

Comments from a Third-Party Expert

I present the following comments as a third-party on the Environmental and Social Report 2015 (“the Report”) of Tokyo Electron Limited (TEL), taking into account explanations from TEL representatives in charge of the EHS and CSR on environmental and social initiatives, as well as my observations concerning last year’s report.

Identifying Materiality

Corporate social responsibility activities themselves cannot be a goal. They carry significance when they are performed as part of a company’s pursuit of its main business goals. Responsibilities that society requires of businesses vary widely, so it is essential to identify those that are of particular importance and that should be prioritized by a company. TEL communicated with stakeholders to comprehensively identify their needs and reported the Materiality (important sustainability issues) and the process for choosing them. By associating the issues with CSR goals, TEL covered the results of its CSR activities and details of the goals in the Report. I recognize that these efforts made TEL’s report on CSR activities sufficiently convincing, although CSR reports generally tend to be a cluster of exhaustive explanations. Since I found that qualitative and quantitative metrics coexisted in the fiscal year 2016 activity goals, I hope future goal-setting will be more objective and based on figures.

Initiatives concerning employees

Employee skills development and growth are indispensable for the sustainable growth of businesses. At the same time, it’s important for employees to strike a good balance between personal life and work. In this respect, TEL is offering a wide variety of education programs for human resource development, while launching work-life balance programs to provide better working conditions. The Performance Summary at the end of the Report provides detailed data, such as the percentage and number of employees who took childcare leave and childcare support leave, respectively. That helped me to understand that TEL has effective measures in place for its employees. In reviewing the data, I also noticed that the use of annual paid leave had not improved much from the previous year, so I look for future improvement in this regard.

Today, an important social issue for businesses is promoting health management that emphasizes the maintenance of employees’ mental and physical health. Effective health management helps individuals develop their capabilities and motivation for effective business improvement. With regard to

employee healthcare, TEL has issued a health declaration and launched various initiatives to promote health. We hope TEL will continue to improve its health activities and to report the positive effects on its management.

Environmental initiatives in the value chain

TEL has aimed to solve environmental issues through its business activities. As part of its efforts to prevent global warming, in fiscal year 2014, TEL achieved its target of reducing energy consumption of its major models by 50% from fiscal year 2008. This fiscal year, TEL set a new goal of reducing energy and pure water consumption by 10%, from fiscal year 2014 through fiscal year 2019, and launched related initiatives accordingly.

TEL measures and controls both its direct greenhouse gas emissions and its CO₂ emissions throughout the entire value chain. Since indirect emissions from product use make up 84% of total emissions, I expect future initiatives from TEL for reducing these emissions, as well as reports on the progress of the initiatives.

With regard to key suppliers, it is commendable that TEL has conducted a supplier CSR survey on the labor environment, safety, environmental measures, and other areas, to help suppliers improve their business.

TEL’s Management Policies stated at the beginning of the Report indicate that TEL aims to enhance its corporate value while pursuing profit at the same time. Therefore, if the relation between environmental and social activities and TEL’s corporate value, or the value itself is explained in figures, all of TEL’s stakeholders, including shareholders, will have a greater understanding of its CSR management capabilities.

(The preceding third-party comments do not constitute an opinion on the accuracy or completeness of the information contained in this report.)

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Response to the Third-Party Comments

We are deeply grateful to Mr. Nakamura for visiting us and providing us with many ways in which we can improve our initiatives more effectively. We are especially proud of receiving a favorable evaluation for revisiting the Materiality (important sustainability issues) for the first time and the reporting of the process. In response to suggestions regarding human resource last year, we further enhanced related quantitative data disclosure. Additionally, after all the effort we made in working with supply chain management, we were able to report initial progress results, which we believe allowed us to respond to increasing attention from society in this area.

Suggestions we received this year include setting quantitative goals for CSR activities, verifying the effects of activities for employees’ mental and physical health care and health promotion, and continuing to report on environmental initiatives in the value chain. We recognize these as important issues that we should work on proactively on a group-wide basis, and we are committed to promoting them.



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