**Human resource management**

**Human resource management system**

Tokyo Electron (TEL) regularly conducts a global engagement survey which aims to enhance employee work satisfaction and motivation, achieving growth for both the company and its employees. Questions on issues such as pride in the company and work, and awareness and evaluation of the work environment help us to grasp the current situation. We use a continuous improvement cycle based on the characteristics of each region and workplace. We thereby aim to improve the workplace environment so that employees can work more actively.

In fiscal year 2018, we introduced a global human resource system that forms the basis of employee work styles. In fiscal year 2019, we will focus on the four topics of diversity, career development, work-life balance, and health and safety, driving initiatives to these ends.

**Diversity**

**Approach to diversity**

Our business extends globally, with overseas sales accounting for over 80% of total sales, placing us in circumstances requiring extremely fast technological innovation. Furthermore, it is essential that diverse talent plays an active role for a company to generate innovation and continue to grow. By developing a workplace where anyone, irrespective of gender, nationality, age, background or ability, can work easily and feel motivated, we will promote creation of an environment where the diversity of talent leads to greater competitiveness.

**Systems and initiatives**

At Tokyo Electron (TEL), the corporate director in charge of human resources is responsible for promoting diversity activities. In fiscal year 2018, we started operation of a global human resources system where employees can clarify the roles and responsibilities expected by the company, and whereby evaluation and remuneration correspond with the level of achievement of targets. We have established an environment which promotes diversity where everyone receives fair assessment and opportunities to grow and which realizes a global work approach.

Furthermore, we are putting greater effort into harassment prevention education in order to realize a workplace where diverse employees can have greater mutual understanding. We are implementing e-learning for all executives and employees concerning matters including power, sexual and maternity harassment and LGBT issues, and seminars are being conducted by occupational physicians aimed at management. Prevention of harassment in the workplace is one of the goals of our action plan based on Japan’s Act on Promotion of Women’s Participation and Advancement in the Workplace.

We are establishing an environment where employees with disabilities can work with peace of mind, and are driving efforts to hire such people. In fiscal year 2018, people with disabilities accounted for 1.91% of employees in Japan operations overall.

In addition, in an effort to increase the ratio of women in management positions, we have set a target to double the number of women in management roles by fiscal year 2021 based on fiscal year 2018 levels, and we are striving to achieve this with our global human resource system.

**Priority themes**

- Diversity
- Career development
- Work-life balance
- Health and safety

**Relevant SDGs**

- Decent work and economic growth
- Reduced inequalities
People and workplaces

Conference for Women Engineers

In February 2018, we held our Second Conference for Women Engineers, linking our Akasaka headquarters with offices throughout Japan via a video conferencing system. Women engineers discussed their respective field of specialty and work style as well as activities to promote women’s participation. Group discussions were also conducted on topics including “How does a female engineer work?” and “What must be done to accelerate and promote creation of an environment where all employees can work more actively?” On this occasion, 104 employees, including men, participated. Lively discussions were held, and feedback was received to the effect that the active participation of men allowed them to understand and realize women’s situation and feelings.

Human resource development initiatives

Leader programs

TEL conducts programs to discover and systematically nurture people who will advance into management to realize medium- to long-term improvement of corporate value. In fiscal year 2018, TEL conducted training in the basic management skills required of leaders for selected mid-level employees. We also organized networking with internal and external business leaders, and proposed solutions to business problems. In the future, we are also planning a practical program to improve their perspective as management executives.

Manager programs

The role of managers is important to enable value creation by each individual. In fiscal year 2018, in order to nurture managers, we conducted training that helps trainees to understand managerial roles and responsibilities, required behavior, how to utilize managerial organization and nurture employees, together with practical workshops.

Step-up activities

TEL is implementing step-up activities for about half a year from the summer of employees’ second year in company with the aim of encouraging autonomous young employees. The young employees set their own topics and targets in the workplace, and plan activities, which they advance, involving their superior and colleagues, providing opportunities to develop awareness of learning and growth.

Voice | Participation at the Conference for Women Engineers

Following from last year, I took part in the Second Conference for Women Engineers. At this conference, we were able to share a variety of examples and concerns, whereby we were able to reconsider our own careers. It provided a reference for developing work styles for women in the future. We also managed to build a network with those engaged in promotion activities at each of our bases. Through this conference, we hope for the opportunity to consider for ourselves how to boost the number of women engineers and promote participation, and to be well prepared to engage in activities that transcended barriers within the workplace.

Career development

Human resource development system

Tokyo Electron (TEL) has established TEL UNIVERSITY as an educational facility for all the company with the aim of helping employees to independently develop their career and realize their personal goals. The curriculum of TEL UNIVERSITY includes courses that provide world-class knowledge and skills, with training programs adapted to different levels and goals.

Human resource development initiatives

Voice | Step-up activities

I tackled the activities with the aim of acquiring certification that usually take three to four years in just two. I experienced repeated failure in the challenging tasks, but by sharing the goals within the department, I received support from my boss and was able to achieve the goal and much more. Through these activities, I learned that we cannot grow unless we continue to take on challenges.

Life design seminar

Each year, TEL provides career development support to employees appropriate to their age. Within Japan, for employees aged 51 or above, we conduct a life design seminar every year to provide necessary knowledge and information for retirement. We also conduct programs to help with the next step in career and life planning, such as financial planning.

Visionary Talk

We have presented a Visionary Talk since fiscal year 2016, encouraging experts in various fields to talk about the future with the aim of nurturing the vision and creativity of employees. In December 2017, the lectures were presented by leading experts in the technology, design and management fields. Approximately 800 employees took part worldwide, providing them with great stimulation and making a deep impression. It was a good opportunity for them to assess themselves and gain new ideas.

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<th>Corporate education system (TEL UNIVERSITY)</th>
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Work-life balance concept and systems

Tokyo Electron (TEL) believes that harmony between work and life for each employee produces a synergistic growth effect both of employees and the company, and we are building structures for this.

Our vision is to realize a truly global company that creates high added value and profit. We recognize that in order to achieve this, it is necessary to reduce overtime through efficient work techniques and to have mechanisms in place to evaluate the outcomes. In fiscal year 2018, we began global operation of a new unified human resources system. It clarifies the roles and responsibilities for each employee, sets appropriate targets and challenging targets, provides absolute evaluation of degree of achievement, awards performance bonuses and provides further career opportunities. We aim to encourage greater engagement by evaluating the proactiveness of employees. Furthermore, we will realize creative work styles through awareness of more efficient working, where time gained can be used for learning opportunities and can provide further benefit to our business.

Features of the global human resources system

- Rating system
  The system clarifies duties (the roles and responsibilities required of the employee) supporting a global way of working
- Evaluation system
  The system is designed to establish performance goals appropriate to employee level and stretch goals designed to develop the employee, and it assesses the employee based on achievement of (or contribution to) those goals.
- Remuneration system
  In addition to the level of remuneration that is competitive in the market, the system provides the employee with career opportunities as well as a productivity-linked bonus proportionate to their degree of achievement.

Flexible work styles

We are actively seeking new work styles for employees. In addition to introducing flexible time system from fiscal year 2018, in some sales and administrative divisions we tested a teleworking system that allows employees to utilize time more effectively by eliminating commuting time.

Childcare and nursing systems

TEL has established a support system, in addition to that which is legally defined. In Japan in particular, we are working to enhance work styles for employees dealing with childcare and nursing.

In addition to allowing extension of the childcare leave period until the child reaches three years of age, we also expanded measures to reduce working hours for childcare employees raising children until their graduation from elementary school. We have also established leave for a sick or injured child and childcare support leave. As a result, in Japan, we have achieved a return to work rate of 93.6% and 40% of female TEL employees are working mothers.

Furthermore, in addition to allowing paid nursing care leave up to the fifth day, we are also improving the nursing care system to make it possible to take nursing care leave three times per person requiring care and to allow nursing care leave of a total of one year.

Supporting flexible work styles

TEL is implementing various initiatives to allow each employee to adopt a flexible approach to work according to their individual lifestyle and stage in life.

Leave-related systems

We are endeavoring to increase annual paid leave take-up rate among employees in order to realize a comfortable workplace environment for all employees. Regular monitoring of leave and efforts to raise awareness for planned use of leave resulted in a domestic take-up rate of 64.3% in fiscal year 2018. In fiscal year 2019, we aim for a take-up rate of 70%, and are therefore promoting management to improve this awareness for planned use of leave. The system provides leave and other support systems for childcare and nursing care.

Executive message

Since its founding, TEL has consistently valued employee motivation. In order for employees to go about their daily work with a positive attitude, it is important that: (1) they have hope for the company’s future, (2) they see their career taking shape within the company, and (3) the workplace environment allows them to make the most of their talents. TEL has put effort into cultivating cheerful and open workplaces, such as through a points-based personnel system focused on roles, responsibilities and contributions, as well as through providing opportunities for employees to challenge themselves in new jobs, with colleagues who support each other in developing personal careers and achieving goals, and supervisors who understand different work styles. We will continue to step up efforts to ensure that TEL remains a company full of dreams and vitality.
Health and safety

Tokyo Electron (TEL) clearly states in its Management Policies that the highest consideration is given to the health and safety of every person connected with its business activities. Based on these policies, we are increasing our global efforts to improve the health and safety of our employees.

Philosophy for health

So that employees can realize a fulfilling life’s work, and at the same time, contribute to the advancement of TEL’s business by harnessing their full capacity, it is important that each and every employee can maintain their health and dynamism while at work. By putting systems in place, we have built an environment where employees can work with peace of mind. We also believe that to maintain health, it is important that employees are aware of their own state of health and take self-directed steps for improving it. Based on our wellness declaration announced in February 2012, we have conducted a number of ongoing initiatives to support employees in this pursuit.

Systems and initiatives for health

Support systems for health

We have built systems that are mindful of employee health. Besides conducting various medical checkups in accordance with the law, we also offer face-to-face consultations by doctors for employees who work long hours. We have also set up health help desks supported by doctors so that employees and their families can seek advice if they have any health concerns. We also offer counselling services supported by external industrial counselors if requested by an employee. Regular “line-care” seminars are also held, targeted at line managers.

Stress checks

Within Japan, we have implemented comprehensive measures for mental health. Using a questionnaire recommended by the Ministry of Health, Labour and Welfare, employees complete a stress check once a year, and if determined to be under high stress, they are in contact with a public health nurse or occupational health physician for in-depth face-to-face support. During fiscal year 2018, the stress check was taken by 92.7% of employees in Japan.

Wellness declaration

Based on the wellness declaration announced in 2012, we have promoted the improvement of employees’ exercise habits based on a program of Eat-Rest-Walk-Talk. At nine of our factories and offices in Japan, based on the results of an employee’s wellness check, we offer activities that allow employees to stay healthy every day, by giving employees small reminders in their day-to-day life, such as healthy food choices at company cafeterias and body composition measurement sessions.

Self-care platform

We have introduced the Pep Up personal healthcare platform, enabling employees to get healthier by monitoring their own state of health. The platform allows employees to easily check the results of their medical checkups, and to record their daily health management data, such as weight, blood pressure and body fat ratio. Other functions of Pep Up include offering employees information and suggesting activities suited to their state of health. Health age is also displayed, incentivizing employees to improve their own health. Making the most of the platform, during fiscal year 2018, as well as holding walking events, we distributed an activity tracker to help employees in managing their diet and exercise.

Example initiative

WELLaTEL, a Tokyo Electron U.S. program, provides resources for employees and their families to improve their health. Employees are provided a tracking device to increase awareness of their physical activity. Multiple locations have access to onsite gym equipment. Access to online financial education resources increases understanding of financial security. Rewards are provided for physical challenges, such as Step into Spring, and for completing sections of the financial awareness training. The WELLaTEL program contributes to the “Good health and well-being” for all employees and aligns with SDGs.

Executive message

A key ingredient to TEL’s success has been to instill a spirit of challenge and pride in the hearts and minds of our employees. This comes to life in our workplace in many facets. We strive to create an environment where employees feel free to challenge new ideas while taking on new and bold projects. We recognize employees for their success and their willingness to explore new horizons. We view development as a shared responsibility. We accomplish this through an open door policy allowing employees to seek guidance from management on their career aspirations and partner with them to grow their knowledge, skills, and abilities. All of these actions lead to a vibrant and productive working environment.

Safety management framework

Based on a culture of “Safety first,” TEL carries out ongoing activities for safety promotion. Safety and occupational health are managed using a management system based on OHSMS.1 We also strive to raise the overall level of safety and occupational health by following the PDCA cycle to reduce the potential risk of work-related accidents. Moreover, by sharing information of any issues with the EHS council and the manufacturing company presidents’ council, we promote safety management as a company-wide initiative.

Initiatives for safety

Safety and health committee meetings, and safety inspections

At each factory and office, monthly safety and health committee meetings are held to discuss measures for any workplace safety or employee health issues and to conduct safety inspections. TEL has also set up a system for autonomous problem-solving at manufacturing sites, with safety inspections by representatives from appropriate departments at least once per month.

Support the security operations

Increasing the safety awareness of individual workers is crucial for providing worksites where all workers can work safely. Therefore, before starting work at TEL manufacturing sites, all workers discuss the details of the job and the risks involved in an effort to prevent accidents. In addition, effort is also being directed to safety managers giving advice on how to manage hazards, as well as the Stop Work Authority (SWA) program designed to compel workers to stop work and take corrective action in the event of an unforeseen incident while on the job.

Safety education

TEL promotes the creation of safe work environments by implementing two education programs globally. Our program on basic safety targets all employees and is provided as introductory training for new hires as well as refresher training every third year of employment. In total, more than 40,000 employees have completed this program. Our other program, advanced safety, targets employees working in clean rooms and on production lines, and must be completed every year. To eliminate accidents, we also provide risk assessment training and web-based training at offices and factories in Japan and overseas. Finally, we also provide safety information to suppliers as part of our support for initiatives to prevent accidents.

As a result of having maintained a high priority on creating safe work environments, TCIR2 has been maintained at or below our target of 0.5, with 0.38 in fiscal year 2018.

1 Occupational Health and Safety Management System (OHSMS): A management system to improve the overall level of safety and occupational health.

2 Total Case Incident Rate (TCIR): The number of workplace accidents per 200,000 work hours.