# CSR-oriented operations

CSR policy

TEL considers CSR to be the embodiment of its Corporate Philosophy, which has been firmly upheld since its founding. We pursue sustainable operations from the viewpoints of corporate governance, legal and regulatory compliance and business ethics while creating new value through our products and services. Based on these efforts, we implement CSR activities to help address social issues. We will continue to pursue CSR activities to build stakeholder trust, improve corporate value and, by doing so, promote the growth of a sustainable and dream-inspiring society.

Corporate Philosophy

We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support.

| Material issues | Sustainable operations / Through business activities / Creation of new value | Contribution to the solution of social problems | Advancement of dream-inspiring society / Improvement of corporate value | Reinvest / Distribute to shareholders and employees / Pay taxes |

CSR-oriented operations — Distribution of profit
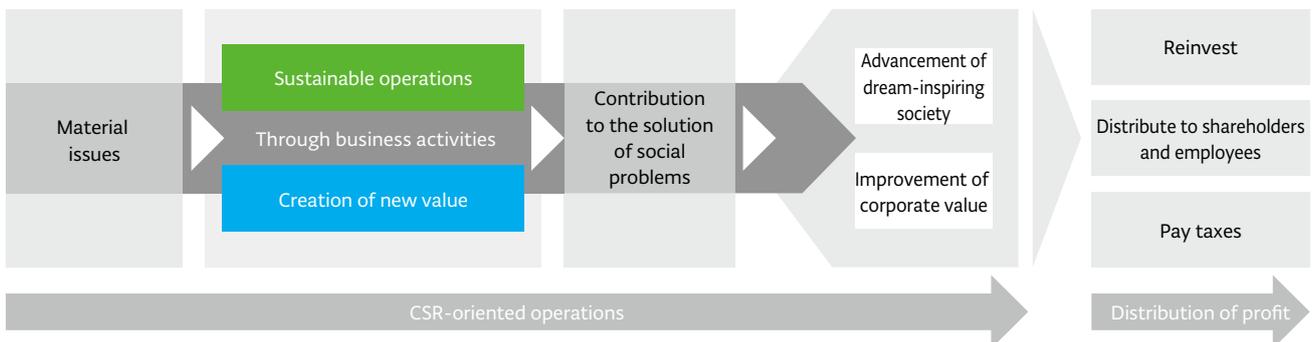
CSR promotion framework

TEL implements CSR activities on a global basis, including domestic and overseas affiliates, from a medium- to long-term perspective. To back up these CSR activities, we have established the following three bodies composed of members from top management to department representatives. The CSR Management Council is convened twice annually and functions as the Group's highest decision-making body for CSR-related issues. The council approves Group-wide policy and considers the most important CSR matters. Also assembling twice a year, the CSR Global Promotion Committee sets CSR targets and implements global projects. Furthermore, at the CSR Monthly Meeting, representatives from each division share information related to CSR activities as part of a responsive framework for promoting CSR initiatives across divisions.

Body	Participants	Function	Meeting frequency
CSR Management Council	• Chairman of the Board • President and CEO • Directors and general managers	• Approve Group-wide CSR policy • Discuss important CSR matters	Twice annually
CSR Global Promotion Committee	• Chief CSR Promotion Director • Heads of related departments • CSR officers of affiliates and overseas companies	• Set CSR targets • Implement global projects	Twice annually
CSR Monthly Meeting	• Person in charge of CSR at each division	• Share information on CSR activities • Discuss cross-division CSR initiatives	Monthly

Participation in international CSR initiatives

TEL is a member of the UN Global Compact, a global CSR initiative, and the EICC®,[1] an electronic industry CSR alliance. We comply with these initiatives' codes of conduct and principles in areas regarding such issues as human rights, labor, environment, safety and health, ethics and corruption prevention. By doing so, we strive to maintain a sustainable management platform.

UN Global Compact

- An international initiative for sound globalization and sustainable societies
- TEL signed in 2013

The Ten Principles of the UN Global Compact

Human Rights

Principle 1 — Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 — make sure that they are not complicit in human rights abuses.

Labor

Principle 3 — Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 — the elimination of all forms of forced and compulsory labor;

Principle 5 — the effective abolition of child labor; and

Principle 6 — the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 — Businesses should support a precautionary approach to environmental challenges;

Principle 8 — undertake initiatives to promote greater environmental responsibility; and

Principle 9 — encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10 — Businesses should work against corruption in all its forms, including extortion and bribery.

EICC

- A code of conduct for electronics supply chains
- TEL joined in 2015

EICC Framework (Five sections)

Labor	Environment
Treat workers with dignity and respect	Environmental conservation

Management system

Health & Safety	Ethics
Assessment and management of risks	Maintain the highest ethical standards
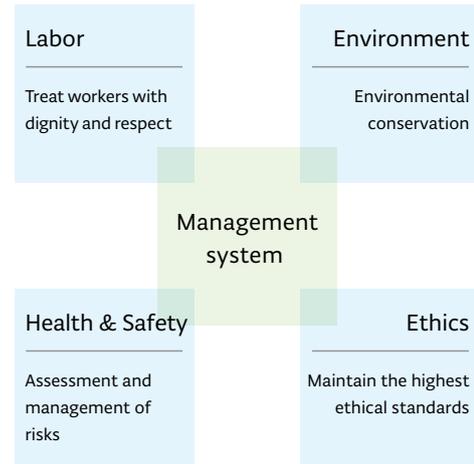
1 EICC is a registered trademark of the Electronic Industry Citizenship Coalition Incorporated

Third-party recognition

TEL's medium- to long-term initiatives to increase its corporate value have been recognized by world-leading socially responsible investment (SRI) institutions.

In fiscal 2017, TEL was selected for inclusion in the DJSI[2] Asia Pacific 2016. We also received the Bronze Class distinction in the RobecoSAM Sustainability Award 2017. Furthermore, we were once again selected as a constituent of the UK-based FTSE Group's FTSE4Good[3] Global Index.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award Bronze Class 2017

FTSE4Good

2 DJSI (Dow Jones Sustainability Indices): Environmental, social and governance (ESG) investment indices developed by U.S.-based S&P Dow Jones Indices LLC and Switzerland-based RobecoSAM AG. The Asia Pacific index covers companies in that region.

3 FTSE4Good: An index related to environmental performance and corporate social responsibility developed by the UK-based FTSE Group