

TOSHIBA

2018

CSR Report

Corporate Social Responsibility



Reporting and Disclosure Items

Toshiba Group provides an overview of its financial and non-financial management in our Annual Report (Integrated Report). In addition, in our CSR Report, we provide more detailed non-financial information; and we report on environmental activities in greater detail in our Environmental Report.

We also provide the latest information on related matters in a timely manner through our corporate website.

About financial and outline of non-financial information

Annual Report / Investor Relations Website



> [Annual Report](#)



> [Investor Relations Website](#)

About non-financial information (ESG)

CSR Report / CSR Website



> [CSR Report](#)



> [CSR Website](#)

Environmental Report / Environment Website



> [Environmental Report](#)



> [Environment Website](#)

* English version of Toshiba Environmental Report 2018 will be issued in January 2019.

CSR Reporting Policy

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

In editing the CSR Report, we take into consideration the issues material for both our stakeholders as well as the Group.

CSR Report 2017 has the following three points:

- 1. Reporting top commitment from executive officer in charge of CSR to engage in CSR management of Toshiba Group.**
 - [Message from the Executive in Charge of CSR](#)
- 2. Reporting continuous effort toward CSR materialities**
 - [Material Issues](#)
- 3. Disclosing ESG Performance categorized into ESG (Environmental, Social and Governance) and enhancing the contents**
 - [ESG Performance](#)

Organizations covered in this report

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

Note: "Toshiba" in this report refers to Toshiba Corporation. "Toshiba Group in Japan" refers to Toshiba corporation and its consolidated subsidiaries in Japan. "Toshiba Group overseas" refers to consolidated subsidiaries overseas.

Reporting period

This report focuses on the results of activities in FY2017 (from April 1, 2017 to March 31, 2018).

It also includes some activities continuing from the past as well as more recent ones.

Significant Change during the Reporting Period

- The in-house companies were split off into wholly-owned subsidiaries.
- Toshiba sold the shares of Landis+Gyr Group AG.
- Tokyo Stock Exchange and Nagoya Stock Exchange cancelled their designations of the Toshiba's stock as Securities on Alert and Securities Under Supervision (Examination).
- Financing transaction

Publication

Current issue: December 2018 (previous issue: March 2018)

Reference Guidelines

- GRI (Global Reporting Initiative) Sustainability Reporting Standard
This report references the GRI Sustainability Reporting Standards 2016.
- United Nations Global Compact [COP(Communication on Progress) Advanced level]
- Environmental Reporting Guidelines 2012/2018, Ministry of the Environment of Japan
- Environmental Accounting Guidelines 2005, Ministry of the Environment of Japan
- ISO 26000

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Basic Corporate Data

Company Name:	TOSHIBA CORPORATION
Headquarters Address:	1-1, Shibaura 1-chome, Minato-ku, Tokyo, Japan
Founded:	July 1875
Chairman and CEO:	Nobuaki Kurumatani
President and COO:	Satoshi Tsunakawa
Common Stock:	¥200,044 million (As of August 3, 2018) Note: Changed as above due to "the reduction of capital on July 31" and "the issuance of new shares as a restricted stock compensation on August 3."
Net Sales: (Consolidated basis)	¥3,947.6 billion (FY2017)
Fiscal Year:	April 1 to March 31
Number of Employees: (Consolidated basis)	141,256 (As of March 31, 2018)
Number of Shares issued:	652,095,733 shares (As of October 1, 2018) Note: Changed as above due to "the issuance of new shares as a restricted stock compensation on August 3" and "the share consolidation on October 1."
Number of Shareholders:	300,871 (As of March 31, 2018)
Stock Exchange Listings:	Japan : Tokyo and Nagoya

Business Domains

Energy Business Domain

Creating Sustainable Societies

Power systems are indispensable for contemporary lifestyles, and demand is expected to remain vigorous worldwide. Leveraging expertise cultivated since the company's foundation, Toshiba Group creates energy infrastructure that enriches quality of life for people throughout the world. In order to ensure stable supply of electricity, we offer hydro, solar, geothermal and wind power generation facilities in the renewables space, as well as thermal and nuclear power generation systems.

We are also a leading supplier of power transmission and distribution systems that deliver electricity to homes, commercial facilities and other users; rechargeable batteries for the efficient storage of energy; hydrogen-based autonomous energy supply systems utilizing renewable energy and hydrogen; and energy aggregation services that integrate and adjust the balance of supply from distributed energy resources and demand from facilities and electric vehicles.

● Large-scale Power Generation systems



Thermal Power



Nuclear Power

● Renewable Energy



Hydro Power



Geothermal Power



Photovoltaic



Wind Power

● Transmission and Distribution Energy Storage



T&D



Supervisory Control And Data Acquisition Systems (SCADA)



Pure Hydrogen Fuel Cell System



Hydrogen-based Autonomous Energy Supply System H2One™

Toshiba Energy Systems & Solutions Corporation
President and CEO

Mamoru Hatazawa

Business Domains

Social Infrastructure Business Domain

To Realize a Sustainable Society with Safety, Security and Reliability

Toshiba Group aims to realize a sustainable society that is safe, secure and reliable through our solutions for Public Infrastructure, Building & Facilities and Transportation and Industrial Systems all over the world.

For public infrastructure, we offer systems and solutions for water supply and sewerage, highways, disaster prevention, broadcasting, telecommunications, security and automation. For buildings and facilities, we offer energy-saving, eco-friendly solutions for elevators & escalators, air-conditioners, and lighting offering higher comfort. For Transportation and Industrial Systems, we offer high value-added systems and solutions for railways, motors & inverters, rechargeable batteries and automotive devices. Also, we offer retail & printing solutions to support businesses for stores, logistics and offices.

Public Infrastructure



Water Treatment Systems



Broadcasting Systems



Security and Automation Systems



Air Traffic Control Systems

Building & Facility / Offices & Stores



Lightings



Elevators



Air-conditionings



POS System

Transportation and Industrial Systems



Railway Systems



Industrial Systems



Lithium-ion Rechargeable Battery

Toshiba Infrastructure Systems & Solutions Corporation President and CEO	Shinichiro Akiba
Toshiba Tec Corporation President and CEO	Takayuki Ikeda

Business Domains

Electronic Devices Business Domain

Electronic devices that are shaping our future

In the era of big data, you either sink or swim in the sea of information. In fact, state-of-the-art electronics are contributing more than ever, from cutting energy consumption to the control and operation of automobiles. Toshiba Group promotes advances in electronic devices that help everyone to live more comfortably and safely.

In the discrete semiconductor business, we focus on the power devices that control equipment power consumption. Our system LSI business offers ICs for IoT, automotive, communications and power supply applications. In the HDD business, we lead the way in large capacity enterprise HDDs for data centers and servers.

Solutions for Customers



Our Technologies and Products for Tomorrow



Toshiba Electronic Devices & Storage Corporation
President and CEO

Hiroshi Fukuchi

Business Domains

Digital Solutions Business Domain

Lead Digital Transformation and Co-create New Value Propositions in Global Society

Toshiba Group takes full advantage of know-how cultivated in over 140 years of experience in the social infrastructure business and manufacturing, and of expertise gained from a wide range of industries and worksites.

We combine these with our latest advances in IoT and AI, embodied in “Toshiba IoT Architecture SPINEX”, and co-create new value propositions with our customers in industry and with society.

We have devoted years of effort to the development of AI technologies and to promoting “Toshiba Communication AI RECAIUS” and “Toshiba Analytics AI SATLYS”. Our aim is not only to connect things but also to develop a deep and comprehensive understanding of human intentions and situations that brings a new level of understanding to communications between people and machines.

We will continue to contribute to creating a comfortable and safer society for people worldwide, to apply our latest digital technologies to business transformations, and to promote Co-Creation that enables open innovations that extend far beyond the boundaries of companies, industries and regions.

Toshiba IoT Architecture
SPINEX™

Energy IoT  <ul style="list-style-type: none">Electricity consumption visualizationPhotovoltaic power generation capacity predictionVirtual power plant developmentPower plant facility management	Social Infrastructure IoT  <ul style="list-style-type: none">Operation & maintenance of water treatment plantsRechargeable battery management for EV busesTrain operation monitoringMonitoring & inspection of electric power infrastructure	Distribution/Logistics IoT  <ul style="list-style-type: none">Transportation quality visualization & analysisOperational efficiency of warehousesAutomatic identification & tracking of cargo & roll box palletets
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Building & Facility IoT  <ul style="list-style-type: none">Equipment inspection support servicePreventive maintenance of elevatorsMonitoring of air-conditioning & lighting system operationEnergy-saving services for building facilities	Manufacturing IoT  <ul style="list-style-type: none">Big data analysis for manufacturingMonitoring & maintenance of production facilitiesIndustrial equipment failure prediction
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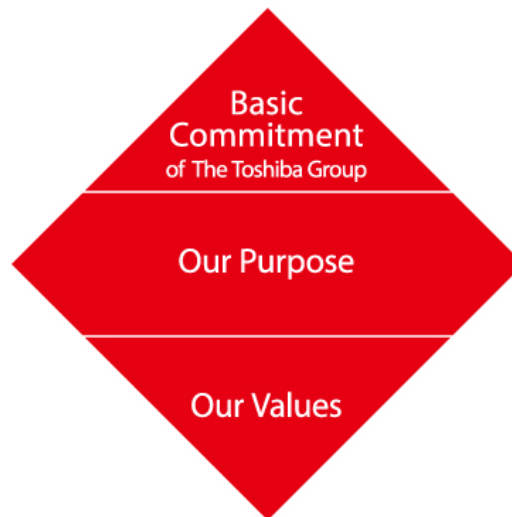
Toshiba Digital Solutions Corporation
President and CEO

Hironobu Nishikori

The Essence of Toshiba

The Essence of Toshiba

The Essence of Toshiba is a statement of our unwavering credo as an organization. It has three components. The Basic Commitment of Toshiba Group, Our Purpose, and Our Values.



- “Basic Commitment of the Toshiba Group”
Our enduring credo:
What we believe and promise to deliver.
- “Our Purpose”
Our reason for being:
Inspired by the credo, the difference we make for customers and society.
- “Our Values”
Our shared beliefs:
A guide to action and the thorough implementation of Our Purpose

Basic Commitment of The Toshiba Group

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

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

Our Purpose

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

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

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

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

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

We turn on the promise of a new day.

Our Values

Do the right thing

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

Look for a better way

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

Always consider the impact

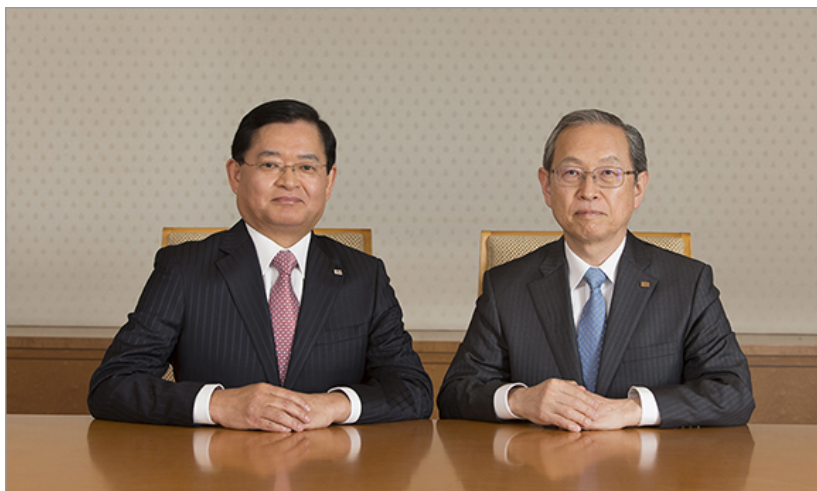
We think about how what we do will change the world for the better, both today and for generations to come.

Create together

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

Message from Top Management

Committed to people, Committed to the future. We make and do things that lead to a better world.



Chairman and CEO Nobuaki Kurumatani President and COO Satoshi Tsunakawa

In a dynamic business environment, where IoT and AI continue to drive technology advances and create new potential, we are determined to secure Toshiba's leadership in promoting new technologies and pioneering new markets, and to shape the organization we need to secure sustained development.

Toward that, we have now issued the "Essence of Toshiba". Grounded in our long-standing statement of intent, "Committed to People, Committed to the Future", the Essence is a restatement of the values that have guided Toshiba for over 140 years, as we have taken our business to the global level, and that still inspire us today as we work for a sustainable future.

The introduction of the Essence allows Toshiba Group employees everywhere to realign themselves with Toshiba's identity, to understand how we aim to grow as a group that promotes progress for a better world, and to continue to turn on the promise of a new day.

The future demands solutions. Mankind must address climate change, meet rising energy demand, and overcome resource depletion. Our stakeholders also have high expectations that we will contribute to a more sustainable future through sound ESG management (environment, society and governance), and by promoting initiatives to help achieve the global SDGs. Toshiba Group supports the universal principles, including human rights, labor, the environment and anti-corruption, advocated by the United Nations Global Compact, and by observing the restated Basic Commitment of the Toshiba Group, we will pursue CSR management that meets stakeholder expectations.

Our sights are set on the century to come, our goal is to be a group that continues to be needed by society and that enjoys its trust. Our core mindset has always been to create, a venturesome spirit. This has allowed us to break new grounds in many areas, and to contribute to the evolution of daily life and social development. As we put past accounting irregularities and our recent financial crisis forever behind us, we will leverage the strengths and capabilities of our employees everywhere to harness our vision and strengths in technology, manufacturing and solutions.

We will grow as a corporate group that has the trust of all stakeholders.

Nobuaki Kurumatani
Chairman and CEO

Satoshi Tsunakawa
President and COO

Toshiba Corporation
October 2018

* SDGs: Sustainable Development Goals. Adopted by the UN in 2015, with achievement in 2030 as the target.

Message from the Executive in Charge of CSR

Toshiba Group contributes to realization of a sustainable society through CSR management.

Naoto Hasegawa
Executive Officer
Corporate Vice President



We greatly appreciate your continued interest in Toshiba Group's management, and thank you very much for the various opinions and suggestions that you so kindly send to us.

In July this year, drawing on the DNA that dates back to Toshiba's establishment, we introduced the "Essence of Toshiba" as a guide for all members of the Group.

The cornerstone text of this new statement is that Toshiba Group's management philosophy is "Committed to People, Committed to the Future". Selecting these phrases, long familiar to our employees around the world as the group slogan, underlines Toshiba Group's timeless convictions, and determination to contribute to the realization of a sustainable society.

"Committed to People", we contribute to solving social issues without leaving anyone behind; and "Committed to the Future" points to how we actively address global environmental issues, including the response to climate change. Overall, this offers a clear expression of the intentions of Toshiba Group.

We firmly believe that these intentions are consistent with the goals of the SDGs, initiatives currently being promoted by the UN.

Grounded in the Essence of Toshiba, and by practicing CSR management across the Group's business domains, we aim to use reliable technologies to create rich value, to contribute to the realization of a sustainable society, and to improve corporate value.

Further to this, Toshiba Group identified three CSR material issues that we think are important and that we must address in our activities: respect for human rights, promotion of ethical supply chain management, and environmental management.

Respect for human rights

"Human Rights" is the very first entry in the "Standards of Conduct for Toshiba Group", and it firmly declares that we carry out all corporate activities with consideration and respect for human rights. Further to this, we recognize that a thorough respect for human rights is crucial not only for Toshiba Group but throughout the supply chain. We stipulate consideration for human rights in our procurement policy and also ask our business partners to comply.

Promotion of supply chain management

Toshiba is a member of the Responsible Business Alliance* (RBA), and we fulfill our supply chain responsibilities in respect of labor, health and safety, the environment and ethics by promoting measures in line with the RBA's Code of Conduct. We also ask our business partners to comply with the RBA Code of Conduct, and we implement risk assessments and request improvements to the high-risk business partners.

* An organization established in the US to promote CSR in the supply chain

Environmental management

From the processes for creating products and services, all the way through to use by the consumer and final disposal, we recognize the need to implement environmental measures in the value chain. This conviction was made even firmer by the conclusion of the Paris Agreement in 2015; we recognize that measures to counter climate change are an urgent matter, and we put our priority on this.

Going forward, we will continue to work to resolve issues and to improve our CSR management, with an emphasis on ESG, while taking into account requests from all of our stakeholders and changes in social trends.

The essence of CSR management lies in contributing to the realization of a sustainable society through our business activities. Towards, it is necessary for all of our employees to have a solid awareness of CSR, and to constantly reinforce that understanding.

At Toshiba Group, we share and confirm awareness of CSR management with one another by designating December as CSR month. During the course of the month we hold a series of events, among them the CSR conference, where executives and employees participate, and volunteer activities.

All of our employees have different responsibilities, but every employee, through their own work and in their respective positions, practices CSR activities and is contributing to the realization of a new Toshiba. As we move ahead, we look forward to continuing to promote a dialogue with our stakeholders that builds trust and a fuller understanding of our corporate activities. We hope to be able to rely on your continued good will and support.

Standards of Conduct for Toshiba Group

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

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

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

Introduction

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

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

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

1. Human Rights

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

2. Customer Satisfaction

1. Toshiba Group Corporate Policy

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

3. Procurement

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

4. Production and Technology, Quality Assurance

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

5. Marketing and Sales

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

6. Competition Law and Government Transactions

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

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

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

7. Bribery

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

8. Environment

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

9. Export Control

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

10. Antisocial Groups

1. Toshiba Group Corporate Policy

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

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

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

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

11. Engineering Ethics

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

12. Intellectual Property Rights

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

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

13. Accounting

1. Toshiba Group Corporate Policy

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

14. Corporate Communications

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

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

15. Advertising

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

16. Workplace

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

17. Information Security

1. Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

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

18. Company Assets and Conflicts of Interest

Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

19. Community Relations

Toshiba Group Corporate Policy

Toshiba Group Companies shall:

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

2. SOC for Toshiba Group Directors and Employees

Directors and Employees shall:

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

Scope and Implementation

1. Scope of the SOC

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

2. Implementation of the SOC

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

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

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

4. Disciplinary Action

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

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

CSR Management of Toshiba Group

CSR Management

Toshiba Group has positioned CSR management as the base for all corporate activities and believes that this means to contribute to sustainable social development by supporting the resolution of global social issues through business and by setting human life, safety and compliance as our top priorities.

There are now major expectations placed on companies following the adoption of the Sustainable Development Goals (SDGs) at the United Nations in 2015, with the promotion of CSR management perceived as contributing to the attainment of the SDGs. Toshiba conducts corporate activities while holding dialogue with customers, shareholders, investors, suppliers, employees and other stakeholders based on this concept. In addition, each employee acts in accordance with the Standards of Conduct for Toshiba Group.

Toshiba Group's CSR Management



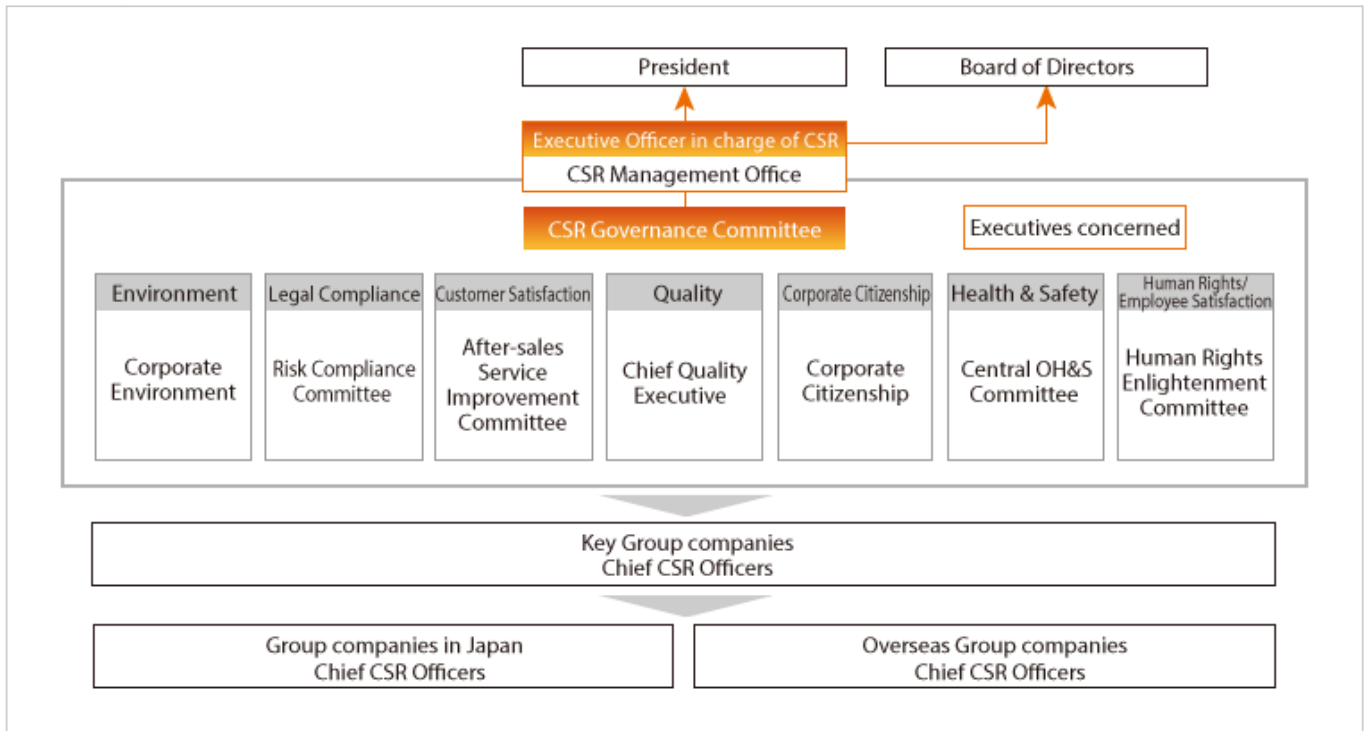
Organization of CSR Management

Toshiba established an internal organization to promote CSR in 2003 and has put in place a Group-wide CSR management system. The CSR Governance Committee, consisting of the Executive Officer in charge of CSR and the executives concerned, holds meetings as appropriate in order to discuss and determine Toshiba Group CSR Action Policy. Based on the policies determined, the Corporate Environment Management Committee, Risk Compliance Committee and other relevant committees (see the chart below) establish key performance indicators (KPIs) and implement action plans for each of the topics for which they are responsible.

Group companies in Japan and overseas appoint their own Chief CSR Officers. They ensure the implementation of Toshiba Group's CSR Action Policy and check the progress regarding key issues for the companies.

A meeting called the Corporate CSR Meeting is held four times a year and attended by representatives from CSR-related divisions such as general affairs, human resources, environment, procurement and quality assurance, to verify the progress of activities.

CSR Management Structure



Monitoring

We have been conducting the Global CSR Survey annually since FY2005 in order to check and improve CSR-related activities at overseas Group companies.

The survey consists of items concerning human rights, labor, ethics, amount of expenditure on social contribution activities, management of suppliers, and so on. The answers submitted by suppliers are gathered, analyzed and shared with the department in charge of managing the results, and we request improvements be made in problematic areas.

Increasing Employee Awareness of CSR

In order to increase CSR awareness throughout Toshiba Group, the Chairman and President reaffirm the Group's Basic Commitment at the start of each accounting period, during company ceremonies and start-of-year addresses, as well as at any other opportunity. They also discuss practicing CSR management and its importance. The overview is also circulated among domestic and overseas bases and Group companies through in-house media and the office organization system. We also conduct training programs every year including rank-specific CSR education such as for new employees and newly appointed officers and e-learning in line with the Standards of Conduct for Toshiba Group in areas such as the environment, information security, human rights and engineering ethics.

Toshiba Group's CSR Month

The Toshiba Group has designated December as its CSR Month since FY2006. During this month, we assess our CSR initiatives and hold a variety of events, such as the Group-wide CSR Conference and other events at our companies and business sites focusing on social contribution and other CSR activities. In FY2017, a message from the president was sent to the Toshiba Group employees so that each employee could reaffirm the significance of the Group's CSR and take action. Additionally, all Toshiba Group employees took part in the Toshiba Group Simultaneous Social Contribution Activities around December 5, International Volunteer Day.

On December 19, we held our annual CSR Conference, which was attended by some 660 employees, including executive officers and labor union representatives. On the conference day, the executive officer in charge of CSR reaffirmed the definition of CSR management for the Toshiba Group and material issues and conveyed how CSR guides all the everyday activities of employees. Yoshimitsu Kobayashi, an Outside Director of the Company as well as Director and Chairman of Mitsubishi Chemical Holdings Corporation, also took the stage to discuss his company's unique management method based on sustainability, management of technology and business administration as well as expectations placed on the Toshiba Group.

CSR Management of Toshiba Group

Material Issues

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


The Toshiba Group's Material Issues



In addition to these material issues, Toshiba continues to strengthen governance, which includes monitoring of top management, strengthen internal control and change the thinking of management and employees.

Process of Material Issue Identification

Process of Material Issue Identification

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








Toshiba has outlined initiatives related to material issues for FY2017 in its ESG activity report.

ESG Activity Report

- > [Respect for Human Rights](#)
- > [CSR Management in the Supply Chain](#)
- > [Environment Management](#)
- > [FY2017 Performance Indicators](#)

Regular Dialogues with Stakeholders

We maintain dialogues with our stakeholders at all times when identifying material issues. Toshiba Group values regular dialogues with stakeholders, and assesses its own efforts based on the results of such dialogues, leveraging them when developing and executing measures.

Stakeholders	Major dialogues and their opportunities
Customers 	Routine sales activities, Call center (via phone and email, etc.)
Shareholders/Investors 	General Meeting of Shareholders, Meetings with investors, Questionnaire survey, Investor Relations (IR) website
Suppliers 	Routine procurement activities, Briefing sessions on procurement policy, CSR survey, Supplier whistleblower system "Clean Partner Line"
Employees 	Employee morale survey (TEAM Survey), Dialogues, Information exchange meetings, Whistleblower system "Risk Hotline," "Audit Committee Hotline," "Consulting Services for Employees"
Local communities 	Dialogues, Information exchange meetings, Factory visits, Employees' participation in community activities
Governments and public bodies 	Dialogues with economic and/or industry associations
NPOs/NGOs 	Dialogue through collaboration, Exchange of views at stakeholder dialogues

- > [Stakeholders](#)

CSR Management of Toshiba Group

SDGs Initiatives

Inspired by [the Basic Commitment of Toshiba Group](#), "Committed to People, Committed to the Future," we aim to create a higher quality of life for all people and to do our part to help ensure that progress continues within the world community. In line with this Basic Commitment, we seek to contribute to the attainment of the Sustainable Development Goals (SDGs) adopted at the United Nations in 2015 through Toshiba Group's technological expertise and innovation, which over the years have supported the advancement of a better society. Going forward, we will strive to set in motion a new future by providing new value toward the realization of a sustainable society.



Toshiba Group holds various workshops and study sessions to increase understanding of the SDGs among Group employees. In FY2017, we held a seminar with in which the Japanese self-described "Comedian Journalist" Nana Takamatsu gave a lecturer officers and employees. The seminar involved the sharing of concepts concerning Toshiba Group's SDGs through dialogue between Satoshi Tsunakawa, the President and Ms. Takamatsu. A workshop was also held in which all of the participants spent time thinking about how Toshiba Group's technology could be used to contribute to the attainment of the SDGs.

➤ [SDGs and Toshiba: What we learned from Comedian Journalist Nana Takamatsu](#) (Japanese)

Toshiba's CSR Management Office conducted an opinion exchange session regarding contribution through the Group companies and businesses to promote SDGs initiatives.

At Toshiba Digital Solutions Corporation, a working group was formed to hold discussions on the SDGs. The working group associates the company's business and the solutions it provides with the SDGs to identify priority issues with the aim of contributing to attainment of the SDGs by resolving these challenges.

➤ [SDGs initiatives at Toshiba Digital Solutions Corporation](#) (Japanese)

In addition to contribution through business, Toshiba Group is working actively to achieve the SDGs via social contribution initiatives. In December 2017, the company organized food drives at nine sites in six countries around the world, including Japan, the United States and areas of Africa, as part of the employee participatory Toshiba Group Simultaneous Social Contribution Activities. The drives contributed to the attainment of the following SDGs: Goal 1 "NO POVERTY," Goal 2 "ZERO HUNGER" and Goal 12 "RESPONSIBLE CONSUMPTION AND PRODUCTION (Ensure sustainable consumption and production patterns)."

➤ [Toshiba Group Simultaneous Social Contribution Activities](#)

Toshiba Group will strive to accelerate SDGs initiatives and promote technological development and innovation that contribute to the resolution of social issues.

Examples in Business



Initiatives to realize a hydrogen-based society

Toshiba Energy Systems & Solutions Corporation

Toshiba Energy Systems & Solutions Corporation (Toshiba ESS) has commercialized the H2Rex™ pure hydrogen fuel cell system that converts hydrogen into electricity and H2One™, an autonomous hydrogen energy supply system designed to provide a stable supply of electricity by using renewable energy derived hydrogen. In FY2017, H2One™ were installed at Rakuten Seimei Park Miyagi, the home field of the Tohoku Rakuten Golden Eagles professional baseball team, and at East Japan Railway Company's Musashi-Mizonokuchi Station, making contribution as hydrogen dispersed power sources, one of Toshiba ESS's initiatives. In addition, the H2Rex™ pure hydrogen fuel cell system has been adopted for various uses that is included hotel, wholesale market, convenience stores, dairy farm and heated swimming pool. More than the 100 systems have been installed to date, contributing to the expansion of renewable energy.

Toshiba ESS will continue to develop diverse technologies into developing total hydrogen energy solution for an environmentally friendly hydrogen economy in order to create sustainable society. The goal is to resolve energy issues through to utilization clean hydrogen energy and energy management.

➤ [Hydrogen energy](#)



H2One™, Hydrogen energy supply system for Rakuten Seimei Park Miyagi



A heavy ion therapy system for Korea's Yonsei University Health System

Toshiba Energy Systems & Solutions Corporation

Toshiba Energy Systems & Solutions Corporation (Toshiba ESS), in collaboration as a consortium with DK Medical Solutions, a Korean leading global medical company, was awarded a contract to supply a heavy ion therapy system to Yonsei University Health System (YUHS). The treatment is scheduled to start in 2022. Heavy ion therapy uses particles such as carbon ions to generate a high-energy beam that irradiates cancerous tissues - the system accelerates carbon-ion beam to up to 70% of the speed of light and delivers a concentrated dose of radiation to the targeted part. It ensures pinpoint and lethal irradiation to cancerous tissues efficiently depending on position, size and shape, with minimum damage to surrounding healthy tissues. The treatment enables swift rehabilitation in society with minimal physical impact on the patient.

Toshiba ESS has been developing heavy ion therapy systems in collaboration with National Institutes for Quantum and Radiological Science and Technology (QST/NIRS), providing one of the systems to Kanagawa Cancer Center, a Kanagawa prefectural hospital run as a local independent administrative organization. The company was then awarded a contract from the national institute Yamagata University in 2015.

Toshiba ESS will continue contributing to the realization of high-quality cancer treatment with the aim of proliferating the use of the heavy ion therapy system.

➤ [Heavy ion therapy](#)



An image of the heavy ion therapy system



Power generation facilities at a hydro power station in Vietnam

Toshiba Energy Systems & Solutions Corporation and Toshiba Hydro Power (Hangzhou) Co., Ltd.

All hydro turbines and generators of units 1 to 4 at Vietnam's Trung Son Hydro Power Station delivered by Toshiba Energy Systems & Solutions Corporation (Toshiba ESS) and Toshiba Hydro Power (Hangzhou) Co., Ltd. (THPC) started commercial operation in FY2017. The plant, located in Thanh Hoa Province, has 260 MW of power output. Toshiba Group were responsible for supplying four sets of Francis turbines, designed for flow from medium to high range heads, generators and auxiliary equipment. In addition to supplying electricity, the project is expected to provide drought and flood control through construction of the dam. Since delivering the first Japan-made commercial-use 60 kW hydroelectric generator for Japan's first utility's hydro power station in 1894, Toshiba Group has built up a track record in supplying hydro power generating systems with over 59 GW installed capacity around the world, including Japan and throughout Asia. Moving ahead, Toshiba Group will support efforts to secure a stable global supply of renewable energy, including hydroelectric, geothermal, wind and solar power systems.



The hydro turbine installed at Trung Son Hydro Power Station

> [Renewable energy - Hydro power](#)



Environmentally conscious rapeseed oil-immersed transformers

Kitashiba Electric Co., Ltd.

Kitashiba Electric Co., Ltd. is one of the only manufacturers developing environmentally conscious rapeseed oil-immersed transformers employing plant-derived rapeseed oil as an insulating oil. It has delivered the most plant oil-immersed transformers in Japan. Compared with conventional mineral insulating oil, rapeseed oil emits very little carbon dioxide throughout its lifecycle by being carbon neutral while it also gets broken down easily by microbes in the soil if it leaks, thereby minimizing environmental impact. Furthermore, rapeseed oil has a flash point of around 330°C, which is much higher than the 140°C of mineral oil, providing enhanced fire safety and disaster prevention. These and other features have received critical acclaim and the rapeseed oil-immersed transformer has now been employed by numerous customers with high environmental consciousness, including for renewable energy power plants. Kitashiba Electric Co.,Ltd. aims to continue contributing to the realization of a sustainable society through the co-creation of products and services that are kind to the earth together with customers and partners.



Rapeseed oil-immersed transformer



The world's first practical-use multi-parameter phased array weather radar (MP-PAWR) (under practical test)

Toshiba Infrastructure Systems & Solutions Corporation

The world's first practical-use multi-parameter phased array weather radar (MP-PAWR) developed by a research group that includes Toshiba Infrastructure Systems & Solutions Corporation was installed at Saitama University on November 21, 2017 as part of the Cabinet Office's measures of Enhancement of Societal Resiliency against Natural Disasters.

The radar can provide 3-D data of rain clouds around 15 km above the earth covering a 60 km radius in 30 seconds and covering an 80 km radius in a minute with just a single revolution of the antenna by switching from a conventional reflector type antenna to the latest phase array type antenna. The radar also vastly improves the observation accuracy of rainfall amount through incorporation of high-precision precipitation observation capability. This enables faster and more

accurate observation of signs that an unexpected heavy rain is imminent and amount of rainfall relative to standard weather radars. It also makes it possible to observe fast-growing cumulonimbus clouds as well as highly accurate observation of localized heavy rain and risk of tornado 20-30 minutes in advance.

The radar will be able to provide early forecast of an unexpected heavy rain, a flood and strong wind. The radar is expected to be applied in a variety of situations, including for the efficient running of outdoor sports and other events, flood prevention by local government, to provide instruction to citizens of the need for evacuation, and simply for residents to take in their washing.

As examples, the radar will be able to provide useful information to decide on the start, postponement or continuation of an outdoor sports event and to make sure spectators can be guided to shelter before heavy rain arrives. Also local government will be able to implement flood prevention activities and give the directive to evacuate in plenty of time since the radar allows early forecast of areas at risk of flooding.

> [Press Release \(Multi-parameter phased array weather radar \(MP-PAWR\)\)](#) (Japanese)



Multi-parameter phased array weather radar (MP-PAWR)



Intelligent Transport Systems for Vietnam Expressway

Toshiba Infrastructure Systems & Solutions Corporation

A Japanese consortium led by Toshiba was awarded the contract for an Intelligent Transport Systems by Vietnam Expressway Corporation, and the system started operation in March 2017. A 55-kilometer stretch of the highway that runs from Ho Chi Minh City, Vietnam's largest commercial center, to Dong Nai Province to the east where industrial development continues apace, was the target section of the project. This is the first comprehensive Intelligent Transport Systems put together by Japanese companies for an overseas customer. Through the 55-kilometer stretch, the project introduced a toll collection system including ETC and installed vehicle detectors for automatically measuring traffic flows at 52 points. Additionally, 16 CCTV cameras, sensors for weather observation, and wireless communications equipment for the expressway operators are introduced. Cutting-edge information processing technology enables to resolve issues of road traffic such as congestion and accidents by processing the information of people, roads and vehicles integrally.

There are numerous plans in place to build expressways in Vietnam against a backdrop of rapid economic development. Toshiba will continue to contribute to the safety and security of people in Vietnam by helping to improve road networks, which are fundamental to well-being and prosperity.

> [TOSHIBA CLIP \(Intelligent Transport Systems for Vietnam Expressway\)](#)



An expressway traffic control center in Vietnam that has started operation of Intelligent Transport Systems



LED bulb equipped with GaN power device and high-output LED floodlight

Toshiba Lighting & Technology Corporation

Toshiba Lighting & Technology Corporation has released the world's first LED bulb with compact LED driver using GaN*1 power devices and a high power LED floodlight.

The GaN power device helps realize higher frequencies and a more compact design for the circuit board. The saved space allows the adding of dedicated circuit for phase-control dimming in the compact LED bulb, thereby helping to drive the switch to LED lamps. In addition, light distribution technology using only a unique reflector was established for the high-power LED floodlights (equivalent to 2 kW metal halide lamp fixtures) to effectively distribute the light of an LED module with large luminous flux divergence achieved via high-precision mounting. Advanced specific energy consumption efficiency and reduction in the spill light resulting in more efficient light collection enhances energy conservation performance, helping promote the proliferation of the lights in stadiums and elsewhere.

LED bulbs mounted with the GaN power device reduces power consumption by around 84%*2 in mini-krypton types and around 82%*3 in halogen bulbs compared with the conventional incandescent light bulbs, and by around 55%*4 in high power LED floodlights compared with the conventional HID floodlights.

This resulted in the LED bulb equipped with GaN power device and high power LED floodlight being recognized with the Director General Prize of Agency of Natural Resources and Energy in the Product and Business Model category of the Energy Conservation Grand Prize awards for fiscal 2017.

Efforts to spread the use of these products and LED lighting culminated in prizes in the 27th Global Environment Awards and the Nikkei Global Environmental Technology Awards (for the GaN power device fitted LED bulb) and the Environment Minister's Award for Global Warming Prevention Activity (for the LED floodlight equivalent to a 2kW metal halide fixture).

Going forward, the company will continue contributing to the creation of an energy-saving society by helping to reduce greenhouse gas emissions such as carbon dioxide.

*1 Chemical formula for gallium nitride

*2 Comparison between Toshiba Lighting & Technology Corporation's mini-krypton bulb KR100V33WXWA and GaN power device equipped LED bulb LDA5L-G-E17/S/D40W

*3 Comparison between Toshiba Lighting & Technology Corporation's neo halo beam bulb PRIDE JDR110V45W/K5M-PD and GaN power device equipped LED bulb LDR7L-M-E11/D

*4 Comparison between Toshiba Lighting & Technology Corporation's HID floodlight HT-20013(N · M · W)+MD2000B+20MC-4201H and the high power LED floodlight LEDS-12503N (N · M · W)+LEK-3H8P039A01



High power LED floodlight (equivalent to a 2 kW metal halide lamp fixture) and GaN power device equipped LED bulb

➤ [LED bulb equipped with GaN power device and high power LED floodlight](#) (Japanese)



Universal Smart X EDGE Series of high-efficiency, compact air-cooled heat pump chillers

Toshiba Carrier Corporation

Universal Smart X EDGE Series are the latest high-efficiency, high-performance, compact air-cooled heat pump chillers from Toshiba Carrier released three models in March 2017. The high-efficiency 60-horsepower AIREEDGE model realizes top-class energy-saving performance, the HEATEDGE model vastly improves heating capacity under low outdoor air temperature conditions, and the POWEREDGE model realizes the highest power output in Japan of 70-horsepower via a module-type chiller.

The EDGE series enlarges capacity and scope of usage while reducing the size of the module, enabling heat pump use in large-scale properties. The heat pump has been positioned as renewable energy utilization technology in Europe and Japan on account of its energy-saving technology based on natural energy such as air-source heat.

The series has garnered high praise from groups and customers interested in energy conservation and environmental measures, winning such awards as the Director General Prize of Agency of Natural Resources and Energy at the Energy Conservation Grand Prize awards for fiscal 2017, the Minister of the Environment's Commendation for Global Warming Prevention Activity for fiscal 2017 (HEATEDGE model with enhanced heating capacity), and the Japan Society of Refrigerating and Air Conditioning Engineers Technology Award. Moving ahead, Toshiba will strive to contribute to the realization of a low-carbon society by leveraging the heat pump technology to conserve energy and curb greenhouse gas emissions.



Universal Smart X EDGE Series (left: a single model, right: the four models together)

- [Press Release \(New Universal Smart X EDGE Series \(Japanese\)\)](#)
- [Press Release \(HEATEDGE Awarded Minister of the Environment's Commendation for Global Warming Prevention Activity for Fiscal 2017 \(Japanese\)\)](#)
- [Press Release \(Universal Smart X EDGE Series, Awarded Director General Prize of Agency of Natural Resources and Energy at the Energy Conservation Grand Prize awards for Fiscal 2017 \(Japanese\)\)](#)



Communication AI "RECAIUS Call Agent"

Toshiba Digital Solutions Corporation

Toshiba has added the "RECAIUS Call Agent" to "Toshiba Communications AI RECAIUS™" service lineup. The "RECAIUS Call Agent" provides automatic response to inquiries to a call center, contributing to reduced load at call center operations. The service cuts down customer waiting time by offering automated response to simple inquiries. Speech recognition technology and natural language processing technology that Toshiba has researched and developed over many years aid in the speech recognition of the customer inquiry and understanding of the intent of the question. For complex inquiries, the call is transferred to the appropriate operator, who can focus on responding to inquiries requiring specialized knowledge, thus reducing operator workload and improving efficiency. Toshiba supports various work style reforms at companies, which includes complementing human response with automated response at night and on holidays.



"RECAIUS Call Agent" (image)

- ["RECAIUS Call Agent" \(Japanese\)](#)

Participation in External CSR Organizations

Active Participation in and Cooperation with External CSR Organizations

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

Membership in CSR-related organization

- [UN Global Compact](#)
- [Responsible Business Alliance](#) (RBA)
- [World Business Council for Sustainable Development](#) (WBCSD)
- [World Economic Forum](#) (WEF)
- [Science and Technology in Society Forum](#) (STS Forum)
- [Busibess for Social Resiponsibility](#) (BSR)
- [Council for Better Corporate Citizenship](#) (CBCC)

UN Global Compact

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

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

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

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



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



Certificate

10 Principles of the UN Global Compact

Human Rights

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

Labor Standards

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

Environment

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

Anti-Corruption

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

› [The Ten Principles](#)

RBA Membership

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

*In October,2017,EICC changed to RBA.

› [RBA](#)



World Business Council for Sustainable Development (WBCSD)

The World Business Council for Sustainable Development (WBCSD), led by the CEOs of about 200 global corporations, aims to realize a sustainable future for business, society, and the environment. WBCSD provides constructive business solutions to realize sustainable societies by displaying leadership, offering effective opinions, and taking concerted action. Toshiba is a member of WBCSD, and has served as a member of the WBCSD Executive Committee as one of its Vice Chairmen since 2014. As a co-leader of zero emission cities which is business solution of the Energy & Climate cluster, Toshiba aims to act globally to contribute to the realization of sustainable societies.



> [WBCSD](#)

Participation in the World Economic Forum

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

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

> [World Economic Forum](#)

Participation in the STS Forum

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

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

> [STS Forum](#)

Participation in BSR

Business for Social Responsibility (BSR) is a global nonprofit organization for CSR activities which is established in the U.S. in 1992. 250 or more global organizations and companies had participated as a member, and Toshiba joined in 2003.

We engaged in stakeholder dialogues facilitated by BSR, and participated in Study Forums on human rights and supply chain CSR.

> [BSR](#)



Participation in CBCC

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

> [CBCC](#)

Related Information

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

Stakeholders

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

Major Stakeholders

Customers

With its wide range of products - from electric devices to social infrastructure systems - Toshiba Group has a diverse range of customers, including individual and corporate customers as well as government and public bodies.

Global environment

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

NPOs/NGOs

We cooperate with and draw on the strengths of NPOs and NGOs on areas such as the environment, human rights, and social contributions, and always endeavor to engage in constructive dialogue with them.

Governments and public bodies

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

Local communities

Toshiba Group has major business sites in over 30 countries worldwide. In carrying out our business operations, we respect the cultures, history, and customs of people in each region.

Shareholders/Investors

Toshiba has 300,871 shareholders. Of the 6.52 billion shares issued, 9.2% are held by financial institutions, 16.0% by individuals and others, and 72.2% by foreign corporations (not including less-than-one-unit shares, as of March 31, 2018).

Suppliers

Toshiba deals continuously with some 4,600 suppliers worldwide (as of March 31, 2018)

Employees

Approx. 140,000 people work for Toshiba Group at 389 companies, including approx. 90,000 employees working in Japan and approx. 50,000 employees overseas (as of March 31, 2018).



Examples of Communications



Customers

Key responsibilities

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

Major means of identifying stakeholders' views and requests

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

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.

> [Enhancement of Customer Satisfaction](#)



Shareholders/Investors

Key responsibilities

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

Major means of identifying stakeholders' views and requests

- General Meeting of Shareholders
- Meetings with investors
- Questionnaire survey
- Investor Relations (IR) website

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

Communication with Shareholders

[Point of contact: Legal Affairs Division / Public Relations & Investor Relations Division]

Publication of Shareholder Newsletters

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

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

Enhancement of IR Website

On our IR website, we endeavor to provide shareholders and investors with fair, timely, and easily-understood information disclosure that helps them to evaluate the company and their investment decision. In addition to documentation, we meet requests for information by providing audio feeds, including live streaming, of presentations and QA sessions during major briefings for analysts.

> [IR website](#)

> [Questionnaire on the IR website](#)

General Meeting of Shareholders

On June 28, 2017, Toshiba held its ordinary general meeting of shareholders, which was attended by 984 people.

At the ordinary general meeting of shareholders, we obtained approval for the election of directors and the absorption-type company split of the Energy Systems & Solutions Company.

Moreover, on October 24, 2017, Toshiba held an extraordinary general meeting of shareholders, which was attended by 633 people. At the extraordinary general meeting of shareholders, we obtained approval regarding financial statements, the election of directors and the Share Purchase Agreement for the sale of all shares of Toshiba's wholly-owned subsidiary, Toshiba Memory Corporation.

We will continue to put extra effort into running our general meetings of shareholders, so that our shareholders may have a better understanding of Toshiba.

Communication with Investors [Point of contact: Public Relations & Investor Relations Division]

Communication with Institutional Investors and Securities Analysts

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



Suppliers

Key responsibilities

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

Major means of identifying stakeholders' views and requests

- Routine procurement activities
- Briefing session on procurement policy
- CSR survey
- Clean Partner Line

Communication with Suppliers [Point of contact: Procurement Division]

Request to suppliers for promoting CSR management

We ask suppliers to promote CSR management through regular meetings to explain procurement policy and daily procurement operations. In FY2014, we revised our procurement policy so that the priority requirement when choosing new suppliers upon starting or continuing business relationships is to comply with laws and ordinances as well as social codes, and we made this revision fully known to each of Toshiba Group's approx. 10,000 suppliers (cumulative total).

In addition, we conduct surveys on suppliers based on the [RBA Code of Conduct](#) presented in Toshiba Group's procurement policy to confirm the status of compliance.

- > [CSR Management in the Supply Chain](#)
- > [Cooperation with Industry Organization](#)



Employees

Key responsibilities

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

Major means of identifying stakeholders' views and requests

- Employee morale survey (TEAM Survey)
- Dialogues, information exchange meetings
- 360-degree survey
- Providing Information through an in-house website
- CSR workplace meetings
- Risk hotline
- Consulting services for employees

Communication with Employees [Point of contact: Human Resources and Administration Division / Legal Affairs Division]

Messages from top executives

Top executives deliver messages to Group employees concerning the importance of such matters as CSR promotion, enhancement of customer satisfaction, strengthening quality and legal compliance. In addition to this, in FY2017 we explained the background to the spin-off of the in-house companies, policy of organizational management, financial results and the submission of securities reports, using video and email.

Employee morale survey (TEAM survey) and disclosure of results

Toshiba has conducted the employee morale survey (TEAM survey) 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 measures, and how widespread this understanding is. We strive to improve the issues that emerge to help enhance corporate culture. The survey assesses employees' understanding of company's measures and whether their working conditions allow them to exercise their abilities. We are also investigating questions about opinions regarding such things as the top management and the status of compliance.

- > [Fair Evaluation and Talent Development](#)

360-degree survey

We conduct a 360-degree survey every other year. The main aims are to encourage the growth of managers by repeatedly identifying strengths and weaknesses and confirming progress in an objective manner, and to enhance their leadership in order to create a more sound organization. We investigate managers from various perspectives with regard to their day-to-day work performance and activities, with such perspectives including those of managers themselves, as well as of their subordinates, peers, and supervisors. Managers must accept survey results in a sincere manner and use the results to improve themselves and workplace communication, thereby creating a better corporate culture.

> [Fair Evaluation and Talent Development](#)

CSR workplace meetings

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

> [Risk Management and Compliance](#)



Local communities

Key responsibilities

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

Major means of identifying stakeholders' views and requests

- Dialogues, information exchange meetings
- Factory visits
- Providing company facilities for residents' use
- Providing opportunities for community workshops to sell their products
- Employees' participation in community activities

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

Environmental communication

We communicate information about our environmental efforts, such as factory visits and nature-watching sessions. This is so that a wide range of stakeholders, such as the communities around our factories and offices, schools, customers, companies, and students, may learn about Toshiba Group's activities, and think about the environment together with us.

> [Environmental Communication](#)

Coexistence with Local Communities

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

> [Coexistence with Local Communities](#)

Social Contribution Activities

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

> [Social Contribution Activities](#)



Governments and public bodies

Key responsibilities

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

Major means of identifying stakeholders' views and requests

- Dialogues and proposals via economic associations and industry associations

Communication with Governments

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

Participation in Industry Associations

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

> [Participation in External CSR Organizations](#)



NPOs/NGOs

Key responsibilities

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

Major means of identifying stakeholders' views and requests

- Dialogue through collaboration
- Exchange of views at stakeholder dialogues

Communication with NPOs and NGOs

[Point of contact: CSR Management Office and Environment Management Office]

Support for and collaboration with NPOs and NGOs

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

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

> [Respect for Human Rights](#)



Global environment

Key responsibilities

- Mitigating climate change
- Reducing waste discharges
- Reducing release of chemicals
- Conserving biodiversity

> [Environment](#)

ESG Performance

Main Contents of ESG Performance

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

	Items	Main contents
Environment	Environment	Addressing climate change and energy issues, minimizing energy consumption, minimizing water consumption, and minimizing chemical-related risks
Social	Human Rights	Policy on human rights, identifying human rights risks, monitoring and education
	Labor-management Relations	Relationship with labor unions, and labor-management dialogue
	Fair Evaluation and Talent Development	Fair evaluations, talent development, and employee morale surveys
	Promotion of Diversity	Diversity strategies (women, non-Japanese nationals, disabled persons and seniors), and promotion of work-style innovation
	Occupational Health and Safety	Occupational health and safety management systems, occupational accidents, health management, and supply chain safety management
	CSR Management in the Supply Chain	Full implementation of procurement policy, CSR promotion support to suppliers, use of conflict-free minerals, "greenness" of suppliers and procurement, and decreasing supply chain CO ₂ emissions
	Quality Control	Quality promotion structure, ensuring product quality, management system to ensure quality, and disclosing quality information
	Product Safety and Product Security	Policy, Response to product safety accidents, prevention of accident reoccurrence, responding to incidents involving products used for long periods of time, and disclosure of product safety/quality information
	Enhancement of Customer Satisfaction	Policy, Enhancing customer support, customer satisfaction surveys, sharing and utilizing customer feedback, protecting customer information, and providing customers with business continuity support
	Universal Design	Promotion of universal design
Coexistence with Local Communities	Activities to coexist with local communities	
Ensuring the safety of Fukushima Daiichi Nuclear Power Station	Various efforts to support in maintaining the stability of the Fukushima Daiichi Nuclear Power Station and advancing its decommissioning	
Social Contribution Activities	Basic policy on social contribution activities, expenditures for corporate citizenship activities, and simultaneous social contribution activities	
Governance	Corporate Governance	Governance Overview, Directors and Executives, Compensation, Takeover Governance Defense Measures
	Risk Management and Compliance	A whistle-blower system, Antitrust Act compliance and anti-corruption, fair trading, export control, information security management, appropriate product labeling and PR, and BCP
	Research & Development and Intellectual Property	R&D strategy, R&D expenditure, cooperation with parties external to the company, intellectual property and anti-counterfeit measures

ESG Performance

FY2017 Performance Indicators

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

Governance

Corporate Governance	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Number of directors	9	—	10	—
Number of directors not concurrently serving as executive officers	6	Half of all directors	6	Half of all directors
Number of female directors Percentage of female directors	1(11%)	Over 1	1(10%)	Over 1
> Corporate Governance				

Risk Management and Compliance	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Education for "Standards of Conduct for Toshiba Group" (Toshiba Group in Japan)	100%	100%	100%	100%
	"Standards of Conduct for Toshiba Group" was published in 24 different languages. Various education programs are provided such as education based on the needs of employees at different organizational levels, job functions, and e-learning as well as seminars on compliance topics for top executives.			
Number of Workplace CSR meetings ; Number of cumulative participants (Toshiba Group in Japan)	1 85,000	1	1 82,000	1
Percentage of self-audits conducted at Group companies based on "Anti-Bribery Guidelines" and "Guidelines on Contacts with Competitors" (Toshiba Group in Japan)	100%	100%	100%	100%
	In February 2018, we held e-learning on sales risks, and reinforced management of sales-related legal risks.			
Number of reports received by the whistle blower system "Risk Hotline" (In-house contact window / attorney's office) (Toshiba Group in Japan)	399 reports (389/12*)	—	252 reports (242/10)	—
	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. * Including duplicate reports received by the internal secretariat.			
Number of violations of the Act against Unjustifiable Premiums and Misleading Representations (Toshiba Group in Japan)	0	0	0	0
	We conducted education on advertising and labeling in the e-learning on sales risks, thus ensuring full compliance with advertising and labeling regulations.			
> Risk Management and Compliance				

Environmental Management

Targets and achievements for environmental management-related items are stated from FY2017 due to a shift to new targets for the Sixth Environmental Action Plan (FY2017 to FY2020) formulated in FY2016. Please see past CSR reports for targets and achievements for FY2016 and prior.

Reducing environmental impacts in manufacturing

	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Reduction of total greenhouse gas emissions*1		1.46 million t-CO2	1.27 million t-CO2	1.54 million t-CO2
We further reduced greenhouse gas emissions by actively promoting energy-saving measures and by improving production efficiency at each site.				
Improvement of total energy-derived CO2 emissions per unit activity (Compared to FY2013 level)		98%	97.8%	96%
We further improved total energy-derived CO2 emissions per unit activity by actively promoting energy-saving measures and by improving production efficiency at each site.				
▶ Reducing total GHG emissions				
	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Reduction of waste volumes*2		45,000 t	37,000 t	48,000 t
We further minimized waste volume by improving production processes and turning more waste into valuable commodities through efforts to sort waste more carefully.				
Improvement of the total volume of waste generated per unit production (Compared to FY2013 level)		99%	86%	98%
We further improved the total volume of waste generated per unit production by working to improve production processes.				
▶ Reducing Waste Volumes				
	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Improvement of the amount of water received per unit production (Compared to FY2013 level)		99%	89%	98%
We further improved the amount of water received per unit production by reusing water at the sites such as semiconductor sites that normally consume large amounts of water.				
▶ Reducing the Amount of Water Received				
	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Reduction of the total amount of chemicals discharged per unit production (Compared to FY2013 level)		99%	79%	98%
We further reduced the amount of chemicals discharged by taking such measures as to deal with solvents which ranked high among our emissions and to use alternative substances.				
▶ Reducing emissions of chemical substances				

Improving in the environmental performance of products and services

	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Increased reduction of CO ₂ emissions (cumulative total) -Power supply* ³		9.6 million t-CO ₂	9 million t-CO ₂	12.9 million t-CO ₂
We worked to develop and spread a wide range of energy technologies, such as hydroelectric, geothermal, photovoltaic power, and high-efficiency thermal power.				
Increased reduction in CO ₂ emissions (cumulative total) -Power consumption* ⁴		1.7 million t-CO ₂	1.86 million t-CO ₂	3.4 million t-CO ₂
We reduced CO ₂ emissions during use by developing products with the highest energy-saving performance and highly energy efficient products.				

➤ [Increasing reduction of CO₂ emissions of products and services](#)

	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Increased amount of resources saved (cumulative total)		100,000 t	99,800 t	180,000 t
We significantly reduced resource consumption for products in all areas.				

➤ [Increasing the amount of resources saved](#)

	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Increased amount of recycled resources (recycled plastics) used (cumulative total)		740t	851t	1,500t
We increased their usage in multi-function printers and industrial air conditioners.				

➤ [Increasing the use of recycled plastics](#)

	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Using alternative materials for four phthalate esters* ⁵ or identifying alternates for all products by July 2019		—	Using alternative materials completed for hard disks and POS systems. Shipment of alternative products for POS systems also started.	Activities will be continued.

➤ [Management of chemicals in products](#)

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 The CO₂ emission coefficient for electricity in Japan is 5.31 t-CO₂/10,000 kWh. Electricity outside of Japan is based on GHG Protocol data.

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

*3 Reductions in emissions from products and services associated with energy supply such as power plants. The calculation method is as follows: Compare with CO₂ emissions (rate to net production output) for average thermal power of the same fuel type; for renewable energy, compare with CO₂ emissions (rate to net production output) for average thermal power of all types; an accumulated total of annual reductions plus reductions achieved by newly built power generation systems. Acquire the accumulative total amount of contribution through power generation in a single-year and at newly installed facilities.

*4 Reductions in emissions from products and services associated with energy consumption such as social infrastructure products. The calculation method is as follows: [CO₂ emissions of assumed substitute products – CO₂ emissions of shipped products] (Compares emissions per year during the usage stage and cumulates emissions for half the expected number of years of use)

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

Social

Respect for Human Rights	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Number of companies surveyed about conflict minerals *6 Cumulative Numbers	Approx. 1,400	—	Approx. 1,000	—
3TG*7 Toshiba Group conducted a survey on the use of conflict minerals for Toshiba Group suppliers that could have been using 3TG*7 conflict minerals through the Conflict Minerals Reporting Template (CMRT). Toshiba Group carries out due diligence by conducting an additional survey for high risk suppliers. In FY2017 number of companies surveyed has been decreased because of reforming business structure and identification of suppliers who are less possibility to use 3TG*7.				
▶ Addressing the Conflict Minerals Issue				
*6 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. *7 Abbreviation of four minerals, tin, tungsten, tantalum and gold, which are specified as "Conflict Minerals".				
▶ Respect for Human Rights				

Fair Evaluation and Talent Development	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Satisfaction rate of employees *FY2016 is Toshiba's data, FY2017 is derived from Toshiba and key Group companies	66/100	—	63/100	—
Converting the result of in-depth survey of employee, TEAM Survey, to the score out of 100 points. Through this survey, we placed high priority on reforming our corporate culture monitoring satisfaction rate of employees.				
▶ Fair Evaluation and Talent Development				

Diversity Promotion	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Number and percentage of female managers *FY2016 data is Toshiba, FY2017 data is derived from Toshiba and key Group companies	326 (4.3%)	7.00%	374 (4.3%)	7.00%
The 7% target will remain until the end of FY2020.				
Percentage of female recruits *FY2016 data is Toshiba, FY2017 data is derived from Toshiba and key Group companies	—	Administrative:50% Technical: 25%	Administrative:35% Technical: 8.1%	Administrative:50% Technical: 25%
Recruitment of new university graduates for administrative and technical positions at Toshiba to start work in April 2017 has been canceled.				
Employee male-female rate *FY2016 data is Toshiba, FY2017 data is derived from Toshiba and key Group companies	Male:88.0% Female:12.0%	—	Male:86.4% Female:13.6%	—
Employment percentage of people with disabilities (Toshiba incl. a special subsidiary company in Japan)	2.05%	2.00%	2.33%	2.20%
In the timing of June, each year. Toshiba Group will continue to operate "Toshiba With", a special subsidiary company aiming to expand workplace for people with disabilities by cooperating with the national and local governments' employment support agencies as well as by using employment support firms effectively.				

Average number of years with company (Toshiba)	Ave. 18.2 yrs (Male: 18.5 yrs, Female: 15.5 yrs)	—	Ave. 17.5 yrs (Male: 18.6 yrs, Female: 14.5 yrs)	—
Percentage of leave acquisition (Toshiba)	86%	—	87%	—
Number of employees to use Childcare leave Percentage of number to use Childcare leave: (Number of qualified person to use the leave/ Number of qualified person) *FY2016 data is Toshiba, FY2017 data is sum of Toshiba and key Group companies	Male: 17(1.6%) Female: 348	—	Male: 20(1.4%) Female: 363	—
	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 Paternity leave *FY2016 data is Toshiba, FY2017 data is sum of Toshiba and key Group companies	388	—	382	—
	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 *FY2016 data is Toshiba, FY2017 data is sum of Toshiba and key Group companies	Male: 2 Female: 2	—	Male: 5 Female: 2	—
	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 *FY2016 data is Toshiba, FY2017 data is sum of Toshiba and key Group companies	Male: 10 Female: 426	—	Male: 11 Female: 462	—
	Employees who are raising children who have not yet completed elementary school.			
Diversity Promotion				

Occupational Health and Safety	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Number and percentage of Group companies in Japan (manufacturing) that have acquired OHSAS18001 certification	57 (100%)	— (100%)	54 (100%)	— (100%)
	Toshiba Group assessed risks related to OHSAS18001 and promoted to reduce such risks.			
Frequency of work-related accidents (Toshiba Group in Japan) (Frequency of accidents per million work hours resulting in death or injury that require one or more days off work)	0.12	—	0.21	—
	Result of our performance is less than average for all industry in Japan (1.66 days), manufacturing industry in Japan (1.02 days), electrical appliance manufacturing industry in Japan (0.45 days) of Industrial Accident Statistics (FY2017) issued by the Ministry of Health, Labour and Welfare.			
Occupational Health and Safety				

CSR Management in the Supply Chain	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Percentage of suppliers consenting for the Toshiba Group Procurement Policy	97%	100%	96%	100%
	Consent was not gained from certain new suppliers due to the impact of structural reforms. We continue working to gain consent from all suppliers.			
Number of suppliers at which the CSR survey is conducted Cumulative numbers*8	8,729	7,000	6,206	6,000
	In terms of considerations to labor, safety and the environment, and prohibition of child labor, we have stated in the Toshiba Group Procurement Policy that we will promote activities that follow the RBA Code of Conduct. We confirm the situation regarding our suppliers' management of these individual items every year, through the supplier CSR survey.			

Number of suppliers at which the CSR survey is conducted Cumulative numbers*8	Guidance and support provided: 288 Transaction suspended: 0	—	Guidance and support provided: 358 Transaction suspended: 2	—
	Should a supplier breach the Toshiba Group Procurement Policy, we, the 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.			
*8 As Toshiba Group companies conduct surveys based on each contract, we count one contract in case multiple contracts are concluded with one supplier.				
▶ CSR Management in the Supply Chain				

Social Contribution Activities	FY2016	FY2017	FY2017	FY2018
	Achievements	Targets	Achievements	Targets
Expenditures for Social Contribution Activities including donations for natural disasters, etc.	2.14 billion yen	—	17.9 billion yen	—
	In FY2017, expenditures have been decreased because of review of donation programs, deduction of uncontinuous business etc.			
Number of social contribution programs	1,174 programs	—	1,815 programs	—
	In FY2017, we held the Toshiba Group Simultaneous Social Contribution Action 2017 on or around December 5th, International Volunteer Day. A total of 501 social contribution activities were carried out in Japan and worldwide.			
Number of visitors to Toshiba Science Museum	310,000	300,000	290,000	—
	In FY2018 we will improve guidance, exhibition and event to get higher satisfaction of visitors so that we can keep 300,000 visitors.			
▶ Social Contribution Activities				

ESG Performance: Environment

Environmental Management

Toshiba Group has developed "Environmental Vision 2050," a long-term vision under which we aim to realize a world in which people can enjoy affluent lifestyles in harmony with the Earth by the year 2050. Toshiba Group strives to provide more comfortable and safer lifestyles and create enriched value for society, and also strives for harmony with the Earth by working to mitigate climate change, use resources efficiently, and manage chemicals properly throughout the life cycle of products.

Environmental Vision 2050

Toshiba Group practices environmental management that promotes harmony with the Earth, contributing to the creation of affluent lifestyles for society.



Medium- to Long-term Vision

In order to realize our Environmental Vision 2050, we have formulated and are promoting a detailed medium-term plan, the sixth Environmental Action Plan (period: FY2017-20), to reduce the environmental impacts of product/service lifecycles.

Main Achievements in FY2017

Reducing environmental impacts in manufacturing

Reduction of total greenhouse gas emissions*1

1.27 million t-CO₂

We further reduced greenhouse gas emissions by actively promoting energy-saving measures and by improving production efficiency at each site.

*1. The CO₂ emissions coefficient for electricity is used to calculate energy-derived CO₂ emissions (in Japan: 5.31t-CO₂ /10,000 kWh). Overseas electricity is based on GHG Protocol data



Himeji Operations-Semiconductor seeks to conserve energy in the clean room

Waste Volume*2 **37,000** tons

We turned more waste into valuables through efforts to improve production processes and sort waste more carefully.

*2. Obtained by deducting the volume of objects with value from the total volume of waste generated

Amount of Water Received per Unit Production*3

89% of FY2013 level

We further improved the amount of water received per unit production by reusing water at production sites that normally consume large amounts of water.

*3. Volume-based nominal outputs are used as an indicator



Reuse of rainwater and wastewater at Toshiba JSW Power Systems Pvt. Ltd. in India

Improving environmental performance of products and services

Increased reduction of CO₂ emissions (Power supply*4)

9 million t-CO₂

We worked to develop and spread a wide range of energy technologies, such as hydroelectric, geothermal, photovoltaic power, and high-efficiency thermal power.

*4. Products and services related to power supply



Olkaria IV Geothermal Power Plant in Kenya

Increased reduction of CO₂ emissions (Power consumption*5)*6

1.86 million t-CO₂

We developed and provided products with high energy-saving performance such as social infrastructure products and office equipment.

*5. Products and services related to power consumption.

*6. [CO₂ emissions of assumed substitute products – CO₂ emissions of shipped products] (Compares emissions per year during the usage stage and cumulates emissions for half the expected number of years of use).

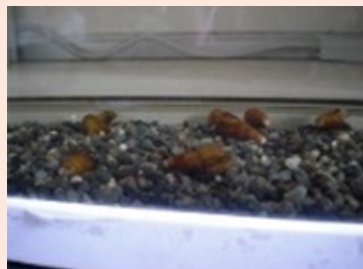


Energy-saving railway systems

Conservation of biodiversity

A total of 10 of the 20 items under the "Aichi Targets*7" were set as "Toshiba Targets" and activities were undertaken at 70 sites worldwide toward the achievement of these targets.

*7. Aichi Targets are international targets related to biodiversity that were adopted at the Tenth Conference of the Parties to the Convention on Biodiversity (COP 10) held in Nagoya in October 2010.



Breeding marsh snails



Employees picking up rubbish

Within the activity to bring back fireflies to the Kitahana river area conducted by Japan Semiconductor Corporation's Oita Operations, marsh snails were bred as feed for the fireflies by utilizing on-site treated waste water and released into the Kitahana River. Employees also picked up rubbish around the fireflies' habitat.

Future Challenges and Approaches

As issues such as climate change and resource depletion become more serious, Toshiba Group believes that, as a member of the international community, we have the responsibility of helping resolve these issues. Toshiba Group will deepen activities to achieve the targets set under the Sixth Environmental Action Plan with the aim of contributing to the resolution of, global issues such as SDGs, and realizing a sustainable society.

Respect for Human Rights

Toshiba Group's Corporate Philosophy outlines a basic policy of "Respect for People". We have declared that we will respect the rights of all people associated with our company, such as our employees, customers, and stakeholders. We comply with universal principles regarding human rights and labor practices worldwide, including the Universal Declaration of Human Rights, and respect human rights through sound business activities.

Medium- to Long-term Vision

- Spreading awareness on respect for human rights.
- Carry out human rights impact assessments for high-priority areas and perform human rights due diligence at a 100% level at business sites with high human rights risks.

FY 2017 Achievements

- Updated our statement on compliance with the U.K. Modern Slavery Act.
- Held human rights awareness seminars (including training on harassment) 280 times for around 13,000 participants.
- Updated our human rights impact assessment across our entire business.
- Conducted human rights workshops with guest instructors concerning global human rights issues for personnel promoting CSR.

Future Challenges and Approaches

We will continue to monitor human rights risks, including potential ones, indicated by the human rights impact assessment and improve efforts to avoid and mitigate such risks. We will also communicate with human rights experts and stakeholders to deepen understanding of human rights issues.

Policy on Respect for Human Rights

For our policy on respect for human rights, we designated "Respect for Human Rights" as Article 1 of the [Standards of Conduct for Toshiba Group](#) to which Toshiba Group's executives and employees must adhere. As part of this policy, we state that we will promote dialogues with relevant stakeholders and demand that the Toshiba Group management and employees as well as our suppliers take action against basic human rights violations.

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;

➤ [Standards of Conduct for Toshiba Group](#)

Toshiba Group participates in the [UN Global Compact](#), which supports universal principles on human rights and labor, such as the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and shows our determination to put these principles into practice. We also refer to various international standards including the  [Guiding Principles on Business and Human Rights\(1.08MB\)](#) listed below.

- UN Global Compact
- The Universal Declaration of Human Rights
- The OECD Guidelines for Multinational Enterprises
- Guiding Principles on Business and Human Rights
- ISO 26000 (Guidance on social responsibilities)

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

In addition, based on the Modern Slavery Act enacted in the United Kingdom in 2015, Toshiba Group has declared that it does not approve of any form of modern slavery, including human trafficking and forced labor.

➤ [Toshiba Group Procurement Policy](#)

➤ [UK Modern Slavery Act 2015](#)

Toshiba Group Slavery and Human Trafficking Statement

Pursuant to the United Kingdom (UK) Modern Slavery Act 2015, Chapter 30, Part 6, Section 54, the Toshiba Group states that we have taken steps during the financial year to ensure that slavery and human trafficking is not taking place in any of our supply chains and in any part of our business. These steps include the adoption of various policies, putting in place a framework for respecting human rights, the ongoing identification and monitoring of human rights risks, employee training and the establishment of a whistleblower system and consulting service to ensure that modern slavery is not taking place in our business or supply chains.

Company overview

Toshiba is a world leader and innovator in pioneering high technology, a diversified manufacturer and marketer of advanced electronic and electrical products and systems spanning energy systems, infrastructure systems and storage devices. Toshiba was founded in 1875, and today operates a global network of more than 380 companies, with approx. 141,000 employees worldwide and annual sales of 3.95 trillion yen.

Policies

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

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

We request all our suppliers, who play an important role in the Toshiba Group companies' production and services, to understand and put into practice the Toshiba Group Procurement Policy, which contains a clear prohibition on forced labor (including slave labor) and human trafficking.

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

We have established the Toshiba Group Conflict Mineral Policy which prohibits the use of raw materials such as tin, tantalum, tungsten, and gold mined in the Democratic Republic of the Congo and its neighboring countries which violate human rights.

http://www.toshiba.co.jp/csr/en/performance/social/procure.htm#conflict_minerals_1

Framework for Respecting Human Rights

The Human Rights Enlightenment Committee, chaired by the executive officer in charge of human resources, leads our efforts to promote human rights awareness under the basic principle of Respect for Human Rights. Moreover, our Business and Human Rights Center serves as the point of contact on human rights issues for all Group companies. We formulate basic principles on human rights, enforce the practice of their essence and contents, and provide instructions and support to promote the concept of Respect for Human Rights throughout the Toshiba Group.

Identification and Monitoring of Human Rights Risks

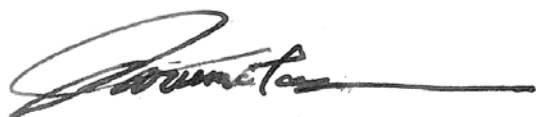
The Toshiba Group continuously investigates potential human rights risks in its business activities through reviews based on ISO 26000, the international standard providing guidelines for corporate social responsibility. To monitor the implementation of Toshiba's human rights initiatives, we will continue to perform gap analyses based on ISO 26000 guidelines and CSR surveys. As a part of the CSR surveys, Toshiba has conducted annual human rights due diligence on 122 Group companies and we confirmed that there is no situation of forced labor in FY2017.

Training

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

Establishment of Whistleblower System and Consulting Service

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

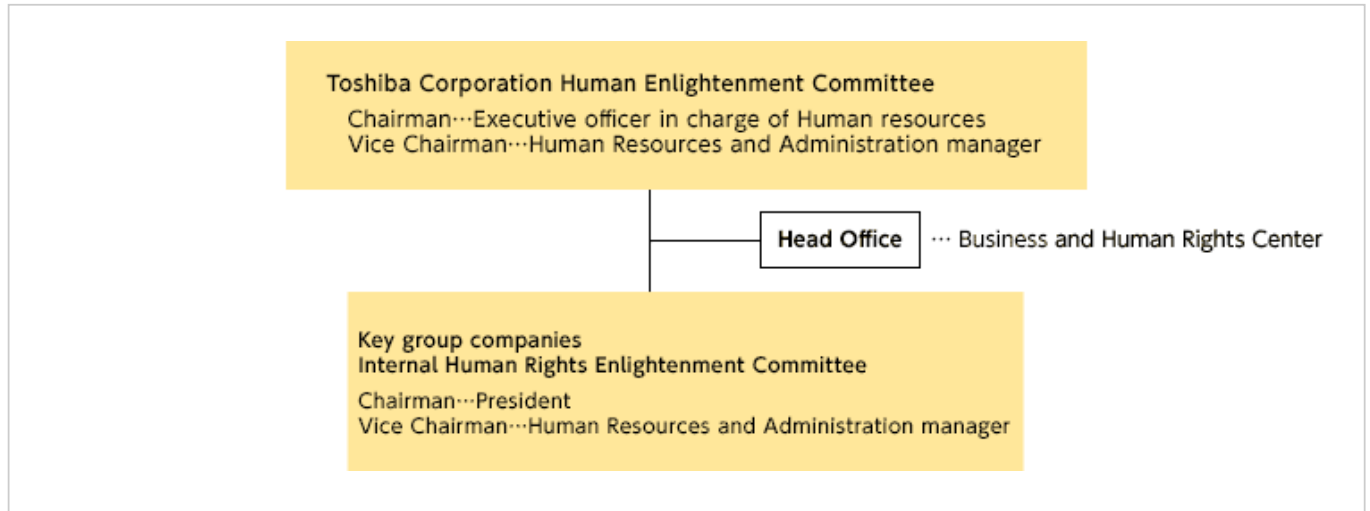


Nobuaki Kurumatani
Director and Representative Executive Officer
Chairman and Chief Executive Officer
Toshiba Corporation
September 2018

Framework for Respecting Human Rights

Led by Human Rights Enlightenment Committee, chaired by the executive officer in charge of human resources, 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. Business and Human Rights Center serves as the office for the Human Rights Enlightenment Committee, formulating basic principles on human rights awareness and enforcing them company-wide, establishing an internal promotion system, drafting and promoting company-wide policy on education and training, preparing training materials, developing instructors, following up on the progress of training, consulting and coordinating with outside organizations, and providing instructions and support to promote the concept of Respect for Human Rights throughout Toshiba Group.

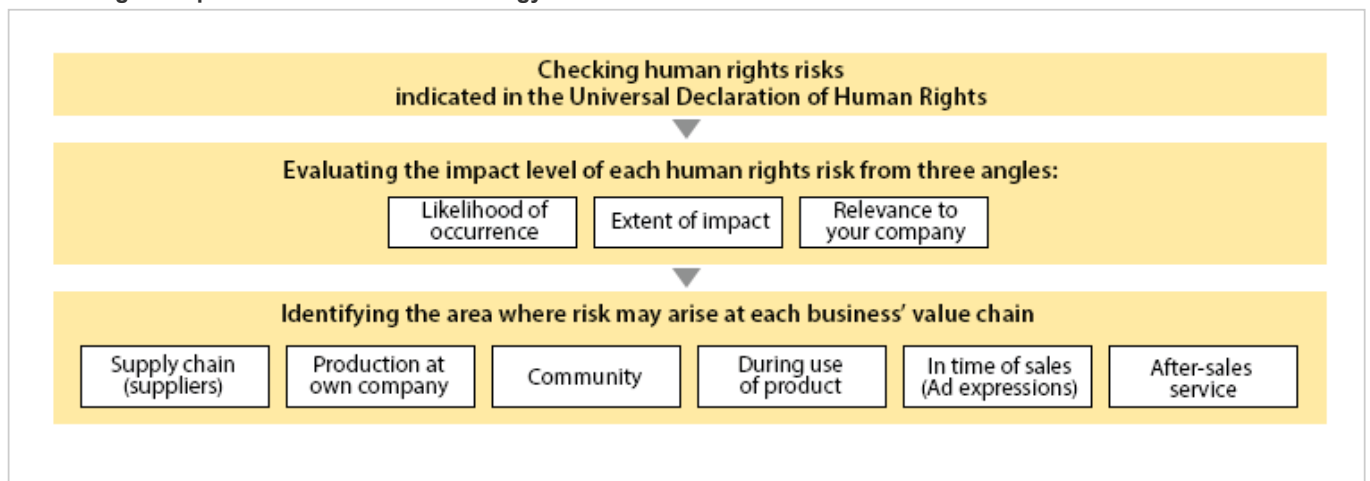
Promotion Structure



Identification and Monitoring of Human Rights Risks

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

Human Rights Impact Assessment: Methodology



Major Human Rights Issues Identified by the Human Rights Impact Assessment

- [Consideration of human rights at the procurement site \(such as conflict mineral issues\)](#)
- Consideration of human rights in the supply chain, especially in developing countries
- Consideration of employees' human rights
- [Consideration of customers' human rights \(protection of personal information, etc.\)](#)
- Respecting human rights when venturing into new markets

Based on the result, we will further enhance our efforts to address human rights concerns, which vary depending on the business area; country or region. Also, to monitor the implementation of human rights initiatives, we will continue to perform CSR surveys targeting both overseas Group companies and our suppliers, and Conflict Minerals surveys.

- [CSR surveys targeting overseas Group companies](#)
- [CSR surveys targeting our suppliers](#)
- [Conflict Minerals surveys](#)

Education and Enlightenment on Respect for Human Rights

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

Human rights awareness seminars

Various human rights awareness seminars were implemented at Toshiba Group companies in Japan 280 times in FY2017, with around 13,000 participants. This includes training for general personnel and executives concerning human rights issues, training for new recruits, training for promoted employees and training for recruitment interviewers.

Human Rights Week Lecture

In December every year during Human Rights Week, Toshiba holds a Human Rights Week Memorial Lecture at the Toshiba headquarters as a Toshiba Group CSR month event. In FY2017, the theme of the lecture was "Corporate Initiatives for LGBT and Future Challenges" and around 80 managers from general affairs, human resources, and other administrative departments of Toshiba Group companies attended.

Disclosure of Risk Management Case Studies Regarding Human Rights

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

Workshops on Human Rights

In order to promote the understanding of human rights issues within Toshiba Group, we call on BSR, an US-based non-profit organization that promotes CSR, to hold workshops on business and human rights at various locations.

Records of Workshops on Human Rights

Time	Place	Participants	Contents
Mar 2018	Japan	40 CSR promotion staff in Toshiba Group	<ul style="list-style-type: none"> Implementing study sessions and workshops 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 Verifying human rights risks in the value chain for each business group in workshops
Apr 2015	Thailand	33 people and managers from general affairs and human resources, procurement departments of 14 Toshiba Group companies in Thailand	<ul style="list-style-type: none"> Learning about global human rights issues, and about human rights violations in Thailand Exchanging opinions and sharing information between Group companies about potential risks in each company
Dec 2014	Japan	53 people from general affairs and human resources departments of 24 Toshiba Group companies in Japan	<ul style="list-style-type: none"> Learn about global standards on human rights such as the Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights Hold Workshop to detect possible human rights risks at each step in each business's value chain
Nov 2014	China	54 managers from general affairs and human resources departments of 31 Toshiba Group companies in China	<ul style="list-style-type: none"> Learn from case studies about global issues, and potential risks and the impact they might have on our business
Feb 2014	Philippines	45 managers from human resources department of 9 countries in Asia and others	<ul style="list-style-type: none"> Lectures on cases of human rights violations, and outlines of international principles Group discussions on human rights risks in the country



A human rights workshop held in Japan in FY2017

Prevention of Harassment

The [Standards of Conduct for Toshiba Group](#), a code of conduct for executives and employees, prohibit sexual harassment, abuse of power, and other actions that disregard the dignity and individuality of others.

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, training for newly promoted employees, and human rights training courses at each workplace on a regular basis.

In FY2017, to improve the skills of consulting service staff, we provided training regarding abuse of power, sexual harassment and maternity harassment.



Human rights training at workplace

Establishment of Whistleblower System and Consulting Service

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

Whistleblower System "Risk Hotline" for Employees

In January 2000, Toshiba established a whistleblower system "Risk Hotline" to collect internal information via email and telephone on Standards of Conduct for Toshiba Group violations, particularly those concerning laws and regulations, and to deal with wrongdoing. Under this system, an employee can report an incident and seek advice. Employees are protected from retaliation and must not be treated disadvantageously on the grounds that they provided such information. Moreover, an overview of the reports and consultations that the Risk Hotline receives are periodically published on our intranet.

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 any occurrence of compliance violation risks, such as violations of laws and regulations, and improper transactions, as well as to accelerate the resolution of issues.

Whistleblower system "Clean Partner Line" for Suppliers

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

> [Risk Management and Compliance](#)

Consulting Services "Employee Consultation Room"

We established an "Employee Consultation Room," where employees can get individual advice. Employees can anonymously consult full-time counselors on workplace culture and interpersonal relations, personnel moves, or harassment, etc. by phone, FAX, e-mail, or letter. One male and one female counselor address employee concerns together to create an inclusive and comfortable working environment.

> [Fair Evaluation and Talent Development](#)

Activities with Stakeholders

Participation in Human Rights Initiatives

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

- Participation in the Stakeholder Engagement Program hosted by Caux Round Table (CRT) Japan (FY2017)
- Participation in the Human rights Subcommittee Meeting (Global) held by BSR, a U.S.-based CSR promotion organization (FY2017)
- Participation in the human rights seminars hosted by Caux Round Table (CRT) Japan, the 2016 Business Human Conference in Tokyo, and the 2016 Stakeholder Engagement Program (FY2016)
- Participation in the Human rights Subcommittee Meeting (Global) held by BSR, a U.S.-based CSR promotion organization (FY2016)
- Participation in the human rights seminars hosted by Caux Round Table (CRT) Japan: 2015 Business Human Rights Conference in Tokyo, and the 2015 Stakeholder Engagement Program (FY2015)
- Participation in the Human Rights Subcommittee Meeting (Global) held by BSR, a U.S.-based CSR promotion organization (FY2015)
- Participation in the Japan Human Rights Study Forum hosted by Business for Social Responsibility (BSR), a US-based CSR promotion organization (FY2015)
- Participation in events hosted by Caux Round Table (CRT) Japan in FY2014: the Global Conference on CSR and Risk Management 2014, a seminar on human rights, and the Stakeholder Engagement Program, which involves practical debates on specific human rights issues and measures
- Participation in the Human Rights Due Diligence Study Group organized by the Global Compact Network Japan (GC-NJ) (FY2013, FY2014)
- Participation on Japan Human Rights Study _Forum held by BSR, a U.S.-based CSR promotion organization (FY2012)
- Participation in Research on Respect for Human Rights in Business Development in Developing Countries conducted by Business Policy Forum, Japan (BPF) as a committee member (FY2012)

Support for Human Rights NGOs

Toshiba co-sponsored the Amnesty Film Festival showing films on human rights and a charity concert hosted by Amnesty International Japan (FY2011-FY2017).

Employment and Labor Relations

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

Medium- to Long-term Vision

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

FY 2017 Achievements

Conducted negotiations and discussions with Toshiba Union.

Future Challenges and Approaches

We shall share matters such as business operations and major reorganizations with Toshiba Union. Also, changes in working conditions and other labor-related issues shall be discussed between labor and management. We will continue to hold labor-management talks in accordance with the Labor Agreement.

Policy on Labor-management Relations

Toshiba supports the principles of the Universal Declaration of Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises, and works to ensure that its employees have fundamental labor rights. In the labor agreement concluded with the Toshiba Labor Union, Toshiba stipulates that the Labor Union has the three rights of labor (the right to association, the right to collective bargaining, and the right to act collectively).

Relationship with Toshiba Union

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

At the Toshiba Group Labor-management Congress held every six months, Toshiba discusses the Toshiba Group's business policies with representatives of the Association of Toshiba Group Unions, with which the labor unions of Toshiba and Toshiba Group companies in Japan are affiliated.

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

Promoting Labor-management Dialogue

Toshiba and Toshiba Union conduct various talks to improve labor relations and operations.

Matters that are explained to Toshiba Union include management condition and important organizational reforms. Specifically, the explanations on the split off of in-house companies and transfer of business of Toshiba General Hospital in fiscal 2017.

Large-scale transfers of union members and changes in working conditions are also deliberated between labor and management, and discussions are being held whenever reforms in business structure are required.

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

Employment by region and business domain (as of March 31, 2018)

Region	Number of employees	Business domain	Number of employees
Japan	90,698	Energy Systems & Solutions	17,524
China	13,932	Infrastructure Systems & Solutions	42,190
Asia*1 & Oceania	25,726	Retail & Printing Solutions	20,396
North America	6,610	Storage & Electronic Devices Solutions	30,802
Central & South America	386	Industrial ICT Solutions	10,164
Europe*2 & Africa	3,904	Others	20,180
Total	141,256	Total	141,256

*1 Excluding Japan and China

*2 Including Russia

Fair Evaluation and Talent Development

Toshiba Group states "We turn on the promise of a new day" in "Our Purpose" under the Essence of Toshiba, and is working to create an open corporate culture in which diverse employees can exercise their respective capabilities to achieve this. Furthermore, we have established fair evaluation systems and seek to develop and deploy talents to the greatest extent.

Medium- to Long-term Vision

To create an open corporate culture and to enable a diverse workforce who share Toshiba Group's Basic Commitment, Our Purpose and Our Values to excel and grow.

FY 2017 Achievement

To create a better corporate culture, we conducted the 360-degree survey to 241 executive officers, which is designed to raise the awareness of organizational leaders, and is implemented every other year to measure progress.

Future Challenges and Approaches

In order for Toshiba Group to "turn on the promise of a new day," it is essential for inspired individuals with a broad perspective to thrive.

Toshiba Group will continue to support each and every employee in developing his/her skills and career through our diverse systems for talent development.

Policy on Fair Evaluation and Talent Development

In Toshiba Group, we specify in Toshiba's Human Resources Management Policy, that human resources are our most valuable assets, and make it our duty to provide all our employees with opportunities for skill development and self-actualization.

Global HR Policy

Our people are the most important resources of Toshiba

1. Equal Opportunities:
We provide equal opportunities to all employees to maximize their full potential and gain self-achievement.
2. Value Performance & Commitment:
We value and enhance employee performance, competency, potential and commitment.
3. Diverse Business Culture:
Diversity enabling an active and innovative organization culture.
4. The Right Person in the Right Place:
The key of Human Resource Management is assignment and development.

Training System for Talent Development

Cultivating Global-Minded Talents

Toshiba Group emphasizes the importance of training to develop well-rounded global-minded talents who have deep cross-cultural understanding and the ability to perform their jobs through direct communication with stakeholders around the world in order to ensure diverse human resources can play an active role and grow. We provide "Liberal Arts Training"*1 to develop well-rounded individuals who can embrace diversity and have the ability to think thoroughly and Global Organization



Global Marketing Leaders Program

Leadership Development training for next-generation leaders of Toshiba Group in Japan and overseas in order to develop leaders who can take on active roles on the global stage.

In addition, we aim to develop global-minded personnel through internationally unified trainings 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.

Such region-specific education has a long history, with Europe and Asia boasting the longest with programs commencing more than 20 years ago. To enhance our education programs, the Toshiba China Academy and Toshiba University in the United States provide training courses in China and the Americas, respectively.

*1 Liberal Arts: develop intellectual capabilities and techniques to deepen understanding in various subjects.

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

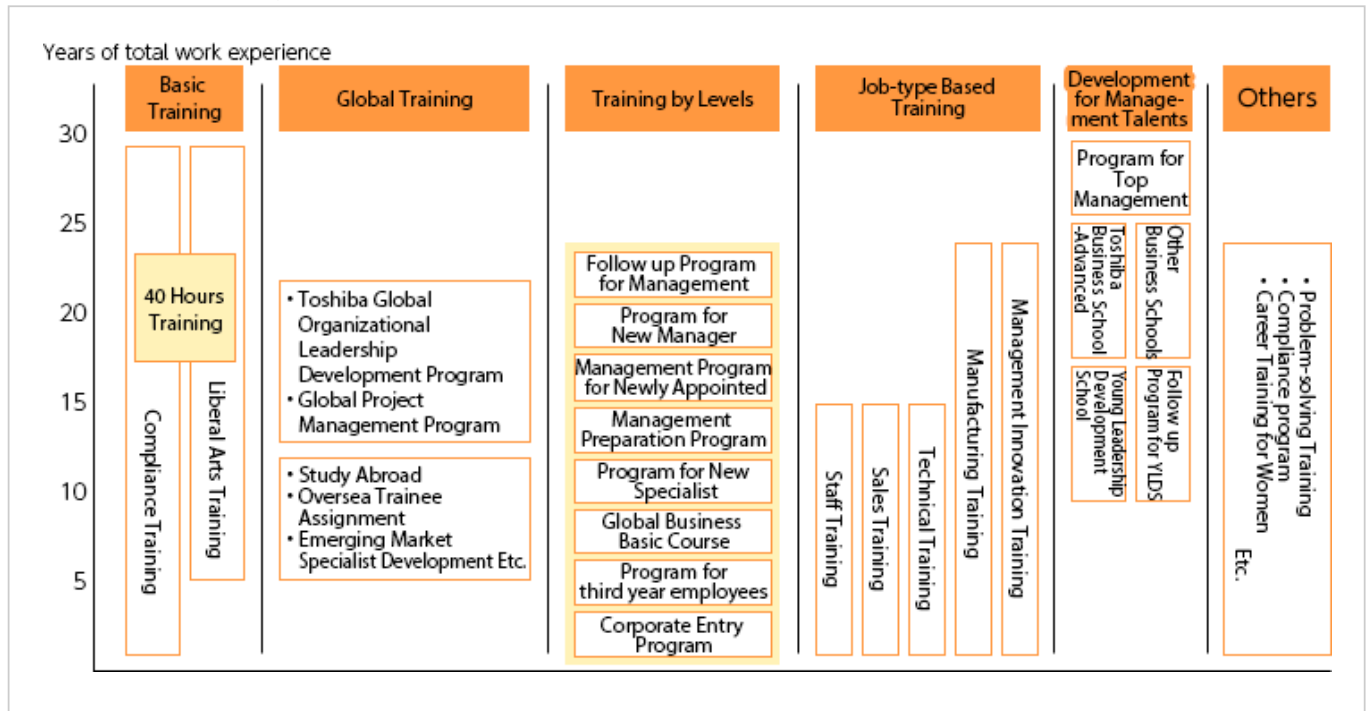
Training Programs

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

Main Training Programs

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

Talent Development Program Roadmap (Toshiba Group in Japan)



Talent Development Program Roadmap (Toshiba Group Overseas)

Region	Entry	High Potential	Managers	Executives
Global Integrated	Global CEP # web-based	Overseas Management Course	Global Project Management Program	GOLD Program, Toshiba Business School-Global
	Compliance Training			
China		Functional Program	Basic Management Course	Senior Management Program
Asia		Management Training Workshop	People Management Workshop	Asia Management Development Course
Americas		Toshiba University Online Courses		
EMEA		PEMP - I	PEMP - II	

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 Career Design System, for example, provides each employee with an annual opportunity to discuss and share their views on long-term career development plans as well as on mid-term goals for skill acquisition, improvement, and the way to utilize such skills with their superiors. Performance Management System gives each employee a semi-annual opportunity to review and discuss with their superiors their job performance over the past six months as well as their job objectives for the next six months.

In FY2017, we conducted the 360-degree survey, which was introduced in FY2015 and is implemented every other year, targeting approximately 241 executive officers. The major aims of this survey are to encourage growth by objectively and repeatedly identifying their strengths and weaknesses and confirming progress on change and enhancing leadership in order to create healthier organizations. We investigate managers from various perspectives with regard to their day-to-day work performance and activities, with such perspectives including those of managers themselves, as well as of their supervisors, peers, and subordinates. Managers must accept survey results in a sincere manner and use the results to improve themselves and workplace communication, thereby creating a better corporate culture. Toshiba also provided follow-up training programs in the previous fiscal year to promote ongoing self-improvement for general manager-class employees by using the 360-degree survey.

We also have career development systems that encourage employees to plan their careers autonomously. For example, our Internal Job Posting System allows each employee to apply for personnel transfer in order to fill a vacant post announced by a division, and the Internal FA System enables each employee to apply for personnel transfer to a division of their choice.

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

System	Eligibility	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Open recruitment in Toshiba Group	Full-time employees of the eligible Toshiba Group companies who have been employed by the company for 3 years or more	39	72	139	66	37	32
In-house free agent	Full-time employees who have been employed by the company for 5 years or more.	19	42	21	22	16	22

Employee Morale Survey

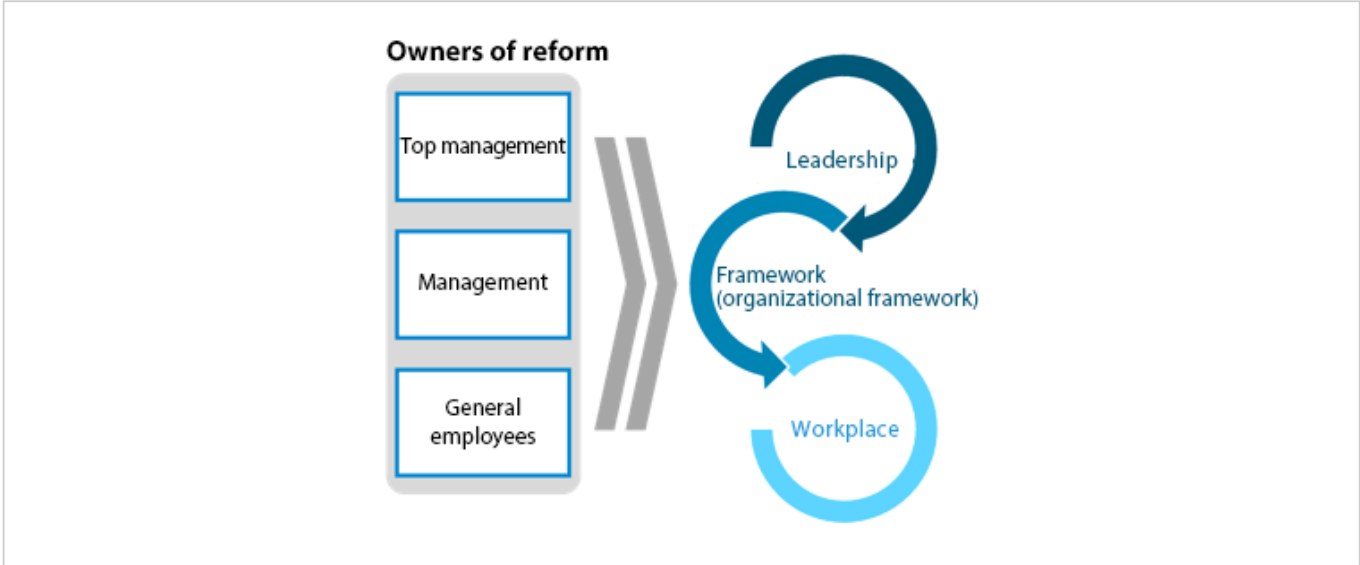
Since FY2003, Toshiba has conducted the TEAM Survey for the purpose of soliciting the opinions of employees. Through the survey, we periodically monitor the level of employee awareness of various measures and how far they have propagated into the organization. Where issues are identified, we seek to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

In FY2017, we conducted an anonymous survey targeting about 70,000 employees in 67 Toshiba Group companies in Japan and overseas, and received responses from approximately 90% of the employees. This survey assesses employees' understanding of company policies, and whether their working conditions allow them to exercise their abilities. In addition, since FY2015, we have also asked questions about opinions regarding the President and top management as well as about legal compliance.

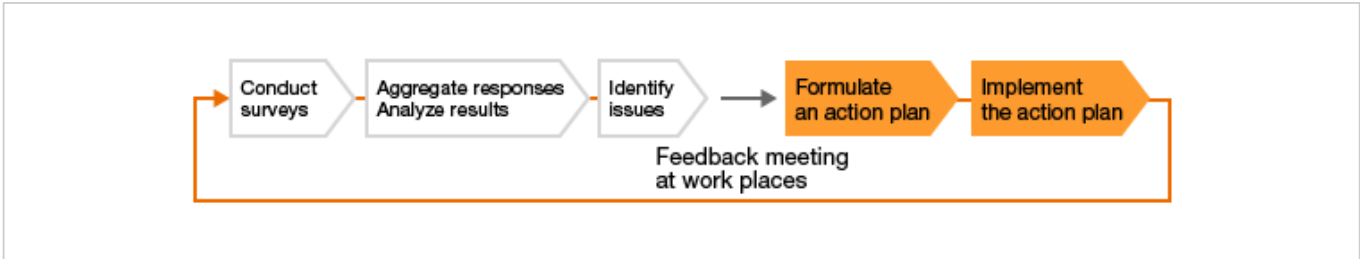
Based on these survey results, in order for management and employees to come together and improve, our top management is taking the lead in declaring a commitment to build a workplace environment where everyone can voice their opinions frankly. By transmitting messages from top management and disclosing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

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

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



TEAM survey execution cycle (annual)



Establishment of Consulting Service

We created an "employee consultation room," where employees can get individual advice. Employees can anonymously consult full-time counselors on workplace culture and interpersonal relations, personnel moves, sexual harassment, or bullying, etc. by phone, FAX, e-mail, or letter. One male and one female counselor address employee concerns together to create an inclusive and comfortable working environment.

➤ [Consulting Services "Employee Consultation Room"](#)

Diversity Promotion

The maximization of the capabilities and strengths of diverse employees is critical for active innovation and corporate growth. Based on the spirit of doing things “for the team,” the Toshiba Group promotes diversity by fostering a culture in which employees from diverse backgrounds can display their individual strengths to their full extent.

Medium- to Long-term Vision

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

Quantitative Target
Percentage of female managers
(Toshiba and key Group companies, at the end of FY2020)

7.0%

FY 2017 Achievement

Percentage of female managers

Achievement

4.3%

(Toshiba and key Group companies)

Future Challenges and Approaches

As globalization and other global trends advance, we will proactively reflect the diverse values of our employees in our management. In particular, we will strive to promote managerial diversity, appointing diverse human resources as women and foreign national employees in executive posts, as well as developing candidates. We will also work to expand the place of handicapped people 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 Diversity Promotion

We are working to promote diversity in order to establish a corporate culture that enables diverse personnel to play active roles irrespective of gender, nationality, or whether they have disabilities or not.

Diversity Management Structure

In 2004, we at Toshiba established our Kirameki Life & Career Promotion Office, an organization under the CEO's direct control, to promote gender equality.

After that, we expanded the scope of our activities to include foreign nationals and people with disabilities. As diversity became the very core of our human resources work, the office was reorganized into the Human Resources & Administration Diversity Development Division in FY2013, which has been advancing diversity measures as a general human resources matter. In 2015, this was further reorganized into the Management Reform Division, Corporate Culture Reform & Diversity Group, which worked to achieve an open corporate culture. The office was once again reorganized into the Human Resources & Administration Personnel and Organizational Development and Planning Division in April 2018. The new office promotes measures to expand the role of women in Japan, policy and measures to proactively appoint women to managerial positions, support of the active role of persons with disabilities and the fostering of global human resources and establishment of an environment conducive to this.

Diversity Management Approach

Toshiba Group strives to create an organizational culture where diverse individuality and employee values are accepted and respected and where each employee is provided the opportunity to maximize their capabilities and strengths. Our efforts include diversity training where employees learn to accept and respect diversity of each individual and study about human rights for all employees.

Further, we conduct awareness surveys targeted at Group employees in Japan, and monitor the level of diversity awareness throughout the workplace. Where improvements are called for, we conduct training as necessary, and strive for better work environments.

Disseminating information about diversity management

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



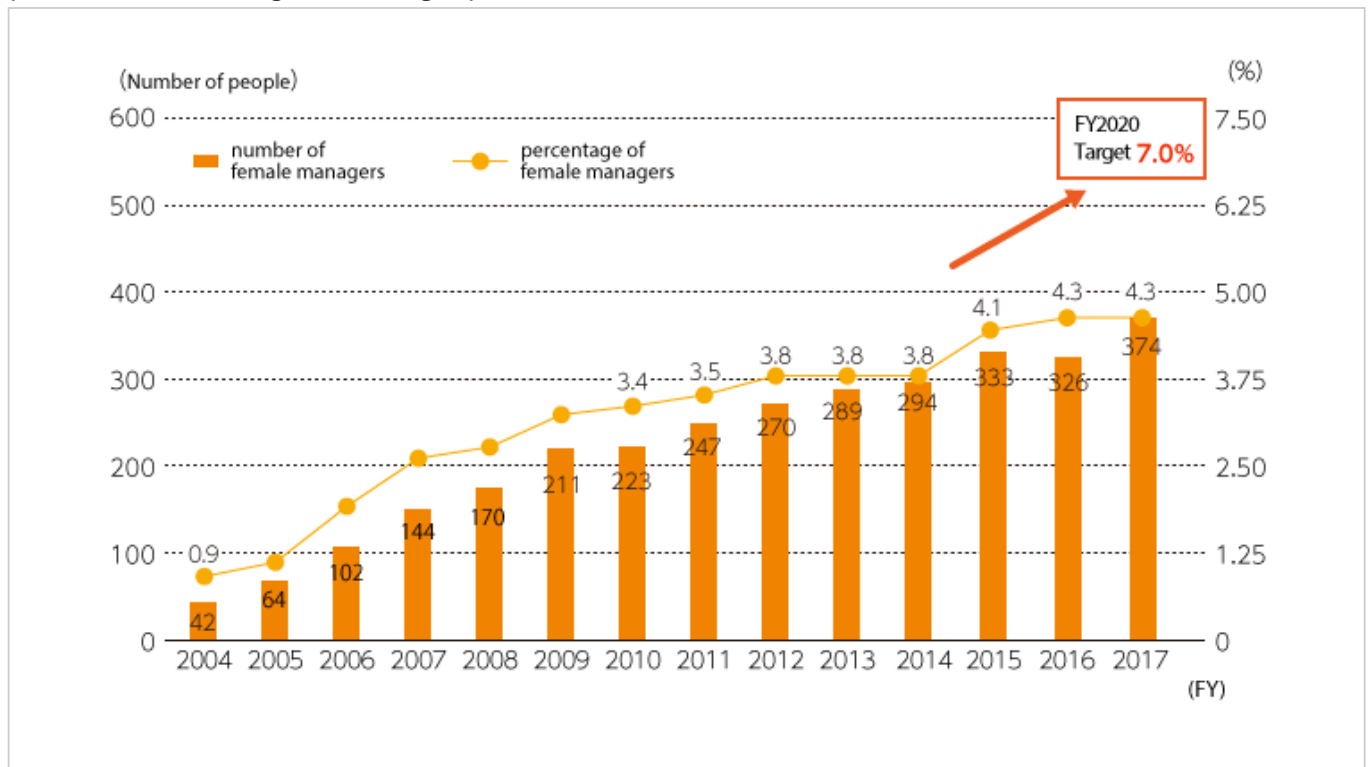
Intranet web page "Kirameki"

Promoting the Career Development of Female Employees

Toshiba is promoting measures to accelerate success for female employees.

The Act to Advance Women's Success in Their Working Life was enacted in FY2016. The act defines the obligations of national and local governments and private business owners to advance women's careers to realize a society that enables women to fully develop their creativity and abilities. Based on this act, Toshiba has developed an action plan aimed at increasing the percentage of female managers to at least 7.0% by FY2020. We have also set our recruitment target for new female university graduates at 50% for administrative positions and 25% for technical positions. In our action plan, we formulated measures to achieve these targets, including following progress in training for female manager candidates and awareness raising for managers and workers.

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



* FY2017: Sum of Toshiba and key Group companies.

Percentage breakdown of female managers (Toshiba)

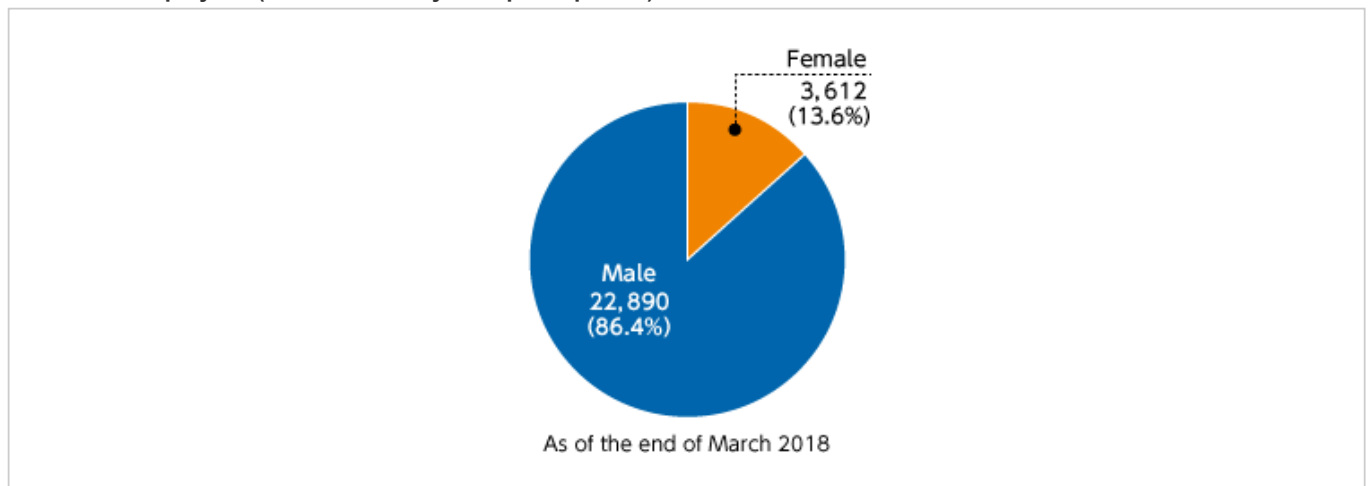
	FY2013	FY2014	FY2015	FY2016	FY2017*
Percentage of female managers	3.8%	3.8%	4.1%	4.3%	4.3%
Section manager class	4.4%	4.5%	4.8%	5.1%	5.1%
Division manager class	3.0%	2.7%	2.9%	3.0%	3.2%

* FY2017: Sum of Toshiba and key Group companies.

Percentage of female recruits (Toshiba and key Group companies)

The ratio of new female graduates to join the Company in April 2018 was 35% for administrative positions (target 50%) and 8.1% for technical positions (target 25%).

Number of Employees (Toshiba and key Group companies)



Key training systems and measures for promoting the career development of female employees

System/Measure	Overview
Career training for young female employees	<p>From FY2015, we have conducted career design training for all female employees in their third year since joining the company.</p> <p>Program overview:</p> <ul style="list-style-type: none"> Thinking about how to balance possible future life events and work Improving mindset via letters from supervisors Role model lectures from senior female colleagues
Sending employees to cross-industrial exchange training for female employees	<p>We send female prospective leadership candidates to cross-industrial exchange training, to encourage them to widen their perspective, engage in networking, and improve their communication skills (initiated in FY2014, and participated in by young female employees from 8 different cross-industry companies, including Toshiba).</p>
Awareness promotion training for top management	<p>A subject covering diversity management (how to train and communicate with diverse subordinates) has been included in the curriculum for mandatory training for persons promoted to manager (since FY2010, roughly 170 programs have been held with a total of over 5,300 participants until FY2017).</p>
Seminar to support employees returning after childcare leave (for the relevant employee and supervisor)	<p>Since FY2015, we have conducted seminars for those scheduled to return to work after childcare leave, those who have already returned to work (as well as for the supervisors of such employees), to support their smooth return to the workplace. The seminars for the returnees require the attendance of their partner, in order to provide an opportunity to think together about balancing work and family.</p>



Group work at the career training for young female employees



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



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

Activity Example: Increasing the number of female science and engineering majors and provide support for development

As a manufacturing company, Toshiba Group engages in activities to increase the number of female students who choose to study science and engineering fields, and to support their development.

In February 2018, Toshiba held a "PC disassembly workshop" at Toshiba Science Museum. With the support of employee volunteers acting the role of disassembling experts, students actually took apart PCs and further learned how electrical products function. Our female engineers also interacted with female junior high students and helped them to create a vision for their future career.



A female engineer of Toshiba talking about the joy of manufacturing at a career event



PC disassembly workshop

Recruiting More Non-Japanese Employees and Utilizing Them Effectively

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

Since FY2006, in addition to employing people who have studied in Japan as foreign exchange students, we have been carrying out our Global Recruitment Program in an effort to directly recruit students graduating from foreign universities.

After entering Toshiba, they play active roles in the various fields as sales, development and design. To facilitate their adaptation to life and work in Japan, we provide a wide range of life-related assistance as well as work-related support such as providing each non-Japanese employee with a mentor who provides them with guidance based on a tailor-made job skill improvement plan.

Since FY2011, we have conducted regular assessments of job duties and work environments in order to improve them, presenting good examples from other workplaces. In these assessments, global recruits and their superiors discuss what they each respectively regard as challenges, as well as good methods/means of encouraging foreign national employees to actively involve themselves in their workplaces. Training is also provided for managers and trainers in workplaces receiving those who are newly employed through global recruitment.

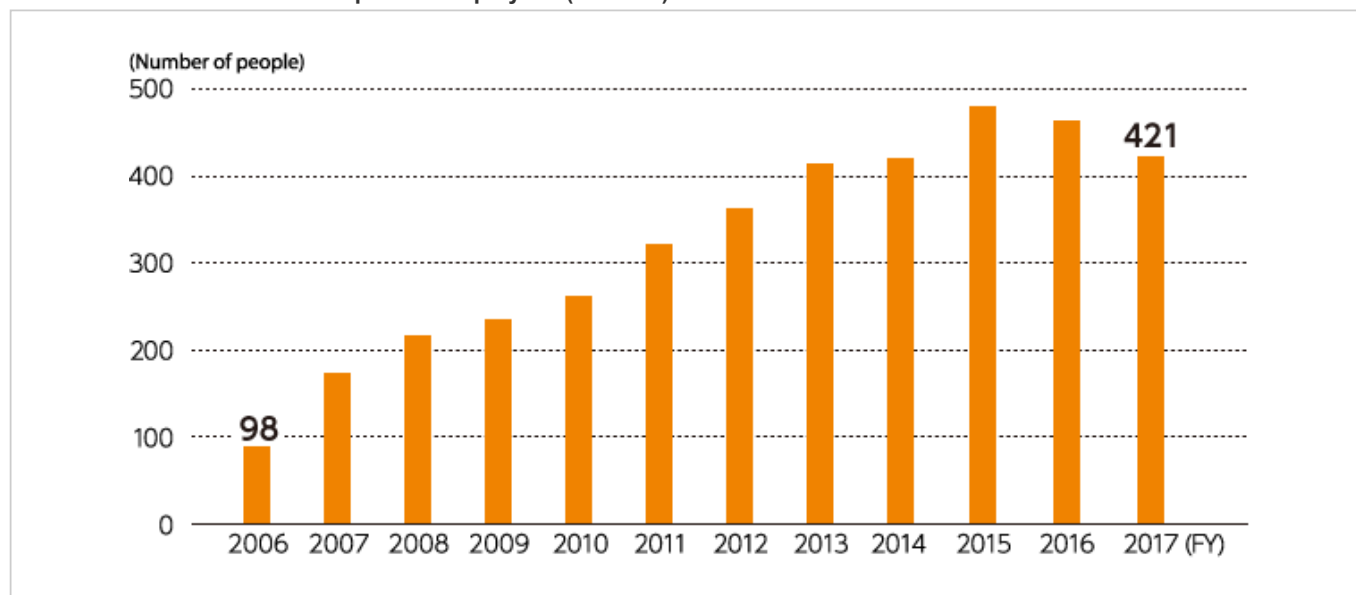
Designating prayer rooms

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

Portal site for assisting those involved with non-Japanese employees

We have set up a portal site on the intranet web page to assist those involved with employees who are foreign nationals. On the portal is basic information, knowhow and more on the subject of employing non-Japanese employees, training on understanding other cultures, and testimonials and case studies concerning accepting non-Japanese employees. This helps cultivate work environments where foreign national employees can work comfortably.

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



* FY2017: Sum of Toshiba and key Group companies.

Employment of People with Disabilities

As of June 1st, 2018, the percentage of employees with disabilities has become 2.37% at Toshiba (including a special subsidiary company). We have also been making efforts to improve work environments for employees with disabilities. In FY2010, we established a network connecting seven divisions engaged in supporting people with disabilities, including Human Resources and Administration Division and the Design Center. This network has enabled us to devise and implement comprehensive measures to support such employees.

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

	June 2013	June 2014	June 2015	June 2016	June 2017	June 2018
Number of people	792.5	802.5	822.0	764.0	637.5	594.5
Percentage of Employment	2.04%	2.09%	2.03%	2.05%	2.33%	2.37%

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

A Special Subsidiary Company Toshiba With

Toshiba With Corporation was established in February 2005 as a special subsidiary company, which, in accordance with Toshiba's basic policy, aims to employ people with disabilities. It was named "With" in the hope of creating an environment where people with and without disabilities can live and work together.

Currently, 41 employees, most of whom have intellectual disabilities, are working at 6 different business sites of Toshiba Group.

In FY2013, Toshiba With was awarded the Toshiba Corporate Citizenship Award in "Social Contribution by Business" category for its contributions to society through business.

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



Clean-up activities by employees at Toshiba With

Activity Example: Sign language club

Toshiba Group has been providing employees with a monthly sign language lesson, Toshiba Sign Language Club, since FY2009. At the club, employees with impaired hearing serve as instructors, teaching sign language to facilitate smooth communication and providing information to promote understanding of hearing disabilities. By the end of FY2017, approximately 5,200 people in total have participated in such lessons. Sign Language Club members are engaged in activities outside the company as well. As part of school support programs conducted by Minato Ward in Tokyo, we conduct on-site lessons with the theme "Let's talk with people who can't hear," to teach elementary school children how to communicate with those who are hearing impaired. In FY2017, we conducted the lessons in 6 classes at 3 schools. We also invited Ayako Imamura, a movie director with hearing impairments, to a charity presentation of her movie Start Line and donated the proceeds to the Kanagawa Welfare Association of the Deaf.



On-site lesson, "Let's talk with people who can't hear," at an elementary school

Active Utilization of Elderly People

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

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

We will continue to actively encourage older employees to play active parts in their workplaces according to their work styles, needs, and skills.

Work-style Innovation (WSI)

Toshiba is working on activities toward accelerating so-called work-life balance under the unique name of "Work-style Innovation (WSI)." WSI refers to a campaign aimed at creating a positive spiral, where employees work very hard and efficiently and also make the most of their private lives to rejuvenate and improve themselves so that they can add higher value to their work.

At Toshiba Group companies, each employee promotes activities to increase productivity by changing their working styles and methods.

Reduction of Working Hours and Consideration of Scheduled Working Hours

In Toshiba, the average total number of annual actual working hours per employee was 1,996 hours, and the average number of annual non-scheduled working hours per employee was 382 hours in FY2017. Toshiba is making the transition to a style of work that does not depend on overtime work, in order to allow the utilization of diverse personnel, and to promote WSI. We publicly disclose on our intranet site the efforts of each office aiming at reducing overtime work and share the most effective measures.

Key systems and measures concerning working hours

System/measure	Overview
Flexible work system	Flexitime system, discretionary labor system, work-at-home system (trialing since October 2017)
Long Leave System	Employee can avail of a maximum of 20-day accumulated leaves for clear and meaningful objectives, such as self-development, social contribution activities, nursing, and also for treatment of non-occupational injuries and diseases, and other conditions including infertility.
"Family Week" initiatives and days set to leave the office at normal quitting time	In order to accelerate WSI and create time for employees to spend with their families, employees are prompted to leave work at the official quitting time at least two days during Japan's "Family Week" in November. Special announcements and after-hour patrols are made to promote awareness during such days.
Enforcing an 8 pm lights-out	We extinguish the lights in working areas at 8 pm every day (enacted at the headquarters).
Annual Paid Vacation	For the employees' rejuvenation, Toshiba has been facilitating the planned use of annual paid vacation. In FY2017, percentage of annual paid vacation taken by union members was 85%.
Making working hours visible	Toshiba has introduced systems such as "Monitoring Display of Office-Stay Hours" (FY2009), "Work Record Notification" (FY2010), and "Work Record Display" (FY2010) to increase transparency of working hours.
Addressing long working hours at Toshiba Group workplaces	We implement measures in various divisions and business sites to address the problem of long working hours, and publish case examples on our intranet site to spread good practice among departments (e.g. declaring target time (time of leaving work), forbidding employees from coming to work on Sundays, banning late-night overtime in principle, setting "focus hours," and banning meetings outside normal working hours in principle).

Activity Example: Use of the system to make working hours visible

In order to effectively monitor the working conditions of our employees, Toshiba launched a system that allows employees to visually monitor working hours on their computers (FY2009). We also started using the systems called Work Record Notification and Work Record Display in order to ensure for employees and their superiors to pay constant attention to work hours (since FY2010).

The Work Record Notification system automatically sends an e-mail to each employee and their superior on the work record of the employee. The Work Record Display system indicates each employee's current work status with three signal colors (red, yellow, and green) to draw attention to overtime work hours.

Supporting employees in balancing work with childcare/nursing care

Since 1990s, Toshiba Group has been supporting employees to balance their work and personal life. Starting in 2005, in accordance with the Law for Measures to Support the Development of the Next Generation, we have implemented various measures and systems, which surpass the legal standards, and continue to make them more adaptable and flexible.

In FY2014, we revised our Hourly-Unit Annual Leave system. Now employees can take leave on a quarterly hour basis instead of hourly when they take a leave over an hour.

The Major Supporting Systems for Employees' Work and Childcare (Toshiba)

	System		Toshiba system	As required by law
Childbirth/Child-rearing	Childcare leave	Period	<u>Until the end of the month in which the child turns 3 years old</u>	Up to <u>1 year old</u> except when certain requirements are met
		Number of times	<u>Up to 3 times</u> per child	<u>Up to once</u> per child
	Paternity leave		Up to 5 paid holidays (100%) consecutively or separately, from the 6 weeks prior to the expected date of birth and up to 6 weeks following the birth	—
	Short-time shift	Target	Employees who are raising <u>children in elementary school</u>	Employees who are raising <u>children under three years old</u>
		Others	1) No limits to the number of times one can apply 2) Possible to combine with the flextime system 3) Can be set in 15-minute units	—
	Hourly leave system		Leave is available in 1-hour units. If more than one hour is taken at a time, however, employees may take leave in 15-minute units*1 for those over an hour.	—
Family care	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
	Short-time shift		Possible to use for 3 years in total per person requiring nursing care, as separate from the period for family care leave (short-day shifts available for 1 year)	—
	Hourly leave system		Leave is available in 1-hour units. If more than one hour is taken at a time, however, employees may take leave in 15-minute units*1 for those over an hour.	—

Returning to work	Subsidies for expenses	Allowance for raising the next generation	To be provided to each eligible child * The child being taken care of by the spouse of the applicant, who works for the other company, is also eligible for the allowance.
		Welfare system "Teatime"	For child-rearing, nursing care, and the purchase of company products, points will be worth 1.2 to 1.5 times the value of normal points.
	Mutual understanding program		The program offers the opportunity for employees to discuss future career plans and any necessary arrangements with their superior and HR personnel before taking a leave of absence or after resuming work, thus helping to reduce concerns of the employees who take such leaves.
	Reemployment system (return to work system)		Established a system to reemploy employees who had to resign for the following reasons: 1) Resignation in order to accompany a spouse who has been transferred (within 5 years) 2) Resignation in order to provide nursing care for those requiring nursing (within 5 years) 3) Resignation for childbirth, childcare, and raising children (within 5 years)

*1 Until FY2013, leave was taken in 1-hour units

Employee Participation of Diverse Working Style Options (Toshiba)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017*
Childcare leave	Male: 12 Female: 296	Male: 8 Female: 336	Male: 7 Female: 350	Male: 10 Female: 358	Male: 17 Female: 348	Male: 20 Female: 363
Paternity leave	Male: 423	Male: 384	Male: 359	Male: 372	Male: 388	Male: 382
Family-care leave	Male: 6 Female: 6	Male: 6 Female: 10	Male: 2 Female: 3	Male: 1 Female: 2	Male: 2 Female: 2	Male: 5 Female: 2
Short-time shift	Male: 9 Female: 409	Male: 9 Female: 417	Male: 10 Female: 438	Male: 9 Female: 456	Male: 10 Female: 426	Male: 11 Female: 462

* FY2017: Sum of Toshiba and key Group companies.

Activity Example: Our internal childcare center "Kirame-kids"

In an effort to support Work-style Innovation we opened an internal childcare center named "Kirame-kids Yokohama" on the premises of one of our business sites, Yokohama Complex in FY2011. The center, which has a large garden and abundant greenery, provides full-time high-quality childcare in a relaxed atmosphere and hosts various age-appropriate events for children throughout the year.



Kirame-kids Yokohama



Handmade signboard

Raising Awareness

In order to spread the concept of Work-style Innovation 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 Innovation

System/Measure	Target	Overview
Time management training	Toshiba Group companies in Japan	Learning how to work efficiently and managing subordinates' time, as part of training programs at based on levels.
Nursing care seminars	Toshiba Group companies in Japan	Nursing care seminars (held in FY2017 at 41 business sites)

Informational materials concerning Work-style Innovation

Title	Contents
"Easy! How-To Guide for our nursing care support system" (from FY2010 onward)	A handbook that provides information on the various plans supporting family / nursing care so as to help balance work and family care.
"Easy! How-to Guide for our nurturing support system" (from FY2008 onward)	An easy-to-understand brochure on systems designed to support working mothers and fathers from pregnancy through to their return to work, including necessary procedures (being distributed to eligible employees).

Activity Example: Nursing care seminar

Due to changes in family compositions and increase of two-income households, an increasing percentage of employees are expected to take care of elderly family members while working full time. In FY2012, Toshiba conducted a fact-finding survey on nursing care, which revealed a strong need for information on nursing care among employees. As a result, we held nursing care seminars by sites from FY2015.



Nursing care seminar at Tokyo HDQ

Benefits

Toshiba Corporate Pension Plan: For our employees' lives after retirement, we have the Toshiba Corporate Pension Plan (defined benefit plan), in addition to their old-age pension from Japan's welfare pension insurance scheme. In October 2015, we also introduced a defined contribution pension, in order to improve employees' post-retirement funds still more.

Teatime, a selective welfare system: Toshiba offers a selective welfare system called "Teatime" under which employees can make choices according to their needs and receive subsidiaries from a wide range of welfare benefits. In addition to costs for self-development and the purchase of company products, the system also covers support for childcare and nursing care, including costs for day-care centers, child-rearing, education, and nursing care.

Occupational Health and Safety

It is vital for each and every employee to maintain and strengthen both his and her mental and physical health in order to shine and flourish professionally. This, in turn, is only possible in a safe and comfortable work environment. We place the top priority to human life, safety and legal compliance, and support employees' OHS*.

* In this section, "Occupational Health and Safety" is abbreviated to "OHS"

Medium- to Long-term Vision

Toshiba aims to provide a work environment where employees can create value and raise productivity while being free from risks and concerns.

Quantitative Target

Percentage of companies that have acquired OHSAS 18001 certification:

(FY2017, Manufacturing companies of Toshiba Group in Japan)

100%

FY 2017 Achievement

Target: Prevention of serious accidents

Achievements:

Percentage of companies that have acquired OHSAS 18001 certification:

(FY2017, Manufacturing companies of Toshiba Group in Japan)

100%

Future Challenges and Approaches

To uphold OHS as one of our top 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' knowledge and skills about health management, such as factory line training for management and self-care education for all employees, and promote measures to improve workplace environments based on stress check results.

Policy on OHS

The Toshiba Group OHS Management Policy was established in April 2004 in response to the declaration of commitment to OHS by the top management with a goal of all employees sharing the commitment.

The Toshiba Group OHS Management Policy

In our business conduct, we place the highest priority on human life, safety and legal compliance, and we make concerted efforts throughout our operations to create safe and healthful workplace environments.

1. We position OHS as one of the most important issues for management, and strive to prevent occupational injury and disease in the workplace and achieve continual improvement in OHS management.
2. We comply with legally mandated requirements as well as with other standards that relate to the Toshiba Group's OHS code.
3. We set objectives and targets and act decisively to achieve the:
 - (1) Eradication of occupational accidents and disease in the workplace, 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 expect and support our suppliers and subcontractors to engage in to promote OHS in order to ensure the safety and health of everyone involved in Toshiba Group's business.
5. We proactively disclose our commitment to OHS and the results we achieve, in order to contribute to improve the standards of OHS management in the society.

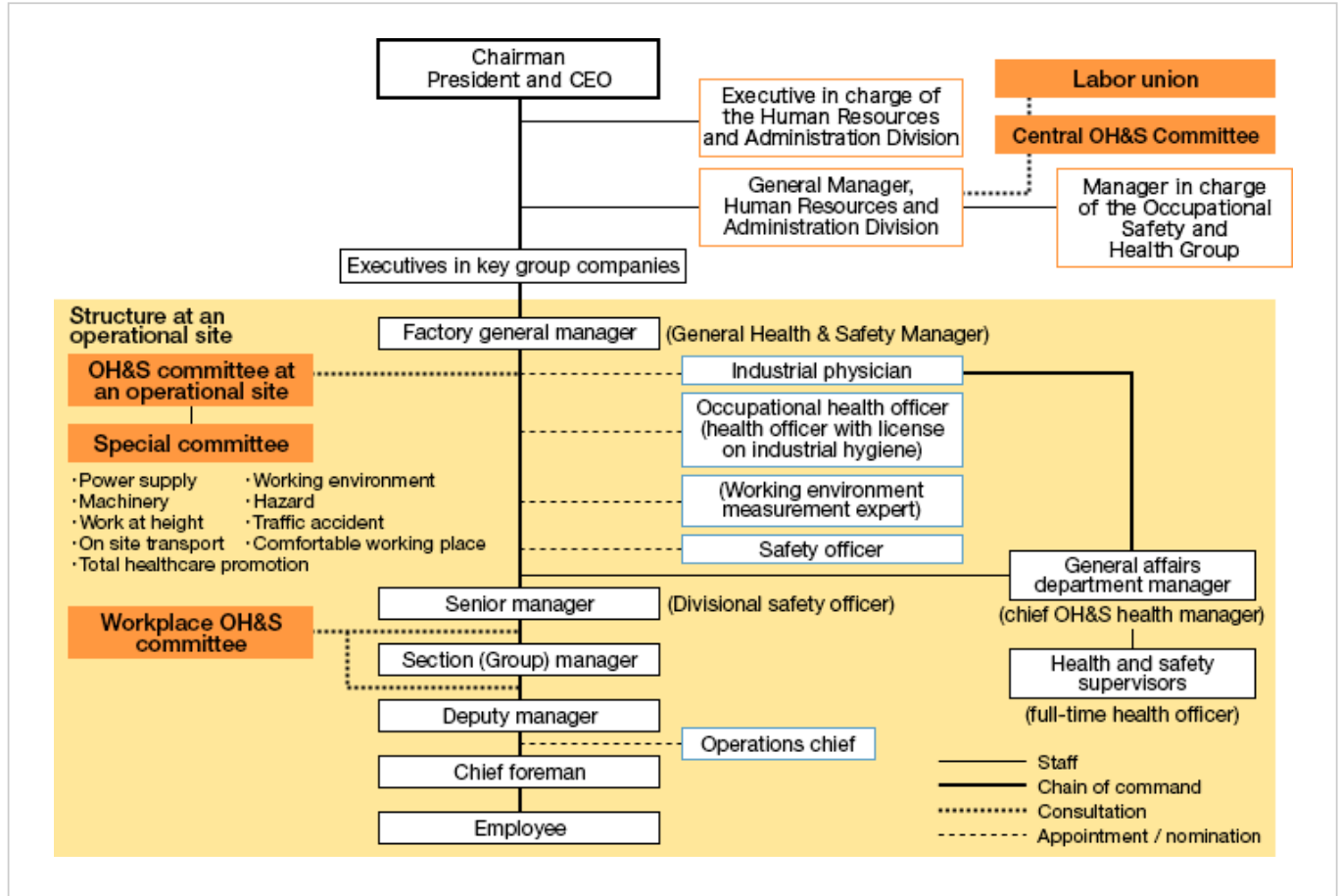
Promotion of OHS

The chart below shows the framework for the management of OHS across the Toshiba Group. Under the central guidance of the Human Resources and Administration Division, OHS activities fall within the management jurisdiction of each of key Group companies and are developed at the level of operational sites (or individual Group companies). Statutory activities at each site (or Group company) include the appointment of dedicated OHS staff and the establishment of an OHS committee. Many sites and Group companies go beyond this to set up other autonomous OHS activities, such as specialist or workplace committees, which cater to the work process and the risk factors.

In order to laterally share information between Toshiba and Toshiba Group companies, we hold the Toshiba Group Health and Safety Supervisor Meeting. The Health and Safety Supervisors at Group companies and operational sites meet once a year, and report on matters such as the occurrence of work-related accidents and goals that are to be promoted across the Group, as well as efforts to high priority issues and the activities undertaken at each site.

We also hold Central OHS Committee meetings to discuss issues and exchange views with the labor union and to improve the level of OHS management from the perspective of employees.

Toshiba Group OHS Management Structure



Toshiba's heritage of OHS activities

The history of Toshiba's OHS activities goes back to the days of Toshiba's predecessor, Tokyo Electric. In 1914, Toshibumi Gamo, then chief of general affairs, witnessed a tragic electrocution accident, and thereafter dedicated his life to safety-related activities. He became a central figure in Japan's safety movement, setting up the Association for Prioritization of Safety (Anzen Daiichi Kyokai) with Kakichi Uchida and others in 1917. The green cross that is used on safety flags in Japan is said to originally be designed by Gamo, and have been used as a symbol in the National Safety Week.

Toshiba Group has inherited this DNA and placed the top priority to employees' OHS. Thanks to the efforts made over the years, Toshiba Group's domestic occupational accident incidence (accident frequency rate) has remained below the average for the manufacturing industry in Japan.



Toshibumi Gamo

OHS Management System

In FY2007, Toshiba Group introduced OHSAS 18001*, an international certification standard for labor safety and health management system to its OHS management system and all manufacturing subsidiaries in Japan (54 Toshiba Group manufacturing companies) and major manufacturing subsidiaries overseas have been certified by external auditors. This visible OHS management system enables us to identify and assess OHS issues and make continuous improvements to reduce risks in accordance with legal compliance.

Since even before the introduction of this system, Toshiba Group has been striving to improve safety management through steady efforts of its organizations and individual employees in their daily activities. Among such efforts, small workplace groups undertake a variety of activities on an ongoing basis. These activities include workplace improvement programs, education and training for increasing risk sensitivity and activities to check whether appropriate practices are being carried out. By combining safety management based on employee networks with the OHSAS 18001-based management system, Toshiba Group will improve further its global safety management.

*OHSAS 18001: OHS Assessment Series



OHSAS18001 Certificate of Registration

Raising Awareness and Education on OHS

Message from Top Management to All Employees for National OHS Weeks

Every year, during National Safety Week in July and Occupational Health Week in October, the top management of Toshiba sends a message to all employees to share his unshakable determination to ensure OHS. Similarly, the top management at all business sites and all Group companies sends messages to all their employees and leads their own OHS initiatives.

Toshiba Group OHS Congress

First held in 1975, Toshiba Group OHS Congress is held every December for the purpose of raising the level of OHS activities and generating greater awareness about OHS management. The main participants are management from Toshiba and Group companies, labor union representatives, and people in charge of OHS activities in Japan and the President's Award for Excellence is conferred to companies and operation sites that set an example for others for excellent OHS-related activities, as well as to small-group activity programs and improvement proposals. Since FY2008, the Congress has been integrated with the CSR Conference. Now the Congress is held globally and recognizes the efforts in OHS management made by overseas Group companies.



Award ceremony at Toshiba Group OHS Congress

Education on OHS

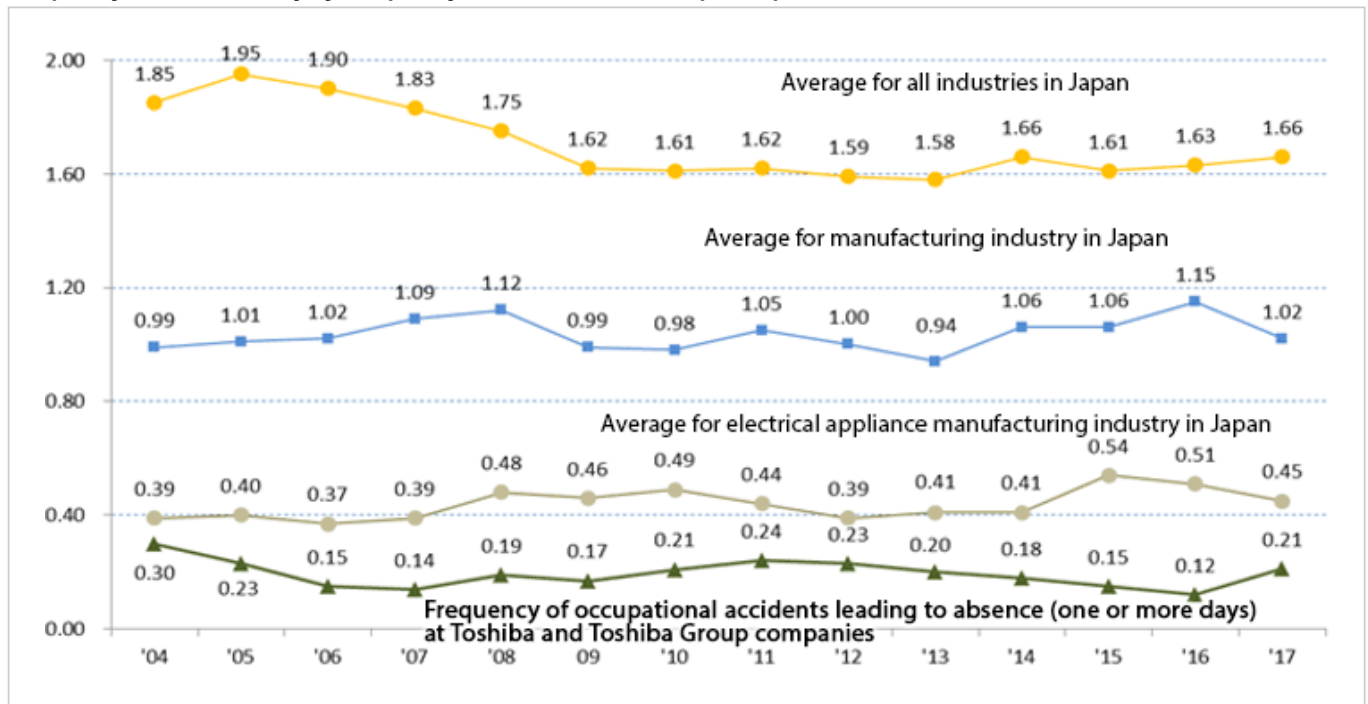
Toshiba Group endeavors to enhance our employees' understanding and skills in OHS. On top of the education required by the Industrial Safety and Health Act, we enforce education programs for employees who are newly appointed to OHS-related posts, and employees in mid-level, or practical training programs devised by each operational site.

In FY2017, we held training for Toshiba Group employees in charge of implementing OHS activities twice in April, with 160 people taking part. The training was also provided for employees newly taking charge of activities in September, with 36 people participating.

Occurrence of Occupational Accidents

The frequency of occupational accidents of Toshiba Group in Japan is much lower than the national average for the manufacturing industry. We will continue to implement further measures to prevent occupational accidents. In particular, we will place priority on the reduction of hazardous risks that could lead to serious injuries and diseases and conduct a risk assessment of all workplaces and tasks. Based on the results of this risk assessment, we will identify current and potential risks, review work methods, and will systematically take necessary measures to reduce and eliminate such risks as well as to improve facility and provide thorough training for employees.

Frequency of Lost-Time Injury Frequency Rate at Toshiba Group in Japan



Ensuring Health Management

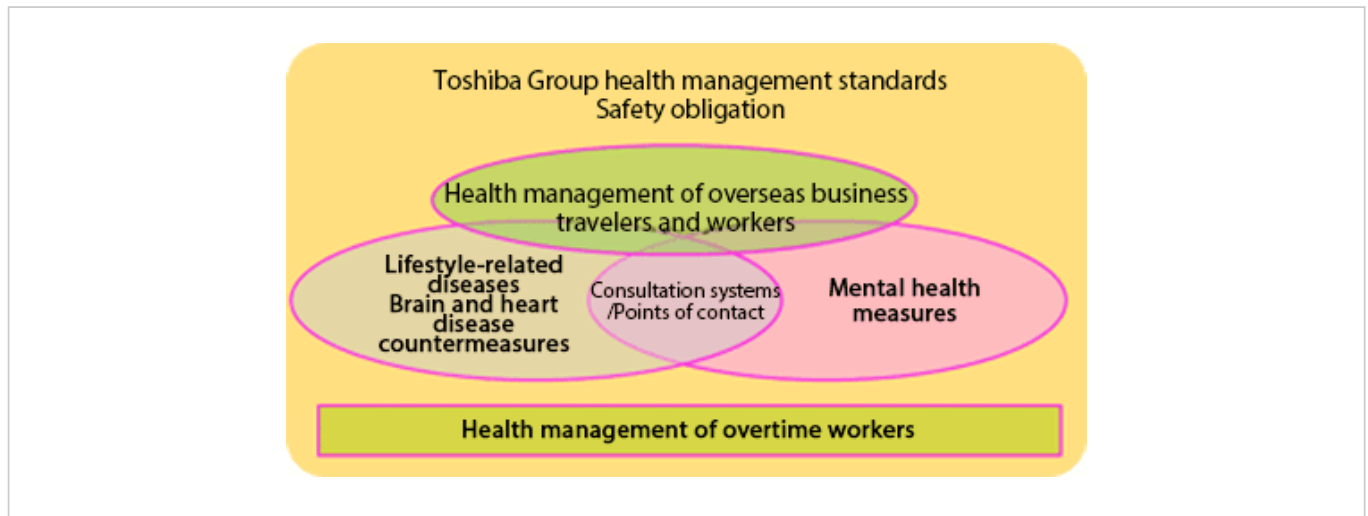
Toshiba Group strives to raise employees' awareness of the importance of health and takes various measures to maintain their physical and mental health from both a high-risk approach* and population approach*.

* High-risk approach: A method of health management that focuses on people at high risk of disease

Population approach: A method of health management that focuses on the whole group rather than a specific group to lower the exposure to risk

Toshiba Group's key health management measures

	Mental health measures	Lifestyle-related disease measures	Other
High-risk approach	<ul style="list-style-type: none"> Return-to-work program support Strengthen ties between workplace, personnel and industrial healthcare profession Anti-suicide measures 	<ul style="list-style-type: none"> Brain and cardiovascular disease countermeasures (work classification determination by regular medical checkup data level) 	<ul style="list-style-type: none"> Prevent diabetes becoming severe Strengthen health management of employees on overseas assignment
Population approach	<ul style="list-style-type: none"> Line care education Self-care education Stress checks 	<ul style="list-style-type: none"> Targets for improvement and support for lifestyle improvement Health education for each age group 	
Measures to comply with regulations and prevent overwork			



Regular Medical Checkup System

Toshiba Group operates its own system of regular medical checkups, which form the basis of employees' health management and the integrated management of information, including follow-up measures.

Employees can access the system over the intranet in order to complete questionnaires, change schedule for medical checkups / follow-up consultation, or view the results of medical checkups and stress tests. Industrial physicians and healthcare staff utilize this system when presenting changes in the results of medical checkups and risks related to lifestyle habits, such as diet, alcohol, smoking, exercise and mental health, using charts and graphs in an easy-to-understand manner and provide health guidance and education during the consultation.

Industrial physicians and healthcare staff have constant access to medical checkup data and use them to formulate necessary health management programs as part of a population approach based on comparison between one's workplace and the company-wide average.

Method for Prevention of Brain, Heart and Lifestyle-Related Diseases

As a high-risk approach to preventing lifestyle-related diseases, Toshiba Group has provided priority support to employees at high risk of developing brain and heart diseases, such as work management and health guidance, according to work classification determination by regular medical checkup data level, shared across all Group companies since FY2011. We also run a program to prevent diabetes becoming severe in collaboration with Toshiba Health Insurance Association. The effect of these initiatives has started to emerge with a decrease in the percentage of deaths caused by brain and heart disease while still at work and in the proportion of people with limitations on the work they can do.

As a population approach, we have set target values for improving lifestyle habits and have been undertaking measures such as anti-smoking measures, improvements to canteen menu and providing opportunity to exercise, since FY2013. We introduced a health-related education program for each age group in FY2014 and supported employees to maintain their health according to their stage of life. As a result, numerous lifestyle indices, including levels of smoking and walking, are improving. There are still a number of areas where we missed our target, however, and these remain issues we need to address going forward. We plan to revise these indices and targets so as to implement more effective measures that we will monitor in a PDCA cycle.

Mental Health Care

Toshiba was one of the first Japanese companies to address the issue of employees' mental health and have developed an advanced, comprehensive system of care to support our employees' work and daily life. In the future, we will enhance our programs based on the population approach in addition to the high-risk approach while encouraging each individual to consciously maintain their physical and mental well-being.

1. Workplace Care

Employees are encouraged to pay attention to their co-workers and talk to them in order to detect any unusual signs that imply poor health through opportunities that include education and messages from the top management. This practice has become the norm in the workplace.

In order to raise health and safety awareness at each workplace, we have been promoting communication by holding periodic informal CSR workplace meetings.

2. Self-care

A special magazine "Kenpo Information" published by Toshiba's health insurance association is one of the tools to promote awareness and education about mental health.



Self-care e-learning material

3. Return-to-work Support Program

In 2003, Toshiba became one of the first companies in Japan to introduce a return-to-work support program. It was revised in 2011 to facilitate employees to smoothly return to work after a lengthy absence due to mental health problems. Industrial physicians and occupational healthcare staffs coordinate with the employee's doctor, workplace members and family to devise proposals for appropriate returning date, working place and contents.

4. Management Education

Since 1977 that started the training of "listeners", Toshiba has implemented mental health education for managerial ranks in response to the trend of times. At present, each site of Toshiba offers health-related self-care education programs to employees as well as courses for managers. An in-house training center provides optional management seminars on mental health-related topics.



Example of material for the management seminar

5. On-site Health-related Consultation System

Industrial physicians and occupational healthcare staffs Toshiba respond to onsite health-related inquiries and coordinate with workplace, households and medical institutions as required. They also respond to inquiries from workplaces as well as from individuals.

6. Outside Helpline for Mental and Physical Health

Toshiba was one of the first companies in Japan to introduce an outside Employee Assistance Program (EAP) in 2000. Even now, we provide counseling for both mental and physical health issues by external specialists in conjunction with its in-house health insurance association. The contact ensures privacy of the individuals seeking help. Employee family members can also avail of the helpline.

7. Stress Check

Toshiba Group started to conduct stress checks under the guidance of the main office department in FY2016. As a result of timely follow-ups, we achieve a response rate for Toshiba Group that is higher than the national average. We have been implementing stress checks throughout the Group since FY2018, making them mandatory at workplaces with fewer than 50 people.

Health management for employees working excessive overtime

Toshiba Group has been working to prevent health problems caused by overtime work since before the revision to the Industrial Safety and Health Law in 2006 by setting standards that exceed legal requirements; for example, employees who work 80 hours overtime per month are required to receive health guidance from industrial physician (Interview Guidance for Employees Working Excessive Overtime). At the same time, our first principle is to transition to a working style in which employees are not expected to do overtime.

Overseas Medical Service Visits

Toshiba Group has a specialized division in Japan to support the health management of employees who work overseas. In addition to medical checkups prior to the posting and upon return in accordance with the law, we have made it compulsory to provide a checkups once a year while away, including for the employee's family. We are taking steps to ensure our overseas transferees receive the same level of health management support as our employees in Japan based on the results of each individual's medical checkups.

The services include providing employees and their family members consultation and information on local medical institutions, arranging emergency transport in line with each country's medical care system. Especially for those employees and their families who are located in parts of the world with inadequate medical care, we arrange periodic visits of industrial health specialists. The medical teams have been dispatched to countries and regions around the world, including Mexico, China, Taiwan, India, Indonesia, Thailand, Vietnam and some parts of Europe.

Infectious Disease Countermeasures

Based on information released by the Ministry of Foreign Affairs concerning outbreaks of infectious diseases in foreign countries and their transmission, the Legal Affairs Division compiles the latest information on the matter and distributes it to the subsidiaries in the affected countries via the related divisions of Group companies in order to alert the employees on such risks.

Toshiba Group in Japan also provide orientation to employees assigned to work overseas and their accompanying families, on medical, safety, infectious diseases measurements and other lifestyle-related issues pertaining to the relevant country. Once the overseas assignment is confirmed, an orientation is held, including prior medical checkups and courses of vaccination.

New recruits in Japan are provided with booklets also containing information about HIV AIDS. Other awareness-raising programs also cover topics such as the prevention of HIV infection and the prohibition of unfair discrimination due to insufficient knowledge about the disease.

OHS Management in the Supply Chain

Toshiba Group promotes its procurement activities in accordance with the United Nations Global Compact (UNGC) and the Responsible Business Alliance (RBA) Code of Conduct. We also ask our suppliers to respect basic human rights and to realize safe and clean workplace environments during their business activities.

We explain and request all our suppliers to comply with the Toshiba Group Procurement Policy which includes consideration for human rights, labor, OHS in their operations.

- [Toshiba Group Procurement Policy](#)
- [CSR Management in the Supply Chain](#)

CSR Management in the Supply Chain

In order to fulfill CSR in regards to human rights, labor, and the environment in cooperation with suppliers, Toshiba Group continues to promote CSR activities throughout the supply chain.

Medium- to Long-term Vision

Contributing to solving social issues in our supply chain through appropriate procurement transactions

- Full notification of our procurement policy to our suppliers
- Obtaining consent for the Toshiba Group Procurement Policy from new suppliers

100% of our new suppliers

- Keeping track of supplier activities, and advising on improvement

FY 2017 Achievement

- **Holding briefings for suppliers :**
 - Explaining the Toshiba Group Procurement Policy
 - Briefing on conflict minerals
- **Surveys of suppliers and providing instructions for improvement :**
 - Conducting CSR Self-Assessment (RBA Self-Assessment Questionnaire) and providing individual guidance based on the results
 - Conducting a conflict minerals survey and providing individual guidance based on the results
 - Conducting a supplier environmental conservation survey
- **Information exchange and discussion with experts toward resolution of CSR issues**
 - Participating in RBA member meetings

Future Challenges and Approaches

We will continue to request that new suppliers consent and practice to the Toshiba Group Procurement Policy, and to strengthen our measures to monitor and support suppliers' compliance with the policy.

We will also educate our procurement employees about important CSR issues, such as compliance and handling conflict minerals, so that they can instruct and support our suppliers.

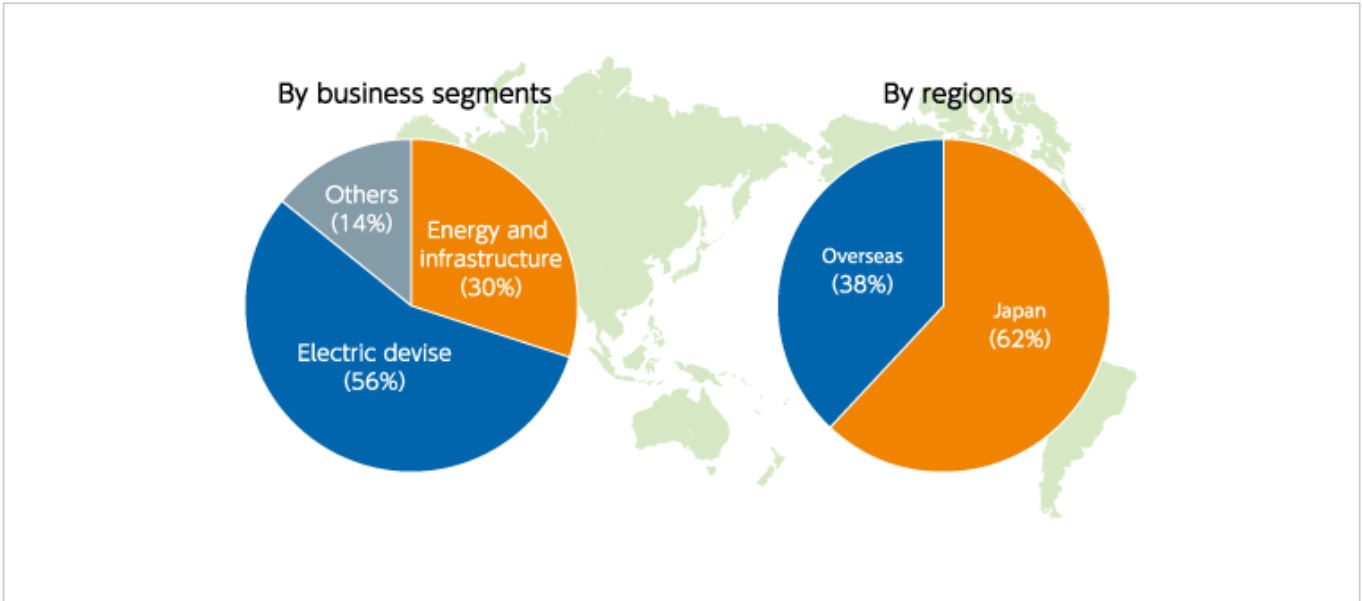
Toshiba Group's Supply Chain

Toshiba Group procures a variety of raw materials and resources from suppliers all around the world.

In terms of the composition ratio of our procurement by business sector, electric devices account for 56%, energy and infrastructure accounts for 30%, and others (PC & visual products, etc.) account for 14%. By region, domestic suppliers account for 62% and overseas suppliers account for 38% of the total expenditure.

In our efforts to fulfill our CSR throughout our supply chain, Toshiba Group takes a risk-based approach that gives importance to suppliers with whom we have a continuing business with, and that takes into account factors particular to the business sector and region.

Procurement Component Ratio by Business Segment and Region (Japan/overseas)(FY2017)



Toshiba Group Procurement Policy

Toshiba Group strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations.

We request all our suppliers, who play an important role in the Toshiba Group companies' production and services, to consent to and put into practice the Toshiba Group Procurement Policy. The policy is translated into English, Chinese and Thai to complement the Japanese, and whenever the contents of the said policy are revised in keeping with social conditions, we inform all our suppliers both inside and outside Japan.

In addition to this Procurement Policy, we have set the [Toshiba Group Green Procurement Guidelines](#) in order to address environmental issues and the [Toshiba Group Conflict Mineral Policy](#) in order to address conflict minerals. We also have the Standards of Conduct for Toshiba Group for our Group officers and employees.

Our corporate policy is to fulfill our CSR through fair trade and compliance with laws, regulations and social norms, as well as to build relationships of mutual understanding and trust together with our suppliers.

The History of the Revision of the Toshiba Group Procurement Policy

Time	Contents
Feb 2005	We established the Toshiba Group Procurement Policy, and requested that our domestic and overseas suppliers comply with laws, regulations and social norms, give proper consideration to the environment etc.
May 2008 Revision	We expressly informed our suppliers of our policy on giving consideration to human rights and OHS, and requested that they apply the policy's standards to their own procurement activities.
May 2012 Revision	<ul style="list-style-type: none"> We declared that we give priority consideration to suppliers who comply with laws, regulations and social norms and whether they take account of human rights, when selecting new suppliers and renewing contract. 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.

* EICC changed its name to RBA in October 2017.

- > [Toshiba Group Procurement Policy](#)
- > [Toshiba Group Green Procurement Guidelines](#)
- > [Toshiba Group Conflict Mineral Policy](#)
- > [Standards of Conduct for Toshiba Group 3. Procurement](#)

Cooperation with Industry Organizations

In order to drive forward its CSR management in the supply chain in accordance with global standard, in June 2011, Toshiba joined the RBA, the electronics industry's CSR promotion organization.

In order to fulfill CSR for labor, occupational health and safety, the environment, and ethical standards throughout the supply chain, we take measures in accordance with the spirit of the [RBA Code of Conduct](#).

In January 2017, we established RBA Japan Network together with RBA membership companies in Japan. The Network builds awareness and understanding of the RBA Code of Conduct through translation support and outreach meetings. It also conducts activities to resolve common issues. In October 2017, we participated in an RBA membership meeting held in the United States where we learned about the latest global trends and research findings. To create a responsible supply chain, we exchanged information and held discussions with experts.

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



- > [RBA Membership](#)

Promotion of the Supply Chain Management

In April 2007, Toshiba Group set up an organization dedicated to promoting CSR procurement within the procurement department at Toshiba's Head Office, which works to promote fair dealings with all our suppliers as well as CSR management in the supply chain.

The organization coordinates with various business divisions and related divisions such as the CSR office and the Environment office.

Training procurement employees

Compliance training of various types, such as training on the Standards of Conduct for Toshiba Group, the Toshiba Group Procurement Policy and CSR Management in the Supply Chain, is included in our training programs for procurement personnel at all organizational levels, including the training program for new employees and for transferees.

Thorough Implementation measures based on the Toshiba Group Procurement Policy and its monitoring

Thorough Implementation measures based on the Procurement Policy

We request suppliers to consider CSR in accordance with Toshiba Group Procurement Policy. In FY2014, we revised the policy and included expectations for our suppliers to act in accordance with the UN Global Compact and the [RBA Code of Conduct](#) and requested some 10,000 suppliers (cumulative numbers*) to abide by this revised content, and got consensus from them. From FY2016 onwards, we have continued to explain the policy to our new suppliers and requested their consensus.

* As Toshiba Group companies conduct surveys based on each contract, we count only one contract in the case multiple contracts are concluded with one supplier. Additionally, the company numbers are approximate due to there being commercially sensitive information.

➤ [Toshiba Group Procurement Policy](#)

Monitoring

Toshiba Group monitors the status of CSR management in the supply chains that have ongoing businesses at manufacturing sites at the time of quality audits and requests improvements and provides guidance as necessary. For new procurement transactions, we check the supplier's conformity with Toshiba Group's procurement and selection policies, its manufacturing sites and management structure, and whether it complies with laws and regulations on environment, human rights, and occupational health and safety.

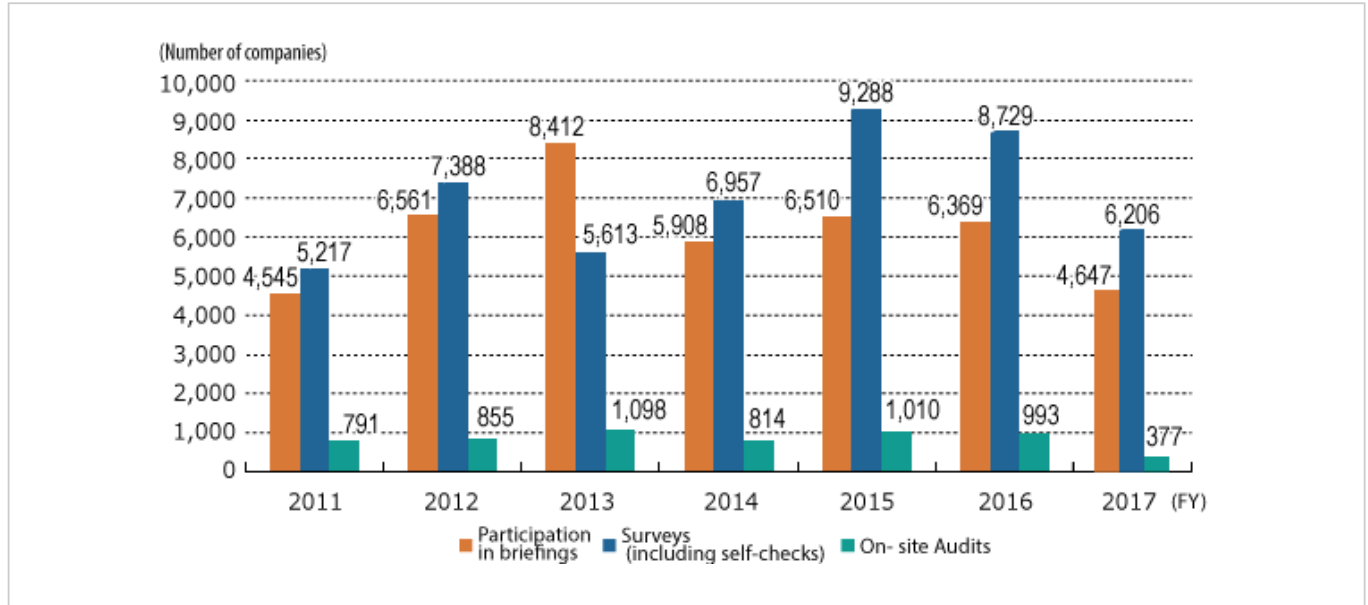
Toshiba Group holds briefings to explain to suppliers its policies on the environment, human rights, and occupational health and safety. We also conduct supplier surveys to monitor their performance in accordance with the Toshiba Group Procurement Policy (including self-assessment) at each business site.

Suppliers participating in briefings and those covered by the survey (FY2017, Toshiba Group, Cumulative numbers)

Topic	Participation in briefings	Surveys*	On - site Audit*
Human rights/Safety	2,193	2,553	186
Environment	2,454	3,653	191
Total	4,647	6,206	377

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

Promotion of CSR Management in Supply Chain (Toshiba Group, Cumulative numbers)



Actions on Suppliers in the Event of Breach of the Procurement Policy

If a supplier violates the standard of transaction, we request the supplier to implement remedial measures and provide guidance and support as necessary. If the remedial measure is deemed to be unsatisfactory, we suspend transactions with the supplier.

Suppliers subject to guidance & support and suspension of transactions (FY2017, Toshiba Group, Cumulative numbers)

Topic	Guidance and Support	Suspension of transactions
Human rights Safety	287	2
Environment	98	0

Examples of supplier guidance and support (FY2017)

Environmental Activities	<ul style="list-style-type: none"> Guidance on how to manage chemical substances and hazardous materials, etc. Guidance on how to treat waste
Human Rights and Occupational Health & Safety	<ul style="list-style-type: none"> Guidance on the appropriate management of working hours Supporting smelters to obtain conflict-free certification* Request for safety and health education for employees and guidance on how to provide such education Requesting use of and guidance on personal protective equipment (PPE)

*Conflict-free certification: a system by which a third-party organization certifies that an organization does not use conflict minerals (conflict free).

Major survey items during the audit of outsourced Toshiba-brand manufacturers

Category	Survey items
CSR management at the companies audited	<ul style="list-style-type: none"> ▪ Labor disputes ▪ Communication with employees ▪ Labor agreements and working hours ▪ Workplace safety ▪ Employee health conditions ▪ Environmental initiatives such as the acquisition of ISO14001 certification
CSR management with regard to the supply chain of the companies audited	<ul style="list-style-type: none"> ▪ Adoption of CSR policy that encompasses consideration for human rights, labor conditions, and the environment; ▪ Communication of the CSR policy to suppliers and their status of compliance with the policy; ▪ Regulations concerning plant wastewater and air emissions

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 labor conditions, OHS and the environment.

Activity Example: Initiatives at Toshiba Information Equipment (Philippines), Inc.

Toshiba Information Equipment (Philippines), Inc. (TIP) is resolute to its commitment to foster strong and responsible business relationship with its suppliers and service providers. To strengthen knowledge and awareness on their social and environmental responsibility, TIP offered a training program to its suppliers and in-house service providers in February 13, 2018 to introduce the company’s Social Accountability Management System programs and activities anchored on the Responsible Business Alliance (RBA) Code of Conduct.



Training for suppliers

The one-day training was attended by Human Resource and/or Administration representatives from 30 companies and facilitated by internal resource speakers from TIP’s General Affairs and Compliance Department. The training likewise provided a platform for suppliers and providers to share their experiences and best practices in adopting the RBA Code.

With continuous education and awareness programs, coupled with a strong collaboration and communication, TIP hopes to intensify CSR management promotions and compliance within its supply chain.

Activity Example: Capacity building with suppliers

Toshiba Information Equipment (Philippines), Inc. (TIP) is promoting OHS-GUILD* supplier partnership program. Patterned from the former KAPATIRAN Program of the Philippine Department of Labor and Employment, this program aims to support suppliers to be compliant with labor standards including occupational safety and health standards.

This program allows TIP to continuously educate and guide pre-selected suppliers in their compliance. TIP also invites external instructors for a variety of training programs. Through this program, TIP supports its suppliers in promoting CSR management thereby strengthening partnerships with them.



Training via the OHS-GUILD program

* Occupational Health and Safety Guild


Addressing the Conflict Minerals Issue

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. For humanitarian reasons, Toshiba Group's policy prohibits the use of raw materials such as tin, tantalum, tungsten, and gold mined in the Democratic Republic of the Congo and its neighboring countries which violate human rights.

Toshiba Group Conflict Mineral Policy

We are developing and implementing a policy prohibiting use of tin, coltan, wolframite, tantalum, tungsten*¹, and gold, whose extraction or trade supports conflict in the Democratic Republic of Congo or adjoining countries, and/or contributes to inhumane treatment, including human trafficking, slavery, forced labor, child labor, torture and war crimes in the region.

- We will manage our supply chain appropriately in accordance with the [OECD \(Organisation for Economic Co-operation and Development\) Due Diligence Guidance \(PDF:3.5MB\)](#)  for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- We will carry out our due diligence with our supply chain using the Conflict Minerals Reporting Template (CMRT) developed by RMI.
- Once a validated supply chain is established through initiatives such as full-fledged smelter verification under an [audit program for smelters of conflict minerals \(Responsible Minerals Assurance Process \(RMAP\)\)](#) or development of a mineral tracing program, we will procure minerals through such validated supply chain.
- Our efforts are not intended at altogether banning procurement of minerals from the DRC and adjoining countries but to assure sourcing from responsible sources in the region.

We request our suppliers to cooperate with us in our efforts to assure procurement of non-conflict minerals in accordance with the Toshiba Group Conflict Mineral Policy.

Toshiba Group's Promotion Structure for the Use of Conflict-Free Minerals

Headed by an executive officer in charge of CSR, the Conflict Minerals Management Committee consisting of related corporate divisions promotes activities in accordance with the Toshiba Group Conflict Mineral Policy. Each Group company appoints a person and office responsible for conflict minerals and they develop Toshiba Group initiatives and share information at their own Conflict Minerals Management Committee meetings.

Toshiba Group's Promotion Structure for the Use of Conflict-free Minerals



Conflict Minerals Survey

In FY2011, we conducted a survey of Toshiba Group suppliers on their understanding of conflict minerals and the use of them as well as on details about the smelters.

In June 2013, we started a survey using Conflict Minerals Reporting Template (CMRT).

We surveyed around 1,000 suppliers (cumulative number) that might use 3TG* in FY2017.

We also supported the management of JEITA's Conflict Minerals Inquiry Briefings (held 12 times in five cities throughout Japan; 1,130 participants) as a member of JEITA Survey Committee on Responsible Minerals Procurement in order to deepen understanding of responsible mineral procurement. We explained the questionnaire in the latest version of the survey and recent trends in mineral surveys, and provided individual consultation for participants.

JEITA Website :

[JEITA Conflict Minerals Inquiry Briefings\(English\)](#)

* Tin, tantalum, tungsten, and gold

Cooperation and communication with external organizations

In order to solve the issue of conflict minerals, and to promote the practice and awareness of conflict-free procurement, we actively join industry organizations and public-private partnership projects, as well as engaging in communication with NGOs.

Key examples of external cooperation and dialogues regarding conflict minerals issues

Organizations and Projects related	Toshiba Group Activities
RBA (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 to smelters in Japan and overseas which have not got Conflict-Free Certification in February 2017 demanding to comply with the certification program.

- [Japan Electronics and Information Technology Industries Association \(JEITA\)](#)
[Responsible Minerals Trade Working Group](#)

Green Procurement/Green Purchase

Green Procurement

Toshiba Group promotes green procurement as a part of our environmental considerations in the manufacturing processes. Following our Green Procurement Guidelines established in 1999, we endeavor to procure products, parts and materials that have a low environmental impact from suppliers who actively promote environmental protection. We revise the Green Procurement Guidelines whenever necessary in order to respond to circumstances such as stricter regulations on chemicals contained in products. We published Ver.5.0* of our Green Procurement Guidelines in January 2017.

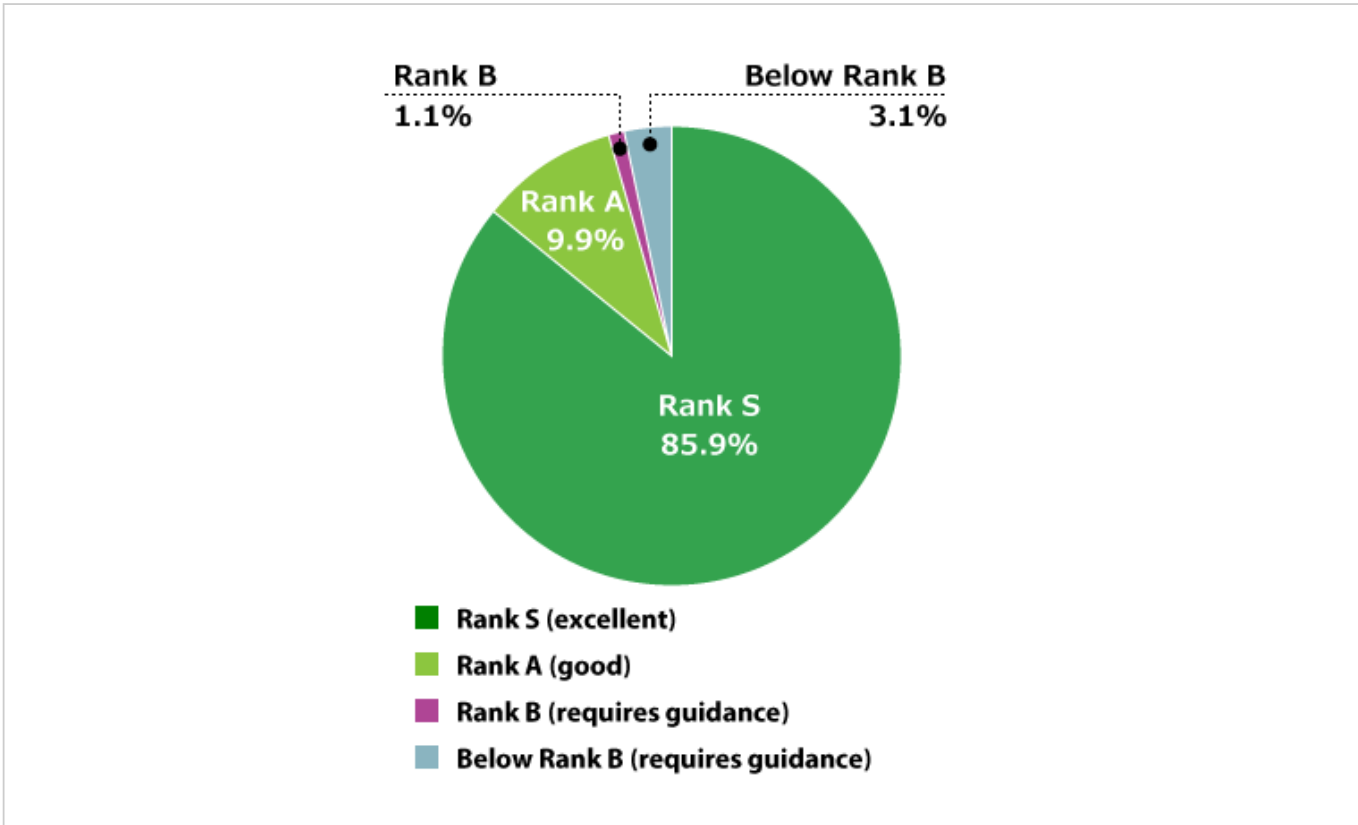
In Ver.5.0 of our Green Procurement Guidelines, we reviewed and added commentaries on Rank A substances (prohibited substances) and Rank B substances (substances requiring control) in the environment-related substance list in accordance with the latest legal regulations.

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 (FY2017)
(Priority suppliers 95.8% 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, products made of recycled materials, recyclable products, and products that can be separated for collection are registered as environmentally recommended products for procurement by Toshiba Group.

We are implementing green procurement for personal computers, copiers, copier paper, stationery and other office supplies.

Reducing CO2 Emissions in the Supply Chain

Toshiba Group endeavors to keep track of and calculate the total amount of GHG* emissions throughout the supply chain. We use a calculation method based on the GHG Protocol, which provides international standards for calculating GHG emission amounts, and the Ministry of the Environment's Basic Guidelines for Calculating GHG Emissions throughout the Supply Chain, calculate the amount of emissions in every category, then compare the values with the previous year's by category.

We consider promoting effective measures by ascertaining the amount of emissions quantitatively and by category throughout the life cycle to be important.

* Greenhouse Gas (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃)

> [Environment: Making Supply Chain GHG Emissions Visible for All Categories](#)

ESG Performance: Social

Quality Control

The Toshiba Group aims to contribute to society by providing safe, reliable and high-quality products and services that satisfy our customers. In this endeavor, we adhere to the Group management principles, which are based on respect for people, observe relevant laws and regulations, and focus on our customers first and foremost.

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.

FY 2017 Achievement

- Conducted product quality training (7 programs) in China, attended by a total of 263 people by the local staff trained at Toshiba.
- 20 product quality programs commenced at training centers in Japan, attended by a total of 909 people.

Future Challenges and Approaches

As we strengthen production and procurement in China and other Asian countries, we will strive to improve product quality even further, enhancing our development of personnel by expanding our training programs related to quality awareness on a global scale.

Quality Control Policy

Based on Toshiba Group Quality Control Policy, our biggest mission is to provide our customers with safe and reliable products, services and systems, and we are working to improve the quality from our customers' point of view. By increasing our sensitivity to potential risks and dealing with them swiftly, we strive to eliminate product accidents and provide unrivaled customer satisfaction.

Toshiba Group's Basic Policy on Quality Assurance:

Total commitment to people and to the future is the cornerstone of Toshiba's corporate philosophy. While strictly obeying all laws and statutes that affect company operations, we will strive to contribute to society by putting our customers first and providing safe, high-quality products and services with advanced features that will ensure customer satisfaction.

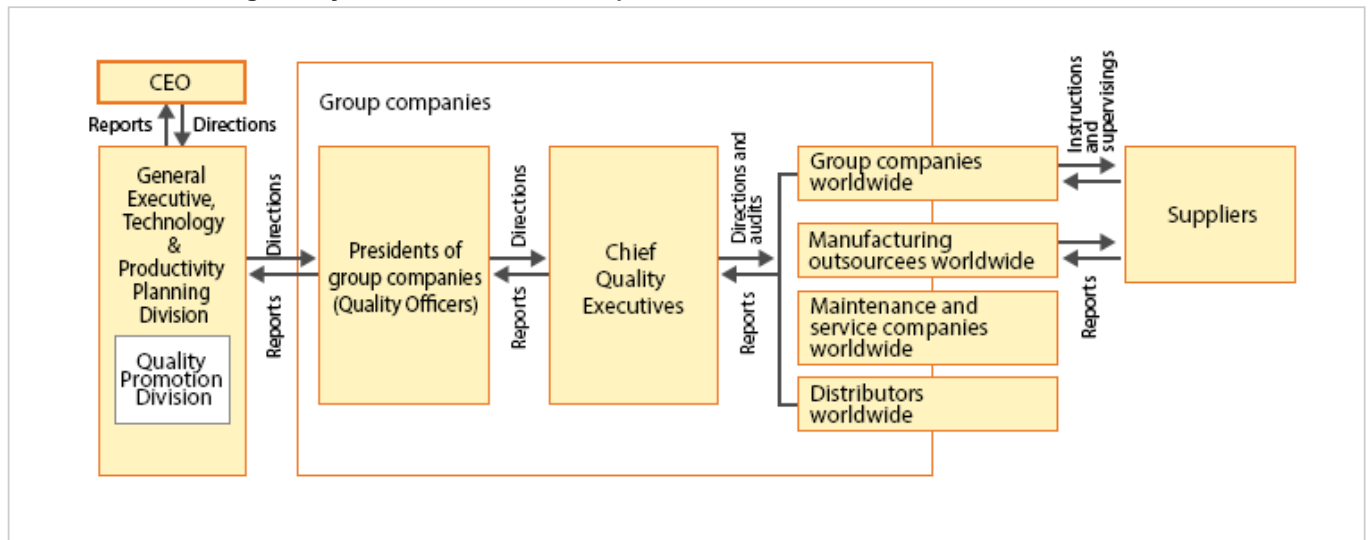
Standards of Conduct for Quality Assurance:

1. We engage in quality assurance from the customers' point of view.
2. We observe relevant laws and contracts and respect the rights of customers and third parties.
3. We maintain quality systems aimed at achieving 100% quality.
4. We ensure that all of our departments and all of our employees act on this Quality Control Policy.
5. We aim for essential improvement by investigating the root causes of process failures and aim for prevention through risk analysis.
6. We collect, analyze and appropriately disclose information with the aim of preventing quality incidents.

Structure of Promoting Quality Control

General Executive, Technology & Productivity Planning Division and the Quality Promotion Division manage the quality assurance activities of Toshiba Group as a whole, while presidents of Group companies are in charge of individual products and operations. To enhance the quality level throughout product life cycles, from planning, development, and production to final disposal and recycling, Chief Quality Executives of Group companies provide guidance and conduct audits for factories, suppliers, maintenance and service companies, as well as for manufacturing outsourcees worldwide.

Structure of Promoting Quality Control of Toshiba Group

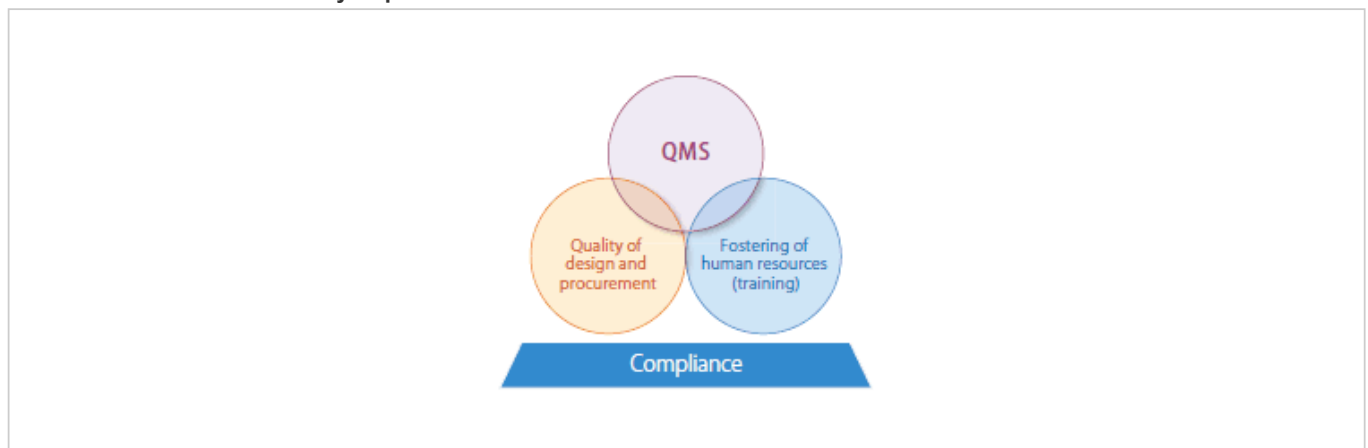


Initiatives Aimed at Enhancing Quality Capabilities

Toshiba Group is working to strengthen our capabilities to ensure quality centered on the four main pillars of the quality enhancement initiatives listed below.

We focus on improving the Quality Management System (QMS) based on ISO 9001 to raise the quality of design and procurement, which are the root cause of defects, as well as to enhance the training of personnel who can support the development of the QMS. We regard compliance as the foundation for all these activities.

Four Pillars to Enhance Quality Capabilities



Improving the QMS

Toshiba Group obtains certifications including ISO9001, which is the basis of quality management systems; ISO/TS16949, 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 eight principles of QMS and other guidelines. By comparing the results with those of previous assessments, we identify issues, and devise and implement appropriate measures.

Status of QMS (ISO9001 and Others) Certified at Manufacturing Sites as of March 2018

	Targeted sites	Certified sites	Percentage of certificate
Toshiba Group companies in Japan (including Toshiba Corp.)	62	51	82.3%
Toshiba Group companies overseas	29	28	96.6%
Toshiba Group TOTAL	91	79	86.8%

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 FY2017, a total of 1,172 employees participated in the training programs from Japan and overseas countries. We also provide compliance training and e-learning on the Electrical Appliance and Material Safety Law for 90,753 related employees in Japan in FY2017 and the execution rate was 100%.

Activity Example: Enhancement of Local-based Training

Toshiba Group is focusing on the training of quality control in overseas companies. To provide education suited to local customs and environments, we train local instructors at our company sites in different countries.

In China, the Toshiba China Academy, a training institute of Toshiba China Co., Ltd., plays a central role in improving the skills of personnel. Since FY2015, local instructors have been in charge of all existing lecture courses. In addition to periodic lectures, we provide education and management that meet the needs of company sites, thereby improving the skills of quality assurance personnel and the level of education system. We aim to develop local education systems in other countries and regions based on the same policy.



Training on quality awareness in China

Improving the Quality of Design

In order to enhance our capabilities to ensure product quality at the design stage, Toshiba Group is promoting FMEA (Failure Mode and Effects Analysis) mainly for design work as part of our Design for Quality (DFQ) initiatives.

We are working to provide practical education to broaden the base of FMEA activities as part of our efforts to prevent defects from upstream.

Securing Cooperation from Suppliers to Ensure Quality

In recent years, alongside increasingly complex procurement routes and globalization, the issue of product failure and accidents has come to the fore due to “silent changes” in which the specifications of a product are changed without informing the ordering manufacturer. At the same time, suppliers are the indispensable business partners of a manufacturer and ensuring the quality of procurement items is becoming increasingly important in the business operations of Toshiba Group. In order to ensure the quality of procurement items, we distribute "TOSHIBA Quality Assurance Guidelines for Suppliers" and "Toshiba Software Quality Assurance Guidelines for Suppliers" summarizing Toshiba Group's quality assurance policy and supplier expectations. Toshiba Group's divisions that handle procurement, quality assurance, and engineering operations cooperate depending on the types and importance of the procurement items and perform audits of suppliers at appropriate intervals in order to ensure quality of these items.

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



Toshiba Quality Assurance Guidelines for Suppliers (Japanese)



Toshiba Software Quality Assurance Guidelines for Suppliers (Japanese)

Disclosure of Information on Quality

In the event that incidents related to quality occur, information is disclosed on the Toshiba website in order to notify customers of such incidents as quickly as possible.

➤ [Important announcements for customers \(Japanese\)](#)

The Ministry of Economy, Trade and Industry (METI) has been announcing serious product accidents since the revised Consumer Product Safety Act came into force on May 14, 2007. On our website, Toshiba Group actively discloses all serious product accidents announced by METI, even those in which METI has not made our company name public, because it has not yet been determined whether the accidents were caused by the use of our products.

➤ [Accident report based on the Consumer Product Safety Act \(Japanese\)](#)

Product Safety and Product Security

Based on Toshiba Group Basic Policy on Product Safety and Standards of Conduct for Toshiba Group, we ensure product safety and product security, and positively disclose full information of safety to customers.

Medium- to Long-term Vision

- Complying with relevant laws and regulations on Product Safety
- Eradicating serious product incidents arising from own negligence
- Proactively disclosing information on serious product incidents

FY 2017 Achievement

The number of violations of Electrical Appliances and Material Safety Law

Target 0 → Achievement 0

Future Challenges and Approaches

We will boost our efforts to swiftly retrieve products after a recall has been announced in order to ensure the safety of our customers in the market.

We will also promote company-wide activities according to security of our products, systems and services.

Basic Policy on Product Safety and Product Security

In keeping with the Standards of Conduct for Toshiba Group on Product Safety and Product Security, Toshiba Group endeavors to comply with relevant laws and regulations, to ensure product safety and product security, and also to proactively disclose reliable safety information to our customers. Furthermore, we continually research safety-related standards and technical standards (UL Standards*1, CE Marking*2 etc.) required by the countries and regions where we distribute products, and display the safety compliance of our products in accordance with the relevant standards and specifications.

Standards of Conduct for Toshiba Group on Product Safety and Product Security

1. We observe both Japanese and overseas laws and regulations related to product safety and product security.
2. We collect, and proactively disclose, a wide range of information about product accidents.
3. We immediately report any product accident to the authorities concerned in accordance with relevant laws and regulations.
4. We promptly inform customers when a need arises to recall and repair products.
5. We appropriately raise caution and display warnings when deemed necessary in order to help people use its products in a safe manner.
6. If an accident should occur, we carry out a thorough analysis of the causes and take necessary measures to prevent it from recurring. We also strive to prevent accidents by predicting risk at the design stage.
7. We strive to eliminate vulnerabilities from products prior to shipment.
8. We collect a wide range of information on product vulnerabilities in order to reduce risk.
9. We widely provide product security measures in cooperation with the relevant organizations.

*1 UL Standards: Safety standards issued by Underwriters Laboratories Inc., a US-based non-profit organization that sets, assesses and certifies the safety of materials, products and equipment.

*2 CE Marking: This marking verifies a product's compliance with the safety standards applied by member states of the European Union (EU). Certain products are not allowed to be distributed within the EU unless they bear this marking.

Structure of Response to the Occurrence of Product Accidents

If an employee discovers information on accidents involving Toshiba products in the market, he/she promptly alerts the accident response staff in the relevant companies. Then the necessary measures are discussed and enacted by the CPL Committee*1 of relevant companies, chaired by a senior executive, or if necessary, the Corporate CPL Committee. In the event of a serious accident attributable to a product that is likely to recur, we inform customers of the danger and request that they cease using such products, promptly report to the competent authorities, and establish countermeasures as soon as possible.

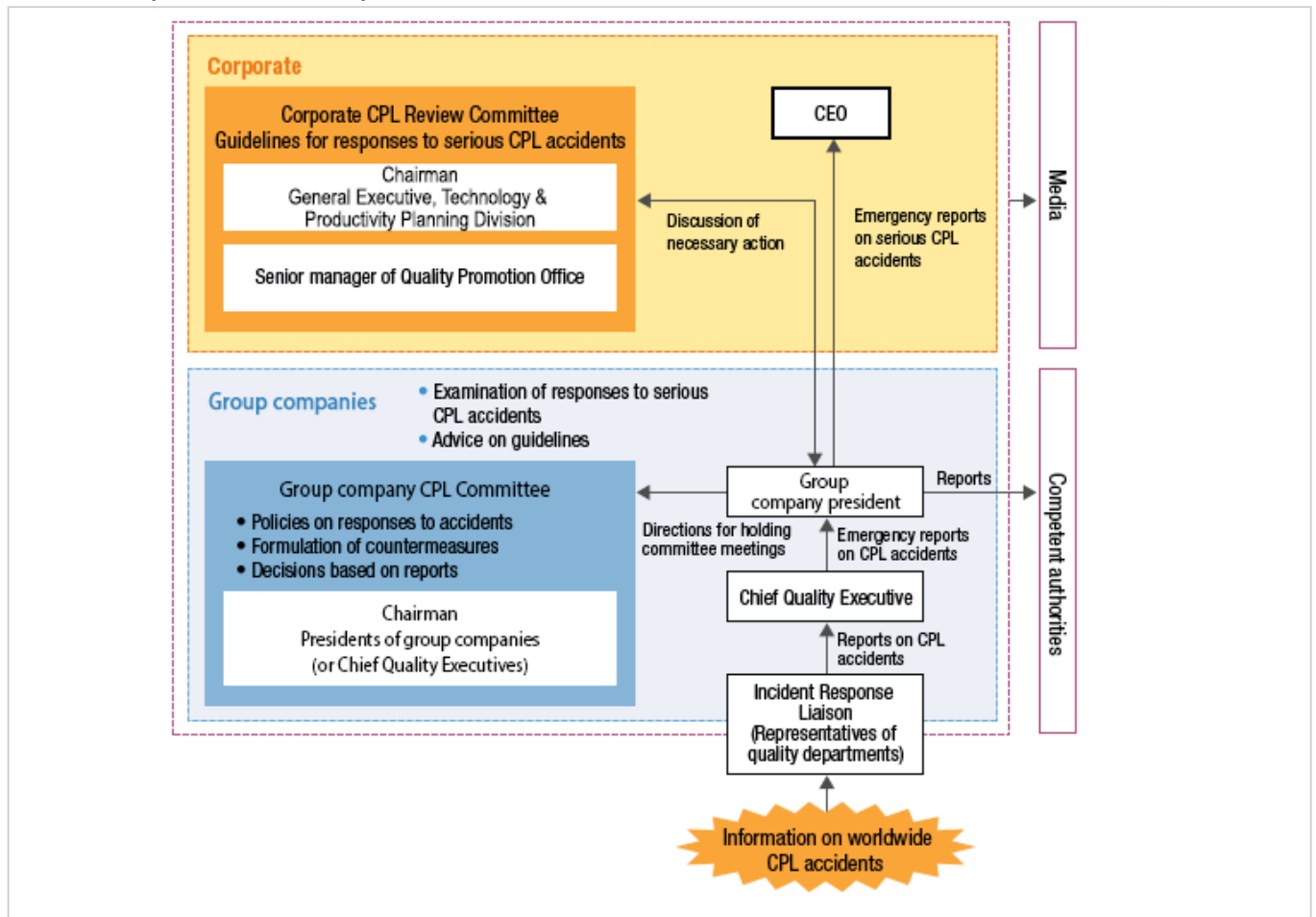
Furthermore, we are developing an information system to enable swift communication with quality assurance divisions and top management regarding information on product accidents obtained by repair and service staff as well as on how such incidents are being handled by Toshiba.

In FY2017, Toshiba disclosed a total of 18 accidents in the list of serious product accidents on our website*2: 15 cases that were suspected to have been caused by products, 3 cases in which the causes unknown.

*1 CPL Committee: CPL is an abbreviation combining CL (contractual liability) and PL (product liability). The CPL Committee of Group companies promptly determines measures to deal with product accidents and quality issues.

*2 [Accident report based on a Consumer Products Safety Act \(Japanese\)](#)

Toshiba Group's Structure to Respond to Occurrence of Product Accidents



Preventing Occurrence and Recurrence of Serious Product Accidents

In 2011 we created the "Guidebook for Preventing Reoccurrence of Accidents (e-book)", which is a compilation of accident cases that have occurred in Toshiba Group. The information can be accessed by personnel in charge of quality and safety-related issues in the Company via the intranet. A serious accident not only signals an alarm for the quality and safety of products, but also can provide precious insight into product development and assessment. We will promote the system of sharing information within the Group and strive to prevent reoccurrence of product accidents.



Guidebook for Preventing Reoccurrence of Accidents (Japanese)

To Ensure Compliance with Laws, Regulations, Rules, etc. on Product Safety

The Chief Quality Executive plays a central role in ensuring thorough compliance with product safety-related laws, regulations and rules throughout the Group and also conducts periodic monitoring and audits. We provided e-learning to all related personnel in Japan (90,753 in FY2017 with execution rate of 100%) 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 \(JPCERT CC\)](#). This helps prevent accidents caused by product vulnerability.

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 and comfort \(Toshiba Elevator and Building Systems Corporation\)](#) (Japanese)

Notices to ensure safe use of home appliances

Alerts concerning product safety and security, etc.

➤ [Notices to ensure safe and correct use of products](#) (Japanese)

Inspection and labeling system for long-term use products

➤ [Inspection and labeling system for long-term use products](#) (Japanese)

Activity Example: Education on the proper way of using elevator and escalator

Toshiba Elevator and Building Systems Corp. organizes 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. Some 1,830 people took part in the safety campaign with events using a trailer caravan.

Furthermore, the Company also promoted local resident-oriented activities, including making a presentation at a lecture session held by the Shinagawa Ward CSR Council.



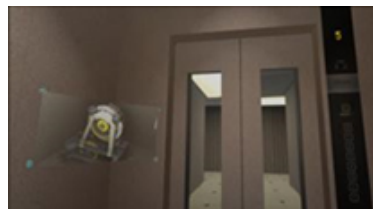
Elevator / Escalator safety campaign at a kindergarten



Safety Campaign Using a Trailer Caravan



Equipment used in the virtual reality space



Virtual reality spatial images

Activity Example: Raising awareness to prevent accidents due to long-term use of household electrical appliances

In order to prevent accidents attributable to the deterioration of home appliances over long-term use, in April 2008, the METI promoted consumer awareness on this issue by distributing nationwide cautionary circulars. To further raise awareness on this issue, Toshiba Group distributes cautionary flyers during repair visits, publicizes information on its website and has put in place a call center* to respond to inquiries from customers. In April 2009, the Consumer Product Safety Act was revised, and inspection and labeling system for long term use of products was enforced. While complying with the requirements under this system, Toshiba Group is providing necessary information to the customers who use its website as well as consultations through the call center*.

* An inquiry center for providing guidance on the long-term use of home appliances (In Japan)



 [Pamphlets to Build Awareness of Accident Prevention in Electrical Home Appliance Products due to Degradation Over Time](#) (Japanese PDF:423KB)

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)
- [Regarding Replacement and Recall of AC Adaptors for Toshiba-made PCs \(risk of smoking/fire\)](#) (Toshiba Client Solutions Co., Ltd.) (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, vertical washer-dryers, compact fluorescent lights and battery packs for laptops. 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.



 [Flyer showing products subject to recall](#) (Japanese) (PDF:1.01MB)

Enhancement of Customer Satisfaction

Feedback from our customers is the origin of all our ideas. In order to increase customer satisfaction, all Toshiba Group employees operate from a customer perspective. This applies not just to those who work in direct contact with customers, such as those in sales and after-sales services, but in all divisions, from development, design, manufacturing, product quality, staff, and so on.

Medium- to Long-term Vision

The Toshiba Group's goal is to provide high-quality services in all business areas.

FY 2017 Achievement

We set a special month to improve "Customer Satisfaction," and ran education and training on CS for all employees

Future Challenges and Approaches

We will continue to provide CS training and education 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

Standards of Conduct for Toshiba Group states that Toshiba Group Companies makes the voice of customers the starting point for all ideas and provides products, systems and services that deliver customer satisfaction based on the customers' requirements.

Adhering to the Toshiba Group Customer Satisfaction Policy established in 2003, Toshiba Group endeavors to sincerely and quickly respond to the voice of customers, employ them to develop new products, and protect customer information.

➤ [Standards of Conduct for Toshiba Group 2. 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.

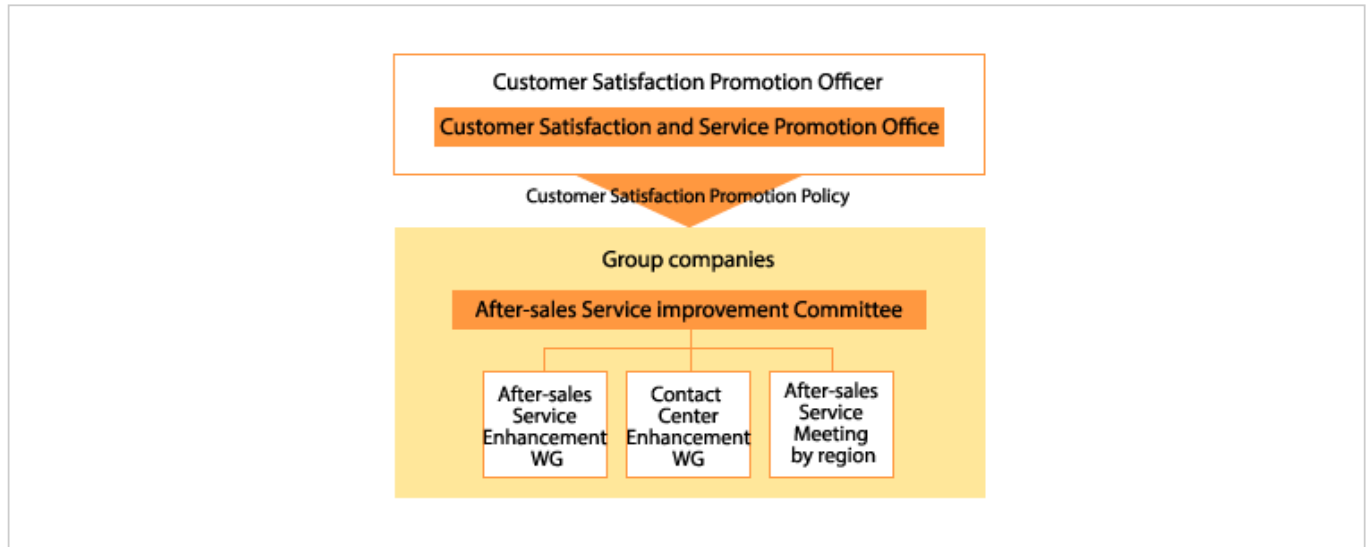
1. We provide products, systems and services that are safe and reliable.
2. We respond to requests and inquiries from customers sincerely, promptly and appropriately.
3. We value the voice of customers and endeavor to develop and improve products, systems and services to deliver customer satisfaction.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

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 have been set up. A Corporate Customer Satisfaction Officer attends meetings of the After-sales Service improvement Committee to decide policy.

CS Promotion Structure



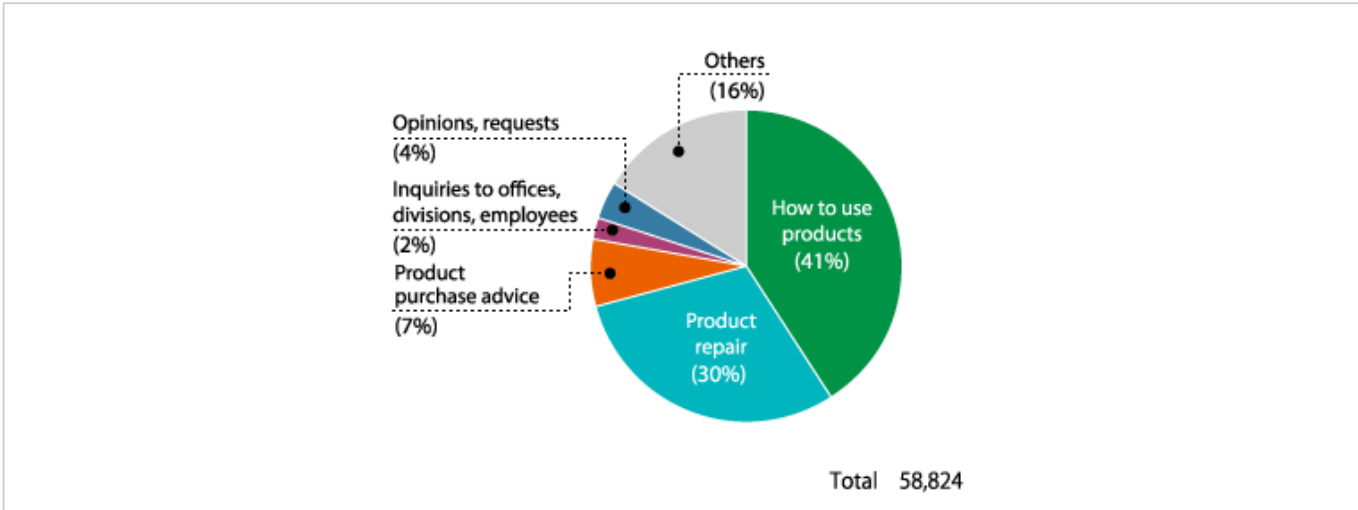
Customer Support

We have set up call centers for different product groups and services in various countries. Each call center formulates its own targets for improving the quality of customer support.

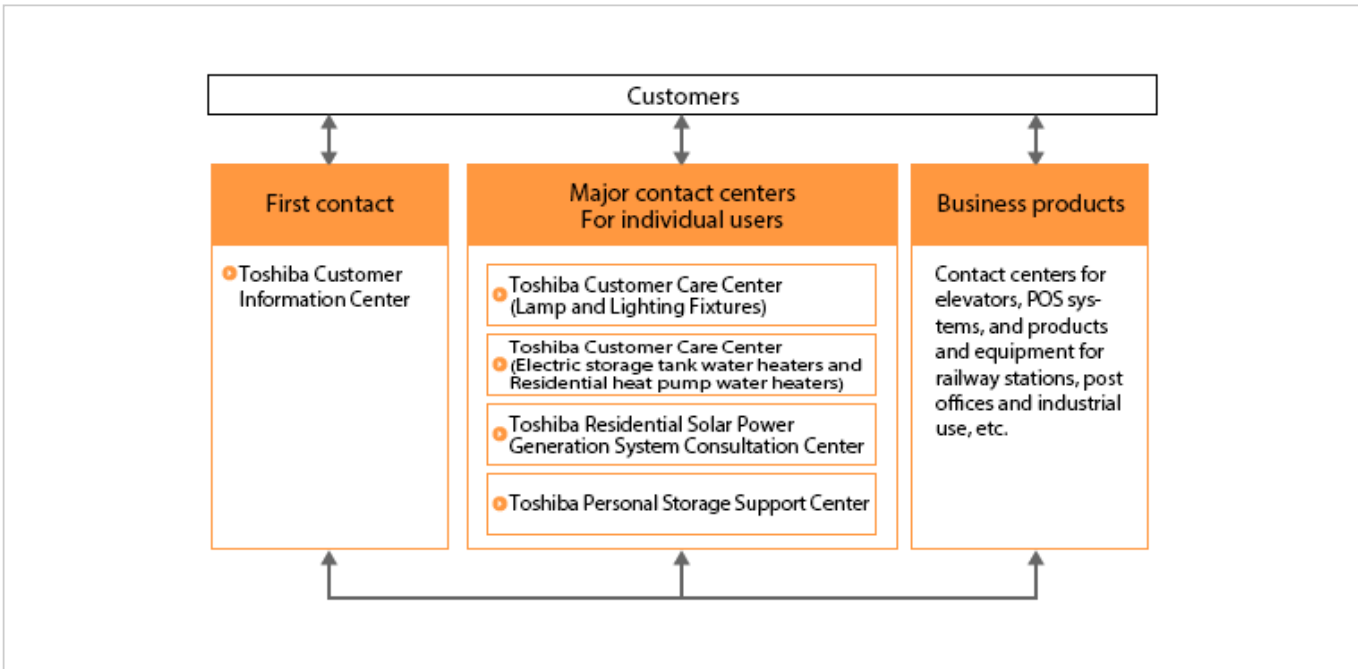
Toshiba Group in Japan responds to customer inquiries concerning the products and services offered by Group companies, both in Japan and overseas, through the Toshiba Customer Information Center. It is open 24 hours a day, 365 days a year, and provides cross-divisional services to our customers, by guiding 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: Breakdown of Inquiries (FY2017)



Major Contact Centers for Individual Users in Japan (October 2018)



Improvement of Support to Customers

Initiatives for After-sales Services

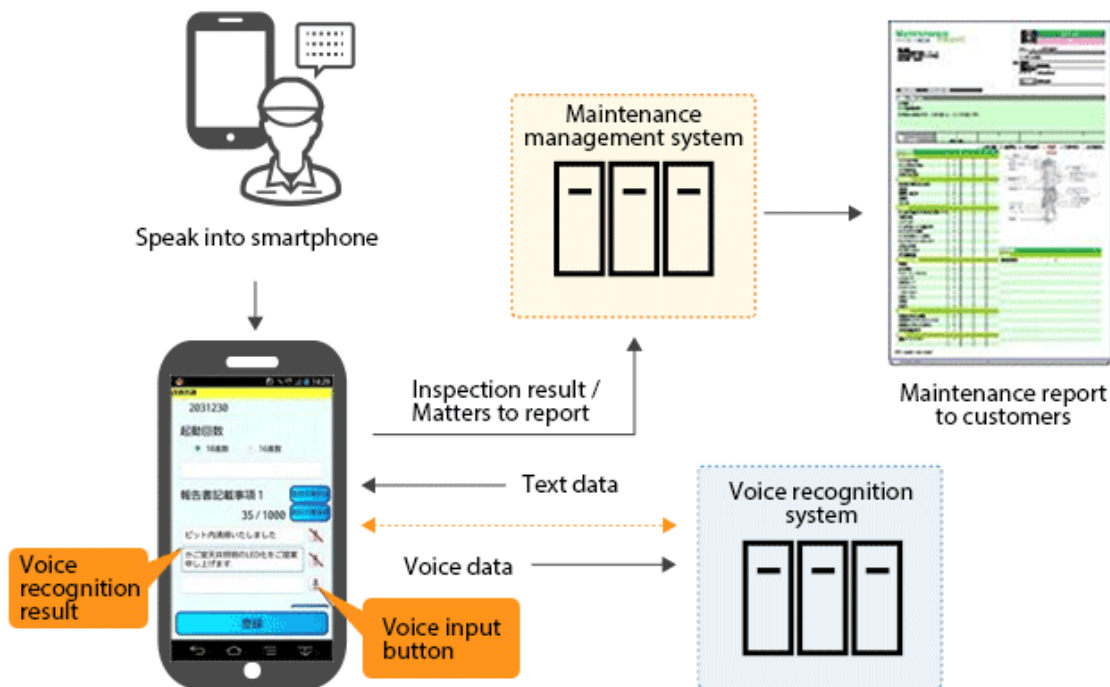
In order for each after-sales services division in the Toshiba Group to share their issues and good cases of CS enhancement as well as tackle service improvement Group-wide, we have established an After-sales Service Enhancement Working Group.

This working group's activities include surveying service sites to identify issues, training for service engineers.

Moreover, we also have After-sales Service Meetings by region to share information within each region and strengthen cooperation.

Activity Example: Voice recognition system incorporated in maintenance services

Toshiba Elevator and Building Systems Corporation introduced a system in which matters to be reported during regular checks of elevators and escalators can be recorded as maintenance reports using a voice recognition system.



Maintenance staff voice-record the details and the state of the inspection on-site into a smartphone during the inspection. The recorded sound data is converted into text, and recorded as text data in an app installed on the smartphone. As the staff can record just by speaking a few words even during maintenance operations, this allows us to provide as required precise information to customers more quickly. It also improves safety by reducing the workload of maintenance staff.

In the future, we will improve this system further, and evaluate how to apply it in times of emergency, for example after earthquakes.

Initiatives for Handling Inquiries from Customers

We have a Contact Center Enhancement Working Group, which is aimed at improving the quality of response at Toshiba Group call centers. This working group conducts surveys to identify issues with the contact center, provides training to phone operators and checks the quality of operations at the contact center.

In November 2017, we held the 11th Contact Center Competition. A total of 17 participants from 15 call centers competed in a contest of response quality, in order to encourage overall improvement.



Contact Center Competition

Improvement of Customer Satisfaction (CS) Mind of Employees

Customer Satisfaction Improvement Month

In FY2015, Toshiba Group created Customer Satisfaction Improvement Month. Every year thereafter, we implement measures to promote and raise employees' awareness about the importance of CS during the designated month.

■ E-learning to improve customer satisfaction

We provide e-learning for employees to improve customer satisfaction. In FY2017, we held e-learning sessions for 89,441 Toshiba Group employees in Japan, 99% of whom attended the sessions.

■ After-sales Service Convention

We held an After-sales Service Convention, with representatives and employees of Toshiba Group's after-sales companies and divisions in attendance. During the convention, we held a CS Activity Award ceremony to celebrate activities that contributed to improving customer satisfaction, as well as a CS Case Study Sharing Session to share CS improvement initiatives among Group companies and a CS Lecture Session to learn from CS improvement programs developed by outside organizations.

Education and Training of Employees on Dealing with Customers

Toshiba Group provides education and 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 FY2017, we provided training to 1,321 employees on such topics as the basics of customer response and the basics of writing business documents.

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.

In addition, the East Japan Service Information Center, which provides round-the-clock support services, including remote monitoring of Toshiba elevators and building facilities, relocated to this building and expanded its office in order to provide a variety of technologies designed to ensure security for customers. A maintenance support system that makes use of mobile phones is also available to facilitate speedy recovery from damages suffered due to an accident or large-scale earthquake.



East Japan Service Information Center of Toshiba Elevator and Building Systems Corp.

Activity Example: Providing Various Services around the Clock throughout the Year

Toshiba TEC Solution Service Corp., in charge of POS system maintenance, monitors networks around the clock throughout the year for customers with service contracts and provides support, remote maintenance, and failure recovery services.

In order to enhance the level of customer satisfaction, the company solicits customer opinions to understand customer needs and mobilizes them to improve the level of services as well as daily operations.



TOSHIBA TEC Solution Service Corp. System Support Center in Tokyo

Inspections and Audits of Customer Support

We have quality checks based on Toshiba Group Contact Center Guideline towards main call centers once a year since 2005. Especially focused on High priority items with low implementation status. In FY2017, we implemented, such as customer response skills training and mental health training, and so on.

Policy on Customer Information Protection

Toshiba Corp. was quick to recognize the importance of protection of personal data, and in 2000 established the Toshiba Personal Data Program based on JIS Q 15001, a management system standard in Japan, and in 2001 obtained the Privacy Mark certification. Toshiba Corp. strives for continual improvement on management system and accordingly, renewed the Privacy Mark certification nine times at present.



In addition, 21 Toshiba Group companies in Japan which are required to handle large volume of customer's personal data properly on consignment in connection with outsourcing have acquired Privacy Mark certification respectively as of Mar 2018.

Toshiba Corp. clearly states the purpose while using customers' personal data and, in principle, obtains such information directly based on the consent of customers and other individuals. The majority of the information is basic personal data essential for contacting customers or providing services, such as name, address, telephone number, and email address.

Toshiba appropriately handles personal data in accordance with internal regulations and rigorously controls personal data using a framework integrated with the data security management structure.

The principal purposes of use of personal data with Toshiba Corp. are published on the following website.

> [Purpose of Personal Information Use](#)

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: Achieving a Stable Electricity Supply in Times of Emergency with a Hydrogen-based Autonomous Energy Supply System

Toshiba Energy Systems & Solutions Corporation is offering H2One™, a hydrogen-based autonomous energy supply system that uses renewable energy and hydrogen and is suitable for a diversity of purposes.

We delivered a BCP*-model H2One™ to East Japan Railway Company and started its operation in April 2017 at the JR Nambu line Musashi-Mizonokuchi station in Kawasaki City.

The H2One™ system stores CO₂-free hydrogen produced by solar power, enabling autonomous power generation for over 48 hours by using the hydrogen even when vital utilities are severed during disasters and power outages. This system supplies electricity for a certain level of lighting and toilet services in the station building in emergencies, thereby contributing to the role of the building as a temporary evacuation shelter. For daily use, the system provides electricity by stabilizing fluctuations in solar power generation, and hot water it produces will be circulated through benches at the station to warm them.

Toshiba will continue to support developing low environmental impact, disaster-resilient communities and protect business continuity in emergencies by providing a stable energy supply.

*BCP: Business Continuity Plan

Activity Example: Providing BPO* services to manage supplier information for procurement activities

Toshiba Digital Solutions Corporation provides services that support customers to continue their business activities. One such service is the Supply Chain Watching Service for BCP, which handles the collection, maintenance and renewal of supplier information on behalf of customers, with regards to the procurement of raw materials, parts and so on. In the event of a disaster, the service surveys how the situation will affect customers, and visualizes whereabouts of risk.

Through this service, which utilizes the Toshiba Group's experience and knowhow regarding operating procurement systems, we will assist our customers to formulate BCPs, support them in the event of disasters, and contribute to the better management and use of supplier information.

*BPO: Business Process Outsourcing

Activity Example: Backup of power supply in a disaster using a stationary lithium-ion power storage system

Toshiba IT & Control Systems Corporation provides a stationary power storage system to a variety of fields based on Toshiba's lithium-ion rechargeable battery SCiB™ boasting exceptional long-life performance and safety.

The system is being used as a power source in short-medium-term evacuation centers during a disaster and in local disaster prevention centers such as disaster headquarters, and as a power source for the purpose of business continuity and recovery at companies to minimize damage when a disaster strikes.

This product not only has the function of backup power source during a continuous blackout, it has also received high praise as a device that can conserve energy through peak-shift, peak cutoff and demand control functionality and utilizing renewable energy through connection to solar power generation, etc. There have been high expectations for application in virtual power plants (VPPs*) in recent years.

Toshiba IT & Control Systems Corporation will continue to propose products that support developing disaster-resilient communities and business continuity.

*A virtual power plant (VPP) is a cloud-based control center that aggregates the capacities of several types of energy sources such as renewable energy power generation facilities and power storage systems dispersed in a region like a single power generation facility.



Lithium-ion power storage system
(Format: IPCS-LIB-X100)

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.

FY 2017 Achievements

- Improvement of Information Accessibility by AI technology
- Redesigned signs inside buildings at Chubu Electric Power Company's Nishi-Nagoya Thermal Power Station Unit No. 7 to ensure safety and security
- Held universal design gatherings with students from Tsukuba University of Technology
- Cordless cleaner and cordless iron won IAUD award

Future Challenges and Approaches

Toshiba Group will further each employee's understanding of the concept of universal design, and will create UD products and services that incorporate user feedback and ideas. We will also promote UD in the workplace.

Policy Related to Universal Design

To promote universal design throughout Toshiba Group, we have established our UD Principle, Vision and Guidelines.

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.

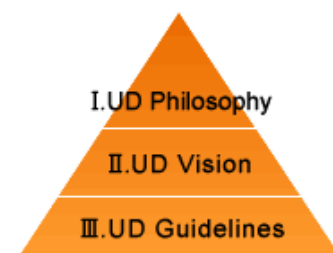
Toshiba's Universal Design makes products more user-friendly and safer.

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.)



Approach to Universal Design

Toshiba Group incorporates UD principles into development and disseminates information about Toshiba's UD both inside and outside the Group.

Universal Design Advisor System

Toshiba Group has a UD Advisor System in place, in which employees with disabilities and non-Japanese employees are invited to participate. Based on this system, registered employees can contribute to the development and evaluation of UD products, stepping beyond their own department.

Activity Example: Improvement of Information Accessibility by AI technology

Toshiba is developing automatic speech recognition (ASR) and spoken dialog technology. One of their applications is a real-time captioning system using ASR. The system supports hearing-impaired people by enabling them to understand contents of meetings or lectures easily in real-time with auto-generated text. It can be shown on their personal computers, tablets, or projectors in the room, whenever they need it. Toshiba's unique technology involves automatic detection of word fragments and fillers that are unnecessary words for understanding contents such as "um" and "ah." By using this technology, we have improved real-time caption readability. The system is used regularly in the actual internal meetings by members of the UD Advisor System to verify its effectiveness. It has also obtained good evaluation from outside of Toshiba as an information accessibility tool at the academic events. The system has been used at social meeting events at Tsukuba University of Technology, which will be introduced in the following activity examples for communication smoothly.

Development of Universal Design Products and Services

Toshiba develops products in areas as wide-ranging as public facilities, information equipment, and consumer electronics. In doing so, we adopt a human-centered design process that emphasizes users' perspective, and incorporate as many customer needs as possible.

Activity Example: Redesigned signs inside buildings at Chubu Electric Power Company's Nishi-Nagoya Thermal Power Station Unit No. 7 to ensure safety and security

Nishi-Nagoya Thermal Power Station Unit No.7 that has two blocks of multi-shaft combined-cycle power generation systems with three gas turbines and one steam turbine, came on online in March 2018. The Unit No. 7-1 is recognized as the world's most efficient combined cycle power plant. In addition to providing its leading technological prowess as power generation systems at the facility, Toshiba also contributes to a safe and secure working environment by redesigning the signs inside the building. The colors used for the signs are of different lightness to the base color of the equipment so it can be easily distinguished in the building where there are numerous large machines of the same size and shape. The color scheme was designed to provide diversity in color perception. An easy-to-read font has been employed for the text so that it stands out even from afar. Plates indicating areas inside of the building and stickers on relatively small machinery have been cleverly designed so that they can be distinguished even when the text is partially covered by something. The customer has been impressed with the changes, stating that visibility has improved and it is now easier to discern each piece of equipment thanks to the use of universal design that takes workers into consideration. In this way, Toshiba helps support the safety and security of the state-of-the-art facility.



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: Universal Design Networking Event for Students from Tsukuba University of Technology

In September 2017, Toshiba held a networking event for five students from the National University Corporation Tsukuba University of Technology, an institution of higher learning for the hearing impaired and the visually impaired.

At the networking event, we introduced case studies of universal design initiatives, accounts of corporate life from hearing-impaired Toshiba Group employees, product design being implemented by young designers, and so on. Students and employees were encouraged to exchange ideas in a workshop style format and there was an active Q&A session. We were thanked at the end by the participating students and their supervising teachers, who said that it had been a valuable opportunity to think about the future.



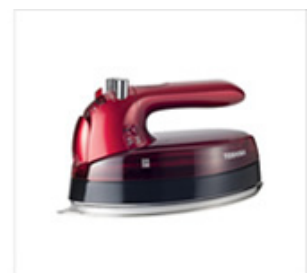
Discussion at the networking event

Activity Example: Won IAUD Award for Cordless Cleaner and Cordless Iron

Universal design for vacuum cleaners must not only consider their use for diverse people, but also provide stress-free usability in various places. The VC-NX1/NXS1 cordless vacuum cleaner has a vertically symmetrical shape, meaning it can run upside down, relieving users from stressful situations. The main unit is providing value in that it can be used to clean almost anywhere. The universal design, backed by extensive user research, has been proven to be highly effective, culminating in the Silver Award in the IAUD Award 2017 run by International Association for Universal Design (IAUD) in the Product Design category. (The award was won following joint application by Toshiba and Toshiba Lifestyle Products & Services Corporation)



Universal design for irons must consider many factors such as movement and size of hands. The cordless irons in the TA-FLW series have low-wide form with a center of balance positioned for easy lifting. This makes it feel as if one is ironing with their hand, providing value to the user experience. The product gained the IAUD Award in the same Product Design category, and serves as an excellent example of evolution in easy-to-use design. (The award was won following joint application by Toshiba and Toshiba Home Technology Corporation)



* The Design Center was entrusted with the design by Toshiba Lifestyle Products & Services Corporation. Toshiba creates valuable products for providing peace of mind and delight to each individual user.

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 communities in countries and regions across the globe.

FY 2017 Achievement

Toshiba continues to support the employment and independence of disabled people in collaboration with local supporting organizations and contributes to the enhancement of local healthy and pleasant environment by cleaning around its business sites.

Future Challenges and Approaches

We will contribute to solving issues in local communities, in order to make sustainable society a reality. We will also maintain business activities that are firmly rooted in the local communities, respecting the cultures and customs of each country.

Policy on Coexistence with Local Communities

Toshiba Group contributes to the development of local communities and solution to issues imposed on them through our business activities. At our manufacturing sites, we have been making efforts to localize management, foster management development, and promote local procurement. We have also contributed to the development of social infrastructure in developing and emerging countries in addition to the development of products that meet the needs of local communities. Furthermore, we have set our policy on the relationships with local communities in Standards of Conduct for Toshiba Group.

➤ [Standards of Conduct for Toshiba Group 19.Community Relations](#)

Structure of Coexistence with Local Communities

The General Affairs division at each site or company is responsible for handling relations with local communities, including constant communications with communities associations and other organizations.

Check and Evaluation of Local Impacts of Establishing New Operational Sites

When establishing new business operations, all Group companies at Toshiba Group adhere to laws and regulations, engage in dialogue with local authorities and residents and strive to maintain harmony with the community. Once operations are underway, the companies disclose information about their business activities and environmental conservation initiatives and thus engage in fruitful communication with local community.

For manufacturing sites, environmental audits on site evaluate the extent to which operations have an impact on the local environment. Furthermore, 138 sites in all Toshiba Group companies have acquired ISO 14001 certification.

At all of these sites, we maintain good relationships with local communities.

- > [Toshiba Group' Environmental Audit System](#)
- > [Number of the sites that have acquired ISO 14001 certification](#)

Contributions to Local Communities around Business Sites

Support for the Employment and Independence of Intellectually Disabled People—Toshiba With Corporation

Established in 2005, Toshiba With Corporation is a Toshiba Group subsidiary mainly consisted of intellectually disabled people, and which aims to support the independence of those people. At Toshiba With, employees are engaged in business operations for cleaning, printing, mail delivery, and health care within Toshiba Group. Through these operations, they learn about work responsibilities and enjoyment in work, along with social rules and manners in order to achieve independent living.

The independence of the people with intellectual disabilities requires not only employment opportunities, but also support in living, including lifestyle and health management. To this end, the company works in close collaboration with disabled people's families and local support organizations to create a unified support system.

We will continue to support promoting awareness and understanding of disabilities, fostering employee self-reliance, so everyone may play a more active role in society.



Cleanup work by Toshiba With employee

Contribution to Local Communities Through In-House Sales Events

Toshiba's Head Office has been running in-house sales events during lunch times every month since 2004 with the aim of supporting the economic independence and participation in society of persons with disabilities. We have now expanded the scope of support to include sales events for organizations providing Fair Trade products and educational support overseas. In addition to support through sales, we aim to provide the opportunity for interaction between sellers and employees. In fiscal 2017, eight organizations held stalls and total sales came to ¥543,503. Some 15 sites nationwide, including Kansai Branch, held sales events for products from Tohoku and Kumamoto and for local welfare facilities.



A Fair Trade Coffee sales event at Kawasaki Head Office



Doing work at "Castanet" run by the social welfare service organization Hanamizukinokai

Improving the Environment of Surrounding Communities

Toshiba Group companies strive to improve the environment around their business sites. In FY2017, Group companies' employees across Japan cleaned areas around their business sites approximately 640 times. At Toshiba Plant Systems & Services Corporation, employees clean around customer facilities that they are stationed at such as sewage treatment plants, pumping plants and power plants, contributing to the beautification of local areas.



Cleaning up around the Miyagi Water Reclamation Center

Consideration for Employees' Exercise of Civil Rights

Toshiba set up a new leave system called "Saiban-in" (Lay Judge) System Leave to coincide with the commencement of the Lay Judge System from May 2009 in Japan. This leave facilitates the employees to participate as citizen jurors in criminal court procedures.

Based on the law for implementation of the "Saiban-in" system in criminal court procedures, the salary per day for the employee selected to participate in such system amounts to the basic salary per day. Also, based on the above law, the number of leave days provided under this system equals to the maximum number of participation days under the Lay Judge System.

Contribution to Local Communities through Job Creation 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.

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.

Ensuring the Safety of Fukushima Daiichi Nuclear Power Station

Cooperation and support to ensure the safety of Fukushima Daiichi Nuclear Power Station

Toshiba Group has been conducting relief activities, sincerely hoping for the earliest recovery and reconstruction of the areas and people affected. Toshiba Group is also continuing to provide cooperation and support in maintaining the stability of the power station and advancing its decommissioning.

Since immediately after the accident at the Fukushima Daiichi Nuclear Power Station, Toshiba Group has been working to the best of its ability to eliminate the consequences and ensure safety in response to a request by the government and the Tokyo Electric Power Company, Incorporated (TEPCO) (currently Tokyo Electric Power Holdings, Inc.; hereinafter, this company will be referred to as TEPCO when discussing conditions prior to the name change).

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

1. Achieving a stable state of cold shutdown (occurrence of the earthquake to December 2011)

In April 2011, the government and TEPCO developed a preliminary roadmap for termination of the accident of Fukushima Daiichi Nuclear Power Station.

In step 1, where we effectively reduced the high radiation dose rate, Toshiba Group mainly worked to prevent the nuclear-contaminated cooling water injected into the damaged plants from flowing out into the ocean.

Under harsh work conditions including blackouts and high levels of radiation, Toshiba Group built and began operating a coolant recirculation system designed to purify and recycle contaminated water in order to cool the reactor core, along with a radioactive substance removal system and a containment gas management system, within a short period of two months.

As a result, we were able to control the increase in contaminated water, preventing it from flowing outside the power plant premises.

In step 2, our goal was to control the release of radioactive substances and to greatly reduce the radiation dose.

Toshiba Group concluded that in order to process the massive amounts of contaminated water, it was necessary to improve the system's treatment capabilities and ensure its stable operation. Consequently, we proposed to TEPCO that we develop a new system in cooperation with partner companies in the United States and Japan. We commenced development in May 2011 and began operating the new system in August.

The new system, which we named SARRY™,*1 was highly valued for its stable operational performance and high decontamination ability, and came to be used as the primary decontamination device. The stable operation of SARRY™ allowed us to effectively cool the nuclear reactors through the coolant recirculation system, and to help achieving a state of cold shutdown for the Fukushima Daiichi Nuclear Power Station's Units 1 through 3 in December.

In step 2, Toshiba Group also contributed to verifying the cooling state of nuclear reactors by installing substitute thermometers for measuring nuclear reactor pressure vessel temperature and monitoring control systems and by restoring power systems inside the power station.

*1 SARRY™ : Simplified Active Water Retrieve and Recovery System

2. Initiatives based on a medium- and long-term roadmap (from December 2011)

In December 2011, the Japanese government and TEPCO published a medium- and long-term roadmap for the decommissioning of Fukushima Daiichi Nuclear Power Station's Units 1 through 4. Thereafter, fourth revisions are being reviewed by September 2017. This roadmap provided details and a targeted schedule for contaminated water treatment, removal of fuel from the spent fuel pool, removal of fuel debris*2, and nuclear waste treatment.

*2 Fuel debris: Nuclear fuel melted in a nuclear reactor accident, which is cooled and solidified by being mixed with concrete and metals in the nuclear reactor.

■ Contaminated water treatment

To treat contaminated water, SARRY™ is in under stable operation to eliminate the cesium contained in treatment water. To reduce the concentration of strontium and 62 radioactive nuclides other than cesium below environmentally neutral levels, Toshiba Group newly developed and delivered a Multi Radio-nuclide Removal System (MRRS™*3) and an extended MRRS™ and we treated a total of 850,000 tons of retained water by August 2018. Toshiba Group will continue to inspect both facilities for stable operation and contribute to completion of processing in 2020 with the aim of starting operation of an expanded SARRY™ system before the end of 2018 (as of September 21, 2018).

To preserve treatment water, we installed 124 reliable welding tanks so far. Toshiba Group will contribute to inspection inside the tank already installed in the site and expansion.

*3 MRRS™ : Multiple Radio-nuclides Removal System

■ Removal of fuel from the spent fuel pool

To remove fuel from the spent fuel pool of Unit 3, where the reactor building was severely damaged, it was essential to remove large rubbles from the operation floor of Unit 3 nuclear reactor building. Toshiba Group carried out repeated detailed simulations of rubbles removal operation by using 3D CAD programs to build a monitoring system, thereby completing remote removal of large rubbles in November 2015. In addition, other rubbles removal, decontamination and shielding installation were completed in December 2016, and the atmosphere radiation dose rate was reduced until manned work was possible with the introduction of a fuel removal system in November 2017. We will proceed with preparation work such as the testing and trial operation of a fuel removal system to start fuel removal.

■ Retrieval of fuel debris

Retrieving fuel debris requires conducting a survey on conditions around nuclear reactors. Toshiba Group examined how to conduct a survey of the conditions inside the nuclear reactor building for Unit 2 in the high radiation environment and developed survey equipment. By using the equipment, we took video inside the primary containment vessel and obtained temperature and radiation data in January 2012. In March 2013, we conducted a survey on the vent pipes on the bottom of the primary containment vessel by the quadruped robot to confirm that there was no leakage.

In order to design methods for retrieving fuel debris, it is necessary to continue detailed investigation in a harsh environment such as high radiation dose rate, high humidity, and darkness in the primary containment vessel. Therefore, we developed robots, etc. through the Japanese national projects. In February 2017 we put them in the Fukushima Daiichi Nuclear Power Plant and measured the temperature and radiation dose rate inside the primary containment vessel of Unit 2 and took video just under the reactor pressure vessel for the first time. In July 2017, we investigated inside the primary containment vessel of Unit 3 using a compact underwater Remotely Operated Vehicle (ROV), and in January 2018, we succeeded in taking images of objects with high probability of fuel debris for the first time using investigating equipment that can reach the bottom of the primary containment vessel of Unit 2. The data obtained will contribute to a decision on the retrieval method for the fuel debris in FY2019. Going forward, we will proceed with further detailed investigating to ensure the most appropriate retrieval method and with investigations to create a safety system for the entire plant based on the image data from inside the containment vessels that we have attained thus far.



Expanded Multi-Radionuclide Removal System (MRRS)



Fuel removal system of Unit 3 (Photo courtesy of TEPCO)



System for investigating inside the primary containment vessel of Unit 2



Underwater ROV for investigating inside the primary containment vessel of Unit 3

Social Contribution Activities

To realize a sustainable society, Toshiba Group actively promotes social contribution activities as well as business activities, thereby contributing to solving various societal issues.

Medium- to Long-term Vision

Our aim is that every Toshiba Group operational site, and each and every employee working there, will take the initiative in contributing to society.

FY 2017 Achievement

Number of social contribution programs

Achievement **1,815** programs

Future Challenges and Approaches

We will continue to provide more information and to make opportunities to our employees, so that many of them can get involved in activities voluntarily that contribute to society.

Toshiba Group Basic Policy on Social Contribution Activities

Toshiba Group has set the basic policy on social contribution activities which is embodied Toshiba Group's Basic Commitment of "Committed to People, Committed to the future."

The five key areas of activities stated in the Toshiba Group Basic Policy on Social Contribution Activities are all related to social issues that Toshiba Group regards as important.

Toshiba Group will contribute to solving societal issues and creating a sustainable society through business activities as well as social contribution activities by using knowledge and resources acquired through business.

In these endeavors, we keep track of the results and impact on business through regular dialogues with stakeholders including NPOs and NGOs, and reevaluate and decide on our course of action accordingly.

Toshiba Group Basic Policy on Social Contribution Activities

1. In accordance with the Basic Commitment of the Toshiba Group and Standards of Conduct for Toshiba Group, we make vigorous efforts to contribute to society.
2. In contribution to society, we focus on the following fields: protection of the natural environment, science and technology education, promotion of sports and culture, social welfare, and international exchange and friendship.
3. We support employees' voluntary activities.

Positioning of Social Contribution Activities in Toshiba Group

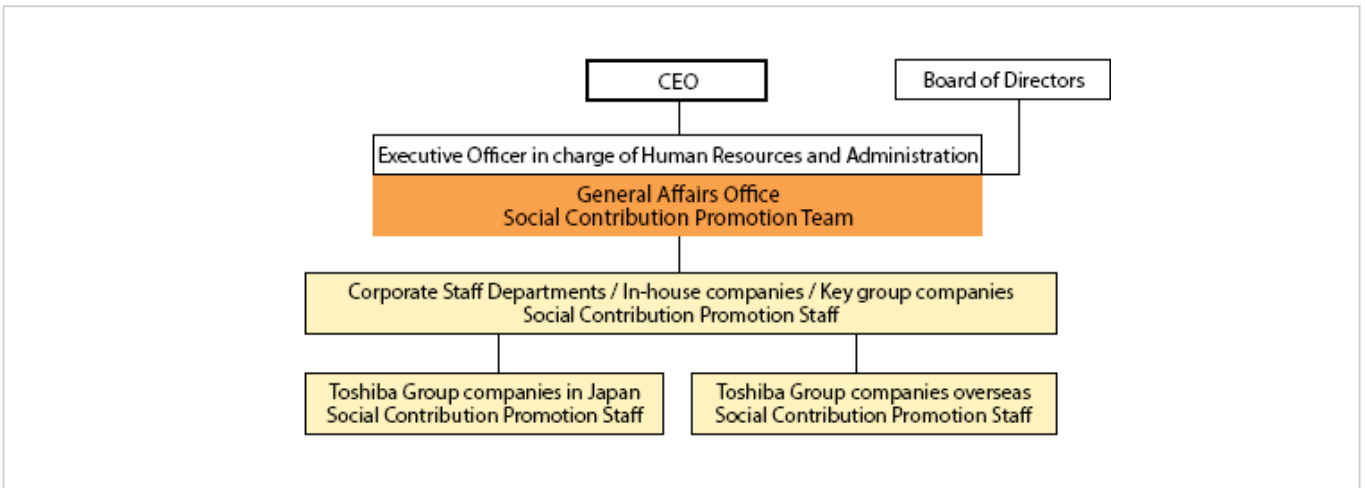


Structure of Toshiba Group's Social Contribution Activities

Toshiba Group has established a social contribution promotion team in the General Affairs Office, as well as social contribution promotion staff on a Group-wide level, at corporate staff departments and key Group companies, etc. We all adhere to the policy in planning and pursuing our social contribution initiatives.

With regard to donations to disaster relief and to NPOs and NGOs, we assess the legality and appropriateness of such donations before doing so, based on our in-house regulations.

Structure of Toshiba Group's Social Contribution Activities

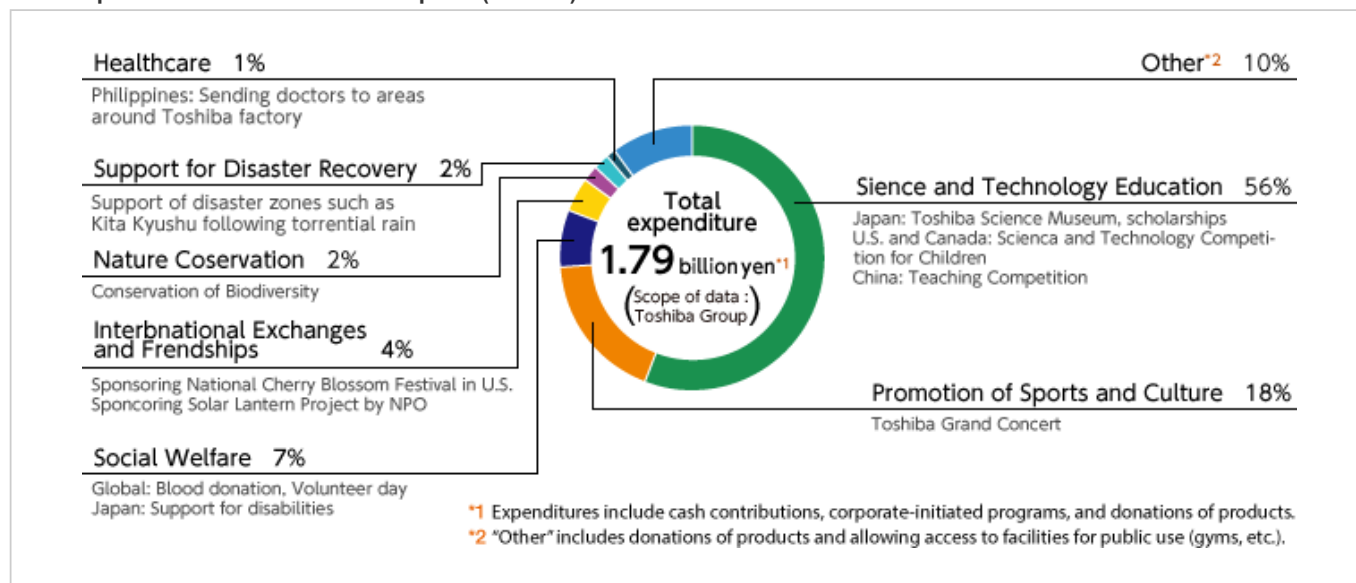


Supporting Social Contribution Activities by Employees

Toshiba maintains a system to support social contribution activities by employees. For example, employees are able to take long-term leave by accumulating annual leave for the purpose of participating in volunteer activities. Toshiba also has a system for donating a maximum of 100,000 yen or reused PCs to NPOs and other organizations that employees belong to.

Social Contribution Activities: Total Expenditure and its Constituent Parts

Total expenditure and its constituent parts (FY2017)



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 since FY2005. Every year we evaluate the previous fiscal year's activities from nine perspectives—goals, the extent of employee involvement, originality, continuity, social impact, collaboration with external organizations, and so on—and chairman's awards those activities that have achieved excellent results.

In FY2017, 1,220 programs were carried out throughout the year, and four programs were awarded, including the program Eco Study Session (Japan Semiconductor Corporation Oita Operations).

> [ASHITA Award for CSR Excellence](#)

Toshiba Group Simultaneous Social Contribution Activities

Toshiba Group has held the Toshiba Group Simultaneous Social Contribution Activities since FY2014 around December 5, the International Volunteer Day set by the United Nations. The aim of this initiative was to make a significant social contribution that cannot be achieved by individuals, through the simultaneous participation of all Toshiba Group employees. In FY2017, about 60,000 employees joined 345 activities in Japan, and about 20,000 employees participated in 96 activities in 18 overseas countries. Especially, to achieve "No Poverty" and "Zero Hunger," two of the United Nations Sustainable Development Goals (SDGs), we held food drives as universal common priority programs.



Food drive at Toshiba International Procurement Hong Kong, Ltd.



Motivational speech in South Africa

> [Toshiba Group Simultaneous Social Contribution Activities](#)

Science Technology Education

Toshiba Science Museum: Where You Can Experience the Joy of Science and Technology

In January 2014, the Toshiba Science Museum was reopened near JR Kawasaki Station as a location for the support of science-technology education, a linchpin in Toshiba's social action programs. It is used for a multitude of purposes, such as social studies field trips, school trips, corporate training, international exchanges, and sightseeing. It is a facility where people of all generations can have fun while learning about science and technology through extensive hands-on programs and exhibitions consisting of 3 concepts: past, present, and future.

> [Toshiba Science Museum](#)



Science show is held every day at the stage

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 25th anniversary in June 2017, commemorating its long history as a Japanese company's science education support program in North America. The number of participant totals about 388,000 in the past. In FY2017 applications from 15,243 children and 4,939 teams have been filed.

Many creative ideas that exceed adults' imagination are generated every year, such as a dream heart pacemaker that continues its function by using human body energy and magic pills that solve rapidly growing problems of electronic parts waste.

> [Science Technology Competition \(North America\)](#)



The past EVA winners from New York on a Satellite Media Tour with Mr. Leland Melvin, a STEM advocate, an author, and a former NSTA astronaut.

Teaching Competition in China

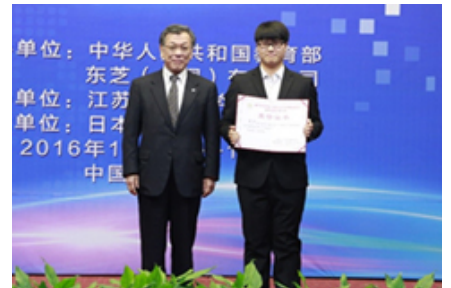
Seeking to contribute to the future development of scientific and technical human resources in China, in 2008 we established the Contest of Math and Science Teaching Program for the Normal University Students in China in cooperation with China's Ministry of Education.

This is a contest for students of Chinese teacher training universities.

Winners and their instructors are invited to Japan for the opportunities to have experience of Japanese science, technology and culture, and exchange with teachers and students of Japanese teacher training university.

In FY2016, approximately 12,000 students from 45 Normal Universities throughout China participated.

> [Teaching Competition in China](#)



Mr. Lv Tianxi of Tianjin Normal University (right) received the Toshiba Innovation Award.

Environmental Education Program for Children

In 2017, we launched an environment education program for elementary school children in collaboration with the Association of Corporation and Education and held it at 11 different venues. In addition to Toshiba Science Museum, we also visit elementary schools in areas around Tokyo to provide on-site classes. Titled "Where Does Electricity Come From? - The World Beyond the Power Outlet", the first installment of the program uses energy as a theme to enable children to learn about the mechanism of power generation through experiments as well as to think about environmental issues and the future of energy. The second installment entitled "Mysterious material which controls electricity – Learning the Use of Energy through the discovery and the utilization of semiconductors" teaches children what semiconductors are and the development history of electrical appliances through an educational material which includes a workshop where children create an original electrical circuit.

> [Environmental education program for children](#)



Observing the LSI production process

Scholarships and Internship

Toshiba Group awards scholarships to students and laboratories in different countries to help support development of a new generation.

Furthermore Toshiba factories are receptive to local requests for tours, and some even accept internships of a few weeks.

Toshiba granted 100,000 yen every month to 230 university students in Iwate, Miyagi and Fukushima prefectures, which were hit hard by the Great East Japan Earthquake, until graduation.

In Vietnam, we have given a total of around 3 million yen every year since 2005 in subsidies to around 30 students at the Hanoi and Ho Chi Minh City campuses of Vietnam National University. We also run a software research center jointly with these universities. Some 175 graduates of the universities have entered Toshiba Software Development (Vietnam) Co., Ltd. up until 2017 and 111 students continue to work there.

Toshiba Information Equipment (Philippines), Inc. provides education at university or vocational educational institute to economically disadvantaged high school students. Since establishing the scholarship system in 2008, Toshiba has supported 90 students, 56 of whom are now employed with the Company.

> [Internship, Factory Tours and Hands-on Experiences](#)

Protection of the Natural Environment

Conservation of Biodiversity

Toshiba Group is conducting biodiversity preservation activities at around 70 locations worldwide to contribute to the achievement of Aichi Targets, a shared global goal. The Oita Operations of Japan Semiconductor Corporation breeds marsh snails using on-site wastewater as feed for fireflies living upstream in the Kitahana River and releases them downstream. Some 881 employees also picked up rubbish around the site and along the river. Once it was confirmed that the fireflies were inhabiting the area, a gathering was held to enjoy watching the fireflies for employees and local residents at the end of May 2018.

> [Conservation of Biodiversity](#)



Appreciating fireflies with local children

Social Welfare

Sending doctors and dentists to areas around the Toshiba factory in the Philippines

Toshiba Information Equipment (Philippines), Inc. has been providing medical and dental examination services to promote and improve the physical well-being of intended beneficiaries in the nearby community twice a year since 2006.

In February 2018, the company dispatched a team of 66 people consisting of doctors, dentists, nurses, and many employee volunteers to De La Paz, Bifan where they gave medical exams, extracted teeth and provided medicine free of charge to 330 local residents.



A mother having a medical consultation of her baby

International Exchanges with Friendship, and Promotion of Sports and Culture

International exchange program for high school students from Japan and the ASEAN countries

Since FY2014, the Toshiba International Foundation (TIFO) has been holding Toshiba Youth Club Asia (TYCA), an international exchange program for high school students from Japan and the ASEAN countries.

The theme for FY2017 was "Asian Vision 2040," and the program was held over eight days in December. A total of nine high school students from Indonesia, Singapore, Thailand, Brunei, Malaysia, and six Japanese high school students, listened to lectures by experts, went on field trips, and held group discussions about what they themselves can do in the future by the framework of Sustainable Development Goals (SDGs), and then they presented their own vision.

Through TYCA, TIFO will go on providing opportunities to high school students from Japan and ASEAN countries, who have diverse cultures and values, to discuss the future of Asia, bearing in mind social issues.



Sharing a preparatory assignment with everyone

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.

> [Promoting Sports](#)

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 FY2017, we provided support to areas affected by heavy rainfall in the northern Kyushu that occurred in Japan in July and areas affected by hurricane that occurred in the USA in September.

> [Disaster Relief](#)

Corporate Governance

Toshiba Group has established internal control systems and continually works to enhance managerial efficiency and transparency to effectively execute its stakeholder strategy in order to appropriately meet the demands of stakeholders while responding to changing circumstances.

Medium- to Long-term Vision

Toshiba Group endeavors to realize sustainable growth and medium- to long-term gains in corporate value, thereby benefitting all of the Group's stakeholders.

FY 2017 Achievement

- Cancellation of designation as securities on alert.
- Restored financial statements to normality.
- Recover from negative shareholders' equity and strengthen the financial constitution.

Future Challenges and Approaches

- We will formulate and execute the Toshiba Next Plan as a five-year transformation plan in order to restore the trust of all stakeholders including investors and shareholders as well as strengthen our earnings foundation and realize stable growth to maximize corporate value.
- We will formulate the Essence of Toshiba and spread awareness of the new Toshiba brand.

Toshiba's Corporate Governance Policy

Toshiba's central aim in corporate governance is to achieve sustainable growth and to enhance Toshiba Group's corporate value over the medium- to long-term thereby contributing to the profit of all stakeholders, including shareholders, investors, employees, customers, suppliers, creditors and local communities.

The Board of Directors has adopted "Corporate Governance Guidelines" that form the framework of governance of the Company.

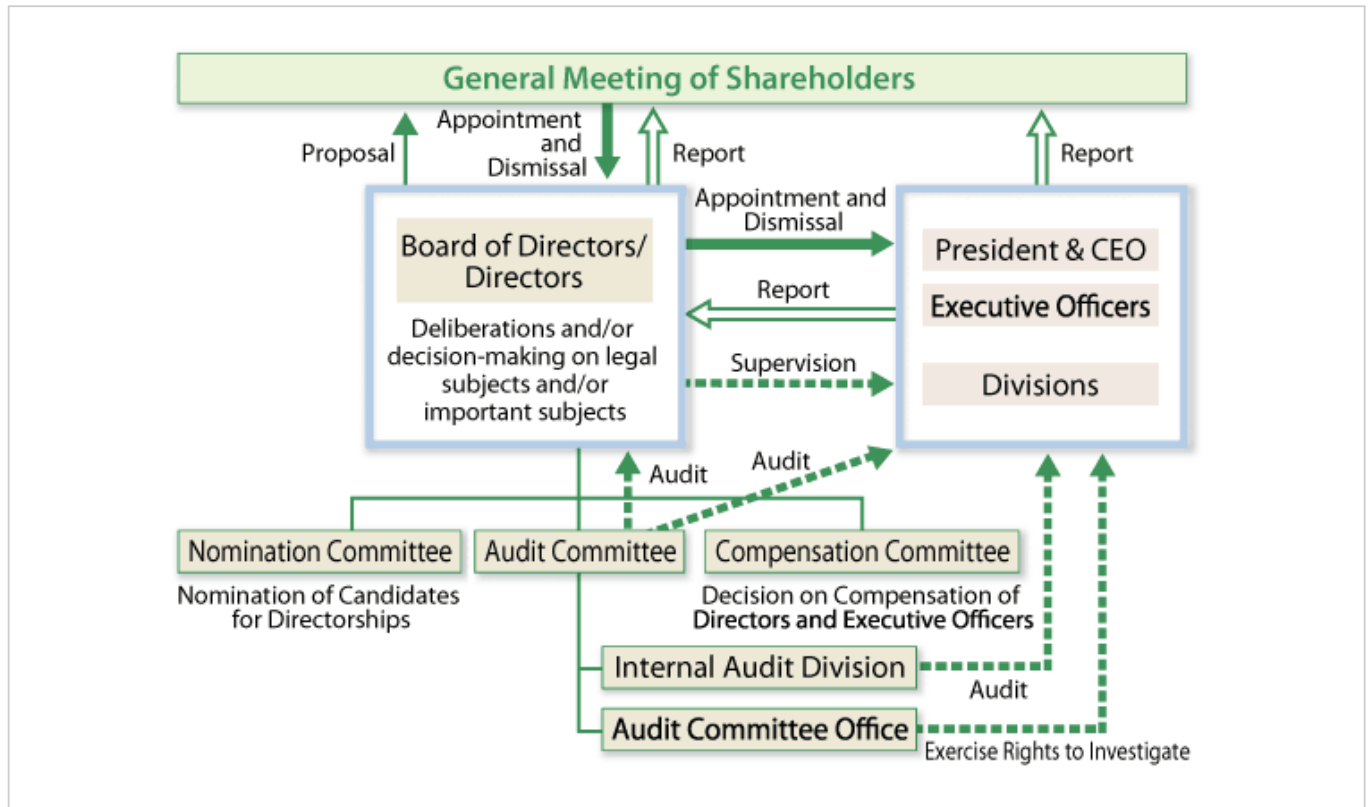
 [Corporate Governance Guidelines \(published on May 15, 2018\)](#)  [114KB/12 pages]

 [Corporate Governance Report \(published on July 3, 2018\)](#)  [153KB/16 pages] (Japanese)

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 (seven outside directors of 12 in total, as of June 2018), with an outside director also serving as the Chairman of the Board. In addition, the Board of Directors has established Nomination, Auditing, and Compensation Committees, all comprised only of outside directors, which further enhances management transparency.

Corporate Governance Structure



Chairman of the Board of Directors Yoshimitsu Kobayashi

Committee Composition

Nomination Committee	Kouichi Ikeda (Chairman), Yoshimitsu Kobayashi, Ryoji Sato, Junji Ota, and Mami Taniguchi
Audit Committee	Ryoji Sato (Chairman), Teruko Noda, Yuki Furuta, and Junji Ota
Compensation Committee	Yuki Furuta (Chairman), Teruko Noda, Kouichi Ikeda, Yoshimitsu Kobayashi, and Mami Taniguchi

(As of June 2018)

Two of the 12 directors are female.

Outside Directors

Outside Directors shall be selected from managers, accounting specialists, legal specialists and other individuals with outstanding knowledge and experience and who meet all the requirements set out by Toshiba, in addition to the independence related-provisions prescribed by the Tokyo Stock Exchange.

As a means to share information and awareness of issues with the independent outside directors, so as to further deepen their understanding of Toshiba's business, and as a forum for discussing major management issues facing the Group, and for providing prior explanation of matters to be discussed by the Board of Directors, Toshiba established a Board of Directors Council (Executive Session) with a membership consisting solely of the independent outside directors.

Reasons for selection of Outside Directors and Significant concurrent positions

Name	Reasons for selection	Significant concurrent positions (As of June 2018)
Teruko Noda	Ms. Teruko NODA is appropriately supervising the management of the Company based on her rich experience and insight as a certified public accountant.	-
Kouichi Ikeda	Mr. Kouichi IKEDA is appropriately supervising the management of the Company based on his rich experience and insight as a management executive.	Advisor to the Board, Asahi Group Holdings, Ltd. Outside Director, Sumitomo Chemical Company, Ltd.
Yuki Furuta	Mr. Yuki FURUTA is appropriately supervising the management of the Company based on his rich experience as a legal professional and insight concerning to corporate law and corporate governance.	-
Yoshimitsu Kobayashi	Mr. Yoshimitsu KOBAYASHI is appropriately supervising the management of the Company based on his rich experience as a management executive.	Director, Chairman, Mitsubishi Chemical Holdings Corporation Director, Chairman, The KAITEKI Institute, Inc. Chairman, Japan Association of Corporate Executives Chairman, Council on Competitiveness-Nippon
Ryoji Sato	Mr. Ryoji SATO is appropriately supervising the management of the Company based on his rich experience and insight as a certified public accountant and CEO of an auditing firm.	Outside Company Auditor, NIPPON LIFE INSURANCE COMPANY
Junji Ota	Mr. Junji OTA is expected to appropriately supervise the management of the Company based on his rich experience and insight as a top management member of a large company and an executive of Japan Audit & Supervisory Board Members Association.	Outside Director, Heiwa Real Estate Co., Ltd.
Mami Taniguchi	Ms. Mami TANIGUCHI is expected to appropriately supervise the management of the Company based on her rich experience and insight as a professional of business administration studies.	Professor, Faculty of Commerce(School of Commerce and Graduate School of Commerce), Waseda University

See the following Business Report for details of activities such as attendance rate of outside directors at the Board of Directors in FY2017.

 [Business Report for the 179th Fiscal Period](#)  [835KB/100 pages]

Outside Directors Independence Criteria

The Nomination Committee has determined that, in addition to the standards of independence defined by Japan's stock exchanges, such as the Tokyo Stock Exchange, Inc., persons who fall under any of the following items, are not independent.

- (1) An outside director who currently or in the past three years has been an executive director, executive officer or employee at a company in which Toshiba currently holds 10% or more of the voting rights.
- (2) An outside director who currently or in the past three years has been an executive director, executive officer or employee of a company that currently holds 10% or more of Toshiba's voting rights.
- (3) An outside director who currently or in the past three years has been an executive director, executive officer or employee of a company where the value of transactions with Toshiba in the any of the past three fiscal years has exceeded 2% of the consolidated sales of either that company or Toshiba or of both companies together.
- (4) An outside director who currently or in the past three years has been an executive director, executive officer or employee at a financial institution that currently loans Toshiba more than 2% of its total assets.

- (5) An outside director who currently or in the past three years has received compensation from Toshiba of more than 10 million yen, excluding executive remuneration, as a legal, accounting, or tax expert or consultant. Or in the case that the organization to which that said person belongs to as a legal, accounting, or tax expert or consultant has, during any of the past three business years, received compensation from Toshiba exceeding 2% of that organization's annual income.
- (6) An outside director who currently or in the past three years, has been an officer responsible for executing business or an employee of a corporation that has, or who has him- or herself, received donations from Toshiba exceeding 10 million yen in any of the past three business years. However, this is with the provision that, in the case of a corporation, the donation has been directed to research, education directly related to the donation.
- (7) An outside director who currently or in the past three years, has been an executive director, executive officer or employee at a company where another person currently in a similar position at that company has served as an Executive Officer of Toshiba.
- (8) An outside director who currently or in the in the past three years has been a representative or employee at a company that is currently Toshiba's accounting auditor, or has been in any of the past five fiscal years.

Evaluation of the Effectiveness of the Board of Directors

Once a year, the Board of Directors evaluates the effectiveness of the Board of Directors as a whole, discloses a summary of the results, and reviews the management of the Board of Directors as necessary.

In the analysis and evaluation conducted for the period from June 28, 2017 to the end of March 2018, the advice of external experts was taken into account, and the following matters were confirmed based on a questionnaire that targeted all of the directors and on discussions based on interviews.

Items evaluated as appropriate

1. Management of the Board of Directors Council

Meetings of the Board of Directors Council were held 26 times between June 28, 2017 and the end of March 2018. In addition to providing a forum for free discussions on major themes, such as company-wide issues, the company's mid- to long-term plan, and risk items, they also allowed for provision of prior explanations of items on the agendas of meetings of the Board of Directors, Q&A sessions, and allowed sufficient time for free and open-minded debate.

2. Management of the Board of Directors

Meetings of the Board of Directors were held 27 times between June 28, 2017 and the end of March 2018. Based on the content of items fully discussed at the Board of Directors Council, the meetings saw free, open-minded and constructive discussions and exchanges of opinions.

3. Operation of the Nomination Committee, Audit Committee, and Compensation Committee

Each committee, on the whole, has been evaluated as being appropriate, in terms of number of members and composition, frequency of meetings, and practice of free and open discussions.

Future issues

1. Management of the Board of Directors and the Board of Directors Council

There are occasions where materials are not provided with a sufficient time margin, and where their content is not well organized or analyzed in a way that is easily understood. Following coordination with the divisions, a commitment was made to continue to provide materials as soon as possible and to improve their content.

2. Discussion at the Board of Directors and Board of Directors Council, and the support system for directors

We received the opinion that there is insufficient discussion on essentials, such as the composition of the business portfolio. Going forward, in order to facilitate discussion from a mid- to long-term perspective, we have decided to organize matters brought to the Board of Directors Council and on Board of Directors agenda in such a way as to enable sufficient discussion on business strategy and the like.

3. Dialogue with shareholders (investors)

We have decided to establish a mechanism that will enable the opinions of investors to be shared with members of the Board of Directors immediately. We have also decided to continue discussing setting up a mechanism for dialogues with shareholders, such as group meetings of outside directors and institutional investors.

Other individual opinions

- In-house directors should be selected in a way that ensures balanced representation for each key subsidiary (key Group company) and the staff divisions.
- It would be best to decide on a format for materials provided to the Board of Directors and the Board of Directors Council that offers a detailed summary of the discussion points and contents at the beginning.

Also, the Board of Directors Council held discussions on the number of times to hold meetings of the Board of Directors Council and Board of Directors in the future.

We will focus on further improving the issues shared in this analysis and evaluation, promote measures to increase the effectiveness of the Board of Directors Council, the Board of Directors, and each committee, and will strive to regain the confidence of our shareholders.

Election Criteria for Executive Officers and Ensuring the Transparency of Nomination Procedures

The Nomination Committee has authority to propose the appointment and dismissal of Directors, including the Chairman and Chief Executive Officer and the President and Chief Operating Officer, selects candidates for directorships according to the criteria and processes described below, and submits the proposals to the General Meeting of Shareholders for finalization.

Proposals regarding the election, dismissal, and special titles of executive officers(excluding the Chairman and Chief Executive Officer and the President and Chief Operating Officer) will be formulated by the Corporate Personnel Committee (chaired by the Chairman and Chief Executive Officer) in accordance with following criteria and decided by the Board of Directors.

Director Nomination Criteria

- (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 Toshiba's main business fields that might affect management decisions; and
- (6) For outside directors, having expertise, insight, and a good track record in field such as law, accounting, or corporate management.

Executive Officer Election Criteria

- (1) Being a respected, dignified, and highly ethical person with excellent leadership ability;
- (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) Being highly skilled at business execution and having a track record of consistently delivering high performance and results;
- (6) Having rich work experience and expert knowledge in the Toshiba's business areas and the ability to contribute to management; and
- (7) Having no interest in or transaction with the Toshiba's main business fields that might affect management decisions.

Ensuring the Objectivity and Impartiality of Nomination Procedures

1. The Nomination Committee is responsible for determining a plan (the succession plan) that ensures the objectivity and fairness of the process for selecting a successor to the Chairman and Chief Executive Officer and the President and Chief Operating Officer.
2. The Nomination Committee will have the authority to conduct periodic interviews with all executive officer and representative executive officer candidates, in addition to which it will implement evaluations of the Chairman and Chief Executive Officer and the President and Chief Operating Officer (investigation of confidence) by senior management.

Merit-based Compensation Amounts for Officers

The Compensation Committee establishes compensation policy regarding 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, "Compensation for Directors" is determined at an adequate level to secure highly competent personnel and ensure effective work of the supervisory function. 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-based compensation, and determined at an adequate level to secure highly competent personnel and ensure effective function of their compensation package as an incentive to improve business performance.

i. Compensation for Directors

Directors who do not concurrently hold office as an Executive Officer are paid the basic compensation (fixed amount) calculated according to his/her duties after being classified into "Full-time Director" or "Part-time Director".

Directors who concurrently hold office as an Executive Officer are paid the basic compensation (fixed amount) in addition to Compensation for Executive Officers specified in (ii).

ii. Compensation for Executive Officers

Executive Officers are paid the basic compensation (fixed amount) calculated based on his/her rank, the service compensation calculated according to his/her duties as an Executive Officer, and the stock compensation.

Based on his/her rank 25-40% of the service compensation will fluctuate from zero (no compensation) to 2 times according to the year-end performance of the Company or of the division for which the Executive Officer is responsible.

The stock compensation will be a compensation system linked to the stock price (e.g. allotment of stocks with restriction on transfer) and designed to work effectively as an incentive to drive forward medium to long term business growth.

* Toshiba decided on a policy to introduce a restricted stock compensation system at the Compensation Committee meeting on May 9, 2018. A decision was made at the Board Directors on July 18, 2018 to issue shares as restricted stock compensation.

The compensation system will enable Toshiba to grant its Executive Officers and certain directors at key subsidiaries (key Group companies) compensation receivables for the allocation of restricted stock that they can use as contributed assets to make contribution in kind to the Company, which will allow them to hold the common stock of the Company.

The Company shall conclude a restricted stock grant agreement concerning the allocation of restricted stock through the system with the eligible officers. The eligible officers shall not be allowed to transfer, create an interest on, or otherwise dispose of the restricted stock that has been allocated during a given period.

Going further, Toshiba will closely consider how to best link its compensation system to the transformation and business plans it intends to announce within this year, as the Toshiba Next Plan. Specifically, we consider incentive system will be linked to performance over the course of the business year and to the achievement degrees of medium-term business plans and combining stocks with the system as incentive compensation.

iii. 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 payroll and benefits of employees are considered when determining the Company's compensation standards of management.

Amounts of Compensation, etc. of Toshiba's Directors and Executive Officers in FY2017

Officers Position	Total Amounts of Compensation, etc. (Millions of yen)	Fixed Compensation (Millions of yen)	Performance-based Compensation (Millions of yen)	Number of persons of Officers
Directors (excluding Outside Directors)	21	21	-	5
Outside Directors	92	92	-	6
Executive Officer	475	475	-	31

It should be noted that in the consolidated amount of compensation, etc., no individual officer received ¥100 million or more.

Toshiba's Internal Control Systems Development Status

Toshiba Group constantly refines its system of internal controls, towards ensuring management effectiveness and efficiency and reliable reporting on operations and finances and to secure high level legal compliance and risk management.

We also ensure that domestic Group companies, regardless of the scale of their operations, establish internal control systems based on those of the parent Company, as follows.

(Excerpted from Page 42 of the Business Report for the 179th fiscal period)

Systems to Ensure the Appropriateness of Business Operations of Toshiba Corp. and its Subsidiaries

The Board of Directors resolved systems to ensure the appropriateness of business operations as follows:

- 1) System to ensure that Executive Officers' compliance with laws and regulations and the Articles of Incorporation.
 - 1) Executive Officers periodically report to the Board of Directors of Toshiba Corp. on their execution of their duties and are required to report on necessary items to the Board of Directors, as necessary.
 - 2) The Executive Officer in charge of the Internal Audit Division or the General Manager of the Internal Audit Division periodically reports to the Board of Directors of Toshiba Corp. on internal audit results.
 - 3) The Audit Committee of Toshiba Corp. periodically interviews Executive Officers, and the General Manager of the Internal Audit Division periodically reports to the Audit Committee on internal audit results.
 - 4) Executive Officers report to the Audit Committee of Toshiba Corp. on any material violation of laws and regulations without delay in accordance with the Rules concerning Reporting to the Audit Committee.
 - 5) Toshiba Corp. has established the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees and ensures, through continuous execution of officer education, etc., that Executive Officers of Toshiba Corp. comply with the Toshiba Group Standards of Conduct.
 - 6) Toshiba Corp. separates supervision from business execution by placing the Internal Audit Division under the direct control of the Audit Committee and establishes a system in which the Internal Audit Division effectively performs audits of accounting, compliance inspections and audits of other matters.

2. System for retention and management of information concerning Executive Officers' execution of their duties.
 - 1) In accordance with the Rules concerning the Document Retention Period, Executive Officers of Toshiba Corp. appropriately retain and manage material documentation, such as information materials for the Management Meetings and decision-making documents, and other documents such as account books and records.
 - 2) Executive Officers of Toshiba Corp. run a system that allows Directors to access significant information, such as information materials for the Management Meetings, decision-making documents, financial statements and records and business reports.

3. Rules and other systems concerning risk of loss management
 - 1) In accordance with the Basic Rules concerning Risk-Compliance Management, the Chief Risk-Compliance Management Officer (hereinafter referred to as the "CRO") of Toshiba Corp. formulates and promotes measures concerning crisis and risk management of Toshiba Group in his/her capacity as the chairman of the Risk-Compliance Committee. In formulating and promoting such measures, the CRO appropriately performs risk of loss management for the entire Toshiba Group by confirming and improving the effectiveness of such measures.
 - 2) Executive Officers of Toshiba Corp. formulate and promote measures necessary for continuously clarifying business risk factors of Toshiba Group and minimizing loss in the event that risk is realized in accordance with Basic Rules of Business Risk Management.

4. System to ensure that Executive Officers efficiently execute their duties
 - 1) The Board of Directors of Toshiba Corp. determines the basic management policy and approves the midium-term business plan and annual budgets of Toshiba Group prepared by the Executive Officers.
 - 2) The Board of Directors of Toshiba Corp. delegates authority and responsibilities to each Executive Officer in an appropriate manner, and Executive Officers clarify the authority and responsibilities of the Executive Officers and employees in accordance with the Rules concerning Responsibilities of Division and the Rules concerning Managerial Duties.
 - 3) Executive Officers of Toshiba Corp. set concrete targets and roles for organizations and employees.
 - 4) Executive Officers of Toshiba Corp. make decisions on business operations based on appropriate procedures in accordance with the Board of Directors Rules, the Corporate Decision Making Rule and other rules.
 - 5) Executive Officers of Toshiba Corp. appropriately evaluate the performance of Toshiba Group by means of the Performance Evaluation Committee.
 - 6) Executive Officers of Toshiba Corp. promote strengthening of information security systems and operate the accounting system, the authorization system and other information processing systems in an appropriate manner.

5. System to ensure that employees' performance of their duties conforms to laws and regulations and the Articles of Incorporation
 - 1) The Chairman and Chief Executive Officer and the President and Chief Operating Officer ensure, through continuous execution of employee education, etc., that employees comply with the Toshiba Group Standards of Conduct clarifying values and codes of conduct to be shared by all officers and employees.
 - 2) The CRO of Toshiba Corp. formulates and promotes measures of Toshiba Group concerning compliance with laws and regulations in his/her capacity as the chairman of the Risk-Compliance Committee in accordance with the Basic Rules concerning Risk-Compliance Management.

3) Toshiba Corp. establishes a whistle-blower system in which the officers and employees of Toshiba Corp. are able to make a report to the business execution side of Toshiba Corp. if they become aware of an illegal act of Toshiba Corp., and the Executive Officer of Toshiba Corp. in charge endeavors to detect problems early and deal with them in an appropriate manner by making use of the whistle-blower system. The Toshiba Group Standards of Conduct clearly stipulate that the officers and employees who have used this system must not be treated disadvantageously on the grounds that they have done so. In addition, Toshiba Corp. establishes a whistle-blower system in which the Audit Committee of Toshiba Corp. directly receives internal reports and endeavors to collect information on problems early.

6. System to ensure the appropriateness of business operations of the corporate group composed of Toshiba Corp. and its subsidiaries

- 1) The subsidiaries adopt and implement the Toshiba Group Standards of Conduct and establish whistle-blower systems according to the legal systems and circumstances of the countries in which they operate.
- 2) Toshiba Corp. establishes a system in which its subsidiaries report to Toshiba Corp. in accordance with the Operational Communication Arrangement, etc. in the event that material issues arise in their business operations.
- 3) Toshiba Corp. formulates appropriate measures for internal control, including that of its subsidiaries, and causes its subsidiaries to promote the measures according to their situations.
- 4) The subsidiaries establish audit systems such as auditors in accordance with the Toshiba Group Auditors' Audit Policy.
- 5) Toshiba Corp. executes internal audits on the accounting treatment processes and business processes of its subsidiaries.
- 6) Toshiba Corp. appropriately and effectively manages the systems and business processes common throughout Toshiba Group and establishes a system in which shared resources are appropriately and effectively allocated.
- 7) Under the relevant license agreements, Toshiba Corp. in principle obligates its affiliates that are permitted to use "Toshiba" in part of their company names to adopt the Toshiba Group Standards of Conduct.

Items Necessary for Performance of Duties by the Audit Committee of Toshiba Corp.

The Board of Directors resolved items necessary for the Audit Committee's performance of its duties as follows:

1. Directors and employees assigned to assist the Audit Committee in the performance of its duties
In order to assist the Audit Committee of Toshiba Corp. in the performance of its duties, the Audit Committee Office consisting of around ten staff is established, and the head of the Audit Committee Office is an Executive Officer (including the Executive Officer who acts concurrently as a director).
2. Ensuring independence of employees mentioned in the preceding paragraph from Executive Officers and effectiveness of instructions to such employees
The Audit Committee has the right to approve the appointment, request the dismissal, and veto the dismissal of the head and employees of the Audit Committee Office of Toshiba Corp., and the head of the Audit Committee Office is under the direction of the Audit Committee. The employees of the Audit Committee Office are under the direction of the Audit Committee and the head of the Audit Committee Office.
3. System for reporting to the Audit Committee
 - 1) Directors, Executive Officers and employees of Toshiba Corp. report to the Audit Committee on each relevant occasion in accordance with the Rules concerning Reporting to the Audit Committee and the Rules concerning Operation of the System of Reporting to the Audit Committee in the event that any material issue arises that may affect operations and financial performance.

- 2) The subsidiaries of Toshiba Corp. periodically report their situations and other matters to the Audit Committee of Toshiba Corp. through the Toshiba Group Auditors Liaison Organization, etc. In addition, Toshiba Corp. establishes the Toshiba Group Auditor Hotline through which the auditors and employees in charge of audit reporting of the subsidiaries are able to make a report to the Audit Committee if they become aware of an illegal act of such subsidiaries.
 - 3) Toshiba Corp. establishes the Audit Committee Hotline through which the officers and employees of Toshiba Corp. and officers and employees of its domestic subsidiaries are able to make a report to the Audit Committee of Toshiba Corp. in accordance with the Rules concerning Operation of the System of Reporting to the Audit Committee if they become aware of an illegal act of Toshiba Corp. or such subsidiaries.
 - 4) The Chairman and Chief Executive Officer or the President and Chief Operating Officer provides members of the Audit Committee designated by the Audit Committee with opportunities to attend important meetings, including the Management Committee meetings.
4. System to ensure that persons reporting to the Audit Committee are not treated disadvantageously on the grounds that they have made such report
- The Rules concerning Reporting to the Audit Committee and the Rules concerning Operation of the System of Reporting to the Audit Committee clearly stipulate that the officers and employees of Toshiba Group who have made a report to the Audit Committee of Toshiba Corp. must not be treated disadvantageously on the grounds that they have done so.
5. Policy on procedures for advance payment or redemption of expenses arising from performance of duties of the Audit Committee's members and other settlement of expenses or debts arising from performance of such duties
- If a member of the Audit Committee requests Toshiba Corp. to make advance payment of the expenses, etc. set out in Article 404, Paragraph 4 of the Companies Act in relation to the performance of his or her duties, unless it is determined after examination by the relevant departments that the expenses or debts in relation to such request are not necessary for the performance of duties of such member of the Audit Committee, Toshiba Corp. promptly settles such expenses or debts. Toshiba Corp. annually budgets a certain amount for the payment of expenses and other costs arising from the performance of duties of the Audit Committee's members. If the need arises during the fiscal year, Toshiba Corp. increases the budget after examination by the relevant departments at the request of the Audit Committee's members.
6. Other system to ensure that audits by the Audit Committee are conducted effectively
- 1) The Chairman and Chief Executive Officer or the President and Chief Operating Officer periodically exchanges information with the Audit Committee.
 - 2) Executive Officers and employees report the execution of their duties to the Audit Committee by means of the periodic interviews conducted by the Audit Committee and circuit interviews.
 - 3) The Audit Committee places the Internal Audit Division under its direct control. The Audit Committee presents audit policies and gives audit instructions to the Internal Audit Division. The General Manager of the Internal Audit Division periodically reports the internal audit results to the Audit Committee.
 - 4) The Audit Committee has accounting auditors provide explanations and reports concerning the accounting audit plan at the beginning of each fiscal year, the situation of accounting audits during each fiscal year, and the results of the accounting audits at the end of each fiscal year.
 - 5) The Executive Officer in charge provides explanations to the Audit Committee concerning the settlement of accounts at the end of each fiscal year as well as each quarterly settlement of accounts prior to the approval by the Board of Directors.

- 6) The General Manager of the Internal Audit Division is appointed an Executive Officer, or the Executive Officer is appointed to being in charge of the Internal Audit Division. The Audit Committee has the right to approve the appointment, request the dismissal, and veto the dismissal of the General Manager of the Internal Audit Division and the Executive Officer in charge of the Internal Audit Division. The General Manager of the Internal Audit Division and the Executive Officer in charge of the Internal Audit Division are under the direction of the Audit Committee.
- 7) The members of the Audit Committee have the right to access all internal reports made to the whistle-blower system on the business execution side.

* Now "Toshiba Group Standards of Conduct" is renamed to "Standards of Conduct for Toshiba Group".

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.

Status of Internal Audits and Audits by the Audit Committee

(Excerpted from Page 76 of the securities report for the 179th fiscal period)

1. The Internal Audit and the Audit Committee organization, personnel and procedures

The Internal Audit Division (personnel: 45 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.

In addition, an Audit Committee Office with a staff of approximately 10 has been established to support the Audit Committee in carrying out its responsibilities. The office is headed by an Executive Officer, and a system has been put in place that gives it the right to carry out investigations and hear information for itself, on the basis of instructions received from the Audit Committee.

The Audit Committee works in close cooperation with the internal Audit Division to confirm the development of internal systems.

The Internal Audit Division periodically carries out on-site inspections and reports its results to the Audit Committee. However, if it deems it necessary, the Audit Committee has the right to carry out its own on-site inspections. Furthermore, in addition to receiving explanations from independent auditors on their audit plans at the beginning of each fiscal year, the Audit Committee can also request reports on the status of audits during the course of each term, and explanations and reports on end-of-year audits, as necessary.

It should be noted that the Audit Committee has four members. As certified public accountants, the Chairman of the Audit Committee, Mr. Ryoji Sato, and committee member Ms. Teruko Noda, have been involved in the practice of corporate accounting for many years and have considerable knowledge of finance and accounting.

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

In order to respond appropriately to changes in laws and regulations in every country of the world, the globalization of management and the diversification of business, Toshiba Group is enforcing global compliance with laws and regulations, internal rules, and social and ethical norms.

Medium- to Long-term Vision

- We aim to regain the trust from all of our stakeholders by striving to improve and strengthen our internal control system through more stringent compliance and a more robust risk management system.

FY 2017 Achievement

- We held three awareness-raising training sessions for officers and top management to improve the awareness of top management and employees, with a total of 761 executives taking part. We also continued to conduct general compliance training that included accounting compliance.

Future Challenges and Approaches

We will continue striving to implement a more effective compliance system and policy based on an awareness of risk in order to strengthen risk management and compliance for Toshiba Group as a whole following the spin-off of the in-house companies conducted in July 2017 and beyond.

Policy on Risk Management and Compliance

Toshiba's shares were designated as securities on alert and stock under supervision on September 15, 2015. As a result of the examinations by the Tokyo Stock Exchange and Nagoya Stock Exchange into the status of improvements made to the internal control system thereafter, the aforementioned designation was lifted on October 12, 2017. Toshiba then released its "Report on Improvements of Internal Management System" on October 20, 2017, and as reported in the "Progress Report on Improvements of Internal Management System" on July 25, 2018, Toshiba is making its best efforts to regain the trust of shareholders, investors and all other stakeholders. This will be achieved through continued efforts to improve and strengthen internal control system, including compliance related to the areas that led to the designation of Toshiba's shares as securities on alert and as securities under supervision.

At Toshiba, throughout our worldwide operations, we commit to thorough adherence to the [Standards of Conduct for Toshiba Group](#) (SOC), which embody the [Essence of Toshiba](#) in order to ensure compliance with laws and regulations, social and ethical norms, and internal rules. Giving top priority to human life, safety and compliance underpins our commitment to promoting business activities through fair competition. Thus we are working toward making the SOC an integral part of the entire Toshiba Group.

Furthermore, in order to respond to changes in the business environment, such as new technologies and growing supply chains in developing countries, and to the diverse and ever-changing risks that arise when conducting business activities, we are striving to prevent risks in advance, and to minimize losses from individual incidents.

Structure of Risk Management and Compliance

At Toshiba, we appoint a Chief Risk Compliance Management Officer (CRO) to oversee risk management and compliance for the whole Group. In addition, the Legal Affairs Division responds to whistleblower reports and attempts to achieve global compliance, and is advancing effective risk management and compliance activities.

There is also a Risk Compliance Committee chaired by the CRO and attended by the executive officers of corporate staff divisions. The Committee analyzes whistleblower reports and cases both inside and outside the Company, and identifies vulnerabilities in risk management and compliance based on risk tables that cover the entire management environment. It also reviews activities from the preceding fiscal year, and deliberates on priority measures and monitors activities from the immediate fiscal year.

Each key Group company is advancing its own priority measures for risk management and compliance, determined by a risk-based approach, in addition to the priority measures common to the whole company.

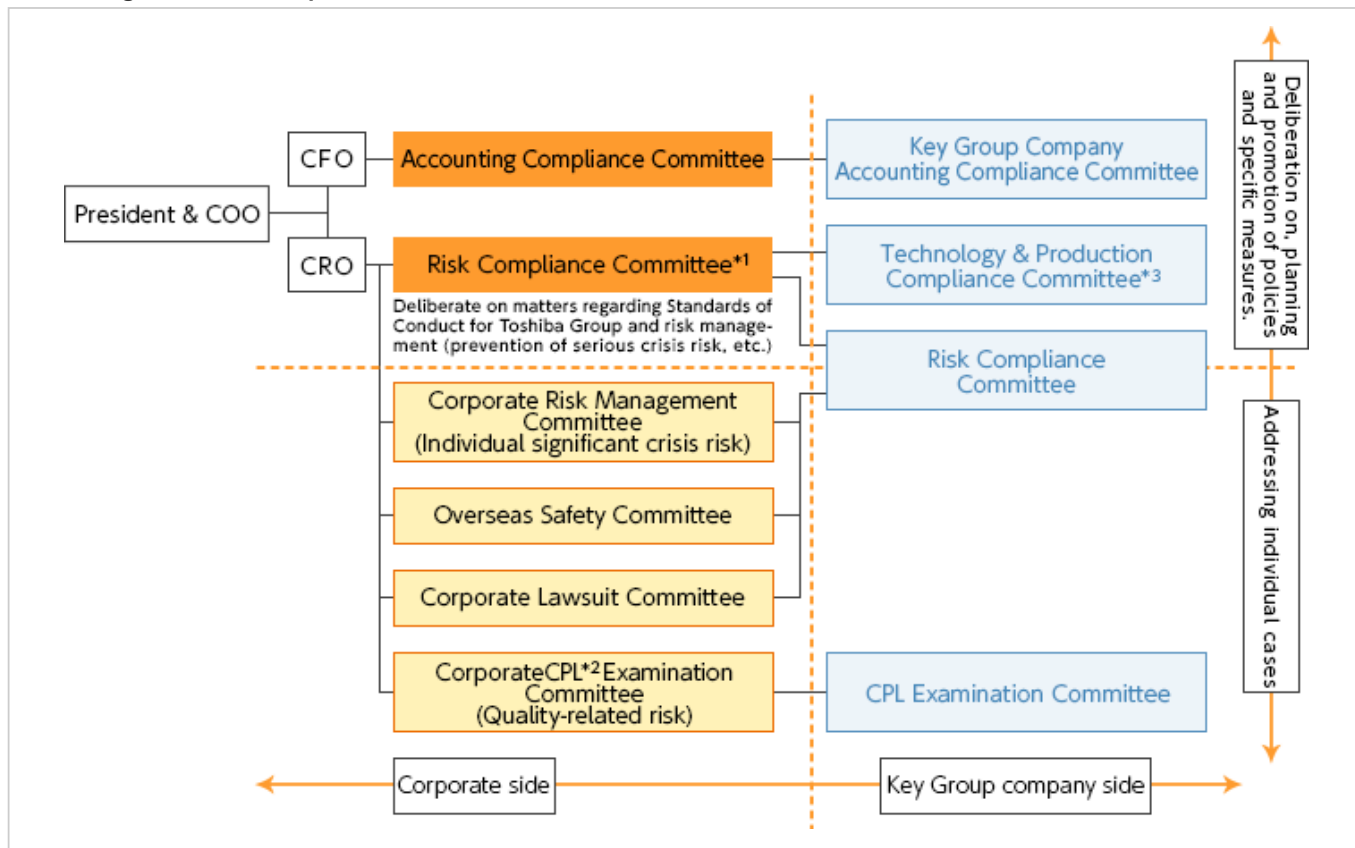
In the event of a serious risk management and compliance issue, there is a system in place by which the relevant in-house committees, etc. promptly evaluate and implement countermeasures. Furthermore, we carry out sensitivity analyses at management meetings, etc. of the correlation between key risks and management, taking into account business risks and risks in the market, as well as compliance risks and environment-related risks such as climate change, so that we can concentrate our investment strategically in order to achieve Toshiba's goal of growth through creativity and innovation.

In March 2016, Toshiba established a new Accounting Compliance Committee. Its purpose is to aggregate finance- and accounting-related information, and to identify signs that might point to inappropriate financial reporting, doing both in timely fashion, and to detect risks that threaten internal control at an early stage.

The President and COO is the head of the Accounting Compliance Committee, and the Audit Committee and the Internal Audit Division act as observers. Together they assess the risk of financial statements not being created or disclosed properly, and the risk that internal control is not functioning effectively to support the reliability of financial reports. Having done this, they supply information needed to prevent these risks, and discuss and decide on measures to deal with them.

 [Business risks and other risks are disclosed in the securities report P26 - P36](#) (Japanese)

Risk Management and Compliance Committee



*1 The Risk Compliance Committee manages matters related to the Standards of Conduct for Toshiba Group and matters related to risk management (including matters required for the prevention of significant crisis risk, compliance related to technology, production, and sales activities, and thorough implementation of information security).

*2 CPL is an abbreviation combining CL (contractual liability) and PL (product liability)

*3 The key Group company Technology & Production Compliance Committee can be integrated with other committees such as the company Risk Compliance Committee.

Whistleblower System

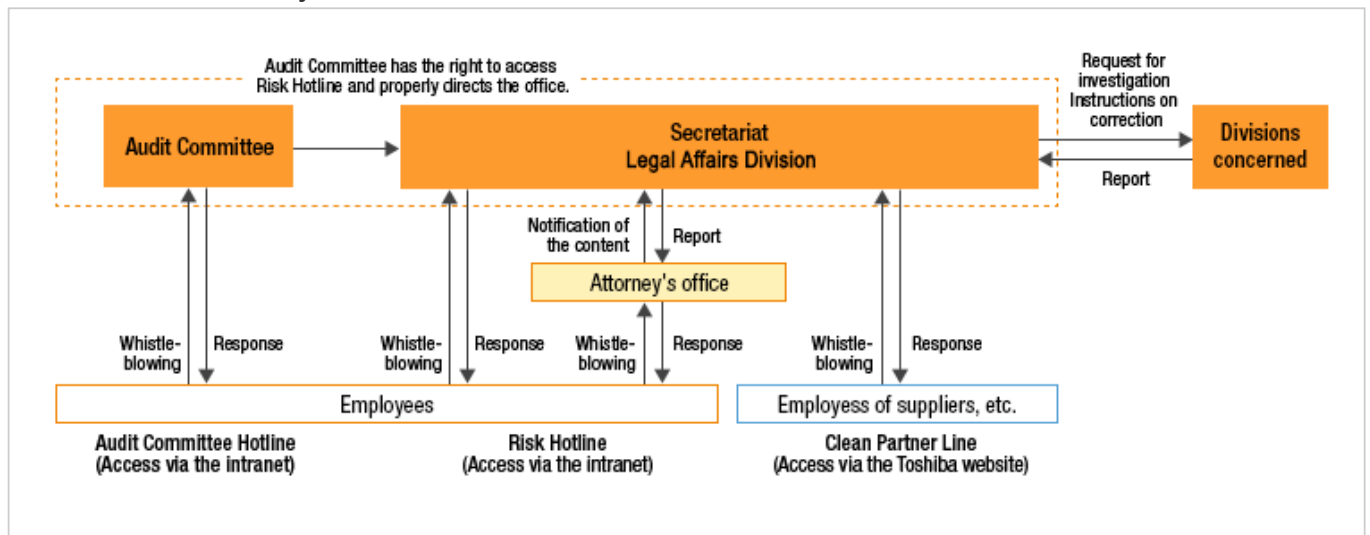
In order to create an open work environment, Toshiba is enhancing its whistleblower system, on top of preventing risks by stimulating day-to-day communication in each workplace.

In January 2000, Toshiba established a whistleblower system to collect internal information on SOC violations, particularly those concerning laws and regulations, and to deal with wrongdoing through a self-rectification system. Under this system, an employee can report an incident and seek advice. In addition to the internal office, a reception hotline was set up at an external attorney's office in January 2005, primarily to receive information about potential legal violations. In April 2006, Toshiba also set up a supplier whistleblower system to receive reports from suppliers and business partners to prevent SOC violations by employees in charge of procurement and order placements for construction and other works.

Furthermore, in October 2015, the new Audit Committee Hotline was set up, which allows people to report directly to the Audit Committee, which is composed of outside directors. With this new system, even matters in which the involvement of top management is suspected can be safely reported. The Audit Committee also has access rights to the Risk Hotline, and provides appropriate guidance and supervision.

All Toshiba Group companies have implemented a whistleblower system. The whole Group has been directed to ensure the anonymity of the whistleblower for his/her protection, and, if the whistleblower is an employee who was himself/herself involved in the relevant reported act, to take into account as much as possible the fact of his/her coming forward when deciding what internal disciplinary action should be taken. We are also working to enhance awareness of the whistleblower system by regularly issuing a compilation of whistleblower cases that have actually taken place.

Toshiba's Whistleblower System



Operational Status of the "Risk Hotline" in FY2017

The numbers of reports received and consultations undertaken by the "Risk Hotline" and "Audit Committee Hotline" in FY2017 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 "Risk Hotline" (within parentheses: anonymous reports)

	FY2015	FY2016	FY2017
Reports received by internal secretariat	204 reports (121 reports)	389 reports (235 reports)	243 reports (147 reports)
Reports received by attorney's office	4 reports (1 report)	12 reports (7 report)*	10 reports (2 report)*
Total	208 reports (122 reports)	399 reports (240 reports)	253 reports (149 reports)

* Including duplicate reports received by the internal secretariat

Number of reports received by the "Audit Committee Hotline" (within parentheses: anonymous reports)

	October 2015 to March 2016	FY2016	FY2017
Total	55 reports (41 reports)	80 reports (53 reports)	33 reports (17 reports)

Response Status

Of the reports received, those reporting inappropriate situations or concerns about inappropriate situations were reported to the relevant division so that instructions for improvement could be provided or alerts could be issued.

In cases involving consultations and questions about duties of the informants themselves, we gave advice on how to deal with the situation.

For reports other than the anonymous reports described above, we explained the status of our responses to the informants, in principle.

Except in cases in which consent has been obtained from employee, confidential adviser (at the internal secretariat or attorney's office) never disclose the names or contact addresses of the informants.

Out of the whistleblower reports, cases that everyone should bear in mind are taught as part of employee training. In order to protect whistleblower anonymity, such cases are presented without any names.

The number of reports received is released regularly on the company's internal website.

Risk Management and Compliance Training

At Toshiba, the President issued a message to all employees, expressing a firm commitment to implementing the corporate governance reform discussed by the Management Revitalization Committee. He also expressed that he would work to the best of his ability to revive Toshiba Group. In an effort to change the mindset of top management, we held sessions for officers and top management three times in FY2016 and in FY2017 respectively, with a total of 761 executives participating in the FY2017 sessions. We also held seminars by rank and function for employees to enhance the effectiveness of accounting compliance. Toshiba plans to continue these seminars.



Seminar for senior management

In addition, following the previous fiscal year, we provide accounting compliance education through e-learning to deepen employees' understanding about the importance of financial reporting and cash flow management. In FY2017, all employees (approximately 100,000) of 145 consolidated subsidiary Group companies in Japan and approximately 1,900 executives of 112 overseas Group companies participated in the seminar.

Making the Standards of Conduct for Toshiba Group Available to All Employees

Toshiba Group has created in 24 languages and made them available on the internal website. Various compliance education programs that incorporate the SOC have been included in the level-based training, occupation-based training and senior management seminars. We are also continuing our education programs, such as e-learning and educational leaflets, for all employees.

Fostering a Compliance-oriented Culture through Workplace Meetings

Each workplace holds meetings focusing on CSR to raise the awareness of each and every employee with regard to compliance matters so as to make compliance an integral part of the corporate culture.

These meetings aim to prevent compliance violations by encouraging managers and employees to discuss various problems that are likely to arise in the workplace and to share their thoughts with each other in order to create a work environment where they can easily seek advice on all kinds of problems.

The theme in FY2017 was "Communication in the Workplace." Each workplace shared difficulties in communication as well as its importance by way of discussion concerning case examples with reference to the details of internal reports. Approximately 82,000 employees at around 7,400 workplaces of Group companies in Japan participated in discussions.

In addition, by soliciting the frank opinions of employees via their workplace managers, and sharing analysis results and key opinions within the company, we monitor the level of compliance awareness at each workplace and develop new measures for the future.

Inspection of implementation status of risk management and compliance measures

The Legal Affairs Division confirms the state of implementation for the various compliance measures based on each operational division's self-check and audits by the Corporate Audit Division. The checks and audits are reflected in compliance measures.

Every year Toshiba conducts an intranet-based employee survey. The results are used in formulating measures for enhancing awareness on compliance.

Response to Compliance Violations

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

Developing Measures to Continue Breaking Relationships with Antisocial Groups

In 1997, the Board of Directors resolved to end relations with antisocial forces such as sokaiya (groups of racketeers). Since then, the Group has strictly dealt with approaches from third parties to obstruct our lawful and appropriate corporate activities.

In addition, in order to further ensure that all relations with antisocial forces are cut off, all Toshiba Group companies have taken various measures.

More specifically, we have developed and implemented Basic Public Relations Management Rules and appointed public relations management officers for each department. When conducting transactions with a new customer, the public relations management officers of that department confirm that the customer has no relations with antisocial groups. If a need arises during a background check to further investigate the customer, the Legal Affairs Division verifies whether there is any information on the customer's relationship with antisocial groups. We also periodically conduct surveys on customers that we already have business relations with. Transaction contracts normally include a clause regarding the exclusion of organized crime syndicates, which enables a contract to be cancelled without notice when the business partner is identified as an antisocial group.

Toshiba Group also works with the police, corporate attorneys, and third-party organizations such as the National Center for the Elimination of Boryokudan to establish systems that enable us to respond to approaches from antisocial forces in an appropriate and timely manner.

With regard to this stance, the rejection of the involvement of antisocial groups in our business activities has been explicitly stated in the SOC since 2006. Having been revised since then, "antisocial Groups" is now an independent article, further stressing our policy to reject all contact with such groups.

By providing e-learning lessons about the SOC to all employees, we continuously ensure that employees understand the importance of excluding antisocial groups from the business they do.

Compliance with the Antimonopoly Act and Anti-Corruption

Toshiba Group is a member of the UN Global Compact, and as such, it will enforce compliance with the Antimonopoly Act and strengthen anti-corruption measures globally, in keeping with the revision to the Standards of Conduct for Toshiba Group.

Antimonopoly and Anti-bribery Efforts

In light of global regulatory trends, Toshiba has been making rigorous efforts to prevent cartelization and bribery. In FY2017 the Company continued to step up its initiatives to ensure thorough compliance.

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

Furthermore, we have placed managers of legal affairs in major global regions to enhance compliance and support local subsidiaries in such regions. This has been done in order to appropriately control legal risks associated with relevant anti-trust laws, bribery, and the like and ensure thorough compliance in global business, which has been expanding mainly in emerging countries.

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

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

Furthermore, Toshiba is advancing its promotion of compliance awareness, on the axis of the Standards of Conduct for Toshiba Group. In Japan, employees received e-learning training on sales-related risks in February 2018 for employees, in order to raise the standard of sales-related legal risk management. Overseas, we held legal seminars for those in charge of compliance at local subsidiaries, working together with our regional headquarters and regional legal affairs managers. Attendees discussed measures to enhance compliance in keeping with the Standards of Conduct for Toshiba Group, and fortified the foundations for strengthening the risk management network among Headquarters and all regions.

- › [Standards of Conduct for Toshiba Group 6. Competition Law and Government Transactions](#)
- › [Standards of Conduct for Toshiba Group 7. Bribery](#)

Political Contributions

The Standards of Conduct for Toshiba Group stipulates that Toshiba Group shall not provide inappropriate benefits or favors to any politician or political organization.

Also, as part of its social contributions, Toshiba offers political contributions, when necessary, in order to contribute to the realization of policy-oriented politics, to support the healthy development of parliamentary democracy and to improve the transparency of political contributions.

In the case of offering political contribution, procedures in accordance with internal rules are followed as well as compliance with the Political Funds Control Law in case of Japan is strictly ensured.

- › [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.

- › [Standards of Conduct for Toshiba Group 19. Community Relations](#)

Fair Trading

Fair Trading Policy and Its Promoting Structure

Toshiba strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations.

- > [CSR Management in the Supply Chain](#)
- > [Toshiba Group Procurement Policy](#)
- > [Standards of Conduct for Toshiba Group 3. Procurement](#)

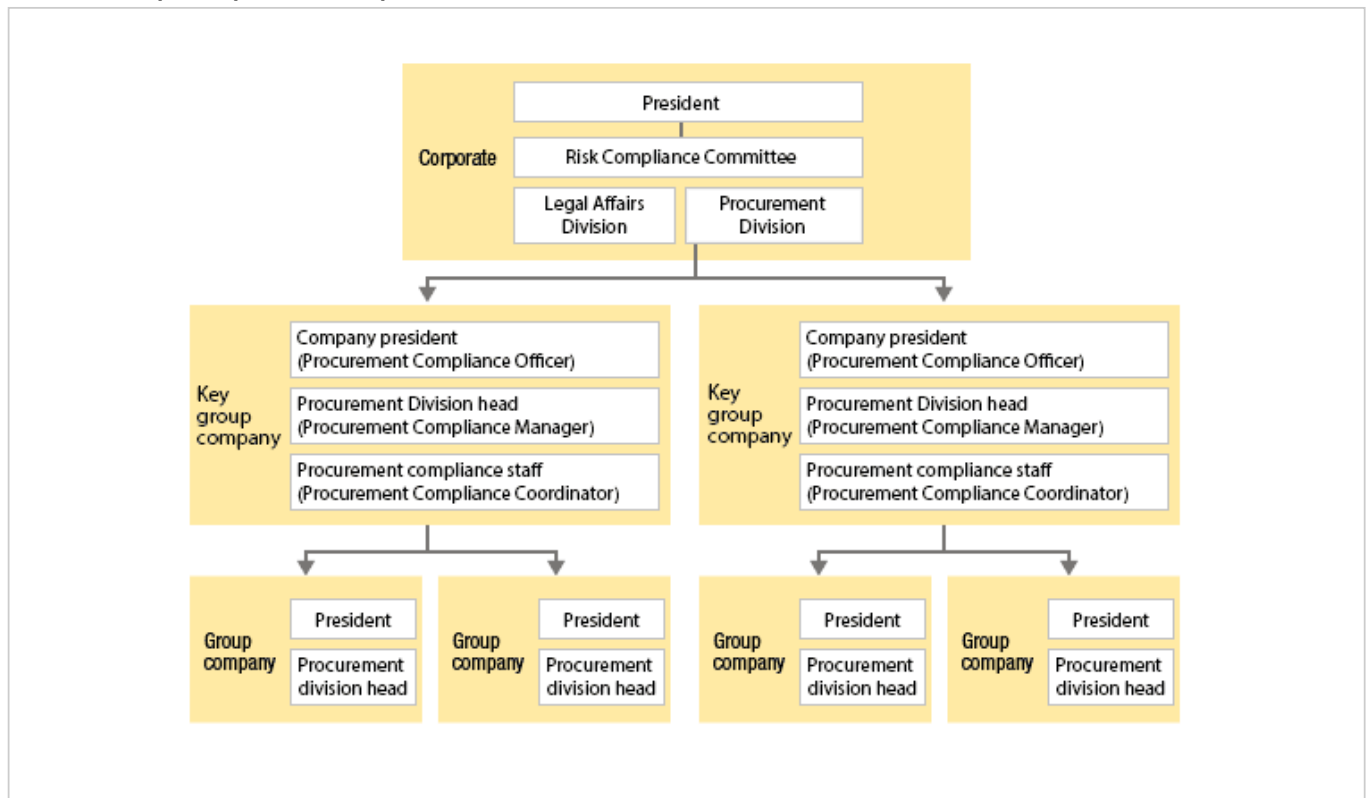
The Toshiba Group is promoting thorough observance of CSR both in its own procurement activities, and in those of its suppliers.

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 FY2017, Toshiba notified each Group company of revisions to its regulations on legal compliance in operations and processes in order to strengthen strict and effective risk management, and conducted a comprehensive assessment of procurement transactions. In FY2018, we will continue to strengthen regulations on legal compliance in operations as well as checks of processes.

"Clean Partner Line," Whistleblower System for Suppliers and Business Partners

In order to ensure compliance and fair transactions, Toshiba has established a whistleblower system for suppliers and business partners called Clean Partner Line, as a point of contact for our suppliers to tell us about issues and 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 and Audits of Fair Trading Practices (Thorough Compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors)

In Japan, we continued with audits against the Act for the applicable Group companies with regard to subcontracted transactions. Regarding items requiring improvement as identified by the audits, follow-up is conducted in accordance with improvement plans 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 FY2017, a total of 55,892 employees between February and March 2018 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.

Furthermore, we foster promoters specialized in the Act to ensure fair transactions with subcontractors.

Export Control

Export Control Policy

As indicated in Standards of Conduct for Toshiba Group, Toshiba Group's basic export policy is to refrain from any transaction that could potentially undermine international peace and security. We comply with all applicable export control laws and regulations of the countries and regions where we operate, for example Foreign Exchange and Foreign Trade Law in the case of Japan and US export control laws and regulations with respect to transactions involving items of US origin.

In accordance with the policy, Toshiba Group has established the Export Control Compliance Program (ECCP). Based on the program, we classify the goods and technology and screen transactions. In addition to periodic export control audits and education for all executives and employees, key Group companies and corporate staff divisions provide instructions and support to the Group companies they supervise.

Toshiba Export Control Compliance Program

The program consists of the following provisions to ensure compliance with Japan's Foreign Exchange and Foreign Trade Control Law and U.S. export control laws.

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

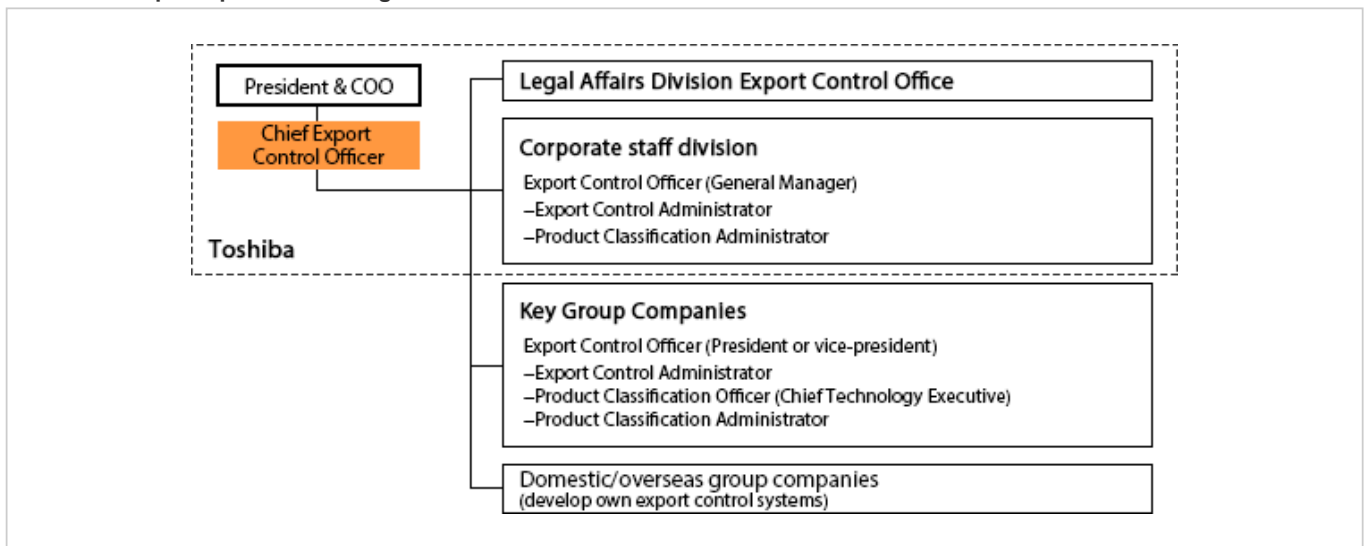
Chapter 8 Group Companies

➤ [Standards of Conduct for Toshiba Group 9. Export Control](#)

Export Control System

Toshiba's export control system is organized under the Chief Export Control Officer who has ultimate responsibility for the corporation's export control. The Chief Export Control Officer must be a representative director or an executive officer corresponding thereto. Under the Chief Export Control Officer, the Legal Affairs Division Export Control Office is responsible for overseeing the export control implemented pursuant to the Toshiba Export Control Compliance Program (ECCP). Based on the Toshiba ECPP, Toshiba Group company and corporate staff division has its own export control organization led by the Export Control Officer. The Export Control Officer must be the general manager of the corporate staff division, or president of Group company.

Toshiba Group's export control organization



Product Classification and Transaction Review

The technical department classifies the goods or technology and determine whether export license is required. Then, transaction screening is carried out accordingly, such as confirmation of the end-use, end-user, and final destination. Classification and transaction screening are checked and approved by multiple persons in charge. When trading with concerned countries and regions, the Export Control Office conducts stringent assessments and approvals.

Inspection and Audit of Export Control

Corporate staff division, as well as each Group company, perform internal self-checks. In addition the Export Control Office or the Supervising department conducts regular audits to check if export control is appropriately performed. 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 convenes a monthly meeting with Group companies. Besides providing information on relevant international situations and regulatory trends, or advices on specific issues, this meeting also provides a forum for exchanging related information and opinions. Key Group companies provide guidance on export controls and related support to Group companies they supervise.

Furthermore, in order to fortify our support for overseas Group companies, we held an export control workshop targeted at local staff working in export control.

Information Security Management

Policy on Information Security

Toshiba Group regards all information, such as personal data, customer information, management information, technical and production information handled during the course of business activities, as its important assets and adopts a policy to manage all corporate information as confidential information and to ensure that the information is not inappropriately disclosed, leaked or used. In view of this, Toshiba has a fundamental policy "to manage and protect such information assets properly, with top priority on compliance." The policy is stipulated in the chapter "Corporate Information and Company Assets" of the Standards of Conduct for Toshiba Group, and managerial and employee awareness on the same is encouraged.

In response to regulatory changes and changes in the social environment, Toshiba revises the related rules on an ongoing basis so as to rigorously manage its information security.

- [Standards of Conduct for Toshiba Group 17. Information Security](#)
- [Privacy Policy](#)

Structure of Information Security Management

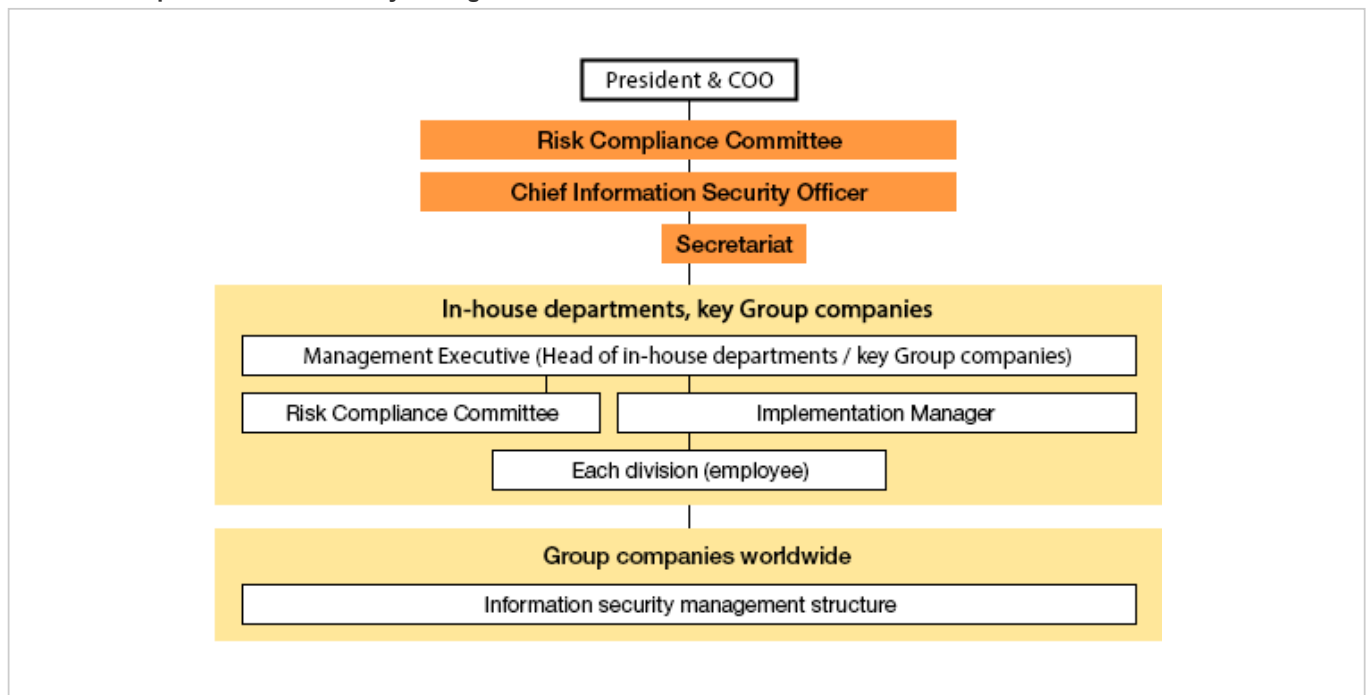
Addressing information security as a management priority, Toshiba appointed the Chief Information Security Officer (CISO) and each corporate staff division and Toshiba Group company has established, under the supervision of the CISO, an information security management structure.

The Risk Compliance Committee deliberates matters that are necessary to ensure information security throughout Toshiba Group. The CISO formulates and enacts measures in order to make sure that internal rules related to information security are enforced in a problem-free, effective and definitive manner.

At each division inside Toshiba and key Group companies, the head of the organization serves as Information Security Management Executive, bearing responsibility for information security at their respective organization.

The Executives provide guidance and assistance to the Group companies under their control to ensure that they implement information security at a level equivalent to that of Toshiba.

Toshiba Group Information Security Management Structure



Information Security Measures

Toshiba Group implements information security measures from four perspectives (see the table below). The Technology & Productivity 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 style="list-style-type: none"> ■ Periodic reviews of information security-related regulations ■ Development and maintenance of structure ■ Implementation of audits, etc.
(2) Personal and legal measures: Ensure adherence to rules	<ul style="list-style-type: none"> ■ Regulation of information protection duties and disciplinary measures for breach of duties in rules of employment ■ Provision of periodic employee education and training ■ Contractor information security evaluation and conclusion of confidentiality agreements, etc.
(3) Physical measures: Support implementation of rules in terms of physical security	<ul style="list-style-type: none"> ■ Carry-in/carry-out control of information devices ■ Facility access control, room / facility entry control ■ Locking of highly important information, etc.
(4) Technical measures: Support implementation of rules in terms of technology	<ul style="list-style-type: none"> ■ Virus protection and hard disk encryption of information devices ■ Checking the vulnerabilities of servers accessible to the public enhancing their protection ■ Monitoring and controlling unauthorized access from the outside and information leakage, etc.

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. In addition, we enhanced the monitoring for our network and in-house systems to quickly cope with a virus invasion into the company systems.

Education, Inspection and Audit of Information Security Management

Toshiba, with its wide portfolio of businesses, considers the autonomous implementation of PDCA (Plan-Do-Check-Act) cycle by each business or division to be vital for ensuring information security of the company. With this in view, every divisions conduct an annual self-audits in terms of compliance with internal rules, for the purpose of formulating their own improvement plan. The Technology & Productivity Planning Division evaluates the results of these self-audits and the related improvement activities, provides guidance and assistance where necessary. All domestic and overseas Group companies also conduct self-audits annually, in order to improve the level of information security at each company.

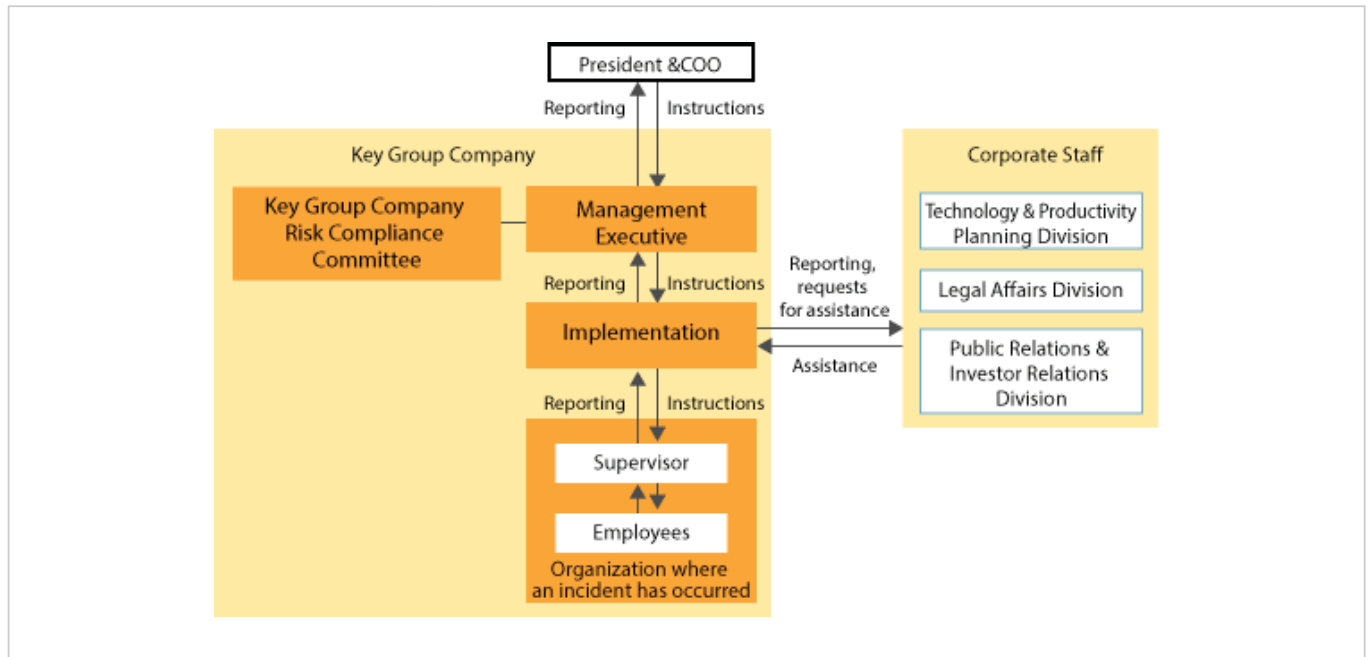
Moreover, Toshiba Group conducts yearly training for all officers, as well as permanent and temporary employees, in order to enforce strict compliance with in-house regulations. There are also programs such as training for those working in information security, and introductory training for new graduate employees.

Response to Incidents Such as Leakage of Confidential Information

In the event an information security incident such as the leakage of confidential information occurs, Toshiba responds promptly in accordance with the information security incident reporting structure.

When an employee becomes aware of the occurrence or potential occurrence of an incident involving the leakage of corporate information, the employee promptly reports to the Implementation Manager. The Implementation Manager, upon receipt of such report, devises necessary measures, such as an investigation into the cause and consideration of actions to prevent recurrence. In the case of the occurrence or potential occurrence of a serious leakage of confidential information that may entail a violation of laws or ordinances, Toshiba implements measures in accordance with the applicable laws or ordinances, such as disclosure, following discussion among the related corporate staff divisions.

Information Security Incident Reporting Structure



Status of Incidents Such As Leakage of Confidential Information

In February 2018, we confirmed the possibility that email data had been leaked following illegal access to the Toshiba Group server through an outsourcing agent for our information system. After identifying the issue, we immediately turned to a specialized organization to take remedial steps. We will continue to prevent incidents concerning information security, and are fully prepared for any situation. There were no complaints from relevant external individuals or regulatory bodies concerning personal data.

Product Safety Information and Advertising

Policy on Product Safety Information and Advertising

Toshiba Group provides accurate product information and executes appropriate advertising in accordance with the Standards of Conduct for Toshiba Group, the Code of Fair Competition for Home Appliances*1 and other policies.

Quality assurance organizations of Group companies and affiliated companies monitor the safety standards of the countries where products are marketed and technical standards such as the UL Standards*2 and CE Marking*3 to ensure that their product labeling is in compliance with the relevant standards.

➤ [Standards of Conduct for Toshiba Group 2. Customer Satisfaction](#)

➤ [Standards of Conduct for Toshiba Group 15. Advertising](#)

*1 This refers to the fair competition agreement on representation in the home electronics manufacturing industry. Under the provisions of the Act on Premiums Labeling, the Fair Trade Commission approved in 1978. The domestic electric industry management organization is the National Electric Home Appliance Fair Trade Council, a public interest corporation group. This regulation prescribes prohibition of misrepresentation, necessary representation items, representation standards for specific matters, etc. It aims to contribute to proper product selection, to prevent attraction of unjust customers, and to ensure fair competition.

*2 UL Standards: Safety standards issued by Underwriters Laboratories Inc., a U.S. not-for-profit product-safety testing and certification organization. UL has developed standards for materials, products and facilities.

*3 CE Marking: This mark indicates that the product bearing it is in compliance with safety standards of the European Union (EU). CE Marking is mandatory for certain types of products sold in the EU.

Compliance with Regulations and In-House Standards Regarding Products

In FY2017, there were cases in which regulations and in-house standards regarding safety and health were violated in product or service life cycles.

With regard to regulations and in-house standards regarding product/service information and labeling, in some cases we discovered a labeling error after products were shipped. In each case we implemented the appropriate measures under the guidance of authorities.

Examples of response to breaches relating to product safety

- [Deficiency in Description of Unintended Car Movement Protection \(UCMP\) for Elevators in Application to Minister of Land, Infrastructure and Transport \(Apology and report\)](#) (Toshiba Elevator and Building Systems Corporation) December 26th, 2017 (Japanese)
- [Non-Compliance with Ministerial Certification for Unintended Car Movement Protection \(UCMP\) for Elevators \(Apology and report\)](#) (Toshiba Elevator and Building Systems Corporation) August 25th, 2017 (Japanese)

Labeling error incident

- [Dynabook T85/C, T75/C, T55/C, T45/C Series of notebook PCs <Apology and Notice to customers>](#) (Toshiba Client Solutions Co., Ltd.) June 29th, 2017 (Japanese)
- [Dynabook V, VC, VZ Series of notebook PCs <Apology and Notice to customers>](#) (Toshiba Client Solutions Co., Ltd.) June 29th, 2017 (Japanese)

Compliance with Regulations on Advertising and Labeling

In FY2017, as a result of our strict implementation of the Manufacturing Labeling Standards, there were no violations of the Act Against Unjustifiable Premiums and Misleading Representations among Toshiba Group companies.

Risk Management with Business Continuity Plan (BCP)

Failure to respond appropriately to large-scale disasters such as earthquakes, typhoons, and floods could result in the long-term closure of operations, triggering significant financial losses, ultimately affecting our stakeholders.

Toshiba implements measures to ensure the safety of employees and their families, support recovery of devastated areas, and maintain business sites and factories.

The BCP, which we have been formulating and developing Group-wide as of FY2007, is one such measure. Focusing on our key businesses that have a large social and economic impact, we are establishing a BCP that takes into account the possibility of large-scale earthquakes and new strains of influenza, and continually update it in order to maintain and improve its effectiveness.

Toshiba Group will continue to strengthen its BCP, so that it can continue its business even in the case of a large-scale disaster, and puts the safety of all its employees above other concerns.

BCP Procurement Management

In response to the Great East Japan Earthquake and the floods in Thailand, both of which occurred in 2011, Toshiba Group is promoting to establish a more disaster-resistant procurement system.

Based on Toshiba Group's Procurement Policy, we request our suppliers to cooperate in continuing to provide supplies in the event of an unanticipated disaster.

In 2012, we established the BCP Procurement Guidelines to provide crisis management standards.

Also, to minimize the risk of supply chain disruptions and to reduce the amount of time required to resolve supply chain disruptions, we have built a system to manage corporate information on upstream suppliers in the supply chain. In the event of an unanticipated disaster, we use this system to quickly investigate its effects on our supplies worldwide so that action can be taken promptly.

Tax Affairs

Based on a basic tax policy, the Toshiba Group complies with legal ordinances, notices and regulations in various countries and makes efforts to properly file tax returns and pay taxes.

Basic Policy Regarding Taxes

The Toshiba Group follows the following policy to properly file tax returns and pay taxes:

1. Legal compliance

Placing the highest priority on life, safety, and compliance in the Standards of Conduct for Toshiba Group understands the reasoning behind and complies with the legal regulations of various countries, files tax returns and pays taxes in accordance with guidelines published by OECD and other international organizations.

2. Paying an appropriate amount of tax

While ensuring compliance to legal regulations, the Group strives to pay an appropriate amount of tax by understanding the reasoning behind and using legally approved systems, such as consolidated tax payments.

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, functions, and quality, we create new value with solutions that make the most of relationships with customers developed through such products, thereby contributing to society.

FY 2017 Achievement

We accelerated development of technology for Artificial Intelligence (AI) and the Internet of Things (IoT) that provides the key to creating new solution and services. We also restructured our corporate R&D to make a more cross-organizational and agile contribution to business. Other efforts saw us strengthen ties with outside entities that included co-creation with customers.

Future Challenges and Approaches

Focusing on four business areas (Social Infrastructure, Energy, Electronic Devices, and Industrial ICT Solutions) that support people's lives and society, we will create innovative technologies and globally promote R&D to solve various societal issues by integrating solutions and services. We will also continue to enhance collaboration with external organizations to provide greater value to society more quickly.

➤ [Evaluation by External Parties](#)

Research and Development

Research and development strategy

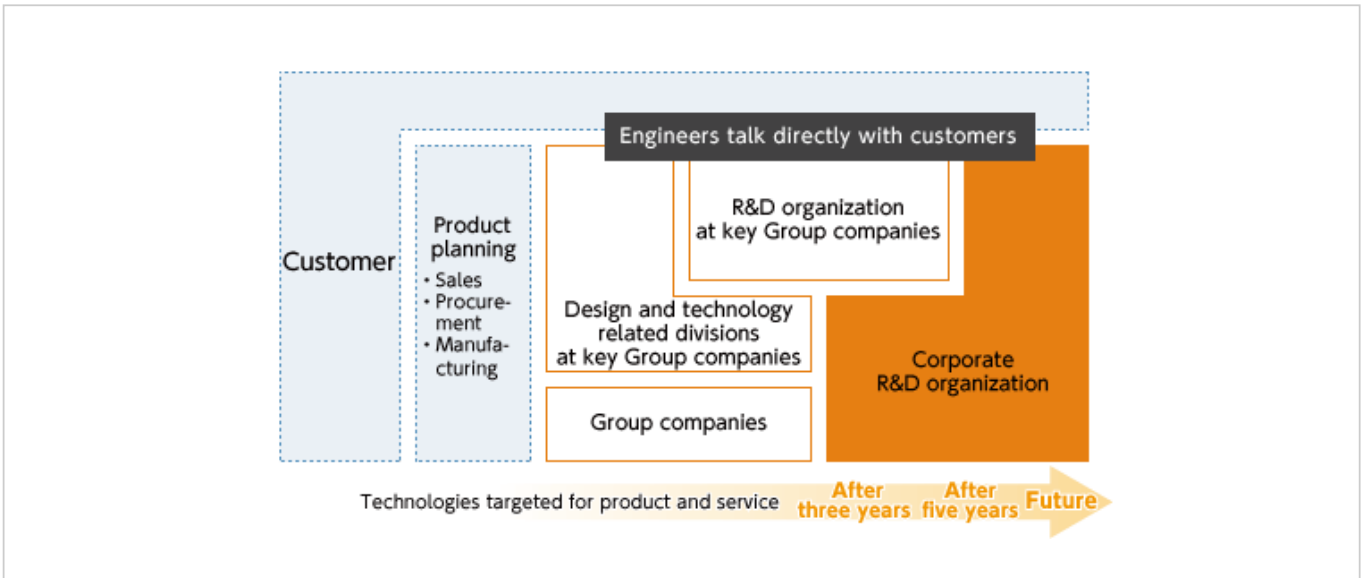
The social issues we are faced with today, such as resource and energy issues resulting from population increases, as well as climate change and environmental problems, are becoming more diverse and complex than ever. Toshiba Group focuses on four areas that support people's lives and society, namely Energy System Solutions, Infrastructure System Solutions, Storage & Electronic Devices Solutions, and Industrial ICT Solutions, contributing to a sustainable society through the creation of new values using reliable technology.

In the area of Energy System Solutions, we will promote the safe and stable supply and efficient use of conventional energy. In addition, we will contribute to realizing a low-carbon society by providing the world with technology and services that create, distribute and store clean energy, including sustainable energy and hydrogen. In the area of Infrastructure System Solutions, we will provide highly reliable technologies and services to a wide range of customers supporting society and industry, including public infrastructure, buildings and facilities, and railroad and industrial systems with the aim of realizing a safe, secure and reliable society. In Storage & Electronic Devices Solutions, with a view to building infrastructure for a Big Data society, we will develop cutting-edge technologies—including new semiconductor and storage products—for various industries, such as storage, industrial and automotive applications, and the IoT. In the area of Industrial ICT Solutions, we will work together with customers to create digital services using the IoT and AI that make the most of our industrial know-how.

Toshiba Group Research & Development Structure

Toshiba conducts research and development in locations that best suit the purpose in question, both in terms of leading in a technical sense based on seeds and concepts, and of leading in terms of product planning and the business model. We have a research and development structure in which our research and development sites are categorized into the following: Corporate Research & Development Center that tackles medium- to long-term basic research; works laboratories of 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.

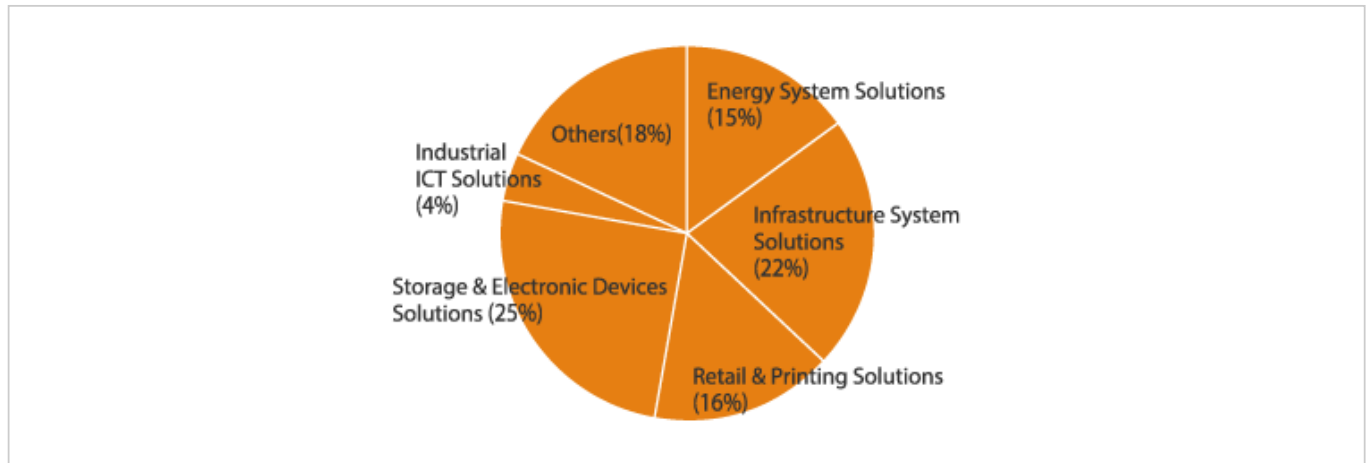
R&D expenses

FY2015	FY2016	FY2017
360.9 billion yen	295.5 billion yen	178.7 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 6%.

Breakdown of R&D expenses



Open innovation through collaborations with external parties

■ Towards greater accuracy in weather forecasting (November 2017, July 2018)

As part of the Cabinet Office's measures to strengthen disaster prevention and reduction under its Strategic Innovation Creation Program, Toshiba worked together with a research group that included National Institute of Information and Communications Technology to develop the world's first practical-use multi-parameter phased array weather radar (MP-PAWR) and installed it at Saitama University for weather observation demonstration experiments. The radar is a phased array weather radar capable of high-speed 3D observation of rainclouds in 30 seconds to a minute and also has the functionality of a multi-parameter radar that can measure rainfall to a high degree of accuracy. The technology is useful in ensuring the safety of citizens during torrential rain from cumulonimbus clouds that form suddenly and for the running of outdoor events, particularly in summer.



MP-PAWR at time of installation at Saitama University (before covering the antenna with a radome)

[Development and Installation of the World's First Practical-use Multi-Parameter Phased Array Weather Radar \(MP-PAWR\)](#) (Japanese)(PDF:978KB)

[Start of Field Trials Using the World's First Practical-use Multi-Parameter Phased Array Weather Radar \(MP-PAWR\)](#) (Japanese) (PDF:337KB)

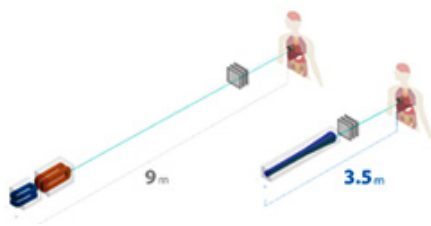
Greatly Downsizing of Heavy-Ion Cancer Therapy System (May 2017)

Toshiba and the National Institutes for Quantum and Radiological Science and Technology (QST) have developed technology that significantly reduces the size of the scanning system for the heavy-ion radiation therapy system. The development shortens the distance from the scanning electromagnets to the irradiation target from the 9 m that was required for conventional equipment to 3.5 m. The rotating gantry* for the system has been reduced in size by around one-third. This is the world's smallest rotating gantry. Toshiba will continue to develop cutting-edge cancer therapy systems, including heavy-ion therapy equipment, with the aim of contributing to high-quality cancer therapy.

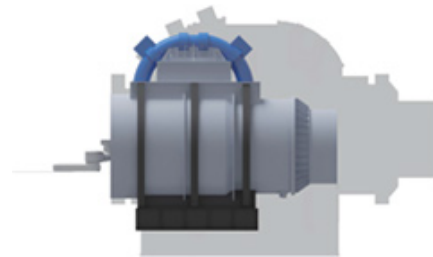
* The term gantry refers to the cylindrical assemblies of the computerized tomography (CT), magnetic resonance imaging (MRI) and X-ray therapy systems. With photon and heavy-ion radiotherapy systems, the radiation port is rotated around the patient during treatment. In this case, the gantry is called a rotating gantry.

* This system has not yet received regulatory approval

➤ [Toshiba and QST Achieve Major Breakthrough in Greatly Downsizing Pencil Beam Scanning System for Heavy-Ion Therapy](#)



Comparison of scanning beam irradiation system
(Left: Conventional system, Right: New system)



Comparison of rotating gantry size
(New system superimposed on Conventional system)

Success in Experiments Transmitting Images from a Wide-Area Surveillance Camera (November 2017)

Toshiba has developed a wireless multi-hop video transmission technology in which high-definition images are transmitted by a bucket brigade method across multiple wireless devices without any delay. Experiments jointly conducted with the Tokyo University of Marine Science and Technology successfully demonstrated application of these technologies to a marine surveillance system using multiple drones. The technology enables autonomous configuration of wireless networks considering the installation environment of surveillance cameras, making it possible to freely arrange surveillance cameras or construct wide-area video surveillance systems that connect multiple drone-mounted cameras.

➤ [Toshiba's development of wireless multi-hop video transmission technology](#)

Verification experiments

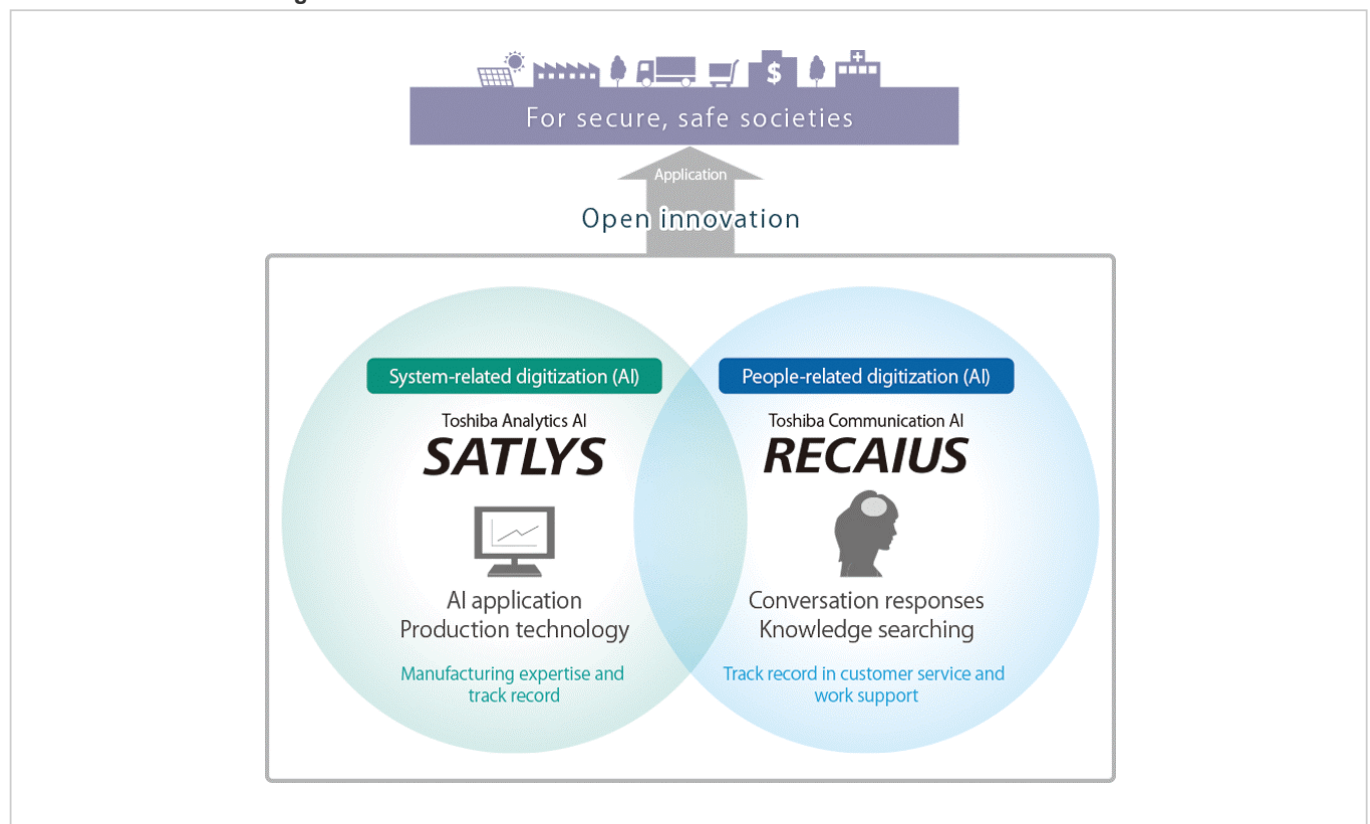
Experiments jointly conducted with the Kondo Laboratory at the Tokyo University of Marine Science and Technology

■ Enhancement of R&D in AI technology (July, September, December 2017 and January 2018)

Toshiba has provided services and conducted verification experiments and joint research using "Toshiba Communication AI RECAIUS™" and "Analytics AI SATLYS™". Going forward, we seek to contribute to the creation of new lifestyles and businesses by leveraging these two AI technologies. We will achieve this by enhancing technologies for analysis and extraction using various media data such as visual, audio and sensor information and incorporating industry-wide knowledge and knowhow into AI through co-creation with different companies and groups.

- [Toshiba Digital Solutions is helping Overseas Visitors to Kumamoto Prefecture Multi-language translation provided by Communication AI RECAIUS Service](#)
- [Toshiba Digital Solutions and ALPINE ELECTRONICS, Inc. succeeded in validating images taken from an automated tracking flight of an overhead transmission line by a drone](#) (Japanese)
- [RECAIUS™ Field Voice technology has been applied to a clothing measurement service offered by Sasageya Inc.](#) (Japanese)
- [Toshiba Digital Solutions and Chiba University's Center for Frontier Medical Engineering have started joint research into detection of lymph node metastasis in gastric cancer using AI](#) (Japanese)

Toshiba's two AI technologies



Protection of Intellectual Property

Basic Policy on Intellectual Property

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 is also making efforts to bolster and utilize actively our intellectual property that contributes to business development, in each business area of Energy, Electronic Devices, and Digital Solution, especially centering on Social Infrastructure. We will endeavor to ensure that these measures contribute effectively recovery of to the Toshiba Group.

- [Standards of Conduct for Toshiba Group 12. Intellectual Property Rights](#)

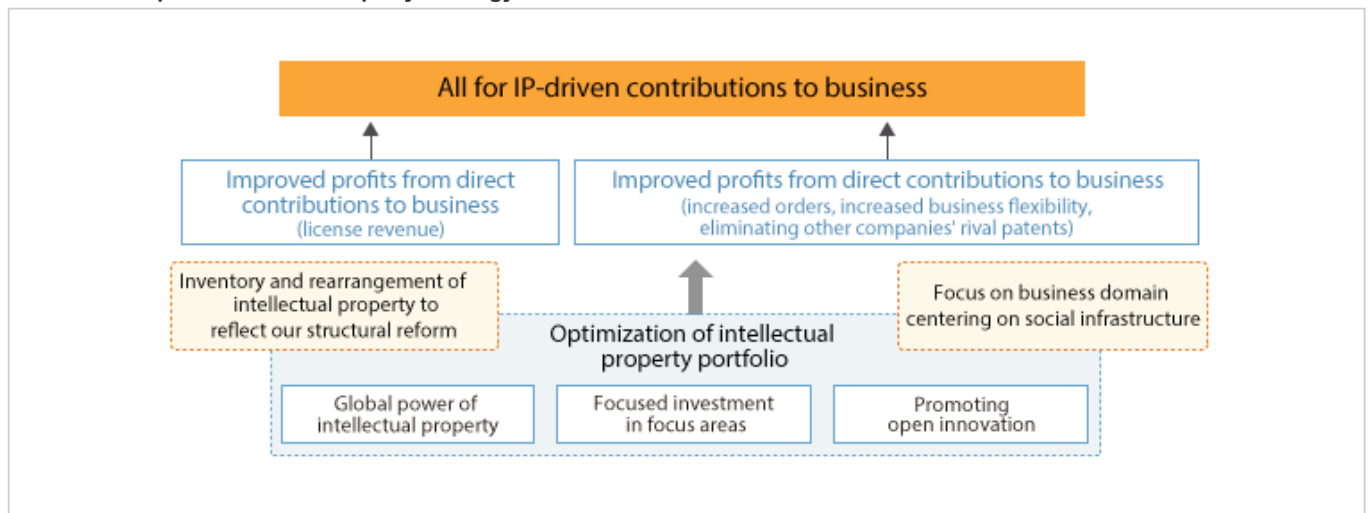
Our Structure Concerning Intellectual Property

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.

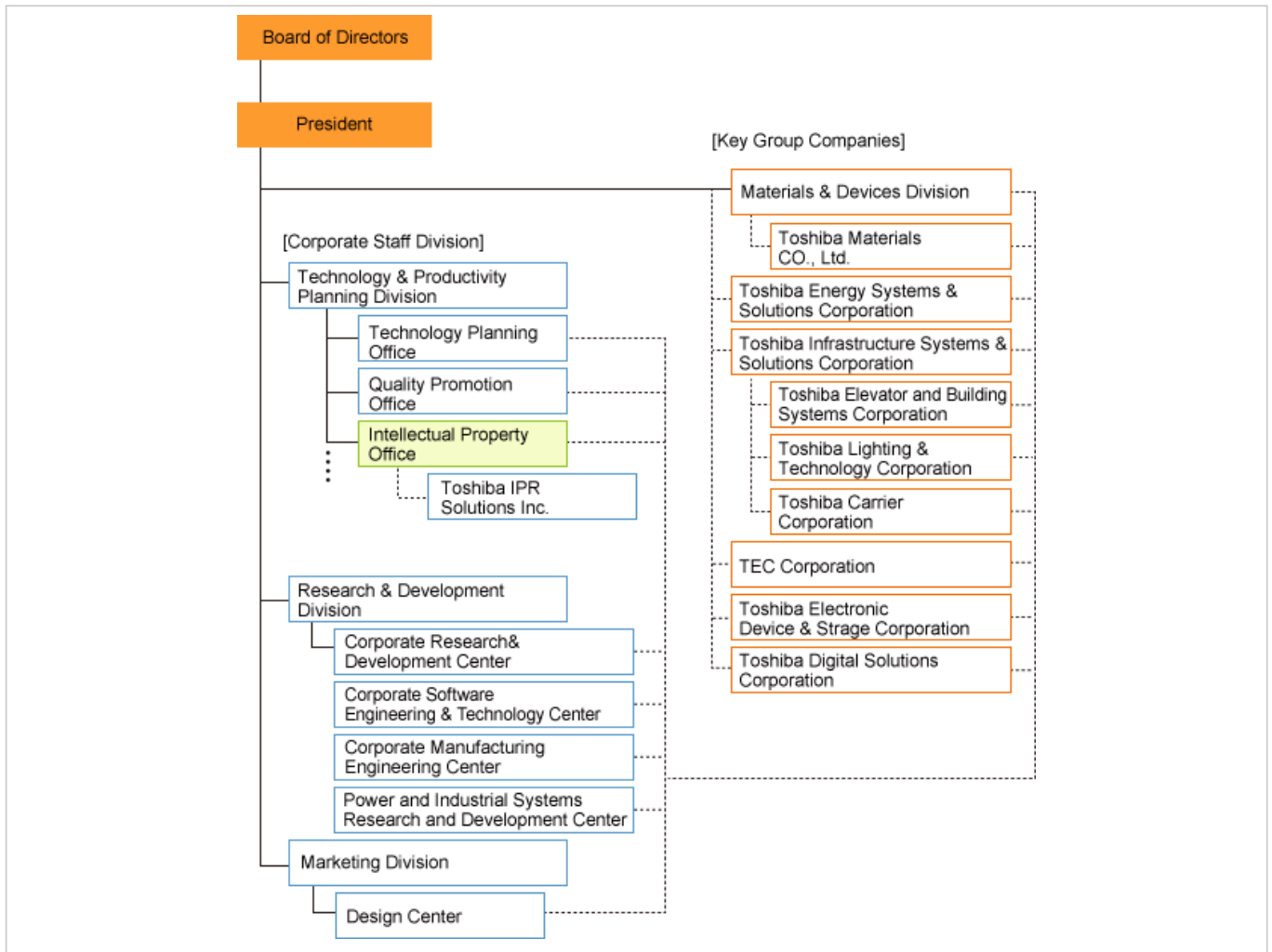
The corporate Intellectual Property Office formulates and promotes company-wide strategy and measures regarding intellectual property, handles contracts and disputes, manages patent information and deals with matters related to intellectual property right laws, such as the Copyright Law.

On the other hand, the intellectual property divisions at laboratories and key Group companies promote intellectual property strategies based on their respective operations, and strive to enhance intellectual property, in order to build an excellent intellectual property portfolio.

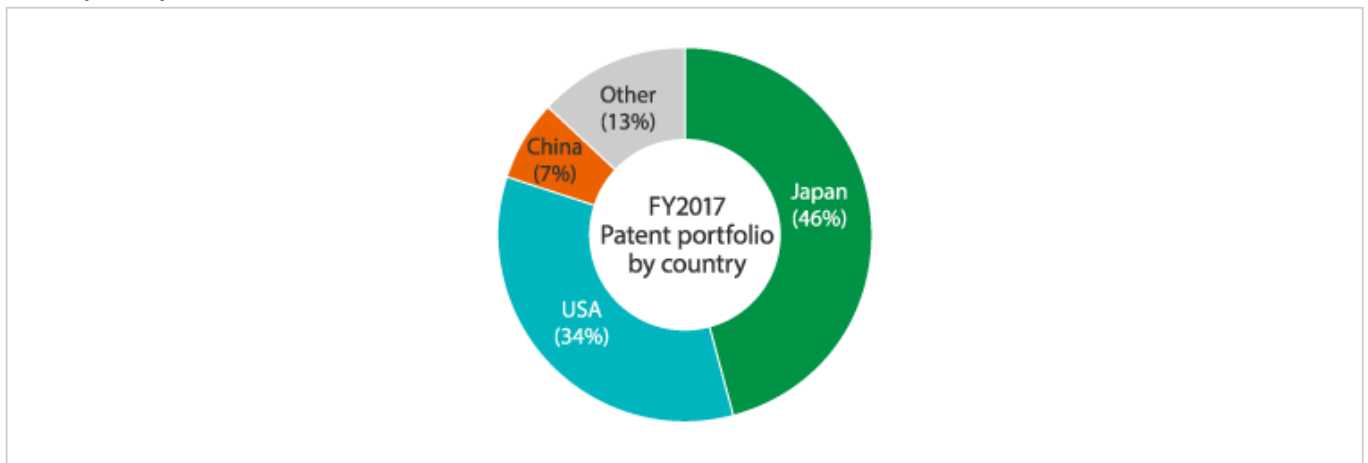
Toshiba Group's Intellectual Property Strategy



Toshiba Group Intellectual Property Management Structure






Global patent portfolio



Measures against Counterfeit Products

The Toshiba brand symbolizes the value of the Toshiba Group as a corporation, and the value of the products or services that we offer. Failure to take action against counterfeits of Toshiba products would pose not only the risk of damage to Toshiba's brand value and public confidence, but also the risk of purchasing counterfeit products that do not meet the quality expectations of customers who mistake them for genuine products. For this reason, we strive to eradicate counterfeit products, collaborating with domestic and overseas anti-counterfeit organizations, and are actively appealing to local bodies such as government agencies for more stringent control.

Evaluation by External Parties

Awarding entity / Name of the award	Evaluation	Recipient
Customer Related		
GOOD DESIGN AWARD 2017 	<ul style="list-style-type: none"> 100kW Pure Hydrogen Fuel Cell System TS Leak checker with meter reading function TSLC-SV2000 Nail tips OpenNail 4K OLED TV REGZA X910 series Home IoT Terminal TH-GW10 Etc.	Toshiba Corporation / Toshiba Energy Systems & Solutions Corporation Etc.
International Association for Universal Design IAUD Award 	SILVER AWARD In the category of Product Design : Cordless cleaner VC-NX1/NXS1 IAUD AWARD In the category of Product Design : Cordless iron TA-FLW series	Toshiba Corporation / Toshiba Lifestyle Products & Services Corporation / Toshiba Home Technology Corporation
IF DESIGN AWARD 2018 	Unidirectional gateways TOSMAP-DS/LX OWB Etc.	Toshiba Corporation Etc.
Environment Related		
Evaluation of products and technologies		
The Energy Conservation Center, Japan (ECCJ) FY2017 Energy Conservation Grand Prize	(Agency for Natural Resources and Energy Director-General's Award) Universal Smart X EDGE Series (Agency for Natural Resources and Energy Director-General's Award) LED Lighting Achieved by Innovative Technology LED Light Bulb with Gallium Nitride Power Device and 2kW Projector	Toshiba Carrier Corporation / Tohoku Electric Power Co.,Inc. Toshiba Lighting & Technology Corporation
Ministry of the Environment FY2017 Minister of the Environment's Award for Activities to Mitigate Global Warming Technology development and productization Category	Development of HEATEDGE, an Air-cooled Heat Pump Chiller with Reinforced Heating Performance Path to Productization of LED Projector Equivalent to 2kW Metal Halide Lamp and LED Conversion of All Large Luminous Flux Lighting	Toshiba Carrier Corporation / Tohoku Electric Power Co.,Inc. Toshiba Lighting & Technology Corporation
FUJISANKEI COMMUNICATIONS Group 27th Grand Prize for the Global Environment Award Encouragement Award	Development of LED Lighting with Gallium Nitride Power Device and Progress in Leading in Preventing Global Warming and Establishing Circular Society	Toshiba Lighting & Technology Corporation
Nikkei Inc. 2017 Nikkei Global Environmental Technology Awards Awarded for Excellence	Development and Productization of a Small-sized Dimmable LED Light Bulb with Gallium Nitride Power Device and LED Conversion of All Light-bulb Type Light Source	Toshiba Lighting & Technology Corporation

Japan Society of Refrigerating and Air Conditioning Engineers FY2017 Award of Japan Society of Refrigerating and Air Conditioning Engineers Technology Award	High-volume and High-efficiency Rotary Compressors 1000A4 Series	Toshiba Carrier Corporation
Kawasaki City, Kanagawa Prefecture FY2017 Kawasaki Mechanism Certification System	Doppler VHF Omnidirectional Radio Range (TW4332)	Toshiba Infrastructure Systems & Solutions Corporation Komukai Complex
Kawasaki City, Kanagawa Prefecture City of Kawasaki's Low CO2 Kawasaki Brand 2017	<ul style="list-style-type: none"> ■ Doppler VHF Omnidirectional Radio Range (TW4332) ■ OCR Scanner S12000 	Toshiba Infrastructure Systems & Solutions Corporation Komukai Complex
Japan Electrical Construction Association JECA FAIR 2017—65th Electrical Construction Equipment and Materials Fair— PRODUCTS AWARD Encouragement Award of Japan Electrical Construction Association	72kV Solid Insulated Switchgear	Toshiba Corporation
The Japan Electrical Manufacturers' Association 66th Electrical Manufacturers' Technology Award Encouragement Award	<ul style="list-style-type: none"> ■ Upgrade and Development of Horizontal Water-Turbine Generator ■ Development of Small Thin Emergency Generator 	NISHISHIBA ENGINEERING CO.,LTD.
H&W news AWARDS 2017 Commercial HVAC Product of the Year - Cooling/Ventilation	SHRM-e VRF System	Toshiba Carrier UK Ltd.
Evaluation of business activities		
Ishikawa Prefecture 2018 Persons of Merit in Ishikawa Forest Environment	Kaga Toshiba Forest Development Activities	Kaga Toshiba Electronics Corporation
Iwate Prefecture Wide Southern Prefectural Area Promotion Bureau's Environmental Award Environmental Award	Environmental Conservation Activities	Japan Semiconductor Corporation Iwate Operations
Iwate Prefecture Start from What You Can Do Eco Action Award Eco Action Award	Global Warming Prevention Initiative in the Office	Japan Semiconductor Corporation Iwate Operations
Special Awards of the Green Logistics Partnership Conference FY2017 the Excellent Green Logistics Commendation Program	Model for reducing environmental burden and improving productivity in apparel supply chains, taking advantage of electronic tags	TOSHIBA TEC CORPORATION / Adastria Co.,Ltd. / Adastria Logistics Co., Ltd. / Naxis Co., Ltd.
Niigata Prefecture Excellent Office in Environmental Conservation 2017 Niigata Prefecture Excellent Office Award for Environmental Conservation	Environmental Conservation Activities	Toshiba Infrastructure Systems & Solutions Corporation Kashiwazaki Operations
Bureau of Environment, Tokyo Metropolitan Government Certified as 2017 Office Taking Excellent Specific Global Warming Countermeasures (Category II top-level office)	—	Toshiba Infrastructure Systems & Solutions Corporation Fuchu Complex
Singapore Packaging Agreement Awards 2017 Merit Award	Measure to Reduce Packaging Waste	TOSHIBA TEC SINGAPORE PTE. LTD.

The Prime Minister's Industry Award 2017 (Environmental Quality Conservation Category) Award & certificate	Environmental Conservation Activities by Employees	Toshiba Semiconductor (Thailand) Co., Ltd.
CSR-DIW Continuous Awards (3rd year) Award & certificate	CSR Activities (including environmental activities) in General	Toshiba Semiconductor (Thailand) Co., Ltd.
Evaluation of environmental communication		
Ministry of the Environment, The Global Environmental Forum Environmental Communication Awards Award of merit	Toshiba Group Environmental Report 2017	Toshiba Corporation
Ministry of the Environment 2017 Excellent Enterprise Award for Environmental Human Resource Development	Excellence Award (Large Enterprise Category) Environmental awareness raising and human development through CSR and communication	Japan Semiconductor Corporation
	Encouragement Award (Large Enterprise Category) Human resource development through environmental activities in offices and regions	Toshiba Electronic Device & Storage Corporation Himeji Operations-Semiconductor
Leave a Nest Co., Ltd. Education Support Grand Prix 2017 Encouragement Award	Education program for primary school children: Where Does Electricity Come From? The World Beyond the Power Outlet.	Toshiba Corporation
Product and Technology Related		
The Japanese Society for Artificial Intelligence JSAI Field Innovation Award Gold Medal	Improvements in Semiconductor Manufacturing Productivity at Yokkaichi Operations	Toshiba Corporation / Toshiba Memory Corporation
MIPI Alliance MIPI Membership Awards MIPI Membership Award	Toshiba Corporation	Toshiba Corporation
Clarivate Analytics Top 100 Global Innovators 2017 	Selected as Top 100 Global Innovators 2017 (Clarivate Analytics) Selected for the 7th consecutive year since 2011	Toshiba Corporation

History of CSR Activities

🌱 Concerned with environmental issues

FY2017	<ul style="list-style-type: none"> Started the Sixth Environmental Action Plan 🌱
FY2016	<ul style="list-style-type: none"> Losses arose in the nuclear business; implemented various initiatives to identify the cause of the issue and to develop remedial measures. Published a statement based on the UK Modern Slavery Act 2015.
FY2015	<ul style="list-style-type: none"> Started investigation into the cause of accounting issue, and addressing various measures for recurrence prevention. Held seminars to explain Global Compact and RBA Code of Conduct for both suppliers and people from Toshiba Group companies.
FY2014	<ul style="list-style-type: none"> Revised Standards of Conduct for Toshiba Group and added Respect for Human Rights as Article 1. Revised Toshiba Group Procurement Policy and requested some 10,000 suppliers (cumulative numbers) to abide by this revised content. Commenced Toshiba Group Simultaneous Social Contribution Activities
FY2013	<ul style="list-style-type: none"> Organized "Business & Human Rights Workshop" for human resource managers from 9 Asian countries. Newly established "Social Contributions by Business" category to Social Contribution Award. Introducing T-Compass, a new concept of environmental management. 🌱
FY2012	<ul style="list-style-type: none"> Continued implementation of the PDCA cycle according to ISO 26000. Surveys of some 10,000 suppliers regarding their approaches to issues related to conflict minerals and CSR promotion. Achievement of 0.67 trillion yen in sales of excellent ECPs (Environmentally Conscious Products with the industry's highest level of environmental performance in terms of KPIs). 🌱
FY2011	<ul style="list-style-type: none"> Implementation of PDCA cycle of checking, identification of issues, planning, action, and evaluation based on ISO 26000. Established Toshiba Group Conflict Mineral Policy. Revised Toshiba Group Procurement Policy and requested that suppliers continue to promote CSR in the supply chain. Formulation of the Fifth Environmental Action Plan. 🌱 Reviewing the BCP based on the experience of the Great East Japan Earthquake and the floods in Thailand.
FY2010	<ul style="list-style-type: none"> Strengthened CSR management based on the principles of ISO 26000 Initiated workplace meetings focusing on integrity Introduction of a system for visualizing working hours UD advisor system expanded to include non-Japanese employees Announcement of the new concept for environmental management at a business policy briefing("Greening of Process, Greening of Products and Greening by Technology") 🌱
FY2009	<ul style="list-style-type: none"> Ending production of general-use incandescent bulbs Formulation of Toshiba Group Biodiversity Guidelines 🌱 Establishment of Sign Language Club Enforcement of the requirement to leave the office at the regular time for at least two days during the Family Week in Japan

FY2008	<ul style="list-style-type: none"> ▪ Collaboration with NPOs to promote experiential science education. (Supporting the activities of experiential science education research organizations) ▪ 1st Toshiba Cup Contest among students specializing in science and math education at teacher-training universities in China to present their creative teaching plans. ▪ Reorganization of home appliance call centers (change to product-wise call centers) ▪ Implementation of on-site CSR audit (related to human rights, occupational health and safety, the environment) of suppliers in Thailand. ▪ Issue of Environmental Report. 🌱 ▪ Announcement to allow the peak out of Toshiba Group's greenhouse gas emissions in 2012 and thereafter reduce the absolute emissions. 🌱
FY2007	<ul style="list-style-type: none"> ▪ Toshiba Group Environmental Vision 2050 is established. 🌱 ▪ Structures and systems for Quality Control at Toshiba Group is reinforced. ▪ Ethical education to Technical Employees in Japan and overseas is provided. ▪ Toshiba Group Fourth Voluntary Plan is extended from FY2010 to FY2012, with New Targets Added. 🌱 ▪ Statutory Ratio of Employment of People with Disabilities is fulfilled in all the subject Group Companies in Japan.
FY2006	<ul style="list-style-type: none"> ▪ Toshiba Group CSR Month is established. ▪ Standards of Conduct for Toshiba Group is revised. ▪ The Clean Partner Line, a whistleblower system for suppliers and other business partners, is established. ▪ Toshiba Group 1.5 Million Tree-planting Project is launched. ▪ The New EASTER comprehensive audit system is put in place. 🌱
FY2005	<ul style="list-style-type: none"> ▪ Toshiba With Co., Ltd., a special subsidiary for employment of the disabled, is established. ▪ Toshiba Group CSR Conference is held. ▪ Toshiba "ASHITA" Award is established. ▪ The philosophy, policies and criteria for universal design are established. ▪ Standards of Conduct concerning Sales to Government and Authorities are established and thoroughly implemented. ▪ Participates in the Eco-Products International Fair 🌱
FY2004	<ul style="list-style-type: none"> ▪ Standards of Conduct for Toshiba Group is applied throughout the Group. ▪ CSR report is issued. ▪ An organization dedicated to promotion of equal opportunity is established. ▪ Toshiba Group Procurement Policy based on CSR is established. ▪ Toshiba Group Environmental Vision 2010 is announced. 🌱 ▪ Fourth Voluntary Environmental Plan is introduced. 🌱
FY2003	<ul style="list-style-type: none"> ▪ Company with committees system is adopted. ▪ CSR Division is established. ▪ CSR Website is opened. ▪ Factor T, an eco-efficiency indicator, is introduced. 🌱 ▪ Joins Business for Social Responsibility (BSR), an international CSR association based in the U.S. ▪ Health and safety management system is introduced. ▪ Standards of Conduct for Toshiba Group is revised. ▪ Joins UN Global Compact

FY2002	<ul style="list-style-type: none"> Internal free agent system is introduced. Zero emissions of waste is achieved.
FY2001	<ul style="list-style-type: none"> Japanese version and international version of the Standards of Business Conduct are integrated.
FY2000	<ul style="list-style-type: none"> Corporate risk management system is established. Environmental accounting is introduced. Third Voluntary Environmental Plan is introduced. Green procurement is introduced.
FY1999	<ul style="list-style-type: none"> In-house company system is introduced. Environmental report is issued. Environmental Protection & Recycling Planning Center is established. Toshiba Customer Information Center is established.
FY1998	<ul style="list-style-type: none"> Executive officer system is introduced.
FY1996	<ul style="list-style-type: none"> Second Voluntary Environmental Plan is introduced.
FY1995	<ul style="list-style-type: none"> ISO 14001 certification is obtained.
FY1993	<ul style="list-style-type: none"> First Voluntary Environmental Plan is introduced.
FY1992	<ul style="list-style-type: none"> ExploraVision Award is started in the U.S. Family-care leave, child-care leave and short-time working hours systems are introduced.
FY1991	<ul style="list-style-type: none"> Corporate Environmental Protection Council is established. Toshiba Group Environmental Exhibition is started. Toshiba Thai Foundation is established.
FY1990	<ul style="list-style-type: none"> Basic Commitment of the Toshiba Group and the slogan are established. Toshiba Standards of Business Conduct and Toshiba International Standards of Conduct are established. Toshiba America Foundation is established.
FY1989	<ul style="list-style-type: none"> Basic Policy for Environmental Protection is established. Environmental auditing is introduced. Toshiba International Foundation is established.
FY1988	<ul style="list-style-type: none"> Environmental Protection Center is established.
FY1975	<ul style="list-style-type: none"> Toshiba Group Health and Safety Convention is introduced.
FY1973	<ul style="list-style-type: none"> Toshiba Management Philosophy is established.
FY1971	<ul style="list-style-type: none"> Consumers Department is established.

Comparison with the UN Global Compact

As a signatory to the UN Global Compact, Toshiba submits Communication on Progress (COP) reports regarding the implementation progress of the ten principles of the Global Compact. The Global Compact sets forth universal principles on human rights, labor, the environment and anti-corruption advocated by the United Nations.

➤ [Participation in CSR-related organizations](#)

■C: CSR website

■E: Environmental website

(Evaluations as of December 2018)

Global Compact Ten Principles		References
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> ■C: Respect for Human Rights ■C: Employment and Labor Relations (Relationship with Toshiba Union) ■C: Diversity Promotion ■C: Occupational Health and Safety ■C: Risk Management and Compliance ■C: CSR Management in the Supply Chain ■C: Quality Control ■C: Product Safety and Product Security ■C: Stakeholders (NPOs/NGOs)
Principle 2	Make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> ■C: Respect for Human Rights ■C: Employment and Labor Relations (Relationship with Toshiba Union) ■C: Risk Management and Compliance (Compliance Training) ■C: CSR Management in the Supply Chain
Labor		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> ■C: Employment and Labor Relations ■C: Risk Management and Compliance (Compliance Training) ■C: CSR Management in the Supply Chain
Principle 4	The elimination of all forms of forced and compulsory labor	<ul style="list-style-type: none"> ■C: Respect for Human Rights ■C: Risk Management and Compliance (Compliance Training) ■C: CSR Management in the Supply Chain
Principle 5	The effective abolition of child labor	<ul style="list-style-type: none"> ■C: Respect for Human Rights ■C: Risk Management and Compliance (Compliance Training) ■C: CSR Management in the Supply Chain
Principle 6	The elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> ■C: Diversity Promotion ■C: Risk Management and Compliance (Compliance Training) ■C: CSR Management in the Supply Chain ■C: Coexistence with Local Communities

Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	■C: Stakeholders (Governments and public bodies) ■E: Environment
Principle 8	Undertake initiatives to promote greater environmental responsibility	■C: SDG Initiatives ■C: Product Safety and Product Security ■C: Stakeholders (Governments and public bodies) ■E: Environment
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	■C: SDG Initiatives ■C: Stakeholders (Governments and public bodies) ■E: Environment
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	■C: Risk Management and Compliance ■C: Stakeholders (Governments and public bodies)

Comparison with ISO 26000

Toshiba strive to evaluate our CSR initiatives according to the core subjects as well as to expand our CSR initiatives and CSR reporting.

C: CSR website

E: Environmental website

IR: IR website

O: Other website

(Evaluations as of December 2018)

Core Subjects	Issues	References
6.2 Organizational governance		C: CSR Management
		C: Stakeholders
		C: Stakeholder Dialogue by Region
		C: Corporate Governance
6.3 Human rights		
6.3.3	Due diligence	C: Respect for Human Rights
6.3.4	Human rights risk situations	C: Respect for Human Rights
6.3.5	Avoidance of complicity	C: Respect for Human Rights
6.3.6	Resolving grievances	C: Respect for Human Rights
6.3.7	Discrimination and vulnerable groups	C: Respect for Human Rights
6.3.8	Civil and political rights	C: Respect for Human Rights
6.3.9	Economic, social and cultural rights	C: Respect for Human Rights
6.3.10	Fundamental principles and rights at work	C: Respect for Human Rights
		C: CSR Management in the Supply Chain
6.4 Labor practices		
6.4.3	Employment and employment relationships	C: Employment and Labor Relations
		C: Fair Evaluation and Talent Development
		C: Diversity Promotion
6.4.4	Conditions of work and social protection	C: Diversity Promotion
		C: Occupational Health and Safety
6.4.5	Social dialogue	C: Employment and Labor Relations
		C: Fair Evaluation and Talent Development
6.4.6	Health and safety at work	C: Occupational Health and Safety
6.4.7	Human development and training in the workplace	C: Fair Evaluation and Talent Development

6.5 The environment		
6.5.3	Prevention of pollution	E: Overview of Environmental Impacts
		E: Reducing emissions of chemical substances
		E: Management of chemicals in products
6.5.4	Sustainable resource use	E: Overview of Environmental Impacts
		E: Reducing waste volumes
		E: Reducing the Amount of Water Received
		E: Increasing the amount of resources saved
		E: Increasing the use of recycled plastics
6.5.5	Climate change mitigation and adaptation	E: Overview of Environmental Impacts
		E: Reducing Total GHG Emissions
		E: Increasing reduction of CO₂ emissions of products and services
		E: Products and services associated with power supply
		E: Products and services associated with power consumption
6.5.6	Protection of the environment, biodiversity and restoration of natural habitats	E: Making Supply Chain GHG Emissions Visible for All Categories
		E: Conservation of Biodiversity
6.6 Fair operating practices		
6.6.3	Anti-corruption	C: Risk Management and Compliance
6.6.4	Responsible political involvement	C: Risk Management and Compliance
		C: Stakeholders (Governments and public bodies)
6.6.5	Fair competition	C: Risk Management and Compliance
6.6.6	Promoting social responsibility in the value chain	C: CSR Management in the Supply Chain
		C: Risk Management and Compliance (Export Control)
6.6.7	Respect for property rights	C: Risk Management and Compliance
		C: Research & Development and Intellectual Property
6.7 Consumer issues		
6.7.3	Fair marketing, factual and unbiased information and fair contractual practices	C: Product Safety and Product Security
6.7.4	Protecting consumers' health and safety	C: Quality Control
		C: Product Safety and Product Security
6.7.5	Sustainable consumption	C: Quality Control
		C: CSR Management in the Supply Chain
		E: Business (Products/Services)
		E: Products and services associated with power consumption
		E: Environmental Communication

6.7.6	Consumer service, support, and complaint and dispute resolution	C: Enhancement of Customer Satisfaction
6.7.7	Consumer data protection and privacy	C: Risk Management and Compliance (Information Security Management)
		C: Enhancement of Customer Satisfaction (Policy on Customer Information Protection)
6.7.8	Access to essential services	C: Enhancement of Customer Satisfaction
6.7.9	Education and awareness	C: Quality Control (Disclosure of Information on Quality)
		C: Product Safety and Product Security
6.8 Community involvement and development		
6.8.3	Community involvement	C: Coexistence with Local Communities
		C: Social Contribution Activities
		C: Stakeholders
		C: Risk Management and Compliance
6.8.4	Education and culture	C: Coexistence with Local Communities
		C: Social Contribution Activities
6.8.5	Employment creation and skills development	C: Coexistence with Local Communities
6.8.6	Technology development and access	C: SDGs Initiatives
6.8.7	Wealth and income creation	C: Coexistence with Local Communities
6.8.8	Health	C: Coexistence with Local Communities
6.8.9	Social investment	C: Coexistence with Local Communities
		C: Stakeholders (Governments and public bodies)
		C: Stakeholders (NPOs/NGOs)

GRI Content Index

Toshiba CSR Report 2018 refers to the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016. For the connection with these standards, please see the table below.

- C: CSR website
- E: Environmental website
- IR: IR website
- O: Other website

(Evaluations as of December 2018)

General Disclosures

No.	Requirements	References
1. Organizational profile		
102-1	Name of the organization	■O: Basic Corporate Data
102-2	Activities, brands, products, and services	■O: Business Domains
102-3	Location of headquarters	■O: Basic Corporate Data
102-4	Location of operations	■O: Offices
102-5	Ownership and legal form	■O: Basic Corporate Data
102-6	Markets served	■IR: Geographic Segment Information ■O: Business Domains
102-7	Scale of the organization	■O: Basic Corporate Data ■IR: Annual Reports ■IR: Income Statements ■IR: Balance Sheets ■O: Business Domains
102-8	Information on employees and other workers	■C: Diversity Promotion
102-9	Supply chain	■C: CSR Management in the Supply Chain
102-10	Significant changes to the organization and its supply chain	■IR: Stock Information
102-11	Precautionary Principle or approach	■IR: Annual Reports ■C: Participation in External CSR Organizations ■C: Corporate Governance ■C: Risk Management and Compliance ■C: Research & Development and Intellectual Property ■C: Respect for Human Rights ■C: Standards of Conduct for Toshiba Group ■E: Risks and Opportunities ■E: Compliance with Environmental Laws and Regulations ■E: Preventing Contamination and Reducing Contamination Risks ■E: Management of chemicals in products
102-12	External initiatives	■C: Participation in External CSR Organizations ■C: CSR Management in the Supply Chain

102-13	Membership of associations	<ul style="list-style-type: none"> ■C: Participation in External CSR Organizations ■C: CSR Management in the Supply Chain
2. Strategy		
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> ■O: Message from Top Management ■C: Message from the Executive in Charge of CSR ■E: Message from the Corporate Environmental Officer
102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> ■IR: Annual Reports ■C: Material Issues ■E: Risks and Opportunities
3. Ethics and integrity		
102-16	Values, Principles, standards, and norms of behavior	<ul style="list-style-type: none"> ■O: The Essence of Toshiba ■C: Standards of Conduct for Toshiba Group
102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> ■C: Risk Management and Compliance
4. Governance		
102-18	Governance structure	<ul style="list-style-type: none"> ■C: Corporate Governance ■C: CSR Management ■E: Environmental Management Structure
102-19	Delegating authority	<ul style="list-style-type: none"> ■C: CSR Management ■E: Environmental Management Structure
102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> ■C: CSR Management ■E: Environmental Management Structure
102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> ■C: Corporate Governance Guidelines
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> ■O: Directors and Executives ■C: Corporate Governance ■C: Corporate Governance Report (Japanese) ■O: Articles of incorporation ■IR: Annual Reports
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> ■O: Directors and Executives ■C: Corporate Governance
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> ■C: Corporate Governance
102-25	Conflicts of interest	<ul style="list-style-type: none"> ■C: Corporate Governance Guidelines ■IR: Annual Reports ■IR: Stock Information
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> ■C: Corporate Governance
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> ■C: CSR Management ■E: Environmental Management Structure
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> ■C: Corporate Governance ■C: Corporate Governance Report (Japanese)
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> ■C: CSR Management ■E: Risks and Opportunities
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> ■C: CSR Management ■E: Environmental Management Structure

102-31	Review of economic, environmental, and social topics	■IR: Annual Reports
102-32	Highest governance body's role in sustainability reporting	-
102-33	Communicating critical concerns	■C: Corporate Governance ■C: Risk Management and Compliance
102-34	Nature and total number of critical concerns	■IR: Business Risk Factors
102-35	Remuneration policies	■C: Corporate Governance
102-36	Process for determining remuneration	■C: Corporate Governance
102-37	Stakeholders' involvement in remuneration	-
102-38	Annual total compensation ratio	-
102-39	Percentage increase in annual total compensation ratio	-
5. Stakeholder engagement		
102-40	List of stakeholder groups	■C: Stakeholder Engagement ■E: Management
102-41	Collective bargaining agreements	-
102-42	Identifying and selecting stakeholders	■C: Stakeholders ■C: Material Issues
102-43	Approach to stakeholder engagement	■C: Stakeholders ■C: Stakeholder Engagement ■C: Respect for Human Rights ■C: CSR Management in the Supply Chain ■E: Management
102-44	Key topics and concerns raised	■IR: Shareholders' Meeting ■C: Respect for Human Rights ■E: The Sixth Environmental Action Plan
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	■IR: Annual Reports
102-46	Defining report content and topic Boundaries	-
102-47	List of material topics	■C: Material Issues ■E: The Sixth Environmental Action Plan
102-48	Restatements of information	-
102-49	Changes in reporting	-
102-50	Reporting Period	■C: CSR Reporting Policy.
102-51	Date of most recent report	■C: CSR Reporting Policy.
102-52	Reporting cycle	■C: CSR Reporting Policy.
102-53	Contact point for questions regarding the report	■C: Questionnaire for CSR Report ■C: Inquiries about CSR and Environmental Activities
102-54	Claims of reporting in accordance with the GRI Standards	■C: GRI Content Index (This page)
102-55	GRI content index	■C: GRI Content Index (This page)
102-56	External assurance	-

Economic

No.	Requirements	References
Economic Performance		
103-1、2、3	Management Approach	-
201-1	Direct economic value generated and distributed	■C: Social Contribution Activities
201-2	Financial implications and other risks and opportunities due to climate change	■IR: Annual Reports ■E: Risks and Opportunities
201-3	Defined benefit plan obligations and other retirement plans	■IR: Annual Reports
201-4	Financial assistance received from government	-
Market Presence		
103-1、2、3	Management Approach	-
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
202-2	Proportion of senior management hired from the local community	-
Indirect Economic Impacts		
103-1、2、3	Management Approach	-
203-1	Infrastructure investments and services supported	■O: Business Domains
203-2	Significant indirect economic impacts	-
Procurement Practices		
103-1、2、3	Management Approach	■C: Material Issues ■C: CSR Management in the Supply Chain ■C: Risk Management and Compliance
204-1	Proportion of sending on local suppliers	-
Anti-corruption		
103-1、2、3	Management Approach	■C: Risk Management and Compliance
205-1	Operations assessed for risks related to corruption	-
205-2	Communication and training about anti-corruption policies and procedures	■C: Risk Management and Compliance
205-3	Confirmed incidents of corruption and actions taken	-
Anti-competitive Behavior		
103-1、2、3	Management Approach	■C: Risk Management and Compliance
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-

Environmental

No.	Requirements	References
Materials		
103-1、2、3	Management Approach	<ul style="list-style-type: none"> ■E: Risks and Opportunities ■E: The Sixth Environmental Action Plan
301-1	Materials used by weight or volume	<ul style="list-style-type: none"> ■E: Increasing the amount of resources saved ■E: Increasing the use of recycled plastics
301-2	Recycled input materials used	<ul style="list-style-type: none"> ■E: Overview of Environmental Impacts
301-3	Reclaimed products and their packaging materials	-
Energy		
103-1、2、3	Management Approach	<ul style="list-style-type: none"> ■E: Risks and Opportunities ■E: The Sixth Environmental Action Plan
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> ■E: Overview of Environmental Impacts
302-2	Energy consumption outside of the organization	<ul style="list-style-type: none"> ■E: Overview of Environmental Impacts
302-3	Energy intensity	<ul style="list-style-type: none"> ■E: Reducing Total GHG Emissions
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> ■E: Reducing Total GHG Emissions
302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> ■E: Increasing reduction of CO₂ emissions of products and services
Water		
103-1、2、3	Management Approach	<ul style="list-style-type: none"> ■E: Risks and Opportunities ■E: The Sixth Environmental Action Plan
303-1	Water withdrawal by source	<ul style="list-style-type: none"> ■E: Overview of Environmental Impacts
303-2	Water sources significantly affected by withdrawal of water	-
303-3	Water recycled and reused	<ul style="list-style-type: none"> ■E: Overview of Environmental Impacts
Biodiversity		
103-1、2、3	Management Approach	<ul style="list-style-type: none"> ■E: Risks and Opportunities ■E: The Sixth Environmental Action Plan
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
304-2	Significant impacts of activities, products, and services on biodiversity	-
304-3	Habitats protected or restored	<ul style="list-style-type: none"> ■E: Conservation of Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none"> ■E: Conservation of Biodiversity
Emissions		
103-1、2、3	Management Approach	<ul style="list-style-type: none"> ■E: Risks and Opportunities ■E: The Sixth Environmental Action Plan
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> ■E: Reducing Total GHG Emissions

305-2	Energy indirect (Scope 2) GHG emissions	■E: Reducing Total GHG Emissions
305-3	Other indirect (Scope 3) GHG emissions	■E: Making Supply Chain GHG Emissions Visible for All Categories
305-4	GHG emissions intensity	■E: Reducing Total GHG Emissions
305-5	Reduction of GHG emissions	■E: Making Supply Chain GHG Emissions Visible for All Categories
305-6	Emissions of ozone-depleting substances (ODS)	■E: Management of ozone-depleting substances
305-7	Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions	■E: Overview of Environmental Impacts
Effluents and Waste		
103-1、2、3	Management Approach	■E: Risks and Opportunities ■E: The Sixth Environmental Action Plan
306-1	Water discharge by quality and destination	■E: Reducing the Amount of Water Received
306-2	Waste by type and disposal method	■E: Reducing Waste Volumes
306-3	Significant spills	■E: Preventing Contamination and Reducing Contamination Risks
306-4	Transport of hazardous waste	-
306-5	Water bodies affected by water discharges and/or runoff	-
Environmental Compliance		
103-1、2、3	Management Approach	■E: Risks and Opportunities ■E: The Sixth Environmental Action Plan ■E: Compliance with Environmental Laws and Regulations
307-1	Non-compliance with environmental laws and regulations	■E: Compliance with Environmental Laws and Regulations
Supplier Environmental Assessment		
103-1、2、3	Management Approach	■E: Risks and Opportunities ■C: CSR Management in the Supply Chain
308-1	New suppliers that were screened using environmental criteria	-
308-2	Negative environmental impacts in the supply chain and actions taken	■C: CSR Management in the Supply Chain

Social

No.	Requirements	References
Employment		
103-1、2、3	Management Approach	■C: Material Issues ■C: Respect for Human Rights ■C: Diversity Promotion ■C: Fair Evaluation and Talent Development ■C: Employment and Labor Relations
401-1	New employee hires and employee turnover	-

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	■C: Diversity Promotion
401-3	Parental leave	■C: Diversity Promotion
Labor/Management Relations		
103-1、2、3	Management Approach	■C: Material Issues ■C: Employment and Labor Relations
402-1	Minimum notice periods regarding operational changes	-
Occupational Health and Safety		
103-1、2、3	Management Approach	■C: Material Issues ■C: Occupational Health and Safety
403-1	Workers representation in formal joint management-worker health and safety committees	-
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	■C: Occupational Health and Safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	-
403-4	Health and safety topics covered in formal agreements with trade unions	-
Training and Education		
103-1、2、3	Management Approach	■C: Material Issues ■C: Fair Evaluation and Talent Development
404-1	Average hours of training per year per employee	-
404-2	Programs for upgrading employee skills and transition assistance programs	■C: Fair Evaluation and Talent Development ■C: Diversity Promotion
404-3	Percentage of employees receiving regular performance and career development reviews	■C: Fair Evaluation and Talent Development
Diversity and Equal Opportunity		
103-1、2、3	Management Approach	■C: Material Issues ■C: Diversity Promotion ■C: Respect for Human Rights
405-1	Diversity of governance bodies and employees	■C: Corporate Governance ■IR: Annual Reports ■C: Diversity Promotion
405-2	Ratio of basic salary and remuneration of women to men	-
Non-discrimination		
103-1、2、3	Management Approach	■C: Material Issues ■C: Respect for Human Rights
406-1	Incidents of discrimination and corrective actions taken	-
Freedom of Association and Collective Bargaining		
103-1、2、3	Management Approach	■C: Material Issues ■C: Respect for Human Rights
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-

Child Labor		
103-1, 2, 3	Management Approach	■C: Material Issues ■C: Respect for Human Rights ■C: CSR Management in the Supply Chain
408-1	Operations and suppliers at significant risk for incidents of child labor	-
Forced or Compulsory Labor		
103-1, 2, 3	Management Approach	■C: Material Issues ■C: Respect for Human Rights ■C: CSR Management in the Supply Chain
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
Security Practices		
103-1, 2, 3	Management Approach	■C: Material Issues ■C: Respect for Human Rights ■C: CSR Management in the Supply Chain
410-1	Security personnel trained in human rights policies or procedures	-
Rights of Indigenous Peoples		
103-1, 2, 3	Management Approach	■C: Material Issues ■C: Respect for Human Rights ■C: CSR Management in the Supply Chain
411-1	Incidents of violations involving rights of indigenous peoples	-
Human Rights Assessment		
103-1, 2, 3	Management Approach	■C: Material Issues ■C: Respect for Human Rights ■C: CSR Management in the Supply Chain
412-1	Operations that have been subject to human rights reviews or impact assessments	■C: CSR Management
412-2	Employee training on human rights policies or procedures	■C: Respect for Human Rights ■C: Risk Management and Compliance
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
Local communities		
103-1, 2, 3	Management Approach	-
413-1	Operations with local community engagement, impact assessments, and development programs	■E: Environmental Audits
413-2	Operations with significant actual and potential negative impacts on local communities	■E: Soil and groundwater purification

Supplier Social Assessment		
103-1、2、3	Management Approach	■C: Material Issues ■C: CSR Management in the Supply Chain ■C: Risk Management and Compliance
414-1	New suppliers that were screened using social criteria	-
414-2	Negative social impacts in the supply chain and actions taken	■C: CSR Management in the Supply Chain
Public Policy		
103-1、2、3	Management Approach	-
415-1	Political contributions	-
Customer Health and Safety		
103-1、2、3	Management Approach	■C: Product Safety and Product Security
416-1	Assessment of the health and safety impacts of product and service categories	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	■C: Product Safety and Product Security ■C: Risk Management and Compliance
Marketing and Labeling		
103-1、2、3	Management Approach	-
417-1	Requirements for product and service information and labeling	-
417-2	Incidents of non-compliance concerning product and service information and labeling	■C: Product Safety and Product Security ■C: Risk Management and Compliance
417-3	Incidents of non-compliance concerning marketing communications	■C: Risk Management and Compliance
Customer Privacy		
103-1、2、3	Management Approach	■C: Material Issues ■C: Risk Management and Compliance ■C: Enhancement of Customer Satisfaction
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-
Socioeconomic Compliance		
103-1、2、3	Management Approach	-
419-1	Non-compliance with laws and regulations in the social and economic area	-

Committed to People, Committed to the Future.

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Inquiry page on Toshiba website(general inquiries)

<https://www.toshiba.co.jp/csr/en/contact/index.htm>

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