CSR Policy

Tokyo Electron considers CSR to be the embodiment of its Corporate Philosophy, which has been firmly upheld since the company’s founding. Tokyo Electron 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, the company implements CSR activities to help address social issues. Tokyo Electron 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.

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 Promotion Framework

Tokyo Electron implements CSR activities on a global basis, including domestic and overseas affiliates, from a medium-to-long-term perspective. To back up these CSR activities, the company has established the following three bodies to long-term perspective. To back up these CSR activities, Tokyo Electron implements CSR activities on a global basis,开心.

Corporate Governance

- CSR Management Council
  - Approve Group-wide CSR policy
  - Discuss important CSR matters

- CSR Global Promotion Committee
  - Set CSR targets
  - Implement global projects

- CSR Monthly Meeting
  - Share information on CSR activities
  - Discuss cross-sectional CSR initiatives

Participation in International CSR Initiatives

Tokyo Electron is a member of the UN Global Compact, a global CSR initiative, and the EICC, an electronic industry CSR alliance. The company complies with these initiatives’ codes of conduct and principles in areas regarding such issues as human rights, labor, environment, safety and health, ethics, and corruption prevention. By doing so, Tokyo Electron strives to maintain a sustainable management platform.

Stakeholder Engagement

Building firm stakeholder trust is essential to raising corporate value. To help stakeholders more deeply understand the progress of the company’s business initiatives and the future direction of its business, Tokyo Electron discloses highly transparent information in a fair and timely manner through regular briefings and its corporate website. The company also works to accurately understand the opinions and demands of stakeholders and to reflect these in its business activities through dialog, surveys, and designated contact points. We will continue to actively promote stakeholder engagement, using it to appropriately inform decision-making in the course of everyday business activities, and thus further raise corporate value.

Identifying Material Issues

Based on the expectations and requests communicated by stakeholders and on the social and environmental challenges surrounding the sustainability of its businesses, Tokyo Electron has identified issues that are material to the medium- and long-term improvement of its corporate value. Accordingly, CSR goals have been set to address these issues.

Material Issues

Enhancing product competitiveness
In the industries in which Tokyo Electron operates, technological innovation advances very quickly. The company must keep pace with this innovation while continuously offering high-value-added products that accommodate next-generation technologies. By globally engaging in cutting-edge technological development, the company releases competitive products in a timely manner.

CSR-Oriented Operations

Tokyo Electron has identified issues that are material to the medium- and long-term improvement of its corporate value. To address these issues, Tokyo Electron has established the following three bodies:

- CSR Global Promotion Committee
- CSR Management Council
- CSR Monthly Meeting

Body Participants Functions Meeting frequency
CSR Management Council
- Chairman of the Board
- President & CEO
- Directors and general managers
Approve Group-wide CSR policy
Discuss important CSR matters
Twice annually
CSR Global Promotion Committee
- Chief CSR Promotion Director
- Heads of related departments
Set CSR targets
Implement global projects
Twice annually
CSR Monthly Meeting
- Persons in charge of CSR at each division
Share information on CSR activities
Discuss cross-sectional CSR initiatives
Monthly

The Ten Principles of the UN Global Compact

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.
Principle 2: 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; and the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.
Principle 3: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.
Principle 4: Businesses should support and respect the protection of international and national labour standards, with particular attention to the elimination of child labour, forced labour, and discrimination in the workplace.
Principle 5: Businesses should contribute to the promotion and enforcement of standards in the areas of worker rights, human rights, and the environment.
Principle 6: Businesses should work against corruption in all its forms, including extortion and bribery.
Principle 7: Businesses should work for the promotion of sustainable development and encourage the development and diffusion of environmentally friendly technologies.
Principle 8: Businesses should establish partnerships for sustainable development.
Principle 9: Businesses should work for the promotion of sustainable development and encourage the development and diffusion of environmentally friendly technologies.
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
Reinforcing responsiveness to customers
As new markets emerge—most notably those created by the internet of things (IoT)—customer demands are diversifying, and expectations for equipment performance are rising. Accurately understanding customer needs and diversifying, and expectations for equipment performance are rising. Accurately understanding customer needs and diversifying. As a result, customers expect rapid development by corporate. To promote diverse work styles and help strengthen responsiveness to customers, we are increasing employee engagement and invigorating our people and workplaces.

Strengthening earnings power
Profit is the engine that advances business activities. The company works to continuously generate profit by providing high-value-added products and services, and improving business processes. The ongoing generation of profit drives virtuous cycles, including reinvestment in business and the return of value to shareholders, employees and society at large, helping to make both the company and society more sustainable.

Invigorating people and workplaces
People are an especially important management resource. Employees who feel purpose in their work and take pride in their company help to increase productivity and power corporate development. By promoting diverse work styles and helping employees build their careers, we are increasing employee engagement and invigorating our people and workplaces.

Fiscal 2018 CSR Goals
For the fiscal year ending March 2018, Tokyo Electron has set 17 goals related to 5 material issues and is working to achieve them.

<table>
<thead>
<tr>
<th>Material issue</th>
<th>Themes</th>
<th>Main fiscal 2018 goals</th>
<th>Medium-term goals</th>
<th>Relevant SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing product competitiveness</td>
<td>Technological innovation aimed at creating value</td>
<td>• Ensure that 5% or more (three-year moving average) of all equipment models are new products for next-generation technologies.</td>
<td>Create highly competitive next-generation products</td>
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<tr>
<td>Environmental contribution of products</td>
<td>Reduce per-unit consumption of energy and water by 10% by fiscal 2019 (as compared with fiscal 2014).</td>
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<tr>
<td>Reinforcing responsiveness to customers</td>
<td>Accurate grasp of customer needs</td>
<td>Get 3 points (“satisfied”) or more on 100% of customer satisfaction survey items</td>
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<tr>
<td></td>
<td>Solutions that create value for customers</td>
<td>Increase Tokyo Electron’s value to customers. Increase field solutions business sales from the fiscal 2017 level.</td>
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</tr>
<tr>
<td>Strengthening earnings power</td>
<td>High-quality products</td>
<td>Increase added value of processes</td>
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<td></td>
<td>Reduce quality improvement costs from the fiscal 2017 level.</td>
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<td>Improve operational efficiency</td>
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<td></td>
<td>Revise business processes to reduce man-hour used for sales operations from the fiscal 2017 level.</td>
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<td></td>
<td>Good</td>
<td>• Increase the use of the Group’s “Pep Up!” healthcare platform from the fiscal 2017 level.</td>
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<td></td>
<td>Human rights and diversity</td>
<td>Retain 100% of new employees for at least three years.</td>
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<td></td>
<td>Work-life balance</td>
<td>Reach 70% paid vacation usage</td>
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<td></td>
<td>Human resource development</td>
<td>Increase the number of workplace injuries per 200,000 work hours from the fiscal 2017 level.</td>
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<td></td>
<td>Health</td>
<td>Ensure that the number of workplace injuries per 200,000 work hours (the total case incidence rate) is less than 0.5.</td>
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<tr>
<td>Establishing a sustainable management foundation</td>
<td>Corporate governance</td>
<td>• Improve on issues identified in evaluations of the effectiveness of the Board of Directors.</td>
<td>Build a management foundation for increasing value</td>
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<td></td>
<td>Safety management</td>
<td>Ensure that the number of workplace injuries per 200,000 work hours (the total case incidence rate) is less than 0.5.</td>
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<tr>
<td></td>
<td>Environmental management</td>
<td>Reduce energy consumption by 1% on a per-unit basis* from the fiscal 2017 level.</td>
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<td></td>
<td>Supply chain management</td>
<td>Implement supply chain CSR assessments for 80% or more of suppliers (procurement volume basis)</td>
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</tr>
</tbody>
</table>

Third-Party Recognition
Tokyo Electron’s medium- and long-term initiatives to increase its corporate value have been recognized by world-leading socially responsible investment (SRI) institutions. In fiscal 2017, Tokyo Electron was selected for inclusion in the DJSI* Asia Pacific 2016. The Company also received the Bronze Class distinction in the RobecoSAM Sustainability Award 2017. Furthermore, the Company was once again selected as a constituent of the U.K.-based FTSE Group’s FTSE4Good** Global Index.

** FTSE4Good: An index related to environmental performance and corporate social responsibility developed by the U.K.-based FTSE Group.

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Shareholders’ Meeting
Tokyo Electron schedules its shareholders’ meeting to avoid days on which many such meetings are concentrated and mails a Notice of Annual General Meeting of Shareholders to shareholders more than three weeks in advance of the meeting as part of its measures to vitalize these meetings and to promote smooth and efficient voting. In addition, shareholders are free to cast their votes via the internet, and the Company participates in the web-based voting platform for institutional investors operated by ICIC.

To supplement the above shareholder meeting-related initiatives, Tokyo Electron’s website carries the notices, resolutions, voting results and presentation materials of shareholders’ meetings.

For more details, please refer to the Tokyo Electron Corporate Governance Guidelines.