



UK Modern Slavery Act 2015 Transparency Statement

Introduction from the Representative Director, President

As a responsible manufacturing and supply business operating in the global business community, the Tokyo Electron Group (the Group) recognizes the risk of unintentionally being involved in human rights exploitation and is committed to collaborating with its supply chains to combat human rights abuses such as modern slavery and human trafficking. This commitment is recognised in the Group's corporate philosophy which defines its mission in society as *"we strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support"*.

To respond to the increasing global concerns of, amongst other things, modern slavery, human trafficking and human rights, the Group has assigned the dedicated function to promote corporate social responsibility (CSR) to lead this important initiative throughout the Group. As the guiding principle of CSR, the Group has incorporated universal guidelines and standards, including the United Nations Global Compact and an industry standard, Responsible Business Alliance (RBA) Code of Conduct, into the Group's strategies, policies and procedures, and has established and continues to cultivate a culture of integrity.

Organisation's structure and business¹

Tokyo Electron Limited is a global manufacturer of semiconductor production equipment and flat panel display production equipment in the technology sector and has its head office in Japan. It is the parent company of the Tokyo Electron group which has 12,742² employees worldwide and operates in 17 countries.

Tokyo Electron Europe Limited is a subsidiary of Tokyo Electron Limited and engages in sales and services in a wide range of high-technology fields in Europe. Tokyo Electron Europe Limited, located in the United Kingdom, is the headquarters of our European operation, comprising, 513³ employees in 3 companies across 9 countries.

The Tokyo Electron group has a global annual turnover of 1,278,240 million Japanese Yen.

Our supply chains

Our main direct suppliers are manufacturers of components and parts for semiconductor production equipment and flat panel display production equipment, as well as labour service providers for supporting such equipment. Among the group-wide supply chains, the majority of our suppliers by spend are located in Japan.

The Group is committed to partner with its people and supply chains to create an environment where workers' human rights are fully respected in each location in which it operates.

¹ This statement is made on behalf of Tokyo Electron Limited and its subsidiary Tokyo Electron Europe Limited, which are both required to make a statement pursuant to s54 of the Modern Slavery Act.

² Correct as of 31 March 2019

³ Correct as of 31 March 2019



Our policies on anti-modern slavery and human trafficking

Tokyo Electron group issued a Human Rights Policy in September 2017 <https://www.tel.com/csr/cms-file/HumanRightsPolicy.pdf> as we recognize the importance of human rights and the responsibility of businesses to respect human rights. We have firmly upheld human rights since our founding as reflected in the spirit of “the Corporate Philosophy” and “the Management Policies” of the Tokyo Electron group. Key human rights issues are also addressed in the group’s Code of Ethics and Procurement Policy, which covers the group’s entire operations and direct supply chains.

We incorporate the concept of respect into every aspect of our business activities, and strive for the creation of a corporate culture that enables each person to realize his or her full potential and freely enjoy their livelihoods. We also give the highest consideration to the health and safety of every person and respect his or her dignity.

For us, respecting human rights means a significant undertaking not only to fulfil our responsibility for eliminating modern slavery and other adverse impacts on people through business activities, but also those who support our business activities, and contribute to the realization of a sustainable dream-inspiring society.

In recent years there has been an emerging concern in the electronics industry for better treatment of workers in supply chains, TEL therefore publicly announced our membership of the RBA in June 2015 and our commitment that the Tokyo Electron group would conform to the RBA Code of Conduct. In line with this we are committed to pursue socially responsible practices in line with global standards and to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business with a continuous improvement approach.

Due diligence processes for slavery and human trafficking

We have zero tolerance to slavery and human trafficking. As part of our initiative to identify and mitigate slavery and human trafficking risk the Group has worked to establish a robust due diligence system throughout the organization.

Key steps we have taken as of the fiscal year ending 31 March 2019 are as follows:

- We continue to assess our conformity with the RBA Code of Conduct. This is conducted by way of a CSR assessment in the areas of labour and employment practices, health and safety, ethics, the protection of the environment, and management systems. This has been extended to cover human resources and logistics suppliers in addition to our materials suppliers. This assessment enables us to identify and assess major and minor potential risk areas in our supply chain and take steps to mitigate such risks. We confirmed that our group’s major sites continue to be rated as low risk. We also hold meetings with our suppliers to communicate our applicable policies and to advise them on the purpose and process of the CSR assessment.
- We continue to raise awareness of and improve accessibility to the internal whistle-blower channel to encourage our people to raise any concerns they may with respect to the Group, including in relation to compliance with policies, its suppliers or practices within the supply chain. A new whistleblowing policy and system has been implemented and a new external whistleblowing service provider has been engaged. We are in the process of implementing rolling out their service throughout the Group



- We continue to raise supplier awareness of the external “Supplier Hotline”, which encourages suppliers in our supply chain to provide feedback on or violations against Group procurement practices and supply chain procedures.
- We have established a human rights project team with representatives from our legal/compliance, human resources, procurement, logistics and CSR departments. The team has focused on conducting the CSR assessment, evaluation and analysis of assessment results, and taking risk mitigation actions.

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide human rights training to all our employees.

Our effectiveness in combating slavery and human trafficking

Our group’s major sites are currently rated as low risk and we will continue to measure how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains.

Further steps

Following a review of the effectiveness of the steps we have taken this year to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

- continue to assess and monitor the risks in our supply chain; and
- implement risk mitigation actions based on evaluation and analysis of the CSR assessment results.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our group's slavery and human trafficking statement for the financial year ending 31 March 2019.

This statement has been unanimously approved by the board of directors of Tokyo Electron Europe Limited.

A handwritten signature in black ink, appearing to read 'David Brough', written in a cursive style.

David Brough
President and Managing Director
Tokyo Electron Europe Limited

September 25, 2019