## As a technology trading company and manufacturer, we will work together with our stakeholders to contribute to the development of a sustainable society.

In April 2024, the Group laid out its VISION for 2030: to be "a company that solves latent social issues with the capabilities of a manufacturer and a technology trading company." As a technology trading company and a manufacturer, the Group has grown its business by addressing the issues faced by its customers. In order to achieve sustainable development and increase corporate value, the Group will continue to implement various initiatives based on the materiality (key issues) it has identified, including human resource development and diversity, analysis of climate change risks and countermeasures, and introduction of renewable energy. In addition, we will help people live fuller lives and to develop a sustainable society through the various solutions we provide through our business by drawing on the resources the Group has amassed in electronics and IT.

We appreciate the continued understanding and cooperation of our stakeholders.

Kazuki Shinoda
Corporate Officer
Senior Executive
Vice President
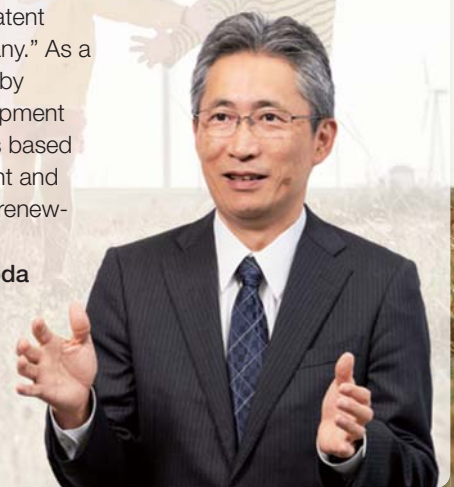
Fundamental Policy on Sustainability-related Initiatives

In its VISION 2025 medium-term management plan, the Group has defined "Driving Digital Transformation" as its mission for the future, aiming to contribute to the arrival of Society 5.0 and its continuing development as a highly efficient, smart society achieved by leveraging data and digital technologies. Based on this perspective, the Group's fundamental policy on sustainability-related initiatives is as follows.

Fundamental Policy

Based on the understanding that increasing corporate value and the continuity of business are intertwined with the sustainable growth of society, the Group will contribute to the sustainable development of a more prosperous society by providing a variety of solutions through its business activities. In addition, we will refer to various ESG frameworks and the Sustainable Development Goals (SDGs) as we strive to achieve the sustainable development of the Group and increase corporate value by seeking solutions to issues based on an awareness of the material issues shown below.

Material Issues

We recognize the following three issues as materiality (key issues) at this time.

Our Materiality and Related SDG Targets

1. Contributing to a sustainable society by drawing on the resources the Company has amassed
Leverage the resources that the Company has accumulated with a focus on electronics and IT to contribute to the realization of a sustainable society

2. Creating working conditions and a personnel system based on respect for fundamental human rights
With respect for fundamental human rights at the core, create work environments and personnel systems that facilitate work and provide meaningful work and pursue the sustainable development of the Company

3. Reducing our environmental impact to maintain a sustainable relationship between society and the Company
We will mitigate environmental burdens (environmental risks) that occur as a result of our business activities and strive to maintain a sustainable relationship between society and the Company

Materiality

1. Contributing to a sustainable society by drawing on the resources the Company has amassed

Latest Initiatives

The Group believes that its business itself, primarily in electronics and IT, contributes to the development of a sustainable society.

First, as an example of Goal 3, we issued a press release in November 2023 on the use of cloud IoT services to improve the efficiency of confirming that windows are closed at construction sites. This solution will prevent defects and reduce workers' working hours at construction sites by improving the efficiency of confirming that windows are closed.

As an example of Goal 13, TED Nagasaki issued a press release in December 2023 describing a sensor management unit and AC current monitoring unit that visually depict CO_2 emissions from office buildings in real time. The collection of sensor data and the measurement and visual depiction of CO_2 emissions will enable companies to understand the impacts of climate change and to take measures to reduce them.

We will continue to ensure that the Group's business contributes to a sustainable society by providing DX solutions.

A Cloud IoT Service, IoT INSIGHT CaaS, Improves Efficiency of Confirming That Windows Are Closed at KAJIMA CORPORATION's Construction Sites
https://www.teldevice.co.jp/pro_info/2023/press_231109.php [Japanese only]

Installed a Sensor Management Unit and AC Power Monitoring Unit in the Head Office Building of NEC Networks & System Integration Corporation.
https://www.teldevice.co.jp/pro_info/2023/press_231212.php [Japanese only]

Materiality

2. Creating working conditions and a personnel system based on respect for fundamental human rights

For more information, please visit the Sustainability page on our website.
→ Human Capital / Diversity
https://www.teldevice.co.jp/eng/csr/human_capital.html

Strategy

We respect the growth of our employees and promote the development of human resources with a global perspective and who seek to satisfy customers. We emphasize employee motivation to improve and provide an environment that develops individual strengths and expertise through level-based education and various training programs, and we also focus on training the next generation of leaders. In addition, we are enhancing each business segment in terms of personnel by hiring a certain number of new graduates and strategically hiring mid-career workers each year.

The Group respects cultures, ethnic groups, and individual traits and believes that sustainable growth is achieved by encouraging abilities based on diverse perspectives and values without limiting an employee's opportunity to play an active role by nationality, gender, sexual orientation, disability, age, or other factors.

Sustained development of the Company

Achievement of VISION 2030, the new medium-term management plan

Basic policy for human resource development
- Training human resources that have a global perspective and that are capable of satisfying customers and their needs, based on the premise that employee growth contributes to individual fulfillment and achievement
- Promoting employee development that emphasizes employees' desire to learn and improve
- Promoting the creation of an environment in which all employees can maximize their abilities by developing their individual strengths and expertise

Human resource development plan to train the next generation of leaders → **Educational activities** → Level-based education, career training, language training, business skills training, practical training, technical training

Meaningful work

Hiring

Personnel system | **Working conditions**

Respect for basic human rights

Personnel assignments
- A system for reporting transfer requests
- Operating a framework to put the right person in the right job over the short, medium, and long term

Compensation
- A flexible compensation system that treats employees according to their roles

The workplace
- Assistance using the Company's own vacation and leave programs related to childcare and nursing care
- A variety of harassment and compliance training programs
- Promoting fewer working hours by improving work efficiency, encouraging employees to take paid leave, specifying days when no overtime will be allowed, etc.
- Encouraging male employees to take childcare leave to foster a workplace culture that supports a balance between work and home life
- Implementing teleworking as a permanent system with no restrictions on use

Comfortable working conditions

We respect the fundamental human rights of all people and will not engage in any conduct that offends individual dignity, such as unfair discrimination or harassment on the basis of one's position in the Company, employment status, age, sex, origin, ancestry, nationality, race, disability, religion, creed, marital status, etc.

Metrics and Targets

The results and targets for human capital and diversity are shown on the right and are for Tokyo Electron Device Limited, which is the Group's main business.

*1. The Company has set the targets for rate of management positions held by women of 10% or more in fiscal 2025 and 12% or more in fiscal 2029.
*2. Refreshment leave is a system of special leave that enables employees to take longer, consecutive periods of leave, according to their years of service with the Company.

Metric	FY2023 result	FY2024 target
Rate of management positions held by women	12.1%	*1
Attrition rate	1.3%	3.0% or lower
Refreshment leave usage*2	78.0%	70.0% or higher
Paid time off usage	68.5%	70.0% or higher
Rate of employees undergoing annual health checkups	100.0%	100.00%

Materiality

3. Reducing our environmental impact to maintain a sustainable relationship between society and the Company

For more information, please visit the Sustainability page on our website.
→ Climate Change
https://www.teldevice.co.jp/eng/csr/tcfd.html

Strategy

Viewing climate change as a medium- to long-term risk, to consider organizational resilience and strategies based on related risks and opportunities, the Tokyo Electron Device Group references climate change scenarios (2°C and 4°C) developed by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) to examine the long-term impact that Tokyo Electron Device will experience up until fiscal 2050 and perform scenario analyses.

Governance

Representatives from relevant departments have formed the TCFD Working Group and carried forward considerations and reviews on climate change-related basic policies, important matters, risks/opportunities, and other topics. Matters that the TCFD Working Group will examine and decide will be compiled by the Committee and reported to the Board of Directors. Agendas examined and decided in the Board of Directors will be shared with each department and reflected in their management plans and business operations.

At our Engineering Center, we have been using electricity from substantially renewable energy sources since October 1, 2023.

Risk Management

We established a TCFD Working Group that performs scenario analyses related to climate change risks. We are prioritizing climate-related risks based on the probability of risks and opportunities arising and the magnitude of their impact, and we are focusing our efforts on priority matters in particular. Moving forward, the Sustainability Committee will continually confirm those efforts.

Our process to manage climate-related risks is to analyze climate-related risks and then devise and promote countermeasures and manage their status through the Sustainability Committee and TCFD Working Group. The analyses and considerations of the Committee and Working Group will be reported to the Board of Directors as necessary to promote integrated risk management companywide.

Metrics and Targets

In consideration of environmental issues, the Group provides eco-friendly products, prevents contamination and undertakes various other initiatives. Recognizing climate change response as an important management issue, the Group has adopted total greenhouse gas emissions (Scope 1 and 2) as an indicator for use in evaluating and managing the impacts of climate-related issues on management. The total emissions in fiscal 2021 and 2023 for the domestic consolidated Group were as follows. The Group aims to be carbon neutral by fiscal 2050 and has set a reduction target for fiscal 2030.

	FY2021 result	FY2023 result	FY2030 target
Scope 1 and 2 emissions	1,629 t-CO_2	1,403 t-CO_2	50% reduction from fiscal 2021 levels