

CSR-oriented operations

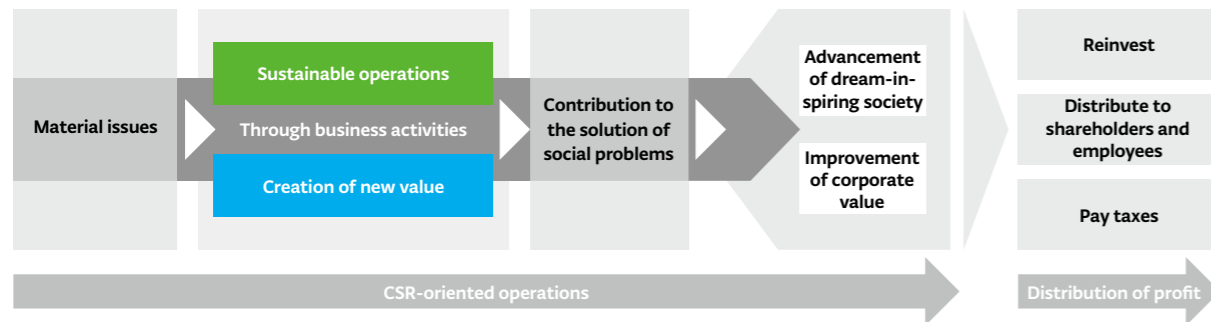
Tokyo Electron's Corporate Philosophy

We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support.



CSR policy

The CSR operations of Tokyo Electron (TEL) are initiatives that realize TEL's Corporate Philosophy. We pursue sustainable operations from the viewpoints of corporate governance, legal and regulatory compliance, and business ethics while creating new value through our products and services. Based on these efforts, TEL implements CSR activities to help address social issues. We will continue to pursue CSR activities to build stakeholder trust, improve corporate value and, by doing so, promote the growth of a sustainable and dream-inspiring society.



CSR promotion framework

TEL implements sustainability management, which is integrated into the business strategy from a medium- to long-term perspective of corporate value enhancement. Three groups have been established to promote CSR activities. The CSR Management Council, the highest decision-making body regarding CSR, conducts discussions regarding the policy for the entire group, and important projects. Based on this, the CSR Global Committee discusses that progress management regarding activities for achieving CSR targets along with the promotion of global projects, and shares best practices. At the CSR Monthly Meeting, information on activities is shared with representatives from each division, and collaborative systems are built to tackle cross-division themes.

We are also working to strengthen our CSR structure by appointing officers in each division across the company to be in charge of understanding the CSR policy and goals and promoting CSR.



CSR Global Committee

Conference name	Participants	Function	Meeting frequency
CSR Management Council	<ul style="list-style-type: none"> Chairman of the Board President & CEO Directors and Managers 	<ul style="list-style-type: none"> Decide company-wide CSR policy Discuss important matters 	Twice annually
CSR Global Committee	<ul style="list-style-type: none"> Chief CSR Promotion Director Heads of related departments CSR officers of affiliates and overseas companies 	<ul style="list-style-type: none"> Manage progress of activities for achieving CSR goals Implement global projects Share best practices 	Twice annually
CSR Monthly Meeting	<ul style="list-style-type: none"> Person in charge of CSR at each division 	<ul style="list-style-type: none"> Share information on CSR activities Discuss cross-division CSR initiatives 	Monthly

In addition, once a year, we invite employees from around the world to submit examples of CSR in the workplace, with outstanding initiatives being awarded the CSR Promotion Award by the Representative Director, President & CEO. Throughout the group, we are promoting CSR activities through our daily business activities in order to aid in the development and to resolve issues in industry and society, and to contribute to the achievement of SDGs.



CSR Promotion Award Ceremony

Participation in global initiatives

TEL is a corporate member of the United Nations Global Compact and the Responsible Business Alliance (RBA), both global CSR initiatives, whereby the company strives to build a sustainable management foundation from a global perspective.

The United Nations Global Compact

- An international initiative for sound globalization and sustainable societies
- TEL signed in 2013



The Ten Principles

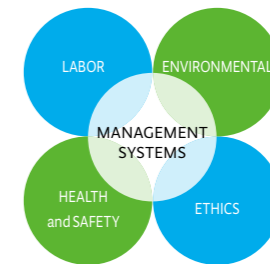
- Human Rights**
 - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
 - Principle 2: make sure that they are not complicit in human rights abuses.
- Labour**
 - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 - Principle 4: the elimination of all forms of forced and compulsory labour;
 - Principle 5: the effective abolition of child labour; and
 - Principle 6: the elimination of discrimination in respect of employment and occupation
- Environment**
 - Principle 7: Businesses should support a precautionary approach to environmental challenges;
 - Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Anti-Corruption**
 - Principle 9: encourage the development and diffusion of environmentally friendly technologies.
 - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

RBA

- A CSR promotion group focused on the electronics industry
- TEL signed in 2015



Framework (five sections)



In addition, TEL has expressed its approval of the recommendations offered by the Task Force on Climate-related Financial Disclosures (TCFD²) and is pursuing initiatives based on the framework of governance, strategy, risk management, indicators and targets relating to the impact and opportunity that climate change presents to its business.



Evaluation from third-party institutions

TEL's CSR activities have received high appraisal from evaluation organizations in various countries, and we have been selected as a constituent stock under leading global ESG investment indices, including DJSI³ Asia Pacific 2019, FTSE4 Good Index⁴, FTSE Blossom Japan Index⁵, MSCI World ESG Leaders Index⁶, MSCI Japan ESG Select Leaders Index⁷, and MSCI Japan Empowering Women Index (WIN⁸).



Initiatives for Sustainable Development Goals (SDGs)

The SDGs are a universal set of goals to achieve by 2030, which were unanimously adopted by the United Nations Sustainable Development Summit in 2015. TEL conducts activities on a group-wide level, and for each CSR fiscal year and medium-term goal, and material issue, it has clarified the SDGs it is working toward through business.



Tokyo Electron supports the SDGs

¹ RBA: Rebranded from the Electronic Industry Citizenship Coalition (EICC®) in October 2017

² TCFD: Task Force on Climate-related Financial Disclosures

³ DJSI (Dow Jones Sustainability Index): An ESG (environmental, social and governance) investment index by S&P Dow Jones Indices LLC. The Asia Pacific covers companies in that region.

⁴ FTSE4Good Index: An index related to environmental performance and corporate social responsibility developed by FTSE Russell.

⁵ FTSE Blossom Japan Index: An index that reflects the performance of Japanese companies that have demonstrated strong ESG practices.

⁶ MSCI World ESG Leaders Index: Companies that have high ESG performance are selected from the MSCI Global Sustainability Index, an ESG investment index developed by Morgan Stanley Capital International (MSCI).

⁷ MSCI Japan ESG Select Leaders Index: An index featuring companies with high ESG performance selected from its parent index (MSCI Japan IMI Top 700 Index: Top 700 securities based on free float-adjusted market capitalization). The Index targets 50% of the free float-adjusted market capitalization within each GICS sector of the parent index.

⁸ MSCI Japan Empowering Women Index (WIN): An index developed by MSCI featuring companies with excellent gender diversity selected from its parent index (MSCI Japan IMI Top 700 Index).

⁹ Please check the link for the logo's disclaimer. <https://www.tel.com/csr/review/>