

**TOSHIBA**

Leading Innovation >>>

Corporate Social Responsibility Report

**2017**

Toshiba Tec Group  
CSR REPORT



# EDITORIAL POLICY

Toshiba Tec Group recognizes that consideration toward all stakeholders, including customers, employees, shareholders and communities, is necessary for sound business activities. By classifying CSR activities according to the framework of "ESG" (Environment, Society and Governance), as well as providing a clear and easy-to-understand description from the reader's point of view, this CSR Report has been issued in the hope that Toshiba Tec Group's system and activities based on such a policy are understood by as many stakeholders as possible. We hope to use this Report as a tool for communication with the stakeholders, and keep striving to improve the contents with the help of your valuable comments.

## ■ Scope of This Report

### Reporting Period:

This Report not only focuses on the activities in fiscal 2016 (from April 2016 to March 2017) but also includes some activities continuing from the past as well as more recent ones.

### Reporting Organization:

In principle, Toshiba Tec Corporation and its consolidated subsidiaries

## ■ Reference Guidelines

- Ministry of the Environment "Environmental Report Guidelines" (Fiscal 2012 Edition)  
"Environmental Accounting Guidelines" (2005 Edition)
- ISO 26000
- GRI (Global Reporting Initiative)  
"Sustainability Reporting Guideline 4th Edition (G4)"

## ■ Publication

August 2017 (Next issue scheduled for July 2018, previous issue: July 2016)

# WEBSITE

The website provides more detailed and extensive information than the brochure does.

## ■ Social and Environmental Activities

CSR and Environmental activities are introduced.

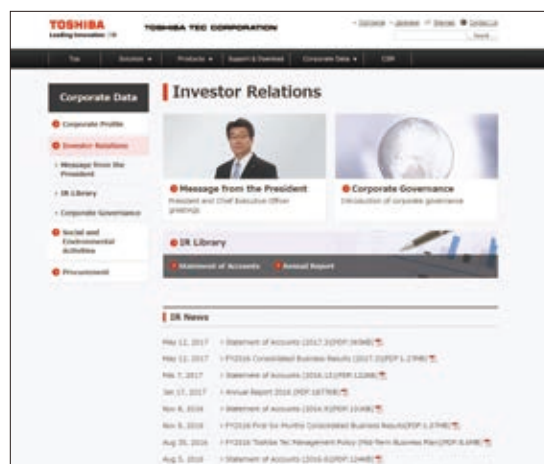
<http://www.toshibatec.com/company/csr/>



## ■ Investor Relations

Every effort is made to provide corporate information as quickly as possible.

<http://www.toshibatec.com/company/ir/>



"Monozukuri" :  
creating our products  
with pride and passion.  
Keeping our customers  
in mind all the time  
and everywhere.

# Contents

---

HISTORY OF TOSHIBA TEC 03

---

OVERVIEW OF  
TOSHIBA TEC GROUP 05

---

CSR MANAGEMENT of  
TOSHIBA TEC 07

---

TOP MESSAGE 09

---

GOVERNANCE 11

---

SOCIETY 15

---

ENVIRONMENT 27

---

THIRD PARTY COMMENTS 38

---



# HISTORY OF TOSHIBA TEC

Toshiba Tec Corporation keeps moving together with stakeholders in response to the changing times.

## Products



**1964**  
Started production of "Tostec" series electric adding machine.



**1973**  
Developed microcomputer chip-incorporated electronic cash register.

First in the world



**1971**  
Started production of "Maconick" electronic cash register.



**1979**  
Launched POS system with bar code scanner.

**1979**  
Entered into printer business.

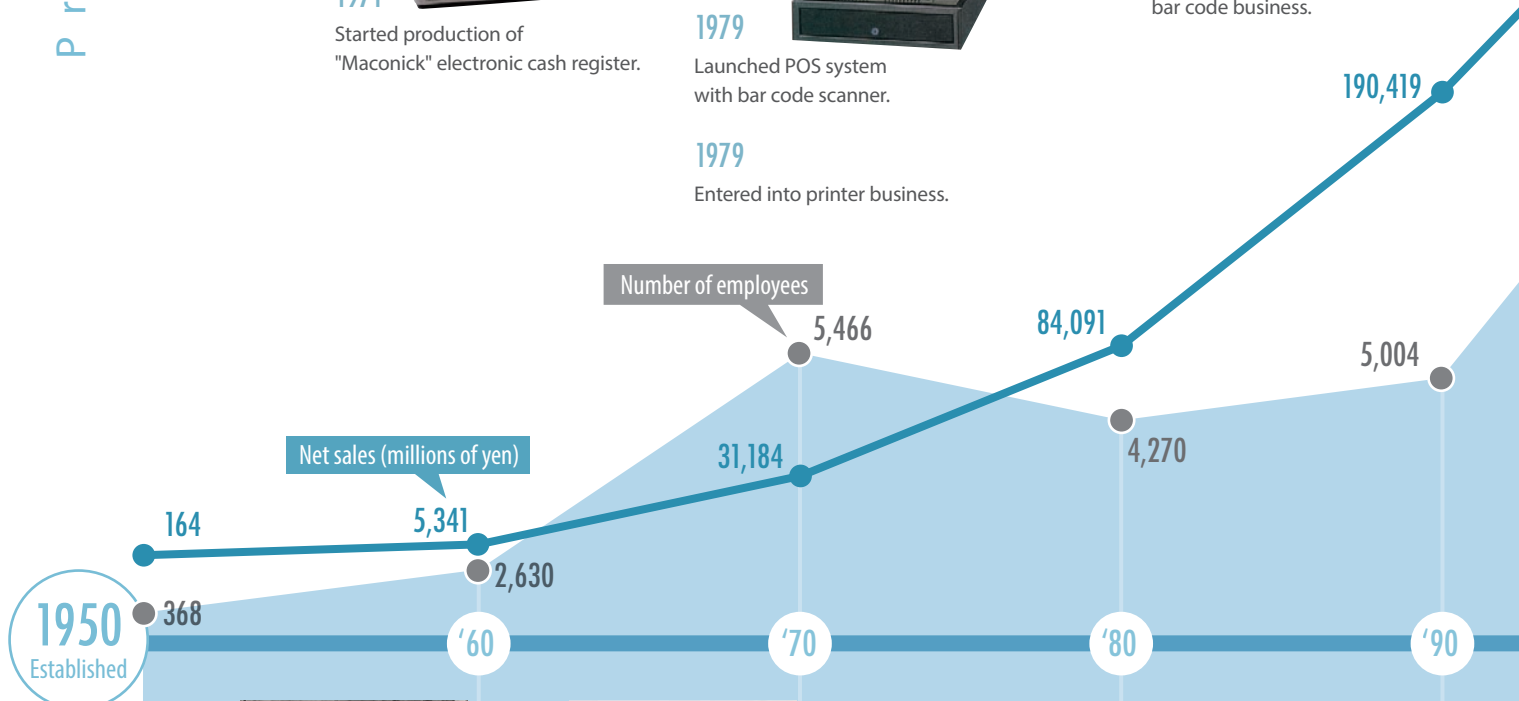


**1989**  
Started full-scale bar code business.

**1982**  
Released "Chosaku Series" office computer.

**1987**  
Launched "TEC Smart Line Scanner" vertical type stationary scanner.

First in the industry



## Major events

**1950**  
Established

**1950**  
In accordance with the Enterprise Reorganization Act, the Ohito Plant of Tokyo Shibaura Electric Co., Ltd. (current Toshiba Corporation) was separated from Tokyo Shibaura Electric Corporation and became independent. Named as "Tokyo Electric Appliances Co., Ltd."

**1952**  
Renamed as "Tokyo Electric Co., Ltd."

**1957**  
Entered into cash register business.



**1962**  
Mishima Plant opened.



**1969**  
Established Tec America, Inc., the first overseas subsidiary.

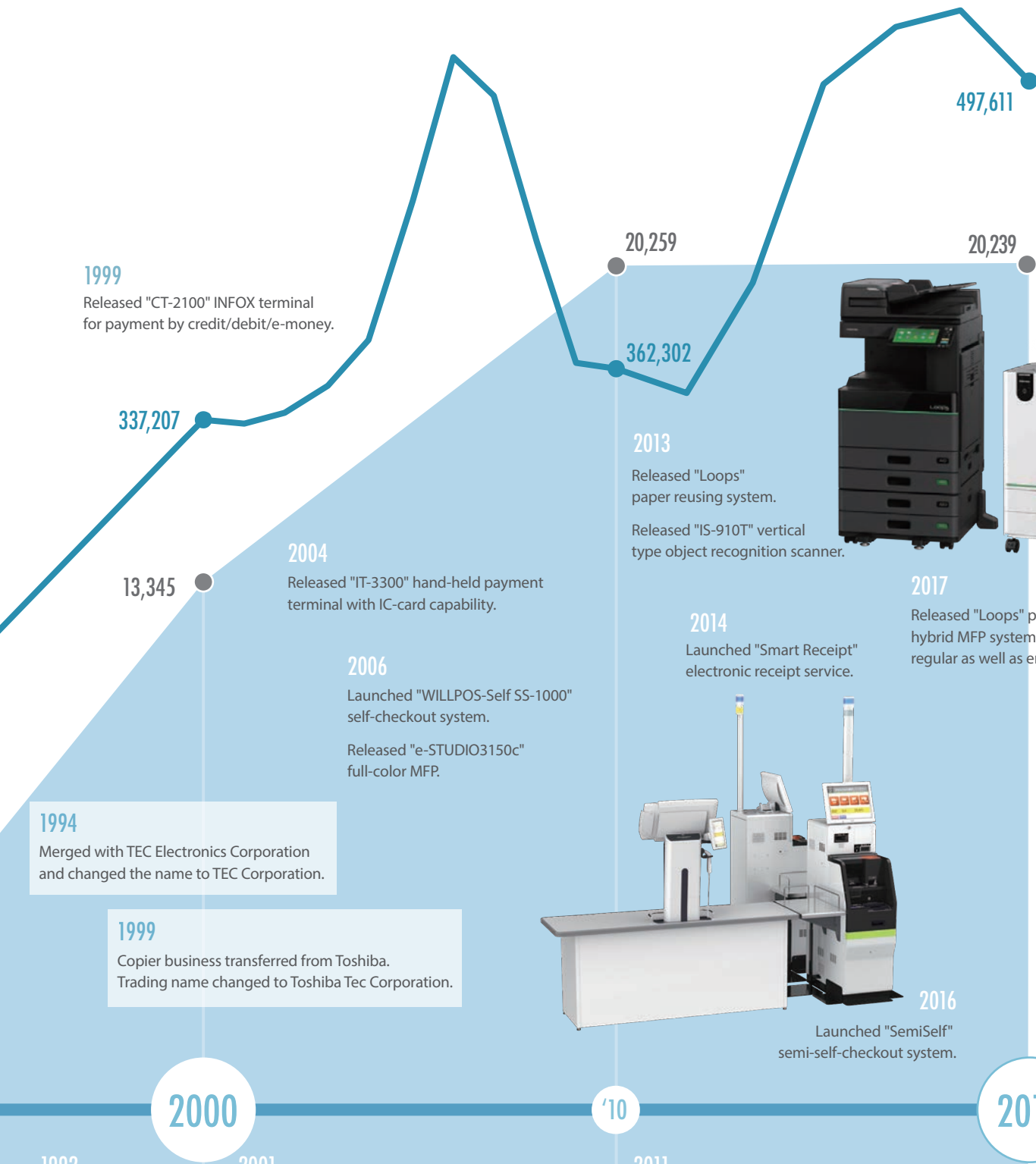


**1972**  
Established Tec Denshi Jimuki Co., Ltd. (Renamed as TEC Electronics Corporation in 1977.)

**1984**  
Mishima Plant was awarded the Minister of International Trade and Industry Prize for the excellent factory in implementation of industrial standardization.



**1985**  
TEC's first overseas manufacturing subsidiary established in Singapore. Established Semicon Industries Pte. Ltd. (Current Toshiba Tec Singapore Pte Ltd.)



**1999**  
Released "CT-2100" INFOX terminal for payment by credit/debit/e-money.

337,207

**2004**  
Released "IT-3300" hand-held payment terminal with IC-card capability.

13,345

**2006**  
Launched "WILLPOS-Self SS-1000" self-checkout system.  
Released "e-STUDIO3150c" full-color MFP.

**1994**  
Merged with TEC Electronics Corporation and changed the name to TEC Corporation.

**1999**  
Copier business transferred from Toshiba. Trading name changed to Toshiba Tec Corporation.

**2013**  
Released "Loops" paper reusing system.  
Released "IS-910T" vertical type object recognition scanner.

362,302



**2014**  
Launched "Smart Receipt" electronic receipt service.

**2017**  
Released "Loops" paper reusing hybrid MFP system that generates regular as well as erasable prints.



**2016**  
Launched "SemiSelf" semi-self-checkout system.

2000

'10

2016

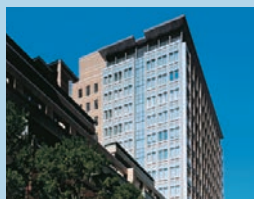
'17

**1992**  
Started activities of Toshiba Tec Philanthropy Fund.

**2001**  
Operation began at our new plant for production of photocopiers in Shenzhen, China.

**2004**  
Established new management policy of Toshiba Tec Group called "Our Five Commitments!"

**2005**  
Tokyo area offices put into Osaki Office (Shinagawa-ku).



**2009**  
Won "METI Minister's Awards" for Best Contributors to Product Safety.

**2011**  
Paper reusing MFP system won the Minister of the Environment Award for the Prevention of Global Warming (technology development and commercialization category).

**2012**  
Acquired retail store solution business (RSS) from International Business Machines Corporation (IBM).

**2012**  
Shizuoka Business Center (Mishima) sustained Class 5 accident-free record (35,500,000 hours).

# OVERVIEW OF TOSHIBA TEC GROUP

## ■ Corporate Profile

(as of March 31, 2017)

<b>Company Name:</b>	TOSHIBA TEC CORPORATION
<b>Head Office:</b>	Gatecity Ohsaki West Tower 1-11-1, Osaki, Shinagawa-ku, Tokyo 141-8562 Japan
<b>Representative:</b>	Takayuki Ikeda President and Chief Executive Officer
<b>Established:</b>	February 21, 1950
<b>Paid-in Capital:</b>	39.9 billion yen
<b>Number of Consolidated Employees:</b>	20,239
<b>Number of Consolidated Subsidiaries:</b>	82 (9 in Japan, 15 in America, 36 in Europe, 22 in others)

## ■ Business Operation

### □ Retail Solution Business (POS-related business)

As a premier partner of the retail distribution industry whose goal is to enhance customer satisfaction, we offer a variety of solutions, such as systems for head offices and stores, POS systems and peripheral equipment.



### □ Printing Solutions Business (MFP-related business)

We offer solutions, such as Digital Multifunction Peripherals (MFP) and related products needed to print and copy documents in the office, that contribute to improving efficiency in customer operations and reducing the cost in various business types and categories.



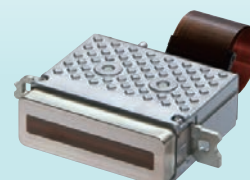
### □ Auto ID Solutions Business (Bar code printer-related business)

We offer indispensable infrastructures and solutions to the society, such as bar code systems needed to manage products and parts in manufacturing and logistics sites, as well as Radio Frequency Identification (RFID) systems to identify and manage objects with a wireless tag.



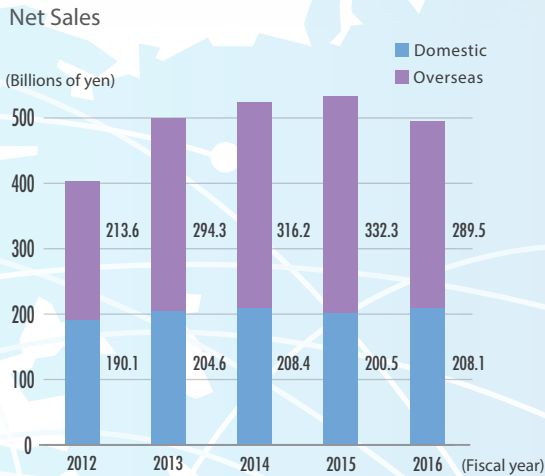
### □ Inkjet Solutions Business (Inkjet-related business)

We offer inkjet solutions, such as inkjet heads and printed circuit boards, to our customers in the industry field.



## Consolidated Results (ended March 2017)

Consolidated Net Sales: **497.6** billions of yen

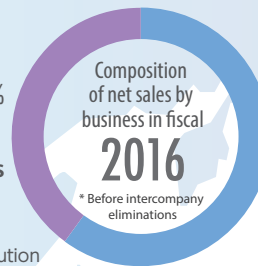


### Printing Solutions Business

Development, manufacturing, distribution and maintenance services of MFPs, auto-ID systems and their related products for overseas market, as well as inkjet heads for domestic and overseas markets

\* Automatic Identification (AI) Systems refer to systems, which contain hardware and software to automatically retrieve, identify and manage data, from bar codes and IC tags.

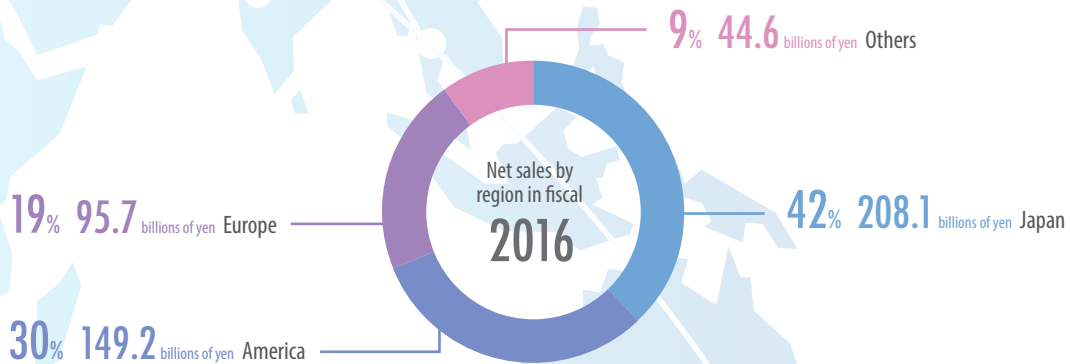
37%



### Retail Solutions Business

Development, manufacturing, distribution and maintenance services of POS systems for domestic and overseas markets, as well as MFPs, auto-ID systems and their related products for domestic market

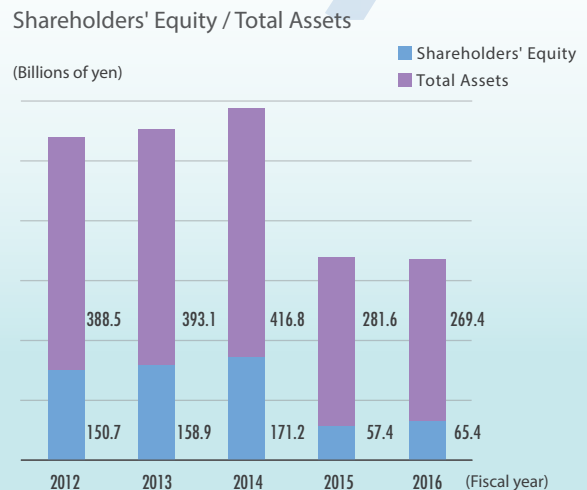
63%



Operating Income: **14.6** billions of yen



Shareholders' Equity: **65.4** billions of yen  
Total Assets: **269.4** billions of yen



# CSR MANAGEMENT OF TOSHIBA TEC

While positioning CSR at the core of management, we are conducting business activities to contribute to the development of a sustainable society by giving top priority to human life, safety and compliance, as well as contributing to solving problems in global society through business. We recognize the support from a number of stakeholders around the world, including customers, shareholders, investors, suppliers, communities and employees, as well as encourage our Group employees to practice CSR activities based on our corporate philosophy "Our Five Commitments" and "Toshiba Tec Group Standards Of Conduct".

## ■ Relations with Stakeholders

We aim to develop our corporation together with stakeholders while fulfilling the Corporate Philosophy "Our Five Commitments".



## ■ CSR Promotion Structure

In 2004, Toshiba Tec Group established a "CSR Promotion Center" as an organization to promote CSR, and has been improving the promotion structure since then.

We are conducting activities in cooperation with CSR-related divisions, such as Human Resources, Environment and Procurement, in order to root CSR as the corporate culture on the premise of "Compliance" to abide by corporate ethics, laws and regulations. We also appoint persons in charge of CSR promotion at domestic and overseas group companies to conduct CSR activities.



## ■ Our Five commitments – Management Policy of the Toshiba Tec Group

"Monozukuri": creating our products with pride and passion.  
Keeping our customers in mind all the time and everywhere.

1. We aim to provide timely products and services with reliable quality and functions as well as high user-friendliness, creating value with our customer in mind through our superior proprietary technology and in collaboration with the world's best partners.
2. We want to foster an open and healthy corporate culture in which a strong professional team may tirelessly seek new challenges, by respecting the individuality of each employee, striving to promote each one's abilities, and implementing a fair and appropriate system of evaluation and rewards.
3. We seek to contribute toward the development of a global society as a good corporate citizen, law-abiding and ethical, by fulfilling our responsibilities toward each country and community in which we operate and respecting local culture and history.
4. We put concern for the environment as a priority in all our business activities so as to protect people's safety and health as well as the world's natural resources.
5. We endeavor to maximize our corporate value, and on the basis of sound and transparent management, we strive to achieve appropriate profits and reserves, constantly seek to implement management innovation and energetically invest in research and development, among others, in order to meet the expectations of our shareholders.



## ■ Toshiba Tec Group Standards Of Conduct

The "Toshiba Tec Group Standards Of Conduct" are established to define a sense of value and a code of conduct, which all employees of the group companies should share. Therefore, all employees of the domestic and overseas group companies are fully informed to acknowledge the SOC through e-learning and booklet.

\* Established in 1990, revised in 2014

- |   |  |                                  |  |
|---|--|----------------------------------|--|
| 1. Human Rights                                 | 6. Competition Law and Government Transactions | 11. Engineering Ethics           | 15. Advertising                              |
| 2. Customer Satisfaction                        | 7. Bribery                                     | 12. Intellectual Property Rights | 16. Workplace                                |
| 3. Procurement                                  | 8. Environment                                 | 13. Accounting                   | 17. Information Security                     |
| 4. Production and Technology, Quality Assurance | 9. Export Control                              | 14. Corporate Communications     | 18. Company Assets and Conflicts of Interest |
| 5. Marketing and Sales                          | 10. Antisocial Groups                          |                                  | 19. Community Relations                      |

# TOP MESSAGE

Practicing our corporate philosophy "Our Five Commitments" to meet the expectations of stakeholders and contribute to society

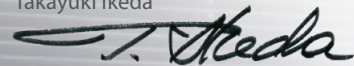
## ▶ Corporate Philosophy

The foundations of Toshiba Tec Group's management are our belief and spirit to create new value (Monozukuri), as well as our corporate philosophy, expressed in "Our Five Commitments", which puts customers first to provide products appreciated and trusted by customers. This corporate philosophy is a sense of value, which Toshiba Tec Group executives and employees over the world share, and one which serves as a basis for the business activities of our group companies. We bring the corporate philosophy into shape, and conduct business activities with fairness,

integrity and a high transparency while each and every executive and employee complies with the "Toshiba Tec Group Standards Of Conduct," which have been defined as a course of action for the company to contribute to the formation of a sustainable society.

Toshiba Tec Group's CSR management puts corporate philosophy and standards of conduct into practice. The mutual prosperity gained for us and our stakeholders help Toshiba Tec Group grow and develop in a sustainable way, leading to further contributions to society.

Takayuki Ikeda



President and Chief Executive Officer

**TOSHIBA TEC CORPORATION**

June 2017



## ▶ Giving Top Priority to Human Life, Safety and Compliance

CSR management gives top priority to human life, safety and compliance. Toshiba Tec Group strives to ensure quality and sound management as a company which emphasizes harmony in the environment, human rights and community, underscored by a basic policy that gives top priority to human life, safety, and compliance according to the "Toshiba Tec Group Standards Of Conduct".

## ▶ Promoting Environmental Management

We are committed to fulfilling our role as a company toward a better global environment. In order to build a sustainable society, we proceed with the environmental plan by giving top priority to the conservation and protection of the world's natural resources, in every business process and product. We are also committed to providing environmentally conscious products around the world and reducing environmental impact in every stage of our business activities including development, manufacturing and distribution.

## ▶ Respecting Diversity

As business operations are expanding globally, in our activities as a global company we take into account the constantly changing sense of social values, as well as recognizing and respecting the differences in culture, history and customs among countries and regions in the world. We value new ideas, which are created when people with different personalities, race, gender and age, enlighten each other. We also make use of human resources by respecting diversity, and focus on the Work-Style Innovation of individuals.

## ▶ Relationship with Stakeholders

We believe it is important to conduct activities based on a relationship of trust with stakeholders such as customers, shareholders/investors, employees, communities and suppliers. It is thanks to none other than the stakeholders who have supported Toshiba Tec Group that we have overcome many crises and difficulties in the past and survived to the present. We will continue to listen to our stakeholders and gain a full understanding of their expectations through a variety of communication opportunities. Doing so will enable us to improve business operations.

## ▶ In Conclusion

With the aim of becoming a global one-stop solution company, we take a variety of measures to achieve the "Growth of global retail business", "Expansion of solutions and service business" and "Establishment of a steadily profitable organization through cost reduction and productivity improvement".

As a company that meets the requests and expectations of stakeholders, we will continue to solve the problems of customers related to our group's products and services, and grow in a sustainable way.

We look forward to your continued understanding and support.

# G

# GOVERNANCE

We are committed to being a company that continues to be admired and trusted by society in a fair and sincere manner. Each and every employee carries out activities intended to promote high corporate ethics and compliance.

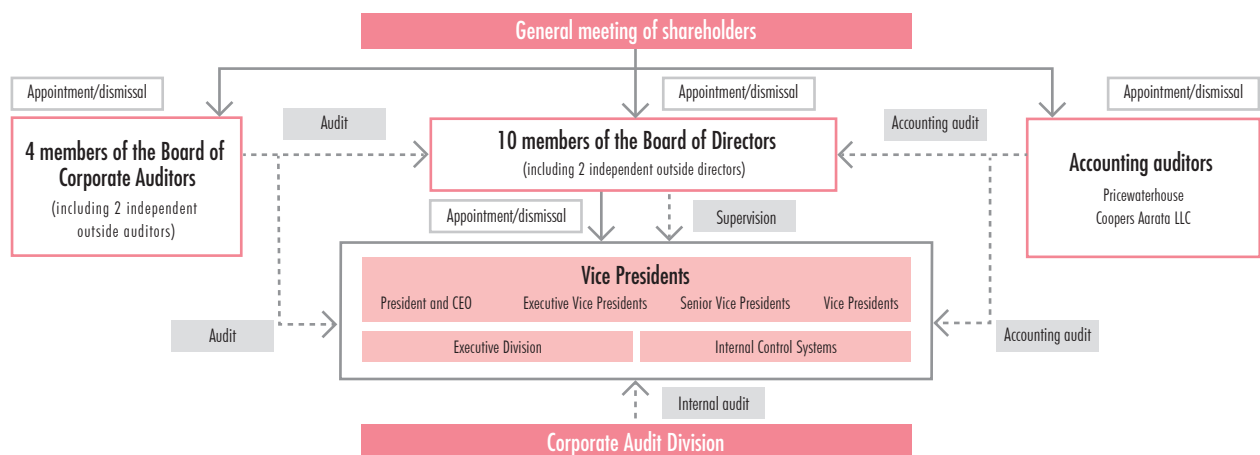
## ORGANIZATIONAL GOVERNANCE

While positioning CSR at the core of management, we are conducting business activities to improve the efficiency and transparency of management.

### ■ Corporate Governance

We recognize corporate governance as an essential management policy, which meets the expectations of stakeholders and continuously improves corporate values. We are committed to taking measures to improve the efficiency and transparency of management, as well as to reinforce the functions for the Board of Directors and the (Board of) Corporate Auditors. In terms of the corporate body, we have introduced the executive officer system to separate the functions related to supervision and decision making from the ones related to task enforcement. We also make efforts to improve the promptness and mobility of decision making by optimizing the number of directors. Moreover, we have assigned two independent outside directors and two independent outside auditors to ensure transparency of management, as well as set the term of the directors to one year to clarify the management responsibility and promptly respond to changes in the management environment. With regard to the management supervision, the directors supervise business execution, the corporate auditors conduct audits, the accounting auditors conduct accounting audits, and the corporate audit group conducts internal audits. We also strive to enhance the internal control systems in terms of operating effectiveness and efficiency, reliability of financial reporting, compliance with the laws and regulations related to our business activities, and safeguarding of assets.

### □ Corporate governance system



## Shareholders/Investors Relations

### General meeting of shareholders

We recognize the general meeting of shareholders as an important place to directly communicate with shareholders. On principle, we try to hold our general meetings of shareholders on days other than when many other companies hold their meetings. We notify our shareholders at least three weeks prior to the meeting date and work on improving the environment in which they can exercise their voting rights properly and smoothly through Internet polling and the Tokyo Stock Exchange (TSE) Electronic Voting Platform.

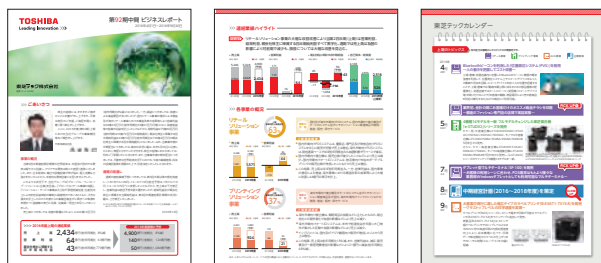
We disclose meeting notices by posting them on the TSE and our websites at least one day prior to the delivery date. We also post the simplified English version of the meeting notice (without attachments) on the TSE website and its Electronic Voting Platform, allowing foreign institutional investors to exercise their voting rights properly and smoothly.

### Investor relations library website

We post information, such as financial settlement information, timely disclosure data, financial statements, quarterly reports, business reports and stock information, on the Investor Relations website. We provide our information to allow investors to exhaustively obtain the information in chronological order.

 Investor Relations  
<http://www.toshibatec.com/company/ir/>

### Business report



We create business reports after announcing the second-quarter and financial statements, and deliver them to our shareholders. In the business reports, we comprehensively include topics and business forecasts for new products and services, as well as overviews of operations using diagrams and photos, to help shareholders understand the latest Toshiba Tec information.

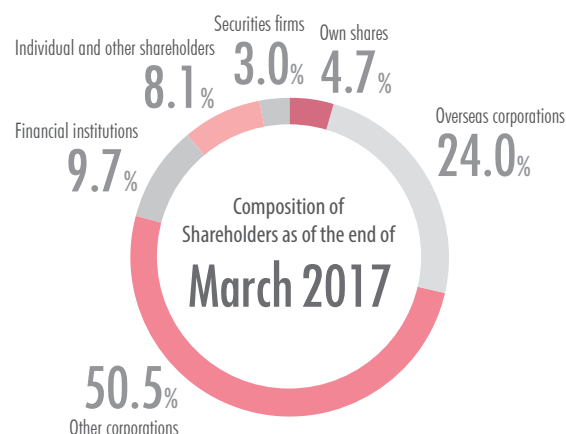
### Investor relations for institutional investors

We hold second-quarter and annual financial results briefing sessions after announcing each statement. Our Chief Financial Officer (CFO) provides an overview of financial statements to institutional investors and analysts. In fiscal 2016, we held our management policy meeting, which CEO, CFO and executives responsible for each business group attended.



Management policy meeting

### Composition of shareholders



# COMPLIANCE

We consider the implementation of compliance as an important component of CSR to conduct a variety of activities.

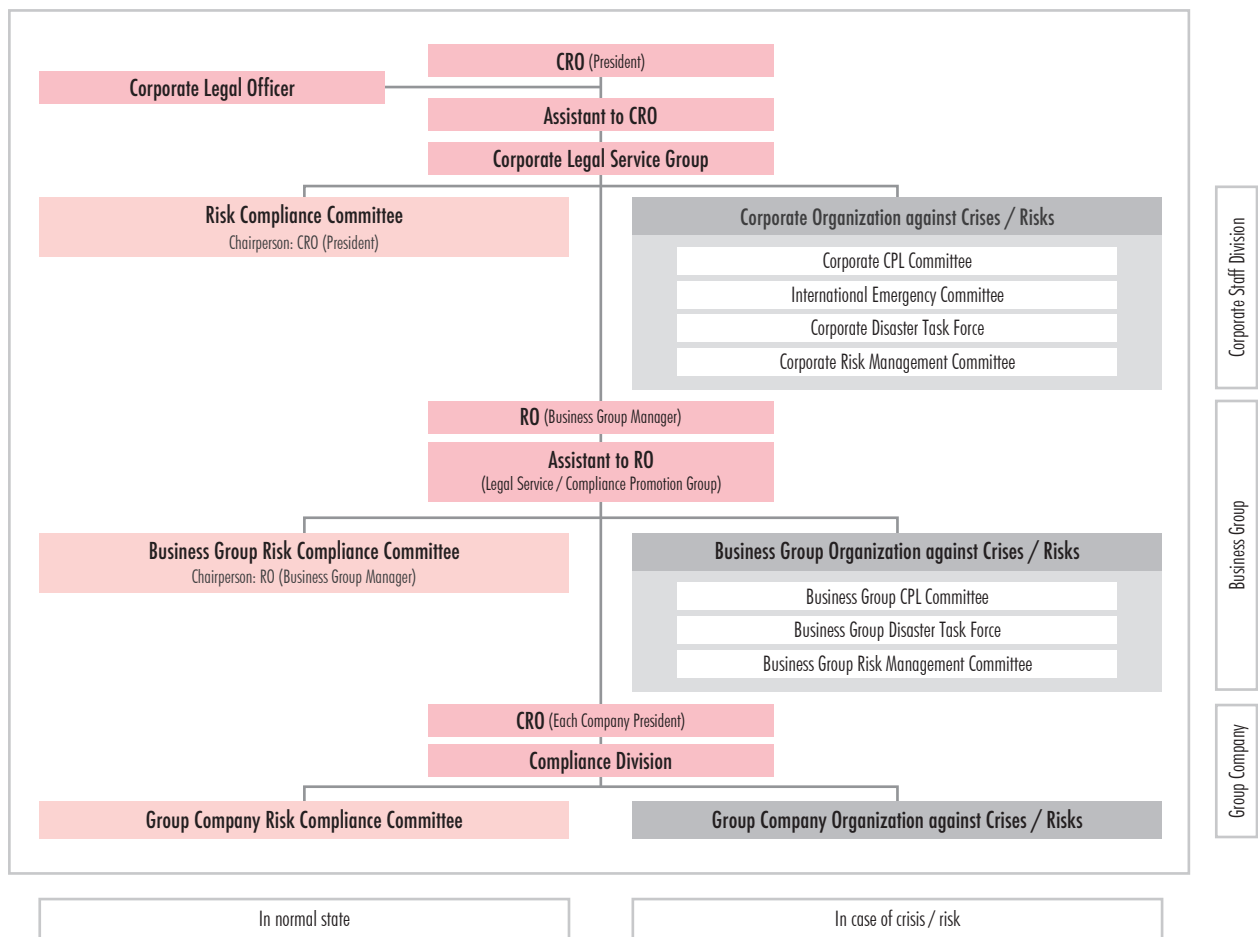
## ■ Risk Compliance

We appoint each company president and CEO as a CRO\* in order to propagate and thoroughly implement the "Toshiba Tec Group Standards Of Conduct" as well as advance the risk compliance measures. Top management exercises initiative to devise and promote various strategies in response to emergency situations.

We organize the Risk Compliance Committee under the chairmanship of the CRO, to maintain the system of the entire Toshiba Tec Group, devise and promote the advancement of risk compliance.

\* CRO: Chief Risk Compliance Management Officer

## □ Risk compliance system



## □ Compliance education

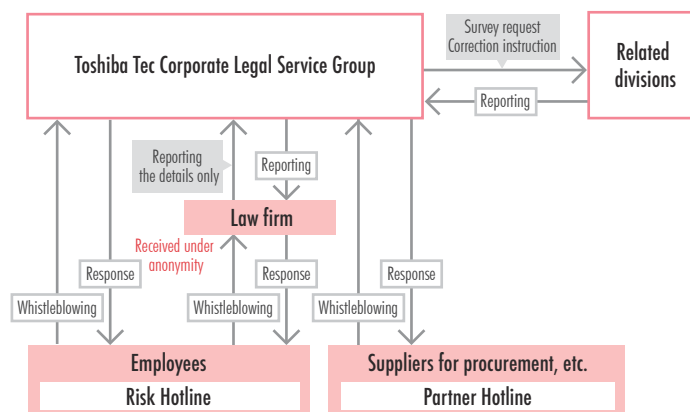
To foster high ethics and a law-abiding awareness, we provide compliance programs on a variety of themes to our employees.

[Main educational themes]			
<ul style="list-style-type: none"> <li>Standards Of Conduct</li> <li>Accounting Compliance</li> <li>Timely Disclosure / Prevention of Insider Trading</li> <li>Improvement in Customer Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Information Security</li> <li>Personal Data Protection</li> <li>Mental Health</li> <li>Harassment</li> <li>Risks of SNS</li> <li>Export Control</li> </ul>	<ul style="list-style-type: none"> <li>Subcontract Act</li> <li>Environment</li> <li>Electrical Safety Law</li> <li>Training before Overseas Assignment</li> <li>Antitrust Law</li> <li>Anti Bribery</li> </ul>	<ul style="list-style-type: none"> <li>Stamp Duty</li> <li>Training for Employees Assigned Overseas</li> <li>Training for Sales Division</li> </ul>

## □ Internal reporting system

Toshiba Tec Group has established an internal reporting system as a way of consulting/reporting on illegal, dishonest and unethical behavior, as well as internal rules which enable executives and employees to provide information to the CRO or outside attorneys. We give maximum consideration to ensuring the anonymity of whistleblowers, thoroughly managing information and protecting them from suffering any detrimental consequences, such as dismissal, as a result of their whistleblowing. In addition, the "TOSHIBA TEC Partner Hotline" is operated, allowing business partners to provide information through the website.

 Toshiba Tec Partner Hotline  
<http://www.toshibatec.co.jp/contacts/partnerline/> in Japanese only



## ■ Security Export Control

Export control is aimed at preventing the proliferation of weapons of mass destruction and other sensitive items to countries and regions of security concern or terrorist organizations. Export transactions of goods and technology that have potential weapons of mass-destruction (WMD)/conventional weapons applications are regulated under laws and regulations.

We maintain the basic policy, that, we will not engage in any transaction, which could potentially undermine international peace and security. Under this basic policy, we comply with all applicable export control laws and regulations in countries and regions where we operate (the Foreign Exchange and Foreign Trade Control Law in Japan). We also comply with U.S. export control laws and regulations with respect to transactions involving U.S. origin cargos and technologies.

Based on this basic policy, we have established the "Export Control Program" and built an export control system. Accordingly, we make cargo/technology relevance judgments and strict transaction screenings for determining the need for export permission, conduct periodic export control audits, and provide education and support to our group companies.

## ■ Protection of Intellectual Property

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

As part of this policy, we are working with the regulatory authorities of each country to eliminate counterfeit products that damage the Toshiba brand and enhance our management system, such as the provision of training to our executives and employees including domestic and overseas group companies, with the aim of preventing unauthorized use of other people's publications.

## ■ Information Security

We recognize all information, including sales and technical data handled while carrying out tasks, as important property, and have established a basic policy to prevent and protect against inappropriate disclosure, leakage or improper use of such information. We define this policy in the Information Security section of the Standards Of Conduct (SOC) so that all executives and employees are fully informed. In fiscal 2016, there were no information security incidents that were likely to cause serious problems, such as unauthorized access to internal/external servers, falsification, loss or theft of computers/electronic media in which important company data or customers' personal data is stored. We also establish a system and rules for information security management, to review them in response to the changes in the social environment. On the basis of their design, development, and quality assurance, Shizuoka Business Center (Mishima and Ohito) received the ISO/IEC27001:2005 certification in fiscal 2007 and 2012, and upgraded to the ISO/IEC27001:2013 certification in fiscal 2014.

In terms of technical measures, Toshiba Tec Group strengthens measures to protect server data released to the public, in order to prevent cyber-attacks and other forms of unauthorized access from the outside, which are becoming increasingly sophisticated with each passing year, as well as to avoid information exposure. We also enhance the monitoring of internal systems to enable a quick response in the event of a computer virus infection.

Each division continuously makes improvements by voluntarily auditing the status of compliance with the internal rules. We provide education to all employees, including executives, employees, employees dispatched from cooperation companies, in order to prevent accidents and keep them informed about security measures while handling information. Information security training was provided to all Toshiba Tec employees in fiscal 2016.

Our group companies take similar measures, respectively, thus, we make a concerted effort to maintain and improve information security throughout Toshiba Tec Group.



# S

# SOCIETY

We work on people-oriented management and CSR through supply chains.

We put our customers first when developing and providing products and services.

## HUMAN RIGHTS, DIVERSITY & LABOR

We respect every employee and actively support diverse work styles, as well as consider safety control and healthcare as a top priority issue for management.

### ■ Respect for Human Rights and Prohibition of Discrimination

"Human Rights" is prioritized as item number one in the "Toshiba Tec Group Standards Of Conduct" with which executives and employees must comply. These standards stipulate the following fundamental principles: Adherence to all relevant laws and regulations, respect for fundamental human rights, along with prohibition of child labor and forced labor. They also clearly state that the fundamental human rights, character and privacy of individuals must be respected, and diverse values must be accepted. Also, discriminatory behavior based on race, religion, gender, nationality, disability, age or sexual orientation, as well as acts of violence, sexual harassment, power harassment (workplace bullying and harassment), or any other actions that violate the human rights of others are banned. In addition, the standards state that compliance with international rules related to human rights as well as the laws and regulations in countries and communities where we operate must be taken into account. Any actions that may violate the fundamental human rights of our suppliers must be corrected immediately.

#### □ Human rights education

With the aim of establishing a discrimination-free organization that provides job satisfaction, we encourage our employees to foster awareness of human rights under the leadership of the Diversity Committee. We provide human rights education to new employees and appointed managers in training.

### ■ Support of Diverse Work Styles

We are working on activities toward accelerating 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 in an efficient and lively manner as well as make the most of their private lives to rejuvenate and improve themselves so that they can add higher value to their work.

#### Anti-harassment measures

##### Aiming to create a sound and comfortable work environment of mutual respect

In order to prevent harassment in the workplace, in fiscal 2016, we enhanced training for executives and a system for consulting services, and also made efforts to foster awareness in the workplace by providing e-learning, preparing and distributing "Anti-Workplace Harassment" booklets and putting up posters in all worksites. In November 2016 we conducted a second questionnaire-based survey on harassment in order to lead to preventive measures as well as understand workplace issues and employee onions. We will continue to make efforts to create a sound and comfortable work environment of mutual respect.



Harassment poster

#### Promotion of work style reforms

With the aim of creating a safe and comfortable work environment where each and every employee can work in confidence, we are promoting work style reforms while, from the perspective of improving productivity, also designating improvements in the work environment, the correction of long working hours and increases in operating efficiency as priority measures in our human resource strategies.

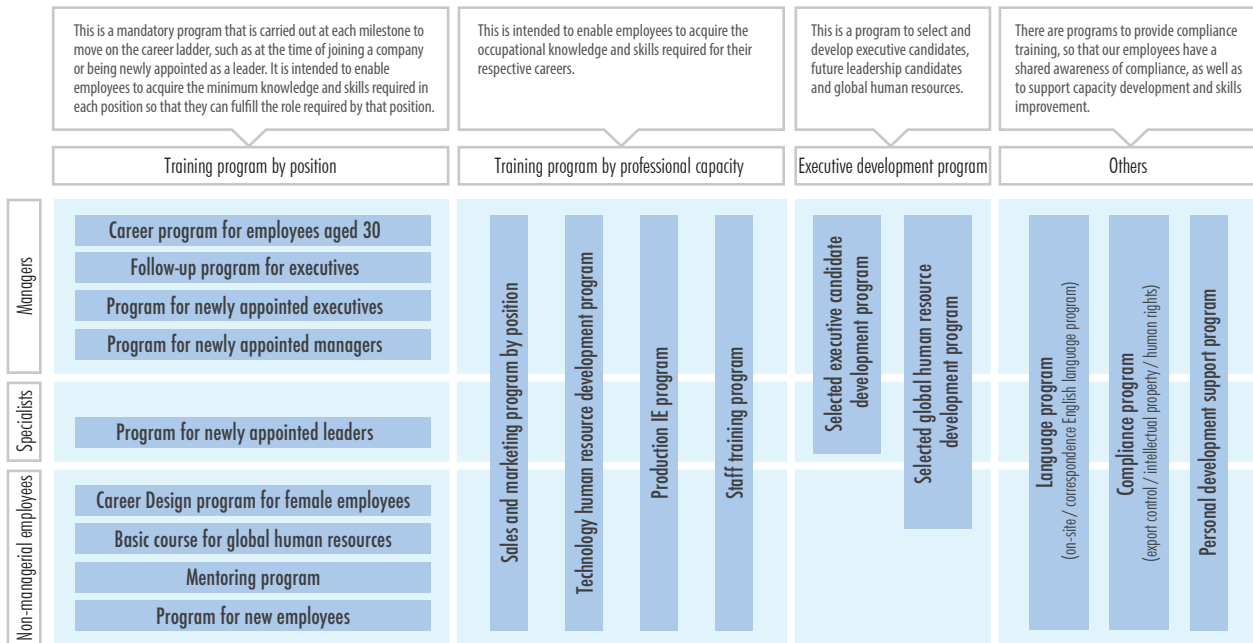


## Human Resource Utilization and Development

We define "respecting the individuality of each employee, striving to promote each one's abilities, and implementing a fair and appropriate system of evaluation and rewards" as part of our corporate philosophy, and aim to continue to secure and develop competent and competitive human resources to form a strong professional team that may tirelessly seek new challenges in a planned way for the growth and development of Toshiba Tec.

### Training program / education system

We provide a training program to establish a shared base for our employees and a system that can respond to individual needs and career characteristics.



### Global human resource development program

Under the current business environment, the need for human resources who can play active roles in the international arena is increasing. With a focus on the development of global human resources who have a deep cross-cultural understanding and the ability to carry out their tasks through dialogue with people around the world, we provide the global human resource development program for young to mid-career employees. This is designed to develop human resources who can possess practical knowledge, training, common sense and linguistic ability that will be acceptable in a global context.

### Career development support program

As part of Human Resource Utilization and Development, since 2011 we have adopted the Career Design Program to create an individual 3-year development plan based on the Career Development Program (CDP), and annually conduct interviews and reviews in order to ensure that employees continue to grow as professionals. With the aims of ensuring that employees and supervisors understand and communicate with each other, as well as sharing their long-term career plans and expressing life-style wishes that include the employee perspective on life, without being bound by the CDP-based 3-year plan, we implement the Career & Life: Mutual Understanding Program along with interviews for the Career Design Program, helping a variety of employees to work with enthusiasm, pride and the will to challenge themselves.

We also provide 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.

## Labor Management Relations

We have many opportunities to encourage labor-management dialogue for smooth labor-management relations and corporate business activities.

Labor and management have agreed that business plans and performance, and major organizational reforms must be periodically explained to the labor union, and that changes in labor conditions must be discussed between labor and management in advance.



Business briefing labor-management meeting

For **Women**  
to **work**  
with enthusiasm



With an eye toward creating Toshiba Tec Group where each and every one of us is bright and energetic, we are making efforts to achieve the goals that have been set out in the action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, by fiscal 2018.

Percentage of female employees and percentage of female managers (Toshiba Tec)

	FY2014	FY2015	FY2016
Percentage of female employees	11.8%	12.1%	11.9%
Percentage of female managers	2.0%	2.2%	2.1%

Action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace

	FY2016	FY2017	... (Target) FY2019
Percentage of new female graduates employed	17.2%	19.8%	25.0%

Strengthening on-site management capabilities

In March 2015, we created a new booklet titled Guidebook for Training Managers who have Female Subordinates. It summarizes the key points that managers need to know in order to train female subordinates. We distributed the booklet to all managers and female employees. In an effort to facilitate improvement of on-site management practices, we have provided the content of the training guidebook via e-learning in fiscal 2016, an initiative that started in December 2015. We will continue this e-learning program.

Raising awareness of women

In July 2016, and following on from fiscal 2015, we held a Women Exchange Meeting for the purpose of developing careers and building networks to help deal with life events. A small number of female employees work in offices, branches and sales offices nationwide, and they do not have many colleagues of the same gender or generation to consult with. Therefore, we held the meeting to encourage female employees engaged in product planning and development, in addition to the saleswomen and female system engineers with up to ten years of service who were the target participants in fiscal 2015. A guest speaker whom we invited from outside the Group introduced various cases first. The participants then shared information, and exchanged their ideas about how to deal with life events and achieve their desired career goals. A total of 37 female employees participated in this meeting. We have also provided the Career Design Program to female employees in their fourth year of service from fiscal 2016. It is intended to increase career awareness with regard to long-term work in the future.



# Diversity Promotion

We believe that the utilization of diverse human leads to increased innovation and vitality, which changes in the market, thereby We consider diversity management as a basis for

Raising management awareness and commitment

Since fiscal 2015, we have held a Diversity Committee, which has executives as members, in order to establish a system to clearly regard diversity management promotion as a management strategy. It was held in January 2017. We strive to foster a culture that takes advantage of diverse human resources and promotes diversity, as well as to increase productivity in a variety of organizations based on the commitments made by executives.

Work-life balance support systems to allow employees to choose from a wide range of work styles

With the aim of creating a work environment that inspires female employees to overcome life event related issues and continue to work, and work hard, at this company, we are improving and expanding a variety of support systems, and enhancing their flexibility in order to help female employees balance work and family while raising a family. For example, Childcare Leave allows employees to take a leave of absence until the end of the month in which the child turns 3 years old. The Hourly Leave System allows employees to take leave in 1-hour units. (If more than one hour is taken at a time, they may take leave in 15-minute units after the initial hour.) Short-Time Shift allows employees who are raising children that have not yet completed elementary school to reduce working hours to 5 hours and 45 minutes. The Return to Work System allows employees who had to resign due to the difficulty of balancing work and family to register for reemployment before they resigned.

Creating an environment in which female employees can continue to

Since July 2015 we have implemented the Mutual Understanding Program for Childbirth and Childcare to help female employees prepare for life events such as child bearing and rearing, which will provide peace of mind and allow them to continue to work for a long time even after these events. This program is intended to develop an easy-to-work environment where supervisors and female employees have periodic interviews to deepen mutual understanding during the period before and after maternity/childcare leave. 34 employees took advantage of this program in fiscal 2016. We had the first male employee who took childcare leave in fiscal 2015, and another male employee took childcare leave in fiscal 2016.

Case



# Toshiba Tec practices

resources, regardless of gender, age and nationality, allows us to more readily adapt to unexpected issues or increasing our global competitiveness. implementing an effective overall management strategy.



## work with peace of mind

### Male employees' active involvement in child rearing

I took a 3-month childcare leave after the birth of my second child. I decided to take the leave in order to run our household in the period immediately after the birth of our child, something which would have been very difficult for my wife to do. I made this decision because both my wife and I work and our parents live far away. Doing housework, such as cleaning, washing and cooking, as well as child rearing, was much more complicated than I had thought. This leave taught me that I have been able to concentrate on my work without any distractions thanks to the great support from my family. I have learned that fathers, who have mainly supported their families financially, now need to provide support in daily life, including housework and child rearing. I intend to maintain this attitude.

## Promotion of active participation of seniors



### Promoting active participation of seniors

With the aim of developing a system to help seniors work with enthusiasm, regardless of their age, we have introduced a Senior Expert System that clarifies and handles special skills and expected roles in fiscal 2017, and established a new training program (Career Self Reliance Program) that helps to raise their awareness. We will encourage seniors to participate more actively in the workplace by putting the system into practice, comparing their own awareness with that of their workplace colleagues, and deepening their mutual understanding.

## Employment of people with disabilities

We are positively hiring people with disabilities and improving workplace environments to bring their capabilities into full play.



Employment ratio of people with disabilities

	April 2015	April 2016	April 2017
Toshiba Tec	2.09%	2.08%	2.26%
Domestic group companies	2.31%	2.49%	2.70%
Total of domestic Toshiba Tec Group	2.20%	2.29%	2.47%

\* Since fiscal 2015, we have been eligible as a company that employs people with disabilities.

### Case

#### Program for employing visually impaired people

In April 2017, we provided a training program in the workplace, which new employees with visual impairment are assigned to, by bringing in an outside expert.



## Health and Safety

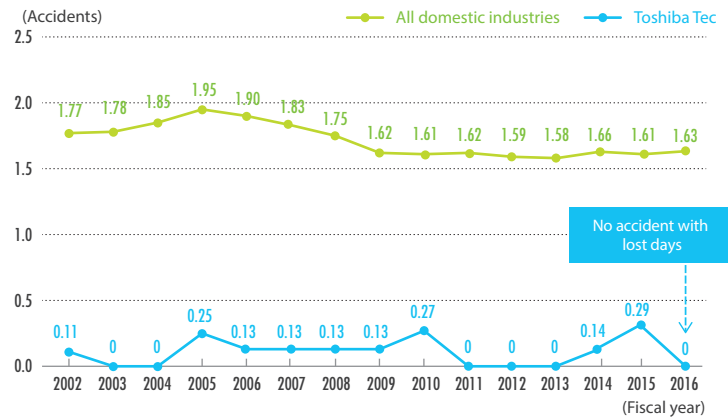
### Prevention of industrial accidents

The occurrence of accidents with lost days at Toshiba Tec is well below the average of all industries. The accidents with lost days that had occurred in the past two years did not occur in fiscal 2016.

We make efforts to prevent industrial accidents by conducting risk assessments to clarify risks that may cause accidents, reviewing operation processes and renovating equipment to reduce risks.

We also take preventive measures against similar accidents and provide a safe workplace by implementing thorough measures to prevent recurrence of past incidents and providing safety training.

Occurrence of accidents with lost days (per million man-hours)



### Implementation of safety patrol

The President and the responsible officer of the Corporate Human Resources & Administration Group aim to raise safety awareness to prevent accidents, and to continue to increase the level of safety, by visiting business centers and offices to conduct safety patrols, checking the safety promotion structures and activities, and also exchanging ideas with those involved. In fiscal 2016, we had safety patrols conducted by the responsible officer of the Corporate Human Resources & Administration Group in July and by the President in December at Shizuoka Business Center and group companies.



Safety patrol

### Awareness development of health and safety

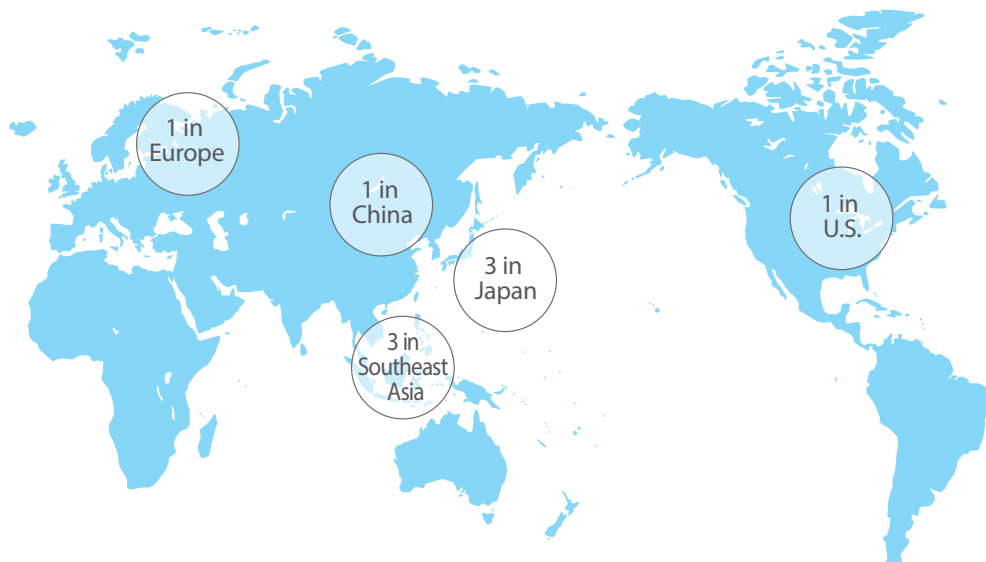
As a measure to raise safety awareness of employees, the President delivers messages during Nationwide Safety Week (July 1 to 7) and Occupational Health Week (October 1 to 7).

During Nationwide Safety Week, we also prepared leaflets to prevent accidents, such as falls or getting caught in/between machines, and distributed them to the group companies.

### Occupational Health and Safety Management System (OHSAS) Certification

8 of our domestic and overseas manufacturing group companies have obtained OHSAS 18001 certification which is an international occupational safety and health management system specification. This management system is operated to improve health and safety issues related to each workplace and operations, create safe and comfortable workplace environments, maintain and promote the health of employees.

OHSAS 18001 accredited consolidated subsidiaries by region (manufacturing companies)



## □ Health care programs

We implement various approaches to help all employees raise awareness of health and maintain physical and mental health. With the aim of standardizing and streamlining medical checkups as the basis for health care of employees and post-checkup cares, we have introduced a system, which unifies the result data of medical checkups and interviews, to utilize them for health guidance and education.

Labor overload such as excessive work hours may aggravate health disorders, such as cerebrovascular and cardiovascular diseases. To prevent such disorders related to work, all employees who worked over a certain amount of hours per month are obliged to take an interview and guidance with the physician, to maintain and promote their health. The Return to Work program is established to help employees who have taken a long-term leave adjust back into the workplace with ease, as well as prevent recurrence.

### Case

#### Training program by age

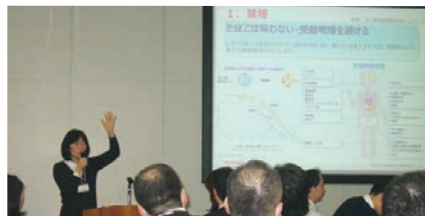
Since fiscal 2015, we have provided this program to encourage each and every employee to be aware of changes in their physical condition and skill levels due to age and how to cope with them, as well as to autonomously promote better physical and mental health practices. In fiscal 2016, we provided it at the head office, Shizuoka Business Center (Mishima and Ohito) and some of the group companies, more than 80% of eligible employees participated in it. We will provide the training program to those who did not take it in fiscal 2017.

#### <Details>

Eligible: Regular employees

Implementation: Provided by group aged 30, 40 and 50 years

Time: 90-minute lecture (with group workshop)



Training program by age

#### Mental health education program via e-learning

With a focus on disease prevention and health promotion, we offer this program annually to encourage each and every employee to acquire the correct knowledge of mental health and how to cope with mental and physical disorders, as well as to put them in practice. We did it in October fiscal 2016.

#### Anti-smoking measures

Following fiscal 2015, in support of the Worldwide No Tobacco Day and No-Smoking Week (June 1 to 4), we closed smoking rooms temporarily and conducted a questionnaire-based survey on banning smoking at the head office, branch and sales offices. As a result of discussions based on the questionnaire results of fiscal 2015 and 2016, we completely closed three smoking rooms at the head office.

#### Central Health and Safety Committee

In principle, we hold a committee twice a year for the purpose of discussing measures and policies based on overall health and safety. The head officer of the Corporate Human Resources & Administration Group acts as chairperson, and members designated by the chairperson and recommended by the labor union attend the committee.

#### Health Support Center

We have established Health Support Centers at the head office and two sites in Shizuoka Business Center where medical professionals are stationed to implement various measures to maintain and promote the health of employees of Toshiba Tec and its group companies, as well as to provide well-thought-out health support for each and every employee. A total of three medical professionals; an industrial physician and two health nurses, provide health support for employees at the head office. We focus on the prevention of mental disorders in addition to measures based on the results of medical checkups and health guidance. In particular, we strictly require that interviews with employees who have worked long overtime hours be conducted by the industrial physician based on the Toshiba Tec standards to prevent mental disorders developing due to overtime work. We, medical professionals, will review and implement various measures to help all employees maintain physical and mental health.



Health Support Center

# CUSTOMER SATISFACTION

We exercise our business activities, while giving top priority to providing products and services that please customers with safe and reliable quality. To achieve this, each and every employee always thinks and behaves from the customers' point of view.

## Voice of the Customer

We consider "earnestly listening to the voice of the customer (VoC) and finding the nature of customers' problems that they really want to solve, to provide attractive quality products and services that accurately meet their needs" as the practical implementation of Toshiba Tec's corporate philosophy that considers "all ideas originated at the creation of customer value", and work on activities to improve the quality of our products and services.

As a leading retail manufacturer that offers consistent services from product planning to development, distribution and maintenance, we aim to be a company that is always there for our customers.

We use feedback received from customers via system support centers and communications with our salespersons to analyze, improve and plan the current products, and apply this feedback to future products. In the product development stage, we give robustness and implement redundant design by using quality engineering, as well as create more accurate and functional products.

### Case



System Support Center

### Provision of services by System Support Center

We at Toshiba Tec Solution Services Corporation in charge of maintenance services in Japan, monitor our customers' networks and systems 24 hours a day, 365 days a year, via four system support centers nationwide. Our engineers (service technicians) provide operational support and handle failure recovery in a precise and smooth manner, in collaboration with approximately 130 local sites. We collect comments and requests for our services in order to enhance customer satisfaction and to improve services and operations. We also hold periodic meetings with the quality assurance, development and sales divisions on a branch basis, to thoroughly understand the market conditions from the perspective of customers.

## Activities as a Global Company

We globally provide products and services that deliver customer satisfaction. We firmly maintain a global quality assurance system, as well as maintain and improve the level of quality through meetings with manufacturing subsidiaries. We share and use market quality information through the worldwide service network.

We comply with laws and regulations in each country. Mishima EMC Center (anechoic chamber) at Shizuoka Business Center has received ISO 17025\*, the International Standard for Laboratories. We comply with the standard and provide products in a timely manner based on reliable EMC measurements through the product lifecycle.

\* ISO 17025: International Standard for Laboratory Quality Management, Equipment and Technologies. Once a site has been certified, its high measurement reliability is confirmed and measurement data is available as official data worldwide.

### Case

### Meeting with manufacturing subsidiaries

Meetings with manufacturing subsidiaries including overseas group companies are held periodically. In March 2017, we held the 24th meeting in Indonesia and a total of 84 employees participated from China, Singapore, Indonesia, Malaysia, the United States and Japan.



## Safety and Security

We develop specialists in product safety, reliability and risk assessment, and work on technical research to ensure quality that reassures customers, based on the Basic Policy on Product Safety.

In order to allow our customers to use products and services with peace of mind, we predict possible failures or accidents, implement risk assessment to prevent occurrences, and provide products and services that have passed evaluation and verification processes.

According to customer information provided by the maintenance service division, we also endeavor to ensure the higher operational level of safety by understanding the customer's operating environments and end-user's operating conditions.

In the event that a serious product accident is reported to us, we organize a system to quickly and sincerely respond to the accident at the initiative of the CQO\*, under the instruction of the President.

\* CQO: Chief Quality Officer



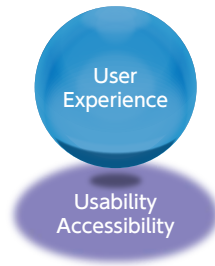
Basic Policy on Product Safety

<http://www.toshibatec.com/company/csr/customer/safety.html>

## Pursuit of User Experience Design (UXD)

UXD is a method to create more attractive and satisfactory products and systems that can provide users with functions and usability.

We create user experience functions and ways of using our products and systems through a variety of activities, in order to help customers use them with more comfort, based on 'usability', which aims to achieve ease of use, and 'accessibility', which aims to pay due attention to the elderly and people with disabilities.



### WILLPOS-Self SS-900 Self-Checkout System / Semi-Self-Checkout System

We had users with physical differences, from small women to large men both standing and in wheelchairs, perform a series of operations on this self-checkout system, and decided to place buttons within the range on the operation screen where a small user in a wheelchair can operate them easily. As a result, this design allows a wide range of users to operate this self-checkout system, and it is available as a semi-self-checkout system as well.

This system also has user experience functions, such as a coin slot with a coin sorting tray.

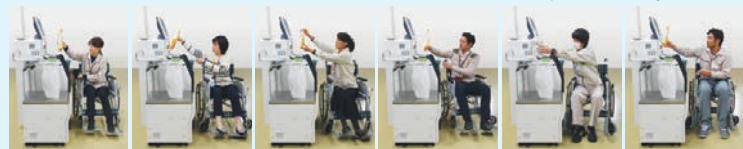


**WILLPOS-Self SS-900 Self-Checkout System**

Operation experiments of the prototype model on usability and accessibility



Operation while standing



Operation while sitting in a wheelchair

#### Coin slot with a coin sorting tray

\* First in the industry



The slot with a shutter that opens only to insert coins, preventing improper insertion

#### SemiSelf semi-self-checkout system



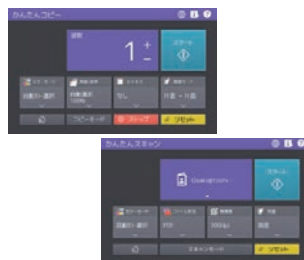
### e-STUDIO 5005AC Series Digital Multifunction Peripheral

We annually provide a training program on user experience including operation experiments of products for new employees who will be involved in product development and research.

This program is intended to teach the practical knowledge and philosophy of UXD required during product development. Operation comparison tests of products and post-experiment classroom lectures/discussions are used to foster awareness with the aim of creating more user-friendly products. In addition, by providing this program soon after new employees join our company, we are able to utilize data from first-time users for product development.



**e-STUDIO 5005AC**



Simple Copy / Simple Scan easy to use even for first-time users

Training program on user experience (operation comparison test)



# PROMOTION of CSR PROCUREMENT

We work on CSR through supply chains, in order to continue to develop together with suppliers to build better partnerships, as well as promote CSR including suppliers.

## ■ Procurement Policy

As a member of Toshiba Group, we make efforts to build sound partnerships with suppliers through procurement activities based on the Toshiba Tec Group Procurement Policy.

We request suppliers to take into account human rights, labor, health and safety along with the environment. When selecting new suppliers, we preferentially advance transactions with suppliers that are committed to focusing on consideration for CSR.

The Toshiba Tec Group Procurement Policy was established in August 2007, for the purposes of helping suppliers, who play a key role in production and service provision for its group companies, understand the policy much better, as well as encouraging cooperation to CSR promotion.

Since then, we have been requesting suppliers to put the policy in practice while revising it depending on the social situation.

In October 2014, we clearly specified to conduct activities in accordance with the UN Global Compact and the Electronic Industry Citizenship Coalition (EICC) code of conduct, both of which Toshiba has pledged to follow, and thoroughly informed our domestic and overseas suppliers of the activities.

 Toshiba Tec Group Procurement Policy  
<http://www.toshibatec.com/company/procure/plan.html>

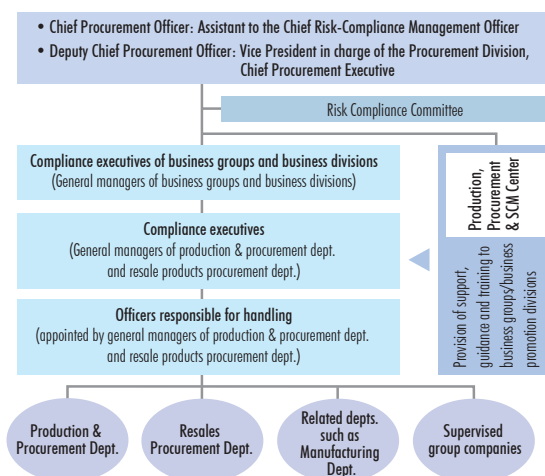
## ■ Compliance in Procurement

We have established a system for ensuring compliance concerning procurement, which is connected with the procurement department under the system of Toshiba, and enhance procurement compliance. Information related to compliance concerning procurement is thoroughly informed in-house and to our group companies through this system. Moreover, measures are thoroughly informed through group company procurement department manager liaison meetings organized by the Procurement Department of Production, Procurement & SCM Center.

We continue with audits against the act for domestic group companies with regard to subcontracted transactions to ensure fair transactions with subcontractors.

We also have been annually providing e-learning on the Subcontract Act for employees of our domestic group companies since fiscal 2007. In fiscal 2016, a total of 2,892 employees including eight domestic group companies participated in the e-learning program on the Subcontract Act. We actively participate in training sessions on the Subcontract Act organized by supervisory or other authorities.

Material procurement compliance management system



## ■ Non-use of Conflict Minerals

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, is obliged to investigate and report 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's Conflict Mineral Policy and publicized it on its website in October 2011.

For humanitarian reasons, we prohibit 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, in accordance with the Toshiba Group's Policy.

In June 2013, we started a survey with overseas manufacturing subsidiaries and suppliers of Shizuoka Business Center which may use 3TG\*, regarding the use of conflict minerals and the smelter verification using the Conflict Minerals Reporting Template (CMMRT), and also continued with the survey in fiscal 2016.

\* "3TG" stands for the initial letters of four conflict minerals, Tin, Tantalum, Tungsten and Gold.



# SOCIAL CONTRIBUTION ACTIVITIES

We define the Corporate Policy regarding Community Relations in our Standards Of Conduct (SOC).

We get involved in social contribution activities with emphasis on the fields of next generation development, environmental protection and social welfare mainly through the Simultaneous Actions and Toshiba Tec Philanthropy Fund based on this policy by focusing on activities capitalizing on our business and continuous relationships with local communities.

## Corporate Policy regarding Community Relations

TOSHIBA TEC 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 Tec 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.

## Simultaneous Actions

We hold Global Environmental Action on June 5 which is World Environment Day and Simultaneous Social Contribution Action on December 5 which is International Volunteer Day, to encourage all of our employees around the world together to carry out environmental and social contribution activities.

### □ Global Environmental Action

We carry out environmental activities with the slogan of environmental communication programs which `connect` employees around the world. We annually determine a theme and carry out activities in each region, with the aim of increasing each and every employee's environmental awareness. In fiscal 2016, 19 activities including tree planting and cleanup were carried out in nine countries where our group countries operate from April to June.



### □ Simultaneous Social Contribution Action

We participate in the simultaneous actions with the aim of making a significant social contribution through the collective efforts of all employees of Toshiba Group. In fiscal 2016, activities including contribution of food, stationery and secondhand books, blood drive and cleanup were carried out all over the world from November to December.



Social contribution by  
Toshiba Group's 200,000 Employees  
Committed to People, Committed to the Future.

## Toshiba Tec Philanthropy Fund

In October 1992, with the aim of contributing to society as a corporate citizen, we established the Toshiba Tec Philanthropy Fund, which is made up of contributions from employee salaries and bonuses. We annually use this fund to promote local welfare activities, support children who will lead the next generation, and promote environmental conservation. In the event of a large-scale disaster, we make a monetary donation.

In fiscal 2016, as our periodic donations to recovery, next generation development and social contributions appropriate for our company, we made donations (1) to the Fukushima Donation for Orphans affected by the Great East Japan Earthquake, (2) to the Central Community Chest of Japan Red Feather Campaign, (3) to Japanese Red Cross Society Fund Raising, and (4) of picture books, playground equipment and electrical appliances to kindergartens and nursery schools in the communities in which our head office and Shizuoka Business Center are located.



## ■ Support for Children Who Lead the Next Generation

### □ Tour for employees' children

We invite our employees' children to our offices during the summer vacation. A tour of the showroom, workplace and a visit to the president's office along with the operation of cash registers are organized to help children gain social experience as well as to provide an opportunity for our employees and their children to deepen family bonds. In fiscal 2016, a total of 130 employees and their families participated in the tours held at the head office, Shizuoka Business Center, as well as at the head office, Kyushu and Higashi Kanto branches of Toshiba Tec Solution Services Corporation.



### □ Workplace tours and experience learning

We offer workplace tours for elementary, junior high and high school students to learn through experience. In fiscal 2016, a total of 44 students participated in the tours from five high schools, and 8 students from one junior high school visited Toshiba Tec Solution Services Corporation. We hope to be of some help to students' future learning through tours of our showrooms, operation of our products and interactions with our employees.



### □ Storytelling volunteer

In 2011, we donated books to kindergartens and elementary schools near Shizuoka Business Center from the Toshiba Tec Philanthropy Fund, and since then, in addition to donations, our employee volunteers have been holding storytelling sessions, which are thought to be good for children's emotional development and vocabulary acquisition.

These storytelling sessions have been established as one of the new activities that go beyond conventional donations from the philanthropy fund. The circle of storytelling volunteers is growing in Toshiba Tec Group every year, and a lot of group company employees participate in the sessions.

In fiscal 2016, we donated picture books to 18 public kindergartens and nursery schools, 19 after-school kids clubs in Mishima, as well as 10 public kindergartens and nursery schools in Izunokuni. We currently hold five storytelling sessions every year at four kindergartens and nursery schools close to Shizuoka Business Center (Mishima and Ohito), respectively.



### □ School visit program

We at Toshiba Tec Solution Services provide the experience-based school visit program to elementary, junior high, high and special-needs schools nationwide by capitalizing on our employee resources, such as engineering and interpersonal skills.

In fiscal 2016, we provided the workplace experience learning program for two days upon request from a private junior high school. We offered the students opportunities to learn through experience, such as disassembling/assembling cash registers and performing remote maintenance when we fulfill a role to provide maintenance and operation services, as well as devote our effort and ingenuity in order to satisfy our customers at two business domains; retail and printing.

We started the experience-based school visit program in 2006. Since then, we have been expanding the area covered in response to the changing needs, and using our ingenuity to improve continuity, such as cooperation with former employees. In March 2017, we became the three-time winner of the Review Committee Encouragement Award of the Commendation of Companies Promoting Experience-based Learning Activities sponsored by the Ministry of Education, Culture, Sports, Science and Technology.



## Activities to Preserve the Global Environment

### Clean-up activities

We carry out clean-up activities in the neighboring streets, rivers, beaches and parks at sites around the world during the periods of Global Environmental Action and Simultaneous Social Contribution Action.



### Leveling of rest areas for rare species of butterflies and bees

We at Toshiba America Business Solutions, Inc. are collaborating with the local non-profit organization, Pheasants Forever, on creating an easily habitable environment for monarch butterflies and honeybees, both of which are disappearing species, by planting native flowers together with local school children.



### Tree-planting activities

We at Toshiba Tec Information Systems (Shenzhen) Co., Ltd. conducted a tree-planting activity in Bao'an District, Shenzhen in 2016. We have conducted this activity in Shenzhen for 12 years in a row from 2004. At P.T. TEC Indonesia, we plant trees around the office premises on Earth Day every year.



### Collection and recycling of e-waste

We at Toshiba Tec Germany Imaging Systems GmbH have collection containers in the office for disposal of e-waste (waste electrical and electronic equipment).



## Recovery Activities

### Recovery activities by new employees

Since fiscal 2012, our new employees have been participating in Toshiba Group's recovery and social contribution activities in Minamisanriku and Ishinomaki, Miyagi. In April 2017, 143 new employees of Toshiba Tec Group participated in these activities. They got involved in fishery work such as packing wakame seaweed in boxes or bags and making oyster farming beds, as well as in forest maintenance such as tree planting. These activities among people who make efforts to recover from the earthquake provide them with extremely valuable social and life experiences.



### Sale of local products and provision of a menu of local foods from Tohoku and Kumamoto in the cafeteria

In December 2016, we held an event selling local products from Tohoku and Kumamoto to aid recovery in these areas which were badly affected by earthquakes. We also provided a special menu of Tohoku and Kumamoto local dishes in the Shizuoka Business Center cafeteria.



# E

# ENVIRONMENT

Based on recognition of the fact that it is our responsibility to maintain the health of the global environment as an irreplaceable asset for future generations, we, Toshiba Tec Group, contribute to the creation of new values and harmony with the Earth.

## VISION & STRATEGIES

### Promotion of "Three Greens" based on "Environmental Vision 2050"

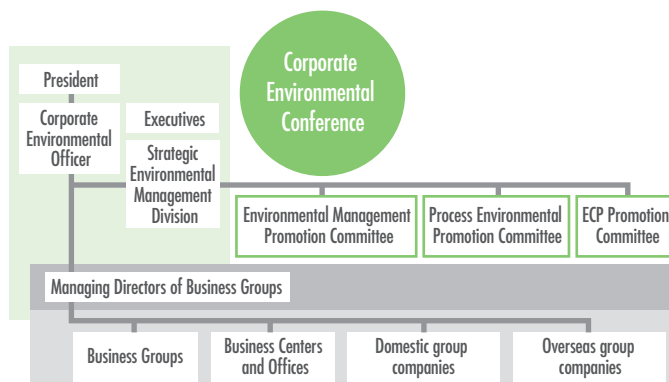


In our role as one of the world's foremost eco-companies, we are practicing environmental management based on the Toshiba Group's Environmental Vision 2050 to promote harmony with the Earth, and contributing to the creation of a richer lifestyle for society. Based on the following three Greens, we focus on reducing environmental impact in every product and process from the perspectives of mitigation of climate change, efficient use of resources and management of chemicals.

#### Integration of business management and environmental management

Implementation of measures with 3 Greens	<b>Green Management</b>	Continuous improvement of basic activities
	<b>Greening of Products</b>	Creation of products with the highest environmental performance
	<b>Greening of Process</b>	Environmentally conscious manufacturing

### Environmental Promotion Structure



Corporate Environmental Conference

## TOSHIBA TEC Group's Basic Policy for the Environment

We, TOSHIBA TEC Group as a "global enterprise," which offers global one stop solution to the nucleus putting retail business, printing business, AI/IJ business, contribute to a sustainable society by reducing our customers' and ours environmental impacts through "Monozukuri" or by creating environmentally conscious products.

We practice global sustainability with the aim of realizing a low-carbon society, recycle oriented society and coexisting with nature society by seeking to bring together business and environmental activities, in order to hand down to our next generation, the health of the global environment as an irreplaceable asset.

Given Green Management, Greening of Products, Greening of Process and Sustainability as the important pillars of environmental management, TOSHIBA TEC Group is actively driving environmental protection, to contribute to the reduction of environmental impacts in business fields such as stores and offices.

### 1. Green Management

- TOSHIBA TEC Group assesses the environmental impacts of its business activities, products and services on the environment, specifies and promotes objectives and targets with respect to the prevention of environmental pollution, use of sustainable resources, mitigation of climate change, adaptation to climate change, and conservation of biodiversity.
- TOSHIBA TEC Group strives to continually improve environmental management through internal audits and reviews of activities.
- TOSHIBA TEC Group complies not only with laws and regulations applied in countries or regions all over the world, but also with industry guidelines, which it has endorsed, for environmental protection.
- TOSHIBA TEC Group provides environmental education, conducts educational campaigns, and expands each employee's environmental awareness to promote environmental activities.
- TOSHIBA TEC Group actively and widely discloses its environmental policy and activities inside and outside the Group.
- TOSHIBA TEC Group participates in society-wide environmental activities in cooperation with administrations, communities and bodies concerned.

### 2. Greening of Products

- TOSHIBA TEC Group pursues the highest level of environmental performance on our products, then, aim at creation of Excellent ECPs and wide acceptance in the market.
- TOSHIBA TEC Group reduces environmental impacts throughout a life cycle through green procurement of environmentally conscious materials and parts, resource and energy conservation, and abolition of specified chemical substances, in order to provide environmentally conscious products on a global basis.
- TOSHIBA TEC Group advances distribution of ECPs and services, to contribute to the reduction of environmental impacts of the products or services when used by customers.
- TOSHIBA TEC Group contributes to the establishment of a recycling-based society, while collecting and recycling end-of-use products and reusing end-of-use parts.

### 3. Greening of Process

- TOSHIBA TEC Group strives toward resource, energy and water conservation, as well as correct control of chemical substances, for environmentally conscious production, marketing and servicing, allowing for regional situation.
- TOSHIBA TEC Group aims at realizing a low-carbon society, recycle oriented society and coexisting with nature society through "Monozukuri" and by improving the efficiency of logistics operations.

### 4. Sustainability

- TOSHIBA TEC Group contributes to a sustainable society through its environmental activities, which include the development and provision of outstanding environmental conscious technologies and products in cooperation with society at large and with local communities, and maximizes disclosure and transparency in communication with stakeholders and society at large.

## Environmental Action Plan

We work on the Environmental Action Plan based on the Toshiba Group's Policy. We achieved all the targets except for one item in fiscal 2016.

Core subject	Indicator	FY2016			
		Target	Result	Evaluation*6	
Greening of Products	Overall	Product factor (compared to FY2000 levels)	4.69	7.15	Yes
	Mitigation of climate change	Increase in sales of Excellent ECPs	169 billion yen	198.6 billion yen	Yes
		Reduction of CO <sub>2</sub> emissions through eco-products*1	139,000 t	143,000 t	Yes
		Efficient use of resources	Amount of resources saved through products*2	21,000 t	22,000 t
Greening of Process	Efficient use of resources	Percentage of use of recycled plastics from products*3	6.3%	10.3%	Yes
		Total greenhouse gas emissions (compared to FY1990 levels)**4	71,000 t-CO <sub>2</sub> (163%)	66,000 t-CO <sub>2</sub> (147%)	Yes
	Mitigation of climate change	Total energy-derived CO <sub>2</sub> emissions per unit production (compared to FY2010 levels)*4	126%	119%	Yes
		Total CO <sub>2</sub> emissions resulting from product logistics per unit production (compared to FY2010 levels)	70%	86%	No
		Volume of waste (compared to FY2000 levels)	1,440 t (50%)	1,322 t (46%)	Yes
	Efficient use of resources	Total volume of waste generated per unit production (compared to FY2010 levels)	93%	85%	Yes
		Percentage of final waste disposal (relative to Toshiba Tec Group total emissions)*5	1.7%	1.1%	Yes
		Volume of water received per unit production (compared to FY2010 levels)	127%	104%	Yes
	Management of chemicals	Total emissions (compared to FY2000 levels)	101 t (96%)	66 t (63%)	Yes
		Chemical substance handling amount per unit production (compared to FY2010 levels)	81%	69%	Yes

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

\*2: [Mass of assumed substitute products] - [Mass of shipped products]

\*3: [Amount of recycled plastics] / [Amount of plastics used for products] × 100

\*4: We adopted power received and as electricity coefficient in Japan: 4.17 t-CO<sub>2</sub>/10,000 kWh for fiscal 1990, 3.52 t-CO<sub>2</sub>/10,000 kWh for fiscal 2010, and 5.31 t-CO<sub>2</sub>/10,000 kWh for fiscal 2016 and later. Outside Japan, we adopted power received and specific to the relevant countries since fiscal 1990. From fiscal 2006 to fiscal 2012, we adopted power received and for fiscal 2006 based on GHG Protocol data continuously. Since fiscal 2013, we adopted power received and for fiscal 2009.

\*5: The Toshiba Tec Group's definition of "zero emissions" of waste is that the amount of landfill waste after treatment is equivalent to less than 0.5% for manufacturing sites and 1.0% for non-manufacturing sites of the total amount of by-products and other items generated (total amount of waste generated) as a result of business activities (excluding the sites with restrictions under laws and administrative guidance.)

\*6: "Yes" indicates the target was achieved and "No" indicates the target was not achieved.

# Greening of Products

We pursue the creation of products with the highest environmental performance and reduce environmental impact throughout the life cycle of all products developed.

We pursue the highest environmental performance for all products developed and advance "Greening of Products" activities aimed at reducing environmental impact throughout the life cycle.

First, in the stages from business strategy to product planning, based on technological and competitor trends, we set "eco-targets" for the development of products with the highest environmental performance at the time of product release. Then, in the development and design stages, we perform environmental assessments of products to make sure that the products comply with laws and regulations and meet the ECP standards\*1 in all three aspects (mitigation of climate change, efficient use of resources and management of chemicals) through all stages of their life cycle.

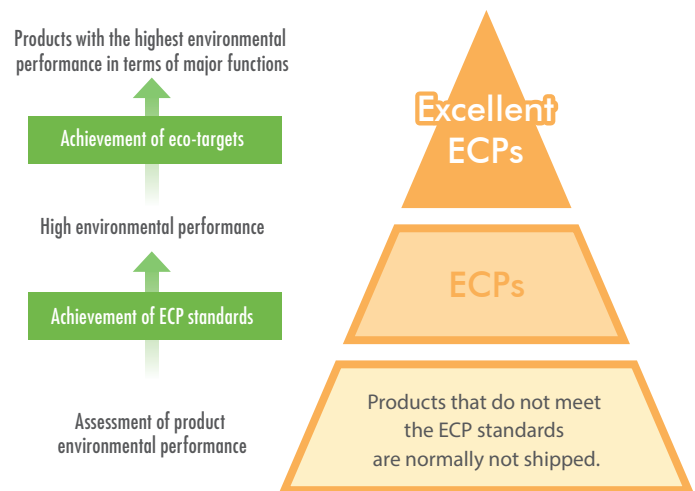
In the product approval stage, we check to see the level of achievement of "eco-targets" and compliance with the ECP standards. Then, we certify those products with the highest environmental performance as "Excellent ECPs".

The demand for social infrastructure products, increased consumption of electricity and resources are concerns everywhere. In order to reduce environment impact, we aim at creating and further increasing the number of Excellent ECPs with the highest environmental performance in the industry.

# Products with the Highest

Aiming at creating and further Excellent ECPs with the highest

## Basic Policy for the Greening of Products



\*1: Environmentally Conscious Products (ECPs) are designed to minimize environmental impact throughout all stages of their product life cycle, including procurement of materials, manufacturing, distribution, usage, disposal and recycling

# Main Products Certified as

## e-STUDIO7506AC Series Color MFP

Released in July 2016

Energy Saving

Top-level Typical Electricity Consumption\* with high-efficiency IH fuser and low-temperature fusing toner (75 ppm, 65 ppm)



\* At the time of product launch; The current position is not guaranteed.

## e-STUDIO8508A Series Monochrome MFP

Released in July 2016

Energy Saving

Top-level Typical Electricity Consumption\* with high-efficiency IH fuser and low-temperature fusing toner

Resource Saving

Minimum product mass\* with 3D laser welded frame



# Environmental Performance

increasing the number of environmental performance

## Mitigation of Climate Change

- Reductions in power consumption
- Reductions in standby electricity consumption
- Visualization of power consumption
- Energy-saving mode
- Shipment mode

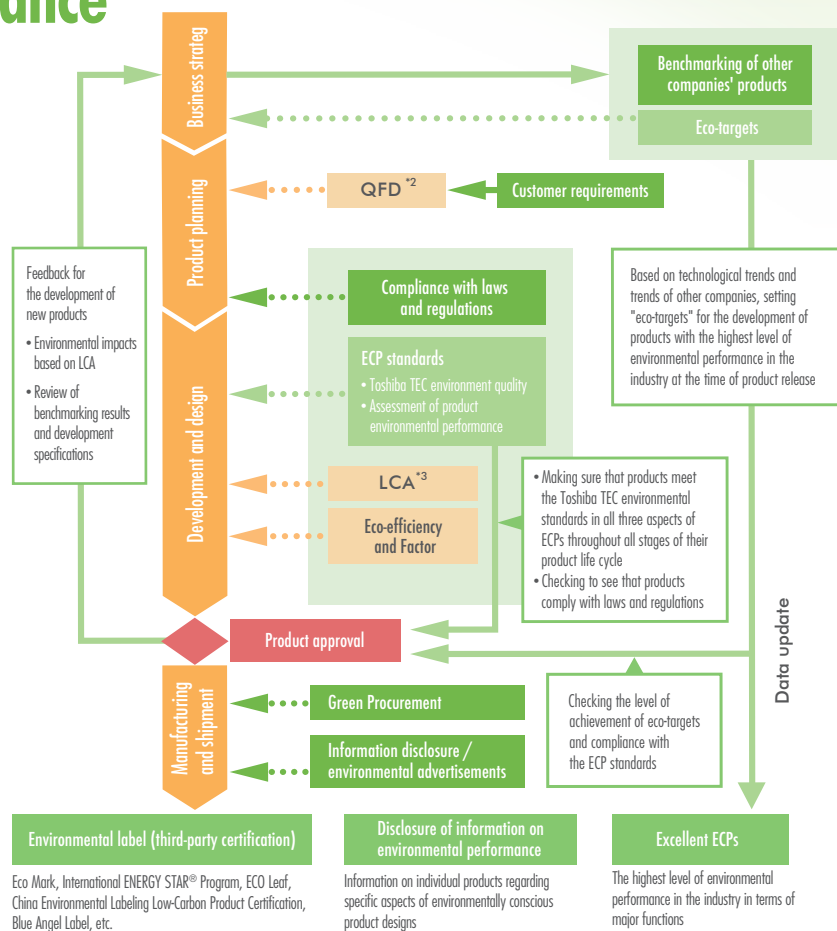
## Efficient Use of Resources

- Reductions in the use of raw materials
- Use of recycled materials
- Ease of disassembly
- Reductions in the use of packaging materials
- Reductions in the use of supplies
- Upgrades, longer useful lives

## Management of Chemical Substances

- Reductions in the use of specific hazardous substances
- Green Procurement
- Distribution of information on chemicals
- Compliance with chemical regulations in different countries, etc.

## System for the Greening of Products



\*2 QFD: Quality Function Deployment \*3 LCA: Life Cycle Assessment

# Excellent ECPs in Fiscal 2016

## B-EX6T Label Printer

Released in September 2016



- Energy Saving**: Lowest power\* in sleep mode with use of high-efficiency power supply
- Resource Saving**: Highest resource savings\* through ribbon save function

## B-FP3D Portable Printer

Released in October 2016



- Energy Saving**: Highest energy savings\* in standby mode\* with high-efficiency DC-DC regulator
- Resource Saving**: Highest resource savings\* in mass and dimensions of the main unit with the box type housing and main unit frame structure

## TCxWave/A30 Series POS System

Released in December 2016



Only one product with all-in-one system, which is not offered by competitors

- Energy Saving**: 2W standby power consumption through deep sleep automation. Reduction in power consumption by use of SSD technology, ultra-low volt mobile processor and high-efficiency power supply
- Resource Saving**: Achievement of prolongation of lifetime and environment-resistant performance through keyboard-less operation by use of Smart Touch Technology

# Greening of Process

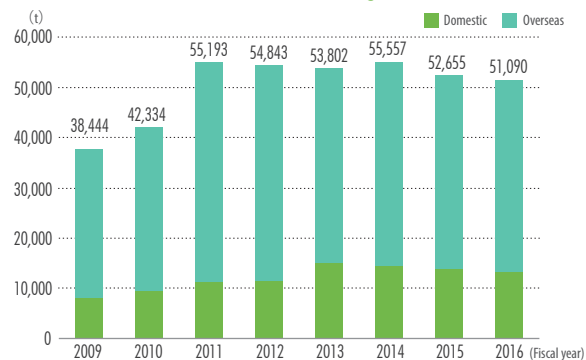
We are working on "Monozukuri" product manufacturing, which can minimize the input of energy, resources and chemical substances, as well as the output of CO<sub>2</sub>, waste and chemical substance in our manufacturing processes worldwide.

## Mitigation of Climate Change

### Minimizing the increase in CO<sub>2</sub> emissions due to energy consumption

We effectively use energy to reduce CO<sub>2</sub> emissions associated with energy consumption. In fiscal 2011, CO<sub>2</sub> emissions increased overall due to the incorporation of the parts business into overseas sites. However, as a result of environmental measures undertaken, such as replacing with LED lighting and checking for compressor air leakage, we successfully reduced CO<sub>2</sub> emissions in fiscal 2016. We also periodically check our industrial air-conditioners at our domestic facilities, following the standards that are based on the Act for Rationalized Use and Proper Management of Fluorocarbons, to prevent greenhouse gas effects caused by the leakage of CFC's.

### Transition of CO<sub>2</sub> emissions at manufacturing sites

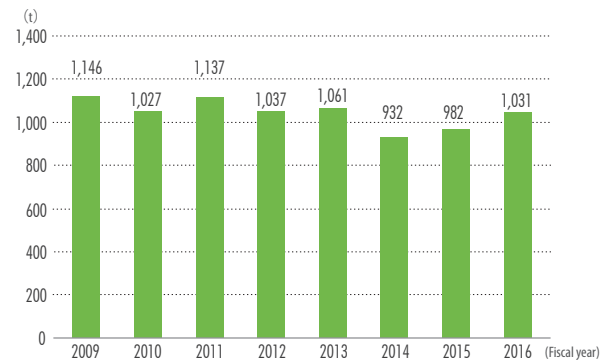


Note: We adopted power received end as electricity coefficient in Japan: 3.53 t-CO<sub>2</sub>/10,000 kWh for fiscal 2009, 3.52 t-CO<sub>2</sub>/10,000 kWh for fiscal 2010, 4.75 t-CO<sub>2</sub>/10,000 kWh for fiscal 2011, 4.81 t-CO<sub>2</sub>/10,000 kWh for fiscal 2012, 5.67 t-CO<sub>2</sub>/10,000 kWh for fiscal 2013, 5.52 t-CO<sub>2</sub>/10,000 kWh for fiscal 2014 and 5.31 t-CO<sub>2</sub>/10,000 kWh for fiscal 2015 and later. Outside Japan, from fiscal 2009 to fiscal 2012, we adopted power receiving end for fiscal 2006 based on GHG Protocol data continuously. Since fiscal 2013, we have been adopting power received end for fiscal 2009.

### Reducing CO<sub>2</sub> emissions associated with product logistics

We switched from individual shipping to full truckload shipping for imported parts to increase load efficiency, leading to a reduction in the number of trucks required. We also reduced the size and weight of new products that were developed to control CO<sub>2</sub> emissions resulting from product logistics. However, CO<sub>2</sub> emissions were slightly increased due to an increase in sales.

### Transition of CO<sub>2</sub> emissions associated with nationwide product transportation



### TOPICS LED lighting

Toshiba Tec Malaysia Manufacturing Sdn. Bhd.

We have been annually adopting LED lights at manufacturing and non-manufacturing sites worldwide in a planned manner. In fiscal 2016, we replaced approximately 2,500 fluorescent lights with LED lights at Toshiba Tec Malaysia Manufacturing Sdn. Bhd.



### TOPICS Improvement in efficiency of air conditioning

Toshiba Tec Corporation, Shizuoka Business Center (Mishima and Ohito)

We have been annually improving the efficiency of air conditioning systems at manufacturing and non-manufacturing sites worldwide in a planned manner. In fiscal 2016, we replaced approximately gas air-conditioning systems with electric air-conditioning systems equipped with inverters at Toshiba Tec Corporation, Shizuoka Business Center (Mishima and Ohito).





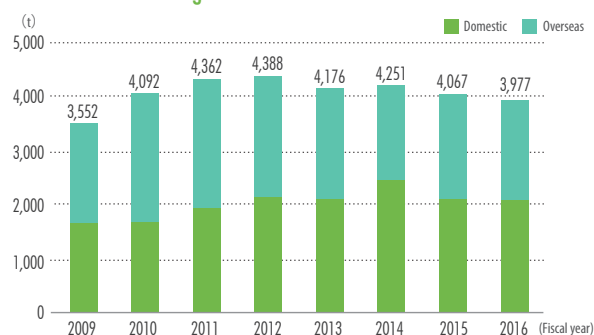
## Efficient Use of Resources

### Minimizing the increase in total volume of waste generated

To efficiently use resources, we work on the reduction of the total volume of waste generated, by recycling and other methods. As a result of taking environmental measures, such as reuse of packaging materials, we successfully suppressed the generation of waste in fiscal 2016. We also visited the recycler's facility to directly check the status of processing in Japan.

We will continue to effectively use resources in collaboration with the recycler through communication to increase the recycling rate.

#### Total volume of waste generated



### TOPICS Recycling of waste printed circuit boards

P.T. TEC Indonesia

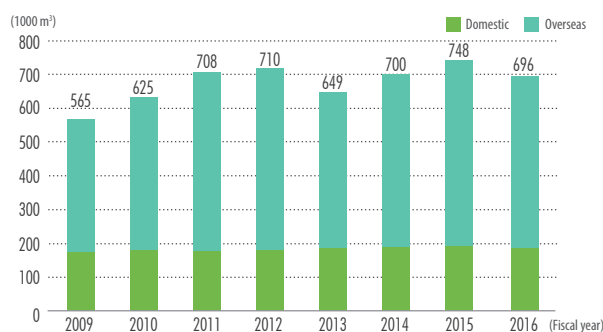
We made design changes to printed circuit boards, making it easier than before to separate waste and valuables, and resulting in an increase in value.



### Efficiently using water

A small volume of water is used in the manufacturing process and most of it is used for daily needs including toilets, cafeterias and residences. The recent use of water remains almost the same. We will continue to encourage our employees to save water through posters.

#### Volume of water received



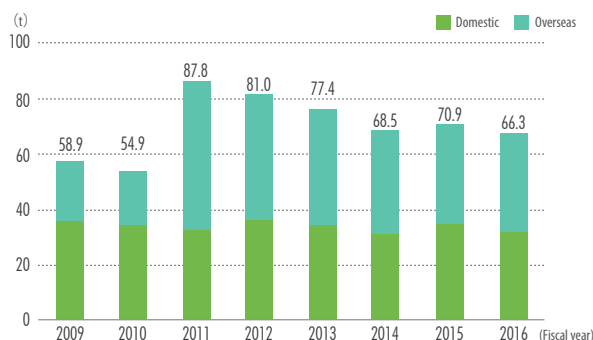
## Management of Chemical Substances

### Reducing emissions of chemical substances used in the manufacturing process

We classify chemical substances applicable to the environmental laws and regulations into three types: "prohibition", "reduction" and "control".

We strive to reduce emissions of chemical substances, which are classified into "reduction", to the atmosphere and water that directly affect the environment. In fiscal 2011, emissions of chemical substances increased due to the incorporation of the parts business into overseas sites. However, we have recently been able to reduce emissions as a result of introducing manufacturing equipment with low emissions of chemical substances and reviewing the process. We will continue to reduce their emissions.

#### Emissions of chemical substances



### TOPICS Training for professionals responsible for handling chemical substances

Toshiba Tec Information Systems (Shenzhen) Co., Ltd.

We provide group training on the management of chemical substances as well as practical training on their proper management and usage in the manufacturing process for managers who deal with chemical substances, and operators who are responsible for handling them and who are in charge of safety.



# Green Management

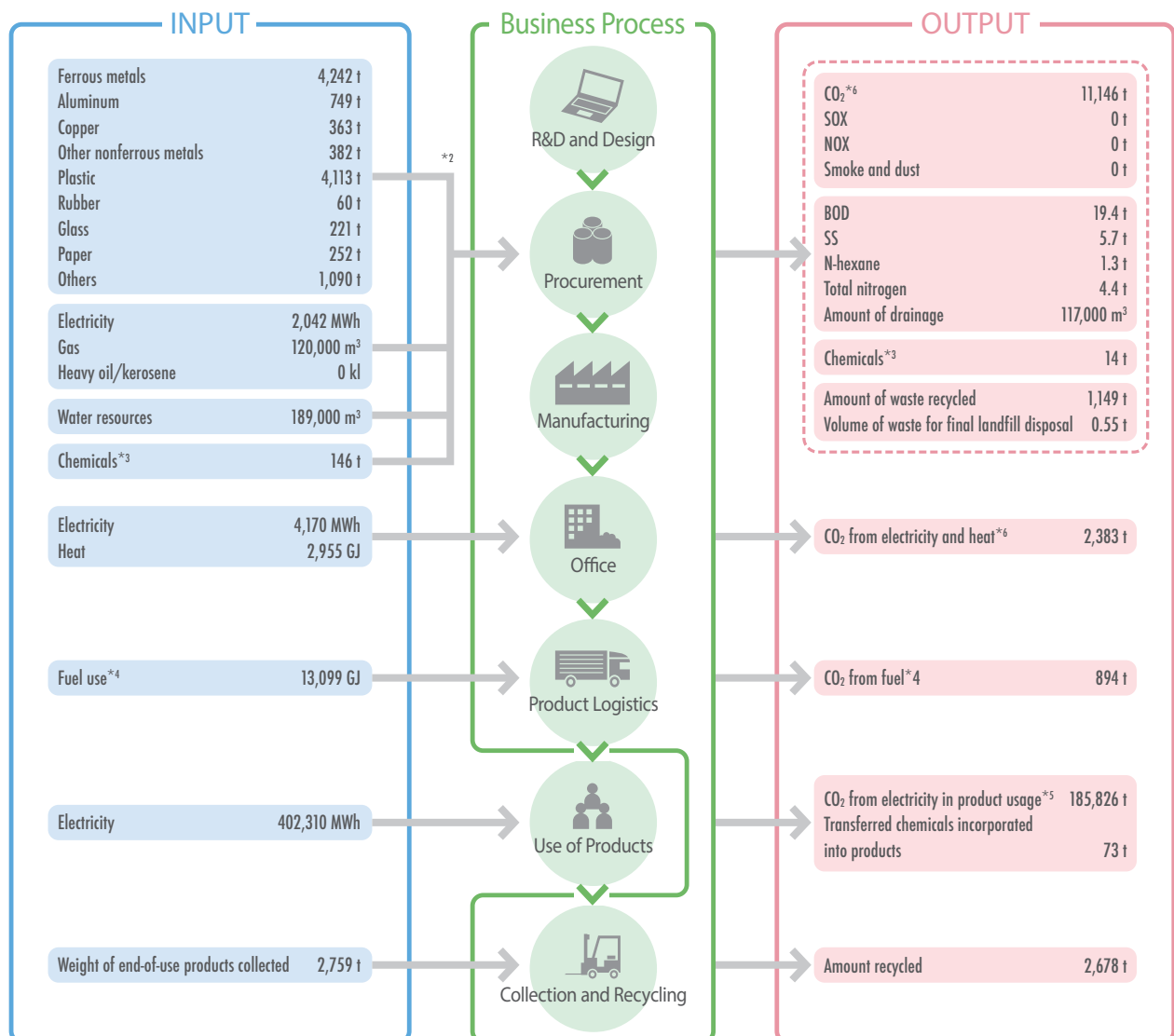
We continue to improve basic environmental management activities through the environmental management system, biodiversity and environmental communication.

## Environmental Impact throughout the Life Cycle in Fiscal 2016

We reduce the environmental impact in our manufacturing processes and develop environmentally conscious products, to understand, analyze and reduce the impact at each stage of a product life cycle.

We procure raw materials and components from suppliers, manufacture and ship our products. We transport finished products to distributors or warehouses via outsourced forwarding agents. Then, we collect end-of-use products from customers wherever possible, for reuse and recycling. At the manufacturing stage, CO<sub>2</sub> emissions due to consumption of all energies from plants were 11,146 tons and from offices were 2,383 tons. Emissions of chemicals into the atmosphere and water were 14 tons. The amount of waste recycled was 1,149 tons and the amount of landfilled was 0.55 tons. CO<sub>2</sub> emissions from major products shipped in fiscal 2016 until the end of their product lives are to be 185,826 tons. We are working on reducing power consumption and CO<sub>2</sub> emissions, which are the majority throughout their product life cycle, as a top priority issue.

### Environmental impacts in fiscal 2016\*1



\*1: Target data tabulated: Toshiba Tec

\*2: Inputs of materials and parts are calculated from material procurement data using the Toshiba Group's proprietary method.

\*3: Target chemicals: 551 types specified by Toshiba

\*4: Product logistics: All CO<sub>2</sub> emissions for outsourcing

\*5: CO<sub>2</sub> in product usage is CO<sub>2</sub> emissions from major products shipped in fiscal 2016 until the end of their product lives.

\*6: As a CO<sub>2</sub> conversion factor for electricity, 5.31t-CO<sub>2</sub>/10,000 kWh is adopted.

## Environmental Accounting

We adopt environmental accounting to quantitatively understand environmental conservation costs and benefits, and utilize the quantitative data as guidelines for business activities.

### Costs and benefits

For environmental conservation costs on a consolidated basis in fiscal 2016, total capital investments were 180 million yen and total expenses were 730 million yen. We used environmental costs, especially for the prevention of global warming and energy-saving measures. Total environmental benefits were 2.65 billion yen.

Target site: Toshiba Tec Head Office, Shizuoka Business Center, 3 domestic and 6 overseas manufacturing group companies  
 Target period: April 1, 2016 to March 31, 2017  
 Note: Figures are partly estimated.

### Environmental conservation costs

Millions of yen

Category	Description	Investments		Costs		Change in costs from fiscal 2015	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
1) Business area costs	Reduction of environmental impacts ① to ③	177.5	98.4	133.1	54.1	0.6	1.7
① Pollution prevention costs	Prevention of air, water and soil pollution, etc.	24.3	20.4	41.1	3.8	7.1	-0.4
② Global environmental conservation costs	Global warming prevention, ozone layer protection, etc.	153.2	78.0	32.7	19.7	-12.7	-0.2
③ Resource recycling costs	Recycling of waste, etc.	0.0	0.0	59.3	30.6	6.2	2.3
2. Upstream/downstream costs	Green procurement, collection and recycling of end-of-use products, etc.	0.0	0.0	105.4	105.4	-8.4	-8.4
3. Administration costs	Establishment of EMS, environmental education, tree-planting/clean-up activities, etc.	0.0	0.0	342.9	294.2	22.2	7.4
4. R&D costs	Technical development for ECPs, etc.	0.0	0.0	139.5	139.5	20.5	20.5
5. Public relations costs	Donations and support to groups/organizations, etc.	0.0	0.0	5.2	4.2	-0.6	0.1
6. Environmental damage restoration costs	Recovery from soil pollution, etc.	0.0	0.0	0.7	0.7	0.0	0.0
<b>Total</b>		<b>177.5</b>	<b>98.4</b>	<b>726.8</b>	<b>598.0</b>	<b>34.4</b>	<b>21.3</b>

### Environmental conservation benefits

Millions of yen

Category	Description	Amounts	Calculation method
<b>A Actual benefits</b>	Reduced charges for electricity and water, etc.	101.5	The amount of money, such as electricity charges and waste disposal costs, that was saved compared with the previous year, plus earnings from the sale of objects with value.
<b>B Assumed benefits</b>	Reduced environmental impacts on water and atmosphere in monetary value	635.0	The amount of money was calculated by multiplying the cadmium equivalent value of each substance obtained from environmental standards and the American Conference of Governmental Industrial Hygienists Threshold Limit Value (ACGIH-TLV) by damage compensation for cadmium pollution. This method of calculation provides a means of showing reductions in environmental impacts on the atmosphere, hydrosphere and soil and makes it possible to compare the environmental impacts of different substances using the same standard by converting the impacts into monetary values.
<b>C Customer benefits</b>	Benefits of impacts reduced during product use in monetary value	1,916.5	Environmental impact reduction benefits during product use are evaluated in physical quantity units and monetary units. Energy-saving benefits are calculated by using the following equation: $\text{Benefits (yen)} = \sum [(\text{Annual power consumption of the previous product model} - \text{Annual power consumption of the current product model}) \times \text{Number of products sold annually} \times \text{Benchmark unit price of electricity}]$
<b>Total</b>		<b>2,653.0</b>	

#### A Actual benefits

Item	Reduction in environmental impacts*	Benefits measured in monetary values (millions of yen)
Energy	17,300 GJ	59.2
Waste	12.1 t	36.2
Water	85,600 m <sup>3</sup>	6.2
<b>Total</b>		<b>101.5</b>

\* The reduction in environmental impacts indicates the difference in the amount between fiscal 2015 and 2016. Negative figures show an increase in environmental impacts beyond the benefits from reduction due to increased production, etc.

#### B Assumed benefit

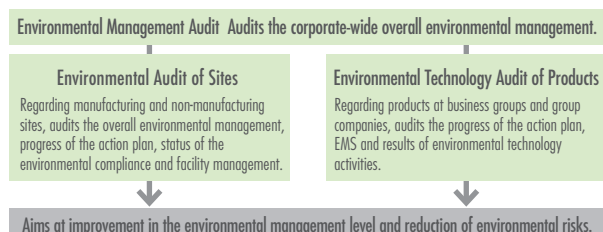
Item	Reduction in environmental impacts*	Benefits measured in monetary values (millions of yen)
Benefits from reductions in emissions of chemicals	21.3 t	635.0

#### C Customer benefits

Item	Reduction in environmental	Benefits measured in monetary values (millions of yen)
Benefits from reduction in environmental impacts during product use	Electricity	40,540,000 kWh
	Paper rolls	1,669 t
<b>Total</b>		<b>1,916.5</b>

## Toshiba Group's Environmental Audit System

We have been annually conducting environmental audits in accordance with the comprehensive Environmental Audit System and standards established by Toshiba since fiscal 1993, to improve environmental management. Based on this audit system, we conduct corporate-wide environmental management audits, environmental audits of sites for manufacturing and non-manufacturing sites, and environmental technology audits of products at business groups on an annual basis.



Plant audit situation

## Green Procurement

We implement green procurement at the procurement stage of raw materials. We also aim to procure articles with a lower environmental impact, from suppliers that aggressively promote activities for environmental conservation. In addition, we have started to reduce phthalates from 2015.

### Suppliers' activities for environmental conservation

We prioritize suppliers who perform proactive activities for environmental conservation. We have prepared the Guidelines for Green Procurement in Japanese, English and Chinese to check the status of implementation of suppliers.

#### Activities for environmental conservation

1. Formulating environment policy
2. Establishing and maintaining a system for environmental conservation
3. Training and monitoring of system performance

### Data utilization

We request our suppliers to provide data on environment-related substances control for articles to be supplied in the survey format based on our Guidelines for Green Procurement, to collect data on the green procurement support system. We use the data obtained to develop ECPs.

### Control of environment-related substances for articles to be procured

We request our suppliers to comply with environment-related laws, regulations and control standards, such as RoHS and REACH that spread from Europe to the rest of the world. We also request them to provide parts and raw materials with a lower environmental impact.

#### Control of environment-related substances

1. Make every supporting organization and suppliers understand the requirements.
2. Realize the requirements for control of environment-related substances.
3. Reply to our inquiries about control of environment-related substances.
4. Obtain necessary information from suppliers as base data for your reply.
5. Perform sample tests or obtain sample test results from suppliers if necessary.
6. Investigate suppliers' control systems.
7. Understand information on chemical substances whose inclusion will be prohibited.

## Worldwide Collection and Recycling

We are committed to collecting and recycling end-of-use products on a global basis.



Recycling box

### Japan

We collect end-of-use products at our sales sites nationwide, and perform process checks on recycling contractors to increase the collection and recycling rates.

### Asia

In Malaysia, we at Toshiba Tec Malaysia Manufacturing Sdn Bhd. implement the voluntary collection and recycling program for end-of-use MFPs in collaboration with Shan Poornam Metals.

### Europe

In France, we at Toshiba Tec France Imaging Systems S.A. implement the end-of-use toner cartridge collection and recycling program in collaboration with Conibi. End-of-use toner cartridges we collected are recycled into raw materials at ClozDloop® in Belgium.

### Australia & North America

We implement the "Zero Waste to Landfill" recycling program in collaboration with Close the Loop®. Almost all of the end-of-use toner cartridges we collected from copiers and MFPs through this program are recycled.

## Biodiversity Conservation Activities

We carry out activities including observation of rare species and protection of endangered species worldwide.



**Shizuoka Business Center**  
Protection and breeding of "Mishima Saiko" listed as an endangered species



**Toshiba Tec Singapore Pte Ltd.**  
Fixed point observation of birds and butterflies in the Ang Mo Kio Park



**Toshiba Tec Malaysia Manufacturing Sdn. Bhd.**  
Protection of green turtles from dangers and release of baby turtles into the sea



**P.T. TEC Indonesia**  
Protection and breeding of Kantong Semar (nepenthes) which is a rare species in tropical regions



**Kokusai Chart**  
Protection and breeding of Japanese rice fish listed as an endangered species

\* In addition to these activities, we provide activities to conserve forest resources through Paper Reusing System for our customers.

## Toshiba Group Environmental Exhibition

The 25th Toshiba Group Environment Exhibition was held at Toshiba Smart Community Center in Kawasaki on June 9 and 10, 2016, and attracted more than 4,000 visitors. We presented five products in the product exhibition area and demonstrated environmental performance.



**SS-900 Self-Checkout System**



**e-STUDIO5005AC Series Color MFP**



**B-LP2D/B-EX4T/B-FV4D-GL**  
Bar Code Printer

## External Commendations

We at Toshiba Tec Europe Imaging Systems S.A. (France) entered the large company category of the commendation for sustainable environmental contribution activities, which is held in Normandy every year, and won the "Jury Prize" (first prize) for our efforts in environmental protection and local environmental activities.



In fiscal 2016, we at Toshiba Tec Singapore Pte Ltd. won the Distinction Award and Gold Award in the Singapore Packaging Agreement Awards in recognition of our achievements, including the replacement of wooden pallets with plastic pallets and use of reusable containers.



# Activities for the 6th Environmental Action Plan

## For the Next Goal

We have started activities for the 6th Environmental Action Plan to realize Environmental Vision 2050 targeted for the period from fiscal 2017 to fiscal 2020. We divide the action plan into four areas and define specific activities, respectively to proceed with them in each of the following four areas.

### Green Management

- ◆ Strengthening compliance systems at overseas/domestic sites by training auditors and enhancing their performance
- ◆ Setting a theme of recommended activities for each fiscal year to carry out Global Environmental Action
- ◆ Carrying out biodiversity conservation activities at all manufacturing sites for 10 out of 20 items of Aichi Biodiversity Targets

### Greening of Products

- ◆ Expanding sales of Excellent ECPs
- ◆ Further reducing CO<sub>2</sub> emissions
- ◆ Saving more resources
- ◆ Increasing the amount of resources recycled (recycled plastic)
- ◆ Reducing use of specified chemicals

### Greening of Process

- ◆ Reducing the total amount of GHG emissions
- ◆ Reducing energy-related CO<sub>2</sub> emissions per unit production (compared to FY2013 levels)
- ◆ Reducing the total amount of waste
- ◆ Reducing the total amount of waste generated per unit production (compared to FY2013 levels)
- ◆ Reducing the amount of water received per unit production (compared to FY2013 levels)
- ◆ Reducing the amount of chemicals generated per unit production (compared to FY2013 levels)

### Sustainability

- ◆ Contributing to the realization of a low-carbon society, recycle oriented society and coexisting with nature society through business activities
- Continuously creating Only One products and solutions, and demonstrating our environmental contributions to the society and customers

# THIRD PARTY COMMENTS



## Dr. Kenji Suzuki

Professor at School of Global Japanese Studies, Meiji University, Japan

Dr. Suzuki received an LLB degree from Tokyo University, a master's degree from the London School of Economics, and PhD in Politics and International Studies from the University of Warwick.

His field of specialization is political economy. Representative Director and Director The Japan Institute of Scandinavian Studies (JISS).

He currently focuses on how environmental changes in society and economy change the nation's social system and affect the psychology and behavior of companies and people.

He has a decade of experience in being involved with education and research in Sweden.

We make a comparative study of social systems between Sweden and Japan in my university seminar. Accordingly, I take my students to Northern Europe every year. I am always inspired by how they interact with local people and attain an awareness that they would find hard to gain in Japan. Last year, one of these students studied the difference in ways of handling 'diversity' in the CSR reports of major companies in Sweden and Japan. According to his study, Japanese companies use the term 'diversity' more frequently than Swedish companies in their CSR reports; however, approximately 80% of them use it to indicate 'biodiversity'. Conversely, in their CSR reports more than 90% of Swedish companies describe the 'diversity' of people who work. When looking at previous reports of Swedish companies, we have found that they originally focused on promoting diversity in the workforce and have recently been strengthening this tendency.

Needless to say, biodiversity should not be ignored, or should Japanese companies always copy what Swedish companies do, either. Although Sweden is a small country with a population of only 10 million, it has leading global companies such as IKEA and H&M. Therefore, trends in Sweden, which is more sensitive to changes in world opinion, might be helpful for Japan, which is less sensitive to these changes.

When I started reading this year's CSR report while taking such matters into account, I noticed that 'respecting diversity' was mentioned more than last year in the message from Mr. Ikeda, President & CEO. This and last year's reports cannot simply be compared due to the difference in composition; however, such changes are of importance since other matters are slightly understated.

When I was reading further, I found a page on which diversity in the workforce is described in more detail than in previous reports, in the form of the Close Up - Diversity Promotion Toshiba Tec practices.

On a whim, I checked back to the report of fiscal 2011 and found that the issue of 'Accepting and Respecting Promotion of Diversity' was raised but only in the Employee Relations section, covering two facing pages, where it was mentioned along with other personnel systems such as education and training systems. The idea that support for childcare equals support for females was not stated explicitly back then, but male employees' active involvement in child rearing was picked up in this year's report. My wife is Japanese but, since our son

was born when we lived in Sweden, I took childcare leave in keeping with the Swedish style, thus I empathize a lot with this male employee's message. These approaches can rarely be implemented at once. However, when managers, male or female, who have raised their own children, have a greater and better understanding of their subordinates who are involved in child rearing, then the entire organization will be changed eventually. Therefore, I have high expectations of such approaches.

On the other hand, there is one thing I am concerned about. This is that cross-cultural understanding is not covered in the context of 'Diversity Promotion'. Implementation of the Global Human Resource Development Program is picked up on under the heading of Human Resource Utilization and Development in this report. Quite a number of companies, not only in Sweden but also worldwide, pick up on the employment of people with a variety of cultural backgrounds as the first approach for diversity. In fact, the number of foreign employees was mentioned under Diversity Promotion in the reports up until fiscal 2012. Obviously, you can change what is emphasized, and 'diversity' is focused on depending on the circumstances of the moment. However, I hope you will not have a narrower view of overall diversity.

Going back to what I was saying earlier, I am impressed with your various efforts with a focus on diversity of people, as mentioned in this report, given that a lot of other Japanese companies equate 'diversity' with 'biodiversity'. With such a foundation, you may create all kinds of ingenious ideas capitalizing on that of the self-checkout system, which can be used by a wide range of people from small women to large men, in the development process.

I am also impressed with your attempt to capitalize on 'youth' as a part of diversity. I am very attracted by your attempt to actively accept new employees' ideas in the training program on user experience, instead of treating them just as inexperienced beginners. As for social contribution activities, I can also understand in this context that you are focusing on supporting children who will lead the next generation. The flows of people, things and information are further accelerating and intertwining in modern society, and they keep generating a variety of outcomes. I expect you to continue to develop new approaches as a front runner of Japanese companies with a focus on diversity.

# TOSHIBA TEC CORPORATION

CSR Promotion Center  
Corporate Human Resources & Administration Group

## Contacts:

---

Gatecity Ohsaki West Tower 1-11-1, Osaki, Shinagawa-ku,  
Tokyo 141-8562 Japan

Phone: +81-3-6830-9129  
Fax: +81-3-6684-4001

URL: <http://www.toshibatec.com/>  
E-mail: [csr@toshibatec.co.jp](mailto:csr@toshibatec.co.jp)

Production and printing of  
the Toshiba Tec CSR Report 2017 reflect the following considerations:

## Paper

---



### Use of FSC-certified Paper

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

## Printing

---



### Waterless Printing

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



### Non-VOC Ink

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