

Third-Party Comments on the CSR Report

Comments from the Viewpoint of Materiality on Toshiba Group CSR Report 2007



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Materiality is foremost among the three fundamental principles constituting the AA1000 Assurance Standards, which Toshiba depends on as the editorial policy (page 3) of this report. My comments on Toshiba Group's CSR Report is from the viewpoint of materiality.

Reflecting Stakeholders' Views

With regard to CSR, the materiality principle requires enterprises to implement, in its CSR activities, activities material to stakeholders' decision-making, and then report the results. This principle helps prevent enterprises to overlook issues material to stakeholders.

For this purpose, the views of stakeholders must be examined. Toshiba conducts surveys covering a wide range of stakeholders and reflects the findings in the editing of the CSR report. This approach is commendable from the materiality viewpoint.

Also, it is noteworthy that Toshiba conducted CSR questionnaire surveys for customers, employees, shareholders, suppliers, and other stakeholders and reflects the results in CSR activities. This is a model approach designed to ensure integration of CSR throughout corporate business activities.

Toshiba's effort to reflect views of stakeholders from various perspectives is considered to be pioneering not only in Japan but also in the world.

Further introducing Materiality viewpoint into CSR Activities

Nevertheless, there are certain issues Toshiba should address in order to further develop its CSR activities. For example, while the survey of various stakeholders was conducted for the production of this report, it would be more important to use this result for the selection of key CSR issues and day-to-day activities.

In order to assess stakeholders' view properly, Toshiba would need to set criteria based on what they consider material. Also, I would like to encourage Toshiba to be sensitive to the rise of current social issues, such as decent work, and see if its activities address these issues.

Targets for Evolving CSR Management

In the promotion of CSR activities, target based actions is crucial. Toshiba has set targets in wide-ranging fields, which is commendable. In particular, for environmental management, Toshiba has set quantitative targets based on a comprehensive eco-efficiency indicator. Admittedly, the setting quantitative targets for social matters involves difficulty. However, it will become increasingly important to achieve a balance between quantitative and qualitative targets. Transparency of Toshiba's CSR activities would be enhanced by establishing these targets as key performance indicators.

Toshiba's CSR activities, which are based on AA1000, are pioneering. I would like to see Toshiba continue to refine its CSR management and provide a useful model for other Japanese companies.

[Biography]

Professor Katsuhiko Kokubu received a Ph.D in business administration from Osaka City University. He has been a professor at the Graduate School of Business Administration, Kobe University since 2001, and in 2003 established the Institute for Environmental Management Accounting, a vehicle for utilizing research achievements. Professor Kokubu chaired a committee of the Ministry of Economy, Trade and Industry on development and promotion of material flow cost accounting and served as a member of a committee of the Ministry of the Environment on environmental reporting guidelines.

Responses to the Third-Party Comments

For CSR management, it is important to be aware of what stakeholders are interested in, to be sensitive to the changes in their interests and to respond to them. At Toshiba Group, we intend to step up efforts to reflect in our daily business activities the many suggestions we have received from stakeholders.

Also, for disclosure of targets and results, we will continue our efforts to communicate information in an easy-to-understand manner to stakeholders around the world whose values and interests may differ significantly. Through independent and proactive commitment to CSR, we aim to be a global enterprise earning trust worldwide.