

Sustainability Initiatives

Fundamental Policy on Sustainability-related Initiatives

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

Our Materiality and Related SDGs 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

In accordance with our basic policy of contributing to the realization of a prosperous and sustainable society through our business, in 2024, TED Nagasaki released an environmental monitoring system for data centers, based on an existing product but with enhanced functions. Data is sent to the management unit from multiple environmental sensors, including for temperature, humidity, leakage, airflow, and vibration, located in the data center. Real-time monitoring of the data center environment enables early detection of problems such as overheating equipment or insufficient cooling, allowing administrators to quickly take action. It also uses accurate temperature data to optimize cooling systems, thereby reducing energy waste and improving energy efficiency throughout the data center, leading to cost savings and a lower environmental footprint. As such, this system represents a solution that harnesses the electronics and IT resources developed by the Group over the years to contribute to energy conservation measures (SDGs 7 and 13) and to addressing labor shortages at operating sites (SDGs 9 and 12).



RMS-5000 sensor management unit (left) and mesh wireless temperature sensor (right)

For more information, please visit the press release page on our website.

→ Launch of the RMS-5000 space-saving sensor management unit, now with the added functionality of a mesh wireless temperature sensor with a battery life of 10 years

https://www.teldevice.co.jp/pro_info/2024/press_240618.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.

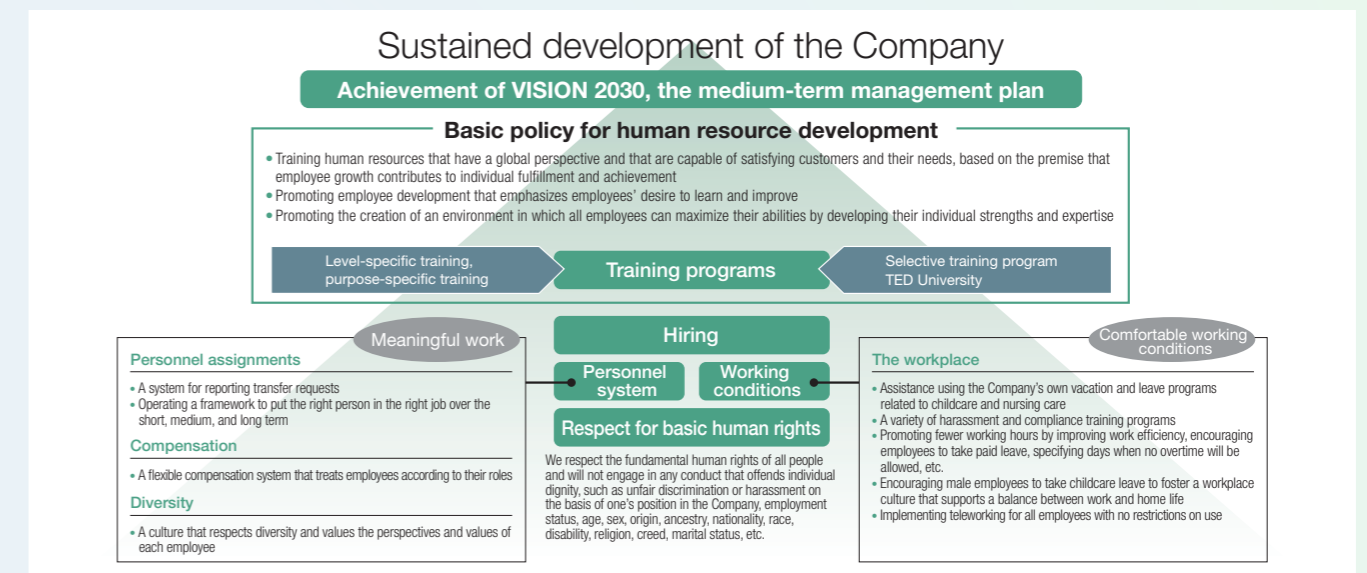
→ Human Capital / Diversity

https://www.teldevice.co.jp/eng/csr/human_capital.html

In the context of human capital and diversity, we believe that respect for culture, ethnicity, and individuality, as well as the ability to fully harness people's wide-ranging characteristics and experience based on various perspectives and values, without limiting their activities based on nationality, gender, sexual orientation, disability, age, or other identity categories, will lead to the sustainable growth of the Group. Our basic policy for human resource development is premised on the idea that employee growth leads to a sense of personal fulfillment and achievement, and we aim to develop human resources with a global perspective who can deliver customer satisfaction and respond

to their needs. To this end, we conduct skill development that respects each employee's desire to improve and focuses on their motivation for learning. We will also develop individual strengths and expertise, promoting an environment in which all employees can make the most of their abilities.

In accordance with these policies, we have structured our training programs around two axes, "level-specific training" and "purpose-specific training," thereby providing training tailored to the roles of each employee. In addition, we are implementing a selective training program called "TED University" to foster next-generation leaders who can create future value for society.



Metrics and Targets

The Company's results and targets for human capital and diversity are as shown in the table, covering 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 FY2026 and 12% or more in FY2030 (target as of the start of FY2025).

*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.

*3. The figures are based on the results of our own survey of regular and contract employees, and are calculated based on the percentage of affirmative responses to questions related to human resource development.

| Metric | FY2025 target | FY2025 result | FY2030 target |
|---|-----------------|---------------|-----------------|
| Rate of management positions held by women | *1 | 12.0% | 15.0% |
| Attrition rate | 3.0% or lower | 1.9% | 3.0% or lower |
| Refreshment leave usage*2 | 70.0% or higher | 87.6% | 80.0% or higher |
| Paid time off usage | 70.0% or higher | 66.7% | 70.0% or higher |
| Rate of employees undergoing annual health checkups | 100.0% | 100.0% | 100.0% |
| Rate of employees undergoing stress checks | — | 95.2% | 100.0% |
| Employee satisfaction with human resource development*3 | — | 67.4% | 75.0% or higher |

Materiality

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

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. Aiming for carbon neutrality in FY2051, we have set a target of "a 50% reduction relative to FY2022" for the domestic consolidated Group by FY2031.

For more information, please visit the Sustainability page on our website.

→ Climate Change

<https://www.teldevice.co.jp/eng/csr/tcfd.html>

