

CSR goals and results

FY2020

Material issues	Priority themes	Annual goals	Results
Product competitiveness	Tackling technological innovation	<ul style="list-style-type: none"> Ensure that 20% or more (three-year moving average) of all equipment models are new products for next generation technologies Maintain the previous year's global patent application rate 	<ul style="list-style-type: none"> Achieved 22.9% Maintained the previous year's rate (Achieved 81.2% in fiscal year 2019 and 79.8% in fiscal year 2020)
	Environmental contribution of products	<ul style="list-style-type: none"> Reduce per-wafer emissions of CO₂ by 20% by fiscal year 2025 (as compared with fiscal year 2014) 	<ul style="list-style-type: none"> Reduced by 16% in fiscal year 2020 as compared with fiscal year 2014 (Chose roadmap and equipment models for achieving goals for each core product)
Responsiveness to customers	Solutions that create value for customers	<ul style="list-style-type: none"> Increase TEL's value to customers Increase sales in field solutions business from the fiscal year 2019 level 	<ul style="list-style-type: none"> With growth of the logic device and foundry businesses, and resumed investment in NAND in the second half of the fiscal year, increased usage of TEL equipment by main customers Increased by 6.3% from the previous fiscal year
	Improvement of customer satisfaction	<ul style="list-style-type: none"> Get 3 points ("Satisfied") or more on 100% of customer satisfaction survey items 	<ul style="list-style-type: none"> Achieved 93.3% (increased by 8.9% from the previous fiscal year)
Higher productivity	Quality management	<ul style="list-style-type: none"> Utilize knowledge and strengths within the group 	<ul style="list-style-type: none"> Decided company-wide response policy for material non-conformance matters and expanded to relevant divisions (12 of 12 matters completed)
	Improvement of customer productivity/yield	<ul style="list-style-type: none"> Promote and implement front-loading and traceability 	<ul style="list-style-type: none"> Front-loading Reviewed processes for responding to nonconformities to reduce man-hours Re-examined best practices for quality assurance activities Traceability Examined systems for tracking status and processes for parts
People and workplaces	Diversity and inclusion	<ul style="list-style-type: none"> Double percentage of female managers by fiscal year 2021 from 1.8% in fiscal year 2018 	<ul style="list-style-type: none"> Achieved 2.0% in fiscal year 2020
	Career development	<ul style="list-style-type: none"> Increase number of training sessions attended per person by 10% from the fiscal year 2019 level 	<ul style="list-style-type: none"> 8.3 training sessions attended per person: Reduced by 11.7% from the previous fiscal year¹ (Some group training sessions canceled due to the new coronavirus disease COVID-19)
	Work-life balance	<ul style="list-style-type: none"> Reach at least 70% take-up rate of annual paid leave 	<ul style="list-style-type: none"> Achieved 72.6% (67.2% in fiscal year 2019)
	Health and safety	<ul style="list-style-type: none"> Reduce gap between health age² and actual age by 1.5 points by fiscal year 2021 (as compared with fiscal year 2018) Ensure that the number of workplace injuries per 200,000 work hours (the total case incident rate) is less than 0.5 	<ul style="list-style-type: none"> Increased by 0.03 points as compared with fiscal year 2018 Achieved 0.23
Management foundation	Governance	<ul style="list-style-type: none"> Improve on issues identified in evaluations of the effectiveness of the Board of Directors 	<ul style="list-style-type: none"> Examined and confirmed TEL's ideal organizational structure³ and composition of directors⁴, and partial revision of its director and executive officer compensation system, in meetings of the Board of Directors and internal committees Finished examining revisions to the criteria for discussion by the Board of Directors, and establishment of a new executive committee to improve the decision-making process of the Board of Directors, and will implement changes from fiscal year 2021 Revised internal control systems and group company controls through a project to enhance the risk management framework Held offsite meetings of the Board of Directors and held discussions about medium- to long-term management strategies, and CSR and GRC⁵ initiatives and issues
	Compliance	<ul style="list-style-type: none"> Reorganize internal hotline and establish hotline for suppliers, etc., at group companies overseas (ongoing) Achieve at least, 90% recognition among employees concerning internal hotline Revise Code of Ethics, conduct basic annual training, and achieve pledge rate of at least 90% 	<ul style="list-style-type: none"> Finished reorganizing internal hotline and establishing a hotline for suppliers, etc., at group companies overseas Survey of recognition among employees concerning internal hotline was not implemented, and will be carried over to fiscal year 2021 Revision of TEL's Code of Ethics, conduct of basic annual training, and pledges were not implemented, and will be carried over to fiscal year 2021
	Environmental management	<ul style="list-style-type: none"> Reduce energy consumption by 1% from the fiscal year 2019 level (per-unit basis⁶) at each factory or offices Maintain water consumption at the fiscal year 2012 level according to per-unit basis⁷ set at each factory or offices 	<ul style="list-style-type: none"> Achieved goal at 6 of 11 factories or offices Achieved 9 of 13 goals
	Supply chain management	<ul style="list-style-type: none"> Implement supply chain CSR assessments for 80% or more of suppliers (procurement volume basis) 	<ul style="list-style-type: none"> Achieved 80% or more of our procurement spend

1 Number of training sessions attended per person in fiscal year 2019 was revised from 11.6 down to 9.4 due to changes to the indicator by the inclusion of non-regular employees
 2 An indication of the risk of lifestyle diseases in years, based on the results of health checkups
 3 TEL uses the Audit & Supervisory Board System
 4 At least one third of directors are outside directors
 5 GRC: Governance, risk management, and compliance
 6 Per-unit basis: Calculated using complex weighting of the number of developed evaluation machines, units produced, floor area, and labor-hours for each district
 7 Per-unit basis: Calculated based on floor area and labor-hours, etc. for each district
 8 ERP: Enterprise Resource Planning
 9 CRM: Customer Relationship Management
 10 PLM: Product Lifecycle Management
 11 Shift Left: Refer to p. 17 and p. 31.
 12 Senior specialists were included in the 2.0% figure in fiscal year 2019
 13 BCP: Business Continuity Plan

FY2021

Material issues	Priority themes	Annual goals	Medium-term goals	Relevant SDGs
Product competitiveness	Tackling technological innovation	<ul style="list-style-type: none"> Ensure that 20% or more (three-year moving average) of all equipment models are new products for next generation technologies Maintain the previous year's global patent application rate (±10%) 	Create strong next generation products	
	Environmental contribution of products	<ul style="list-style-type: none"> Reduce per-wafer emissions of CO₂ by 20% by fiscal year 2025 (compared with fiscal year 2014) 		
Responsiveness to customers	Solutions that create value for customers	<ul style="list-style-type: none"> Increase TEL's value to customers Increase sales-in-field solutions business by 5% or more from the fiscal year 2020 level 	Become the best and sole strategic partner	
	Improvement of customer satisfaction	<ul style="list-style-type: none"> Achieve evaluations of "Very Satisfied" or "Satisfied" for 100% of customer satisfaction survey responses 		
Higher productivity	Continuous improvement of business operations	<ul style="list-style-type: none"> Target a 10% improvement in operational efficiency as a medium- to long-term goal, achieve centralized data management through adoption of a new ERP⁸ system, and build a business foundation where employees can focus even more on higher value work (1) Expand implementation of CRM⁹ and PLM¹⁰, and (2) adopt new ERP during fiscal year 2021 	Constantly pursue higher management efficiency	
	Quality management	<ul style="list-style-type: none"> Check the impact of important non-conformance item on other equipment and thoroughly implement recurrence prevention measures 		
	Improvement of customer productivity/yield	<ul style="list-style-type: none"> Promote Shift Left¹¹ (front-loading) activities for quality (1) Increase engineer time for high value work in upstream processes, and (2) Implement medium- to long-term action plans to continue to enhance quality assurance activities 		
People and workplaces	Diversity and inclusion	<ul style="list-style-type: none"> Double the percentage of female managers and experts (with same roles and responsibilities as managers) by fiscal year 2022 from 2.0%¹² in fiscal year 2019 	Maximize dreams and drive	
	Career development	<ul style="list-style-type: none"> Foster a culture of learning and development in the workplace through (1) Leader development programs, (2) provision of personalized global learning opportunities, and (3) support for career development throughout working life 		
	Work-life balance	<ul style="list-style-type: none"> Reach at least 70% take-up rate of annual paid leave 		
	Health and safety	<ul style="list-style-type: none"> Reduce gap between health age and actual age by 1.5 points by fiscal year 2021 (as compared with fiscal year 2018) Reduce the number of workplace injuries per 200,000 work hours. Target: TCIR (the total case incident rate) is less than 0.5. 		
Management foundation	Governance	<ul style="list-style-type: none"> Continue to improve on issues identified in evaluations of the effectiveness of the Board of Directors 	Build a management foundation for increasing value	
	Risk management	<ul style="list-style-type: none"> Promote an integrated risk management system throughout the group, (1) Adopt Control Self Assessment (CSA), and (2) establish and operate a risk management committee 		
	Compliance	<ul style="list-style-type: none"> Achieve 100% recognition among employees concerning internal hotline Revise Code of Ethics, conduct basic annual training, and achieve pledge rate of 100% Conduct a compliance awareness survey 		
	Environmental management	<ul style="list-style-type: none"> Reduce energy consumption by 1% from the fiscal year 2020 level (per-unit basis) at each factory or offices Maintain water consumption (per-unit basis) at factories and offices at the fiscal year 2012 level in Japan and at individual base year levels overseas 		
	Supply chain management	<ul style="list-style-type: none"> Implement supply chain CSR assessments for the following percentages of suppliers. Material suppliers: Covering at least 80% of our procurement spend Logistics suppliers: 100% of customs-related operators Staffing suppliers: 100% of employment agencies and contracting companies (internal contractors) Implement supply chain BCP¹³ assessments for the following percentages of suppliers. Material suppliers: Covering at least 80% of our procurement spend 		