



## **Corporate Philosophy**

## **Our Five Commitments**

- Corporate Philosophy 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.

# Regarding the "TOSHIBA TEC GROUP CSR REPORT 2011"

The TOSHIBA TEC Group recognizes that consideration toward all stakeholders, including customers, employees, communities, the environment and shareholders, is necessary for sound business activities.

We have issued this CSR Report hoping the TOSHI-BA TEC Group's systems and activities, based on such policy, are understood by as many stakeholders as possible.

This Report emphasizes the CSR activities from three points of view: "PEOPLE & TOSHIBA TEC," "EN-VIRONMENT & TOSHIBA TEC" and "MANAGEMENT," to enable our stakeholders to easily comprehend our concepts and systems regarding various activities. We utilize this Report as a tool for communication with the stakeholders, and keep striving to improve the contents with the help of your valuable comments.

## **Relations with Stakeholders**

We aim to develop our corporation together with stakeholders while embracing the support from stakeholders around the world, along with fulfilling the Corporate Philosophy "Our Five Commitments."



## **Corporate Profile**

Firm Name:	TOSHIBA TEC CORPORATION
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- Head Office: Oval Court Ohsaki Mark East 2-17-2, Higashi Gotanda, Shinagawa-ku, Tokyo 141-8664 JAPAN
- President and Chief Executive Officer : Mamoru Suzuki
- Established: February 21, 1950
- Paid-in Capital:39.9 billion yen (Listed in the First Section<br/>of the Tokyo Stock Exchange)Net sales :362.3 billion yen (ending March 2011)

#### Number of Employees : 20,259 (as of March 2011, on a consolidated basis)

## Scope of This Report

Reporting Period:	Fiscal 2010 (April 2010 to March 2011)
Report Scope:	In principle, TOSHIBA TEC Group (TOSHIBA TEC Corporation and its consolidated affiliates)
Environmental Data:	TOSHIBA TEC Corporation and its

consolidated affiliates

## Release Timing

- Previous Edition: August 2010
- Next Edition: Scheduled for August 2012

## **Reference Guidelines**

GRI (Global Reporting Initiative) "Sustainability Reporting Guideline 3rd Edition (G3)"

Ministry of the Environment

"Environmental Report Guidelines" (Fiscal 2007 Edition) "Environmental Accounting Guidelines" (Fiscal 2005 Edition)

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## TOP MESSAGE 2011

Aspiring to be a Beloved and Trusted Global Enterprise based on "Our Five Commitments"

Mamoru Suzuki President and Chief Executive Officer TOSHIBA TEC CORPORATION July 2011

Corporate Social Responsibility, or CSR, forms a major foundation for the roles and values of the corporation. As it marks its 61st anniversary, how does the TOSHIBA TEC Group, which is supported by a large number of stakeholders and is in the process of expanding its operations, consider and implement CSR? Mr. Mamoru Suzuki, President and CRO<sup>\*</sup> of the corporation, provides us with a direct message from his position in senior management at the TOSHIBA TEC Group.

## CSR of TOSHIBA TEC

#### Please explain TOSHIBA TEC's CSR commitments.

"Promotion of CSR Management" provides the foundation for The TOSHIBA TEC Group's business activities and the Corporate Philosophy "Our Five Commitments" is what those business activities are based on.

#### **Our Five Commitments**

- Corporate Philosophy of the TOSHIBA TEC Group -

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

- 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 fulfiling 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.

When all employees fully understand each one of "Our Five Commitments" and apply the commitments to their operations, I believe such efforts lead to CSR management and sound business activities.

I think compliance, accountability and corporate transparency are of importance in CSR management.

We always draw the attention of all employees, both in Japan and overseas, to compliance. Five committees responsible for Customer Satisfaction, Human Rights & Employees, Philanthropy, Environmental Protection and Risk Compliance are systematized under the CSR Promotion Committee. By asking employees to thoroughly ensure compliance and willingly implement activities, we provide robust education and training to eliminate deviations in standards.



\* CRO: Chief Risk-Compliance Management Officer

Accountability is to allow what we are doing to be explained to our stakeholders in an easy-to-understand manner and to be clearly viewed by increasing corporate transparency. For example, when any event occurs, we need to understand and determine the causes of and background to the event, after which the company informs our stakeholders of the details, instead of just providing perfunctory notification.

In addition, we organize the quality assurance system on a global basis while striving to provide products and services, which customers can use with ease, in order to discharge the manufacturer's duty to ensure product safety to prevent accidents, which endanger human life and safety, from occurring. At the same time, we always make efforts to boost our quality levels by benchmarking competitors' products as a means of ascertaining quality.

## Great East Japan Earthquake

### The Great East Japan Earthquake occurred on March 11, 2011. Please explain the changes brought about by the aftermath of the disaster.

First of all, I would like to express my deepest sympathy to all victims and sufferers of the earthquake, and truly hope for the earliest reconstruction of the affected areas.

This disaster reminded us of the inherent threat from nature. The TOSHIBA TEC Group has the Business Continuity Plan or BCP. The earthquake and tsunami made us realize keenly how deficient our previous disaster assumptions had been. Following the disaster we initiated a prompt review on the areas that require improvement as a matter of priority.



Our office building suffered partial structural damage, which was fortunately not severe. As was reported in other industries, I was surprised to learn that many of our suppliers of parts and materials are centered in the Tohoku region. We have attempted to operate in a multivendor environment, but it has been the case that vendors have eventually been concentrated in one region.

Given the fact that an in-house communication system needs to be developed to ensure a stable supply of products and logistics, I realize there are plenty of issues to think over and address.

#### What assistance did the TOSHIBA TEC Group provide?

The first thing the TOSHIBA TEC Group did was to provide supplies to employees and their families affected by the earthquake. Since we heard they were short of food and water, we obtained necessary supplies from the Kansai and Kyushu regions and delivered them via Niigata.



In addition, we made repairs to damaged homes through donations.

For customers and suppliers, we offered our copiers and MFPs, registers and coin-operated fully automatic washer-dryers, with the coin operation function disabled, on a long-term free-of-charge basis, through local chambers of commerce. As we move forward it will be important to think about what assistance we can offer in the long term.

# Business Activities as a Global Enterprise

#### Please explain specific activities as a global enterprise.

First of all, with regard to the idea of limited resources, our major mission as a global enterprise is to find ways to save and reuse resources, and establish a system by which to achieve that.

By giving top priority to the conservation and protection of the world's natural resources, the TOSHIBA Group, as seen in the "Action Plan," and the TOSHIBA TEC Group as seen in the "Environmental Plan," work to reduce greenhouse gas ( $CO_2$ ) emissions as well as the environmental impact of business activities through our products, development efforts, sales and services.

One more thing to consider is human resources. A variety of people live on earth, of difficult races, genders and ages, each with their own individuality and personality. We devote our energies to the utilization and development of human resources and the creation of an environment where individuals with different personalities can learn from each other and where diversity is respected.

## **Stakeholder**

needed more than ever.

#### What are your thoughts on stakeholders' expectations?

The ultimate corporate mission is to grow, remain in business and produce profits. The foundation to achieve this mission is CSR. Corporate transparency is essential along with improvement in business performance. Transparency, in other words, the achievement of accountability, can present the results of corporate activities to society. I think that such communication skills are now

The concerns and requirements of society and stakeholders are changing regularly according to the time and environment. I believe it is important to properly comprehend and respond to their expectations through various opportunities for communication.

## Topics 2011

## Aspiring to be an Enterprise that Satisfies All Stakeholders

We make daily efforts to devise and create environmentally conscious products or ECPs with the highest level of environmental performance. We also strive to realize a better global environment with customers through promotion of ECPs. In addition, we implement CSR activities from every point of view to aspire to be an enterprise that satisfies all stakeholders.

Honorable Mention (in Category) Awarded in the Japan Manual Contest 2010



The operator's manual "Toshiba Multifunctional Digital Systems Quick Start Guide e-STUDIO255/355/455" created by TOSHIBA TEC Document Processing Systems Co., Ltd. was awarded an honorable mention in the category "Usage Manuals--General Users"<sup>\*1</sup> in the Japan Manual Contest 2010 in August 2010<sup>\*2</sup>. ( See Page 10.)



This operator's manual was improved for the ease of use of customers, by going back to the basics of compilation for operator's manuals.

#### **Biodiversity Point of View**

## **Biodiversity**

In order to have good communication with stakeholders in China, TOSHIBA TEC INFORMATION SYSTEMS (SHEN-

ZHEN) CO., LTD. has acquired naming rights for giant pandas, which enjoy extremely high popularity in Japan, in return for supporting the expenses of breeding giant pandas. Twin pandas named after TOSHIBA are growing in good health.



Twin pandas named after TOSHIBA

Manuals describing important points and operating information for general users.

\*2 Only one manual contest held by the Japan Technical Communicators Association.

http://www.jtca.org/en/tc\_award/index.html \*3

TOSHIBA TEC Solution Services Corporation received the award under its former name of "TEC Engineering Corporation."



## Total For the Highest Level of

The ink circulation system has reduced by 30 to 50% of the amount of ink wasted, compared to the previous model.

**Office Solutions** 

B/W MFP e-STUDIO255/355/455

Inkjet Head Inkjet Head CF-1

#### **PEOPLE &** TOSHIBA TEC

Point of View of Philanthropy

#### **Delivery** of Lectures

(1)キャリア教育アワード

TOSHIBA TEC Solution Services Corporation visits elementary and special-needs schools to provide lectures on such themes "experience as cashier" and "hands-on science program." The goal is to carry out activities focusing on children and leading to environmental education, promotion of science and mathematics, as well as work experience.

In fiscal 2010, we won the jury's special award at the "First Career Education Award" sponsored by the Ministry of Economy, Trade and Industry, and the presidential award for corporate citizenship achievements at the "Toshiba ASHITA Award."



### **Customer Point of View**

## Approach to Universal Design

Universal Design (UD) is "to design products, buildings and environments, which allows as many people as possible, regardless of age or whether they have disabilities, to use and operate." TOSHIBA TEC Corporation aims to achieve UD ap-

propriate for our products, on the basis of researches and tests on UD, and study of commercialization, with cooperation of various users, including beginners, experts and persons with disabilities.



### Global Point of View

## **Expansion of Carbon-Offset Programs**

TOSHIBA TEC Germany Imaging Systems GmbH expanded the provision of the carbon-offset program to mainland European countries in 2010, which TOSHIBA TEC U.K. Imaging Systems Ltd. started

to provide in the United Kingdom in 2009. This program provides a system for users to take part in an environmental contribution project according to the amount of CO<sub>2</sub> emitted from MFPs. It is scheduled to be expanded to POS systems and barcode printers in fiscal 2011.



The carbon-offset program is implemented in Kenya.

**Retail Solutions** 

POS terminal for supermarkets and mass retailers WILLPOS-Unity M-8000



model. ( See Page 24.) Honored by Intel Corporation. Achievement in collaborative development was recog-

> nized and a testimonial plaque was awarded.

This model has succeeded in al-

most doubling the throughput. and reducing standby power consumption by approximately 8%, compared to the previous

**Solutions** 

**Environmental Performance** 



Supply Chain Solutions Next-generation barcode printer Industrial Barcode Printers B-EX





The International ENERGY STAR (2009) was acquired for the first time for barcode printers.

Standby power consumption: 69% (100 V) reduction 56% (200 V) reduction

## REPORT

## Response to the Great East Japan Earthquake

We would like to express our deepest sympathy to all victims and sufferers of the Great East Japan Earthquake. We truly hope for the earliest reconstruction of the affected areas. The TOSHIBA TEC Group took action in response to the disaster by appointing the President

and CEO as the chief of a response headquarters and setting up a control task force immediately after the Great East Japan Earthquake.

This CSR Report provides details of the TOSHIBA TEC Group's responses as of the end of June 2011.

## Major Relief Activities

## Provision of MFPs and Cash Registers Free of Charge

Copiers, MFPs and cash registers were provided to the chambers of commerce, local government offices, tourist associations, local shopping areas and users in the affected areas.



## 2 Provision of Laundry Services

Laundry services were provided to the sufferers in Tagajo, Miyagi. Izunokuni, one of the sister cities of Tagajo in the disaster-affected region, offered support, and TOSEI Electric Corporation located in Izunokuni took the lead in these activities. The vehicle normally used for exhibition/demonstration, which contained one commercial washer/dryer and two dryers, was dispatched to evacuation centers in Tagajo, where it provided laundry services.



## 3 Fundraising from Employees

Donations were raised from the employees of the TOSHIBA Group in Japan, in cooperation with the labor union. In addition, donations and messages of support were sent from employees of group companies all over the world.

## 4 Utilization of Philanthropy Fund

An additional contribution was made by the "TOSHIBA TEC Philanthropy Fund," for the purpose of assisting the recovery of the retail distribution industry.

## 5 TOSHIBA TEC Group's Electricity Savings

Immediately after the earthquake, all possible measures to save electricity were taken, by turning off advertising lights, controlling air conditioning, partially stopping elevator operation, implementing "COOL BIZ" at an early date, and using the power-saving mode on computers in the offices and branches of the TOSHIBA TEC Group, along with reducing opening hours at the Osaki Office.

The entire TOSHIBA TEC Group is promoting electricity conservation during peak demand periods for electricity in the summer months as a means of reducing electricity consumption in accordance with government policy. Real-time monitoring systems for electricity usage have been installed in the Shizuoka Business Center since June 2011. The TOSHIBA TEC Group makes effort to reduce electricity usage during peak electricity consumption periods by implementing such measures as changing holidays, adopting daylight-saving time, adjusting working hours and working flexible hours.

## BUSINESS OPERATION Our Mission is to Contribute to the World through "Monozukuri."

The TOSHIBA TEC Group products are widely used in various fields such as in stores and offices. We promote business activities while keeping in mind the support from our stakeholders around the world.

## **Business Operation of the TOSHIBA TEC Group**

The TOSHIBA TEC Group is globally developing total solutions sharing the respective advantages and sales channels of Retail Solutions, Office Solutions and Supply Chain Solutions while deepening mobile collaboration among these operations.

## **Retail Solutions**

Retail Solutions Operations offer solutions for a wide range of business types and categories, such as mass retailers, convenience stores, specialty

stores and restaurants, through a variety of products including POS systems, electronic cash registers and computing scales.

## **Office Solutions**

Office Solutions Operations offer new values and solutions based on the combination of Digital Multifunction Peripherals

(MFP), a must for office work, with network devices and software.

## **Total Solutions**

## **Supply Chain Solutions**

Supply Chain Solutions Operations offer infrastructures and solutions necessary for society through auto ID systems utilizing bar codes or RFID, and various types of printers.

## Inkjet Head

The Inkjet Business Group offers inkjet heads enabling high quality printing to the inkjet printing market for various industries.



UV curable ink enables printing on various types of materials. (The above is a sample of printing on a tile.)



## CUSTOMERS Producing Safe and Reliable Quality Products

We are promoting quality assurance activities throughout the company, based on the voice of customers.

## To Be Trusted by Customers

Precisely capturing the voice of customers (VOC) and offering quality and services beyond customers' expectations. We think this is the source of customer trust. In the product planning and development phases, we create attractive products and establish a reliable system through simulations and design evaluations based on assumptions relating to every possible usage environment and condition. In addition, we devote our energies to predicting scenarios in which product failures or accidents may occur as a means of preventing such occurrences, and evaluate the actual product or system for a final confirmation of safety, allowing customers to use them with peace of mind. As a result, we have achieved a reduction in failures after installation or safety-related accidents, and have ensured safety and reliability for customers.

## To Provide Safety and Security

We conduct design reviews to evaluate functions and reliability as well as product safety reviews to evaluate safety in each phase of product planning, design, development, manufacturing and distribution, as the basis for our quality management at the TOSHIBA TEC Group and a marker of our commitment to safety and reliability. We adopt the Persona method and R-Map for risk manage-

ment, to assume usage of products from a customer standpoint, identify risks and prevent them from occurring, as well as comply with laws and regulations in and outside Japan, thus leading to commercialization. These efforts have resulted



### Basic Policy on The Product Safety

The TOSHIBA TEC Group recognizes that our top priority mission is gaining the trust of the customers and communities regarding the product safety throughout the life cycle of every product manufactured and distributed, defines and faithfully implements the Corporate Policy.

- 1) Compliance with laws and regulations
- 2) Establishment of a voluntary action plan for product safety
- Quality control system ensuring safety and security
- 4) Proper action to accidents
- 5) Measures to avoid misuses

WEB 📴 Basic policy on the product safety http://www.toshibatec.co.jp/csr/group/safety/ in Japanese only in us winning the METI Minister Award as the Best Contributor to Product Safety in fiscal 2009, encouraging us to continue such efforts with confidence.

## To Help Customers Use Products with Ease

The TOSHIBA TEC Group prepares service systems on a worldwide basis as well as in Japan, to enable customers to always use the products with ease in their best condition.

The voice of customers, received at help desks or during visits for periodical maintenance or repairs, is immensely valuable for the TOSHIBA TEC Group.

In the event that information regarding a serious product accident is sent to us, we are well positioned to respond to the accident quickly and with sincerity, in accordance with instructions set out by the President and CEO. At this time, the chief quality officer (CQO) is responsible for implementation.

## To Develop Human Resources and Quality-Centered Company Culture

While developing specialists in product safety, reliability and risk assessment, the TOSHIBA TEC Group makes efforts to attain even higher levels of ability, as well as working on technical research to ensure quality that reassures customers, on the basis of the "TOSHIBA TEC Group's Basic Policy on The Product Safety."

Also, we provide education to engineers to allow them to acquire basic skills and standards of conduct related to quality, reliability, safety, and compliance along with engineering ethics.



Centralized monitoring zone

Full-time staff continuously monitors customer networks displayed on the large screen at all hours.

## **CUSTOMERS** Providing Products and Services that Satisfy Customers

The TOSHIBA TEC Group exercises its business activities, while giving top priority to providing products and services, which satisfy and please customers from the customers' point of view.

## Respecting the Voice of Customers

"We aim to provide timely products and services with reliable quality and functions as well as high userfriendliness, creating value with our customer in mind through our superior proprietary technology and in collaboration with the world's best partners." is defined in the TOSHIBA TEC Group's Corporate Philosophy.

The TOSHIBA TEC Group exercises its business activities, while giving top priority to providing products and services, which satisfy and please customers. From this perspective, each employee needs to think and behave from the customers' point of view, by asking himself or herself what customers want and what value is important for customers, to realize this ideal stance.

## **Customer Satisfaction Policy**

The TOSHIBA TEC Group aims to deliver maximum customer satisfaction (CS) in terms of products, systems and services and communication with customers based on the "TOSHIBA Group CS Promotion Policy" established in 2003.

### **TOSHIBA Group CS Promotion Policy**

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

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

## Improvements in Customer Satisfaction

### Toshiba MFP Operator's Manual Awarded Honorable Mention in Category in the Japan Manual Contest 2010

We think the simplicity of how to use a product significantly affects customer satisfaction. As one of the approaches to improve simplicity, the TOSHIBA TEC Group aims to improve product-related documents including operator's manuals.

As an indication of the improvement, the operator's manual "Toshiba Multifunctional Digital Systems Quick

Start Guide e-STU-DIO255/355/455" created by TOSHIBA TEC Document Processing Systems Co., Ltd. was awarded an honorable mention in the category "Usage Manuals--General Users" in the Japan Manual Contest 2010 (held by the Japan Technical Communicators Association) in August 2010.



WEB I Japan Technical Communicators Association http://www.jtca.org/en/tc\_award/index.html

## Key persons

As the staff members of the operator's manual department, we are operating a working group for continuous improvement in the quality

of operator's manuals.

A variety of functions such as copying, facsimile transmission/reception and scanning via a network are integrated in the MFP. We create operator's manuals while discussing easy-

to-understand descriptions to enable a firsttime user to successfully engage in the desired operation on the MFP.



TOSHIBA TEC Document Processing Systems Co., Ltd.

## EMPLOYEES Employee Relations

Every employee is respected, while proper evaluations and rewards are practiced. Safety control and healthcare are positioned as a top priority issue for management.

## **Basic Policy on Human Resources**

The TOSHIBA TEC Group respects every employee and strives to improve each employee's capabilities.

The TOSHIBA TEC Group practices fair and proper evaluations and rewards, as well as creates an open, broadminded and sound organizational culture. In addition, by providing a working environment where motivated personnel can bring their capabilities into full play, while striking a balance between work and family, the Group establishes a reward system for all human resources as it is an essential support system for its employees to form a powerful professional group which keeps on challenging itself.

## Personnel System

The human resources system is designed to ensure all employees realize job satisfaction and a spirit of challenge to achieve self-fulfillment through their tasks, as well as to practice proper rewards, by linking individual achievements with organizational achievements.

TOSHIBA TEC Corporation is devoting its energies to creating an open, broad-minded and sound organizational culture to form a professional group, who can accentuate its organizational strengths, while having each of its employees acquire more advanced capabilities in becoming independent.

Human Resources Development and Utilization Systems ..... 1) Target Attribution System 2) Expertise Development Evaluation System 3) Role Assignment System 4) Utilization of In-house Job Posting 5) Employment Extension System

WEB Personnel System http://www.toshibatec.co.jp/en/csr/people/employees/#a02

## Accepting and Respecting Promotion of Diversity

On the basis of gender equality, TOSHIBA TEC Corporation is aiming to provide a working environment where motivated personnel can bring their capabilities into full bloom regardless of gender. In order to support the employees to balance work and family, the system below is provided:

WEB I Accepting and respecting promotion of diversity http://www.toshibatec.co.jp/en/csr/people/employees/#a03

Male-Female Ratio and Number of Foreign Employees for Mid-Term Target

	2010	2013
(1) Ratio of female employees	12.4 %	11.4 %
(2) Difference of male-female ratio in manage- ment post between ages 37 and 45	23.6 %	17.2 % (6.4% points increase)
(3) Number of foreign employees	12	15

## **Employment of People with Disabilities**

TOSHIBA TEC Corporation endeavors to create working environments where people with disabilities and those without disabilities can work together as equals. Employees with disabilities are involved in a variety of operations. Job opportunities for people with disabilities are expanded and working environments are improved to bring their capabilities into full play, through Internet recruitment and various other types of forums.

### Rate of Employees with Disabilities

	June 2009	April 2010	April 2011	
TOSHIBA TEC	1.91 %	1.86 %	1.92 %	
TOSHIBA TEC Group in Japan	2.11 %	2.21 %	2.07 %	

## **Education and Training System**

The education and training system consists of several training programs, to enable employees to acquire sophisticated expertise in conjunction with their own goals and aspirations, to provide education including compliance education for all employees through enlightenment activities, and to provide education according to their position at every level throughout corporate life. A variety of training courses are provided in response to individual employees and task needs.

**Education according to Position** Starting with a variety of introduction training programs to new employees, group training is provided for newly appointed deputy specialists, and basic knowledge for management regarding compliance and corporate accounting is provided for managers. After a determined period, group training is provided for these managers to improve human skills such as coaching.

For general managers, group training and training by external instructors are provided with the purpose of improving conceptual skills to devise strategies from a top management's point of view.

#### Global Personnel Development Course

Under the current business environment, the need for personnel who can play important roles within the international arena is magnified. TOSHIBA TEC Corporation established the global personnel development course for young employees to mid-career employees, to systematically develop human

resources with ingenuity, cultural enrichment and a sense of internationalism, as well as language ability.



ENVIRONMENT & TOSHIBA TEC

## Listening to the Voice of Employees

TOSHIBA TEC Corporation started a "TEAM Survey" in fiscal 2009, in place of the corporate philosophy survey, which has been conducted to root the corporate philosophy. We use this survey to listen to the voice of employees for fostering better corporate culture and workplace, as well as to root the corporate philosophy.

### Labor Management Relations

The labor contract governing laws for labor-management relations has been concluded between TOSHIBA TEC Corporation and its labor union, to foster the policy of coexistence, i.e. "corporate development encourages the economic status of its labor union members, while improvements in the economic status of its labor union members lead to corporate development." Under this policy, labor and management merge their energies to improve productivity, while openly discussing management issues and reviewing directions to deepen mutual understanding.

## Health and Safety

Occupational Health and Safety Management System ...... The production group companies have been accredited with OHSAS 18001, an international occupational safety and health management system specification. Additionally, non-production group companies launched preparation for introducing the system. Thus, the TOSHIBA TEC Group will further seek safe working environments and employees' health maintenance and promotion.



**Prevention of Industrial Accidents** Promotion of employees' safety and health is set as one of priorities in corporate management. The occurrence of accidents with lost days is well below the industry average, as shown below.



#### Level 4 Accident-Free Operations at the Shizuoka Business Center (Ohito)

The Shizuoka Business Center has sustained accidentfree operations at the former Ohito Business Center since October 1995, and taken further safety measures through activities of OHSAS 18001 accredited in 2008, resulting in Level 4 accident-free operations (23.7 million hours) on April 14, 2010.



A ceremony was held to honor this achievement at the Mishima Labor Standards Inspection Office on July 6, 2010, and Mr. Hara, General Manager of the Shizuoka Business Center received a testimonial from Mr. Ishida, Head of the Labor Standards Inspection Office. We will make efforts to improve our record with the aim of creating an accident-

8) <sup>*</sup>	3	2	10	好成	記録	の子	市は	奉	**	熱笑	
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1)	22	i	本征	in h	し他	の順	わし	五精	-	雑誌	Q
Q.	\$		を授ん		の見と	香の品	TRE	素		8 17	1
ない	-		440		する	22	美書	日日	青井	*	3

free, safe and comfortable workplace toward Level 5 accident-free operations (35.6 million hours) while ensuring risk assessment is appropriately implemented at the workplace.

#### Healthcare Programs

Aiming to prevent and improve lifestyle-related diseases, health instructions are provided by medical professionals based on the results of the annual health checkup. All employees who have worked over a certain amount of hours per month are obliged to take an interview and guidance with the doctor, to seek employees' health maintenance and promotion. In addition, the Re-

turn to Work program is established to help employees who have taken a long-term leave adjust back into the working environment with ease, as well as prevent recurrence.



## Key person

I have been responsible for healthcare services since 2010. I provide health

assistance as a person familiar with everyone's needs, while taking into account workplace culture and requirements.

I also hope to create a workplace where employees can enjoy their work.



Health nurse

## SHAREHOLDERS/INVESTORS | Shareholders/Investors Relations

Through various avenues, we make every endeavor, so that our shareholders and investors trust and properly understand TOSHIBA TEC Corporation.

## Composition of Shareholders



## **Communication with Shareholders**

TOSHIBA TEC Corporation recognizes the General Meeting of Shareholders as an important forum for direct communication with shareholders.

By providing visualized business reporting and the management plan at the general meeting of shareholders, as well as showroom tours after the meeting, TOSHIBA TEC Corporation strives for easier and deeper understanding of "TOSHIBA TEC" by shareholders who attend the meeting.

In addition, TOSHIBA TEC Corporation prepares and delivers Business Reports to all shareholders as well as posting the reports on its website. The Business Reports including information, such as major products and expected achievements as well as overviews of operations, are prepared with diagrams and photos for easy understanding.



**Business Report** 

## Disclosure

TOSHIBA TEC Corporation makes efforts to promptly disclose proper corporate information including its management policy, financial statements and financial information, to gain the trust of its stakeholders, including shareholders, investors and local communities, to ensure a deeper understanding of the Corporation.

In particular, information is promptly, properly and fairly disclosed based on in-house rules, laws and regulations when important corporate information arises. The account settlement meeting for institutional investors and financial analysts is held twice a year.

Easy-to-understand disclosure information regarding business operations is immediately posted on the TOSHIBA TEC website.

TOSHIBA TEC Corporation strictly manages information to prevent insider trading.

#### **Annual Communication Schedule for Fiscal 2010**

Month	Communications
April	Announcement of financial statements Account settlement meeting
Мау	Announcement of mid-term management plan Mid-term management plan meeting
June	Distribution of notice regarding general share- holders meeting Distribution of business reports Distribution of general meeting resolutions Disclosure of financial statements Issuance of CSR report
July	Announcement of first-quarter financial state- ments
October	Announcement of second-quarter financial statements Announcement of second-quarter financial statements
December	Distribution of interim business reports
January	Announcement of third-quarter financial state- ments



Mid-term management plan meeting

## SUPPLIERS Promotion of CSR Procurement

While establishing mutual relationships with suppliers based on trust, through fair and open trade, we assign priority to and advance transactions with suppliers, which are committed to complying with laws and regulations, upholding human rights and protecting the environment.

## **Procurement Policy**

While the TOSHIBA Group is running its business on a global basis regarding a wide range of products, TOSHIBA TEC Corporation, as a member of the TOSHIBA Group, strives to conduct a thorough procurement in accordance with the TOSHIBA Group procurement policies, in order to fulfill its social responsibility through fair procurement activities.

### Procurement Policy (Abstract)

**Basic Procurement Policy** 

- (1) Compliance with relevant laws and regulations and Environmental Considerations
- (2) Promotion of fair and open trade
- (3) Reinforcement of partnership with suppliers

Policy for Selecting Suppliers

- (1) The company complies with laws and regulations, and places emphasis on human rights and environmental consciousness.
- (2) The company has sound business operations.
- (3) The company has the ability to supply goods, products, software and/or services to the TOSHIBA Group with emphasis on appropriate quality, price and delivery leadtime.
- (4) The company is capable of providing a stable and continuous supply of goods, products, software and/or services. Also the company must have the flexibility to respond quickly to supply/demand fluctuations.
- (5) The company possesses technology that contributes positively to TOSHIBA TEC Group products.

#### Supplier Expectations

The "TOSHIBA Group Procurement Policy" for suppliers is prepared and requirements related to social responsibility are described in its "Supplier Expectations" to thoroughly make them known to suppliers, in order to contribute to the creation of a sustainable society through supply chains.

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타마.(/www.toshibatec.co.jp/procure/plan/ in Japanese only

## **Compliance in Procurement**

TOSHIBA TEC Corporation positions compliance as a top-priority item for "Business Continuance and Further Development" to ensure compliance in procurement transactions.





While communicating with suppliers on a daily basis, we ask them to thoroughly ensure compliance within their companies as requests for supplies. On the assumption of trouble, we also ask suppliers to ensure the following:

- (1) Establishment and improvement of a system to promptly communicate with TOSHIBA TEC Corporation
- (2) Establishment and improvement of a system to promptly respond to trouble and minimize impacts

## **TOSHIBA TEC Partner Hotline Setup**

A "TOSHIBA TEC Partner Hotline" whistle-blower system for suppliers is set up on the website for outsiders. TOSHIBA TEC Corporation gives top priority to compliance with laws, regulations, social customs and corporate ethics throughout its business activities. As part of the efforts, a system has been established and is used to encourage suppliers to report issues and concerns with TOSHIBA TEC Corporation in terms of compliance in procurement transactions.

When suppliers report matters via the Partner Hotline, TOSHIBA TEC Corporation strives to establish mutual relationships through open clean trade, as well as to build sound partnerships with suppliers based on mutual trust.

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## PHILANTHROPY Philanthropy

The TOSHIBA TEC Group defines the Corporate Policy regarding "Community Relations" in its Standards Of Conduct (SOC) and gets involved in philanthropy based on this Policy.

## Local Contribution and Volunteer Activities

### **Utilization of Philanthropy Fund**

"TOSHIBA TEC Philanthropy Fund," which consists of donations from employees accompanied by matching contributions from the Corporation, is endowed to local and nationwide social welfare and disaster victim support groups.

**Donations for the Great East Japan Earthquake** ( C See Page 7.)

## Contributions to social welfare organizations

- $\cdot$  Central Community Chest of Japan
- $\cdot$  Head office (Shinagawa) region, Shizuoka (Mishima) (Izunokuni) region

### Donation of blood donor reception equipment

The TOSHIBA TEC Group has promoted blood drive activities. In addition, we endowed blood donor reception equipment as indirect support, following the blood drive PR vehicle endowed in the previous year.



Books donated to nearby elementary schools in Mishima, Shizuoka



Blood donor reception equipment endowed

#### **Donation of laptop computers to "Save the Children"** Donated computers are used for educational sup-



port of children, who lead the next generation in Vietnam and Nepal in fiscal 2010, following the previous year.

Educational support programs for children are one of the foundations for future development of the country. The introduction of computers has given a great boost to local people, as business quality and efficiency are expected to increase dramatically.



Save the Children JAPAN

### **Voluntary Participation**

### Hosted by Shinagawa Ward

NEW Voluntary participation in the commemorative gathering during the "Week for Persons with Disabilities"

We supported this event jointly with people who have overcome disabilities to participate actively in society.

Donation of calendars/diaries to social welfare organizations

Spare calendars and diaries at work or home were donated.



Calendars/diaries donated

Participated in "Memorial Gathering"

#### **Hosted by Shizuoka Prefecture**

**Clean-up activities around the Shizuoka Business Center** Employees participate in annual clean-up activities around the Shizuoka Business Center.



Participated in clean-up activities around the Shizuoka Business Center

#### Participation in the "Pink Ribbon Smile Walk"

During the Pink Ribbon Month (October) in 2010, our employees and their families joined the walking events held in Tokyo, Kobe and Sendai, following the previous year.



Donations through "Heart-Full Vendors" 399,715 yen was raised in fiscal 2010.



#### PEOPLE & TOSHIBA TEC

ENVIRONMENT & TOSHIBA TEC

MANAGEMENT

WEB

**NEW Donation of female office uniforms** We donated female office uniforms to refugee camps and refugees all over the world, following the discontinuation of their use in offices.

NEW Donation of reused computers Computers not used for business were endowed to support the informatization of social welfare and civic action groups, which do not have an advanced IT environment.



## Support for Children Who Lead the Next Generation

#### Holding a company tour and work-study

As a support of the work-study of elementary, junior high and high school students, a company and showroom tour was carried out, in which the students experienced in working as ca-

shiers by using actual POS terminals. The "tour for employees' children" was carried out during the summer vacation, allowing the children to familiarize themselves with the workplaces of their parents by seeing them at work.



Children experience "exchanging business cards"

## Exhibition of self-checkout terminals at the summer vacation event

Our self-checkout terminals were exhibited at the summer vacation event in "Sai-no-Kuni Kurashi Plaza," allowing many families and children to experience shopping using these terminals.



### Activities to Preserve the Global Environment



Joint tree planting by the subsidiary in Germany



Joint tree planting jointly by the subsidiary in Singapore

## Group Companies in Japan

### TOSHIBA TEC SOLUTION SERVICES CORPORATION

WEB 🔂 http://www.toshibatec-ttss.co.jp/ in Japanese only

- Tonation to the Central Community Chest of Japan
- Participation in blood drives 💽 Clean-up activities
- Support and exhibition at environmental events
   Eco-drive campaign

   Image: Support and exhibition at environmental events
   Image: Support and exhibition at environmental events

   Image: Support and exhibition at environmental events
   Image: Support and exhibition at environmental events

   Image: Support and exhibition at environmental events
   Image: Support and exhibition at environmental events

   Image: Support and exhibition at environmental events
   Image: Support and exhibition at environmental events

Environmental Education Program "Kids' ISO"

**Delivery of environmental lectures at elementary schools** (

## **TEC INFORMATION SYSTEMS CORPORATION**

### 就 Kids' ISO

Support to the Kids' ISO program has continued since 2005. Employees are Kids' ISO instructors support environmental management activities for fifth and sixth-grade students.



Six students obtained the international certificate this year.

**KX** Collection of plastic bottle caps

### T.T. BUSINESS SERVICE, CO., LTD.

Donations through Heart-Full Vendors
 Collaboration with TOSHIBA TEC Corporation ( See Page 15.)
 Collection of plastic bottle caps

### **TER CORPORATION**

### Participation in the EXPO Eco-Money Project

By using public transportation systems, Eco-Money points are earned. When Eco-Money exceeding a certain amount of points is donated, a treeplanting certificate is obtained.

Clean-up activities



Participation in blood drives Collection of plastic bottle caps

## TEC MANUFACTURING CO., LTD.

Collaboration with TOSHIBA TEC Corporation ( C See Page 15.)



## **TEC APPLIANCE CORPORATION**

Participation in blood drives
 Collection of plastic bottle caps

## **TOSEI ELECTRIC CORPORATION**

- Participation in blood drives
- Holding a summer festival other Acceptance of internship students

## AI SOLUTIONS CO., LTD.

Tec Corporations (Corporation With TOSHIBA) (Corporation (Corporation) (Corporation)

### PASSTACK CO., LTD. Collection of plastic bottle caps

## Group Companies outside Japan

#### TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD. Support for elementary school education (continued every year)

School expenses and study materials are provided to local children in need of financial assistance, as well as continuous support for building or reconstruction of elementary schools.



 Donation to the Giant Panda Breeding Research Base in Chengdu Activities to protect endangered Giant Pandas are supported. ( See Page 6.)

Tree-planting activities



Tree-planting in Shenzen

### Clean-up activities



Clean-up activity in Phoenix Mountain Forest Park, Fuyong

 \* An icon added to each activity shows the activity mentioned below.



## PEOPLE & TOSHIBA TEC

## TOSHIBA TEC (HK) LOGISTICS & PROCUREMENT LTD.

Employees and their families participated in the activity to learn about the importance of natural environment together.



## P.T. TEC INDONESIA



#### other Provision of internship



TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD. Tree-planting activities ( Page 16.) Seven TOSHIBA Group affiliates are conducting treeplanting activities. Other Company tour

### TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.

## Home building volunteer

TOSHIBA AMERICA BUSINESS SOLUTIONS INC. par-

ticipated in the activities for the self-support of people with economic difficulties. For this activity, CEOs or board members of local companies played a central role in fund-raising to build houses for disabled veterans or disadvantaged families, in cooperation with the local Navy.



\* This achievement received the "Toshiba ASHITA Award," a presidential award for corporate citizenship achievements in fiscal 2010.

### 🗱 Holding a Christmas event

Christmas gifts were delivered to children in the hospital.



**Support for elementary school education** Books and educational videos are provided to elementary schools.





**Participation in Earth Week 2010 Activities** We participated in Earth Week 2010 Activities jointly with local residents.



#### Practicing Sustainability under the Corporate Philosophy and CSR Activities SUSTAINABILITY MANAGEMENT

We practice global sustainability with the aim of realizing a low-carbon society, recycling-based society and natural symbiosis society by seeking to bring together business and environmental activities, in order to hand down to our next generation, our irreplaceable Earth in a sound state.

## **Basic Policy for the Environment**

The Basic Policy for the Environment has been revised along with the policy change to "Pro-active Environmental Management" where stakeholders' increasing demands for corporate efforts for environmental management are integrated with business and environment, as well as the new addition of biodiversity.

#### Basic Policy for the Environment

We, the TOSHIBA TEC Group as a global enterprise, which expands its operations on a global basis under the businesses of Retail Solutions and Document Solutions, Inkjet Heads and associated services and supplies, contribute to society by reducing our customers' and our environmental impacts through "Monozukuri," by creating environmentally conscious products or ECPs.

We practice global sustainability with the aim of realizing a low-carbon society, recycling-based society and natural symbiosis society by seeking a combination of business and environmental activities, in order to hand down to our next generation, our irreplaceable Earth in a sound state.

Given sustainability management, eco-products, eco-process and environmental communication as the important pillars of sustainability, the 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) Sustainability Management

- The TOSHIBA TEC Group specifies and promotes objectives and targets for its business activities, products and services to assess environmental impacts including biodiversity, reduce environmental impacts and prevent pollution, and continually strives to improve the environment. The 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.

#### (2) Eco-Products

- The TOSHIBA TEC Group reduces environmental impacts throughout its product life cycle through green procurement of environmentally conscious materials and parts, 3Rs, energy conservation, and abolition of certain chemical substances, in order to provide ECPs on a global basis.
- The 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. The 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) Eco-Process

- The TOSHIBA TEC Group strives toward resource and energy conservation, as well as correct control of chemical substances, for environmentally conscious production, marketing and servicing, allowing for regional characteristics.
- The TOSHIBA TEC Group aims at realizing a low-carbon society through "Monozukuri," by creating ECPs and improving the efficiency of logistics operations. (4) Environmental Communication
- The TOSHIBA TEC Group provides environmental education, conducts educational campaigns, and expands each employee's environmental awareness to promote environmental activities. The TOSHIBA TEC Group actively and widely discloses its environmental policy and activities inside and outside the Group.
- The TOSHIBA TEC Group participates in society-wide environmental activities in cooperation with administrations, communities and bodies concerned.

**TOSHIBA TEC Group** Revised in March 2011



**Corporate Environmental Protection Council** 

#### **Environmental Promotion Structure**



## **TOSHIBA Group Environmental Audit**

The TOSHIBA Group has annually conducted two-day environmental audits in accordance with its proprietary Environmental Audit System at each production site of the TOSHIBA Group since 1993, to promote environmental management. The TOSHIBA Group also reflects the results in its environmental management and strives to ensure compliance.

As the features of this environmental audit, the audit system based on the workplace principles and numerical evaluation is used, and it consists of environmental management audit at the head office, environmental audit of sites and environmental technology audit of products.

The audit is annually carried out at all production and non-production sites, in accordance with the new standards to ensure compliance and complete the action plan. Persons at production sites outside Japan have been qualified as auditors, to participate in the environmental audit of sites.

This will help us perform more specific environmental activities in every region.



### Fourth Environmental Action Plan (Former Fourth Voluntary Plan for Environmental Protection)

All goals for items regarding eco-products and eco-process were achieved in fiscal 2010. In fiscal 2011, a new production site will start operations in China. This new production site will become engaged mainly in part processing, thus will consume more energy, compared to the existing assembly sites. The rate of energy-intensive manufactured products will increase also in Japan. Therefore, as goals for and after fiscal 2011, values are increased compared to the results in fiscal 2010. Since CO<sub>2</sub> emissions relating to power generation in Japan are expected to change due to the effects of the Great East Japan Earthquake, trends need to be assessed to examine targets for energy-originated  $CO_2$  emissions. We will continue efforts to restrain emissions of  $CO_2$ , waste and chemical substances to the fullest extent through improvements in management and deliberate business investment.

			Indicator		Reference	Fiscal 2010			Fiscal 2011	Fiscal 2012
			mulcator		year	Target	Result	Evaluation	Target	Target
_	Product factor				2000	1.95	2.00	YES	2.00	2.05
ico-Pr	Ratio of ECPs to sales					80%	87%	YES	83%	85%
Eco-Products	Effects of CO <sub>2</sub> emissions through eco-products					32,000 t	36,000 t	YES	57,000 t	57,000 t
	15 certain substances contained in products					100%	100%	YES	100%	100%
	Global warming prevention	Francis, ania	Global production sites	CO <sub>2</sub> emissions	1990	117%	110%	YES	150%	151%
		Energy-orig- inated CO <sub>2</sub> emissions <sup>*1</sup>		Ratio of CO <sub>2</sub> emissions		119%	112%	YES	150%	150%
	varmii	cimissions	Production sites in Japan			67%	64%	YES	89%	87%
Eco-Process	ρι	CO <sub>2</sub> Emissions associated with product logistics		Ratio of CO <sub>2</sub> emissions	2006	78%	60%	YES	60%	59%
rocess	Effic: re	Total amount of waste generated		Ratio of discharged waste	2000	68%	60%	YES	82%	81%
	Efficient use resources		or waste generated	Ratio of final landfill disposal	-	1.5%	1.5%	YES	2.0%	2.1%
	se of es			Ratio of input water	2000	74%	60%	YES	104%	104%
	Chem	ical substance e	emissions	Emissions to air and water	2000	66%	52%	YES	124%	127%

Note: "YES" indicates the goal for 2010 has been achieved and "NO" indicates the goal for 2010 has not been achieved.

Note 1: Targets for energy-originated CO<sub>2</sub> emissions will be examined by determining changes in CO<sub>2</sub> emissions relating to power generation in Japan. Note 2: For goals using ratios, a quantity-based net output rate is used as an indicator for evaluating activities.

Net Output = [Nominal Output in Japan] / [Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (the index for 1990 is 1)] + [Nominal Output outside Japan]

• The amount of electricity generated is adopted as the CO<sub>2</sub> conversion factor for electricity in Japan: 4.17t-CO<sub>2</sub>/10 thousand kWh for fiscal 1990, 3.4 for fiscal 2010, and 3.51 for fiscal 2011 and 2012.

• The amount of electricity-received specific to the relevant countries was adopted as the CO<sub>2</sub> conversion factor for electricity outside Japan in fiscal 1990. The GHG Protocol values for fiscal 2006 are adopted for fiscal 2010 or later.

## **Environmental Accounting**

Environmental accounting is used to quantitatively understand environmental protection-related costs and benefits, and utilize the quantitative data as guidelines for business activities.

### Costs and Benefits .....

For environmental protection costs in 2010, capital investments of approximately 140 million yen and expenses of approximately 730 million yen were made on a consolidated basis.

Investments were made especially toward global warming prevention and energy-saving measures. Benefits resulted in 770 million yen.

Expansion in production resulted in decreases in actual and assumed benefits over the previous year. Greater benefits arose from the reduction of environmental impacts in the product usage phase.

Target data tabulated:

Three TOSHIBA TEC production sites, Head Office, three production affiliates in Japan and six production affiliates outside Japan Tabulation period: April 1, 2010 to March 31, 2011

Note: The amount partly includes estimate.

Envi	ronme	ental	Costs

Class: 6 1	Details -		Expenditure         Cost         Change in costs from 2009           Details         Consoli-         Non-con-         Consoli-         Non-con-				
Classification			Non-con- solidated		Non-con- solidated		Non-con- solidated
1)Business area costs	Reduction of environmental impacts (1) to (3)	138.2	97.5	187.2	103.7	14.2	-15.4
(1) Pollution prevention costs	Prevention of air, water and soil pollution, etc.	56.6	28.9	39.9	13.6	2.2	-1.3
(2) Global environmental protection costs	Global warming prevention, ozone layer protection, etc.	77.3	68.6	89.5	54.2	11.1	-12.3
(3) Resource circulation costs	Recycling of waste, etc.	4.4	0.0	57.7	35.8	1.0	-1.9
2)Upstream/downstream costs	Green procurement, collection and recycling of products, etc.	0.4	0.0	79.1	78.5	-33.2	-33.3
3)Administration costs	Establishment of EMS, environmental education, tree- planting/clean-up campaigns, etc.	2.9	0.0	381.1	345.5	-12.5	-13.4
4)R&D costs	Technical development for ECPs, etc.	0.0	0.0	74.6	74.6	-123.5	-123.5
5)Social activity costs	Donations and support to groups/organizations, etc.	0.0	0.0	7.9	7.1	2.5	2.1
6)Environmental remediation costs	Recovery from soil pollution, etc.	0.0	0.0	1.0	1.0	0.2	0.2
	Total	141.4	97.5	730.8	610.3	-152.2	-183.3

### **Environmental Benefits**

Classification	Details	TOSHIBA TEC	Affiliates	Total
Actual benefits	Reduced charges for electricity and water, etc.	-22.3	-70.6	-93.0
Assumed benefits	Reduced environmental impacts on water and atmosphere in monetary value	-240.5	2.54	-237.9
Customer benefits	Benefits of impacts reduced in the product usage phase in monetary value	1,098.5	0.0	1,099
	Total	835.7	-68.1	767.7

Breakdown of Actual Benefits		enefits	Million yen
ltem		Amount of reduction in environmental impacts	Monetary value
	TOSHIBA TEC	-15,321 GJ	-23.6
Energy	Affiliates	-18,070 GJ	-64.9
	Total	-33,391 GJ	-88.4
	TOSHIBA TEC	-0.07 t	1.5
Final disposal of waste	Affiliates	-139.5 t	-3.2
huste	Total	-1140.2 t	-1.7
	TOSHIBA TEC	-7,600 m <sup>3</sup>	-0.3
Water	Affiliates	-14,200 m <sup>3</sup>	-2.5
	Total	-21,800 m <sup>3</sup>	-2.8
Gran	d total		-93.0

ltem		Amount of reduction in environmental impacts*	Monetary value
Chemical substance dis-	TOSHIBA TEC	-1.5 t	-240.5
charge reduction benefits	Affiliates	0.22 t	2.54
Total		-1.28 t	-237.9

**Customer Benefits** 

Mil	lio	n yen

Million ven

Million yen

Million yen

customer benefit			
ltem		Amount of reduction in environmental impacts*	Monetary value
Environmental impact	Electricity	19,830,000 kwh	456
reduction in the usage phase	Paper rolls	1,090 t	642

\* The amount of reduction in environmental impacts indicates differences between fiscal years 2009 and 2010.

Negative figures indicate an increase in environmental impacts beyond reduction benefits due to increased production, etc.

#### Basis for calculation of assumed benefits

Monetary values were calculated by giving each substance, calculated in terms of cadmium, a weighting based on environmental standards and ACGIH-TLV (allowable concentration of each substance as determined by the American Conference of Governmental Industrial Hygienists) and multiplying the result by the amount of compensation in the case of cadmium pollution. The amount of reduction in environmental impacts on atmosphere, water and soil are indicated and compared to the previous year's results, as well as calculated in terms of monetary value to enable comparisons of various environmental impacts on the same basis.

Basis for calculation of customer benefits

Benefits of reduction in environmental impacts throughout the product life cycle are calculated in terms of physical quantity units and monetary units. The life cycle comprises several phases: 1) procurement of raw materials, 2) manufacturing, 3) transport, 4) usage, 5) collection, 6) recycling and 7) appropriate processing. TOSHIBA TEC's environmental accounting focuses on the benefits of reduction in environmental impacts in the usage phase. Energy-saving benefits are calculated using the following formula:

Benefits (yen) =  $\Sigma$  [(electricity consumption per year of the former model – electricity consumption per year of the new model) x number of units sold per year x benchmark unit price of electricity charge]

#### **Environmental Impacts in Fiscal 2010** SUSTAINABILITY MANAGEMENT

On one hand, the TOSHIBA TEC Group minimizes extraction from global resources, and emissions of pollutants into the global environment. On the other hand, the Group maximizes environmentally conscious activities such as the development of environmentally conscious products or ECPs. In addition, the Group strives to reduce environmental impacts while understanding and analyzing the impacts at each stage of a product life cycle.

## Environmental Impacts throughout the Life Cycle

In terms of the TOSHIBA TEC Group's products, raw materials and components are procured from suppliers, processed and assembled to build products. Finished products are transported to distributors or warehouses by outsourced forwarding agents.

Then, end-of-use products are collected from customers where possible for reuse or recycling.

The diagram below shows environmental impacts at each stage of a product life cycle.

Environmental Impacts in Fiscal 2010<sup>\*1</sup>

The environmental impacts at the production stage contain 9,769 tons of CO<sub>2</sub> emitted from plants and 2,543 tons of CO<sub>2</sub> emitted from offices due to the consumption of all energies.

35 tons of chemical substances were discharged into air and water, 1.09 tons of waste were landfilled and 1,705 tons of discharge were recycled.

The amount of CO<sub>2</sub> emitted from major products, which were shipped in fiscal 2010, until the end of their product lives is approximately 93,487 tons.

Therefore, it is essential to take energy-saving measures for products.



Notes:

- Target data tabulated:
- TOSHIBA TEC Corporation and its affiliates within Japan. However, "Office" applies to TOSHIBA TEC Corporation.

\*2

INPUT of raw materials/components procured:
 INPUT for TOSHIBA TEC Corporation is calculated from material procurement data using the TOSHIBA Group proprietary method.

2) INPUT for affiliates is an estimated amount calculated from material composition of major products.

- Target chemical substances: 552 types specified by TOSHIBA Corporation.
- Product logistics: All CO<sub>2</sub> for outsourcing The CO<sub>2</sub> emission factor for electricity is 3.4t-CO<sub>2</sub>/10 thousand kWh announced by the Federation of Electric Power Companies of Japan (after \*5
- credit adjustment). \*6 CO<sub>2</sub> in the product usage phase: Amount of CO<sub>2</sub> emitted from major products, which were shipped in fiscal 2010, until the end of their product lives

## ECO-PRODUCTS Contribution to the Reduction of Environmental Impacts on Society through the Provision of Environmentally Conscious Products or ECPs

TOSHIBA TEC Corporation develops ECPs, where environmental impacts are reduced throughout their product life cycles. Eco targets have been set to achieve the highest level of environmental performance for products to be developed in the future.

## Development of ECPs

The TOSHIBA TEC Group creates ECPs, where environmental impacts are reduced throughout their product life cycles<sup>\*</sup>. Most of the environmental impacts generated throughout a product life cycle are determined in the product planning and design phases, thus, TOSHIBA TEC Corporation focuses on the upstream phase of product development.

The ECP design includes three aspects: global warming prevention, efficient use of resources and chemical substances control. ECPs are designed to be environmen-



tally conscious in all these aspects through all phases of their life cycles and created.

\* Product life cycle: All stages from materials procurement, manufacturing and transportation, through to usage, recycling and disposal

## **Eco** Targets

In addition to measures to promote creation of ECPs, the TOSHIBA TEC Group started a new ECP initiative in fiscal 2010.

First, in the phases from business strategy to product planning, based on technological and competitor trends, "eco targets" are set for the development of products with the highest level of environmental performance at the time of product release.

Then, in the development and design phases, the TOSHIBA TEC Group performs environmental assessments of products to make sure that the products comply with laws and regulations and meet the ECP standards in all three aspects (global warming prevention, efficient use of resources and chemical substances control) through all phases of their life cycle.

In the product approval phase, the TOSHIBA TEC Group checks to see the level of achievement of "eco-targets" and compliance with the ECP standards.

Then, products, which have achieved "eco-targets," are applied to TOSHIBA for the certification as Excellent ECPs when released.



## System for the Greening of Products

Here are examples of technologies to realize ECPs.

## **Energy Saving**

#### Vertical Image Processing Scanner IS-890T ...... A first for Japan! New function enables recognition of writing on discount stickers.

In place of the previous laser scanner, the current camera with image sensor has resulted in a reduction in operating power of approximately 30% and standby power consumption of approximately 20%.



#### WILLPOS-Unity M-8000 POS Terminal for supermarkets or mass retailers .....

Innovative combination of the CPU for energy saving mobile PC and the chipset for the server, which adopt

high performance ECC memory, has realized both support of energy saving, high performance and reliability at the same time. This model has succeeded in the increase of throughput to almost double, and the reduction of standby power consumption by approximately 8%, compared to the previous model.



#### **B/W MFP**

#### e-STUDIO 255/355/455

Owing to the reduction of unnecessary power and the increase of the power efficiency by unit, standby power

consumption has been reduced by 95%, compared to the previous model. In the case the MFP is in standby mode for a long time through the night, this feature can contribute to the running cost reduction. Also, by shortening the recovery time from standby and adopting the SoC<sup>\*</sup> technology, this product meets standards for acquiring the International ENERGY STAR Program and German Blue Angel. \* SoC: System On Chip



## **Resource Saving**

### Electronic Cash Register MA-500

By thinning the thickness of plastic parts, the numbers of plastic and sheet metal

parts have been reduced. Also, one printed circuit board instead of the previous five boards has reduced the volume by approximately 12% and the mass by approximately 16%, compared with the previous model.



## Multi-Card Terminal IP-4500 ·····

Previously, the display and keyboard were separated. Since improved display resolution enables input only on the touch panel, a more compact structure has been achieved without a keyboard, resulting in the reduction of the mass by approximately 40%.



- The toner recycling mechanism integrated into the B/W MFP has realized zero disposal of toner.
- Recycled plastics and plant-based plastics are used for some part of POS terminals and MFPs.

## **Reduction of Environmental Impact Substances**

#### POS Terminals M-8000 and QT-10, Vertical Scanner LS-790T .....

In place of the previous CCFL (Cold Cathode Fluorescent Lamp) backlight LCD panel, the LED backlight LCD panel has resulted in zero mercury in the backlight. The LED backlight, which no longer requires an inverter (highvoltage power supply), has contributed to resource and energy savings.

Tou

## **Color MFP**

e-STUDIO5520c/6520c/6530c

A combination of technologies that finely control the temperature through IH fusing and reduce the fixing temperature by lowering the melting point of the toner is successful in achieving energy savings.



**POS Terminal** 

M-8000

Vertical Scanner LS-790T

### ECO-PRODUCTS Promoting Environmental Considerations toward Suppliers and Procured Products, to Provide Environmentally Conscious Products or ECPs

The environmental protection assessment on suppliers and the environmental performance survey on procured products are conducted. Relevant data is utilized in the design, production and procurement divisions.

## **Green Procurement**

To provide ECPs, the TOSHIBA TEC Group aims to procure items with lower environmental impacts from suppliers, who actively promote environmental protection, while implementing green procurement at the procurement phase of raw materials related to products. The "Guidelines for Green Procurement" have been formulated in cooperation with TOSHIBA Corporation.

## Promotion of Environmental Protection at Suppliers

TOSHIBA TEC Corporation gives precedence to suppliers, who are actively promoting environmental protection, for procurement.

### **Environmental Protection**

- 1) Set up an environment policy.
- 2) Maintain the environmental protection system.
- 3) Establish systems for education and to check whether education is provided.



**Guidelines for Green Procurement** 

## Control on Environment-Related Substances in Delivered Items

TOSHIBA TEC Corporation requests suppliers to provide items with lower environmental impacts in compliance with environment-related laws, regulations and standards.

#### Control on Environment-Related Substances

- 1) Thoroughly keep relevant divisions and suppliers known about the control.
- 2) Satisfy requirements for management of environmentrelated substances.
- 3) Respond to the survey on whether environment-related substances are used.
- 4) Obtain information required to respond to the above survey.5) Perform analysis and measurement, and obtain analysis
- results from suppliers (when necessary). 6) Investigate and understand suppliers' control system.

CO Number



reduction of hazardous substances.

procurement divisions.

**Data Utilization** 



Environmental performance information data is pro-

vided from the green procurement support system to

various in-house systems via the global component database, and utilized in the design, production and

TOSHIBA TEC Corporation requests suppliers to unify

including REACH, to promote green procurement and

## Eco, Substances of concern exchange & management system in the Toshiba group



Eco Socce-T screen

## ECO-PRODUCTS | Collection and Recycling of End-of-Use Products

The TOSHIBA TEC Group is carrying out the collection and recycling of end-of-use products on a global basis. The Group is also preparing the collection of end-of-use products in Asia.

## Europe

Based on the EU Waste Electrical and Electronic Equipment or WEEE Directive, which came into force in 2005, duty is imposed on manufacturers to recycle electrical and electronic equipment in EU Member States. The TOSHIBA TEC Group collects and recycles such equipment while registering manufacturers and taking part in the recycling scheme through its affiliates in Europe.

## Japan

TOSHIBA TEC main branches and sales offices in 54 areas collect end-of-use products such as POS terminals from customers. Then, designated interme-

diate dealers manually dismantle and separate the collected products to increase the recycling ratio. End-of-use copiers and MFPs are collected at eight bases throughout Japan. In addition, the collection efficiency is increased through the Recycled Equipment Exchange System within the Japan Business Machine and Information System Industries Association or JBMIA.



Manual dismantling of a POS terminal



## Japan

The TOSHIBA TEC Group has joined the "Japan Battery Recycling Center or JBRC" as a corporate member, to collect and recycle portable secondary batteries jointly with other member corporations. The Group has been ranked in the top 5 for seven years

in a row and received a certificate of appreciation.



Certificate of Appreciation for Campaign for "Collection and Recycling Portable Rechargeable Batteries 2010"

## Australia and North America

The TOSHIBA TEC Group implements the "Zero Waste to Landfill" recycling program together with Close the Loop<sup>®</sup>. Almost 100% of consumables and replacement parts of copiers and MFPs collected through this program have been recycled.



**Collection box** 

## **ECO-PROCESS** Reduction of Environmental Impacts Arising from Business Activities

The TOSHIBA TEC Group continuously makes efforts to minimize increases in environmental impact despite the expanding scale of production.

## **Global Warming Prevention**

**Minimizing increase in CO**<sub>2</sub> **emissions due to energy consumption** Measures to reduce power consumption through energysaving facilities are continuously taken, in order to reduce  $CO_2$  emissions associated with energy consumptions. In fiscal 2010,  $CO_2$  emissions decreased by 3% in Japan, but increased by 16% outside Japan, due to the expanding scale of production, compared with the previous year.

Note: The amount of electricity received is adopted as the CO<sub>2</sub> emission factor for electricity in Japan: 4.17t-CO<sub>2</sub>/10 thousand kWh for fiscal 1990, 4.23 for fiscal 2005 and 4.1 for fiscal 2006, 4.53 for fiscal 2007, 3.73 for fiscal 2008 and 2009, and 3.4 for fiscal 2010. The amount of electricity-received specific to the relevant countries is adopted outside Japan.







**Regulation of CO**<sub>2</sub> emissions associated with product transport In fiscal 2010, improved transportation efficiency through delivery of MFPs according to the delivery route and continued eco driving by delivery route reserved cars allowed CO<sub>2</sub> emissions associated with logistics to decrease by 7%, compared with the previous year. Note: Sales in Japan are applied.





#### TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD

TOSHIBA TEC Singapore Electronics Pte Ltd. fast adopted the LED Downlight, unreleased in Singapore, in the entrance

lobby to announce the energy saving effect of LED lighting among visitors, and raise the employees' environmental awareness.





## CO<sub>2</sub> Emissions Reduced by Use of Solar-powered LED Street Light

#### TIM ELECTRONICS SDN. BHD.

A solar-powered LED light was installed to deepen the employees' interest in reduction of  $CO_2$  emissions and renewable energies. The previously used streetlight comprised of ballast and a mercury vapor lamp consumed a large amount of energy. However, the newly introduced LED light without ballast helps to mitigate  $CO_2$  emissions.



## Case Energy-saving Air Conditioning and Lighting

#### SHIZUOKA BUSINESS CENTER, TOSHIBA TEC CORPORATION

High-efficiency air conditioning and lighting are in use at the Shizuoka Business Center. In fiscal 2010, while high-efficiency air conditioning and lighting were adopted at the Ohito site, high-efficiency lighting was adopted at the Mishima site. As a result, 31 tons of  $CO_2$  emissions were reduced annually.

#### TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD.

In addition to the adoption of high-efficiency air conditioning and lighting, every employee participates in energysaving activities by reducing a total of 900 fluorescent lights in all facilities, as part of management-led measures.

The TOSHIBA TEC Group does not emit any greenhouse gases other than CO<sub>2</sub>.

## **Chemical Substances Control**

#### **Reduction of emissions of chemical substances** used in the manufacturing process .....

Substances covered by the environment-related laws and regulations are classified into three types: "prohibition of use," "reduction in use" and "control of release." In terms of "reduction in use," the TOSHIBA TEC Group strives to reduce the release of chemical substances, which have a direct impact on the environment. In fiscal 2010, the amount of chemical substances was reduced by 5% in Japan, compared with the previous year. It was reduced by 9% outside Japan despite the expanding scale of production, compared with the previous year.

The TOSHIBA TEC Group makes efforts to reduce the purchase, waste and emissions of substances with solvent waste recycling machines and power coating without solvent.





### TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD, P.T. TEC INDONESIA

Since fiscal 2009, TOSHIBA TEC Singapore Electronics Pte Ltd. and P.T. TEC Indonesia have adopted solvent waste recycling machines to reduce input/ emissions through IPA recovery regeneration. This system is used to separate and restore the residual waste IPA to its original condition as a solvent. 95% of IPA can be successfully recycled and reused. \* IPA: Isopropyl alcohol





## **Powder Coating without Solvent**

## TOSEI ELECTRIC CORPORATION



Powder coating gun

A part of solvent coating was replaced with powder coating, in order to improve the coating quality of the panels of washing machines and reduce organic

solvents. Accordingly, the coating booth was designed for



Deputy Manager **Production Technology Section** 

The TOSHIBA TEC Group has abolished the use of ozone-depleting substances.

## Efficient Use of Resources

## **Regulation of the total amount**

of waste discharged ..... To effectively use resources, the TOSHIBA TEC Group is tackling reducing the total amount of waste discharged, including recycled waste. Returnable containers, which are repeatedly used to deliver parts, are now in full use, resulting in a reduction in the use of corrugated cardboard. In fiscal 2010, the total amount of waste discharged remained unchanged in Japan, but increased by 30% outside Japan due to the expanding scale pf production, compared with the previous year.



#### **Reduction of Corrugated Card-**Case boards with Returnable Containers

#### TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD.



Since the second half of fiscal 2004, **TOSHIBA TEC Information Systems** (Shenzhen) Co., Ltd. has been using returnable containers in place of

corrugated cardboard. 65 out of 90 vendors in

**Returnable container** mainland China are currently using returnable containers, in other words, returnable containers are used for 90% of the total logistics volume. As a result, the usage of corrugated cardboard has been significantly reduced (HK\$ 6M on an annual basis), making a large contribution to envi-



**PSI** Center

Assistant Manager Production Control Group, ronmental protection. PPD1 (First Production Planning Dept)

Efficient use of water resources ..... Almost no water resources are used in the production process, however, the TOSHIBA TEC Group makes efforts to check water leakage and implement water-saving education. The TOSHIBA TEC Group will continue activities to use worldwide valuable water resources as efficiently as possible.



## ECO-PROGRAM | Environmental Activities Carried out with Society

Communication is enhanced throughout a variety of media, for people in different positions to understand the TOSHIBA TEC Group's environmental management and advance environmental activities together.

## Concept regarding Environmental Communication

The TOSHIBA TEC Group states in its Corporate Philosophy; "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."

Therefore, the TOSHIBA TEC Group is committed to addressing environmental issues with a genuine attitude, to build a sustainable society.

However, it is essential not only for the TOSHIBA TEC Group but also for people in different positions, to recognize such a commitment, in order to address environmental issues in society and advance environmental activities together. Thus, the TOSHIBA TEC Group is improving communications throughout a variety of media, for people to understand its stance and activities toward environmental protection.

## **Environmental Activities at Business Sites**

The Great East Japan Earthquake that occurred on March 11 caused unprecedented damage.

The Fukushima nuclear accident has resulted in power shortages that are having a huge effect on our lives.

At the TOSHIBA TEC Group, the lights are turned off at work during the daylight hours.

Each employee makes effort to save electricity by unplugging computers when leaving work.



When the lights are off

### Initiatives at the Shizuoka Business Center ...... Ohito

From the 5th to the 7th of June, the Environment Month, the signboard illuminations were voluntarily turned off. In addition, they were turned off on June 5 and July 7, days that were designated by the Ministry of the Environment. Environment slogans were collected from the employees, and selected ones were posted on the bulletin boards for environmental enlightenment.

**Light down of the signboard illumination** The initiative at the Shizuoka Business Center for the



4.75 kWh electricity/day saved

### Light-Down Campaign in fiscal 2010

From June 5 (Sat., Environment Day) to 7 (Mon.): Voluntary light down June 21 (Sun.) and July 7 (Tue.): Requested by the Ministry of the Environment

environmental month was introduced in the local newspaper.

の、三日相男加。 ないる社歴上のネオン看板 たのれば上のネオン看板 たのればしての、通常は午後 たいればしたの、 などにいる。 このでに対して には たい。 などの たい。 など にのれば して たい。 など して して して に の。 れ して た の よて に の れ して た で に が して して た で に が して して して して して して して して して して	のたり間でもあったなもの している。 モンは、すでに「環境の している。	学ウンキャンペーンや標 薬活の提問に定め に定め での 環境有の 提問 に定め に た に、 原 プ に た で、 に 作 も ライト 、 に の 行 も ライト に 、 の 行 も ライト に 、 の 行 も ライト し ている 、 環境有の 提唱 に た い ている 、 同 進 月 間 に た い で いる 、 同 進 月 間 に た い た い こ い る 、 ら 月 よ 、 に ら 日 し た い る 、 ら 月 よ 、 に た い る の 提唱 に た い た い た い る 、 ら 月 、 の た い る 、 ら 月 に た の た い る 、 ら 月 、 、 ら 月 、 の た い る 、 ら 月 、 、 ら 月 、 の た い る 、 の た い る 、 ら 月 に た か む い た い る の た い る 、 ら 月 に た の た い る た り ん 、 ら 月 に た の た い る に た い る の た い る こ た い る ら 月 に 、 ら 月 に た い る の た い る の た い る ら 月 、 た い ろ く 下 う 、 ら 月 、 の ろ た い た 、 の ろ ろ ん 、 の ろ く う 、 の ろ く 、 の ろ く 、 の う 、 の ろ く 、 ろ 、 の つ た い た い た い た い た い ろ ろ く ろ く う ろ く う ろ く う ろ う ろ く う ろ く う ろ く う ろ く う ろ く う く う ろ く う ろ く う く う く う く う く う く う く く ら ろ ろ こ の ろ ろ ろ ろ し 、 ろ ろ く う ら ち う ろ く ろ ろ ろ ろ ろ く う ろ ろ ろ ろ く う ろ く う ろ ろ く ろ ろ ろ ろ ろ ろ ろ ろ ろ ろ ろ ろ ろ	今年も環境日 東芝テック
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Izu Nichi Nichi Shimbun (June 19, 2010)

#### Mishima

As a part of IMS<sup>\*</sup> activities, the environmental news including quality, safety and information security is delivered via intranet and posted on the electronic bulletin board as IMS news.





\* IMS: Integrated Management System

IMS news

#### Mifuku

Since fiscal 2009, employees have conducted environmental patrols and clean-up of the pathways used by nearby kindergarten kids and neighbors, and the river running around the site once a month, as a part of environmental activities.



Clean-up activity

## Initiatives at Subsidiaries outside Japan

■ TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD TOSHIBA TEC Singapore Electronics Pte Ltd. recycles no longer used electronic devices collected by employees, in cooperation with Toshiba Asia Pacific Pte Ltd.



**Recycling of electronic devices** 

## Environment exhibition■ TIM ELECTRONICS SDN. BHD.

TIM Electronics Sdn. Bhd. hosted the environment exhibition from the 8th to the 11th of June 2010 and demonstrated philanthropy, promotion of 3R activities, ISO 14001 and TOSHIBA Group Environmental Audit.

The exhibition was successfully held where a large amount of people participated, such as the members of the Department of Environment Malaysia, suppliers and employees.



Efforts toward global warming prevention, energy

conservation, reduction of waste/resource conservation, chemical substance control and reduction of

**Environmental Communication and Site Report** 

Scene at the environment exhibition

environmental impacts on logistics

**Eco-Process** 

**Eco-Program** 

## **WEB I** For more information on environmental information, see the URL below: http://www.toshibatec.co.jp/en/csr/environment/

#### Management

Basic policy for the environment, environmental promotion structure, environmental activities, mid-term environmental strategies, environmental accounting and environmental management at business sites

#### **Eco-Products**

Development of environmentally conscious products (ECPs), reduction of environmental impacts, green procurement, collection and recycling of end-of-use products and reuse of end-of-use components, environmental labels and the Green Procurement Law and ECP activity results and achievements



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CSR MANAGEMENT/ CORPORATE GOVERNANCE CSR and Corporate Governance as the Foundation of Business Activities

Business activities are promoted with CSR positioned at the core of management. The TOSHIBA TEC Group is taking measures to improve management efficiency and transparency.

## CSR Management

The TOSHIBA TEC Group promotes business activities with CSR positioned at the core of management. The Group encourages its employees all over the world to practice CSR activities based on its corporate philosophy "Our Five Commitments" and "TOSHIBA TEC Group Standards of Conduct."

The Group also organizes CSR-related activities including "Customer Satisfaction," "Human Rights & Employees," "Philanthropy" and "Environmental Protection" as well as maintains the promotion structure, to root CSR in the corporate culture, while focusing on the CSR Promotion Center on the premise of "Compliance" to abide by corporate ethics, laws and regulations.

WEB I TOSHIBA TEC Group Standards Of Conduct http://www.toshibatec.co.jp/en/corporate/philosophy/action/

## **Corporate Governance**

TOSHIBA TEC Corporation is committed to taking measures to improve management efficiency and transparency, as well as to reinforce the functions for the Board of Directors and the (Board of) Corporate Auditors, while recognizing corporate governance as an essential management policy, which meets the expectations of stakeholders and continuously improves corporate values.

In terms of the corporate body, when introducing the executive officer system under the corporate auditor system, with the intention of separating "functions related to supervision and decision making" from other functions, as well as rightsizing the number of directors, TOSHIBA TEC Corporation focuses on improvements in promptness and mobility in decision making. In addition, two outside directors and three outside corporate auditors are assigned to ensure management transpar-

ency, and a one-year director's term is determined to specify management responsibilities and promptly respond to changes in the management environment.

For management monitoring, directors supervise task enforcement, corporate auditors audit tasks, and accounting auditors perform accounting audits, while the "Corporate Audit Group" under the direct control of the president and CEO is established to perform internal audits.

Also, TOSHIBA TEC Corporation strives to enhance the internal control systems in terms of operating effectiveness and efficiency, reliability of financial reporting, compliance with laws and regulations related to its business activities, and safeguarding of assets.





## COMPLIANCE Compliance

The TOSHIBA TEC Group strives to foster an awareness of risk compliance.

### **Risk Compliance**

The TOSHIBA TEC Group appoints each president and CEO as a CRO<sup>\*</sup> in order to propagate and thoroughly implement the "TOSHIBA TEC Group Standards Of Conduct" while promoting the measures of Risk Compliance. Top management exercises the initiative to devise and promote various measures, as well as respond to emergency situations.

Appointing the CRO as a chairperson, TOSHIBA TEC Corporation organizes the Risk Compliance Committee, to maintain a Group-wide structure, devise and promote measures toward the advancement of risk compliance. A system, which enables every employee to report risk compliance-related issues to the "CRO" or "outside attorneys," and "TOSHIBA TEC Partner Hotline" on the website, which allows business partners to provide such information to the corporation, are introduced and implemented.

\* CRO: Chief Risk-Compliance Management Officer

WEB

### **Compliance Education**

To thoroughly ensure high ethical standard and a lawabiding awareness, the TOSHIBA TEC Group provides various educational seminars to employees. For the Group companies outside Japan, compliance education reflecting regional characteristics is provided.





Education on marketing risk

## Information Security

The TOSHIBA TEC Group recognizes all information, including sales and technical data handled while carrying out the tasks, as important property, and makes an effort to protect such information from improper disclosure, leakage or use. The Group established a system and rules for information security management, and reviews them in response to changes in the social environment. Each division is continuously making improvements by conducting self-audits regarding compliance with the internal rules.

e-Learning is used to learn company rules to prevent accidents and ensure information security while handling information. Education is provided to directors, employees, employees dispatched from cooperating companies.

The server is housed in a safe data center, to manage important information and information systems, and take anti-risk measures including disasters. Furthermore, by limiting available information, controlling usage of records and encrypting confidential information including personal data, security is enhanced.

Similar measures are taken at each TOSHIBA TEC Group company, thus, the Group makes a concerted effort to maintain and improve information security.

## 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 massdestruction (WMD)/conventional weapons applications are regulated under laws and regulations.

The TOSHIBA TEC Group maintains the basic policy, that, it will not engage in any transaction, which could potentially undermine international peace and security. Under this basic policy, the TOSHIBA TEC Group complies with all applicable export control laws and regulations in countries and regions where it operates (the Foreign Exchange and Foreign Trade Control Law in Japan). The Group also complies with U.S. export control laws and regulations with respect to transactions involving U.S. origin cargos and technologies.

Based on this basic policy, TOSHIBA TEC Corporation has established the "Export Control Program" and built an export control system. Accordingly, the Corporation makes cargo/technology relevance judgments and strict transaction screenings for determining the need for export permission, conducts periodic export control audits, and provides education and support to its Group companies.

## THIRD-PARTY COMMENTS | Third-Party Comments



The Great East Japan Earthquake caused incalculable damage to the Tohoku region. I would like to express my deepest condolences to all victims and sufferers of the Great East Japan Earthquake.

The impact caused by this disaster and nuclear accident was extremely severe, and it made us realize just how much the Tohoku region had supported the foundations of Japanese industry. Reconstruction and expansion of industry in this region is an urgent and imperative issue for the Japanese economy, thus, strong support from the government and the people is needed. Nevertheless, the disaster in March 2011 made us rethink risk management issues, and the ideal way to demonstrate leadership. For your information, risk management has two meanings. One is risk management to predict potential risks and respond to them. Another is crisis management to respond to crises that have happened. Insufficiency in both these types of risk management further exacerbates the current issue. The role of a responsible leader is critical in risk management. A sense of trust in or outside the team is developed through accurate judgments, firm principles and policies, as well as information disclosure, sharing and a sense of commitment. It establishes the credibility of the leader, and an organization can respond to risks with a sense of unity. Now, I would like to confirm that corporate CSR commitments play an important role for corporations. Thinking of a variety of CSR commitments with goals, such as environmental issues, the implementation itself entails risk management. It indicates risk management not only in the natural environment but also in the evaluation of corporations. Therefore, corporate CSR commitments are essential for the environment, and also an important matter related to the social evaluation of corporations, which is why I believe those commitments are involved in risk management.

First of all, I would like to comment on the features of CSR Report 2011. Unlike previous reports, I would like to take a look at the message from the President and CEO, Mr. Suzuki, provided in an interview style in this report, with you. It has been already ten years since TOSHIBA TEC Corporation implemented those commitments in 2000. This could lead to a tendency to talk in general terms, or, to put it another way, to be "careless." In today's world, I think the interview style, which is used for the top of the company to state the importance of CSR commitments is of great significance. I believe that Mr. Suzuki as the head of the company has fully recognized CSR as an essential part of risk management for corporate development. He also states that, "The foundation to achieve this mission is CSR." Given that the head of the company delivered his comprehensive determination in an interview style in a timely manner, I hope all employees take his thoughts and comments seriously. Then, I'd like to point out the following:

#### Dr. Takeshi Shinoda

Professor of College of Social Sciences, Ritsumeikan University, Japan

Dr. Shinoda received a doctorate of Economics from the Graduate School of Economics, Nagoya University.

His field of specialization is socioeconomics.

Dr. Shinoda is a member of the Japan Society of Political Economy and Japan Association for Evolutionary Economics, Dr. Shinoda is currently chairman of the Japan Association for Northern European Studies (JANES).

His current research themes include new economic and social governance in globalization, and comparative research on work-life balance. His target regions include North Europe and Latin America.

Secondly, I would like to comment on the descriptions provided in the report.

(1) Production volume increases at production sites outside Japan as part of the process of globalization have been accompanied by corresponding increases in  $CO_2$  emissions at those sites. These production sites are engaged mainly in comparatively energy-intensive components processing, however, I would like you to discuss whether or not to lower the target emissions level at the production sites outside Japan, toward the Fifth Environmental Action Plan for 2013 and thereafter. TOSHIBA TEC Corporation, including its production sites outside Japan, has promptly promoted CSR and provided CSR-related information. If production sites will become more prominent in business strategies, you may be required to clearly define issues in a summary and provide due examination of your commitments.

(2) TOSHIBA TEC Corporation is taking a unique approach to provide data regarding environmental impact in each phase throughout the product life cycle and in business process, as well as in production. This data effectively specifies the importance of energy savings on products, leads to development of "eco targets" and achieves results. Thus, I expect you to make continued efforts to develop products with lower environmental impact.

(3) We are all required to save electricity due to the recent nuclear accident. Taking advantage of this opportunity, I expect you to recognize the importance of electricity conservation, set a goal by positioning it in CSR and make corporate-wide commitments to concretely implement the goal.

(4) I would like to comment on "Employee Relations" as well. I admire "Accepting and Respecting Promotion of Diversity," which has been included in the report since 2010, indicates the ratio of female employees, ratio of employees with disabilities and ratio of non-Japanese employees along with the male-female rates in managerial posts in a concrete manner. I expect you to continuously set goals for the increasingly important future generation development support programs and enhance efforts to reach the goals that you set.

Thirdly, I would like to comment on the report as a whole. The voices of those who participated in a variety of activities give this report an easy-to-read tone in this report, following previous years. As indicated last year, currently, while the CSR report is emphasized as a communication tool, more detailed information on accountability is available on the website. It is becoming ever more important to select a specific message that you want to put across in your CSR report each year. Those are included as "TOPICS" in the 2010 report, and also in the 2011 report. I hope you keep devising ways to create reports that will impress readers and provide information that will remain in their minds.

#### **PEOPLE &** TOSHIBA TEC

**ENVIRONMENT & TOSHIBA TEC** 

MANAGEMENT

## **Redesigned Website**

In April 2011, the TOSHIBA TEC website was redesigned to make it more user-friendly and accessible, by standardizing its designs and interfaces.

Through the website, TOSHIBA TEC Corporation aims to deliver stakeholder-friendly information in a timely fashion, including about various Group commitments, products and solutions.



**Top Page** http://www.toshibatec.co.jp/en/



News

**CSR** 

- · Corporate Philosophy
- Topics
- People & Toshiba Tec
- · Environment & Toshiba Tec Management
- · Management Policy
  - · IR Library
  - · Strategies & Financial

- · Inkjet Heads (Inkjet Heads, etc.)

#### "Toshiba eco style," a unified global brand for environmental initiatives

In order to evolve into one of the world's foremost eco-companies, Toshiba Group has been accelerating its environmental management under the global brand "Toshiba eco style." The three circles surrounding the eco style logo, which symbolizes innovative ideas and imagination, represent Greening of Process, Greening of Products, and Greening by Technology.



Products and solutions in response to customer business

- Multi Function Peripherals
- Barcode Printers and RFID Products

## TOSHIBA TEC CORPORATION

#### CSR Promotion Center Corporate General Affairs & Administration Group

#### Contacts:

Oval Court Ohsaki Mark East 2-17-2, Higashi Gotanda, Shinagawa-ku, Tokyo 141-8664 JAPAN Phone: +81-3-6422-7039 Fax: +81-3-6422-7111 URL: http://www.toshibatec.co.jp/en E-mail: csr@toshibatec.co.jp Production and printing of the Toshiba TEC CSR Report 2011 reflect the following considerations:

#### Paper



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

#### Printing



VOC Free

#### 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

