



## UK Modern Slavery Act 2015 Transparency Statement

### Introduction from the Representative Director, President and CEO

As a responsible manufacturing and supply business operating in the global business community, the Tokyo Electron Group (the Group) recognizes the risk of unintentionally being involved in human rights exploitation and is committed to collaborating with its supply chains to combat human rights abuses such as modern slavery and human trafficking. This commitment is recognised in the Group's corporate philosophy which defines its mission in society as *“we strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support”* .

To respond to the increasing global concerns of, amongst other things, modern slavery, human trafficking and human rights, the Group has assigned the dedicated function to promote sustainability to lead this important initiative throughout the group. As the guiding principle of sustainability, the group has incorporated universal guidelines and standards, including the United Nations Global Compact and an industry standard, Responsible Business Alliance (RBA) Code of Conduct, into the group's strategies, policies and procedures, and has established and continues to cultivate a culture of integrity.

### Organisation's structure and business<sup>1</sup>

Tokyo Electron Limited is a global manufacturer of semiconductor production equipment and flat panel display production equipment in the technology sector and has its head office in Japan. It is the parent company of the Tokyo Electron group which has 15,634<sub>2</sub> employees worldwide and operates in 18 countries.

Tokyo Electron Europe Limited is a subsidiary of Tokyo Electron Limited and engages in sales and services in a wide range of high-technology fields in Europe. Tokyo Electron Europe Limited, located in the United Kingdom, is the headquarters of our European operation, comprising, 606<sub>3</sub> employees in 4 companies across 10 countries.

The Tokyo Electron group has a global annual turnover of 2,003,805million Japanese Yen.

### Our supply chains

Our main direct suppliers are manufacturers of components and parts for semiconductor production equipment and flat panel display production equipment, as well as labour service providers for supporting such equipment. Among the group-wide supply chains, the majority of our suppliers by spend are located in Japan.

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<sup>1</sup> This statement is made on behalf of Tokyo Electron Limited and its subsidiary Tokyo Electron Europe Limited, which are both required to make a statement pursuant to s54 of the Modern Slavery Act.

<sup>2</sup> Correct as of 31 March 2022

<sup>3</sup> Correct as of 31 March 2022



The group is committed to partner with its people and supply chains to create an environment where workers' human rights are fully respected in each location in which it operates.

### **Our policies on anti-modern slavery and human trafficking**

Tokyo Electron group issued a Human Rights Policy in September 2017 [HumanRightsPolicy\\_e.pdf \(tel.com\)](#) as we recognize the importance of human rights and the responsibility of businesses to respect human rights. The policy is in line with the United Nations Guiding Principles on Business and Human Rights, in addition to the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work that are referred to in the Guiding Principles. We have firmly upheld human rights since our founding as reflected in the spirit of "the Corporate Philosophy" and "the Management Policies" of the Tokyo Electron group. Key human rights issues are also addressed in the group's Code of Ethics and Procurement Policy, which covers the group's entire operations and direct supply chains.

We incorporate the concept of respect into every aspect of our business activities, and strive for the creation of a corporate culture that enables each person to realize his or her full potential and freely enjoy their livelihoods. We also give the highest consideration to the health and safety of every person and respect his or her dignity.

For us, respecting human rights means a significant undertaking not only to fulfil our responsibility for eliminating modern slavery and other adverse impacts on people through business activities, but also those who support our business activities, and contribute to the realization of a sustainable dream-inspiring society.

In recent years there has been an emerging concern in the electronics industry for better treatment of workers in supply chains, we therefore publicly announced our membership of the RBA in June 2015 and our commitment that the Tokyo Electron group would conform to the RBA Code of Conduct. In line with this we are committed to pursue socially responsible practices in line with global standards and to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business with a continuous improvement approach.

### **Due diligence processes for slavery and human trafficking**

We have zero tolerance to slavery and human trafficking. As part of our initiative to identify and mitigate slavery and human trafficking risk the Group has worked to establish a robust due diligence system throughout the organization.

Key steps we have taken as of the fiscal year ending 31 March 2022 are as follows:

- We continue to assess our conformity with the RBA Code of Conduct. This is conducted by way of a sustainability assessment in the areas of labour and employment practices, health and safety, ethics, the protection of the environment, and management systems. This has been extended to cover human resources, logistics, customs and facility service suppliers in addition to our materials suppliers.



- We investigated our suppliers to mitigate risks associated with forced labour and debt labour in our supply chain. Our suppliers worked with us to take the corrective actions that we had identified. With the understanding and cooperation of our suppliers, we continue to combat modern slavery in our supply chain.
- In 2021, we also investigated our group companies to identify whether there are internal risks of breaching human rights. Our investigation included distribution of a unified survey to each group company. The survey contained the same questions and indicators as the survey we ask our suppliers to complete. Following review of the responses, we provided feedback to each group company, and requested corrective actions where required to further reduce any internal risks related to breach of human rights.
- We distributed our Code of Ethics in 5 languages to all executives and employees. Our Code of Ethics includes a statement to secure human rights and commit to ensuring human rights and not discriminating or supporting forced labour, debt labour, child labour, or any other form of modern day slavery. We conducted basic annual training on Code of Ethics and began collecting the acknowledgement from executives and employees with the target of 100% obtainment.

We enhanced the internal reporting system, “TEL Group Ethics & Compliance Hotline” as a global common point of contact that uses a third-party system and ensured a greater level of confidentiality and anonymity. This hotline can be accessed via phone or a dedicated website 24 hours a day, 365 days a year, and accommodates all languages used by employees. Also, we provide an internal point of contact that can be accessed by employees and suppliers, as well as an external point of contact at a law firm that can be contacted directly. We responded to all reports we received through these systems, conducted investigations in accordance with internal rules to implement corrective measures as well as preventive measures. We do not tolerate retaliation against those who report ethics and compliance concerns in good faith, ensuring no one is permitted to engage in retaliation, or any form of retaliatory behaviours, against another for reporting ethics and compliance concerns. We promote enhancement of the reporting system.

- We proactively continued activities of our human rights project team with representatives from our compliance, human resources, procurement, logistics, facility service and sustainability departments as well as 3rd parties human rights professional. The team has focused on conducting the sustainability assessment, evaluation and analysis of assessment results. The team has now established the process to promote and support corrective actions by each group company as well as our suppliers and requested them for their cooperation for corrective actions to mitigate the risk in our supply chain.

## Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide human rights training to all our employees.



## Our effectiveness in combating slavery and human trafficking

Our group's major sites are currently rated as low risk and we will continue to measure how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains:

### Further steps

Following a review of the effectiveness of the steps we have taken this year to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

- Strengthen the structure and activities of human rights projects to deepen our due diligence process.
- continue to assess and monitor the risks in our supply chain
- implement corrective actions in our supply chain to mitigate risks based on evaluation and analysis of the sustainability assessment results; and
- improve the grievance mechanisms

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31 March 2022.

This statement has been unanimously approved by the board of directors of Tokyo Electron Limited and Tokyo Electron Europe Limited.

DocuSigned by:

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Tokyo Electron Europe Limited

Date: 16/06/2022