CSR-oriented operations

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.

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CSR policy

The CSR operations of Tokyo Electron (TEL) are initiatives that realize TEL’s Corporate Philosophy. The company pursues sustainable operations from the viewpoints of corporate governance, legal and regulatory compliance, and business ethics while creating new value through its products and services. Based on these efforts, TEL implements CSR activities to help address social issues. The company 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-oriented operations

Material issues

Sustainable operations

Creation of new value

Contribution to the solution of social problems

Improvement of corporate value

Distribution of profit

CSR Global Promotion Committee in November 2018

CSR promotion framework

TEL implements sustainability management which is integrated into the management strategy from a medium- to long-term perspective of corporate value enhancement. The company promotes CSR activities centered on the following three bodies. The CSR Management Council, the highest decision-making body regarding CSR, conducts discussions regarding the policy for the entire Group and important projects. CSR representatives from around the world participate in the CSR Global Committee, which discusses short- to medium-term CSR targets, promotion of global projects, and other matters. Representatives from each division attend the CSR Monthly Meeting, where information is shared regarding CSR activities, and which builds cooperative systems to tackle cross-division themes.

<table>
<thead>
<tr>
<th>Conference name</th>
<th>Participants</th>
<th>Function</th>
<th>Meeting frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR Management Council</td>
<td>Chairman, Representative Director, President and CEO, Directors and Managers</td>
<td>Decide company-wide CSR policy; Discuss important matters</td>
<td>Twice annually</td>
</tr>
<tr>
<td>CSR Global Promotion Committee</td>
<td>Chief CSR Director, Heads of related departments, CSR officers of affiliates and overseas companies</td>
<td>Set CSR targets; Implement global projects</td>
<td>Twice annually</td>
</tr>
<tr>
<td>CSR Monthly Meeting</td>
<td>Person in charge of CSR at each division</td>
<td>Share information on CSR activities; Discuss cross-division CSR initiatives</td>
<td>Monthly</td>
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During the CSR Global Promotion Committee held in November 2018

Participation in global initiatives

TEL is a corporate member of the United Nations Global Compact and the Responsible Business Alliance (RBA)1 both global CSR initiatives, whereby the company strives to build a sustainable management foundation from a global perspective.

The Ten Principles of the UN Global Compact

- An international initiative for sound globalization and sustainable societies
- TEL signed in 2013

1 Ten Principles of the UN Global Compact

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: make sure that they are not complicit in human rights abuses;
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor;
- Principle 6: the elimination of discrimination in all forms against workers;
- Principle 7: businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility, and
- Principle 9: encourage the development and diffusion of environmentally sound technologies;
- Principle 10: recognizing that respect for international human rights law and international labor standards, and the promotion and enforcement of standards related to the SDGs are complementary to effective national policies and international law.

RBA framework (five sections)

- A CSR promotion group focused on the electronics industry
- TEL signed in 2015

1 Responsible Business Alliance

<table>
<thead>
<tr>
<th>RBA framework (five sections)</th>
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</thead>
<tbody>
<tr>
<td>A. LABOR</td>
<td>E. MANAGEMENT SYSTEMS</td>
</tr>
<tr>
<td>Treating workers with respect and dignity</td>
<td>Environmental conservation</td>
</tr>
<tr>
<td>Environmental conservation</td>
<td>C. ENVIRONMENTAL</td>
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<tr>
<td>C. ENVIRONMENTAL</td>
<td>D. ETHICS</td>
</tr>
<tr>
<td>B. HEALTH and SAFETY</td>
<td>Risk assessment and risk management</td>
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<tr>
<td>Risk assessment and risk management</td>
<td>Upholding the highest standards of ethics</td>
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Evaluation from third-party institutions

TEL’s CSR activities have received high appraisal from evaluation organizations in various countries, and the company has been selected as a constituent stock under leading global ESG investment indices.

In fiscal year 2019, following from the previous fiscal year, TEL was again selected as a constituent stock under indices including DJSI Asia Pacific 2018, FTSE4Good,3 FTSE Blossom Japan Index,4 MSCI World ESG Leaders Index,5 and MSCI Japan ESG Select Leaders Index.6

1 DJSI (Global Sustainable Investment Index) is an index reflecting the performance of Japanese companies that demonstrate strong environmental, social, and governance (ESG) practices. The DJSI Asia Pacific index covers the top 10% of companies in the Asia Pacific region.
2 FTSE4Good is an index related to environmental performance and corporate social responsibility developed by FTSE Russell.
3 FTSE Blossom Japan Index is an index that reflects the performance of Japanese companies that implement strong environmental and social practices.
4 MSCI World ESG Leaders Index: An index developed by Morgan Stanley Capital International (MSCI) with an ESG theme that ranks companies by their ESG performance in each region.
5 MSCI Japan ESG Leaders Index: An index developed by Morgan Stanley Capital International (MSCI) with an ESG theme that ranks companies by their ESG performance in Japan.
6 MSCI Japan ESG Select Leaders Index: An index developed by Morgan Stanley Capital International (MSCI) with an ESG theme that ranks companies by their ESG performance in Japan.

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. TEL conducts activities on a company-wide level, and for each material issue, it has clarified the SDGs it is working toward through business.

Internal initiatives—CSR Promotion Award

TEL is conscious of the connection between work, and industrial and social issues and development, and in order to promote CSR initiatives, invites contributions from employees worldwide of cases of CSR in the workplace that contribute to resolving issues in the industry and society. They are assessed with focus on their alignment with SDGs, contribution to the resolution of industry and social issues, and the improvement of TEL’s corporate value and other aspects. Based upon this, TEL conferred one CSR Promotion Award and three CSR Merit Awards.