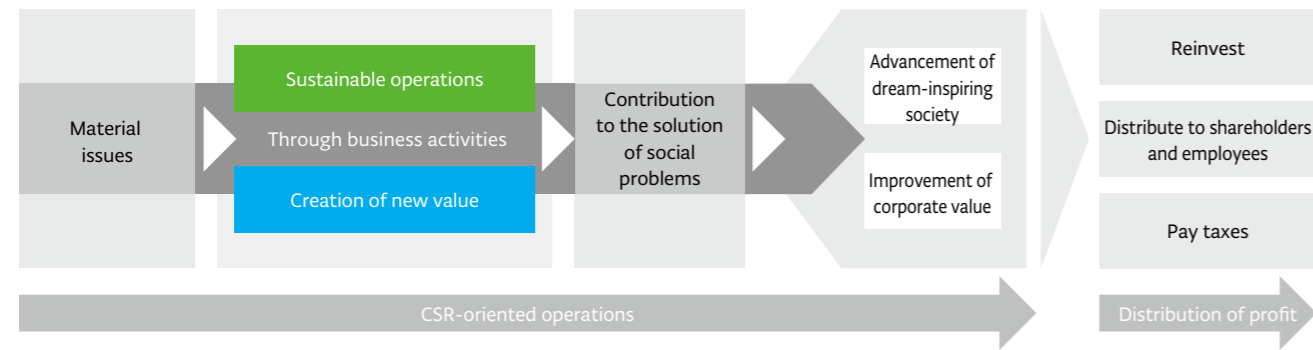


CSR-oriented operations

CSR policy

The CSR operations of Tokyo Electron (TEL) are initiatives that realize TEL's 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

TEL implements sustainability management which is integrated into management strategy from a medium- to long-term perspective. Company-wide CSR policies are set at the CSR management council with the participation of management. The CSR global promotion conference then sets CSR targets and company-wide initiatives based on these policies. The progress and day-to-day CSR activities are shared at the CSR monthly meeting as we build cooperative systems across the company.

Conference name	Participants	Function	Meeting frequency
CSR Management Council	<ul style="list-style-type: none"> Chairman of the Board President and CEO Directors and Managers 	<ul style="list-style-type: none"> Decide company-wide CSR policy Discuss important matters 	Twice annually
CSR Global Promotion Committee	<ul style="list-style-type: none"> Chief CSR Director Heads of related departments CSR officers of affiliates and overseas companies 	<ul style="list-style-type: none"> Set CSR targets Implement global projects 	Twice annually
CSR Monthly Meeting	<ul style="list-style-type: none"> Person in charge of CSR at each division 	<ul style="list-style-type: none"> Share information on CSR activities Discuss cross-division CSR initiatives 	Monthly

Participation in initiatives

UN Global Compact

The UN Global Compact (UNGC) is a global initiative to encourage businesses and other organizations to act in a socially responsible manner in order to realize sustainable growth. It requires participating organizations to exercise responsible and creative leadership in the four issue areas of human rights, labor, environment and anti-corruption. TEL declared its endorsement in 2013, supporting the UNGC's Ten Principles.



Responsible Business Alliance (RBA)

RBA consists of leading electronics companies dedicated to promoting CSR in their supply chains. The RBA has a common Code of Conduct governing such areas as labor, environment, safety and health, and ethics. TEL joined the alliance in 2015, and has been taking measures to improve sustainability of its supply chain ever since.



Stakeholder engagement

Continued dialogue and collaboration with stakeholders is important in order for TEL to provide new value through our business and to build trusting relationships. We will disclose information with a high degree of transparency in a timely manner and reflect the opinions and wishes of our stakeholders in business activities as we endeavor to improve our corporate value.

Stakeholders	Communication opportunities	Key opinions and requests	Relevant material issues
Shareholders/ investors	<ul style="list-style-type: none"> Earnings announcement ESG surveys Interviews 	<ul style="list-style-type: none"> Measures for increasing corporate value over the medium- to long-term Corporate governance initiatives Medium- to long-term stance on reducing environmental impact 	<ul style="list-style-type: none"> Product competitiveness Higher productivity Management foundation
Customers	<ul style="list-style-type: none"> Technology conference Customer satisfaction survey Individual technology collaboration 	<ul style="list-style-type: none"> Accurate understanding of customer needs Proposal of high-value-added solutions Strengthening engagement from an earlier stage 	<ul style="list-style-type: none"> Product competitiveness Responsiveness to customers Higher productivity
Suppliers	<ul style="list-style-type: none"> Production update briefing Partners day STQA* audit 	<ul style="list-style-type: none"> Greater promotion of collaborative systems Increased opportunities for communication 	<ul style="list-style-type: none"> Higher productivity Management foundation
Employees	<ul style="list-style-type: none"> Employee meetings Global engagement survey Career interest survey (Japan) 	<ul style="list-style-type: none"> Development of systems leading to motivation and job satisfaction Support for medium- to long-term career planning Initiatives for higher productivity 	<ul style="list-style-type: none"> People and workplaces Management foundation
Local communities	<ul style="list-style-type: none"> Community contribution activities Tours of factories and offices 	<ul style="list-style-type: none"> Community revitalization Creation of employment opportunities Environmentally friendly operations 	<ul style="list-style-type: none"> People and workplaces Management foundation
Governments/ associations	<ul style="list-style-type: none"> Industry group activities Collaboration with various initiatives 	<ul style="list-style-type: none"> Creation of innovation leading to the resolution of social issues Initiatives for respect for human rights Responsible procurement 	<ul style="list-style-type: none"> Product competitiveness People and workplaces Management foundation

* STQA: Supplier Total Quality Assessment

Third-party evaluation

TEL's CSR activities have been evaluated as medium- to long-term initiatives to increase its corporate value and have been selected as a constituent stock index under leading global CSR and ESG investment bodies.

Following from fiscal year 2017, in fiscal year 2018, TEL was again selected as constituent stock under DJSI¹ Asia Pacific 2017, and under the FTSE4 Good² and MSCI World ESG Leaders Index. Furthermore, we were also selected for the FTSE Blossom Japan Index and MSCI Japan ESG Select Leaders Index, which are ESG indices designated by GPIF.³



- DJSI (Dow Jones Sustainability Index): Environmental, social and governance (ESG) investment indices developed by U.S.-based S&P Dow Jones Indices LLC and Switzerland-based RobecoSAM AG. The Asia Pacific index covers companies in that region.
- FTSE4Good: An index related to environmental performance and corporate social responsibility developed by the UK-based FTSE Group
- GPIF (Government Pension Investment Fund): An independent administrative agency for pension reserve fund management in Japan, which operates one of the world's largest public pension reserve funds

Internal initiatives—CSR Promotion Award

In order to promote CSR initiatives within the company, we invite contributions from employees worldwide of cases of CSR in the workplace that contribute to resolving issues in the industry and society. We assess these in terms of their alignment with SDGs, resolution of social issues, contribution to corporate value and other aspects, and confer one CSR Promotion Award and four CSR Merit Awards.

