

TOTO Group

Guidelines for Green Procurement

ver.1.0

April 2020

TOTO LTD., Purchasing Division

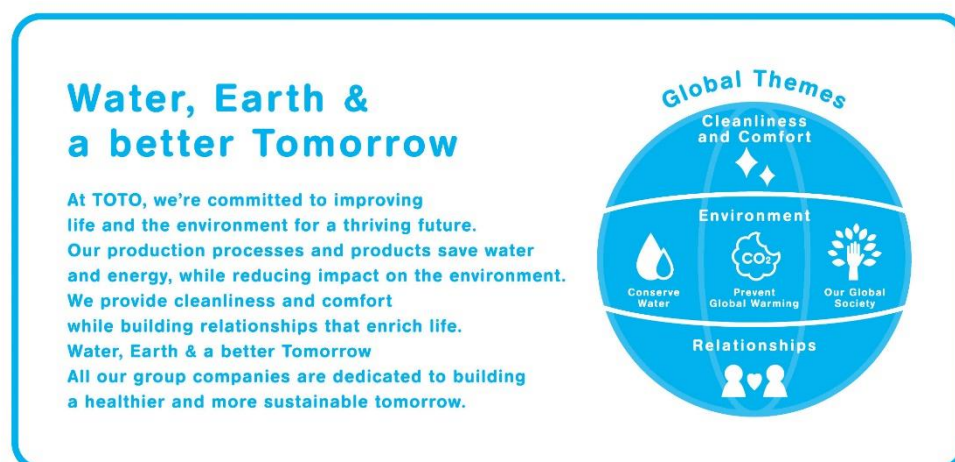
TOTO

1. TOTO Global Environmental Vision

Coinciding with the implementation of our new mid-term management plan, TOTO WILL2022, the TOTO Global Environmental Vision was revised and put into effect in April 2018. This vision acts as a driving force for TOTO WILL2022. By strengthening the promotion of this vision, we aim to further integrate our management and CSR activities and increase our corporate value.

The TOTO Group initiated its TOTO Global Environmental Vision, for which the number of themes have expanded from one, Environment, which was already established theme, to three, Cleanliness and Comfort, Environment, and Relationships, in order to include social themes closely related to our business. Each theme has a set of targets and specific initiatives determined based on our aims of this vision. We are working toward achieving these targets by 2022.

Through activities centered on the three global themes established in this Vision, we will also contribute to the achievement of the Sustainable Development Goals (SDGs) set by the UN in 2015.



2. TOTO Group Global Environment Policy

As we have organized the corporate philosophy of TOTO Group, our environmental policy has been reborn as that shared by all the people of TOTO Group. With our business activities expanded to the world today, we promote environmental conservation activities as a mission of the entire TOTO Group.

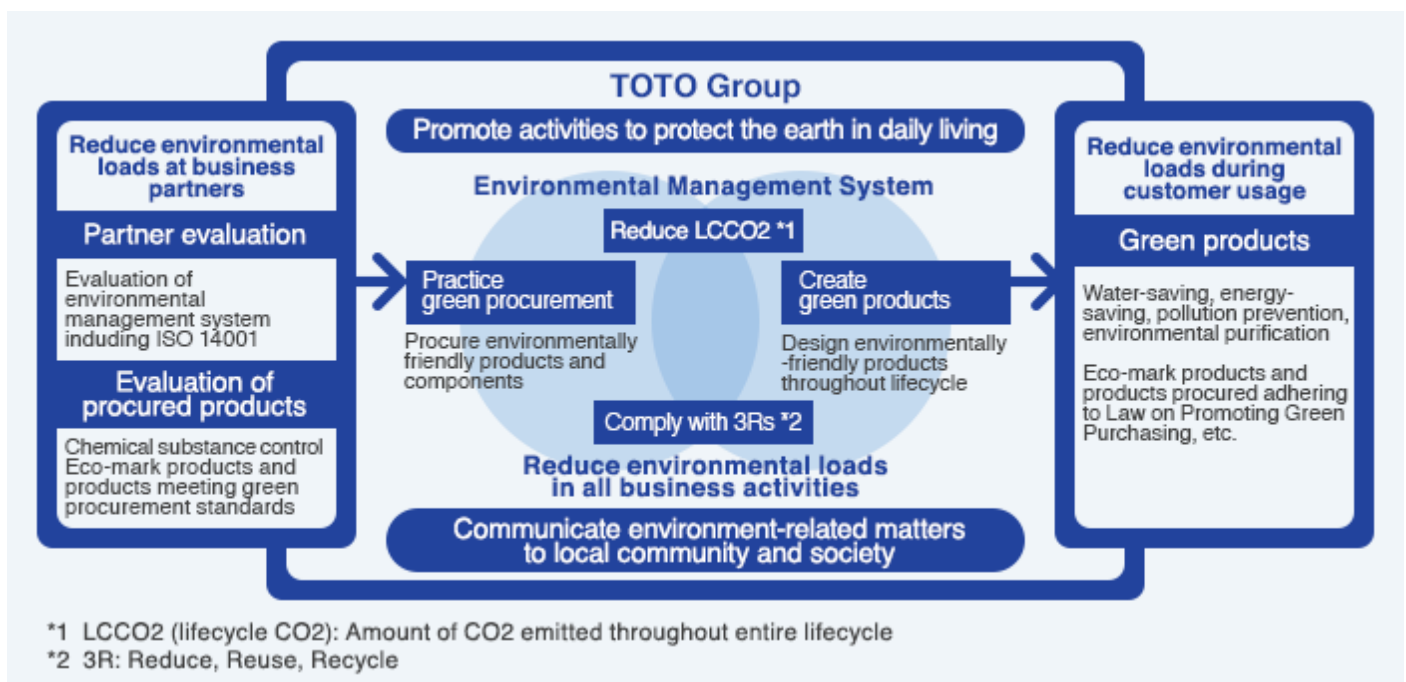
The TOTO Group considers conservation of the global environment to be one of the most important issues in need of addressing and contributes to the creation of a sustainable society by promoting highly environmentally conscious corporate management.

【Global Environment Policy】

1. The TOTO Group develops water-saving, air-cleaning and other environmentally friendly products and services and contributes to reducing the loads on the global environment.
 - The TOTO Group performs an environmental assessment from the stages of research and development and designing of products and services and carries out activities to reduce environmental loads through all stages, from material purchasing to production, distribution, utilization and disposal (water-saving, air cleaning, energy and resource conservation, controlling of chemicals, etc.).
2. The TOTO Group reduces environmental loads in every process of its business activities.
 - In its efforts to reduce the environmental loads, the TOTO Group takes actions such as employing superior technology and materials, conserving resources and energy, reducing waste and packaging materials, recycling materials, and working to protect the ozone layer and prevent global warming.
 - The TOTO Group develops production technologies taking into account environmental conservation to reduce the environmental loads in production.
3. The TOTO Group builds an environmental management system for making continuous improvement.
 - The responsibility for the promotion of environmental conservation is defined and the organization for environmental management is established under the Director in charge of environmental conservation in order to build and continuously improve an environmental management system that adopts environmental audits.
 - The effect of organizational activities and products and services on the environment is appropriately assessed, and environmental objectives, goals and programs are established in line with the environmental laws and regulations, agreements and other requirements of the countries and regions in which the businesses are located.
 - In addition to complying with environmental laws and regulations, agreements and other requirements, the TOTO Group establishes its own standards to improve the control level and prevent pollution.
 - The TOTO Group specifies states of emergency and strives to prevent them. Prompt and appropriate response is taken in the rare event of an accident.

4. The TOTO Group strives for conservation and sustainable utilization of biodiversity.
 - The TOTO Group avoids destruction of nature caused by its business activities and strives to conserve biodiversity.
 - The TOTO Group purchases raw materials, taking the local environment and effect on biodiversity into consideration.
 - The TOTO Group works in cooperation with stakeholders and contributes to the creation of society that fosters biodiversity.

5. Through active communication, the TOTO Group aims to achieve a better global environment.
 - The TOTO Group educates and enlightens people both inside and outside the TOTO Group to promote understanding and awareness of the global environment, and actively supports activities to conserve the global environment.
 - The TOTO Group actively participates in and supports environmental conservation in its publicity activities and in society and local communities from the viewpoint of contributing to society as a good corporate citizen, aiming to achieve a better global environment.
 - The TOTO Group carries out active communication in its environmental conservation activities and discloses information, as necessary, concerning the development and environmental management of environmentally friendly products, services and technologies.



3. Environmental contribution through Green Procurement

We will continue to contribute to the realization of sustainable society by protecting the global environment and biodiversity, and reducing the adverse environmental impacts through its supply chain.

By implementing environmental standards, we strive with suppliers to reduce the environmental impacts.

1. Environmental management system

The TOTO Group has Environmental Management System (EMS) in place to reduce environmental impacts of its operations.

In particular, with regard to greenhouse gas reduction and water resource conservation through the management of water usage and quality, we are formulating a plan from a long-term perspective, and working on a cycle of management, operation and improvement.

We are working to reduce the environmental impact throughout the entire supply chain with proactive engagement of suppliers.

Refer to the “Standards for Establishment of the Environmental Management System” for requirements to suppliers for reducing environmental impacts.

2. Purchasing Eco-friendly products

The TOTO Group promotes reduction of environmental impact by purchasing products with a lesser effect on environment (Eco-friendly products, etc.).

Refer to the “Standards for Purchasing Environmentally Friendly Products” regarding the TOTO Group’s purchasing of Eco-Friendly products.

3. Management of chemical substances in products

The TOTO Group works to minimize the effect of chemicals on the environment through appropriate management of chemicals emitted through our business activities and those contained in the products provided to our customers.

The TOTO Group requests suppliers to control the chemicals contained in products and parts they deliver to us based on laws and regulations (Law Concerning the Examination and Regulation of Manufacture, etc., of Chemical Substances, RoHS Directive, etc.) and stakeholder requirements.

Refer to the “Chemical Substance Management Standard (Product Edition)” for requirements to suppliers.

4. Responsible procurement of raw materials for conservation of biodiversity

In our business, the TOTO Group defines stone, clay and wood as critical raw materials for conservation of biodiversity. Suppliers are required to address conservation of biodiversity as we do.

Refer to the “Standards for Sustainable Procurement of Raw Materials” for requirements in regards to purchasing raw materials.