

# Advantest's Sustainability

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## Message from Advantest's Director of Sustainable Management

### Towards a "safe, secure, and comfortable society"

Looking at the international situation as U.S.-China trade war and struggle for technology supremacy continue, dragging impact of China's Zero Covid policy pummeling on the world's economic activities, the turmoil in the global supply chain and the shortage of materials and parts due to the tense situation in Ukraine, and soaring energy prices, concerns of the global recession and rising inflation have escalated further uncertainty. In addition, social issues such as climate change and population problems are becoming apparent on a global scale, requiring us to take appropriate long- or short-term actions in our corporate activities to address these concerns. In a highly uncertain business environment, we are striving to maximize customer satisfaction by accurately grasping customer needs and providing solutions in our core semiconductor test equipment business, all while improving our corporate value by ensuring sustainable management that emphasizes the aspects of "Environment", "Social", and "Governance".



The following are our ESG initiatives from the Second Mid-Term Management Plan (MTP2), which was formulated and launched in FY2021. As for the "E," the environmental aspect of ESG, together with setting goals focusing on key issues such as greenhouse gas reduction, introduction of renewable energy, shortening production time by optimizing production processes, strengthening development and sales of green products, and initiatives addressing resource recycling and biodiversity, we have also evaluated and improved our KPIs. As for the "S," the social aspect of ESG, we enhanced our activities concerning human rights and occupational health and safety, conflict minerals elimination, respecting and observing fair trade practices and procurement policies aiming for increased transparency and reliability of the entire supply chain as a means to fulfill our corporate social responsibilities. In addition, as global human resource measures, we are making efforts to promote diversity, instilling human rights policies and strengthening relevant education, and enhancing employee engagement. Also for our customers, we strive to improve customer satisfaction. As initiatives for the "G," or governance aspect, we held business strategy briefings for the Board of Directors with the intention of increasing the Board's effectiveness, provided full-scale introduction of management succession plans, promoted further penetration of the Advantest Way to our employees worldwide, and are working to reinforce our compliance and risk management systems.

On the other hand, innovations in the areas of digital infrastructure such as communication networks and data centers represented by rapid changes in technology, and the evolution of semiconductors used in a variety of electronic devices lay at the core, spurring the acceleration of digital transformation in the world we live in. In line with our purpose of "Enabling Leading-Edge Technologies," we will continue to support

the digital transformation of society with the goals of delivering safety, security, and comfort to people's live. Under such circumstances, as a semiconductor test equipment manufacturer, we are developing high-performance test equipment and providing solutions that respond to challenges of technological and production evolution in the semiconductor market such as the "improvement of test efficiency in response to the dramatic evolution of semiconductors due to miniaturization", "securing device quality/performance accompanying the development of amplified 2.5D/3D packaging", "early yield improvement and mass production launch of advanced manufacturing line", "increasing demand for high reliability of semiconductors," and "dramatic improvement in operating speed". Accurately grasping technology megatrends and providing valuable products/support to customers will ultimately lead to contributions to future global environmental conservation and the formulation of efficient social infrastructures and supply chains. On top of these contributions, it is crucial to strengthen our corporate governance to bring about sustainable management and the improve our corporate value.

As for our future ESG activities, we will create a roadmap for our participation in the RE100 initiatives to further strengthen our response to climate change issues and aim to reduce greenhouse gas emissions by 60% by FY2030 compared to FY2018. We are determined to work together with our customers, business partners, and other stakeholders to help realize a decarbonized society. In terms of human rights and the working environment, we will work to ensure that our entire value chain understands our ways of thinking, and to continue to work towards respecting human rights, diversity, and occupational health and safety. In addition, we will focus on human resource development and engagement improvement for our employees. On our business side, we will support a wide range of technological innovations in society and build a robust foundation to promote sustainable management by enhancing our existing, core semiconductor testing business while expanding our business into peripheral business areas.

We appreciate your continued support.

September 2022

Yasuo Mihashi

Senior Executive Officer

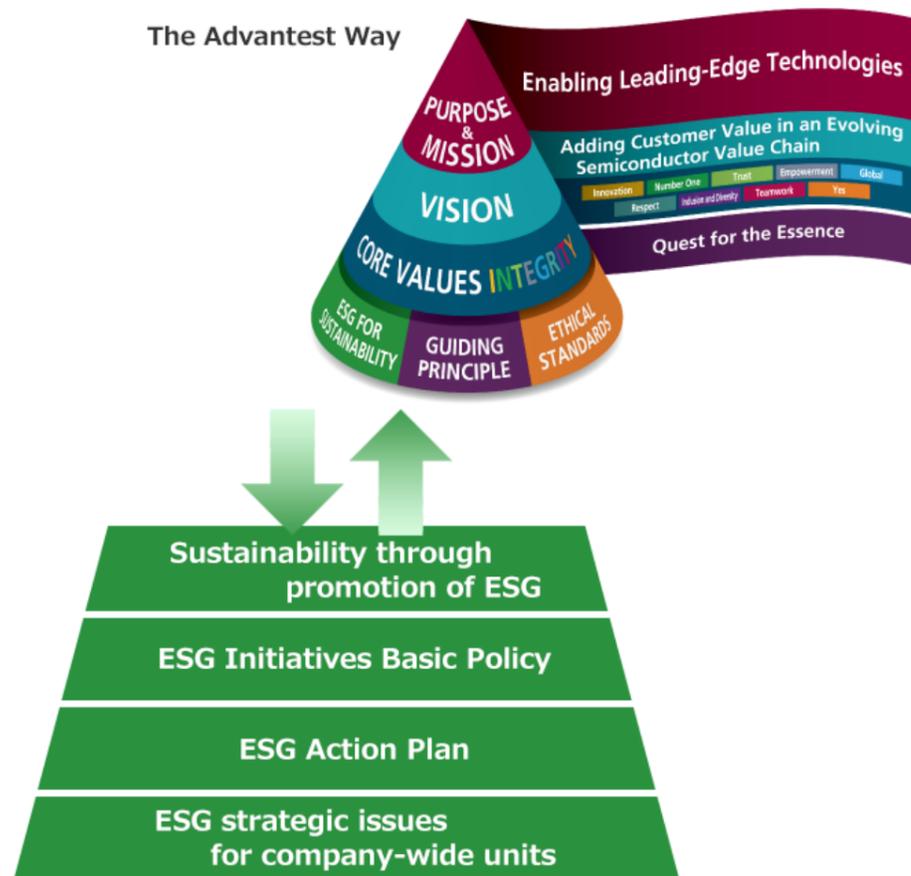
Corporate Planning & Stakeholder Relations Group Leader

# Realization of Sustainability through ESG Promotion

We have laid out "sustainability through promotion of ESG" at the foundation of our corporate philosophical system, The Advantest Way, in driving towards the company's sustainability and help bringing about a sustainable world.

We have also set out the ESG Initiatives Basic Policy to promote ESG initiatives throughout the company, and formulated an ESG Action Plan 2021-2023 for its implementation.

The ESG Action Plan 2021-2023 sets out 27 goals and KPIs for E / S / G in total. We have deployed these goals among company-wide units and have been working on their promotion and implementation ever since.



# Materialities and the ESG Action Plan

The Mid-Term Management Plan is an initiative to achieve our Grand Design with a goal of 2027 and to continue sustainable growth thereafter. In order to contribute to a sustainable future through our business, we reviewed our materiality in the second Mid-Term Management Plan (MTP2), which began in fiscal 2021, and made the five strategies themselves materiality for the entire Advantest Group.

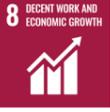
One of Advantest's materialities is the "further enhancement of ESG initiatives." In an effort to drive this materiality, we have set out the ESG Initiatives Basic Policy and formulated ESG Action Plan 2021 based on these policies. Subsequently, we have updated our ESG Action Plan to incorporate the Enhancement of Initiatives for Human Rights Issues based on discussions at the ESG Global Review Meeting.

In the Sustainability Data Book, we report on our sustainability initiatives based on ESG Action Plan 2021-2023. For the details of our materialities, please refer to Integrated Annual Report 2022.



[Integrated Annual Report 2022](#)

## ESG Action Plan 2021-2023

ESG	Key Issue	Person in Charge <sup>1)</sup>	Objective	KPI	Target Value			
					2021	2022	2023	2030
E (Environment)    	Climate Change (Scope 1+2)	Co-CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	35%	38%	40%	60%
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	50%	53%	55%	70%
		CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	15%	25%	30%	TBD <sup>2)</sup>
	Value Chain (Scope 3)	CPO	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	10	20	40	TBD <sup>3)</sup>
		CTO	Reduce CO <sub>2</sub> -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	→	20%	50%
	Green Products	CTO	Develop products that are free from polluting substances	Total elimination of PFAS in coolant	New methodology in development plan		Announce release plan	Total elimination of PFAS in next-generation models
	Resource Recycling	CFO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions: 73% or more	→	→	JPN:90% Other regions: 73% or more
			Maintain Group-wide water usage at FY2016 levels	Water resource usage	288,000m <sup>3</sup> /year	→	→	288,000m <sup>3</sup> /year
	Biodiversity	Co-CSO	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	10 activities planned, 80% implemented	14 activities planned, 80% implemented	18 activities planned, 80% implemented	20 activities planned, 80% implemented
	S (Social)  	ESG management at Supply Chain	CPO	Share and solve/mitigate ESG issues (risk management, human rights/occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major suppliers	90%	95%	100%
Diversity, protection, and respect for human rights		CHO	Fair treatment in gender	Female manager ratio	9.0%	10.0%	10.5%	17.0%
			Edification and practice of human rights	Participation rate of educational training	100%	→	→	100%
			Work-life balance	Return-to-work rate after maternity leave (JPN)	100%	100%	100%	100%
				Exercise rate of childcare leave by males (JPN)	12%	20%	25%	50%
CPO	Conflict minerals elimination	Percentage of suppliers confirmed to be free of conflict minerals <sup>4)</sup>	100%	100%	100%	100%		

ESG	Key Issue	Person in Charge <sup>*1</sup>	Objective	KPI	Target Value			
					2021	2022	2023	2030
	Customer satisfaction, employee engagement	CCRO	Raise customer satisfaction under New Normal circumstances	Ranking of TechInsights customer satisfaction survey	1st	→	→	1st
		CHO	Edification and improvement of attractive corporate culture	Score of Gallup survey	3.5	→	3.75	4.1
	Investing in human resources	CFO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	→	→	0
			Promotion of health management	To be selected in White 500 (JPN)	In Process	→	→	Goal continuation
		CHO	Employee capacity building	Education and training expenses (100MY)	-	5.0	6.0	10.0
G (Governance)	Board effectiveness	CEO	Provide outside directors with updates on business and management issues	3 times/year	In Process	→	→	Goal continuation
			Intensify discussion through Off-site meetings by board members	2 times/year	In Process	→	→	Goal continuation
			Succession planning	Policy/process making, planning, updates	In Process	→	→	Goal continuation
			Diversity of board members	Outside directors must include female representation (>40%)	In Process	→	→	Goal continuation
			Add ESG performance assessment to compensation	Start from FY2021	In Process	→	→	Goal continuation
	Corporate culture and Code of Conduct, compliance, risk management	CFO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	→	→	100%
			Strengthening Internal Control	Regularly discuss internal control issues	In Process	→	→	Goal continuation
	Promotion & support of ESG management (Sustainable Management Working Group)	Co-CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	In Process	→	→	Goal continuation
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	In Process	→	→	Goal continuation

\*1: CEO: Chief Executive Officer  
 CPO: Chief Production Officer  
 CFO: Chief Financial Officer  
 CTO: Chief Technology Officer  
 CHO: Chief Human Capital Officer  
 CCRO: Chief Customer Relations Officer  
 Co-CSO: Co-Chief Strategy Officer

\*2: Set products and target values considering future product lifecycles  
 \*3: Set target values based on investigation of future major suppliers  
 \*4: KPIs are changed according to actual activities

## Basic Policy and System for Promoting ESG Initiatives

The Advantest Group sets long-term goals for challenges concerning the environment, society, and corporate governance and defines relevant KPIs based on the ESG Initiatives Basic Policy (and the Advantest Group's environmental policies), promoting responsible initiatives that contribute to solving social issues.

### Basic Policy

1. In line with the corporate philosophy expressed in The Advantest Way, we believe that taking full consideration of, and implementing concrete actions related to, ESG-related factors is essential for achieving sustainability for both Advantest and society in general. Based on this understanding, we aim for improvement of corporate value over the medium to long term. To fulfill that responsibility, we will strengthen and expand our business while balancing earning power with transparent decision-making and actions, within a framework of respect for stakeholders, consideration for the environment, and harmonious coexistence with society in general. We will also work to contribute to achievement of the SDGs with a view to the sustainability of our global future.
2. Our basic policy is as follows.
  - (1) We continuously seek ways to reduce the environmental impact on the planet and our communities where we live, work, and do business.
  - (2) We fulfill social responsibilities with a presence throughout the world.
  - (3) We strive to consistently deliver high-quality products and services to our customers.
  - (4) We appropriately return profits and disclose information to our shareholders and investors.
  - (5) We treat our employees fairly, and ensures a positive work environment.
  - (6) We collaborate and cooperates with our suppliers.
  - (7) We build a fair, efficient, and highly transparent governance system.

## Promotion Framework

Advantest has newly formed the Sustainable Management Promotion Working Group (SMWG) in FY2020 to serve as a governance system to achieve sustainable management. Run directly by the Executive Management Committee, this SMWG consists of the representing executive of each HQ and other members. With the assistance of the SMWG, we formulated the ESG Action Plan, incorporating the key ESG issues in each unit. The ESG Action Plan policies and themes related to climate change from each department. After the ESG Action Plan is approved through the deliberations of the Executive Management Committee, each unit derives a variety of measures and takes charge of implementing initiatives. The achievement statuses of the ESG Action Plan are reported on to the Executive Management Committee and the Board of Directors for discussion and evaluation twice a year.



## Reporting and Information Disclosure

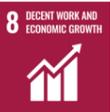
The SMWG will report the implementation status of the ESG Action Plan to the Executive Management Committee and the Board of Directors twice a year. And the SMWG will also endeavor to disclose it to external stakeholders in a timely and appropriate manner through, for example, Integrated Annual Report.

# Our Activities in FY2021

This page introduces our activities to achieve our 2021 ESG Action Plan.

## ESG Action Plan 2021-2023 Activity Results

Based on discussions at the ESG Global Review Meeting, we have updated our ESG Action Plan to incorporate the Enhancement of Initiatives for Human Rights Issues.

ESG	Key Issue	Executive in charge <sup>1)</sup>	Goal	KPI	2021	
					Target Value	Results
E (Environment)    	Climate Change (Scope 1+2)	Co-CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	35%	34%
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	50%	54%
	Value Chain (Scope 3)	CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	15%	21%
			Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	10	12
	Green Products	CTO	Reduce CO <sub>2</sub> -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	
			Develop products that are free from polluting substances	Total elimination of PFAS in coolant	New methodology in development plan	
	Resource Recycling	CFO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions: 73% or more	JPN:64% <sup>2)</sup> Other regions:77%
			Maintain Group-wide water usage at FY2016 levels	Water resource usage	288,000m <sup>3</sup> /year	236,405m <sup>3</sup> /year
Biodiversity	Co-CSO	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	10 activities planned, 80% implemented	11 activities planned, 73% implemented	
S (Social)  	ESG management at Supply Chain	CPO	Share and solve/mitigate ESG issues (risk management, human rights/occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major suppliers	90%	100%
	Diversity, protection, and respect for human rights	CHO	Fair treatment in gender	Female manager ratio	9.0%	9.6%
			Edification and practice of human rights	Participation rate of educational training	100%	99.5%
			Work-life balance	Return-to-work rate after maternity leave (JPN)	100%	100%
				Exercise rate of childcare leave by males (JPN)	12%	16%
Conflict minerals elimination	CPO	Percentage of suppliers confirmed to be free of conflict minerals <sup>3)</sup>	100%	63.4%		

ESG	Key Issue	Executive in charge <sup>*1</sup>	Goal	KPI	2021	
					Target Value	Results
	Customer satisfaction, employee engagement	CCRO	Raise customer satisfaction under New Normal circumstances	Ranking of TechInsights customer satisfaction survey	1st	1st
		CHO	Edification and improvement of attractive corporate culture	Score of Gallup survey	3.5	3.64
	Investing in human resources	CFO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	0.35
			Promotion of health management	To be selected in White 500 (JPN)	In Process	On Track
		CHO	Employee capacity building	Education and training expenses (100MY)	-	3.9
	G (Governance)  	Board effectiveness	CEO	Provide outside directors with updates on business and management issues	3 times/year	In Process
Intensify discussion through Off-site meetings by board members				2 times/year	In Process	On Track
Succession planning				Policy/process making, planning, updates	In Process	On Track
Diversity of board members				Outside directors must include female representation (>40%)	In Process	On Track
Add ESG performance assessment to compensation				Start from FY2021	In Process	On Track
Corporate culture and Code of Conduct, compliance, risk management		CFO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	97.6%
			Strengthening Internal Control	Regularly discuss internal control issues	In Process	On Track
Promotion & support of ESG management (Sustainable Management Working Group)		Co-CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	In Process	On Track
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	In Process	On Track

\*1: CEO: Chief Executive Officer  
 CPO: Chief Production Officer  
 CFO: Chief Financial Officer  
 CTO: Chief Technology Officer  
 CHO: Chief Human Capital Officer  
 CCRO: Chief Customer Relations Officer  
 Co-CSO: Co-Chief Strategy Officer

\*2: We were below our target values due to a decrease in sludge recycling rate at major development bases (caused by temporary changes in sludge treatment methods in local governments)

\*3: KPIs are changed according to actual activities

# Stakeholder Engagement

Advantest implements the following types of communication with stakeholders.

Main stakeholders	Main communication methods
Shareholders and investors	Shareholders' meetings, business reports, and interim reports Financial results and quarterly/annual financial securities reports Corporate governance reports Dissemination of information via the sustainability report Quarterly briefings for institutional investors and analysts on the same day of earnings announcement Dialogues during individual meetings, small meetings and various briefing sessions Individual meetings with major domestic and overseas institutional investors Individual meetings with major domestic and overseas shareholders
Customers	CSR questionnaire User group meetings (VOICE) Exhibitions (SEMICON, etc.)
Suppliers	CSR questionnaire Suppliers New Year Meeting Suppliers Reception QCD Cooperate Forum
Employees	Labor-management negotiations Employee Engagement Survey Various training and workshop sessions
Local Communities	<a href="#">Community contribution activities</a> <a href="#">Science workshops</a> Biotope nature observation events

## Engagement with Shareholders and Investors

### General Meeting of Shareholders

Advantest considers the General Meeting of Shareholders to be an opportunity for dialogue with our shareholders.

The General Meeting of Shareholders for fiscal 2021 was held at the hall of our Japanese office.

We held a hybrid-type shareholders' meeting in which voting rights cannot be exercised, as we did last year, so that as many shareholders as possible could attend the meeting. We printed guidelines for livestream access on the envelope and enclosed leaflets of the convocation notice mailed to shareholders, making it easier for them to access the General Meeting via Internet. As a result, approximately twice as many shareholders as last year participated. In addition, in order to enhance dialogue with shareholders, we accepted questions online in advance of the meeting, and also allowed them to message us online during the livestream.

We will continue to enhance the openness and accessibility of our General Meeting of Shareholders while taking measures for shareholders who are unable to come to the meeting venue.



Shareholder's Meeting



[Details of Senior Executives](#)

### IR activities

To fulfill the company's duty to demonstrate the company's accountability to our shareholders and investors, and to further increase the level of trust placed in the company, Advantest has formulated the Basic Investor Relations Policy, which summarizes policies related to information disclosure, IR activities and shareholder communication. Based on this policy, we are working to foster more intensive communication with shareholders and investors under the direction of our CEO.

Specifically, we will disclose important information in a timely, fair and appropriate manner to shareholders and investors both in Japan and overseas, and hold a financial briefing every quarter, during which senior Advantest managers will give presentations. We will also hold individual meetings with domestic and overseas institutional investors (around 420 meetings in fiscal 2021), as well as business and technical briefings, in order to swiftly communicate changes and business trends in semiconductor technologies, which are closely related to our business, to the stock market.

Advantest is also working to enhance information disclosure on the corporate website. Feedback and opinions received from shareholders and investors is shared at the Board of Directors, and incorporated into our planning for a sustainable level of business development and mid-to-long term enhancement of corporate value.

### Dialog with Suppliers

To help build harmonious relationships with suppliers, Advantest holds an annual NEW Year's reception for valued suppliers, and QCD Forum with suppliers. Besides providing an opportunity for presenting awards that give recognition to suppliers who have made a particularly valuable contribution to Advantest's business, these events also provide an opportunity for the suppliers to exchange their opinions with Advantest's President and Directors.



We held an online IR briefing on the second mid-term management plan in May 2021 and a technology briefing in December for securities analysts and institutional investors.

In January 2022, we invited our business partners and held a business overview briefing session. The event was held online, and the New Year's reception was postponed preventing the spread of COVID-19 infections. Approximately 200 people representing 88 companies participated in this event, and the President, the corporate EVP in charge of semiconductor test equipment, and Corporate EVP in charge of production and purchasing provided business overviews, information on new product releases, production forecasts in addition to addressing our environmental and social initiatives.

Despite rising concerns about procurement mainly in the semiconductor field, we maintain good relationships with our business partners by utilizing online meetings and other opportunities.

### Dialog with Employees

We actively communicate with our employees through dissemination of the President's Message, the monthly Morning Meetings and Meetings of All Employees which are held at each business location, the New Year Greeting event held in January each year, the Spring Labor Talks which are held each year starting in February, the ceremony to mark the company's founding which is held in July each year, the Central Labor Negotiations which are held in September each year, and various social events, etc.

Amid the COVID-19 pandemic, we have continued these practices by scaling-down the events, switching to video streaming and online meetings, and taking other measures. The proceedings of the July 2022 anniversary ceremony was livestreamed and recorded on the video so that employees around the world could participate virtually in real time.

## Involvement with External Initiatives

### Commitment to External Initiatives

Advantest is supporting measures aimed at the realization of a sustainable society through its sponsorship for and participation in various domestic and international statements and guidelines.

#### Advantest Joins UN Global Compact

The United Nations Global Compact is a voluntary initiative that calls for each company and group to act as a good member of society by demonstrating responsible and creative leadership and to participate in the creation of a global framework for realizing sustainable growth.

Advantest joined the UN Global Compact in 2019 and supports its ten principles in four areas, namely "protection of human rights," "elimination of labor abuses," "environmental protection," and "anti-corruption," and we continuously endeavor to realize these goals.



[UN Global Compact](#)

### 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.
- Labour
  - 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 labour;
  - Principle 5: the effective abolition of child labour; 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.

According to our corporate philosophy of "enabling leading-edge technologies," we aspire to help realize a safe, secure, and comfortable society and sustainable future as well as to solve social issues with the aim of achieving the SDGs (Sustainable Development Goals), which are shared goals for all human beings adopted by the UN in 2015.



### Advantest Obtains Certification from the SBTi for its 1.5-degrees Celsius Target

In November 2021, Advantest obtained certification from the Science Based Targets Initiative (SBTi)<sup>\*1</sup>, a global corporate climate initiative that strives for science-based targets which provide a pathway for companies to reduce greenhouse gas (GHG) emissions, for committing to its 1.5-degrees Celsius target. This certification recognizes that Advantest's greenhouse gas reduction goals are based on scientific evidence and will contribute to achieving the target, as determined by the Paris Agreement.



<sup>\*1</sup> SBTi : Science Based Target Initiative  
 A global body enabling businesses to set emissions reduction targets in line with climate science, which seeks to restrain rising global temperatures to within 1.5-degrees Celsius of pre-industrial levels. 247 Japanese companies have obtained certification from the SBTi (as of May 23, 2022).

[Science Based Targets Initiative \(SBTi\)](#)

### Announcement of support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)<sup>\*2</sup>. We analyze the risks and opportunities posed by climate change on our business from the perspectives of strategy, risk management, and governance and globally deploy proactive measures. We also promote the enhancement of information disclosure based on the recommendations of the TCFD to achieve sustainable growth for the Advantest Group, enhance corporate value, and foster a sustainable society.



<sup>\*2</sup> Task Force on Climate-related Financial Disclosures (TCFD)  
 A task force established in December 2015 by the Financial Stability Board (FSB), an international organization. In its final report issued in June 2017, the TCFD recommended that companies disclose information on the financial impacts of climate-related risks and opportunities.

[Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

## Participation in RE100

In August 2020, Advantest participated in RE100<sup>\*3</sup>, an international initiative that aims to procure 100% renewable electricity for its energy consumption in business activities.

Expanding the adoption of renewable energy is essential to achieve 100% reduction of CO<sub>2</sub> emissions, which is one of our long-term goals related to climate change. By participating in RE100, which tackles the social issue of climate change on a global scale, we are promoting the further utilization of renewable energy with other participating companies.



\*3 RE100

An international initiative led by The Climate Group, a climate-related non-profit organization, in partnership with CDP, a non-profit organization that promotes global information disclosure and actions concerning environmental impacts. It was established in 2014. The number of participating companies is 320 globally and 58 from Japan (as of July 27, 2021).

[RE100](#)

## Participation in the Japan Climate Initiative

Japan Climate Initiative (JCI) is a network of non-state actors who make serious efforts towards the 1.5-degrees Celsius target and the realization of a decarbonized society.

Advantest supports the declaration of the JCI, "Joining the front line of the global push for decarbonization from Japan," and participated in the initiative to support the transition to a decarbonized Japanese society by 2050.

We will contribute to the realization of a decarbonized society by voluntarily and proactively working on actions on climate change and by working together to activate efforts within and between sectors among local governments and companies, that are actively engaged in their climate change countermeasures.



[Japan Climate Initiative \(JCI\)](#)

## Participation in the 30by30 Alliance for Biodiversity

Advantest has participated in the 30by30 Alliance for Biodiversity, which works on biodiversity conservation, an important initiative for global environmental conservation.

30by30 alliance is a global promise agreed upon among all G7 countries at the G7 Summit held in June 2021, committed to conserving, or protecting at least 30% of their national land and sea areas by 2030 ("30by30") toward the goal of halting and reversing biodiversity loss (nature positive).



[30by30 Alliance](#)

## RBA Code of Conduct

We actively promote initiatives on labor, safety, health, the environment, and ethics in compliance with the RBA Code of Conduct, which was published by the RBA<sup>\*4</sup>, a corporate alliance that promotes corporate social responsibility in global supply chains.

\*4 RBA : [Responsible Business Alliance](#)

## Response to the Conflict Minerals Issue

Although the U.S. Dodd Frank Act Section 1502 on conflict minerals does not apply to Advantest, we survey our business partners on the use of conflict minerals every year using the RMI<sup>\*5</sup> reporting template (the Conflict Minerals Reporting Template (CMRT)).

\*5 RMI : [Responsible Minerals Initiative](#)

## External Recognition

### Recognition Regarding ESG Initiatives at Advantest

#### Selected for MSCI Japan Empowering Women (WIN) Index and MSCI Japan Empowering Women Select Index

Advantest was adopted as a constituent stock of the MSCI Japan Empowering Women (WIN) Index and the MSCI Japan Empowering Women (WIN) Select Index.

**2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)**

For the MSCI Japan Empowering Women Index (WIN), companies that exhibit higher levels of gender diversity among their employees are selected based on the gender diversity score calculated using the data disclosed in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by the company. For the MSCI Japan Empowering Women (WIN) Select Index, companies that demonstrate strong growth and good financial conditions among those selected for the Japan Empowering Women (WIN) Select Index are selected.

#### Received "A" Rating in MSCI ESG Ratings

Advantest received an "A" rating in the 2022 MSCI ESG Ratings. This constituted an upgrade from the previous "BBB" rating.

MSCI ESG Ratings aim to comprehensively analyze and measure corporate initiatives for relevant ESG risks and opportunities in the areas of Environment, Social, and Governance. ESG Ratings range on a seven-level scale (AAA, AA, A, BBB, BB, B, and CCC).



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#### Selected for FTSE4Good Index Series

Advantest has been selected as a constituent stock of the FTSE4Good Index Series.

Designed by FTSE Russell to measure the performance of companies that demonstrate strong Environmental, Social, and Governance (ESG) practices based on diverse relevant criteria, the FTSE4Good Index Series is a major index series used to create and assess sustainable investment funds and other financial products.



#### Selected as a constituent of the FTSE Blossom Japan Index

Advantest has been selected as a constituent stock of the FTSE Blossom Japan Index.

The FTSE Blossom Japan Index was designed by FTSE Russell to measure the performance of Japanese companies that demonstrate strong ESG practices.



FTSE Blossom Japan

#### Graded "A-" in the CDP Climate Change Report / Selected as "CDP Supplier Engagement Leader"

Advantest was graded A- in the CDP Climate Change Report 2021. This rating was upgraded from "B" in 2020, and our efforts to address climate change were highly evaluated.

CDP surveys companies and cities on their environmental protection practices for climate change, water source protection, forest preservation, and so on, and discloses the assessment results to investors. In its climate change questionnaires, CDP grades over 9,500 companies worldwide on their initiatives related to target setting, business strategies, recognition of risks and opportunities, disclosure of amounts of GHG emissions, and other matters on an eight-level scale (A, A-, B, B-, C, C-, D, and D-).

Advantest has also been selected as a "Supplier Engagement Leader" in CDP's Supplier Engagement Rating (SER).

CDP's SER recognizes companies that have excelled in addressing climate change throughout their supply chains, and our ratings show that we were highly evaluated for our preemptive efforts in cooperation with our suppliers in addressing issues on climate change.



#### Selected to be part of the SOMPO Sustainability Index

Advantest has been selected as a constituent stock of the SOMPO Sustainability Index.

The SOMPO Sustainability Index selects approximately 300 companies each year based on ESG criteria and their equity value. This index was created by SOMPO Asset Management for "SOMPO Sustainable Management," an investment product for pension funds and institutional investors.



## Recognition and awards for our activities

### Advantest Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier for 3rd Consecutive Year from TechInsights

In the TechInsights (formerly VLSIresearch) Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor equipment suppliers for the third consecutive year. The company was also named on the 10 BEST Suppliers list of large suppliers of test equipment for the 34th consecutive year.



The TechInsights Customer Satisfaction Survey is the industry's only available opportunity since 1988 to receive feedback from semiconductor manufacturers. It evaluates and ranks equipment manufacturers based on 15 items in three key factors of customer service, supplier, and equipment performance.

### Advantest Named a Top Health Management Brand for the First Time

Advantest was recently selected for the first time as one of the brands in the 2022 Health & Productivity Stock Selection, which are jointly selected by Japan's Ministry of Economy, Trade, and Industry (METI) and the Tokyo Stock Exchange. At the same time, METI has certified Advantest as one of the "White 500" (large listed corporation section), the top 500 corporations certified under METI's 2022 Health and Productivity Management Awards, for the second consecutive year.



Ever since the Declaration of Health and Productivity Management Policy was established in September 2019, Advantest has worked together with the health insurance society and labor union to implement various initiatives for health and productivity by promoting health check-ups, boosting the implementation rate of specified health guidance, and strengthening mental health measures. Moreover, we offer various other activities that directly affect employee health such as online dieting/smoking cessation programs and introduced health portal applications for promoting exercise and health literacy education.

Advantest actively promotes support programs for balancing work and private life. We have acquired "Certification level 2 (two stars)" of the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace in November 2020, and was also granted the "Kurumin" certification based on the "Act on Advancement of Measures to Support Raising Next Generation Children" in February 2021. Followed by the spread of COVID-19, top management sent out the message that employee health should be made a priority, and has been taking thorough measures to prevent the spread of infection including the enhancement of remote work productivity. As a result of these efforts, Advantest has recently been selected for the first time as one of the 50 brands in the 2022 Health & Productivity Stock Selection.

Advantest, the Japan Health Insurance Association, and our labor union will continue to work together to promote health management activities so that our employees, who are the company's greatest asset, can enjoy the best of physical and mental health, have abundant vitality, and maximize their abilities.

### Advantest Europe GmbH wins Germany's Best Employers award for the third time

Advantest Europe GmbH (AEG) has been recognized for the third time after 2017 and 2019 as one of "Germany's Best Employers".



The awards ceremony for "Germany's Best Employers" is held by Great Place to Work®, a global survey institution, to evaluate the workplace culture of companies of various sizes in all industries. The companies are ranked on workplace culture based on credibility, respect, appreciation, team spirit, and unity between the company and its employees.

More than 700 companies participated in this year's competition. This is the third time that AEG has participated in the competition and has climbed further up the rankings, placing sixth in the "Germany's Best Employers" category (19th in 2017 and 11th in 2019). In the "Best Employer in ICT (Information and Communication Industry)", AEG was ranked further higher, coming fourth in "Bavaria's Best Employer" (Bavaria: AEG Headquarters = Munich and Amerang Offices).

### Advantest Test Solutions, Inc. (U.S.A.) (ATS) in Orange County Register's TOP WORK PLACES for the Third Year in a Row

ATS is once again the recipient of the Top Workplaces award from the "Orange County Register," a local newspaper publication in Southern California. This is the third year in a row that ATS received this award.

The qualification is based on the results of a confidential employee questionnaire regarding corporate culture, management, and leadership.

Some general points and words shared by our employees were: Busy, Integrity, Focused, Trust, Teamwork, Professional, Innovation, Inclusion, Challenging, Dedication, Empowerment, Close-Knit. In particular, ATS rated highly in the following: "operates by strong values"; "encourages different points of view"; and "my manager cares about my concerns", which led to the award.



## Advantest (China) Co., Ltd. (ATC) Receives 2020-2021 China Healthiest Work Place Outstanding Practice Award

ATC received 2020-2021 China Healthiest Work Place "Outstanding Practice Award". This award was selected from 223 enterprises who competed the "China Healthiest Work Place", issued by Mercer China, a global leading HR consulting firm who started China Healthiest Work Place selection program from 2016 every once in two years. The selection focused on the major two dimensions of health management system construction and individual health risk improvement, while the employers who provided outstanding health environment and health support were selected.



The "China Healthiest Work Place" includes four awarded topics.

While the "Top Healthiest Workplace" award selection is based on employees' survey, three other awards of "Outstanding Innovation Award", "Outstanding Practice Award", and "Outstanding Women Care Award" are selected by a group of HR and public health experts inside and outside Mercer China.

ATC received this award based on the Employee Health Project started from 2019. Working together with Mercer, we issued an online Health Risk Assessment (HRA) tool and interlinked with medical professional service who assesses individuals in a high mental or physical risk group in face-to-face meetings. This project will help employees and the management with early assessment of health risks and propose remedies. Though support services and resources of this kind are scarce in the Chinese market, we combined a lot of innovative ideas from Advantest HR, Mercer's consultant, and professional partners, which bore fruit, resulting in these valuable solutions.