**Tokyo Electron’s CSR**

**Tokyo Electron’s Corporate Philosophy**

We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support.

**CSR Policy**

The CSR operations of Tokyo Electron are initiatives that realize our Corporate Philosophy. We pursue sustainable operations from the viewpoints of corporate governance, legal and regulatory compliance and business ethics while creating new value through our products and services. Based on these efforts, we implement CSR activities to help address social issues. We will continue to pursue CSR activities to build stakeholder trust, improve corporate value and, by doing so, promote the growth of a sustainable and dream-inspiring society.

**CSR Promotion Framework**

We implement sustainability management, integrating it with our business strategy from a medium- to long-term perspective of corporate value enhancement. Three groups have been established to promote CSR activities.

The CSR Management Council, the highest decision-making body regarding CSR, conducts discussions on the policy for the entire company and important projects. Based on this, the CSR Global Committee discusses CSR setting and progress management regarding activities for achieving CSR targets, along with promoting global projects, and shares best practices. At the CSR Monthly Meeting, information on CSR activities is shared with representatives from each division, and collaborative systems are built to tackle cross-division themes.

We are also working to further strengthen our CSR structure by appointing CSR managers at the company headquarters as well as the Group companies in Japan and overseas companies to be in charge of understanding CSR policy and goals and promoting activities.

**Conference Name** | **Participants** | **Function** | **Meeting Frequency**
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**CSR Management Council** | Chairman (in-charge) + Representative Director, President & CEO + Corporate Directors and Managers | • Decide company-wide CSR policy  
• Discuss important matters | Twice annually

**CSR Global Committee** | • Chief CSR Promotion Director  
• Heads of related departments  
• CSR managers of the Group companies in Japan and overseas companies | • Manage progress of activities for achieving CSR goals  
• Implement global projects  
• Share best practices | Twice annually

**CSR Monthly Meeting** | Person in charge of CSR at each division | • Share information on CSR activities  
• Discuss cross-division CSR initiatives | Monthly

In addition to these groups, once a year we invite all employees to submit proposals for CSR activities, and we also implement projects that are important for the entire company, and important projects. Based on this, the CSR Global Committee discusses CSR target setting for the entire company, and important projects. Additionally, starting in fiscal year 2021, we have been on a regular basis holding CSR workshops where employees working in a variety of fields come together and discuss various suggestions for contributing to the achievement of SDGs through business.

**Initiatives for Sustainable Development Goals (SDGs)**

The SDGs are a universal set of goals to achieve by 2030, which were unanimously adopted by the United Nations’ Sustainable Development Summit in 2015. We conduct activities on a company-wide basis, and for each CSR fiscal year and medium-term goal, and each material issue, we clarified the SDGs it is working toward through business.

Additionally, starting in fiscal year 2021, we have been on a regular basis holding SDGs workshops where employees working in a variety of fields come together and discuss various suggestions for contributing to the achievement of SDGs through business.

**Participation in Global Initiatives**

We joined the United Nations Global Compact (UNGC) and support their Ten Principles in the four areas of Human Rights, Labour, Environment, and Anti-Corruption, to realize sound globalization and a sustainable society.

Additionally, as a corporate member of the Responsible Business Alliance (RBA), we promote sustainability in our supply chain by abiding by the RBA Code of Conduct comprised of five framework sections (Labor, Environment, Health and Safety, Ethics and Management Systems).

In addition, we have expressed our approval of the recommendations offered by the Task Force on Climate-related Financial Disclosures (TCFD) and are pursuing initiatives based on the framework of governance, strategy, risk management, indicators and targets relating to the risks and opportunities that climate change presents to our business.

**Evaluation from Third-Party Institutions**

Our CSR activities have received high appraisals from evaluation organizations around the world. We have continued to be selected as a constituent stock under leading global ESG investment indices, including the DJSI® Asia Pacific Index, FTSE4Good Index® and MSCI World ESG Leaders Index®. in 2021, we were also rated as a low-risk company in Sustainalytics’ ESG Risk Ratings.

**Financial Model in the Medium-Term Management Plan**

In addition to pursuing sustainable operations in line with its CSR policy, we are also striving for medium- to long-term profits and ongoing corporate value enhancement by creating new value through business and helping in the resolution of issues and development of industry and society. In May 2019, against a backdrop of market growth for semiconductor and flat panel display production equipment, we formulated the Medium-term Management Plan and set goals in the associated financial model of net sales of 2 trillion yen, an operating margin of 30% or higher and ROE® of at least 30% by March 2024. We have also set two goals for generating and returning appropriate profits to shareholders in the event of changes in the macro-economy or in the semiconductor supply-demand balance.

**Tokyo Electron Supports the Goals**

We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support.