Sustainability Data Book 2020

ADVANTEST®

Editorial Note

The "Sustainability Data Book 2020" summarizes data related to sustainability activities and ESG as supplementary material for the "Integrated Annual Report 2020." Please use it in conjunction with the "Integrated Annual Report 2020."

This data book is organized by ESG and refers to multiple ESG guidelines as a clear and enhanced reference report of Advantest activities for all stakeholders.

We will continue to reflect your opinions and make improvements in our communication with stakeholders.

■ Changes in Report

FY2000: Environmental Report
FY2006: Social and Environmental Report
FY2007: CSR Report
FY2015: Sustainability Report
FY2020: Sustainability Data Book

Boundary of Report and Period Covered

This report covers activities pursued by Advantest and its major affiliates in Japan and overseas throughout fiscal 2019 (April 1, 2019 to March 31, 2020).

* Some activities before and after fiscal 2019 are also featured in the report, with the aim of facilitating the reader's understanding.

Release Date / Reporting Cycle

October 2020 (Annually)

Guidelines Referenced

- Global Reporting Initiative's Sustainability Reporting Standards
- Sustainability Accounting Standards Board SASB Standard
- Ministry of the Environment of Japan, "Environmental Reporting Guidelines 2018"

Contact Information

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Advantest's Sustainability

Message from Advantest’s Director of Sustainable Management

Messages from the director of sustainable management regarding social safety, security, and sustainability.

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Communication with Stakeholders

Status of Advantest's dialog with our various stakeholders.

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Involvement with External Initiatives

This page introduces the involvement with external initiatives of the Advantest Group.

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External Recognition

This page introduces the external recognition of our corporate activities.

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Message from Advantest's Director of Sustainable Management

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Ever since our founding in 1954, Advantest has continued to polish our electronic measurement technologies and has continued to grow with the development of electronics. Currently, our core semiconductor test systems contributes toward achieving a safe, secure, comfortable, and sustainable society through indirectly guaranteeing the safety and reliability of semiconductors, which create the base of social infrastructure.

In recent years, a series of issues that have been throwing a shadow over society's sustainability have come to light, such as climate change, human rights and the depletion of resources. With this, in 2015, the United Nations adopted the Sustainable Development Goals (SDGs), which organized common goals for global issues to be resolved by 2030. Furthermore, the Paris Agreement on climate change went into effect as a new international rule in 2016. In this way, various initiatives toward a sustainable society are spreading across the world.
Advantest has taken a proactive approach toward sustainability issues, joining the world largest sustainability initiative United Nations Global Compact (UNGC) in 2019, and making efforts to apply the ten principles in four categories of Human Rights, Labor, Environment and Anti-Corruption.
Furthermore, we have also expressed support for the TCFD recommendations in 2020, along with other concrete activities such as joining RE100 and establishing targets for reduction of greenhouse gas emissions.

In 2016, Advantest configured performance reviews and important challenges (materiality) to tackle, such as achieving sustainable performance, establishing a compliance structure, reducing the impact on the environment and preventing corruption; and the entire company worked toward these targets for three years up to 2018.
In 2019, we looked back on these three years and established materiality and sustainability targets with the impact our business has and our relationship with social issues in mind, and launched activities with a new structure in 2020. The ADVANTEST Way, which was renewed in 2019, newly defined ESG for Sustainability and also set ethical standards on how we should come eye-to-eye with society. By doing so, we have created a foundation shared with all employees throughout the world, on connections between our business and society, the impact we have on society, and what actions we need to take.

Advantest believes that our business can offer diverse value to society. In our core business, which is semiconductor testing, we ensure the reliability of semiconductors used throughout various aspects in the world, aiming to achieve safety, secure and comfort while making efforts to meet Sustainable Development Goals (SDGs) to contribute toward a sustainable society.

In closing, we wish to express our deep appreciation for your continued support and encouragement.

October 2020
Managing Executive Officer
In Charge of Sustainable Management
Yasuo Mihashi

Communication with Stakeholders

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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 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

Engagement with Shareholders and Investors

Shareholders' Meeting

Unlike the Shareholders' Meetings held up to this point, the 78th ordinary general meeting of shareholders in June 2020 prioritized the safety and security of all shareholders and their families to prevent the new coronavirus from spreading further. All shareholders were requested to wear masks, and temperatures were taken at the entrance. The venue was also changed from last year's and the meeting was held in a large hall to ensure thorough social distancing between seats.
Despite these circumstances, the Shareholders' Meeting is an opportunity to have important engagement with shareholders. Although we requested shareholders to refrain from joining the meeting, we did not restrict admission for those who did come. We actively welcome questions from shareholders, and strive to reply them in a considerate and easy-to-understand manner, endeavoring to help shareholders understand the measures that we are implementing in order to enhance the company's value.

At the Shareholders' Meeting, the following proposals were all approved. Two shareholders asked questions on this term’s sales under the impact of the new coronavirus, which were replied by the Chairman.

- **Proposal 1: Election of 8 directors (excluding directors who are audit and supervisory committee members)**
  The shareholders resolved to approve, as originally proposed, the election of Yoshiaki Yoshida, Osamu Karatsu, Toshimitsu Urabe, Nicholas Benes, Soichi Tsukakoshi, Atsushi Fujita, Koichi Tsukui and Douglas Lefever, each of whom has since assumed office.
  Osamu Karatsu, Toshimitsu Urabe and Nicholas Benes are outside directors.
- **Proposal 2: Election of 1 director who is audit and supervisory committee member**
  The shareholders resolved to approve, as originally proposed, the election of Sayaka Sumida, who has since assumed office.
  Sayaka Sumida is an outside director.

Details of Senior Executives >

Shareholders' Meeting

IR activities

Technical briefing for institutional investors and securities analysts held in December 2019

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 information meeting every quarter, during which senior Advantest managers will give presentations. We will also hold individual meetings with domestic and overseas institutional investors (around 500 meetings in fiscal 2019), 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.

Suppliers New Year Meeting

Dialog with Employees

As opportunities for the dissemination of the President's Message and for dialog with employees, Advantest seeks to engage in communication with employees at 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.

Involvement with External Initiatives

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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

In May 2019, Advantest announced its participation in the United Nations Global Compact (UNGC), a global sustainability initiative.

The UNGC is a special initiative of the UN Secretary-General which encourages companies and organizations to exert responsible and creative social leadership and to participate in creating a global framework for sustainable growth. Companies and organizations that join the UNGC are required to make a commitment to ten universal principles in the four areas of human rights, labour, environment and anti-corruption.

Our corporate mission is to enable leading-edge technologies. We aim to contribute to a sustainable future and to the safety, security, and comfort of the general public, while striving to resolve social issues by achieving the Sustainable Development Goals (SDGs), which are common issues for all humanity specified by the United Nations in 2015.

- UN Global Compact

WE SUPPORT

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.

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 Disclosure (TCFD)[*1]. 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.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

[*1] 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[*2], 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 CO2 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.

[*2] 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 248 globally and 35 from Japan (as of July 29, 2020).

RE100

RBA Code of Conduct

In its business operations, Advantest respects the stipulations of the Responsible Business Alliance Code of Conduct drawn up by the Responsible Business Alliance (RBA), a leading electronics industry supply chain CSR alliance, and promotes measures that take labour, health and safety, environment, and ethics into account.

Response to the Conflict Minerals Issue

Advantest participates in the Responsible Minerals Trade Working Group established by JEITA*, and is implementing various measures, in collaboration with industry bodies, to help tackle the conflict minerals issue.

*JEITA: Japan Electronics and Information Technology Industries Assosiation

Main Activities in Fiscal 2019

The Advantest Group has reviewed its materiality and sustainability targets and key performance indicators (KPI), and has started specific activities for achieving the goals set for fiscal 2020. Going forward, we will promote activities throughout the entire Group which will clearly connect to results based on trends of ESG investments and other factors.

External Recognition

Sustainability Data Book 2020

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

Selected for FTSE4Good Index Series

* Major index for Socially Responsible Investing (SRI) that evaluates and selects companies based on their social responsibility and sustainability using various criterion for environment, society, and governance.

FTSE Blossom Japan Index

* Index to measure the performance of Environmental, Social and Governance (ESG) practices of Japanese companies designed to be industry neutral.

Selected as Index Component for the SNAM Sustainability Index

* Index set by Sompo Japan Nipponkoa Asset Management Co., Ltd. combining ESG evaluation and share vale.

Won the First Place in the VLSIresearch Customer Satisfaction Survey

* The VLSIresearch 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.

Recognized at the 2019 Environmental Human Resources Development Corporate Awards

* Awards given to companies making exemplary efforts to develop environmental human resources, or personnel who promote environmental conservation and greening of society and economy with the aim of realizing business management in harmony with the global environment.

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF ADVANTEST CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ADVANTEST CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE4Good FTSE Blossom Japan VLSIresearch RANKED 1st SUPPLIERS Customer Satisfaction 2020 2020 Sompo Sustainability Index

Environment

Environmental Management

Based on the basic stance of "Caring for Our Planet," Advantest promotes environmental management that is integrated with our business activities, and strives to earn the trust of society.

MORE

Environmental Conservation Activities

Advantest understands the impact of our business activities on the global environment, and undertakes activities to mitigate and reduce our environmental impact. This page describes our efforts related to environmental conservation.

MORE

Environmental Awareness

Regarding our business activities, we will introduce various initiatives such as compliance with laws and regulations to reduce our environmental impact.

MORE

Biodiversity Conservation

This page introduces Advantest's biodiversity activities.

MORE

Environmental Policy

Environmental Management

Based on the basic stance of "Caring for Our Planet," we are incorporating environmental activities into our business activities and promoting environmental management. You can read more about the Advantest Group's environmental policy and promotional system.

MORE

Environmental Action Plan

Advantest has formulated an Environmental Action Plan for implementing measures against climate change and realizing a low-carbon society. The measures outlined in the Environmental Action Plan focus on three key areas: promotion of environmental management, provision of green products and innovation of business processes.

MORE

Environmental Communication / Environmental Contribution Activities

We endeavor to implement extensive information disclosure, with the aim of sharing environment-related information with stakeholders and ensuring that this information is reflected in the company's environmental management.

MORE

Environmental Education

As an effort to promote environmental conservation activities, Advantest is implementing environmental education aimed at developing awareness of the environment and the ability to think and take action appropriately.

MORE

Environmental Management

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Basic Policy

With "the ADVANTEST Way" as the foundation, we aim to achieve sustainable growth and increase our corporate value over the medium and long term by promoting ESG management under our corporate mission.
We will also respect our stakeholders, promote harmony with society, and contribute to the SDGs in order to achieve a sustainable society.
In environmental management, we believe that it is important to mitigate climate change and achieve a low-carbon society; recycle and use resources sustainably; conserve biodiversity; and provide green products.
Under the Advantest Group Environmental Policy, we will work towards environmental conservation and the reduction of environmental impacts and promote global activities for the sustainable development of society.

Advantest Group Environmental Policy

We share our Environmental Policy with all those who engage in the business activities of Advantest Group, and apply it to our entire value chain.
In addition, we disclose our environmental approaches and strive to promote our communication with society.

1. **Promoting Environmental Management**
   By maintaining our environmental management system, we promote global environmental conservation efforts that achieve a balance between business activities and environmental concerns.
2. **Reduction of Customers' Environmental Burden**
   We promote energy conservation, improved recyclability, and the elimination of hazardous substances to provide environmentally friendly products and services that contribute to our customers' reduction of their environmental burdens while considering the life cycle of our products from material procurement to waste disposal.
3. **Better Workplace Procedures**
   We reform work procedures to continually improve our environmental performance by creating environmentally friendly products.

4. **Environmental Protection and Sustainable Use of Resources**
   By being alert to the environmental impact of our business activities, we strive to protect the environment from measures against climate change to the conservation of biodiversity, as well as sustainable use of resources such as energy and water.
5. **Complying with Environmental Laws and Regulations and Preventing Pollution**
   Upholding all environmental laws and regulations and voluntary standards, we protect nature and shield our neighbors from environmental pollution and health hazards caused by chemical substances, waste and other contaminations.

Promotional System

The Advantest Group is building a framework to better promote our global environmental initiatives.

Framework to promote environmental management

Acquisition of ISO14001 Certification

The Advantest Group has acquired the integrated ISO14001 certification for its offices, as well as its research, development, and production facilities in Japan. The Group has acquired ISO14001:2015 certification for its environmental management system, which is based on relevant laws and regulations in each country where it operates. Under the uniform standards provided by ISO14001:2015, we are promoting initiatives to reduce energy use, control waste generation, develop and provide environmentally friendly products (green products), and reduce the environmental impact of our business activities.

Acquisition of ISO14001 certification

As of March 31, 2020

Company	(Base)	First acquisition of ISO14001 certification
ADVANTEST CORPORATION (Including business affiliates)		Aug. 2000 (Integrated certification)
	Head Office	2009/11
	Advantest Laboratories Ltd./Sendai Factory	2000/2
	Gunma R&D Center	2002/4
	Saitama R&D Center	2003/10
	Kitakyushu R&D Center	2003/3
	Gunma Factory	1998/4
Advantest America, Inc.		2008/10
	San Jose, U.S.A.	
Advantest Europe GmbH		2008/4
	Munich, Germany	
	Amerang, Germany	
	Boeblingen, Germany	
Advantest (Singapore) Pte. Ltd.		2008/6
Advantest (M) Sdn. Bhd. (Penang - Malaysia)		2008/9
Advantest Korea Co., Ltd.		2008/7
Advantest Taiwan Inc.		2006/12
Advantest (China) Co., Ltd. (Certification includes the following subsidiaries)		2008/5
	Advantest (Suzhou) Co., Ltd.	
	Advantest Technology (Shanghai) Co., Ltd.	

COPY

BUREAU VERITAS
Certification

ADVANTEST CORPORATION

336-1, OHWA, MIYAWA-MACHI, ORA-GUN, GUNMA, 370-0718, JAPAN

Bureau Veritas Certification Holding SAS -UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO14001:2015, JIS Q 14001:2015

Scope of certification

RESEARCH, DESIGN AND DEVELOPMENT, MANUFACTURE AND SERVICES OF SEMICONDUCTOR AND COMPONENT TEST SYSTEMS AND MECHATRONICS SYSTEMS.

Original cycle start date: 08 DECEMBER 2000
Expiry date of previous cycle: N/A
Recertification Audit date: 15 NOVEMBER 2019
Recertification cycle start date: 21 APRIL 2020
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on: 20 APRIL 2023

Certificate No. 4468578 Version: 1.0 Revision date: 03 DECEMBER 2019

UKAS MANAGEMENT SYSTEMS 0008

Certification body address: 66 Prinsep, 66 Prinsep Street, London, E1 6HS, United Kingdom

Local office: Bureau Veritas Japan Co., Ltd. Certification Division
KDX bldg. 8F, 15, Minami-aoyama, Minato, Tokyo-to, 107-0062, Japan

Further clarifications regarding the scope of the certificate and the applicability of the management system requirements may be obtained by consulting the organisation.
To check this certificate validity please call: +81 (0)48-681-4784

1 of 2

Bureau Veritas Certification (copy)

Advantest Corporation ISO14001 certifications scope

As of March 31, 2020

Applicable standards	ISO14001:2015
Certification number	4468578
Certification scope	Research, development, design, manufacture and services of semiconductor and component test systems and mechatronics systems
Certifying body	Bureau Veritas Certification Holding SAS
Date of first certification	December 8, 2000 (Acquisition of ISO14001:1996 certification at the Gunma Factory on April 21, 1998)
Date of integrated certification	Integrated as Advantest Group as of December 8, 2000.
Applicable business locations	Gunma R&D Center, Head Office, Saitama R&D Center, Gunma Factory, Kitakyushu R&D Center, Advantest Research Institute, Sendai Factory (Including each business affiliate)

Implementation of Internal Environmental Audits

The Advantest Group is always implementing regular internal audits on environmental burden reduction activities at each business location in order to confirm internal and external compliance with the operation of the environmental management system (EMS). We have been striving to build an efficient system by training internal auditors in some sections of the company since fiscal 2018. Corrective measures are being executed for all items toward any issues raised by regular internal audits and no serious defects were found in the operation of the environmental management system. In the future, we will continue to make ongoing efforts to improve our environmental management system, and will focus on improving our environmental performance.

Environmental Action Plan

Sustainability Data Book 2020

Environmental Action Plan

The Advantest Group is clarifying the important challenges that it should tackle with environmental activities and has formulated an "Environmental Action Plan" as a medium-term plan. This plan focuses on three key areas: promotion of environmental management, provision of green products, and reform of business processes. We will always encourage responsible efforts in environmental management to implement climate policy measures and create a decarbonized society.

Overview of the Eighth Advantest Environmental Action Plan and Activity Results for Fiscal 2019

The Eighth Advantest Environmental Action Plan (2018–2020) continues the three key areas and has set environmental targets to support the implementation of climate policy measures and creation of a decarbonized society.

Key Issues:

1. Promotion of environmental management: Promote responsible efforts in environmental management and contribute to the sustainable growth of society.
2. Provision of green products: In both our core business and our tester peripherals business, Advantest is contributing, through the company's products, towards reducing customers' environmental burden.
3. Reform of business processes: Promote business efficiency improvements and efficiency in energy usage.

Boundary (as of March 31, 2020)

1. Measures applicable to: All companies within the Advantest Group
   Six business bases within Japan (including affiliates)
   Seven overseas business bases (AAI, AEG, ASP, ATK, ATC, ATI and AMY)
2. Period covered: Fiscal 2018-2020 (three years)

Main Activity Results

The progress of the activities for fiscal 2019 are as follows.

With regard to the environmental management items, we have established and released long-term goals for reducing CO_2, which is a climate policy measure.
Furthermore, renewable energy has been introduced, and LED office lighting has been fully incorporated at three of our German offices (Munich, Amerang and Boblingen).
By introducing renewable energy in the U.S. and Germany, the ratio of renewable energy to total purchased power has reached 28%.
With regard to the provision of green products, the power consumptions for SoC Test System V93000 and Python have decreased by 15%. Additionally, the amount of refrigerant consumption of Memory Burn-in Tester B6700D has reduced by 83.2%.

With regard to the calculation of greenhouse gas emissions, we have identified and calculated indirect greenhouse gas emissions (Scope 3) within the supply chain, in both the upstream and the downstream portions. Scope 3: As for CO_2 emissions, "Category 1: Purchased products/services" and "Category 11: Use of sold products" made up more than 95% of the overall ratio. Goals for these two categories have been set as important items in Scope 3, and we will continue to pursue the reduction of greenhouse gas emissions.

Important challenges	Relationship with environmental policy	Action items	Action items (details of targets for fiscal 2020)	Results achieved in fiscal 2019
Promotion of environmental management				
	Promotion of environmental management	1) Adaption to climate change	Grasp management risks brought on by climate change and put together measures to adopt by the end of fiscal 2020.	Declared support of TCFD Established and released long-term goals for GHG reduction
		2) Promotion of global environmental education	Carry out e-learning once a year.	Environmental education implemented both in Japan and overseas using e-learning. Attendance rate: 98.5%
		3) Promotion of environmental contribution activities and educational contribution activities	Promote environmental and social contribution activities and education support activities.	<Within Japan> Eight projects implemented (the main activities are listed below) ▸ Conducted special science classes at neighborhood elementary schools with 105 elementary school students participating ▸ Conducted a nature observation event with 41 local elementary school students participating ▸ Periodically conducted cleaning activities around our business locations <Overseas> 15 projects implemented (the main activities are listed below) ▸ Implemented food drive activities (in Singapore) ▸ Conducted a home repair volunteer project (in the U.S.) ▸ Donated gift certificates to children's hospitals (in Germany) ▸ Conducted coastal cleanup (in the U.S.)
	Environmental conservation and sustainable use of resources	Conservation of biodiversity		
		1) Promotion of forest conservation activities	At each site, carry out forest conservation activities.	28 Advantest employees volunteered to carry out thinning-out work at national forests in Mt. Akagi in Japan.
		2) Biotope development and utilization	Foster and utilize biotope. (Nature observation events targeting neighborhood elementary schools and protection of endangered plants)	Held two biotope events at the Gunma R&D Center in Japan.
		Promotion of climate policy measures		

	Environmental conservation and sustainable use of resources	1) CO_2 emission reduction	30% reduction (on fiscal 2018) of global CO_2 emissions (Scope 1 + 2) by the end of 2030	CO_2 emissions for fiscal 2019: 33,385t-CO_2 (10.7% reduction compared to fiscal 2018)
		2) Use of renewable energy	Promote the purchase of green power and introduction of solar power.	Purchased 9,650 MWh per year of green power at AAI Purchased 13,422 MWh per year of green power at AEG Ratio of renewable energy to electricity globally: 28%
		3) Conservation of water resources	Maintain fiscal 2016 levels. (288,000 m^3 per year or less)	Fiscal 2019: 260,838 m^3 per year (Japan + overseas)
	Compliance with environmental laws and regulations, and prevention of pollution	Promoting resource recycling	Improve waste recycling rate.	
		1) Maintain and manage the recycling rate at Japanese bases	Maintain a recycling rate of 90% or more at Japanese bases.	Recycling rate for facilities in Japan: 87% （Calculation methods have been revised from fiscal 2019）
		2) Improve the recycling rate at overseas bases	Aim for a recycling rate of 65% or more at overseas bases. (Measures: reconfirmation of recycling criteria, and review of treatment methods)	Recycling rate for overseas facilities: 68%
Providing green products				
	Reduce customers' environmental burden	1) Improvement of the energy efficiency of new products	Reduce power consumption for new products per unit performance by at least 20%.	▸ Reduction of power consumption for the mass-produced module for in-vehicle MCU measurement: 20% ▸ Reduction of power consumption for the SoC Test System V93000 Python: 15% ▸ Reduction of power consumption for Mask MVM-SEM E3650 per 100 measurement points: 50% ▸ Reduction of power consumption for Test Handler M4872 per unit performance: 66% ▸ Reduction of power consumption for the digital module for Memory Test System T5503HS2: 51%
		2) Resource conservation, size reduction, and reduction of components and materials	Achieve resource conservation in products, size reduction, and reduction in components and materials.	▸ Reduction of refrigerant consumption of Memory Burn-in Tester B6700D: 83.2% ▸ Reduction of PCB installation areas of SoC Test System V93000 Python: 30% ▸ Reduction of the power consumption for E-Beam Lithography F7000S: 80%

	Reduce customers' environmental burden	3) Alternative to Fluorinert and reduction of the usage	Establish an alternative cooling technology to Fluorinert and put it into practical use.	Ongoing in systems planned for shipment in fiscal 2020.
		4) Calculation and disclosure of CO_2 reductions of green products	Calculate CO_2 reductions through green products and disclose the level of social contributions.	Calculated the CO_2 emission when using products sold in Category 11 of GHG Scope 3 Fiscal 2019: 809.7 thousand tons CO_2
		5) Increase sales of new products	Promote the replacement of old products with new products to contribute to power saving for customers.	Sales promotion of Display Driver Test System T6391_RND440 Power consumption reduction in customers' production lines: Approximately 6 GWh per year
Reform of business processes				
	Reform of business processes	Promote business efficiency improvements and energy-saving	Promote business efficiency improvements and efficiency in energy usage.	
		1) Efficiency improvements in production	Aim to produce new products and new OEM products within one month.	Ongoing implementation of Memory Test System T5503HS2 for fiscal 2020.
			Reduce the probe card production period by 10% compared to fiscal 2017.	Reduction rate in fiscal 2018: 11%
			Reduce the amount of labor in new probe production products by at least 18% per wafer unit.	29% improvement with NAND PC Probe
		2) Energy-saving in building facilities and efficiency improvement	Renew old equipment to improve efficiency and equalize electricity usage.	Reduction of crude oil equivalent value through planned facility renewals: 195 kl
			Reduce power consumption by 40% through the adoption of LED office lighting. (Advantest Europe GmbH (AEG))	Adoption of LED office lighting completed in fiscal 2018 Annual power consumption reduction: Approximately 790 MWh
			Reduce power consumption for office air conditioning and fuel consumption for office heating. (Advantest Europe GmbH (AEG))	New air conditioning systems have been installed.
		3) Improvement of the operational efficiency of product development and production	Build a system for Global PLM that can be expected to improve efficiency globally for a variety of product development and production businesses.	Completed (Operations started in fiscal 2019)
			Reduce design labor through a more efficient operation of custom PB design.	Reduction of average design labor for custom PB: 40% or more
			Reduce design transfer labor of DI mechatronic products.	Reduction of design transfer labor for HF mechanical design: 40%

	Reform of business processes	4) Reduction of the environmental burden in the supply chain	Examine the CO_2 emissions of production contractors.	Calculated the CO_2 emission when using products sold in Category 1 of GHG Scope 3 Fiscal 2019: 400.5 thousand tons CO_2
			Reduce CO_2 emissions in purchasing logistics for SoC Test System V93000 by 36%.	Reduction rate in fiscal 2019: 27%
			Reduce the amount of packaging material disposed of for SoC Test System V93000 by 6%.	Reduction rate in fiscal 2019: 2.5%

Environmental Communication / Environmental Contribution Activities

Sustainability Data Book 2020

Approach to Materiality in Environmental Compliance

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	Environmental compliance violations
FY2019 target	To work to prevent grave legal violations related to the environment before they happen (Grave legal violations related to the environment: 0)
Results Achieved in Fiscal 2019	0
Material reasons	Our business activities have a range of impacts on the environment. In order for us to achieve responsible, continuous development, it is important that we share environmental information with stakeholders and reflect this in our environmental management.
Boundary	Advantest Group (Japan and overseas)
Relevant policies	Advantest Group Environmental Policy
Commitments	Adherence to environmental laws and ordinances as well as prevention of contamination
Responsibility	Environmental Management Officer
Management resources	
Complaint processing policy	Corporate Ethics Helpline, dedicated contact window
Assessment	Good Compliance with laws and regulations are confirmed monthly with the ISO 14001 legal requirement compliance status evaluation sheet. In the event of a violation, corrective measures will be taken according to ISO 14001 regulations.

Basic Policy on Environmental Information Disclosure

Our business activities have a range of impacts on the environment such as global warming.
In order for us to achieve responsible, continuous development, it is important that we share environmental information with stakeholders and reflect this in our environmental management.
At Advantest Group, we disclose information about our environmental burden and activities through reports, our website, exhibitions, etc.
We are also working to foster communication with local communities, for example by conducting environmental contribution activities.

Environmental complaints

	FY2015	FY2016	FY2017	FY2018	FY2019
Complaints from stakeholders	0	0	0	0	0
Serious violations of environmental laws	0	0	0	0	0

* Japan only until FY2015. Includes overseas from FY2016.

Environmental Information Disclosure Results

- Publication of the company's Sustainability Report (CSR Report)

Environmental Contribution Activities

We endeavor to foster communication with a variety of stakeholders through environmental contribution activities.

- Holding of a nature observation event at the Gunma R&D Center's Biotope
- Conservation activity to protect Japanese red pine trees at the Advantest Laboratories Ltd.
- Forest conservation activity at national forests in Mt. Akagi
- Cleanup activities in the vicinity of Advantest business bases

Environmental Education

Sustainability Data Book 2020

Basic Stance on Environmental Education

Environmental conservation is the most urgent issue that we face today. Each and every employee needs to always feel that the environment is a problem close to their heart, be thinking about what they can and should do both at work and in the home, and transform these ideas into action.
The Advantest Group actively promotes environmental education to increase awareness towards the environment and comprehension of the Environmental Policy, and to continue with environmental conservation initiatives.

Major Environmental Education Programs

Major Environmental Education Programs	Educational themes
Training for new employees	Environmental awareness education for new employees
Education for internal environmental auditors	Cultivation and further education of internal environmental auditors
Management of chemical substances	Education on the handling and safety management of chemical substances
Capability training for specific tasks	Education to maintain and improve the skills that are needed by those engaged in specific tasks such as energy management, pollution control and waste management.

General Environmental Education

The Advantest Group actively promotes the General Environmental Education to continue with environmental conservation initiatives.
The General Environmental Education explores five initiatives and their impact on the environment based on the Environmental Policy. Furthermore, topics including "marine plastic waste" have also been added to raise awareness towards the environment. At the end, each participant's level of understanding is confirmed through questions and answers. The participant rate for fiscal 2019 was 98.5%.

General Environmental Education Initiatives	Examples of educational materials
1. Promotion of environmental management 2. Reduction of customers' environmental burden 3. Better Workplace Procedures 4. Environmental Protection and Sustainable Use of Resources 5. Complying with Environmental Laws and Regulations and Preventing Pollution	

Participation in General Environmental Education for fiscal 2019

	Target employees	Number of participants	Participation ratio (%)
Japan	2,650	2,650	100
Overseas	2,517	2,440	96.9
Overall	5,167	5,090	98.5

Environmental Burden Reduction

Green Products

Putting high precision and high quality first, we are making efforts to produce products that give due consideration to the needs of the environment. Designating products that meet our own standards as green products, we are promoting the reduction of environmental impacts.

MORE

Product Recycling

We take active steps to ensure that the products we sell are reused and recycled after use. To this end, we have set up, and continue to maintain, a recycling system to ensure that recycling runs smoothly.

MORE

Mitigation of Climate Change (Global Warming Prevention)

We regard the mitigation of climate change (prevention of global warming) as an important corporate mission, and are making efforts to reduce greenhouse gas emission by providing green products and reforming our business processes.

MORE

Recycling Resources

We promote the "3 (three) Rs" (Reduce, Reuse and Recycle) with the aim of realizing a recycling-based society. Advantest strives to effectively use water resources.

MORE

Compliance with National Laws and Regulations

Our policy regarding the laws and regulations of each country, including the European Union's RoHS Directive.

MORE

Environmental Data

By tracking our environmental impact data each year, we investigate the root causes of issues and introduce policies and countermeasures to reduce our impact on the environment.

MORE

Green Products

Sustainability Data Book 2020

Basic Stance

Contributing to the sustainable development of society and conducting environmentally friendly business operations are essential issues that need to be addressed in modern business management. The Advantest Group works to develop products from the perspective of environmental conservation while prioritizing high precision and high quality, and certifies as green products those products that are environmentally friendly in terms of the three key aspects of energy and resource saving, improving recyclability, and elimination of hazardous substances. There is demand in society for the supply of green products because they provide both a reduction in the environmental footprint and an improvement in economic value. The Advantest Group is developing green products in response to these demands and based on the belief that these products will be beneficial for its customers.

Approach to Sustainability Target for Products and Services

Supervising division	Design Operation Department/ Business Promotion Division
KPI	Percentage of products meeting the company's voluntary green products standards
FY2020 target	100%
Results achieved in fiscal 2019	100%
Material reasons	Advantest products generate various small and large environmental impacts through their use. Green products, which reduce environmental impact, are important to us not only because they address environmental issues but also because it helps us to show the quality of our products.
Boundary	FY2019: Domestic Advantest (Japan) only, FY2020: Entire Advantest Group
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Voluntary standards for green products that conform to the ISO14021
Responsible department/division	Environmental Management Officer
Management resources	
Relevant complaint processing policy	
Assessment	✓

Development Flow of Green Products

At the Advantest Group, all products undergo a product environmental assessment.

During the product environmental assessment, products are assessed from various aspects, including energy-saving, reduction of the number of components, size reduction, recyclable design, and elimination of hazardous substances. New products that meet the Voluntary Standards for Green Products defined by Advantest are certified as green products and are awarded with an Eco Label (type II), in addition to the product environmental assessment. We design new products to be 100% green products.

Development flow of green products

Advantest Group Eco Label

The Advantest Group Eco Label features an original three-color design representing energy and resource saving, recyclable design, and elimination of hazardous substances through green procurement.

Energy and Resource Saving

Voluntary Standards

Energy saving design
Reducing component design
Size reduction design

Recyclable Design

Voluntary Standards

Design with recyclable plastic materials
Design for ease of dismantling
Release of information on disposal

Elimination of hazardous substances (Green Procurement)

Voluntary Standards

Improved rates of green procurement
Elimination of banned substances

Energy and Resource Saving

We aim to reduce the environmental impact of our products through product designs that save energy, reduce components, and reduce size.
The reduction rate of energy against conventional products has been set to a standard of at least 20% for semiconductor test systems and measurement instruments, and at least 10% for other products such as handlers and nanotech products.
We have also set a reduction rate of at least 10% in the same way for components and the miniaturization for all of our products.

Recyclable Design

In recyclable design, we release information on parts that will require special attention during disposal, and plastic parts designed in-house use 90% or more recyclable materials. Moreover, we make sure that products are easy to dismantle with standard tools, and we use rechargeable batteries displaying a recycle symbol.

Elimination of Hazardous Substances (Green Procurement)

To eliminate hazardous substances from our products, we have established Group standards on banned substances based on the IEC 62474 standard, and we conduct surveys of hazardous substances contained in parts and materials used in our products. Advantest is building a response system for some of its products and eliminating relevant chemical substances using the results of this survey because these chemical substances are regulated by the RoHS directive as of July 2017.
In addition, there have been no emissions of gases such as PFCs due to our products because these products are test instruments for semiconductors and not manufacturing products.

Green Products Certified During Fiscal 2019

We supplied the following products, which were certified as green products in fiscal 2019.

- Burn-in Tester B6700DES
- Burn-in Tester H5620
- Temperature and Pressure Unit HA7201
- E-Beam Lithography F7500
- Hadatomo WEL5200

Reduction rates of fiscal 2019 green products—Examples

New product model	Versus previous product	Energy efficiency improvement (%)	Reduction in components rate (%)	Reduction in size rate (%)
B6700DES	B6700ES	50	50	50
H5620	H5900	60	46	63
F7500	F7000S	80	80	84
WEL5200	WEL5100	68	92	85

Note: The reduction rates given above are the values resulting from the performance conversion.

Product Recycling

Sustainability Data Book 2020

Basic Stance

It is the Advantest Group's basic policy to take active steps to ensure that the products we sell are reused and recycled after they are retired, and to buy back products that are not expected to be reused so that the resources can be recycled.

Recycling policy

1. **Achieve 100% collection of recyclables through manual dismantling.**
2. **Clarify to whom recycling is to be commissioned, and ensure traceability.**
3. **Promote the conservation of the global environment in collaboration with customers.**
4. **Properly dispose of harmful substances. (Hazardous substances: mercury relay, ion type smoke detector, internal cooling water, and Fluorinert)**

Results Achieved in Fiscal 2019

During fiscal 2019, the Group recycled 1 retired product for a total of 6 tons of recycled resources, achieving 100% collection of recyclables. In addition, the Group has established recycling traceability for each discarded product. This was made possible through the cooperation of customers, intermediaries and waste disposal businesses across the country. We will reduce the burden on customers and encourage environmental preservation.

Product recycling flow

Mitigation of Climate Change (Global Warming Prevention)

Sustainability Data Book 2020

Sustainability Target for Mitigation of Climate Change (Global Warming Prevention)

Approach to the Sustainability Target for Renewable Power Percentage >

Approach to the Sustainability Target for Emissions to the Atmosphere >

Approach to Sustainability Target for Renewable Power Percentage

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	Renewable Power Percentage
Target	Make the power used within Advantest 100% renewable by promoting the use of renewable energy and Tradable Green Certificates by 2050. FY2019 target: Renewable Power Percentage of 15% or higher
Results achieved in fiscal 2019	28%
Material reasons	We believe that in order to maintain our business activities and contribute to the sustainable development of society it is important to reduce the greenhouse gas (GHG) emissions of the entire supply chain. To this end, we are making positive efforts to reduce GHG emissions by promoting effective energy use and the conversion of renewable energy.
Boundary	Advantest Group
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Energy Conservation Act
Responsible department/division	Environmental Management Officer
Management resources	
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	✓ (Good) We have introduced renewable energy (23,072 MWh) in our bases in the United States and Germany.

Approach to the Sustainability Target for Emissions to the Atmosphere

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	GHG emissions (Scope 1/2)
Target	Reduce the GHG emissions (Scope 1 + 2) of Advantest by 30%, compared to those in FY2018, by 2030 through effective energy use and conversion to renewable energy. FY2019 target: 36,400 t-CO_2
Results achieved in fiscal 2019	33,385t-CO_2 (10.7% reduction from FY2018)
Material reasons	We believe that in order to maintain our business activities and contribute to the sustainable development of society it is important to reduce the greenhouse gas (GHG) emissions of the entire supply chain. To this end, we are making positive efforts to reduce GHG emissions by promoting effective energy use and the conversion of renewable energy.
Boundary	Advantest Group
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Paris Agreement, Act on Promotion of Global Warming Countermeasures
Responsible department/division	Environmental Management Officer
Management resources	
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	✓ (Good) In addition to energy conservation efforts at each base, we have introduced renewable energy (23,072 MWh) in our bases in the United States and Germany.

Basic Policy

The Advantest Group regards the prevention of global warming as an important corporate mission, and makes efforts to reduce greenhouse gas emission by providing green products and reforming its business processes. In addition, we are promoting medium- and long-term energy conservation measures and conversion to renewable energy in each Advantest Group base inside and outside Japan.

Support for the TCFD

In April 2020, Advantest announced its support for the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)."[*1] We analyze the risks and opportunities posed by climate change on our business from perspectives including strategy, risk management, and governance and globally deploy proactive measures. Meanwhile, we promote the enhancement of information disclosure based on the recommendations of the TCFD for sustainable growth and the enhancement of corporate value of the Advantest Group, as well as the realization of a sustainable society.

***1 "Task Force on Climate-related Financial Disclosures (TCFD)"**
A task force established in December 2015 by the Financial Stability Board, an international organization. In its Final Report issued in June 2017, it recommended that companies disclose information on matters concerning climate-related risks and opportunities.

Medium- and Long-Term Targets for Climate Change Mitigation (CO_2 Emission Reduction)

The Advantest Group works to promote ESG management and realization of a sustainable society, which is the foundation of "The ADVANTEST Way." As a measure to combat global warming, we set medium- and long-term climate change countermeasure targets (CO_2 emission reduction) in April 2020, in view of the mitigation of climate change and the realization of a low-carbon society, as well as "RE100."[*1]

With a 30% reduction in CO_2 emissions compared to the global CO_2 emissions (Scope 1 + 2: 37,380 t-CO_2) in 2018 by the end of FY2030 and achievement of RE100 in our Gunma Factory set as the new medium- and long-term targets, we are promoting the adoption of renewable energy. Moreover, we have set as our final goal the reduction of CO_2 emissions by 100% and achieving RE100 on a global scale by the end of FY2050.

In the future, we will expand the adoption of renewable energy in business sites in each country, while considering procurability in each region. In addition, in order to contribute to the reduction of CO_2 in the entire semiconductor supply chain, we will promote the conversion of power used for the production of Automated Test Equipment in the Gunma Factory to 100% renewable energy by 2030 and set reduction targets for Scope 3 CO_2 emissions by the end of FY2020.

***1 RE100:**
A collaborative initiative by corporations committed to using renewable power for 100% of energy consumed in business activities.

Medium- and long-term targets for climate change mitigation

Scope 1 + 2 CO_2 emissions (market-based)

	Unit	FY2018	FY2019	FY2020 projection
Scope 1 + 2 CO_2 emissions ✔	t-CO_2	37,380	33,385	29,947
Reduction rate (FY2018 standard)	%	—	10.7%	19.9%

* The FY2019 figure marked with the ✔ symbol is assured by KPMG AZSA Sustainability Co., Ltd.

FY2019 Scope 2 CO_2 emissions and Renewable Power Percentage

Country/Region	Scope 2 CO_2 emissions (t-CO_2)		Electricity consumption	Amount of electricity from renewable energy	Renewable Power Percentage
	Location-based	Market-based	MWh		%
United States	5,155	1,147	12,413	9,650	78%
Germany	5,604	363	14,351	13,422	94%
Japan, other countries	27,923	27,403	55,296	0	0%
Total	38,682	28,913	82,059	23,072	28%

* In market-based accounting, CO_2 emissions are counted as zero for the electricity amount corresponding to the Tradable Green Certificate purchasing amount.

* In both market-based and location-based accounting, the emission factors by country in the IEA's "Emissions Factors" (2019 edition) issued by the IEA are adopted for the CO_2 emission factor.

Business Risks and Opportunities Brought about by Climate Change

Advantest considers climate change issues, including global warming issues, as global social issues. Based on the Guidance for Climate-related Financial Disclosure (TCFD Guidance), Advantest has identified environmental risks and opportunities relating to Advantest Group's business activities. Major environmental risks and opportunities are as follows. Advantest will continue to disclose mid- and long-term business strategies relating to the risks and opportunities brought about by climate change, as well as the financial impact of climate change in more details.

Major Risks Brought About by Climate Change

To reduce the risk of costs increasing as a result of taking measures against climate change and the risk of the operation environment deteriorating due to the rising temperature and increasing natural disasters, Advantest is making efforts to ensure compliance with environmental regulations and to minimize damage through the business continuity plan (BCP).

Category	Major risks brought about by climate change
Transition risks	Increase of procurement, manufacturing, equipment, logistic, and other costs due to regulatory tightening accompanied by climate change
	Cost increases caused by new taxes such as carbon tax and green power certificate
	Increase of energy cost caused by procuring renewable energy
	Increase of insurance cost caused by increasing natural disasters and increasing damages
	Decrease of product competitiveness and product demands due to changing market needs
	Cost increases caused by the need to calculate and disclose the environmental impact of products, such as the fact that they save energy

Physical risks	Relocation of factories and business facilities as a result of global warming
	Cost increases caused by replacing cooling media used mainly for air conditioning equipment and chillers with substitutes
	Inability to continue business operations due to floods, typhoons, and other natural disasters caused by climate change
	Discontinuation of the supply of parts and product manufacturing activities due to large-scale natural disasters

Major Opportunities Brought About by Climate Change

Advantest is implementing its business strategies aimed at expanding the market for green products and measuring products related to the environment.

Category	Major opportunities brought about by climate change
Opportunities	Contributing to reducing users' environmental impact through the provision of green products
	Expanding the market for green products and measuring products related to the environment
	Becoming more competitive through the technical innovation of environmental performance
	Enhancing corporate values through the global implementation of environmental conservation activities and the disclosure of the results of these activities

Advantest's Achievements in Relation to CO_2 Emissions in FY2019 (Japan)

Advantest is working to simultaneously save energy and reduce costs through more efficient production and elimination of waste. In our buildings, we are optimizing air-conditioning and other systems and replacing superannuated equipment with more efficient models, as well as implementing appropriate lighting levels and switching to LED illumination.

Advantest's total annual electric power consumption in fiscal 2019 was approximately 175 MWh lower than that of the previous year in factories due to a decrease in production activities, and approximately 191 MWh higher in development and other sites. A decrease in overtime, enhancement of operational efficiency, shortening of the periods for which air condition equipment is in use, and renewal of aging equipment including heating/cooling equipment led to an annual reduction of around 493 MWh, and the transition of lighting fixtures to LEDs led to an annual reduction of around 275 MWh.

Advantest will continue its efforts to reduce CO_2 emissions from the perspective of waste elimination, aiming to simultaneously save energy and reduce costs. In addition, we started adopting renewable energy at the Gunma Factory, Gunma R&D Center, and Saitama R&D Center in FY2020.

Important measures implemented in FY2019	▸ Transition of lighting fixtures to LED (approximate total of 4,764 lights at all business locations) ▸ Renewal by changing from gas-fired cold/hot water generators (2 units) to electric module chillers (12 units) (Gunma Factory) ▸ Optimization of operating hours of air conditioning equipment (all business locations)

Reduction of Power Consumption through the Renewal of Heating and Cooling Equipment

In our Gunma Factory, the aged gas-fired cold/hot water generators (2 units) were replaced with electric module chillers (12 units). No gas has been used at the factory since August, leading to the reduction of gas use by 37% compared to that of fiscal 2018. (108,450 m^3 in FY2019)
As a result, the annual energy consumption was reduced by approximately 445 MWh.

CO_2 Emissions (Scope 1)

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.
* GHG emissions due to non-energy related activities are included in the figures for FY2018 and after.
* We had been disclosing CO_2 emissions from corporate vehicles individually without including them in the total Scope 1 emissions until FY2018. From FY2019, we have been disclosing them by retroactively including them in the total Scope 1 emissions.

CO_2 emissions (Scope 1) Total CO_2 emissions in Japan and Overseas (t-CO_2)	FY2015	FY2016	FY2017	FY2018	FY2019
	3,880	3,824	3,811	4,671	4,471

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

* GHG emissions due to non-energy related activities are included in the figures for FY2018 onward.

CO_2 emissions (Scope 2: Market-based)

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Total CO_2 emissions (Scope 2) in Japan and Overseas (t-CO_2)	FY2015	FY2016	FY2017	FY2018	FY2019
	30,009	29,717	30,631	32,709	28,913

Guidelines referenced and CO_2 emission factors and heat generation coefficient of electricity and fuel

- Ministry of the Environment: "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment: "List of calculation methods and emission coefficients for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions"
- CO_2 emission factors for overseas power consumption: the emission factors by country in the IEA's "Emissions Factors" (2019 edition) issued by the IEA are used.

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Calculation of GHG Emissions and Approaches in the Supply Chain (Scope 3)

We have ascertained the GHG emissions (Scope 3) indirectly discharged in our entire supply chain and calculated them.
Among Scope 3 CO_2 emissions, the emissions in "Category 1: Purchased goods and services" and "Category 11: Use of sold products" account for 95% of the total emissions. Therefore, we have set our targets with these two categories as the focus points of Scope 3 and are promoting activities to reduce GHG emissions.

Calculation range (scope) for GHG emissions

- Scope 1: Direct GHG emissions by the operator (fuel combustion, industrial processes)
- Scope 2: Indirect GHG emissions from the consumption of electricity, heat, or steam supplied by other companies
- Scope 3: Indirect emissions other than Scope 1 and 2 (emissions by other companies related to the operator's activities)

1000 t-CO_2	Content		Emissions (1000 t)	
			FY2018	FY2019
Scope1	Direct emissions from our company (fuel consumption)		4.67	4.47
Scope2	Indirect emissions from our company (electricity used)	Location-based	37.49	38.68
		Market-based	32.71	28.91
Scope3	Scope 3 total		1,628.37	1,245.56
Category 1	Purchased goods and services		489.53	400.46
Category 2	Capital goods		15.19	22.73
Category 3	Emissions for procuring fuels and energies included Scopes 1 and 2		3.58	3.71
Category 4	Upstream transportation		6.20	5.27
Category 5	Waste generated in operations		0.18	0.15
Category 6	Business travel		0.64	0.72
Category 7	Commuting		1.84	2.04
Category 8	Upstream leased assets		0.40	0.39
Category 9	Downstream transportation		0.55	0.33
Category 10	Processing of sold products		Not applicable	Not applicable
Category 11	Use of sold products		1,110.22	809.73
Category 12	End of life treatment of sold products		0.04	0.04
Category 13	Downstream leased assets		Not applicable	Not applicable
Category 14	Franchises		Not applicable	Not applicable

1000 t-CO_2	Content	Emissions (1000 t)	
		FY2018	FY2019
Category 15	Investments	Not applicable	Not applicable
	Total emissions	1,665.75	1,278.95

* The FY2019 figures marked with the ✔ symbol are assured by KPMG AZSA Sustainability Co., Ltd.

* For the calculation of the total emissions, Scope 2 emissions are tabulated in market-based values.

Guidelines referenced and CO_2 emission factors and heat generation coefficient of electricity and fuel

- Ministry of the Environment: "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment: "List of calculation methods and emission coefficients for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions"
- CO_2 emission factors for overseas power consumption: the emission factors by country in the IEA's "Emissions Factors" (2019 edition) issued by the IEA are used.

* <Calculation method for Category 1>

- CO_2 emissions are calculated by multiplying the total purchase amount for each purchased good by the corresponding intensity of the "Embodied global-energy/emission intensity based on a consumer's price basis" issued by the National Institute for Environmental Studies.
- For goods for which the transportation cost cannot be isolated from the purchase price, the emissions arising from the transportation of the goods are included in Category 1 emissions, not Category 4: "CO_2 emissions generated in transportation of products from tier 1 suppliers to the company."

* <Calculation method for Category 11>

- Among the Automated Test Equipment sold by the Advantest Group, SoC test systems and memory test systems are subject to calculation.
- CO_2 emissions are calculated by multiplying the total lifelong power consumption of the products sold during the relevant fiscal year by the world emission factor in the IEA's "Emissions Factors" (2019 edition) issued by the IEA.
- The lifelong power consumption is calculated by multiplying the assumed product usage period (10 years) by the power consumption calculated for each product based on the number of units sold and product specifications of the calculation target system.

GHG Emissions due to Non-Energy Related Activities

Advantest uses dry etching of semiconductors in some of the processes at business establishments in Japan.
In FY2019, GHG emissions for PFCs and SF_6 combined was 177 t-CO_{2e}.

Item	GHG	FY2015	FY2016	FY2017	FY2018	FY2019
GHG emissions due to non-energy related activities (t-CO_{2e}) ✔	PFCs	269	268	47	9	6
	SF_6	816	671	292	146	171
	Total	1,085	939	339	156	177

* Data range for tabulation: Advantest Group (Japan) data

* Calculations have been carried out based on the GHG Emissions Calculation and Reporting Manual since FY2018.

* Prior to fiscal 2017, usage was recorded as emissions.

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Value Engineering (VE) Proposal Program

Advantest has a VE proposal system in which Advantest recognizes activities that contribute greatly to the reduction of CO_2 emissions mainly through measures such as labor reduction, lead time reduction, and energy-saving products.

In the VE proposal system, activities or proposals such as
1) labor reduction/lead time reduction,
2) reducing clients' environmental impact (energy-saving products), and
3) energy conservation/resource conservation
are converted into CO_2 emission reduction amounts and are provided as guidelines that serve as a standard for awarding based on the calculated reduction amount. This system gives incentive to employees by evaluating the content or effects of their proposals each month.

Carbon Offset

Advantest does not currently engage in emission trading of GHG emissions.

Measure to Use Solar Panels for Lighting in Employee Parking Lots at Locations in Japan

LED lights that use power generated by solar panels are employed at the Gunma R&D Center for lighting at night in employee commuter parking.

Approaches to Adopt Renewable Energy in Overseas Business Locations

Aiming at 100% Utilization of Renewable Energy

Advantest America, Inc. (AAI), our base in the United States, has committed to the introduction of renewable energy since 2012, for 9 years by 2020. In order to reduce the environmental impact of electricity consumption, the company purchases Tradable Green Certificates for wind power generation, and covered 70% or more of the power used in its office by renewable energy in FY2019. AAI has participated in EPA's Green Power Partnership (effort to encourage purchasing of renewable energy promoted by the EPA) since 2013, and continues to contribute to the spread of green power.

Tradable Green Certificate (United States)

In Advantest Europe GmbH (AEG), our base in Germany, the Boeblingen Office has started purchasing Tradable Green Certificates for 11,593 MWh of electricity per year since 2019. Following that, the Amerang and Munich Offices have purchased 1,829 MWh of renewable energy through hydroelectric power generation annually since August 2019. In the three offices in Germany, more than 90% of the total electricity used is covered by renewable energy.

Tradable Green Certificates (Germany: Boeblingen, Munich, Amerang)

Amount of Tradable Green Certificate purchases

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

As another approach to reduce power consumption, AAI San Jose has replaced all of its lighting fixtures with LED lighting to reduce power usage. In addition, the three offices in Germany have introduced air conditioning systems so as to improve air conditioning efficiency in the offices.

Introduction of air-conditioning systems in Germany

Efforts to Install Charging Stations for Electric Vehicles

In 2018, Advantest America, Inc. (AAI) has made four Electric Vehicles (EV) charging stations in San Jose, available for all employees to use free of charge. In 2019, six more stations were added. This has enabled charging of a total of 10 electric vehicles. Approximately 15% of the employees are using the charging stations. The addition of the charging stations have led to a CO_2 emission reduction of 71.6 t-CO_2 in FY2019, which is four times more than that in FY2018 (15 t-CO_2).

Charging station (United States)

In 2019, the Amerang Plant in Germany also installed a new charging station for two electric vehicles to support employees switching from gasoline-powered vehicles to electric vehicles.

Charging station (Germany)

Recycling Resources

Sustainability Data Book 2020

Approach to Materiality in Drainage and Waste

Supervising division	General Affairs Department
KPI	Waste recycling rate
FY2019 target	To promote resource recycling and sustain a waste recycling rate of more than 90% at locations in Japan
Results Achieved in Fiscal 2019	87%
Material reasons	We promote 3Rs for resources based on the belief that contributing to a recycle-oriented society is part of corporate social responsibility, and position measures for drainage and waste as an important issue.
Boundary	Advantest Group (Japan)
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Waste Management and Public Cleansing Act
Responsible department/division	Environmental Management Officer
Management resources	
Relevant complaint processing policy	(Corporate Ethics Helpline)
Assessment	△

Basic Policy

The Advantest Group pursues operations encompassing the "3Rs" (reduce, reuse, and recycle) with the aim of realizing a recycling society.
We have enhanced efforts to sort components that have been ongoing since fiscal 2009 and ensured thorough compliance so as to recover valuable materials from waste. The waste produced in our business activities (packaging materials, etc.) is sorted into each category of waste so it is processed properly after identifying the disposal procedure with the contractor and each element is recycled based on the laws related to waste processing and cleaning as well as the laws and regulations in each region as a waste business operator.

Change in waste output and recycling rate

Data range for tabulation: Advantest Group (Japan) data

* Sludge with high water content had been calculated as the solid weight excluding moisture until FY2018. However, from FY2019, it is retroactively recalculated and disclosed as the weight including moisture.

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

FY 2019 waste type breakdown (Japan)

FY 2019 waste treatment breakdown (Japan)

Proper Disposal of Waste Plastics and Material Recycling

Advantest has been recycling all waste plastics at business locations in Japan.
At its Gunma Factory, trays and magazines, which are used as parts containers, are disposed of as waste plastics.
Individual employees check the recycling identification mark on each container to sort containers containing PVC.
This allows waste plastics to turn into the main raw material for RPF (Refuse Paper & Plastic Fuel), which is a high-quality solid fuel.
Waste plastics containing PVC are crushed, incinerated, and recycled as molten slag, which is used mainly as roadbed material.

Proper Disposal of Equipment Containing PCB

Advantest owns three capacitors, fluorescent lights and stabilizers which contain polychlorinated biphenyls (PCB), but all pieces of the equipment which contained PCB was properly disposed of during fiscal 2017.

Memorandum of Understanding (MOUs) Entered into with Waste Disposal Service Providers Stipulating the Exclusion of Antisocial Forces

Companies have been imposing written obligations stipulating that contractual relationships may be terminated if the counterparty is found to be an anti-social organization. This is premised on ordinances established by the Tokyo Metropolitan Government and other municipalities calling for the elimination of crime syndicates.

Moreover, the Japan Business Federation (Keidanren), in calling on companies to overhaul their corporate behavior, is recommending that they conclude such written agreements as a way of ridding society of anti-social forces.

In accordance with ordinances calling for the exclusion of criminal elements and in line with recommendations of Keidanren in that regard, the Advantest Group's compliance initiatives entail concluding a Memorandum of Understanding with all waste disposal service providers involved in our business dealings, stipulating that contractual relations may be terminated if it is discovered that a business partner acts as an anti-social organization.

Eco-friendly Recycling in Employee Cafeteria

We recycle the leftover food generated by the Advantest Gunma R&D Center's employee cafeteria. The leftovers are processed into compost. Some of the compost is then used to fertilize an onsite vegetable garden, and some is distributed to employees at no cost. Produce from the garden is used in meal preparation at the cafeteria. Used cooking oil also goes to recycle operators, where it is processed into biodiesel fuel for reuse.

Eco-friendly recycling

Effective Use of Water Resources

Advantest's main usage applications of its water resources are the operation of air conditioners, kitchen use, toilet cleaning, and drinking. At our main bases, we use water for industrial use efficiently. In addition to using this water for cleaning the toilets, we also use it with roof-mounted sprinklers to improve cooling in the summer. Advantest is also filtering drinking water and using ultra-pure water at some business establishments. It should be noted that approximately 90% of the discharged water produced by Advantest Group is classed as domestic sewage. Currently, domestic sewage and rain water cannot be recycled.

Advantest's development and manufacturing sites in Japan are located in Gunma Prefecture and Saitama Prefecture and use water resources from the Tonegawa River. In order to protect the Tonegawa River's water resources, we carry out forest protection activities in the national forest in Gunma Prefecture, the source of the river.
Of course, every member of our staff takes care not to waste water, and strives to make effective use of our water resources.

Trend in water usage/discharged water

Data range for tabulation: Advantest Group (Japan) data

*FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Amount of water used from the Tonegawa River water system

Data range for tabulation: Advantest Group (Japan) data

Compliance with the Laws and Regulations in Each Country

Sustainability Data Book 2020

The EU-RoHS Directive

In complying with environmental laws and regulations, the Advantest Group is working towards eliminating the use of hazardous materials while also pursuing environmental conservation efforts that involve reducing the consumption of energy and resources.
More specifically, we have been working with our suppliers since the autumn 2003 on initiatives to investigate and eliminate the use of restricted hazardous materials.
We are in compliance with the European RoHS Directive*.

Advantest's semiconductor Test system, Test handler are classified as Large-Scale Stationary Industrial Tools (LSSIT) under the EU-RoHS directive, and as such are exempt from the directive's provisions. Nevertheless, on the basis of our commitment to environmental conservation, we will continue to work towards continuing elimination of hazardous substances from these product lines.

* Certain exemptions aside, Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment and respective revisions currently restrict the use of six substances in such products:

- Lead (Pb)
- Hexavalent chromium (Cr VI)
- Mercury (Hg)
- Polybrominated biphenyl (PBB)
- Cadmium (Cd)
- Polybrominated diphenyl ether (PBDE)

Chemical Substances in Products

SVHC of the REACH Regulation

Advantest products may contain the following SVHC:

- Bis(2-ethylhexyl) phthalate (DEHP)
- Dibutyl phthalate (DBP)
- Cadmium (Cd)
- Boric acid
- Trixylyl phosphate
- Sodium tetraborate
- Boric oxide
- Butyl benzyl phthalate (BBP)
- Methylhexahydrophthalic anhydride
- 1,2-dimethoxyethane; ethylene glycol dimethyl ether (EGDME)
- Lead titanate and lead titanium trioxide
- 2-Imidazolidinethione
- Cadmium oxide
- Cadmium sulfide
- Chromate compounds
- Lead zirconate titanate
- 4-(1,1,3,3-Tetramethylbutyl) phenol
- N,N-Dimethylformamid
- Perfluorooctanoic acid (PFOA)

- 1,2-benzenedicarboxylic acid, di-C6-10-alkyl esters or mixed decyl, hexyl and octyl diesters
- Lead chromate
- Lead (Pb)
- Diarsenic pentaoxide
- Octamethylcyclotetrasiloxane (D4)
- Decamethylcyclopentasiloxane (D5)
- Dodecamethylcyclohexasiloxane (D6)
- Pentalead tetraoxide sulphate
- Diarsenic trioxide
- Bis (2-ethylhexyl) phthalate
- Dibasic lead sulfite

Perchlorates

The following Advantest products may also contain perchlorate.
Perchlorate Material - special handling may apply,
See www.dtsc.ca.gov/hazardouswaste/perchlorate.

- Test system
  T Series, B Series, and H series
- Test Handler
  M Series
- E-Beam Lithography and SEM Metrology/Review
  F Series and E Series
- Terahertz Analysis System
  TAS7 Series and TS Series
- Leading Edge Products
  WM Series (AirLogger) and HA Series

Proposition 65

Proposition 65 is a law that protects the citizens of California from serious exposure to chemical substances that are known to trigger cancer, congenital anomalies or reproductive disorders.
The law requires companies and people conducting business in California to provide clear and reasonable warnings before knowingly and purposely exposing California's citizens to chemical substances on the Proposition 65 list.

Although Advantest products may contain chemical substances that are included in the Proposition 65 list, there is no risk of human exposure through skin contact, ingestion or inhalation if the products are used according to Advantest recommendations.
For this reason, Advantest has deemed that a warning label stating that a product contains chemical substances listed in Proposition 65 is unnecessary.

Based on customer requests, we can offer information on chemical substances included in Advantest products that are listed in Proposition 65.

Furthermore, as there is a risk of exposure to the chemical substances listed in Proposition 65 when handling Advantest products in a way that is not recommended by us, such as destroying or shattering the products, we recommend taking measures such as wearing dust masks, protective gloves, and ventilating to alleviate and reduce any risk of exposure.

Environmental Related Data

Sustainability Data Book 2020

Advantest keeps tabs on the company's annual environmental load and discloses the data.

Material Flow (FY2019)

INPUT

Energy consumption in factories and offices

887,610 GJ

Power	82,059 MWh
Gas	1,453,906 m³
Heavy oil	304 kl
Gasoline	53 kl
Diesel fuel	12 kl

Water usage

260,838 m³

Water	260,838 m³
Ultra pure water	1,754 m³

Raw materials (iron, aluminum, etc.)

1,276 t

Packing materials (cardboard, etc.)

462 t

Supply Chain

Research and development

Material procurement

Production

Packaging, logistics, sales

Product use

Recycling

OUTPUT

GHG emissions from factories and offices

33,385 t-CO_2

Scope 1	4,471 t-CO_2	: Direct GHG emissions by the operator
Scope 2	28,913 t-CO_2	: Indirect GHG emissions from electricity, heat, or steam supplied by other companies

GHG emissions from the supply chain

Scope 3 1,245,562 t-CO_2

Category 1	400,457 t-CO_2	: Purchased goods and services
Category 2	22,730 t-CO_2	: Capital goods
Category 3	3,705 t-CO_2	: Fuel and energy activities not included in Scope 1 and 2
Category 4	5,273 t-CO_2	: Upstream transportation and distribution
Category 5	153 t-CO_2	: Waste generated in operations
Category 6	717 t-CO_2	: Business travel
Category 7	2,038 t-CO_2	: Employee commuting
Category 8	390 t-CO_2	: Upstream leased assets
Category 9	329 t-CO_2	: Downstream transportation and distribution
Category 10	Not applicable	: Processing of sold products
Category 11	809,731 t-CO_2	: Use of sold products
Category 12	38 t-CO_2	: End of life treatment of sold products
Category 13	Not applicable	: Downstream leased assets
Category 14	Not applicable	: Franchises
Category 15	Not applicable	: Investments

Amount of waste generated

957 t

Recycling rate

82%

Amount of water discharged (Japan)

62,001 m³

* Figures marked with the ✓ symbol are assured by KPMG AZSA Sustainability Co., Ltd.

Environmental Load Data

Boundary of Data

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Boundary of data (Including affiliates in Japan)	Japan	9 bases	8 bases	8 bases	8 bases	7 bases
	Overseas	Major overseas affiliates 9 companies				Major overseas affiliates 9 companies

* Tabulation target overseas affiliates are reviewed as follows.
- Advantest Philippines, Inc. and Advantest (Thailand) Ltd. were excluded from tabulation targets as they are small offices, and the data has been retroactively tabulated.
- From FY2019, energy consumption and CO_2 emissions of Advantest Test Solutions, Inc. and Essai, Inc. have been added to the tabulation.

Energy Consumption and Power Generation

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Energy consumption (GJ)	Japan	334,279	342,462	366,165	390,846	382,600
	Overseas	351,224	393,348	404,020	452,942	505,010
	Total	685,503	735,810	770,186	843,788	887,610
Electricity consumption（MWh）	Japan	31,651	32,209	34,771	37,361	37,334
	Overseas	30,716	35,417	36,430	39,932	44,726
	Total	62,366	67,627	71,201	77,294	82,059
Gas consumption(m^3)	Japan	312,753	350,473	331,076	316,752	131,864
	Overseas	1,005,096	887,419	897,425	1,224,000	1,322,043
	Total	1,317,849	1,237,892	1,228,501	1,540,751	1,453,906
Heavy oil consumption (kl)	Japan	228	263	268	277	263
	Overseas	32	42	45	40	41
	Total	260	304	313	317	304
Gasoline consumption (kl)	Japan	52	55	47	46	53
Diesel fuel consumption (kl)	Japan	12	10	11	13	12
Amount of Tradable Green Certificate purchases (MWh)	Japan	0	0	0	0	0
	Overseas	9,500	9,200	9,200	9,200	23,072
	Total	9,500	9,200	9,200	9,200	23,072
Renewable Power Percentage (%)	Japan	0	0	0	0	0
	Overseas	31	26	25	23	52
	Total	15	14	13	12	28

Power generation of solar power generation systems (MWh) Total Electric Power Sales Overseas	Japan	0	0	0	0	0
	Overseas	1,439	1,493	1,494	525	0
	Total	1,439	1,493	1,494	525	0

* The FY2019 figures marked with the ✔ symbol are assured by KPMG AZSA Sustainability Co., Ltd.

Energy Consumption ✔

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Electricity Consumption

Gas Consumption

Heavy Oil Consumption

Gasoline Consumption

Diesel Fuel Consumption

Amount of Tradable Green Certificate purchases

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Renewable Power Percentage

GHG Emissions

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Scope 1 + Scope 2 CO_2 emissions (t-CO_2) (Electricity: Market-based)	Japan	17,927	18,193	18,863	19,667	19,126
	Overseas	15,961	15,347	15,579	17,713	14,259
	Total	33,888	33,540	34,442	37,380	33,385
Scope 1 CO_2 emissions (t-CO_2) (GHG Emissions from fuel and non-energy related activities) * For PFCs and SF6, FY2018 and later values are included.	Japan	1,561	1,740	1,696	1,845	1,427
	Overseas	2,319	2,083	2,115	2,826	3,045
	Total	3,880	3,824	3,811	4,671	4,471
Scope 2 CO_2 emissions (t-CO_2) (Electricity: Location-based)	Japan	18,326	18,907	17,803	18,681	18,219
	Overseas	15,728	17,545	17,601	18,809	20,463
	Total	34,053	36,452	35,404	37,490	38,682
Scope 2 CO_2 emissions (t-CO_2) (Electricity: Market-based)	Japan	16,367	16,453	17,167	17,823	17,699
	Overseas	13,642	13,264	13,464	14,886	11,214
	Total	30,009	29,717	30,631	32,709	28,913
Scope 3 CO_2 emissions (t-CO_2)	Total	—	—	—	1,628,366	1,245,562
GHG emissions due to non-energy related activities (t-CO_{2e})	PFCs	269	268	47	9	6
	SF_6	816	671	292	146	171
	Japan total	1,085	939	339	156	177

* The FY2019 figures marked with the ✔ symbol are assured by KPMG AZSA Sustainability Co., Ltd.

CO_2 Emissions (Scope 1 + Scope 2)

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

CO_2 Emissions (Scope 1)

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

* From FY2018 onward, GHG emissions due to non-energy related activities are included.

* We had been disclosing CO_2 emissions from corporate vehicles individually without including them in the total Scope 1 emissions until FY2018. From FY2019, we have been disclosing them by retroactively including them in the total Scope 1 emissions.

CO_2 (Scope 2: Market-Based)

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

CO_2 Emissions (Scope 3)

GHG Emissions Due to Non-Energy Related Activities

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Water Usage

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Water usage (m^3)	Japan	207,653	225,917	181,758	178,897	174,146
	Drinking water	54,705	52,735	53,596	59,601	58,073
	Industrial water	152,948	173,182	128,162	119,296	116,073
	Groundwater	0	0	0	0	0
	Overseas	72,716	62,124	67,310	101,725	86,692
	Total	280,369	288,041	249,068	280,621	260,838
Ultra pure water usage (m^3) (Included in the total amount of drinking water)	Japan	1,442	1,282	1,191	1,639	1,754

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

* Since there was an error in the calculation method for ultra pure water usage, the calculation method has been reviewed. The disclosed values for FY2015 to FY2018 have also been retroactively corrected.

Water Usage

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Waste Emissions

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Waste output (t)	Japan	616	668	724	786	725
	Overseas	172	155	193	233	232
	Total	788	824	917	1,019	957
Hazardous waste output (t) (Industrial waste subject to special controls)	Japan	7	8	6	10	12
Amount of waste recycled (t)	Japan	606	314	349	392	628
	Overseas	103	107	118	138	158
	Total	709	421	467	530	786
Recycling rate (%)	Japan	98%	47%	48%	50%	87%
	Overseas	60%	69%	61%	59%	68%
	Total	90%	51%	51%	52%	82%
Discharged water (m^3)	Japan	57,725	53,787	54,324	59,927	62,001
	Sewage system	19,601	15,745	15,993	17,611	16,894
	Public water area	38,124	38,042	38,331	42,316	45,107

* The FY2019 figures marked with the symbl are assured by KPMG AZSA Sustainability Co., Ltd.

* For the waste output and recycling rate in Japan, sludge with high water content had been counted as the solid weight excluding moisture until FY2018. However, from FY2019, it is retroactively recounted and disclosed as the weight including moisture.

Change in Waste Output and Recycling Rate (Japan)

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

* Sludge with high water content had been calculated as the solid weight excluding moisture until FY2018. However, from FY2019, it is retroactively recalculated and disclosed as the weight including moisture.

Change in Waste Output and Recycling Rate (Overseas)

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Incidents over the standard value of air and water quality

Item	Boundary	FY2014	FY2015	FY2016	FY2017	FY2019
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste water to water area	Japan	0	0	0	0	0

Emissions of Air and Water Pollutants

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Emissions into the atmosphere: NOx (kg)	Japan	357	683	909	701	322
Emissions into the atmosphere: SOx (kg)	Japan	369	431	663	450	224
Emissions into the atmosphere: Soot and dust (kg)	Japan	10	8	9	8	10
Waste water to water area (BOD) (kg)	Japan	329	132	234	201	264
Waste water to water area (COD) (kg)	Japan	217	149	160	173	220

PRTR Data

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
PRTR chemical released (t)	Japan	0.42	0.20	0.31	0.46	0.19
PRTR chemical transferred (t)	Japan	0.42	0.37	0.31	0.35	0.22

Data range for tabulation: Advantest Group (Japan) data

* The table includes PRTR controlled substances whose annual amount of use was below the amount required to be reported.

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

VOC Data

Item	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
VOC atmospheric emission (t)	Japan	3.28	3.07	2.75	2.75	2.75

Data range for tabulation: Advantest Group (Japan) data

* Substances tabulated here are VOCs subject to surveys by Japan 4EE.

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

PRTR Chemical Release/Transfer

Data range for tabulation: Advantest Group (Japan) data

* The table includes PRTR controlled substances whose annual amount of use was below the amount required to be reported.

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

VOC atmospheric emission

Data range for tabulation: Advantest Group (Japan) data

* Substances tabulated here are VOCs subject to surveys by Japan 4EE.

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Environmental Awareness

Environmental Risk and Chemical Substance Management

We monitor and assess the environmental burden of equipment utilization that may affect the environment, based on our own voluntary limits which are more exacting than the statutory requirements.

MORE

Initiatives with Business Partners

We created the "Advantest Green Procurement Guidelines" to reduce the environmental impact at all stages of production, including the suppliers and assembly and processing companies that we cooperate with.

MORE

Environmental Accounting Results

See details of our environmental accounting results.

MORE

Environmental Risk and Chemical Substance Management

Sustainability Data Book 2020

Basic Policy for Environmental Risk Management

The Advantest Group sets voluntary standards more stringent than prevailing environmental laws and regulations, and implements such standards in the course of operating equipment that could potentially impact the environment, and in monitoring and assessing those operations.

Furthermore, to ensure that we can respond without hesitation should an environment-related incident occur, we have established rules for addressing such risks, stipulated in documented operating procedures and chemical substance emergency-response procedures and other such guidelines, and have put management systems in place related to those rules.

Moreover, our employees and contractors handling particularly high-risk operations regularly take part in specialized training and emergency drills, which are conducted to ensure that they are able to act swiftly in the event of an emergency.

Compliance management at business sites

There were no cases which exceed our voluntary standards for air and water quality in fiscal 2019.

Items	Boundary	FY2015	FY2016	FY2017	FY2018	FY2019
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste water to water area	Japan	0	0	0	0	0

Basic Policy for Chemical Substance Management

We are working to ensure safety management and compliance with laws and regulations in the use and storage of chemical substances used at Advantest Group business locations.

To this end, we have adopted a chemical substance management system. This system facilitates chemical substance registration, safety reviews, input/output control, and the calculation of data required by relevant laws and regulations, as well as making the safety data sheets (SDS) that are necessary for the safe handling of chemical substances available at any time.
In addition, in order to realize strengthened risk management and chemicals substance management, we are constructing a safety training system, and are conducting audits and providing guidance through the corporate chemical management division to ensure the safety of stored chemical substances, so as to further enhance our safety control system.

Furthermore, we plan to build up our global management system as we strive to achieve the same level of risk management overseas as in Japan.

Improving Chemical Substance Management: "Aiming for More Precise Management"

At Advantest Group, we manage the chemical substances that we use by container through our chemical substance management system. Based on the chemical substances management level specified under the PRTR Law, the Poisonous and Deleterious Substances Control Law, the Industrial Safety and Health Law and other laws and regulations, we have established a classification system of management ranks and set the management method according to each rank, with the aim of having a flexible system.
Furthermore, in response to the revision of laws and regulations, Advantest built and executed a system for the risk management of chemical substances which had become a requirement as of June 2016.

Strict chemical controls

Controls applied to each and every container

Adopting the High-precision Management Methods in Line with the Different Level of Risks Posed by Different Chemical Substances

We implement training in chemical substance handling for Advantest Group employees, ensuring that employees understand how to handle particular types of chemical substances and are aware of the key points to note regarding their use. Management procedures are simplified for chemical substances that are less hazardous, and autonomous management is implemented with respect to commercially-available sprays, adhesives, etc.

Chemical substance control ranks

Rank	Conditions for application	Locked storage	Dispensary control	Inventory checks
4	Some chemical substances are extremely toxic or have a profound social impact, so registration with the government, etc., is necessary to handle them. Examples: narcotics, stimulants, etc.	Yes	Yes	As required by law
3	Some chemical substances are highly toxic, so any loss must be reported. Examples: poisons, deleterious substances, etc.	Yes	Yes	Twice annually
2	Some chemical substances are inflammable, corrosive, or poisonous with prolonged exposure. Examples: organic solvents, acids, alkalis, etc.	Yes	Yes	Twice annually
1	Some chemical substances are not very harmful, but since a large amount is used, control is necessary. Examples: solder paste, Fluorinert, etc.	–	Yes	Twice annually
0	Some chemical substances are not very harmful and do not warrant special control. Examples: some adhesives, grease, lubricants, paint, lead-free solder, wire solder, bar solder, sprays (spray oil, cooling spray), etc.	–	–	–

In line with this management approach, proper after-use treatment will be followed, such as making a request to a waste treatment company.

Efforts to Reduce VOC (Volatile Organic Compounds) Emissions

VOC substances are considered as substances that produce photochemical oxidants and suspended particulates. Facilities using a large amount of VOC are obligated by Article 17-13 of the Air Pollution Control Act to monitor VOC emissions into the atmosphere that are attributable to their business activities and take the measures that are necessary to reduce the emissions.

VOC is not used much in the electrical and electronic industry. However, the Ministry of Economy, Trade and Industry has requested companies to take voluntary measures to reduce VOC emissions, so four industry groups (JEMA, CIAJ, JEITA, and JBMIA) have been conducting surveys and cooperating with the Ministry of Economy, Trade and Industry since 2005.

These surveys cover 20 substances that are often used in the electrical and electronic industry. Advantest does not use them in large quantities, but has been conducting surveys on the consumption of these substances and report it as required.

VOC data

Data range for tabulation: Advantest Group (Japan) data

* Substances tabulated here are VOCs subject to surveys by Japan 4EE.

* FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

PRTR Report

According to the Law Concerning Pollutant Release and Transfer Register, Advantest has been submitting reports to the government under the Pollutant Release and Transfer Register (PRTR) system.

PRTR data

Data range for tabulation: Advantest Group (Japan) data

* The table includes PRTR controlled substances whose annual amount of use was below the amount required to be reported.

* FY2019 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Implementation of General and Specialist Chemical Substance e-learning Education

Advantest is providing its domestic employees with general chemical substance education, with the aim of making them aware of the risks of accidents or environmental pollution as a result of mishandling even everyday chemicals, and ensuring that they understand ways of reducing these risks. For employees who use chemical substances every day, we conduct a more practical specialist education every year through e-learning, from the perspective of awareness of dangers and safe handling.

Materials used in training on chemical substances

In this program we explain things simply, using examples of accidents, regarding chemical substances regulated under the main laws such as poisons, deleterious substances, organic solvents, specific chemical substances, hazardous materials covered by the Fire Services Law, etc.

In fiscal 2019 we conducted general education for all new employees and specialist training for 592 employees who handle chemical substances.

<Content>

- The danger of chemical substances (effects on the human body)
- The importance of safety training for chemical handlers
- The importance of wearing personal protective equipment (gloves, goggles, masks, etc.)
- Points to be observed according to the requirements of the law
  Special medical diagnosis, selection of a work leader, environmental measurement, inspection of ventilation equipment, notification of designated hazardous materials specified under the Fire Services Law, etc.

Initiatives with Business Partners

Sustainability Data Book 2020

Approach to Sustainability Target for Hazardous Materials

Supervising division	Design Operation Department/ Business Promotion Division
KPI	Percentage of suppliers requested to do hazardous substance surveys
FY2019 target	100%
Results achieved in fiscal 2019	100%
Material reasons	Recently, additions and amendments have been made to the electrical and electronic regulations, including the RoHS Directive. In such a situation, we are aware that conducting hazardous substance surveys with suppliers is important.
Boundary	FY2019: Domestic Advantest (Japan) only, FY2020: Entire Advantest Group
Relevant policies	Advantest Group Environmental Policy
Commitments	All relevant laws and regulations stipulated in IEC62474, etc.
Responsible department/division	Environmental Management Officer
Management resources	
Complaint processing policy	
Assessment	✓

Green Procurement/Initiatives Related to Regulations for Chemical Substances Contained in Product

At Advantest we are striving to eliminate hazardous substances across our manufacturing activities including suppliers of components and assembly and processing partner companies, and wish to connect this to the development of green products. We engage in communication with our business partners, and formulated the Advantest Green Procurement Guidelines in fiscal 2002 to facilitate this process. We operate according to these guidelines in order to give consideration to the environmental aspects in addition to quality, cost, and delivery throughout the whole process of production, including the purchasing of components and materials that are used for our products. In fiscal 2019 we distributed the Guidelines to all business partners, including new accounts, and requested their cooperation.

We have created a database from the environmental information we received from our suppliers, and are utilizing it to promote eco-friendly product manufacturing, along with the implementation of product environmental assessments.

Advantest has also concluded the General Specification for the Environment(GSE) with our suppliers as a contract for the same measures even at overseas bases to eliminate the chemical substances contained in products.

Advantest Green Procurement Guidelines > (PDF: 169KB)

The Principles of the Green Procurement

Component Registration in Green Procurement

Regarding component registration, we are conducting environmental surveys for procured components using our environmental survey questionnaire with cooperation from our suppliers, based on the operation standard for chemical substances used in Advantest products. We investigate the components to find out if they contain chemical substances that can burden the environment, and promote green procurement initiatives to reduce environmental impact.

Banned and Restricted Substances

We have established the aforementioned operation standard for chemical substances used in Advantest products based on IEC62474* and use it in surveys on the use of hazardous substances in components used and to determine whether or not to adopt the components.

* IEC62474: Material Declaration for Products of and for the Electrotechnical Industry (See: http://std.iec.ch/iec62474)

Survey of Suppliers on Hazardous Substances

Starting with the RoHS Directive, there have recently been additions and revisions of electrical and electronic regulations. On November 1, 2019, Advantest, in line with the revised IEC62474, revised its questionnaire on hazardous substances and informed our business partners.

Environmental Accounting Results

Sustainability Data Book 2020

Japan

Target: Seven domestic bases (including affiliated companies) Period: April 2019 to March 2020 Unit: 1,000 yen

Category		Major activities	Capital investment		Costs	
			FY2018	FY2019	FY2018	FY2019
Environmental conservation costs	1) Business area costs					
	(1) Pollution prevention costs	Installation, repair, environmental assessment, and maintenance of pollution prevention facilities	0	0	28,449	25,730
	(2) Global environmental conservation costs	Installation of energy-saving equipment and facilities	18,961	268,200	14,606	36,200
	(3) Resource recycling costs	Disposal/recycling of waste and construction of water supply facilities	443	0	24,752	19,927
	2) Upstream/downstream costs	Green procurement/purchasing and introduction/development of recycled packaging materials	0	0	0	0
	3) Administrative costs	Operation of the Environmental Management System, management of the biotope and disclosure of environmental information	0	0	71,518	67,484
	4) R&D costs	R&D of environmentally friendly products and production technologies	0	0	2,630	3,055
	5) Social activity costs	Tree-planting in the surrounding areas	0	0	2,424	2,476
	6) Environmental remediation costs	Environmental remediation, penalties or litigations concerning environmental conservation	0	0	0	0
	Total		**19,404**	**268,200**	**144,379**	**154,871**

Category		Major activities	FY2018	FY2019
Environmental conservation benefits	**1) Economic benefits**		**Benefit amount**	
	(1) Energy cost reduction benefits	Energy cost reduction through the implementation of energy-saving measures and installation of energy-saving equipment and facilities.	1,544	12,749
	(2) Revenue from the sale of recycled materials	Sale of recovered metals, etc.	11,417	10,321
	(3) Waste disposal cost reduction benefits due to reduced waste volumes	Benefits of reducing wastewater disposal costs through the use of discharged water treatment facilities, etc.	4,189	4,328
	(4) Publicity benefits from media coverage	Coverage by newspapers	271	120
	Total		**17,421**	**27,518**
	2) Physical benefits		**Volume reduced or effectively used**	
	(1) Power consumption reduction benefits	Power consumption reduction through the installation of energy-saving equipment and facilities and adjustment of operation	**Equipment** : 93 (MWh)	**Equipment** : 768 (MWh)
	(2) Energy consumption reduction benefits	Energy consumption reduction through the installation of energy-saving equipment and facilities and adjustment of operation	**Equipment** : 335 (GJ)	**Equipment** : 2,765 (GJ)
	(3) Benefits from CO_2 emission reduction	CO_2 emission reduction through the installation of energy-saving equipment and facilities and adjustment of operation	**Equipment** : 44 (t-CO_2)	**Equipment** : 349 (t-CO_2)
	(4) Effective utilization of resources	The total quantity of waste metals, office paper, waste plastics, and other recycled resources	263 (t)	628 (t)
	(5) Effective utilization of waste	The percentage of waste recycled to the total volume of waste generated at sites	89 (%)	87 (%)

Overseas

Target: Nine overseas affiliates Period: April 2019 to March 2020 Unit: 1,000 yen

Category		Major activities	Costs
			FY2019
Environmental conservation costs	Global environmental conservation costs	Installation of energy-saving equipment and facilities; improvement of facilities	42,063
	Resource recycling costs	Waste disposal costs, etc.	11,087
	Administrative costs	Operating environmental management system utilization and environment-related seminars	3,823
	Social activity costs	Clean-up activities in the surrounding areas and donations to civil society organizations	4,210
	Total		**61,183**

Category		Major activities	FY2019
Environmental conservation benefits	**1) Economic benefits**		**Benefit amount**
	(1) Power cost reduction benefits	Power cost reduction through the installation of energy-saving equipment and facilities	30,908
	(2) Revenue from the sale of recycled materials	Sale of recovered metals, etc.	0
	2) Physical benefits		**Volume reduced**
	(1) Power consumption reduction benefits	Power consumption reduction through the installation of energy-saving equipment and facilities	2,061 (MWh)
	(2) Benefits from CO_2 emission reduction	CO_2 emission reduction through the installation of energy-saving equipment and facilities	773 (t-CO_2)

Biodiversity Conservation

Biodiversity

Recognizing that the natural benefits that biodiversity creates play an important role in supporting a healthy society, we have formulated the Guidelines of Action for Biodiversity.

MORE

Biodiversity

Sustainability Data Book 2020

The Advantest Group's Guidelines of Action for Biodiversity

To show our gratitude for the gift of nature created by biodiversity, and to recognize the significance of biodiversity in supporting the prosperity and the wellness of our society, the Advantest Group will carry out initiatives in conserving biodiversity and in contributing to the sustainable use of biological resources.

1. **Understanding Environmental Impact**
   We identify, evaluate and share information on any aspect that may have a significant impact on biodiversity in the entire lifecycle of our business activities.
2. **Understanding Biodiversity**
   We increase awareness and understanding of biodiversity among all employees so that they are able to engage in activities that give consideration to biodiversity in their business activities and daily lives.
3. **Reduction of Environmental Impact**
   By seeking highly effective measures, and by carrying them out continuously, we reduce the impact of our business activities on biodiversity.
4. **Cooperation with Stakeholders**
   We cooperate with a variety of stakeholders such as the government, educational organizations, NPOs, local residents and our business partners to promote activities related to the conservation of biodiversity.

Biotope

Reflecting our commitment to living in harmony with nature, Advantest established a biotope eco-park in Gunma R&D Center in 2001 with the aim of helping to recreate the original, natural landscape of the Kanto Plain, a landscape that is being lost to development. This biotope is the largest of its kind established by any private company in Japan.

Current biotope

Biotope at the time of establishment

Advantest's biotope provides a venue in which Advantest employees can learn about the importance of protecting the global environment; the biotope is also used as a way to foster communication with local residents. About 20 years have passed since the establishment, and the biotope now has an optimal environment for preserving the local ecological system and is playing a great role in protecting and growing threatened species. In addition, Advantest's biotope provides an ideal environment for achieving an SDG target, "Goal 15: LIFE ON LAND".

* Biotope: The word comes from the German words "bio" (living organisms) and "tope" (a location).

Advantest's biotope >

At the biotope in the Gunma R&D Center, Advantest has been exploring and protecting animals and plants, growing plants, and eliminating alien species under the guidance of Gunma University since 2001. Advantest is also protecting and growing bonesets and floating hearts, which have been designated as near threatened species by the national government and as threatened species (IA) by Gunma Prefecture.

With regard to boneset, there are only five places where it grows naturally in Gunma Prefecture, one of which is Advantest's biotope. Advantest has been continuing these protection and growth activities for many years, which have led to the creation of an environment that enables the stable natural growth of bonesets.

With regard to floating heart, there is only one place where it grows naturally in Gunma Prefecture, and Advantest's biotope has been used as an evacuation shelter since 2012, where floating hearts grow steadily.

Moreover, from fiscal 2019, Advantest implemented emergency protection measures for native Amsonia ellipticas, which were specified as a threatened species (IA) in Gunma Prefecture, and started protection and cultivation activities for them.

Boneset

Floating heart

Amsonia elliptica

Hosting the Biotope Forum

In September 2019, Advantest hosted the "Third Biotope Forum". This forum has been held annually since 2017, with participation from businesses, organizations and research institutes in Gunma Prefecture that actively pursue the conservation of biodiversity.

On the day of the forum, a professor from Gunma University who supervises Advantest's biotope gave the keynote speech, introducing our company's 18-year history with the biotope as a pioneering example. Furthermore, the Advantest biotope manager made a presentation on biotope management methods and plant and animal monitoring tests. The forum saw participation from two companies and an NPO that own biotopes in the prefecture, playing a major role in creating an opportunity for exchanging information with stakeholders.

Hosting Nature Observation Events in the Biotope

Advantest has been holding nature observation events for elementary schools located near its sites by using the biotope as a venue for communicating with surrounding communities, and 2019 marked the 15th anniversary of the commencement of these activities. A total of 2,068 people have participated so far.

In fiscal 2019, about 70 children and parents from two neighboring elementary schools took part in our nature observation event. On the day of the event, employees specializing in staff training and employees with biotope management qualifications provided information on the biotope, and the participating children enjoyed nature as they looked for wildlife such as butterflies and dragonflies at the biotope. They also fished for crayfish at the biotope pond to reduce the number of non-native species such as American crayfish, which encourages them to consider the importance of biodiversity. We plan to continue this activity with cooperation from the community going forward.

Conservation Activity to Protect Japanese Red Pine Trees at the Advantest Laboratories

Within the grounds of the Advantest Laboratories Ltd. facility (in Sendai City, Japan), there are approximately 70 naturally-growing Japanese red pine trees, which are about 110 years old and grow to a height of around 30 meters.
This Japanese red pine grove was designated a Protected Forest by Sendai City Government in 2007. To help ensure the maintenance of a rich natural environment, Advantest is working to conserve these Japanese red pine trees and the creatures that live in and around them, with activities such as injecting necessary agents into the trunks and trimming the grassland.

Forest conservation activity at the national forests of Mt. Akagi "Advantest Reiwa Woods"

Setting up nets

Every year since 2007, Advantest has been conducting forest conservation activities. In 2019, Advantest concluded an agreement with the Gunma District Forest Office to use an area in Mt. Akagi for conducting its activities and named the area "Advantest Reiwa Woods". Conservation activities include pruning unnecessary branches with saws to bring in more light into the forest, and installing nets on trees to prevent deer from eating tree barks. Furthermore, lectures from experts on wildlife damage and countermeasures were held, boosting employee awareness towards protecting a healthy forest.

Environmental Impact Assessment

Advantest records and assesses the environmental burden on the area surrounding its business establishments, such as office waste water, in accordance with ordinances and pollution control agreements.
In addition, we are managing plants and cultivating biotope at our business establishments while considering biodiversity.

Society

Employment and Diversity

We are actively taking steps to promote global human resource exchange; we actively hire foreign graduates, promote the hiring of women, increase the share of female managers through promotion, and promote education planning focused on young and mid-career employees. We aim to be a company that can effectively utilize diverse human resources.

MORE

Supporting Diverse Working Styles

We create a work environment that facilitates the achievement of a good work-life balance in order to support our employees' diverse lifestyles and individual development.

MORE

Human Resources Development, Fair Evaluation and Treatment

As a global company, we develop professional employees with global-level skills. In addition, we actively support employees who diligently strive to undertake self-directed study.

MORE

Occupational Health and Safety

In all our activities we recognize that Health and Safety is one of the most important aspects of our business operations, and we implement a range of health and safety activities.

MORE

Respecting and Protecting Human Rights

Respecting employees as a valuable resource, we have adopted a "Human Resources Basic Philosophy" to increase value for both employees and the company, and we aim to grow as a company together with our employees.

MORE

Membership of Civil Society

We are fully aware of our responsibilities as a member of civil society, and we work to make a positive contribution, not only through compliance with relevant laws and regulations, but also through communication with local communities, etc.

MORE

Supporting Product Safety and Quality

We constantly aim for improvement in customer satisfaction in various areas such as design, manufacturing, sales and service, and we will continue to provide quality assurance, service and support globally, taking into account the customer's perspective.

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Intellectual Property Protection

The guiding principles underlying Advantest's intellectual property management emphasize compliance with intellectual property right laws and regulations and the need to respect the intellectual property rights of third parties.

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Supply Chain Management

Cooperative relations with our business partners are the foundation of all our businesses. We value communication with our business partners, and maintain fair business dealings with them based on related laws and regulations.

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Employment and Diversity

Sustainability Data Book 2020

Employment and Sustainability Targets

Approach to "Employment" Sustainability Targets >

Approach to "Diversity and Equal Opportunity" Sustainability Targets >

Approach to "Employment" Sustainability Targets

Human resources constitute the core part of business activities. Advantest believes that becoming a company where diverse human resources are continuously employed and work actively is important to enhance the corporate value.

Supervising division	Human Resource Department
KPI	Re-employment rate following maternity and parental leave
FY2019 target	100%
Results achieved in fiscal 2019	100%
Boundary (scope)	Advantest Corporation (non-consolidated) in Japan
Relevant policies	Advantest's human resources basic philosophy
Relevant commitments	Act for Measures to Support the Development of the Next Generation
Responsible department/division	Human Resource Department
Relevant complaint processing policy	Human Rights Protection Committee and Personnel Mediation Committee
Assessment	Advantest believes that efforts to improve support systems that enable balancing work and child-rearing results in a smooth return to the workplace while raising children.

Approach to "Diversity and Equal Opportunity" Sustainability Targets

Advantest recognizes the importance of developing a workplace where individual employees accept diversity, eliminate discrimination, show their maximum performance, and work actively to gain social creditability and enhance the corporate value.

Supervising division	Human Resource Department
KPI	Ratio of female employees
FY2019 target	Advantest will promote female employment and ensure the percentage of female managers increases steadily.
Results achieved in fiscal 2019	19.6%
Boundary (scope)	All employees in Japan and overseas (consolidated)
Relevant policies	Advantest's human resources basic philosophy
Relevant commitments	Act on Promotion of Women's Participation and Advancement in the Workplace
Responsible department/division	Human Resource Department
Relevant complaint processing policy	Human Rights Protection Committee
Assessment	Albeit slightly, the ratio of female employees has been steadily rising. Advantest will continue to promote employment of women.

Human Resources Basic Philosophy

Advantest respects employees, who are valuable assets to the company, and evaluates them fairly. Advantest is supporting the diverse lifestyles of employees as well as the growth of individual employees so that they grow together with the Company. Advantest established the human resources basic philosophy in September 2000 to protect these valuable assets and enhance their value, and is implementing various human resources measures, such as ensuring fairness and consent and actively supporting human resources development.

Advantest also supports the United Nations Global Compact 10 Principles, Universal Declaration of Human Rights, and Guiding Principles on Business and Human Rights, and is paying adequate attention to these principles of human rights and labor in its business activities.

Advantest's Human Resources Basic Philosophy

Regarding its employees as valuable management resources (assets), Advantest has formulated the following policies for implementing various human resources measures and has been making continuous efforts to achieve them.

1. Performance-based personnel system
   Advantest will promote a personnel system where employees who overcome difficulties and achieve innovative results by challenging themselves are highly evaluated and fairly treated.
2. Fairness and consent
   Advantest will ensure that all its policies and systems are objectively fair and gain consent from employees, so that the maximum and optimal results can be achieved with these policies and systems.
3. Active support for human resources development
   Advantest will actively support employees who make continuous efforts to refine their skills, acquire greater expertise, and broaden their knowledge.

Diversity Management

Active participation of each employee is crucial for a company's sustainable growth. Thus, Advantest has "INCLUSION AND DIVERSITY" as one of its core values. We believe that creating a comfortable and inclusive workplace environment and instilling working practices that maximizes employee capabilities while balancing work and home is imperative to a company. Under this philosophy, Advantest actively works to create a workplace and corporate culture that allows each employee to maximize their capabilities and individuality, and continue to work with great enthusiasm.

Employment Data

Advantest Group has formulated a basic policy to promise that it respects the human rights of individual employees, eliminate discrimination based on race, gender, age, nationality, religion, social status, disability, disease, sexual orientation, and so on. Advantest is also eliminating discrimination in employment and promotion and actively employing, developing, and promoting personnel who can play a leading role in global situations.

The graph below shows the trends in the number of employees.

Employment data

Number of employees by region

		FY2017			FY2018			FY2019				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	2,153	400	2,553	2,152	416	2,568	2,146	466	2,612	17.8%	47.5%
Overseas	Asia	710	217	927	771	236	1,007	836	273	1,109	24.6%	20.2%
	Europe	580	125	705	613	128	741	676	143	819	17.5%	14.9%
	North America	448	88	536	512	108	620	764	199	963	20.7%	17.5%
	Overseas total	1,738	430	2,168	1,896	472	2,368	2,276	615	2,891	21.3%	52.5%
Total		3,891	830	4,721	4,048	888	4,936	4,422	1,081	5,503	19.6%	

*Boundary of data: Advantest Group

Number of managers by region

		FY2017			FY2018			FY2019						
		Male	Female	Total	Male	Female	Total	Male	Female	Total ✔	Percentage of female employees ✔	Percentage by region	Number of locally recruited employees	Promotion rate of locally recruited employees
Japan	Japan	513	11	524	503	12	515	483	13	496	2.6%	42.1%	495	99.8%
Overseas	Asia	202	40	242	210	40	250	218	40	258	15.5%	21.9%	244	94.6%
	Europe	163	14	177	170	16	186	183	17	200	8.5%	17.0%	194	97.0%
	North America	176	19	195	187	19	206	204	21	225	9.3%	19.1%	217	96.4%
	Overseas total	541	73	614	567	75	642	605	78	683	11.4%	57.9%	655	95.9%
Total		1,054	84	1,138	1,070	87	1,157	1,088	91	1,179	7.7%		1,150	97.5%

*Boundary of data: Advantest Group

*Definition of managers: Level 7 or higher in the 10-level qualification system. In this 10-level qualification system, Job Levels 1 to 6 are applied to general employees and Job Levels 7 to 10 to managers.

*Figures marked with the ✔ symbol are assured by KPMG AZSA Sustainability Co., Ltd.

Number of employees by type

	FY2017			FY2018			FY2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	3,705	752	4,457	3,827	803	4,630	4,108	940	5,048
Non-full-time employees	186	78	264	221	85	306	314	141	455
Total	3,891	830	4,721	4,048	888	4,936	4,422	1,081	5,503

*Boundary of data: Advantest Group

Number of employees by age

	FY2017			FY2018			FY2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age 20-29	283	116	399	329	118	447	380	156	536
Age 30–39	693	179	872	692	197	889	752	225	977
Age 40–49	1,499	293	1,792	1,411	297	1,708	1,394	318	1,712
Age 50–59	1,099	142	1,241	1,236	163	1,399	1,355	208	1,563
Age 60–69	131	22	153	159	28	187	227	33	260
Total	3,705	752	4,457	3,827	803	4,630	4,108	940	5,048

*Boundary of data: Advantest Group (full-time employees only)

Number of new employees

		FY2017			FY2018			FY2019				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	8	0	8	20	4	24	43	14	57	24.6%	9.7%
Overseas	Asia	93	20	113	102	24	126	97	47	144	32.6%	24.5%
	Europe	26	14	40	54	10	64	62	18	80	22.5%	13.6%
	North America	29	6	35	95	26	121	223	84	307	27.4%	52.2%
	Overseas total	148	40	188	251	60	311	382	149	531	28.1%	90.3%
Total		156	40	196	271	64	335	425	163	588	27.7%	

*Boundary of data: Advantest Group (full-time employees only)

Employee turnover

		FY2017			FY2018			FY2019				
		Male	Female	Total	Male	Female	Total	Male	Female	Total ✔	Percentage of female employees	Percentage by region
Japan	Japan	32	8	40	28	5	33	32	12	44	27.3%	30.3%
Overseas	Asia	30	4	34	37	4	41	34	11	45	24.4%	31.0%
	Europe	24	1	25	22	7	29	18	1	19	5.3%	13.1%
	North America	21	6	27	32	5	37	29	8	37	21.6%	25.5%
	Overseas total	75	11	86	91	16	107	81	20	101	19.8%	69.7%
Total		107	19	126	119	21	140	113	32	145	22.1%	
Turnover rate		2.90%	2.65%	2.85%	3.21%	2.79%	3.14%	2.95%	3.99%	3.13%		

*Boundary of data: Advantest Group (full-time employees only)

*Figures marked with the ✔ symbol are assured by KPMG AZSA Sustainability Co., Ltd.

*From December 2019, the method of aggregating the number of employee turnover has been changed from including month-end employee turnover in the number of employee turnover on that month to including them on the next month.

Employment and Utilization of Global Human Resources

In order to further expand its business globally, Advantest has been recruiting personnel who have deep cross-cultural understanding and communication skills and can work in a global arena, and in response to the increasingly borderless business environment, Advantest has also been committed to building systems and hiring, nurturing, and assigning personnel through a global perspective to promote the globalization of human resources development and organizations through personnel exchange among group companies. For instance, Advantest will continue personnel exchange among group companies so that employees can experience working in a global environment, and share their skills and know-how through routine work and training in each organization so that individual employees can acquire more advanced skills, including skills to adapt to various business environments.

In order to make personnel exchange easier, Advantest has been globally implementing the "Global Transfer Policy," a system that offers fair treatment and enables personnel exchange on a global level, regardless of job type.

As of March 2020, 10 out of 24 executive officers, who are management personnel, have foreign nationalities, and employees from nine countries are currently working for Advantest Corporation. Advantest will give fair opportunities to talented personnel, regardless of their nationality, and promote global personnel development and organizational globalization through borderless personnel recruitment and exchange.

Promotion and Utilization of Female Employees

Advantest always accepts diverse values and is promoting the creation of a corporate culture where everyone can work regardless of race, gender, age, and nationality. However, as of March 2020, the percentage of female employees to total employees is 19.6%, and the percentage of female managers to total managers is 7.7%. For Advantest Corporation (non-consolidated), the percentage of female employees is 14.1%, and the percentage of female managers is 2.6%. Increasing the numbers of female employees and managers is an urgent task.

Advantest has been recruiting students with technical background, which caused the percentage of male employees to remain high and has not motivated female students to take entrance exams for Advantest in the recruitment activities. In light of these circumstances, Advantest has been strengthening public relations activities for females with a focus on conveying the attraction of Advantest to female students, particularly those with technical background. Information on active women in the workforce has been disseminated through corporate websites and recruitment brochures, and at recruitment events, Advantest explained about programs and career plans for female employees and introduced how female employees are working in Advantest.

With regard to the percentage of female managers, Advantest has set a goal of exceeding the average per industry in fiscal 2018 in the General Business Operator Action Plan according to the Act on Promotion of Women's Participation and Advancement in the Workplace, and has been promoting various activities to achieve the goal. Advantest recognizes that female employees face various changes in many stages of their lives. We actively promote support programs for balancing work and home life, enabling flexible ways of working according to each individual's situation. We encourage active participation of women in the workplace, by continuing to develop an environment in which female employees will be able to continue work for long periods of time.

Advantest will progress on with initiatives to raise the female employee ratio and establish systems for long-term employment toward increasing the ratio of female employees in management positions.

Active Utilization of Senior Employees

Advantest revised the re-employment program for employees who retire at the age of 60 that had been introduced for the utilization of senior employees following the amendments to the Act on Stabilization of Employment of Elderly Persons in April 2013 and the increase of the minimum age for pension eligibility by the government. Advantest is actively utilizing the skills and know-how of experienced employees by employing senior personnel steadily and treating and assigning them to jobs with consideration towards their past experience and assigned positions during their working years. In addition, Advantest has established a system to reflect each individual's achievements in their wages to motivate senior personnel and expect them to produce results that match their wages. Furthermore, in fiscal 2018, Advantest introduced a system where employees are allowed to reduce their working hours or days as desired and have a second job on non-working days; two employees have reduced their working hours and three employees have reduced their working days under this system. Advantest believes that this system will allow senior personnel to work more flexibly according to their lifestyles, contributing to further enhancing the work-life balance.

Trends in the number of employees who use the re-employment program

*Boundary of data: Advantest Corporation (non-consolidated)
Advantest is tallying the number of employees who have started using the re-employment program.
(These numbers do not include those who have been using the program since the previous year.)

Employment of the Disabled

In order to promote the employment of the disabled, Advantest established a special subsidiary company, Advantest Green Corporation, in September 2004. Since its establishment, this company has been working to promote the employment of the disabled and encourage them to continue to work for a long time under the slogan of "Independence of individuals and growth of society."

Its core business includes landscaping, cleaning, reception work, delivery, sale of bread, and management of dormitories. Advantest Green is providing workplaces where its employees can work comfortably. Advantest Green is working actively with local communities and relevant organizations to develop workplaces where the disabled and non-disabled people can work together.

In fiscal 2018, an Advantest Green's disabled employee was awarded for his achievements. This award is given to those who have overcome their disability and achieved excellent results as model professionals. The hard work that the employee has put in for many years has led to this great result.

Advantest's employment rate of the disabled is 2.66% in fiscal 2019, exceeding the mandatory employment rate. Advantest will be actively promoting the employment of the disabled to address a future amendment to the mandatory employment rate. In detail, Advantest will promote initiatives such as standardization of work procedures and work visualization to create a work environment in which employees with disabilities will be able to work to their full potential, and also refer our workplace as one in which people with various disabilities can actively participate to outlets such as special-needs schools. Furthermore, Advantest is considering creating new job categories, and will promote activities that lead to new employment, such as accepting apprentices and holding workshops. Advantest also actively implements initiatives to expand systems for goals and awards to enhance motivation such as "meaningfulness" and "satisfaction," and to support independence, including relocation to group homes, with the aim of retaining employees with disabilities. Additionally, Advantest assigns qualified staff including job coaches and counselors for the disabled to each workplace, along with conducting regular four-way meetings with family or individual lunch meetings for early detection and information sharing on issues, to offer workplace support catered to characteristics of employee disabilities.

Currently, 10 highly motivated, disabled employees are working in overseas affiliated companies.

Trends in the percentage of disabled employees

*Boundary of data: Advantest Group (Japan)

*FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Supporting Diverse Working Styles

Sustainability Data Book 2020

Promotion of Flexible Ways of Working Toward Realizing Work-life Balance

Advantest believes that the realization of a good work-life balance will ultimately contribute to the improvement of corporate value. We believe that a well-balanced work style is necessary to allow employees to maximize their capabilities while balancing their private life with work, and to maintain their motivation. Based on this philosophy, Advantest has continued to create good working environments that offer flexible working systems.

In detail, Advantest has been promoting active use of existing systems, such as days to leave the workplace at the appointed time, use of annual paid leave, and flextime (for all employees). As a result, the ratio of employees using annual paid leave (23 days a year (22 days for employees with less than 10 years of continuous service)) has been maintaining a high standard at 70% each year.
In April 2020, a remote working system has been newly incorporated. Advantest aims to expand systems in which many employees will be able to conduct flexible and efficient work according to their tasks, work styles, and life styles.

Work-Life Balance Programs for Childcare and Caregiving

When working long term, there comes a time in one's life when balancing home and work become necessary due to factors such as childcare or caregiving. Advantest actively promotes support programs for balancing work and home life, providing flexible ways of working according to each individual's situation at various stages in employees' lives.

Pregnant employees can receive 100% compensation during pregnancy hospital commutes and pregnancy complications leave, as well as selecting to work shorter hours if directed to by a doctor. Advantest offers childcare leave and caregiving leave that exceeds legal standards. Childcare leave can be taken until the child reaches the age of two years and three months, and caregiving leave can be taken for a maximum of three years. Other leave programs are also widely used, such as the accumulated holiday program, which can be taken for a variety of reasons including a spouse's childbirth, childcare, fertility treatment, and other caregiving. Furthermore, Advantest offers shorter work hours for employees who are raising children or offering nursing care. Shorter working hours for childcare can be used until the child reaches the sixth grade, and is currently being used by many employees with children to balance work and childcare. There is no restriction on the period in which employees can work short hours for caregiving, so that employees can work in accordance with their situation.
As there are cases in which employees have no choice but to leave the company, such as marriage, childbirth, childcare, caregiving for the family, and spouse job relocation, Advantest has established a re-employment program for employees who meet a certain criteria.

It should be noted that re-employment following childcare leave was 100% in fiscal 2019.

We are also working on support for active childcare participation for fathers, which includes the provision of personal consultations for male employees who are raising children and their supervisors, guidance for childcare-related systems, and support for using childcare leave. As a result of these initiatives, the ratio of male employees taking childcare leave increased to 10% in fiscal 2019.

Number of employees using childcare leave

*Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using shorter working hours for childcare

*Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using caregiving and nursing leave

*Boundary of data: Advantest Corporation (non-consolidated)

Promotion of Work-Life Balance Programs

In 2007, Advantest has placed the "Work-Life Balance Support Guide" website on the company intranet offering information on work-life balance programs that can be used according to one's lifestyle, and to spread awareness of the various programs that Advantest provides and to encourage utilization. In recent years, Advantest has actively announced the work-life balance program and also developed an environment that allows easier consultation, such as establishing a consultation service, to promote an environment in which employees can use work-life balance programs with peace of mind.

Reducing Overtime Hours

Advantest strives to ensure employees work appropriate hours to protect their health and achieve a work-life balance. The Advantest Corporation (non-consolidated) has set the goals specified below and focused on increasing operational efficiency, encouraging a change in employee mindsets, and making the most of available work arrangements such as flextime and shift work while striving to reduce the amount of overtime.

Our overtime reduction goals

1. Number of employees with a monthly overtime of 80 hours or more: 0
2. Average monthly overtime hours: 9 or fewer (excluding discretionary labor)

In fiscal 2019, Advantest incorporated an action plan to reduce the amount of overtime based on the Act on Promotion of Women's Participation and Advancement in the Workplace as well as the Act on Advancement of Measures to Support Raising Next-Generation Children and worked to raise awareness on the intranet, in an effort to enable employees to strike a balance between work and life. Broadcasts each Wednesday were issued to urge employees to leave work on time, and notices sent to supervisors when employees clocked four or more hours of overtime by the 10th day of the month, or seven or more hours by the 20th day of the month, in an effort to further reduce overtime hours.

Although we have been engaging in these efforts, we have not succeeded in our in-house plan to have zero employees working 80 or more monthly overtime hours in fiscal 2019, as well as fewer than 9 average monthly overtime hours a month.
We were unable to achieve these goals due to keeping up with increased production and delivery support as well as dealing with unexpected problems.
The overtime hours per person at the Advantest Corporation (non-consolidated) in fiscal 2019 was an average of 13.6 hours as of March 2020.

Average overtime hours worked per person

*Boundary of data: Advantest Group (Japan, China, Korea)

*FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

*Overtime hours are included for management positions with no subordinates (For Korea only).

Annual Paid Leave and Other Leave Systems

We encourage employees to take annual paid leave (up to 23 days per year) according to the job schedule of each person, work-life balance and other work conditions to realize a work-life balance at Advantest. In addition to planned paid leave (6 to 12 days each year), we have also introduced multipurpose consecutive leave (3 days a year) and refresh leave (3 days, 5 days and 8 days of leave given to employees after working continuously for 10 years, 20 years and 30 years respectively). Furthermore, annual paid leave that will be lost can be carried over as cumulative paid leave for 5 days a year up to a maximum of 30 days to use for reasons that include injury to the employees themselves or the need to take care of a child or family member as well as volunteering, self-development, infertility treatments or to help with donor activities.

Graph of paid leave taken

*Boundary of data: Advantest Corporation (non-consolidated)

*FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Number of employees taking accumulated holiday

*Boundary of data: Advantest Corporation (non-consolidated)

Engagement Survey

Advantest has conducted the Global Employee Engagement Survey (hereinafter referred to as "survey") to measure the engagement levels of its employees.

Purpose

Advantest continuously pursues a culture in which all employees are appreciated, respected, and work together to achieve common goals. The purpose of this survey is to provide employees with opportunities to share their thoughts on our company or organization. It stimulates dialog between the manager and team, which creates ideas for improving our company or organization from every level. The survey results provide a clue to knowing what the employees think of their work or work environment and how the company can support its employees. The survey makes it possible to identify the company's strengths and the fields that require improvement through open feedback from employees. In addition, we will take actions for improvements so as to raise the level of employee engagement in work and workplace environments, with the aim of improving the performance of the company as a whole as well as the performance of individual employees.

Employee engagement

Employee engagement refers to the emotional commitment of employees to their organization or its goals. An employee who is engaged in work does not only do what is minimally required, but goes about his/her work enthusiastically and energetically, with an effort to output more than what is required. According to a survey conducted by Gallup, Inc., engagement among employees worldwide is only 15%. In addition, it has become clear that there is a connection between employee engagement and the following indexes.

- Profitability, customer ratings, and productivity (in direct proportion)
- Turnover, absenteeism, safety incidents, and quality defects (in inverse proportion)

Implementation of survey

The survey during fiscal 2018 was conducted from October 16th to 30th for all 4,827 employees of the Advantest Group who had been employed for three months or longer at that point. The response rate was 91%. The survey was conducted using the platform of Gallup Inc, in an online format in which anonymity is ensured.

Results

Unfortunately, the scores of the 12 key questions in the Gallup survey were lower compared to those of other companies. In particular, situations were assumed from the survey results, where supervisors are not carrying out communication with their subordinates' growth firmly in mind. These results were communicated to all employees by President and CEO Yoshida via e-mail, and were explained by the president and general manager of each department of each affiliate throughout the world to their employees. Although the results were not very good, we believe that the survey was an important step in showing the transparency of the company or the attitude of working on the improvement of engagement.

Future plans

The next important task is for all members of the company, from management staff to line managers and employees, to become involved in the development and execution of action plans based on the survey results. Our goal is to turn the survey result into the improvement of company performance or customer satisfaction, while improving the engagement of employees. Whether the executed action plans have led to the improvement of engagement levels will be checked in the next survey (scheduled to be conducted in fiscal 2020) and later surveys.

Achieving an Enthusiastic Workplace

Advantest has been striving to realize work-life balance for all employees and achieve a working environment where each employee will be motivated to work.

As a result, Advantest Europe GmbH (Germany) was recognized as one of the Best Employers 2017 presented by Great Place to Work®, an international human resource consulting agency. Great Place to Work® conducts research about the scale, business category and region of companies throughout all of Germany to rank the top 100 Best Employers every year based on whether the company has built a workplace with a clear trust relationship and is able to bring out the full potential of each and every employee. The recognition of Advantest as one of the best employers demonstrates fair and sincere unification of strength between employees as well as management who have a strong sense of unity with the company. Advantest earned the highest marks in a variety of categories in the anonymous benchmark test for employees about the corporate climate conducted by Great Place to Work®.

Each Group company will endeavor to reform work styles to achieve a working environment where each employee will be motivated to work.

Human Resources Development, Fair Evaluation and Treatment

Sustainability Data Book 2020

Human Resource Development Policy

Making investments in human resources is essential to implement our mid- and long-term strategies, and we will strengthen the foundation to expand our business through the development of global and frontier human resources while pursuing customer value.

To enhance corporate value in the long run, we need to ensure that employees clearly understand their role and make efforts to develop their capabilities. We expect our employees to show initiative with respect to refining their skills, and at the same time we encourage them to effectively leverage their respective strengths in the global business arena as part of our team.

Moreover, exceptional management ability to harness combined group capabilities plays a crucial role in turning innovative ideas (innovation) into products and delivering them to the market.

Therefore, Advantest strives to develop human resources based on the three following policies in our Human Resource Development Policy.

We focus our efforts on developing an adventurous spirit among our workers, providing our workers with a cosmopolitan outlook, and upgrading management skills as the key points for producing a professional workforce that is capable of navigating the global business environment, and we actively support employees who work consistently to refine their skills, acquire greater expertise, and broaden their knowledge.

Approach to Sustainability Target for Training and Development

To continue making contributions to our customers and society and to enhance corporate value, we need to ensure that employees clearly understand their roles and make an effort to develop their capabilities so that they can maintain their competitiveness. We recognize training and development as an important CSR theme based on these needs.

Supervising division	Human Resource Department
KPI	Average number of hours of training per employee per year
FY2019 target	To enhance training reflected in the character of every employee who joins the company each year and the policies of society as a way to cultivate the fundamental skills of junior employees.
Results achieved in fiscal 2019	11.5 hours (training hours: 32,889 hours)
Boundary	Advantest Corporation (non-consolidated) in Japan
Relevant policies	Human Resource Development Policy
Relevant commitments	—
Responsible department/division	Human Resource Department
Management resources	Education training budget for human resource supervisors: 100 million yen; Seven staff (three from Human Resource Department and four from Advantest Academy)
Relevant complaint processing policy	Handled based on surveys conducted after training is held
Assessment	✓

Education and Training System and Implementation Status

Advantest has prepared a training program that anyone can participate in, and where a wide range of topics can be learned, from basic knowledge up to the latest technology trends. In addition, we will continue to make improvements to adapt the training program to the changing environment, and to provide industry-leading superior human resource training through this program, in cooperation with Advantest Academy, which specializes in employee education.

To adapt to the business environment that is drastically changing due to globalization, we are strengthening the human resources development training system in line with the above-mentioned human resources development policy. To make this training even more effective, we are forging and implementing new programs, including the expansion of our global training program. New programs will be delivered by specialists to make them more effective, and we will selectively use in-house or external lecturers depending on the program content.

At each Group company, we will also provide a wide range of education to increase the skills and expertise of individuals based on the needs in each country and region in addition to education through day-to-day operations.

For example, Advantest (China) Co., Ltd. regularly holds events under the name of Training Day. Several seminars based on themes are provided by internal instructors. These seminars create a culture of mutual learning through both instructor assessment and a commendation system. We aim to develop a system that boosts the level of the entire Advantest Group by sharing information on these efforts between Group companies.

Main education system

At the Advantest Corporation (non-consolidated) in fiscal 2019, a total of 2,851 employees received training of some kind, and the average number of training hours per employees was 11.5 hours for 33,897 hours of total lesson time.

Training category	Target	Number of trainees	Lesson time (hours)
Business Training (human resource management, etc.)	Managers, General employees	897	7,755H
Technical Training (technology)	Managers, General employees	1,125	4,719H
e-learning (human resource management, etc.)	Managers	24	1,200H
New Employee Training (by job level)	General employees	30	14,066H
English (global)	Managers, General employees	245	3,026H
TOEIC (global)	Managers, General employees	408	816H
External Seminars (business skills, etc.)	Managers, General employees	122	1,307H
Total		2,851	✔ 32,889H

* Data range for tabulation: Advantest Corporation (non-consolidated) data
* Figure marked with the ✔ symbol is assured by KPMG AZSA Sustainability Co., Ltd.

Development of Engineers

We place particular emphasis on educating engineers, with the aim of ensuring that our products continue to underpin leading-edge technologies.

We have created a training program accessible to every employee of the Group and covering a wide range of subjects, from basic knowledge to the latest technologies.

In fiscal 2019, approximately 1,125 engineers participated in the various technology seminars and technical training that were provided.
The program now includes seminars hosted by Advantest's senior engineers. For example, one of the seminars featured a lecture on design quality by an employee in charge of design, thereby shedding light on the basic technologies required to maintain and improve product quality based on the speaker's first-hand experiences. Courses are held with invited instructors based on requests from engineers or management-level personnel, so as to support them in adapting to a rapidly-changing business environment.

The program acts as a means of imparting not only technical knowledge but also Advantest's corporate DNA to future generations.

Software-Related Education

We have been conducting software engineering forums six times a year for the past 20 years. In these forums, cutting-edge information on topics such as agile, deep learning, and continuous integration (CI) development methods is provided by internal and external instructors. In October 2019, Advantest Engineering Friday was established as a place where employees can share their findings with each other on a continuous basis. Multiple subcommittees have been started from here, and they regularly meet up on Friday afternoons as a separate community from the organization where they can learn from each other.

Other Courses on Advanced Technologies

Approximately ten times a year, we invite external instructors and provide courses on the latest technological trends such as advanced memory devices and 5G, as well as courses in which experienced instructors share their breakthroughs.

In fiscal 2019, we developed an environment that enables our employees to participate in Massive Open Online Courses (MOOCs) on AI on a trial basis. Forty-two engineers participated in the deep learning and machine learning courses provided by Coursera, on which courses are provided by Stanford University and other renowned universities and organizations, and 37 of those employees have acquired certificates. In order to solve problems in these courses, programming and English skills are required. Therefore, the participants are working on the courses while helping each other, which contributes to improving the levels of engineers.

We are planning to increase the number of participants in such courses inside the company, including new employees, as well as to establish an environment that supports participants so that they can utilize the content that they have learned.

In addition to in-company training, we are also providing support for on-campus courses, so as to support the motivation of employees who have taken the initiative in continuing to pursue their education.

New Employee Education and Training

Advantest's training program for new employees starts with one month of basic business training covering the basics of working life. After that, the new recruits are put into one of two occupation-specific training regimes, depending on whether they have been hired for engineering or administrative job assignments.

Engineering employees first learn the basics of design, and then go on to learn the necessary skills as Advantest engineers through basic technology training to obtain the basic knowledge required; hardware training, software training and device test training to experience basic development tasks; and manufacturing training to learn the basics of manufacturing. New administrative employees undergo basic training for administrative operations to learn the basics of manufacturing and brush up on their administrative skills, while learning the contents of the Group's business and how the divisions are interrelated.

We review the training programs each year to ensure that they reflect the characteristics of new employees and the policies of the company as a way to cultivate the basic skills of junior employees. In fiscal 2019, we added team building training, management analysis training, logical thinking training, and English writing training to the program.

By having new employees experience various types of training in this way, we are able to ensure that they will clearly understand their own roles, and will recognize the importance of teamwork with other divisions. Our training period for new recruits acts as a key formative phase in their professional development as Advantest employees.

New employees training

<table>
<tr><th></th><th>April</th><th>May</th><th>June</th><th>July</th><th>August</th><th>One year after assignment</th></tr>
<tr><td rowspan="2">Engineering roles</td><td rowspan="2">Combined group training</td><td>Basic engineering training
• Safety training
• Quality assurance training
• Screw fastening, soldering, etc.</td><td colspan="2">Basic development training
• Hardware training
• Software training
• Device test training, etc.</td><td>Manufacturing training</td><td rowspan="2">OJT period</td></tr>
<tr><td>Administrative roles</td><td>Basic administrative training
• Microsoft training
• Manufacturing training, etc.</td><td></td><td></td><td></td></tr>
</table>

Global Human Resource System

Advantest treats its employees appropriately by engaging in initiatives based on cultures and customs that are unique to each country in the common global system, in order to develop global and frontier human resources.
Regular Global HR Meetings are held to share the status and efforts in each country and to create a place for debates about solving personnel issues shared throughout the Group.
In fiscal 2019, a face-to-face Global HR Meeting was held once in Japan and once in Germany, and human resource managers from each group company announced the endeavors and challenges of each country. We have also deepened exchanges through discussions about further globalization such as the introduction of Group-wide human resource policies as well as new systems.

Fair Evaluation and Treatment

We evaluate and develop the career of the employees by reflecting the goals set at the beginning of the period, communicating with superiors during the period as necessary, and conducting an evaluation interview at the end of the year. This interview is carried out for regular employees and some contract and temporary staff.

Advantest Resource Management System (ARMS)

At present, our overseas sales ratio is over 90%, and among our 5,503 employees, more than 53% (2,891) are in overseas affiliated companies, making Advantest a global company. Given this structure, we introduced the Advantest Resource Management System (ARMS), a unified human resources system, in April 2012. ARMS promotes cooperation among multiple bases around the world, as well as smooth personnel exchanges and transfers.

Global human resource system

Under ARMS, the unique job classification systems decided on by Group companies in each country have been replaced by a new 10-level job system that is common to all. In this system, job levels 1 to 6 are for general employees, while levels 7 to 10 are for management positions. There are two management paths in this system: one for "people managers," who manage budgets and deal with staff merit and labor issues, and one for "functional managers," who tend to business and ensure that operations are carried out properly. Line managers with subordinates are assigned to the first path, and all other specialists are assigned to the second. With these two lines for advancement, we ensure that our diverse personnel have opportunities to develop as managers.

We also apply common global rules to our pay scale, including basic pay and bonuses. Previously, for example, bonus payments in each country mainly reflected the performance of Advantest's subsidiary or affiliate in that country, but under the new system, bonus payments reflect the Company's consolidated earnings. Starting in fiscal 2012, we have applied a new system of evaluating employee performance. No matter where Advantest employees work, they can now be evaluated and rewarded according to the new common global system, with every employee receiving an evaluation/cultivation interview at least once a year.

Seven years have passed since we introduced our global human resources system, during which time efforts have been made to increase the number of employees seconded from Japan to overseas postings and the number of personnel exchanges with overseas affiliates; this system has contributed to invigorating the organization and improving corporate performance.

Global job level and title

Job Level	Job Title				Descriptions
1	Entry				Performs routine tasks of a repetitive nature in a...
2	Career				Duties and responsibilities focused on structured and...
3	Associate				Requires specific knowledge of a business function or...
4	Developing				Handles moderately complex assignments and works...
5	Senior				Provides specialist or technical recommendations to...
6	Expert				Requires ability to make tactical judgments that are...
7	People Manager	(Sr.)Manager	Functional Manager	(Sr.)Consulting Manager	Operational team leader or professional/technical advisor...
8	People Manager	Director	Functional Manager	Consulting Director	Sets goals and targets for a department or management team...
9	People Manager	Sr. Director	Functional Manager	Principal	Sets annual plans in accordance with the global or regional strategy...
10	People Manager	VP (or SVP)	Functional Manager	Fellow	Accountable for developing and establishing long-term plans in line with the Advantest Group strategy...

Meanwhile, the new human resources framework offers labor management flexibility in setting up working hours, telecommuting arrangements and other job specifics, so that managers can more aptly address such matters directly in accordance with the laws and regulations of their respective nations and in line with local employment practices.

Starting from fiscal 2014, we have established a global personnel database, which is effectively utilized for project team composition and smooth personnel changes on a global scale. Beginning in fiscal 2015, we began using a new global personnel evaluation system to replace the existing personnel evaluations. In the future, we will be setting up human resource development schemes with a worldwide reach, promoting employee diversity through active efforts to hire and promote employees with different backgrounds, and taking decisive steps toward forging an employee recruitment strategy that is in accordance with the business strategies of our operations in diverse countries.。

In the spirit of establishing ourselves as a truly global company going forward, Advantest will continue to work hard to create a professional business environment where every member of a diverse Advantest Group workforce can make the most of his or her individual capabilities.

Pension system

Domestically, Advantest has introduced a point system to determine retirement benefits. In addition, Advantest has introduced a fund-type defined benefit corporate pension system as part of the retirement benefit system, where the retirement benefit can be received as pension under certain conditions.
In fiscal 2018, Advantest incorporated a defined contribution corporate pension system as part of its defined benefit corporate pension system and started the defined contribution corporate pension system in addition to the point-based retirement benefit system.
As a result, retirement benefits will be divided into a retirement lump sum paid by the Company, the benefit from the fund which can be paid out as pension according to the years of service and the defined contribution.

Occupational Health and Safety

Sustainability Data Book 2020

Advantest Group Health and Safety Policy

Advantest Group recognizes that Health and Safety (H&S) is one of the important aspects of our business operation. This policy is set forth to ensure every Advantest employee's Health and Safety.

1. Health and Safety First
   We will make H&S as the first priority for employees in all Advantest operation groups.
2. Compliance with Laws and Regulations
   Aim to achieve compliance with legal requirements through good occupational health and safety performance.
3. Regular Review of Health and Safety Compliance
   To support this policy, we will provide employees with an annual activity plan which will address every business location's H&S regulations through management support.
4. Education and Training
   Ensure that employees receive appropriate training, and are competent to carry out their designated responsibilities.
5. Disclosure of Health and Safety
   To raise awareness, we will announce our H&S information to all employees publicly.

Approach to Materiality in Occupational Health and Safety

Advantest sees the assurance of safety and the preservation of the health of our employees as a major prerequisite in executing our business activities, and it recognizes the need to continually raise awareness.

Supervising division	General Affairs Department
KPI	Occurrence rate of occupational accidents (frequency)
FY2019 target	0
Results achieved in fiscal 2019	0.2
Boundary	Advantest Group
Relevant policies	Advantest Group Occupational Health and Safety Policy
Relevant commitments	Continuation of "Aiming for Zero Serious Accidents Activity," which is an independent target
Responsible department/division	Activities are executed at each site and the Health and Safety Committee aims to promote those activities.
Relevant complaint processing policy	Operation of the Health and Safety Committee and establishment of the Health Management Office
Assessment	△

Promotional System

At Advantest, every year we convene the "Health and Safety Committee Meeting" which decides the health and safety direction and policy for the whole group. The approach to health and safety is based on the main activity themes decided on at this meeting, upon which the health and safety committees at each location set their annual targets and plans.
We also regularly hold health and safety committee secretariat meetings throughout the company, and strengthen each location's health and safety activities through this sharing of information about relevant activities.
Members of the company-wide Health and Safety Committee is made up of the heads for the Health and Safety Committees at each business location. Furthermore, the members of the Health and Safety Committees at each business location is composed mostly of representatives of both the company and union employed at the business location.

Organization of Health and Safety Management (Japan)

Implementation of Occupational Health and Safety Activities

Fiscal 2019

For fiscal 2019, posters continued to be displayed from fiscal 2018, and promoting safety awareness at pre-work meetings have resulted in a decrease in occupational accidents. Furthermore, all safety and health managers from overseas affiliated companies were gathered for a meeting at which information on various initiatives were shared.

Fiscal 2020

For fiscal 2020, promotion of safety awareness will continue to be implemented through activities such as creating posters of accident examples. Furthermore, as a measure to further improve information sharing with overseas affiliated companies in FY2019, we have been aiming to share occupational accident information of each company.

Occupational accident rate in Japan (frequency rate*)

*Number of injuries or deaths due to labor accidents per one million of actual total working hours
*Boundary of data: Advantest Group (non-consolidated)
*From FY2019, the data includes temporary employees.

*FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

There have been no fatalities in operations in the last five years.
In addition, the rate of occupational accidents (frequency) was 0.2 at affiliate companies worldwide in fiscal 2019.

*FY2019 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Occupational Health and Safety Education

The Advantest Group regularly conducts occupational health and safety education and strives to build a safe workplace where everyone can work with peace of mind by preventing occupational accidents before they happen and raising awareness about occupational health and safety. E-learning has been incorporated to some areas of Advantest's unique health and safety education. We will strive towards further participation from employees.

Occupational health and safety results achieved in fiscal 2019

Education category	Target employees	Number of trainees (Total)	Hours of education
General education	Managers, General employees	5,078	2,584
Specialized education	Managers, General employees	1,353	3,048

Promotion of Health and Productivity Management

Up to this point, Advantest has had various initiatives for health and productivity, which included measures toward lifestyle disease prevention, mental health and abstinence from smoking. However, to further promote these initiatives, we have decided to incorporate Health and Productivity Management and formulated a Declaration of HPM Policy in September 2019.

Ever since the Declaration of HPM Policy was established, the health insurance society and labor union have come together to promote health check-ups, boost the implementation rate of specified health guidance and introduce a health portal site, along with various other activities that directly affect employee health such as online dieting/smoking cessation programs and yoga/health/exercise seminars. As a result, we have been certified as a 2020 Certified Health & Productivity Management Outstanding Organization in the large enterprise category within the program promoted by the Ministry of Economy, Trade and Industry and hosted by the Nippon Kenko Kaigi.

Declaration of HPM policy

In order to realize Advantest's mission, we declare to strive to create a workplace where every employee can work healthy both physically and mentally and to contribute to the achievement of a sustainable society as a corporate citizen.

Based on HPM policy, promote HPM from the following three viewpoints.

Efforts to maintain and improve employees' health	● Improvement of health literacy: 100% of employee receiving health check-ups, preventing the progression of diseases, providing health guidance (exercise, dietary life, smoking cessation), etc. ● Reinforcement of health support: Launching a health portal site (health check-ups data, helpful information for maintaining health, walking challenges, etc.)
Efforts for company growth	● Enhancement of employee engagement: Implementation of the Engagement Survey, implementation of systematic action plans (communication training, etc.) ● Promotion of work-life balance: Reduction of overwork, encouraging employees to take paid vacations, encouraging male employees to take child-care leave, etc.
Efforts to realize the SDGs	● Maintenance and enhancement of the health of employee families : Improvement of the percentage of employee family members receiving health check-ups, provision of health guidance, etc. ● Creation of an enthusiastic workplace : Prohibition of smoking in offices, development of working environment, etc.

Organization

Mental Health

At Advantest we believe that vigorous employees make for a vigorous workplace. Accordingly, our Health Management Office supports efforts to ensure both the mental and physical health of our employees, so that we can provide a safe and comfortable workplace environment for them. We introduced stress check in fiscal 2012 before they became required by law because we consider preventative measures as the key to our mental health activities. By quantifying stress (thus making it visible), we promote stress awareness among all employees, which is useful for self-care.

The fiscal 2019 stress check drew an 89.4% response rate. 10% of the employees with the highest diagnosed stress levels were invited to attend health consultations (and 8% did). We have also incorporated seminars to reinforce self-care.

Organizational analysis stated that high stress workplaces reduced from 12% in fiscal 2018 to 4.5%. Advantest has conducted training for workplace environment improvement for all managers in fiscal 2018. This initiative targeted only managers in high stress work places and offered more practical training (with a 98% attendance rate) for workplace environment improvement in fiscal 2019. We continuously work on improving stress levels by following up on the implementation situation to create a workplace that mitigates the occurrence of mental health disorders.

We have also formulated recovery plans with industrial doctors from the latest reports as well as provide support for employees to return to the workplace after taking a break so they can take time off without worry even if their mental state worsens due to a variety of stress. In addition, an eight-step process has been set up to avoid overstressing people and the workplace.

Health Consultations

At Advantest's Health Management Office, a comprehensive range of health professionals (including occupational health physicians, clinical psychologists, public health nurses, nurses, and industrial counselors) provide counseling services for physical and mental problems of all kinds. Applications for counseling can be submitted easily by telephone or e-mail, or via the company's intranet. In fiscal 2019, counseling services were provided on 971 occasions.

Health Check-ups and Health Guidance

Advantest provides regular health check-ups to maintain and improve the health of employees in addition to regular physicals through subsidies from the health insurance society. We provide health check-ups once or twice each year both in domestic and overseas bases, with an examination rate of 90% or higher. We have achieved a 100% health check-up ratio since fiscal 2018 for domestic employees.

In fiscal 2019, we provided health guidance, email support, staff, and consultation with industrial physician as well as other medical measures for the main purpose of improving lifestyle diseases for 96% of the 70% of Group employees who were diagnosed throughout Japan. Part of our measures include promoting projects that allow employees who do not have the habit of exercising to start doing so easily, including organizing yoga trial lessons during lunchtime, and inviting health and exercise instructors for exercise seminars. Furthermore, employees with a history of brain and heart disease are interviewed regardless of their health check-up results, and work restrictions are put into place to ensure their safety.

*The rate for the health guidance implementation is as of May 13, 2020.

Respecting and Protecting Human Rights

Sustainability Data Book 2020

System to Promote the Respect and Protection of Human Rights

Focused around the Corporate Ethics Office and the Compliance Committee, Advantest strives to promote and set policies on human rights issues and deal with complaints about discriminatory treatment.
We share the Advantest Supply Chain CSR Promotion Guidebook with our suppliers, and endeavor to ensure that they are fully aware of the need to respect human rights (including the prohibition on forced labor, child labor, and discrimination).

Creating a Workplace that Respects Human Rights

Advantest believes considerations to human rights are a vital element in expanding businesses globally. We support international standards related to human rights such as the Universal Declaration of Human Rights while complying with the laws and regulations in each country and region.
In addition, we have signed the United Nations Global Compact (UNGC), a global sustainability initiative, and participated in Global Compact Network Japan, a local network in Japan. We support the "Ten Principles of the UN Global Compact," which are universal principles covering human rights, labor, the environment, and anti-corruption that companies should abide by, and promote efforts in each of these fields.
The ADVANTEST Way incorporates a pledge that we will respect human rights without discriminating on the basis of race, gender, age, nationality, religion, social origin, physical disabilities, disease, sexual orientation or any other factors. We have established a manual for human rights and discrimination and prevention guidelines for harassment as well as promoted the protection and respect for human rights.

In fiscal 2013, we launched an e-learning program on the ADVANTEST Way for all Group employees. In fiscal 2019, this training was expanded to include all employees in the Advantest Group, both in Japan and overseas.

Harassment Prevention

Advantest created a manual to prevent harassment in July 1999 and worked to prevent all forms of harassment. We made additions and revisions to this manual about harassment to include pregnancy, childbirth and parental leave following amendments to the Equal Employment Opportunity Law as well as the Child Care and Family Care Leave Law in January 2017. This manual has been published on the intranet for employees to refer to easily.

The key points are as follows.

1. Recent harassment trends
2. Sexual harassment in the workplace
3. Workplace bullying in the workplace
4. Workplace pregnancy, childbirth and parental leave harassment
5. Impact of harassment
6. Harassment from a legal and regulatory perspective
7. Harassment prevention measures
8. Dealing with harassment

We are working to devise methods for self-checking that can be conducted in response to the issues above.

To enhance employee understanding of harassment prevention, every year starting from April 2006 the training provided for new employees and for new managers has incorporated training in harassment prevention as well as human rights education.

Labor-Management Dialog

Advantest respects the basic human rights of freedom of association and collective bargaining. In countries and regions permitting the formation of labor unions, Advantest recognizes the right of a union to organize, the right for collective bargaining and the right to hold strikes through labor agreements. Even in countries and regions which do not permit the formation of unions due to laws and regulations or labor practices, we strive to build sound relationships and solve problems through dialogs between labor and management with the goal of fostering freedom of association and collective bargaining.

For Advantest Corporation (non-consolidated), labor unions currently representing our employees include company union JEIU, in which 68% of all employees and over 99.6% of our general employees are members, and industrial union JMITU. Advantest negotiates in good faith with each of these labor unions.

Additionally, the labor agreement with JEIU includes health and safety and claims management, and we work together to respond to issues regarding the operation of the health and safety committees, human rights issues and HR claims management.

Reporting and Consultation Framework for Human Rights Issues

We have set up a Corporate Ethics Helpline to address human rights issues and concerns that are not readily resolvable in the workplace, designed so that those facing such issues can draw on the support of our Corporate Ethics Office. Reports and consultations are handled mainly by the Corporate Ethics Office, and every precaution is taken to prevent those employees seeking help from suffering any disadvantage or retribution, for example, by protecting their anonymity. In addition, in fiscal 2019, we set up a contact point to an external law firm (lawyer) to make it easier for our employees to consult with or report to the helpline. These helplines and contact point can also be used from overseas.

Moreover, in Japan, we have established a Human Rights Protection Committee together with the labor union to handle consultations about domestic human rights issues. There were two harassment-related consultations across the board in fiscal 2019 (already resolved). The Human Rights Protection Committee is properly responding to all incidents to seek a rapid resolution after making every consideration to the privacy of the employees concerned.

Through this activity, Advantest aims to foster a stress-free environment where employees respect one another's human rights.

Flow of response to consultations and complaints

Membership of Civil Society

Sustainability Data Book 2020

Prevention of Bribery and Compliance with the Anti-Monopoly Act

Basic Stance

The basic philosophy of the Advantest Group, which is embodied in the ADVANTEST Way, attaches great importance to the awareness of one's responsibilities to society, and to the maintenance of integrity in one's conduct. Advantest implements a variety of measures to prevent the occurrence of bribery or other corrupt practices, and to prevent anti-competitive behavior.

The ADVANTEST Way >

Prevention of Bribery and Other Corrupt Practices

As a supplement to the ADVANTEST Way, Advantest has also formulated an Anti-corruption and Anti-bribery Policy, which clarifies, in detail, Advantest's rules in relation to the prevention of bribery and other forms of corruption throughout the world.

Anti-corruption and Anti-bribery Policy >

To ensure that all Advantest employees fully understand the Policy, and to ensure that they do not engage in behavior that violates law or regulations in any country, all employees throughout the Advantest Group are required to undergo Anti-corruption and Anti-bribery Training (e-learning) every year.

In fiscal 2019, there was no incident that violated the internal regulations related to anti-corruption and anti-bribery.

Compliance with the Anti-Monopoly Act

Advantest educates its employees about all aspects of anti-competitive behavior prevention as part of its Code of Conduct training, with particular emphasis being placed on the need to comply with the Anti-Monopoly Act; education regarding the Act is provided to new personnel in all relevant departments, including purchasing departments. In the future, Advantest intends to continue providing education and training aimed at ensuring the realization of fair and equitable transactions. In addition, Advantest's Internal Auditing Department undertakes sampling of purchasing transaction content, to verify that there are no violations of any kind.

In fiscal 2019, Advantest was not the subject of any legal action relating to bribery or other corrupt practices.

Social Contribution Activities

Stance towards social contribution activities

In July 2019, Advantest stipulated in the "ESG for Sustainability" the following: "We will respect our stakeholders, promote harmony with society, and contribute to SDGs in order to achieve a sustainable society." Based on this stance, Advantest conducts social contribution activities focused on the areas of preserving the global environment, developing the next generation, and contributing to local communities.
In addition, we use our business activities to meet the needs of our stakeholders and of society, and to fulfill our social responsibilities as a group throughout the world.

Promotional Structure

Advantest has promoted CSR and environmental initiatives in every country and region. However, the importantance for more global CSR and environmental initiatives is increasing as a company that contributes by itself or through its supply chain to a broader range of societies. We continue contributing to global societies through our CSR and environmental initiatives.

Framework to promote employee participation

At Advantest we are actively promoting employee participation in volunteer activities.
Volunteer activities provide a way to contribute to society, and we recruit participants through our intranet. We also include reports on activities in each region and participants' views in our internal newsletter which contributes to attracting new participants.
Employees can save up their unused paid holidays that would otherwise not be carried over to the next year and use them for volunteer activities.

Examples of Social Contribution Activities in Fiscal 2019

In the United States, Advantest has participated in activities for NPO Rebuilding Together Silicon Valley over 15 years to promote housing repairs for disadvantaged people.

In Taiwan, young people with hearing impairments were invited to our office to consider their future academic and career paths. (Photo on the left)
In Germany, we took part in "Girls' Day," offering young women insight into career opportunities in technical professions. In 2019, 27 students from 10 to 14 years of age participated in the event. (Photo on the right)

In our Gunma R&D Center, craft classes by employee volunteers have been held 30 times since 2005, and a total of 2,409 children have participated in the classes. We convey the joy of science to children through crafts and experiments.

In the United States, volunteers from Advantest's employees and their family members participated in the beach clean-up program held by the Pacific Marine Mammal Center at Aliso Creek Beach in California. (Photo on the left)
In Japan, we have been participating in forest conservation activities in Gunma Prefecture for 14 consecutive years. In 2019, 28 employees participated in activities such as thinning trees or setting up nets to protect trees from animals. (Photo on the right)

Supporting Product Safety and Quality

Sustainability Data Book 2020

Response to Product Liability

Approach to Sustainability Target for Customer Health and Safety >

Approach to Sustainability Target for Product Service Compliance >

Approach to Sustainability Target for Product Quality >

Approach to Sustainability Target for Customer Health and Safety

Modern society views product safety with even greater importance. We recognize that it is vital to continue our work to more readily respond to this societal expectation.

Supervising division	QA、Field Service
KPI	Number of non-compliance of own safety standards
FY2019 target	0
Results achieved in fiscal 2019	0
Boundary	Advantest Group
Relevant policies	Advantest Product Safety Charter, Product Safety Promotion Regulations
Relevant commitments	—
Responsible department/division	PL Committee
Management resources	This committee is chaired by the Quality Assurance Manager and is made up of a total of 19 people.
Relevant complaint processing policy	—
Assessment	✓

Approach to Sustainability Target for Product Service Compliance

Adherence to laws related to products and services is a corporate social responsibility that we believe it important to a broad array of quality management.

Supervising division	QA
KPI	Number of non-compliance relating to products/services
FY2019 target	0
Results achieved in fiscal 2019	0
Boundary	Advantest Group
Relevant policies	Advantest Product Safety Charter, Product Safety Promotion Regulations
Relevant commitments	—
Responsible department/division	PL Committee
Management resources	This committee is chaired by the Quality Assurance Manager and is made up of a total of 19 people.
Relevant complaint processing policy	—
Assessment	✓

Securing Product Safety and Quality

Aiming to meet the high product safety standards increasingly seen as important by modern society, we adopted the Advantest Product Safety Charter in May 1995.

To achieve the above, we formulated our Product Safety Promotion Regulations and established a company-wide committee as an organization to promote advances in product safety. From May 1995 to the present, this committee has been continually active in product safety improvements.

In fiscal 2019, we commissioned external specialists to undertake inspections of the safety and durability of Advantest's 12 major products.
The results indicated that there was no need for further revision of improvement of Advantest's safety specifications. It should be noted that, in fiscal 2019 there were no violations of the standards specified in Advantest's Product Safety Promotion Regulations.

Advantest operates a 10 m Radio Anechoic Chamber (EMC Center) that complies with the EMC Act required for the sale of products worldwide.
Europe (CE Marking) and Korea (KC Marking) in particular have strict EMC laws and regulations.
Even in America, Advantest is complying with American EMC laws and regulations (FCC) due to a risk of litigation caused by noise in the surrounding environment when operating products as well as strict customer requirements.
The EMC Center is run by staff who have acquired the ISO17025 international standards regulating the operation of test facilities, in addition to EMC engineers who have been certified under the International Association for Radio, Telecommunications and Electromagnetics (iNARTE) and use genuine products in certified in-house testing.
The facilities of the EMC center also put in place an environment that is capable of testing large industrial machinery that is only available in a few places in Japan thanks to equipment that include a turntable with an 8 meter diameter to equip with products, a 3-phase power supply able to supply a total of 48 KVA power capacity that can withstand 10 t, and equipment that can provide water cooling.

Advantest collects information about EMC laws and regulations by participating in the KEC Electronic Industry Development Center (KEC) working group and providing EMC regulatory information to the semiconductor manufacturing industry through the Semiconductor Equipment Association of Japan (SEAJ) because the Company needs to collect information about each country of origin and monitor the latest legislative trends.

Approach to Sustainability Target for Product Quality

Supervising division	QA
KPI	Reduction of losses by quality improvement
FY2019 target	50% reduction compared to the number in fiscal 2008
Results achieved in fiscal 2019	Expected to achieve less than 25% of the number in fiscal 2008
Material reasons	Contributes to the corporate policy of higher profitability by reducing the amount of losses due to product quality.
Boundary	Advantest Group
Relevant policies	Advantest Group Quality Policy, ISO9001 Management System
Relevant commitments	Continuation of the ISO9001 Global Integration Certification
Responsible department/division	Quality Assurance Manager
Management resources	Quality Assurance Group
Relevant complaint processing policy	—
Assessment	✓

Advantest Group Quality Policy

"Customer Satisfaction" is the fundamental basis of all our activity.

(1) Provide technology, products and services that will satisfy our customers worldwide in a timely manner.
(2) Promote quality creation, from early in the design process, and overall optimization of the process.
(3) Compliance to applicable statutes and regulations.
(4) Properly administer and implement continual improvements of the quality management system.

Quality Management System

In keeping with our product quality plan where customer satisfaction is the fundamental basis of all our activity, we have designed our quality management system to comply with the international quality assurance standard ISO9001 throughout the Company.

We have established an organization to promote the system within the company-wide framework, led by the Quality Assurance Manager under the supervision of the executive management, which maintains and improves quality systems, with the goal of raising customer satisfaction. We have also constructed our own internal audit framework, and we maintain and improve our systems through regular internal audits.

Furthermore, the entire Group (eight countries and 21 sites) is advancing system integration and has acquired the ISO9001 Global Integration Certification as of April 25, 2018 to strengthen global quality management systems.
In the future, we aim to strengthen and expand quality control while maintaining this framework.

ISO9001 global system diagram

ISO9001 Global Integration Certification

Design Review System Aimed at Improving Quality

Customers constantly demand functionality, performance and quality in Advantest products. In response, our circuitry has become increasingly bigger and complex. Meanwhile, we are also responding to demands for shorter development lead times, a challenge we feel is best addressed by instilling quality at the upstream design phase so that we can detect potential issues early on. Accordingly, we introduced a new design review system in 2008 as a framework for achieving these goals.

- Our design review system was amended to ensure that the project leader establishes a design review plan when product development begins, so that reviews are conducted regularly.
- We changed the system so that the relevant staff and the project leader, as well as the quality assurance division, carry out monitoring to prevent follow-up omissions, by enabling the visual identification of issues raised.
- We also adopted the Design Review Meister System, which involves forming groups of in-house experts for each technical area to participate in the related design reviews. This system increases the rate of problem detection in design reviews, encourages the succession of technologies, and facilitates in-house education. Many positive results have been achieved through these activities.

For instance, the rate of defect detection during the design phase has recently improved, leading to a decrease in setbacks and fewer defects finding their way into the post process, thereby minimizing development delays. The new design review system has resulted in improvements in design quality and a reduction in development lead times. However, it has also revealed some cases in which problems that should have been detected by the designer ultimately found their way into the design review or the post process.

Advantest regularly collects analysis and feedback on issues that have gone undetected and makes improvements to the review framework as necessary. Moreover, going forward we will implement further improvements to the design process involving thorough checking prior to design reviews to achieve better design quality.

SQE Activities

We are committed to the notion that individual components underpin overall product quality, and therefore the quality of each and every component has to be exceptional. Based on that assertion, the Advantest Group engages in SQE (Supplier Quality Engineering) initiatives beginning at the component adoption phase, drawing on the support of our supplier network. SQE initiatives are undertaken with the aim of enlisting a team of experts to bring about improvements to component quality. Accordingly, it is critical that we engage in practices to ensure component quality, particularly given that the number of parts used in our products is roughly equivalent to the 200,000 to 3,000,000 parts that make up an aircraft.

Our SQE initiatives involve the following three practices.

- Careful selection of components: When given the choice of multiple components with similar performance specifications, we select the best item through a process involving in-house quality analysis and evaluation.
- Quality improvement through PDCA: We apply PDCA-cycle practices from the component design phase to manufacturing to achieve improvements prior to high-volume production and thereafter.
- Ensuring that tolerances are maintained in component design: We aim for component design benchmarks determined on the basis of tolerances rather than standard specifications.

In this way, by running SQE activities from the product development stage, we can reduce problems with components in the manufacturing process and the risk of component problems reaching the marketplace, which contributes to greatly reducing the risk of losses. The results of this approach can be seen in the smooth running of our end users' processes and in the increased security that our clients enjoy when using our products.
In addition, by decreasing the number of rejected parts, we decrease the need for their exchange and disposal, and thus contribute to reducing the environmental impact.

Availability

Advantest is committed to helping its customers achieve higher levels of productivity by offering them products that guarantee high availability – meaning that they are unlikely to malfunction, and will recover immediately should failure occur. More specifically, availability refers to the ratio of time that a system is operational over a given time, and as such constitutes one of the benchmarks of product integrity. The Advantest Group delivers high availability by working hard to improve MTBF*1 so that systems will operate without malfunction over longer duration of use, while also reducing MTTR*2 so that systems will be more readily serviceable when a malfunction does occur.

*1 To improve MTBF: MTBF: Mean Time Between Failure

*2 To reduce MTTR: MTTR: Mean Time To Repair

Initiatives Aimed at Improving Software Quality

Advantest continues to implement initiatives aimed at improving software quality. Software for test systems, handlers and other such systems shipped by Advantest first goes through a process that involves quality verification by the Quality Assurance Division. The specification sheet, a parallel product of development, is examined by the Quality Assurance Division in real time and feedback is given, which helps to ensure quality at upstream stages of development. The examination is implemented before development is completed, and after it has been confirmed that quality standards have been met, products are shipped.

Beginning in 2012, process improvement activity using the "Toyota development process"*1 has been implemented with the cooperation of the R&D Division. This activity improves the level of the design review process, and high-quality design enables high-quality and high-throughput product development. These initiatives help to bring about the timely delivery of even better products.

*1 Source: The Toyota Product Development System, James M. Morgan, Jeffrey K. Liker

Basic Policy for Improving Customer Satisfaction

Customer satisfaction is the most fundamental principle underpinning Advantest's business.

(1) Provide technology, products and services that will satisfy our customers worldwide in a timely manner.
(2) Promote quality creation, from early in the design process, and overall optimization of the process.
(3) Compliance to applicable statutes and regulations.
(4) Properly administer and implement continual improvements of the quality management system.

With the above product quality policy shared throughout the Group, we strive to offer products that offer not only superior performance, but also superior environmental friendliness and safety. We are committed to keeping our customers satisfied at every stage, from design and manufacturing to sales and service, via guaranteed quality, top-notch service, and support on a global scale.

Sales and Marketing Practices that Support Customer Satisfaction Gains

Markets related to semiconductors in recent years are developing semiconductor technologies to support digital innovation represented primarily by IoT, cutting-edge driver assistance system and artificial intelligence, in addition to rapid capital investment amidst circumstances that include smartphones with higher functionality and a growth in the number of units sold, evolution of electric vehicles, and an increase in investments related to data centers. Advantest also faces the important challenge of actively providing products and services quickly to respond to fluctuations in the market and the evolution of technology. In line with this, we integrated the marketing of our business units into the sales headquarters in December 2016 before integrating system solutions in June 2017. Moreover, in March 2020, we integrated the marketing and sales divisions in the sales headquarters.

By integrating the sales and marketing divisions, we are able to fully grasp market or customer demands that are directly collected by the sales divisions in a timely and accurate manner and share them with the marketing division, as well as to feed these demands back to the business units to allow for more efficient product development and provision to our customers. The integration of system solutions also establishes more robust technical support for customers.
We aim to further improve customer satisfaction through this measure.

Sales and Marketing Activities to Improve Customer Satisfaction

Scene of presentation

The semiconductor industry, which Advantest supports through its products, is an industry characterized by intense competition to develop next-generation technologies. Besides providing our customers with test solutions, Advantest also holds the annual VOICE Advantest Developer Conference, at which we share the latest technology and product information with our partner companies. The 13th VOICE Developer Conference was held in fiscal 2019 in two venues on both sides of the Pacific Ocean in May, one in Scottsdale, Arizona and the other in Singapore. In Scottsdale, we welcomed 274 participants with the cooperation of 32 sponsors, 12 of which were new companies. In the technological program, 66 papers covering topics in six different fields, including test methods and IoT, were presented.
In Singapore, we welcomed 242 participants. Papers related to technologies were presented, and the program was divided into 25 subcommittees, etc., and it was the largest international event held by Advantest.

Advantest also held technical seminars in Tokyo and Penang, Malaysia, in November 2019 and in Hsinchu, Taiwan, in January 2020, with the aim of presenting the latest information about our products and enhancing communication with customers. The seminar has been held in Tokyo for seven consecutive years. They were attended by many visitors in each country. In the future, Advantest will continue to hold events worldwide aimed at helping us to better understand customer needs and strengthen communication with customers, which in turn can help us to enhance our customer service provision.

Promoting Customer Support

The Advantest Group has established its basic policy for customer support with the aim of realizing the globally-oriented restructuring of the Group's service businesses.
Our basic policy is outlined as follows.

Basic policy for customer support

- We will propose total solutions in the form of support packages designed to deliver maximum efficiency to our customers in their device measurement operations.
- We will propose unified service support matching the customer's business model from development to the mass production environment.
- We will respond to customer demands by proposing service support packages that encompass total solutions.
- We will always take the customer's point of view and draw on our global organization in offering solutions.
- Our premium services and customer support will not only be efficient, but will also take the environment and safety into consideration.
- We will offer high-value-added professional services.
- We will strive to maintain our zero-accident record by thoroughly observing safety standards in field service provision and elsewhere.

Better Customer Support with a Global Focus

Advantest is building a global support framework capable of responding effectively to service support requests and other inquiries from customers. While responding to everyday service support requests through contact centers in each country, as well as by telephone and e-mail, we are also implementing primary support consisting of technical service and onsite repairs by field engineers.

We place expert support teams in product development bases to carry out secondary support, allowing us to respond appropriately based on the content and difficulty of service requests.

We have developed a global supply-chain network covering customer operations ranging from their development bases to mass production facilities. Moreover, we also operate a supply-chain control mechanism through which replacement equipment and parts at service centers in each country are monitored to determine inventory needs at respective locations worldwide.

We continue to run an engineer exchange program between overseas subsidiaries and our secondary support division, which helps engineers improve their professional skills and raises the quality of our support. This two- to three-year program aims to sharpen engineers' technical skills, develop cross-cultural competencies, and raise foreign language and communication proficiencies. In the mass production facilities of customers, we offer on-request expert consulting and solutions regarding productivity issues. We also offer device measurement training to our customers, and provide professional advice in that regard.

Global Support Center System

Achieved first place in the VLSIresearch Customer Satisfaction Survey

VLSIResearch: 10 BEST

Advantest aims to grasp customer needs accurately and strives to provide customers with high-performance, high-quality total test solutions in a timely manner.

At Advantest, we gain a better understanding of our customers' needs through information that we acquire from our daily business activities, and also through yearly participation in the customer satisfaction survey conducted by VLSI Research, a company renowned for its semiconductor market research. Our company has received a score of 9.5 out of 10, which is the highest score ever granted to a test systems manufacturer, and ranked first in customer satisfaction among semiconductor production equipment manufacturers.

Intellectual Property Protection

Sustainability Data Book 2020

Approach to Materiality in the Protection of Intellectual Property

The strength of Advantest is its state-of-the-art technological capabilities. Therefore, in order to survive as an enterprise, we believe it is vital to provide employees with periodic education about intellectual property with the purpose of protecting and managing our intellectual property properly as the source of our competitiveness.

Supervising division	Intellectual Property Management
KPI	Ratio of e-learning students in periodic education about intellectual property
FY2019 target	Maintain fiscal 2018
Results achieved in fiscal 2019	100%
Boundary	Advantest Group
Relevant policies	IP Management Policy and relevant agreements and bylaws
Relevant commitments	—
Responsible department/division	Intellectual Property Management
Relevant complaint processing policy	—
Assessment	✓

Basic Stance

The basic principles underlying Advantest's intellectual property management emphasize compliance with intellectual property laws and regulations and the need to respect the intellectual property of third parties.

Organization of Intellectual Property Management

The organization illustrated below was developed to ensure that intellectual property is managed appropriately on a global basis.
IP strategic committee members who are selected by business leaders formulate patent application strategies related to our business strategies.
Employees in charge of intellectual property meet periodically with each IP strategy committee member to conduct intellectual property activities related to our businesses.

Organization of intellectual property management

Employee Education about Intellectual Property

At Advantest, in order to improve awareness of intellectual property among all employees, we review the content and conduct training for new technical employees and e-learning for all Group employees every year.

Disputes and Litigation Relating to Intellectual Property

As of March 31, 2020 there were no such disputes.

Supply Chain Management

Sustainability Data Book 2020

Procurement Policy

The Advantest Group pledges respect for our suppliers, places value on open communication with our suppliers, and emphasizes the maintenance of fair business relationships through sustainability by promoting ESG in accordance with relevant laws and regulations. We are also committed to sharing values and building collaborative relationships with our suppliers, toward our goal of achieving mutual growth.

Advantest Procurement Policy >

Sustainability Target for Supply Chain Management

Approach to the Sustainability Target for Conflict Minerals >
Approach to the Sustainability Target for Supplier Evaluations Related to Environment, Human Rights, Labor Practices, and Impacts on Society >

Approach to the Sustainability Target for Conflict Minerals

Conflict minerals are not only regulated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, but it is also a major problem faced by society as a whole. Advantest remains aware of the importance of responding to the issue of conflict minerals, which also has deep ties to efforts conducted by the entire industry.

Supervising division	Cost Management & Production Support Department
KPI	Continuing efforts to use materials with a lower risk by asking business partners to ensure transparency with regard to the sources of materials and components, etc., and by working together with industry organizations and business partners to investigate information relating to conflict minerals (i.e. mineral processing firm information).
FY2020 target	Continuing efforts to use materials with a lower risk by asking business partners to ensure transparency with regard to the sources of materials and components, etc., and by working together with industry organizations and business partners to investigate information relating to conflict minerals (i.e. mineral processing firm information).
Results achieved in Fiscal 2019	‣ Conducted surveys and gathered answers related to relevant business suppliers ‣ Implemented activities according to the policy on feedback to suppliers requiring improvement in responsible mineral trade as a member of JEITA
Boundary	Advantest Group
Relevant policies	Procurement Policy (3. Supplier Expectations)
Relevant commitments	Sec. 1502 of the Dodd-Frank Act (Conflict minerals) and other relevant regulations
Responsible department/division	CSR & Environmental Affairs Promotion Office/Procurement Administrative Department
Relevant complaint processing policy	Establishment of a contact window
Assessment	✓

Approach to the Sustainability Target for Supplier Evaluations Related to Environment, Human Rights, Labor Practices, and Impacts on Society

Advantest believes that it is important to consider the scope of its influence on components, materials, or production processes and take into account the impacts of its collaboration with its business partners on the environment, human rights, labor practices, and society in carrying out business activities.

Supervising division	Cost Management & Production Support Department
KPI	Percentage of new suppliers that were screened using criteria for impacts on the environment, human rights, labor practices, and society
FY2020 target	100%
Results achieved in fiscal 2019	▸ FY2019: 1 of 1 new supplier ▸ Revised the evaluation sheets when hiring new suppliers and assessed the existence of a code of conduct. ▸ Examined labor practices assessment method for new suppliers and formulated future policies. ▸ Checked whether our procurement policy was understood and coordination can be maintained when hiring new suppliers. ▸ Checked results of environmental activities such as obtaining ISO 14001 certification when hiring new suppliers.
Boundary	Advantest Group
Relevant policies	The ADVANTEST Way Procurement Policy, Advantest CSR Procurement Guidebook Advantest Group Environmental Policy Advantest Green Procurement Guidelines
Relevant commitments	Labor Standards Law, Industrial Safety and Health Act, RoHS Directive, regulation and reference values in environmental laws from each municipality, RBA Code of Conduct
Responsible department/division	Procurement Administrative Department/CSR & Environmental Affairs Promotion Office
Relevant complaint processing policy	Establishment of a contact window
Assessment	–

Education for Implementing Fair Trade

Advantest held a supply chain human rights seminar in FY2019 for personnel engaging in operation-related purchasing. Moreover, we have also been providing employee e-learning on the Act against Delay in Payment of Subcontract Proceeds, Etc. to subcontractors since fiscal 2016 to raise greater awareness about this law. In the future, we will continue to educate our employees in order to realize the principles of fair trade.

A scene from the subcontractors law seminar

A scene from the supply chain human rights seminar

Social Responsibility in the Supply Chain

Set up of inquiry and reporting window

When trading with our business partners, in the event that one of our employees infringes, or is suspected to infringe, on our Code of Conduct, a trade contract or a relevant law, we request that this be reported to the Contact Window on our website. In fiscal 2019 we did not receive any complaints. The reporter and their company would not be penalized in any way for reporting. Following an investigation, in the case that a problem is recognized, the action in question would be stopped and measures would be taken to prevent recurrence.

Measures against procurement risks

Advantest promotes purchasing from multiple procurement sources as a general rule as a contingency for the procurement of components from the perspective of BCP.
In addition, we created a BCP map of our suppliers and manufacturing bases to speed up information collection and countermeasure examination in case of a disaster.

Response to Conflict Minerals

Implementation of survey

At Advantest, in order to respond to Section 1502 (conflict minerals provisions) of Title XV of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations in the U.S., we are playing an active role together with the industry organization to address the conflict minerals problem.
Since 2013, we have been implementing an annual survey of our business partners regarding the use of conflict minerals through a RMI* report (conflict mineral reporting template (CMRT)) and releasing the results.

* RMI: Responsible Minerals Initiative

Governance

Corporate Governance

We aim to achieve a sustainable level of business development and enhancement of our corporate value through transparency of management and proactive disclosure of relevant information.

MORE

Risk Management

Advantest is building a risk management system around the Internal Control Committee. We continue to practice the plan-do-check-action cycle.

MORE

Compliance

We take measures to ensure that all Advantest employees fulfill their duty to society through the maintenance of high ethical standards, thereby helping to ensure that Advantest continues to enjoy the trust of stakeholders.

MORE

Tax Policy

We aim to achieve appropriate tax payments complying with relevant laws and regulations, and carry out sincere and fair tax management in accordance with social norms.

MORE

Corporate Governance

Sustainability Data Book 2020

Our Stance on Corporate Governance

Advantest's corporate mission is "Enabling Leading-Edge Technologies." Advantest constantly strives to improve so that we can offer products and services that will satisfy customers around the world, and contribute to the future of society through the development of the most advanced technologies.

In accordance with the corporate mission described in the preceding paragraph, and in response to our mandate from stakeholders, Advantest aims to achieve a sustainable level of business development for the Advantest Group and to enhance corporate value over the mid-to-long term. To that end, the Advantest Group will establish a fair and efficient and transparent governance system. Above is a basic view on the Advantest Group's corporate governance.

Advantest Corporate Governance Policy >

Management Structure

The global business environment is changing more rapidly than ever before, due to factors such as technological advancement and the expansion of protectionist trade policies. To continuously increase our corporate value and competitiveness in today's world, we emphasize swift decision-making and execution. We also place an emphasis on sound, highly transparent business operations in compliance with relevant laws and regulations. In order to meet these challenges, we draw clear lines of authority within our organization and set responsibilities in accordance with each management function, assigning each role to the best person for the job.

We have become a company with an Audit and Supervisory Committee since June 2015. Advantest further strengthened its corporate governance and Board of Directors' audit function as a company with an Audit and Supervisory Committee, where the committee members use their voting rights in Board of Directors Meetings with the aim of further increasing our corporate value. Furthermore, we have established a structure that can quickly respond to the rapidly changing business environment, and in order to strengthen our corporate governance, we introduced an Executive Officer system in 2003.

Corporate governance structure

List of Governance Systems (As of June 25, 2020)	
Structure	Company with an Audit and Supervisory Committee
Executive Officer System	In place
Number of Directors	11
Number of Outside Directors	5
Number of Non-Japanese Directors	2
Term of Office for Directors who are Not Audit and Supervisory Committee members	1 year
Number of Directors who are Audit and Supervisory Committee members	3
Number of Outside Directors	2
Term of Office for Directors who are Audit and Supervisory Committee members	2 years
Nomination and Compensation Committee	In place
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-based Remuneration System	In place
Executive Officer System	In place
Executive Officers	24
Non-Japanese Executive Officers	10

Please see the information below for the Corporate Governance Report.

Corporate Governance Report >

Board of Directors

The Board of Directors of Advantest, as the management decision making body, shall make decisions on significant matters with respect to the management policies and management strategies for Advantest group, and in its capacity to supervise management, the Board of Directors shall monitor and supervise the status of exercise of duties by Executive Officers. Advantest strengthens the oversight and supervision functions of the Board of Directors so as to appoint multiple outside directors as members of the Board of Directors. The Board of Directors met 14 times in FY2019, Mr. Yoshiaki Yoshida, Mr. Osamu Karatsu, Mr. Hans-Juergen Wagner, Mr. Soichi Tsukakoshi, Mr. Yuichi Kurita and Ms. Tsuneko Murata attended 14 times, and Mr. Toshimitsu Urabe, Mr. Nicholas Benes, Mr. Atsushi Fujita and Mr. Kouichi Nanba attended 11 times, Mr. Seiichi Yoshikawa, Mr. Sae Bum Myung and Mr. Megumi Yamamuro attended 3 times. All the members were present at every Board of Directors meeting. Attendance numbers vary since some members were replaced after the general meeting of shareholders. At the Board of Directors meetings, directors with a wealth of knowledge and experience expressed their opinions from each point of view on the agenda proposed by the management team, and active discussions took place. The Board of Directors spends about 3 to 5 hours per meeting, and considers budgets, financial statements, Executive Officer personnel, and acquisition or sales of businesses etc. The Board of Directors of Advantest (including Directors who are Audit and Supervisory Committee members) is composed of five executive directors (inside directors), one non-executive director (inside directors) and five non-executive directors (outside directors) as of the filing date of the Report. Two of the directors have non-Japanese nationality. One of the directors is female. In order to maintain seamless communication despite the diversification of Directors, Advantest has arranged for simultaneous interpretation at the Board of Directors meetings so that Board members can speak freely in both Japanese and English. Materials and minutes are also translated into English.

At a Board of Directors' meeting, all directors answered a questionnaire to evaluate the effectiveness of their roles and obligations. Their opinions on the structure of the Board of Directors, operation and discussion status were collected and analyzed.

(Result of FY2018 and action in FY2019)

Regarding board effectiveness in FY 2018, Advantest considered the following three items: succession plans of the Representative Director, re-analysis of risks that influence our business, and investigation of the director training menu.
Regarding the succession plan of CEO, the Board of Directors will take the initiative after considering in the Nomination and Compensation Committee. Currently, we are working on the formulation of this plan, and the Nomination and Compensation Committee will report progress to the Board of Directors.
Regarding the re-analysis of risks, we described the risks in the securities report after discussions on the executive side.
In relation to the investigation of the training menu, we newly appointed an outside director in FY 2019 who is familiar with the training of directors. Executive Officers who had not attended the training have received officer training on governance, and in addition, a lecture by an expert on ESG and improvement of corporate value for domestic Directors and Executive Officers was held.

(Result of FY2019)

Regarding the effectiveness of the Board of Directors in FY 2019, it was confirmed that its structure is appropriate, and the Board of Directors exchanged opinions freely. On the other hand, the following points were raised regarding future improvements.

- Distributed materials and explanation methods of the Board of Directors
- Nomination and Compensation Committee reporting method
- How to utilize outside experts by outside directors

Directors and Executive Officers >

Director Off-site Meetings

In FY2019, all ten Directors (at the time) visited a U.S. subsidiary to confirm the current status of their business condition including the acquired company as well as the initiatives to take going forward.

Director Training

In FY2019, Advantest conducted training as follows.

- For a newly appointed director, Advantest explained Advantest group's business, or organization etc.
- Executive Officers who had not attended the training prior to FY 2019 received officer training on governance.
- A lecture by an expert on ESG and improvement of corporate value for domestic Directors and Executive Officers was held.

Nomination and Compensation Committee

In 2005, Advantest established a Nomination and Compensation Committee as a discretionary institution. The Nomination and Compensation Committee consists of three Directors (including two outside Directors selected by the Board of Directors' resolution), with an outside Director serving as the chairperson of the committee. The Nomination and Compensation Committee, in consultation with the Board of Directors, discusses matters related to the nomination and compensation of Directors and Executive Officers, and makes proposals to the Board of Directors. The Committee was held 14 times during FY 2018. The Directors and Executive Officers Nomination/Dismissal Policy and Procedures and the Directors and Executive Officers Compensation Policy and Procedures were reviewed and discussions on the revision of the Directors' compensation system based on the review were conducted and suggested to the Board of Directors.

* The number of people given is correct as of June 25, 2020.

We have established a policy and procedures to assure the objectivity and transparency of the nomination and compensation of Directors, which are publicly available on the website.

Directors and Executive Officers Nomination/Dismissal Policy and Procedures >

Directors and Executive Officers Compensation Policy and Procedures >

Executive Officer System

Advantest has introduced an Executive Officer system that keeps decision-making functions separate from executive functions, in order to boost management efficiency.

Executive Officers are selected by the Board of Directors as senior management dedicated to the execution of operations. They have the responsibility for swiftly and efficiently implementing management policies and strategies determined by the Board of Directors. The term of each Executive Officer is limited to one year, so as to achieve more explicit accountability.

There is a total of 24 Executive Officers*, 10 of whom are not citizens of Japan (America: 3, Europe: 3, Asia: 4, percent of non-Japanese: 41%) appointed to enhance the integration of the company's global operations.

* The number of people given is correct as of June 25, 2020.

List of Directors >

Executive Compensation

In response to consultation from the Board of Directors, the Nomination and Compensation Committee deliberates and proposes the Compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) and Executive Officers to the Board of Directors. The Board of Directors deliberates and determines the compensation based on the proposal from the Nomination and Compensation Committee. The Audit and Supervisory Committee deliberates and determines the compensation for Directors who are Audit and Supervisory Committee members.

Executive compensation for FY2019 is as follows.

Classification	Number of persons receiving compensation	Compensation amount
Directors (Excluding Directors who are Audit and Supervisory Committee members)	9	405 million yen
Directors who are Audit and Supervisory Committee members	4	65 million yen
Total	13	470 million yen

1. The above list includes two directors (excluding audit and supervisory committee members) and one director (an audit and supervisory committee member) who resigned from its position on 26 June, 2019.
2. The amounts of remuneration set forth above include compensation in the form of stock options.
3. The amounts of remuneration set forth above includes the aggregate amount of remuneration for four outside Directors (excluding Audit and Supervisory Committee members) and three outside Directors (Audit and Supervisory Committee members) in the amount of 29 million yen.

Internal Controls

Advantest has set up and maintains internal control systems that correspond to the requirements of the Companies Act and the Financial Instruments and Exchange Act. In order to manage the group with an emphasis on performance evaluation based on the consolidated financial statements, these systems are built as a unified system that includes both Advantest and its affiliates.
Advantest has established an Internal Control Committee in which the Representative Director acts as the chairperson and outside Directors are observers. This committee identifies and analyzes significant risks for the whole company, and clarifies the responsible department and procedures for responding to each risk. Furthermore, if a material weakness is found in the internal control system development and operating status and the internal control evaluation process, it is reported to the Board of Directors.

Auditing System

Audit and Supervisory Committee

The Audit and Supervisory Committee investigates the status of Advantest's businesses and assets based on the audit policy and audit plan formulated by the Audit and Supervisory Committee. In addition, the Audit and Supervisory Committee will audit the execution of duties by Directors, Executive Officers and other business executing agencies by collaborating with internal control teams and Accounting Auditors. Advantest's Audit and Supervisory Committee is composed of one inside director and two outside directors whom are Audit and Supervisory Committee members (of which one is a full-time Audit and Supervisory Committee member)*. Directors who are Audit and Supervisory Committee members are appointed by the General Meeting of Shareholders separately from other Directors who are not Audit and Supervisory Committee members. The Audit and Supervisory Committee, the Auditing Group and other internal control departments, the Accounting Auditors, and the corporate auditors of each Advantest group company collaborate with one another so as to carry out regular discussions and timely meetings.

* The number of people given is correct as of June 25, 2020.

Accounting Auditors

Accounting Auditors perform accounting audits of the consolidated financial statements, accounting documents, etc., and produce an audit report. Advantest has appointed Ernst & Young ShinNihon LLC as the Accounting Auditor, and undergoes the specified audit by the company.

Internal Auditing

Advantest has established an internal auditing team that comprises the Auditing Group, and the Singapore and Korean auditing team. To verify whether the company's day-to-day operations are carried out appropriately and efficiently in accordance with the requirements of relevant domestic and overseas laws ordinances, and internal rules, the internal auditing team implements operational auditing, compliance auditing and internal controls auditing. Besides evaluating the efficiency of the internal controls system, the internal auditing team also provides support to assist in making improvements at individual business locations, when necessary. The internal auditing team hold appropriate qualifications (such as Certified Public Accountant, Certified Internal Auditor, or Qualified Internal Auditor), and all team members are committed to enhancing auditing quality.

Risk Management

Sustainability Data Book 2020

Systems for Disasters and Other Emergency Situations

The Advantest Group has established the Risk Management Group, and will conduct measures to minimize damage, should any of the following events occur:

1. If damage is caused to buildings or facilities, or if networks and systems stop functioning, thereby making it difficult to continue our business operations, or if there is the possibility of this type of situation occurring due to a disaster or accident;
2. If our executives or employees are in danger or possibility of danger of death or bodily injury due to a disaster or accident;
3. If there is a scandal or incident that may to become a matter of public concern; or,
4. In addition to those described above, if there is any event, which may cause a significant impact on the business of the Advantest Group due to a disaster or accident.

In December 2001, Advantest established a Risk Management Group with the Company's president as its leader. If any of the above events occur, the Risk Management Group will consolidate information flows, evaluate the problem, direct the initial response, formulate recovery plans, and handle the operation until complete recovery.

Managing Executive Officers Committee

Risk Management Group

Position	Role
Group Leader	Make decisions, command, and supervise the BCP plan in the event of a large-scale disaster
Deputy Group Leader	Assist the Group Leader
Business location responsible person	Plan and execute the BCP plan in each business location
Functional members	Collect information and execute functional counter-measures (PR, HR, Accounting, IT, Facility Management, etc.)
Secretariat	Centralize, report, and share information, and various types of arrangements

Business Continuity Plan

The Advantest Group established the following basic policy in fiscal 2007 for large-scale natural disasters. We have devised our business continuity plan based on this policy.

Business Continuity Plan (BCP) – Basic Policy

- We will place top priority on ensuring human safety should a major disaster strike.
- We will minimize the adverse effect to our suppliers and other stakeholders , and fulfill our corporate responsibility.
- We will cooperate with local society in regular disaster prevention activities, and will assist the recovery of local society in case of disaster.

After the Great East Japan Earthquake in March 2011, we reviewed our disaster prevention arrangements. In fiscal 2012, we rebuild our Business Continuity Plan (BCP) to take into account the possibility of an earthquake in Tokyo and flood along the Tone River, and to ensure the integrity of our supply system even in the event of such disasters. Under the BCP, the following measures are stipulated in line with the basic policy.

Basic Policy	Specific Measures
1. Ensuring human safety	In addition to the regular disaster prevention and safety confirmation drills, we will strengthen crisis management and business continuity systems, making human safety the top priority.
2. Fulfillment of supply responsibilities	In case of an earthquake, we will continue to supply systems fromour main manufacturing plant (i.e. the Gunma Factory) . In the case of a flood, we will continue to supply systems from alternative 3rd party manufacturing sites.
	In preparation for cases where workplace attendance is temporarily impractical because of damage to offices or infrastructure, we will establish remote work environment.
3. Contributions to local society	Our Gunma R&D Center has been designated by Meiwa Town as an evacuation shelter in case of flooding, and we contribute to the area by keeping the site ready for flood evacuees.

Measures Implemented in Fiscal 2019

In fiscal 2019, management reviewed the role, policies, and state of activities of the Risk Management Group in April. Based on these reviews, the BCP was reviewed and shared with each function of the Risk Management Group. Furthermore, Country Risk Management Managers in overseas Group companies were invited to Japan, and shared the BCP plan of each country.

Disaster Responses

June 2019 Niigata Prefecture Kaetsu Earthquake: Safety confirmation was performed for all domestic companies.

September 2019 Typhoon Faxai: Safety confirmation was performed for all domestic companies.

October 2019 Typhoon Hagibis: Safety confirmation was performed for all domestic companies.
Gunma R&D Center (a designated evacuation shelter for flooding) accepted250 evacuees from neighboring areas.

February 2020 Initiatives such as handling fever and other symptoms, limiting business travels, and promoting work from home (telecommunications) to prevent the spread of the new coronavirus were implemented.

Approach to Materiality in Customer Privacy

Information that we receive from our customers and business partners is information that should be socially protected and it is also thus information asset for the company. We recognize that the proper protection and management of this information is vital.

Supervising division	Security departments
KPI	Number of complaints related to information security
FY2019 target	0
Results achieved in fiscal 2019	0
Boundary	Advantest Group
Relevant policies	Basic Information Security Policy and Privacy Policy
Relevant commitments	—
Responsible department/division	—
Relevant complaint processing policy	We accept inquiries and complaints at the email address below that is available on our website. informationSecurityCommittee@advantest.com
Assessment	✓

Information Security Management Policy

Advantest is fully aware that the information we receive from suppliers and information pertaining to our technical and sales operations are important assets. In order to effectively manage this information, we pursue information security practices that include developing regulations, constructing control systems, and providing employee training by the Information Security Committee.

Policies and Rules Related to Information Security

Advantest has established an Information Security Basic Policy. Rules are specified in five policies: our Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, IT Security Policy, and Social Media Policy. Each policy will be reviewed by the Information Security Committee as necessary.

Organization of the Information Security Management System

Advantest regards the implementation of information security control as a key management issue, and has accordingly assigned Senior Executive Officers to act as Information Security Officers who are responsible for such systems on a global basis.

Moreover, we have set up a system that enables our offices in each country to autonomously address information security issues. Under this system, the Regional Information Security Officer posted in each country brings a variety of viewpoints to the table in the course of deliberating on potential information security measures to be applied on a group-wide basis, and also when considering which policies and rules should be adopted, or otherwise revised or abolished.

Specifically, the head of each Group company's administration division has been assigned to the position of Regional Information Security Officer, who is responsible for the security management in their respective regions. Meanwhile, members from related divisions in respective countries have been tasked with implementing information security measures.

Information Security Training

Based on the view that the final barrier for information security is "people," we aim to thoroughly publicize information security policies and related regulations. We administer information security training on each policy (Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, and IT Security Policy), as well as training simulating an actual cyber-attack case, to all employees in Japan and overseas.

Going forward, we intend to continue developing more practical content and offering more pragmatic training through learning activities that entail repeated exposure to information security rules and content covering key topics in that regard.

Training/Awareness Raising as Part of the Information Security Training

- Information Security Training through e-learning for all employees: 1
- Targeted email threat training: 1
- Awareness raising for all employees: 1
- Broadcast of information to raise awareness: 9

Initiatives for Strengthening Information Security

In fiscal 2011, we adopted a system whereby internal audit divisions perform information security audits. This enables us to conduct more objective rule-based checks and provide feedback to divisions that have been audited.

From this fiscal year, Advantest has configured multi-factor authentication for all employees to prevent identify theft and to enhance security measures.

We also undergo security assessments and vulnerability tests via an external agency as an objective evaluation of our information security measures. We then refine the points to improve security based on those results to strengthen our level of security.

Confidential Information Protection

Our Information Security Basic Policy defines confidential information as information that has been disclosed by clients under contract along with information that is important to the company. Moreover, the policy stipulates that such information must be handled in accordance with relevant regulations.

Accordingly, we are committed to ensuring that confidential information is not divulged outside the company by ensuring that it is protected through the use of adequate controls governing its storage, disclosure and handling. In fiscal 2019, there were no incidents involving the unauthorized disclosure of important confidential information, etc.

Personal Information Protection

We consider the confidentiality of all personal information entrusted to us to be very important, and accordingly we take steps to ensure that such information is properly protected and managed. In fiscal 2019, there were no incidents involving the unauthorized disclosure of important personal information, etc.

Privacy Policy >

Our commitment to safeguarding personal information entails posting personal information managers in divisions that handle such duties, and ensuring that those managers carry out their duties properly with regard to overseeing such information. Furthermore, we perform regular audits of personal information management and usage practices in each division, and make improvements whenever deficiencies are discovered.

In Group companies outside of Japan, Regional Information Security Officers work to protect and manage personal information in accordance with the laws, regulations, and demands of each respective country or region.

Compliance

Sustainability Data Book 2020

Our Stance on Compliance

Basic Policy

Companies aiming for sustainable growth need employees who fulfill their social responsibilities and who possess a strong sense of ethics. They also need to earn the trust of stakeholders. Based on this belief, Advantest has established the ADVANTEST Way as a basic principle for our management and business execution, which lays out our corporate mission, vision, core values, corporate mantra, ESG for sustainability, and specific ethical standards, in order to enhance our ethical awareness.

The ADVANTEST Way >

Sustainability Target for Compliance

Approach to Sustainability Target for Non-Discrimination >

Approach to Sustainability Target for Anti-Corruption >

Approach to Sustainability Target for Compliance with the Anti-Monopoly Act >

Approach to Sustainability Target for Social Compliance >

Approach to Sustainability Target for Non-Discrimination

Advantest considers the elimination of discrimination in any form such as race, gender, age, nationality, and religion vital to creating a company where everyone is enthusiastic in the execution of businesses worldwide.

Supervising division	Human Resource Department
KPI	Number of complaints submitted to the helpline that were properly resolved
FY2019 target	All issues solved
Results achieved in fiscal 2019	4
Boundary	Advantest Group
Relevant policies	The ADVANTEST Way
Relevant commitments	—
Responsible department/division	Corporate Ethics Office, Compliance Committee
Relevant complaint processing policy	Corporate Ethics Helpline (Worldwide), Human Rights Protection Committee (Only Japan)
Assessment	✓

Approach to Sustainability Target for Anti-Corruption

Advantest considers the execution of social responsibility without overlooking dishonest acts vital to earning the trust and faith of our stakeholders.

Supervising division	Legal Department
KPI	Number of confirmed incidents of improper behavior
FY2019 target	0
Results achieved in fiscal 2019	1
Boundary	Advantest Group
Relevant policies	The ADVANTEST Way
Relevant commitments	FCPA, Unfair Competition Prevention Act
Responsible department/division	Auditing team and legal divisions
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	✓

Approach to Sustainability Target for Compliance with the Anti-Monopoly Act

Advantest considers the elimination of anticompetitive practices in order to conduct business fairly vital to earning trust from society.

Supervising division	Sales Administration & Business Support Division
KPI	Number of incidents relating to relevant legislation
FY2019 target	0
Results achieved in fiscal 2019	0
Boundary	Advantest Group
Relevant policies	—
Relevant commitments	Anti-Monopoly Act
Responsible department/division	Internal audit divisions
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	✓

Approach to Sustainability Target for Social Compliance

Advantest considers the execution of social responsibility with a high ethical perspective held by each and every employee vital to earning the trust and faith of our stakeholders.

Supervising division	Compliance Committee
KPI	Number of non-compliance instances relating to social issues
FY2019 target	0
Results achieved in fiscal 2019	3
Boundary	Advantest Group
Relevant policies	The ADVANTEST Way
Relevant commitments	—
Responsible department/division	Corporate Ethics Office, Compliance Committee
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	—

Compliance Promotion System

Advantest gives guidance and advice to all Group employees to ensure that they fully understand and comply with "the ADVANTEST Way" and has established a global management structure.
When employees are carrying out day-to-day business operations, if they come across a problem that they feel is in violation with or contradiction of "the ADVANTEST Way," they should first report to and consult with the department head, and if necessary, to other relevant departments. In 2006, we established a "Corporate Ethics Helpline," which we operate globally, for cases where it is difficult for employees to consult with department heads or other relevant departments. Since setting up the helpline, we have received various communications from Group employees both in Japan and overseas; we then seek to resolve these issues while maintaining the privacy of the employees concerned. We had four issues reported in fiscal 2019, to which the departments in charge responded. We will continue to sincerely respond to such communications so as to maintain Advantest's integrity.
In addition, as a member of the international community, we regularly conduct compliance audits through our global audit teams in order to ensure that we follow the different laws and regulations in each country and carry out our business activities appropriately.

Compliance Education

When globally deploying its business, Advantest believes that it is important to ensure thorough legal compliance worldwide and to pay attention to compliance across the Group, after obtaining a good understanding of the different laws and regulations in each country.

For this reason, through cooperation between Advantest's audit teams and the legal affairs departments, we are working to strengthen training activities related to national laws and regulations. In addition, to ensure employee commitment in regard to compliance matters, we are implementing regular e-learning sessions for all Group employees on "the ADVANTEST Way" and on the subject of "anti-corruption and anti-bribery."
In fiscal 2019, all of our Group employees completed the e-learning education and agreed to adhere to compliance.

Tax Policy

Sustainability Data Book 2020

Basic policy

We fulfill its corporate social responsibility by appropriately paying taxes based on compliance with national and regional laws, and tax guidelines published by international organizations such as the OECD and the BEPS (Base Erosion and Profit Shifting) Action Plan. We do not engage in contrived arrangements for the purposes of avoiding tax.

Secure transparency

We shall have appropriate disclosures like Annual Financial Report in accordance with the Financial laws and regulations. With respect to taxes, we disclose tax information based on laws and regulations in disclosed reports.

Build relationship of trust with tax authorities

We strive to reduce tax risks by building a strong trustworthy relationship with national tax authorities by responding appropriately and cooperatively to their requests for information disclosure.

Appropriate management of the transfer pricing taxation

We recognize the importance of the transfer pricing taxation and executes inter-company transactions based on arm's length principle. We will also pay taxes in proportion to the contribution of the added value created in each country / region.

Tax Havens

We do not engage in deliberate tax avoidance through the use of tax havens (i.e., countries or jurisdictions with no or significantly lower tax rates).

About the Advantest Group

Sustainability Data Book 2020

Corporate Overview

Organizational Profile

Registered Name	ADVANTEST CORPORATION
Head Office	Shin Marunouchi Center Bldg., 1-6-2, Marunouchi, Chiyoda-ku, Tokyo 100-0005
Representative Director, President & CEO	Yoshiaki Yoshida
Capital	32,363 million yen (as of March 31, 2020)
Stock Exchange Listings	Tokyo Stock Exchange, 1st Section (Code: 6857)
No. of Shareholders	31,584
No. of Shares Outstanding	199,566,770 shares
No. of Consolidated Affiliates	32 (7 in Japan and 25 overseas)

(As of March 31, 2020)

The Advantest Group's Global Network

(As of March 31, 2020)

The Advantest Way

The Advantest Way provides a set of rules and standards of behavior that all executives and employees must observe when carrying out the Group's global corporate activities. At Advantest, we adopt a global perspective when implementing our company management and our social and environmental activities so that we can use our cutting-edge "measurement and testing technologies" to fulfill the expectations that our customers and all of our stakeholders throughout the world hold for us.

The Advantest Way >

Business Fields and Main Products

Semiconductor and Component Test System

ATE Business

Semiconductors are a core electronic component used in a variety of devices, such as smartphones, personal computers, household electrical appliances, motor vehicles, and robot, which are indispensable to our lives. There is a wide variety of semiconductors from logic ICs and analog ICs to memory ICs. Each type of semiconductor has its own unique functionality and circuitry with performance rapidly advancing each day.

Automated Testing Equipment (ATE) verify the quality, performance and reliability of semiconductors by electrically testing these complex and multifarious functions of semiconductors with high accuracy. The automated testing technologies from Advantest at the top of the industry are contributing to higher efficiency in production on customer sites, technological innovations of the electronics industry, and greater safety, security and comfort for society.

SoC Test System

V93000
SoC Test System

T2000
SoC Test System

T6391
Display Driver Test System

Memory Test System

T5503HS2
Memory Test System

T5833
Memory Test System

B6700
Burn-in Test System

Mechatronics System

Device Interface/Test Handler Business

We provide peripheral devices for semiconductor testing such as device interfaces necessary when electrically connecting test systems and semiconductors as well as test handlers that transport packaged semiconductors to test systems.

HIFIX

M4872
SoC Test Handler

Nanotechnology Business

We provide devices that conduct fine exposure, processing and measurement using electron beams (EB) for silicon wafers and photomasks. These devices are used in mass production processes of major semiconductor manufacturers and the development of leading-edge semiconductor processes.

E3640
MASK MVM-SEM®

Services, Support and Other Sectors

Field Services

We provide comprehensive services that contribute to improving productivity on customer sites, such as the early launch of mass production tests for new devices, as well as improvements to the operation rate on all test floors, including installation support and maintenance of test services.

SLT Business

We provide enterprise solid state drives (SSD) that expand the adoption of high-end databases, client SSDs that support the IoT generation, and devices that test the system level.

MPT3000
SSD Multi-protocol Test System

In addition to the above, we have business departments that sell used semiconductors, component test systems, and commercial mechatronic products; a device leasing business; and a new planning business among other ventures.

Third-Party Assurance

Sustainability Data Book 2020

Third-Party Assurance

To further strengthen the reliability of our social and environmental performance indicators (human resource, labor and environmental data)*, the integrity of our data has been assured by KPMG AZSA Sustainability Co., Ltd. since FY2018.

*Figures subject to such third-party assurance are marked with the ✔ symbol.

KPMG

Independent Assurance Report

To the Representative Director, President & CEO of Advantest Corporation

We were engaged by Advantest Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with ✔ (the "Indicators") for the period from April 1, 2019 to March 31, 2020 included in the Company's Sustainability Data Book 2020 (the "Webpages") found under www.advantest.com/sustainability/.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Webpages.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the "International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the "ISAE 3410, Assurance Engagements on Greenhouse Gas Statements" issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Webpages, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Webpages and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of Advantest Laboratories Ltd. and Advantest Component, Inc. selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Webpages are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Webpages.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
October 19, 2020

Advantest Sustainability Data Book 2020 Independent Assurance Report

Target Indicators

Environmental performance indicators

- Energy consumption (total in GJ)
- Green purchasing of electricity
- CO_2 emissions (Scope 1, Scope 2, Scope 3 [Categories 1 and 11])
- PFC and SF6 emissions
- PRTR chemical release/transfer
- VOC atmospheric emissions
- Waste output
- Recycling rate
- Final waste disposal amount
- Water usage/discharged water
- Ultrapure water usage

Social performance indicators

- Number of managers by region
- Proportion of female employees in management roles
- Number of turnover employees
- Employment rate of people with disabilities
- Average overtime hours worked per person
- Paid leave taken
- Total lesson time (hours)
- Occupational accident rate in Japan (frequency rate)

Independent Assurance Report >

GRI Guideline

Sustainability Data Book 2020

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards Core option.

102: General Disclosures

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 102: General Disclosure 2016				
1. Organizational profile				
102-1	Name of the organization			About Advantest Group
102-2	Activities, brands, products, and services			About Advantest Group Products Global Services
102-3	Location of headquarters			About Advantest Group Offices / Subsidiaries
102-4	Location of operations			About Advantest Group
102-5	Ownership and legal form			About Advantest Group
102-6	Markets served			About Advantest Group Investors
102-7	Scale of the organization			About Advantest Group Employment and Diversity
102-8	Information on employees and other workers	6.4 Labour practices 6.4.3 Employment and employment relationships		About Advantest Group Employment and Diversity
102-9	Supply chain			Procurement Policy Supply Chain Management
102-10	Significant changes to the organization and its supply chain			Investors
102-11	Precautionary Principle or approach	6.2 Organizational governance		Integrated Annual Report: Our Strategy - Materiality

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 102: General Disclosure 2016				
102-12	External initiatives	6.2 Organizational governance		▸ Involvement with External Initiatives
102-13	Membership of associations	6.2 Organizational governance		▸ Involvement with External Initiatives ▸ Supply Chain Management
2. Strategy				
102-14	Statement from a senior decision-maker	6.2 Organizational governance		▸ Message from the Manager of Promoting Sustainability
102-15	Key impacts, risks, and opportunities	6.2 Organizational governance		▸ Message from the Manager of Promoting Sustainability ▸ Integrated Annual Report: Our Strategy - Risk Management ▸ Annual / Quarterly Financial Report
3. Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior			▸ About Advantest Group ▸ The Advantest Way
102-17	Mechanisms for advice and concerns about ethics			▸ Compliance
4. Governance				
102-18	Governance structure	6.2 Organizational governance		▸ Integrated Annual Report: Governance - Corporate Governance
102-19	Delegating authority			
102-20	Executive-level responsibility for economic, environmental, and social topics			
102-21	Consulting stakeholders on economic, environmental, and social topics	6.2 Organizational governance		▸ Communication with Stakeholders
102-22	Composition of the highest governance body and its committees	6.2 Organizational governance		▸ Integrated Annual Report: Governance - Corporate Governance
102-23	Chair of the highest governance body	6.2 Organizational governance		▸ Corporate Governance Report
102-24	Nominating and selecting the highest governance body	6.2 Organizational governance		▸ Integrated Annual Report: Governance - Corporate Governance

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 102: General Disclosure 2016				
102-25	Conflicts of interest	6.2 Organizational governance		
102-26	Role of highest governance body in setting purpose, values, and strategies			
102-27	Collective knowledge of the highest governance body			
102-28	Evaluating the highest governance body's performance	6.2 Organizational governance		▸ Integrated Annual Report: Governance - Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	6.2 Organizational governance		▸ Integrated Annual Report: Governance - Corporate Governance ▸ Integrated Annual Report: Our Strategy - Risk Management
102-30	Effectiveness of risk management processes			▸ Integrated Annual Report: Our Strategy - Risk Management
102-31	Review of economic, environmental, and social topics	6.2 Organizational governance		▸ Integrated Annual Report: Our Strategy - Materiality
102-32	Highest governance body's role in sustainability reporting			▸ Integrated Annual Report: Governance
102-33	Communicating critical concerns	6.2 Organizational governance		▸ Integrated Annual Report: Governance - Corporate Governance ▸ Compliance
102-34	Nature and total number of critical concerns			
102-35	Remuneration policies	6.2 Organizational governance		▸ Integrated Annual Report: Governance - Corporate Governance ▸ Annual / Quarterly Financial Report
102-36	Process for determining remuneration			▸ Integrated Annual Report: Governance - Corporate Governance ▸ Annual / Quarterly Financial Report
102-37	Stakeholders' involvement in remuneration	6.2 Organizational governance		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 102: General Disclosure 2016				
102-38	Annual total compensation ratio			
102-39	Percentage increase in annual total compensation ratio			
5. Stakeholder engagement				
102-40	Stakeholder engagement list	6.2 Organizational governance		▸ Communication with Stakeholders
102-41	Collective bargaining agreements	6.3.10 Human rights issue 8: Fundamental principles and rights at work	1 Support and respect for human rights	▸ Respecting and Protecting Human Rights ▸ Annual / Quarterly Financial Report
		6.4 Labour practices	3 Freedom of association and recognition of the right to collective bargaining	
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.4.5 Labour practices issue 3: Social dialogue		
102-42	Identifying and selecting stakeholders	6.2 Organizational governance		▸ Communication with Stakeholders
102-43	Approach to stakeholder engagement	6.2 Organizational governance	1 Support and respect for human rights	▸ Communication with Stakeholders ▸ Supporting Product Safety and Quality
		6.7 Consumer issues	2 Not complicit in human rights abuses	
		6.7.4 Consumer issue 2: Protecting consumers' health and safety	3 Freedom of association and recognition of the right to collective bargaining	
		6.7.5 Consumer issue 3: Sustainable consumption	4 Elimination of forced and compulsory labour	
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution	5 Effective abolition of child labour	
		6.7.8 Consumer issue 6: Access to essential services	6 Elimination of discrimination in respect of employment and occupation	
		6.7.9 Consumer issue 7: Education and awareness	7 Preparatory approach to environmental challenges	
			8 Initiatives to promote greater environmental responsibility	
			9 Development and diffusion of environmentally friendly technologies	

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 102: General Disclosure 2016				
			10 Working against corruption in all its forms, including extortion and bribery	
102-44	Key topics and concerns raised	6.2 Organizational governance		
6. Reporting practice				
102-45	Entities included in the consolidated financial statements	6.2 Organizational governance		Annual / Quarterly Financial Report
102-46	Defining report content and topic boundaries			
102-47	List of material topics			Integrated Annual Report: Our Strategy - Materiality
102-48	Restatements of information			
102-49	Changes in reporting			
102-50	Reporting period			Editorial Note
102-51	Date of most recent report			Editorial Note
102-52	Reporting cycle			Editorial Note
102-53	Contact point for questions regarding the report			Editorial Note
102-54	Claims of reporting in accordance with the GRI Standards			GRI Guideline
102-55	GRI content index			GRI Guideline
102-56	External assurance	7.5.3 Types of communication on social responsibility		Third-Party Assurance
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary			Integrated Annual Report: Our Strategy - Materiality
103-2	Management approach and its elements			Integrated Annual Report: Our Strategy - Materiality
103-3	Evaluation of the management approach			Integrated Annual Report: Our Strategy - Materiality

200: Economic

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	6.8 Community involvement and development 6.8.3 Community involvement and development issue 1: Community involvement 6.8.7 Community involvement and development issue 5: Wealth and income creation 6.8.9 Community involvement and development issue 7: Social investment		▸ Annual / Quarterly Financial Report
201-2	Financial implications and other risks and opportunities due to climate change	6.5.5 Environmental issue 3: Climate change mitigation and adaption	7 Preparatory approach to environmental challenges 8 Initiatives to promote greater environmental responsibility 9 Development and diffusion of environmentally friendly technologies	▸ Integrated Annual Report: Our Strategy - Risk Management ▸ Mitigation of Climate Change (Global Warming Prevention) ▸ Environmental Action Plan ▸ Green Products ▸ Environmental Accounting Results ▸ Annual / Quarterly Financial Report
201-3	Defined benefit plan obligations and other retirement plans			▸ Human Resources Development, Fair Evaluation and Treatment
201-4	Financial assistance received from the government			
GRI 202: Market Presence				
202-1	Ratio of standard entry level wage by gender compared to the local minimum wage	6.4.4 Labour practices issue 2: Conditions of work and social protection 6.8 Community involvement and development		
202-2	Proportion of senior management hired from the local community	6.8 Community involvement and development 6.8.5 Community involvement and development issue 3: Employment creation and skills development 6.8.7 Community involvement and development issue 5: Wealth and income creation		▸ Employment and Diversity
GRI 203: Indirect Economic Impacts				

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
203-1	Infrastructure investments and services supported	6.3.9 Human rights issue 7: Economic, social and cultural rights	8 Initiatives to promote greater environmental responsibility	
		6.8 Community involvement and development	9 Development and diffusion of environmentally friendly technologies	
		6.8.3 Community involvement and development issue 1: Community involvement		
		6.8.4 Community involvement and development issue 2: Education and culture		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.6 Community involvement and development issue 4: Technology development and access		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
		6.8.9 Community involvement and development issue 7: Social investment		
203-2	Significant indirect economic impacts	6.3.9 Human rights issue 7: Economic, social and cultural rights		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.7.8 Consumer issue 6: Access to essential services		
		6.8 Community involvement and development		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.6 Community involvement and development issue 4: Technology development and access		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
		6.8.9 Community involvement and development issue 7: Social investment		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
204: Procurement Practices				
204-1	Proportion of spending on local suppliers	6.6 Fair operation practices 6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain 6.8 Community involvement and development 6.8.7 Community involvement and development issue 5: Wealth and income creation		
205: Anti-corruption				
205-1	Operations assessed for risks related to corruption	6.6 Fair operation practices 6.6.3 Fair operating practices issue 1: Anti-corruption	10 Working against corruption in all its forms, including extortion and bribery	Integrated Annual Report: Sustainability - Supply Chain Management
205-2	Communication and training about anti-corruption policies and procedures	6.6 Fair operation practices 6.6.3 Fair operating practices issue 1: Anti-corruption 6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain	10 Working against corruption in all its forms, including extortion and bribery	Compliance
205-3	Confirmed incidents of corruption and actions taken	6.6 Fair operation practices 6.6.3 Fair operating practices issue 1: Anti-corruption 6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		Compliance
206: Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.6 Fair operation practices 6.6.5 Fair operating practices issue 3: Fair competition 6.6.7 Fair operating practices issue 5: Respect for property rights		Compliance
207: Tax				
207-1	Description of the approach to tax			Tax Policy
207-2	Description of the tax governance and control framework			Tax Policy
207-3	Stakeholder engagement and management of concerns related to tax			Tax Policy
207-4	All tax jurisdictions where the organization is located for tax purposes			

300: Environmental

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	6.5.4 Environmental issue 2: Sustainable resource use		Environmental Data
301-2	Recycled input materials used	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources
301-3	Reclaimed products and their packaging materials	6.5.4 Environmental issue 2: Sustainable resource use		Product Recycling
GRI 302: Energy				
302-1	Energy consumption within the organization	6.5.4 Environmental issue 2: Sustainable resource use		Environmental Data
302-2	Energy consumption outside of the organization	6.5.4 Environmental issue 2: Sustainable resource use		
302-3	Energy intensity	6.5.4 Environmental issue 2: Sustainable resource use		
302-4	Reduction of energy consumption	6.5.4 Environmental issue 2: Sustainable resource use 6.5.5 Environmental issue 3: Climate change mitigation and adaption		Environmental Action Plan Mitigation of Climate Change (Global Warming Prevention) Environmental Data
302-5	Reductions in energy requirements of products and services	6.5.4 Environmental issue 2: Sustainable resource use 6.5.5 Environmental issue 3: Climate change mitigation and adaption	9 Development and diffusion of environmentally friendly technologies	Environmental Action Plan Green Products Mitigation of Climate Change (Global Warming Prevention)
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
303-2	Management of water discharge related impacts	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
303-3	Water withdrawal	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
303-4	Water discharge	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
303-5	Water consumption	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
GRI 304: Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		Biotope

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
304-2	Significant impacts of activities, products, and services on biodiversity	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
304-3	Habitats protected or restored	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		▸ Biotope
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
GRI 305: Emissions				
305-1	Direct (Scope 1) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		▸ Mitigation of Climate Change (Global Warming Prevention) ▸ Environmental Data
305-2	Energy indirect (Scope 2) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		▸ Mitigation of Climate Change (Global Warming Prevention) ▸ Environmental Data
305-3	Other indirect (Scope 3) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		▸ Mitigation of Climate Change (Global Warming Prevention)
305-4	GHG emissions intensity	6.5.5 Environmental issue 3: Climate change mitigation and adaption		▸ Mitigation of Climate Change (Global Warming Prevention)
305-5	Reduction of GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		▸ Mitigation of Climate Change (Global Warming Prevention) ▸ Environmental Data
305-6	Emissions of ozone-depleting substances (ODS)	6.5.3 Environmental issue 1: Prevention of pollution 6.5.5 Environmental issue 3: Climate change mitigation and adaption		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	6.5.3 Environmental issue 1: Prevention of pollution		▸ Mitigation of Climate Change (Global Warming Prevention) ▸ Environmental Data
GRI 306: Effluents and Waste				
306-1	Water discharge by quality and destination	6.5.3 Environmental issue 1: Prevention of pollution 6.5.4 Environmental issue 2: Sustainable resource use		▸ Recycling Resources ▸ Environmental Data

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
306-2	Waste by type and disposal method	6.5.3 Environmental issue 1: Prevention of pollution		▸ Recycling Resources ▸ Environmental Data
306-3	Significant spills	6.5.3 Environmental issue 1: Prevention of pollution		▸ Environmental Management ▸ Environmental Communication / Environmental Contribution Activities
306-4	Transport of hazardous waste	6.5.3 Environmental issue 1: Prevention of pollution		▸ Environmental Data
306-5	Water bodies affected by water discharge and/or runoff	6.5.3 Environmental issue 1: Prevention of pollution 6.5.4 Environmental issue 2: Sustainable resource use 6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		▸ Recycling Resources
GRI 307: Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	4.6 Respect for the rule of law		▸ Environmental Management ▸ Environmental Communication / Environmental Contribution Activities
GRI 308: Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	6.5.3 Environmental issue 1: Prevention of pollution 6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain 7.3.2 Determining relevance and significance of core subjects and issues to an organization		▸ Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	6.5.3 Environmental issue 1: Prevention of pollution 6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain 7.3.2 Determining relevance and significance of core subjects and issues to an organization		▸ Supply Chain Management

400: Social

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
401: Employment				
401-1	New employee hires and employee turnover	6.4 Labour practices 6.4.3 Labour practices issue 1: Employment and employment relationships		Employment and Diversity
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Labour practices 6.4.3 Labour practices issue 1: Employment and employment relationships 6.4.4 Labour practices issue 2: Conditions of work and social protection 6.8.7 Community involvement and development issue 5: Wealth and income creation		Supporting Diverse Working Styles Human Resources Development, Fair Evaluation and Treatment
401-3	Parental leave	6.4 Labour practices 6.4.3 Labour practices issue 1: Employment and employment relationships 6.4.4 Labour practices issue 2: Conditions of work and social protection 6.8.7 Community involvement and development issue 5: Wealth and income creation	6 Elimination of discrimination in respect of employment and occupation	Supporting Diverse Working Styles
402: Labor/Management Relations				

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
402-1	Minimum notice periods regarding operational changes	6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.4.5 Labour practices issue 3: Social dialogue		
403: Occupational Health and Safety				
403-1	Occupational health and safety management system	6.4 Labour practices		▸ Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		
403-2	Hazard identification, risk assessment, and incident investigation	6.4 Labour practices		▸ Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		
403-3	Occupational health services	6.4 Labour practices		▸ Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		
		6.8 Community involvement and development		
		6.8.3 Community involvement and development issue 1: Community involvement		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
		6.8.4 Community involvement and development issue 2: Education and culture		
		6.8.8 Community involvement and development issue 6: Health		
403-4	Worker participation, consultation, and communication on occupational health and safety	6.4 Labour practices		▸ Respecting and Protecting Human Rights ▸ Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		
403-5	Worker training on occupational health and safety	6.4 Labour practices		▸ Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		
403-6	Promotion of worker health	6.4 Labour practices		▸ Occupational Health and Safety ▸ Integrated Annual Report: Sustainability - Occupational Health/Health and Productivity Management
		6.4.6 Labour practices issue 4: Health and safety at work		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.4 Labour practices		▸ Supply Chain Management ▸ Supporting Product Safety and Quality
		6.4.6 Labour practices issue 4: Health and safety at work		
403-8	Workers covered by an occupational health and safety management system	6.4 Labour practices		▸ About Advantest Group ▸ Respecting and Protecting Human Rights ▸ Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		
403-9	Work-related injuries	6.4 Labour practices		▸ Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
403-10	Work-related ill health	6.4 Labour practices 6.4.6 Labour practices issue 4: Health and safety at work		Occupational Health and Safety
404: Training and Education				
404-1	Average hours of training per year per employee	6.4 Labour practices 6.4.7 Labour practices issue 5: Human development and training in the workplace		Human Resources Development, Fair Evaluation and Treatment
404-2	Programs for upgrading employee skills and transition assistance programs	6.4 Labour practices 6.4.7 Labour practices issue 5: Human development and training in the workplace 6.8.5 Community involvement and development issue 3: Employment creation and skills development	6 Elimination of discrimination in respect of employment and occupation	Supporting Diverse Working Styles Human Resources Development, Fair Evaluation and Treatment
404-3	Percentage of employees receiving regular performance and career development reviews	6.4 Labour practices 6.4.7 Labour practices issue 5: Human development and training in the workplace		Human Resources Development, Fair Evaluation and Treatment
405: Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	6.3.7 Human rights issue 5: Discrimination and vulnerable groups	1 Support and respect for human rights	Employment and Diversity Integrated Annual Report: Sustainability - Respecting and Protecting Human Rights, Occupational Health/Health and Productivity Management
		6.3.10 Human rights issue 8: Fundamental principles and rights at work 6.4 Labour practices	6 Elimination of discrimination in respect of employment and occupation	

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
		6.4.3 Labour practices issue 1: Employment and employment relationships		
405-2	Ratio of basic salary and remuneration of women to men	6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
406: Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	6.3 Human rights		▸ Supply Chain Management ▸ Compliance ▸ Respecting and Protecting Human Rights ▸ Integrated Annual Report: Sustainability - Respecting and Protecting Human Rights
		6.3.6 Human rights issue 4: Resolving grievances		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
407: Freedom of Association and Collective Bargaining				
407-1	Operations and suppliers in	6.3 Human rights		▸ Respecting and Protecting Human Rights

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
	which the right to freedom of association and collective bargaining may be at risk	6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.8 Human rights issue 6: Civil and political rights		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.5 Labour practices issue 3: Social dialogue		
408: Child Labor				
408-1	Operations and suppliers at significant risk for incidents of child labor	6.3 Human rights		▸ Supply Chain Management ▸ Procurement Policy ▸ Integrated Annual Report: Sustainability - Respecting and Protecting Human Rights
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
409: Forced or Compulsory Labor				

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.3 Human rights		▸ Supply Chain Management ▸ Procurement Policy ▸ Integrated Annual Report: Sustainability - Respecting and Protecting Human Rights
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
410: Security Practices				
410-1	Security personnel trained in human rights policies or procedures	6.3 Human rights		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
411: Rights of Indigenous Peoples				
411-1	Incidents of violations involving the rights of indigenous peoples	6.3 Human rights		
		6.3.6 Human rights issue 4: Resolving grievances		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.8 Human rights issue 6: Civil and political rights		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
412: Human Rights Assessment				
412-1	Operations that have been subject to human rights reviews or impact assessments	6.3 Human rights		▸ Supply Chain Management
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
412-2	Employee training on human rights policies or procedures	6.3 Human rights	1 Support and respect for human rights	▸ Respecting and Protecting Human Rights
		6.3.5 Human rights issue 3: Avoidance of complicity		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.3 Human rights		▸ Supply Chain Management ▸ Procurement Policy
		6.3.3 Human rights issue 1: Due diligence		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.6 Human rights issue 4: Resolving grievances		
413: Local Communities				
413-1	Operations with local community engagement, impact assessments, and	6.3.9 Human rights issue 7: Economic, social and cultural rights	8 Initiatives to promote greater environmental responsibility	▸ Membership of Civil Society

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	development programs	6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.8 Community involvement and development		
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413-2	Operations with significant actual and potential negative impacts on local communities	6.3.9 Human rights issue 7: Economic, social and cultural rights	7 Preparatory approach to environmental challenges	
		6.5.3 Environmental issue 1: Prevention of pollution	8 Initiatives to promote greater environmental responsibility	
		6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
		6.8.9 Community involvement and development issue 7: Social investment		
414: Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria			▸ Supply Chain Management ▸ Procurement Policy

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414-2	Negative social impacts in the supply chain and actions taken			▸ Supply Chain Management ▸ Procurement Policy
415: Public Policy				
415-1	Political contributions			
416: Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	6.3.9 Human rights issue 7: Economic, social and cultural rights 6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain 6.7 Consumer issues 6.7.4 Consumer issue 2: Protecting consumers' health and safety 6.7.5 Consumer issue 3: Sustainable consumption	9 Development and diffusion of environmentally friendly technologies	▸ Supporting Product Safety and Quality
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6.3.9 Human rights issue 7: Economic, social and cultural rights 6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain 6.7 Consumer issues 6.7.4 Consumer issue 2: Protecting consumers' health and safety		▸ Supporting Product Safety and Quality

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		6.7.5 Consumer issue 3: Sustainable consumption		
417: Marketing and Labeling				
417-1	Requirements for product and service information and labeling	6.7 Consumer issues		▸ Green Products ▸ Environmental Risk and Chemical Substance Management ▸ Supporting Product Safety and Quality
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
		6.7.5 Consumer issue 3: Sustainable consumption		
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
		6.7.9 Consumer issue 7: Education and awareness		
417-2	Incidents of non-compliance concerning product and service information and labeling	6.7 Consumer issues		
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
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		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
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417-3	Incidents of non-compliance concerning marketing communications	6.7 Consumer issues		
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
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		6.7.9 Consumer issue 7: Education and awareness		
418: Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.7 Consumer issues		▸ Risk Management
		6.7.7 Consumer issue 5: Consumer data protection and privacy		
419: Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	6.6 Fair operation practices		▸ Supporting Product Safety and Quality ▸ Compliance
		6.6.3 Fair operating practices issue 1: Anti-corruption		
		6.6.7 Fair operating practices issue 5: Respect for property rights		

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		6.8.7 Community involvement and development issue 5: Wealth and income creation		