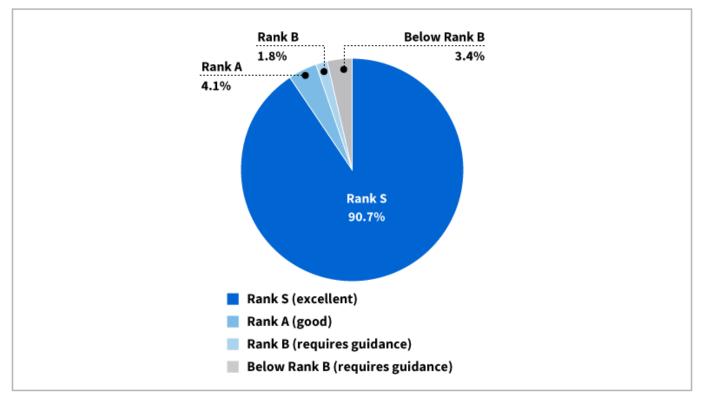
We ask our suppliers for their understanding and cooperation regarding green procurement, evaluate their environmental performance, and conduct inquiries and assessments of chemical substances contained in the goods procured.

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 (FY2020)

#### (Priority suppliers 94.8% 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.

ESG Performance

Environment

# ESG Performance: Social Quality Control for Safety and Reliability

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 Basic Commitment of the Toshiba Group, which is 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

#### FY2020 Achievements

- Conducted product quality training online since the spread of COVID-19 made it difficult for participants to physically attend the training.
- Conducted 21 programs in Japan, attended by a total of 571 people. Conducted 9 programs in China with internally-trained local staff as lecturers, attended by a total of 130 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.

## **Policy on Quality Control**

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 improve 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.



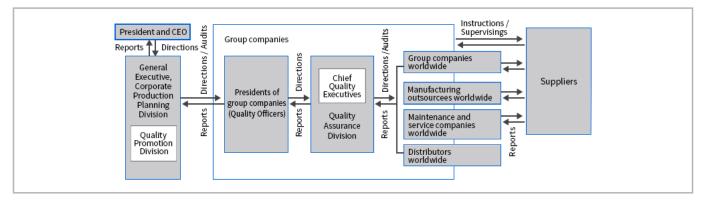
Environment

Social

# **Structure of Promoting Quality Control**

The executive in charge of 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 ISO 9001, which is the basis of quality management systems; IATF 16949, 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 (ISO 9001 and Others) Certified at Manufacturing Sites as of March 31, 2020

	Targeted sites	Certified sites	Percentage of certified sites
Toshiba Group in Japan (including Toshiba)	68	63	92.6%
Toshiba Group overseas	39	36	92.3%
Toshiba Group TOTAL	107	99	92.5%

Environment

Governance

The FY2020 status will be updated on the **Sustainability website** as soon as it is finalized.

## **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 FY2020, a total of 701 employees participated in the training programs from Japan and overseas countries. We also provided compliance training and e-learning on the Electrical Appliance and Material Safety Law for 72,893 related employees in Japan in FY2020 and the participation rate was 99.7%.

#### 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 (conducted online in FY2020)

## Improving the Quality of Design

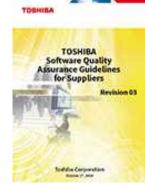
In order to enhance our capabilities to ensure product quality at the design stage, Toshiba Group is promoting FMEA (Failure Mode and Effects Analysis) mainly for design work as part of our Design for Quality (DFQ) initiatives. We are working to provide practical education to broaden the base of FMEA 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. By mutually implementing these guidelines, we are working to maintain and improve the quality of procured products. 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.



Toshiba Quality Assurance Guidelines for Suppliers



Toshiba Software Quality Assurance Guidelines for Suppliers

#### > Promotion of Sustainable Procurement

ESG Performance

Environment

Governance

## **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 announcement 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)

#### Corporate Information Sustainability Management E

ESG Performance

Environment

Governance

# ESG Performance: Social Product Safety and Product Security

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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

#### **FY2020 Achievements**

The number of incident reports under Consumer Product Safety Act



Breakdown: 2 cases that were suspected to have been caused by products; 2 cases<sup>\*</sup> 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<sup>\*1</sup>, CE Marking<sup>\*2</sup>, 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).

Environment

Governance

## **Structure of Response to the Occurrence of Product Accidents**

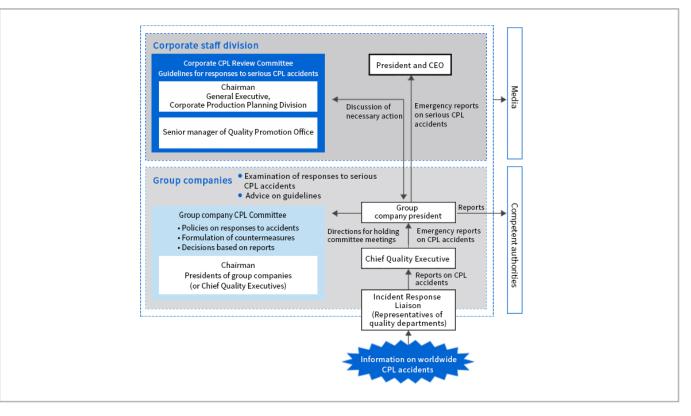
If an employee discovers information on accidents involving Toshiba products in the market, he/she promptly alerts the accident response staff in the relevant companies. Then the necessary measures are discussed and enacted by the CPL Committee<sup>\*1</sup> of relevant companies, chaired by a senior 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 FY2020, Toshiba disclosed a total of four accidents in the list of serious product accidents on our Japanese website\*<sup>2</sup>: two cases that were suspected to have been caused by products, two 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 is chaired by its president, and 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



ESG Performance

Environment

Social

## **Preventing Occurrence and Recurrence of Serious Product Accidents**

Toshiba Group is working to ensure product safety with 93.2% of manufacturing sites with a product development process conducting design reviews related to product safety (as of March 2020).

In addition, 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.

### 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 (73,112 in FY2020 with participation rate of 99.7%) 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.

## **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.

> Important announcement for customers (Japanese)

#### Inspection and labeling system for long-term use products

> Inspection and labeling system for long-term use products (Japanese)



Reoccurrence of Accidents

(Japanese)

#### Corporate Information Sustainability Management ESG Performance

Environment

Governance

Comparisons and Data, etc.

#### **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

## **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)

ESG Performance

Environment Social

In FY2020, we launched a recall company notice in the Japanese market and started replacing and collecting recalled products. The number of products subject to the recall is 1,301.

> Notice of Free Replacement of Fluorescent Ceiling Lights (Japanese)

## **Initiatives for Enhancing Product Security**

To ensure security for products, systems, and services, Toshiba Group works to ensure security for product development processes and external products used in its products under its product security management system.

We have devised plans to enhance its product security preparedness according to risk-based priorities, defining four focus areas for product security: maintenance and management of the PSIRT\* framework, handling of vulnerability information, response to product security incidents, and secure development management. We are making a Group-wide effort to prepare product security checklists that summarize the security requirements to be checked at each product development stage as well as guidelines and standard recommended tools corresponding to each of the checklists. We also ask our suppliers to understand Toshiba Group's approach to product security and cooperate with us in providing secure products, systems, and services by preparing guidelines.

Please refer to the Cyber Security Report for details on our product security efforts.

\* Product Security Incident Response Team

> Toshiba PSIRT

## ESG Performance: Social Improvement of Customer Satisfaction

Feedback from our customers is the origin of all our ideas. In order to increase customer satisfaction (CS), 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, corporate staff, and so on.

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Med	um-te	o I ong	z-term	Vision

#### **FY2020 Achievements**

Toshiba Group's goal is to provide high-quality services to customers in all business areas.

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

Environment

Social

# **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



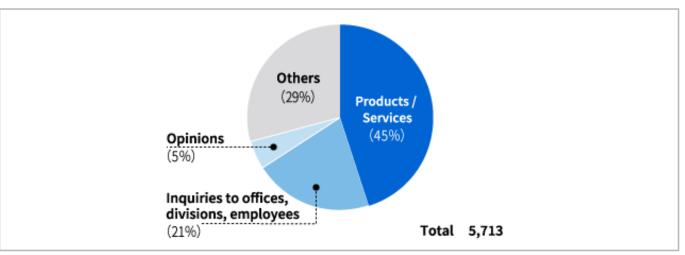
#### **Customer Support**

Toshiba Group have set up call centers for different product groups and services. Each call center formulates its own targets for improving the quality of customer support.

Toshiba Group in Japan 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.

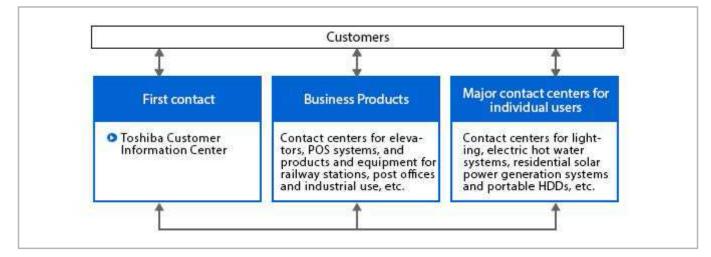
Opinions and requests from customers are fed back to the relevant divisions so that they can be reflected in product and service improvement. Toshiba Customer Information Center has a temporary service center to ensure that the functions can continue even in the event of a natural disaster or other issue. Since the state of emergency declared in 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. We are currently back to normal operation with thorough infection prevention measures in place.

#### Toshiba Customer Information Center: Breakdown of Inquiries (FY2020)



Corporate Information	Sustainability Management	ESG Performance	Environment	Social	Governance	Comparisons and Data, etc.
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#### 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 and training for service engineers.

Moreover, we also have After-sales Service Meetings by region to share information within each region and strengthen cooperation.

Performance Environment

Social

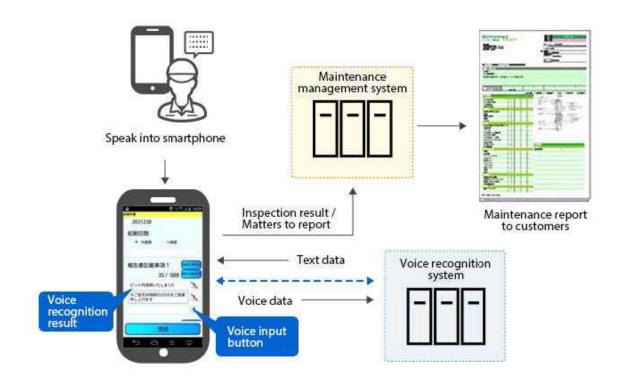
Governance

Comparisons and Data, etc.

#### 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.

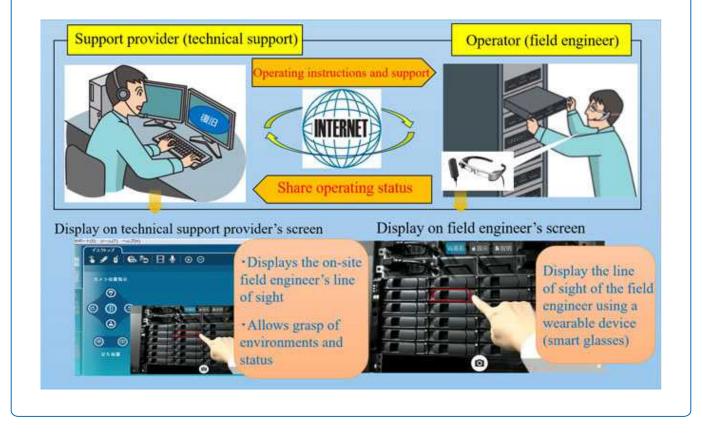


Environment

#### **Activity Example**

#### **Remote Support System Used in Maintenance Services**

Toshiba IT-Services Corporation is introducing a service using remote support system for their information equipment maintenance service.



#### **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 in Japan. 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 2020, we held the 14th Contact Center Competition. Considering the prevention of the spread of COVID-19, judges made their decisions based on pre-recorded conversations. A total of eight participants from five call centers competed in a contest of response quality, in order to encourage overall improvement.



Award for Contact Center Competition (the ceremony was attended by representatives only)

## Improvement of Customer Satisfaction (CS) Mind of Employees

#### **Customer Satisfaction Improvement Month**

In FY2015, Toshiba Group created Customer Satisfaction Improvement Month. Thereafter, we implement measures to promote and raise employees' awareness about the importance of CS during November every year.

#### E-learning to Improve Customer Satisfaction

We provide e-learning for employees to improve customer satisfaction. In FY2020, we held e-learning sessions for 74,103 Toshiba Group employees in Japan, representing that 99% of all employees attended the sessions and learned about the importance of enhancing CS.

#### Customer Satisfaction Lectures

We hold lectures for Toshiba Group employees introducing the activities of companies and people working actively to enhance customer satisfaction. In FY2020, in view of the managerial topic of making a shift in business model to the one that will capture customers, we invited Ms. Hiroko Razavi, the Representative Director of Success Lab Inc. and the author of "What is Customer Success?" to talk about the new CS perspective. This lecture was held online with approximately 1,200 employees viewing.

#### 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. The convention was cancelled in 2020 due to the spread of COVID-19, but we will continue implementing CS improvement measures.

#### **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 FY2020, we provided online training to 137 employees on such topics as the basics of customer response and the basics of writing business e-mails.

ESG Performance

Environment

Governance

## Sharing and Utilization of Voice of Customers

At Toshiba 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.



East Japan Service Information Center of Toshiba Elevator and Building Systems Corp.

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.

#### **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**

Since FY2005, we have conducted quality checks every year to major call centers at Toshiba Group in accordance with the Toshiba Group Contact Center Guideline. We focus on improving matters that are given high priority but show low implementation rate. In FY2020, we provided telephone skills training.

Governance

## **Policy on Customer Information Protection**

Toshiba 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**. The Company strives for continual improvement in its management system.

Toshiba clearly states the purpose while using customers' personal data and, in principle, obtains such information directly based on the consent of customers. 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 held by Toshiba 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

#### Tokyo-Chubu HVDC Interconnection Link Completed, Connecting East-West Grid Operating in 50 Hz and 60 Hz, Respectively

TEPCO Power Grid Shin-Shinano frequency converter expansion project, which was designed, procured, and installed by Toshiba Energy Systems & Solutions Corporation (rated capacity 450 MW  $\times$  2, DC  $\pm$  200 kV, DC 2,250 A), was completed and commenced commercial operation in March 2021.

The transmission grid in Japan is operated in different frequencies (50 Hz in East Japan and 60 Hz in West Japan) where a large power interconnection between the grids is not possible. As such, an HVDC\* system, which converts alternating current (AC) to direct current (DC), is used before transmitting power between the regions. The total interconnection Tokyo (50 Hz) and Chubu (60 Hz) regions was 1,200 MW, with two substations and one frequency converter (FC) station, including Shin-Shinano substation (existing FC station), this interconnecting link started operation. Due to the electricity security crisis following the East Japan Earthquake in 2011, it became more vital than ever to have a more interconnecting capacity



AC/DC converter delivered to Shin-Shinano substation

between the Tokyo-Chubu grids, and it was decided that TEPCO Power Grid would expand the Shin-Shinano FC in the east while Chubu Electric Power Grid would build the Hida FC station (Takayama City, Gifu Prefecture) in the west. With the commencement of commercial operation of the expanded Shin-Shinano FC, the total interconnection capacity has been increased by 900 MW.

Due to frequent large-scale disasters in recent years and the expansion of renewable energy, the need for a power exchange between different regions is growing. Toshiba Energy Systems & Solutions Corporation will contribute to more stable power supply by providing high quality products and services based on expertise and experiences cultivated through manufacturing and construction of facilities in this project.

\* HVDC is an abbreviation for high-voltage direct current. The power is converted from AC to DC at the sending end before being transmitted, and the receiving end system reconverts the power to AC to supply end users.

#### Toshiba Group Sustainability Report 2021 176

#### In Emergencies, Achieve Stable Supply of Electricity with a Hydrogen-based Autonomous Energy Supply System

Toshiba Energy Systems & Solutions Corporation is offering H2One<sup>™</sup>, a hydrogen-based autonomous energy supply system that uses renewable energy and hydrogen and is suitable for various purposes.

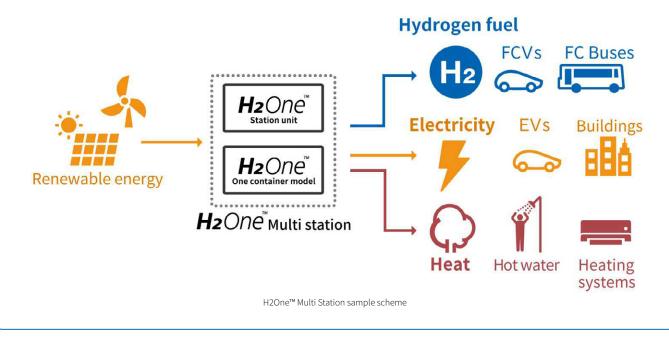
H2One™ Multi Station installed inside the Tsuruga City public wholesale market in Fukui Prefecture started operation in November 2020.

The H2One<sup>™</sup> Multi Station consists of two systems, one-container type H2One<sup>™</sup> and a "local-production for local consumption" style hydrogen

H2One<sup>™</sup> and a "local-production for local consumption" style hydrogen in Tsuruga City, Fukui Prefecture station using renewable energy, H2One<sup>™</sup> ST Unit. It uses green energy generated from solar power within the facility, and not only is it capable of filling hydrogen to fuel cell vehicles (FCV), but it has multi-functions to also supply power to buildings within the premises and electric vehicles. Heat generated from this system is used to warm water used in the facility's lavatories.

The place where the system is installed also acts as a base for relief supplies during the time of a disaster. It can provide three days' worth of power and heat for 300 people in case of blackout. It supports people's living during a disaster by not only maintaining a function for providing relief supplies during power failure but also by supporting hydrogen infrastructure in the surrounding region with hydrogen generated within the facility.

Going forward, we will continue supporting the stable supply of clean energy through providing hydrogen solutions in order to realize a carbon neutral society, while contributing to the creation of communities that remain disaster resilient, and to ensuring business continuity during a disaster.



Environment Social

Governance

Comparisons and Data, etc.



**Activity Example** 

#### Corporate Information Sustainability Management ESG

ESG Performance

Environment

#### Activity Example

#### Protecting Legacy Devices from Cyber Security Issues IoT Security Solution CYTHEMIS™

Toshiba Infrastructure Systems & Solutions Corporation devised the IoT security solution CYTHEMIS<sup>™</sup> 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<sup>™</sup> 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



Governance

IoT security solution CYTHEMIS™

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™

#### 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, 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 the Strategic Procurement Solution 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

#### Corporate Information Sustainability Management

ESG Performance

Environment

Governance

#### 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. In order to offer solutions for issues such as shift to contactless and remote operation at production sites, increasing performance efficiency and productivity, or optimizing energy to achieve carbon neutrality, Toshiba Digital Solutions Corporation provides "Asset IoT Cloud Service for Factories" and "Asset IoT Cloud Service for Equipment Manufacturers", both equipped with the Asset Integration Data Platform\*. These services were developed by combining Toshiba Group's expertise accumulated over the years in operation and maintenance of social infrastructure, energy systems, and plant systems with digital technologies such as IoT and AI. The services work together in the digital space in the Asset Integration Data Platform and support the overall optimization of factory/plant operation and maintenance by digitally linking the factories and plants with manufacturers that deliver equipment there.

\* IoT data platform that utilizes know-how Toshiba Group has fostered over the years regarding infrastructure operation and maintenance support systems.

#### > O&M IoT Solutions (Japanese)

- > Asset IoT Cloud Service for Factories
- > Asset IoT Cloud Service for Equipment Manufacturers

#### Activity Example

#### Cyber Resilience Initiatives to Support Sustainability of Industrial and Social Infrastructure

Occurrence of critical incidents caused by cyber-attacks against essential industrial and social infrastructure such as energy, manufacturing, transportation, and medical institutions will have a severe impact on the continuity of social activities. Toshiba Digital Solutions Corporation provides solutions that realize cyber resilience by minimizing the impact of cyber-attacks and enabling early recovery of systems. It offers various security products with extensive track record on a global scale, including solutions to grasp the latest control network conditions, monitor unauthorized access, and detect abnormal communication, as well as a product that allows data transmission by physical unidirectional communication while cutting off attack communication from reverse direction. Furthermore, the company operates a remote security monitoring service for industrial control systems that detects, analyzes, and gives advice on cyber-attacks based on Toshiba's extensive experience gained through constructing and operating control systems for industrial and social infrastructure. Toshiba Digital Solutions will support the sustainability of industrial and social infrastructure in relation to security issues that become more complex by the day and contribute to the realization of a secure and safe society.

- > Toshiba Security Solution (Japanese)
- > What Is Cyber Resilience that Protects Industrial Infrastructure?
- > Cyber Security Platform for Control Systems (Japanese)
- > Unidirectional Security Gateways, Waterfall (Japanese)

Governance

#### **Activity Example**

#### Carport-type Power Supply System Enabling EV Charging and Electricity in a Blackout with 100% Renewable Energy

Toshiba IT & Control Systems Corporation provides a stationary power storage system to a variety of fields based on Toshiba's lithiumion 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 CO2 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 ecosaving and environmentally friendly. In addition, the battery system employs SCiB™ rechargeable batteries developed by Toshiba Corporation. Compared to ordinary lithium batteries,SCiB<sup>™</sup> 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.

#### Corporate Information

ESG Performance

Environment

## 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.

#### **FY2020 Achievements**

- Destination Control System FLOORNAVI won Bronze Award in the IAUD International Design Award 2020.
- Engaged in hydrogen energy aimed at creating a safe and secure society.

#### **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 Universal Design Principle, Universal Design Vision and Universal Design 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.

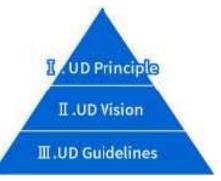
#### **Toshiba Group Universal Design Vision**

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.)



Governance

## **Universal Design Advisor System**

Toshiba Group has a Universal Design (UD) Advisor System in place, in which employees with disabilities and non-Japanese employees are invited to participate. Approximately 90 people had registered for the system as of March 2021. 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. In FY2020, we conducted a survey on the actual conditions of teleworking of people with hearing impairment to improve internal training on learning how to communicate with them.

## **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.

#### oshiba's UNIVERSAL DESIGN

## **Promotion of Universal Design**

#### **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**

#### Destination Control System FLOORNAVI Won Bronze Award in the IAUD International Design Award 2020

Toshiba Elevator and Building Systems Corporation is marketing a destination control system called FLOORNAVI that guides passengers wanting to move to the same floor 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 company's efforts to develop this product in view of universal design were recognized with the Bronze Award in the IAUD International Design Award organized by International Association for Universal Design (IAUD).



#### ormance Environment

ent S

Governance

#### Activity Example

#### Engaged in Hydrogen Energy Aimed at Creating a Safe and Secure Society

Hydrogen is an energy that greatly contributes to the improvement of environmental problems including global warming because it does not emit CO<sub>2</sub> when generating energy. We are engaged in hydrogen energy business with an aim to create a future society where more people can lead a safe, secure and enriched life.

In order to create a hydrogen society, we believe that it is necessary for the people to feel comfortable with and be familiar with hydrogen. We held a drawing workshop with students in Namie Municipal Namie Sosei Elementary School and Junior High School and children in Namie Nijiiro Child Care Center and designed an icon that will help communicate the broad usage of hydrogen in a simple way. The workshop was designated as a place where the children can learn about the mechanism of electricity and hydrogen power generation while they drew pictures as part of the activity to design the icon. We also aimed to gain many people's understanding of hydrogen, the new energy source, by using illustrations that even children can easily understand. The icon created is used on hydrogen trailers designed exclusively to carry hydrogen produced at Fukushima Hydrogen Energy Research Field (FH2R), one of the world's largest hydrogen demonstration facility.



#### **In-House Awareness-Raising Activities**

Toshiba provides education and distributes information for employees to promote universal design internally. In FY2020, we thoroughly formulated regulations regarding universal design promotion for Group companies in Japan and overseas.

## ESG Performance: Social 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.

Toshiba continued its efforts to support the employment and independence of people with disabilities in collaboration with local supporting organizations and enhance the local hygiene standard by cleaning around its business sites.

FY2020 Achievements

#### **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 practicing procurement at optimal location by localizing management, developing human resources, promoting local procurement, and other activities. 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.

Standards of Conduct for Toshiba Group 19. Community Relations

## Structure of Coexistence with Local Communities

The administration division at each site or company is responsible for handling relations with local communities, including constant communication with communities associations and other organizations.

## Check and Evaluation of Local Impacts of Establishing New Business 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



Governance

Comparisons and Data, etc.

Environment Social

Governance

## **Contributions to Local Communities around Business Sites**

#### Support for the Employment and Independence of People with Intellectual Disabilities —Toshiba With Corporation

Established in 2005, Toshiba With Corporation is a Toshiba Group subsidiary mainly consisted of people with intellectual disabilities, and which aims to support the independence of those people. At Toshiba With Corporation, employees are engaged in business operations for cleaning, printing, and mail delivery, or as health keepers 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 the families of the people with disabilities 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 FY2020, sales events were held at its sites nationwide for products from disaster-stricken areas such as Tohoku and for local welfare facilities. Additionally, in view of the spread of COVID-19, Toshiba Business Expert Corporation organized a sales event in support of post-disaster reconstruction on its website.



A sales event in support of post-disaster reconstruction on the website

#### Improving the Environment of Surrounding Communities

Toshiba Group companies strive to improve the environment around their business sites. In FY2020, the Group companies' employees across Japan cleaned areas around their business sites approximately 170 times. As part of the initiative, Toshiba Chugoku Branch Office carried out a monthly cleaning activity around their office building.



Toshiba Chugoku Branch Office's cleaning activity around their office building

#### **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.

ESG Performance

Environment

Governance

#### **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 under its Basic Policy on Tax.

## **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 spend 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**

Sustainability Management

Corporate Information

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.

#### **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.

## **Basic Policy on Social Contribution Activities**

Toshiba Group has set the Basic Policy on Social Contribution Activities which embodies Toshiba Group's Basic Commitment "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 of 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





FY2020 Achievements

Achievement 696 programs

Governance

Environment

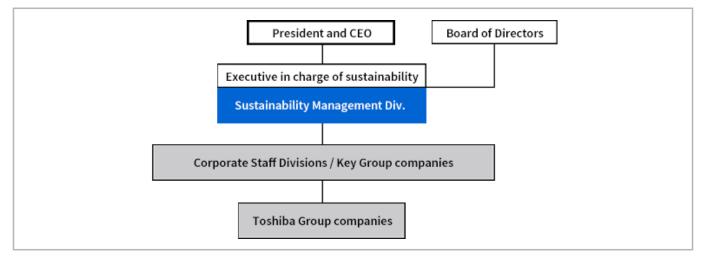
Number of social contribution programs

## **Structure of Social Contribution Activities**

In the Toshiba Group, the Sustainability Management Division 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

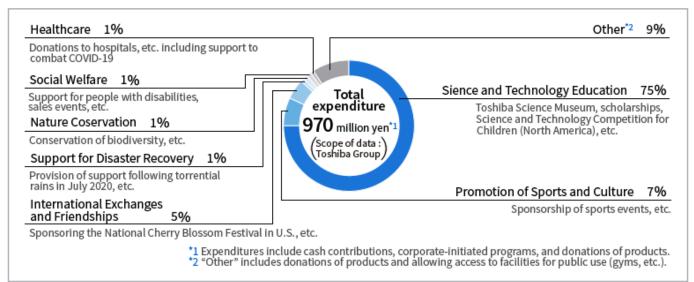


#### Social Contribution Activities by Employees and Support for their Activities

The total number of Toshiba Group employees that participated in the social contribution activities during FY2020 was 118,959. We have a system in place to support employees in their social contribution activities so that more employees can be part of the society through their contribution activities and help solve social issues. Employees are able to take long-term leave by accumulating annual leave for the purpose of participating in volunteer activities.

## Social Contribution Activities: Total Expenditure and its Constituent Parts

#### Total expenditure and its constituent parts (FY2020)



Governance

## **Support Associated with COVID-19 Infection**

In response to the spread 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 (equivalent to 15 million yen) was donated by Toshiba Group's subsidiary in China and its employees to help control the virus spreading over a wider area. We donated around 10,000 face masks through the Embassy of the People's Republic of China in Japan as infection prevention goods.

## 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 the President and CEO's awards those activities that have achieved excellent results.

In FY2020, out of 1,072 programs that were carried out in FY2019 the following four programs were awarded.

#### FY2020 Toshiba ASHITA Award-winning programs

Continuing child support through Ashinaga Foundation (Toshiba IT & Control Systems Corporation)

Promoting social contribution activities to engage with local community (Toshiba Hokuto Electronics Corporation)

South Africa : High school library book donation project (Toshiba Europe Ltd. and Toshiba Africa (Pty) Ltd. in Collaboration with EMEA Subsidiaries)

Educational activities in the fields of meteorology, nature observation, and science (Satoshi Inoue, Toshiba Infrastructure Systems & Solutions Corporation)

## **Toshiba Group Volunteer Days**

Toshiba Group has held the Toshiba Group Volunteer Days 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 FY2020, about 50,000 employees joined in 242 activities in Japan, and about 7,000 employees participated in 46 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).



Called for collection of preserved food stocked away at home and donated to an NPO, Food Bank FUJINOKUNI (Toshiba Tec Corporation Shizuoka Business Center)



Donated food and other Christmas gifts to children at a facility run by Children's Joy Foundation (Toshiba Information Equipment (Philippines), Inc.)

ESG Performance

Environment

Social

## **Science Technology Education**

#### Toshiba Science Museum: Where You Can Enjoy the Fun of Science and Technology

Toshiba Science Museum near JR Kawasaki Station is a location for the support of sciencetechnology education, a linchpin in Toshiba's social contribution activities. It introduces state-ofthe-art technologies and businesses such as quantum key distribution and heavy ion therapy equipment, and holds online events and video distribution to meet the needs of the era. The museum was closed temporary during FY2020 due to the COVID-19 pandemic, but is open for visit from April 2021, with advanced reservation required. In May 2021, it was certified as a "Kawasaki SDGs Partner" under a program through which Kawasaki City registers and certifies companies and organizations committed to achieving SDGs.



Information desk at Toshiba Science Museum

#### > Toshiba Science Museum

#### 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-1 to 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 28th anniversary in 2020, commemorating its long history as a Japanese company's science education support program in North America. The number of participants totals approximately 450,000 to date. In 2020, we received applications from about 4,000 groups around the United States and Canada. Although the award ceremony was held online to prevent the spread of COVID-19, we received comments from the prizewinners such as, "EVA made me realize science was fun, and it gave me confidence to solve big problems."

[2020 Prizewinners]

GRADES K1-3 (Kindergarten to 3rd year elementary school students)

Get Away! Bacteriophage Friday Harbor Elementary School in Washington

 GRADES K4-6 (4th to 6th year elementary school students) Ground-Based Airport Runway (GBAR) Turbines

Northmoor Elementary in Englewood, Ohio

- GRADES K7-9 (1st to 3rd year junior high school students)
   Engineering Chlamydomonas reinhardtii to Biodegrade the Pollutant Polyethylene Terephthalate
   McCullough Jr. High School in The Woodlands, Texas
- GRADES K10-12 (1st to 3rd year high school students)
   Self-Immunizing Joint Replacements
   Alabama School of Math & Science in Mobile, Alabama



Over 100 people simultaneously attended the virtual award ceremony



Children from GRADES K4-6 (4th to 6th year elementary school students) showcased their award-winning idea, "GBAR Turbines"

## **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 studying at four-year Chinese teacher training universities which are equivalent to universities of education in Japan and aspiring to become a teacher in science including physics, chemistry, or mathematics, to compete their skills in teaching a class. 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 FY2020, the contest was cancelled due to the COVID-19 pandemic.

### **Environmental Education Program for Children**

Since 2017, we have held environment education programs for elementary school children in collaboration with the Association of Corporation and Education at elementary schools in areas around Tokyo and regions where we have manufacturing sites, in addition to Toshiba Science Museum and event venues throughout Japan.

#### > 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 campus of Vietnam National University. Toshiba and the university also conduct joint research on software. Some graduates of the university 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 universities or vocational educational institutes to economically disadvantaged high school students. Toshiba supported 90 students with scholarships until 2018 when the program ended.

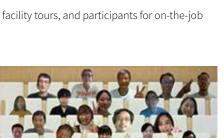
### **Factory Tours and Internship**

At the request of local communities or schools, operational sites throughout Japan accepts visitors for facility tours, and participants for on-the-job training programs and internship programs.

#### Cyber-Physical Systems x Design Division, Toshiba:

Based on our original program, we offer an internship to students several times a year as an opportunity to acquire experience that will help them seek their potential or think about their future career. Due to the COVID-19 pandemic, the internship program was offered by way of small group online meeting in August 2020. With careful infection prevention measure in place, we conducted an office tour in October 2020 to give the participants a chance to feel the workplace atmosphere and experience a workshop that also offered them an opportunity to interact with each other.

Online internship (Cyber-Physical Systems x Design Division, Toshiba)





Mr. Chen Decheng of South China Normal University (left)

received the Toshiba Innovation Award in FY2019.



ESG Performance

Environment

Social

agement ESG Performance

Environment

NISHISHIBA ELECTRIC CO., LTD.:

Students at technical high schools in Himeji City were invited for work experience at seven different workplaces in five days. They experienced not only manufacturing, but also safety activity.



Governance

Work experience (NISHISHIBA ELECTRIC CO., LTD.)

## **Protection of the Natural Environment**

#### **Conservation of Biodiversity**

Toshiba Group has set five activity themes with reference to the new globally-shared targets for the conservation of biodiversity<sup>\*</sup>, and promotes employees' participation within and outside the operational sites.

\* With reference to the updated zero draft of the Post-2020 Global Biodiversity Framework (issued in August 2020), a framework that the Conference of the Parties to the Convention on Biological Diversity aims to develop, we set the following five activity themes: (1) Building of ecosystem networks, (2) Conservation of rare species, promotion of ex situ conservation, (3) Response to marine plastics issues, (4) Response to climate change (mitigation, adaptation), and (5) Conservation of water.

> Conservation of Biodiversity

## **Social Welfare**

#### Sending Doctors and Dentists to Areas around the Toshiba Factory in the Philippines

Since 2006, Toshiba Information Equipment (Philippines), Inc. has been dispatching a team of doctors, dentists, nurses, and many volunteer employees to impoverished areas nearby to provide medical and dental examination services as well as medical supplies to the residents free of charge. The activity was suspended in FY2020 due to the COVID-19 pandemic.



Medical treatment is provided free of charge. (February 2020, 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 where high school students from Japan and the 10 ASEAN countries get together for a week to co-develop future vision for Asia through various hands-on learning and discussions, by using SDGs as their common language. In FY2020, because we were not able to invite participants from Asia due to the COVID-19 pandemic, we asked a total of 100 participants from our past six programs (alumni) to write an essay, an activity suitable for a time like this. The theme of the essay was, "What I am working on with an eye on the post-COVID-19 rea." We received essays from a total of 75 participants, including some that reported on their recent status, and posted them on a special website.

Despite being forced to change various plans including a chance to study abroad due to the spread of COVID-19, we found that some participants were reflecting on themselves to find what they can do now, some were challenging new things, while one was actively working at the forefront of medical practice that tackled COVID-19, and another was undergoing training to become a chef at a Japanese restaurant as part of the attempt to contribute to local revitalization. These all proved that TYCA is contributing to developing powerful talents for the future.



> TYCA Special Website

#### **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)

## **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 FY2020, we provided support via donations to areas affected by heavy rains in July 2020 in Japan.

Governance

Toshiba Group ESG Performance 🔳 S G

# Governance

## For further strengthening thorough governance

Practice transparent corporate governance and optimal internal controls; and execute management with integrity, trusted by stakeholders.

#### **CONTENTS**

- **193** Governance
  - **194** Corporate Governance
  - 207 Risk Management and Compliance
  - 225 Research & Development and Intellectual Property

mance Environment

ment Social

## ESG Performance: Governance 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 2021.

Medium- to Long-term Vision	FY2020 Achievements
Toshiba Group endeavors to realize sustainable growth and	Relisted on the First Section of Tokyo Stock Exchange and Nagoya
medium- to long-term gains in corporate value, so as to benefit all	Stock Exchange.
of the Group's stakeholders.	Withdrew from future development of the advanced system LSI
	(SoC) in accordance with the 5% ROS rule for portfolio
	management.
	• Implemented payment of interim and year-end dividends despite
	COVID-19 (80 yen per share in FY2020).
	• Resolved a shareholder return policy of paying out 150 billion yen.
	Established the Compliance Advisory Meeting consisting of

 Established the Compliance Advisory Meeting consisting of outside experts to further strengthen the internal control system.
 Also established a Risk Management & Compliance Office in the Legal Division, as suggested by the meeting.

#### **Future Challenges and Approaches**

- We will maintain a highly innovative Board structure to ensure the skillsets essential for promoting Toshiba's business transformation 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 more than a few non-Japanese members. We intend to enhance shareholder value through maximizing corporate value. To achieve this, we will steadily execute our business transformation and appropriately handle high-risk matters in a timely manner by having the Board of Directors monitor and supervise business execution and review strategies.
- We currently believe that being a publicly traded company in the First Section of Tokyo Stock Exchange and Nagoya Stock Exchange provides a stable equity structure suitable for enhancing long-term value creation, and that taking advantage of the listed status will lead to corporate value enhancement. However, we will not disregard various proposals, including those to take the Company private, as alternative options to enhance Toshiba's corporate value. While we recognize that there are various issues to be cleared for Toshiba to go private, our Board of Directors will seriously consider and evaluate any sincere offers of acquisition that are deemed concrete and feasible from an objective standpoint. We believe that the process and content of such a proposal must satisfy our stakeholders at large, including shareholders. We recognize that it is the utmost responsibility for the Board of Directors to act in the best interests of the Company and its shareholders.
- To further strengthen corporate governance, we established the Strategic Review Committee that supports the decision-making of the Board of Directors. The committee is composed solely of outside directors and discusses Toshiba's future from an independent standpoint. The mission of the committee is to consider Toshiba's future carefully and objectively and support the Board of Directors in its decisionmaking in order to enhance the Company's corporate value for the sake of its shareholders and other stakeholders.
- Toshiba Group's policy on shareholder returns is to maintain an average consolidated dividend payout ratio of at least 30%\* as a base to realize a stable and continuous increase of returns. Shareholder's equity in excess of the appropriate level of capital will be used to provide shareholder returns, including share repurchases. The Board of Directors shall review the definition of appropriate level of capital on a regular basis. While the Company will focus for the time being on ensuring its financial stability to be well prepared amid the COVID-19 pandemic, it is the Company's intention, in principle, to return to shareholders the majority of the net proceeds from the sale of shares of KIOXIA Holdings Corporation in the future. Furthermore, if the COVID-19 pandemic is brought under control in the future, the Company intends to undertake more proactive portfolio streamlining and divestures, including the assessment of highly accretive M&A opportunities, to continuously improve capital allocation for the purpose of further enhancing shareholder returns and the long-term value of the Company.

\* For the time being, equity method profit and loss for KIOXIA Holdings Corporation is excluded from the scope of Toshiba's policy on shareholder returns.

#### Toshiba Group Sustainability Report 2021 194

- In line with its basic policy of prioritizing compliance over all business activities, Toshiba is working to further enhance its internal control. Toshiba has set up three-line defense structure, with the relevant business divisions as the front line, the administrative divisions as the second, and the audit divisions as the third. We have implemented various measures under the system, which is designed to ensure effective risk management by assigning to each line a clearly defined role and a set of duties and having each line carry out their role appropriately while exercising a checks-and-balances function. As part of our efforts to further enhance our internal control system in FY2020, we established the Compliance Advisory Meeting with external experts as members. Based on the results of their discussions, we newly established the Risk Management & Compliance Office in the Legal Division. This setting will serve to enforce compliance awareness anew and enrich cross-organizational compliance systems and measures. We will bolster our three-line defense structure based on the following direction with regard to matters that the Compliance Advisory Meeting indicated as requiring improvement or further discussion.
- Ve will strive to raise strong awareness of compliance, by delivering timely and appropriate messages and developing educational programs that effectively disseminate the principle of prioritizing compliance over performance targets.
- ✓ As part of fraud risk management, we emphasized again our policy of zero tolerance (steadfast refusal to accept such behavior) to develop and enforce all necessary rules, which includes standardizing fraud countermeasures, setting internal regulations on control activities, preparing manuals, and strengthening awareness of disciplinary action.
- We will take thorough measures to ensure greater awareness of our internal whistleblower system, start receiving reporting in the English language in Japan, and strengthen the overseas whistleblower network to further develop initiatives to promote use of the system.
- ✓ We will improve internal audits on our fraud risk management system by taking such measures as assigning additional staff and bolstering our internal auditing function.

#### > 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 (December 22, 2021) [PDF 955KB/30 pages]
- Corporate Governance Guidelines (January 19, 2022) [PDF 223KB/13 pages]

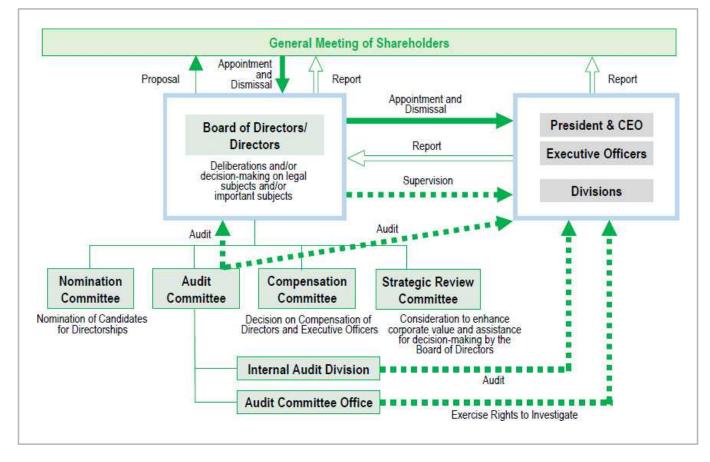
## **Toshiba's Governance Structure**

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 (6 outside directors of 8 in total, as of June 2021). In addition, the Board of Directors has established Nomination, Auditing, and Compensation Committees, all comprised only of outside directors, which further enhances management transparency. In addition to the committees stipulated by law, the Board of Directors has established Strategic Review Committee comprised only of outside directors.



#### **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.

Social

## Directors

#### List of Directors (after June 25, 2021)

#### Directors (8 members)

Name	Corporate management	Law and compliance	Accounting and auditing	Diversity	M&A	Corporate restructuring	Capital markets	International business
Satoshi TSUNAKAWA	0				0	0	0	0
Mamoru HATAZAWA	0				0			0
Paul J. BROUGH (Outside Director, Independent)	0	0	0	0		0		0
Ayako Hirota WEISSMAN (Outside Director, Independent)	0			0			0	
Jerry BLACK (Outside Director, Independent)	0		0	0	0	0		0
George Raymond ZAGE III (Outside Director, Independent)	0			0	0		0	0
Mariko WATAHIKI (Outside Director, Independent)		0		0				
Katsunori HASHIMOTO (Outside Director, Independent)	0	0	0		0			0

 $^{\star}$  Diversity indicates diversity of gender, ethnicity, nationality, and other identities.

Two of the 8 directors is female.

Please see **here** for Directors' careers.

#### Chairperson of the Board of Directors/Members of Committees

Chairperson of the Board of Directors (Interim)	Satoshi TSUNAKAWA
Nomination Committee	George Raymond ZAGE III (Chairperson), Paul J. BROUGH, Jerry BLACK, Mariko WATAHIKI, Katsunori HASHIMOTO
Audit Committee	Katsunori HASHIMOTO (Chairperson), Mariko WATAHIKI, Paul J. BROUGH
Compensation Committee	Jerry BLACK (Chairperson), Ayako Hirota WEISSMAN, Mariko WATAHIKI
Strategic Review Committee	Paul J. BROUGH (Chairperson), George Raymond ZAGE III, Jerry BLACK, Ayako Hirota WEISSMAN, Katsunori HASHIMOTO

ESG Performance

Environment Social

#### **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.

Name	Supplementary Explanation of the Relationship	Reasons of Appointment
Paul J. BROUGH	Mr. Paul J. BROUGH is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges. [Significant concurrent positions]: Independent Non-Executive Director, Vitasoy International Holdings Limited 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. 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. 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.

#### Outside Directors' Relationship with the Company

(Source: Corporate Governance Report (published on August 12, 2021))

Social

Name	Supplementary Explanation of the Relationship	Reasons of Appointment
Ayako Hirota WEISSMAN	Ms. Ayako Hirota WEISS-MAN is an Independent Of-ficer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges. [Significant concurrent positions]: Senior Vice President, Senior Portfolio Manager and Director in charge of Asia Strategy, Horizon Kinetics LLC 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. 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.
Jerry BLACK	Mr. Jerry BLACK is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges. 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. [Significant concurrent positions]: Advisor, Aeon Co., Ltd.	Mr. Jerry 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. 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.
George Raymond ZAGE III	Mr. George Raymond ZAGE III is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges. [Significant concurrent positions]: Independent Non-Executive Director of Whitehaven Coal Limited Founder and CEO, Tiga Investments Pte. Ltd. Commissioner(Non-Executive), PT Lippo Karawaci Tbk Tiga Acquisition Corp Chairman and CEO	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. 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. 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. He has indicated his intention to perform his duties as a director for the Company, and not any specific shareholder.
Mariko WATAHIKI	Ms. Mariko WATAHIKI is an Independent Officer as stipulated by the Tokyo Stock Ex-change and other financial instruments exchanges. [Significant concurrent positions]: Attorney at Law, Okamura Law Office	Ms. Mariko WATAHIKI had served as a judge for over 40 years, and has served as Senior Judicial Research Official of the Supreme Court, Chief Justice of Sapporo High Court and Chief Justice of Nagoya High Court, and has deep knowledge and experience as a lawyer, and she is expected to appropriately supervise the management of the Company. 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.
Katsunori HASHIMOTO	Mr. Katsunori HASHIMOTO is an Independent Officer as stipulated by the Tokyo Stock Exchange and other financial instruments exchanges. [Significant concurrent positions]: Chairperson, DSS Sustainable Solutions Japan, LLC	Mr. Katsunori HASHIMOTO has experience serving as Chief Financial Officer of a U.K. subsidiary of a Japanese manufacturer, Manager of internal audit division of a U.S. subsidiary of an international chemical manufacturer, Director and General Manager of the finance department and Director and Senior Vice President of a Japanese subsidiary of an international chemical manufacturer, and has both considerable experience and high level of insight as a manager, and he is expected to appropriately supervise the management of the Company. 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

- Toshiba held the "Directors Council" (so called "Executive Session") composed solely of independent Outside Directors in order for them to share information and problem awareness among themselves, better understand the Company's operations for Outside Directors and deliberate on the Toshiba Group's key business challenges. At each Directors Council meeting, held prior to a Board of Directors meeting, an advance briefing on proposals to the Board of Directors was provided and opinions were excha nged. Moreover, the Directors Council was operated to ensure that independent Outside Directors' opinions obtained through its meetings were reflected in the Company's management.
- The Company filed applications to be reviewed for reinstatement to the first sections of the Tokyo Stock Exchange and Nagoya Stock Exchange, and received approval for reinstatement from both exchanges in January 2021.
- With respect to the Toshiba Groups policy on shareholder return, regarding the shares of KIOXIA Holdings Co rporation held by the Toshiba Group (which holds 40.2% of all voting rights), the Group's management strategy expresses no intention to operate the company's memory business as part of the Toshiba Group. To realize the value of KIOXIA Holdings Corporation s shares, we are holding ongoing discussions concerning measures for possibly liquidating these shares. It has been decided that, when the liquidation of shares is carried out, more than half of the net proceeds from this sale will, in principle, be alloca ted to shareholder return.
- Following a review of our management policy for FY2021 and beyond, we announced Phase 2 of the Toshiba Next Plan in November 2020.
- Regarding the incident wherein certain voting forms were not included in the vote count at the 181st Ordinary General Meeting of Shareholders (hereinafter the "Vote Count Problem"), the Toshiba Group received reports on the results of an investigation cond ucted by Sumitomo Mitsui Trust Bank, Limited, the Shareholder Registration Agent for the Group, and the results of an examination of this investigation by the Audit Committee. Based on these results, the Group revised the voting results at the 181st Ordinary General Meeting of Shareholders and deliberated on ensuring an appropriate environment for the execution of voting rights at such meetings.
- Concerning shareholder requests for convocation of an extraordinary general meeting of shareholders, the Group rshareholders, the Group received a report on the results of an investigation conducted by the eceived a report on the results of an investigation conducted by the Audit Committee into an issue, indicated in the request by the requesting shareholders, that Audit Committee into an issue, indicated in the request by the requesting shareholders, that Audit Committee into an issue, indicated in the request by the requesting shareholders, that Audit Committee into an issue, indicated in the request by the requesting shareholders, that Audit Committee into an issue, indicated in the request by the requesting shareholders, that certain shareholders came under pressure and were unable to exercise their voting rights at there and were unable to exercise their voting rights at the "Pressure Problem"). 181st Ordinary General Meeting of Shareholders (hereinafter the "Pressure Problem"). Following deliberations on how to handle the situation, the Group decided to convene an extraordinary general meeting of shareholders.
- This led to the election at the extraordinary general meeting of shareholders of persons to xtraordinary general meeting of shareholders of persons to investigate the status of the operations and property of the stock company (hereinafter investigate the status of the operations and property of the stock company (hereinafter "Investigators"), as set forth in Article 316, paragraph (2) of the Companies Act for the "Investigators"), as set forth in Article 316, paragraph (2) of the Companies Act for the 181st Ordinary General Meeting of Shareholders ating whether or not the 181st Ordinary General Meeting of Shareholders was conducted fairly. The Group resolved to cooperate with the Investigator's survey in good was conducted fairly. The Group resolved to cooperate transparency in its business management.faith and to ensure greater transparency in its business management.
- The Board of Directors was provided with reports on business plans, budget, risk control s was provided with reports on business plans, budget, risk control information and the state of duty execution by Directors and Executive Officers pursuant to information and the state of duty execution by Directors and regulations, the Articles of Incorporation, the Board of Directors applicable laws and regulations, etc.

For more information:

Reports for the 182nd Fiscal Period [PDF 1.39MB/102 pages]

Corporate Governance Report (December 22, 2021) [PDF 955KB/30 pages]

## **Compensation Policy and The Amount of Compensation**

(Source: Corporate Governance Report (August 12, 2021)

#### 1. 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 deter-mined 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) and stock compensation in accordance with the scope of their responsibilities. An allowance is provided for nonresidents of Japan (the country where the HQ is located). Directors who concurrently hold offices as an Executive Officer are paid only the compensation for Executive Officers specified in b. below and not paid compensation for Directors.

Social

#### (Source: Page 49 of Report for the 182nd fiscal period)

ESG Performance

Environment

Social

Governance

• The stock compensation is paid in the form of the Company's stock, mechanisms such as restricted stocks with transfer restrictions until retirement.

#### 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)

(Source: P.99 of Translation of the 182nd Annual Securities Report and Notice Regarding Establishment of the Governance Enhancement Committee (Aug. 6, 2021))

#### 2. 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 the multiplication rate by position based on (i) the degree of achievement of the current fiscal year's operating income against our managerial accounting objectives and (ii) the degree of achievement of the current fiscal 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.

Environment Social

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.

Targets and results for short-term incentive compensation indicators for the latest fiscal year are as follows. The targets are the median between the FY2019 and FY2021 figures in the Toshiba Next Plan.

Evaluation type	Indicator of performance	Evaluation Percentage		Targets	Results		
	Operating 500		Company as a whole	185 billion yen	Company as a whole	104.4 billion yen	
Shor-term incentive		50%	Managed business	Managerial accounting targets	Managed business	Managerial accounting actual results	
compensation	Operating cash		Company as a whole	170 billion yen	Company as a whole	145.1 billion yen	
	flow	50%	Managed business	Managerial accounting targets	Managed business	Managerial accounting actual results	

The index of long-term incentive compensation is a relative evaluation of the Company's TSR performance against that of its peer groups over 3 years. Since the period for the calculation three years from FY2019, there is no actual value to apply to FY2020 long-term incentive compensation. In addition, individual assessment are decided by the Compensation Committee, comprehensively considering non-financial evaluations such as management initiatives and special contributions.

\* 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 = $(((1 + R(c)) \times P(c)/P(o)) - 1) \times 100$

#### $\mathsf{R}(\mathsf{c}) = (1 + \mathsf{D}(1)/\mathsf{P}(1)) \times (1 + \mathsf{D}(2)/\mathsf{P}(2)) \times (1 + \mathsf{D}(3)/\mathsf{P}(3)) \times (1 + \mathsf{D}(4)/\mathsf{P}(4)) \times (1 + \mathsf{D}(5)/\mathsf{P}(5)) \times (1 + \mathsf{D}(6)/\mathsf{P}(6)) - 1$

- 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 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 period5.

#### 3. Details of Non-monetary Compensation

The Company grants its Executive Officers stock compensation as fixed compensation and stock compensation as performance-linked compensation In order to share values with shareholders, and to effectively incentivize to maximize mid- to long-term corporate value. Some Directors of the Company (Chairman, Director and Outside Directors) are granted stock compensation as fixed compensation.

The Company will issue new shares or dispose of treasury stock under this system in exchange for making the person who are eligible for stock compensation invest in kind the monetary compensation claims provided by the Company as investment assets.

When issuing new shares or disposing of treasury stocks, the Company enters into share allotment agreements with grantees (excluding those who have already retired at the time when the shares are granted (hereinafter referred to as retirees)) that provide for restrictions on the transfer of our granted shares.

In addition, while no transfer restrictions are included in the allotment agreements that the Company concludes with the retirees, if it is subsequently found that certain events occurred during the prescribed period, such as violations of laws or regulations by retirees, and where the Company deems it appropriate, the retirees shall immediately return the said stock to the Company, without compensation.

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Environment Social

#### 4. 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	Non-monetary Compensation, among left types	Executives eligible (persons)
Directors (excluding outside directors)	98	98	-	19	2
Outside Directors	261	261	-	23	10
Executive Officers	770	710	60	175	13

Note: 1. The non-monetary compensation for directors is stock compensation as fixed compensation. Of the non-monetary compensation to executive offices, 139 million yen is stock compensation as fixed compensation.

2. Total amount figures are estimates at the date of issuance of FY2020 Securities Annual Report. The investigators appointed at the Company's Extraordinary General Meeting of Shareholders held on March 18, 2021 conducted the investigation into whether the 181st Ordinary General Meeting of Shareholders held on July 31, 2020 was conducted in a fair manner (including whether or not resolutions were handled legally and fairly). The company took the conclusions of the investigation very seriously, and initiated action to identify the root cause and clarify responsibilities, with the participation of third parties. In addition, the Company suspended the determination of payment of FY2020 performance-linked compensation to former Executive Officers, and the calculation of final amount of payment, until the identification of the root cause and responsibilities was completed. The upper limit of the amount of performance-linked compensation to be reserved is 46 million yen (of which 28 million yen is stock compensation), but in reality, all or part of it may not be paid. It is not included in the estimated amount of performance-linked compensation listed in the above table.
Meanwhile, as announced on August 6, 2021 in the "Notice Regarding Establishment of the Governance Enhancement Committee", the Company did make payment of performance-linked

Meanwhile, as announced on August 6, 2021 in the "Notice Regarding Establishment of the Governance Enhancement Committee", the Company did make payment of performance-linked compensation in accordance with the provisions of the relevant internal rules and the related contractual obligations, subject to the maximum reduction for each former Executive Officer's individual evaluation allowed by the internal rules. The Compensation Committee will further discuss and decide the final amount of the reduction with full consideration for the findings and clarification of responsibilities by the Governance Enhancement Committee.

#### 5. Total amount of consolidated compensation for each officer

	Consolidated			Amount by type of consolidated compensation (millions of yen)				
Name	compensation total amount (millions of yen)	Category of directors	Category of companies	Fixed compensation	Performance- linked compensation	Retirement benefits	Non-monetary Compensation, among left types	
Nobuaki	Nobuaki	Director	Submitted Company	2	-	-	-	
Kurumatani	145	Executive Officer	Submitted Company	143	_	-	29	

Note: 1. Of the total consolidated compensation to Nobuaki Kurumatani, the non-monetary compensation is stock compensation as fixed compensation.

2. Total amount figures are estimates at the date of issuance of FY2020 Securities Annual Report. The investigators appointed at the Company's Extraordinary General Meeting of Shareholders held on March 18, 2021 conducted the investigation into whether the 181st Ordinary General Meeting of Shareholders held on July 31, 2020 was conducted in a fair manner (including whether or not resolutions were handled legally and fairly). The company took the conclusions of the investigation very seriously, and initiated action to identify the root cause and clarify responsibilities, with the participation of third parties. In addition, the Company suspended the determination of payment of FY2020 performance-linked compensation to former Executive Officers, and the calculation of final payment amount of payment, until the identification of the root cause and responsibilities was completed. The upper limit of the amount of performance-linked compensation to be reserved is 31 million yen (of which 19 million yen is stock compensation), but in reality, all or part of it may not be paid. It is not included in the above table.

Meanwhile, as announced on August 6, 2021 in the "Notice Regarding Establishment of the Governance Enhancement Committee", the Company did make payment of performance-linked compensation in accordance with the provisions of the relevant internal rules and the related contractual obligations, subject to the maximum reduction for each former Executive Officer's individual evaluation allowed by the internal rules. The Compensation Committee will further discuss and decide the final amount of the reduction with full consideration for the findings and clarification of responsibilities by the Governance Enhancement Committee.

## 6. 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.

#### 7. Activities of the Compensation Committee in the current fiscal year

- The committee deliberated on the details of individual compensation to be recieved by Executive Officers from June 2020 onward.
- Based on the FY2019 performance evaluation, the committee deliberated on the payment of performance-linked compensation to Executive Officers and others.
- The committee deliberated on the Compensation Policy for new management system, on revision schedule of the Regulation of Compensation for Officers and on applicable period of individual compensation, due to the change in the date of the Ordinary General Meeting of Shareholders.
- The committee deliberated on the revision to the Ccompensation Ppolicy and to the Regulation of Compensation for Officers.
- The committee deliberated on the details of individual compensation received by Directors and Executive Officers from August 2020 onward.
- The committee deliberated on the details of individual compensation to be received by Executive Officers from April 2021 onward.
- The committee deliberated on the details of FY2020 short-term incentives for Executive Officers.
- The committee deliberated on the FY2021 compensation system for Executive Officers.

Social

## **Toshiba's Internal Control Systems Development Status**

(Source: Page 53 of the Business Report for the 182nd fiscal period)

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.

#### 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.

Governance

- System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation

   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.

Governance

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 182nd fiscal period)

#### 1. The Internal Audit and the Audit Committee organization, personnel and procedures

The Internal Audit Division (personnel: 52 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.

#### **ESG Performance: Governance**

## **Risk Management and Compliance**

Toshiba Group conducts business activities, giving the highest priority to life, safety, and compliance with laws and regulations, and social and ethical norms. 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 has established systems to address various risks.

#### 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 systems through more stringent compliance and a more robust risk management system.

#### **FY2020 Achievement**

- Top management delivered messages on compliance (seven times).
- Featuring the topic of fraud, we conducted workplace meetings and employee seminars targeted by function (Toshiba Group in Japan).
- To ensure compliance and continuously improve corporate culture, we held the Senior Management Risk Compliance Seminar for executives of Toshiba and senior management of Toshiba Group in Japan. Participants totaled 254 people. We also continued to conduct general compliance training including accounting compliance.
- In response to COVID-19, we took infection prevention measures such as setting a target attendance rate and promoting teleworking. For workplaces where work-from-home is not feasible, we encouraged flexible work arrangements while making efforts to reduce infection risks.
- The Compliance Advisory Meeting completed its eight months of activities in March 2021 and issued an advisory opinion. It will help us strengthen compliance and raise the level of fraud management.

#### **Future Challenges and Approaches**

We established a Risk Management & Compliance Office in the Legal Division on April 1, 2021 by following the advisory opinion issued in March 2021 by the Compliance Advisory Meeting. We will reinforce Group-wide compliance awareness and strengthen cross-organizational compliance systems and measures.

## **Policy on Risk Management and Compliance**

Risk management is one of the important elements of the Toshiba Next Plan to achieve targets set forth in the plan, along with investment in growth and improvement of core earnings. 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 effectively manage risks 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 respond to changes in the business environment, such as new technologies and growing supply chains in developing countries, and to the diverse and everchanging risks that arise when conducting business activities, we will strengthen the three-line defense and ensure effective risk management. Toshiba's shares were designated as securities on alert on September 15, 2015 due to inappropriate accounting. After that, Toshiba improved its internal control system and the designation was lifted on October 12, 2017. As reported in the Report on Improvements of Internal Management System and Progress Report on Improvements of Internal Management System released on October 20, 2017 and July 25, 2018 respectively, Toshiba has continued its efforts to strengthen the internal control system and worked to regain the trust of shareholders, investors, and all other stakeholders. On August 1, 2017, Toshiba's shares were reassigned to the Second Section of Tokyo Stock Exchange and Nagoya Stock Exchange. As a result of aforementioned efforts, our shares were designated as first section securities of both of the exchanges again on January 29, 2021. Toshiba will continue to work to enhance its internal control system.

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. We are also working toward making the SOC an integral part of the entire Toshiba Group. The SOC is one of the Toshiba Group's important basic guidelines, and therefore, its revision requires approval by the Board of Directors.



Comparisons and Data, etc.

Social

Governance

Governance

Please see the page below for details of the compliance initiatives Toshiba Group is working on.

#### > Compliance Initiatives

#### **Compliance Advisory Meeting**

In July 2020, Toshiba established the Compliance Advisory Meeting, which evaluated and verified Toshiba Group's compliance and fraud prevention system. The Compliance Advisory Meeting provided a positive evaluation in that we had put in place a fundamental compliance system for the whole Group and administrative divisions had carried out compliance-related duties by drawing on their appropriate experience, knowledge and ability. The meeting issued an advisory opinion to improve the management level and completed its activities in March 2021. By following the advisory opinion, we have been taking the following measures in FY2021.

- Reinforce Group-wide compliance awareness and strengthen cross-organizational compliance systems and measures under the leadership of the Risk Management & Compliance Office newly established in the Legal Division on April 1, 2021.
- Secure greater penetration of compliance awareness by delivering timely and appropriate messages and developing educational programs that effectively disseminate the principle that compliance takes priority over performance targets.
- After reinforcing a policy of zero tolerance against fraud, maintain and operate rules necessary to prevent fraud, including standardizing fraud countermeasures, setting internal regulations on control activities, preparing manuals, and strengthening awareness of disciplinary action.
- Further improve the structure to promote the use of our internal whistleblower system, by increasing awareness of such a system among employees, receiving reports in English in Japan, and strengthening the overseas whistleblower network.
- Strengthen the function of internal audit on the fraud risk management system through measures such as assigning additional staff.

#### **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 takes a stance of *zero tolerance* against fraud. Moreover, Toshiba handles such violations rigorously by imposing appropriate disciplinary sanctions on the offenders or implementing other such measures. At the same time, it makes every effort to prevent recurrence and discloses information in a proper and timely manner as necessary.

## **Structure of Risk Management and Compliance**

Toshiba has separate management systems for compliance and other risks and business risks. Business risks refer to uncertain factors that may prevent the achievement of business and project objectives on strategic decision-making and execution of business activities.

To address compliance and other risks, we appoint a Chief Risk Compliance Management Officer (CRO) to oversee risk management and compliance for the whole Group. In addition, the Legal Division responds to whistleblower reports and attempts to achieve global compliance, and is advancing effective risk management and compliance activities.

The CRO chairs the Risk Compliance Committee, which is attended by executives in charge of corporate staff divisions. The committee analyzes whistleblower reports and cases both inside and outside the Company and evaluates the impacts of risks and the status of risk control in accordance with the risk table that covers compliance risks based on the **Standards of Conduct for Toshiba Group**. It then determines priority measures of the immediate fiscal year. The Risk Compliance Committee is attended by members of the Audit Committee who also serve as directors. The agenda deliberated at the committee is reported to the Board of Directors.

Toshiba operates a risk management system (RMS) incorporating a PDCA cycle\* led by administrative divisions at the second line of defense. The aim is to identify the status at each Group company of initiatives on compliance risk and to promote improvement in an integrated manner. With the RMS, we implement the Risk Assessment Program (RAP) to assess risks of Group companies. The administrative divisions provide guidance to improve the compliance risks identified. At the same time, the relevant business divisions at the front line of defense themselves work to identify and mitigate the risks autonomously.

Furthermore, since FY2020, we have systematically organized fraud risk scenarios and conducted inspections on Group companies to understand the status of their fraud risk, while strengthening guidance to improve such status.

Governance

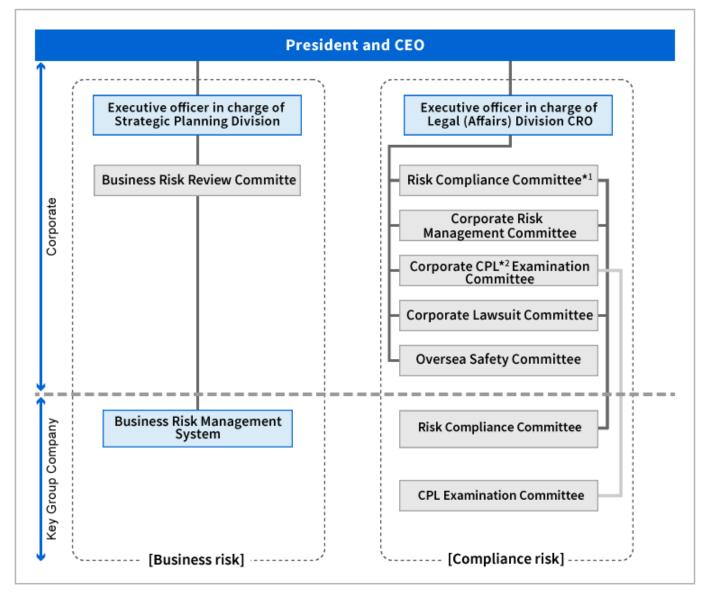
In addition, we assess the risk of financial statements not being created or disclosed properly, and the risk that internal control is not functioning effectively to support the reliability of financial reports. Having done this, we supply information needed to prevent these risks, and discuss and decide on measures to deal with them.

In the event of a serious issue on compliance or other such matters, there is a system in place by which the relevant in-house committees, etc. at Group companies promptly evaluate and implement countermeasures.

Meanwhile, Toshiba deals with business risks by clarifying management decision criteria, permissible risk limits and corporate policy on business withdrawal in making management decisions for business execution to achieve Toshiba Group's sustainable growth and increase corporate value. In addition, for each risk case, the Business Risk Review Committee conducts risk assessment, identifies the maximum risk, and establishes items for monitoring.

\* 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

#### **Risk Management and Compliance Committee**



\*1 The Risk Compliance Committee manages matters related to the Standards of Conduct for Toshiba Group and mattersrelated to risk management and compliance. \*2 CPL is an abbreviation combining CL (contractual liability) and PL (product liability).

Social

Governance

#### **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 April 2019, we transferred the function of receiving whistleblower reports to an external organization to further ensure anonymity, lower the hurdle of reporting to the hotline, and build a stronger sense of safety. E-mail support is available 24/7. The Toshiba Hotline was registered as conforming to the Consumer Affairs Agency's Whistleblowing Compliance Management System certification (self-declaration of conformity registration system) on April 23, 2021.



Whistleblowing Compliance Management System

In addition to the internal secretariat, a reception hotline was set up at an external attorney's office in January 2005, primarily to receive information about potential legal violations.

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.

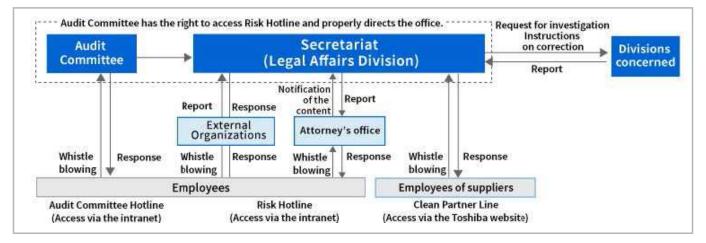
In April 2006, Toshiba set up a supplier whistleblower system Clean Partner Line to receive reports from suppliers and business partners to prevent SOC violations by employees in charge of procurement and order placements for construction and other works.

Each Toshiba Group company has its own whistleblower system. Toshiba Group overseas have gradually started to implement not only their own whistleblower systems but also global whistleblower systems by designating the each Regional Representative Subsidiaries as the secretariat for the corresponding region so as to cover laws and regulations and languages for different countries and regions.

At Toshiba Group, in accordance with laws, regulations, and internal regulations, officers and employees who make whistleblower reports with honest and legitimate intent do not receive unfavorable treatment such as dismissal and demotion as a result of having made the reports. Toshiba Group strives to ensure that the officers and employees can use the whistleblower system at ease. Specifically, each Group company has stipulated in its regulations a confidentiality obligation that allows limited persons in charge to access to what is reported by whistleblowers and a prohibition of unfavorable treatment of whistleblowers, as well as prepared manuals for persons in charge of whistleblowing.

Corporate Information	Sustainability Management	ESG Performance	Environment	Social	Governance	Comparisons and Data, etc.
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#### Toshiba's Whistleblower System



#### **Operational Status of the Whistleblower System in FY2020**

The numbers of reports received and consultations undertaken by the Risk Hotline and Audit Committee Hotline in FY2020 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)

	FY2016	FY2017	FY2018	FY2019	FY2020
Reports received by internal secretariat	389 reports	243 reports	206 reports	109 reports	120 reports
	(235 reports)	(147 reports)	(142 reports)	(51 reports)	(57 reports)
Reports received	12 reports	10 reports	3 reports	1 report	9 reports
by attorney's office	(7 reports)*	(2 reports)*	(1 report)	(1 report)	(6 reports)
Total	399 reports	253 reports	209 reports	110 reports	129 reports
	(240 reports)	(149 reports)	(143 reports)	(52 reports)	(63 reports)

\* Including duplicate reports received by the internal secretariat

Number of reports received by the Audit Committee Hotline

(within parentheses: anonymous reports)

	FY2016	FY2017	FY2018	FY2019	FY2020
Total	80 reports	33 reports	29 reports	42 reports	31 reports
	(53 reports)	(17 reports)	(19 reports)	(37 reports)	(21 reports)

Environment

Social

#### **Response Status**

Of the reports received, Toshiba investigated all facts on cases of possible legal violations or fraud to identify the cause, and handled such cases rigorously by imposing appropriate disciplinary sanctions on the offenders and implementing other such measures. It also made every effort to prevent recurrence. Meanwhile, the majority of the reports received were related to labor and general affairs. When a reported case was not a legal violation but there were or likely to be inappropriate situations, we provided instructions for improvement or issued alerts in cooperation with the relevant division. 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 anonymous reports, we explained the status of our responses to the whistleblowers, in principle.

In accordance with laws, regulations, and internal regulations, confidential advisers (at the external organization or attorney's office for the Toshiba Hotline, and at the internal secretariat for the Audit Committee Hotline) never disclose the names or contact addresses of the informants, except in cases in which consent has been obtained from them.

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 after some details are changed and without any names so that the whistleblower and the workplace where he/ she works cannot be identified.

The number of reports received is released regularly on the company's internal website.

## **Major Risks Identified and Their Countermeasures**

Major business risks and compliance and other risks identified by and countermeasures taken by Toshiba Group are as follows.

#### **Business Risks**

Toshiba Group's businesses require highly advanced technology for their operation. At the same time, it faces fierce global competition. Thus, these businesses could be adversely affected by changes in the business environment, such as investment trends in and outside Japan, increases in material and personnel costs, fiercer competition with other companies, and exchange rate fluctuations. With the Toshiba Next Plan, Toshiba Group has striven to improve earnings and achieve stable growth of sales and profits. Specifically, we formulated measures to improve earnings of monitored businesses, namely, printing, system LSI, thermal power generation, and mobile HDD, through business structure transformation. We will strictly monitor the progress of the measures on a regular basis. Due to the global pandemic of COVID-19, a decrease in demand and negative impact on business activities are expected for a while. However, Toshiba Group is engaged in many businesses and services that sustain society such as social infrastructure, the cornerstone of life. To fulfill our responsibilities and provide these businesses and services, we are continuing activities to the extent necessary for business related to delivery, maintenance, and services for customers and business partners as well as businesses that sustain society, after taking further appropriate measures to minimize the risk of the infection.

Climate change imposes risks associated with responses to relevant laws and regulations and business continuity risks due to disasters caused by climate change. We therefore analyzes such risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). At the same time, we are intensifying efforts to achieve our greenhouse gas reduction targets approved by a global initiative the Science Based Targets (SBT).

#### > Toshiba Group's Response to COVID-19

#### **Compliance and Other Risks**

Since inappropriate accounting treatment for FY2015 came to light, Toshiba Group has made efforts to continuously enhance its internal control. However, fraudulent transactions by an employee of Toshiba International Corporation and fictitious and cyclical transactions at Toshiba IT-Services Corporation were discovered in 2019 and 2020, respectively. We conducted a thorough investigation on those matters, carried out comprehensive verification within Toshiba Group, and rolled out measures to prevent recurrence. We will continue to strive to raise the level of fraud risk management by implementing measures according to the advisory opinion provided in March 2021 by the Compliance Advisory Meeting. For details, please see our **Business Risk Factors**.

## **Risk Management and Compliance Training**

At Toshiba, the President and CEO issues message to all employees, and the entire Toshiba Group works to raise compliance awareness and improve corporate culture. In FY2020, we focused our efforts on fraud prevention. The President issued a message to all employees on seven occasions, and a total of 254 people, including participants online, participated in the Senior Management Risk Compliance Seminar for executives of Toshiba and senior management of Toshiba Group in Japan to ensure compliance and continuously improve corporate culture. Moreover, we incorporated education on fraud prevention into employee seminars targeted by function, such as sales, procurement, or accounting; and training by level, such as newly appointed executives and managers. In addition, we provide accounting compliance education through e-learning to deepen employees' understanding about the internal control and J-SOX. In FY2020, all employees (approximately 80,000) of 95 consolidated subsidiary Group companies in Japan and approximately 10,000 executives of 83 overseas Group companies participated in the seminar. Going forward, we will continue to implement

### Making the Standards of Conduct for Toshiba Group Available to All Employees of Toshiba Group

Environment

Social

Toshiba Group has created the Standards of Conduct for Toshiba Group (SOC) 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 (the attendance rate in Toshiba Group in Japan was 99.2%) and educational leaflets, for executives and all employees (including contract employees and temporary 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. In FY2020, based on actual fraud cases occurred within the Group, discussions were held on the possibility that similar cases may occur at the workplace and their countermeasures. These meetings are held at all the workplaces of Toshiba Group companies in Japan. Frank opinions provided by employees at workplace meetings are collected via their workplace managers and helped us 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**

At Toshiba Group, administrative divisions, the second of the three-line defense, confirm the status of compliance in operations concerning respective areas of jurisdiction by conducting audits and inspections.

With the Risk Management System (RMS), which began its operation in April 2019, we annually implement the Risk Assessment Program (RAP) to assess compliance risks of Toshiba Group companies. The administrative divisions provide instructions to improve the risks identified. At the same time, the relevant business divisions at the front line of defense themselves work to identify and improve the risks autonomously.

The Risk Compliance Committee reviews the compliance status as established through those audits, inspections, and the RAP as well as the implementation status of various measures to ensure compliance, and reflects its review findings in each measure.

Furthermore, since FY2020, we have systematically organized and refined fraud risk scenarios, and then strengthened guidance for understanding and improving the status of fraud risk initiatives at Toshiba Group companies.

In addition, at the third line of defense, the Internal Audit Division conducts compliance-related audits of Group companies.

Toshiba conducts an employee questionnaire survey each year and questionnaires with e-learning participants about the Standards of Conduct for Toshiba Group to check the degree of penetration of the standards and the level of compliance awareness among employees. This helps it to develop measures for further improvement.

Governance Comparisons and Data, etc

these training and education programs.





## 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.

#### Competition Law and Government Transactions (quote from Standards of Conduct for Toshiba Group)

#### 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;
  - 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
     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.

#### Bribery (quote from Standards of Conduct for Toshiba Group)

#### 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:

- 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;
- 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;
- 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.

ESG Performance

Environment

Governance

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.

Furthermore, we request suppliers to agree to and practice the Toshiba Group Procurement Policy.

#### Antimonopoly and Anti-corruption Efforts

In response to global regulatory trends, Toshiba has engaged in rigorous efforts to prevent violation of antitrust law and bribery based on the structure of risk management and compliance. For both, it has established compliance programs reflecting laws and regulations in Japan and overseas as well as associated sets of guidelines. Those guidelines clearly define prohibited acts such as corruption including cartels, bribery and facilitation payments. In addition, the compliance programs and guidelines stipulate matters related to internal procedures including pre-screening and consultation, matters related to the internal systems, education, and audits. Toshiba promotes rigorous compliance with business-related laws and regulations by providing education and effectively utilizing databases that contain relevant information.

Toshiba also conducts training on themes including compliance with the Antimonopoly Act and prevention of bribery as part of measures to promote compliance awareness anchored in the Standards of Conduct for Toshiba Group. Going forward, we will strive to enhance the content of such education programs and increase the number of target companies.

In addition, Toshiba assess risks of Group companies every year. In FY2020, it also made efforts to identify operating status and take measures for improvement. As for these compliance initiatives, we make improvements to reduce risks pointed out in internal audits and other checks in order to continue to enhance our risk management and compliance structure.

To prevent violations and early detect situations leading to violations, Toshiba established the whistleblower system for employees and the Clean Partner Line for suppliers and business partners as a system to report violations or suspected violations.

Furthermore, Regional Representative Subsidiaries in major global regions support local subsidiaries as a foundation for risk management 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.

#### Status of breaches to laws related to anti-corruption (FY2020)

ltem	Number of cases in FY2020	Loss resulting from legal violations (yen)	
Exposure through price cartel	0	0	
Exposure through bribery	0	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 policyoriented 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 and key Group companies made no political contributions in FY2020.

#### > 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

Governance

# **Fair Trading**

# Fair Trading Policy and Its Promoting Structure

Toshiba Group strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations.

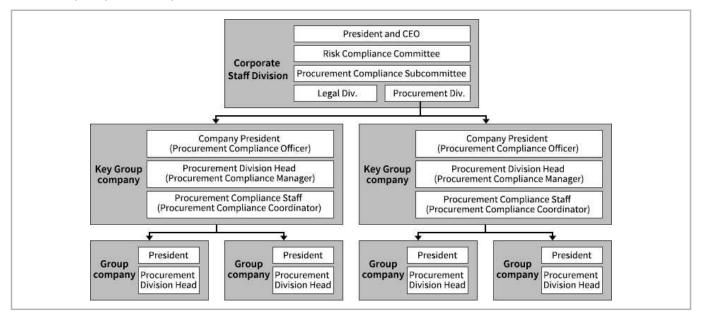
- > Promotion of Sustainable Procurement
- > Toshiba Group Procurement Policy
- Standards of Conduct for Toshiba Group 3. Procurement

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 FY2020, 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 FY2021, we will continue to strengthen the operation of our procurement processes.

## **Clean Partner Line, Whistleblower System for Suppliers and Business Partners**

Toshiba Group 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 Toshiba Group in Japan 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 FY2020, a total of 76,504 employees between January and February 2021 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. With regard to this stance, the rejection of the involvement of antisocial groups in our business activities has been explicitly stated in the SOC. 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. In addition, in order to further ensure that all relations with antisocial forces are cut off, all Toshiba Group companies have taken various measures, such as developing and implementing Basic Public Relations Management Rules and appointing 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. 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.

# **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.

Social

Governance

Comparisons and Data, etc.

## 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

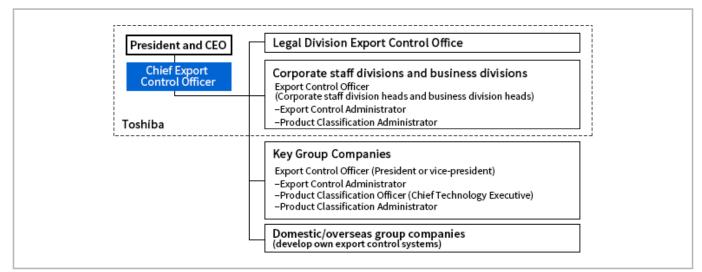
### Standards of Conduct for Toshiba Group 9. Export Control

\* 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 executive officer or an executive equivalent thereto. Under the Chief Export Control Officer, the Legal 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 ECCP, Toshiba Group companies and corporate staff divisions have their own export control organizations led by the Export Control Officers. The Export Control Officers must be heads of the corporate staff divisions in the case of corporate staff divisions, or presidents of Group companies in the case of Group companies.

#### 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.

#### Corporate Information Sustainability Management ESG Performance

Environment

Governance

## **Inspection and Audit of Export Control**

Corporate staff divisions and Group companies under their control 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 FY2020, audits were performed for four internal divisions in Japan and five Group companies. Overseas, audits are done in Europe, the United States, Asia and China, and in FY2020, eight Group companies in Asia 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 corporate 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 Toshiba Group overseas, 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 Group revises the related rules on an ongoing basis so as to rigorously manage its information security.

When providing information to outsourcing contractors, we request them to maintain confidentiality and comply with relevant laws and regulations in the same manner as Toshiba does.

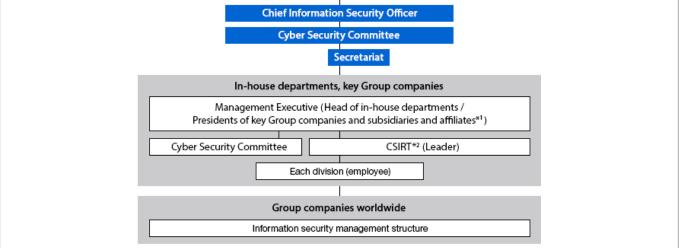
#### > Standards of Conduct for Toshiba Group 17. Information Security

#### > Privacy Policy

## Structure of Information Security Management

Addressing information security as a management priority, Toshiba Group 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, key Group companies, and subsidiaries and affiliates\*1, 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 Group companies in Japan and overseas under their control to ensure that they implement information security at a level equivalent to that of Toshiba.





\*1 Key Group companies and Toshiba Elevator and Building Systems Corporation, Toshiba Lighting & Technology Corporation, Toshiba Carrier Corporation, and Toshiba Plant Systems & Services Corporation \*2 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: Establish an organizational structure and rules	<ul> <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: Ensure adherence to rules	<ul> <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: Support implementation of rules in terms of physical security	<ul> <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: Support implementation of rules in terms of technology	<ul> <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> <li>* EDR: Endpoint Detection and Response</li> </ul>

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. ESG Performance

Environment

Governance

# **Education, Inspection, and Audit of Information Security Management**

Toshiba Group covers a diverse portfolio of businesses. To ensure Group-wide information security, it is vital for each Group company to rotate the PDCA (Plan-Do-Check-Act) cycle independently. Accordingly, Toshiba Group carries out an annual self-audit of its 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, key Group companies, and subsidiaries and affiliates<sup>\*1</sup>, and provides support and guidance where necessary. In FY2020, three key points were identified: (1) need of measures to prevent loss and theft of information devices, (2) information security related to the procurement of technology from external parties, and (3) information security at Toshiba Group overseas. In particular with reference to (3), we have recently witnessed an increasing tendency in which cyber attackers targeting Japanese companies try to steal information stored in Japan via overseas subsidiaries. To address this trend, we checked whether passwords for server administrator IDs were weak using a dedicated tool, and instructed overseas subsidiaries to manage passwords with stronger security. The audit results and improvement initiatives of each Toshiba Group company are subject to assessment by the supervising division, which provides relevant guidance and support.

Toshiba Group companies in Japan have obtained the Information Security Management System (ISMS) certification<sup>\*2</sup> and PrivacyMark certification<sup>\*3</sup> according to their business areas and have received external audits from certification authorities.

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 engaged in information security operations, and introductory training for new graduate employees.

\*1 Key Group companies and Toshiba Elevator and Building Systems Corporation, Toshiba Lighting & Technology Corporation, Toshiba Carrier Corporation, and Toshiba Plant Systems & Services Corporation \*2 A third-party certification system for the information security management system compliant with ISO/IEC 27000 series

\*3 A certification mark granted through third party assessment to businesses that have a system to ensure appropriate handling of personal information in compliance with Japan Industrial Standards (JIS) Q 15001: Personal Information Protection Management System–Requirements

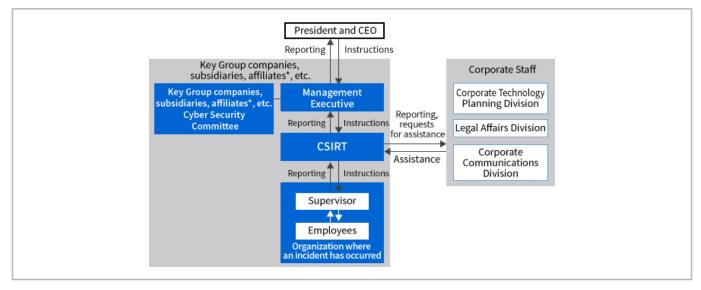
# **Response to Incidents Such as Leakage of Confidential Information**

In the event an information security incident such as the leakage of confidential information, Toshiba responds promptly in accordance with the Information Security Incident Reporting Structure.

When an employee becomes aware of an incident or potential incident involving the leakage of corporate information, the employee immediately reports to the CSIRT. In response, the CSIRT Leader devises necessary measures, such as an investigation into the cause and review of actions to prevent recurrence. In the event of a serious leakage or potential leakage of confidential information that may constitute a violation of laws and ordinances, Toshiba implements measures such as disclosure following discussion among the related corporate staff divisions in accordance with the applicable laws and ordinances.

In the event an incident occurs that could have an impact on confidential information obtained from outside the Company or on external parties, we will take appropriate measures with sincerity, including communicating necessary information such as all relevant facts and measures to be taken to prevent recurrence.

#### Information Security Incident Reporting Structure



\* Key Group companies and Toshiba Elevator and Building Systems Corporation, Toshiba Lighting & Technology Corporation, Toshiba Carrier Corporation, and Toshiba Plant Systems & Services Corporation

ESG Performance

Environment

Governance

## Status of Incidents Such as Leakage of Confidential Information

In FY2020, 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 a lawful manner and in accordance with the Standards of Conduct for Toshiba Group. Quality assurance divisions 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>\*1</sup> and CE Marking<sup>\*2</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 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). CE marking is required for products sold within the European Economic Area (EEA).

## **Compliance with Regulations and In-House Standards Regarding Products**

In FY2020, there were no violations of product safety regulations or in-house standards in the life cycle of our products and services. There were also no violations of regulations or in-house standards relating to information and labeling of products and services.

## **Compliance with Regulations on Advertising and Labeling**

As a result of strict compliance with the Antimonopoly Act, the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, and the Act Against Unjustifiable Premiums and Misleading Representations by Toshiba Group in Japan, there were no legal violations related to advertising in FY2020.

# **Tax Affairs**

## **Basic Policy on Tax**

Based on the Basic Policy on Tax, Toshiba Group complies with legal ordinances, notices, and regulations in various countries and makes efforts to properly file tax returns and pay taxes.

Social

Governance

#### **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.

## **Code of Conduct for Tax Operations**

Toshiba Group shall act based on the following three codes, in order to achieve the aims of the basic policy.

#### **Code of Conduct for Tax Operations**

#### 1. Improvement of Gavernance

Toshiba and Toshiba Group companies shall aim to improve gavernance by organizing the structure by which tax risks related to business activities can be identified.

#### 2. Improvement of Corporate Social Responsibility (CSR)

In carrying out tax operations, Toshiba and Toshiba Group companies shall consider their CSR as well as ensure their compliance with relevant tax laws and regulations. In particular, Toshiba and Toshiba Group companies shall consider their responsibilities towards governments, local communities, shareholders, employees, and other stakeholders.

#### 3. Minimization of tax risks

Toshiba and Toshiba Group companies shall minimize their tax risks through advance assessments of transactions and appropriate tax return filings. Toshiba Group companies shall examine various aspects of tax risks including reputation risk.

## **Efforts on Tax Operations**

Toshiba Group shall carry out the following tax operations, based on the basic policy.

#### Training for Employees and Use of External Specialists

Tax operations of Toshiba Group companies shall be carried out by their employees who are well-versed in their respective local taxation. Toshiba Group shall provide opportunities to their employees who are involved in tax operations depending on their positions and experience levels. In principle, Toshiba Group shall regularly be reviewed by external specialists to confirm that their tax operations are appropriately carried out in accordance with laws and regulations, and make the final tax-related decisions.

### Efforts on International Tax Systems

Toshiba Group shall have a responsibility to carry out cross border transactions with foreign related parties at the arm's length price , and document the transaction details based on the relevant laws and regulations in the tax jurisdiction. When carrying out cross-border transactions, Toshiba Group shall confirm whether a tax treaty exists between the relevant countries, and if so, utilize the benefits with full knowledge of the details , and make efforts to minimize tax costs and eliminate double taxation.

# **Risk Management Using the 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 Group implements measures to ensure the safety of employees and their families, support recovery of devastated areas, and maintain business sites and factories. In addition, we are promoting measures from the perspective of business continuity to enable continued supply or early recovery of products and services in the event we suffer damages or losses.

The Business Continuity Plan (BCP), which we have been formulating and developing Group-wide since 2007, is one such measure. Focusing on our key businesses that have large social and economic impacts, we have established a BCP that assumes potential large-scale earthquakes and new strains of influenza, and continually updates our Plan in order to maintain and improve its effectiveness.

We created a COVID-19 team and declared an internal state of emergency in February 2020, implementing Group-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 Group-wide countermeasures such as stringent restrictions 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 a pandemic.

#### > 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 has been working to establish a 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 reduce the amount of time required to resolve supply chain disruptions, we have built a system to manage corporate information on suppliers upstream in the supply chain. In the event of an unanticipated disaster, we use this system to quickly investigate its effects on our suppliers worldwide for prompt action.

In response to COVID-19, we have taken necessary countermeasures in collaboration with suppliers to ensure supply in order to minimize the impact on business. In addition, in response to a tight supply and demand for semiconductors worldwide that began in the second half of FY2020, we have been negotiating with semiconductor suppliers for supply and switching to alternatives.

Governance

## ESG Performance: Governance

# 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.

### FY2020 Achievements

- Technology development to tackle COVID-19
  - Support for remote working and education through e-learning cloud services
  - Response to the social distancing requirement using imageanalysis AI technology
  - Contribution to health and safety with technology of sterilization and virus control in public facilities
- Acceleration of open innovation with external parties
  - Carbon recycling technology that realizes the world's highest conversion speed at room temperature, and started reviewing carbon recycling business models
  - Signing of an agreement to establish a joint venture to support the further spread of renewable energy using VPP technology
  - Launch of joint verification tests on quantum cryptography technology to enhance cybersecurity in the financial sector
- 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 solve social issues by creating of infrastructure services and data services. In order to differentiate infrastructure services, We will strengthen fundamental technology related to devices and components called edge such as batteries, power electronics , intelligent robots , and analyze data and advance such as AI and security. In addition, We will focus on cutting-edge technology that Expected to contribute to solving future social issues , including quantum technology, precision medicine. 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.

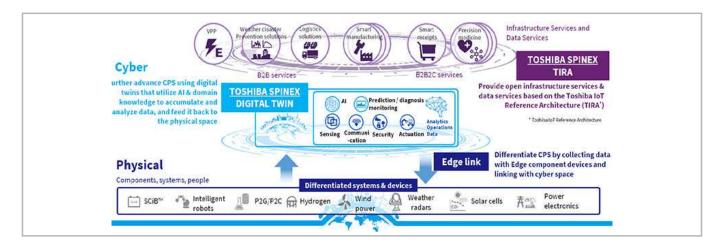
#### **Evaluation by External Parties**

Governance

# **Research and Development**

# **Research and Development Strategy**

We are currently facing various social problems such as global warming, intensifying natural disasters, and the spread of COVID-19, which are growing more complicated than ever. Toshiba Group is working to enhance the operations of components and systems using its strength. More specifically, we collect data on the physical space by components and systems enhanced their capabilities for the Edge using IoT technology. Then, we build a digital twin on the cyber space, analyze data with AI, and feed it back to the physical spac. By bringing together these proprietary cutting edge technologies by Toshiba Group, including cyber-physical-systems (CPS) technology, we strive to resolve social issues and customers' problems with eyes on the future.

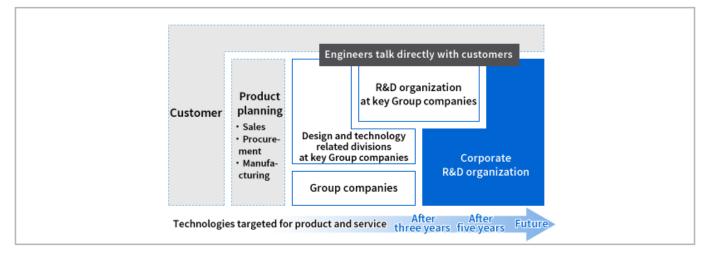


Going forward, Toshiba aims to achieve stable growth as an infrastructure service company and take a leap to become a world-leading CPS technology company. To this end, we will focus on technologies for a new way of living, such as those for carbon neutrality, enhancement of infrastructure, adaptation to the new normal, and improvement of quality of life (QOL). At the same time, we will make a shift to growth with a focus on strengthening basic earning power.

# **Toshiba Group Research & Development Structure**

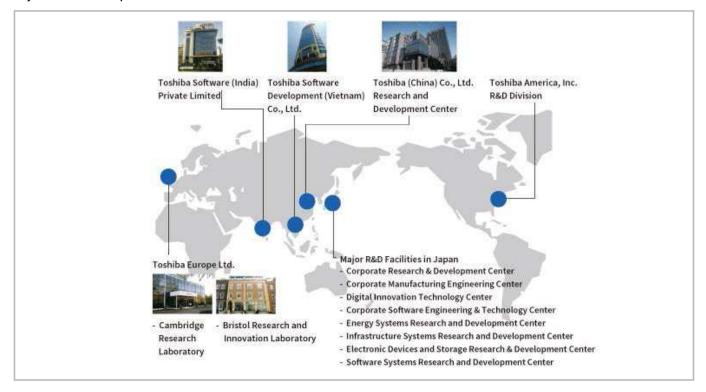
Toshiba conducts research and development in locations that best suit the purpose, from both aspects of technology-led seeds and concepts, and sales-led product planning and the business model. We have a research and development structure in which our research and development sites are categorized into the following: Corporate Research & Development Center that tackles medium- to long-term basic research; works laboratories of 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.

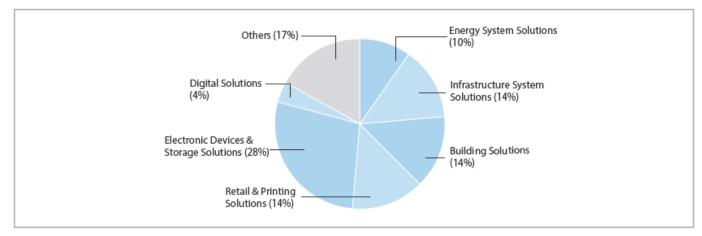
#### **R&D** expenses

FY2016	FY2017	FY2018	FY2019	FY2020
295.5 billion yen	178.7 billion yen*	167.5 billion yen	158.9 billion yen	150.5 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 (FY2020)



## **Technological Contribution to COVID-19 Response Measures**

Toshiba Group contributes to ensuring safety and security of the places where people live and communicate with each other by using its technologies to counter COVID-19.

#### Support for Remote Working and Education

To support companies promoting remote working, Toshiba Digital Solutions Corporation offered some contents of Generalist®/LW, an e-learning cloud service that allows users to easily create e-learning materials, until October 31, 2020 free of charge. In addition, to contribute to maintaining and improving the quality of school classes that have gone online, Toshiba developed ToScLive™, an automatic subtitling system that recognizes the teacher's voice and displays real-time subtitles, and stores subtitles of the entire lesson as text data.

### > Toshiba Digital Solutions Offers Free of Charge Contents for Potential Recruits, Microsoft Office Contents, and Teleworking Contents on Its E-learning Cloud Service, Generalist®/LW (Japanese)

#### > Toshiba's Auto-Subtitling System for Online Classes is a Win-Win for Educators and Students

#### **Response to the Social Distancing Requirement**

Toshiba developed an image-analysis AI technology, which allows us to detect crowds through images from surveillance cameras and issue alerts to inform users about crowd conditions inside a store or public facility. This can streamline monitoring operations, save labor, and is expected to contribute to reducing congestion by visualizing areas of congestion.

#### > Toshiba's High-Speed Crowd Counting AI Delivers World-Class Accuracy on General-Use PC

#### Health and Safety

Toshiba Lighting & Technology Corporation and Ushio Inc. jointly developed an ultraviolet (UV) lighting fixture that can be used in occupied spaces while irradiating UV light to sterilize bacteria and viruses as a means of preventing infection in public spaces. Meanwhile, Toshiba Digital Solutions Corporation offers ifLink Community Activity, which can easily create digital apps such as those that can control ventilation with CO<sub>2</sub> sensing technology.

## > Launched in January, Two New Product Models with Care222® Technology Able to Be Used in Occupied Spaces to Sterilize Bacteria and Viruses (Japanese)

Starting to Offer the ifLink Platform That Supports Business Using IoT (Japanese)

## **Open Innovation through Collaboration with External Organizations**

### Development of World's Fastest CO<sub>2</sub> Recycling Technology for Conversion to Valuable Resources at Room Temperature, and Commencement of a Study of Carbon Recycling Business Models (December 2020, March 2021)

Power to Chemicals (P2C) is a technology for the electrolytic conversion of carbon dioxide (CO<sub>2</sub>) to carbon monoxide, a raw material for fuels and chemicals. Toshiba has developed in-house P2C technology capable of processing up to a ton of CO<sub>2</sub> a year with a C5-size envelope footprint\*<sup>1</sup>. This was made possible by stacking the electrolytic conversion cells, increasing the processed CO<sub>2</sub> volume per unit installation area. P2C will be leveraged in reviewing carbon recycling business models for reuse of CO2 as Sustainable Aviation Fuel (SAF). The study has been performed in collaboration with Toshiba Energy Systems & Solutions Corporation, Toyo Engineering Corporation, Idemitsu Kosan Co., Ltd., All Nippon Airways Co., Ltd., and Japan CCS Co., Ltd.

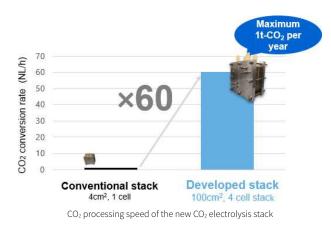
#### > Toshiba Develops World's Fastest CO<sub>2</sub> Recycling Technology for Conversion to Valuable Resources at Room Temperature

> Carbon Recycling Business Models to be Studyed in Collaboration with Six Companies

Governance



The developed 4-cell stack with an area of 100 cm<sup>2</sup>

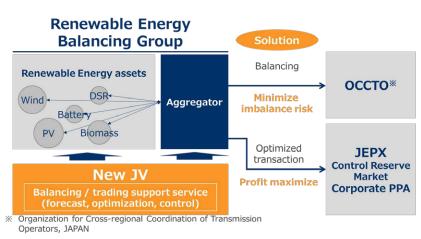


\*1 Some of the research results were produced as part of the Japanese Ministry of the Environment's Model Project for CO2 Resource Recovery using Artificial Photosynthesis Technology.

# **Establish Joint Venture to Support Further Spread of Renewable Energy Using VPP Technology (November 2020)**

Toshiba Energy Systems & Solutions Corporation has signed an agreement to establish a joint venture, Next Kraftwerke Toshiba Corporation, with Next Kraftwerke GmbH, a world-class virtual power plant (VPP) operator in Germany, to promote the further spread of renewable energy by providing support services using VPP technology. The new company aims to provide support services for the owners of renewable energy assets and aggregators mainly in Japan. Such services include those for balancing\*1 using VPP technology, which helps to mitigate imbalance risk, and optimize the operation of trading in the control reserve market.

#### > Toshiba and Next Kraftwerke Sign Agreement to Establish Joint Venture



Business model of new company

\*1 The service for a mechanism that allows a power generation company or electricity retailer to make adjustments in slices of 30 minutes to match (1) the power generation plan and power generation result, and (2) the demand plan and demand actual result.

Governance

#### Began Joint Verification Tests on Quantum Cryptography Technology to Enhance Cybersecurity in the Financial Sector (December 2020)

In December 2020, five companies including Toshiba, Nomura Holdings, Inc., Nomura Securities Co., Ltd., National Institute of Information and Communications Technology, and NEC Corporation, started joint verification tests on the effectiveness and practicality of quantum cryptography technology in order to strengthen the security of data communications and storage in the financial sector. This is the first-of-its-kind joint verification tests in Japan. In the future, based on the results of these tests, the five companies will work on ways to utilize quantum cryptography and quantum secure cloud systems to strengthen cybersecurity in the financial sector and develop appropriate implementation plans.

> Beginning Joint Verification Tests on Quantum Cryptography Technology to Enhance Cybersecurity in the Financial Sector

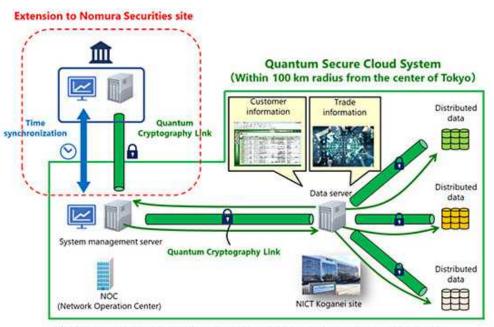


Figure1: An image of the verification test environment of quantum cryptography and quantum secure cloud system

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).

# **Protection of Intellectual Property**

## Intellectual Property Policy and Strategy

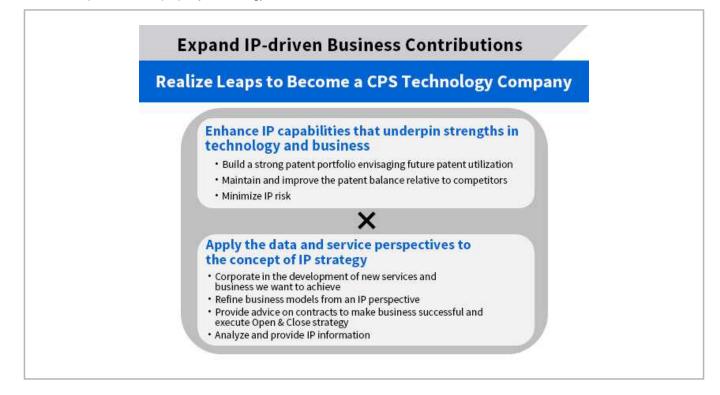
Toshiba Group's basic policy on intellectual property rights is to observe laws and regulations associated with them, to protect the results of intellectual activities with the rights and thus make extensive use of those results, and to respect the legitimate intellectual property rights of third parties. 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.

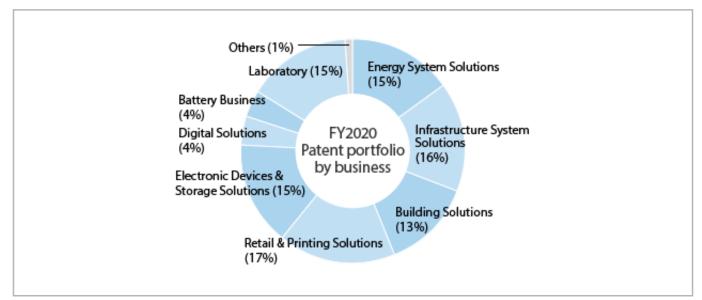
> Standards of Conduct for Toshiba Group 12. Intellectual Property Rights

Governance

#### Toshiba Group's intellectual property (IP) strategy



#### **Global patents portfolio**



formance Environment

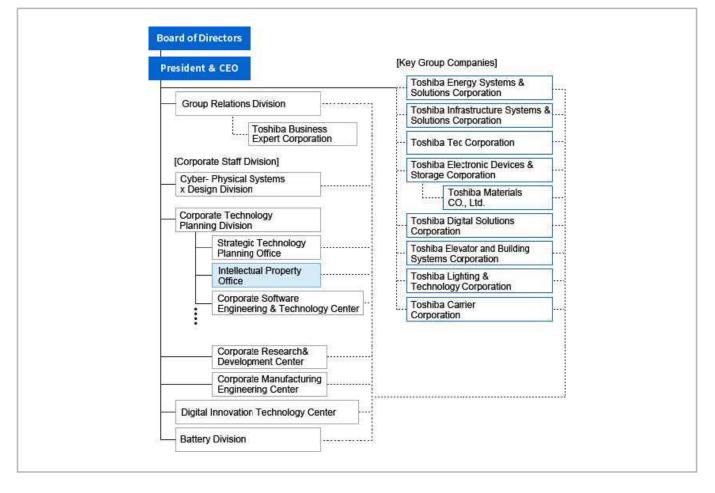
Social

# **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.

Governance

# **Evaluation by External Parties**

Listed mainly on evaluation and awards received in FY 2020

Awarding entity / Name of the award	Evaluation	Recipient
SRI/CSR Evaluation		
FTSE Russell FTSE AGood Index Series FTSE Blossom Japan Index FTSE4Good FTSE Blossom Japan > FTSE4Good > FTSE Blossom Japan Index	ESG and CSR activities	Toshiba Corporation
Design Related		
Japan Institute of Design Promotion GOOD DESIGN AWARD 2020 GOOD DESIGN AWARD 2020	Quantum Key Distribution System Spot/Zone Air Conditioner FLEXAIR Indoor Unit etc.	Toshiba Corporation, Toshiba Carrier Corporation etc.
iF International Forum Design iF DESIGN AWARD 2021	Pure hydrogen fuel cell system H2Rex™ Traction Energy Storage System For Railway with SCiB Inverter air conditioner HAORI etc.	Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Carrier Corporation
International Association for Universal Design iF International Forum Design	Destination Control System FLOORNAVI	Toshiba Corporation, Toshiba Elevator And Building Systems Corporation
THE NIKKAN KOGYO SHIMBUN,LTD Innovative & Inventive Design Excellence Award	LED Lighting with Camera ViewLED	Toshiba Corporation Toshiba Lighting & Technology Corporation

Social

Governance

Awarding entity / Name of the award	Evaluation	Recipient
Environment Related		
Evaluation of products and services		
FY2020 Energy Conservation Grand Prize for excellent energy conservation equipment Product & Business Model Division	(Minister Prize of Economy, Trade and Industry (Business Category)) Air-conditioning systems Super Multi u series for buildings	Toshiba Carrier Corporation
FY2020 Minister of the Environment's Award for	(Development & Commercialization Division (Adaptation Field)) Approach to meteorological disaster prevention using multi-parameter phased array weather radar (MP-PAWR)	Toshiba Infrastructure Systems & Solutions Corporation Defense & Electronic Systems Division / Komukai Complex
Climate Action	(Development & Commercialization Division (Mitigation Field)) Development of CO <sub>2</sub> recycling technology using artificial photosynthesis technology	Toshiba Corporation
Evaluation of business activities		
FY2020 Japan Federation of Industrial Waste Management and Recycling Associations Chair's Award	(Excellent Business Site Award) Efforts to treat and recycle industrial waste properly	Toshiba Environmental Solutions Corporation
Certified as FY2020 Yokohama City's Excellent 3R Activity Facility	Facilities that have made outstanding achievements primarily in sorting waste derived from business operations, controlling the generation of waste as well as its reuse and recycling	Toshiba Materials Co., Ltd.
Evaluation of communication and human resou	rces development programs	
FY2020 Minister of the Environment Award for Distinguished Promoters of Resource Circulating Society Formation	(3R Activity Excellent Company Division) Significant contribution to the formation of a resource circulating society through effective use of resources, reduction of industrial waste, and promotion of employee awareness-raising activities	Japan Semiconductor Corporation Iwate Operations
The 24th Environmental Communication Awards	(Environmental Reporting Division) Toshiba Group Sustainability Report 2020	Toshiba Corporation
2020 Excellent Enterprise Award for Environmental Human Resource Development	Excellence Award (Large Company Division) TELC-BATON, environmental impact reduction measures	Toshiba Elevator And Building Systems Corporation
Evaluation of biodiversity		
The 6th Shikoku Environmental Partnership Award	(Regional Issue Resolution Division) Activities to protect and develop biodiversity on and off premise	Toshiba Lighting & Technology Corporation
Please look at Evaluations (Environment Website	) for other environment-related evaluations and	awards.
Product and Technology Related		
Ministry of Education, Culture, Sports, Science and Technology The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology 2021 Awards for Science and Technology Development Category	(Awards for Science and Technology Development Category) Development of high-speed and high- efficiency wireless LAN technologies	Toshiba Corporation
The Promotion Foundation for Electrical Science and Engineering 68th	(The Electrical Science and Engineering Promotion Award) Transfer trip system developed for relaxing limitation of power supply output from renewable energy	Toshiba Energy Systems & Solutions Corporation, Kyushu Electric Power Transmission and Distribution Co., Inc.
The Iwatani Naoji Foundation	(Iwatani Naoji Memorial Award 2020) Development and commercialization of CO₂-free autonomous Hydrogen energy supply system "H2One™"	Toshiba Energy Systems & Solutions Corporation

ESG Performance

Environment

Social

Comparisons and Data, etc.

Governance

Awarding entity / Name of the award	Evaluation	Recipient
Clarivate Clarivate Top 100 Global Innovators 2021	Selected as Clarivate Top 100 Global Innovators 2021 (Clarivate Analytics) Selected for the 10th consecutive year since 2011	Toshiba Corporation
従業員		
Nippon Kenko Kaigi The Certified Health and Productivity		Toshiba Corporation, Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, Toshiba Digital Solutions Corporation
Management Organization Recognition Program (2021)		Toshiba Carrier Corporation, Toshiba Carrier Engineering & Life Support Corporation, Fuji Reinetsu Industrial Corporation
2021 健康経営優良法人	Organizations engaging in strategic Health and Productivity Management program efforts for maintain their employees' health from a management perspective	Toshiba Lighting & Technology Corporation * It was also selected as the "White 500" as a top 500 companies with excellent "The 2020 Certified Health and Productivity".
健康駐呂陵民広入 Health and productivity		Toshiba IT & Control Systems Corporation
		Toshiba Plant Systems & Services Corporation
Nippon Kenko Kaigi Organizations to engage in the Health-conscious Management Declaration (2021) 健康経営優良法人 Health and productivity		Toshiba Precision Corporation
NPO Good aging yells, Work with Pride private organization PRIDE Index 2021 -Gold-		
work with Pride	Promoting LGBT+ equality in the compan	Toshiba Corporation
PRIDE Index 2021 -Bronze- work with Pride		Toshiba Energy Systems & Solutions Corporation, Toshiba Infrastructure Systems & Solutions Corporation, Toshiba Electronic Devices & Storage Corporation, Toshiba Digital Solutions Corporation

# **History of Sustainability Activities**

FY2021	<ul> <li>Established Sustainability Management Division and transferred operations of Sustainability Management Office to the division.</li> <li>Reviewed sustainability management structure.</li> <li>Established Sustainability Policy.</li> <li>Identified new material issues.</li> <li>Commenced the Seventh Environmental Action Plan.</li> </ul>
FY2020	<ul> <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 a statement based on the Australian Modern Slavery Act.</li> <li>Formulated Toshiba Group's Environmental Future Vision 2050.</li> <li>Integrated CSR Report and Environmental Report, and published Sustainability Report.</li> <li>Acquired approval of the Science Based Targets (SBT) initiative.</li> </ul>
FY2019	Announced endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
FY2018	<ul> <li>Formulated the Essence of Toshiba.</li> <li>Established SDGs managers in key Group companies and strengthened SDG-related initiatives.</li> </ul>
FY2017	Formulated the Sixth Environmental Action Plan.
FY2016	<ul> <li>Incurred losses 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> <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> <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> <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>Introduced T-Compass, a new concept of environmental management</li> </ul>
FY2012	<ul> <li>Conducted surveys to some 10,000 suppliers regarding their approaches to issues related to conflict minerals and CSR promotion.</li> <li>Formulated the Fifth Environmental Action Plan.</li> </ul>
FY2011	<ul> <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>Became a member of the Responsible Business Alliance (RBA).</li> </ul>
FY2010	<ul> <li>Strengthened CSR management based on the principles of ISO 26000.</li> <li>Introduced a system for visualizing working hours.</li> <li>Expanded UD advisor system to include non-Japanese employees.</li> <li>Established the global brand eco style.</li> </ul>
FY2009	<ul> <li>Formulated Toshiba Group Biodiversity Guidelines.</li> <li>Established Sign Language Club.</li> <li>Enforced 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> <li>Collaborated with NPOs to promote experiential science education (Supporting the activities of experiential science education research organizations).</li> <li>Conducted the 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>Implemented 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>Made an announcement to allow the peak out of Toshiba Group's greenhouse gas emissions in 2012 and thereafter reduce the absolute emissions.</li> </ul>

Governance

FY2007	<ul> <li>Formulated Toshiba Group Environmental Vision 2050.</li> <li>Reinforced structures and systems for Quality Control at Toshiba Group.</li> <li>Fulfilled Statutory Ratio of Employment of People with Disabilities in all the subject Group Companies in Japan.</li> </ul>
FY2006	<ul> <li>Established Toshiba Group CSR Month.</li> <li>Established the Clean Partner Line, a whistleblower system for suppliers and other business partners.</li> <li>Launched Toshiba Group 1.5 Million Tree-planting Project.</li> <li>Strengthened the New EASTER comprehensive audit system.</li> </ul>
FY2005	<ul> <li>Established Toshiba With Co., Ltd., a special subsidiary for employment of people with disabilities.</li> <li>Held Toshiba Group CSR Conference.</li> <li>Newly established Toshiba "ASHITA" Award.</li> <li>Participated in the Eco-Products International Fair.</li> </ul>
FY2004	<ul> <li>Published CSR Report.</li> <li>Established an organization dedicated to promotion of equal opportunity.</li> <li>Established Toshiba Group Procurement Policy based on CSR.</li> <li>Announced Toshiba Group Environmental Vision 2010.</li> <li>Formulated the Fourth Voluntary Environmental Plan.</li> </ul>
FY2003	<ul> <li>Adopted a company with committees system.</li> <li>Established CSR Division.</li> <li>Introduced Factor T, an eco-efficiency indicator.</li> <li>Joined UN Global Compact.</li> <li>Joined Business for Social Responsibility (BSR), an international CSR association based in the U.S.</li> </ul>
FY2002	<ul> <li>Introduced internal free agent system.</li> <li>Achieved zero emissions of waste.</li> </ul>
FY2001	Integrated Toshiba Standards of Business Conduct and Toshiba International Standards of Conduct.
FY2000	<ul> <li>Established corporate risk management system.</li> <li>Introduced environmental accounting.</li> <li>Introduced green procurement.</li> </ul>
FY1999	<ul> <li>Introduced in-house company system.</li> <li>Established Environmentally Conscious Products (ECPs) Standards.</li> <li>Issued Green Procurement Guidelines.</li> <li>Established Toshiba Customer Information Center.</li> </ul>
FY1998	Introduced corporate officer system.     Published Environmental Report.
FY1995	Obtained ISO 14001 certification.
FY1993	Formulated the First Voluntary Environmental Plan.
FY1992	<ul> <li>Started ExploraVision Award in the U.S.</li> <li>Introduced family-care leave, child-care leave and short-time working hours systems.</li> </ul>
FY1991	<ul> <li>Held the First Corporate Environmental Protection Council.</li> <li>Established Toshiba Thai Foundation.</li> </ul>
FY1990	<ul> <li>Started the First Toshiba Group Environmental Exhibition.</li> <li>Established Basic Commitment of the Toshiba Group and the slogan.</li> <li>Established Toshiba Standards of Business Conduct and Toshiba International Standards of Conduct.</li> <li>Established Toshiba America Foundation.</li> </ul>
FY1989	<ul> <li>Established Basic Policy for Environmental Protection.</li> <li>Introduced environmental auditing.</li> <li>Established Toshiba International Foundation.</li> </ul>
FY1988	Established Environmental Protection Center.
FY1975	Introduced Toshiba Group Health and Safety Convention.
FY1973	• Established Toshiba Management Philosophy.
FY1971	Established Consumers Department.

# **Comparisons with Various Guidelines**

# **GRI Content Index**

This is a comparison between information disclosed in our Sustainability Report and the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Our Sustainability Report refers to the GRI Sustainability Reporting Standards.

**GRI Content Index** 

# **Comparison with the UN Global Compact**

This is a comparison between information disclosed in our Sustainability Report and the 10 Principles of the UN Global Compact.

> Comparison with the UN Global Compact

# **Comparison with ISO 26000**

This is a comparison between information disclosed in our Sustainability Report and ISO 26000:2010 published by the Japanese Standards Association.

> Comparison with ISO 26000

# **Index by Stakeholder**

This is an index of information disclosed on our sustainability website categorized by relevant stakeholder.

> Index by Stakeholder

Governance

# **ESG Data Collection**

# Environment

		ltems		FY2020 Achievements	Scope	Posted pages	
	Scope1,2	Total GHG emissions (million t-CO <sub>2</sub> )*1		1.05	Toshiba Group	Response to Climate	
	GHG emissions (Toshiba Group)	Energy-derived CO <sub>2</sub> emissions per unit activity (compared to FY2013 level) (%)		92	Toshiba Group	Change in Business Activities	
		Purchased go	oods and services	1,380	Toshiba Group		
		Capital good	S	32	Toshiba Group		
			ergy-related activities in Scope 1 or 2	6	Toshiba Group		
		Transportatic (upstream)	on and distribution	2	Toshiba Group		
		Waste genera	ited in operations	1	Toshiba Group		
		Business trav	rel	0.4	Toshiba Group		
	Scope3	Employee co	mmuting	4	Toshiba Group		
	GHG emissions	Leased asset	s (upstream)	0.3	Toshiba Group	Response to Climate	
lange	(downstream/upstream) (10,000 t-CO <sub>2</sub> )	Transportation and distribution (downstream)		20	Toshiba Group	Change	
climate ch			Products and services associated with power supply	34,311	Toshiba Group		
Mitigation of climate change		Use of sold products	Products and services associated with power consumption	6,749	Toshiba Group		
		End-of-life treatment of sold products		2	Toshiba Group		
		Renewable energy consumption (		16	Toshiba Group	Overview of Environmental Impacts	
	Manufacturing	Energy consumption other than renewable energy		Please look at "Overview of Environmental Impacts"	Toshiba Group	Overview of Environmental Impacts	
		Power supply*2 Reduction emission (10,000 t		2,161 (cumulative total from FY2017)	Toshiba Group	Increased reduction of GHG emissions by products and services	
	Products/ services	Power	Reduction of CO <sub>2</sub> emissions (10,000 t-CO <sub>2</sub> )	695 (cumulative total from FY2017)	Toshiba Group	Increased reduction of GHG emissions by products and services	
		consumption*3	Use-phase electricity consumption (PJ)*	418	Toshiba Group	Overview of Environmental Impacts	

Social

Governance

Comparisons and Data, etc.

		Items	FY2020 Achievements	Scope	Posted pages
		Waste volumes (10,000t)*4	2.6	Toshiba Group	Reduction of Waste Volume in Business Activities
		Total volume of waste generated (10,000t)	6.9	Toshiba Group	Reduction of Waste Volume in Business Activities
		Total waste volume per unit production (compared to FY2013 level) (%)	74	Toshiba Group	Reduction of Waste Volume     in Business Activities
		Amount of water received (million m <sup>3</sup> )	17.8	Toshiba Group	Reduction of the Amount of Water Received in Business Activities
	Manufacturing	Amount of water received per unit production (compared to FY2013 level) (%)	93	Toshiba Group	Reduction of the Amount of Water Received in Business Activities
lrces		Amount of water received by type	Please look at "Overview of Environmental Impacts"	Toshiba Group	Overview of Environmental Impacts
esol		Water reused (10,000 m <sup>3</sup> )	29	Toshiba Group	Overview of Environmental Impacts
e of r		Water recycled (10,000 m <sup>3</sup> )	39	Toshiba Group	Overview of Environmental Impacts
Efficient use of resources		Volume of end-of-life products recycled (1,000t)	66	Toshiba Group	Overview of Environmental Impacts
Effic		Final disposal volume (1,000t)	0.45	Toshiba Group	Overview of Environmental Impacts
	Products/ services	Amount of resources saved (10,000t)	40 (cumulative total from FY2017)	Toshiba Group	Increased Amount of Resources Saved in Products
		Amount of recycled plastics used (t)	3,514 (cumulative total from FY2017)	Toshiba Group	Increased Amount of the Use of Recycled Plastics in Products
		Input materials (1,000t)	443	Toshiba Group	Overview of Environmental Impacts
		Major products shipped (1,000t)	300	Toshiba Group	Overview of Environmental Impacts
		Weight of end-of-life products recycled (t)	14,579	Toshiba Group	Overview of Environmental Impacts
		Collection amount of end-of-life products (t)	16,442	Toshiba Group	Overview of Environmental Impacts
		Amount of end-of-life products disposed after recycling (t)	1,863	Toshiba Group	Overview of Environmental Impacts
		Emissions of substances targeted for reduction (t)	821	Toshiba Group	Reduction of Emissions of Chemical Substances in Business Activities
s		Total amount of chemicals discharged per unit production (compared to FY2013level) (%)	84	Toshiba Group	Reduction of Emissions of Chemical Substances in Business Activities
emical	Manufacturing	Amount of chemical substances handled (t)	10,171	Toshiba Group	Overview of Environmental Impacts
nt of ch		Emissions to the atmosphere	Please look at "Overview of Environmental Impacts"	Toshiba Group	Overview of Environmental Impacts
Management of chemicals		Emissions to the hydrosphere	Please look at "Overview of Environmental Impacts"	Toshiba Group	Overview of Environmental Impacts
Mar		Amount of chemical substances released to the hydrosphere	Please look at "Overview of Environmental Impacts"	Toshiba Group	Overview of Environmental Impacts
	Products/ 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	Management of Chemical Substances Contained in Products
Nui	mber of products certil	fied as Excellent ECPs	9	Toshiba Group	List of Products Certified as Excellent ECPs
	rironmental nagement Structure	Number of ISO 14001-certified sites	62 (including integrated certifications)	Toshiba Group	Environmental Management Structure

Social

Comparisons and Data, etc.

Governance

		Items		FY2020 Achievem		Scope	Posted pages
		Number of legal violations			0	Toshiba Group	Ensuring of Environmental Risk Compliance
		Rate of Toshiba Group in compliance Japan			96.5	Toshiba Group	• Preventing
	suring of vironmental risk	with the Structural Design Guidelines (%)	Toshiba Group overseas		99.6	Toshiba Group	Contamination and Reducing Contamination Risks
	mpliance	Amount of V( groundwater	DCs collected from (kg)		299	Toshiba Group	Soil and Groundwater     Purification
		PCB detoxific expenses (bil	ation outsourcing lion yen)		4.8	Toshiba Group	Storage and Management of PCB
		Amount of sp possessed (t)			3.6	Toshiba Group	Management of Ozone- depleting Substances
		CFC leaks (t-0	CO <sub>2</sub> )		1,588	Toshiba Group	Management of Ozone- depleting Substances
	vironmental		nplementation of al education programs		5	Toshiba Group	Environmental Communication
cor	mmunication	Number of ad Environment	ctivities of Global al Action	350		Toshiba Group	Environmental Communication
	nservation of diversity		tes that carried out ard achieving Aichi		61	Toshiba Group	Conservation of Biodiversity
		Business	Reduction in environmental	Investments (million yen)	2,376	Toshiba Group	
		area costs	impacts	Costs (million yen)	5,746	Toshiba Group	
		Upstream/ downstream	Green procurement,	Investments (million yen)	684	Toshiba Group	
		costs	recycling, etc.	Costs (million yen)	659	Toshiba Group	
50		Administration	Environmental education, EMS	Investments (million yen)	31	Toshiba Group	
Environmental accounting		costs	maintenance, tree planting on factory grounds, etc.	Costs (million yen)	2,383	Toshiba Group	
mental a	Environmental costs	R&D costs	Development of environmentally	Investments (million yen)	947	Toshiba Group	Environmental Accounting
Environr			conscious products, etc.	Costs (million yen)	18,154	Toshiba Group	
		Public relations	Support for local environmental	Investments (million yen)	0	Toshiba Group	
		costs	activities, donations, etc.	Costs (million yen)	9	Toshiba Group	
		Environmental damage	Restoration of	Investments (million yen)	0	Toshiba Group	
		restoration costs	polluted soil, etc.	Costs (million yen)	165	Toshiba Group	
			ents (million yen)		4,038	Toshiba Group	
		Total costs (n	nillion yen)		27,116	Toshiba Group	

Social

Governance

Comparisons and Data, etc.

	Items		FY2020 Achievements		Scope	Posted pages	
				Reductions in environmental impacts (GJ)	1,409,000	Toshiba Group	
			Energy	Benefits measured as a monetary value (million yen)	1,324	Toshiba Group	
				Reductions in environmental impacts (t)	17,900	Toshiba Group	
counting		Actual Waste benefits	Benefits measured as a monetary value (million yen)	1,355	Toshiba Group		
Environmental accounting	Environmental benefits			Reductions in environmental impacts (m <sup>3</sup> )	720,408	Toshiba Group	Environmental Accounting
Enviro			Water	Benefits measured as a monetary value (million yen)	68	Toshiba Group	
			Total monetary benefits (million yen)		2,747	Toshiba Group	
			Reductions in the amount of chemicals discharged (t)		482	Toshiba Group	
		benefits	Benefits measured as a monetary value (million yen)	18,721		Toshiba Group	
		Total moneta	ry benefits (million yen)		21,468	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	FY2020 Achievements	Scope	Posted pages
Total number of shareholders (as of March, 2021)	270,598	Toshiba	Corporate Information     Stakeholders
Number of shares issued (shares)	455.29 million	Toshiba	Corporate Information     Stakeholders
Total number of suppliers	Approx. 9,000	Toshiba Group	Stakeholders
Number of consolidated subsidiaries	296	Toshiba	Stakeholders
Number of employees	117,300	Toshiba Group	Corporate Information     Stakeholders     Employment and Labor Relations

Social

Comparisons and Data, etc.

Governance

Items	FY2020 Achievements		Scope	Posted pages
Number of employment by gender (%)	Male	87,395 (75)	· Toshiba Group	Employment and Labor Relations     Promotion of Diversity and
	Female	29,905 (25)		Inclusion • Performance Indicators
	Japan	71,331		
	China	9,997		
Number of employment by	Asia & Oceania	26,768	Toshiba Group	• Employment and Labor Relations
region	North America	5,480	Tostilba Group	
	Central & South America	424		
	Europe & Africa	3,300		
	Energy Systems & Solutions	14,692		
	Infrastructure Systems & Solutions	19,787		
Number of employment by	Building Solutions	22,193	Tashiha Cusus	• Employment and Labor Relations
business domain	Retail & Printing Solutions	18,821	Toshiba Group	
	Storage & Electronic Devices Solutions	22,621		
	Digital Solutions	8,369		
	Others	10,817		
An average age of employees (years)		45.0	Toshiba	• Employment and Labor Relations
		20.1	Tashiha Cusus in	• Employment and Labor Relations
An average length of service (years)	Male	20.4		Performance Indicators
() caro,	Female	17.7		
A turnover rate (%)	1.2		Toshiba and key Group companies	• Employment and Labor Relations
The average annual salary (yen)		8,665,339	Toshiba	Employment and Labor Relations
Starting monthly salary in Japan (yen)		215,500	Toshiba	• Employment and Labor Relations
	Number of members	15,088	Tashiba and kay	
Status of Toshiba Union	Percentage of Toshiba Union members (%)	94.7	Toshiba and key Group companies	• Employment and Labor Relations
Employment status of new	Toshiba and key Group companies	350	Toshiba Group in	• Employment and Labor Relations
graduates	Consolidated companies in Japan	1,090	Japan	
Percentage of female recruits	Business Administrative Staff	34	Toshiba and key	Promotion of Diversity and Inclusion
(new graduates)	R&D/Engineer	15	Group companies	Performance Indicators
Number of employees in mid-	Toshiba and key Group companies	70	Toshiba Group in	- Employment and Labor Delations
career employment	Consolidated companies in Japan	220	Japan	Employment and Labor Relations
Number of female managers	318		Toshiba and key Group companies	Promotion of Diversity and Inclusion     Performance Indicators
Percentage of female managers (%)		5.1	Toshiba and key Group companies	Promotion of Diversity and Inclusion     Performance Indicators

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Social

Governance

Comparisons and Data, etc.

Items	FY2020 Achiever	nents	Scope	Posted pages
Number of employees with disabilities		578.5	Toshiba (including a special subsidiary company)	Promotion of Diversity and Inclusion
Percentage of employees with disabilities (%)		2.51	Toshiba (including a special subsidiary company)	<ul> <li>Promotion of Diversity and Inclusion</li> <li>Performance Indicators</li> </ul>
Number of non-Japanese employees		401	Toshiba and key Group companies	Promotion of Diversity and Inclusion
The average total number of annual actual working hours per employee		2,180	Toshiba	Promotion of Diversity and Inclusion
The average annual overtime working hours per employee		320	Toshiba	Promotion of Diversity and Inclusion
Percentage of annual paid vacation taken by Toshiba employees (%)	56.7		Toshiba and key Group companies	Promotion of Diversity and Inclusion     Performance Indicators
Number of childcare leave	Male	72 (utilization rate 11%)	Toshiba and key Group companies	Promotion of Diversity and Inclusion     Performance Indicators
Number of paternity leave	Female Male	299 210 (utilization rate 44%)	Toshiba and key Group companies	Promotion of Diversity and Inclusion     Performance Indicators
Number of family care leave	Male Female	9	Toshiba and key Group companies	Promotion of Diversity and Inclusion     Performance Indicators
Number of nursing care seminars held from FY2015 to FY2020		265	Toshiba Group in Japan	Promotion of Diversity and Inclusion
Short-time shift	Male Female	11 416	Toshiba and key Group companies	Promotion of Diversity and Inclusion     Performance Indicators
Status of Toshiba Corporate Pension Plan	Number of companies Number of participants	85 Approx. 63,000	Toshiba Group in Japan	Promotion of Diversity and Inclusion
Status of health insurance association	Number of business owners	172	Toshiba Group in	• Promotion of Diversity and
	Number of people subscribed (including retirees and dependents)	Approx. 221,000	Japan	Inclusion
Status of a selective welfare system	Number of companies21Target employeesApprox. 40,000		Toshiba Group in Japan	Promotion of Diversity and Inclusion
Employee participation rate of Toshiba Employees Shareholding Association (%)	65.4		Toshiba and key Group companies	• Employment and Labor Relations

Social

Governance

Comparisons and Data, etc.

Items	FY2020 Achieven	nents	Scope	Posted pages
Acquisition status of ISO45001	Percentage of companies that have acquired ISO45001 certification	100		
	Number of companies that acquired the certification in Japan	44		
certification *Information on Group companies overseaswill be	Of all personnel from companies acquired in Japan (%)	75.1	Toshiba Group	Occupational Health and Safety     Performance Indicators
disclosed on the <b>Sustainability</b> websiteas soon as it is finalized.	Number of companies that acquired the certification in foreign countries	aggregating in progress		
	Of all personnel from companies acquired abroad (%)	aggregating in progress		
Number of OHS Management Meetings held		2	Toshiba	
Number of Central OHS Committee Meetings held		1	Toshiba Corporation	• Occupational Health and Safety
Number of Toshiba Group OHS Supervisor Meetings held		1	Toshiba Group in Japan	
	Total	95		
Occurrence of Occupational Accidents	Without lost workdays	64	Toshiba Group in	Occupational Health and Safety
Accidents	Lost workdays Fatal	31	Japan	
LTIFR * Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million man-hours worked		0.19	Toshiba Group in Japan	Occupational Health and Safety     Performance Indicators
Frequency rate of all accidents * The number of accidents occurring in a workplace per 1 million man-hours worked		0.57	Toshiba Group in Japan	• Occupational Health and Safety
Injury rate per 1,000 workers (all accidents) * The number of lost-time injuries occurring in a workplace per 1,000 workers		1.15	Toshiba Group in Japan	• Occupational Health and Safety
High risk of cerebral heart	High blood pressure requiring more than normal consideration (%)	3.8	Toshiba Group in	Occupational Health and Safety
disease	High blood sugar requiring more than normal consideration (%)	2.5	Japan	
Metabolic syndrome patients (%)	17.5		Toshiba Group in Japan	• Occupational Health and Safety
Number of participants in education on OHS		67,154	Toshiba Group in Japan	• Occupational Health and Safety
Number of employees who participated in company-wide standardized educational program/training for the year	31,455		Toshiba Group	Fair Evaluation and Talent     Development

ESG Performance

Environment

Social

Governance Comparisons and Data, etc.

Items	FY2020 Achieven	nents	Scope	Posted pages
Total cost of company-wide standardized educational program/training (million yen)	2,100		Toshiba Group	Fair Evaluation and Talent     Development
Training time per employee (average) (hours)		7.4	Toshiba Group	Fair Evaluation and Talent     Development
Number of training programs for harassment held		1	Toshiba and key Group companies	<ul> <li>Promotion of Diversity and Inclusion</li> <li>Respect for Human Rights</li> <li>Sustainability Management</li> </ul>
Implementation status of reviews aimed at career development (%)		87	Toshiba	Fair Evaluation and Talent     Development
Job transfers involving use of open recruitment in Toshiba Group	Open recruitment in Toshiba Group	91	Toshiba and key Group companies	Fair Evaluation and Talent     Development
Employee Engagement Survey	Number of companies that conducted the survey	79 Approx 92	Toshiba Group	Fair Evaluation and Talent     Development
Number of companies that conducted surveys on human rights	Received responses (%)     Approx. 92       211		Toshiba Group	Sustainability Management     Respect for Human Rights
Human rights awareness seminars	Number of seminars held Total number of participants	120 7,300	Toshiba Group in Japan	• Respect for Human Rights
Procurement component ratio by business segment	Energy and infrastructure52Electric devices32Others16		Toshiba Group	Promotion of Sustainable Procurement
Procurement component ratio by region	Japan73Overseas27		· Toshiba Group	Promotion of Sustainable     Procurement
Number of new suppliers	Approx. 2,000		Toshiba Group	Promotion of Sustainable     Procurement
Number of companies participated in briefings for suppliers	8,567		Toshiba Group	Promotion of Sustainable     Procurement
Number of suppliers covered by surveys	9,660		Toshiba Group	Promotion of Sustainable     Procurement     Performance Indicators
Number of suppliers covered by on-site audit	497		Toshiba Group	Promotion of Sustainable     Procurement
Number of suppliers subject to guidance & support and suspension of transactions	Guidance and Support329Suspension of transactions0		Toshiba Group	Promotion of Sustainable     Procurement     Performance Indicators
Percentage of obtaining consent for the Toshiba Group Procurement Policy	96		Toshiba Group	Performance Indicators
The level of greenness of suppliers (%)	Rank S Rank A Rank B (requires guidance) Below Rank B (requires guidance)	90.7 4.1 1.8 3.4	Toshiba Group	Promotion of Sustainable     Procurement

Social

Governance Comparisons and Data, etc.

Items	FY2020 Achieven	nents	Scope	Posted pages
Number of reports by "Clean Partner Line" that is supplier whistleblower system	2		Toshiba Group	Promotion of Sustainable Procurement
Number of companies conducted a conflict minerals survey		Approx. 630	Toshiba Group	<ul> <li>Promotion of Sustainable</li> <li>Procurement</li> <li>Performance Indicators</li> </ul>
Status of QMS certified (FY2019)	Targeted sites	107		
*The FY2020 status will be updated on the <b>Sustainability</b>	Certified sites	99	Toshiba Group	Quality Control for Safety and Reliability
website as soon as it is finalized	Percentage of certificate	92.5		Reliability
Number of participants in quality training programs	701		The person in charge of quality assurance in Toshiba Group in Japan	• Quality Control for Safety and Reliability
Number of incident reports under Consumer Product Safety Act		4	Toshiba Group in Japan	Product Safety and Product     Security
Number of inquiries to Toshiba Customer Information Center		5,713	Toshiba Group	Improvement of Customer Satisfaction
Number of Contact Center Competition held	1		Contact centers in Toshiba Group in Japan	Improvement of Customer Satisfaction
Number of participants in education and training on customer satisfaction	74,103		Toshiba Group in Japan	Improvement of Customer Satisfaction
Number of customer satisfaction lectures held	1		Toshiba Group in Japan	Improvement of Customer Satisfaction
Number of after-sales service convention held	0		Toshiba Group in Japan and China	Improvement of Customer Satisfaction
Number of quality check in operations at the contact center	1		Toshiba and key Group companies	Improvement of Customer Satisfaction
	Total expenditure (billion yen)	0.97		
	Science and Technology Education (%)	75		
Social contribution activities:	Promotion of Sports and Culture (%)	7		
total expenditure and its	Social Welfare (%)	1	Toshiba Group	Social Contribution Activities     Performance Indicators
constituent parts	International Exchanges and Friendships (%)	5		
	Nature Conservation (%)	1		
	Support for Disaster Recovery (%)	3		
	Healthcare (%)	1		
	Other (%)	9		
Number of social contribution programs (annually)	696		Toshiba Group	Performance Indicators
Number of employees participated in Toshiba Group Volunteer Days	Approx. 57,000		Toshiba Group	• Social Contribution Activities

Corporate Information	Sustainability Management
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Social

# Governance

ltems	FY2020 Achiever	nents	Scope	Posted pages
Number of directors	12		Toshiba	Corporate Governance     Performance Indicators
Number of outside directors		11	Toshiba	Corporate Governance     Performance Indicators
Number of female directors		1	Toshiba	Corporate Governance     Performance Indicators
Number of attendees in the ordinary general meeting of shareholders		127	Toshiba	• <u>Stakeholders</u>
Number of meetings held between an outside director and a group of shareholders		1	Toshiba	Investor Relations     Stakeholders
Number of meetings of the Board of Directors		16	Toshiba	• 🔁 Business Report
Amounts of compensation	Directors (2 members, excluding outside directors)	98	Toshiba • <u>Corporate Go</u>	
according to officers position (million yen)	Outside directors (10 members)	261		• <u>Corporate Governance</u>
	Executive officers (13 members)	770		
Total amount of compensation by officers (million yen)	Nobuaki KURUMATANI	145	Toshiba	Corporate Governance
Participation in education for "Standards of Conduct for Toshiba Group" (%)		99.2	Toshiba Group in Japan	Performance Indicators
Percentage of self-audits conducted at Group companies based on "Anti-Bribery Guidelines" and "Guidelines on Contacts with Competitors"	100		Toshiba Group in Japan	• <u>Performance Indicators</u>
	Toshiba Hotline	129		Risk Management and Compliance
Number of reports received by whistleblower system	Audit Committee Hotline	31	Toshiba Group in Japan	<ul> <li>Fair Evaluation and Talent</li> <li>Development</li> <li>Respect for Human Rights</li> <li>Performance Indicators</li> </ul>
Status of breaches to laws	Exposure through price cartel	0	Toshiba Group • Risk Management and	• Risk Management and Compliance
related to anticorruption	Exposure through bribery	0		

ESG Performance

Environment

Social

Governance Comparisons and Data, etc.

ltems	FY2020 Achieven	nents	Scope	Posted pages
Political contributions (yen)		0	Toshiba	Risk Management and Compliance
Number of incidents of important information leakage		0	Toshiba Group	• Risk Management and Compliance
Number of violations of product safety regulations		0	Toshiba Group	• Risk Management and Compliance
Number of violations of regulations relating to information and labeling for products and services	0		Toshiba Group	• Risk Management and Compliance
Number of violations of the Act Against Unjustifiable Premiums and Misleading Representations		0	Toshiba Group in Japan	Risk Management and Compliance     Performance Indicators
Status of training sessions for executives and senior	Number of training sessions held	7	Senior management in	Risk Management and Compliance
management to raise awareness among top management	Number of participants	254	Toshiba Group in Japan	
Number of participants in accounting compliance training		Approx. 90,000	Toshiba Group	• Risk Management and Compliance
Number of participants in the e-learning program on the Subcontract Act	76,504		Toshiba Group in Japan	• Risk Management and Compliance
Number of participants in the learning program on the Electrical Appliance and Material Safety Law	73,112		Toshiba Group in Japan	• Product Safety and Product Security
Status of workplace CSR meetings	Number of meetings held	1	Toshiba Group in Japan	Risk Management and Compliance     Stakeholders
	Number of participants	Approx. 70,000	заран	Performance Indicators
	R&D expenses (billion yen)	150.5		
	Energy System Solutions (%)	10		
	Infrastructure System Solutions (%)	14	-	
Breakdown of R&D expenses	Building Solutions (%)	14	Toshiba Group	Research & Development and Intellectual Property
	Retail & Printing Solutions (%)	14		Intellectual Property
	Electronic Devices & Storage Solutions (%)	28		
	Digital Solutions (%)	4		
	Others (%)	17		

Social

Governance

Comparisons and Data, etc.

ltems	FY2020 Achievements		Scope	Posted pages	
	Japan	48	Toshiba Group		
	USA	26		Research & Development and	
Patent portfolio by country (%)	China	10		Intellectual Property	
	Others	16			
	Energy System Solutions	15			
	Infrastructure System Solutions	16	Loshiha Group	• Research & Development and Intellectual Property	
	Building Solutions	13			
	Retail & Printing Solution	17			
Patent portfolio by business (%)	Electronic Devices & Storage Solutions	15			
	Digital Solutions	4			
	Battery Business	4			
	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 Processes:

GHG emissions generated by Toshiba and its Group companies in Japan and overseas (Scopes 1 and 2<sup>-1</sup>) We selected and verified two sites (Headquarters of Toshiba and Fuchu Factory of Toshiba Elevator and Building Systems Corporation).

#### GHG Emissions Caused by Use of Products Sold:

GHG emissions caused by use of products sold by Toshiba and its Group companies in Japan and overseas (Scope 3 Category 11<sup>-2</sup>)

\*1 Scopes 1 and 2: GHG emissions generated by Toshiba through use of fuels and electricity as well as in the 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 (including GHG emissions of 343.11 million tCO<sub>2</sub> from products and services associated with power supply such as power plants since FY2020)



🔀 Independent Verification Report by Japan Audit and Certification Organization for Environment and Quality (PDF: 820 KB)

# Result

Based on research conducted in accordance with Toshiba Group's policies and standards as well as with ISO14064-3'3, 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**

- CO2 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 4.7)
- CO<sub>2</sub> emissions coefficient for electricity purchasing: Provided by each power company
- Greenhouse gases other than CO2: 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)
- CO2 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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