Health and Safety

Health and safety form the very foundation of work practices, and are driving forces for the betterment of society. We treat health and safety as top priorities in our corporate activities.

Stance on Health and Safety

Aware that the health and safety of everyone connected to TEL (including employees and customers) should always come first, in November 1998 we established the TEL Group Safety & Health Credo. In addition, to further fulfill our social responsibilities as a corporation that aims to be a globally excellent company, and aware that safety, health and the environment are vital issues, in December 1999 we added a section entitled “Safety, Health and the Environment” to our Management Philosophy.

The TEL Group Safety & Health Credo

Corporate directors and employees have the responsibility to act with consideration for health and safety in mind at all times when performing their work. Specifically, this means that profits and deadlines should never be prioritized in such a way as to compromise the safety of human life, or the level of safety of facilities and equipment (sold to customers, or used within the company).

Summary of Safety and Health from Our Management Philosophy

Directors and employees must give top priority to health and safety and be well aware that health and safety at work are prerequisites for the betterment of society. In addition, they have the duty to ascertain problem areas relating to health and safety in the course of business activities, and actively and continuously make further efforts to improve safety and advance health issues.

Initiatives to Improve Safety

In order to improve safety and prevent accidents, we are actively and continuously carrying out various initiatives, including studies, analysis and preventative measures. Our approach to improve safety involves the cooperation of external third-party organizations to conduct studies and analysis of both human and equipment-related factors, and then taking measures to prevent accidents.

1. Human Factors

In cooperation with the Nippon Human Factor Institute, headed by Dr. Isao Kuroda, we are carrying out studies and analysis in order to prevent the recurrence of accidents caused by human factors. We are focusing on the backgrounds and common factors of accidents and zeroing-in on software-related problems, such as deficiencies in procedural manuals, hardware-related problems, including the failure to wear protective equipment, and problems related to the passage of time. In addition, we are looking at the effects of potential problems related to human relations, such as employees interactions with supervisors and colleagues, with a focus on people involved in incidents.

The TEL Group is not simply implementing measures that arise from isolated cases, but is developing preventative safety measures centered on the major potential common factors, with a focus on people.

2. Equipment-related Factors

Through cooperation with Sato R&D, headed by engineer Kunihito Sato, we are conducting studies and analysis of risk assessment in order to prevent accidents that arise from mechanical factors. Through this work, we have identified common risk factors, making it possible to eliminate the most serious risks. In order to eliminate the sources of the largest predictable risks, we are applying safety measures to equipment-side operations.

To reduce equipment-related risks, we consider implementing measures in the following order: (1) improving fundamental conditions for safety; (2) maintaining and protecting safety; and, (3) providing information about proper equipment use.

Using the ISO 13849 international equipment safety standards of risk evaluation, all accidents that have occurred in TEL would be classified in risk category “1,” which is the lowest risk level.

Activities at the Yamanashi Plant

The awareness that “It is you who protects your own health” is extremely important in terms of maintaining health. However, equally important are institutional efforts for maintaining health in the workplace, where we spend more than one third of each day.

The Yamanashi Plant is developing concrete policies in order to advance further activities that maintain and improve both mental and physical health. At present, we are creating the platform for those activities.

Risk Assessment Procedures at TEL

1. Start
2. Establish methods for use of equipment
3. Identify sources of risk
4. Estimate and evaluate levels of risk
5. Assess
6. Display remaining risk
7. Reduce risk
Stance on Safety Education

We are conducting safety education based on the principle of “providing necessary education to people who need it”. All personnel who work inside and outside the company, including those at companies that TEL collaborates with, acquire basic knowledge when they join the company about safety policies and MSDS information, health maintenance, blood contamination, etc.

Employees who work in factories of TEL and its customers receive not only basic training, but also acquire basic knowledge about working in high places and enclosed spaces, the handling of chemical substances, and the prevention of electrical risks. These represent an approach to risk assessment* that is one step beyond simply predicting risks. In addition, refresher courses are conducted to maintain high levels of awareness and knowledge.

Details of TEL Safety Education

<table>
<thead>
<tr>
<th>Education Program Name</th>
<th>Participants</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Safety Training</td>
<td>All employees</td>
<td>Employees acquire basic knowledge about TEL's safety principles, safety laws, work safety procedures, and basic health maintenance information. A refresher course is required within three years, to provide up-to-date information about new safety rules.</td>
</tr>
<tr>
<td>Advanced Safety Training</td>
<td>Workers at TEL Group and customer plants</td>
<td>Training includes risk assessment methods and safe habits for each type of work. Practical training is done using actual safety gear for workers and safety equipment. The training is valid for one year; a refresher course is required within one year to provide up-to-date information about new safety rules.</td>
</tr>
<tr>
<td>Safety Training for Employees who Visit and Work Outside Japan</td>
<td>TEL engineers sent outside Japan</td>
<td>Employees learn about the safety laws and regulations and work rules that apply when engineers are sent from Japan to work at TEL customer plants outside Japan.</td>
</tr>
<tr>
<td>Safety Training for Employees Stationed at Specific Customers' Plants</td>
<td>Employees working at customers' plants</td>
<td>Special safety training is carried out, as necessary, before employees are sent to work at plants run by TEL Group customers.</td>
</tr>
<tr>
<td>Equipment-Specific Safety Training</td>
<td>Engineers for each type of equipment</td>
<td>Safety training for engineers on each specific type of equipment (TEL products).</td>
</tr>
</tbody>
</table>

Occupational Health Management for VDT* Work

We are complying with the Guidelines for Occupational Health Management relating to VDT Work, released by Japan’s Ministry of Health, Labour and Welfare in April 2002. We plan to establish systems guided by each region’s health and safety committee in order to correctly determine the health conditions of employees and conduct proper health management at the earliest possible stages. At Tokyo Electron Sapporo Ltd., even before the guidelines were introduced, all employees were undergoing proper annual VDT health checkups.

Emergency First-Aid Training

All employees in TEL receive emergency first-aid training organized by each region’s health and safety committee.

In addition, personnel who work in the clean rooms are required to take advanced safety training classes, and get special education for accidents caused by electricity. The use of electricity involves the risk of electric shock. The severity of injury from electric shock is generally much greater than from other occupational hazards, and in some cases it is fatal. It is critical to administer artificial respiration and cardiac massage promptly in order to prevent various functional impairments of the person affected. Depending on the situation at the actual scene of an incident, quick responses from colleagues who are present can greatly increase the chances of saving a victim’s life.

Risk assessment: Identifying dangerous conditions and unsafe activities that could lead to accidents; following risk assessment, measures are then taken to prevent accidents.

VDT (Visual or Video Display Terminals): Equipment consisting of output devices, such as flat panel displays that show information, combined with input devices, including keyboards.

TEL Receives Intel’s SCQI Award

Tokyo Electron Limited was awarded Intel’s Supplier Continuous Quality Improvement (SCQI) Award in fiscal 2001, for the second consecutive year. This is the highest award of distinction given to suppliers that strive for excellence in providing products and services.

One of the many factors considered for the award was safety, including continuous safety leadership, achievement of zero accidents in fiscal 2000 and 2001, guidance given to other suppliers, and safety inspections by top management.