

## People and workplaces

Medium-term goals

### Maximize dreams and drive

While conducting sustainable operations, it is also important for companies to meet new demands of society from people and workplaces' perspectives, such as responding to workstyle reforms and employing people with diverse values. Based on the recognition that people are the source of a company's growth, Tokyo Electron deeply appreciates the new value created by individual employees exercising their capabilities, while respecting their individuality and values and encouraging work styles in sync with their respective lifestyles. In addition to developing a common global human resource system, placing the right personnel for the right job across countries and regions, and implementing employee performance evaluations that are fair and highly transparent, by working to strengthen human resource development programs and to promote health and safety, we strive to nurture employees full of vitality and develop inspiring workplaces.

#### Main activities



Human resource management



Diversity and inclusion



Employee growth



Work-life balance



Health and safety

#### Human resource management

Approach to human resource management

#### Diversity and inclusion (D&I)

Systems and initiatives

#### Employee growth

Global human resources system, Human resource development concept at TEL UNIVERSITY, Human resource development system

#### Work-life balance

New work styles, Encouraging use of leave, Childcare and nursing systems, Employee life support

#### Health and safety

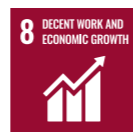
Health and productivity management promotion, Activities for safety, Incident reporting system, etc.

#### SDGs initiatives

- By globally promoting a highly transparent human resource system, together with fair hiring and compensation, strive to facilitate rewarding, human-focused employment (decent work)
- Proactively develop work-life balance, diversity, and inclusion, and pursue equality among people and in the workplace



Good health and well-being



Decent work and economic growth



Reduced inequalities



Partnerships for the goals

SUSTAINABLE DEVELOPMENT GOALS

## Human resource management

### Approach to human resource management

For Tokyo Electron (TEL), corporate growth is about people. Employees are a foundation for creating value. Our aim is for both the company and employees to grow together by engaging each employee at work, and linking this to increased productivity for the company as a whole. Specifically, we focused on: (1) improving employee development and engagement, such as through promoting support for career development, encouraging them to stretch themselves, and providing opportunities for skill and leadership development, (2) improving productivity through developing the workplace environment, such as by using IT for better operational efficiency and promoting smart work, and (3) attracting outstanding talent such as through employer branding, strengthening partnerships with universities and labs, and promoting internships, including international ones. To expand these initiatives effectively, human resources function has deployed a team supporting business on a global level.

## Diversity and inclusion (D&I)

### Systems and initiatives

It is important for Tokyo Electron (TEL) to expand its business globally and address social changes and diversifying needs by creating new value and continuing to grow. To achieve this in situations where there is diversity, not just in gender, disability, nationality, or other personal circumstances, but also different work styles and stages of life, it is essential we have an environment where personnel can exercise their capabilities and tackle challenges while staying highly motivated. To provide all employees with a "pleasant workplace where anyone can work with strong motivation," we respect and promote D&I.



D&I Talk

In July 2019, we launched the Global D&I Council, and at a meeting held that December attended by members from Japan and overseas, we formulated a D&I vision and slogan for the entire TEL group. At the meeting, the topic of D&I for the TEL group was again taken up for discussion, and we reaffirmed that it is not just about gender, but is a more inclusive endeavor.

To realize a workplace where diverse employees have a better understanding of each other and can play an active role, we have been implementing harassment prevention education and awareness activities globally. In January 2020, we held a D&I Talk event at our headquarters in Akasaka. The event included guest speakers and a panel discussion, and was well attended by employees. The event was streamed live to business sites in Japan and overseas in an effort to raise awareness for D&I among all employees in the TEL group. The Employee Resource Group (ERG) has also been launched, and is promoting initiatives whereby the company supports employees with interest in D&I, voluntarily planning and administering activities designed to contribute to the community and reform the corporate culture. Looking ahead, we will work to further promote D&I throughout the entire TEL group, by formulating a three-year plan ending in 2022, and rolling out initiatives tailored to the actual circumstances at each of our business sites in Japan and overseas, such as expanding our training programs and organizing events.

## Employee growth

### Global human resources system

The globally integrated human resources programs introduced in fiscal year 2018 clarify the roles and responsibilities of each employee in order to effectively support talent management. In coordination with development programs, Tokyo Electron (TEL) supports the career development and growth of our employees by presenting the skills required for a job in the TEL group, the knowledge they should/can acquire, and a description of expected duties at higher levels. We are also working to build workplaces where diverse individuals can flourish, by conducting talent assessments across countries and regions, realizing fair total rewards for employees, and utilizing a performance management system and a global common human resource system.

Human resource development concept at TEL UNIVERSITY

TEL has established TEL UNIVERSITY as an in-house educational establishment, helping employees to independently build their careers and realize their personal goals for their growth and development. Our aim is to stand shoulder to shoulder with each employee, supporting their self-growth and fruitful career development throughout their working life, and create a foundation that enables the organization and individuals to trust each other and grow. TEL UNIVERSITY plays an important part in employees realizing TEL's vision of being "a truly global company generating high added value and profits in the semiconductor and flat panel display industries through innovative technologies and groundbreaking proactive solutions that integrate diverse technologies." Through the following four initiatives, we are focusing on employee growth that leads to corporate growth.

First is the provision of personalized learning opportunities. Since each employee's growth is different, we are putting effort into the practice of on-demand education<sup>1</sup> as a mechanism that allows individuals to learn as they want, when they want and according to their own needs. In addition to group training, by proactively utilizing e-learning programs, we are providing opportunities for employees to learn from any location.

Second is support for career development. We are expanding programs designed for employees to quickly acquire basic skills according to their different levels and goals through our global human resources system. Effort is being put into providing information and tools so that employees can gain a more concrete image of their own learning, experience, and career development.

Third is leader programs. In nurturing the next generation of leaders to support TEL's future, we are globally expanding our succession programs to identify and systematically nurture staff to take on the role of realizing medium- to long-term improvement of corporate value. Selected next generation management candidates are provided growth opportunities with an eye to the future, through participating in external training, building networks outside the company, and cultivating a broader perspective.

Fourth is the provision of global learning opportunities. For employees to acquire skills related to their duties and to gain a broader insight, we encourage them to actively participate in both internal and external seminars. Besides training, we are also considering a study abroad program for fiscal year 2021. Furthermore, we are moving to standardize our core programs on a global basis so that employees are able to learn using consistent TEL group content and guidelines regardless of whether they are in Japan or overseas.

Human resource development system

TEL provides programs adapted to different levels and goals for employees to gain world-class knowledge and skills.

We are also providing opportunities for employees to improve their understanding and to acquire knowledge on the latest trends in TEL's core technologies by running ongoing skill enhancement training and holding technical workshops for skills acquisition.

Corporate education system (TEL UNIVERSITY)

	Management	Executives	Leaders	Mid-level employees	Junior employees New employees
Level-based programs	Introductory programs (new graduates, mid-career recruits)				
	OJT <sup>2</sup> programs (new graduates, mid-career recruits)				
		Manager programs		Mid-level employees	Junior employee programs
	Leader programs				
Goal-based programs	Compulsory WBT <sup>3</sup>				
	Business skills				
	Global communication				
	Employee life support				
	Technical programs (seminars & workshops)				

<sup>1</sup> On-demand education: Education programs that allow employees to learn at the own convenience, anywhere, anytime

<sup>2</sup> OJT: On the Job Training

<sup>3</sup> WBT: Web Based Training

Work-life balance

New work styles

Tokyo Electron (TEL) recommends work styles that incorporate work-life balance, and is continuously developing work environments to enable this. We are promoting efficient ways of working suited to our employees' lifestyles, such as reducing commuting time and making the most of work hours, by introducing a teleworking system in addition to a flextime system.

Encouraging use of leave

Based on the belief that taking appropriate leave and properly managing work hours also contributes to better employee productivity, TEL strives to correct long work hours, and aims to enhance the leave system and promote taking leave.

Since fiscal year 2019, we have set an annual target of 70% annual paid leave use, and have promoted employee awareness for planned use of leave. We are also promoting regular monitoring of leave use status and urging management to improve leave use rates, ensuring that five days of compulsory annual leave are taken as required by law since April 2019. As a result, leave use rates were 72.6% in Japan and 81.2% overseas during fiscal year 2020.

Our goal is to provide refreshment for employees and thereby to boost their motivation to work. The system grants special (paid) leave from two weeks to one month per five years of service to employees who have worked for more than 10 years. In fiscal year 2020, 901 employees in Japan and 514 employees overseas took refreshment leave.

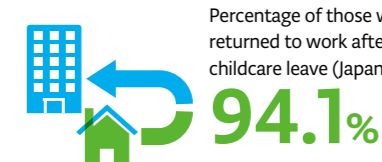


Take-up rate of annual paid leave (overseas)  
**81.2%**

Childcare and nursing systems

TEL respects the various lifestyles of its employees and is investing effort into providing an environment where each employee can thrive. In addition, to the system made available by existing laws, we are independently building a substantial framework that allows employees to adopt a flexible approach to work that accords with diverse life events such as raising children or caring for family members.

With regard to the situation in Japan, we have acknowledged the maximum extension of the childcare leave period to the day a child reaches three years of age, as well as expanding our provision of a reduced working hours program for childcare to include employees rearing children as far as graduation from elementary school. In addition to leave to care for a sick or injured child, we are enriching the provision of support through establishment of our own childcare leave, etc. As a result, currently in Japan, 42% of female TEL employees are working mothers. To further our support for the compatibility of work, and nursing care, nursing care leave on full pay is available for up to five days. We are advancing improvement of the system, for instance, by allowing nursing care leave to be taken up to three times per person requiring nursing care for a one year in total.



Percentage of those who returned to work after childcare leave (Japan)  
**94.1%**

Employee life support

TEL is enacting a diverse range of support toward achieving a workplace environment where employees can work energetically while each making full use of their abilities. We present regular opportunities for employees aged 50 or over to attend seminars providing necessary information and review of financial planning, encouraging them to consider their way of working after retirement. Furthermore, we support employees' everyday lives by offering assistance to all age groups on familiar topics such as nursing care for family members and inheritance.



Health and safety

Health and productivity management promotion

Having every employee lead a fulfilling life's work and achieve their maximum performance is also important for the future advancement of Tokyo Electron (TEL). To create healthy and comfortable workplaces for employees, we are working to further develop our systems. Besides conducting various medical checkups in accordance with the law, we also offer face-to-face consultations by designated occupational health physicians for employees who work long hours. Health help desks supported by occupational health physicians can also be accessed by workers' families, and we also offer counseling opportunities supported by external industrial counselors for those who ask. Furthermore, we are working on strengthening health-related support, organizing regular "line-care" seminars aimed at management, and, where necessary, holding liaison meetings with the health officers and health professionals at each TEL group company.

Based on the "collaborative health<sup>2</sup>" concept, in cooperation with the Tokyo Electron Health Insurance Society, we are actively expanding data health<sup>3</sup> initiatives, providing employees health guidance and effective prevention and health promotion according to their individual circumstances by utilizing data from medical checkup tests. As a result, we helped raise the health literacy of employees in fiscal year 2020, demonstrated, for instance, by an increase in the percentage of employees receiving specific health guidance<sup>4</sup>.

Furthermore, during fiscal year 2020, following a widening of the scope from the previous year, all TEL group companies operating in Japan received recognition as a White 500 company under the 2020 Certified Health & Productivity Management Outstanding Organization Recognition Program<sup>5</sup>. We will continue to promote various initiatives at the global level to maintain and improve our employees' health.



1 Line-care: A workplace measure for mental health, in which managers and supervisors take a lead role in responding to requests by workers for advice, with an aim of improving the workplace environment

2 Collaborative health: Situation where a company actively cooperates with an insurer, such as a health insurance society, to effectively and efficiently promote the health of its employees and their families

3 Data health: Refers to a more effective and efficient health care program which is implemented in line with the health status of insured persons, by utilizing and analyzing the health and medical information held electronically by the medical insurer

4 Specific health guidance: Health guidance provided for reducing the number of people with metabolic syndrome (visceral fat syndrome) or at risk of metabolic syndrome, and for the early detection and early treatment of lifestyle diseases and cancer, etc.

5 Certified Health & Productivity Management Outstanding Organization Recognition Program: The program publicly recognizes particularly outstanding organizations that are practicing health-oriented business management, based on initiatives attuned to local health-related challenges and on health-promotion initiatives led by the Nippon Kenko Kaigi

6 Body composition measurement session: An opportunity to measure skeletal muscle mass and body fat mass using a body composition monitor, for the purpose of preventing lifestyle diseases and understanding one's own physical condition

7 Health age: An indicator showing risk of lifestyle diseases, calculated based on the results of an employee's medical checkup. The difference in years with the employee's actual age is displayed, helping them understand their equivalent age in terms of their health conditions.

Wellness declaration

Based on the wellness declaration announced in 2012, TEL has promoted a variety of initiatives addressing health issues from the perspectives of Eat-Rest-Walk-Talk. Specifically, these include body composition measurement sessions<sup>6</sup>, health counseling workshops, and walking events, healthy food choices offered at company cafeterias, and smoking cessation advice. In addition to raising employee awareness for health promotion in their daily lives, we provide support leading to implementation of the wellness declaration.

Stress checks

In terms of mental health management, employees in Japan complete a stress check once a year using a questionnaire recommended by the Ministry of Health, Labour and Welfare. Occupational health physicians or public health nurses meet and talk with employees who, as a result of the questionnaire, are determined to be under high stress, as well as any other employees who ask. We also strive to ensure thorough mental support for our employees, such as by utilizing organizational analysis and promoting improvements in organizations which have a comparatively heavy burden. During fiscal year 2020, the stress check was taken by 92.9% of employees.



Self-care platform

TEL has introduced the Pep Up personal healthcare platform as a means of health management. The platform helps employees care for their own health by enabling them to easily check their blood pressure, weight, body fat ratio, and health age<sup>7</sup> using the results of their medical checkups. Through Pep Up, in addition to providing information related to their own health condition, and holding walking events, we also distribute activity trackers so that employees can manage their exercise and calorie consumption.

Safety management framework

Based on a culture of "Safety First," TEL carries out ongoing activities for safety promotion. In its effort to raise the overall level of safety and occupational health, TEL uses a management system based on OHSMS<sup>1</sup> to manage safety and occupational health and follows the PDCA cycle, to reduce the potential risk of work-related incidents. Moreover, by sharing information of any issues at internal meetings, such as those of the EHS Council and the Manufacturing Company Presidents' Council, the company promotes safety management as a company-wide initiative.

Activities for safety

On-site safety inspections

At each factory and office, monthly safety and health committee meetings are held to discuss measures for any workplace safety or employee health issues and to conduct safety inspections. TEL has also set up a system for autonomous problem-solving at manufacturing sites, with safety inspections by representatives from appropriate departments at least once per month.

Risk assessment and stop work authority (SWA)

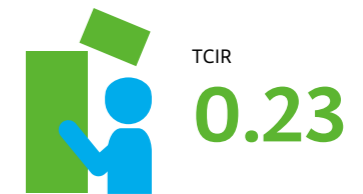
Before starting work at TEL manufacturing sites, the details of the job and the risks are shared with all workers involved, and they each increase their awareness in an effort to prevent incidents. In addition, effort is also being directed to safety managers giving advice on how to manage hazards, as well as to make workers stop work and take corrective action in the event of an unforeseen incident while on the job.

Safety education

In addition, TEL is implementing two education programs globally for the establishment of safe work environments. First is TEL's program on basic safety targeting all employees. This is provided as introductory training for new hires as well as refresher training every third year of employment. More than 6,000 employees completed this program in fiscal year 2020. Our second program, advanced safety, targets employees working in cleanrooms and on production lines. Participants are required to complete the course every year. Some portions of rules pertaining to safety are based on Japanese law, therefore when employees are transferred overseas, they undertake additional necessary training in a language that they understand, with the aim of standardizing education.

To eliminate incidents, TEL also provides online training and risk assessment training for employees in Japan and overseas. Also, to expand the concept of safe equipment design<sup>2</sup> to our design, manufacture, and service operations, in addition to online training on equipment safety, we also hold a semiannual seminar at each factory and office, inviting an external guest to speak. Finally, we also promote our initiatives to prevent accidents, by providing our suppliers and customers with safety information as circumstances demand.

As a result of having maintained a high priority on creating safe work environments, TCIR<sup>3</sup> has been maintained at less than the company's target of 0.5, with 0.23 in fiscal year 2020.



Incident reporting system

If a safety-related incident occurs, the information is shared with related parties and persons in charge through the incident reporting system, creating a system which resolves issues and leads to the proposal of measures to prevent reoccurrence.

Since fiscal year 2019, we have been operating the TEL Incident Report System (TIRS), a newly developed incident reporting system, to improve the accuracy of report content further.

1 OHSMS (Occupational Health and Safety Management System): A management system to improve the overall level of safety and occupational health

2 Safe equipment design: Refer to p. 25.

3 TCIR (Total Case Incidence Rate): The number of workplace incidents per 200,000 work hours