

# Toshiba Group Slavery and Human Trafficking Statement

## 1. Introduction

Toshiba Group, pursuant to Part 6, Section 54 of the United Kingdom's Modern Slavery Act 2015 and Australia's Modern Slavery Act 2018, hereby provides details of its initiatives to prevent slave labour and human trafficking in Toshiba Group and its supply chain in FY2022 (1 April 2022 to 31 March 2023).

The term "[Toshiba Group](#)" as used in this statement refers collectively to [Toshiba Corporation](#) and its subsidiaries, including [Toshiba Europe Limited](#), Toshiba International (Europe) Ltd. in the UK, and both [Toshiba International Corporation Pty. Ltd.](#) and [PGSR Pty. Ltd.](#) in Australia.<sup>1</sup>

Guided by the Basic Commitment of Toshiba Group, we respect the human rights of all stakeholders, such as our employees, customers, and shareholders. We support the universal principles of human rights and labour practices, including the Universal Declaration of Human Rights, and respect human rights through sound business activities.

## 2. Corporate Structure, Business, and Supply Chain

### 2.1 Corporate Structure and Business Overview

Founded in 1875, Toshiba Corporation is a Japanese company headquartered in Minato-ku, Tokyo, and listed on the Tokyo and Nagoya stock exchanges. Today, Toshiba Group operates worldwide, in 57 countries, employs approximately 106,600 people, and recorded annual sales of 3,362 billion yen in FY2022. Toshiba Group operates worldwide and provides products and services in Energy Systems & Solutions, Infrastructure Systems & Solutions, Building Solutions, Retail & Printing Solutions, Electronic Devices & Storage Solutions, Digital Solutions, and the lithium-ion battery business.<sup>2</sup>

### 2.2 Supply Chain

In Toshiba Group's supply chain, procurement by business segment, in terms of value, breaks down to 51% for the energy systems and social infrastructure businesses, 27% for electronic devices, and 22% for others. By region, Japan accounts for 70% of procurement, Asia (including China and India) for 29%, and Europe and others for 1%. Toshiba Group strives to procure materials, processed parts, sub-assemblies, products, equipment, and other items in optimum locations, mainly in the countries where Toshiba Group has its international network of production bases, but also from other overseas procurement bases, depending on the items to be procured and local business conditions. Our supply chain includes both manufacturing and

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<sup>1</sup> This statement excludes Toshiba TEC Corporation, as well as all tiers of Toshiba TEC's subsidiaries listed on the Tokyo Stock Exchange. Toshiba TEC group companies intend to provide their own statements.

<sup>2</sup> The HVAC (heating, ventilation and air conditioning), TV, personal computer and home appliance businesses have been sold, and are now operated by other corporate groups under a brand license. Those businesses are not covered by this statement.

non-manufacturing suppliers that provide goods and services in support of our operations.

### **3. Toshiba Group Anti-Modern Slavery and Human Trafficking Policy**

#### **3.1 Toshiba Group Human Rights Policy**


‘Committed to People, Committed to the Future.’ is the long standing [Basic Commitment of Toshiba Group](#). It is a statement that expresses our enduring credo of contributing to the development of society by solving social issues through business. In our activities we are guided to operate fairly, with integrity and transparency, and to contribute to the realisation of a sustainable society, by the precepts elaborated in Standards of Conduct for Toshiba Group. Article 1 of the [Standards of Conducts for Toshiba Group](#) stipulates respect for human rights, including a prohibition against child labour and forced labour, and Toshiba Group has repeatedly declared that it conducts business activities with consideration for human rights. In addition, the [Toshiba Group Human Rights Policy](#) was introduced in 2022 to ensure a proper understanding of human rights related to business activities (business and human rights) and strengthen our efforts in that area. As a signatory to the United Nations (UN) Global Compact, we referred to the United Nations’ Guiding Principles on Business and Human Rights (UNGPs) when formulating this policy, along with the Universal Declaration of Human Rights and other international norms and guidelines. We also sought opinions and suggestions from third-party organisations dedicated to promoting human rights, including Business with Social Responsibility (BSR), a US-based non-profit organization that promotes sustainability.

The Toshiba Group Human Rights Policy recognises that business activities have an impact on human rights. It affirms that Toshiba Group respects the human rights of all stakeholders that are involved in its business activities, and is committed to fulfilling its corporate responsibilities. The policy complements the Standards of Conduct for Toshiba Group and the [Toshiba Group Sustainability Policy](#), and applies to everyone who works for Toshiba Group, including directors, officers and employees. We also request that our business partners, suppliers and other related parties conduct activities in accordance with this policy. We will review and revise this policy in order to incorporate the results of periodic risk assessments and reflect international norms and guidelines.

#### **3.2 Toshiba Group Procurement Policy**

The [Toshiba Group Procurement Policy](#) was first formulated in 2005, and since then it has consistently specified that we, along with our suppliers, comply with laws, regulations and social norms. We ask all suppliers to meet our requests and to ensure that their suppliers do the same. To ensure that our procurement activities consider human rights and the environment, we continually revise the policy’s content to reflect international standards, such as the UN Global Compact and the RBA Code of Conduct. We make sure that our suppliers understand the policy by publishing it in four languages: Japanese, English, Standard Chinese and Thai.

In 2022, when we introduced the Toshiba Group Human Rights Policy, we once again clarified the criteria for selecting suppliers in the Toshiba Group Procurement Policy and reviewed our requests for suppliers.



This policy clearly states that consent to its provisions is a priority condition in selecting a supplier. We also request suppliers to go beyond activities that align with the Toshiba Group Human Rights Policy, implement the policy themselves, including in their supply chain, and include its provisions prohibiting forced labour and human trafficking.

### **3.3 Toshiba Group Responsible Minerals Sourcing Policy**

In 2011, Toshiba Group implemented the Toshiba Group Conflict Minerals Response Policy. Since the implementation of Section 1502 of the Wall Street Reform and Consumer Protection Act (Dodd-Frank) on conflict minerals in January 2013, Toshiba Group has investigated and reported to customers on the use of conflict minerals mined in the Democratic Republic of the Congo (DRC) and its adjoining countries. Subsequently, due to increased risk of human rights violations in conflict-affected and high-risk areas (CAHRAs) other than the DRC and its adjoining countries, including the risk of child labour and corruption, we revised our policy in September 2020 and established the [Toshiba Group Responsible Minerals Sourcing Policy](#). This policy prohibits the use of tin, tantalum, tungsten, gold and cobalt, whose procurement contributes to conflicts in CAHRAs and to human rights violations, such as forced labour and child labour, environmental pollution, corruption, and other abuses. Toshiba Group requests its suppliers, and through them their suppliers, to conduct procurement activities in line with this policy.

## **4. Measures Taken to Identify and Address Modern Slavery Risks**

### **4.1 Implementation of Human Rights Due Diligence**

#### **Human Rights Impact Assessment**

In FY2022, as part of efforts to identify human rights risks, Toshiba Group performed a human rights impact assessment for each business, in collaboration with BSR, to better understand how our business activities impact human rights and to recognise what should be prioritised.

By checking human rights risks indicated in the Universal Declaration of Human Rights, evaluating the impact level of each human rights risk in line with the UNGPs, and identifying areas where risk may arise in each business's value chain, we consider what modern slavery risks are predominantly associated with the human rights of Toshiba Group's employees, supply chain and raw material procurement (such as responsible mineral procurement). Through this human rights impact assessment, we identified the following human rights issues as core concerns to priorities for employees and suppliers.

- Work environment (working hours, wages, and benefits)
- Social protection floor / Basic social support
- Discrimination, harassment, and equal opportunity
- Freedom of association and collective bargaining
- Child labour and youth workers
- Forced labour

- Foreign workers
- Occupational health and safety
- Grievance mechanisms and access to remedy

We monitor these issues through the human rights risk assessment. In addition, we believe that consideration should be given to the human rights of local communities and indigenous peoples, as well as to downstream human rights related to the final use of products, product safety, environmental impacts, privacy, cybersecurity, and responsible AI, and we are now considering specific measures for all of these. We understand the importance of performing periodic impact assessments to respect human rights and will continue to perform assessments in approximately 3-year cycles.


### **Human Rights Risk Assessment**

Toshiba Group has a risk management structure, the Risk Management System (RMS), for responding to various risks, including those related to business and compliance. As a part of the RMS, we undertake an annual Human Rights Risk Assessment Program (RAP), based on the results of the human rights impact assessment, in accordance with the UNGPs and laws and guidelines on human rights and labour practices. High-risk concerns, identified in the Human Rights RAP, are explored in detail to determine needed actions for risk remediation. Our Human Resources & Administration Division is responsible for conducting the assessment and uses gap analysis to monitor the implementation of human rights initiatives. In FY2022, 151 Toshiba Group consolidated companies were investigated to ascertain whether they had prepared harassment consultation services and whether their employment regulations included clauses related to harassment prevention. We confirmed that there were no issues at any company.

In the past, we ascertained whether the hiring process of our consolidated companies complied with local labour laws and regulations, as well as international standards for human rights. In addition, we scrutinised their hiring manuals. We then implemented improvement measures for any issues we evaluated might lead to discriminatory practices, by deleting particular items from these manuals (e.g., implementing unnecessary medical tests). Guidance by the divisions mentioned above ensured that the companies made improvements to align with the relevant laws and regulations and the UNGP. Moving forward, we will continue to perform risk assessments every year, monitor the results of human rights impact assessment, and reinforce measures to prevent the occurrence of issues concerning human rights. We periodically review the RAP to ensure that this process remains up to date through regular conversations with external organizations such as BSR, and participation in human rights-related seminars and study groups.

### **Risk Assessments for Suppliers**

We conduct an annual sustainable supply chain survey and monitoring in accordance with the Toshiba Group Procurement Policy. In FY2022, we surveyed 12,622 companies, covering human rights, health and safety, the environment, ethics, and BCP. We have identified around 1,600 at-risk suppliers and provided them with written instructions, in line with international standards, outlining the steps they need to take to rectify the situation. We also interviewed some suppliers to verify the situation and provide guidance on



the corrective actions required.

### **Environmental Impact Assessments**

Regarding impacts on local communities and indigenous peoples, we currently conduct an environmental impact assessment before starting a new project to minimise the environmental impacts from our business activities. We comply with the environmental laws and regulations of each country and region, take all possible measures to preserve the local environment, and take into consideration environmental impacts that may affect human rights.

### **Introduction of Whistle-blower System and Grievance Mechanism**

Toshiba Group has measures in place for responding to human rights-related reports and consultations from its employees and suppliers, and to responding to grievances from stakeholders.

In Japan, employees have access to the “Toshiba Consultation Hotline” and “Harassment Consultation Desk” for reporting incidents and seeking advice via e-mail or phone, as well as the “Audit Committee Hotline” for reporting directly to the Audit Committee. Suppliers can use a “Clean Partner Line” to provide reports on a wide range of matters, including those related to human rights. Outside Japan, in addition to the whistle-blowing reporting systems at each subsidiary, we introduced the “Toshiba Group Overseas Hotline” in FY2021, which is operated by the designated secretariat in each region, the Regional Representative Subsidiary.

We provide annual e-learning and regular messages about all of these systems, and make clear that there is a strict guarantee of anonymity and prohibition of retaliation. When reported cases raise suspicions of legal violations or misconduct, we conduct investigations to find out the facts, identify root causes and take firm measures to prevent any recurrence. Most of the reports we receive are about labour issues and internal rules. Since the introduction of the Toshiba Overseas Hotline, we have received no reports concerning forced labour, human trafficking or child labour. If a violation or the likelihood of a violation of laws, regulations or internal rules is found, necessary improvement measures and alerts are implemented. Reports requiring employees’ attention are disseminated through employee training, after changes are made to maintain the reporter’s anonymity, and these are notified by the corporate level to major subsidiaries as case studies on our company intranet.

In October 2022, Toshiba Group joined the Engagement and Remedy Platform operated by Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). This move introduced a mechanism (grievance mechanism) for receiving and resolving complaints and grievance reports on business and human rights from a wider range of stakeholder. JaCER provides a non-judicial platform for the redress of grievances, and acts in a professional capacity to support the redress of grievances brought against member companies, based on the UNGPs. Toshiba Group intends to use the platform to appropriately respond to complaints and grievance reports from all stakeholders, including local communities and indigenous peoples, thereby ensuring a fair, transparent process.

## **4.2 Stakeholder Engagement**

### **Labour-Management Dialogue**

One measure for engagement with employees is dialogues between Toshiba and Toshiba Union that aim to improve labour-management relations and business operations. These discussions are grounded in a spirit of mutual trust, mutual understanding and prior consultation, and are held in line with our basic philosophy of labour-management equality. The management status is explained on a regular basis through a labour-management council held once every six months and in labour-management meetings with top representatives from both parties. In addition, discussions between workers and management are held regularly at the Toshiba-Group-company level and business-site level.

### **Employee Engagement Survey (TEAM Survey)**

Another example of employee engagement is the employee morale survey (TEAM Survey) that has been conducted in Japan and overseas every year since FY2003, as a way to gain feedback from employees. Through this survey, we periodically monitor the level of employee understanding of various company measures, how firmly rooted those measures are, and the level of employee engagement. We strive to resolve any emerging issues and leverage them to enhance our corporate culture. The survey also assesses employees' understanding of whether their working conditions allow them to demonstrate their abilities. There are also questions that cover employee perceptions of the President, CEO and top management are perceived and their handling of compliance, and they are informed of the results.

### **Partnership with Suppliers**

Toshiba Group companies build supportive, transparent and collaborative relationships with suppliers, and work with them to fulfil corporate social responsibilities and engage in sustainable procurement, on a basis of mutual understanding and trust.

We strive to build partnerships with suppliers grounded in mutual trust, and to improve them by supporting suppliers and organising awareness-raising activities. Our objective is suppliers able to provide a reliable supply of high-quality, appropriately priced goods while considering human rights, labour conditions, health and safety, and the environment.

### **Cooperation and Communication with External Organizations**

Toshiba Group, as a signatory to the United Nations Global Compact, and while proactively working to eradicate human rights issues in the international community, joined the BSR in 2003 to deepen understanding of human rights and reflect such understanding in business activities.

In order to promote the practice and awareness of responsible sourcing, we actively affiliate with industry organizations and public-private partnership projects, as well as engage in communication with NGOs. Related organizations and projects regarding conflict minerals issues are as follows:

- Responsible Business Alliance (RBA)
- Responsible Minerals Initiatives (RMI)
- Japan Electronic Industry Development Association (JEITA)

### **4.3 Training and Capability-Building**

#### **Human Rights Awareness Training**

Toshiba Group employees receive annual training on Article 1 of the Standards of Conduct for Toshiba Group, which covers respect for human rights, including the prohibition against forced labour and child labour. This training (e-learning) is provided to executives and all employees (including contract employees and temporary employees) in Japan and overseas, with a training participation rate of 99.6% for Toshiba Group in Japan, and 95.9% for Toshiba Group overseas in FY2022. We also provide training to deepen our employees' understanding of and respect for human rights when they join the company and before and after promotions and managerial appointments. In FY2022, 140 sessions (10% up, year-on-year) were held, with 18,000 participants in total (50% up, year-on-year).

Every December is marked as Toshiba Group Sustainability Month, which includes Human Rights Week. As a part of this initiative in 2022, we held a lecture to commemorate Human Rights Week and human rights awareness seminars led by experts. The videos of these programs were posted on our intranet website to be viewed by Toshiba Group employees in Japan.

#### **Training on Business and Human Rights**


In October 2022, we invited Asako Nagai, Managing Director at BSR, to lead an online seminar, "Actions Required of Global Companies," which included case studies on global trends in human rights legislation, the importance of human rights due diligence, and issues for companies to address. Approximately 150 employees involved in promoting sustainability participated and deepened their understanding of business and human rights.

#### **Training Procurement Division Members**

Training for personnel working in procurement is provided when they join the company or are transferred to the division. Training based on their job role and responsibilities is also provided. The scope of this training includes the Toshiba Group Procurement Policy and how to achieve sustainable procurement. In FY2022, approximately 40 members of Toshiba Group's Procurement Division participated in sustainable procurement training based on their job role and responsibilities.

#### **Harassment Prevention Training**

The Standards of Conduct for Toshiba Group prohibit discriminatory behaviour based on race, religion, gender, nationality, disability, age, and sexual orientation, as well as violence, sexual harassment, and abuse of power (such as workplace bullying and other forms of harassment). We regularly provide consulting services at each workplace and training for consulting service staff.



Toshiba Group promotes diversity and inclusion (D&I), and as part of our efforts to create a comfortable workplace culture we hold various training sessions to raise awareness of human rights. We will continue to actively promote D&I and develop such sessions throughout Toshiba Group.

#### **Disclosure of Risk Management Case Studies Regarding Human Rights**

Toshiba Group publishes case studies from outside the company regarding human rights violations on our company intranet to improve employee awareness. We summarise and introduce the key points of risk management and related laws.

#### **Increasing Supplier Awareness of Modern Slavery Risks**

In cooperation with the Human Resources & Administration Division, the Procurement Division conducts a Self-Assessment Questionnaire (SAQ) survey of suppliers and follows up as necessary depending on the response status. We strive to promote understanding by preparing feedback guidelines which explain specific examples to suppliers who have an insufficient understanding of international norms and guidelines.

## **5. Effectiveness in Addressing Modern Slavery Risks**


### **5.1 Framework for Respecting Human Rights**

Within Toshiba Group, the Human Resources & Administration Division takes the lead in promoting respect for the human rights of Toshiba Group employees. The Human Rights Enlightenment Committee, chaired by the Executive Officer responsible for Human Resources & Administration, formulates policies on respect for human rights, measures related to human rights risk, and training plans for employees. The Human Resources & Administration Division, in collaboration with the Sustainability Management Division, which promotes initiatives on business and human rights, uses these measures and plans as the basis for providing key group companies with guidance on training and activities related to human rights. The Human Rights Enlightenment Committee reports on its discussions and decisions to the Board of Directors. There are also regular meetings on business and human rights to provide regular engagement, feedback, and exchange of information between key divisions, including the Human Resources & Administration Division, Procurement Division, Legal & Compliance Division, and Sustainability Management Division.

Regarding respect for human rights in the supply chain, an independent team specialising in sustainable procurement activities, part of Toshiba Corporation's Procurement Division, works with related organisations, including the Sustainability Management Division and the Environment Management Office, and also with key group companies, to promote understanding and respect for human rights.

The Sustainability Management Division promotes initiatives for respecting human rights in Toshiba Group and its supply chain, in cooperation with the Human Resources & Administration Division, the Procurement Division, and the Legal & Compliance Division, and is also responsible for considering the company's role in building a sustainable society. In addition to this, the Sustainability Strategy Committee, chaired by the President and CEO, has defined human rights as one of the material issues for Toshiba Group. The committee





determines necessary strategies and measures regarding human rights to promote the sustainability of Toshiba Group and its supply chain, and makes decisions and reports on measurements of human rights risks. The Sustainability Strategy Committee reports on its discussions and decisions to the Board of Directors.

Human rights initiatives at Toshiba Group and in its supply chain, including results from assessing and monitoring the human rights risks mentioned above, are discussed by the aforementioned responsible committees; they are also reported to the Risk Compliance Committee, chaired by the Chief Risk & Compliance Officer (CRO), who oversees risk management and compliance. This committee analyses whistle-blower reports and cases from inside and outside of Toshiba Group, and evaluates the impacts of risks and the status of risk control in accordance with a risk table that covers compliance risks based on the Standards of Conduct for Toshiba Group. Divisions involved in any human rights risks that are detected are responsible for developing and implementing corrective actions to prevent recurrence. Action plans are submitted to the Sustainability Management Division and the Legal & Compliance Division, and both of these divisions conduct monitoring. Moreover, initiatives on human rights are reported to the Risk Compliance Committee in every fiscal half, and a system is in place to ensure continuous monitoring of the risks facing Toshiba Group, including human rights risks and the effects of countermeasures. Members of the Audit Committee, who are also Directors of Toshiba, participate in this committee, and the content of its discussions is reported to the Board of Directors.

## **5.2 Key Performance Indicators related to Monitoring for Modern Slavery**

The Sustainability Strategy Committee of Toshiba Group decides on Key Performance Indicators (KPIs) in line with material issues, and the Sustainability Promotion Committee monitors efforts related to these items to strengthen future initiatives. To ensure that modern slavery and human trafficking are not taking place in our business or supply chains, we set FY2022 and FY2023 targets for human rights and sustainable procurement KPIs and report the details of our achievements and initiatives. We set the cumulative number of suppliers where we conducted a Sustainability Survey as one of the KPIs for sustainable procurement, and the implementation rate of the surveys on the actual conditions and the measures for correction, prevention, and mitigation as one of the KPIs for our human rights due diligence initiatives. We work with our suppliers and regularly check the progress of their corrective actions.

## **6. Continuing Initiatives for Respecting Human Rights**

Toshiba Group recognises respect for human rights as a material issue. Going forward, we will continue to progress the human rights impact assessments that we conducted in 2022. We will once again identify human rights risks that can affect our business, define priority issues and minimise such risks by taking corrective measures. We will continue to communicate with external experts, participate in study groups, seminars, and forums, assess the latest information to closely monitor global trends, and address human rights issues with external organisations such as BSR and RBA.

Information given in this statement contains general descriptions and/or highlights of Toshiba Group's initiatives for anti-modern slavery and human trafficking, some of which are under modification, derivation, or improvement in certain subsidiaries or regions. In accordance with the Toshiba Group Human Rights Policy, we will continue to ensure that human rights are fully respected within Toshiba Group, and strengthen our supply chain management to promote an equally deep understanding of human rights on the part of our suppliers.

Through these efforts, Toshiba Group will carry out business activities that prevent any occurrence of slave labour and human trafficking in Toshiba Group and its supply chain.

## **7. Consultation Process**

In preparing this joint statement, the Sustainability Management Division worked with the Human Resources & Administration Division, the Procurement Division, and the Legal & Compliance Division. Feedback was sought from each reporting entity covered by the statement, and this consultation process realized a comprehensive and integrated group-wide statement.

This statement was discussed and approved by Executive Officers delegated with the authority to do so by Toshiba's Board of Directors, and is signed by the Representative Executive Officer, President and CEO.



Taro Shimada  
Representative Executive Officer  
President and Chief Executive Officer  
Toshiba Corporation  
26 September 2023