

# **Procurement Policy**

Toshiba Plant Systems & Services Corporation is committed to procuring materials of superior quality and safety to meet each customer's needs.

Our Standards of Conduct and the Toshiba Group Procurement Policy govern our sourcing, contracting and purchasing, ensuring that these activities are ethical, efficient and accountable, in compliance with laws and regulations, and informed by a commitment to environmental protection.

Toshiba Plant Systems & Services Corporation widely seeks partnerships with like-minded companies that share our corporate values of fairness and openness, as well as our focus on the cultivation of enduring relationships grounded in trust, since we are convinced that together we can prosper.

## **Toshiba Plant Systems & Services Group Basic Policy**

1. comply with laws and regulations, and social norms, with the Standards of Conduct for Toshiba Group, and bring high ethical standards to procurement activities;
2. provide suppliers(including, throughout this document, candidate suppliers) with equal opportunities for transactions with Toshiba Group;
3. fulfill corporate social responsibilities, together with suppliers, and engage in sustainable procurement activities; and
4. carry out procurement activities with suppliers on a basis of mutual understanding and a relationship of trust.

## **Supplier Selection Policy**

Select and carry out transactions with suppliers who agree with and execute 1 to 3 below.

1. Compliance with laws and regulations, and social norms  
Comply with the laws and regulations, and social norms of countries and regions where business activities are carried out
2. Consideration for human rights and the occupational safety and health of workers  
Respect human rights and make every effort to realize a safe and hygienic work environment for business activities

### 3. Consideration for the environment

Promote business activities with consideration for the global environment

## Requests to Suppliers

Toshiba Group carries out business in a wide range of products and services at the global level, participates in the United Nations Global Compact (UNGC) and observes the Responsible Business Alliance Code of Conduct (RBA Code of Conduct), and in doing so promotes procurement activities that give full consideration, from all perspective, to requests from stakeholders. We accordingly ask all suppliers to meet the following requests, and to ensure that their suppliers do the same.

#### (1) Compliance with laws and regulations, and social norms

Suppliers are requested to conduct business activities that comply with all relevant laws and regulations, and the social norms in the countries and regions where they do business, and to observe the following measures.

- Respect for all related laws and regulations (national and regional laws in respect of antitrust, the commercial code, subcontracting, foreign exchange, personal information protection, copyright, environmental protection, etc.)
- Prohibitions of bribery of any and all parties to business transactions, or other interested parties
- Prohibitions of transactions with criminal organizations or other antisocial forces/groups

#### (2) Consideration for human rights and occupational safety and health of workers

Suppliers are requested to respect human rights in their business activities, to ensure safe and hygienic work environments, and to observe the measures described below. Suppliers are also requested to understand and observe the Toshiba Group Human Rights Policy and the Toshiba Group Responsible Minerals Sourcing Policy (both posted on the Toshiba website)

- Prohibitions of forced labor, inhumane treatment (including slavery), human trafficking and child labor; prohibitions of discrimination based on race, nationality, gender, religion, etc.; and the elimination of all forms of harassment
- Payment of appropriate wages (payment at a level above the minimum wage under applicable laws and regulations; wages sufficient to cover the necessities of life (a living wage))

- Appropriate management of working hours (compliance with laws and regulations, and consideration of international standards, to prevent excessive working hours and to provide reasonable holidays)
- Respect for workers' rights, including freedom of association and collective bargaining
- Provision of safe, hygienic facilities (an appropriate working and living environment, etc.)

\*Toshiba Group Human Rights Policy

[https://www.global.toshiba/ww/sustainability/corporate/performance/social/human-rights.html#hum\\_01](https://www.global.toshiba/ww/sustainability/corporate/performance/social/human-rights.html#hum_01)

\*Toshiba Group Responsible Minerals Sourcing Policy.

[https://www.global.toshiba/ww/sustainability/corporate/performance/social/procurement.html#responsible\\_minerals](https://www.global.toshiba/ww/sustainability/corporate/performance/social/procurement.html#responsible_minerals)

### (3) Consideration for the Environment

Suppliers are requested to understand that Toshiba Group positions environmental initiatives as an important management issue, and to promote proactive initiatives for the production of products that are in harmony with the environment. Suppliers are also asked to promote the following measures based on Toshiba Plant Systems & Services Group Green Procurement Guidelines.

- Construction of an environmental management system compliant with ISO 14001:2015, and certification from an independent third party
- Formulation of a basic environmental policy
- Activities that reduce environmental impact (respond to climate change and the circular economy; consider ecosystems; set up an environmental risk management system and provide employees with training)
- Management of chemical substances in goods that are delivered to Toshiba Group

\*Toshiba Plant Systems & Services Group Green Procurement Guidelines.

### (4) Continuation of sound business management and disclosure of information

Suppliers are requested to promote sound business management, as a basis for continued transactions. Suppliers are also requested to ensure disclosure of information on human rights and occupational safety and health, the environment, financial status and business performance, and on business risk (e.g. damage from disasters, adverse environmental and social impacts, and serious violations of laws and regulations). Disclosure of false records, false indicators or false information is unacceptable.

#### (5) Securing superior quality

Suppliers are requested to support Toshiba Group in maintaining and improving the quality of products provided to customers, to collaborate with Toshiba Group in setting up a quality assurance system that is ISO 9001 compliant, to cooperate in receiving third-party certification and observing laws and regulations, and to meet the requirements specified below.

- Comply with national and regional safety standards (Japan's Electrical Appliance and Material Safety Law, JIS in Japan, UL in the United States, CE marking in Europe, CCC in China, etc.)
- Ensure continuous provision of goods and services that satisfy Toshiba Group's specifications and quality requirements
- Ensure appropriate management and storage of important quality-related materials, particularly documents, records and inspection data that guarantee compliance with laws and standards

In addition, suppliers are expected to understand and observe "Toshiba Quality Assurance Guidelines for Suppliers" and "Toshiba Software Quality Assurance Guidelines for Suppliers" which summarize Toshiba Group's expectations of suppliers' quality assurance activities, and "Toshiba Product Security Quality Assurance Guidelines for Suppliers (Software Edition)" which summarizes software vulnerability countermeasures.

#### (6) Information security

Suppliers are requested to prevent any leaks of confidential or personal information, and to ensure and maintain a high level of information security.

- Defenses against cyberattacks  
Set up defenses against cyberattacks, and put in place a management system that does not cause damage to supplier or to others
- Protection of personal information  
Ensure appropriate management and protection, and compliance with laws and regulations, in respect of all personal information, including that of suppliers, customers, consumers and employees
- Prevention of leaks of confidential information  
Ensure appropriate management and protection of suppliers' confidential information, and also that received from customers and third parties

(7) Constructing a stable supply system and continued supply following a disaster, etc.

Suppliers are requested to build a stable, flexible system for the supply of goods and services, one that is able to meet our customers' requirements for continuous supply of products, respond to sudden fluctuations in supply and demand, and to ensure reliable delivery schedules. In addition, in the event of a disaster (natural disaster, epidemic, fire, terrorism, war, civil war and the like), suppliers are requested to make every effort to cooperate with Toshiba Group to ensure continued supply, and to share supply chain information, including on the status of their own business partners. During normal business activities, suppliers are requested to cooperate with Toshiba Group in risk management activities.

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