I have read the Environmental and Social Report 2013 of Tokyo Electron Limited and received a further explanation of the company’s environmental and social responsibility activities from the directors of the CSR Promotion Department and the Corporate Environment Promotion Department and other staff members. I would like to make my third-party comments taking into account my observations on last year’s report.

Corporate principles and CSR
At the beginning, this report states the company’s corporate principles, namely, its eight management policies for the development of a dream-inspiring society through its leading-edge technologies and reliable service and support. In line with these policies, the report then explains the policy on corporate social responsibility. The fact that the company’s CSR promotion framework is headed by the President implies a group-wide enthusiasm to work on CSR, involving the head office and all group companies. Regrettably, the report does not refer to the relevance between CSR and governance in its explanation regarding the governance framework, although highly viable governance is required to carry out the CSR activities effectively.

Expansion of new business and CSR
The company acquired two European companies and two US companies in fiscal 2013 toward the development of new business and enhancement of existing business. Of the company’s current sales, sales in Japan accounts for 24% while sales outside Japan, including the United States and Taiwan, makes up the remaining 76%. This suggests the need to launch CSR activities globally. The head office must lead overseas group companies in implementing energy conservation measures and reducing environmental impact to ensure compliance with the CSR policy. In that sense, signing and joining the United Nations Global Compact in this fiscal year was very significant. I hope that the company’s future report will cover more information on overseas group companies—for example, what kind of new initiatives are being taken at which group companies, as well as the situation for each country.

Environmental goals: Progress and results
The company reduced energy consumption at four out of six major plants. However, overall CO₂ emissions increased at plants both in and outside Japan. The report attributes this increase mainly to rising power emission factors. I suspect that an increase in the number of production and overseas group companies is another possible reason, and think that the report should have provided more detailed information about that. I noted the steady progress in reducing the volume of water consumption and waste generated. As the company has set a goal of a 50% reduction in energy consumption for major models by fiscal 2015, I also expect that it will make further contributions to reducing energy consumption and CO₂ emissions of the users of its products in the future.

Initiatives for employees
This report discloses work locations of group employees. Of all group employees, 33% work outside Japan. The TEL Group in Japan intends to increase the percentage of foreign nationals in new hires to 20%, which demonstrates the company’s proactive approach to diversity. As management of foreign employees, who have different cultures and customs, will become increasingly important, I hope future reports will include comments from foreign employees.

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