

# CSR goals and results

Tokyo Electron (TEL) sets fiscal year and medium-term goals taking into consideration each material issue and its priority themes. The departments responsible are made clear and efforts are undertaken systematically toward the achievement of these goals, going through the cycle of examining the status of conduct and making improvements. Besides contributing toward the achievement of related SDGs, TEL strives to improve its corporate value further.

## FY2019

Material issues	Priority themes	Annual goals	Results
Product competitiveness	Tackling technological innovation	<ul style="list-style-type: none"> <li>Ensure that 20% or more (three-year moving average) of all equipment models are new products for next-generation technologies</li> <li>Maintain the previous year's global patent application rate</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 20% or more</li> <li>Achieved 81.2%, higher than the level of the previous fiscal year</li> </ul>
	Environmental contribution of products	<ul style="list-style-type: none"> <li>Reduce per-wafer consumption of energy and pure water by 10% by fiscal year 2019 (as compared with fiscal year 2014)</li> </ul>	<ul style="list-style-type: none"> <li>Achieved for 8 out of 9 relevant models</li> </ul>
Responsiveness to customers	Solutions that create value for customers	<ul style="list-style-type: none"> <li>Increase TEL's value to customers</li> <li>Increase field solutions business sales from the fiscal year 2018 level</li> </ul>	<ul style="list-style-type: none"> <li>Achieved sales growth for major customers on the back of vigorous demand for memory</li> <li>Increase of 25% from the fiscal year 2018 level</li> </ul>
	Improvement of customer satisfaction	<ul style="list-style-type: none"> <li>Get 3 points ("Satisfied") or more on 100% of customer satisfaction survey items</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 84.4%</li> </ul>
Higher productivity	Quality management	<ul style="list-style-type: none"> <li>Reduce quality improvement costs from the fiscal year 2018 level</li> </ul>	<ul style="list-style-type: none"> <li>Implemented medium- to long-term improvement plan that incorporates quality improvement costs</li> </ul>
	Improvement of quality in the value chain	<ul style="list-style-type: none"> <li>Revise business processes to reduce staff-hours used for sales operations from the fiscal year 2018 level</li> </ul>	<ul style="list-style-type: none"> <li>Developed systems that support sales operations</li> </ul>
People and workplaces	Diversity and inclusion	<ul style="list-style-type: none"> <li>Double percentage of female managers by fiscal year 2021 (as compared with fiscal year 2018)</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 1.8% in fiscal year 2018 to 2.0% in fiscal year 2019</li> </ul>
	Career development	<ul style="list-style-type: none"> <li>Increase number of training sessions attended per person by 10% from the fiscal year 2018 level</li> </ul>	<ul style="list-style-type: none"> <li>Number of training sessions attended per person: 11.6</li> </ul>
	Work-life balance	<ul style="list-style-type: none"> <li>Reach at least 70% of take-up rate of annual paid leave</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 64.3% in fiscal year 2018 to 67.2% in fiscal year 2019</li> </ul>
	Health and safety	<ul style="list-style-type: none"> <li>Reduce gap between health age* and actual age by 1.5 points by fiscal year 2021 (as compared with fiscal year 2018)</li> <li>* An indication of the risk of lifestyle diseases in years, based on the results of health checkups</li> </ul>	<ul style="list-style-type: none"> <li>Decrease of 0.02 points</li> </ul>
<ul style="list-style-type: none"> <li>Ensure that the number of workplace injuries per 200,000 work hours (the total case incident rate) is less than 0.5</li> </ul>		<ul style="list-style-type: none"> <li>Achieved 0.20</li> </ul>	
Management foundation	Governance	<ul style="list-style-type: none"> <li>Improve on issues identified in evaluations of the effectiveness of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Held discussions at offsite meetings and during exchanges of opinion with outside directors, in order to enhance consideration of medium- to long-term issues, such as growth strategies</li> <li>Continued to examine the ratio of outside directors on the Board of Directors, as well as its diversity, such as gender and international mindedness</li> </ul>
	Compliance	<ul style="list-style-type: none"> <li>Establish external hotline and reorganize internal hotline at group companies overseas</li> </ul>	<ul style="list-style-type: none"> <li>Conducted selection of outside agencies at which to establish external hotlines</li> <li>Reviewed structure of internal hotlines</li> </ul>
	Human rights	<ul style="list-style-type: none"> <li>100% participation in human rights training</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 100%</li> </ul>
	Environmental management	<ul style="list-style-type: none"> <li>Reduce energy consumption by 1% from the fiscal year 2018 level (per-unit basis*) at each plant or office</li> <li>* Per-unit basis: Calculated using complex weighting of the number of developed evaluation machines, units produced, floor area, and labor-hours for each district</li> </ul>	<ul style="list-style-type: none"> <li>Achieved at 5 out of 11 factories or offices</li> </ul>
		<ul style="list-style-type: none"> <li>Maintain water consumption at the fiscal year 2012 level according to per-unit basis* set at each plant or office</li> <li>* Per-unit basis: Calculated based on floor area and labor-hours, etc. for each district</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 12 out of 14 goals</li> </ul>
Supply chain management	<ul style="list-style-type: none"> <li>Implement supply chain CSR assessments for 80% or more of suppliers (procurement volume basis)</li> </ul>	<ul style="list-style-type: none"> <li>Assessed key suppliers accounting for more than 80% of our procurement spend</li> </ul>	

## FY2020

Material issues	Priority themes	Annual goals	Medium-term goals	Relevant SDGs
Product competitiveness	Tackling technological innovation	<ul style="list-style-type: none"> <li>Ensure that 20% or more (three-year moving average) of all equipment models are new products for next-generation technologies</li> <li>Maintain the previous year's global patent application rate</li> </ul>	Create strong next-generation products	 
	Environmental contribution of products	<ul style="list-style-type: none"> <li>Reduce per-wafer emissions of CO<sub>2</sub> by 20% by fiscal year 2025 (as compared with fiscal year 2014)</li> </ul>		
Responsiveness to customers	Solutions that create value for customers	<ul style="list-style-type: none"> <li>Increase TEL's value to customers</li> <li>Increase sales in field solutions business from the fiscal year 2019 level</li> </ul>	Become the best and sole strategic partner	 
	Improvement of customer satisfaction	<ul style="list-style-type: none"> <li>Get 3 points ("Satisfied") or more on 100% of customer satisfaction survey items</li> </ul>		
Higher productivity	Improvement of quality	<ul style="list-style-type: none"> <li>Utilize knowledge and strengths within the group</li> </ul>	Constantly pursue higher management efficiency	 
	Improvement of customer productivity/yield	<ul style="list-style-type: none"> <li>Promote and implement front loading and traceability</li> </ul>		
People and workplaces	Diversity and inclusion	<ul style="list-style-type: none"> <li>Double percentage of female managers by fiscal year 2021 from 1.8% in fiscal year 2018</li> </ul>	Maximize dreams and drive	  
	Career development	<ul style="list-style-type: none"> <li>Increase number of training sessions attended per person by 10% from the fiscal year 2019 level</li> </ul>		
	Work-life balance	<ul style="list-style-type: none"> <li>Reach at least 70% take-up rate of annual paid leave</li> </ul>		
	Health and safety	<ul style="list-style-type: none"> <li>Reduce gap between health age and actual age by 1.5 points by fiscal year 2021 (as compared with fiscal year 2018)</li> </ul>		
<ul style="list-style-type: none"> <li>Ensure that the number of workplace injuries per 200,000 work hours (the total case incident rate) is less than 0.5</li> </ul>		<ul style="list-style-type: none"> <li>Achieved 0.20</li> </ul>		
Management foundation	Governance	<ul style="list-style-type: none"> <li>Improve on issues identified in evaluations of the effectiveness of the Board of Directors</li> </ul>	Build a management foundation for increasing value	  
	Compliance	<ul style="list-style-type: none"> <li>Reorganize internal hotline and establish hotline for suppliers, etc. at group companies overseas (ongoing)</li> <li>Achieve at least 90% recognition among employees concerning internal hotline</li> <li>Revise Code of Ethics, conduct basic annual training, and achieve pledge rate of at least 90%</li> </ul>		
	Environmental management	<ul style="list-style-type: none"> <li>Reduce energy consumption by 1% from the fiscal year 2019 level (per-unit basis) at each plant or office</li> <li>Maintain water consumption at the fiscal year 2012 level according to per-unit basis set at each plant or office</li> </ul>		
	Supply chain management	<ul style="list-style-type: none"> <li>Implement supply chain CSR assessments for 80% or more of suppliers (procurement volume basis)</li> </ul>		