

Message from Top Management



Toshiba Corporation
Chairman and CEO **Nobuaki Kurumatani**

Toshiba Corporation
President and COO **Satoshi Tsunakawa**

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

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

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

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

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

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

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

October 2018

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

We will contribute to resolving global social issues while capturing new trends.

The Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 set 17 goals related to climate change, energy, water resources, resource recycling, etc. as important policies in order to achieve sustainable development by 2030 and have widely spread across the international community. After the Paris Agreement*¹ of 2015, the response made to climate change has become a common issue worldwide and countries are further urged to make efforts to reduce greenhouse gas emissions. In addition, the final report issued in 2017 by the TCFD*² established by the Financial Stability Board suggested that companies analyze the risks and opportunities posed by impacts from climate change. In light of the situation, as a company that develops business worldwide, we must recognize responding to social issues including climate change as one of the most important management issues and be firmly committed to it.

● Response to new trends

Toshiba Group has consistently been focusing on environmental management, but currently we promote contribution to SDGs, especially in response to climate change, as a key issue in order to respond to new trends. Toshiba Group will help achieve many goals of SDGs including response to climate change and energy access, through development of technology and products in the four main business domains — Social infrastructure, Energy, Electronic Devices, and Digital Solutions. In addition, we will form the foundation toward achieving SDGs by steadily conducting activities such as enhancing legal compliance, reducing environmental impacts in manufacturing, promoting environmental education and communication, and conserving biodiversity at our sites.

As for climate change, we are working to reduce GHG emissions across the entire supply chain including upstream and downstream, in addition to reducing GHG emissions in our own manufacturing. According to our calculation results for Scope 3*³, GHG emissions during use of sold products account for many of Toshiba Group's GHG emissions. Therefore, we will continue to develop highly energy efficient products and services to reduce GHG emissions during use and thereby help to reduce GHG emissions of society as a whole. Also, since it is highly likely that the social system related to climate change will significantly change, Toshiba Group assesses mid- to long-term risks and opportunities for each business domain in the Corporate Environmental Management Committee which is a decision-making organization regarding environmental management, and shares those results within the Group. We believe that in the process of understanding legal regulations, policy risks, and physical risks, and leveraging them for business management, and at the same time transitioning to a decarbonized society, implementing our low-carbon and decarbonized infrastructure systems in society as quickly as possible will bring about great business opportunities and so we will take action accordingly.



● Promotion of the Sixth Environmental Action Plan

As a specific KPI*⁴ in environmental management, we launched the Sixth Environmental Action Plan in FY2017 toward achieving Environmental Vision 2050, a long-term goal envisaging an ideal state of the Earth in 2050.

The "Business" category which takes environmental considerations across the life cycle of the products into account contains not only the reduction of GHG emissions, but also resource recycling and management of chemical substances. Under this "Business" category we will promote initiatives for comprehensive reduction of environmental impacts. In regard to manufacturing in particular, as a result of accumulating reduction effects through high efficiency manufacturing and energy-saving measures at production sites, Toshiba Group was able to reduce the amount of total GHG emissions to 1.27 million tons for a target of 1.46 million. The energy-derived CO₂ emissions per unit activity were 97.8% for a target of 98% compared to the FY2013 level, exceeding the initial target. In addition, we achieved all targets for waste, water, and chemical substances thus steadily reducing environmental impacts in manufacturing. In FY2018 and onwards, we will actively invest in energy-saving facilities with the aim of achieving the goals by 2020.

As for products and services, although some items fell short of the targets mainly because of fluctuations in demand, due to wide ranging development of low carbon energy technologies and improved energy-saving performance of many products including air conditioners, lighting, and semiconductors, the reduction of CO₂ emissions achieved by products and services was 10.86 million t-CO₂. Toward reducing CO₂ emissions in both power supply and consumption, we will bring together our technological capabilities and continue to focus on developing products and services that are highly effective in reducing emissions while appropriately reducing product resource usage and managing chemicals contained in products.

As for the "Management" category, we focus on ensuring environmental risk compliance to steadily comply with global environmental laws and regulations and develop human resources who support such activities as part of our upgrading of basic environmental management activities.

Looking forward, Toshiba Group will remain firmly committed to resolving global social issues including climate change with the goal of achieving a sustainable society. While ensuring sound management, we aim to become a company that is truly needed by society. We would very much appreciate your continued support.

*1 : An international agreement adopted by the 2015 United Nations Climate Change Conference (COP21). It is a framework for a participatory process where all COP members from 196 countries and regions cooperate with each other to deal with climate change issues.

*2 : Task Force on Climate-related Financial Disclosures. It was established by the Financial Stability Board in 2015, and its member financial institutions and companies discuss climate change issues from the viewpoint of financial stability.

*3 : The amount of GHG emissions in the entire supply chain which includes indirect emissions outside the range of the company's business activities -material procurement, distribution, use and disposal of products sold (Scope 3) - in addition to the company's direct emissions (Scope 1) and energy-derived indirect emissions (Scope 2).

*4 : Key Performance Indicator