

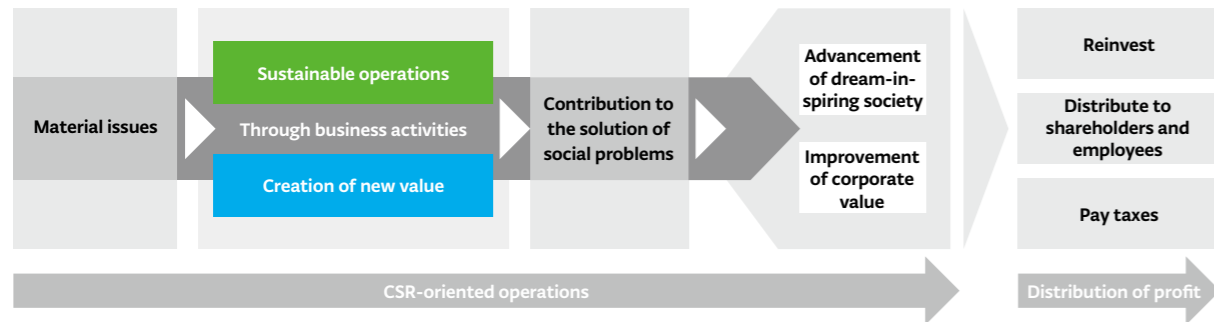
# CSR-oriented operations

## 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.

## 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 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.



CSR Global Promotion Committee held in November 2018

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

## 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.



## Participation in global initiatives

TEL is a corporate member of the United Nations Global Compact and the Responsible Business Alliance (RBA),<sup>1</sup> 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

**Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

**Labour**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour;
- Principle 4: the effective abolition of child labour; and
- Principle 5: the elimination of discrimination in respect of employment and occupation.

**Environment**

- 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 friendly technologies.

**Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## RBA framework (five sections)

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



## 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<sup>2</sup> Asia Pacific 2018, FTSE4Good,<sup>3</sup> FTSE Blossom Japan Index,<sup>4</sup> MSCI World ESG Leaders Index,<sup>5</sup> and MSCI Japan ESG Select Leaders Index.<sup>6</sup>



## 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.



<sup>1</sup> RBA: The RBA, formerly known as the Electronic Industry Citizenship Coalition (EICC®), was rebranded to the current name in October 2017.

<sup>2</sup> DJSI (Dow Jones Sustainability Index): ESG (Environmental, social and governance) 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.

<sup>3</sup> FTSE4Good: An index related to environmental performance and corporate social responsibility developed by the UK-based FTSE Group.

<sup>4</sup> FTSE Blossom Japan Index: An index that reflects the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices.

<sup>5</sup> MSCI World ESG Leaders Index: Companies that have high ESG performance are selected from the MSCI Global Sustainability Index, an ESG investment index developed by Morgan Stanley Capital International (MSCI).

<sup>6</sup> MSCI Japan ESG Select Leaders Index: The MSCI Japan ESG Select Leaders Index is an index constructed from companies that have high ESG performance selected from its parent index (MSCI Japan IMI Top 500 Index: Top 500 securities based on free float-adjusted market capitalization). The Index targets 50% of the free float-adjusted market capitalization within each GICS sector of the parent index.