

EHS Management System (Part 1)

TEL is promoting environment, health and safety (EHS) activities globally.

Organizational Structure for EHS

At TEL, to keep up with globalization of our EHS activities, we have formed a Global EHS Committee comprised of the president and corporate directors of Tokyo Electron, and EHS directors. As the heads of this committee, they decide on the policies and directions of TEL EHS-related activities. EHS activities are structured in terms of three pillars: "Factory and Office EHS," "Customer-site EHS" and "Product EHS."

Factory and office EHS

We are promoting local EHS activities in each region through TEL Safety and Health Committee, consisting of representatives of office facilities, and TEL EHS Committee, consisting of representatives of the manufacturing plants. At the manufacturing plants, we carry out EHS activities through the EHS Management System, and at the office facilities we are creating an environmental management system through what we call TEL Eco-Activity (see page 22).

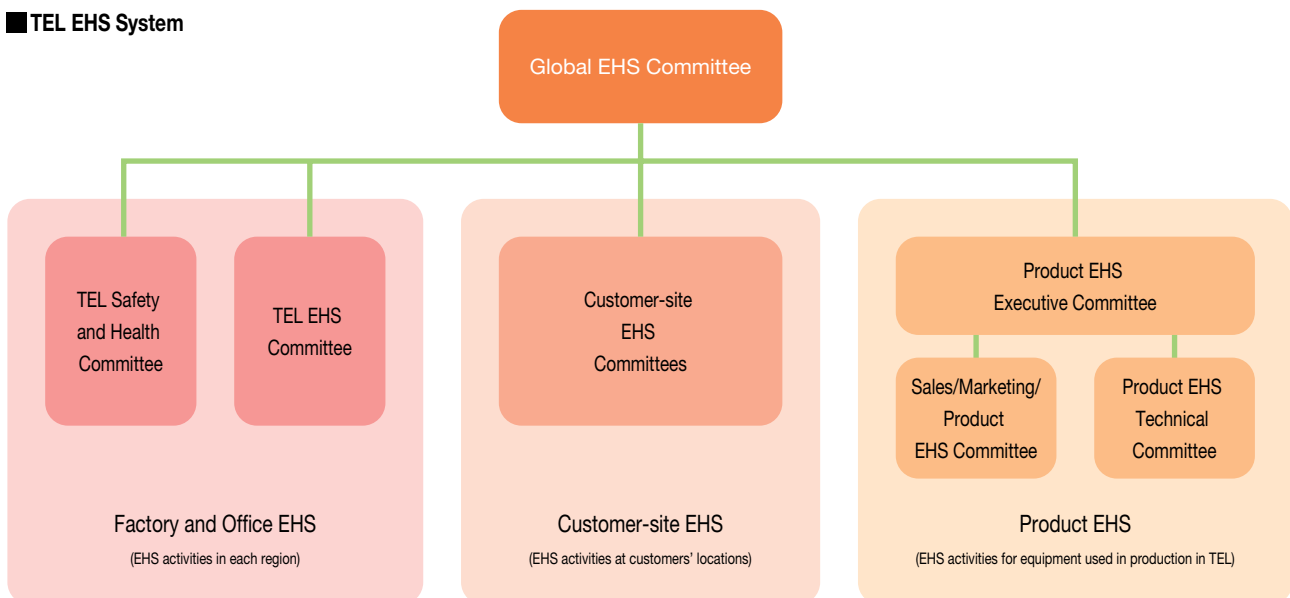
Customer-site EHS

Through the Customer-site EHS Committee, consisting of representatives of business units that conduct work at customer sites plus representatives of each country, we are promoting EHS for work conducted at the customer's location. The committee ensures that our work is in compliance with legal requirements and local working methods, and communicates with and supports local organizations concerning EHS matters.

Product EHS

We are promoting EHS in our products, with the Product EHS Executive Committee at the top of the structure, consisting of the executive officers in charge of development, marketing, and sales plus the EHS directors of each business unit. Subcommittees include the Sales/Marketing/Product EHS Committee and the Product EHS Technical Committee. It is important that the EHS concepts clearly state those factors which the customer requires and that these be incorporated at the initial development phase and design phase of products. Also, with the globalization of TEL, we must comply with the laws of each country in which we do business. For this purpose, we are actively promoting what we call "DF EHS" (Design for EHS).

TEL EHS System



Stance on EHS Management

Each manufacturing site has created an environmental management system and has been certified based on ISO14001. In addition, we have begun to create an occupational safety and health management system based on OHSAS18001 and guidelines of Japan's Ministry of Health, Labour and Welfare. Our office facilities have introduced simplified independent environmental management systems we call "TEL Eco-Activity."

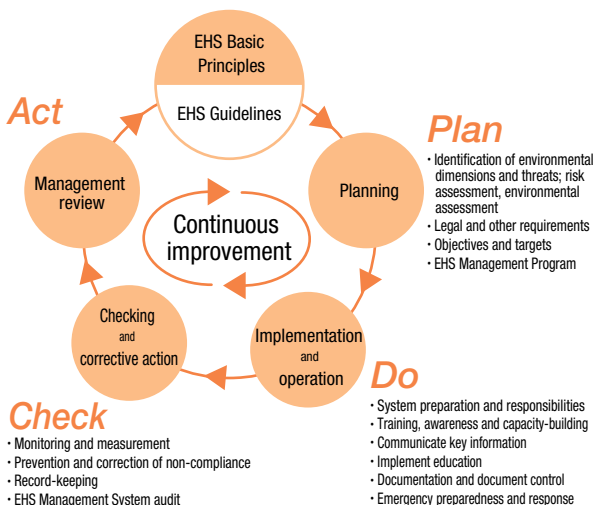


ISO14001 Certificate

Implementing the EHS Management System

At each facility, using environmental impact assessments, we ascertain and prioritize the environmental impact of the environmental dimensions associated with our services and the development and manufacturing of products. In addition, by performing assessments we ascertain the risks relating to safety and health aspects of operations, and assign priorities accordingly. For the environmental aspects and risks that have been identified, in order to reduce the risks, we develop a program (Plan), systematically conduct improvement activities (Do), confirm the progress (Check) and then review everything (Act), with what is known as a PDCA cycle.

Structure of EHS Management System



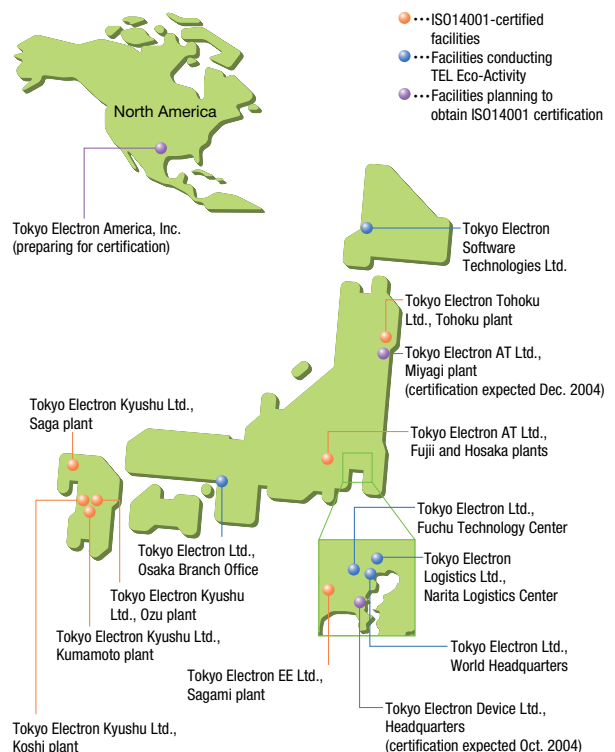
TEL Eco-Activity

Within TEL, we have created our own TEL Eco-Activity environmental management system based on ISO14001. We have been promoting TEL Eco-Activity in office facilities since last year. Our Fuchu Technology Center established targets of reducing electricity usage by 5% compared to the previous year, improving recycling, and cleaning along the roads our employees use for commuting. Regarding energy conservation, we implemented changes in temperature settings of air conditioners and turning lights off policy during lunch breaks. In the future we will continue with energy and resource conservation activities, and encourage everyone to work to meet the targets. In addition, we have gone further with TEL Eco-Activity at the Tokyo Electron Device headquarters and plan to obtain ISO14001 certification by October 2004.



TEL Eco-Activity Management Program

Status of ISO14001 Certification and TEL Eco-Activities



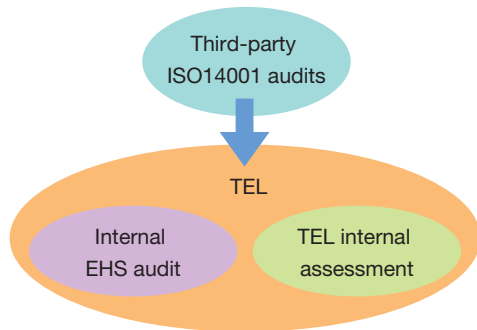
EHS Management System (Part 2)

We are conducting comprehensive checks of the EHS Management System.

Stance and Organization for Checking EHS Activities

In order to strengthen the EHS Management System at TEL, we are enhancing the auditing aspects of the system that are responsible for the “checking” functions of the PDCA cycle. Through auditing and other means we check up on systems and performance from multiple dimensions—which could be broadly described as internal, Group and third-party checks.

System for Checking EHS Activities



TEL Internal Assessment

TEL has been actively implementing internal EHS audits, conducted by each facility, and ISO14001 environmental management system audits by third-party organizations. But we felt that these auditing methods alone were not enough, so in FY 2003 we started “TEL internal assessment” conducted by EHS representatives from each facility, as peer assessments on EHS items.

By having the facilities in TEL conduct peer assessments, we are striving to determine the status of TEL facilities overall, and this will lead to uniformity and improvement of EHS activities. During FY 2003, we conducted assessments on management-level initiatives, legal compliance, and responsibilities/structures, based on TEL regulations for work safety. In FY 2004, we will select new themes and details and work to make further improvements.



A site inspection underway

Legal and Regulatory Compliance

At TEL, our approach to legal and regulatory compliance is to consider environmental legislation and ordinances and emissions standards, and to set our own voluntary standards at even more stringent levels. Through the cumulative effects of our day-to-day activities, such as checks on the management of chemical substances and pH levels in water, we are clearing our own tough standards. As one example of how we do this, at the Hosaka plant, before final discharge of wastewater we confirm the pH level and other parameters of some of the effluent in an in-house storage tank.

Thanks to these efforts, no lawsuits arose during FY 2003 in connection with accidents, violations, penalties or complaints, and no economic sanctions or incentives were used by the government.



Wastewater storage tank before final discharge

TOPICS

Measuring Soil and Rainwater Peretration

Since obtaining ISO14001 certification at the Sagami plant in FY 1998, we have been conducting measurements of soil and of a rainwater that has penetrated the soil. We are measuring rainwater from an observation hole and a rainwater penetration chamber, targeting organochlorine compounds that TEL has used in the past, in addition to ten chemical substances.



Soil testing

We are conducting measurements every year, and as a result, are verifying our state of compliance with environmental quality standards, prefectural ordinances and so on for soil and water quality.

Soil Testing Results

Test items	TEL standards	Test results
Lead and its compounds	0.01 mg/l	Less than 0.005 mg/l
Phenols	0.5 mg/l	Less than 0.003 mg/l
Copper and its compounds	1 mg/l	Less than 0.05 mg/l
Zinc and its compounds	1 mg/l	0.11 mg/l
Iron and its compounds	3 mg/l	Less than 0.05 mg/l
Manganese and its compounds	1 mg/l	Less than 0.02 mg/l
Chromium and its compounds	2 mg/l	Less than 0.05 mg/l
Fluorine compounds	0.8 mg/l	Less than 0.1 mg/l

In FY 2003, 18 items were tested, including the eight shown here.