

TDK Group – Human Rights Statement

https://www.tdk.com/en/sustainability2023/social/human_rights

Introduction

The TDK Group recognizes that the foundation for our sustainable growth lies in people and believes that respect for human rights is a commitment for ensuring that the diverse people involved in the business of the TDK Group are able to contribute to the best of their ability. The TDK Group has stated its commitment in the TDK Group Policy on Human Rights, which respects and supports international norms on human rights and promotes activities based on the framework of the UN Guiding Principles on Business and Human Rights.

This statement discloses the TDK Group's initiatives with respect to human rights within the TDK Group's business and throughout our supply chain, as required by the UK Modern Slavery Act and the Transparency Act in Norway. This statement reports the activities conducted in fiscal year 2024 (from April 1, 2023 to March 31, 2024), and covers all TDK Group subsidiaries.

1. About the TDK Group

The TDK Group (hereinafter "TDK") consists of TDK Corporation, headquartered in Japan, and 143 consolidated subsidiaries around the world (as of March 31, 2024). Our focus is on information and communication technology, automotive, industrial and consumer electronics markets. TDK's comprehensive portfolio features passive components such as capacitors, inductors, EMC components, RF components and modules, voltage / current / temperature protection devices, ceramic switching / heating, piezo components, contactors, buzzers and microphones, transformers, ferrite and accessories, and noise suppressing / magnetic sheet. Our product spectrum also includes sensors and sensor systems, power supplies, lithium-ion batteries, solid-state batteries, HDD heads, magnets and more. The portfolio is marketed under the product brands TDK, EPCOS, InvenSense, Micronas, Tronics, TDK-Lambda and ATL. TDK has a network of design and manufacturing locations and sales offices in Asia, Europe, North and South America.

Detail of TDK Group (TDK Worldwide)

<https://www.tdk.com/en/worldwide/index.html>

2. Our Approach

2.1 Understanding of global trends on human rights issues

Since the UN Human Rights Council adopted the “protect, respect, and remedy” framework, also known as the Ruggie Framework, related to business and human rights in 2008, a series of international Corporate Social Responsibility (“CSR”) guidelines and UN and EU policies have been introduced in accordance with the framework, and several jurisdictions around the world have enacted laws addressing human rights in the context of international business. Specifically, these include the conflict minerals clause in the US Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in 2010, the Transparency in Supply Chains Act enacted in the US State of California in 2010, the UN Guiding Principles on Business and Human Rights in 2011, the Modern Slavery Act in the United Kingdom in 2015, the EU regulation on conflict minerals in 2017, the Child Labor Due Diligence Act in the Netherlands in 2019, the Due Diligence in the Supply Chain Act in Germany in 2021, the Transparency Act in Norway in 2021, and the EU Batteries Regulation in 2023. This trend represents a strong appeal to companies to specifically identify human rights issues in their business activities and take appropriate action.

2.2 Our policies for respecting human rights

The TDK Code of Conduct states that “The TDK Group will continue to respect human rights, comply with relevant laws and regulations and international rules, and discharge its social responsibility with a strong sense of ethical values for the purpose of creating a sustainable society.” To this end, for example, we specifically prohibit any form of child labor, forced labor including human trafficking and unreasonable restrictions on movement leading to bonded labor in our supply chains. We respect such internationally recognized human rights, as respect for freedom of association and right to collective bargaining. The TDK Code of Conduct also requires compliance with all relevant human rights laws and regulations including those prohibiting child and forced labor in the supply chain, such as Section 307 of the US Tariff Act of 1930, as amended, and the other laws identified above.

The TDK Group Policy on Human Rights was formulated in 2016. We respect and support international norms on human rights including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the Children’s Rights and Business Principles. Based on the framework of the UN Guiding Principles on Business and Human Rights, TDK promotes the correct understanding of potential human rights issues and takes steps to address them, not only within the business operations of TDK itself but also throughout the value chain. The TDK Group Policy on Human Rights is published on our website and disseminated to internal and external stakeholders. We expect our business partners and suppliers to understand and support the TDK Group Policy on Human Rights, and we also include the prohibition of child

labor, forced labor, and unreasonable restrictions on movement leading to bonded labor, as well as respect for freedom of association and right to collective bargaining, in the TDK Supplier Code of Conduct and require our business partners and suppliers to comply with it.

TDK Code of Conduct

https://www.tdk.com/corp/en/about_tdk/code_of_conduct/index.htm

TDK Group Policy on Human Rights

https://www.tdk.com/en/sustainability2023/social/human_rights/policy

TDK Supplier Code of Conduct

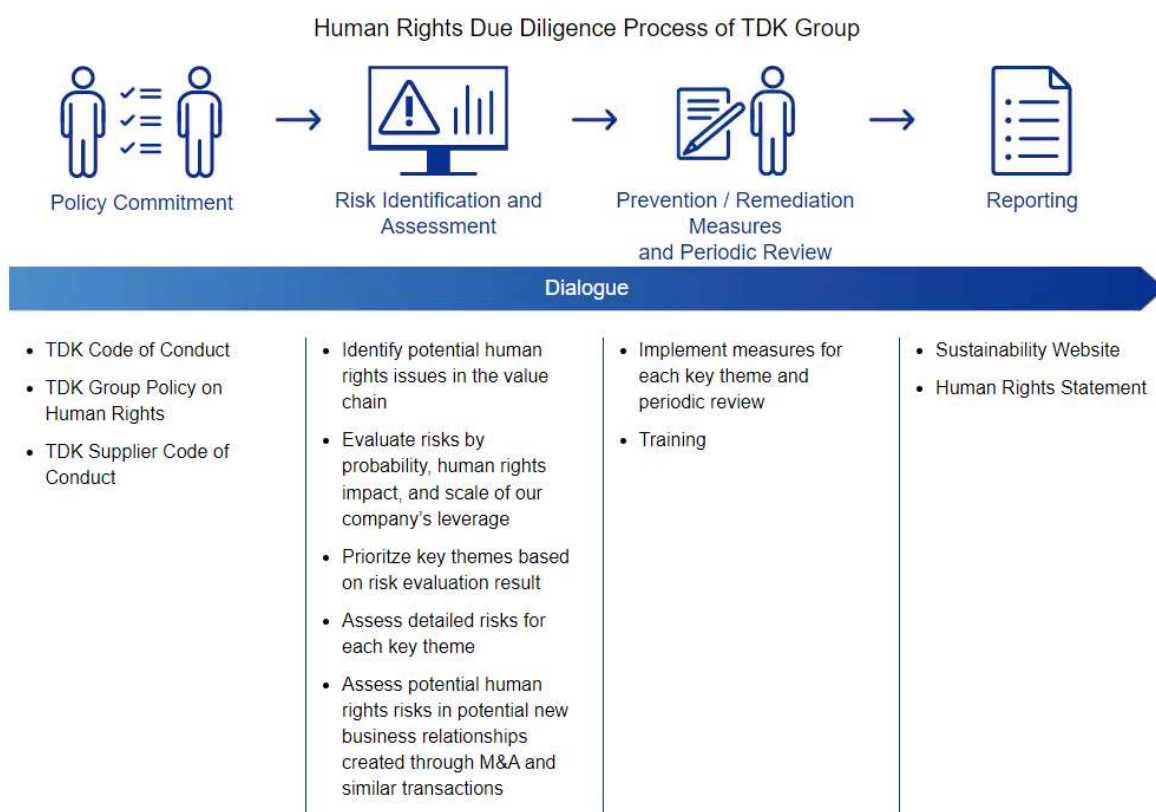
https://www.tdk.com/corp/en/about_tdk/procurement/pro07.htm

2.3 Roles and Responsibilities

TDK has established a Sustainability Promotion HQ in charge of initiatives related to the respect for human rights in cooperation with the other related functions within TDK. Further, TDK has established the function of a Chief People and Sustainability Officer who is responsible for human rights initiatives. The Sustainability Promotion HQ reports to the Board of Directors at least twice a year on the status of Group-wide sustainability initiatives, including human rights initiatives. Based on these reports, the Board of Directors deliberates and makes resolutions as necessary.

3. Due Diligence Process

TDK undertakes human rights due diligence processes and promotes its due diligence activities in line with the procedures set out in the UN Guiding Principles on Business and Human Rights. We also continue to dialogue with internal/external parties and stakeholders including independent external human rights experts to make our activities more effective.



4. Identification and Evaluation of Human Rights Risks

4.1 Human rights key themes of TDK Group

TDK periodically assesses the issues which may present potential human rights risks and the groups of people who might be vulnerable to such risks, through dialogue with external parties, reports from international human rights organizations and the conduct of risk assessments and CSR self-checks.

In fiscal year 2024, we reevaluated the prior years' determination of "potential human rights risks that may be addressed by the TDK Group" and "human rights key themes" as part of the review of materiality in the formulation of the new medium-term management plan starting from fiscal year 2025.

We identified stakeholders and human rights risks with the potential to be negatively impacted by the TDK Group's activities upstream, internally, and downstream in our value chain, and confirmed that they are consistent with the potential human rights risks that may be addressed by the TDK Group.

【Potential human rights risks that may be addressed by the TDK Group】

Value chain	Procurement		Development and Manufacturing		Sales
Potentially affected stakeholders	Employees of sub-contractors, suppliers and labor agencies	Communities	Group employees	Communities	Customers/End users
Potential human rights issue					
Product safety	-	-	-	-	○
Human rights infringement by unintended use of products and technologies	-	-	-	-	○
Protection of personal information and privacy	○	-	○	-	○
Child labor, forced labor and human trafficking	○	-	○	-	-
Working hours and fair wage management	○	-	○	-	-
Occupational safety and health	○	-	○	-	-
Unfair treatment of foreign workers	○	-	○	-	-
Discrimination (treatment of employment, pay, training, promotion, etc.)	○	-	○	-	-
Freedom of association and the right to collective bargaining and concerted action	○	-	○	-	-
Harassment	○	-	○	-	-
Responsible sourcing of minerals	○	○	-	-	-
Impact on employment by establishment, closing and consolidation of facilities	○	○	○	○	-
Infringement of local residents' rights by inappropriate environmental management in a factory (health hazard, degradation of daily life environment and decrease in assets, etc.)	-	○	-	○	-

*Note : "○" indicates the risk items that may be addressed by the TDK Group.

Next, scoring and prioritization was conducted in terms of severity of impact and likelihood of occurrence, and we confirmed the result was consistent with the "human rights key themes." Furthermore, based on reports from international human rights organizations, results of risk assessments for labor, human rights and business ethics issues, CSR self-checks, and audits at manufacturing sites, as well as reviews by external experts, we examined vulnerable stakeholders and redefined our "human rights key themes." As a result, we recognize the following as three priority issues: "responsible sourcing of minerals," "respecting human rights of employees at our manufacturing sites," and "respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)." We then identified specific human rights issues that should be addressed with regard to these three priority issues. TDK has identified the below mentioned themes which TDK considers as key elements for its strategy on the protection of human rights. TDK is working to implement prevention and mitigation measures and monitor progress on these key elements and will continue to reevaluate

these key elements on a regular basis.

Human rights key themes

Human rights key themes	Specific human rights key elements
Responsible sourcing of minerals	<ul style="list-style-type: none"> • Child labor, Forced Labor, Human trafficking
Respecting human rights of employees at our manufacturing sites	<ul style="list-style-type: none"> • Working hours • Occupational safety and health • Discrimination (Treatment of employment, compensation, education and promotion, etc.) • Harassment
Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)	<ul style="list-style-type: none"> • Working hours • Occupational safety and health • Discrimination (Treatment of employment, compensation, education and promotion, etc.) • Harassment • Unfair treatment of foreign workers • Child labor, Forced Labor, Human trafficking

4.2 Our Approach for Identified Human Rights Key Elements

4.2.1 Prohibition of Child Labor and Forced Labor

The TDK Code of Conduct strictly prohibits the use of child labor and forced labor throughout the supply chain, and we conduct various measures to prevent their occurrence. For example, in order to address and prevent the risk of child labor, all manufacturing sites conduct periodic official document checks for employees and conduct employee interviews as part of the age verification process both before and during employment to prevent impersonation. Further, there are procedures in place in the event that an employee is ever found to be under the age for employment, intended to remediate the issue by offering and paying for education and training in lieu of employment.

As a result of these measures, no child labor was discovered at TDK in fiscal year 2024.

We also prohibit child labor and forced labor in the TDK Supplier Code of Conduct and require our suppliers to be aligned with us in these efforts.

4.2.2 Working Hours and Fair Wage Management

At each of our sites, appropriate wages, benefits, bonuses, other temporary salaries, retirement allowances, etc. are based on labor-related laws, which may be stipulated in work rules or labor-management agreements (e.g., collective bargaining agreements) depending on the requirements in each country. In each country, we have established internal regulations or procedures in order to comply with applicable wage-related laws and regulations regarding minimum wages, legal benefits, overtime, etc., and in order to operate according to such regulations. Employees are notified via pay stubs or electronic data and paid directly at a predetermined payment period and time. Furthermore, we take measures according to the risks at each manufacturing site to prevent the occurrence of overwork beyond applicable work-hour limitations. For example, we may issue notifications to relevant employees in order to prevent the occurrence of working hours over applicable work hour limits, for example, like the 60 hours per week stipulated in the RBA (Responsible Business Alliance) Code of Conduct or lower applicable work hour limits, if any. In addition, in countries where the potential risk of overwork is higher, the human resources function at HQ (Global HR) monitors employee work hours.

In the TDK Supplier Code of Conduct, we state our approach regarding long working hours, overtime work, compensation and minimum wage etc.

4.2.3 Occupational Safety and Health

Recognizing that a safe and healthy working environment is critical for protecting our employees and therefore is of the utmost importance to TDK, TDK updated the TDK Group Occupational Health/Safety and Environmental Charter and promotes safe and healthy working conditions in 2022. We also established a 'Health and Safety' agenda in the TDK Supplier Code of Conduct and indicate our approach for identification and reduction of potential safety risks in the working environment, response to emergencies, occupational accidents and diseases, internal communication for safety and health, etc.

Health and Safety

<https://www.tdk.com/en/sustainability2023/social/safety-health>

4.2.4 Protection of foreign workers

Foreign workers, especially non-skilled workers, are susceptible to becoming victims of forced labor and human trafficking, as they are more likely to have low social and economic position. We take necessary measures to address and prevent risks of abuse associated with employing such foreign workers, such as providing contracts at the time of employment in a

language the employee understands in order to ensure the respect of human rights, to prevent such abuses, and to remediate them in the supply chain.

4.2.5 Prohibition against discrimination

The TDK Code of Conduct ensures equal opportunities for all employees by prohibiting all forms of discrimination with respect to employment, treatment (compensation, opportunities for trainings and advancement, etc.) and other similar matters based on race, beliefs, gender, religion, nationality, ethnicity, age, marital status, disability, sexual orientation, gender identity, military status, genetic information, social status, etc. We also require the same protections in the TDK Supplier Code of Conduct. TDK's business activities (including contracts and subcontract) are carried out not only as a matter of good business practice, but in an effort to fulfill our responsibility to stay in compliance with laws and regulations, and to respect human rights and labor rights.

4.2.6 Freedom of association and the right to collective bargaining and concerted action

TDK Corporation and some of our subsidiaries have employees who are members in labor unions.

In addition, in countries where labor unions are not permitted under local laws, regulations, and labor customs, and in TDK Group companies where employees are not members in unions, TDK holds sincere dialogues directly with employees or employee representatives based on the TDK Code of Conduct. In this manner we work to build sound relationships and resolve issues regardless of the circumstances. In all cases, we respect our workers' rights to freely form or join organizations of their choosing, and we do not discriminate or retaliate against workers who participate or seek to participate in organizations which bargain collectively or seek to bargain collectively such as labor unions.

4.2.7 Environmental risks that may lead to human rights violations

With regard to environmental risks that may lead to human rights violations, TDK identifies such risks at each manufacturing site in accordance with ISO 14001 and implements necessary risk mitigation measures. In addition, the TDK Supplier Code of Conduct contains an 'environment' component that reflects our approach requiring the proper management of chemical substances and other potentially harmful substances that may pose a risk to the human body and the environment.

5. Initiatives for Prevention and Reduction of Human Rights Risks

In 2020, TDK joined the Responsible Business Alliance (RBA), an organization which is

dedicated to improving social, environmental and ethical conditions in the global supply chains. TDK utilizes the RBA Code of Conduct as the standard to promote our CSR activities and works to follow the rules outlined in the RBA Code of Conduct. To prioritize the human rights key themes described above, we conduct activities to prevent and reduce risks in alliance with the RBA's Code of Conduct, assessment items and audit frameworks. The details are as follows.

RBA Code of Conduct

<https://www.responsiblebusiness.org/code-of-conduct/>

5.1 Responsible Sourcing of Minerals

TDK started its response to the problem of conflict minerals following the enactment of the US Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010. The TDK Group Policy on Conflict Minerals was formulated in April 2013, to promote full compliance with the Due Diligence Guidance of the Organization for Economic Cooperation and Development (OECD). Considering that the scope of discussions on responsible sourcing of minerals has recently expanded to conflict-affected and high-risk areas for serious human rights violations or environmental pollution, to avoid being complicit in these problematic activities we revised our policy in January 2019. Under this revised policy, entitled the "TDK Group Policy on Responsible Sourcing Minerals," TDK continues to promote responsible sourcing of minerals throughout the supply chain, including minerals such as tantalum, tin, tungsten, gold, cobalt and mica, which pose an increased risk of being sourced from conflict areas and regions and countries with high possibility of misconduct, including human rights abuses and environmental destruction.

In fiscal year 2024, according to the conflict mineral survey conducted by TDK, no minerals involved in the funding of armed forces in the DR Congo or adjoining countries were found within TDK's supply chain. In addition, we conducted surveys to identify (a) cobalt smelters considering child labor risk in cobalt mines of DR Congo, and (b) mica processors considering child labor risk and unsafe working conditions in mica mines in India and Madagascar, that remain ongoing.

TDK Group Policy on Responsible Sourcing Minerals

https://www.tdk.com/corp/en/sustainability/social/supplier_responsibility/sus02210.htm

Responsible Sourcing of Minerals

<https://www.tdk.com/en/sustainability2023/governance/responsible-minerals>

5.2 Respecting human rights of employees at our manufacturing sites

TDK implements annual CSR self-checks and risk assessments for labor, human rights and business ethics based on the RBA code of conduct at all Group manufacturing sites. These are supervised by TDK's Sustainability Promotion HQ. In addition, in fiscal year 2022, we established a plan to conduct an RBA-authorized audit, customer CSR audit, or brief CSR assessment based on the RBA VAP Operations Manual at each of our manufacturing sites at least once every three years. In the course of these activities, for any sites where any issues might be identified, we prepare corrective action plans and implement them.

In fiscal year 2024, 100% of our 78 manufacturing sites conducted CSR self-checks using RBA self-assessment questionnaire which included risk assessments for labor, human rights and business ethics issues. Our risk assessments relating to human rights risks included forced labor, harassment, and management of labor agencies and service providers such as cafeterias, security companies, etc. Through the risk assessment for labor, human rights and business ethics, potential risks were identified in 21 manufacturing sites, and corrective actions were completed at all those sites at the end of fiscal year 2024. We will continue our efforts to reduce the risk of human rights violations through the above measures. In addition, in fiscal year 2022-2024, 100% of our manufacturing sites implemented an RBA-authorized audit, customer CSR audit, or brief CSR assessment based on the RBA VAP Operations Manual.

Social and Environmental Consideration at Manufacturing Sites

<https://www.tdk.com/en/sustainability2023/governance/environmental-issues-manufacturing>

5.3 Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)

5.3.1 Initiatives for material suppliers

In order to promote sustainable procurement, TDK implements CSR self-checks during the supplier approval process on the basis of items required by the RBA. In addition, in principle of all suppliers at least at the beginning of each transaction, and of key material suppliers conduct self-checks once every two years. These self-checks address labor and human rights, safety and health, and other related issues. Furthermore, TDK has been conducting CSR audits of key material suppliers, in consideration of their importance in the delivery of products to customers and position in the value chain.

In fiscal year 2024, CSR self-checks confirmed that 100% of suppliers of our TDK Group companies complied with our CSR requirements.

5.3.2 Initiatives for manufacturing sub-contractors

TDK periodically conducts CSR self-checks of its manufacturing sub-contractors and aims to cover all of them every two years. In fiscal year 2023-2024, we confirmed that 97% of our manufacturing sub-contractors complied with our CSR procedures by CSR self-checks. For example, for manufacturing sub-contractors in China, we conduct child labor monitoring by headquarters as we do for our manufacturing sites. In fiscal year 2024, no case of child labor was discovered. Furthermore, we carry out CSR audits of critical manufacturing sub-contractors. In fiscal year 2024, we implemented CSR audits at four companies in Japan.

5.3.3 Initiatives for labor agencies

In some countries in Asia, human rights related recruitment risks are considered to be high and improper management practices by labor agencies are frequently discovered. Therefore, we conduct annual CSR self-checks for labor agencies used by manufacturing sites in the high-risk countries of Asia.

In fiscal year 2024, we implemented CSR self-checks on all of our targeted labor agencies. In addition, on-site audits were conducted at major manufacturing sites in Japan for service providers that provide services on premises, such as security companies, cleaning companies, cafeteria operators, and temporary staffing agencies. Through these audits, we strive to identify risks related to working hour management (working hours should not exceed 60 hours per week), vacation time usage, whether or not fees are collected for hiring, how age verification procedures are conducted at the time of hiring, etc and ethics, and request corrective actions for any issues found, and monitor them until their completion.

Sustainable Procurement

<https://www.tdk.com/en/sustainability2023/governance/sustainable-procurement>

5.4 Training

TDK raises awareness of human rights issues through e-learning or in person training that is given to all of our employees, including those in the UK. In addition, we have also been able to identify issues through training of internal auditors based on RBA requirements and by CSR training that takes regional characteristics into consideration. In the supply chain, TDK provides educational tools as necessary to promote awareness at the time of implementing CSR self-checks.

In fiscal year 2024, TDK continued to enhance our employees' understanding of basic human rights issues through trainings based on the TDK Code of Conduct. In addition, a total of 158 employees participated in training programs for internal CSR auditors in Japan, China and

Asia region.

5.5 Grievance mechanisms and communications on human rights issues

TDK has established a global whistle-blowing system that allows TDK employees to speak-up or report any corporate ethics issues, including potential human rights concerns. These may be made directly or through internal or external help lines that are independent from employees' own reporting lines.

For outside stakeholders, we communicate and respond through the inquiry contacts on the website. In response to inquiries on human rights issues made by some external organizations in fiscal year 2024, we explained TDK's policies on human rights and activities undertaken to ensure that TDK conducts business operations are in accordance with these policies.

In response to all inquiries and reports, relevant departments of TDK Group companies, independently or together, work to investigate, take necessary remedial actions and prevent recurrence of human rights issues.

6. Communication with external parties

6.1 Dialogue

TDK has engaged in dialogues with several third-party experts in order to better understand human rights issues that could impact our activities, including the following:

2023 Human Rights Due Diligence Workshop (Caux Round Table Japan)

Participated in the Human Rights Due Diligence Workshop, organized by the Caux Round Table Japan. We contributed to identifying human rights issues related to the manufacturing sector and chemical / building materials sector, through discussions with 31 other participating companies, as well as through exchanges of opinions with NGOs, and experts (10 associations).

<http://crt-japan.jp/en/portfolio/human-rights-due-diligence-workshop/>

2021 Study session on human rights issues in the supply chain

Invited an independent external human rights expert on human rights issues in the supply chain and held a study session attended by senior managers of the global procurement function.

2017 Targeting Human Rights Responses at the Supply Chain

Invited two independent external human rights experts to attend a study session on the role required of TDK in response to human rights in the supply chain.

<https://www.tdk.com/system/files/rep17000.pdf>

2015 CSR Promotion in the Supply Chain

Invited independent external human rights expert for an exchange of opinions concerning what is expected of TDK to promote CSR in the supply chain.

<https://www.tdk.com/system/files/rep15000.pdf>

2014 Identification of Human Rights Issues through Dialogue with Stakeholders

Engaged in a dialogue with independent external human rights experts to identify human rights issues relevant to TDK.

<https://www.tdk.com/system/files/rep14000.pdf>

2013 Human Rights Due Diligence Workshop (Caux Round Table Japan)

Participated in the Human Rights Due Diligence Workshop, organized by the Caux Round Table Japan. We contributed to identifying human rights issues related to the manufacturing sector, through discussions with nine other participating companies, as well as through exchanges of opinions with NGOs, and experts (10 associations).

<http://crt-japan.jp/en/portfolio/human-rights-due-diligence-workshop/>

7. Collaborative Initiatives

In February 2020, TDK joined the RBA and committed to work continuously to improve our activities throughout our supply chains, including those involving human rights issues, in line with the RBA Code of Conduct.

For responsible sourcing of minerals throughout the whole supply chain, TDK has been participating in the Responsible Minerals Initiative and the Responsible Minerals Sourcing Trade Working Group of JEITA (Japan Electronics and Information Technology) since 2011.

This statement was reported to and approved by the Board of Directors of TDK Corporation on June 14, 2024 and signed on its behalf by:

Noboru Saito
President & CEO
TDK Corporation
June 27, 2024