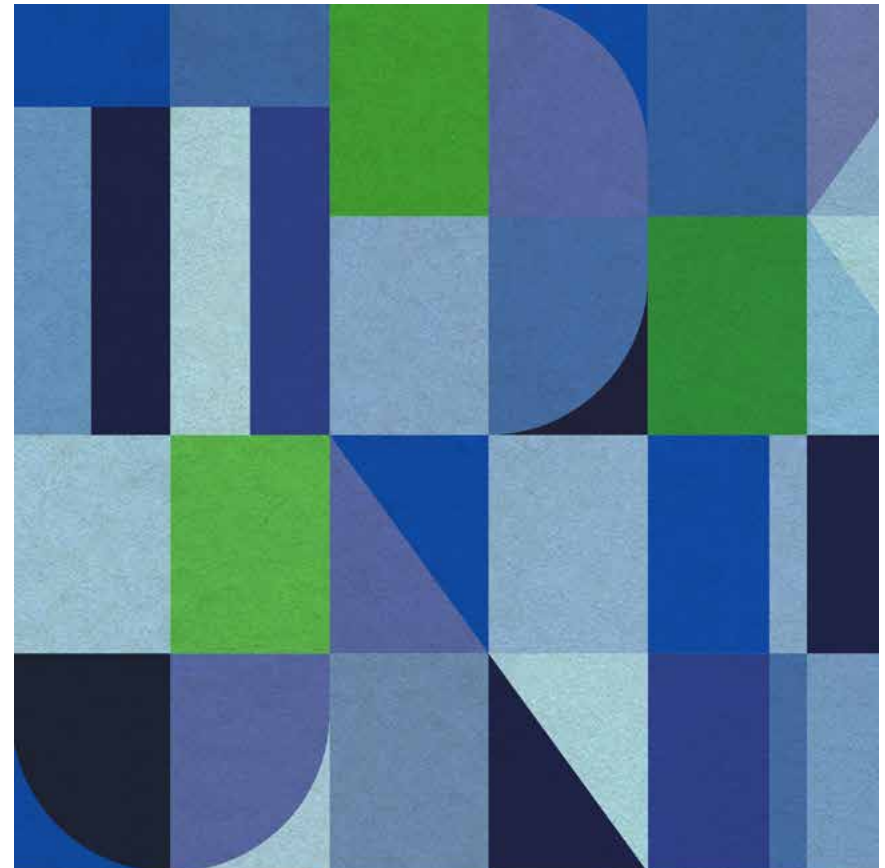


Sustainability Report 2024

Attracting Tomorrow



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Sustainability

About the “Sustainability” Website

Our Approach

Two aspirations are contained in TDK Transformation, our long-term vision. Firstly, TDK aims to accelerate the evolution of technology and the transformation of society through electronic devices combining its unique materials, processes, and software, thereby contribute to the realization of a sustainable future. Further, by continuing to transform itself, TDK aims to grow alongside its global customers as their No. 1 partner.

This sustainability website (Sustainability Report) carries ESG information relevant to our long-term vision, “TDK Transformation-Accelerating transformation for a sustainable future.”

This report is prepared with reference to the GRI (Global Reporting Initiative) Standards, the SASB Standards and other frameworks and guidance.

In addition, we report information on materiality, which is based on the premise of long-term value creation for all stakeholders, including customers, suppliers, and team members (employees), and which focuses on that which maximizes the TDK’s corporate value to facilitate an understanding of progress made.

In the shareholder and investor information on TDK’s website, we explain our policies and strategies relating to the optimization of commercial value and asset value through IR news, the IR calendar, latest materials, and so on. And in the Integrated Report, we introduce stories about how the TDK Group, while creating values, contributes to the transformation of society and, as a result, grows its business. Please take a look at them.

[Investor Relations](#)
[Integrated Reports](#)

Positioning of the Sustainability Website



Period covered

Fiscal Year 2024 (April 1, 2023 to March 31, 2024 / the fiscal period ended March 31, 2024)

- Some information covers activities outside this period.
- In order to report progress in an easy-to-understand manner, data over several years is carried (excluding some parts).

Organizations covered

TDK Group (TDK Corporation and 143 consolidated subsidiaries in Japan and overseas as of the end of March 2024)

- When information refers to a specific reporting range, explanations are given accordingly.

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Major organizational changes during the period covered

[TDK announces to establish corporate venture capital fund](#)

Enhancing the Objectivity and Accurateness of Disclosed Information

Regarding environmental performance data, TDK received third-party verification by SGS Japan Inc. and third-party reviews.

[Third-Party Assurance](#)

[Third-Party Review of Environmental Performance Data](#)

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A message from the President and CEO

As we head into a new growth stage, we will transform ourselves, enhance our own capabilities, in order to contribute to Social Transformation exemplified by GX and DX

Noboru Saito

Representative Director, President and CEO



The past two years have reinforced a sense of unlimited potential

It has been exactly two years since I became president. Looking back at those two years has really reinforced my sense that TDK is a company with unlimited potential. One major reason I feel this way lies in our embracement of diversity, in all its many forms.

Today, the TDK Group has over 250 locations operating in more than 30 countries and regions worldwide. We have in excess of 100,000 employees, about 90% of whom are non-Japanese. This global company has many team members (employees) working all over the world who have outstanding abilities and unique personalities, and new value is generated every day as each of these individuals fully demonstrates their capabilities.

I personally spent more than 20 years of my 30 years with TDK working overseas, and have experienced for myself the power of diversity in multiple countries. Particularly significant were the approximately five years I spent, just before becoming president, in charge of the sensor application products business (the “sensor business”) as business company CEO.

The sensor business is comprised of seven Group companies, and is a global business with operations in 13 countries and regions—something of a “mini TDK.” Intending to rebuild the business, which was struggling at the time, I moved its business division to the United States and relocated there myself, spending about four years engaged in a series of trial-and-error efforts with different local team members. Eventually, we succeeded in bringing the business into the black, a result I think we accomplished thanks to our bringing together the collective abilities of our diverse members. That experience has given me a great deal of confidence as I undertake my duties today as leader of the Group.

The strength of diversity lies not simply in having a lot of individuals with different personalities and abilities. It requires a connection, harmony, a fusion. In that sense, I believe TDK’s true strength as an enterprise is an organizational culture that allows our diverse human resources to maximize their individuality, motivation, and abilities. Having people from different backgrounds and cultures understand one another through close communication, freely exchanging their individual ideas and sharing technology and information—that is what enables us to discover new technologies, business ideas, and even solutions to intractable problems.

Since becoming president, I have visited a wide range of our business sites around the world, and have engaged in dialogue with team members at each of those locations. This has also allowed me to reaffirm that, no matter where I go, a strong culture is being nurtured that allows those team members to exert their individuality. Those visits have also convinced me that if we can manifest the power latent in TDK, we can continue to generate new value for society.



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A product portfolio essential to transformation in the era of GX and DX



Another reason I sense such enormous potential in TDK is the long-term growth prospects for the business. Looking back over the past two years, while we have seen an economic recovery associated with a normalization following the COVID-19 pandemic, we also saw conditions surrounding our business change dramatically, from increased geopolitical risks raised by Russia's invasion of Ukraine, soaring energy prices driven by that invasion, and a sudden, progressive drop in the value of the yen. Many of these factors also represented headwinds for the company.

That said, seen from a more expansive, long-term view, we believe the world has continued to transform in line with two major trends. One is the Green Transformation (GX), a fundamental reevaluation of the role of energy as part of efforts to realize a decarbonized society. The other is the Digital Transformation (DX), in which information and communication technologies and AI will greatly alter the nature of our society, industries, and daily lives.

TDK has a firm grip on core fields in GX, such as our rechargeable battery business. We have established the largest share of the global small capacity battery market, and through our joint ventures with CATL, aim to expand our share of the medium capacity battery market as well.

Meanwhile, taking the sensor business I mentioned earlier as an example, sensors are among the most important devices in the advancement of DX. This is because to analyze and explicate various physical phenomena in the real world using computers, it is necessary to first convert those phenomena into digital data through the use of sensors. Focusing on this field, with its presumed long-term growth potential, we began several years ago to make aggressive investments, including M&A, that today have resulted in our sensor business growing to become one of TDK's pillar businesses.

Going forward, we can look forward to an even greater expansion of the areas in which sensors play a role. Edge computing, in which data is processed at the applications closer to data sources, is expanding across a variety of fields in order to reduce the processing burden on data centers, and TDK is moving to launch a new business in response to this trend.

These two trends will, without a doubt, accelerate even further going forward. In response, TDK can continue to contribute by providing a diverse range of technologies, products, and solutions built on its accumulated technology. While there is no end to the TDK products we might list as assisting in the advancement of GX and DX, in addition to existing products, we continue to research and develop new products and technologies in response to the new needs of society, and I believe that going forward, TDK can continue to maintain and expand its competitive advantage in each of these markets.

Summary of Value Creation 2023, the previous Medium-term Plan

In fiscal 2022, the TDK Group began advancing Value Creation 2023, the previous new Medium-Term Plan, which reached its final fiscal year in fiscal 2024.

When I first assumed the post of president in April 2022, the company was highly reliant on profit from small capacity batteries. For TDK to achieve a new growth stage (a "second chapter" of growth), I believed we needed to try to diversify our revenue sources, and we have thus focused on growth in three priority businesses: Strengthening our business in medium capacity batteries; growth of the sensor business; and regrowth of the passive components business. In my assessment, we have made a certain amount of progress in all three of these areas over the three years of the previous Medium-term Plan.

In the medium capacity battery business, the joint ventures we launched two years ago with CATL has now begun full-scale operations, and has begun solidifying the foundations for dramatic growth in the near future. Similarly, the passive components business has seen growth in multilayer ceramic chip capacitors (MLCCs) and inductors as new revenue sources. In the sensor business, TMR and MEMS sensors are beginning to take shape as contributors to overall profit.

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As efforts to diversify revenue source progressed, as noted above, we were also able to more flexibly allocate capital in response to changing conditions in each business. In terms of cash flow, we were able to achieve one of our financial targets—positive free cash flow (FCF) after shareholder returns for the cumulative three-year period—despite a ¥110.0 billion advance payment to ensure the long-term stable supply of cobalt and other battery materials in the first fiscal year of the previous Medium-term Plan. This was in part due to an improvement in working capital and increased cash inflow from the sale of equipment to our joint ventures in medium-capacity batteries. With regards to capital investment, we ended up slightly above our cumulative three-year plan of ¥750.0 billion, at ¥785.6 billion, but in my estimation, this allowed us to make solid advance investments in businesses where growth can be expected.

While we have thus been able to advance restructuring in our business structure and continue to invest for the future, a number of issues (challenges) remain to be overcome if TDK is to become a more resilient enterprise. I think the most significant issues is improving profitability. Unfortunately, we failed to reach either of the two targets set out in the previous Medium-term Plan—operating profit of 12% and ROE of 14%. This was in part due to a sudden deceleration in the HDD market, which worsened profits in related businesses, but another major factor was that, over the three years of the plan, we did not make as much progress as expected in transforming magnets and other turnaround businesses. This is something we have reflected on in our new Medium-term Plan started in fiscal 2025, under which our policy will be to focus on executing proactive business portfolio management.

Targets and results in KPIs of the previous Medium-term Plan

	Targets for fiscal 2024	Results for fiscal 2024
Net sales	¥2,000.0 billion	¥2,103.9 billion
Operating profit margin	12.0%	8.2%
ROE	14.0%	7.9%
FCF after shareholder returns	Profitability	¥52.9 billion
Capex (cumulative 3 year)	¥750.0 billion	¥785.6 billion

Defining a Long-term Vision for what we want to be 10 years from now

Before describing the new Medium-term Plan, I would like to talk about the background and intent behind our Long-term Vision, which was announced at the same time. In a word, our objective in formulating this Long-term Vision was to present to those both in and outside the company a concrete image of our vision for TDK over the next 10 years.

Over the past two years, the social and economic environment in which TDK does business has undergone dizzying changes that might best be described as an upheaval. These changes in conditions, taking place over short-term cycles, are likely to arise in the future as well, across a variety of fields. For TDK as a global company to target sustained growth in the midst of those changes, it is of course crucial that we work to develop and implement detailed, three-year Medium-term Plan. I have come to strongly believe that doing so is premised on taking a long-term view to determine what sort of future we should aim to achieve for ourselves, which in turn will require thinking about a roadmap for getting there for the company as a whole.

This is an issue that we have frequently discussed at our monthly Board of Directors meetings. Naturally, verifying and closely examining quarterly progress with our Medium-term Plan is an important management responsibility. Encouraged by our outside directors, however, who insisted the board should also spend time discussing how the entire Group will move ahead going forward, and set goals from a longer-term perspective, myself and the rest of management worked together through numerous discussions to clarify a vision for TDK. That became the Long-term Vision presented here.

Transformation, the word that forms the core of that vision, incorporates two meanings. One represents our desire to continue contributing to society as society itself continues to transform into the future. The other represents our commitment to continuing to transform ourselves to maintain those contributions. In the sense that we will continue to transform ourselves in order to contribute to society over the long term, this Long-term Vision might be seen as a resetting of our founder's aspiration to "contribute to culture and industry through creativity," as presented in our Corporate Motto, as a goal for the future.

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TDK Transformation

Accelerating transformation for a sustainable future

- Contribute to the transition towards a sustainable future by **accelerating the transformation of society and advancements in technology** enabled by electronic devices developed through leveraging cutting-edge innovation in **materials, processes, and software technology**.
- **Become the No.1 partner** growing alongside our worldwide customers by **pursuing continuous "transformation"**.



Overview of the new Medium-term Plan

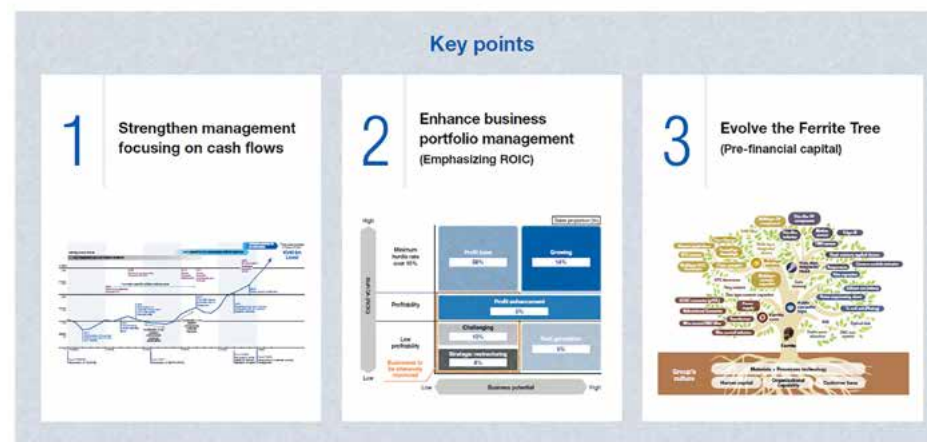
The new Medium-term Plan, launched this spring, was formulated based on the question of what we need to accomplish now, backcasting from “TDK Transformation,” the Long-term Vision. The period of the new Medium-term Plan, as part of a ten-year span going forward, is positioned as a time to strengthen our business foundations as we move toward our envisioned future. I believe the new Medium-term Plan can be divided broadly into three key points.

The first is strengthening management focusing on cash flows. This is based on increasing operating cash flow captured from business activities, or “earning capability.” To date, the Group has responded to changes in business environment by making use of M&A opportunities while also flexibly rearranging its business portfolio to increase the earning capability of the Group as a whole. Our operating cash flow, which maintained a level of ¥100.0 billion on a moving average basis over the past three years, has improved to a current level of about ¥200.0 billion. Our goal under the new Medium-term Plan is to raise this level further, to ¥340.0 billion.

The second key point is to enhance business portfolio management (emphasizing ROIC). For about the past 20 years, TDK has engaged in financial management with an emphasis on cost of capital, using a proprietary index we call TDK Value Added (TVA). In fiscal 2022, we introduced the matrix for inclined allocation of capex, and have worked to optimize investment allocations by stratifying our approximately 80 cash-flow business units (CBUs) along two axes: BizROA (ROIC) and business potential. Further, starting with the term of the new Medium-term Plan, we will apply this two-axis map of investment allocation to our business portfolio management as well. For businesses falling below the minimum hurdle rate of 10%, we will move to quickly conduct appropriate monitoring, and swiftly execute measures aimed at a turnaround. At the same time, we plan to strengthen investment allocation in growth areas.

These measures are based on our reflecting on the fact that improvements to turnaround businesses did not progress as expected during the period of the previous Medium-term Plan, and I refer to them collectively as proactive business portfolio management. By engaging in proactive business portfolio management, including the transfer of individual business units to the best owner, we aim to achieve a company-wide ROIC of 8% or more and operating profit of 11% or more in fiscal 2027, the final fiscal year of the new Medium-term Plan.

$$\left[\text{Corporate value} = \frac{\text{Maximize FCF generation} \uparrow}{\text{Cost of capital (WACC)} \downarrow - \text{Expected growth rate} \uparrow} \right]$$



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Greater focus on strengthening pre-financial capital

The third theme of the new Medium-term Plan is strengthening “pre-financial capital.” Pre-financial capital is TDK’s unique name for what is called non-financial capital. We view all initiatives related to technological capability, human capital, our customer base, organizational capability and so on as leading to the creation of financial value in the future, and thus I decided to refer to these as “pre-financial” rather than “non-financial.”

TDK’s founding began with ferrite, and thus we call the expanded range of products and technologies that have grown from that single element the Ferrite Tree. In that sense, the pre-financial activities as noted earlier can be said as equivalent to the roots of this tree. With these roots planted firmly in the ground, the tree can spread its branches and grow to even greater heights. To achieve the long-term vision we have established, we intend to further strengthen sharing within the company of an awareness of the importance of pre-financial capital, which forms the roots of our business activity, connecting that in turn to a new value creation process.

Of the various types of pre-financial capital, I place the greatest emphasis on people, because people are the root of value creation that supports sustained corporate growth. As I noted at the beginning, TDK’s strength lies not only in the diversity of its human resources, but in an organizational culture that allows us to maximize the hidden power of that diversity. Of our current workforce of approximately 100,000 team members, about 80% have joined us through M&A, and even in the case of an acquired company, we respect the culture they have developed. Our approach of proactively learning whatever we can from the other party now permeates our entire Group.

Underlying this approach is a culture of “functional equality” that has been handed down at TDK over the years. Based on the belief that there are no hierarchies among the functions and roles of the individual divisions, everyone, regardless of position, can respect one another on an equal footing, and can say what needs to be said. TDK has long valued this kind of organizational culture. We believe that the fusion that grows out of the meeting of different cultures and personalities is, in fact, what drives the creation of innovative technologies and products.

We have worked rigorously to create systems for taking full advantage of diversity in terms of Group governance as well. As of June 2024, half of our corporate officers consist of non-Japanese nationals. In addition, viewing Empowerment and Transparency as a basic policy, we have established Global Common Regulations as rules that every team member of the Group must follow and apply them to effective governance. At the same time, we have actively promoted empowerment to regional headquarters and core subsidiaries to ensure individuals can maximize their own personalities and abilities. By giving regional headquarters not only management functions but also marketing and R&D capabilities, we are working to evolve into an autonomous, decentralized organization capable of developing more dynamic strategies.

Among our initiatives aimed at further strengthening corporate governance, beginning in June 2024 our directors will be structured with a majority of outside directors. To ensure management has an even stronger understanding of the importance of pre-financial capital, we have added pre-financial indices, including CO₂ emissions reductions and Team Member Engagement Survey scores to the indices linked to corporate officer remuneration.

One other factor I emphasize in pre-financial capital is “quality.” This is one reason why, since becoming president, I have continued to call on the entire group to put “Quality First.”

Quality in this case refers not only to product quality, but quality in a much broader sense, encompassing, for example, streamlining production or improving yield rates, strengthening marketing, or improving working environments and enhancing employee motivation. Since this “quality” is something that can be improved and enhanced through our own individual efforts, regardless of changes in external conditions, we can refer to it as our “own capabilities.” I treat these “own capabilities” as one more area of potential for growth.

For example, in fiscal 2024, the energy application products business saw net sales decline 4.4% year-on-year due to lower smartphone production and intensifying price competition, yet also saw a significant improvement in operating profit, which was up 32.7% year-on-year. This was due the automation of production at each site and the result of improved yield rates through the use of DX (an improvement in quality costs)—in short, achievements based on these “own capabilities.” Going forward, I think that if all of our business around the world were to reassess their own positions, they might discover any number of things they can or should do to improve their “own capabilities.”

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To respond to the global rise in geopolitical risks, the Group is moving quickly to optimize its manufacturing sites and reform its supply chain, but those efforts come with a dilemma in the form of rising costs. I hope that by seeking to strengthen our “own capabilities,” we will be better able to absorb those cost increase, and maintain and improve our global cost competitiveness.

To our stakeholders

TDK, born about 90 years ago as a venture company, continues to hand down its legacy spirit of taking on challenges without fear of failure or risk, a spirit that is shared throughout the entire company. In that sense, my understanding of TDK is as a giant venture company with over ¥2 billion in sales and 100,000 employees.

As I noted in the previous Integrated Report, if we were to liken ourselves to a group of musicians, I think a big jazz band, and not an orchestra, would be a better metaphor for TDK, which brings together players with diverse and varied skills, technologies, and personalities. As the CEO of TDK United, I am not the conductor of this big band, but its leader and manager. Each team member must be personally invested in doing what they can and should do as their own business, which we call “Jibungoto” in Japanese, while my job is to work to ensure they can demonstrate their creativity, motivation, and aspirations in the best way possible.

Business environment will continue to change going forward, including unpredictable upheavals such as the COVID-19 pandemic. We will continue moving forward steadily even as we respond flexibly to such changes, step-by-step in accordance with our current Medium-term Plan, while keeping our eyes firmly on what we want to be in the future as set out in our Long-term Vision. To repeat, I believe that TDK has unlimited potential.

Finally, I would like to say one more thing to our shareholders and investors: I feel the enormous potential I sense in TDK has not yet been adequately shared with each of you. I think a reason for this is also a lack of communication between ourselves and all of you.

Therefore, going forward we will expand the range of and opportunities for dialogue with our shareholders and investors, which I hope will ensure that as many of you as possible can come to understand the unlimited potential of TDK that I myself sense. We look forward to your continued warm support. Thank you.



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TDK Transformation fosters sustainability and future-shaping capabilities

Andreas Keller

Senior Vice President
Chief People and Sustainability Officer and General Manager,
Human Resources HQ



Profile:

Andreas Keller joined the company in 2000 and has held several positions. Prior to assuming his current role, in 2002 he served as Executive Director of Human Resources and Supply Chain Management at TDK Electronics Europe GmbH. In 2017, he was appointed General Manager of Human Resources and Administration Headquarters. In April 2023, he was appointed Chief People and Sustainability Officer, where he leads the development and implementation of human resources and sustainability activities. He concurrently holds the position of General Manager of Human Resources Headquarters, overseeing the strategic direction of human resources initiatives.

Mr. Andreas Keller, who heads up TDK's Human Resources HQ—and has entered his second year as Chief People and Sustainability Officer—will give an overview of how the company intends to expedite its long-term vision of Transformation.

Empowering team members to drive value creation

We are dedicated to nurturing a sustainable future while continually enhancing corporate value, in order to be the customer's indispensable No.1 partner. Spearheading this mission is the Sustainability Promotion Headquarters, which is committed to realizing a sustainable society in harmony with TDK's Long-term Vision of "TDK Transformation," in order to accelerate transformation for a sustainable future.

To fulfill this agenda, we foster a culture of My Sustainability Action (MSA), where each team member (employee) is empowered to act with personal dedication and a proactive desire to contribute. This ethos extends beyond mere compliance to encompass a broader range of global issues, making sustainability a personal responsibility for all TDK team members.

Since the establishment of SPHQ, we have cultivated a system where frontline members actively consider how to leverage our technology to address diverse challenges, integrating these solutions into our business strategies. Rather than viewing sustainability initiatives as mere costs, we have embraced them as opportunities for innovation and future growth.

Sustainability initiatives

In the upcoming fiscal year, my focus will center on three key areas outlined in our Medium-term Plan: fostering engagement for value creation through MSA, strengthening our social responsibility management system, and addressing global environmental challenges.

I plan to enhance team member engagement by leveraging our Group's shared platforms, such as MSA and MSA Guides while also promoting internal and external initiatives through the DX for Sustainability+ project. Over the past five years, we have undertaken more than 80 projects as part of our global management development programs, with approximately one-third of them touching on sustainability in some capacity. These projects have played a crucial role in raising awareness among our members, fostering a common understanding of sustainability within the Group.

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Moving forward, I aim to accelerate TDK's sustainability transformation by further encouraging active participation in our projects. For me, sustainability encompasses achieving a balance between environmental and social concerns and economic prosperity. I believe that prioritizing the continuous development and well-being of our team members is key to establishing TDK as a sustainable organization—one that contributes to building a sustainable company, society, and future.

Human resources strategy

TDK has set transformation through the promotion of the active participation and development of diverse human resources as one of the company's key issues (materialities) in working toward the realization of our long-term vision. We particularly focus on enhancing team member engagement to bolster sustainable human capital for continued growth and development. Under my leadership, I aim to foster a corporate culture that values diversity, promotes inclusive leadership, and empowers all team members to make meaningful impacts.

Success cannot be achieved by working in isolation or within organizational silos. We all share responsibilities as members of the TDK Group, and it is essential to connect and collaborate across departments and organizational boundaries to thrive.

Advancing leadership and organizational growth

My critical tasks toward promoting diversity, equity, and inclusion within our organization are to appoint leaders from amongst the members of the TDK team with diverse backgrounds and to cultivate inclusive leadership styles. When leaders draw upon their varied experiences and knowledge to demonstrate inclusive leadership across all levels and workplaces, it accelerates the transformation of the entire Group. I am also aiming to enhance our organizational capabilities to drive innovation and efficiency. Additionally, I am committed to further improving the health and engagement of our team members. I also believe that it is crucial to put the above commitments into practice while upholding human rights and addressing environmental and societal challenges such as climate change.

TDK initiatives developing tomorrow's leadership

TDK actively engage in initiatives to develop the next generation of business entrepreneurs and planning for succession through a variety of programs, including the Global Management Development Programs and TDK Kindergarten, a development program for internal start-ups. Guided by our principles of Empowerment and Transparency, we ensure that all Group companies are undertaking initiatives to develop leaders under the same objectives, while encouraging each company and leader to engage in initiatives autonomously regarding the specifics of plans and on-site management. This approach, underpinned by mutual support and the sharing of progress and information, is essential for the success of inclusive leadership.

One aspect that concerns me is how we can sustain our progress while considering the global landscape.

Japanese companies tend to seek to adopt Western management styles when expanding globally. However, I firmly believe that TDK's true success lies in our capability to blend both approaches. That is why our top leadership program, the Global Executive Management Program (GEMP), collaborates with both a Western business school in Barcelona and a graduate school in Tokyo. In the last leadership program session, roughly half of the participants were Japanese, with the other half coming from various countries worldwide, resulting in a diverse mix. Each participant had the opportunity to learn from different approaches, fostering a rich exchange of ideas. I am committed to ensuring that we continue this balanced approach, rather than focusing too heavily on one perspective over the other.

Reflecting on our company's growth and workforce demographics, when I joined TDK in 2000, we had roughly 35,000 members. Now, we have around 100,000 members. Since then, numerous companies have joined us through mergers and acquisitions. About 80% of our members joined TDK through M&A activities. Of the roughly 100,000 members, about 11,000 are based in Japan, with the remaining 90,000 located outside of Japan. This diversity is what makes TDK so unique. I have noticed that human resources leaders from other Japanese global companies have been reaching out to us, interested in learning how we manage such a diverse population. This uniqueness gives us a significant advantage compared to our competitors.

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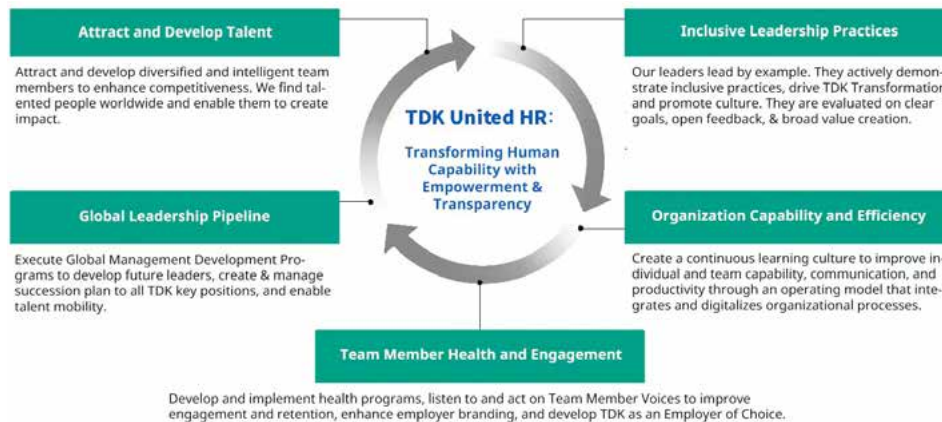
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Our Long-term People Strategy

Long-term Vision	<ul style="list-style-type: none"> Contribute to the transition towards a sustainable future by accelerating the transformation of society and advancements in technology enabled by electronic devices developed using cutting-edge innovation in materials, processes, and software technology. Become the No.1 partner growing alongside our worldwide customers by pursuing continuous "transformation".
<p>Leaders and HR Functions collaborate to increase value of human capability in talent, organization and leadership.</p> <p>Together they foster a corporate culture that values diversity, promotes inclusive leadership practices, and creates an environment where all team members feel valued & included and create impact.</p>	



Strengthening our foresight capabilities

To achieve our vision of becoming our customers' No.1 partner, we must transition from a product-out approach to one centered on discussing and co-creating various futures with them. This shift requires foresight capabilities, where each team member envisions potential market scenarios. I believe the following three approaches can enhance our team members' future envisioning capabilities.

Firstly, we aim to foster an environment that encourages innovation. By decentralizing authority to our subsidiaries and implementing programs like TDK Kindergarten we encourage creativity and entrepreneurial thinking. Through this program, TDK's first internal start-up business has been underway, which aims to solve electromagnetic compatibility (EMC) for consumer electronic companies. We will continue the TDK Kindergarten program and we wish for our team members to express their own creativity to bring out the creativity and future vision of our team members help give shape to our vision for the future.

Secondly, we prioritize knowledge sharing and collaboration across regions and divisions through Weconnect, a group-wide e-Learning platform. This platform facilitates the creation and dissemination of courses, enabling members to acquire skills quickly and efficiently. For instance, our global leaders collaborated to develop standardized quality training modules. These modules were created through working groups, validated by our headquarters, and then translated into multiple languages for global accessibility. This streamlined process ensures that all team members can swiftly access and exchange the knowledge and skills essential to TDK. Furthermore, these courses undergo continuous evaluation and improvement, allowing us to maintain updated and relevant content. By doing so, we not only enhance individual capacity for future envisioning and proposal-making but also foster collaboration by co-creating new courses with colleagues worldwide.

Lastly, we focus on improving team member engagement and well-being. Through events, engagement surveys, and initiatives promoting empowerment and transparency, we create an environment where every team member feels valued and can contribute meaningfully. Implementing these programs that prioritize our principles of Empowerment and Transparency enables TDK to gain insight into the perspectives and experiences of each team member. This allows us to promptly identify and address any issues that arise.

For example, during last year's engagement survey across all Group companies, many team members reported that they had encountered procedural barriers issues when attempting to engage with tasks topics which went beyond the scope of individual companies to encompass the entire Group. In response, we introduced a global IT system to digitize decision-making processes, improving organizational efficiency. This initiative exemplifies our commitment to the PDCA cycle, where we use survey results to pinpoint on-site and organizational issues and implement effective solutions.

Moving forward, we will continue to strengthen both individual and organizational foresight capabilities, fostering a cohesive team dedicated to our shared goals while empowering each member to implement their own MSA by thinking and acting proactively.

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Empowering TDK Transformation through my own personal transformation

By default, I am not an expert on sustainability. When I first started, I was not an expert in human resources either; my background was in supply chain management. However, thanks to the knowledgeable members at TDK, I am learning something new every day. Shortly after assuming the role of General Manager of Human Resources HQ in 2017, I recognized the critical importance of globally enhancing our human resources development to fortify the Group's organizational structure. This realization, informed by my background in supply chain management, spurred me to devise a plan to appoint human resources leaders from Group companies and regions worldwide. Presenting this proposal to the then-president Ishiguro, he promptly granted me the authority to proceed with the initiative.

Subsequently, I delegated authority to human resources leaders from our U.S., Asian and European Group companies for various global projects, emphasizing their autonomy in project management while collaborating closely with me. This approach empowered them to present their initiatives directly to management and the CEO, instilling a sense of responsibility and pride in their newfound roles, which, in turn, fueled their motivation and yielded positive outcomes. Consequently, we fostered an organizational culture characterized by Empowerment and Transparency.

This cultural shift, combined with our distinct approaches to team management, brought about a transformation within our Human Resources HQ. Previously comprising solely Japanese members, the HQ now boasts approximately 20 non-Japanese managers and leaders, reflecting a more diverse composition.

In April 2023, I was appointed Chief People and Sustainability Officer. As the head of Human Resources HQ, I perceive the significance of this role lies in the inherent connection between “people” and “sustainability.”

Having witnessed firsthand how fostering connections and nurturing individual growth generates value and opens avenues for new possibilities, I firmly believe that human resources are indispensable for both the sustainability and growth of our company and society.

I am committed to my ongoing personal growth in tandem with TDK's development, as together, we continue our transformative journey.

Our vision is to establish an autonomous and sustainable organization where our talented leaders inspire and empower their team members to think and act independently, guided by the principle of “Empower Minds, Ignite Action.”

To address areas for improvement, we will enhance and leverage our Group's common communication platforms to foster cross-cultural understanding and embrace a feedback culture. Additionally, we aim to enhance operational efficiency by promoting greater transparency through increased sharing of information and evaluations with senior leaders and executives.

Achieving these objectives necessitates harnessing the strengths of Europe, America, Asia, and Japan to bolster our readiness to navigate any global business environment. I see it as my mission to propose and implement effective initiatives in pursuit of these goals, and I am fully committed to realizing them.

By integrating our human resources and sustainability initiatives, we are now poised to swiftly advance TDK Transformation, paving the way for a future of sustainable growth and innovation.

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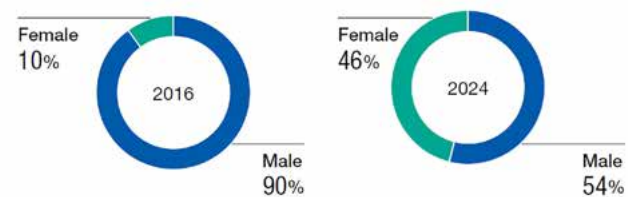
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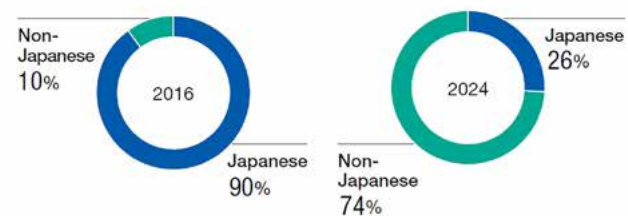
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Global HR structure (male/female)



Global HR structure (Japanese/non-Japanese)



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A Sustainable Society Created through Business Activities

Our society is facing various issues. The TDK Group seeks to solve these issues through our business and to achieve both a sustainable society and corporate growth. As our corporate philosophy, employees of the TDK Group abide by our corporate motto and corporate principles as the value standards for their daily conduct.

Based on our corporate philosophy, our corporate vision, Vision 2035, states clearly the ideal image that TDK should aim for as we head toward the centennial of our founding. TDK Value outlines the stance that all employees should adopt, regardless of their position, toward realization of the corporate philosophy and corporate vision.

At the same time, we aim to achieve the targets set out in our three-year medium-term management plans. In addition, we believe that the display in major markets of the five core technologies representing TDK's strength will lead to the solution of social issues and corporate growth. Through these business activities, we will realize the society depicted in the TDK Group's Sustainability Vision.

Contribute to culture and industry through creativity

"Vision" "Courage" "Trust"

TDK Transformation

~ Accelerating transformation for a sustainable future ~

Key Issues (Materiality) which should be addressed toward the realization of Long-term Vision

Action plan for the next 3 years to realize the Long-term Vision

Values/codes/rules that serve as the base of TDK Group's Value Creation



Corporate Philosophy

In 1930 Dr. Yogoro Kato and Dr. Takeshi Takei at the Tokyo Institute of Technology invented ferrite, a magnetic ceramic compound derived from iron and other oxides. Kenzo Saito, TDK's first president, was deeply impressed by Dr. Kato's remark that "A real industry is a creative industry," and on December 7, 1935, he founded Tokyo Denki Kagaku Kogyo K.K. (present-day TDK) to commercialize ferrite. At that time the potential use of ferrite was unknown, so the establishment of the company was a courageous venture in pursuit of a vision. As a result of joint research and development by the Tokyo Institute of Technology and TDK, a component called a ferrite core was realized, and in 1937, ahead of the rest of the world, it was put to use in Japanese wireless communication equipment, radios, and so on. By the end of World War II, a total of five million units had been shipped, and the company had acquired trust. This founding spirit of creativity, of "creating values that do not yet exist in the world from the level of materials," has been inherited as TDK's DNA. Our corporate motto, established in June 1967, reflects this founding spirit.

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創造に
文化産業に
貢献する
社是

Corporate Motto

Contribute to culture and industry through creativity

信勇夢
頼氣
社訓

Corporate Principles

Vision : Always take a new step forward with a vision in mind. Creation and construction are not born without vision.

Courage : Always perform with courage. Performing power is born by confronting contradiction and overcoming it.

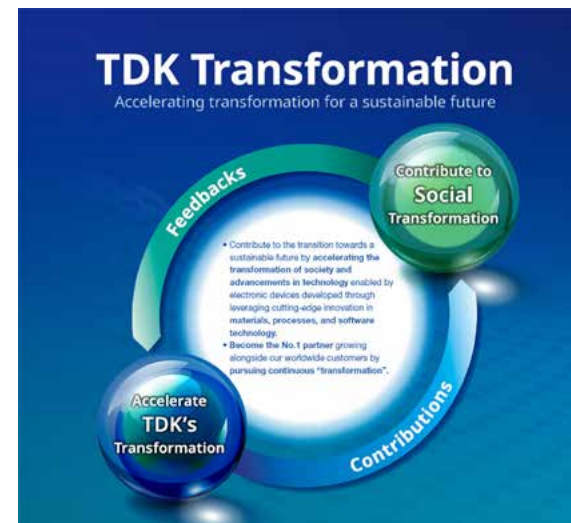
Trust : Always try to build trust. Trust is born from a spirit of honesty and service.

Our Long-term Vision, “TDK Transformation”

TDK formulated the “TDK Transformation” Long-term Vision, based on the Corporate Motto “Contribute to culture and industry through creativity” and Corporate Principles “Vision, Courage, Trust”, as an expression of our aspirations for the next 10 years. This long-term vision incorporates transformation in the sense of contributing to the transformation of society as well as the sense of internal transformation, that is, the continuous transformation of TDK itself. TDK Transformation incorporates our desire to accelerate these two cycles and contribute to the realization of a sustainable future. Until now, TDK has contributed to social transformation by providing products that are essential to the applications that drive industry in each era including audio and video devices, PCs, and smartphones.

The transformation of society, including green transformation (GX) and digital transformation (DX), is expected to accelerate even more in the future. In conjunction with this, TDK will continue to expand the areas in which it is able to make contributions.

In accordance with this long-term vision, we will accelerate the transformation of society and advancements in technology enabled by electronic devices developed through leveraging cutting-edge innovation in materials, processes, and software technology, contributing to the transition toward a sustainable future. We will also continue our own transformation to become the No. 1 partner growing alongside our worldwide customers.



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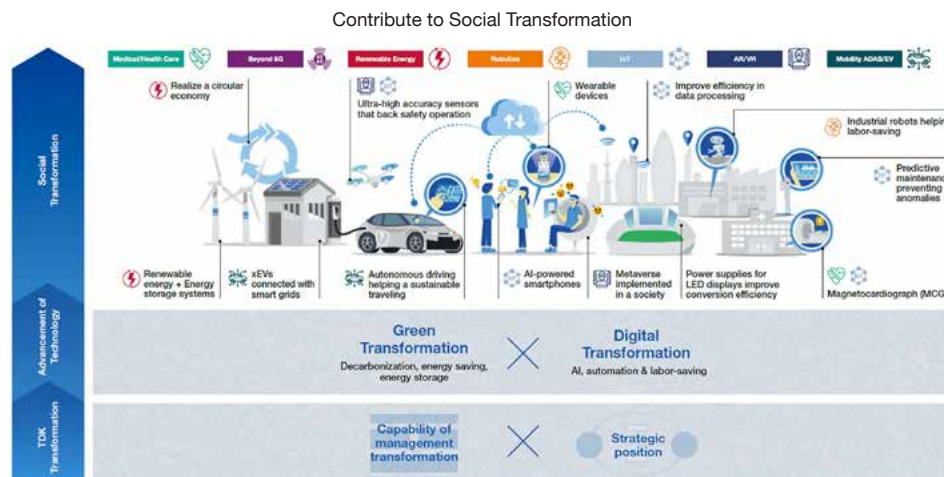
Social Transformation

Heretofore TDK has been exploring applications that exert an impact on social transformation as the Seven Seas*

In a society equipped with a 6G network, various devices are going to become terminals connected to the network. As a result, the volume of data exchanged will expand monumentally. In such a society, since it is forecast that the amount of electricity supplied worldwide will not be able to keep up with the amount of electricity consumed by data centers, improving the energy efficiency of various electronic equipment is going to be required. We believe that areas in which materials and electronic components that have low energy consumption, are compact and lightweight, and emit little CO₂ can contribute are going to continue to expand.

*Seven Seas The focal areas where TDK's applications are dominantly present. Please see the website for more information.

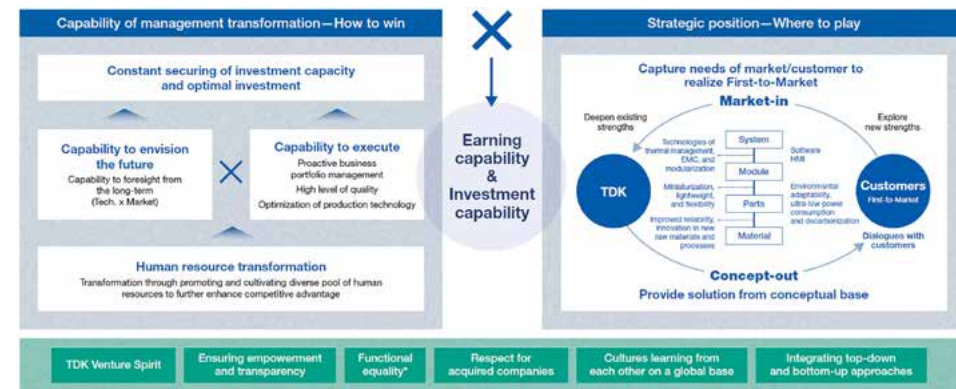
[Seven Seas](#)



TDK Transformation

We believe that it is important to accelerate transformation for TDK as a whole for continuous contributing to social transformation. Over the years, we have used both organic growth and M&A to refresh our business portfolio and achieve business growth. We will contribute to the transition towards a sustainable society as the No.1 partner based on establishing leading position by electronic devices developed through leveraging cutting-edge innovation in transforming human capability by diversity, we will constantly secure investment capacity and implement optimal investment, which enable us to enhance capability of management transformation. We will contribute to the realization of a sustainable society to elevate our positioning. We will accomplish this by evolving and accelerating the cycle of rapidly identifying customer needs and providing broad-based solutions, from unique materials to systems. We believe that TDK's unique values and corporate culture, which we have developed for a long time, will support the growth of "capability of management transformation" and "strategic position".

Acceleration of TDK Transformation



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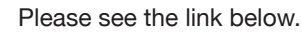
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New Materiality and Promotional Setup

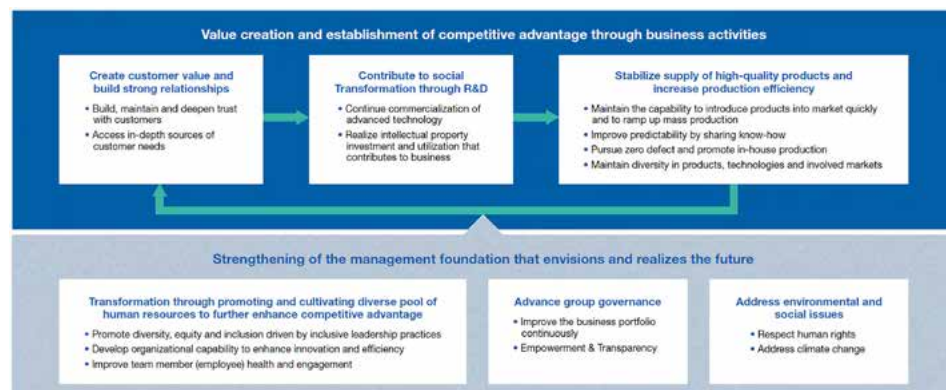
Key Issues (Materiality) of TDK

From the perspective of achieving our long-term vision based on our Corporate Motto and Corporate Principles, we took into consideration our long-term strategies as well as risks and opportunities and reviewed the key issues (materiality) that have a real impact on the value creation capability of the TDK Group.

In the past, materiality was positioned and selected as CSR key issues, but the new materiality was extracted from our long-term strategy for improving corporate value, and the action strategy is reflected in our new medium-term plan, which started in fiscal 2025.

The materiality of the TDK Group is premised on the long-term creation of value for not only investors, but all stakeholders including customers, suppliers, and employees and focuses on issues that help maximize TDK's corporate value.

Basic policy of key issues (Materiality)



List of KPIs

The following have been set as KPIs for materiality.

Area	Theme	Background of materiality setting and vision	Main KPIs/KPIs for long-term terms	Target for mid-term KPIs
Human Resources	Transformation through promoting and cultivating diverse pool of human resources to further enhance competitive advantage	Promote diversity, equity and inclusion driven by inclusive leadership practices that enable each individual to fully develop their abilities and strengths.	1. Improve diversity in management team 2. Female ratio of participants in Global Management Development Programs	30%
	Develop organizational capability to enhance innovation and efficiency	Develop business entrepreneurs who can identify market needs and propose value to our customers, to maximize the use of the TDK Group's assets and enhance the organization's ability to create new businesses.	1. No. of business entrepreneurs developed** 2. Number of overall participants in Global Management Development Programs	500 participants or more
	Improve team member (employee) health and engagement	Promote an environment in which team members (employees) can work enthusiastically to ensure the diversity of the TDK Group's human resources by enhancing team members (employees) engagement and health so that each individual can fully demonstrate their abilities.	1. Improve Engagement survey score 2. Engagement survey measurement (communication) 3. Participant rate of engagement survey	1) 71pts. or more 2) 80% or more
Governance	Improve the business portfolio continuously	Optimize the corporate-wide business portfolio by identifying "areas that to be put in place."	1. Weighted average score of business portfolio 2. Amount of loss reduction in businesses with operating losses	Target achieved: 100%
	Employment & Transparency	Strengthen risk management by strengthening group governance and introducing a new ESG system, which TDK's governance is based on a policy of Employment & Transparency.	1. No. of significant Global Common Rule (GCR) violations 2. No. of follow-ups for significant GCR violation	100%
Environmental and Social Issues	Respect human rights	Respect the human rights of our stakeholders based on the values of the Code of Conduct, recognize the potential impact of all corporate activities on human rights, and promote activities to mitigate such impact.	1. Mitigated corrected significant risks from supplier audits 2. Ratio of progress in planning annual ethics audits	100%
	Address climate change	Strengthen our activities to reduce greenhouse gas emissions and promote measures to address climate change in order to realize a net-zero CO ₂ emissions society by 2050.	1. CO ₂ net emissions 2. Scope 1 + 2 emissions reduction 3. Basic unit for energy reduction	1) 42% (from FY March 2021 goal) 2) 15.7% (from FY March 2022 goal) 3) goal completed in FY March 2023
Customer	Build, maintain and deepen trust with customers	Build, maintain and deepen trust with customers, and expand our customer base through our extensive track record of business with industry leading customers.	1. Customer satisfaction survey score** 2. Feedback and feedback rate for issues identified from the survey**	100%
	Access in-depth sources of customer needs	Through strengthening our ability to envision the future, enhance our ability to create businesses from both technology and market perspectives, and expand sales in new applications.	1. No. of future pillar businesses to be created through collaboration with related business 2. Launch of new business divisions	Target achieved: 100%
R&D	Contribute to social transformation through R&D	Create future core businesses through collaboration with related divisions to search for technological assets that will create new markets and cultivate new customers for the realization of social transformation.	1. No. of themes transferred for the creation of future pillar businesses by promoting collaboration with related divisions 2. No. of theme selected and started	4
	Realize intellectual property investment and utilization that contributes to business	Create value by linking our intellectual property management strategy to the goals of our business and R&D strategies: "business success" and "R&D strategy success".	1. Percentage of intellectual assets (patents) tied to IP strategy for business and R&D themes 2. Expanding IP assets	Target achieved: 100%
Design Production	Maintain the capability to introduce products into market quickly and to ramp up mass production	Maintain and improve the ability to bring products to market quickly and increase our competitive advantage by creating innovative ideas and ramping up mass production systems based on an agile culture.	1. Success rate for new product introduction** 2. Completion rate of quality improvement activities of new product samples**	100%
	Improve predictability by sharing know-how	Continuously improve predictability up to mass production to enhance manufacturing capabilities for launching new products and improve the new product launch rate.	1. Percentage of new products launched achieved** 2. Progress on new product development plan**	Plan progress rate: 100%
	Pursue zero defect and promote in-house production	Improve our competitive advantage by making it difficult for other companies to enter the market and retain us, through improvement activities aimed at achieving a zero defect rate and through in-house production of production tools and jigs, as well as in-house production of product components.	1. Total failure cost rate 2. No. of completed various types of quality compliance training	3 per fiscal year
	Maintain diversity in products, technologies and involved markets	Aim to expand the range of our proposals by maintaining a wide variety of markets and product lines, as well as the diversity of process technologies, further promotes collaboration strategically and proactively.	1. Market share of specific business** 2. Score of customer satisfaction survey**	Target achieved: 100%

* KPIs for 1. Long-term, KPIs for 2. Mid-term, Unless otherwise specified, long-term is assumed to be for approx. 10 years and mid-term approx. 3 years. ** A certain business company only.

Related link

[List of KPIs](#)

Relationship between Materiality and Corporate Value

In endeavoring to maximize long-term corporate value, TDK emphasizes PBR as an indicator of corporate value. Following this approach, we studied and formulated a tree showing how activities linked to each materiality theme impact corporate value. The tree also indicates which of the six capitals defined by the International Integrated Reporting Council (IIRC) corporate activities linked to each theme contribute to. (These six types of capital are financial, manufactured, intellectual, human, social and relationship, and natural.) In addition, we monitor the degree of achievement of KPIs set for each materiality theme by contrasting planned figures and achieved figures with a tool called a management dashboard that analyzes and visualizes data.

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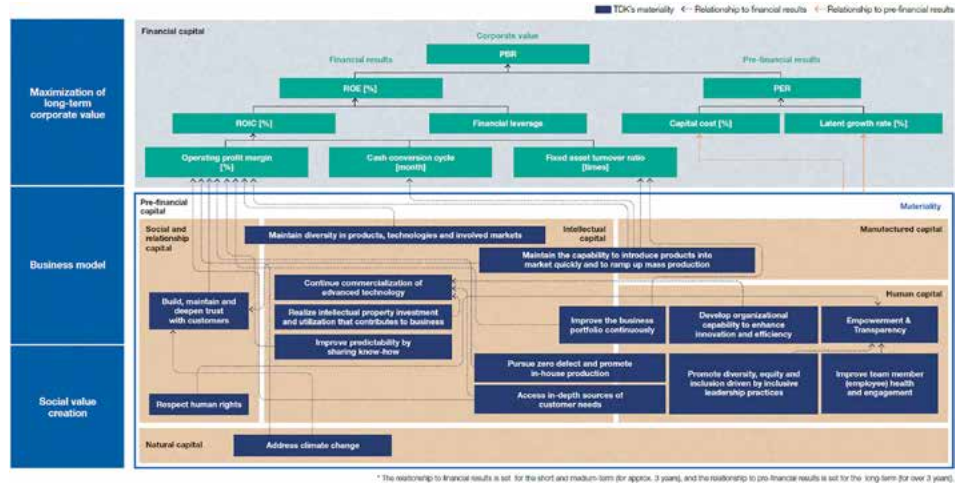
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New Materiality Identification Process

Materiality Identification Process

TDK's key issues (materiality), which plot the enhancement of corporate value and adopt the concept of synchronizing the sustainability of both society and company, comprise financial materiality (important items for TDK) and impact materiality (important items for stakeholders). After deriving financial materiality and impact materiality, we closely examined the two and selected our materiality. It was discussed by the Executive Committee and, once finalized, it was submitted to the Board of Directors. In order to achieve the goals of our Long-term Vision, we are committed to addressing these key issues by allocating the organization's management resources as a top priority.

Process of identifying financial materiality

Financial materiality was derived using a backcasting perspective based on our Long-term Vision by taking into consideration the sources of long-term competitiveness that were discussed and identified by top management, corporate officers, and next-generation candidates for director positions as well as the items derived from indicators that were recognized as being significant with PBR through model analysis of the quantitative relationship between general ESG indicators and PBR, and management risks that should be emphasized in enterprise risk management (ERM).

Process of identifying impact materiality

Impact materiality was derived by creating a long list based on the European Sustainability Reporting Standard (ESRS) and narrowing down the items.

Our materiality has been identified as part of our Long-term Vision. Moving forward, we will review it in response to changes in the external and internal environment when formulating our mid-term management plan or annual business plan.

Comments of the Experts

To confirm the appropriateness of and shortages in the new materiality from the perspective of stakeholders, we conducted dialogues with three experts in February and March 2024 to obtain their wide-ranging opinions of the materiality draft under consideration by TDK.



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Expert Dialogues



TDK's key issues (materiality), which plot the enhancement of corporate value and adopt the concept of synchronizing the sustainability of both society and company, comprise financial materiality (important items for TDK) and impact materiality (important items for stakeholders). After deriving financial materiality and impact materiality, we closely examined the two and selected our materiality. In this process, to check appropriateness and shortcomings from the viewpoint of stakeholders and to reflect the findings in our materiality, we held dialogues with three experts in February and March 2024 to hear their wide-ranging views based on the materiality draft under consideration at TDK. (Titles and affiliations of the experts are as of March 2024.)

Main Comments and Suggestions of the Experts

Excellent framework takes shape but also important to review flexibly in the light of practice



Koji Nitto

Nitto Koji Office (Former Director, Senior Managing Executive Officer, CFO, and Senior General Manager of Global Strategy HQ of OMRON Corporation)

Previously TDK's materiality was set from a perspective emphasizing CSR. Through the latest revision, aimed at enhancing corporate value in the medium to long term, TDK has made its materiality easier to understand for stakeholders by positioning materiality as an important domain toward the realization of its Long-term Vision embodying its Corporate Motto and Corporate Principles. In the process of compilation, TDK has narrowed down its salient points to reflect the views of stakeholders both inside and outside the company. Going forward, it may perhaps be necessary to add materiality if there are shortages, prioritize issues, and change and respond. In practice on the ground, it is the job of management to clarify what "to do" and what "not to do" in efforts to address materiality and sort out what is feasible. In the sense that TDK has begun its evolution toward corporate value management, the latest systemic uplift deserves positive evaluation. I hope that it yields results and rises to the level of being a model for other companies.

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Hoping for the capability to link KPIs and sustained earning power and to realize long-term strategy



Minoru Matsubara

Executive Officer in charge of the Responsible Investment Division, Resona Asset Management Co., Ltd.

Regarding the composition of TDK's newly set materiality, it is well arranged and easy to understand. At the top they place "Establishment of value creation and competitive advantage through business activities," and at the bottom they have "Strengthening of the management base to envision and realize the future." Investors no doubt will be watching TDK closely from now on from the perspective of how future cash flow will be created through materiality. While incorporating the TDK style, it will be important to clarify the relationship between overall strategy and KPIs. In addition, if the KPIs do not function as expected, TDK will be required to verify what has caused the bottleneck and utilize the results in the next plan. Furthermore, to bridge the gap between corporate executives and the capital markets, it will be necessary to engage in appropriate communication while cleverly explaining impact materiality in an integrated manner.

Looking forward to steady efforts based on strong commitment and specific indicators and management techniques



Takeshi Mizuguchi

President, Takasaki City University of Economics

TDK's newly set materiality point to key themes integrating financial and impact factors. I feel that it has been arranged through meticulous analysis, and I have no objection to the setting of materiality focusing on the long-term maintenance of competitiveness. However, the viewpoint that creating a positive impact on the environment and society, which is the foundation of economic activity, is important too. It would be even better if TDK showed its commitment to the issues of climate change and human rights as well. To incorporate DE&I into materiality, it is important to consider what indicators should be set and by what methods they should be managed. On the business side, the supply of products capable of contributing to the reduction of CO₂ is considered to be the source of TDK's competitiveness, and there is a possibility of entry into such fields as green transformation (GX). I look forward to seeing TDK make appeals socially by putting forth qualitative stories and also take active steps to tackle such challenges as human rights issues in the supply chain.

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Summary of Previous Materiality

During the three years from fiscal 2022 to fiscal 2024, we made steady progress toward achieving the medium-term targets set for each topic. As a result, there were no targets that were not achieved, but we are aware that in order to solve global sustainability issues, it will be important for us to set even higher targets and continue to tackle challenges. Starting in fiscal 2025, we will accelerate our efforts even further based on the new materiality.

[Summary of Previous Materiality PDF](#)

EX: Contribution to energy and environmental solutions by minimizing waste heat and noise with electronic devices



Effective use of energy and expanded use of renewable energy toward the realization of net zero CO₂ emissions by 2050

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
CO ₂ emission intensity from energy use	Reduce by 12% compared with fiscal 2015	Reduced 32%	Reduced 30.7%	Improved by 38.0% compared with the previous fiscal year

Provide products and solutions to create clean energy and realize a zero-carbon society

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Research and publish an internal marketing the respected area	1 report / year	We researched technology and market trend of xEV market. Findings were published as an internal report and been shared among TDK stake holders. We also started investigating potential TDK technologies to support renewable energy market. We'll continue the studies and will publish an internal comprehensive market report in 2022.	We researched technology and market trends of EX such as renewable energy, alternative energy and xEV. Findings were published as an internal report	We researched technology and market trends of EX such as renewable energy, alternative energy and xEV. Findings were published as an internal report.
Find potential opportunity in Renewable Energy market and incubate new business, product or solution in TDK	By the end of 2023	We started investigating potential opportunity in Renewable Energy market and continue in 2022.	We found potential opportunity of TDK sensors which can contribute to renewable energy. We will move to feasibility study after investigating market volume. We also found TDK technology which can contribute to new technology of xEV and started market research.	Evaluation and investigation of new business ideas are currently underway.

Provide products and solutions to realize an energy efficient society by storing, converting, and controlling energy

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Research and publish an internal marketing the respected area	1 report / year	We researched technology trend and potential market for TDK. We'll continue the studies to other applications in 2022.	We researched technology and market trend of EX such as energy storage. Findings were published as an internal report.	We researched technology and market trends of EX such as energy storage and chargers. Findings were published as an internal report.
Find potential opportunity for Renewable Energy market and incubate new business, product or solution in TDK	By the end of 2023	We will continue investigation in 2022.	We made market research of energy management system and TAM analysis of TDK products in this area and support strategic decision of business group.	Evaluation and investigation of new business ideas are currently underway.

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DX: Promotion of the digitalization of society by adding software technology to material science and process technology



Provide products and solutions to help build resilient communication network infrastructure

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Research and publish an internal marketing the respected area	1 report / year	We researched technology and market trend of AR/VR application. Findings were published as an internal report and been shared among TDK stake holders.	We conducted research on technology trends and the market in regard to AR/VR/MR and issued an internal report. We held webinars in-house and AR/VR experience sessions, and shared the importance of the metaverse and UX with the relevant parties within TDK. We also conducted research on technology trends in 6G telecommunications technology and issued an internal report.	We researched technology and market trends of DX such as XR, the metaverse, gaming, and V2X. Findings were published as an internal report.
Find potential opportunity to support resilient communication network infrastructure and incubate new business, product or solution in TDK	By the end of 2023	New product development for AR/VR project were engaged. We'll continue to support AR/VR and expand investigation to other areas in 2022.	TDK has come up with technologies that can make a contribution to 6G telecommunications and begun development to verify its feasibility. Multiple other items are in progress.	Evaluation and investigation of new business ideas that can support next-generation communications services are currently underway. A joint development program contract was signed.

Provide products and solutions for supporting robotics and mobility to promote the enhancement and complementation of human capabilities

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Research and publish an internal marketing the respected area	1 report / year	We researched technology and market trend of on board high performance computing and robot. Findings were published as an internal report and been shared among TDK stake holders.	We conducted research on technology trends and the market related to robotics, including autonomous driving, and issued an internal report.	We researched technology and market trends of DX such as robotics and ADAS. Findings were published as an internal report.
Find potential opportunity to provide products and solution for robotics and mobility and incubate new business, product or solution in TDK	By the end of 2023	We engaged in potential new business incubation projects, we will continue support in 2022.	We have begun a review of a sensor solutions business that include data analysis algorithms that could be applied to autonomous driving and industrial robotics.	Evaluation and investigation of new business ideas are currently underway.

Promote digitalization at TDK

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Efforts to strengthen the integrated business management process from procurement to delivery, and the seamless infrastructure to visualize supplychain conditions underpinning that process, so as to improve 2CX and accelerate the practice of ESG/SDGs	Realize in pilot product businesses during fiscal 2024	As a first step, implemented work reforms relating to transactions between Group companies	To improve efficiency in the value chain activity of our global base, make it possible to visualize at a single glance the status of everything from material purchasing to sales.	As a result of the designation of domestic disaster information (earthquakes, heavy rain, tsunamis), and regions (prefectures), the visualization platform that was implemented in the previous term has enabled identification of domestic products and customers whose shipments are likely to be impacted and understanding of related functions.
Speedup of work by introducing a globally common IT platform and strengthening of the training of human resources to use it	<ul style="list-style-type: none"> Complete deployment of a global collaboration platform Foster data analysis human resources 	<ul style="list-style-type: none"> Completed deployment of a global collaboration platform to main companies Introduced a training program for the fostering of data analysis human resources 	Realized by promoting citizen development contributions to business through expanding our global collaboration platform and data analytics platform use.	Company-wide deployment of the global collaboration platform was completed and high use rates are being maintained. Training citizen developers who can use the data analysis platform in the ground and drive business transformation was achieved earlier than planned.

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Quality Management



Pursue zero-defect product quality

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Implementation of quality education at all applicable sectors	Promote the globalization of quality education utilizing DX	Started learning with digitalized educational content	Created and deployed online quality education content in collaboration with the global HR function and overseas sites	Created and deployed new online quality education content
Management of certification maintenance at all applicable sites (ISO9001)	Certification maintenance ratio: 100%	100%	100%	100%
Consideration of the development of systems by utilizing AI	<ul style="list-style-type: none"> Develop a system for detecting signs of equipment failure Consider the development of design screening by AI search 	<ul style="list-style-type: none"> Considered elemental technology for indicative detection Introduced an automated monitoring tool by deep learning 	<ul style="list-style-type: none"> Developed an automatic failure mode classification system as an elemental technology for indicative detection Investigated introduction of AI into design review and develop prototype 	<ul style="list-style-type: none"> Developed an automatic dimming system as elemental technology for predictive detection and deployed an automated failure mode classification tool Introduced and commenced operation of Knowledge Explorer (KE) with existing troubleshooting systems

Reduce quality failure costs

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Quality improvement activities for each cause	Implement measures for each cause	<ul style="list-style-type: none"> Promoted the visualization of foreign objects through in-process activities to reduce the presence of foreign objects Introduced an analytical tool to counter the fragility of software implemented in products Implemented new quality diagnosis (processes, equipment) by Headquarters functions Issued a manual for small-group activities and promoted them 	<ul style="list-style-type: none"> Implemented improvement activities for defects caused by foreign objects Established product security measures mechanism in IoT products (confirmed in design review) Deployed new quality diagnostics (process, equipment) to China by Headquarters functions Horizontally deployed best practices for small-group activities 	<ul style="list-style-type: none"> Took measures to reduce in-process defects caused by foreign objects Took measures to share foreign object analysis technology among sites Researched trends concerning international standards and took measures to strengthen product security based on those standards Deployed new quality diagnostics (process, equipment) to ASEAN by Headquarters functions Proactively promoted small-group activities through the use of regional conferences

Maximize customer satisfaction with product and service quality

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
“A rank” in degree of customer satisfaction *Among the total of supplier evaluations obtained from customers, “A rank” means the ratio of customers expressing satisfaction.	At least 95%	96.8%	95.0%	95.0%
1. Visualization of supply chain management from a consolidated perspective • Production, sales, and inventory (PSI) information by level • Business lead time 2. Formation of inventory holding standards based on supply policy and strengthening of management function	Build new work infrastructure for consolidated supply-demand management in applicable product groups and strengthen visualization of the flow of products and information Furthermore, redefine work rules and endeavor to entrench delivery/inventory management infrastructure to enable speedy decision making	1. Increased the accuracy of PSI information in existing infrastructure 2. Completed concept formulation toward the building of consolidated supply-demand management infrastructure	1. Continued to increase the accuracy of PSI information in existing infrastructure 2. Completed new operation designing and PoC (Proof of Concept) for building consolidated supply-demand management infrastructure	Transitioned to the introduction phase for the consolidated supply management platform and continued preparations concerning business, data, and systems for operation at pilot sites (Creation of a multi-level PSI is also planned for PSI information)

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HR Management



Develop human resources to lead the TDK Group

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Number of GEMP (Global Executive Management Program) participants	10-15 participants / cohort linked to 3 year mid-term plan	13 participants	10 participants have been selected for next cohort	10 participants
Number of Global AMP (Global Advanced Management Program) participants	20-25 participants / year	0 (26 candidates' participation in the program was postponed to fiscal 2023 due to inability to meet face-to-face.)	19 participants	25 participants
Number of GMP (Global Management Program) participants	40-50 participants / year	44 participants	44 participants	50 participants
Number of TCDP (Territorial Career Development Program) participants	80-100 participants / year	89 participants	100 participants	126 participants

Foster greater diversity and inclusion

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Attendance ratio of workshop for managers (Japan)	70%/year	98%/year	97%/year	89%/year
% of female candidates for promoting to manager position (Japan)	4%/year	10.3%/year	8.9%/year	6.2%/year
Female managers ratio (Japan)	3%	3.7%	4.3%	4.6%

Improve employee engagement and job satisfaction to attract and retain talented employees

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
<ul style="list-style-type: none"> Prepare the concept in fiscal 2022. Roll-out to all applicable TDK group companies in fiscal 2023. 	Prepare the concept in fiscal 2022.	Preparation done in fiscal 2022 for the implementation	Rolled-out to all applicable TDK group companies in fiscal 2023	<ul style="list-style-type: none"> Formulating action plans based on the results of engagement surveys Formulating a global platform for sharing success stories Establishing a team member engagement system to foster continuous improvement and organizational culture

Supply Chain Management



Enhance global procurement capabilities and mechanisms

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Visualization and utilization of supplier information and purchasing data	Build a platform to uniformly visualize the TDK Group's supplier information and purchasing data and utilize it in procurement strategy	Visualized supplier data of main subsidiaries	Consolidated procurement data of subsidiaries within the group (in progress)	Promoted integration of the procurement data of major overseas subsidiaries
Reduction of procurement risks for high-risk parts and materials	Conduct supply chain risk analysis and implement counter-measures	Identified high-risk parts and materials	Promoted risk mitigation of high-risk parts/materials	Proposed backup sources for high-risk parts and materials
Conformity with Global Common Regulations	100%	Built a monitoring mechanism and began checking the state of establishment of individual rules	Confirmed and corrected individual regulations of subsidiaries	Created a mechanism for monitoring the status of compliance with Global Common Regulations by subsidiaries

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Ensure responsible procurement

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Ratio of suppliers recognized as procuring the 3TG minerals (tin, tantalum, tungsten, and gold) from RMAPconformant refineries (RMAP: Responsible Minerals Assurance Process)	At least 92% Disseminate and instill the idea of responsible mineral procurement among suppliers	92%	86.5%	90.9%

Ensure societal and environmental consideration in the supply chain

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
CSR compliant supplier rate	100%	99%	100%	100%
Implementation rate of CSR self-checks at manufacturing sites	100%	100%	100%	100%
Implementation rate of labor, and ethics risk assessments at manufacturing sites	100%	100%	100%	100%
Ratio of manufacturing sites implementing RBAauthorized audits (RBA: Responsible Business Alliance)	25%	10%	34%	41%
Ratio of manufacturing sites implementing RBAauthorized audits, customer CSR audits, or CSR assessment based on the RBA VAP Operations Manual at least once every three years	100%	24%	65%	100%
Provision of opportunities for training through e-learning or on-site training, including dialogue	Implement every year	Provided necessary training opportunities globally	Provided necessary training opportunities globally	Provided necessary training opportunities globally

Opportunity and Risk Management



Identify and capture business opportunities effectively by strengthening marketing capability with full use of digital technology

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Number of value adding content topics and/or landing pages suitable for inbound marketing	Enhance technical writing capability (resources/team/process) and create content and/or landing pages for inbound marketing purposes for TDK group products, solutions & technology globally.	Reinforced the content creation capability through strategic recruitments and published value adding content to our stakeholders	Achieved an increase in the amount of new content and improvements in quality	In addition to existing products, reinforced the creation of content relating to new technologies that will support TDK's growth in the next 5 to 10 years.
Generation of account and contact level leads	Methods, capability & process to generate leads, qualify them and run lead nurturing, while strictly complying with privacy legislation.	Operations running for lead generation and nurturing in global and local platforms. Privacy preservation platform evaluation initiated for secure lead sharing with relevant internal stakeholders.	Acquired leads in global and local platforms, and conducted nurturing. Conducted an evaluation of privacy protection platforms for sharing lead information safely with the relevant parties in-house.	Acquired leads in global and local platforms, and conducted nurturing. Conducted an evaluation of privacy protection platforms for sharing lead information safely with the relevant parties in-house.
Data type, quality and quantity that can be turned into business intelligence	Business intelligence utilizing multimodal data analytics. Particular attention will be put on privacy preserving data analytics in order to strictly protect our customer data. Data driven market insight and recommendations will be provided.	Initiated evaluation of current status for privacy preserving platform requirements, and have continued working on customer data platform further development.	Conducted an evaluation with regard to requests for the current privacy protection platform. Also continued further development of our customer data platform.	Completed initial setup of the customer data platform.

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Strengthen the group's risk management capabilities

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Implementation of risk identification and evaluation and assignment and review of risk supervisory sections	Implement every year	Identified business-related risks, assigned sections responsible for responding, and checked the frequency and impact of risk outbreaks Verified the risk response fragility of risk owners	Reassessed the assignments of the risks response department in proportion to organizational changes, and based on changes in the external environment and the status of risk response at TDK made an assessment of remaining risks. Evaluated the status of risk response at each risk owner.	Assigned risk owners to risks that previously had ambiguous ownership. Evaluated residual risks considering changes in the external environment and our company's risk response status. The results of the risk evaluation were shared with the headquarters departments and business groups that are the risk owners, and risk response measures were incorporated into each department's mid-term and annual plans.
Clarification of climate-change risk scenarios	Implement during fiscal 2022	Completed risk scenarios. Disclosed detailed risk scenarios through disclosure in annual securities report and reply to questionnaire of the CDP (www.cdp.net)	Disclosed our climate change risk scenario in our securities reports, and presented the details in the form of responses to the CDP questionnaire (https://www.cdp.net/).	Disclosed climate change risk scenarios in the securities report, and provided detailed information through responses to the CDP questionnaire (https://www.cdp.net/).

Pursuing Both Delegation of Authority and Internal Controls

Ensure speed and transparency in operations, based on the clearly defined roles, authorities and responsibilities of each organization

Make management systems of each group company more effective and efficient, aligned with the group's unified policy

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Clarification of criteria for selection of subsidiary officers and implementation of officer selection based on these criteria	Ensure that all subsidiary officer candidates recommended by responsible sections conform with selection criteria	Selected subsidiary officers after compliance checks	Defined the competencies that are required of Group officers, including the officers at our subsidiaries. Through compliance checks, selected the officers at our subsidiaries.	Documented the criteria for selecting subsidiary executives. Candidates recommended based on the established criteria were appointed as subsidiary executives following a compliance check.

Implement appropriate postmerger integration (PMI) for acquired companies

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
Implement appropriate post-merger integration (PMI) for acquired companies	-	-	Did due diligence prior to acquisitions based on each corporate function. Based on a list consolidating the items with which companies who are newly part of the Group must comply with the grace periods for coming into compliance, carried out PMI activities of our US subsidiary acquired in February.	Implemented PMI activities for the U.S. subsidiary acquired in February, based on a list of compliance requirements and their respective grace periods for the newly added group companies.

Asset Efficiency Improvement

Rebuild business portfolio Optimize facilities and manufacturing sites

KPIs	Medium-term target (Fiscal 2022-2024)	Progress of Fiscal 2022	Progress of Fiscal 2023	Progress of Fiscal 2024
OP margin	12% or more	8.8%	7.7%	8.2%
ROE	14% or more	11.6%	8.3%	7.9%
Capex (3 years)	750 billion yen	291.3 billion yen	275.7 billion yen	218.6 billion yen

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Sustainability Promotion Structure

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[Participation in Initiatives and Associations](#)

Governance

Sustainability Promotion Department, in collaboration with various departments at the global headquarters, formulates activity policies and measures related to sustainability. Since April 2023, we have appointed a Chief People and Sustainability Officer (CPSO) to oversee human resources and sustainability, working together with the Sustainability Promotion Department to advance TDK's sustainability strategy, which enhances corporate value.

(Functions and Roles of the Sustainability Promotion Department)

- Collaborate with regional headquarters in China, Europe, and the Americas to promote global initiatives across business units, group companies, and manufacturing sites.
- Conduct monitoring of initiatives, disclosure of sustainability-related information, and dialogue with stakeholders. Feedback on opinions obtained through stakeholder dialogues and issues identified during the promotion of activities to relevant internal parties to facilitate improvements.
- Report quarterly on the progress of action at Board of Directors meetings.
- Report progress of initiatives to the President and CEO monthly.

(Deliberation and Decision-Making on Sustainability Matters)

- Company-wide sustainability agendas and themes are deliberated at management meetings and reported to the Board of Directors. Based on this, the Board deliberates or makes decisions and oversees the proper execution of these measures.

Risk management

To achieve sustainable growth and address factors (risks) that hinder the achievement of organizational goals, TDK has established an Enterprise Risk Management (ERM) Committee, chaired by an executive officer appointed by the President and CEO. The committee analyzes and evaluates company-wide risks, identifies risks requiring countermeasures, and promotes enterprise-wide risk management by assigning risk owner departments to lead risk countermeasures. The assigned risk owner departments lead the implementation of risk countermeasures for individual risks, and the committee monitors the status of these countermeasures. The committee's risk analysis, evaluation, and the status of countermeasures for significant risks are deliberated at management meetings and reported to the Board of Directors.

Risks related to corporate social responsibility, climate change, talent acquisition and development, and other sustainability-related risks are also assigned to risk owner departments and managed by designated executive officers.

In-house Awareness Raising

For the promotion of sustainability, the TDK Group believes it is important for every team members to understand the concept of sustainability, the background to the need for corporate initiatives, and TDK's approach to sustainability activities and to incorporate them into their own work. Accordingly, we provide lecture-style training programs by job level, such as training for new recruits, lectures by external experts, and dissemination of information using internal Websites.

In addition, management and head office divisions engage in timely dialogue with asset managers, and the Sustainability Promotion HQ engages in dialogues with each business group to promote business development starting from the SDGs.

In 2023, we invited an external lecturer to give a talk on "Changing the future through Green innovation: Hints for developing sustainable products and services." We also created an intranet to disseminate information relating to sustainability.

Related link

[TDK Group's Approach to the SDGs and Its Activities](#)

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Sustainability Award

We introduced the Sustainability Award as a part of the President Award system in 2021 with the objective of raising awareness and motivation concerning the provision of products and services that originate from social issues and social needs including customer needs. The award is presented in recognition of cutting-edge projects and initiatives that contribute to social value creation, such as new product development, promotion of renewable energy, creation of recycling systems for scarce resources, and measures to reduce environmental impact, and lead to solutions to social issues.

The award is presented to an individuals, divisions, or business groups recognized as having achieved particularly outstanding results. The awards are shared throughout the entire TDK Group via the intranet and other means and will be deployed horizontally. Through this award program, we are encouraging the provision of products and services that contribute to the sustainability of society.

Participation in Initiatives and Associations

The TDK Group respects international norms and standards, such as the Universal Declaration of Human Rights, ISO 26000, the OECD Guidelines for Multinational Enterprises, the international labor standards of the International Labor Organization (ILO), and the United Nations Guiding Principles on Business and Human Rights (the “Ruggie Framework”), and promotes business with the aim of realizing the common global objectives cited in the SDGs. Furthermore, in editing and issuing our sustainability website, we comply with the GRI Standards of the Global Reporting Initiative, the international standard.

Endorsement of the TCFD*

In May 2019, TDK expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD), which makes recommendations for analyzing and disclosing information on the impact of climate change on corporate finance.

*The Task Force on Climate-related Financial Disclosures (TCFD) was founded in 2015 by the Financial Stability Board (FSB), an international body seeking to achieve the stabilization of the financial system.

Related links

[TCFD \(Link to external site\)](#)
[Climate Change Initiatives](#)

Membership of the RBA and RMI

In February 2020 the TDK Group joined the Responsible Business Alliance (RBA), the world’s largest industrial coalition dedicated to CSR in the global supply chain. The TDK Group fully supports the RBA’s vision and mission and, in accordance with the RBA’s code of conduct, makes continuous efforts to improve the human rights of workers, health and safety, and the environment in the TDK Group and primary suppliers. TDK also participates in the Responsible Minerals Initiative (RMI) and strives for responsible mineral procurement.

Related links

[RBA \(Link to external site\)](#)
[RMI \(Link to external site\)](#)
[Respect for Human Rights](#)
[Sustainable Procurement](#)
[Responsible Sourcing of Minerals](#)
[Social and Environmental Considerations at Manufacturing Sites](#)

Membership of Other Associations

TDK belongs to the following associations and promotes efforts to solve social issues that are difficult for a single company to tackle.

Click on the name of the organization to go to their website.

Related links

[Japan Business Federation \(Link to external site\)](#)
[Japan Electronics and Information Technology Industries Association \(JEITA\) \(Link to external site\)](#)
[Joint Article Management Promotion-consortium \(JAMP\) \(Link to external site\)](#)
[Japan Business Council in Europe \(JBCE\) \(Link to external site\)](#)

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[Business Creation Starting from Social Issues](#)

The TDK Group's Approach to the SDGs

To make the global environment and people's lives sustainable, the United Nations General Assembly approved the 2030 Agenda for Sustainable Development in September 2015. This agenda advocates Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets, to be achieved by all countries by 2030.

SUSTAINABLE DEVELOPMENT GOALS



Related link

[United Nations Information Centres](#)
(link to external site)

Under our long-term vision, “TDK Transformation—Accelerating transformation for a sustainable future,” that was formulated in May 2024, TDK aims to accelerate the evolution of technology and the transformation of society through electronic devices by combining its unique materials, processes, and software, thereby contributing to the realization of a sustainable future. Further, by continuing to transform itself, TDK aims to grow alongside its global customers as their No. 1 partner.

For TDK, the SDGs are the starting point of value creation. We believe that the measurement of how much value we have supplied to society and how much we have contributed to the solution of social issues is a barometer of our business achievements.

Building a Setup to Address the SDGs through Business

The TDK Group is continuing efforts, as explained below, to identify and implement available countermeasures and how TDK's products and technological strengths can be exploited to tackle the global issues specified in the SDGs.

In the term when measures are started, in addition to general in-house education, in accordance with company policy, we conducted an in-house dialogue with business groups in Japan and overseas regarding the approach to sustainability that we should be aiming for and the SDGs. After that, of the issues cited in the SDGs, we summarized the discussions that took place in each business group about what issues and targets could be addressed by their own technologies and solutions in the medium and long term and whether there were any technologies and solutions that could be newly created stemming from social issues. The results are organized and the business groups and the Sustainability Promotion HQ conducted discussions on priority areas and medium-to long-term strategies.

Subsequently, we have been working to continuously improve measures as the creation of mechanisms. In the investigation results of each business group that can be achieved in the short term have been incorporated into business plans since fiscal 2021. After organizing the results, we report a summary and review of the results for all business groups to the Board of Directors and also engage in dialogue with each business group for the purpose of reviewing the implementation status in the previous fiscal year and improving activities for the following fiscal year.

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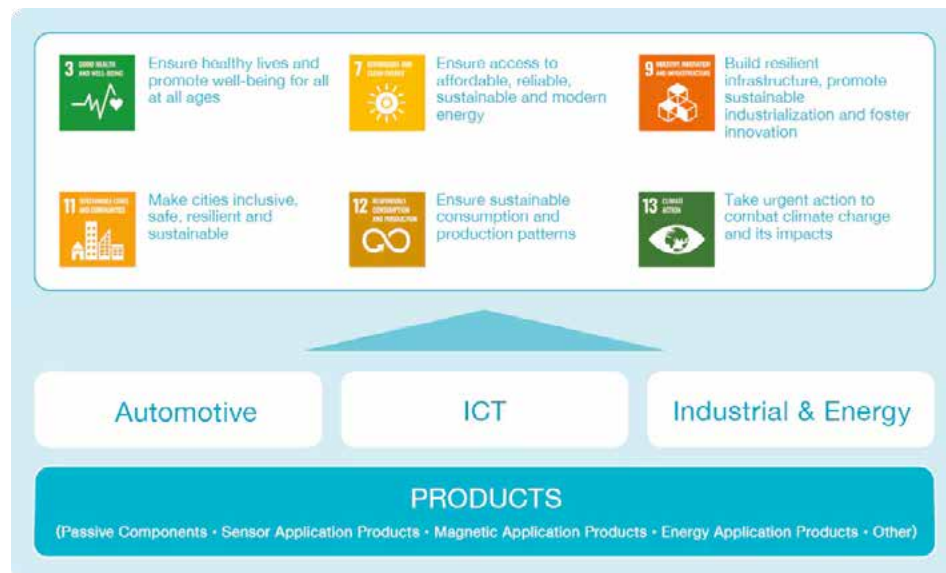
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Going forward, we will communicate inside and outside the company to share the results of the above activities and promote activities.

Process:

1. Implementation of employee educational dialogue to deepen understanding of the SDGs (since June 2018)
2. Discussion by questionnaire or interview of what products or technologies possessed by each business group could contribute to the achievement of goals 3, 7, 9, 11, 12, and 13 of the SDGs (May–November 2019)
3. Inclusion of discussed ideas into the fiscal 2021 business plans of each business group (October 2019 – March 2020)
4. Promotion of dialogue with business groups and other related parties and consideration of TDK's priority areas and strategy based on social issues (since April 2020)
5. Implementation of integrated progress management combining the EX and DX specified in the TDK Group's materiality with the business areas that TDK focuses on for social value creation and corporate growth (since April 2021–March 2024)
6. With the aim of making visible the social impacts of TDK's business activities that contribute to solutions to social issues based on TDK Transformation, our long-term vision, we revised the details of questionnaire. Progress management is continuously implemented (since April 2024).

Contribution to achieving the SDGs



Related link

[Contribution to the SDGs through products](#)

[Seven Seas](#)

Enhancing the Objectivity and Accurateness of Disclosed Information

Regarding environmental performance data, TDK received third-party verification by SGS Japan Inc. and third-party reviews.

[Third-Party Assurance](#)

[Third-Party Review of Environmental Performance Data](#)

Business Creation Starting from Social Issues

The following are examples of the TDK Group's business creation starting from social issues.

TDK Electronics

Reduced CO₂ emissions by two-thirds



TDK Electronics takes its responsibility toward society and environment very seriously. At its facilities around the world, it constantly strives to improve energy efficiency, save energy wherever possible and use electricity from renewable sources. This is how it has reduced CO₂ emissions by two-thirds relative to sales compared to 2015.

For sustainable production and the smallest possible carbon footprint, TDK Electronics is focusing on saving more electricity, above all buying electricity from 100% renewable sources and generating electricity itself with its own photovoltaic systems. For example, compared to 2015, the company's energy consumption relative to production volume was reduced by more than 20%. This was achieved primarily through more energy-efficient machines and processes in production.

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TDK Electronics is also well on the way to purchasing electricity from renewable sources. In America, the share has already been 100% for some time, and in Europe it is more than 96%. In Asia, where it has often been difficult to obtain electricity from renewable sources, two manufacturing sites in China have switched to green electricity.

There are also plans to double the current capacity of installed photovoltaic systems at the sites. Six manufacturing sites in Europe and Asia currently produce their own solar power, and six more are to follow. At four sites, existing installations are to be significantly enlarged.

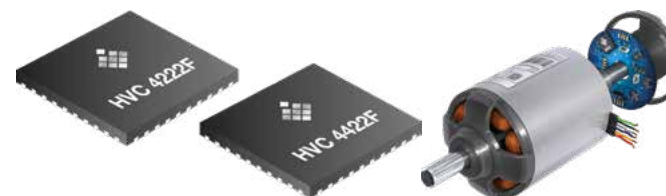


TDK Micronas

Contributing to the New Mobility Society with Advanced Sensors and Actuators



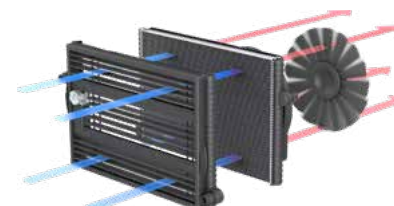
TDK-Micronas has more than 25 years of experience in the manufacture of semiconductors for sensor and actuator solutions and a track record of shipping over six billion products to the automotive and industrial markets. It is playing a central role in magnetic field sensor technology and CMOS (complementary metal oxide semiconductor) integration. TDK-Micronas's core competence is sensor solutions for automotive and industrial applications. Its product range includes hall switches, linear sensors, 3D direct angle sensors, and current sensors, as well as embedded motor controllers for driving DC, BLDC (brushless direct current), and stepper motors.



As advocated by the Sustainable Development Goals 7 (Ensure access to affordable, reliable, sustainable and modern energy for all) and 13 (Take urgent action to combat climate change and its impacts), demands for high energy efficiency and reduction of CO₂ emissions are mounting throughout society. In these circumstances, the diffusion of electric vehicles is an important key to the solution of social issues. The spread of electric vehicles will reduce fossil-fuel consumption, lower CO₂ emissions on a global scale, and minimize the emission of pollutants and noise in local communities. Ecologically too, realizing the use of natural resources within the scope of regrowth will promote the development of a sustainable society.

Therefore, TDK-Micronas believes that society expects much of its optimized sensor and actuator solutions, and its goal is to meet those expectations by supplying solutions for all applications in vehicles, from battery management and exhaust valves to shift lever and pedal position sensors.

One specific example is the Micronas high voltage controller (HVC) family, which combines an ARM standard microcontroller core with a multitude of additional functions and features, such as power drivers, that previously could only be realized via discrete elements. The HVC family, which was developed as an embedded controller for smart actuators, offers advanced integration to realize compact and cost-efficient system concepts for use in automotive applications and beyond. One area of application for the HVC family is in active grill shutters (AGS). AGS offers significant improvement in aerodynamic performance, up to 30% as compared to non-AGS vehicles, and ensures higher operating torque reliability under all weather, vehicle, and wind velocity conditions.


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In recent years, the major trends whether in combustion engines, electric vehicles, or hybrid vehicles, have continued to be the reduction of CO₂ emissions and the electrification of vehicles. Many consumers desire flexible and environment-friendly mobility too. In large cities, therefore, it will be necessary to use new types of vehicles, such as small electric cars and pedelecs, and to develop new mobility concepts integrating electric vehicles into car-sharing fleets and public transport.

Amid this social trend requiring strict controls to meet new legal conditions, the demand for sensors is increasing in all vehicle types. TDK-Micronas engages in development and production with sustainability in mind throughout the entire value chain. It endeavors to utilize renewable energy, use the most efficient machinery and equipment, and reduce emissions and to supply value to society in the form of advanced sensors and actuators.

TDK Corporation

Contribution to Diffusion of Sustainable Farming Models and Regional Development in Collaboration with External Partners



Many regional cities in Japan share similar challenges relating to agriculture, such as a lack of successors to carry on farming, environmental problems, and food safety issues. TDK's first president, Kenzo Saito, advocated the building of affluent communities through the development of both agriculture and industry. With this idea of the integration of agriculture and industry as a background, TDK in 2020 launched an agricultural project aimed at realizing the sustainable affluence of the regional community. Noting that agriculture is the core industry of Akita Prefecture, TDK's birthplace, the company is endeavoring to plant smart farming models oriented toward environmental preservation in the region.

As the theme for the first stage of the project, TDK specified "The cultivation of safe, reliable, and tasty rice and its branding." In collaboration with people both inside and outside the company, TDK is engaged in activities from various perspectives, such as process design for a smart farming model oriented toward environmental preservation, promotion of the diversification of farming into processing and distribution, and analysis of taste evaluation methods, with the goal of making rice that customers will select.

One initiative involves a weed-suppressing robot called Aigamo Robo, which has been developed by Yukimai Design Co., Ltd. with support from TDK. This robot is a replacement of the ducks (aigamo in Japanese) that play a central role in the so-called Aigamo method of rice-duck farming, which uses less or no agrochemicals. Powered by a solar panel, Aigamo Robo moves around the paddy field stirring up the mud to prevent sunlight from reaching the weeds underwater, thereby curbing the use of herbicides. The prototype underwent repeated improvements from 2020, and now the project has reached the stage of arranging a mass-production setup for the 2022 model.



In May 2022 TDK, Gouemon Co., Ltd., Iseki & Co., Ltd., Yukimai Design Co., Ltd., and Nikaho City concluded a five-party collaborative agreement relating to the promotion of cooperation on environmental-preservation-oriented smart farming. The aim is to tackle the solution of regional issues by pooling the knowledge and experience of regional farmers and harnessing the environment and state-of-the-art technology and to build environmental-preservation-oriented smart farming by around 2025 through collaboration between the public and private sectors.

TDK will continue contributing to the solution of issues faced by the regions and, together with local communities, build sustainable societies for future generations.

TDK Corporation

Combating Climate Change Together with Customers



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Climate change is an urgent issue that must be tackled by the whole world. Amid the rush to solve this problem, here we introduce the efforts of TDK to help realize a carbon-neutral society.

One of the solutions toward realizing a carbon-neutral society is the promotion of a shift from gasoline to electric vehicles (xEV). To supply products contributing to the improved energy efficiency of xEVs, TDK personnel in charge of each process of product development, the launching of manufacturing lines, and post-mass-production startup, engage in repeated daily communication with our automaker customers and, by making continuous improvements, clear the high quality standards demanded by them.



TDK's compact motor thermistor with integrated flat coil, which is a sensor measuring the temperature of xEV motors, is a product with high levels of responsiveness and durability thanks to the development of a new compact structural body. The processing of flat coils with a high level of measuring accuracy in consideration of the environments in which the product would be used, the introduction of forming equipment, and automation were tough challenges. But after repeated trial and error, the obstacles were overcome, and eventually TDK was able to introduce a production line with a high level of productivity and stable quality. The project also led to the upgrading of members' skills and the strengthening of their collaborative capabilities.

The ATF oil-temperature sensor contains a newly developed linear thermistor element that enables accurate temperature control over a wide-range temperature area (especially high-temperature zones). This product has helped to raise the performance and lower the cost of systems carried in xEVs.

Capitalizing on the technological capabilities gained in this project, TDK intends to expand business in the xEV market and contribute to speeding up the realization of a carbon-neutral society.

Related Information

In addition, TDK's Featured Stories showcase a variety of examples that contribute to the SDGs. Please read the Featured Stories as well.

[Featured Stories](#)

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Sustainability | Sustainability Management | Efforts to Achieve the SDGs

Contribution to the SDGs through Products

As 2030, the target year for achieving the Sustainable Development Goals (SDGs), approaches, here we introduce what TDK is aiming for and how it is contributing toward each goal, together with our image of a society in which TDK products play an active role.



Ensure healthy lives and promote well-being for all at all ages



TDK's aims

1 To reduce the number of deaths and injuries due to traffic accidents and protect the lives of drivers, passengers, and pedestrians

TDK's products and technologies with the potential to contribute

SDG target

- Highly safe passive components offering both low electricity consumption and strong power
- Highly reliable sensors with appropriate functionality, strong performance, and durability to gauge the situation and control action

3.6

2 To enable monitoring of the daily health of all people, including the socially vulnerable, so that they can receive services relating to the promotion of health, prevention, medical treatment, and functional recovery at appropriate cost

TDK's products and technologies with the potential to contribute

SDG target

- Components promoting the diffusion of supportive devices with safe or protective functions
- An extensive range of components and modules to realize reasonably priced monitoring systems

3.3

3.4

3.8

3.9

Examples of Related Products

Sensors and sensor-applied products/piezoelectric, material, and circuit protection components/ inductive devices/RF components/ceramic capacitors

If you want to know more about these products, click here.

(Link to Application Guide)



Safety



Medical & Healthcare



Smart Watch/Activity Tracker

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TDK's aims

1 To constantly supply safe and secure energy to culture and industry

TDK's products and technologies with the potential to contribute

- Products responsive to large electric currents and large voltage

SDG target

7.1

2 To increase the share of renewable energy in the world's energy mix

TDK's products and technologies with the potential to contribute

- Reasonably priced energy storage systems enabling the safe storage of energy

SDG target

7.2

3 To promote distributed energy systems (systems supplying electricity produced by relatively small generating equipment just to meet the demand for electricity from people in the vicinity)

TDK's products and technologies with the potential to contribute

- Power transmission technology capable of realizing a safe and highly efficient energy cycle

SDG target

7.2

4 To improve the energy efficiency of smart energy networks by boosting the diffusion of e-mobility

TDK's products and technologies with the potential to contribute

- Compact, large-capacity, and reasonably priced batteries for motorcycles

SDG target

7.3

5 To double the rate of improvement of the whole world's energy efficiency

TDK's products and technologies with the potential to contribute

- Cutting-edge technology to realize lower power consumption

SDG target

7.3

Examples of Related Products

Aluminum electrolytic capacitors / film capacitors / ceramic capacitors / piezoelectric, material, and circuit protection components / inductive devices / sensors / magnets / power supplies / rechargeable batteries

If you want to know more about these products, click here.

(Link to Application Guide)



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Build resilient infrastructure,
promote inclusive and
sustainable industrialization and foster innovation



TDK's aims

1 To vastly improve the convenience, suitability, and accessibility of information and strengthen communications

TDK's products and technologies with the potential to contribute

- Highly functional, high-performance, and compact electronic components for smart devices

SDG target

9.1

2 To reduce the environmental load in transportation

TDK's products and technologies with the potential to contribute

- Reasonably priced energy storage systems enabling the safe storage of energy

SDG target

9.1

3 To realize sustainable and resilient infrastructure

TDK's products and technologies with the potential to contribute

- Automation technology and robotics contributing to Smart X

SDG target

9.1

4 To build resilient social infrastructure that is both convenient and rational

TDK's products and technologies with the potential to contribute

- Large-capacity and highly reliable HDD components for data centers

SDG target

9.4

Examples of Related Products

Piezoelectric, material, and circuit protection components / inductive devices / ceramic capacitors / RF components / sensors and sensor-applied products in general/ rechargeable batteries / HDD heads and HDD suspension

If you want to know more about these products, click here.

(Link to Application Guide)



Power for Infrastructure



Smartphone/Tablets/
Mobile Router



Smart Watch/Activity
Tracker



xEV



AR/VR

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11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable



TDK's aims

1 To guarantee access to safe, resilient, and reasonably priced housing and basic services for all

TDK's products and technologies with the potential to contribute

- Components for sensor network systems with highly reliable security properties
- Highly functional, high-performance, and compact electronic components for smart devices

SDG target

11.1 11.3

2 To provide sustainable, safe, and reasonably priced transportation systems and means of public transport for all

TDK's products and technologies with the potential to contribute

- Zero-defect components for e-mobility and automatic driving systems

SDG target

11.2

Examples of Related Products

Aluminum electrolytic capacitors / film capacitors / ceramic capacitors / piezoelectric, material, and circuit protection components / inductive devices / RF components / sensors and sensor-applied products in general / magnets / power supplies / rechargeable batteries

If you want to know more about these products, click here.

(Link to Application Guide)



xEV



Safety



Smartphone/Tablets/
Mobile Router



IoT

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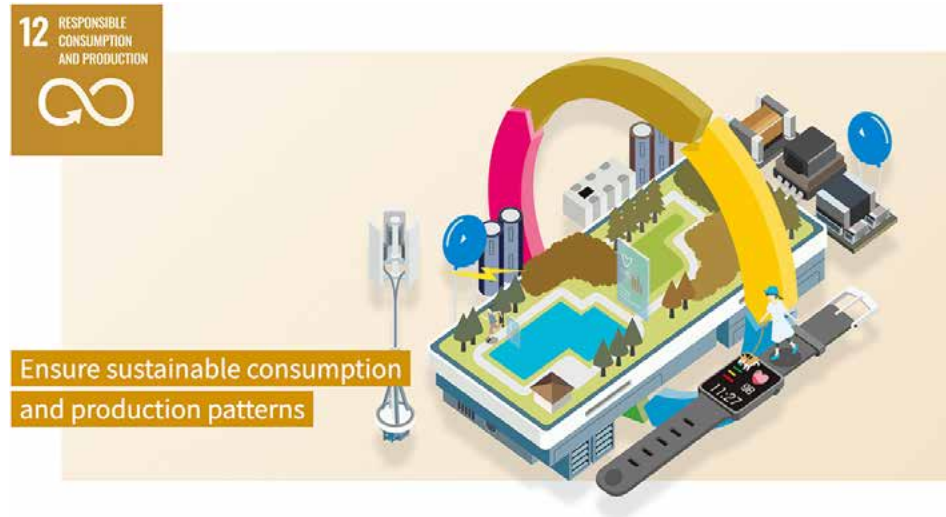
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TDK's aims

1 To reduce the consumed amount of plastic and metal resources used in products and applications

TDK's products and technologies with the potential to contribute

- Components and modules for wireless data communication systems
- Increasingly compact and lighter products

SDG target

12.2

12.5

Examples of Related Products

Capacitors / piezoelectric, material, and circuit protection components / inductive devices / RF components / sensors and sensor-applied products in general

If you want to know more about these products, click here.

(Link to Application Guide)



Power for Infrastructure



Smart Watch/Activity Tracker

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Take urgent action to
combat climate change
and its impacts



TDK's aims

1 To reduce CO₂ emissions and prevent global warming

TDK's products and technologies with the potential to contribute

- Products responsive to large electric currents and large voltage to promote the utilization of renewable energy
- Light products with high levels of power conversion efficiency and fuel efficiency to boost the diffusion of e-mobility
- Low-power-consumption products for consumer electric appliances and industrial products

SDG target

13.1

Examples of Related Products

Aluminum electrolytic capacitors / film capacitors / ceramic capacitors / piezoelectric, material, and circuit protection components / inductive devices / sensors / magnets / power supplies / rechargeable batteries

If you want to know more about these products, click here.

(Link to Application Guide)



Photovoltaic/Energy
Storage System



Wind Power Generation



Smart Energy



xEV



Consumer Electronics /
Home Appliances

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Stakeholder Engagement

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[Our Approach, Ideal Relationships, and Engagement Methods by Stakeholders](#)
[Stakeholder Dialogue](#)
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Purpose of Stakeholder Engagement

The TDK Group strives to earn the trust of society by correctly recognizing social issues as a company that deploys business activities globally, respecting the International Code of Conduct and guidelines on sustainability, and responding to stakeholders' interests through business activities. In order to gain the trust, we actively create opportunities for dialogue with our stakeholders on a daily basis.

The TDK Group believes that the purpose of stakeholder engagement is as follows.

- To apply stakeholders' opinions in TDK Group's business activities and translate them into the improvement of corporate value and social value to be created.
- To share the same values with our stakeholders and develop our business activities into essential non-complacent activities by gaining their understanding on the TDK Group's ideas and activities. Also, to continue collaborating to achieve a sustainable society.

Our Approach, Ideal Relationships, and Engagement Methods by Stakeholders

Shareholders and Investors

Our approach	The TDK Group will maintain management in a fair and transparent manner by disclosing information in a timely and appropriate manner to stakeholders, such as shareholders and investors.
Ideal relationship	The TDK Group will maintain management in a fair and transparent manner by disclosing information in a timely and appropriate manner to stakeholders, such as shareholders and investors.
Engagement methods	<ul style="list-style-type: none"> • Performance briefing • General meeting of shareholders • IR meetings

Customers

Our approach	The TDK Group responds to changes in the business environment and social needs and provides high-value-added products to customers by realizing QDC and First-to-Market at a high level.
Ideal relationship	We are always recognized as a partner company that exceeds customers' expectations by leading innovations and environmental consideration.
Engagement methods	<ul style="list-style-type: none"> • Daily sales activities • Customer Satisfaction (CS) survey • Audit from customers

Suppliers

Our approach	The TDK Group addresses social and environmental issues throughout the supply chain and will realize a sustainable society with our suppliers based on the RBA Code of Conduct.
Ideal relationship	We build win-win situations that will develop both our suppliers and TDK in the long term, and TDK and our suppliers' technologies and know-how collaborate in various business fields.
Engagement methods	<ul style="list-style-type: none"> • Daily communication with suppliers • Supplier briefings • Implementation of audits of suppliers

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Employees

Our approach	The TDK Group believes that the source of eternal prosperity of companies lies in human development and will continue to build relationships as described in the Code of Conduct (Corporate Standards of Business Conduct). »Please click here for the Code of Conduct (Corporate Standards of Business Conduct).
Ideal relationship	We build equal and happy workplaces, and employees and the company share mutual respect.
Engagement methods	<ul style="list-style-type: none"> • Labor-management dialogue • Feedback to in-house newsletters • Workplace communication • Various award programs • Engagement surveys

Communities

Our approach	The TDK Group works and collaborates with stakeholders and potential partners, such as communities, administrations, industries, international organizations, NPOs, and NGOs, to maintain good relationships. Also, based on our management philosophy, we will identify areas of social issues to be prioritized and aim to be a good corporate citizen through social services such as sports, culture, artistic activities, and volunteer activities.
Ideal relationship	The TDK brand penetrates into the region and provides quality employment to the region. We also contribute to the reduction of environmental impact with innovative technology.
Engagement methods	<ul style="list-style-type: none"> • Social gatherings at each region • Social services • Homepage answer service

Administration

Our approach	The TDK Group works and collaborates with stakeholders and potential partners, such as communities, administrations, industries, and international organizations, to maintain good relationships.
Ideal relationship	We fulfill our obligations, such as legal compliance and tax payments, and play the role of a corporation as a public institution of society through cooperation with policies to solve social problems.
Engagement methods	<ul style="list-style-type: none"> • Exchange of opinions through economic and industrial organizations • Response to surveys and questionnaires • Consultations with competent authorities • Public comments

Consumers

Our approach	We contribute to improving the QOL of all people through TDK Group products and final products in which our products are installed.
Ideal relationship	We are recognized by many consumers as a company that contributes to society with creative and innovative technologies.
Engagement methods	<ul style="list-style-type: none"> • Acquisition of information through sales • Feedback to development

Stakeholder Dialogue

Identification of New Long-Term Vision and Key Issues (Materiality)

■ Looking forward to steady efforts based on strong commitment and specific indicators and management techniques



Takeshi Mizuguchi

Professor, Department of Business Management, Faculty of Economics,
Takasaki City University of Economics

TDK's new materiality points to 14 key themes integrating financial and impact factors. I feel that it has been arranged through meticulous analysis, and I have no objection to the setting of materiality focusing on the long-term maintenance of competitiveness. On the other hand, though, the frontline viewpoint of investors these days is "investing for sustainability impact." The idea here is that such fields as the planet and society are the wellspring of corporate value, and unless companies invest in such fields themselves, at the end of the day they will not be able to protect their financial value. TDK's new materiality includes such factors as climate change and human rights, but it would be even better if TDK showed its commitment to these factors as well.

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Human capital, DE&I, and wellbeing are the foundations of management and at the same time are important themes as social issues too. That is to say, the efforts of individual companies have an impact on society that then rebounds to those companies. In particular, when incorporating DE&I into materiality, it is important to consider what indicators should be set and by what methods they should be managed. Since the background of the low birthrate involves such issues as how easy it is for women to work and how easy it is for them to have children, it is necessary for the TDK Group as a whole to narrow the gender pay gap. If employees are promoted at an equal pace with no gender conditions, and if the ratio of female managers rises, the gap will surely fade away.

On the business side, the supply of products capable of contributing to the reduction of CO₂ ahead of other companies is considered to be the source of TDK's competitiveness. Since there is a strong possibility of entry into such fields as green transformation (GX), the market for which is expanding in Japan, and the photovoltaic cell business, where Chinese companies are displaying their strength, I look forward to seeing TDK make appeals socially by putting forth qualitative stories and also take active steps to tackle such challenges as human rights issues in the supply chain.

■Excellent framework takes shape but also important to review flexibly in the light of practice



Koji Nitto
Nitto Koji Office

Previously TDK's materiality was set from a perspective emphasizing CSR. Through the latest revision, enabling materiality to contribute to the medium- to long-term enhancement of the TDK Group's corporate value, TDK has made its aims even easier to understand for stakeholders by clearly positioning materiality as an important domain toward the realization of its long-term vision embodying its Corporate Motto and corporate principles. In the process of compilation too, TDK narrowed down its salient points after comprehensively grasping the views of various stakeholders both inside and outside the company. I felt that there was much to be learned from this model.

The issues taken up in materiality can be described as the gap between vision and reality. Going forward, TDK must always be asking itself whether the long-term vision really can be realized by solving these challenges, whether the content is adequate for achieving the long-term vision, and whether it is necessary to act on all the issues. TDK will be required to evolve its initiatives so that they are adequate enough to achieve the vision.

In advancing the initiatives, perhaps it will also be necessary to change and respond by, for example, adding materiality if there are shortages or venturing to prioritize issues. In addition, going forward, practice on the ground is going to be important. Since employees on the ground have been earnestly involved in the solution of many issues so far, one can imagine that addition of responses to the new materiality might cause confusion. It is the job of management to clarify what "not to do" among the previous activities and sort out what is feasible from a ground-level perspective so that everyone can concentrate on the new materiality initiatives.

In the sense that TDK has begun its evolution toward corporate value management, the latest systemic uplift deserves positive evaluation. I hope that it yields results and rises to the level of being a model for other companies.

■Hoping for the capability to link KPIs and sustained earning power and to realize long-term strategy



Minoru Matsubara
Executive Officer in charge of the Responsible Investment Division,
Resona Asset Management Co., Ltd.

I feel that the overall composition of TDK's new materiality is well arranged and easy to understand. At the top they place "Establishment of value creation and competitive advantage through business activities" as an area of joint creation of value by means of the backcasting concept, and at the bottom they have "Strengthening of the management base to envision and realize the future" as a means of supporting business. I understand the stance of incorporating TDK's DNA, their aims, and what they think is important into a framework and developing new business domains from there. Moreover, as an investor, I was favorably impressed by the linkage of materiality with long-term strategy too.

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The important thing going forward will be what KPIs will be set. Investors no doubt will be watching TDK closely from now on from the perspective of how future cash flow will be created through materiality. In setting KPIs, therefore, it will be important for TDK not only to include the TDK style but also, after clarifying the position of KPIs in overall strategy, to clearly explain how “sustained earning power” is going to be created. In addition, if the KPIs do not lead to earning power, TDK will be required to verify what has caused the bottleneck and show how the results will be utilized in the next plan. I hope that by clearly setting KPIs, TDK will ensure that its materiality does not end up as just a symbolic gesture but functions as something with practicality.

Furthermore, while corporate executives in recent years have been strengthening the perspectives of double materiality and corporate value, capital markets and investors think in terms of single materiality and enterprise value. Therefore, to bridge this gap between the two, it will be necessary to engage in appropriate communication while cleverly explaining impact materiality in an integrated manner.

Past Stakeholder Dialogue

TDK actively creates opportunities for dialogue with our stakeholders.

In particular, we hold stakeholder dialogues for topics that have a large impact on business activities. We also hold direct dialogues with outside experts and utilize the results in business activities enabling us to contribute to the sustainability of both society and the company.

Clicking each theme will open dialogue articles.

Date of implementation	Theme
Feb. 6 – Mar. 14, 2024	Expert Dialogues
Aug. 25, 2020	Crafting Materiality with Social Value at the Core
Jul. 8, 2020	Balancing a Response to Climate Change with Corporate Growth
Mar. 6, 2018	Develop Global Human Resources
Apr. 14, 2017	Targeting Human Rights Responses at the Supply Chain
Mar. 21, 2017	Develop Global Human Resources
Oct. 9, 2015	Toward the Finalization of Materiality to Enhance TDK's Value
May 11, 2015	CSR Promotion in the Supply Chain
May 8, 2015	Toward Compilation of the Next Environmental Vision
Apr. 17, 2015	Thinking about Diversity as a Growth Strategy
Mar. 31, 2015	Study Meeting Convened to Enhance the Grasp of Nonfinancial Information Disclosure
Mar. 4, 2014	Identification of Human Rights Issues through Dialogue with Stakeholders
Apr. 18, 2013	The Social Problems behind Conflict Minerals: The Human Rights Situation in the Democratic Republic of the Congo
Apr. 12, 2012	What should today's technological innovations look like if they are to solve social problems and bring an ideal future into reality?
May 27, 2011	What We Need to Do for the Environment Now
Apr. 8, 2010	Continued Expectations to TDK as a Trustworthy Company
May 18, 2009	A Company That Earns Your Trust

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Fund Procurement through ESG Finance

[Explanation of Fund Procurement through ESG Finance](#)
[TDK Sustainable Finance Framework](#)
[Implementation Guidelines for Fund Procurement through ESG Finance](#)

Explanation of Fund Procurement through ESG Finance

TDK established TDK Transformation as its new long-term vision for the entire Group. One key issues (materiality) that TDK will address to achieve this long-term vision is “implementing solutions to social and environment issues.” To achieve a society with net zero CO₂ emissions by 2050, TDK will bolster its greenhouse gas reduction measures and implement countermeasures against climate change. To this end, we defined the ideal state of TDK in 2035 as “the operation under the environmental load within natural circulation,” and formulated the “TDK Environmental Vision 2035,” which aims to “halve the CO₂ emissions intensity from a life-cycle perspective by 2035.”

The Group formulated the TDK Sustainable Finance Framework, and by using sustainability-linked finance, which sets Sustainability Performance Targets (SPTs) that reflect efforts to achieving the TDK Environmental Vision 2035, as well as green finance, which specifies the use of proceeds for achieving reductions in the CO₂ emissions from products, we will establish a foundation for raising funds for achieving the TDK Environmental Vision 2035 and work continuously to improve corporate value while creating value for achieving a sustainable future.

TDK Sustainable Finance Framework

In July 2023, we formulated the TDK Sustainable Finance Framework (the “Framework”) in accordance with the Green Bond Principles 2021 and Sustainability-Linked Bond Principles 2023 of the International Capital Market Association (ICMA), the Green Loan Principles 2023 and Sustainability-Link Loan Principles 2023 of the Loan Market Association (LMA), and the Green Bond and Sustainability Linked Bond Guidelines 2022 edition and Green Loan and Sustainability Linked Loan Guidelines 2022 edition of the Ministry of the Environment.

The Framework received a second-party opinion from Rating & Investment Information, Inc., (R&I), a third-party evaluation organization, to the effect that it complies with various standards relating to the issuance and procurement of green finance (bonds, loans, etc.) with a specified use of proceeds as well as sustainability-linked finance (bonds, loans, etc.) without a specified use of proceeds.

[TDK Sustainable Finance Framework](#)
[Second-party opinion from Rating & Investment Information, Inc.](#)

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Fund Procurement through Sustainability-Linked Finance

Fund Procurement through Sustainability-Linked Finance

TDK procured funds through the ninth series of unsecured straight TDK Sustainability-Linked Bonds in December 2021 and the TDK Sustainability-Linked Loan in August 2023.

Overview of TDK Corporation the ninth series of unsecured straight bonds (with special inter-bond pari passu clause) (TDK Sustainability-Linked Bonds)

- [October 20, 2021: TDK Issues Its First Sustainability-Linked Bonds](#)
- [November 26, 2021: TDK Announces Issuance of Unsecured Straight Bonds](#)

Total amount of bond issuance	40 billion yen
Payment date/maturity	December 2, 2021 Payment date/Seven years
Rating	Rating & Investment Information, Inc., (R&I): A+
SPTs	1) Reduce CO ₂ emissions intensity per sales (t-CO ₂ per 100 million yen sales) by 30% in fiscal 2026 compared to fiscal 2015. 2) Maintain “A” or “A-” for the CDP Climate Change score in the calendar year 2025. 3) Achieve to raise the ratio of renewal energy sources to 50% of electricity consumption in fiscal 2026.
Attributes of bonds	The achievement status of SPTs (1) and (3) will be assessed based on performance in FY 2026, and the achievement status of SPT (2) will be assessed based on performance in calendar year 2025. If we fail to achieve two or more of the above three SPTs, we will make donations to public interest incorporated associations, public interest incorporated foundations, international organizations, NPO certified by local governments, local governments, and other similar organizations that engage in environmental conservation activities, in the total cumulative amount equivalent to 0.3% of the bond issue amount before the redemption of the bonds. In addition to TDK's own ESG initiatives, we will generate additional positive impact by supporting activities through donations.
Structuring agent of sustainable finance	SMBC Nikko Securities Inc.
Third-party evaluation	R&I second opinion

TDK Corporation: Overview of the TDK Sustainability-Linked Loans

- [July 31, 2023: TDK Issues Its First Green Bonds and Raises Funds through Sustainability-Linked Loans](#)

Loan amount	80 billion yen by Syndicated Loan
Loan term	Six years
Loan agreement date	August 7, 2023
Loan arranger	Resona Bank, Limited., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd.
SPTs*	1) Maintain “A” or “A-” for the CDP Climate Change score in the calendar year 2025. 2) Achieve to raise the ratio of renewal energy sources to 50% of electricity consumption in fiscal 2026.
Structuring agent of sustainable finance	Mizuho Securities Co., Ltd.
Framework	Sustainable Finance Framework
Third-party evaluation	R&I second opinion

*With respect to “Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in fiscal 2026 compared to fiscal 2015,” we achieved a 32% improvement in fiscal 2022, achieving the target ahead of schedule.

Status of Progress of SPTs and KPIs for TDK Sustainability-Linked Finance

TDK reports on the Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) that it set and the status of progress toward achieving them.

In the TDK Environmental Vision 2035, TDK made the reduction of environmental load from a life-cycle perspective a key topic and set a target of halving CO₂ emissions intensity by fiscal 2036 with fiscal 2015 as the base year. TDK set multiple SPTs that reflect the actions taken to achieve this target. By incorporating multiple inter-related measures, TDK believes that it is possible to gauge the Group's actions from a more multi-faceted perspective.

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SPT-1: Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in fiscal 2026* compared to fiscal 2015

SPT-2: Maintain “A” or “A-” for the CDP Climate Change score in the calendar year 2025.

SPT-3: Achieve to raise the ratio of renewable energy sources to 50% of electricity consumption in fiscal 2026*

*Targets until fiscal 2026 (ending March 31, 2026)

SPT-1: Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in fiscal 2026 compared to fiscal 2015.

CO₂ emissions intensity per sales is calculated by dividing the sum of Scope 1 emissions (directly produced emissions) and Scope 2 emissions (indirect emissions from purchased energy) by net sales stated on the consolidated statements of income.

KPI-1	Fiscal 2015	Fiscal 2019	Fiscal 2020*	Fiscal 2021*	Fiscal 2022*	Fiscal 2023*	Fiscal 2024*	SPT-1 Fiscal 2026
CO ₂ emissions intensity indexed to fiscal 2015 as 100	100	91.9	86.9	90.9	68.0	48.2	29.9	70.0

*The figures for fiscal 2020 onward are verified by a third party.

SPT-2: Maintain “A” or “A-” for the CDP Climate Change score in the calendar year 2025.

CDP Climate Change scores evaluate climate change initiatives of corporations and cities. CDP evaluates the participants’ response to its questionnaire and gives a score from the nine levels (A/A-/B/B-/C/C-/D/D-/F) based on quantitative and qualitative assessment criteria.

KPI-2	2018	2019	2020	2021	2022	2023	SPT-2 2025
CDP Climate Change score	D	A-	A-	A-	A-	A-	AorA-

SPT-3: Achieve to raise the ratio of renewable energy sources to 50% of electricity consumption in fiscal 2026.

The ratio is calculated by dividing the total of electricity purchased from renewable sources with an Energy Attribute Certificate and electricity generated in-house by total electricity consumption.

KPI-3	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	SPT-3 Fiscal 2026
Ratio of electricity from renewable energy sources (%)	20.3	18.2	23.9	30.0	39.9	55.2	50.0

*The figures for fiscal 2020 onward are verified by a third party.

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Fund Procurement through Green Bond

Fund Procurement through Green Bonds

TDK procured funds through the 11th series of unsecured straight bonds (Green Bonds) in September 2023.

Overview of TDK Corporation the 11th series of unsecured straight bonds (with special inter-bond pari passu clause) (Green Bonds)

- [July 31, 2023: TDK Issues Its First Green Bonds and Raises Funds through Sustainability-Linked Loans](#)
- [September 1, 2023: Issuance of Unsecured Straight Bonds \(Green Bonds\)](#)

Total amount of bond issuance	20 billion yen
Payment date/maturity	September 7, 2023 / 5 years
Use of proceeds	To be used to finance production facilities (including the new facility at Kitakami Factory) for multi-layer ceramic capacitors (MLCC), which are mainly used for electric vehicles (EVs*) and photovoltaic power generation.
Rating	Rating & Investment Information, Inc., (R&I): A+
Structuring agent of sustainable finance	Mizuho Securities Co., Ltd.
Framework	Sustainable Finance Framework
Third-party evaluation	R&I second opinion

*xEVs include BEVs (Battery Electric Vehicles), FCEVs / FCVs (Fuel Cell Electric Vehicles / Fuel Cell Vehicles), PHEVs/PHVs (Plug-in Hybrid Electric Vehicles / Plug-in Hybrid Vehicles), and HEVs (Hybrid Electric Vehicles).

List of TDK Green Bond Investors

These are the investors who have committed to investing in TDK Green Bonds (as of September 1, 2023, in alphabetical order).

[List of TDK Green Bond Investors](#)

Status of Use of Proceeds

As of March 31, 2024, the funds procured from the bond issuance were all allocated to capital investment in production facilities and plant construction for multilayer ceramic chip capacitors (MLCCs) (the new facility at Kitakami Factory).

Item	Amount (million yen)
Amount procured (amount after deducting issuance expenses from the bond issue amount)	19,908
Amount applied	19,908
Amount unapplied	0

Environmental Improvement Effects

The amount of CO₂ emissions reduction (theoretical value) from the qualified business to which the funds procured from the bond are calculated according to the formula set forth below using the expected shipment volume of MLCCs for EVs and photovoltaic power generation after the production facilities start commercial operation. The following environmental improvement effects are expected to be demonstrated.

MLCCs for EVs

CO₂ emissions reduction volume = EV production quantity* × CO₂ reduction effects per electric vehicle

*Estimated from the shipment volume of MLCCs for EVs

MLCCs for photovoltaic power generation

CO₂ emissions reduction volume = Power generating capacity* × CO₂ reduction effects per 1 kw of power generated

*Estimated from the shipment volume of MLCCs for photovoltaic power generation

CO ₂ Emissions reduction volume (theoretical value)	Approx. 2.3 million t- CO ₂ /year
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Environmental Policy and Environmental Vision

[Our Approach](#)
[Looking Ahead to 2050](#)
[TDK Environmental Vision 2035](#)
[Basic Environmental Action Plan “TDK Environment, Health and Safety Action 2025”](#)

Our Approach

The TDK Group Occupational Health/Safety and Environmental Charter

To unify policies relating to health/safety and the environment throughout the entire TDK Group, TDK formulated the TDK Group Occupational Health/Safety and Environmental Charter consisting of two aspects—basic principles and basic policies on health/safety and the environment.



Related link

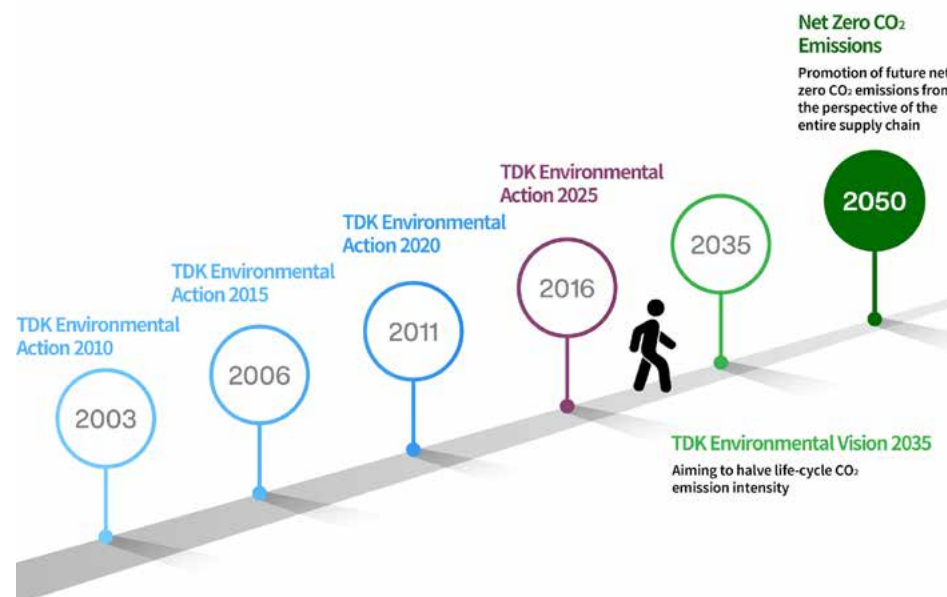
[Environmental Management System](#)
[Environmental Education](#)

Looking Ahead to 2050

TDK established “TDK Transformation” as its new long-term vision for the entire Group. One materiality that TDK will address to achieve this long-term vision is “implementing solutions to social and environmental issues.”

TDK is promoting net-zero CO₂ emissions from the perspective of the entire supply chain. Specifically, we are strengthening our activities for the reduction of greenhouse gas emissions, including further expansion of the scope of coverage to include emissions in other Scope 3 categories as well as Scope 1, Scope 2, and Scope 3 Category 11 and the setting of key performance indicators and monitoring indicators, toward the realization of a society with net-zero CO₂ emissions by 2050. In addition, our medium-term action policy, “TDK Environmental Action 2025,” we aim to achieve 50% renewable energy at our manufacturing sites by 2025.

As proclaimed in the TDK Environmental Charter, TDK recognizes the importance of adopting measures to counter climate change and respecting biodiversity and the limited resources of the Earth. Under the slogan of “Eco TDK,” TDK will further promote related activities, including the realization of a circular economy.



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Related link

[New Materiality Identification Process](#)

TDK Environmental Vision 2035

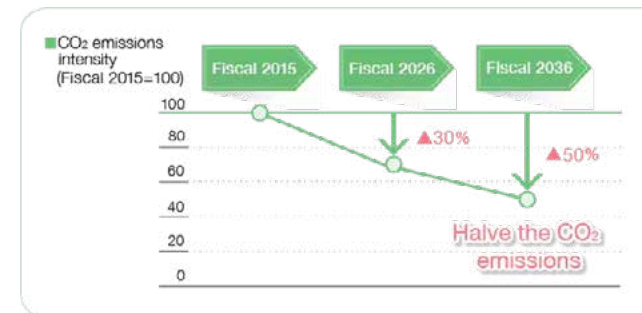


Halving the CO₂ emission basic-unit in a life-cycle perspective by 2035

The TDK Group achieved its carbon neutral target, originally outlined in our third basic environmental action plan "TDK Environmental Action 2020," far ahead of schedule in fiscal 2015. In 2015, prior to the formulation of our next regular environmental vision, "Vision 2035," a corporate commitment keyed to the Company's centennial year was formulated. Vision 2035 states that we will steadily fulfill our corporate motto, "Contribute to culture and industry through creativity," by working head-on to "revitalizing and protecting the global environment and creating a pleasant and safe society."

In 2016, in response to the corporate vision "Vision 2035," TDK defined the ideal state of TDK in 2035 as "the operation under the environmental load within natural circulation," and formulated the "TDK Environmental Vision 2035," which aims to "halve the CO₂ emissions intensity from a life-cycle perspective by 2035." This stance stems from the belief that minimizing the environmental load in business activities, and revitalizing the natural environment, is the duty of companies that supply products designed to contribute to its customers and the society. Moreover, modeled on the United Nations Climate Change Conference (COP 21) Paris Agreement, which seeks to curb global warming by achieving a balance between greenhouse gas emissions and absorption sources, this is also considered the ideal corporate posture for all TDK activities.

Within TDK Environmental Vision 2035, the declaration is made to reduce the environmental load from a lifecycle perspective. This represents an initiative not limited to measures at the manufacturing stage in factories and the use stage for customers, aspects outlined in the conventional TDK Environmental Action 2020 policy. To expand in this way, we deem it critical for all TDK Group employees to share the same vision and move forward with the same objectives in mind. The "revitalizing and protecting the global environment" expressed in this corporate vision refers to the skillful operation of our business hand in hand with the natural environment. Without that commitment, there will be no sustainable development on the horizon. The entire Group shares an Arubeki-Sugata (ideal process) and undertakes voluntary initiatives in pursuit of that vision.



Basic Environmental Action Plan "TDK Environment, Health and Safety Action 2025"

Conceived on the cornerstone of TDK Environmental Vision 2035 was a new basic environmental plan extending through year 2025, namely TDK Environment, Health and Safety Action 2025. The action categories and target figures of "TDK Environment, Health and Safety Action 2025" reflect dual consideration for "backcasting" from TDK Environmental Vision 2035, and continuity and "forecasting" from "TDK Environmental Action 2020".

At present, we are integrating the environmental load in each action category by CO₂ equivalence and conducting activities toward achievement of the ideal targets outlined in TDK Environmental Vision 2035.

With regard to safety and health as well, steps will be taken to newly stipulate original action categories and goals, thus moving to realize truly safe and healthy workplace environments.

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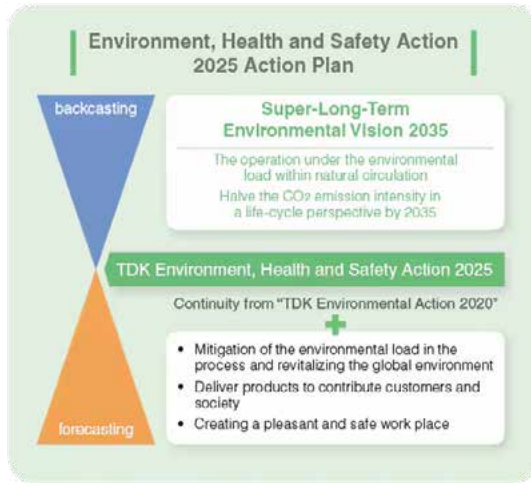
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Related link

[Action Plan in TDK Environment, Health and Safety Action 2025* and Fiscal 2024 Achievements](#)

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The TDK Group Occupational Health/Safety and Environmental Charter

The TDK Group Occupational Health/Safety and Environmental Charter

Basic Principle

The TDK Group recognizes that creating a safe, healthy workplace and co-existing with the global environment is an important management issue. The TDK Group is committed to realizing sustainable growth of our society through the combined efforts of all members in all business operations.

Policy



Take good care of people and the earth

Protect the safety and health of workers and keep environment healthy

- Try to create a mentally and physically stress-free workplace.
- Raise the awareness of workers and strive for safe and secure operations by educating and training.
- Work on the conservation of the global environment, including biodiversity.



Monozukuri considering safety and environment

Reduce EHS risks from procurement stage to disposal stage

- Take elimination or reduction measures against dangerous and harmful factors.
- Design and develop products that are safe for consumers and low environmental impact.
- Carry out safety and environmental activities within the supply chain.



Moving toward a sustainable society

Act to achieve a decarbonized society and circular economy

- Use resources and energy efficiently and effectively in production activities.
- Promote the use of renewable energy.
- Recycle effectively and produce no waste.



Responsible behavior

Respond to various needs through communication with society

- Comply with laws and regulations and respond to social needs.
- Contribute to the local community by communicating with local people.
- Communicate with workers and improve workplaces and welfare programs.



Value your efforts

Enhance corporate value by setting strategic goals and actions.

- Set long-term goals and improve performance continuously to achieve them.
- Take actions to achieve goals by providing information and educational material.
- Improve the transparency and soundness of our business activities by disclosing appropriate information.

The TDK Group Occupational Health/Safety and Environmental Charter
Established on October 1, 2022

TDK Corporation President & CEO
Noboru Saito

The TDK Group Occupational Health/Safety and Environmental Charter applies not only to all members of the TDK Group (directors, officers, employees, temporary and part-time workers), but also to business partners (individuals employed by contractors and subcontractors working at our sites) and visitors to our sites.

In terms of the environment, based on the charter, the TDK Group is committed to reducing CO₂ emissions, energy resources, and water usage across the product life-cycle, including Procurement, Development/Production, Logistics, Use, and Disposal, to lower the environmental load. To promote this commitment, we establish a system led by the responsible officer and clarify roles and responsibilities for environmental activities. These activities have a ripple effect throughout the value chain, such as suppliers, sub-contractors, other business partners as well as our customers. “All business operations” stated in the Basic Principle on the Environment includes due diligence on investment in new businesses and mergers and acquisitions. In addition, the term “resources” in the Policy includes raw materials.

In terms of the health and safety, we aim to form safe and healthy workplace environments. On the basis of the charter, we prioritize our activities and set action plans. As a basic plan for specific activities, TDK has formulated the Health and Safety Basic Plan, which it strives to implement with the aim of reducing the number of significant labor accidents to zero. We also encourage activities based on consultation with and active participation of our employees, in recognition of the fact that ensuring health and safety is achieved through good communication.

Health and safety and environmental activities are promoting within the framework of the Management System, which integrates corporate management and environmental management. Since the active participation of our employees is essential to these activities, we conduct awareness-raising activities and training necessary to deepen employees’ understanding. In addition, we strive to disclose information appropriately and proactively communicate to increase external stakeholders’ understanding of the TDK Group’s management policies, initiatives, and environmental and social impacts.

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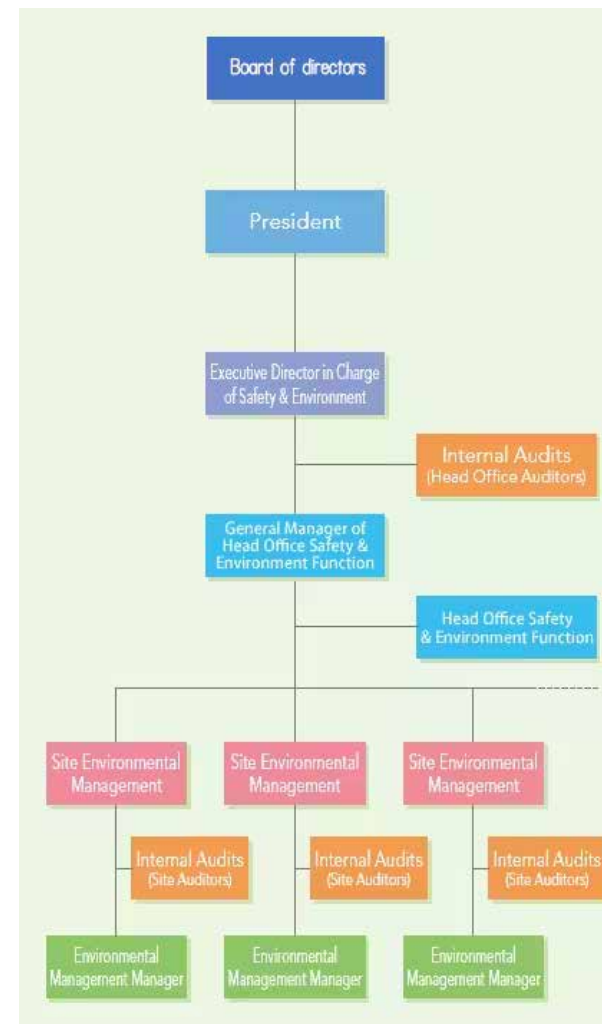
[Operation of the TDK Environmental Management System](#)

[Environmental Education](#)

[EMS Assessment System and Award Program](#)

Environmental Management System

TDK has established an Environmental Management System (EMS) with the President and CEO having the highest level of responsibility, and is promoting activities under the framework that integrates corporate management and environmental management. This structure enables us to respond quickly and effectively to increasingly diverse, complex, and global environmental issues, in addition to our traditional on-site environmental conservation activities. Environmental activities including plans, progress, and risks are also reported to the Board of Directors on a quarterly basis, and are deliberated when necessary.



The sites in the chart above refer to ISO-certified manufacturing sites.

Operation of the TDK Environmental Management System

TDK is putting our shoulders to the wheel to reduce the environmental load, and we have acquired ISO 14001 certification (the international standard for environmental management systems) at 93% of our manufacturing sites.

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Furthermore, by implementing internal audits under the leadership of the regional headquarters, each site undertakes a response in accordance with the regional situation. In addition, we are promoting activities toward achievement of the TDK Environment, Health and Safety Action 2025 initiative, which is the common goal of the TDK Group. For example, we endeavor to enhance the performance of each site by holding EHS regional conferences for Japan, China, ASEAN, Europe, and the Americas to share issues and best practices at sites.

Related links

[Facilities with ISO14001 and ISO50001 Certification](#)

[Goals and Achievements](#)

[Social and Environmental Consideration at Manufacturing Sites](#)

Environmental Education

TDK posts activity information, including TDK's approach to environmental initiatives and targets to be achieved, on the in-house intranet, which employees can access and check at any time. In addition, TDK endeavors to publicize and raise awareness of the TDK Group Occupational Health/Safety and Environmental Charter by means of handy cards, posters for display, the digital signage bulletin board, and other activities. Furthermore, each site promotes self-awareness and competence education relating to the environment among new recruits and transferred employees by utilizing e-learning and so on.

We implemented training on the handling of chemical substances as an in-house educational program utilizing an e-learning. Participants in the training achieved an understanding of the usefulness, as well as the hazardous and harmful properties of chemical substances, while also confirming the specific risks and appropriate handling methods for chemicals used in the course of actual work. TDK is endeavoring to create safe and healthy working environments and to raise awareness of undertaking actions to coexist in harmony with the global environment.

EMS Assessment System and Award Program

With the aim of boosting the Environmental Management System and the performance of safety and environment related activities, TDK has introduced a program for assessing the degree by which both safety and environment management related goals have been attained on a global basis.

The program covers initiatives to address social issues, such as energy, water, waste, health/safety, and the SDGs. Business sites with a high overall score, and sites, departments or individuals that have conducted special activities in a specific area are recognized with an award. Gold, Silver, Bronze, and Fighting Spirit awards are given based on performance, and awards and monetary rewards are presented to the president, factory manager, business unit manager or to the individual employees of each qualifying site. Award recipients in fiscal 2024 were as follows:

■Excellent overall score

Amperex Technology Limited

TDK Philippines Corporation

TDK Corporation Mikumagawa Factory

[Health and Safety](#)

■Outstanding activities in a specific field

【Energy】

TDK Electronics AG

TDK (Suzhou) Co., Ltd.

TDK (Thailand) Co., Ltd.

TDK (Zhuhai) Co., Ltd.

TDK Electronics Factories Corporation Honjo Factory (West site)

【Resources】

[Initiatives for the Circular Economy](#)

【Health and Safety】 TDK Electronics s.r.o.

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Facilities with ISO14001 and ISO50001 Certification

(As of June 1st 2024)

ISO14001:2015

Facility	Country	Certificate Number	Certification Body
TDK Corporation The Safety, Environment, and Social Group of the Sustainability Promotion HQ Technical Center Mikumagawa Factory Asama Techno Factory Kofu Factory Narita Factory Shizuoka Factory Inakura Factory (East site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Ouchi Factory Chokai Factory TDK Electronics Factories Corporation Kofu Factory Inakura Factory (East site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Kitakami Factory Ouchi Factory Chokai Factory Iwaki Factory Tsuruokanishi Factory Sakata Factory Iida Factory Tsuruokahigashi Factory TDK-Lambda Corporation Nagaoka Technical Center	Japan	JP21/071691	SGS
TDK Precision Tool Corporation	Japan	05672	Intertek
TDK USA Corporation TDK Components USA., Inc. Headway Technologies, Inc. TDK-Lambda Americas Inc.	U.S.A.	10018048 UM15	IQNET

TDK China Co., Ltd. TDK (Suzhou) Co., Ltd TDK Dalian Corporation Qingdao TDK Electronics Co., Ltd. TDK Xiamen Co., Ltd. Guangdong TDK Rising Rare Earth High Technology Material Co., Ltd. TDK Dongguan Technology Co., Ltd.	P.R. China	CN047116	BV
TDK Ganzhou Rare Earth New Materials Co., Ltd.	P.R. China	01 104 085364	TUV
Guangdong Real Faith Pingzhou Electronics Co., Ltd. Guangxi Real Faith Pingzhou Electronics Co., Ltd.	P.R. China	00221E33645R3L 00221E33645R3L-1	IQNet
SAE Magnetics (Dongguan) Limited	P.R. China	02123E11411R8L	CCCI
AFI Technologies (Chang An) Ltd.	P.R. China	02123E10010R6L	CCCI
SAE Components (ChangAn) Limited	P.R. China	02123E10010R6L-1	CCCI
SAE Technologies Development (Dongguan) Co., Ltd.	P.R. China	02123E11411R8L-1	CCCI
Ningde Amperex Technology Ltd.	P.R. China	CN09/31828.00	SGS
Dongguan Poweramp Technology Ltd.	P.R. China	CN19/32001	SGS
Acrathon Precision Technologies (Dongguan) Co., Ltd.	P.R. China	02121E10429R4M	CCCI
TDK-Lambda (China) Electronics Co., Ltd.	P.R. China	02122E10703R5M	CCCI
TDK Taiwan Corporation	Taiwan	20003153 UM15	IQNET
InvenSense Taiwan Ltd.	Taiwan	TW17/00861	SGS
TDK Korea Co., Ltd.	Korea	KR003796	BV
TDK Philippines Corporation	Philippines	50500402UM15	IQNet
TDK (Thailand) Co., Ltd.	Thailand	488005 UM15	IQNET
Magnecomp Precision Technology Public Co., Ltd. Rojana Factory Wangnoi Factory	Thailand	25884/A/0002/UK/En 25884/G/0001/UK/En	URS
TDK (Malaysia) Sdn. Bhd.	Malaysia	01 104 117285	TUV

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TDK-Lambda Malaysia Sdn. Bhd Senai Factory Kuantan Factory	Kuantan Factory Malaysia	01 104 1735507 01 104 1735507/01 01 104 1735507/02	TUV
TDK-Lambda UK Ltd.	U.K.	EMS 518156	BSI
TDK-Lambda Ltd.	Israel	87520	IQnet
TDK Electronics AG	Germany	10000407310-MSC-RvA-DEU	DNV

ISO50001

Facility	Country	Certificate Number	Certification Body
TDK Electronics AG	Germany	10000407433-MSC-RvA-DEU	DNV
Ningde Amperex Technology Ltd.	P.R. China	CN17/30924	SGS

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Action Plan in TDK Environment, Health and Safety Action 2025* and Fiscal 2024 Achievements

【1】 TDK Environment Activity: improve CO₂ emissions intensity in a lifecycle perspective 50% by 2035, compared with Fiscal Year 2015

Assess our entire value chain emissions impact including environmental contribution and improve the sales based intensity.



Established: April 1, 2016

Revised: April 1, 2024

Tasks	Fiscal 2024				Fiscal 2025		Scope No. ¹⁾	Fiscal 2026		Fiscal 2036 (100th anniversary)
	Objectives	Practical Activities	Achievements	Status	Objectives	Practical Activities				
(1)Reduce CO ₂ emissions at manufacturing sites	Improve CO ₂ emission intensity from energy use by 1.8% compared with the previous fiscal year	Reduce CO ₂ emissions by equivalent to 2.0% of the previous fiscal year	Improved by 38.0% compared with the previous fiscal year	Achieved	Improve CO ₂ emission intensity from energy use by 1.8% compared with the previous fiscal year	Reduce CO ₂ emissions by equivalent to 2.0% of the previous fiscal year	1, 2	-	Improve CO ₂ emissions intensity by 30%	
(1)-a Efficient use of energy	Improve energy consumption intensity by 1.0% of the previous fiscal year	• Reduce energy consumption by equivalent to 2.0% of the previous fiscal year by energy-saving activities • Visualize detailed energy consumption in production	Improved by 2.9% compared with the previous fiscal year	Achieved	Improve energy consumption intensity by 1.0% of the previous fiscal year	• Reduce energy consumption by equivalent to 2.0% of the previous fiscal year by energy-saving activities • Visualize detailed energy consumption in production				
(1)-b Expand renewable energy usage	Implement efforts to achieve 50% renewable energy by 2025 (Scope 2)	Promote measures to achieve targets (Scope 2)	55.2% renewable energy achieved, compared with a target of 40% for fiscal 2024	Achieved	Implement efforts to achieve 50% renewable energy by 2025 (Scope 2)	Promote measures to achieve targets (Scope2)		Installation rate of renewable energy:50% (Scope 2)		
(2)Reduce water withdrawal	Improve water withdrawal intensity by 1.5% of the previous fiscal year	• Improve water withdrawal intensity by 1.5% of the previous fiscal year at each manufacturing site • Improve the recycling ratio of water	Improved by 5.4% compared with the previous fiscal year	Achieved	Improve water withdrawal intensity by 1.5% of the previous fiscal year	• Improve water withdrawal intensity by 1.5% of the previous fiscal year at each manufacturing site • Improve the recycling ratio of water				
(3)Efficient use of resources	Improve waste intensity by 1.5% of the previous fiscal year	• Improve waste intensity by 1.5% of the previous fiscal year at each manufacturing site • Improve material yield • Promote recycling and reuse • Pursuit zero-defect	Improved by 3.5% compared with the previous fiscal year	Achieved	Improve waste intensity by 1.5% of the previous fiscal year	• Improve waste intensity by 1.5% of the previous fiscal year at each manufacturing site • Improve material yield • Promote recycling and reuse • Pursuit "zero-defect"				
(4)Reduce CO ₂ emissions from a life cycle perspective	Promote reduction of environmental load through activity of Scope 3	Promote the use of low environmental load materials Promote efforts to reduce CO ₂ emissions in logistics globally	• Reduce global logistics CO ₂ emissions • Logistics CO ₂ Emission Intensity Improved by 12.0% Compared to the Previous Year	Achieved	Promote reduction of environmental load through activity of Scope 3	• Promote the use of low environmental load materials • Promote efforts to reduce CO ₂ emissions in logistics globally				
(5)Expand contributions to reduction of CO ₂ emissions by products	Improve the intensity of contribution to CO ₂ reduction by products by 2.7% compared with the previous fiscal year	Increase in the number of products for which product contribution is calculated	Improved by 27.5% compared with the previous fiscal year	Achieved	Improve the intensity of contribution to CO ₂ reduction by products by 2.7% compared with the previous fiscal year	Increase in the number of products for which product contribution is calculated	3	Create reduction activities equivalent to 30% improvement of CO ₂ emissions		Improve CO ₂ emissions intensity from a lifecycle perspective by 50%
(6)Development and Expansion of Products and Solutions to Achieve a Net-Zero Society by 2050	• Develop and expand sales of products and solutions that realize a net-zero society • Providing products and solutions that generate clean energy to achieve a decarbonized society • Providing products and solutions that enable an efficient energy society through energy storage, conversion, and control	Create products and solutions that realize a net-zero society	73% * Proportion of products and solutions that contribute to the realization of a net-zero society among products and solutions that contribute to the sustainability of society	■ Providing Products and Solutions that Generate Clean Energy to Achieve a Decarbonized Society • Magnet modules for wind power generation ■ Providing Products and Solutions that Enable an Efficient Energy Society through Energy Storage, Conversion, and Control • Power capacitors for High Voltage Direct Current (HVDC) transmission • Capacitors for power electronics in railways and renewable energy • Power inductors for xEV • Power Storage Systems (ESS) • Bidirectional DCDC converters for energy storage systems	• Provide products and solutions for creating clean energy to realize a zero-carbon society • Provide products and solutions for the creation of a highly efficient energy society by storing, converting, and controlling energy	• Establishing criteria for the expansion of products related to SDG Goals 7 and 13 • Conducting SSRS ²⁾ dialogues with all BC/BG ¹⁾ to understand and promote product and solution provision activities (100% implementation rate)				
(7)Reduce risks of chemicals use	Reduce the impact of chemicals on humans and the environment	Promote the substitution and reduce usage of hazardous chemicals	Reduced hazardous waste through autonomous substitution and responding to customer requirements as well as increasing efficiency of resource usage	Achieved	Reduce the impact of chemicals on humans and the environment	Promote the substitution and reduce usage of hazardous chemicals				
(8)Contribute to environmental society	Preserve the environment and biodiversity	• Promote forest conservation activity • Promote environmental education and awareness	• Trees planted outside the company: over 1,000 in total • Education for elementary school students in the local community: provided to 1,800 students in total • Financial assistance for the operation of elementary schools in the local community	Achieved	Preserve the environment and biodiversity	• Promote forest conservation activity • Promote environmental education and awareness				

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【2】 TDK Health and Safety Activity

Take actions to achieve zero labor accidents, our ultimate goal.



Tasks	Fiscal 2024				Fiscal 2025	
	Objectives	Practical Activities	Achievements	Status	Objectives	Practical Activities
Activity for health and safety	Achieve zero significant labor accidents*4	Implement comprehensive patrols by site top managers and take action to mitigate identified major risks	One significant labor accident	Not Achieved	Achieve zero significant labor accidents	Implement comprehensive patrols by site top managers and take action to mitigate identified major risks

*1 Scope No.: based on GHG Protocol

*2 SSRS: Social Responsibility and Sustainability

*3 BC/BG: Business Companies / Business Groups

*4 Significant labor accident: an accident with remaining disability, required long-term nursing, or fatality

*Action Plan in TDK Environment, Health and Safety Action 2025 runs through fiscal 2026 (ending March 31, 2026).

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TCFD/TNFD

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[4. Metrics and Targets](#)

Introduction

In May 2019, TDK expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD), which recommends the analysis and disclosure of the financial impact of climate change on companies. Under the TDK Environmental Vision 2035, we aim to halve the CO₂ emission intensity across the entire value chain, from procurement to disposal, by 2035, and have been evaluating and disclosing the risks and opportunities posed by climate change to our business.

Furthermore, following the final recommendations of the Task Force on Nature-Related Financial Disclosures (TNFD) published in September 2023, we have begun to assess our dependencies, impacts, risks, and opportunities related to natural capital, including biodiversity, in accordance with the guidance.

TDK believes that evaluating and appropriately disclosing the risks and opportunities posed by climate change and natural capital to our business is essential for both our growth and the realization of a sustainable society, and we are steadily advancing our initiatives in this regard.

1. Governance

1.1 Governance structures

Board of Directors' Supervisory Responsibility

TDK's Board of Directors receives quarterly reports on the execution of sustainability-related activities, including climate change and natural capital, through the monitoring of non-financial goals' progress. They deliberate and make decisions on basic policies, medium- to long-term strategies, annual plans, and key indicators and targets.

Management's Executive Responsibility

At the management meetings, reports are received from the executive departments on the status of goal achievement and risks. The Executive Officer in charge of Sustainability oversees sustainability-related activities, including climate change and natural capital. The Sustainability Promotion Department holds the executive responsibility for implementing measures to address sustainability-related risks and conducting regular monitoring. They push forward activities in cooperation with relevant departments, including reporting on key KPIs, formulating medium- to long-term goals, and planning investments for sustainability-related activities, including climate change and natural capital. Matters deemed to have a significant impact on management are deliberated at management meetings, and when necessary, at the Board of Directors' meetings.

1.2 Stakeholder engagement

TDK has global business locations and utilizes various raw materials, energy, water, and other resources in the manufacturing processes of its core electronic devices. We strive to ensure that our business activities do not have negative impacts on nature and respect engagement with stakeholders, including indigenous peoples and local communities, who have deep connections with nature.

(Our policies for respecting human rights)

At TDK, our Corporate Ethical Standards state, "We respect human rights both domestically and internationally, comply with relevant laws, international rules and their spirit, and fulfill our social responsibility with a high sense of ethics towards the creation of a sustainable society." We require adherence to all human rights-related laws, including those prohibiting child labor and forced labor within our supply chain. The "TDK Group Human Rights Policy," established in 2016, respects and supports international human rights norms such as 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. Additionally, we are committed to the framework of the "UN Guiding Principles on Business and Human Rights," endorsed by the United Nations in 2011, and we strive to correctly understand and address potential human rights issues across our entire supply chain.

TDK respects the human rights of all relevant stakeholders and expects all business partners to support these principles. We expect our suppliers to understand and comply with this policy.

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(Identification and evaluation of human rights risks)

Through dialogue with experts, reporting from international human rights organizations, labor and corporate ethics risk assessments, and CSR self-assessments, we regularly scrutinize potential human rights risks and identify subjects that require consideration.

(Human rights due diligence)

At TDK, we determine and promote human rights due diligence processes in accordance with the procedures outlined in the “UN Guiding Principles on Business and Human Rights.” Additionally, we enhance the effectiveness of our activities through dialogue with external experts and both internal and external stakeholders.

Related links

[Stakeholder Engagement](#)

[Respect for Human Rights](#)

[Sustainable Procurement](#)

2. Strategy

In May 2024, TDK announced its long-term vision and new medium-term management plan, unveiling the long-term vision of “TDK Transformation. Accelerating transformation for a sustainable future.” This vision demonstrates our commitment to accelerating technological advancement and societal transformation to contribute to a sustainable future. To achieve this long-term vision and enhance corporate value, we have identified the progression of solving social and environmental issues as key material issues.

Regarding climate change measures, we are promoting the effective use of energy and the expansion of renewable energy utilization at our production sites to achieve net-zero CO₂ emissions by 2050. Under the TDK Environmental Vision 2035, which aims to improve the CO₂ sales intensity from raw materials to product disposal by 50% from the baseline year of 2014, we have established activities and goals to manage our progress.

2.1 Climate change scenario analysis (TCFD)

To analyze the business risks and opportunities related to climate change issues and incorporate them into our strategy, we conducted scenario analysis based on the assumptions outlined below, following the “TCFD Scenario Analysis Practical Guide” published by the Ministry of the Environment.

• Preconditions

Assumed period: Fiscal 2031

Applicable scope: Entire TDK Group, upstream and downstream value chain

Adopted scenarios: 1.5°C scenario (IEA-NZE), 4°C scenario (the IEA's Current Policies Scenario [CPS], Stated Policies Scenario [STEPS], and Representative Concentration Pathway [RCP] 6.0 scenario)

Types of risks covered: Current and emerging regulatory, technology, legal, market, reputational, acute and chronic physical risks.

2.2 Dependence and Impact Analysis on Nature (TNFD): Overview Analysis of the Value Chain

To understand the relationship between our business activities and nature through TDK's direct operations and upstream and downstream value chain, we analyzed dependencies and impacts by industrial sector using the natural risk assessment tool (ENCORE). The heatmaps of dependencies and impacts on nature are shown in Figure 1 and Figure 2, respectively.

For TDK, which operates in the electronic components sector, it was indicated that there is a moderate dependency on surface water and groundwater in direct operations, and a high impact on water quality and soil contamination. As we move upstream in the value chain, the overall impact on water use, ecosystem utilization, and pollution tends to be high. The farther upstream we go in the value chain, the greater the interaction with nature, leading to higher dependencies and impacts.

		Supply Service				Coordination and maintenance service																	
		Animal Derived Energy	Fiber and other materials	Genetic material	Groundwater	Surface water	Biological purification			Barriers and attenuation of material flows	Climate regulation	Atmospheric and ecological dilution	Disease control	Filtration	Flood and storm mitigation	Maintenance of feeding habitats	Sanitization and erosion control	Sensory impact mitigation	Pest control	Pollinator	Soil quality improvement	Ventilation	Water Flow Control
Upstream	Resource mining			H	H					H							M						H
Upstream	Raw materials Processing			H	H	VL				L				VL	M		L	L				VL	L
Direct operations operations	TDK Site			M	M							L											
Downstream	Automotive ICT Industrial Machinery and Others			M	M					VL	L			VL	M		VL	M				VL	M

Figure 1: Heatmap (Dependencies)

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		Resource use and replenishment		Land, freshwater, and ocean use change		Climate change	Pollution and pollution protection				
		Water use	Other resource use	Terrestrial ecosystem use	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Non-GHG air pollutants	Water pollutants	Soil pollutants	Solid waste
Upstream	Resource mining	VH		VH	H		H	H	H	H	H
Upstream	Raw material processing	H		H			H	H	H	H	
Direct operations	TDK Site								H	H	M
Downstream	Automotive ICT Industrial Machinery and Others	H					H	M	H	H	M

Figure 2: Heatmap (Impacts)

2.3 Dependence and Impact Analysis on Nature (TNFD): TDK Business Locations

For 82 TDK direct business locations, we analyzed spatial risk information for nature-related items using the WWF Risk Filter Tools (Biodiversity Risk Filter/Water Risk Filter). We assessed 34 items, including water scarcity, wildlife, ecosystems, protected areas, forests, pollution, and land use change, in relation to the location information of each site. Of the 34 items, 13 were deemed irrelevant, 10 had risk assessment scores ranging from Low to Middle, and 11 had risk assessment scores ranging from High to Very High. The proportion of sites evaluated as high risk is shown in Figure 3.

As for physical risks related to dependencies, items such as water (water scarcity, floods, water quality) and climate change (landslides, extreme heat, tropical cyclones) were identified at multiple locations. For physical risks related to impacts, pollution risk was recognized at all locations. Additionally, as transition risks, items related to biodiversity (protected/conservation areas, key biodiversity areas) were suggested to potentially impact several locations. Climate change-related items were also identified as risks by the TCFD.

Based on these analyses, we identified key nature-related issues and evaluated TDK's risks and opportunities.

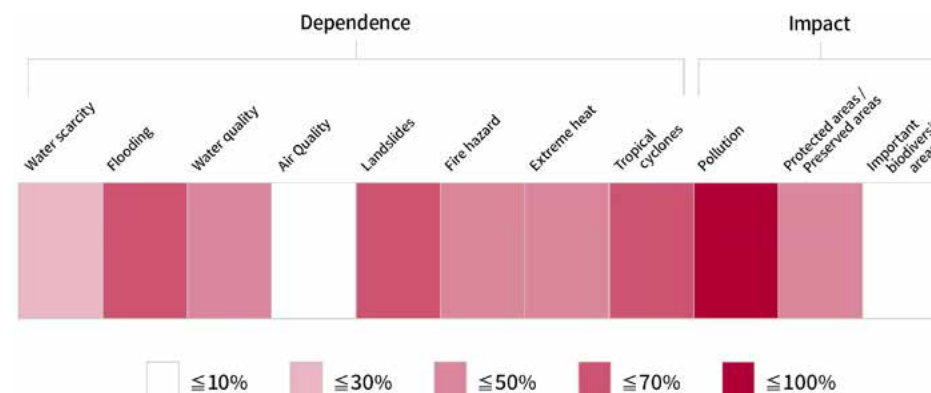


Figure 3: Figure 3: Proportion of TDK Business Locations with Potentially High Nature-Related Risks

2.4 Risks and opportunities (TCFD/TNFD)

2.1 The results of TCFD scenario analysis related to climate change, and 2.3 the risks and opportunities identified from key nature-related issues are shown in Table 1

(Transition risks)

Regarding climate change, under the 1.5°C scenario where decarbonization policies result in stricter regulations in various countries, we recognized the potential transition risks such as the introduction of carbon pricing and the increase in costs for renewable energy. The financial impact by 2030 is estimated to be 11.4 billion yen for carbon pricing and 15.5 billion yen for renewable energy. In the automotive market, which is one of TDK's focus markets, the shift towards electric vehicles (EVs) is expected to progress, presenting opportunities for increased sales of EV-related products as well as recognizing potential risks and opportunities related to batteries. On the other hand, under the 4°C scenario, we recognized the increased risk of floods due to more frequent extreme weather events.

(Physical risks)

Regarding climate change, we have identified the increased business risk due to the rise in flooding. The financial impact by 2030 is estimated to be 4.9 billion yen. We conducted scenario-based analysis using the WWF Risk Filter and Aqueduct by the World Resources Institute (WRI) to identify regions with high water stress across all TDK production sites. Based on this analysis, we implement measures each year that are tailored to the flood risk at each site, including promoting BCP (Business Continuity Planning) measures and establishing BCM (Business Continuity Management) systems. Water risk has also been identified as a nature-related risk.

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As a nature-related risk, physical risk from pollution was identified. Pollution includes wastewater, solid waste, and emissions that can impact biodiversity. TDK has obtained ISO 14001 certification (an international standard for Environmental Management Systems) and complies with legal regulations. Moreover, for some items, we have established even stricter voluntary standards than the legal limits to reduce environmental impact and prevent issues before they occur. We will continue to work towards further risk reduction and natural restoration.

(Opportunities)

In terms of opportunities related to climate change, we have identified the expansion of new business opportunities and the promotion of new product development. The financial impact by 2030 is estimated to be 645 billion yen for sales growth due to increased demand for our products and services. We also estimate the cost of realizing these opportunities to be 95 billion yen.

Table 1. Risks and opportunities

Risks

Physical risks	Acute risks	Increased flooding	Climate change / Nature-related	Medium / Long Term	Implementation at sites of measures to counter flooding risks Promotion of BCP response, building of BCM framework, etc.
		Water scarcity	Climate change / Nature-related	Medium / Long Term	Reduce water consumption, closed use of water, etc.
	Chronic risks	Water quality worsening	Nature-related	Medium / Long Term	Installation of advanced wastewater treatment system
		Pollution by waste	Nature-related	Short-Long Term	Waste reduction and recycling, promotion of circular economy, etc.
Transition risks	Policy risks	Carbon pricing / Carbon-emission targets of each country	Climate change	Medium / Long Term	Promotion of the effective use of energy, expanded use of renewable energy, etc. at manufacturing sites toward the realization of net-zero CO2 emissions in 2050
	Market risks	Increase of energy costs due to rise in renewable energy ratio	Climate change	Medium / Long Term	Promotion of the effective use of energy at manufacturing sites toward the realization of net-zero CO2 emissions in 2050
		Increase in price of cobalt and lithium	Climate change	Short-Long Term	Monitoring of raw material price trends and implementation of risk hedging at time of procurement Implementation of long-term supply contracts Reduction of amount of cobalt and lithium used in products, etc.
	Technology risks	Development of next-generation battery materials	Climate change	Long Term	Promotion of the development of all-solid-state batteries
	Reputation risks	Increase of customer demands regarding RE100	Climate change	Short-Long Term	Analysis of customer initiatives to respond to climate change

Opportunities

Businesses	Market	Increase of energy costs due to rise in renewable energy ratio	Climate change	Medium / Long Term	Promotion of development of products for renewable energy, etc.
	Products & Services	Increase of new business chances due to expansion of EV market	Climate change	Medium / Long Term	Promotion of product development with an eye on EV market expansion
		Development of next-generation battery materials	Climate change	Long Term	Promotion of the development of all-solid-state batteries
		Water quality worsening	Nature-related	Medium / Long Term	Promote water purification business
Nature	Reputation	Increase of customer demands regarding RE100	Climate change	Short-Long Term	Compilation of plan to introduce renewable energy, etc.
		Protection, regeneration and restoration of ecosystems	Nature-related	Medium / Long Term	Ecosystem restoration through afforestation, etc.

*Time axes: Short term refers to less than one year, medium term refers to one year to less than three years, and long term refers to 3 to 20 years.

Related links

[Environmental Management System](#)
[Water Resources Conservation](#)
[Initiatives for the Circular Economy](#)

3. Risk and Impact Management

3.1 Identification of nature-related dependence, impacts, risks, and opportunities and assessment process (TNFD)

The identification and evaluation of dependencies, impacts, risks, and opportunities related to nature were conducted based on the TNFD's LEAP approach. For nature-related analysis and evaluation, we used the web tools recommended by the TNFD for each natural item (Table 2).

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Table 2. Tools used for nature-related surveys

Survey Items	Tools	Contents
Contact with Nature	IBAT (Integrated Biodiversity Assessment Tool)	IUCN Red List, number of protected areas, number of KBAs, STAR, etc.
	Global Forest Watch	Land cover, land use, biodiversity integrity, etc.
	WWF Biodiversity Risk Filter	Biodiversity, Supply and regulating services, Pollution, etc.
	WWF Water Risk Filter, Aqueduct	Water scarcity, flood, water quality, etc.
Dependency, Impact assessment	ENCORE	Nature dependence and impact assessment by industry sector
	WWF Risk Filter Suite (Biodiversity Risk, Water Risk)	Comprehensive assessment of nature-related risks at your site

Related links

[The TNFD LEAP approach \(Link to external site\)](#)

[IBAT \(Link to external site\)](#)

[Global Forest Watch \(Link to external site\)](#)

[ENCORE \(Link to external site\)](#)

[WWF Risk Filter Suite \(Link to external site\)](#)

[Aqueduct \(Link to external site\)](#)

3.2 Climate change and nature-related risk management processes

At TDK, we have established the Enterprise Risk Management (ERM) Committee, chaired by an executive officer appointed by the President and CEO, to carry out company-wide risk management activities. The ERM Committee identifies company-wide risks in accordance with the “Risk Management Regulations.” The long list of risks managed by the committee includes nature-related risks, and if these are assessed as significant through business risk analysis and evaluation, they are treated as management targets.

The Sustainability Promotion Department, which leads the TDK Group’s sustainability activities, identifies risks and opportunities related to sustainability items, including climate change and natural capital, implements measures, and conducts monitoring.

3.3 Group-wide risk management process

Risk Management System

TDK, aiming for sustainable growth, implements company-wide Enterprise Risk Management (ERM) activities to promote and appropriately manage measures against factors (risks) that hinder the achievement of organizational goals. To consider and implement measures related to ERM activities and strengthen risk management, we have established an ERM Committee chaired by an executive officer appointed by the President and CEO.

The ERM Committee analyzes and evaluates company-wide risks, identifies risks requiring countermeasures, and assigns risk owners, executing departments, and relevant departments for each risk to ensure proper management. The risk owner departments establish the minimum required standards and rules for building the risk management system for their respective risks, consolidate and report the results of risk assessments. The executing departments build the necessary systems to manage their respective risks, plan and implement specific countermeasures, and monitor progress. The ERM Committee’s risk analysis, evaluation, and the status of countermeasures for significant risks are deliberated at management meetings and reported to the Board of Directors.

Implementation of Countermeasures

The ERM Committee communicates the countermeasures for each risk to the risk owner departments, executing departments, and relevant departments. The executing departments work closely with the relevant departments to implement or direct the countermeasures for the risks they are responsible for within the TDK Group companies. Based on the instructions from the executing departments, each TDK Group company implements the countermeasures for each risk.

Monitoring and Improvement

The executing departments regularly monitor the implementation status of countermeasures for their respective risks and verify whether these risks are adequately controlled. The risk owner departments verify that the executing departments are appropriately monitoring the implementation status of the countermeasures.

The ERM Committee, based on the monitoring results compiled by the executing departments, may recommend improvements to the risk owner departments or executing departments if deemed necessary.

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Related links

[Risk Management](#)

4. Metrics and Targets

TCFD

Under the “TDK Environmental Vision 2035,” TDK aims to “halve the CO₂ emission intensity from a lifecycle perspective by 2035.” Based on this vision, we have established the “TDK Environmental and Safety Activities 2025” as our fundamental environmental plan through 2025, setting activity items and target values and managing progress. Additionally, we obtained SBT (Science-Based Targets) certification in June 2024.

Medium- to Long-Term Targets

TDK Group's Materiality	Execution of Social and Environmental Problem Solving
TDK Environmental Vision 2035	Halving the CO ₂ emissions intensity from a life-cycle perspective by 2035, compared with fiscal 2015 (Scope 1, 2, 3)
	Improve CO ₂ emissions intensity by 30% by 2025, compared with fiscal 2015 (Scope 1, 2, 3)
Action Plan in TDK Environment, Health and Safety Action 2025	Achieve renewable energy target of 50% by 2025 (Scope 2)

Goals and Achievements in Fiscal 2024

FY2024 Goals and Achievements	Achievements
Reduce CO ₂ emissions at manufacturing sites	
Improve CO ₂ emission intensity from energy use by 1.8% compared with the previous fiscal year	Improved by 38.0% compared with the previous fiscal year
Improve energy consumption intensity by 1.0% of the previous fiscal year	Improved by 2.9% compared with the previous fiscal year
Implement efforts to achieve 50% renewable energy by 2025 (Scope 2)	40% renewable energy achieved, compared with a target of 55.2% for fiscal 2024
Reduction of CO ₂ emissions through Scope 3 category-specific initiatives	
Promote reduction of environmental load through activity of Scope 3	Reduced global logistics CO ₂ emissions Logistics CO ₂ Emission Intensity Improved by 12.0% Compared to the Previous Year

GHG emissions (kt-CO ₂)	Fiscal 2024
Total emissions	20,373
Scope 1	134
Scope 2	694
Scope 3	19,546

TNFD

Among the core disclosure indicators guided by the TNFD, TDK discloses global environmental data on GHG emissions, waste emissions, and water usage. For core disclosure indicators that are not yet disclosed, we are preparing for disclosure by collecting data and conducting more detailed analyses.

For detailed data and the status of our initiatives, please refer to the linked information. Note that GHG emissions are verified by a third party.

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Related links

[Goals and Achievements](#)

[Climate Change Initiatives](#)

[Environmental Data](#)

[Third-Party Assurance](#)

At TDK, aiming for the realization of a sustainable future, we have set goals not only to reduce environmental impact during the manufacturing stages at our business sites and the usage stages of our products but also to regenerate and protect the global environment from a lifecycle perspective. For undisclosed targets, we will proceed with consideration based on the goal-setting guidance of TNFD v1.0 and SBTs for Nature.

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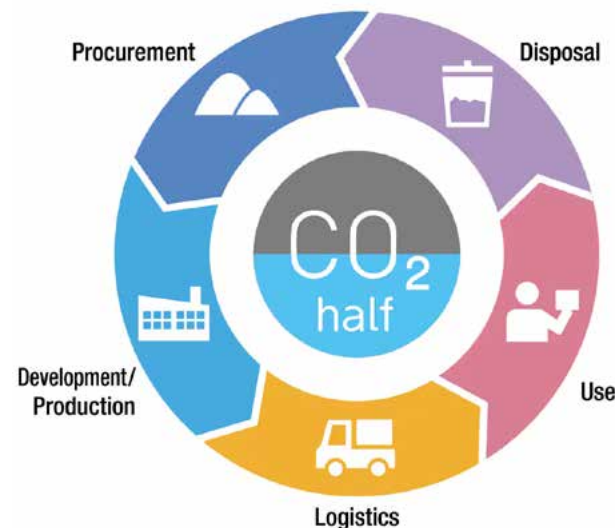
Climate Change Initiatives

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[Response to TCFD](#)
[Governance](#)
[Strategy](#)
[Risk Management](#)
[Metrics and Targets](#)
[Initiatives](#)
[Participation in Initiatives and Associations](#)

Our Approach

Anthropogenic greenhouse gas emissions, which contribute to global warming, are on the rise, and the sense of crisis about climate change is increasing, as represented by the Paris Agreement adopted at the COP21 in December 2015. Above all, carbon dioxide (CO₂) is a major emission source that makes up 76% (from the IPCC 5th Assessment Report) of greenhouse gases, so it is necessary to implement reliable CO₂ reduction measures in business activities.

In the TDK Group, the environmental officer serves as the manager of the Group's environmental activities, including climate change issues, and the Safety, Environment, and Social Group of the Sustainability Promotion HQ leads the promotion of and support for the Group's environmental activities. We make decisions on important matters for management of the Group's environmental activities based on deliberation by the Executive Committee and, if necessary, the Board of Directors. The TDK Environmental Vision 2035 was established as the goals of specific activities, and we strive to reduce the environmental load from a life-cycle perspective, from the use of raw materials to the use and disposal of products.



Initiatives to Reduce Environmental Load by Life Cycle

- Supplier Engagement Initiatives <procurement>



At TDK, we are promoting initiatives to reduce CO₂ emissions across the entire supply chain. To realize a sustainable society, it is important for TDK and our suppliers to work together on environmental activities, considering the entire lifecycle of our products. To this end, we have set a Science Based Targets (SBT) certified goal to reduce Scope 3 GHG emissions associated with purchased products and services, as well as the use of sold products, by 25% by fiscal 2031 compared to fiscal 2022 (the base year). Since the fiscal 2024, we have been discussing emission reduction measures with two key suppliers, collaboratively planning and implementing actions to reduce approximately 100 tons of CO₂ annually. We will continue to deepen and expand our reduction activities with suppliers, striving to further reduce CO₂ emissions.

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Assessment by supplier

• Supplier Environmental Award <procurement>



As part of our supplier engagement, TDK has been conducting the “Supplier Environmental Award” since fiscal 2022. This award was established to raise awareness of environmental activities among all suppliers by recognizing exemplary suppliers who actively disclose information about their environmental activities and promote reduction efforts. In fiscal 2024, we awarded two suppliers. In the future, we plan to expand the scope of the awards to include overseas suppliers. Additionally, we are holding webinars for suppliers.



Photograph of the FY2024 Supplier Environmental Award

• Reduction of CO₂ emissions at manufacturing sites <production>



From the standpoints of the effective use of energy and the expanded use of renewable energy, TDK is tackling the reduction of energy-related CO₂ emissions at manufacturing sites.

• Reduction of CO₂ emissions at manufacturing sites (utilization of exhaust heat using adsorbent thermal storage system) <production>



We have introduced an adsorbent thermal storage system in cooperation with an external supplier at our Honjo Factory West Site. Using this system, exhaust heat generated in the product manufacturing process is recovered by adsorption, then stored, and subsequently transported to a clean room external air treatment unit during the production process for dissipation as heat, allowing for its re-use as a heat source for the external air treatment unit. The reduction effect for CO₂ emissions at the site is estimated at 249 tons per year, equivalent to approximately 5% of the site’s total CO₂ emissions.

Going forward, we will also be investigating the possibility of supplying this heat source to public facilities, hospitals, and hot springs in the vicinities of the factory, in addition to using the heat source in the production process. We will also be considering introduction of this system at our other factories in Japan, thereby actively contributing to the realization of a sustainable society by expediting the pace of our energy-saving initiatives.

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Heat storage using thermal storage materials at the exhaust heat site

Dissipation of heat using thermal storage materials at the heat utilization site

Thermal storage materials

- Expansion of product contributions to reducing CO₂ emissions (product contributions) <development>



Expanding the reduction of CO₂ emissions through products (product contributions) is one of the core initiatives within the TDK Environmental Vision 2035 and TDK Environment, Health and Safety Action 2025. To mount potent appeals for the social contributions by TDK products as the fruits of technical initiatives, these product contributions have been calculated and disclosed since the TDK Environmental Action 2020 (the company's previous medium- to long term plan).

Public awareness activities are also being advanced to gain understanding of the contributions of electronic components as intermediary parts, along with moves to formulate coherent industry standards for calculation methods positioned to serve as the basis for earning appropriate evaluations of product contributions performance, and the results were released in the form of guidance by industry groups.

Based on these results, TDK established the Guideline for Calculation of Product Contributions and is promoting the diffusion of global calculation work throughout the entire TDK Group by adding the calculation of product contributions to assessment requirements at the product development stage. Going forward, TDK will continue to establish calculation rules and endeavor to disseminate them throughout the Group.

In fiscal 2024, the contribution to CO₂ reduction through our products increased by 23.0% compared to the previous fiscal year, reaching 5.207 million tons. Additionally, in terms of intensity, there was a 27.5% improvement compared to the previous fiscal year, significantly exceeding our target. In fiscal 2024, 65.7% of total sales were generated by products that contribute to CO₂ reduction.

- Reduction of CO₂ emissions intensity in logistics <logistics>



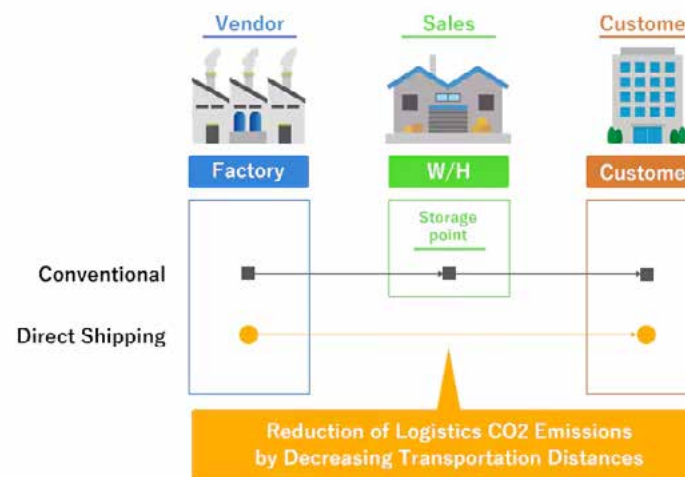
Regarding the reduction of CO₂ emission intensity in logistics, we are advancing the following initiatives:

- Optimization of lead time
- Optimization of packaging specifications
- Consolidated packaging and optimization of MOQ (Minimum Order Quantity)
- Optimization of stock points and promotion of direct shipping

- Optimization of stock points and promotion of direct shipping



As part of TDK's CO₂ reduction activities in logistics, we are promoting direct shipping from our factories to customers' stock points without passing through our own sales warehouses. By cooperating with our customers and our sales/logistics departments, we are streamlining the processes from order to delivery, reducing unnecessary movements, and thus reducing CO₂ emissions in logistics.



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- Excellent environment-conscious products accreditation system <use>



We have introduced product assessments since 1997 to evaluate the environmental impact of products throughout their entire lifecycle. In the mechanism we adopt, only products approved by this product assessment are commercialized and distributed into the market.

The excellent environment-conscious products (ECO LOVE products) accreditation system was introduced in 2008 as a measure to continuously create products with high environment-conscious effects based on the assessment results of the product assessment. We disclose information about the products certified as excellent environment-conscious products on our website and promote the creation and dissemination of products that contribute to reducing the environmental load.

- Circular economy activities (recycling of PET film) <disposal>



As part of our circular economy activities, we have established a recycling system for the reuse of PET film used in the manufacturing process for multilayer ceramic capacitors in cooperation with an external supplier, thereby promoting the reduction of environmental loads.

- Circular economy activities (recycling of old work uniforms) <disposal>



In cooperation with an external supplier, we processed old work uniforms into a textile recycling board, which we in turn upcycled into tables, chairs, and partitions used in the cafe space and workspace at the TDK Technical Center in Ichikawa City, Chiba Prefecture.



Response to TCFD

In May 2019 TDK expressed its approval of the Task Force on Climate-related Financial Disclosures (TCFD), which makes recommendations to analyze and disclose information on the impact of climate change on corporate finances. Established in 2015 by the Financial Stability Board (FSB), an international body that aims to stabilize the financial system, the TCFD makes proposals that are expected to be a catalyst for promoting information disclosure within companies and organizations, and encouraging dialogue between financial institutions and business corporations.

The TDK Environmental Vision 2035 calls for “halving the CO₂ emissions intensity from a lifecycle perspective by 2035” throughout the entire value chain from procurement to disposal.

Believing that assessing the risks and opportunities to our business due to climate change and appropriately disclosing information are going to be essential for both achieving corporate growth and building a sustainable society in the future, TDK is steadily addressing these matters.

TDK’s initiatives to address the issues of climate change are disclosed below according to the TCFD framework.

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Please refer to [TCFD/TNFD](#).

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Strategy

Please refer to [TCFD/TNFD](#).

Risk Management

Please refer to [TCFD/TNFD](#).

Main Risks and Opportunities

	Classification	Risks and opportunities	Occurrence*	Main countermeasures
Transition risks	Carbon pricing / carbon-emission targets of each country	Risk	Medium/Long Term	<ul style="list-style-type: none"> Promotion of the effective use of energy, expanded use of renewable energy, etc. at manufacturing sites toward the realization of net-zero CO₂ emissions in 2050
	Increase of energy costs due to rise in renewable energy ratio	Risk and opportunity	Medium/Long Term	<ul style="list-style-type: none"> Promotion of the effective use of energy at manufacturing sites toward the realization of net-zero CO₂ emissions in 2050 Promotion of the development of products for renewable energy, etc.
	Increase in price of cobalt and lithium	Risk	Short~Long Term	<ul style="list-style-type: none"> Monitoring of raw material price trends and implementation of risk hedging at time of procurement Implementation of long-term supply contracts Reduction of amount of cobalt and lithium used in products, etc.
	Increase of new business chances due to expansion of EV market	Opportunity	Medium/Long Term	<ul style="list-style-type: none"> Promotion of product development with an eye on EV market expansion
	Development of next-generation battery materials	Risk and opportunity	Long Term	<ul style="list-style-type: none"> Promotion of the development of all-solid-state batteries
	Increase of customer demands regarding RE100	Risk and opportunity	Short~Long Term	<ul style="list-style-type: none"> Analysis of customer initiatives to respond to climate change Compilation of plan to introduce renewable energy, etc.
Physical risks	Increase of business risks due to rise in flooding	Risk	Medium/Long Term	<ul style="list-style-type: none"> Implementation at sites of measures to counter flooding risks Promotion of BCP response, building of BCM framework, etc.

*Time horizon: "Short-term" is expected to be less than 1 year, "Medium-term" between 1 and 3 years, and "Long-term" between 3 and 20 years.

Metrics and Targets

Medium to long-term goals

TDK has set a goal to ensure that 100% of the electricity used at all of its business facilities worldwide comes from renewable energy and to achieve CO₂ net zero by 2050. Specifically, the aim is to improve CO₂ emissions intensity by 30% by 2025 and 50% by 2035 compared to fiscal 2015, and to achieve net zero by 2050. One of the key measures to achieve this goal is the transition to electricity derived from renewable energy. The target is to achieve at least 50% renewable energy as a share of the total electricity consumption of the TDK Group worldwide by 2025 and 100% by 2050.

TDK Group's materiality	Execution of Social and Environmental Problem Solving
TDK Environmental Vision 2035	Halving the CO ₂ emissions intensity from a life-cycle perspective by 2035, compared with fiscal 2015 (Scope 1, 2, 3)
Action Plan in TDK Environment, Health and Safety Action 2025	<ul style="list-style-type: none"> Improve CO₂ emissions intensity by 30% by 2025, compared with fiscal 2015 (Scope 1, 2, 3) Achieve renewable energy target of 50% by 2025 (Scope 2)

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goals	Achievements
Reduction of CO ₂ emissions at manufacturing sites	
Improve CO ₂ emission intensity from energy use by 1.8% compared with the previous fiscal year	38.0% improvement compared to the previous fiscal year
Improve energy consumption intensity by 1.0% of the previous fiscal year	2.9% improvement compared to the previous fiscal year
Installation rate of renewable energy electricity in fiscal 2026 : 50% (Scope 2)	In fiscal 2024, 55.2% was implemented against the target of 40%
Reduction of CO ₂ emissions through Scope 3 category-specific initiatives Promote reduction of environmental load through activity of Scope 3	Reduction of Logistics CO ₂ Emissions Logistics CO ₂ Emission Intensity Improved by 12.0% Compared to the Previous Year

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Evaluations and Future Activities

Reduction of CO₂ emissions at manufacturing sites

In fiscal 2024 CO₂ emissions decreased by 40% from the previous year to 827,000 tons due to the expanded introduction of renewable energy. Going forward, we will promote reduction efforts rooted in manufacturing activities across the entire Group based on a policy, as advocated in TDK's materiality, of achieving the effective use of energy and the expanded use of renewable energy toward the realization of net-zero CO₂ emissions by 2050.

Reduction of CO₂ emissions through initiatives by Scope 3 category

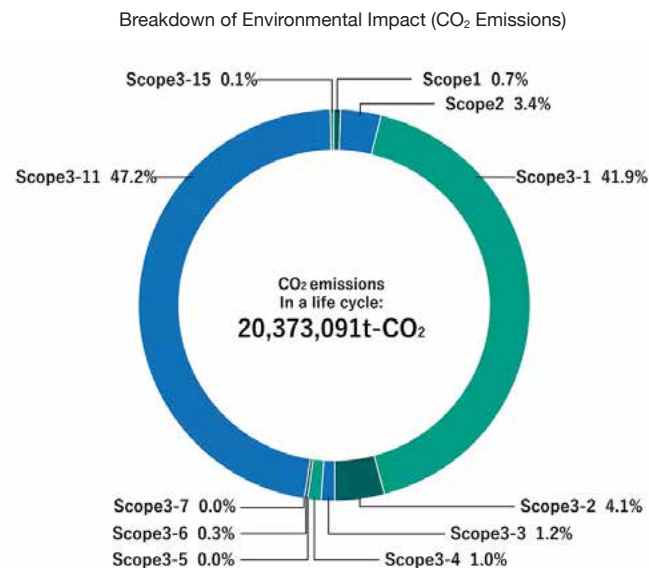
In fiscal 2024, TDK began activities to reduce logistics CO₂ emissions at overseas sites and has been considering systems to accurately reflect emission reductions. We will continue to promote reduction activities across the entire TDK Group.

The contribution to CO₂ reduction by products in fiscal 2024 amounted to 5.207 million tons, up 23.0% over the previous fiscal year. The intensity improved by 27.5% compared with the previous fiscal year, so we were able to substantially achieve our target. Going forward, we will strive to develop eco-friendly products that contribute toward reducing the environmental load of customers and society and to popularize such products by publicizing their value.

Fiscal 2025 Goals
Reduction of CO ₂ emissions at manufacturing sites
Improve CO ₂ emission intensity from energy use by 1.8% compared with the previous fiscal year
Improve energy consumption intensity by 1.0% of the previous fiscal year
Installation rate of renewable energy electricity in fiscal 2026: 50% (Scope 2)
Reduce CO ₂ emissions from a life cycle perspective
Promote reduction of environmental load through activity of Scope 3

Related link

[Goals and Achievements](#)



GHG emissions (kt-CO ₂)	Fiscal 2024
Total emissions	20,373
Scope 1	134
Scope 2	694
Scope 3	19,546

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CO₂ Emissions by Category and Scope

Scope		Outline	CO ₂ emission
	(Category)		(t-CO ₂)
Scope 1		Production	133,616
Scope 2		Production	693,690
Scope 3		Total	19,545,785
	1	Purchased goods & services	8,527,986
	2	Capital goods	845,385
	3	Fuel- and energy-related activities	253,585
	4	Upstream transportation & distribution	211,989
	5	Waste generated in operations	5,910
	6	Business travel	57,384
	7	Employee commuting	9,428
	8	Upstream leased assets	Not applicable
	9	Downstream transportation & distribution	Not applicable
	10	Processing of sold products	Not applicable
	11	Use of sold products	9,610,960
	12	End-of-life treatment of sold products	Not applicable
	13	Downstream leased assets	Not applicable
	14	Franchises	Not applicable
	15	Investment	23,158
Scope1+2+3			20,373,091

CO₂ Emission Calculation Methods by Scope and Category

Classification		Summary	Scope of coverage	Calculation Method
Scope 1		Own direct emissions	Manufacturing Sites and Main Offices (25 domestic offices + 57 overseas offices, including 5 offices)	Direct energy-derived CO ₂ emissions from corporate activities such as fuel combustion in factories. emission factor based on the Law Concerning the Promotion of the Measures to Cope with Global Warming is used for the calculation method.
Scope 2		Own indirect emissions	Manufacturing Sites and Main Offices (25 domestic offices + 57 overseas offices, including 5 offices)	Indirect CO ₂ emissions associated with energy use in corporate activities, such as electric energy use, using the GHG Protocol's market-based approach. Japan uses the adjusted emission factor for each electric utility based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. For other countries, emission intensities by electric utility or the latest emission intensities for each region, or the IEA Emissions Factors if these are not available.
Scope 3	Category 1	Goods and services purchased	TDK consolidated targets	Based on the GHG Protocol, emission intensity is calculated by multiplying the purchase amount of each item purchased in the relevant fiscal year by its emission intensity. For materials, emissions intensity is calculated by multiplying the purchase amount of the main constituent materials of each product by the emissions intensity. Primary data from some suppliers are also used in the calculation. For emissions intensity, please refer to the 3EID Global Expansion Databook of Environmental Impact Intensity Data.
	Category 2	Capital goods	TDK consolidated targets	Based on the GHG Protocol, emission intensity per unit of value is calculated by multiplying capital goods such as equipment acquired in the relevant year by emission intensity per unit of value. For emissions intensity, please refer to the Data Book on Environmental Impact Intensity Based on the Input-Output Table (3EID Global Extension).
	Category 3	Fuel and energy-related activities	Manufacturing Sites and Main Offices (25 domestic offices + 57 overseas offices, including 5 offices)	Based on the GHG Protocol, emission intensity is calculated by multiplying purchased fuel and electricity by emission intensity. For emissions intensity, refer to IDEA and the Ministry of the Environment's Emissions Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains. For data before FY2022, the amount of activity is based on the purchase amount.

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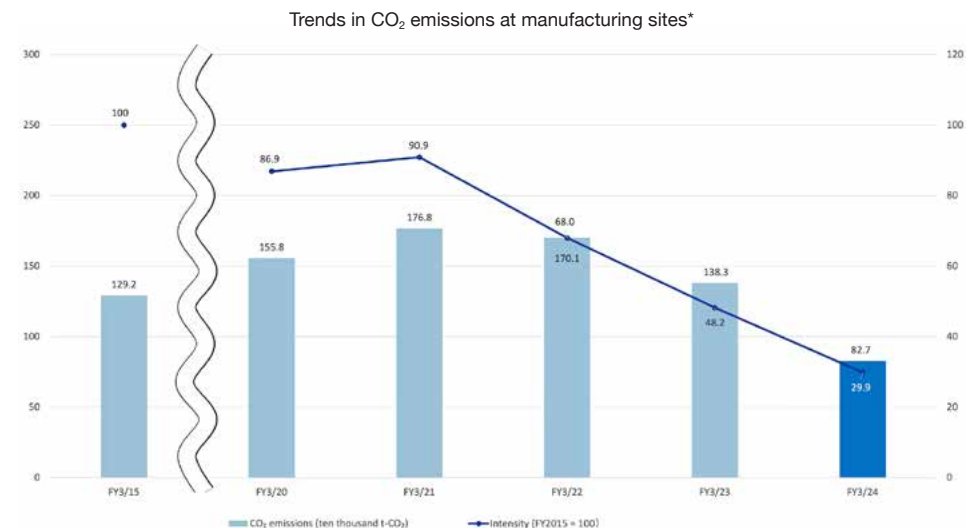
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Scope 3	Category 4	Transportation and distribution (up-stream)	TDK consolidated targets	Based on the GHG Protocol, emissions from the procurement of purchased products and services and emissions from the transportation of manufactured products are calculated. Emissions from purchased products and services are calculated by multiplying the purchase price by the emissions intensity of procurement. Emissions from manufactured products are calculated by multiplying the amount of transportation and, in part, the transportation cost by the emission intensity. For emissions intensity of purchased products and services, refer to the data book of environmental impact intensity based on the input-output table (3EID Global Extension), and for emissions intensity of transportation of manufactured products, refer to IDEA, or transportation cost See intensity.
	Category 5	Waste generated from operations	Manufacturing Sites and Main Offices (25 domestic offices + 57 overseas offices, including 5 offices)	Based on the GHG Protocol, emission intensity is calculated by multiplying the amount of waste from manufacturing sites by the emission intensity. For emission intensity, refer to IDEA and the Ministry of the Environment's Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains. Waste transportation is accounted for in Category 1. For data before FY2022, the amount of activity is based on the cost of waste disposal.
	Category 6	Business trip	TDK consolidated targets	Based on the GHG Protocol, the estimated business trip cost is multiplied by the emission intensity based on the means of transportation. For emission intensity, refer to the Data Book on Environmental Impact Intensity Based on Input-Output Tables (3EID Global Extension).
	Category 7	Employee commuting	TDK consolidated targets	Based on the GHG Protocol, the estimated commuting costs are multiplied by the emission intensity based on the means of commuting. For emissions intensity, refer to the 3EID data book on emissions intensity based on the input-output table.
	Category 8	Leased assets (Up-stream)		Use of leased equipment is reported as Scope 1 and 2 emissions.
	Category 9	Transportation and distribution (Down-stream)		Not applicable as the Company is an electronic component manufacturer.
	Category 10	Processing of sold products		Not applicable because the emissions associated with the processing of our products by our customers are small and diverse, making the estimate unreasonable.

Scope 3	Category 11	Use of products sold	TDK major product lines	Based on the GHG Protocol, the calculation is made by multiplying the field of installed set products, lifetime operating hours of installed set products, and emission intensity by sales volume for the power consumption loss generated when TDK products are used. Lifetime operating hours refer to JEITA's Guidance on the Calculation of GHG Emission Reduction Contribution of Electronic Components, and emissions intensity refers to IEA Emissions Factors.
	Category 12	Disposal of sold products		Not applicable as the Company is an electronic component manufacturer.
	Category 13	Leased assets (down-stream)		Not applicable because there is no applicable business activity.
	Category 14	Franchise		Not applicable because there are no franchise stores.
	Category 15	Investment	Equity-method affiliates subject to TDK consolidation (Excluding companies that do not disclose emissions)	Calculated based on the GHG Protocol by multiplying the emissions of companies in which the company has acquired shares by the shareholding ratio.

Reduction of CO₂ Emissions at Production Sites



*The measurement and calculation methods, as well as the numerical results for fiscal 2020 and beyond, have been verified by a third-party.

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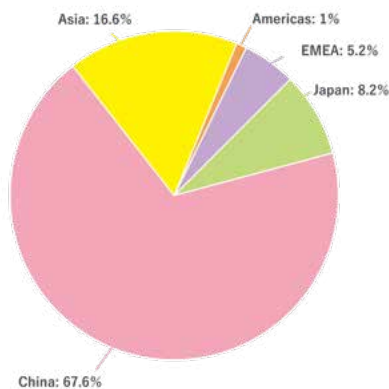
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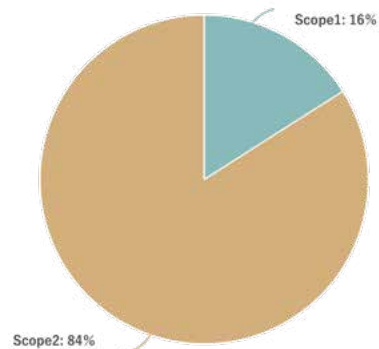
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Fiscal 2024 emissions by region
(TDK Group total emissions)



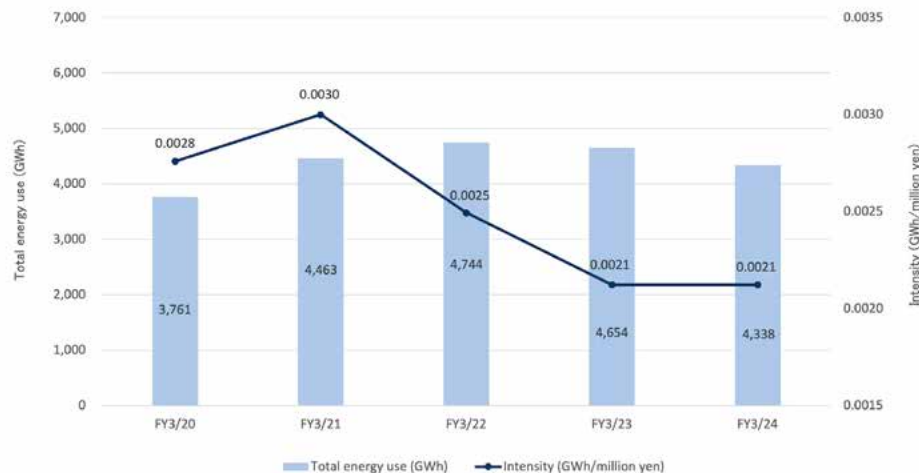
Fiscal 2024 emissions by scope
(TDK Group total emissions)



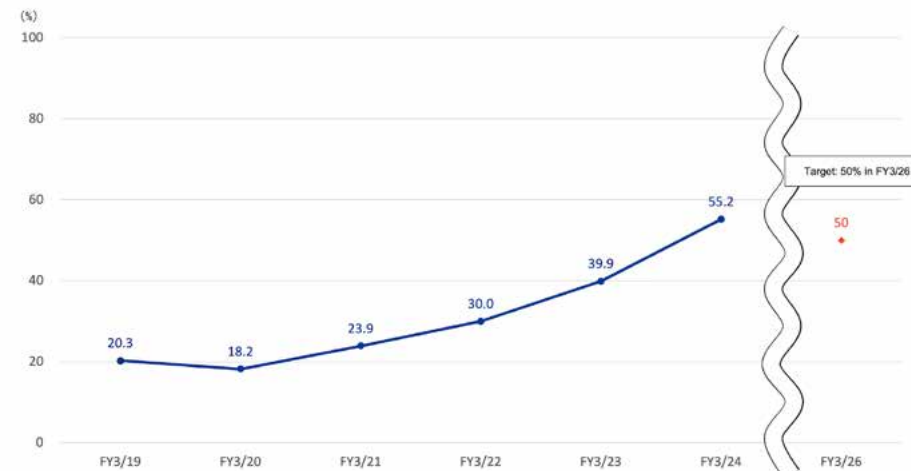
* Scope: Emission range defined by the GHG Protocol, an international calculation standard for greenhouse gas emissions. We refer to direct emissions from facilities owned and controlled by the company as Scope 1 and emissions from the production of energy consumed at facilities owned and controlled by the company as Scope 2.
*TDK's CO₂ emissions calculation standard

- The CO₂ emissions are calculated by applying CO₂ conversion factors to the electricity and fuel (such as gas and oil) consumption at each business site.
- The CO₂ conversion factors for fuel use the factors specified by the "Act on Promotion of Global Warming Countermeasures" (Global Warming Countermeasures Act).
- The CO₂ conversion factors for purchased electricity use the latest publicly known conversion factors at the time of planning at the beginning of the fiscal year.
- The disclosed figures are certified through third-party verification.

Trends in total energy use and intensity

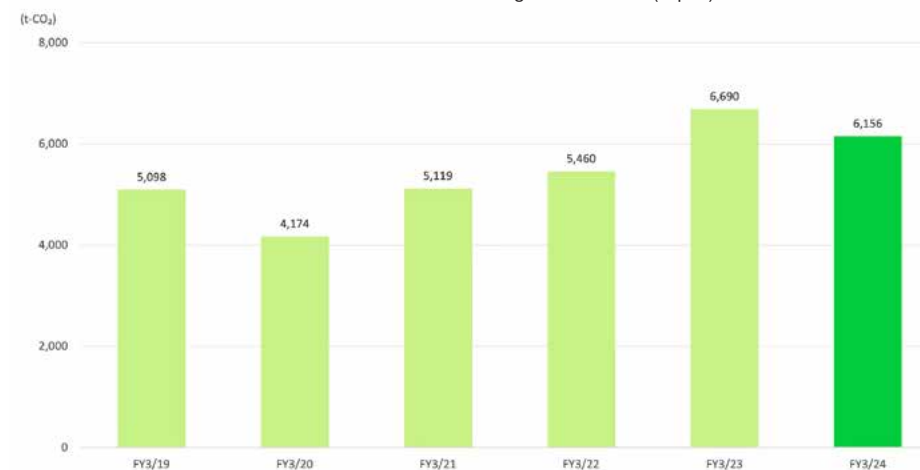


Renewable energy electricity installation ratio



Reduction of CO₂ emissions through initiatives by Scope 3 category

Trends in CO₂ emissions from logistics activities (Japan)*



*Calculated based on Japan's Energy Conservation Act.

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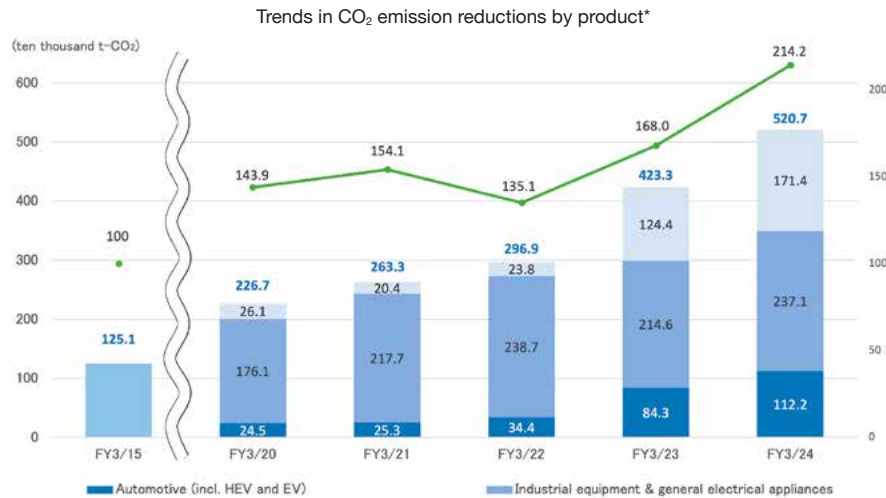
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*The calculation method was reviewed by a third party.

*The product contributions have been calculated based on the internal guidelines compliant with IEC's "TR62716 Guidance on Quantifying Greenhouse Gas Emission Reductions from the Baseline for Electrical and Electronic Products and Systems"; The Institute of Life Cycle Assessment, Japan's "Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions"; and JEITA's "Guidance on Calculating GHG Emission Reductions Contribution of Electronic Components."

Related links

[Third-Party Assurance](#)

[Third-party review of environmental performance data](#)

Initiatives

Reduction of CO₂ emissions at manufacturing sites

Expanded use of renewable energy

In November 2022 TDK joined the RE100 (Renewable Energy 100%).* Our aim is to increase the use of electricity derived from renewable energy at all our sites in Japan and overseas to 50% by 2025 and 100% by 2050. In July 2023, we also successfully achieved the switchover to 100% renewable energy-derived electricity at all manufacturing sites in Japan.

[TDK now using 100% renewable energy electricity in all Japan manufacturing sites, expanding efforts globally](#)



TDK-Lambda Corporation, a TDK Group manufacturer of switching power supplies, also successfully achieved the switchover to 100% renewable energy-derived electricity at all seven of its manufacturing sites worldwide in January 2024.

[TDK-Lambda now using 100% renewable energy electricity in all manufacturing sites](#)

*The RE100 is a global initiative operated by a partnership between the Climate Group and CDP international environmental nongovernment organizations. It comprises companies committed to using 100% renewable electricity in their business.

Promotion of Renewable Energy Installation (As of July 1, 2024)

The following sites procure 100% of their power consumption from renewable energy:

- Japan 26
- TDK Head Office (Tokyo)
 - TDK Museum (Akita)
 - TDK Technical Center (Chiba)
 - TDK Narita Factory (Chiba)
 - TDK Asama Techno Factory (Nagano)
 - TDK Chikumagawa Techno Factory (Nagano)
 - TDK Shizuoka Factory (Shizuoka)
 - TDK Mikumagawa Factory (Oita)
 - TDK/TDK Electronics Factories Inakura Factory, East Site (Akita)
 - TDK / TDK Electronics Factories Inakura Plant West Site (Akita, Japan)
 - TDK/TDK Electronics Factories Honjo Factory, East Site (Akita)
 - TDK/TDK Electronics Factories Honjo Factory, West Site (Akita)
 - TDK/TDK Electronics Factories Kitakami Factory (Iwate)
 - TDK/TDK Electronics Factories Nikaho Factory, North Site (Akita)
 - TDK/TDK Electronics Factories Nikaho Factory, South Site (Akita)
 - TDK/TDK Electronics Factories Chokai Factory (Akita)
 - TDK/TDK Electronics Factories Ouchi Factory (Akita)

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- TDK/TDK Electronics Factories Iwaki Factory (Akita)
- TDK/TDK Electronics Factories Sakata Factory (Yamagata)
- TDK/TDK Electronics Factories Tsuruokanishi Factory (Yamagata)
- TDK/TDK Electronics Factories Tsuruokahigashi Factory (Yamagata)
- TDK/TDK Electronics Factories Kofu Factory (Yamanashi)
- TDK Electronics Factories Iida Factory (Nagano)
- TDK-Lambda Nagaoka Technical Center (Niigata)
- TDK Precision Tool Corporation (Kanagawa)
- TDK Service Corporation Akita Sales Office (Akita, Japan)
- China 6
- SAE Components (ChangAn) Ltd.(Dongguan, China)
- TDK-Lambda (China) Electronics Co., Ltd. (Wuxi)
- TDK (Zhuhai FTZ) Co., Ltd. (Zhuhai)
- TDK (Zhuhai) Co., Ltd. (Hongqi)
- TDK (Xiamen) Electronics Co., Ltd. (Xiamen, China)
- TDK (Xiaogan) Co., Ltd. (Xiaogan, China)
- Asia 6
- TDK (Malaysia) Sdn. Bhd Malaysia Factory (Nilai, Malaysia)
- TDK-Lambda Malaysia Sdn. Bhd.Senai Factory (Senai, Malaysia)
- TDK-Lambda Malaysia Sdn. Bhd.Kuantan Factory (Kuantan, Malaysia)
- Magnecomp Precision Technology Public Co., Ltd. KCMA plant (Wangnoi, Thailand)
- TDK Electronics (Malaysia) SDN. BHD. (Johore, Malaysia)
- TDK Philippines Corporation (Laguna, Philippine)
- Americas 3
- TDK-Lambda Americas Inc. Neptune Office (NJ, USA)
- Headway Technologies, Inc. (CA, USA)
- TDK Electronics do Brasil Ltda. (Gravatá, Brasil)
- Europe, Middle East, Africa 12
- TDK Electronics AG - HQ (Munich, Germany)
- TDK Electronics AG (Heidenheim, Germany)
- TDK Sensors AG & Co. KG (Berlin, Germany)
- TDK Electronics GmbH & Co OG (Deutschlandsberg, Austria)
- TDK Hungary Components Kft. (Szombathely, Hungary)
- TDK Electronic Components, S.A.U. (Malaga, Spain)
- TDK CROATIA d.o.o. (Kutina, Croatia)
- TDK Foil Iceland ehf. (Akureyri, Iceland)
- Tronics Microsystem SA (Crolles, France)
- TDK-Lambda UK Ltd. (Devon, United Kingdom)
- TDK-Lambda Ltd. (Karmiel, Israel)
- TDK-Micronas GmbH (Freiburg, Germany)

The following sites have contracts to procure 50% or more of their power consumption from renewable energy:

- SAE Magnetics (Dongguan) Ltd. (Dongguan, China)
- TDK Dalian Corporation (Dalian, China)
- TDK Electronics s.r.o. (Sumperk, Czech Rep)

The following site procures 100% of its purchased electricity from renewable energy:

- TDK Foil Italy S.p.A. (Milano, Italy)

TDK's ratio for the use of renewable energy (electricity only) worldwide is 55.2%.(As of March 31st 2024)

Energy Conservation Activities

As part of its efforts to improve productivity, TDK is endeavoring in various ways to reduce the amount of input resources, including cost reduction and yield improvement. In particular, regarding energy, TDK is engaged in lower energy (LE) activities, which promote the efficient use of energy resources, from the standpoint of production technology.

Each manufacturing site conducts an energy assessment in accordance with its environmental management system and identifies opportunities to reduce energy use. Depending on the opportunities identified, appropriate actions are taken at each site to reduce the amount of energy use, for example, by reviewing and improving manufacturing processes.

Furthermore, in the promotion of such initiatives, we also seek to foster an awareness of energy consumption reduction among employees through awareness-raising and environmental education programs.

Participation in Initiatives and Associations

At TDK Group, we support laws and regulations related to climate change countermeasures and energy use reduction at each site (in Japan, these include the “Act on Promotion of Global Warming Countermeasures” and the “Act on Rationalization of Energy Use and Shift to Non-fossil Energy”) and are committed to addressing climate change issues. In promoting these efforts, we participate in initiatives and associations that are consistent with our position and direction, and engage in public policy engagement through these organizations. The details of our policy engagement are regularly reported to the Executive Officer in charge of Sustainability, and we review and monitor their alignment with our own strategy. In addition, as necessary, we also deliberate with the Executive Committee and report to the Board of Directors. If these processes reveal that the organization's position or public policy engagement is not in line with our own strategy, we will work with the organization to ensure consistency and seek their understanding of our intentions. If there is a significant discrepancy and it becomes difficult to maintain consistency between the organization's and our own views on climate change, we will consider taking action, including the possibility of withdrawing from the organization.

TCFD

In May 2019 TDK expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD*), which makes recommendations for analyzing and disclosing information on the impact of climate change on corporate finance.

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*The Task Force on Climate-related Financial Disclosures (TCFD) was founded in 2015 by the Financial Stability Board (FSB), an international body seeking to achieve the stabilization of the financial system.

[TCFD \(Link to external site\)](#)

CDP

TDK has received the highest rating of “A” in the “Supplier Engagement Rating” from the international non-governmental organization CDP, which addresses environmental issues such as climate change, and has been selected as a “Supplier Engagement Leader.”

SBTi

TDK has obtained Science Based Targets (SBT) certification from the Science Based Targets initiative (SBTi), which is an organization that certifies greenhouse gas emission reduction targets that are scientifically aligned with the goals set by the Paris Agreement.

SBTi Certified Targets

* target1: TDK Corporation commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2021 base year.
* target2: TDK Corporation also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products 25% within the same timeframe.

* target3: TDK Corporation further commits that 5% of its suppliers by spend covering purchased goods and services will have science-based targets by FY2028.

* The target boundary includes land-related emissions and removals from bioenergy feedstocks.



RE100

In November 2022, TDK has joined the RE100* international initiative as the company works toward ensuring that 100% of the electricity used in its business activities comes from renewable energy. TDK plans to contribute to the implementation of a sustainable society, aiming to convert electricity use at all of its business facilities around the world to 100% renewable energy by 2050. We are striving to increase the ratio of renewable energy in the total electricity consumption of the entire group, aiming to source 50% of the electricity used at all of its business facilities from renewable energy by 2025 and 100% by 2050. To achieve this goal, we are actively promoting initiatives such as the installation of solar power generation systems at some factories and the transition of electricity consumption to renewable energy sources.

*International initiative operated by Climate Group, an international environmental NGO, in partnership with CDP. It consists of companies committed to converting electricity use in business activities to 100% renewable energy.

Japan Electronics and Information Technology Industries Association (JEITA)

JEITA is one of the four major electrical and electronics industry organizations in Japan. Its mission is to connect all industries to solve social issues and to realize a platform that connects stakeholders with the IT/electronics industry at its core. It is engaged in four business areas: “policy advocacy,” “research and statistics,” “problem solving,” and “market creation”. In the environmental dimension, it aims to contribute to the realization of a low-carbon society on a global scale by promoting the creation of energy-saving products, devices, and IT solutions through the development of innovative technologies to address the fundamental issues of energy and global warming. In addition, to reduce the risk of environmental impact, it strengthens the management of chemical substances, promotes waste reduction and recycling, and supports initiatives that lead to the development of global business through international standardization activities.

TDK supports the activities defined by JEITA, and as the secretariat of the JEITA Environment Subcommittee and the Electronic Components Subcommittee, and as a member of the Global Warming Prevention Liaison Committee Steering Committee, has contributed to the creation of a long-term vision on climate change for the entire industry. We have also proposed that as an industry group, it is important to take action throughout the supply chain, and we have taken the initiative to establish guidelines for calculating the product contribution (reduction contribution) and started efforts to clarify the GHG reduction effects of improving the functionality and efficiency of electronic components. In addition, as the representative of electronic component companies in this steering committee, we mainly discuss the direction of activities and provide information for materials to be submitted to government ministries and agencies.

JEITA Green x Digital Consortium

JEITA has established the Green x Digital Consortium as a space for pursuing activities that promote corporate carbon neutrality and create and deploy new digital solutions leading to industrial and social transformation. We have participated in this consortium since its foundation.

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Water Resources Conservation

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Our Approach

As a result of such factors as economic development and population increases in developing countries, the use of water, which is a limited resource, is undergoing change, and water crises can be seen as one of the risks exerting an impact on a global scale. At TDK, water is an essential resource in manufacturing activities. Since we are impacted by such events as the exhaustion of water resources and flooding, the proper understanding and management of water risks are important issues for us.

TDK stipulates the TDK Supplier Code of Conduct and requests suppliers to address the management of wastewater and efficient use of water.

In cooperation with local communities and stakeholders, TDK will continue to promote sustainable water use.

From the procurement of raw materials to the disposal of products, TDK strives for operations with little environmental load throughout the entire supply chain. Similarly, we promote the conservation of forestry resources and water resources. In line with The TDK Group Occupational Health/Safety and Environmental Charter, we aim to “Develop and Prosper in Harmony with the Global Environment.” Every single employee will act positively by thinking about the impact of production activities on the environment and the relationship between corporate activities and the environment, endeavoring to conserve an affluent global environment, and constantly paying heed to contributions to preserve the ecosystem.

Furthermore, in consideration of business characteristics, TDK has specified the key SDGs that we will focus on and clarified our policy of solving issues, including water-related problems, through technological development in our main businesses. As a water-related example, we are promoting the development of various sensors in accordance with Goal 12 of the SDGs, which is titled “Responsible consumption and production.” In addition, we are reducing water withdrawal in manufacturing processes.

Related links

[The TDK Group Occupational Health/Safety and Environmental Charter](#)
[Climate Change Initiatives](#)
[Efforts to Achieve the SDGs](#)

Governance

We promote water-resource initiatives through a framework that integrates corporate management and environmental management under an Environmental Management System (EMS) with the President and CEO as the highest level of responsibility. Regarding plans for water-resource initiatives and other environmental activities, the state of progress, risks, and so on, reports are delivered to the Board of Directors every half term and deliberated if necessary.

[Environmental Management System](#)

Strategy

In accordance with the TDK Group Occupational Health/Safety and Environmental Charter, we endeavor to understand the essence and values of international rules, national and regional laws and regulations, voluntary standards of industrial organizations, and so on relating to water-resource initiatives, to engage in the following three activities voluntarily and strategically, and thereby to enhance our corporate value:

- (1) Development of products and processes that reduce environmental loads
- (2) Optimization of risk assessment methods and reinforcement of risk assessment and management
- (3) Information disclosure and continuous dialogue

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Risks and opportunities

The Sustainability Promotion HQ performs periodic risk assessments and identifies risks for the TDK Group as a whole. If water-resource initiatives are not properly managed, problems will be caused to the earth and society, and it may become difficult to continue business.

By promoting water-resource initiatives, we are also contributing to the creation of a sustainable society including measures to address climate change and biodiversity loss. Through these initiatives, we expect to gain the trust of society and achieve business growth.

Risk Management

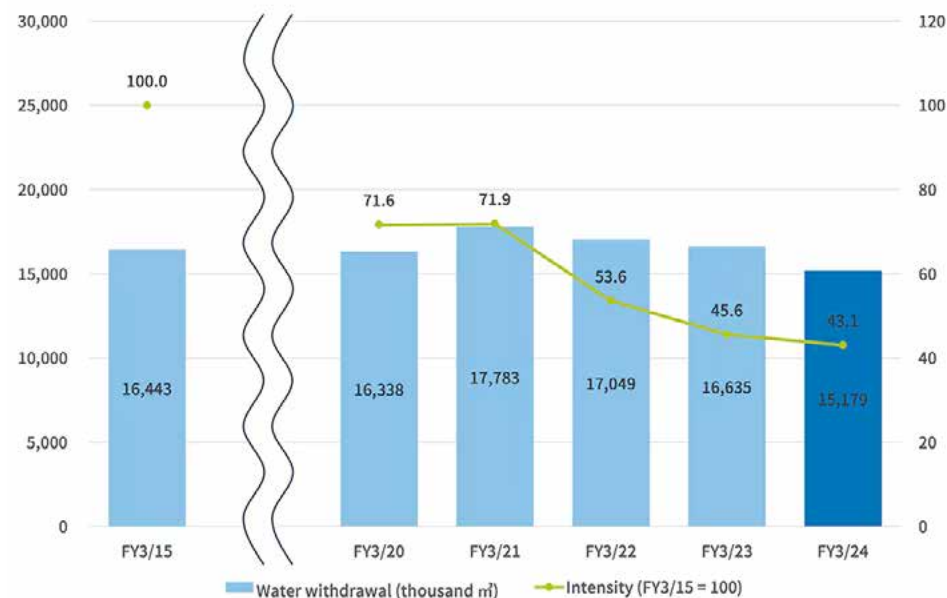
After grasping issues regarding water-resource initiatives in the scientific, regulatory, and social fields that are occurring or may occur around the world and, centering on Sustainability Promotion HQ, sorting out the risks and opportunities, we aim to make improvements by addressing important matters in a prioritized manner and continuously rotating the PDCA cycle.

These activities are reported to the Executive Committee and Board of Directors regularly. Water-resource initiatives are administered within Group-wide risk management.

Metrics and Targets

Fiscal 2024 Goal	Achievements
Improve water withdrawal intensity by 1.5% compared with the previous fiscal year	Improved by 5.4% compared with the previous fiscal year

Trends in Total Water Withdrawal (Global)



Evaluations and Future Activities

TDK sets numerical targets for water withdrawal. In fiscal 2024, TDK's total water withdrawal amounted to 15,179,000m³, which was down 8.8% from the previous fiscal year. In addition, intensity improved by 5.4% compared with the previous fiscal year, so our target was achieved. Since water is not mixed inside TDK products, consumption in manufacturing processes is extremely small and includes evaporation at the time of cleaning. Regarding water risks at all manufacturing sites of the TDK Group, we conduct investigations in accordance with the TCFD using two global evaluation tools-the WWF Water Risk Filter¹ and Aqueduct², announced by the World Resources Institute (WRI). This enables us to identify highly water-stressed regions and adopt countermeasures. Of the sites that the survey identified as having high water risk, one site in India had a water withdrawal of 34,000m³ in fiscal 2024 (corresponding to less than 0.5% of the TDK Group's total water withdrawal). We are committed to monitoring, managing, and improving water use throughout the TDK Group to identify opportunities for water efficiency improvements and water risks. We will continue our efforts on local water risks and water usage at our manufacturing sites to ensure efficient water use.

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1. The WWF Water Risk Filter was developed by the World Wide Fund for Nature (WWF) and DEG, a German finance institution. The tool investigates, evaluates, and enables response to risks involving the water environment. The first version was released in 2012, since when it has been widely used by companies and investors around the world. It has become a leading and highly trusted tool.

2. Since its launch in 2011, the Aqueduct evaluation tool, which has become a global standard relating to water risks, has been providing information on water-related risks, such as flooding, drought, and stress, to companies, governments, and nongovernmental organizations (NGOs).

Fiscal 2025 Goal
Improve water withdrawal intensity by 1.5% compared with the previous fiscal year

Initiatives

Initiatives to reduce water use

As one activity toward realization of the TDK Environmental Vision 2035, which is the goal of the entire TDK Group's environmental activities, we have set targets for the reduction of water withdrawal, and efforts are being made at each site to reduce water withdrawal, improve the efficiency of water use, and recycle water.

For example, at the Kitakami Factory of TDK Electronics Factories Corporation in Iwate Prefecture, Japan, groundwater is being used to produce purified water for production processes. Through ongoing efforts to limit the amount of equipment and adjust the amount of water used without compromising manufacturing quality, the factory strives to reduce water withdrawal.

Furthermore, in the promotion of such initiatives, we also seek to foster an awareness of water conservation among employees through awareness-raising and environmental education programs.

Water-recycling initiatives

The TDK Group's sites are making efforts to reduce total water withdrawal and improve water withdrawal intensity by adopting aggressive measures, such as the use of recycled and reused water, toward the achievement of our targets for the reduction of water use.

Water-recycling methods differ from factory to factory. As one example, though, the factory sets a target for water reuse, promotes such measures as circulating water in processes, and evaluates the results of estimated in-process water use as water reuse.

Wastewater management

Since the wastewater discharged at sites of the TDK Group contains chemical substances and so on used in processes, they conduct an analysis of the quality of wastewater discharged in processes whenever processes are newly installed, modified, or changed. Based on the results of these analyses, they decide wastewater processing methods depending on the substances contained, establish wastewater processing facilities capable of conducting processing with water quality standards that satisfy central and local government regulations, and thereby release wastewater meeting the required standards.

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Initiatives to Prevent Air, Water, and Soil Pollution

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Governance

We promote initiatives to prevent air, water, and soil pollution through a framework that integrates corporate management and environmental management under an Environmental Management System (EMS) with the President and CEO at the highest level of responsibility.

Regarding plans for initiatives to prevent air, water, and soil pollution and other environmental activities, their state of progress, risks, and so on, reports are delivered to the Board of Directors every quarter and deliberated if necessary.

[Environmental Management System](#)

Strategy

In accordance with the TDK Group Occupational Health/Safety and Environmental Charter, we endeavor to understand the essence and values of international rules, national and regional laws and regulations, voluntary standards of industrial organizations, and so on relating to efforts to prevent air, water, and soil pollution, to engage in such initiatives voluntarily and strategically, and thereby to enhance our corporate value.

Risk Management

After grasping issues regarding initiatives to prevent air, water, and soil pollution in the scientific, regulatory, and social fields that are occurring or may occur around the world and, centering on the Safety, Environment, and Social Group of the Sustainability Promotion HQ, sorting out the risks and opportunities, we aim to make improvements by addressing important matters in a prioritized manner and continuously rotating the PDCA cycle.

Metrics and Targets

TDK established “TDK Transformation” as its new long-term vision for the entire Group. One materiality that TDK will address to achieve this long-term vision is “implementing solutions to social and environmental issues.”

Going forward, the Sustainability Promotion HQ will set medium- to long-term indicators and targets for the prevention of air, water, and soil pollution by means of backcasting from the long-term vision.

Initiatives

Management of soil pollution and VOC risks

TDK has established environmental risk assessment standards and management methods for soil pollution and VOCs,* and each site regularly conducts risk assessment. For high-risk areas, we clarify the order of priority and implement preventive maintenance, restoration, and other measures to effectively manage environmental risks.

* VOC: Volatile Organic Compounds

Compliance with laws and regulations for pollution prevention and accidents

To prevent air, water, and soil pollution, TDK strictly complies with all relevant laws and regulations. For certain items, we have even set voluntary standards that are more stringent than the legal requirements, and we take preventive actions whenever necessary to reduce the environmental load.

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Initiatives for the Circular Economy

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Our Approach

In response to the need for a transition to a circular society, TDK is advancing activities from the perspective of effectively utilizing limited resources. In fiscal 2007, we achieved 100%* recycling of waste generated from our business sites without resorting to landfill or simple incineration. Since then, we have maintained this level while promoting initiatives to suppress the generation of waste itself.

We also promote a circular economy that maximizes efficiency of resource usage throughout product life cycles, thereby reducing the amount of resources used. In this way, we contribute to building a circular society by minimizing dependencies and impacts on natural capital.

*Excluding items that cannot be recycled independently due to legal regulations.



Governance

Monitoring by the Board of Directors

At TDK, the environmental officer carries out a management review at least once annually of the state of progress of general environmental matters, including climate change and natural capital, as well as plans and risks. The results of the management review and matters requiring management decisions are deliberated in the Executive Committee and, if necessary, the Board of Directors.

Management's role

Regarding environmental risks, including climate change and natural capital, TDK has clarified the responsibilities of the environmental officer, who is appointed by the President and CEO. In addition, to strengthen the risk management framework, TDK has established committees directly under the Executive Committee. Of them, the Enterprise Risk Management (ERM) Committee has been set up with the aim of ensuring a company-wide response to factors impeding the achievement of business targets and business operations. The ERM Committee discusses important matters among environmental risks, including climate change and natural capital. The chair of the ERM Committee is a corporate officer appointed by the President and CEO.

Strategy

TDK utilizes various resources to manufacture its products, with the result that waste is generated during our business activities. The use and application of these resources involves dependencies or impacts on, for example, natural capital (freshwater, seawater, soil, and air) and ecosystem services. We will evaluate our points of contact with nature, including biodiversity, as well as our dependencies and impacts, risks, and opportunities, and then consider strategies for the effective use of resources, in line with the LEAP approach of the TNFD.

In addition, for waste, we will ensure proper disposal in compliance with relevant laws and regulations, thus endeavoring to preserve our living environments.

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Evaluation method

- Dependencies and impacts on natural capital

We will evaluate dependencies and impacts on ecosystem services for TDK and industry sectors/sub-sectors in the value chain, as well as evaluating materiality using ENCORE. We will also clarify the relationships between ecosystem services and natural capital.

We will survey the points of contact between our company and its sites within the value chain with nature, utilizing tools such as the Integrated Biodiversity Assessment Tool (IBAT), Global Forest Watch, and WWF Risk Filter (Biodiversity & Water).

Based on this data, we will diagnose sites with high dependencies and impacts on nature as well as activities relating to resource cycles.

- Evaluation of risks and opportunities

TDK will evaluate risks and opportunities based on dependencies and impacts on nature.

[ENCORE \(Link to external site\)](#)

[IBAT \(Link to external site\)](#)

[Global Forest Watch \(Link to external site\)](#)

[WWF Risk Filter Suite \(Link to external site\)](#)

Risk Management

TDK promotes company-wide measures against factors (risks) that hinder the achievement of organizational goals and has established an Enterprise Risk Management (ERM) Committee, chaired by a corporate officer appointed by the President and CEO, to implement company-wide ERM activities to appropriately manage them.

Regarding the activity status of the committee, TDK has ensured that a structure for receiving advice in relation to enhancing the risk management system and increasing its effectiveness (including, but not limited to, identifying, evaluating, and reviewing material management risks at TDK and establishing effective countermeasures) is in place through regular confirmation and audit by the Audit & Supervisory Board members and the internal audit department. In addition, we will seek advice from specialists, including outside legal counsel and other experts, as needed regarding risks surrounding TDK.

The ERM Committee promotes company-wide risk management in a way we analyze and evaluate company-wide risk, identify risks which require countermeasures and decide a responsible function to be in charge of risks. As for each risk, the responsible function takes the lead in countermeasures and the progress is monitored in ERM Committee. We discuss the risk analysis evaluations and countermeasure situations at the Executive Committee and report them to the Board of Directors. Risks concerning sustainability, such as risks concerning corporate social responsibility, climate change and natural capital, securing personnel and training personnel are also allocated to risk owner departments and director is assigned for it.

For general environmental risks and opportunities, including climate change and natural capital, the safety and environment function, will monitor changes in the external and internal environment related to climate change and natural capital. We also utilize the TNFD LEAP approach to identify nature-related risks and opportunities which impact our business.

Metrics and Targets

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goal	Achievements
Improve waste intensity by 1.5% compared with the previous fiscal year	Improved by 3.5% compared with the previous fiscal year

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*The figures have been corrected retroactively.

Evaluations and Future Activities

In fiscal 2024, the total amount of waste generated decreased by 6.9% year-on-year to 121,617 tons, as a result of optimizing the amount of resources inputted to match the production items and promoting waste reduction activities. Additionally, the intensity of waste improved by 3.5% compared to the previous fiscal year, achieving our target.

Fiscal 2025 Goal
Improve waste intensity by 1.5% compared with the previous fiscal year

Initiatives

Under the TDK Environmental Vision 2035, we have formulated the TDK Environment, Health and Safety Action 2025 as the environmental basic plan extending through year 2025. This plan includes targets and activity measures related to waste, and the entire group promotes initiatives based on the plan.

Furthermore, in the promotion of such initiatives, we also seek to foster an awareness of the effective use of resources among employees through awareness-raising and environmental education programs.

Waste Reduction Activities

Each manufacturing site conducts a waste assessment in accordance with its environmental management system and identifies opportunities to reduce waste generation. Depending on the opportunities identified, appropriate actions are taken at each site to reduce waste generation, for example, by reviewing and improving manufacturing processes.

■Efforts to Halve Hazardous Waste

The Malaga Factory in Spain, which belongs to TDK Electronics Components, promoted a project to reduce the hazardous waste occurring in the manufacture of film capacitors, such as metallic film, capacitor scrap, and curing resin.

By the continued implementation of such measures as improved yield through optimization of the heat-treatment process and enhancement of resin use efficiency, the factory succeeded in reducing waste, including hazardous waste, by 64%.

At the same time, the Malaga Factory is also striving to reduce the load on the global environment through such activities as revision of the operation of air-conditioning equipment and the installation of solar panels.

■Recycling of Waste from Manufacturing Process

In addition to efforts to reduce waste generation itself, the TDK Group actively promotes the recycling of waste generated in the manufacturing process of its products. Waste recycling is the process of recovering waste as a reusable resource. By sorting waste and selecting appropriate disposal methods, we sort out recyclable waste and send as much of it as possible to the recycling process for reuse.

For example, in addition to internal recycling efforts, such as collecting and reusing liquid chemicals used in the process, we have established partnerships with highly reliable external processors to collaborate on waste recycling, such as selecting processors capable of recycling scrap metal.

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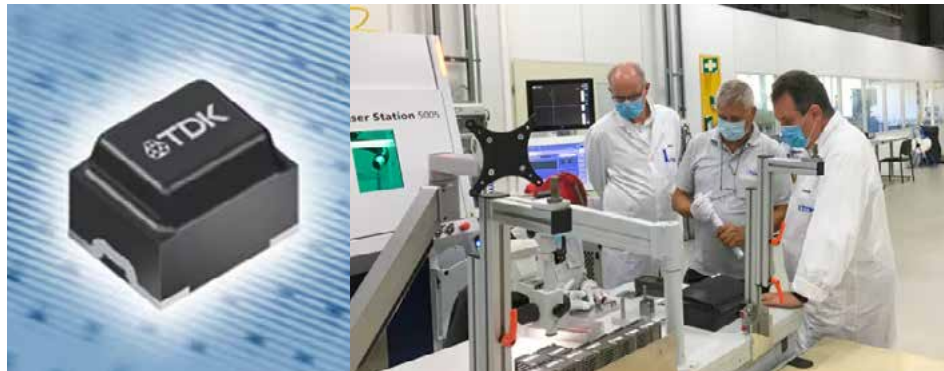
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Product focused initiatives

■Initiative from Product Design (Power Inductors Using Recycled Materials)

In the CLT32 series of power inductors, TDK is increasing the ratios of recycled iron and recycled copper used; in total, the product contains more than 50% recycled metals. In addition, silver and nickel used to be essential in this series to realize the traditional level of performance. But efforts at the time of development and design have borne fruit, and now the inductors can be manufactured with no silver and just a little nickel. This initiative has led to the curbing of procurement and manufacturing costs. The features of the CLT32 series of power inductors are their high output, compactness, low energy consumption, and long life. They have been certified as Super Eco Love products.*

*Among environment-conscious products, TDK certifies products that have a substantial effect in reducing the environmental load and lead others in the industry as Eco Love products. And among these Eco Love products, we certify products that have an especially substantial effect and are positioned at the top level in the industry as Super Eco Love products.

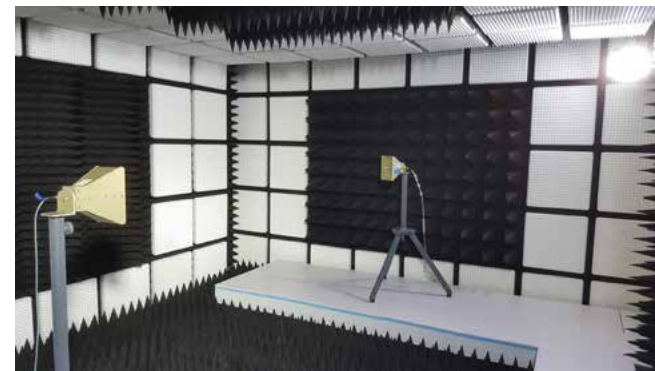


Super Eco Love Products



■Industry's First Biomass Plastic Electromagnetic Wave Absorber

The IS-BP series is an electromagnetic wave absorber that uses foamed polyethylene as a base material and utilizes the ohmic loss of carbon. It is installed on the walls of anechoic chambers used for evaluating antennas and wireless communication devices. Containing more than 25wt% biomass plastic, it is an environmentally friendly product that reduces CO₂ emissions by 13% compared to the conventional product (IS-012A). It is certified by the Japan BioPlastics Association (JBPA).



Related Information

[Radio wave absorbers: TDK launches environmentally sustainable radio wave absorbers using biomass material](#)

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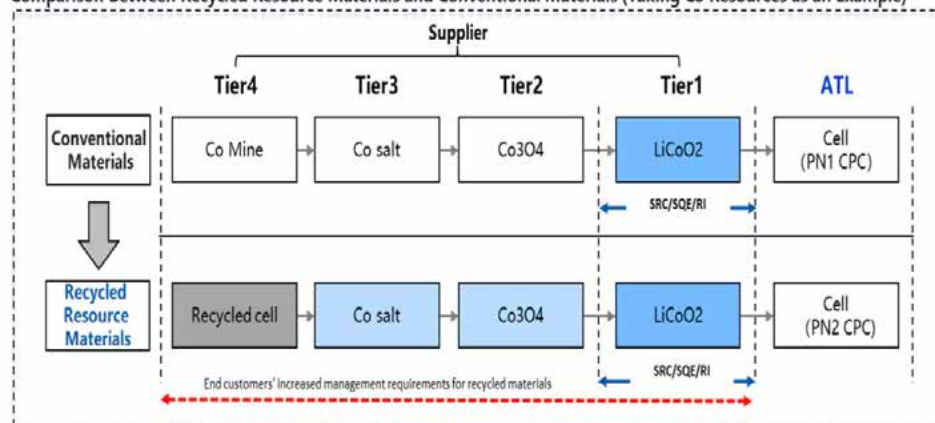
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■ Recycling and Reuse of Lithium-Ion Batteries (Amperex Technology Ltd.)

Lithium-ion batteries use rare metals such as cobalt and lithium. Due to the limited availability of these resources, recycling used batteries is crucial. Amperex Technology Ltd., a battery manufacturer, has started a project in 2023 to use recycled cobalt and lithium as battery raw materials in cooperation with recyclers, refiners, and cathode material manufacturers.

In fiscal 2024, more than 20% of the raw materials for batteries were recycled cobalt. This recycling effort is estimated to reduce CO₂ emissions by 71,500 tons. The company also actively incorporates recycled lithium and other raw materials. Moving forward, we will continue to build a circular economy for battery resources and contribute to the development of a sustainable battery industry.

Comparison Between Recycled Resource Materials and Conventional Materials (Taking Co Resources as an Example)



■ World's First Bio-Capacitor Series (TDKElectronics Components, S.A.U., Malaga)

The ModCap® series capacitors use renewable bio-based polypropylene for the polypropylene film used as the dielectric. The Malaga plant, where this film is produced, is certified according to the International Sustainability and Carbon Certification (ISCC) standards.

This market-first bio-capacitor series contributes to reducing the carbon footprint and supports the circular economy.



Related Information

[More Sustainable Film Capacitors](#)

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Responsible Management of Chemical Substances

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Our Approach

Management of Chemical Substances in Products

In 2004, TDK introduced the “Environmental Product Quality Management System” (EPQMS) as a system to prevent and control exposure to hazardous substances in products that threaten human health and the environment, and we operate it within our Quality Management System (QMS).

Management of Chemical Substances in Manufacturing Processes

We are promoting management of chemical substances globally by means of common guidelines with the goals of understanding the hazardousness and danger of chemical substances, and improving safety in their handling in compliance with each nation’s laws and the like.

In addition, we are moving forward on reducing the use and emissions of hazardous or dangerous chemical substances in order to reduce their impact on the environment as well as to mitigate the health risks to team members (employees) and risks of fires or explosions.

Governance

Management of Chemical Substances in Products

The Quality Assurance HQ manages risks and opportunities relating to the management of chemical substances in products under the supervision of the Board of Directors. The management of chemical substances in products is conducted in accordance with policies formulated by the Quality Assurance HQ. The Quality Assurance HQ undertakes activities in cooperation with related divisions, and proposed measures are reflected in the day-to-day operations of each division. Resolution matters are reported to and deliberated by the Executive Committee, maintaining a reliable decision-making process.

Management of Chemical Substances in Manufacturing Processes

The Safety, Environment, and Social Group of the Sustainability Promotion HQ performs management of risks and opportunities relating to chemical substance management in manufacturing processes under the supervision of the Board of Directors. We promote those initiatives through a framework that integrates corporate management and environmental management under an Environmental Management System (EMS) with the President and CEO at the highest level of responsibility. Environmental activities including plans, progress, and risks are also reported to the Board of Directors on a quarterly basis, and are deliberated when necessary.

[Environmental Management System](#)

Education and awareness raising

To raise awareness of responsible chemical substance management and deepen the correct understanding, we continuously provide team members with education on the “Environmental Product Quality Management System” (EPQMS) and e-learning training on chemical substance management in manufacturing processes.

Strategy

By understanding the essence and values of international rules, national and regional laws and regulations, and industry association standards related to chemical substance management, we proactively and strategically engage in the following three activities to enhance corporate value.

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- (1) Development of products and processes that reduce environmental impact
- (2) Optimization of risk assessment methods and reinforcement of risk assessment and management
- (3) Information disclosure and continuous dialogue

Responsible Departments

Product Chemical Substance Management: Quality Assurance Department

Chemical Substance Management in Manufacturing Processes: Sustainability Promotion Department, Safety, Environment, and Social Group

Risks and opportunities

Regular risk assessments are conducted by the responsible departments, identifying risks within the TDK Group. If not properly managed, these risks can cause problems for the planet and society, making it difficult to continue business operations. By promoting “responsible chemical substance management,” we contribute to the realization of a sustainable society, including measures against climate change and biodiversity loss. This not only gains social trust but also promotes business growth.

Business impacts

Continuing to introduce products with minimized environmental impact from raw material procurement to disposal and recycling leads to sustainable business growth. By disclosing information about “responsible chemical substance management” to a wide range of stakeholders, including consumers, customers, team members, distributors, industry associations, and governments, and enhancing communication using this information, the understanding of products and the dissemination of proper handling methods improve. As a result, this ensures social safety and trust, leading to business growth.

Social impacts

The responsible management of chemical substances is deeply related to a variety of social and environmental issues including resource depletion, climate change, biodiversity loss, water shortages, air and water pollution, plastic-related problems, waste-related problems, and the dissemination of misinformation and disinformation. In accordance with our policies and strategies, we are deepening collaboration among industry, government, and academia and sharing information and collaborating with society concerning responsible chemical substance management initiatives including risk assessment, thereby ensuring the safety and security of people and contributing to solutions to various social issues including environmental issues.

Risk Management

Product Chemical Substance Management / Chemical Substance Management in Manufacturing Processes

We identify and understand the current and potential issues in the fields of science, regulations, and society surrounding chemical substance management, and organize the risks and opportunities. By prioritizing important matters and continuously implementing the PDCA (Plan-Do-Check-Act) cycle, we aim for continuous improvement. The Quality Assurance Department is primarily responsible for “Product Chemical Substance Management,” while the Safety, Environment, and Social Group of the Sustainability Promotion Department takes the lead on “Chemical Substance Management in Manufacturing Processes.” These activities are managed within the overall company risk framework.

Additionally, these activities are regularly reported to the management meetings and the Board of Directors.

Metrics and Targets

Management of Chemical Substances in Manufacturing Processes

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goal	Achievements
Mitigation of impacts on people and the environment from chemical substances	Proactive substitution and response to customer requirements for reducing hazardous waste through improved resource efficiency

Evaluations and Future Activities

Fiscal 2025 Goal
Mitigation of impacts on people and the environment from chemical substances

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Initiatives

Management of Chemical Substances in Products

In the context of the increased stringency of laws and regulations and international conventions relating to the management of chemical substances in products, including the EU's RoHS Directive and REACH Regulation, China's RoHS management regulations, the United States' TSCA regulations and the UN's POPs Convention, the TDK Group complies with domestic and international laws and regulations as well as customer requirements, implementing initiatives aimed at "delivering products with low environmental load."

TDK complies with the RoHS Directive for all its products¹ and, as an early response measure, instituted a prohibition on the use in its products of the four phthalate esters² banned under the directive on July 22, 2018, a year in advance of the directive becoming legally effective.

1. Excluding some products based on customer specifications
2. DEHP, BBP, DBP, and DIBP

We introduced the Environmental Product Quality Management System (EPQMS) in 2004, as a mechanism to further maintain and guarantee these initiatives, and it is currently in operation as part of the Quality Management System (QMS). As a component manufacturer positioned in the midstream of the supply chain, this system ensures thorough prevention and control at each of the stages of "buying", "creating, making" and "selling."

Related links

[Prevention and Control of Exposure to Hazardous Substances in Products](#)

[Responses to Environmental Standards and Environment-Conscious Products ECO LOVE](#)

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Addressing Biodiversity

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Our Approach

We at TDK see the role we play through our business activities as being to achieve a sustainable future through, for example, working to restore and protect the global environment. Loss of Biodiversity has become a long - term global risk second only to climate change. Throughout the entire value chain - from the procurement of raw materials to product disposal - there is demand for activities that avoid, mitigate, and restore adverse impacts on biodiversity, and that contribute to Nature Positive.

All TDK employees are aware of the impact on the environment from production activities. We consider the relationship between business operations and the environment and strive to protect an affluent global environment. The TDK Environmental Charter expressly provides that employees are to consider contributions to ecosystems and take proactive action at all times. We also promote initiatives in collaboration with external partners, such as local communities.

Related links

[World Economic Forum \(WEF\) “The Global Risks Report 2024” \(PDF / Link to external site\)](#)
[The TDK Group Occupational Health/ Safety and Environmental Charter](#)

Addressing the Taskforce on Nature-related Financial Disclosures (TNFD)

On September 18, 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) issued its final Recommendations. Using the LEAP approach developed by TNFD, TDK has begun analyzing the connections between its businesses and nature, and identifying and assessing its dependence on natural capital including biodiversity, as well as the impacts, risks, and opportunities.

Related link

[Environmental Conservation Activities \(Social Contribution Activities\)](#)

Governance

Please refer to the TCFD/TNFD

[TCFD/TNFD](#)

Strategy

Please refer to the TCFD/TNFD

[TCFD/TNFD](#)

Risk Management

Please refer to the TCFD/TNFD

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Metrics and Targets

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Initiatives

Consideration of water resources (Global)

At TDK, water is an essential resource in manufacturing activities. Since we are impacted by such events as the exhaustion of water resources and flooding, the proper understanding and management of water risks are important issues for us. We monitor and manage regional water risks and the state of water use in production factories and endeavor to reduce water withdrawals in manufacturing processes.

The reduction of water withdrawal is one of the activities in the “TDK Environment, Health and Safety Action 2025,” and we have set an annual reduction target of 1.5% improvement in the intensity of water withdrawal compared to the previous fiscal year. In fiscal 2024 TDK’s total water withdrawal amounted to 15,179m³, which was down 8.75% from the previous fiscal year. In addition, intensity improved by 5.4% compared with the previous fiscal year, so our target was achieved.

For more information on our approach to water resources, please see the link below.

[Water Resources Conservation](#)

Miyawaki Forest at Nashik (TDK India Private Limited, Nashik Factory)

The Nashik Factory in India has planted a forest belt based on the Miyawaki Method* on land covering about 6,000m² adjacent to the Nashik ruins. More than 10,000 trees of more than 60 species have planted to date. The trees planted are useful to improving forest cover and protecting biodiversity. This project will contribute to the government’s objective of raising the percentage of land covered by forest in the country from the present level of 17% to 33%. Carrying out such activities leads to a raising our employees’ awareness of biodiversity. The factory has asked the nonprofit Nashik Saytrees Environmental Trust for cooperation in maintaining the forest belt.

* The Miyawaki Method was conceived by the Japanese ecologist Akira Miyawaki, who was already tackling forestry development and greenification in large urban areas in the 1970s. The method involves selecting trees and plants that can grow naturally in the soil and are best for the ecosystem, growing seedlings, and then planting them in a mixed-color and dense fashion. While taking advantage of the qualities of the vegetation, it restores a natural situation. Thanks to this method, forests grow 10 times faster and with three times more density than normal, leading to 30 times greater CO₂ absorption. A self-sufficient natural forest is created in three years.



”Trees For Life,” planting program (PT TDK ELECTRONICS INDONESIA, Batam / Indonesia)

Home to the offices of PT TDK Electronics Indonesia, Batam Island has long suffered from arid conditions. Furthermore, several years ago, there were also forest fires. The water levels in reservoirs have been extremely low, and the area is at high risk of water shortages. As a member of the local community, PT TDK has been participating in tree-planting programs, and helping to revitalize reservoirs as sources of water and forest ecosystems. The underlying theme for our tree-planting program is “Trees for Life.” PT TDK has planted 1,000 trees every year since 2016, and since 2021 it has also been planting 1,000 mangrove trees per year as well. This program is being implemented in cooperation with the local government, and with the participation of both TDK employees and students in TDK’s educational program.

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Third-Party Assurance

TDK calculates direct GHG emissions (Scope 1), indirect GHG emissions from energy sources (Scope 2), and other indirect GHG emissions (Scope 3), and undergoes a third-Party Assurance by SGS Japan Inc.

*ISAE3000 compliant

Please refer to the following URL for sustainability data

[Environmental Data](#)

Translation

Independent Assurance Report

18 July 2024
Opinion No : SGS24/116

Mr. Noboru Saito
Representative Director President & CEO
TDK Corporation
2-5-1, Nihombashi, Chuo-ku, Tokyo, Japan

SGS Japan Inc. (hereinafter referred to as "SGS") has conducted a limited assurance engagement on the sustainability data for the fiscal year 2023 indicated with ★ (hereinafter referred to as "the Statement") in "TDK Corporation website -Sustainability - Environment -Environmental Data" (hereinafter referred to as "the Website") prepared by TDK Corporation (hereinafter referred to as "the Organization") based on their request.

The Organization's Responsibility

The Organization is responsible for preparing the Statement in conformance with the calculation and reporting standards (hereinafter referred to as "the Organization's Criteria," described in the Website) adopted by the Organization. The calculation of GHG emissions is inherently uncertain due to the incomplete scientific knowledge required to determine emission factors and the numerical data, for combining emissions of different gases.

Our Independence and Quality Control

SGS has complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements based 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.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statement based on the procedures performed and the evidence obtained.

SGS has performed the limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements."

The procedures performed by SGS are based on our professional judgment and include the following:

- Evaluation of the appropriateness and inquiries regarding the Organization's Criteria used to measure, aggregate, calculate, and report the Statement.
- Verification that the Statement and the underlying records are consistent.
- Inquiring about the design of the systems and methods used to collect and process the Statement.
- Analytical procedures and inquiries regarding quantitative data.
- On-site inspection of TDK Corporation Mikumagawa Factory and document review of Qingdao TDK Electronics Co., Ltd. Qingdao Factory.
- Assessment of the Organization's Criteria to develop estimates were appropriate and consistently applied. (This does not include testing the data underlying the estimate or developing independent estimates to evaluate the estimate.)

The procedures performed in a limited assurance engagement vary in nature from and are less in scope than, those performed in a reasonable assurance engagement.

As a result, the level of assurance obtained in a limited assurance engagement is lower than what would have been obtained if a reasonable assurance engagement had been performed.

Limited Assurance Conclusion

Based on the procedures performed and evidence obtained by us, nothing has come to our attention that causes us to believe that the Statement in the Website are not prepared in conformance with the Organization's Criteria in all material respects.

For and on behalf of SGS Japan Inc.

Yokohama business Park North Square 1
134, Godo-cho, Hodogaya-ku, Yokohama
Business Assurance
Head of Certification/Accreditation
Yuji Takeuchi

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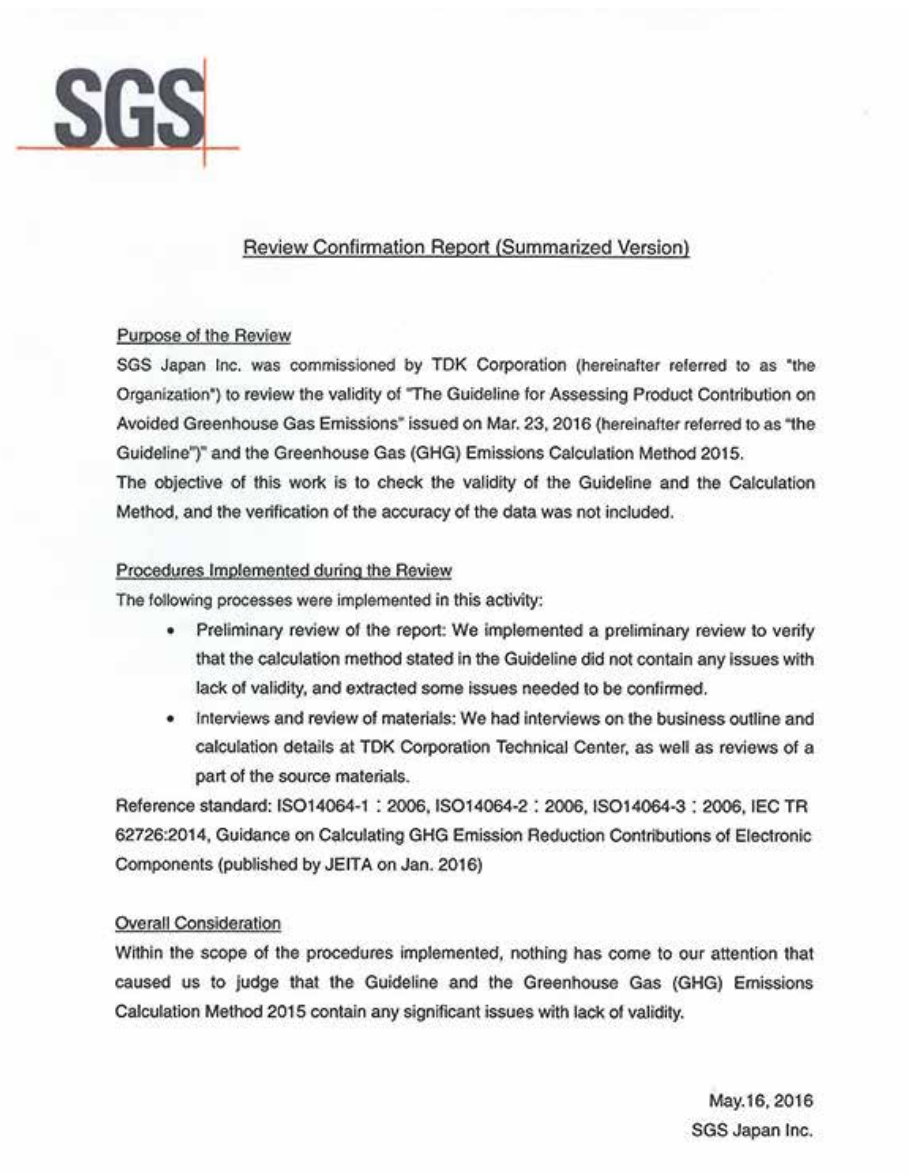
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Third-Party Review of Environmental Performance Data

In order to improve the objectivity of environmental performance data, the following items were subject to a third-party review by SGS Japan Inc.

- Calculation method for CO₂ emissions from production activities
- Calculation method for reduction of CO₂ emissions through products



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A History of TDK's Environmental Activities

2024	Jul. Obtained SBT Certification for Greenhouse Gas Reduction Targets
	Mar. Selected as Leader in the CDP Supplier Engagement Rating 2023 (highest rating) for four consecutive years
	Feb. Named on CDP's "A" list for the category of water-security (highest rating) for four consecutive years
	Jan. TDK-Lambda started using 100% electricity derived from renewable energy for operations at all manufacturing sites worldwide
2023	Jul. Issuance of TDK's First Green Bond and Fundraising through Sustainability-Linked Loans
	Jul. All Japan manufacturing sites started using 100% electricity derived from renewable energy for operations
	Mar. Selected as the Leaderboard (highest rating) of the CDP Supplier Engagement Rating for three consecutive years
2022	Dec. Named on CDP's "A" list for the category of water-security (highest rating) for three consecutive years
	Nov. Joined the RE100 global initiative with a commitment toward use of 100% renewable energy for energy consumed in business activities
	Oct. The TDK Group Occupational Health / Safety and Environmental Charter established
	Sept. Submitted a letter of commitment to the Science Based Targets Initiative (SBTi), an organization that certifies Science Based Targets—greenhouse gas emission reduction targets that are scientifically consistent with the targets set by the Paris Agreement
	Mar. Selected as an "Environmentally Sustainable Company" in the ESG Finance Awards Japan
	Feb. Selected as the Leaderboard (highest rating) of the CDP Supplier Engagement Rating for two consecutive years
2021	Dec. Named on CDP's "A" list for the category of water-security (highest rating) for two consecutive years
	Oct. Issued TDK's first Sustainability-Linked Bonds
	Jun. Supplier Environmental Award begins
	Feb. Selected as the Leaderboard (highest rating) of the CDP Supplier Engagement Rating

2020	Dec. Named on CDP's "A" list for the category of water-security (highest rating)
	Dec. Received rating of 'A- (A minus)' from CDP for climate change
	Aug. Achieved local production for local consumption of renewable energy at the TDK Museum
	Feb. Commendation from the U.S. Environmental Protection Agency for Reduction Efforts of Metal Waste (Lead and Copper)
	Jan. TDK Asama Techno Factory received The Energy Conservation Center, Japan Chairman's Award in the Energy Conservation Best Practice Category of the FY2019
2019	May. Expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*1
2018	Clean energy purchasing promoted primarily at European sites of TDK Electronics AG
	Revision of the TDK Environmental Charter (fifth edition)
2017	Received a special award in the DBJ Environmental Rating for the third consecutive year
	Total abolition of high-concentration PCB equipment in Japan
2016	"Guidelines for Calculation of Product Contributions" published with the aim of enhancing the reliability of product contribution calculations
	TDK Environment, Safety and Health Action 2025 formulated as fundamental environmental plan in accordance with the TDK Environmental Vision 2035 (started from April 2016)
2015	Achieved the fundamental environmental plan "TDK Environmental Action 2020" goal of a one million-t-CO ₂ environmental contributions
2012	Received a special award in the DBJ Environmental Rating for second time in a row
2011	Fundamental environmental plan, TDK Environment Action 2020, drafted (started from April 2011)
2010	Became the first electronic components manufacturer to receive a special award in the Environmental Rating from Development Bank of Japan (DBJ)
2009	TDK Biodiversity Action Agenda established
2007	Chinese headquarters obtained ISO14001 certification (first step toward integration of EMS in China into company-wide system)
	Zero emissions achieved*2 for manufacturing facilities of all overseas subsidiaries
2006	EMS integration for all manufacturing facilities in Japan completed

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2005	Fundamental environmental plan, TDK Environmental Action 2015, drafted (started from April 2006)
2003	Zero emissions achieved*2 at all TDK sites in Japan
2002	Fundamental environmental plan, TDK Environmental Activities 2010, drafted (started from April 2003)
2000	ISO 14001 certification of all manufacturing and R&D facilities of TDK Group in Japan completed
1999	Regular release of Environmental Report begins
1993	TDK Environmental Voluntary Plan formulated

*1 The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board (FSB), an international body seeking to achieve the stabilization of the financial system.

*2 Zero emissions is defined at TDK as 100% final resource recovery without any disposal by landfilling or simple incineration of waste produced at business sites (excluding resources which cannot be recovered separately under the legal framework)

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GHG emissions

Scope 1,2,3		Summary	CO ₂ Emissions t-CO ₂					
			FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	
Scope 1		Production	111,341	136,021	146,774	146,350	133,616	★
Scope 2		Production	1,446,346	1,631,989	1,554,703	1,236,669	693,690	★
Total company GHG emissions		Scope 1 + Scope 2	1,557,687	1,768,010	1,701,477	1,383,019	827,306	★
Scope 3 (Category)	1	Goods and services purchased	6,255,214	6,501,648	8,740,800	9,607,890	8,527,986	★
	2	Capital goods	697,938	1,102,326	1,042,135	901,708	845,385	★
	3	Fuel and energy-related activities	695,845	764,632	936,628	1,217,373	253,585	★
	4	Transportation and distribution (upstream)	274,876	323,464	504,216	238,076	211,989	★

5	Waste generated from operations	6,019	5,803	6,998	7,409	5,910	★
6	Business trip	46,890	19,357	24,532	40,728	57,384	★
7	Employee Commuting	7,427	7,271	7,702	7,911	9,428	★
8	Leased assets (upstream)	Excluded from calculation					
9	Transportation and distribution (downstream)	Excluded from calculation					
10	Processing of sold products	Excluded from calculation					
11	Use of products sold	6,265,954	9,898,070	14,557,430	14,477,887	9,610,960	★
12	Disposal of sold products	Excluded from calculation					
13	Leased assets (downstream)	Excluded from calculation					
14	Franchise	Excluded from calculation					
15	Investment	—	—	—	—	23,158	★
Scope 3 Total		14,250,163	18,622,571	25,820,441	26,498,982	19,545,785	★
Total emissions	Scope 1 + Scope 2 + Scope 3	15,807,850	20,390,581	27,521,918	27,882,001	20,373,091	★

Data marked with ★ is guaranteed by a third party

Calculation Method

Classification	Summary	Scope of coverage	Calculation Method
Scope 1	Own direct emissions	Manufacturing sites and main offices (25 sites in Japan + 57 sites overseas, including 5 offices)	Direct energy-derived CO ₂ emissions from corporate activities, such as fuel combustion in factories. Emission factors based on the Law Concerning the Promotion of the Measures to Cope with Global Warming are used.

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Scope 2		Own indirect emissions	Manufacturing sites and main offices (25 sites in Japan + 57 sites overseas, including 5 offices)	Indirect CO ₂ emissions associated with energy use in corporate activities, such as electric energy use, using the GHG Protocol's market-based approach. For Japan, adjusted emission factors by electric utility are used, based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. For other than Japan, emissions intensity by electric utility or the latest emissions intensity in each region, or emissions intensity from IEA Emissions Factors if these are not available.
Scope 3	Category 1	Goods and services purchased	TDK consolidated targets	Based on the GHG Protocol, emission intensity is calculated by multiplying the purchase amount of each item purchased in the relevant fiscal year by its emission intensity. For materials, emissions intensity is calculated by multiplying the purchase amount of the main constituent materials of each product by the emissions intensity. Primary data from some suppliers are also used in the calculation. For emissions intensity, please refer to the 3EID Global Expansion Data Book on Environmental Impact Intensity Based on the Input-Output Table.
	Category 2	Capital goods	TDK consolidated targets	Based on the GHG Protocol, emission intensity per unit of value is calculated by multiplying capital goods such as equipment acquired in the relevant year by emission intensity per unit of value. For emissions intensity, refer to the Data Book on Environmental Impact Intensity Based on the Input-Output Table (3EID Global Extension).
	Category 3	Fuel and energy-related activities	Manufacturing sites and main offices (25 sites in Japan + 57 sites overseas, including 5 offices)	Based on the GHG Protocol, emissions intensity is calculated by multiplying purchased fuel and electricity by emissions intensity. For emissions intensity, refer to the emissions intensity database for calculating GHG emissions of organizations through their supply chain by IDEA and the Ministry of the Environment of Japan. For data before fiscal 2023, the amount of activity is based on the purchase amount.
	Category 4	Transportation and distribution (upstream)	TDK consolidated targets	Based on the GHG Protocol, emissions from the procurement of purchased products and services and emissions from the transportation of manufactured products are calculated. Emissions from purchased products and services are calculated by multiplying the purchase price by the emissions intensity of procurement. Emissions from manufactured products are calculated by multiplying the amount of transportation and, in part, the transportation cost by the emission intensity. For emissions intensity of purchased products and services, refer to the data book of environmental impact intensity based on the input-output table (3EID Global Extension), and for emissions intensity of transportation of manufactured products, refer to the transportation cost intensity using IDEA or supplier's primary data.

Category 5	Waste generated from operations	Manufacturing sites and main offices (25 sites in Japan + 57 sites overseas, including 5 offices)	Based on the GHG Protocol, emission intensity is calculated by multiplying the amount of waste from manufacturing sites by the emission intensity. For emission intensity, refer to the emission intensity database for calculating GHG emissions of organizations through their supply chains, which is provided by IDEA and the Ministry of the Environment of Japan. Waste transport is accounted for in Category 1. For data prior to fiscal 2023, the amount of activity is based on the cost of waste disposal.
Category 6	Business trip	TDK consolidated targets	Based on the GHG Protocol, the estimated business trip cost is multiplied by the emission intensity based on the means of transportation. For emissions intensity, refer to the data book on environmental impact intensity based on the input-output table (3EID Global Extension).
Category 7	Employee commuting	TDK consolidated targets	Based on the GHG Protocol, the estimated commuting cost is multiplied by the emission intensity based on the commuting method. For emissions intensity, refer to the 3EID data book on emissions intensity based on the input-output table.
Category 8	Leased assets (upstream)		Use of leased equipment is reported as Scope 1 and 2 emissions.
Category 9	Transportation and distribution (downstream)		Not applicable as the Company is an electronic component manufacturer.
Category 10	Processing of sold products		Not applicable because the emissions associated with the processing of our products by our customers are small and diverse, making the estimate unreasonable.
Category 11	Use of products sold	TDK major product lines	Based on the GHG Protocol, the power consumption loss generated during the use of TDK products is calculated by multiplying the field of installed set products, lifetime operating hours of installed set products, and emissions intensity by the sales volume. Lifetime operating hours refer to JEITA's guidance on the calculation of GHG emission reduction contribution of electronic components, and emissions intensity refers to IEA Emissions Factors.
Category 12	Disposal of sold products		Not applicable as the Company is an electronic component manufacturer.
Category 13	Leased assets (downstream)		Not applicable because there is no applicable business activity.
Category 14	Franchise		Not applicable because there are no franchise stores.
Category 15	Investment	TDK consolidated equity-method affiliates (Excluding companies that do not disclose emissions)	Calculated based on the GHG Protocol by multiplying the emissions of companies in which the company has acquired shares by the shareholding ratio.

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Scope: Manufacturing sites and main offices (25 sites in Japan + 57 sites overseas, including 5 offices)	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Total energy consumption (A)+(B)+(C)+(D)+(E)+(F)	GJ	13,539,550	16,068,546	17,078,863	16,752,694	15,617,119
Total energy consumption (A)+(B)+(C)+(D)+(E)+(F)	MWh	3,760,986	4,463,485	4,744,129	4,653,526	4,338,089
Total renewable energy use*1(A)+(C)+(E)	MWh	581,542	896,340	1,192,056	1,540,890	2,005,579
Percentage of total renewable energy used*2	%	15.5	20.1	25.1	33.1	46.2
Percentage of total renewable energy-derived electricity used*3	%	18.2	23.9	30.0	39.9	55.2
Fuel (renewable energy amount) (A)	MWh	8,778	8,344	8,074	7,787	8,576
Fuel (non-renewable energy volume)(B)	MWh	604,262	742,384	788,613	788,239	709,387
Purchased electricity (amount of renewable energy)*4(C)	MWh	572,189	886,632	1,182,202	1,538,759	1,989,024
Purchased electricity + self-generated electricity (non-renewable energy)(D)	MWh	2,575,182	2,824,761	2,763,460	2,316,610	1,623,123
Self-generated electricity (amount of renewable energy)*5(E)	MWh	575	1,364	1,780	2,131	7,979
Self-generated electricity (Renewable energy sold)	MWh	0	0	0	0	0
Steam, hot water, etc. (purchased)(F)	MWh	0	0	0	0	0

Data marked with ★ is guaranteed by a third party

1 Total renewable energy consumption: The total amount of renewable energy used by a company in its business activities, including the amount of renewable power generated on-site and purchased ((A)+(C)+(E) in the table above). CRITERIA APPENDICES (version 3.0).

2 Total renewable energy use ratio: Total renewable energy use ((A)+(C)+(E) in the above table) divided by total energy use ((A)+(B)+(C)+(D)+(E)+(F) in the above table)

3 Total renewable energy-derived electricity ratio: Total renewable electricity consumption ((C)+(E) in the above table) divided by total electricity consumption ((C)+(D)+(E) in the above table)

4 Purchased electricity (renewable energy amount): Amount of electricity derived from renewable energy purchased through PPA, attribute certification, renewable energy electricity contracts, etc.

5 Amount of electricity generated in-house (renewable energy): Amount of electricity generated by company-owned renewable energy sources

Water, waste, regulatory compliance and accident/air

			Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Water (esp. cool, fresh water, e.g. drinking water)	incoming water (a river, pond, flood, etc.)		Thousand m³	16,338	17,783	17,049	16,635	15,179
		From municipal water supply or other water supply facilities(A)	Thousand m³	11,268	12,073	11,817	11,718	10,606
		Freshwater and surface water Lakes, rivers, etc.(B)	Thousand m³	131	110	133	147	121
		Groundwater(C)	Thousand m³	4,939	5,600	5,099	4,770	4,452
	water discharging		Thousand m³	11,104	12,889	13,106	11,554	10,144
	water consumption (incoming - discharging)		Thousand m³	5,234	4,894	3,943	5,081	5,035
Waste	Total non-hazardous waste		t	108,110	134,202	147,036	130,112	121,268
		Amount recycled outside the company	t	95,427	132,518	145,060	127,982	119,402
		In-house recycled amount	t	5,851	1,171	1,468	1,529	1,566
		Final disposal amount*¹	t	6,832	513	508	601	300
	Total hazardous waste		t	764	735	579	584	349
		Amount recycled outside the company	t	662	623	498	451	339
		In-house recycled amount	t	0	0	0	0	0
		Final disposal amount*¹	t	102	112	81	133	10
	Total waste		t	108,874	134,937	147,615	130,696	121,617
		Amount recycled outside the company	t	96,089	133,141	145,559	128,433	119,741
		In-house recycled amount	t	5,852	1,171	1,468	1,529	1,566
		Final disposal amount*¹	t	6,934	625	589	734	310

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Compliance with laws and regulations and accidents	Regulatory exceedances and accidents	Case(s)	1	0	0	0	0
	Fines of US\$10,000 or more	Case(s)	0	0	0	0	0
	Amount of fine (US\$10,000 or more)	USD	0	0	0	0	0
Atmosphere	PRTR substance emissions (Japan)	t	78	155	156	154	115
	SOx emissions (Japan)	t	1	1	0	0	2
	NOx emissions (Japan)	t	18	18	38	29	30
	Soot and dust emissions (Japan)	t	3	3	2	3	4
	Volatile Organic Compounds (VOC) emissions*2	t	264	276	271	488	687

1 TDK is promoting zero emissions, but the newly added subsidiary is generating final disposal volume.

2 The scope of data coverage has been expanded globally since fiscal 2023. The data from fiscal 2020 to fiscal 2022 covers only Japan.

Data by Site

April 2023 - March 2024

Factory name	Energy		Water resources	Discharge	
	Electricity (purchased) usage (MWh)	Fuel consumption (GJ)	Water withdrawal (Thousands of meters ³)	Total emissions (t)	Amount recycled outside the company (t)
Japan					
TDK Corporation					
Chokai Plant	2,162	0	3,203	707	707
Inakura Plant	24,599	20,461	93,830	1,195	1,195
Nikaho Plant North Site	21,105	52,231	180,279	2,399	2,399
Nikaho Plant South Site	12,710	3,679	16,608	73	73

Narita Plant	72,240	4,341	246,675	2,068	2,046
Chikumagawa Techno Factory	6,027	18,828	3,774	57	57
Asama Techno Factory	48,897	43,655	245,102	1,880	1,879
Shizuoka Plant	36,132	41,632	118,924	2,659	1,156
Mikumagawa Plant	17,330	106,700	473,085	1,279	1,279
TDK Electronics Factories, Inc.					
Honjo Plant West Site	108,171	130,682	504,590	7,299	7,299
Honjo Plant East Site	32,258	68,362	75,497	290	290
Kitakami Plant	102,967	149,900	459,959	4,928	4,928
Ouchi Plant	42,631	59,952	91,911	753	742
Iwaki Plant	2,871	3,395	52,510	274	274
Kofu Plant	33,697	52,238	637,569	1,049	1,049
Tsuruoka Plant	11,118	2,995	9,476	424	424
Sakata Plant	14,059	1,809	12,195	179	161
Iida Plant	5,568	42.9	1,896	200	200
Tsuruoka East Plant	10,960	21,237	410,693	1,132	1,132
TDK-Lambda Corporation*1	3,449	43.4	122,736	172	171
TDK Precision Tool Corporation	415	0	377	15	15
Development and Office Division	13,071	33,466	47,882	234	231
East Asia					
TDK Dalian Corporation	49,225	747	209,130	219	213
Qingdao TDK Electronics Co., Ltd.	18,879	0	52,241	180	180

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TDK (Suzhou) Co., Ltd.	3,252	0	7,047	65	65
TDK Xiamen Co., Ltd.	104,799	61,248	442,787	2,443	2,371
SAE Magnetics (H.K.) Ltd.	154,454	5,497	956,906	1,102	1,102
Amperex Technology Ltd.	1,193,041	839,249	3,594,719	58,217	58,217
Acrathon Precision Technologies (HK) Ltd.	4,975	0	31,330	437	232
Wuxi TDK-Lambda Electronics Co., Ltd.	3,209	0	6,109	67	67
TDK Dongguan Technology Co., Ltd.	56,396	33,995	215,639	2,159	2,159
Guangdong TDK Rising Rare Earth High Technology	14,243	0	56,666	92	92
TDK Korea Corporation	16,048	4,484.5	45,074	203	203
TDK Taiwan Corporation	12,672	1,527	77,090	191	191
InvenSense Taiwan Co., Ltd.	13,032	0	16,121	21	21
Dongguan NVT Technology Co., Ltd.	70,640	11,032	231,032	2,594	2,594
TDK (Ganzhou) Rare Earth New Materials Co., Ltd.	3,829	144	11,675	65	65
Poweramp Technology Limited	25,052	0	185,935	1,713	1,713
Other Asia					
TDK Philippines Corporation	27,603	1,901	272,269	40	40
TDK (Malaysia) Sdn. Bhd.	20,714	0	76,036	1,595	1,595
TDK (Thailand) Co., Ltd.	10,696	808.1	119,061	698	698
Magnecomp Precision Technology Public Co., Ltd.	74,922	60	619,710	180	180
TDK-Lambda Malaysia Sdn. Bhd.	8,546	179	47,354	199	178

Hutchinson Technology Operations (Thailand), Co., Ltd.	10,254	0	74,888	106	106
Navitasys India Private Limited	15,020	4,277	33,994	1,544	1,544
ATL Battery Technology (India) Private Limited	15,954	2,598	50,998	408	408
EMEA					
TDK-Lambda Ltd.	2,927	0	2,043	258	231
TDK-Lambda UK Ltd.	1,565	0	2,065	92	92
Micronas-Germany	44,504	253,652	377,579	606	606
North and South America					
TDK Components U.S.A., Inc.	1,983	868.5	1,022	51	51
Headway Technologies, Inc.	76,179	80,592	134,303	418	381
TDK-Lambda Americas Inc.	2,299	1,776	2,555	13	4
Hutchinson Technology Inc.	6,739	24,500	38,687	186	87
TDK Electronics					
TDK Electronics Group*2	845,582	677,264	3,377,979	16,013	12,904

1 Figures are for Nagaoka Technical Center.

2 TDK Electronics Group includes TDK Electronics AG and its subsidiaries.

Environmental Accounting (Japan)

TDK has traditionally monitored its environmental conservation costs and environmental impact, but in fiscal 2002, TDK introduced environmental accounting for its business sites in Japan in order to clarify the relationship between the two and promote more effective environmental measures.

A summary of the aggregate results for fiscal 2024 is as follows.

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Classification	Environmental cost		Economic effect	Environmental Conservation Effects
	Investment for the year (thousand yen)	Environmental preservation and maintenance expenses for the fiscal year (thousand yen)	Environmental preservation activities	Results of load improvement by environmental preservation activities in the current fiscal year compliance with laws and regulations and other results (for the current fiscal year)
1.Business area cost				
Pollution prevention (Regulatory control)	1,160,780	728,115		• Complaints about vibration, noise, and odor: 0
Global environmental conservation	556,707	1,028,056	• Electricity and fuel savings: 27,302	• CO ₂ reduction: 556 t-CO ₂
Resource recycling	57,743	852,937	• Materials usage savings: 104,556 • Service water usage savings: 2,216 • Gain on sale of marketable securities: 1,992,611	• Reduction of raw materials: 1,960 t • Reduction of water: 11,871 m ³ • Sale of valuable resources: 9,273 t • Outside recycling: 18,757 t
Risk management	0	1,848		• Reduction in emissions of PRTR chemicals: 9 t • Number of soil contamination risk countermeasures implemented: 0
2.Upstream and downstream costs	0	0		
3.Management activity costs	0	33,138		
4.R&D costs	0	10,299		• Number of environmentally friendly products researched and developed: 20
5.Social activity costs	0	30		• Number of trees planted outside the company: 900 • Total number of people participating in volunteer activities: 2,864
6.Environmental damage costs	0	1,269		• Number of cases repaired (cost incurred): 0
Total	1,775,295	2,655,692		

※The investment amount for the year in question is the amount payable in fiscal 2024.

※The environmental preservation and maintenance expenses for the relevant fiscal year include depreciation (legal) of equipment, and personnel expenses are not included because they are determined based on the number of employees in the relevant fiscal year.

※The effects covered are substantive effects only and do not include presumptive effects (risk aversion and deemed effects).

Aggregate results for fiscal 2024

- Environmental capital expenditures increased to 1,775 million yen from 1,596 million yen in the previous fiscal year.
- Environmental preservation and maintenance expenses decreased from ¥2,788 million in the previous fiscal year to ¥2,656 million.
- Economic benefits from environmental preservation activities increased from ¥1,820 million in the previous year to ¥2,127 million, mainly due to an increase in the sale price of valuable resources.

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Our Approach

Understanding of global trends on human rights issues

Since the UN Human Rights Council adopted the “protect, respect, and remedy” framework, known as the Ruggie Framework, with regard 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.

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.”

For this purpose, we prohibit any form of child labor, forced labor including human trafficking, and unreasonable movement restrictions that lead to bonded labor in our supply chain. We also respect internationally recognized human rights, such as freedom of association and the right to collective bargaining. Furthermore, 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 the TDK itself but also throughout the value chain.

The “TDK Group Human Rights Policy” is published on our website and communicated to internal and external stakeholders. We expect all stakeholders, including our business partners and suppliers, to understand and support this policy, and we request that their responses be in compliance with the TDK Supplier Code of Conduct, including the prohibition of unreasonable restrictions on movement leading to child labor, forced labor, or compulsory labor, and the respect for freedom of association and the right of collective bargaining.

Related links

[TDK Code of Conduct](#)
[TDK Group Policy on Human Rights](#)
[TDK Group - Human Rights Statement](#)
[TDK Supplier Code of Conduct](#)
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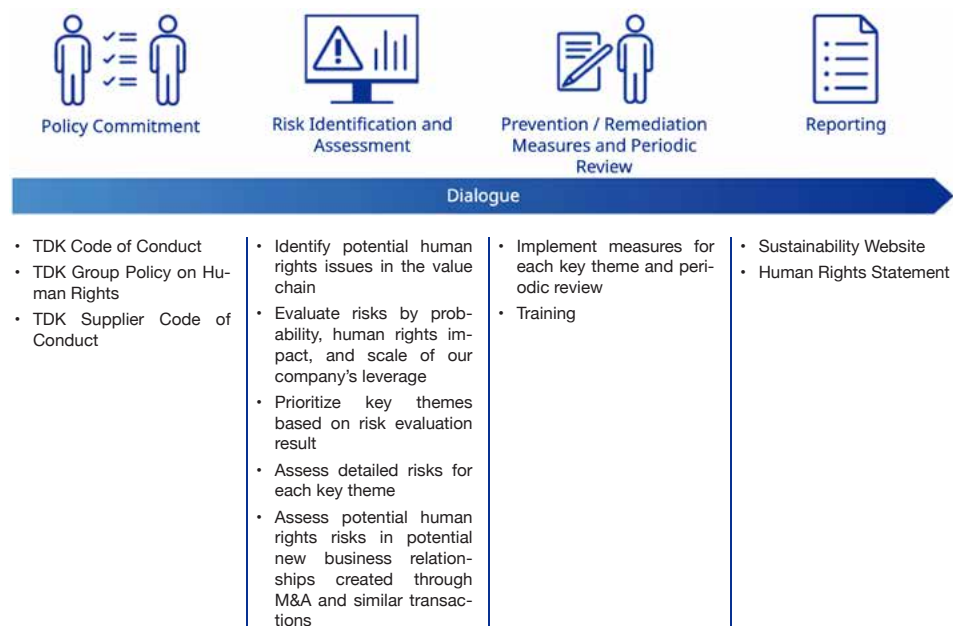
At TDK, the Sustainability Promotion HQ—with the Chief People and Sustainability Officer (CPSO) in place as the responsible party—promotes day-to-day human rights responses while coordinating with related functions. The Sustainability Promotion HQ issues reports at Board of Directors meetings at least twice a year regarding the status of sustainability initiatives for the entire Group including those with respect to human rights. The Board of Directors reviews and decides on these reports as necessary.

Risk Management

Due Diligence Process

The 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 including human rights specialists and stakeholders to make our activities more effective.

Human Rights Due Diligence Process of TDK Group



Identification and Evaluation of Human Rights Risks

Human rights key themes of TDK Group

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

Additionally, when new business relationships arise, we conduct human rights risk assessments. For example, during due diligence in mergers and acquisitions, we investigate the status of human rights initiatives, working conditions, occupational health and safety, and compliance with relevant laws to ensure that there are no significant human rights risks in companies joining the group.

In fiscal year 2024, as we reviewed key issues (materiality) in the formulation of a new Medium-Term Plan to begin from fiscal year 2025, we conducted reassessments of “potential human rights risks that may be addressed by the TDK Group” and “Priority issues on which to focus.”

We identified stakeholders and human rights risks potentially impacted by TDK Group's activities in the upstream, internal, and downstream value chains and confirmed consistency with “Potential Human Rights Risks Tackled by 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/indigenes	Group employees	Communities/indigenes	Customers/End users
Potential human rights risks					
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	○	-	○	-	-

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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.)	-	○	-	○	-

Next, we did scoring and assigned prioritizations from the perspectives of severity of impact and probability of occurrence, and confirmed that they matched with “priority issues on which to focus.” Furthermore, based on the results of reports from international human rights groups; the risk assessments for labor and business ethics, CSR self-checks, and audits at manufacturing sites; and reviews by external experts, we redefined our “priority issues on which to focus.” As a result, we recognized three priority issues: “responsible mineral sourcing,” “consideration of employee human rights at our manufacturing sites,” and “consideration of employee human rights at suppliers (including contract manufacturers and staffing agencies).” We identified specific human rights issues (key human rights issues) to address within these three priority issues and are working on preventive and mitigation measures and monitoring progress. We will continue to conduct regular reevaluations.

Priority issues on which to focus

Priority issues on which to focus	Priority human rights issues
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, pay, training, 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, pay, training, promotion, etc.) • Harassment • Unfair treatment of foreign workers • Child labor, forced labor, human trafficking

Approach to Key Human Rights Issues

Prohibition of Child Labor and Forced Labor

TDK clearly prohibits child labor and forced labor* in the TDK Corporate Ethical Standards and takes various measures to prevent their occurrence. For example, to address and prevent the risk of child labor, we conduct regular verification of official documents and employee interviews at all manufacturing sites to prevent impersonation before and during employment. Furthermore, if employees below the working age are found, procedures are in place to provide educational training instead of employment and to cover the related costs to resolve the issue.

Thanks to such measures, no child labor was found during fiscal year 2024 at TDK. 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.

*Forced Labor refers to any labor that is coerced, such as by threat or intimidation of punishment, and is not voluntarily offered. (Example: As a measure of compelling involuntary labor, to collect recruitment fees from workers, to restrict workers' freedom of movement unreasonably, and to hold/destroy/conceal/confiscate workers' government-issued identification cards, etc.)

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Working Hours and Fair Wage Management

At each site, appropriate wages, allowances, bonuses, other temporary payments, and retirement benefits are defined in work rules and labor agreements (such as collective labor agreements) based on the labor-related laws of each country. We comply with all wage-related laws concerning minimum wages, statutory benefits, overtime, etc., in each country and have internal regulations or procedures to ensure compliance with these laws. Employees are notified of their wages through pay slips or electronic data and are paid directly within the prescribed pay period and time. Measures are also taken to prevent excessive labor hours beyond legal limits, with risk-specific countermeasures at each manufacturing site. For example, if there is a 60-hour or lower work hour limit as stipulated by the Responsible Business Alliance (RBA) Code of Conduct, we notify relevant employees to prevent exceeding these limits. Additionally, in countries with a high risk of excessive labor, the headquarters' human resources function (global HR) continues monitoring.

For suppliers, the TDK Supplier Code of Conduct outlines our stance on long working hours, overtime, compensation, and minimum wages.

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 has 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.

Related link

[Health and Safety](#)

Protection of foreign workers

Regarding foreign workers from third countries, especially unskilled workers who are socially and economically disadvantaged and thus more vulnerable to forced labor and human trafficking, we take necessary measures to prevent abuse, ensure respect for human rights, and correct abuses in the supply chain. These measures include signing employment contracts in a language that the employees can understand.

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. The TDK's business activities (including contracts and subcontracting) are carried out not only as a matter of good business practice, but in an effort to fulfill our social responsibility in complying with laws and regulations, and respecting human rights and labor rights.

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

At TDK Corporation and some subsidiaries, there are employees who are members of labor unions.

In countries or regions where union formation is not legally recognized or in subsidiaries where employees are not union members, the TDK Corporate Ethical Standards stipulate engaging in sincere dialogue directly with employees or with their representatives to build healthy relationships and resolve issues. 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.

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.

Related links

[TDK Code of Conduct](#)

[TDK Supplier Code of Conduct](#)

[Health and Safety](#)

[Responsible Sourcing of Minerals](#)

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[Social and Environmental Consideration at Manufacturing Sites](#)

Metrics and Goals

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goals	Achievement
Responsible sourcing of minerals	Responsible sourcing of minerals
Respecting human rights of employees at our manufacturing sites	Respecting human rights of employees at our manufacturing sites
Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)	Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)

Initiatives

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 at manufacturing sites. 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.

Related link

[RBA Code of Conduct \(Link to external site\)](#)

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 initiatives in 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, which is now entitled the “TDK Group Policy on Responsible Sourcing Minerals” in January 2019. Under this revised policy, 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 with high risks of misconduct, including human rights abuses and environmental destruction. In fiscal year 2024, according to the conflict mineral survey conducted by the TDK, no minerals involved in the funding of armed forces in the DR Congo or adjoining countries were found. 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.

Related links

[TDK Group Policy on Responsible Sourcing Minerals](#)
[Responsible Sourcing of Minerals](#)

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 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.

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In fiscal year 2024, all 78 of our 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 cafeteria operators, 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 to mitigate the risks 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, from fiscal year 2022 through fiscal year 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.

We also promote additional activities by taking into account the types of risks, countries and regions. For example, to prevent child labor, we adhere to strict age check procedures to prevent any use of child labor at our manufacturing sites in China and implement monitoring by headquarters. In fiscal year 2023, no case of child labor was discovered. We also began to strengthen the monitoring of working hours by headquarters at manufacturing sites in high-risk countries in Asia in fiscal year 2018.

Related link

[Social and Environmental Consideration at Manufacturing Sites](#)

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

Initiatives for material suppliers

In promoting CSR procurement, we conduct CSR self-checks based on the items required by the Responsible Business Alliance (RBA) during the supplier approval process. This is carried out for all suppliers at the start of business relations and for major material suppliers 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 its suppliers, selecting targeted 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, which achieved our objective.

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 the two years from fiscal year 2023 to fiscal year 2024, we confirmed that 97% of our manufacturing sub-contractors conducted such self-checks. For manufacturing sub-contractors in China, we annually conduct child labor monitoring by headquarters as we do for our manufacturing sites. As a result of these measures, in fiscal year 2024, no case of child labor was discovered at TDK's manufacturing sub-contractors. Furthermore, we carry out CSR audits of critical manufacturing sub-contractors. In fiscal year 2024, we implemented CSR audits at four companies in Japan.

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.

We also conducted on-site audits at major manufacturing sites in Japan of labor agencies and of service providers that provide services on the premises such as security companies, cleaning companies, and cafeteria operators. Through audits, we strive to assess risks related to ethics such as the management of working hours (less than 60 hours per week), the status of taking vacation time, whether fees are being taken for employment, and the procedures for confirming age at the time of employment. We request that corrections be made for any issues discovered and conduct monitoring until those are completed.

Related link

[Sustainable Procurement](#)

See also information on human rights considerations throughout the supply chain.

Related link

[Governance Data](#)

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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 CSR 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, too, TDK worked to enhance our employees' understanding of basic human rights issues through training based on the TDK Code of Conduct.

In addition, a total of 158 employees participated in training programs for internal CSR auditors in Japan, ASEAN, and China.

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 taken to ensure that TDK conducts business operations 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 such issues.

Communication with external parties

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

Participated in the Human Rights Due Diligence Workshop, organized by the Caux Round Table Japan. Worked to grasp human rights risks through exchanges of views with NGOs and experts (10 organizations), and to identify human rights issues in the manufacturing industry and in the chemicals and construction materials industries through discussions with participating companies (31 companies).

Related link

[Human Rights Due Diligence Workshop\(Link to external site\)](#)

[Final Report of the 2023 Human Rights Due Diligence Workshop \(Stakeholder Engagement Program\) \(Link to external site\)](#)

2021

Study session on human rights issues in the supply chain

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

Related link

[Targeting Human Rights Responses at the Supply Chain](#)

2015

CSR Promotion in the Supply Chain

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

Related link

[CSR Promotion in the Supply Chain](#)

2014

Identification of Human Rights Issues through Dialogue with Stakeholders

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

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[Identification of Human Rights Issues through Dialogue with Stakeholders](#)

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 worked to grasp human rights risks through an exchange of opinions with NGOs and experts (10 associations), while identifying human rights issues in manufacturing through discussions with members from nine participating companies.

Related link

[Human Rights Due Diligence Workshop\(Link to external site\)](#)

Collaborative Initiatives

In February 2020, the 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, the 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.

Related link

[Participation in Initiatives and Association](#)

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Sustainability | Society | Respect for Human Rights

TDK Group Policy on Human Rights

The TDK Group aims to “Contribute to culture and industry through creativity” by directly engaging in revitalizing and protecting the global environment and creating a pleasant and safe society. Based on the values represented in the TDK Code of Conduct, we respect the human rights of our stakeholders and recognize the potential impact of our various corporate activities on human rights. We also recognize the need for carrying out business in such a way as to reduce that impact. Based on this understanding we commit to respect for human rights through the following efforts.

1. We respect international standards of human rights including the International Covenants on Human Rights and the International Labor Standards and strive to uphold them.
2. If domestic laws in the applicable region are incompatible with the International Covenants on Human Rights, we will do our best to resolve issues so that international principles of human rights are respected.
3. We take measures to raise awareness of human rights, provide education and develop competency among all of our directors and employees.
4. We carry out due diligence to address actual or potential impact on human rights due to our corporate activities.
5. If our corporate activities have caused a negative impact on human rights, either directly or indirectly, we will redress the situation or do our best to cooperate in redressing the situation so that it does not occur again.
6. We ask our business partners and other stakeholders involved in the value chain to fulfill their responsibility to respect human rights and ask them through dialogue and discussion to take appropriate measures if those efforts are insufficient, based on the TDK Code of Conduct.

This policy was approved by the Board of Directors on July 29, 2016.

Established on August 2, 2016

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Customer Satisfaction

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Our Approach

TDK supplies electronic components not only to electronic device manufacturers directly linked to end consumers, but also to electronic assembly manufacturers and component manufacturers. For these diverse customers, TDK uses the following methods to measure customer satisfaction, and aims to be a company that is trusted by customers for its overall satisfaction in terms of quality, cost, delivery, technology, and service.

Related link

[Supply Chain > % of customers covered by the satisfaction evaluation](#)

- Questionnaire: an assessment created by TDK to be completed by customers.
- Supplier evaluation information: information on the evaluation of TDK products that is regularly conducted by customers using their own evaluation methods, which is received from customers.
- Product complaints: information on complaints received from customers.
- Customer Satisfaction (CS) evaluation: an evaluation conducted by sales representatives on TDK and its products from a customer's point of view.

Questionnaire

Questionnaire is an assessment created by TDK to be completed by customers. TDK has implemented a framework to ask customers to complete questionnaires, collect their requests and opinions, and provide feedback to the relevant internal divisions.

Supplier evaluation information

TDK obtains supplier evaluation information. Information on the evaluation of TDK products that is regularly conducted by customers using their own evaluation methods, which is received from customers.

Product complaints

Product complaints received from customers, both in Japan and abroad, are managed in a complaint information database. The database is used to share information online with relevant divisions to take quick action to improve customer satisfaction.

If a significant complaint arises, the system is designed to automatically report it to top management.

Customer Satisfaction (CS) evaluation

In order to become the supplier of choice for our customers, our sales representatives strive to understand our customers' needs from a customer's perspective. Quickly capturing details of customer dissatisfaction and providing feedback to relevant divisions helps us improve customer satisfaction.

Products and Solutions

We live in a time when new conveniences and comforts emerge one after another through technological advances.

Please click on the link below to read stories about TDK's products and solutions that contribute to solving a variety of issues found in cutting-edge fields.

Related link

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Human Resources

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Our Approach

A sustainable future holds infinite possibilities for the continued prosperity of both humanity and the Earth itself, and TDK is constantly striving for self-transformation to contribute to this goal.

Transformation is no longer an option: it is a strategic imperative to thrive in a changing world. Now, global consumers and corporate purchasers consider carbon footprints when making decisions, improvements in energy productivity and digitization drive bottom line results, and company practices must create a positive impact on society and environment.

We seize these opportunities through our People Strategy: we focus on fostering a corporate culture that values diversity, promotes inclusive leadership practices, and creates an environment where all team members feel valued and included. Together, our team leaders and members create a positive impact through the innovative technologies, products, processes, and solutions we deliver, as well as to the global, regional, and local communities we serve. We win together with the shared responsibility to collaborate across TDK United and create a sustainable transformation through our people and culture.

Governance

The Global HR Function reports into the Chief People and Sustainability Officer (CPSO), whom reports into the CEO & President of TDK. The CPSO has accountability to the TDK Board to plan and deliver the People Strategy in partnership with the corporate officers, business companies, and functional leaders. The HR functions collaborate together across global, regional, and local subsidiaries to plan, develop, and deliver coordinated people practices, technology, and services. These are regularly reported out and discussed at corporate and executive staff meetings.

Strategy

TDK United means we transform together: collaborating to increase value of human capability in our talent, organization, and leadership. We established integrated people practices in the following strategic focus areas:

- **Attracting and Developing Talent:**
Finding diverse teams and enhancing our competitiveness.
- **Inclusive Leadership Practices:**
We lead by example by demonstrating openness, delivering results, and creating value across TDK.
- **Global Leadership Pipeline:**
We develop our leaders across the organization so that we have a sustainable leadership model and team.
- **Organizational Capability & Efficiency:**
We continually learn with each other and optimize processes.
- **Team Member Health & Engagement:**
Our foundation is our people and they must be healthy and engaged to share success.

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Risk Management

To mitigate risks while becoming a world-leading sustainability company, we involve and engage all Team Members to in an annual listening process where we measure engagement, identify areas of improvement, and take action. Our business leaders are empowered to deliver results while being open and transparent in all aspects of building a sustainable future: environmental, social, and governance. The TME survey data and resulting action is a core risk management process.

Additionally, each of our People Strategy focus areas is regularly measured, challenged, and communicated to ensure that it is linked to key issues (materiality).

Metrics and Targets

We have measurements that are different levels of the company to provide strategic and operational focus:

- Materiality measures are focused on transformation through promoting and cultivating diverse pool of human resources to further enhance competitiveness, including Leading by example: promoting inclusive leadership practices, organizational capability and efficiency, and improving team member health and engagement.
- Global HR Program measures to drive quality delivery of programs, services, and operations in alignment with business needs.
- Corporate Officer pre-financial measures that focused on improving employee engagement and communication.

Initiatives

Please see the different breakout areas for the following: DE&I, HR Development and Talent Attraction and Retention.

[Diversity, Equity & Inclusion](#)
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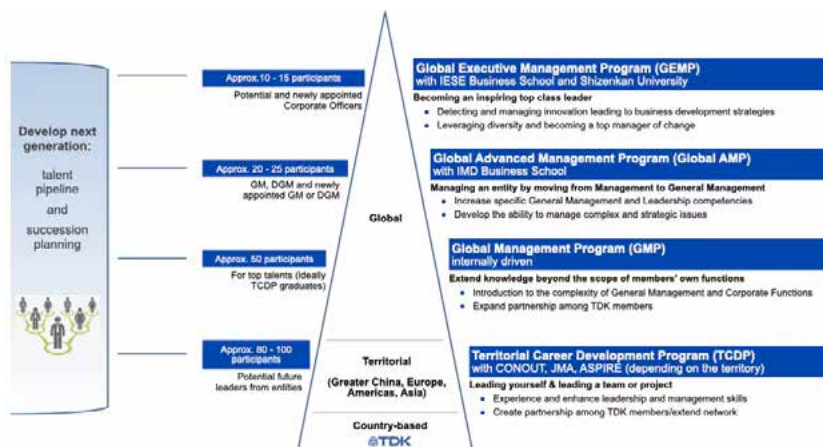
Human Resources Development

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Our Approach

TDK Global HR is continuously developing the Global Management Development Programs which seek to develop TDK's future leaders, promote diversity in leadership positions, feed the succession plan and serve the business needs. Moving forward, our focus remains to continuously increase the value and impact of our training activities, to integrate a blended learning approach as an asset to provide the best possible learning experience to the participants in all circumstances, and to develop the potential of our many talented team members. With a people-centric and business-centric dual approach, we enable continuous human growth and transform human capability to meet the changing needs of the future.

Global Management Development Programs Overview



Governance

Global Executive Management Program (GEMP):

The participants are selected by the President & CEO and the Chief People and Sustainability Officer. The journey ends with the participants presenting their Vision and Strategy to the Board of Directors of TDK. The Directors provide feedback & guidance with regards to an eventual integration into the TDK Corporate strategy.

Global Advanced Management Program (Global AMP):

The Heads of Business Companies and HQ functions validate the nominations. The President & CEO, the General Manager of Corporate Strategy, and the Chief People and Sustainability Officer provide input to ensure the program addresses the challenges of TDK. The journey ends with the participants presenting the outcomes of their project work to the President & CEO and the Corporate Officers who provide feedback, guidance and support the project for further implementation.

Global Management Program (GMP):

Board members are Executives, and business leaders from diverse Business Companies and functions. Their role is to validate the design of the program, confirm the nomination of candidates, and take an active coaching part in the learning modules.

Territorial Career Development Program (TCDP):

Regional committees encompass regional business leaders and top executives. Their role is to confirm nomination of candidates, approve & guide project work as well as being present at the final session to contribute with leadership insights & advice.

Strategy

Enabling continuous growth of TDK's team members:

the Human Growth department assists TDK's team members to recognize, develop and realize their full potential so that TDK can meet existing & future business demands in a sustainable manner.

Human Growth provides integrated and inclusive learning opportunities to increase the value of human capability:

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- TDK's valued Team Members experience personal fulfillment as they are well prepared, empowered, and engaged to achieve their goals.
- TDK management can rely on highly competent Team Members to support and continuously develop our business.
- Our HR Community benefits from being part of the TDK Group and succeeds in their mission to attract, develop, and retain human talent.
- The TDK Group of companies can continue to perform successfully with a high-level of adaptability and sustainability into the future.

Risk Management

Ensure quality of program content:

Quality control system that evaluates the feedback given by team members, managers, and executives in order to ensure an impactful learning experience for TDK's leaders. Report of the evaluation results on an annual basis to the respective stakeholders.

Ensure quality of diversity:

In the nomination process, the team around Human Growth actively strives to represent the best future talent in the programs, including a diverse range of locations, genders, functional disciplines and cultures.

Ensure the quality of candidate profiles:

In order to build a global leadership pipeline, the corresponding committee and board members identify and select the high potentials to be exposed to the programs.

Metrics and Targets

Medium- to Long-Term Targets

Human Growth department provides integrated and inclusive learning opportunities to increase the value of human capability.

Execute Global Management Development:

Develop future leaders, manage succession plan for TDK key positions, and enable talent mobility.

Our leaders lead by example. They actively demonstrate inclusive practices, drive Transformation, and promote culture: clear goals, open feedback & broad value creation.

Targets and Achievements in fiscal 2024

Fiscal 2024 Targets	Achievements
<p>TCDP: Continue the program and evolve the design through tailored learning content that reflects TDK's strategy and changing business environment. Due to the high demand, the program is expanded in some regions from 100 to 130 participants in total worldwide.</p>	<p>Successful continuity of the TCDP in all territories by combining on-site and online facilitation. With 130 participants worldwide joining the program. Quantitative benefit of TCDP Every year, the participants of the TCDP deliver in average five entrepreneurial project ideas. These TCDP projects are an essential component of the program's curricula, aiming to discover and provide creative solutions for specific business cases embedded into TDK's strategic focus areas (e.g. sustainability or digital transformation). Throughout the project mode, the participants utilize available resources, identify challenges, apply knowledge, and set clear standards of quality and delivery. The project groups present to the TCDP Committee – several members of the regional management - near the end of the training program, with the ambition of impacting the organization on a regional scale.</p> <p>Example from T128 TDKfit This TCDP project is an initiative to promote health & wellbeing within TDK. An European-wide sports trial within various TDK entities and countries has successfully been implemented already. Based on this success, a new fitness challenge has been rolled out for all European TDK entities in 2024, which will be followed by a global challenge in 2025. Currently, 14% of TDK's team members within Europe – considering a high variety of TDK locations and functions - are part of this initiative, rising trend.</p>
<p>GMP: Successful run of the cohort by creating effectfull synergies and conveying a deep understanding of TDK's structure (50 participants per year).</p>	<p>In the context of increasing leadership complexity, live the strengths of TDK United and develop essential inclusive leadership practices and management skills. The GMP welcomes 49 participants in the fiscal 2024 cohort.</p>
<p>Continue developing executive talent and competencies through Global Advanced Management Program (Global AMP) and creating a valuable program experience.</p>	<p>The participants experience the TDK United spirit and build a strong bonding and networking throughout the journey. With the objective of maximizing the impact of the learning, the program design evolves with the changing business circumstances of TDK. Quantitative benefit of Global AMP Every year, Global AMP the participants deliver in average four Impact Projects. The impact projects are a critical component of Global AMP journey. The projects are aimed to solve Strategic issues at the TDK Corporate level or tackle opportunities/challenges shared by clusters of companies. The participants are invited to collectively identify what value-creation activities will maximize the enterprise value for TDK, support the new mid-term plan and the long-term vision. They are asked to integrate financial and pre-financial value in their project which they present to the ECM near the end of the training program, with the ambition of impacting the organization on a global scale.</p> <p>Example from T128 TDK Failure & Cost Reduction Journey using AI This Impact project team worked on a major problem: Operating Profit swallowed by Quality Issues. The team presented a solution to reduce by over 30% Failure cost With AI Process Mining. They estimated 1.4BJPY saving in 2 FY by running 3 pilots in different Factories, from very different technologies and Business Companies proving the solution is scalable.</p>
<p>Launch the second cohort of the Global Executive Management Program (GEMP)</p>	<p>The design of the GEMP journey is adapted to the changing business circumstances and addresses the future challenges of TDK. Create a valuable program experience for the participants who will build their vision and strategy for the future of TDK.</p>

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Fiscal 2025 Goals
TCDP: Successful run of the cohort while continuously evolving the training design on TDK's business & strategy to maximize the impact of the program. Focus on developing diversified team members to enhance competitiveness and promote culture. Due to the high demand, the program is expanded in some regions (100 - 130 participants in total worldwide).
GMP: Successful run of the cohort by creating effectful synergies and conveying a deep understanding of TDK's structure (~50 members). Actively integrating inclusive practices to create leadership impact.
Global AMP: Successful run of the fiscal 2024 cohort (~25 participants per year and passing the number of 100 alumni). Focus on transforming human capability to meet the changing needs of the future, drive transformation, and inspire.
GEMP: Further development and integration of the GEMP initiatives into the long-term strategy of TDK.

Initiatives

TCDP (Territorial Career Development Program)

Territorial Career Development Program (TCDP) develops the next generation leaders. TCDP originated at TDK Electronics Greater China. Since 2018, Global HR has deployed TCDP on a territorial scale: Greater China - Other Asia & Japan - Americas - Europe.

TCDP provides training around leadership essentials, people management, driving change, inspiring communication and presentation, and value creation.

The goal of TCDP is to strengthen performance, motivation and professional maturity of talented team members (employees), to develop leadership and management competencies as to ensure the continuity of talented management within the TDK Group. The objective is also to create a strong bond and partnership between TDK members from different sites, cultures, and experience. Participants work on a “real-life” team project throughout the program. The projects provide participants the opportunity to apply what they are learning in each face-to-face module. At the last module of TCDP, they present the culmination of their efforts to a TCDP Committee and get a final appreciation for their work and overall learning journey. This active learning is a crucial part of the program's DNA.

The program is designed in five training sessions over a 10-month period. Depending on the territory, a mix on on-site & online training session is facilitated. For the on-site modules, the participants meet at different TDK companies and sites to get to know TDK's local business. A dedicated online TCDP learning channel complements the program.

TCDP is aimed for talented team members, having managerial or supervisory experience and high potential for future growth, of any function from any location within the TDK Group. The program is held in English.

Business benefits:

- **Develop talents:** TCDP develops the next generation leaders.
- **Transform human capability:** TCDP supports global succession planning for key positions and the development of globally capable leaders who can contribute to diverse fields and cultures.
- **Integrate inclusive leadership:** TCDP enables deep understanding of management methods and principles, develops leadership skills, increases team member engagement and self-awareness.
- **Drive TDK United:** TCDP participants build stronger bonding and partnership among TDK members.

GMP (Global Management Program)

GMP is aimed to be a personal and professional management development program for talented, engaged TDK team members having several years of management experience, and showing high potential for further growth within the TDK Group.

The program widens perspectives beyond own functions, increases leadership skills, creates awareness about TDK's organizational structure & the challenges of General Management, and offers the opportunity to create stronger bonding and partnership among different TDK entities, functions, cultures, and experiences.

The program runs over a period of two years with the unique reformation of half of the participants each year. The overall journey consists of six face-to-face modules of 2-3 days each and taking place at various TDK locations worldwide if the situation allows. The GMP cohort consists of up to 50 participants, who are distributed into two groups of up to 25 participants each, to ensure the best possible learning, interactions and group dynamics. The allocation to the two groups is based on their main working activity. Within the journey, 2 sessions are held with the whole group, the remaining training sessions are held in the two small groups with one overlapping day in the big group.

Each module is driven by a main content stream, such as “Leadership & Intercultural Training” or “TDK's DNA”. In addition, a dedicated online GMP Learning channel is available in the TDK Digital Learning platform ‘Weconnect’ which complements the learning journey.

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Business benefits:

- Drive diversity & global collaboration: GMP enhances participants' network, knowledge, inclusive leadership practices and understanding of TDK organizational structure & challenges.
- Develop talents: GMP supports global succession planning by empowering participants in their career development towards upper management positions.
- Create value: GMP widens the perspectives of the participants beyond their business scope and to learn about the complexity of General Management.
- Foster TDK United: GMP expands partnership among TDK network members towards a TDK United.

Global AMP (Global Advanced Management Program)

Global Advanced Management Program (Global AMP) introduced in 2019 is aimed to develop future leaders and to strengthen their competences around strategy, change management & innovation management. The goal of the program is to support & empower participants in their transition to executive level roles, to learn and practice the tenets of transformational and inspirational leadership while creating stronger bonding and partnership among TDK Group companies.

An integral part of the Global AMP journey is the project-based learning approach which is linked to TDK strategic issues and enables an immediate learning application and knowledge sharing in the TDK context. At the end of the Global AMP journey, the participants present their project to the TDK Top Management.

Global AMP is offered annually. The design of the journey is an 8-month program, encompassing three face-to-face modules and one online module, in total 14 training days. In addition, short sessions are held online to enrich and complement the journey. Participants are either General Managers or newly appointed General Managers and Deputy General Managers (or candidates who are newly promoted to such positions). Each cohort is limited to 20-25 participants and with this year, with close to 100 alumni overall.

Business benefits:

- Transform business: Global AMP is built upon and serves the TDK Corporate values, cultures, and mid-term plan.
- Culture of diversity: Global AMP supports global succession planning by empowering participants in their transition to executive level roles.

- Drive innovation & complexity: Global AMP develops the ability for strategic vision and thinking, innovation and strategy execution.
- Live TDK United: Global AMP participants create stronger bonding and partnership among TDK Group companies towards TDK United.

GEMP (Global Executive Management Program)

The Global Executive Management Program (GEMP) introduced in 2020 is about leveraging diversity and becoming a “top manager of change” while detecting and managing innovation that leads to business development strategies.

The goal of GEMP is to create stronger bonding and collaboration among TDK Group companies and Corporate Functions, to embrace TDK United spirit at the highest levels of the company. This supports TDK in its mission of creating a stronger resilience through the deployment of inspiring top class leadership crossing borders and cultures.

GEMP bridges the Eastern and Western leadership philosophy, contributes to the development of the new generation of TDK Group Executives and serves the succession plan. Strategic issues are brought into projects with the objectives of serving the mid-term and building the long-term plan of TDK. These visionary projects are presented to TDK's Top Management at the end of the journey. Individual coaching sessions support the participants in their development to become inspiring global leaders.

The journey is originally designed in three face-to-face modules of 5/4/4 days, in total about 8 months. The locations change every cohort to adapt to the TDK context and to serve the GEMP journey appropriately.

Participants are either potential or newly appointed Corporate Officers. Each cohort is limited to 10–15 participants and we have reached 23 alumni since the program was launched. The program is not held every year as it is triggered by revision of the mid-term plan.

It can also be prolonged beyond one year to support the participants in turning their vision into reality, a second and crucial phase of the GEMP.

Business benefits:

- Lead by example: The GEMP program reinforces TDK's sustainable strategy, speed and value creation approach among the participants, related group companies, and corporate functions.

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- Drive transformation: GEMP brings the participants to a higher level of awareness regarding the mega trends and major transformations; as well as creates synergies to increase business / cost efficiency / overall resilience of TDK.
- Create a sustainable future: GEMP puts the participants in the position of envisioning TDK's sustainable growth and contribution to the world, while preparing the foundation for the next mid-term plan (and potentially long-term).

World-wide Communication & English Training

Global Communication & English Training:

The focus of the Global Communication & English (GCE) program is the improvement of the communication fluency amongst TDK team members. As TDK has now expanded into over 30 countries, simple and clear English communication, as well as intercultural competence are important to reduce misunderstandings, increase global efficiency, and expand career development opportunities.

TDK commenced the 6th worldwide annual English training after identifying the training needs through an oral English assessment test. The uniqueness of the TDK-GCE English program is based on the collaborative teamwork between GCE Admins & the GCE team. About 100 GCE admins are key stakeholders that drive the learners' engagement by directly supporting and communicating with them. The GCE team is also helping admins by sharing best practices, offering high quality language instruction programs, and delivering communication training to improve cultural understanding.

The GCE team will be pinpointing specific profiles of team members who require English-skill advancement in order to accomplish their jobs with more confidence. These team members will be offered challenging overseas assignments, attending management programs and become emerging global leaders.

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Diversity, Equity & Inclusion

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Our Approach

The TDK Group comprises numerous Group companies operating globally. While TDK has traditionally promoted Diversity & Inclusion, we have added the concept of Equity, which is essential to the success of our diverse team members. Equity is not only treating all team members fairly; it is recognizing and addressing that there are groups of people (including women, people with disabilities, etc.) who have historically faced challenges that have prevented their full participation in society and the workplace. We can continue generating innovative creativity and enhance our competitiveness by establishing an environment in which Team Members with diverse backgrounds can display their skills.

In addition, a key component of TDK's mid- to long-term human resources strategy is inclusive leadership practices. Inclusive leadership practices include competencies and behaviors that create an environment where all team members feel accepted, supported, a sense of Belonging. Having a sense of Belonging enables team members to maximize their potential and create a positive impact on our business and the world. Our leaders lead by example and actively demonstrate inclusive practices, drive transformation, and promote engagement through clear goals and open feedback.

Our approach to DE&I is based on increasing:

- Awareness, understanding, and appreciation of:
 - The importance and meaning of DE&I at TDK
 - Team Members' roles in DE&I
- Action that leads to:
 - Inclusive leadership
 - Integration of DE&I into everything we do
 - Increased engagement and belonging
- Accountability for:
 - Creating an inclusive culture
 - DEI Metrics, including Team Member Engagement participation

Related link

[TDK – Diversity & Inclusion Policy](#)

Governance

2020: The Diversity Promotion Department was created within the Domestic Human Resource Development Division of the HR Headquarters to focus on raising awareness of DE&I among Japanese team members (employees), promoting women's activities, and preventing harassment.

The Global Diversity, Equity, and Inclusion Department was established effective April 1, 2023. This team consists of HR leaders from Asia, Europe, and North America. The Global DE&I team's focus is partnering with Global / Local HR and business leaders to increase awareness of Diversity, Equity, and Inclusion, inspire inclusive ACTION, and create personal and organizational ACCOUNTABILITY for DE&I across the global organization.

Strategy

Global DE&I will support TDK's overall People Strategy through the following strategic actions:

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- Embedding DEI strategic focus in Global / Local HR activities.
- Increasing sense of Belonging amongst all team members as measured in TDK's Team Member Engagement survey.
- Identifying and making targeted development investments to create a strong, diverse talent pipeline.

Risk Management

TDK will monitor progress towards DE&I goals and make necessary adjustments to address shortfalls. Key metrics to be monitored include:

- % of females in Top, Middle, and Junior management
- % of females in STEM positions
- % of females in revenue generating positions
- % of female external and internal hires
- % of females participating in TDK's Global Management Development programs
- % of females participating in expat assignments
- Team Member sense of Belonging as measured by TDK's Team Member Engagement survey

Metrics and Targets

Medium- to Long-Term Targets

We continue to promote the enhancement of women in Japan and will expand these efforts globally in FY 2025. We will draw out the abilities, values, and potential that women possess. As stated by our CEO, Noburu Saito, "The development and advancement of female team members are essential for the UN Sustainable Development Goals (SDGs) to come into practice. The positive impact brought by the demonstration of women's inherent power is evident in the success of TDK's female team members. I believe that we can do more to bring out this power further and to create greater value not only for TDK but also for society."

As a medium- to long-term goal, we have set the following targets for the ratio of females in management positions in Japan, which we aim to achieve by 2035, the 100th anniversary of TDK's founding, and have decided to implement the activities outlined below.

Goal by 2035

	Achievements			Goal	
	2022	2023	2024	2030	2035
TDK Group	22	22	22	25	-
TDK Corporation	3.7	4.3	4.8	-	15

Related link

[Social Data](#)

Goals and Achievements in Fiscal 2024

Fiscal 2024 Targets	Achievements
Continue holding workshops for managers hired new or mid-career to boost awareness	Participation rate: 89%
Dispatch female section chiefs to external training organizations, conduct mentoring program, and hold career development seminars; also hold career development seminars for female team members	Number of participants dispatched to external training institutions: 4 Participants in mentoring program: 9 Participants in career development seminars: 78
Deployment of vocational life consultants for persons with disabilities at our business sites throughout Japan for the retention of team members with disabilities	Placement completed at all TDK Corporation sites in Japan.

Evaluations and Future Activities

Fiscal 2025 Goals
Production of a handbook for understanding the LGBTQ community. (activities of TDK Corporation)

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Initiatives

Support for Women Team Members in Japan

TDK Corporation is developing various initiatives with the goal of increasing the percentage of women in management positions in Japan to 15% by 2035, the 100th anniversary of the company's founding. The purpose of all activities is to expand the horizons of female team members. Here we introduce a career development seminar attended by about 80 people each year in Japan.

A two-day program of career development seminars is held twice a year for women in pre-managerial assistant managerial positions. The main features of this seminar are as follows:

- Networking among female team members from all over Japan
Many group discussions are prepared in this seminar. Discussions will be held many times with participants who meet for the first time from all over Japan to encourage networking by participants.
- Confirmation of behavioral characteristics through EQ assessment
The program includes the "EQ Assessment" and incorporates a diagnosis of participants' behavioral traits. Participants will gain a deeper insight into themselves, their interest in others, and their communication techniques through this assessment, and will receive hints for their future activities.
- Career development interview with supervisor
Time is set aside in the training program for career interviews with direct supervisors. They discuss in detail their future goals, what their supervisor expects them to do, and their career development timeline to materialize their future career plans.

Since the seminar began, several participants have been promoted to management positions. Recently, the seminar has been combined with plant tours to increase participation in the seminar.



The Active Participation of Team Members with Disabilities

TDK has been actively employing people with disabilities for many years. However, due to Japan's falling birthrate, aging population, and population outflow from rural to urban areas, there has been a decline in the labor force in rural areas. A problem we are currently facing is a decline in job applicants in the Akita area, our major business location, and other business sites outside the Kanto area. To address this issue, TDK introduced a work-at-home hiring program that utilizes the company's experience with its own telecommuting system.

We also implement measures to retain team members with disabilities in the workplace.

Working Passport System

This is a system whereby a "Working Passport" is prepared for each team member with disabilities and shared by the team member, supervisor, and human resources staff after interviews with the team member, supervisor, and human resources staff regarding the nature of the team members' disability, reasonable considerations required, and work in which the team member excels, etc. When an team member is transferred or his/her supervisor is transferred, everyone can learn more about the team member from the Working Passport and confirm the necessary considerations. team members with disabilities have commented that the system has had a positive impact on the retention of team members with disabilities, saying, "I can work with peace of mind knowing that I am given very detailed explanations of my duties and that my work style is listened to carefully."

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Deployment of Vocational Life Consultants for Persons with Disabilities

TDK Corporation has completed the placement of Vocational Life Consultants for Persons with Disabilities in all regions of Japan.

Respect for People

To help TDK better understand the challenges faced by LGBTQ community, we hosted a two-hour LGBTQ seminar in November 2023 and more than 90 team members attended, including Representative Director, President and CEO Saito and Chairman of the Board Ishiguro. The seminar included a lecture on the environment surrounding the LGBTQ+ community and misconceptions due to lack of understanding, as well as a panel discussion between gay and transgender individuals, which led to a lively debate. This seminar was the catalyst for the establishment of a consultation service for LGBTQ team members so that LGBTQ team members can work with confidence.



The entire global organization also celebrated International Women's Day in March. There were a number of activities, including:

- A message from Representative Director, President and CEO Saito stating TDK's commitment to its female members.
- The decoration of the entrances of all Japanese locations with mimosa flowers, a symbol of International Women's Day.

Cooperation with local governments to offer free vaccinations against HPV to prevent cervical cancer, a serious health issue for women in the Philippines (TDK Philippines).



Diverse Work Styles and Work-Life Balance

The details are as follows.

[Talent Attraction & Retention](#)

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Sustainability | Society | Diversity, Equity, & Inclusion

TDK – Diversity, Equity, & Inclusion Policy

TDK is a global company with Japanese roots. We unite people from all over the world with a common purpose of achieving our Long-Term vision – Accelerating transformation for a sustainable future. TDK understands that Diversity, Equity, and Inclusion is a key ingredient for highly engaged team members making a positive impact, achieving their full potential, and ultimately leading TDK to contribute to creating a sustainable future for the world. We are proud of the diversity of our team members, including diversity of culture, nationality, age, race, ability, gender, gender identity, gender expression, sexual orientation, cognition, and religion.

Through our approach of increasing Awareness, Action, and Accountability for Diversity, Equity, and Inclusion, we foster a corporate culture that values diversity, promotes inclusive leadership practices, and creates an environment where all team members feel valued and included. Through our Global Code of Conduct we strive to eliminate discrimination and harassment so that all team members feel safe speaking their minds and being their true selves.

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Talent Attraction & Retention

Our Approach	Governance
Strategy	Risk Management
Metrics and Targets	Initiatives
Diverse Work Styles and Work-Life Balance	Personnel Evaluation System
Frameworks and Human Resource Systems to Maximize the Potential of Each Team Member (TDK Corporation)	TDK Kindergarten

Our Approach

TDK takes a holistic approach to talent attraction and retention, recognizing that engagement plays a crucial role in building a thriving workforce. We focus on creating a positive and engaging work environment that fosters a sense of belonging and purpose.

We actively recruit and hire individuals who align with TDK's values and are passionate about their work. Once talent is onboarded, we invest in their development and growth. We conduct global engagement surveys to gather feedback and continuously improve our work environment and we utilize social media channels to support and enhance employer branding.

By nurturing a culture of engagement, TDK attracts and retains top talent, creating a loyal and committed workforce that drives innovation and propels the company forward.

Governance

The Global HR Headquarters is responsible for setting direction and promoting Talent and Retention within the organization. They take a proactive approach to understand the evolving needs of the business and align talent strategies accordingly. This includes understanding key talent trends, competitive landscapes, and emerging skills requirements. The resulting strategy encompasses various aspects including employer branding, recruitment channels, candidate experience, onboarding programs, career development initiatives, and team member engagement. By setting a clear direction and strategy, TDK Global HR enables the organization to attract top talent, nurture their growth, and create a supportive environment that fosters long-term engagement and retention.

TDK Global HR also establishes metrics and performance indicators to measure the effectiveness of talent attraction and retention efforts, ensuring continuous improvement and alignment with organizational goals.

TDK Global HR collaborates with subsidiary company HR and Business Leaders to educate and promote the awareness of Talent Attraction & Retention and its importance to our business. This is achieved through attending strategy sessions, functional meetings, and publishing success stories via internal communication channels.

Strategy

Our Long-Term People Strategy focuses on fostering a corporate culture that values diversity, promotes inclusive leadership practices, and creates an environment where all team members feel valued and included and create impact. Without providing an engaging work experience, our risk is that we may not be able to recruit and retain talented team members, hindering the execution of our plans.

Our opportunity is to ensure positive work environment through our Team Member Engagement System and Employer Branding initiatives to secure a highly motivated and productive workforce.

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Risk Management

Through our annual global engagement surveys, we gain statistical insights into our team members' perceptions, concerns, and engagement levels within regions, subsidiary companies, job functions, and demographics. The data helps us uncover patterns, trends, and correlations related to engagement. These insights help us make informed decisions about our talent strategies, including communication practices, recognition, performance management, DE&I, and training and development.

Metrics and Targets

Within our Medium- and Long-Term plan, we have established a key issues (materiality) strategy that addresses improving team member health and engagement. In addition, we have set specific goals for survey participation and making continuous improvements to address areas of opportunity.

Rooted in the essence of TDK United, we focus on attracting and developing a diverse and highly skilled workforce. We actively seek out talented individuals globally, empowering them to make meaningful contributions and create impact.

Initiatives

Team Member Engagement Survey

Engagement is the cornerstone of our success. It fuels innovation, collaboration, and a positive work culture. Our engagement survey provides a platform for our team members to voice their opinions, share their experiences, and contribute to the continuous improvement of our workplace.

The first company-wide Team Member Engagement Survey ("MyVoice") was conducted in February 2023. A participation rate of 80%, an engagement index of 72%, and more than 42,000 comments and suggestions show that team members embrace the opportunity to make their voices heard and participate in creating a positive work environment. The survey consists of 27 questions that address the six key drivers of engagement: Purpose, Clarity, Growth, Connection, Empowerment and Well-being.

The survey also includes two key questions that measure overall engagement. "How happy are you working at this company?" and "Would you recommend this company as a great place to work?". Through our Team Member Engagement survey process, we identify areas for improvement, celebrate our strengths, and create a workplace that reflects the changing world we live in.

At TDK, we are committed to cultivating a compelling employer brand that resonates with individuals worldwide, establishing TDK as a premier choice for top talent across the globe. Through our TDK United Approach, we collaborate across the organization to drive global Employer Branding initiatives. Our goal is to establish a partnership model aimed at revitalizing and implementing our global Employer Brand strategy.

Further initiatives for talent retention are linked to performance appraisal. Specifically, within TDK our subsidiaries have implemented numerous performance appraisal systems such as objective based as well as multidimensional or team-based.

One example of multidimensional performance appraisal is conducted at one of our largest subsidiaries, which offers an assessment of how the employee meets the values and objectives of the department or company, based on feedback from internal and external customers where a broader view of the employee's performance result - what and how - is provided. Currently, it is applied in positions which require intensive cross-functional collaboration.

Another of our large subsidiaries offers a team-based performance appraisal system.

Teams in the production area are built by production line and evaluated according to values such as e.g., efficiency, and scrap. According to the team-performance, a monthly bonus is granted to team members.

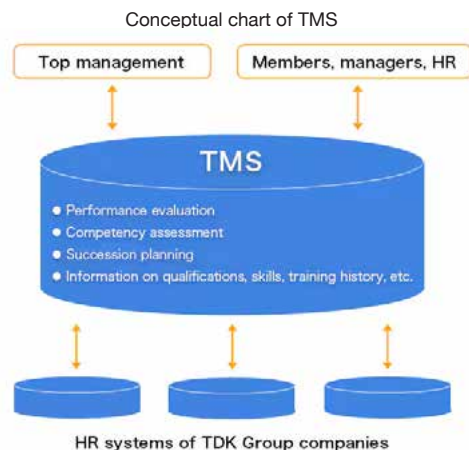
Teams in indirect areas are built by department. The performance assessment is done quarterly or in some cases yearly based on values such as e.g., operating profit, customer claims or other department-specific KPIs. After evaluating performance, a quarterly or yearly bonus is granted to the team members.

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Visualization of the HR skills of Group team members

We are pressing ahead with the introduction of a system to unify and visualize HR management and training, centering on managers in the TDK head office and Group companies. In this system, which is called the Talent Management System (TMS), we have prepared such modules as “Performance evaluation,” “Competency assessment,” “Succession planning,” and “HR training plan” so that we can comprehend the abilities of each individual. This system is an important initiative to fully display the individual qualities of our human resources on a global scale. Going forward, our aim is to introduce it for all sites and Group team members (team members).



Diverse Work Styles and Work-Life Balance

We believe that establishing an environment in which team members with diverse backgrounds can display their skills is crucial to continue generating innovative creativity and realizing corporate growth. One such effort is to support team members’ work-life balance by creating an environment and systems that enable them to choose diverse and flexible work styles.

At present major changes are taking place in workstyles at TDK sites, including the introduction of telecommuting and super-flextime systems. TDK is promoting these activities further and has introduced the TDK Smart Work system, which will enable autonomous workstyles unbound by working hours and workplace, at some locations such as the headquarters and Technical Center. Our aim through these initiatives is to enhance team member engagement and maximize both individual and company performance.

Examples of programs supporting diverse work styles and work-life balance (TDK Corporation)

Working-from-home system and super-flex time system

Systems that enable team members to have flexibility in where and when they work and to achieve diverse and flexible work styles. Super-flex is a system that allows team members to freely decide their working hours according to their individual needs without core hours.

Maternity and childcare support programs

We have systems to support balancing work with housework and childcare, such as “Maternity Leave,” “Childcare Leave,” and “Part-time Working Options.” In principle, “Childcare Leave” is available until the day before the child’s first birthday, but if both parents take childcare leave, the leave may be taken until the child reaches the age of one year and two months. (The maximum period of leave for each parent is one year.) “Part-time Working Options” are available in principle until the child reaches the end of the third grade of elementary school, and multiple working hour options are available. In addition, financial supports for childcare and nursing care related services are available.

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Nursing care leave

This system is for team members who have been with the company for at least one year and are willing to continue working are eligible to take three leave periods (up to one year in total) for each family member who is in need of constant nursing care for a spouse, child, parent, grandparent, sibling, grandchild, or spouse's parent.

Rehiring system

The existing TDK Rehiring System, which rehires retirees, was revised and began operating as a new second career system in April 2017. The purpose of this system is to make more effective use of the knowledge and experience possessed by retirees and to fulfill our social responsibility as a company to comply with the revision of the Law Concerning Stabilization of Employment of Older Persons. Similar systems have also been introduced at subsidiaries in Japan. Furthermore, in October 2017, we introduced the "Welcome Back System" to rehire team members who left the company due to unavoidable circumstances such as childbirth, childcare, or nursing care.

Workstyle Options to Accommodate Spousal Relocation

In October 2017, we introduced two new systems: a relocation system for team members whose spouses have been relocated in Japan and a leave system for team members whose spouses have been relocated overseas. With these systems in place, even if it becomes difficult to continue working in one's current workplace due to the relocation of one's spouse, team members can now choose to relocate or take a leave to be with their spouse. The workstyle options provided by TDK are designed to allow team members to balance work with various events in their lives, a policy that aims to make TDK a company where people feel safe working at for a long time.

Personnel Evaluation System

Further initiatives for talent retention are linked to performance appraisal. Specifically, within TDK our subsidiaries have implemented numerous performance appraisal systems such as objective based as well as multidimensional or team-based. One example of multidimensional performance appraisal is conducted at one of our largest subsidiaries, which offers an assessment of how the employee meets the values and objectives of the department or company, based on feedback from internal and external customers where a broader view of the employee's performance result - what and how - is provided. Currently, it is applied in positions which require intensive cross-functional collaboration.

Another of our large subsidiaries offers a team-based performance appraisal system. Teams in the Production area are built by production line and evaluated according to values such as e.g., efficiency, and scrap. According to the team-performance, a monthly bonus is granted to team members. Teams in indirect areas are built by department. The performance assessment is done quarterly or in some cases yearly based on values such as e.g., operating profit, customer claims or other department-specific KPIs. After evaluating performance, a quarterly or yearly bonus is granted to the team members.

Personnel evaluations at TDK Corporation are conducted from two perspectives: "performance" and "behavior." Performance evaluations are based on the achievement of the goals set at the beginning of the evaluation term. The evaluation outcome is reflected in bonus to compensate and further motivate the team members, and lead to the achievement of business goals. Behavior evaluation is based on the evaluation components set for each role, which include elements such as expertise, TDK Value, and compliance/risk management. By evaluating and providing feedback on the daily behavior to achieve goals, it encourages the understanding of the expected roles and behavior. In this evaluation process, team members have interviews with their superior six times a year at the timing of goal setting at the beginning of each six-month period, review during the period, and evaluation feedback at the end of the period, providing regular opportunities for team members to confirm the expected roles in addition to daily work communication.

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Frameworks and Human Resource Systems to Maximize the Potential of Each Team Member (TDK Corporation)

TDK has a number of systems in place which are geared to helping each and every team member discover and develop their true potential.

In-house Recruiting System

In 2000, we introduced an active in-house hiring system under which team members can apply for new positions posted on the internal recruitment board directly with the Human Resources Department, without going through their superiors. This system aims at promoting the principle of “the right person for the right job” throughout the TDK Group, to respond in a timely manner to changes in the organizational makeup and staffing requirements of the organization. The system provides opportunities for career development to team members who have the desire and ability to try and shape their careers on their own initiative. As of March 2022, 249 applicants had fulfilled the relevant requirements and taken on new positions.

Career Option System

In addition to the in-house hiring system, TDK introduced the career option system in January 2006, giving team members the opportunity to apply for transfer to a desired department or position. This system is designed to provide incentives for further self-growth and for making a positive contribution to the development of TDK. It also aims at stimulating team members to reassess their career plans from various perspectives.

Self-Determined Reporting System

A self-determined reporting system has been introduced for the purpose of supporting efforts by individual team members to develop their own careers and abilities, as well as to help ensure the best possible match between each job and the person performing it. Once a year, team members can report directly to the Human Resources Department, indicating which positions they want and which business sites they would like to work at, as well as the extent to which they are satisfied with their current positions. Team members desiring an interview have the opportunity to directly explain their choices during a session at the Human Resources Department.

The opportunity to have a dialog with the Human Resources Department on a regular basis encourages team members to think seriously about their own careers, and also supports efforts such as transfer and participation in education and training for new positions. In this way, it helps team members shape their own career.

TDK Kindergarten

The TDK Kindergarten is the TDK internal start-up incubator, which has been created as an engine for future growth by offering an environment to identify, create, and scale new business creations that leverage our know-how. TDK Kindergarten is passionate about nurturing TDK team members and helping them develop new business ideas in a fast, efficient manner.

These are the key activities:

- Offers all TDK team members the chance to submit their business ideas and actively participate in a program, which fosters the creation of new ventures.
- Expert Guidance: TDK Kindergarten offers expert knowledge and guides the assembled teams through the startup formation process.
- Facilitation workshops, mentorship sessions, and hands-on projects.
- Encourages employees to think creatively and challenge the status quo.
- Creates a culture of intrapreneurship within the organization.
- Promotes diversity and inclusivity to nurture innovation.
- Embraces change, diversity, creativity, and forward-thinking as core principles.
- Consistently challenges limits, driving industry innovation, and shaping the future landscape.

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Health and Productivity Management

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Our Approach

We realize that the health of TDK team members (employees) is an important issue directly linked to all kinds of quality in business activities, and we have formulated the TDK Health Declaration to actively support team members' health management and improvement.

We are conducting health promotion activities to enable team members to continue working in good health both physically and mentally.

TDK Health Declaration

TDK enables the transition towards a sustainable future through our transformational technology, products, solutions, and processes. Our Team Members (employees) support this mission by delivering quality each step of the way. While our quality focus has been critical to our success for generations, global societies have grown complex and evolved at such a rapid pace that humanity and health is suffering. It is clear that "quality of health" is imperative for TDK to live our motto: contribute to culture and industry through creativity.

TDK United is committing to a "Health First" approach with the intention to improve our Team Members quality of health. We will support the culture of health by providing foundational health programs and activities at local, regional and global levels across all businesses and functions. We wish to achieve this sustainable, healthy society by ensuring that our diverse team members from TDK United participate with open hearts and minds.

Health Declaration

TDK United improves quality through a "Health First" approach

Governance (TDK Corporation)

TDK United regards the maintenance and promotion of team members' health as an important management issue and has established a new Health Promotion Section within the Human Resources HQ, with the director in charge of human resources as the person responsible for health promotion. In the future, we will actively report to the Board of Directors and other relevant bodies.

Education and Awareness Rasing

Ongoing health literacy education, including lectures by external experts, is provided to ensure that each team member can take care of his or her own health.

- External expert lectures
- E-learning

Officer responsible for health promotion: Senior Vice Presidents Andreas Keller



Health Promotion Organization

To manage and promote the health of team members, TDK not only conducts regular health check-ups, but also has industrial physicians, public health nurses, nurses, and dentists (at some sites) at workplaces to provide an environment where health consultations and dental care are routinely available. In addition, consultations are available from team members via an external telephone health consultation service (available 24 hours a day) set up by Health Insurance Society.

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In 2018, a Health Management Project Promotion Committee was established by persons concerned from the company, health insurance union, industrial physicians, public health nurses, nurses and workers unions, and various health promotion activities are discussed and put into action by the committee to develop health promotion activities.

Health Promotion System Flow



Strategy (TDK Corporation)

We consider the improvement of health quality through efforts to maintain and improve the health of team members as an important management issue. TDK United positions the improvement of health quality through efforts to maintain and promote the health of team members as an important management issue and promotes health management by steadily implementing the PDCA cycle based on a strategy map. The members of the Health Promotion Section play a central role in formulating specific measures, the measures are examined and approved by the Health Management Business Promotion Committee, the measures are implemented at each site, evaluated by the members of the Health Promotion Section, and linked to the formulation of the next year's plan.

Risk

Recognizing health issues as below, we would like to support our team members in their health promotion activities to keep them in the best condition and contribute to the realization of a sustainable and healthy society by improving the quality of their health, both physically and mentally, and enhancing the quality of their work as well as their lives.

1. Increase in the number of patients with lifestyle-related diseases and pre-morbidities
2. High proportion of people at risk of mental illness
3. High proportion of people indifferent to health

Opportunity

Health measures to promote awareness and behavior change are implemented to address these issues.

- Improvement of lifestyle
- Reduction in the number of people with mental health problems
- Improvement of health literacy

Risk Management (TDK Corporation)

Within ERM, risks related to talent acquisition and development are managed and health indicators that could lead to them are closely monitored.

Metrics and Targets (TDK Corporation)

Medium- to Long-Term Targets

Health Index : TDK Group Compaies in Japan

No	Index Item	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
1	Percentage of regular health check-ups*	99.9	98.9	98.5	99.9	99.9
2	Participation rate of stress check*	91.2	90.3	89.2	84.6	82.1
3	Number of participants of walking campaign	-	605	592	885	1,248
4	Participation rate of measures on women's health issues	-	-	-	-	72.0
5	Smoking rates	28.6	27.3	26.5	26.0	26.0
6	Percentage of persons with an exercise habit	19.5	20.7	22.2	22.9	23.6
7	Percentage of persons of adequate weight	64.6	63.2	63.7	63.6	63.8

*TDK Corporation

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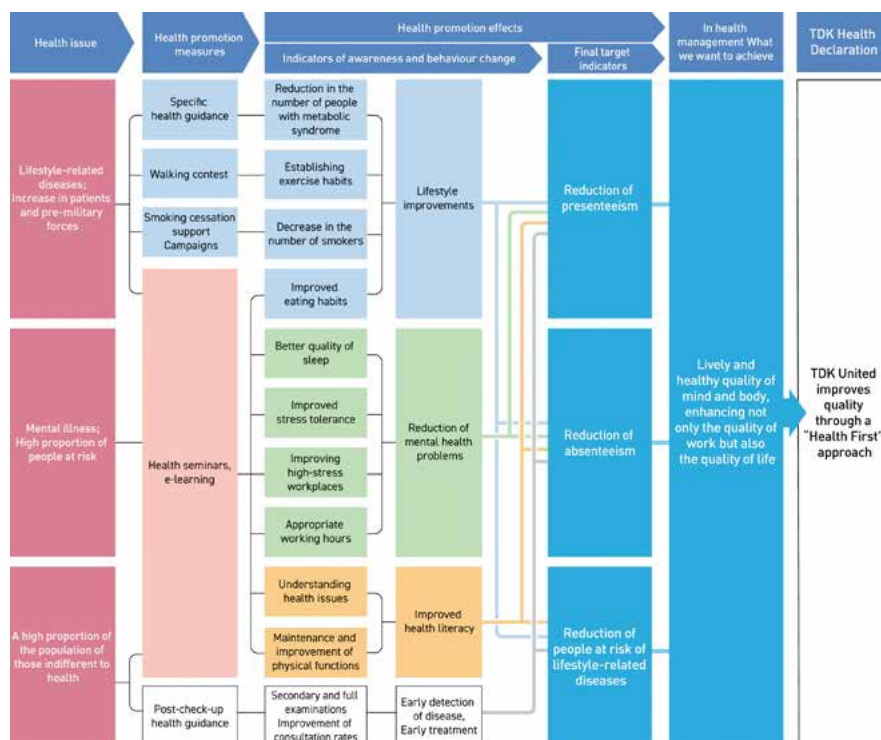
Evaluations and Future Activities

As a result of our health promotion activities, we have been awarded the “Excellent Health and Productivity Management Recognized Corporations” for two consecutive years. In the future, we will strive to realize a sustainable and healthy society by further developing our health promotion activities, so that our team members can be physically and mentally active and improve their quality of health, not only at work but also in their lives.

Initiatives (TDK Corporation)

Strategy Map

In promoting health management, we have identified health issues that lead to improved health quality for our team members, which is the image we want to achieve through health management, and we have created a strategy map that organizes specific initiatives to solve these issues.



Main Health Promotion Activities

Mental Health Measures

In addition to physical health, TDK is actively working on mental health management, which has been a growing social concern in recent years.

We have set up mental health consultation counselling services with specialist doctors at certain sites, and have established a system where team members can easily receive counselling, as well as holding seminars via e-learning.

We have also introduced a program to support returning to work, which includes a rehabilitation work system, to provide maximum support for team members returning to work.

Since 2016, stress checks have been conducted with the aim of enabling team members themselves to ascertain the extent of their stress and prevent mental health problems before they occur. Through stress checks and various training programs, we are working to improve the quality of health so that each employee can work vigorously while coping with stress.

Acquired certification as an excellent health management company

TDK was recognized for the second consecutive year in 2024 by the Ministry of Economy, Trade, and Industry (METI) and NIPPON KENKO KAIGI (Japan health council) in the “Excellent Health and Productivity Management Recognized Corporations (Large Corporation Category)”.



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Our Approach

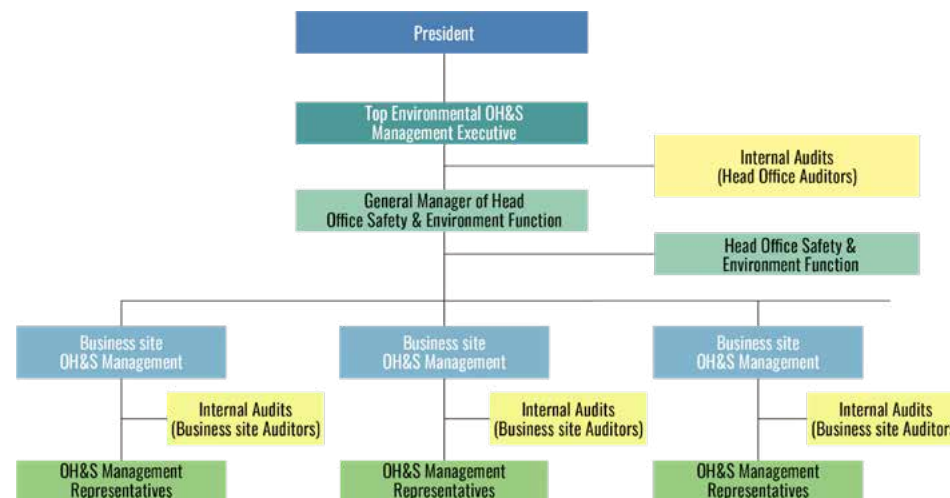
The TDK Group Occupational Health / Safety and Environmental Charter

To unify policies relating to health / safety and the environment throughout the entire TDK Group, TDK formulated the TDK Group Occupational Health / Safety and Environmental Charter consisting of two aspects—basic principles and basic policies on health/safety and the environment.



Governance

TDK has set up a promotional structure based on the Occupational Health and Safety Management System headed by the President and CEO. In addition, important matters related to health and safety are reported to the Board of Directors, and are deliberated when necessary.



Strategy

The TDK Group has established and implemented the TDK Occupational Health and Safety Management System (TDK OHSMS) in accordance with the requirements of the international standard ISO 45001:2018 for occupational health and safety management. Within the operation of the TDK OHSMS, we conduct risk assessments and carry out risk elimination and reduction activities such as “exposure to chemical, biological, and physical agents,” “tasks that place physical strain on workers,” and “safety confirmation and evaluation of production machinery.” Additionally, we strive to manage public health by providing clean water and sanitation facilities, ensuring a safe, healthy, and fair working environment for all team members (employees).

Risk Management

Promotion of Occupational Health and Safety Management System

The activities of the TDK OHSMS are carried out in accordance with national and regional standards and regulations. As of the end of March 2024, 78% of all our factories within the group have obtained ISO 45001:2018 certification. Additionally, in the Americas, we have obtained OSHA* certification and are advancing certification activities appropriate for each country and region.

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Furthermore, we have established EHS coordinators (Environmental, Health, and Safety coordinators) in Japan, China, ASEAN, Europe, and the Americas to promote safety, health, and environmental activities by conducting factory safety audits and sharing best practices in safety and environmental meetings to improve the level of safety and health activities.

*OSHA: Occupational Safety and Health Administration

Related Link

[Facilities with ISO45001 Certification](#)

Metrics and Targets

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goal	Achievement
Achieve zero significant labor accidents	One significant labor accidents

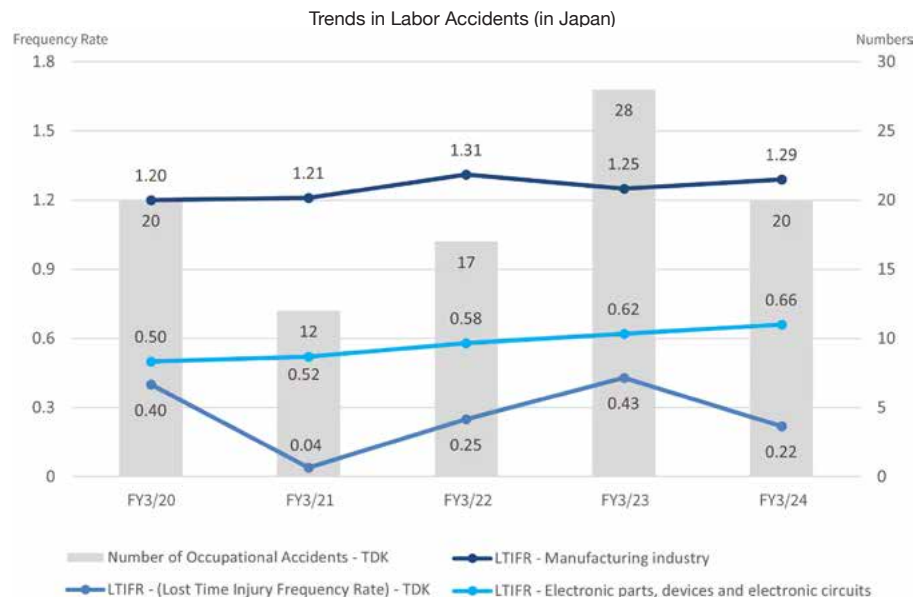
Related Link

[Social Data](#)

Evaluations and Future Activities

In fiscal 2024, one significant labor accident occurred at a Group manufacturing site where an employee's toe was severed after being caught in an operating machine. The investigation identified that one of the causes of the accident was that the machine did not stop even when it came into contact with the body. In response, as a preventive measure, safety devices were installed to prevent workers from entering while the machine is in operation. Additionally, the procedures were revised to ensure that workers do not perform tasks while the machine is running, and these procedures were communicated to employees at the manufacturing site.

Fiscal 2024 Goal
Achieve zero significant labor accidents



Initiatives

Conducting Risk Assessments

When constructing new manufacturing sites or introducing new equipment, we also conduct risk assessments to ensure comprehensive safety.

Conducting Audits

Sites that have obtained an ISO 45001 certification are audited regularly by outside auditors from a certification authority, while an internal audit in principle is conducted once a year for those sites that yet to obtain such a certification.

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Responses to Emergency Situations

In preparation for any emergency situation that may arise, we have established response procedures and a communication and reporting system for when an emergency situation occurs. We also conduct regular evacuation drills and so forth on the supposition that an emergency situation has arisen, and work thoroughly on the response procedures for such an event.

Responses to Labor Accidents

The TDK Group works to prevent labor accidents from occurring. We have in place a framework wherein, should a labor accident occur, the health and safety manager at the site where it occurred will promptly inform either the safety and environment function at the head office or the regional headquarters.

At those sites where a labor accident has occurred, we carry out investigations into the accident's root causes and implement fundamental countermeasures. At the same time, we also share information regarding these matters and work to prevent recurrence.

Education and Awareness Raising about Occupational Safety

We provide education and work to raise awareness about workplace safety such as through experience-type safety education with the goal of fostering safety awareness among our team members. Additionally, at all TDK Group manufacturing sites, we post health and safety information in our facilities in either the mother tongues of our team members or in languages they can understand, and we promote self-awareness and regularly provide competence education regarding health and safety.

Global Deployment of Experience-Type Safety Education

TDK has begun the global deployment of the experience-type safety education based on the concept of “look, listen, and feel” implemented by the TDK Safety Training Center set up at the Nikaho Factory South Site in the Akita region of Japan in 2017.

We have been undertaking initiatives to raise the safety awareness of our team members. These include having established in 2020 an EHS Training Center at TDK (Zhuhai FTZ) Co., Ltd., one of our manufacturing sites in China, and having established in April 2022 the Safety Training Center at our Mikumagawa Factory.

In addition, in response to cases of factory fires recently both in Japan and overseas, the TDK Group carries out fire-prevention inspections globally and is taking steps to reduce the risk of fire.

The total number of team members in Japan who have trained at the Safety Training Center now stands at 14,190 (2,400 in fiscal 2024).



Technical Training Center Established to Improve Skills in Entire Factory (Nashik Factory, TDK India Private Limited)

The Nashik Factory in India has established the Technical Training Center to provide all team members with opportunities to improve their knowledge and skills. At this center, efforts are made to deepen new team members' understanding of emergency health/safety response, such as fire prevention and use of automated external defibrillators (AEDs), as well as their knowledge of actual products.

The center is also used for skill improvement by all team members. For example, it is used in multifunctional training for established team members, providing displays of actual manufacturing equipment and maintenance tools that can be touched.

Furthermore, the center is resourceful in its educational programs, adopting recreational elements so that trainees do not become bored.



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Health Management Initiatives

Furthermore, the TDK Group is working hard to manage public health at each of our sites, and also making efforts to provide all of our team members with a safe, healthy, and fair working environment by supplying clean water and sanitation facilities among other initiatives.

Health and Safety Initiatives in Our Supply Chain

The TDK Group has established a TDK Supplier Code of Conduct grounded in the Group's TDK Purchasing Policies. The Code of Conduct specifies the Group's expectations for compliance in how suppliers conduct their operations, under several categories: labor, health and safety, environment, ethics, management systems, and information security. Furthermore, we expect our suppliers to recognize the risks associated with CSR and to take human rights and safety into consideration in their activities in the supply chain, as well as to reduce the environmental load of their operations.

Related Link

[Sustainable Procurement](#)

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Facilities with ISO45001 Certification

(As of June 1st 2024)

ISO45001:2018

Facility	Country	Certificate Number	Certification Body
TDK Corporation The Safety, Environment, and Social Group of the Sustainability Promotion HQ Mikumagawa Factory Kofu Factory Narita Factory Shizuoka Factory Inakura Factory (East site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Ouchi Factory Chokai Factory	Japan	JP21/071692	SGS
TDK Electronics Factories Corporation Kofu Factory Inakura Factory (East site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Kitakami Factory Ouchi Factory Chokai Factory Iwaki Factory Tsuruokanishi Factory Sakata Factory Iida Factory Tsuruokahigashi Factory	Japan	JP21/071692	SGS
TDK China Co., Ltd. TDK (Suzhou) Co., Ltd. TDK Dalian Corporation Qingdao TDK Electronics Co., Ltd. TDK Xiamen Co., Ltd. Guangdong TDK Rising Rare Earth High Technology Material Co., Ltd. TDK Dongguan Technology Co., Ltd.	P.R. China	CN047115	BV
SAE Magnetics (Dongguan) Limited	P.R. China	02123S11389R5L	CCCI
SAE Components (Chang An) Limited	P.R. China	02122S10007R0L	CCCI
AFI Technologies (Chang An) Ltd.	P.R. China	02122S10014R5L	CCCI

Ningde Ampere Technology Ltd.	P.R. China	CN19/31372.00	SGS
Dongguan Poweramp Technology Limited	P.R. China	CN19/31973	SGS
TDK Ganzhou Rare Earth New Materials Co., Ltd.	P.R. China	01 213 085364	TUV
Guangdong Real Faith Pingzhou Electronic Co., Ltd. Guangxi Real Faith Pingzhou Electronics Co., Ltd.	P.R. China	00221S23233R3L 00221S23233R3L-1	IQNet
TDK Taiwan Corporation	Taiwan	20003153 OHS18	IQNET
InvenSense Taiwan Ltd.	Taiwan	TW17/00862	SGS
TDK Korea Co., Ltd.	Korea	KR003797	BV
TDK Philippines Corporation	Philippines	50500402 OHS18	IQNet
TDK (Thailand) Co., Ltd.	Thailand	488005 OHS18	IQNET
Magnecomp Precision Technology Public Co., Ltd. Rojana Plant Wangnoi Plant	Thailand	25884/E/0002/UK/En 25884/K/0001/UK/En	URS URS
TDK (Malaysia) Sdn. Bhd.	Malaysia	01 213 117285	TUV
TDK-Lambda UK Ltd.	UK	OHS 609627	BSI
TDK-Lambda Ltd.	Israel	106055	IQNet
TDK Electronics AG	Germany	10000458801-MSC-RvA-DEU	DNV

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Our Approach

As a corporate citizen, TDK recognizes the importance of coexisting with the community and, thinking about what we can do for society as a company, promotes various original social contribution activities.

Principle

Based on TDK's corporate motto of "Contribute to culture and industry through creativity," the TDK Group aspires to foster the development of a healthy and prosperous society by implementing various activities in which all TDK employees can feel committed and connected to the community.

Policy

The TDK Group will utilize its various resources (employees, products, capital, information, etc.) to globally implement proactive community activities - both alone and working alongside NPOs and NGOs - that contribute to the betterment of society in the areas of (1) academic, research, and education, (2) sports, art, and culture, (3) environmental conservation, and (4) social welfare and local community service activities.

Academic, Research and Education Activities

TDK is willing to return the profits of its activities to local communities by utilizing our accumulated product technologies and human resources. Specifically, TDK wishes to offer opportunities for young people who will lead the next generation to acquire a wide range of knowledge, experiences, and skills.

One specific example is the TDK Museum, which reopened in October 2016. The museum introduces the history of TDK's products utilizing magnetic technology and its technologies and also, as a new aspect, its efforts toward the future, the aim being to support the science and technology studies of the young people who will be the leaders of society in the next generation. The museum also continuously conducts electronics workshops and science on-site lessons in junior high schools and conducts programs that support joint education on- and off-site.

[TDK Museum's Community Activities](#)

Sports, Art and Culture Activities

TDK strives to be a company capable of bringing delight and excitement to stakeholders. TDK provides support for inspirational sports and art activities that uplift people's hearts.

Some specific examples are sponsorship since 2001 of performances in Japan of world-renowned orchestras from around the world as well as Outreach Mini-Concerts and invitations to open rehearsals and main performances for the musical education and development of elementary and junior high school students and students of music under the heading of the "TDK Rising Stars."

In fiscal 2024, 230 students studying music were invited to the Berliner Philharmoniker Special Session, a special educational program that included a dialogue with the Berliner Philharmoniker (Berlin Philharmonic Orchestra). Following a pre-lecture by composer Akira Senju about the Berliner Philharmoniker, members of the orchestra gave a performance and held a talk session. Thirty students from among the applicants were selected by drawing to attend the main performance on the same day.

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Environmental Conservation Activities

TDK is engaged in R&D activities to provide products that make people's lives more convenient. But we also work earnestly on various environmental conservation activities to contribute to a symbiosis with the global environment.

One example is the TDK Beech Forest tree-planting event, as well as fertilization activities, that have been held every year since 2004 at factories in Akita Prefecture. To date, we have planted approximately 10,200 trees. In fiscal 2024, restrictions imposed under the Infectious Diseases Act to address the COVID-19 pandemic were relaxed, and the event was held without restriction for the first time in three years, with a total of 203 people participating in tree planting and fertilizing activities.

Social Welfare and Local Community Service Activities

TDK conducts its business activities on a global basis. We endeavor to apply our resources in beneficial ways and provide help to local communities to solve issues and bring about a better society.

Going forward, we will conduct activities according to the needs of people in individual locales.

Disaster Area Assistance

In fiscal 2024, restrictions to control COVID-19 were relaxed, and 73 people including 67 new employees participated in volunteer activities to support reconstruction in Kamaishi City, the first time in three years that employees have been able to participate. The volunteers weeded extensive rapeseed fields and observed and were briefed on biodiesel fuel and photovoltaic systems, deepening their interest in environmental activities. TDK plans to continue these activities in the future.

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Social Data

Global

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Employment	Consolidated number of employees	Persons	107,138	129,284	116,808	102,908	101,453
	Japan		10,080	10,381	10,751	11,379	11,888
	Americas		4,465	4,092	4,184	4,164	3,723
	Europe		7,969	7,962	8,222	8,218	7,806
	Asia except Japan		84,624	106,849	93,651	79,147	78,036
	Male ratio	%	55.2	58.2	57.2	56.9	60.1
	Female ratio		44.8	41.8	42.8	43.1	39.9
	Consolidated number of employees(non-regular)*1	Persons	25,173	21,577	23,152	19,620	15,534
	Ratio of Employees by Nationality						
	G.China	%				59.9	57.9
	Japan					12.0	12.6
	Philippines					3.7	5.2
	Indonesia					3.8	4.0
	Thailand					5.3	3.9
	Germany					1.9	2.4
	Malaysia					2.6	2.3
	India					2.1	2.2
	Hungary					2.3	2.1
	Brazil					1.6	1.6

	Total employee turnover rate	%					23.3
	Voluntary employee turnover rate	%					17.3
Diversity	Ratio of female in all managerial position	%					22.0
	Target for female in managerial positions by 2030						25.0
	Ratio of female in junior managerial position						25.5
	Ratio of female in middle managerial position						16.5
	Ratio of female in top managerial position						8.9
	Ratio of female in managerial positions in revenue-generating functions*2						27.5
	Ratio of female in STEM-related positions*3						17.5
	Ratio of employees with disabilities						0.8
Staff training	Annual training hours per employee*4	Hours	49	37.1	19.6	23.4	18.8
	Average amount spent per employee on training and development	Yen		6,095	10,077	11,796	13,097
	Number of TCDP, Territorial Career Development Program graduates	Persons	101	0*5	89	98	126
	Number of GMP, Global Management Program graduates*6	Persons			43	43	50
	Number of GAMP, Global Advanced Management program graduates	Persons	17	24	0	19	25
	Number of GEMP, Global Executive Management Program graduates*7	Persons		10			10
	Number of participants in the global English training program	Persons	3,613	3,614	3,389	2,759	2,817

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Freedom of Association	Ratio of employees represented by a union or covered by collective bargaining agreements ^{*8}	%	72.3	83	61.4	62.9	62
Hiring	Total number of new employees hired	Persons					24,334
	% of open positions filled by internal candidates	%					11
Team Member Engagement ^{*9}	Response Rate	%				80	80
	Ratio of employees with top level of engagement					67	67
	Comment Rate					43	43
	Engagement Index					72	72
Gender pay gap (non-adjusted) ^{*10}	Salary ^{*11}	%					
	Mean						25.1
	Median						26.1
	Bonus						
	Mean						24.7
	Median						20.6
	Coverage (% of employees covered)						60
Health and safety	Number of work-related accidents	Cases	237	286	338	227	222
	Number of accidents resulting in no lost work time		72	79	110	84	60
	Number of accidents resulting in lost work time ^{*12}		165	207	228	143	162
	Japan		20	12	17	28	20
	China		60	89	119	48	65
	Other Asia (excluding Japan and China)		20	35	32	29	32

	Americas		40	58	48	30	5
	Europe		97	92	122	92	100
	Number of significant labor accidents ^{*13}		0	0	1	0	1
	Fatal accidents		0	0	1	0	0
	Ratio of accidents per 1,000 employees ^{*14}		2.01	2.45	2.66	2.24	2.06
	Accident Severity Rate (Japan) ^{*15}		0.017	0.001	0.005	0.002	0.009
	Lost Time Injury Frequency Rate				0.73	0.58	0.61
	Lost Time Injury Frequency Rate (Japan)		0.40	0.04	0.25	0.43	0.22

^{*1} Coverage is part time workers, temporary workers and manufacturing staff who work for subcontractors.

^{*2} Revenue-generating functions: Covers functions that directly contribute to the production and sale of products and services.

^{*3} STEM-related positions: Covers positions which involve work duties utilizing knowledge of science (S), technology (T), engineering (E), and mathematics (M).

^{*4} Covers programs run by the Global Division of Human Resources Headquarter.

^{*5} TCDP did not take place because of COVID-19.

^{*6} The program was started from FY2022.

^{*7} The program is held once every three years.

^{*8} Some countries where it is difficult to know whether employees are represented by a union are not included.

^{*9} Results of the survey in February 2023. Next survey will be conducted in September 2024.

^{*10} Calculated as (male numerical values - female numerical values) / male numerical values × 100.

^{*11} Calculated in line with the salary system of each country.

^{*12} One day or more off from work required.

^{*13} Significant labor accident: an accident with remaining disability, required long-term nursing, or fatality.

^{*14} Covers employees including dispatch workers.

^{*15} Number of days lost per 1,000 hours worked.

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Category	Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Employment	Number of employees		5,523	5,689	5,719	5,901	6,037
	Male	Persons	4,628	4,747	4,737	4,851	4,933
	Female		895	942	982	1,050	1,104
	Female ratio	%	16.2	16.6	17.2	17.8	18.3
	Average age		43.6	43.5	43.4	43.0	42.7
	Male	Years	44.3	44.3	44.2	43.8	43.5
	Female		39.5	39.2	39.2	38.9	38.7
	Continuous service		18.3	18.3	18.3	17.9	17.7
	Male	Years	18.7	18.8	18.9	18.5	18.4
	Female		16.2	16	15.5	14.8	14.4
	Recruitment of new graduates*1		202	196	262	280	279
	Male	Persons	145	155	198	214	225
	Female		57	41	64	66	54
	Female ratio	%	28.2	20.9	24.4	23.6	19.4
	Mid-career recruitment		126	110	169	242	174
	Male	Persons	100	93	129	189	129
	Female		26	17	40	53	45
	Female ratio	%	20.6	15.5	23.7	21.9	25.9
	Ratio of Mid-career recruitment in newly hired employees	%	38	36	39	46	38
	Total employee turnover rate*2	%	1.6	1.6	1.8	2.3	2.7
	Voluntary employee turnover rate*2	%	1.4	1.4	1.6	2.1	2.4

Work-life balance	Employees taking child care leave		41	30	41	62	91
	Male	Persons	17	12	22	33	59
	Female		24	18	19	29	32
	Ratio of employees returning to work	%	100	100	100	100	100
	Male childcare leave acquisition rate*3	%	13.4	9.0	17.1	24.4	44.4
	Paid leave acquisition rate	%	62.5	53.6	58.6	66.2	71.5
	Number of employees taking nursing care leave	Persons	2	1	2	2	0
Diversity	Ratio of female in all managerial position*4		2.0	3.0	3.7	4.3	4.8
	Ratio of female senior managers		1.0	1.7	1.8	1.7	2.2
	Ratio of female managers		2.3	3.5	4.4	5.2	5.6
	Ratio of female assistant managers	%	6.6	6.7	7.8	8.5	8.4
	Gender pay gap rate*5					65.4	67.3
	Regular employee					62.3	67.0
	Non-regular employee					65.7	63.0
	Ratio of employees with disabilities*6		2.11	2.06	1.96	1.99	2.41
Staff training	Education and training expenses	million yen	285	342	316	291	246
	Cumulative total of participants in overseas trainee program	Persons	40	40	40	40	41
	Cumulative total of engineers sent to overseas universities	Persons	49	49	50	50	51
Job Satisfaction	Response Rate		91.7	93.1	86.6	87.8	85.0
	Ratio of employees with job satisfaction*7	%	93.6	93.1	93.4	92.8	92.8

*1 Employees who joined the company in April of the following year.

*2 Regular employees only (excluding retirees).

*3 Percentage of male employees who took childcare leave out of the total number of male employees whose spouses gave birth.

*4 Employees who are in management position as of April 1st of the following year.

*5 Gender pay gap rate= (Figure of female)/(Figure of all employees)×100

*6 Employees who has disabilities as of June 1st.

*7 Percentage of employees who chose the top two grades (2-3) on a three-point scale based on the job satisfaction survey.

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Risk Management

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Governance

TDK has instituted systems to precisely identify significant risks in the Group's business activities and to implement appropriate responses to reduce impacts on the Group's business in the unlikely event that a risk materializes. We have also established an ERM Committee, under direct management of the Executive Committee, and chaired by a corporate officer appointed by the President and CEO, to allow us to promote company-wide measures against factors (risks) which stand in the way of the achievement of organizational goals, and to implement company-wide Enterprise Risk Management (ERM) to appropriately manage these risks, in aiming for sustainable growth. Similarly, we have established the Compliance Committee, the Crisis Management Committee, and the Disclosure Committee as committees under the direct management of the Executive Committee, and are thereby undertaking measures and responses to various issues. A corporate officer serves as chair at each of these committees. (Refer to "Risk Management" section for details of the organizational structure for risk management involving individual risks).

The ERM Committee reports to the Board of Directors on the significant risks assessed and identified through ERM activities, including business and other risks disclosed in the annual Securities Report (19 risks in fiscal 2024). Activities of the ERM Committee and the Compliance Committee are overseen by the Board of Directors, by means of biannual reporting to the Board of Directors by both committees.

[Business Risks](#)

Education and Awareness Raising

TDK provides ongoing training and education for directors, management, and team members (employees) including lectures led by external experts, toward raising awareness and facilitating the achievement of a more accurate understanding of risk management.

- Lectures on the information exploitation crisis (for top management; engineers)
- Lectures by external experts on geopolitical risks (for All Directors and corporate officers; top management)
- e-learning

Enterprise Risk Management (ERM) Committee

In ERM Committee, we promote company-wide risk management in a way we analyze and evaluate company-wide risk, identify risks which require countermeasures and decide a responsible function to be in charge of risks. As for each risk, the responsible function takes the lead in countermeasures and the progress is monitored in ERM Committee. We discuss the risk analysis evaluations and countermeasure situations at the Executive Committee and report them to the Board of Directors. Risks concerning sustainability, such as risks concerning corporate social responsibility, climate change, securing personnel and training personnel are also allocated to risk owner departments and director is assigned for it.

For more information on our risk management activities and major risks, please see the link below.

[Business Risks](#)

Compliance Committee

Through the Compliance Committee, which aims to supervise compliance-related risk management and advance initiatives, TDK promotes the prevention of violations of laws and regulations, etc. and strengthening prevention of recurrence. The Compliance Committee approves company-wide compliance activity policies and plans, select risks that we will focus on with respect to compliance, assign individual risks to risk owner divisions, and provide instructions to and monitor risk owner divisions.

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Crisis Management Committee

The Crisis Management Committee has been established and operates with the aim of advance measures for serious disasters, accidents and incidents (natural disasters, accidents such as fire, infectious diseases, etc.) that may impede the survival or development of TDK as well as reducing subsequent damage and preventing the expansion of damage. In the event of an emergency, it will quickly set up a company-wide Crisis Management Headquarters and, while giving first priority to ensuring the safety of its team members it will resume business as soon as possible and fulfill its responsibility to supply its customers in accordance with the Business Continuity Plan (BCP).

Information Security Committee

The Information Security Committee properly manages important information such as information provided by customers and personal information in compliance with laws and regulations, implements measures against cyber-attacks and internal information leakage, and monitors the security status of TDK to prevent cyber-attacks. In addition, in the event of an attack, the said Committee will promptly assess the situation, recover, and take measures.

Disclosure Committee

The Disclosure Committee deliberates on and examines important corporate information and disclosure materials of TDK that are required for investment decisions by shareholders and investors, to ensure that it discloses appropriate information in a comprehensive, accurate, timely and impartial manner, in accordance with various laws and regulations regarding securities transactions and the rules and regulations of the stock exchange on which its shares are listed.

Strategy

One of the key issues (materiality) to be addressed toward the realization of the TDK Group's long-term vision is the "enhancement of Group governance," with "Empowerment and Transparency" set as one of the themes of this issue.

In risk management, based on the concept of "Empowerment & Transparency," we encourage appropriate risk-taking (Value Creation) and prevent the impairment of corporate value (Value Protection).

Risk Management

The ERM Committee, under the direct management of the Executive Committee, clarifies the role (refer to below table) of each organization in risk management activities and promotes the PDCA cycle of a series of risk management activities, from identification of risks to evaluation, consideration of countermeasures, implementation, monitoring, and improvement.

As a risk assessment, each term the residual risk (i.e., after control by the measures taken so far) is examined from the perspective of the three elements of management resources (people, goods, and money), relationships with internal and external stakeholders, reputation, and BCP. We calculate the magnitude of the impact on the TDK Group from the above and combine it with the possibility of the risk materializing to create a residual risk heat map to visualize and evaluate the priority of risk countermeasures. The results of these risk assessments and the status of countermeasures are deliberated at the Executive Committee and reported to the Board of Directors. In addition, the validity of the heat map is verified at least once during the period, and the assessment of residual risk is reviewed if necessary.

Roles of each organization in risk management activities

Divisions with jurisdiction over business execution (e.g. business groups and subsidiaries)	Identify risks in day-to-day business operations and implement the necessary risk controls, as the first line of risk management
Divisions responsible for the Group's headquarters function	Implement Group-wide risk management activities relating to risks for which they are responsible, as the division with ownership over risks, and monitor whether first line risks are being appropriately managed while also providing any necessary support, guidance, or cooperation, as the second line of risk management
Management audit group responsible for internal audits	Internally audits risk management activities by the divisions with jurisdiction over business execution (first line), headquarters function (second line), and the ERM Committee

Initiatives

The secretariat of the ERM Committee drafts a list of risks and the associated risk scenarios that the TDK Group could potentially face in each term, to facilitate implementation of the activities described in the "Risk Management" section above. For the various risks, the headquarters functions (or business group for certain risks specific to respective businesses), as the division with ownership over the risk at the Group level, first verifies the validity of the scenarios for those risks and then assesses residual risks and proposes and implements measures to counteract those risks.

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Business Continuity

TDK has established a crisis management system to prevent secondary disasters and to ensure the safety of team members in the event of a crisis, as well as to ensure business continuity in order to fulfill its responsibility to continue supplying products to customers. We have established a Business Continuity Plan (BCP) that does not depend on the type of disaster or the cause event, and are promoting Business Continuity Management (BCM) activities to increase effectiveness in case of emergencies, thus ensuring to the extent possible that prioritized works are not interrupted at such times, or if they are, that they can be restarted as quickly as possible.

Specifically, in addition to holding regular BCM meetings at which we share business continuity issues and manage their progress for each business division, we conduct regular, medium-scale practice sessions and drills premised on a variety of scenarios at respective business and factory units at least 30 times per year. In addition, we continuously conduct practice sessions toward the launch and establishment of Corporate Crisis Management Headquarters, which is to be led by the Representative Director, President and CEO in the event of a major emergency. TDK positions practice sessions and drills of this kind as a central measure of our BCM activities and will continue to strive for day-to-day improvements to the effectiveness of our BCP for emergency situations.

(Activity case study) Practice session for the launch and establishment of Corporate Crisis Management Headquarters, held in February 2024



Post-practice session review (identification of the issues) led by the Representative Director, President and CEO and proxies



Discussions by the teams of the Corporate Crisis Management Headquarters tasked with assessing damage in affected areas and implementing support measures in a major emergency

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Corporate Ethics and Compliance

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Our Approach

The TDK Group's top management takes the lead to ensure that all TDK Group directors, officers and team members (employees) are familiar with the Group's Corporate Philosophy, the TDK Code of Conduct, and the TDK Charter of Corporate Behavior and that they are thoroughly aware of and committed to corporate ethics and compliance. In addition, the TDK Group regularly monitors compliance with the TDK Code of Conduct and provides global annual training to team members, including e-learning and other educational activities relating to corporate ethics.

Furthermore, the TDK Group has built a global corporate ethics management structure centering on the Business Ethics Supervisory Committee, which regularly receives reports on TDK Group team members' compliance with corporate ethics. In addition, the Business Ethics Supervisory Committee regularly reports on TDK Group compliance to the Board of Directors.

TDK Code of Conduct

The TDK Code of Conduct stipulates specific behavior guidelines for the TDK Group, and constituent officers and team members, to observe laws, regulations, social norms. Among them, items that should be shared and practiced by the TDK Group have been formulated as the TDK Charter of Corporate Behavior.

Related link

[TDK Code of Conduct](#)

Governance

Pursuant to a resolution of the Board of Directors, TDK appoints the Global Chief Compliance Officer (GCCO) from among the corporate officers and the GCCO heads the TDK Group Compliance Committee. Furthermore, the GCCO serves as chair of the Compliance Committee and appoints Regional Chief Compliance Officers for four regions around the world in addition to Japan.

Through these efforts, the TDK Group will further strengthen the company's compliance structure to ensure that all team members act in accordance with compliance based on global common standards, and foster a corporate culture of integrity, fairness, and transparency in order to meet the trust and expectations of customers and society.

In addition, the Compliance Committee approves company-wide compliance activity policies and plans, evaluates and selects priority risks to be addressed by the Group, assigns individual risks to risk owner divisions, provides instructions to risk owner divisions, and monitors that status of their activities. Risk owner divisions take action to resolve compliance issues that arise and take measures that are necessary from the perspective of preventing recurrence. The GCCO reports the details of these activities to the president and periodically reports to the Board of Directors.

Spreading Awareness of Corporate Ethics

TDK provides every TDK Group team members with a copy of the TDK Code of Conduct Handbook and recommends them to carry it around with them. Employee can use the handbook as a guide in their individual business activities. We also endeavor to spread awareness of the Code of Conduct's content through, for example, the display of posters.

In addition, the TDK Group conducts regular training on the TDK Code of Conduct and internal rules through e-learning, training, lectures by outside experts, and other means to ensure that the officers and team members who make up the TDK Group act in compliance with laws and regulations.

Furthermore, in Japan, the TDK Group has created items relating to compliance and the Code of Conduct in personnel evaluations and reflects them in team members compensation. Through these efforts, the Group provides team members with regular opportunities to reflect on their own conduct and motivates to act in accordance with compliance requirements.

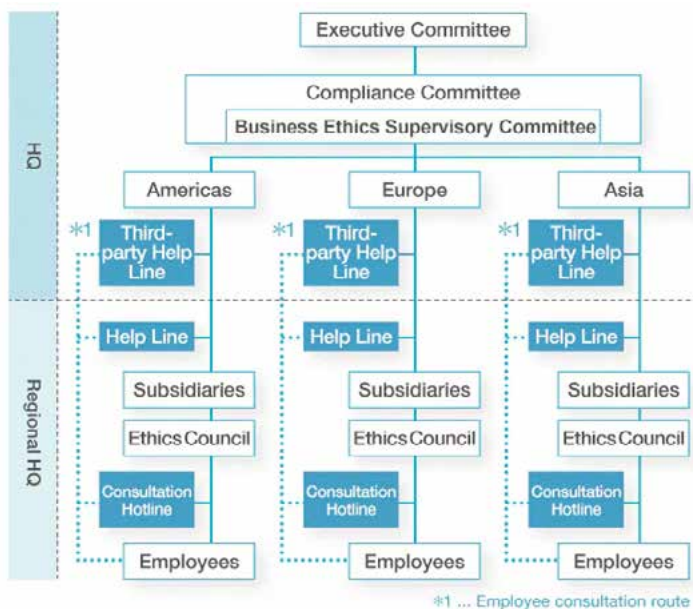
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Helplines

The TDK Group has established structures to enable team members to anonymously make internal reports and consult regarding issues of corporate ethics through channels other than their regular work chain of command. Each Ethics Council has a consultation hotline, and internal helplines have been established on a regional basis for the direct collection of information and opinions relating to corporate ethics and other issues within the Group. In addition to the regular reporting routes within the Group, alternate reporting routes that provide access to outside law firms and other third parties have also been established in the Americas, Europe, and Asia. As a result, team members and others making reports can select the reporting route that they believed to be the most appropriate.

Reports received via the helplines are investigated. In the event of a violation of the Code of Conduct being confirmed, the parties concerned may be subject to penalties in accordance with the work rules and other internal regulations.

The TDK Code of Conduct Program stipulates the protection of informants so that they do not suffer any unfair treatment or disadvantages.



As of April 1, 2024

Number of Consultations and Reports to Helplines (Global)

Fiscal 2020	46
Fiscal 2021	54
Fiscal 2022	79
Fiscal 2023	141
Fiscal 2024	151

The scope of figures includes the Ethics Councils and affiliates.

Initiatives

Preventing Discrimination & Harassment

TDK Code of Conduct clearly states that the TDK Group will not engage in any discrimination based on including, but not limited to, race, belief or gender, or any offensive or degrading conduct, such as corporal punishment, mental or physical violence, abusive language, sexual harassment, power harassment, or moral harassment, and will take measures to prevent unjust treatment and discrimination in the workplace.

The TDK Group companies have established policies and procedures, in accordance with the TDK Code of Conduct and national and local laws and regulations, that define and strictly prohibit discrimination and harassment. Based on the policies and procedures, the companies seek to provide an environment in which team members can consult with appropriate representatives regarding their concerns, and have set up mechanisms and reporting structures for team members to use to file complaints of discrimination and harassment in the workplace. Specifically, the TDK Group has established a global whistle-blowing mechanism that allows team members of the TDK Group to consult and report through internal and external helplines that ensure independence from the business lines. If Business Ethics Supervisory Committee, Ethics Councils or the relevant department investigates a report received through the helplines and finds that the TDK Code of Conduct has been violated, the Company will take disciplinary action against the violator, while protecting the informant from any unfair treatment or disadvantage.

Business Ethics Supervisory Committee periodically reports on the execution and operation of the TDK Code of Conduct to the Board of Directors of TDK.

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TDK Corporation established “Detailed Regulations on the Prevention of Harassment,” which define harassment and prohibited acts, and set up helplines and a harassment consultation desk in each region to provide an environment that enables team members to easily consult on harassment. In an effort to prevent harassment from occurring, “Harassment Prevention Communication Training” is provided for managers to learn how to deepen communication while preventing harassment and harassment prevention training is conducted for all team members via e-learning.

Related links

[TDK Code of Conduct](#)

[Respect for Human Rights](#)

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Sustainable Procurement

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Our Approach

TDK Group not only complies with laws and respects social norms but also fulfills social responsibilities such as respecting human rights and preserving the global environment, together with our business partners.

As an enterprise with a global range of manufacturing sites, the TDK Group stipulates the TDK Purchasing Policies to realize its Purchasing Principles and conducts purchasing activities in accordance with these principles.

“Global Partnership Purchasing” --- Purchasing Principles

TDK engages in global production with manufacturing sites in Japan, Asia, Europe and the Americas. Within the procurement activities that support production, the development of global procurement structures is crucial, and we strive to use those systems to develop products rapidly to remain competitive in the race to be first to market in the electronics industry.

Manufacturing sites engage in local procurement, but in today’s society with ubiquitous IT networks, procurement activities require close collaboration with suppliers in ways that overcome time and distance. In addition, measures to fulfill corporate social responsibilities such as compliance with applicable laws and regulations, observance of social norms, and preservation of the global environment are promoted actively through partnerships between TDK and its suppliers.

Purchasing Policies

Compliance

All applicable laws and regulations are followed in purchasing activities. Moreover, TDK strives not only to follow the letter of the law, but its spirit as well.

Respect for Human Dignity

TDK respects the human dignity of workers who are active in all stages of the supply chain.

CSR

The procurement divisions of the TDK Group implement CSR activities on a continuous basis, while performing evaluations of suppliers at regular intervals using the CSR Check Sheet, to promote understanding of our CSR concept and raise recognition of our initiatives. In addition, as part of the common understanding of social issues, we have established the TDK Supplier Code of Conduct.

Green Procurement

As one aspect of its companywide environmental protection activities and in the pursuit of harmony with the global environment, TDK engages in green procurement, i.e., the purchase of environment-conscious products.

Fair and Open Business

TDK conducts fair business regardless of company size or nationality. TDK bases its purchasing decisions on comprehensive evaluations of quality, price, delivery time, ability to provide a stable supply, and other factors.

TDK does not accept gifts of any kind from business partners.

As a general rule, TDK does not accept dining or other forms of entertainment from business partners.

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Partnership

TDK seeks to build mutually beneficial relationships with suppliers based on shared goals.

VA*Activities

TDK values suppliers that can lower costs and provide new materials and technologies through VA activities.

IT Utilization

Information exchanges with suppliers using IT and networks are essential for accelerating the pace of business and reinforcing ties.

Quality, Delivery Time and Stable Supply

TDK always considers quality, delivery time and stable supply by establishing solid partnerships with its suppliers.

* VA (Value Analysis) is a concept developed by the GE Company in 1947. VA provides a method to increase the value of a product or service, specifically by analyzing various factors associated with the value relative to the minimum resources necessary to produce said product or service (its cost). TDK uses the terms VE (Value Engineering) and VA synonymously.

The TDK Group has established a TDK Supplier Code of Conduct grounded in the Group's TDK Purchasing Policies. The Code of Conduct specifies the Group's expectations for compliance in how suppliers conduct their operations, under several categories: labor, health and safety, environment, ethics, information security, trade control, and management systems. Furthermore, we expect our suppliers to recognize the risks associated with CSR and to take human rights and safety into consideration in their activities in the supply chain, as well as to reduce the environmental load of their operations.

Related links

[Procurement \(Purchasing Principles, Purchasing Policies, TDK Supplier Code of Conduct, Green Procurement Activities\)](#)

Policy on Relations with Business Partners

Governance

Within TDK Group, to fulfill social responsibility across the entire supply chain, the headquarters' materials function, business groups, and headquarters' HR education and CSR functions work collaboratively to promote activities. Progress on key themes is discussed and reported at monthly review meetings. Additionally, monthly reports are made to the Corporate Planning Department, which then provides an annual report to the Board of Directors.

Sustainable-procurement education

The procurement department has created an e-learning course titled "Sustainability and CSR" that is available to all employees. This course aims to promote understanding of the importance of sustainable procurement among procurement stakeholders.

Course: "Sustainability and CSR"

1. What sustainability means

The role of sustainability, procurement, and purchasing

2. What CSR (corporate social responsibility) means

The positioning of CSR and the role of procurement and purchasing

Establishing purchasing ethics—CSR in procurement and purchasing

3. Risk management in procurement and purchasing

The causes of procurement risk

Assumptions associated with risk—Assumptions regarding frequency of occurrence, nature of impact, scale of impact

Preparation during normal times—Prevention; preparation for emergency response

Additionally, to promote the reduction of CO₂ emissions in Scope 3, we organized webinars for procurement department stakeholders both domestically and internationally, featuring lecturers from CDP. These webinars highlighted the importance of collecting primary data on suppliers' CO₂ emissions.

Furthermore, in 2024, we plan to hold training sessions for in-house CSR field auditors, inviting lecturers from third-party organizations.

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Membership of the RBA

In February 2020, the TDK Group joined the Responsible Business Alliance (RBA), * the world's largest industrial coalition dedicated to CSR in the global supply chain. Accordingly, the TDK Group made a commitment to society that it fully supports the RBA's vision and mission and, in accordance with the RBA's code of conduct (labor, health and safety, environment, ethics, management systems), will continuously improve the human rights of workers, health and safety, and the environment in the TDK Group and primary suppliers.

In accordance with the RBA standards, the TDK Group will endeavor to make continuous improvements in two stages, self-assessment and audit, depending on the transaction status with suppliers (primary production materials), sub-contractors, and worker dispatch and labor agencies and the nature of their business.

* RBA : The Responsible Business Alliance (RBA) is a global industrial coalition embracing over 200 companies dealing in electronics, retail, automobiles, and toys. It stipulates standards of conduct related to the improvement of industrial health and safety, the protection of human rights, consideration of the environment, and fulfillment of ethical responsibilities in the supply chain and calls on affiliated companies and their suppliers to practice these standards.

- Vision: A coalition of companies driving sustainable value for workers, the environment and business throughout the global supply chain.
- Mission: Members, suppliers and stakeholders collaborate to improve working and environmental conditions and business performance through leading standards and practices.

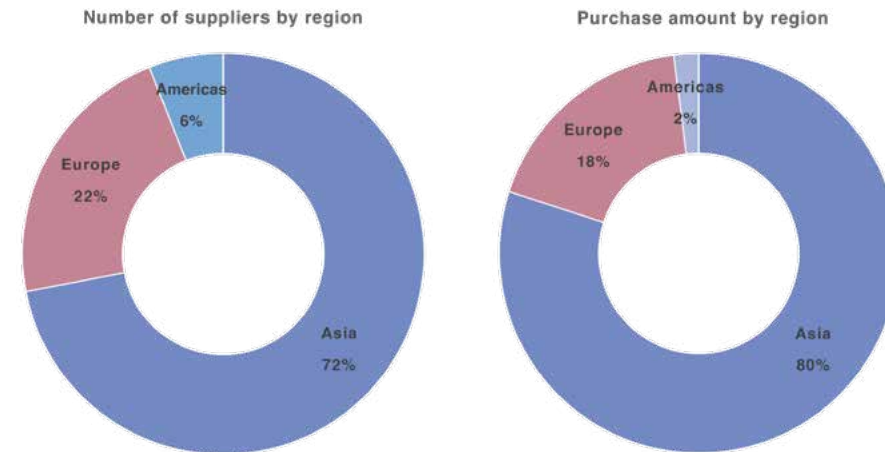
Related link

[RBA \(Link to external site\)](#)

Strategy

TDK Group Supply Chain

As of March 2024, TDK Group conducts business with approximately 4,200 material suppliers worldwide (excluding non-production material purchase businesses such as office supplies), with an annual procurement amount of approximately 504 billion yen.



In response to the increasing expectations from stakeholders regarding accountability in supply chain management and changes in the external environment, such as the development of new standards and frameworks by public institutions and private organizations, the TDK Group has initiated new supply chain management efforts based on a new framework for material suppliers starting from fiscal 2025. Through these initiatives, we will share information on environmental and human rights issues with our suppliers and promote awareness-raising activities together. To ensure that our purchasing practices do not impede suppliers' environmental and human rights initiatives, we prohibit placing orders with unreasonably short lead times or asking for unfair benefits, and we periodically discuss rising labor, raw material and energy costs. In addition, with respect to payments to suppliers, we conduct month-end reviews to ensure that all payments are made in accordance with pre-determined payment terms.



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Risk Management

At TDK, we have established an Enterprise Risk Management (ERM) Committee to implement company-wide risk management activities. The ERM Committee analyzes and evaluates risks across the entire company, identifies risks that require countermeasures, and promotes enterprise-wide risk management by assigning risk owner departments to lead risk countermeasures. For individual risks, the assigned risk owner departments lead the implementation of risk countermeasures, and the committee monitors the status of these measures.

In the procurement area of ERM, risks such as “insufficient checks and monitoring of suppliers” and “unfair practices towards suppliers” are recognized.

The former is the risk of selecting suppliers that do not meet the standards of our company or are affiliated with anti-social forces due to inadequate supplier selection criteria and CSR checks. This could result in reputational damage or operational stoppages due to illegal activities by such suppliers.

The latter risk involves the potential for reputational damage to our company through exposure by authorities, public disclosure of our company name, and media coverage due to making unreasonable demands on suppliers. To mitigate this risk, we provide employee education, including training on subcontracting laws.

Metrics and Targets

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goals	Achievements
Achieve CSR compliant supplier rate of 99.5%	100%
Achieve 100% implementation of CSR self-checks at sub-contractors (fiscal 2023-2024)	97%
Achieve 100% implementation of CSR self-checks at labor agencies used by manufacturing sites in the high-risk countries in Asia	100%

Evaluations and Future Activities

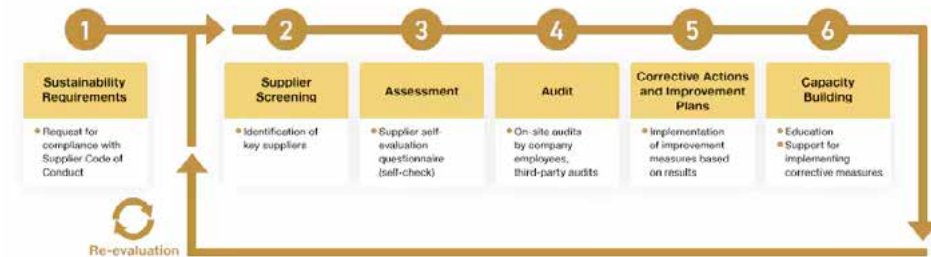
In fiscal 2024 TDK’s CSR compliant supplier rate, including newly affiliated Group companies, exceeded our target to reach 100%.

In addition, we conducted on-site CSR audits of 22 suppliers in fiscal 2024, and plan to conduct on-site CSR audits of 25 suppliers in fiscal 2025.

Fiscal 2025 Goals
Achieve CSR compliant supplier rate of 100% (fiscal 2025-2026)
Achieve 100% implementation of CSR self-checks at sub-contractors (fiscal 2025-2026)
Achieve 100% implementation of CSR self-checks at labor agencies used by manufacturing sites in the high-risk countries in Asia

Initiatives

Sustainable Supply Chain Management



(1) Sustainability Requirements

TDK Group communicates the sustainability requirements it expects all suppliers to comply with in their transactions by incorporating CSR-related clauses such as legal compliance, environmental conservation, prohibition of forced labor, respect for human rights, and product safety into their basic transaction agreements.

(2) Supplier Screening

TDK Group identifies critical suppliers for each business, taking into account the following requirements:

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- Suppliers with large purchase amounts
- Suppliers providing materials or components that are difficult to substitute
- Suppliers providing materials or components critical to the business
- Suppliers selected from an ESG perspective, etc.

As of March 2024, we have identified approximately 540 companies as key suppliers, accounting for 78% of the total annual purchase amount across the group. Additionally, we have identified 42 secondary and subsequent suppliers as key suppliers. The review of key suppliers is conducted annually.

(3) Assessment

TDK Group conducts CSR self-checks for all suppliers at the start of business relationships to confirm their CSR initiatives, and only begins transactions with companies that pass the evaluation. From 2024, we will conduct evaluations of critical suppliers in principle once every two years to determine whether to continue business relationships. Regarding implementation methods, each company adopts appropriate techniques. However, the CSR self-check sheet created by the headquarters' procurement function consists of 61 items based on RBA standards, focusing on areas that we consider particularly important: "Human Rights and Labor," "Environment," "Safety and Health," "Fair Trade and Ethics," "Information Security," and "Management Systems." We request reports on management systems and implementation status for each item.

In fiscal 2024, we conducted CSR self-checks on 1,417 companies and confirmed that approximately 4,200 material suppliers (excluding non-production material suppliers such as office supplies) are CSR-compliant suppliers.

Supplier evaluations

In addition to CSR self-checks focused on CSR, the TDK Group conducts management system assessments of material suppliers at the time of new registration and periodically to ensure healthy transactions. These assessments determine whether to initiate or continue transactions. Each company adopts appropriate methods, and transactions are conducted only with companies that have no issues based on the assessment results.

The main categories covered by the evaluation are quality management, chemical substances*management, environmental management, and corporate social responsibility (CSR) including strict observation of human rights and other legal obligations as well as compliance with social norms. Any problems that come to light through the evaluation are disclosed to the supplier with a request for corrections or improvements.

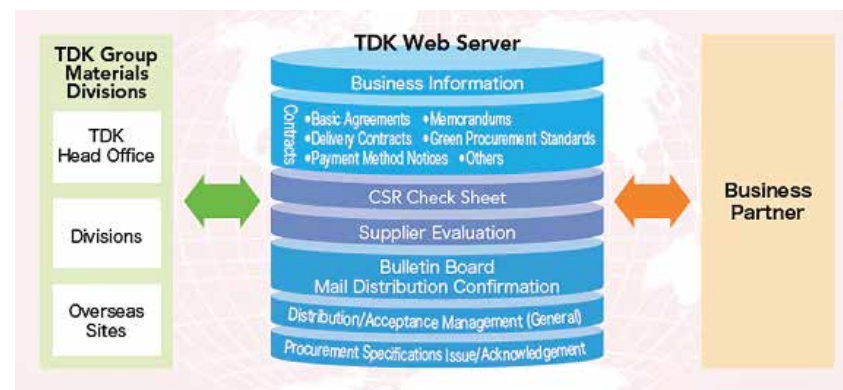
* The chemical substances in the evaluation are based on the "TDK Green Procurement Standards."

Related link

[TDK Green Procurement Standards](#)

Supplier Partnership System

TDK requires its suppliers to reply to a CSR check sheet through the Supplier Partnership System. This Supplier Partnership System is a system by which the management of company information, distribution of purchase specification forms, sharing of agreement documents, and so on, which previously was conducted by paper or magnetic recording media, are managed uniformly online. It benefits both sides by speeding up and boosting the efficiency of work. To raise both supplier awareness and motivation to make improvements, the check sheet is designed to immediately display the results on-screen when answering questions. If problems occur with responses, individual requests are issued for improvements.



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(4) Audit (5) Corrective Actions and Improvement Plans (6) Capacity Building

TDK conducts the CSR-specific on-site auditing of critical suppliers based on RBA auditing standards.

When violations of laws and regulations are discovered, we require suppliers to take “corrective actions” and monitor them from the development of corrective action plans to their completion. If necessary, we also provide support on implementation of corrective actions. If there are opportunities for improvement that do not result in legal violations, we make a “request for improvement”.

In fiscal 2024 we carried out such audits on 22 companies both in Japan and elsewhere. No legal violations were discovered, but we did make improvement requests to suppliers where issues concerning health and safety, etc. were spotted, and we are implementing follow-up as necessary.

Re-evaluation

As part of our series of initiatives, we terminate contracts with suppliers who are unable to meet minimum requirements within a specified period.

Green procurement

In order to promote green procurement aimed at the priority purchase of products that contribute to reducing the environmental load and fulfill social responsibility, TDK has been implementing Green procurement, and each group company has been taking their own appropriate measures. In April 1999, TDK established the TDK Green Procurement Standards. These standards are revised as necessary to take account of laws and regulations in Japan and other countries, changes in social requirements, and other factors. They can be viewed on the TDK website.

We issued version 9.1 of the TDK Green Procurement Standards in April 2020 and distributed them to all of our suppliers. Version 9.1 incorporates the TDK Environmental Vision 2035 as well as a review for compliance with relevant laws and regulations. It urges suppliers to cooperate with environmental measures to ensure a uniformly compliant supply chain.

TDK’s procurement master provides links to data consistent with TDK’s green procurement standards, firmly controls the content of prohibited substances and chemical substances requiring content management, and discloses and provides information as necessary.

Strengthening of BCP/BCM in the supply chain

In unforeseen circumstances, such as the outbreak of a large-scale natural disaster, TDK, as a member of the supply chain, has a duty to share social responsibility with suppliers and meet demands so as to ensure the stable supply of products required by customers.

Recognizing that the securing of stable supplies is an important responsibility, TDK addresses this issue in three main ways:

1. BCP/BCM surveys of suppliers
2. Advance collection and arrangement of information to use in an emergency
3. Prompt initial responses using a BCP Confirmation System

In particular, regarding BCP/BCM surveys of suppliers, a joint industrial initiative has begun, and TDK implements the supplier BCP/BCM surveys utilizing the Supply-Chain Business Continuity Questionnaire of the Japan Electronics and Information Technology Industries Association (JEITA). Furthermore, TDK endeavors to strengthen supply chain BCP/BCM by, among other activities, holding BCP/BCM seminars for business partners. Additionally, we send individual feedback sheets to each company to encourage improvement.

Strengthening of compliance (TDK Corporation)

TDK has clarified a company-wide policy regarding offers of gifts and entertainment from suppliers, publicized that policy throughout the Group, and requested the understanding and cooperation of suppliers.

Furthermore, regarding the exclusion of antisocial forces, TDK conducts preliminary surveys of suppliers when starting or restarting business with them.

Education and Capacity Building for Suppliers (TDK Corporation)

TDK organizes seminars and offers individual support on several CSR-related topics with the aim of strengthening the initiatives of our suppliers. In recent years, we have held BCP/BCM seminars and provided individual support to dozens of companies to enhance information security. These two efforts are introduced as best practices on the official portal site of the government- and industry-supported “Declaration of Partnership Building” framework, which is explained below.

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Furthermore, TDK conducts environmental-initiative surveys of suppliers relating to their efforts to reduce CO₂ emissions. Based on the results of these surveys, we have been conducting supplier awards and feedback sessions on the results for four consecutive years. This feedback provides not only the results of the assessment, but also information on where each company's performance stands within its peer group. We expect this to help them identify opportunities for further improvement and encourage them to take action. Furthermore, starting in fiscal 2024, with the aim of deepening participants' awareness and understanding of CDP, we invited lecturers from CDP and conducted webinars for approximately 160 companies. These webinars explained the CDP Supply Chain Program and the overview of the CDP questionnaire, through which we requested collaboration on activities to reduce environmental impact, including CO₂ emissions reduction. Additionally, we conducted energy-saving on-site diagnostics for several suppliers. Recognizing these activities, TDK has received an A rating in the CDP Supplier Engagement Assessment for four consecutive years.

Declaration of Partnership Building

In May 2021 TDK issued its "Declaration of Partnership Building" as a means of building relationships of coexistence and co-prosperity with its suppliers. "Declaration of Partnership Building," used as a general term, is an initiative launched by the Council on Promoting Partnership Building for Cultivating the Future, whose membership consists of the chairman of the Japan Business Federation (Keidanren); the chairman of the Japan Chamber of Commerce and Industry; the president of the Japanese Trade Union Confederation; the Minister of State for Economic and Fiscal Policy ; the Minister of Economy, Trade and Industry; the Minister of Health, Labour and Welfare; the Minister of Agriculture, Forestry and Fisheries; and the Minister of Land, Infrastructure, Transport and Tourism. Each participating company issues its own declaration under the name of a corporate representative, the aim of each declaration being to build new partnerships by promoting cooperation, co-existence, and co-prosperity between the issuing company and its suppliers and other business partners seeking to create added value. A company issuing a declaration states that it will seek coexistence and co-prosperity across its supply chain, promote new forms of cooperation irrespective of such factors as size or relationship to the supply chain, and observe appropriate transaction practices between main subcontracting entrepreneurs and subcontractors, all in an effort to boost the added value of the entire supply chain.

Initiatives for Suppliers Other Than Material Suppliers

CSR Self-Check and Audits for Contract Manufacturers

For contract manufacturing companies, we conduct CSR self-checks based on RBA criteria, similar to our material suppliers. From fiscal 2023 to 2024, we aimed to complete 100% of these assessments. As a result, we confirmed that 97.0% of the 253 target contract manufacturers are CSR-compliant suppliers.

Additionally, in the Japan area, we conduct CSR audits based on RBA audit standards for contract manufacturers that have a high dependency on our company. In fiscal 2024, we conducted these audits for four companies.

CSR Self-Check for Staffing and Employment Agencies

Regarding worker dispatch and labor agencies, it was recognized that inappropriate responses in such agencies were an issue in certain countries in Asia where risks relating to human rights and recruitment are thought to be high. For this reason, the CSR self-check is implemented for labor agencies used by manufacturing sites in high-risk countries in Asia, excluding Japan. With the aim of confirming management control relating to human rights and ethics, the self-check list consists of specified content related to the prohibition of forced labor, prevention of child labor, humane treatment and elimination of discrimination, fair wages and working hours; prevention of corruption and ethical violations; prevention of information leakage and risk avoidance; etc. In fiscal 2024, self-checks were conducted at all 49 targeted labor agencies (100%). Regarding agencies that failed to achieve a certain level of results in the survey, the manufacturing sites using those agencies carry out improvements.

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Policy on Relations with Business Partners

In building sound and favorable relations with customers, suppliers, and other business partners, the TDK Group promotes the revision (simplification, rationalization) of traditional etiquette and customs between companies and acts accordingly.

- Refrainment from participation in and attendance at individual celebratory and funeral events, such as celebratory parties, wedding receptions, and wakes
- Refrainment from giving and receiving money, etc. at times of promotion and preferment
- Refrainment from giving and receiving summer gifts, year-end gifts, etc.

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Responsible Sourcing of Minerals

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Our Approach

Based on concerns that minerals mined in the Democratic Republic of the Congo (DRC) and adjoining countries serve as a source of funding for armed groups provisions on conflict minerals were incorporated in the US Dodd-Frank Wall Street Reform and Consumer Protection Act, which was enacted in July 2010, and its final rule was adopted in August 2012. The TDK Group Policy on Conflict Minerals was formulated in April 2013, to promote initiatives in full compliance with the Due Diligence Guidance of the Organization for Economic Cooperation and Development (OECD).

In order to reduce involvement not only in conflicts but also serious human rights violations and environmental pollution, TDK has expanded the scope of its responsible sourcing of minerals beyond those from conflict-affected and high-risk areas. In January 2019, we revised our policy, which is now entitled the “TDK Group Policy on Responsible Sourcing Minerals.” Under this revised policy, TDK will continue to promote responsible sourcing of minerals throughout the supply chain, including minerals such as tantalum, tin, tungsten, gold and cobalt, which may be sourced from not only conflict areas but also areas with high risks of misconduct, including human rights abuses and environmental destruction. These risks include OECD Annex II risks.

Related link

[TDK Group Policy on Responsible Sourcing Minerals](#)

Governance

We position supply chain management as a field of key issues (materiality) that will form the basis for value creation by TDK, with “responsible sourcing of minerals” as one of the themes within this. The progress status of activities is discussed and reported at monthly briefing and review meetings, and further reported to the corporate planning function.

In terms of practical duties to manage risks and opportunities related to mineral procurement, our headquarters procurement function is responsible for surveying suppliers; our headquarters quality assurance function for responding to customers; and our sustainability promotion function for understanding industry trends, with investigation and response systems established at each Group company.

Education and Awareness Raising

We provide training for team members (employees) newly assigned to the departments responsible for procurement to raise their awareness and help them to develop a more accurate understanding on the responsible sourcing of minerals. Training is also provided to relevant departments, such as the business divisions, as appropriate, and as needs dictate. TDK additionally participates as an organizing member in the Responsible Minerals Trade Working Group, which is convened annually by the Japan Electronics and Information Technology Industries Association (JEITA).

Strategy

In January 2019, we formulated the “TDK Group Policy on Responsible Sourcing Minerals.” The Policy stipulates the promotion of responsible sourcing of minerals throughout the supply chain, including for issues relating to minerals such as tantalum, tin, tungsten, gold, cobalt, and mica, both from conflict areas and those areas which may involve risks, such as the presence of human rights violations or environmental destruction, including OECD Annex II risks, or other injustices.

Under this policy, we will voluntarily and strategically promote initiatives for the responsible sourcing of minerals to enhance our corporate value, centered on the following five-stage framework in line with the OECD guidance.

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(1) Establishment of a robust corporate management system

- Formulate a policy on responsible sourcing of minerals
- Retain CMRT*¹ for a five-year period

(2) Identification and investigation of risks in the supply chain

- Survey suppliers using CMRT/EMRT*²
- Declare TDK's expectations (use of RMAP*³-certified smelters) to coincide with survey requests

(3) Establishment and implementation of strategies to address the identified risks

- Request the exclusion of any non-certified smelters on lists

(4) Implementation of independent third-party audits of smelters'/refiners' due diligence practices

- Encourage smelters to participate in RMAP through industry approaches (affiliated with RMI*⁴/JEITA)

(5) Issuance of an annual report on supply chain due diligence

- Include annual report on activities on the company website

*1 Conflict Minerals Reporting Template

*2 Extended Minerals Reporting Template

*3 Responsible Minerals Assurance Process; A program that verifies compliance with responsible sourcing of minerals, using an independent third-party organization to evaluate smelters' and refiners' management systems and procurement practices.

*4 Responsible Minerals Initiative; An organization with a membership of over 400 companies and organizations worldwide, and which spearheads efforts relating to responsible mineral procurement

Risk Management

The TDK Group's Global Common Regulations include a section on "responsible sourcing of minerals" in the regulations of the departments responsible for procurement of these minerals. We furthermore monitor whether these are reflected in the discrete regulations of our respective core subsidiaries.

Metrics and Goals

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goals	Achievements
A ratio of at least 92% of suppliers whose procurement of conflict minerals (3TG: tantalum, tin, tungsten, and gold) is confirmed as being from RMAP-compliant smelters	90.9%

Evaluations and Future Activities

In fiscal 2024 as in past years, we requested that suppliers continue to make procurements from RMAP-compliant smelters. We requested maximum efforts from suppliers whose compliance we could not confirm. Unfortunately, however, we narrowly fell short of achieving our target, with 90.9% of suppliers confirmed as procuring from RMAP-compliant smelters. This is attributable to significant changes in societal circumstances including those precipitated by Russia's invasion of Ukraine.

In fiscal 2025, we have set "a ratio of at least 90% of suppliers whose procurement of conflict minerals (3TG) is confirmed as being from RMAP-compliant smelters" as a common KPI for the TDK Group and will become more proactive in promoting Group-wide efforts, specifically those to make continued requests to suppliers while responding to inquiries from customers in a precise and timely manner. Furthermore, since collaboration with industrial organizations is essential to solve the expanding problem of responsible sourcing of minerals, we will continue to participate in such industrial discussions.

Fiscal 2025 Goals
A ratio of at least 90% of suppliers whose procurement of conflict minerals (3TG) is confirmed as being from RMAP-compliant smelters

Initiatives

■Risk Identification Process

-Implementation of surveys in Group companies and promotion of conflict-free sourcing

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TDK has been conducting initiatives for risk identification measures in accordance with the OECD's Due Diligence Guidance. To guarantee the rationality of replies, surveys use the CMRT issued by the RMI to check whether products contain the so-called 3TG conflict minerals (tin, tantalum, tungsten, and gold) and identify smelters. After the retrieval of CMRT surveys, TDK compares them with the RMI's Smelters Lists and evaluates the risk of conflict minerals included in production materials being used as funding for armed groups and the risk of human rights violations, including child labor.

In fiscal 2024 surveys were implemented at Group companies, and the ratio of suppliers confirmed to be conflict-free was 90.9%, meaning our target of over 92% was unfortunately not achieved.

Related link

[Smelters & Refiners Lists](#)
(Link to external site)

[Governance Data](#)

-Cobalt / Mica Survey

We are proceeding with the identification of cobalt smelters and mica processors using the Extended Minerals Reporting Template (EMRT) issued by RMI since December 2021.

In addition, we have made a condition of procurement from RMAP-compliant refineries.

■Correction Process

-Response to identified risks

When we request a survey of suppliers, we clarify to them our policy that they use RMI-conformant smelters, that is, smelters that appear on RMI's Conformant Facilities Lists. In the survey process, if a risk is discovered, TDK requests the supplier to remove the smelter concerned from the supply chain. The status of this response is confirmed in the following year's survey.

■Promotion of Troubleshooting in Collaboration with Industrial Organizations

In order to solve problems relating to responsible mineral procurement, efforts are necessary in the entire supply chain. TDK has participated in the RMI since February 2020 and in the JEITA's Responsible Minerals Trade Working Group ever since its founding. TDK took part in the following activities in fiscal 2024:

- TDK participated in the Education and PR Team of the JEITA Responsible Minerals Trade Working Group and cooperated in the organization of an in-person and on-line briefing on responsible mineral procurement aimed at raising awareness of the problem of responsible mineral procurement and deepening understanding of survey methods among secondary suppliers and others. TDK also participated in the capacity of consultants at individual consultation sessions that followed the online briefing.
- TDK participated in a joint working group (the Conflict-Free Sourcing Working Group) with automakers and gave feedback for a survey manual and tools.
- As the leader of JEITA's Data Exchange Standard Development Team, TDK provided feedback on the status and prospects for the reporting template which addressed the expansion of regulated minerals, and followed-up on trends and collated opinions within JEITA on revisions to the IPC-1755 data exchange standard for responsible mineral procurement.
- TDK held opinion exchanges with RBA (RMI).

Related link

[JEITA Responsible Minerals Trade](#)
(Link to external site)

[Membership of the RBA and RMI](#)

[RBA \(Link to external site\)](#)

[RMI \(Link to external site\)](#)

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Sustainability | Governance | Responsible Sourcing of Minerals

TDK Group Policy on Responsible Sourcing Minerals

This policy shall apply to the worldwide organization of the TDK Group and implements the TDK Group's goal of establishing responsible supply chains for sourcing minerals.

Reflecting the values embodied in the TDK Code of Conduct, the TDK group affirms the purpose of sustainable and responsible sourcing minerals that originate in conflict-affected and high-risk areas, which is to mitigate the contribution of conflict, serious human rights abuses or environmental threats.

The TDK Group hereby adopts this policy for responsible supply chain operation.

- The TDK Group recognizes that due diligence for responsible supply chains of minerals from conflict-affected and high risk areas is an ongoing process. Accordingly, the TDK Group will use its commercially reasonable best efforts to ensure only sustainable and responsible minerals are used in its supply chain.
- To achieve this end, the TDK Group shall institute a due diligence sourcing mineral program. The TDK Group expects that its suppliers source all inputs, including minerals, responsibly.
- The TDK group will communicate to its suppliers TDK Group's requirements to conduct reasonable due diligence of their own supply chains of minerals from conflict-affected and high-risk areas. The TDK Group will incorporate its supply chain policy and due diligence processes into commercial contracts, written agreements and supplier evaluations with its suppliers which can be applied and monitored, including, if deemed necessary, the right to conduct unannounced spot-checks on suppliers and have access to their documentation.
- The TDK Group will work in tandem with its suppliers to implement reasonable controls within the supply chain to trace the origin of minerals from conflict-affected and high risk areas in order that contribution of conflict, serious human rights abuses or environmental threats minerals are not included within the products or materials they sell to the TDK Group. Furthermore, in the event that TDK Group discovers suppliers are not in compliance with its supply chain policy and due diligence processes, its first step is to work with them to bring them into compliance through corrective action plans. The TDK Group will not work with those who do not work to meet its standards.

- Reaching full traceability of minerals requires time and effort across industries and collaboration from all sectors in the supply chain. This is due, in a large part, to the complexity in the way that metals are produced and sold and the fact that ores from many different sources can be combined, thus multiplying the diligence necessary to trace the products. All of this is complicated by the geopolitical forces at work in the region. These factors make industry-wide cooperation of the utmost importance in achieving socially responsible sourcing. The TDK Group strongly encourages its suppliers to comply with available international frameworks governing responsible sourcing minerals matters.
- The TDK Group is committed to the objectives of implementing responsible supply chains for minerals from conflict-affected and high-risk areas. As such, the TDK Group is working diligently to put the systems and processes into place that will enable us to ensure that the TDK Group is supporting responsible suppliers.

Established on April 1, 2013
Revised on January 18, 2019 (2nd edition)

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Social and Environmental Consideration at Manufacturing Sites

Our Approach	Governance
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Our Approach

As a supplier, TDK recognizes the importance of fulfilling our social responsibilities by striving for social and environmental considerations at the Group's manufacturing sites in order to continue our business. We strive to understand issues and make continuous improvements in a three-stage framework comprising self-assessments, audits, and training and dialogue.



CSR management framework at our manufacturing sites

Governance

Sustainability Promotion HQ oversees the management of risks and opportunities relating to social and environmental considerations at our manufacturing sites, and this is promoted via the appointment of a person in charge at each regional headquarters. We also report to the Board of Directors twice a year.

Education and Awareness Raising

We conduct e-learning programs on an annual basis for all TDK Group team members (employees). We also implement CSR internal auditor training for personnel in charge of manufacturing sites in Japan, China, and ASEAN, and have stationed personnel capable of conducting CSR internal audits in each region.

Strategy

At TDK, we have established “TDK Transformation” as our new long-term vision for the entire Group, and promote our CSR activities based on this long-term vision. In addition, as a member of the Responsible Business Alliance (RBA), we are rolling out assessments which use the RBA's global standards to all our manufacturing sites, in our initiatives to address societal challenges.

We carry out activities to enhance CSR management across the Group under a PDCA cycle using the following framework.

(1) Self-assessments and risk assessments

For risk assessments, we conduct annual assessments based on RBA standards for “labor” and “ethics,” with remedial action then instituted for all identified risks. We also promote risk mitigation in human rights and ethics.

We carry out separate risk assessments for health and safety / environment. Link: Safety/Environment.



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(2) Audits

For audits, we implement third-party audits, including RBA-authorized audits, at all manufacturing sites over a medium-term three-year period to maintain a predetermined level of CSR management, and are continuously working towards addressing societal challenges.

(3) Education

We implement regular sustainability and CSR internal auditor education, with the number of personnel possessing CSR internal auditor skills increasing each year.

Risk Management

Sustainability Promotion HQ conducts risk assessments at all manufacturing sites for “labor,” “ethics,” “health and safety,” and “environment,” as well as conducting risk assessments of suppliers based on RBA standards in cooperation with the responsible department to promote identifications of, and improvements with regards to, challenges. We implement the PDCA cycle with continuous improvements and mitigate identified risks to the minimum to enhance our CSR management in the supply chain.

Metrics and Targets

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goal	Achievements
Achieve 100% implementation of CSR self-checks at manufacturing sites (TDK Group manufacturing sites)	Achieved 100% implementation
Achieve 100% implementation of labor, human rights, and ethics risk assessments at manufacturing sites (TDK Group manufacturing sites)	Achieved 100% implementation
Conduct either of RBA-authorized audit, customer CSR audit, or CSR assessment based on the RBA VAP Operations Manual at all our manufacturing sites at least once every three years	Conducted at 100% of sites in the three-year period from fiscal 2022 through fiscal 2024
Conduct training for personnel involved with CSR in Japan and overseas	Conducted CSR internal auditor training in Japan, China, and the ASEAN region
Achieve 100% implementation of labor, human rights, and ethics internal audits at targeted manufacturing sites	Achieved 100% implementation at targeted sites

Evaluations and Future Activities

Starting in fiscal 2022, we launched an initiative to conduct either an RBA-authorized audit, a customer CSR audit, or a CSR assessment based on the RBA VAP Operations Manual at all manufacturing sites at least once every three years, with 100% of sites audited in fiscal 2024, the third year of the audit, resulting in the achievement of the target.

Fiscal 2025 Goal
Achieve 100% implementation of CSR self-checks at manufacturing sites (TDK Group manufacturing sites)
Achieve 100% implementation of labor, human rights, and ethics risk assessments at manufacturing sites (TDK Group manufacturing sites)
Conduct either of RBA-authorized audit, customer CSR audit, or CSR assessment based on the RBA VAP Operations Manual at all our manufacturing sites at least once every three years
Conduct training for personnel involved with CSR in Japan and overseas
Achieve 100% implementation of labor, human rights, and ethics internal audits at targeted manufacturing sites

Initiatives

Self-assessments

	Frequency	Target site	Content
CSR self-checks	Every year	All TDK Group manufacturing sites	Personnel at each site respond to a questionnaire on RBA check items (human rights, health and safety, environment, and ethics). Improvement measures are taken at each site based on feedback from the survey results.
Labor, human rights, and ethics risk assessments	Every year	All TDK Group manufacturing sites	The check items are updated every year based on social trends. Personnel at each site respond to a questionnaire. Based on the assessment results, improvement plans are developed and implemented.

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CSR Self-Checks

At TDK, we use the Self-Assessment Questionnaire (SAQ) provided by the RBA to conduct annual self-checks regarding labor (human rights), health and safety, the environment, ethics, and management systems at all of our manufacturing sites. The purpose is to get a sense of the current status of CSR activities at manufacturing sites, to identify and address potential issues, and to promptly respond to requests from customers for CSR surveys.

After the staff in charge at each site have answered the questionnaire, the Sustainability Promotion HQ analyzes the responses and provides feedback to those manufacturing sites that need it.

In fiscal 2024, of all the sites where CSR Self-Check was conducted, feedback to improve issues was provided to seven sites at which issues were identified as a result of evaluations.

Labor, Human Rights, and Ethics Risk Assessments

Every year, risks related to labor/corporate ethics are analyzed at all manufacturing sites. In the event that there are any inherent risks, they are corrected after having formulated a plan for improvement and work is performed to mitigate the risks (environment and health and safety assessments are conducted separately). Each site aims for continuous improvement by going through the PDCA cycle.

The items to be checked are updated every year based on social trends and so forth. After the staff in charge at each site have answered the questionnaire, the Sustainability Promotion HQ assesses risks and returns the results of their assessment back to the sites. When inherent risks have been discovered, plans for improvements are formulated and the issues are corrected at each site.

In fiscal 2024, we conducted risk assessments on child labor for all manufacturing sites, using an assessment sheet with the addition of a survey for the prevention of child labor. Remedial measures were taken by the end of the fiscal year at the 21 sites where risks were identified during evaluations.

Audits

	Frequency	Target site	Content
RBA-authorized audit	Starting fiscal 2022, launched initiative to conduct either an RBA-authorized audit, a customer CSR audit, or a CSR assessment based on the RBA VAP Operations Manual at all manufacturing sites at least once every three years	Priority target sites based on Medium-Term Plan	RBA-authorized audit (VAP, AMA, or CMA)
Customer CSR audit		Sites requested by customers	Performed based on customer's audit standards
CSR assessment based on the RBA VAP Operations Manual		Site where no RBA- or customer-based audit has gone in	<ul style="list-style-type: none"> CSR assessment based on the RBA VAP Operations Manual Carried out by the headquarters or each regional CSR group
Internal audit	Annual	Site where high-level management is requested	<ul style="list-style-type: none"> Horizontal roll out of remediation measures based on results of the aforementioned 3 audits Performed by CSR staff from either the CSR group in each region or from another site who have completed CSR internal auditor training

TDK promotes mainly three types of CSR audit: an RBA-authorized audit, a customer CSR audit, and a CSR assessment based on the RBA VAP Operations Manual. By conducting audits based on the standards that customers require and on RBA standards, we have constructed a mechanism to ensure that the levels of labor, health and safety, the environment, ethics, and management systems are maintained at a global standard. In addition, starting in fiscal 2022, all manufacturing sites are required to conduct either an RBA-authorized audit, a customer CSR audit, or a CSR assessment based on the RBA VAP Operations Manual at least once every three years. In the three-year period to fiscal 2024, at least one of the three audits was implemented at all manufacturing sites on one or more occasions, resulting in 100%-achievement of the target.

Trainings and Dialogues

With a systematic understanding of RBA and customer requirements related to CSR, we provide timely training for quick responses. In fiscal 2024, we held the hybrid-format CSR internal auditor training in Japan, China, and the ASEAN region led by an RBA-authorized company.

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Tax Strategy

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Governance

Corporate governance relevant to taxes of the TDK Group is embedded within its overall governance system. This system provides a framework for compliance with applicable tax laws and regulations, minimization of tax risks, maximization of corporate value, and realization of growth for the TDK Group. The corporate governance of taxes is executed under the responsibility of the CFO (Chief Financial Officer), and is delegated in part to persons in charge of taxation at each Group company.

Refer here for more details on risk management activities and major risks.

[Business Risks](#)

Strategy

The TDK Group seeks to maximize corporate value while maintaining full compliance with all applicable tax laws and regulations. We continuously monitor changes in the tax environment as well as evolving business models, to identify both tax risks and benefits.

For important transactions such as those with significant tax impacts or those with a high degree of tax uncertainty, the Group managerial decision-making bodies finalize responses based on advice from external experts.

Risk Management

The tax function minimizes tax risks through close cooperation and information sharing with other departments. In cases in which tax uncertainties are identified, these are reported in an appropriate manner, with the responses to be undertaken then finalized in accordance with normal procedures. In addition, to minimize the tax risks involved with regards to significant transactions where applicable tax-related laws and regulations have a broad range of potential interpretations, or where no clear regulations exist, advice from external experts is sought, or pricing arrangements or rulings obtained from tax authorities.

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TDK – Global Tax Policy

TDK – Global Tax Policy

TDK Group herein sets forth the Global Tax Policy in accordance with the TDK Code of Conduct, established to reflect and implement the corporate philosophy and the management policy of TDK Group. The Global Tax Policy is applicable to TDK Group consisting of TDK Corporation (TDK) and its consolidated subsidiaries (collectively “TDK Group” or “the Group”).

Compliance

- TDK Group as a good corporate citizen complies fully with all applicable tax laws and regulations established in all countries and regions where it operates in light of the purpose of its legislation. Furthermore, the Group respects and complies with international guidelines, and international efforts represented by BEPS (Base Erosion and Profit Shifting) Project proposals provided by public interest organizations such as the OECD. The Group believes compliance is always an essential prerequisite for any corporate business activities.
- The Group strives to fulfill its commitments by establishing strong compliance procedures to ensure accuracy and completeness.

Corporate Activities and Taxes

- TDK Group, in the conduct of its corporate activities based on the corporate philosophy and the management policies of the Group, is particularly engaged in the following activities with regard to tax practices:
 - The Group computes taxes, files all necessary tax returns and tax declarations, and makes tax payments in all relevant jurisdictions in a proper and timely manner in accordance with applicable tax laws and regulations.
 - The Group improves tax efficiency and maximizes corporate value by proactively utilizing tax incentives established by countries and regions to the extent that the incentive utilization follows the legislative intent behind the rules and regulations.
 - The Group analyses tax events, tax attributes, and tax expense and provides appropriate and concise information to stakeholders, in accordance with applicable tax laws and regulations.

Organization, Roles, and Responsibilities

- Corporate governance of TDK Group relevant to taxes is embedded within its overall governance system. The system provides a framework for compliance of applicable tax laws and regulations, minimization of tax risks, maximization of corporate value, and growth of the Group.
- The corporate governance of the Group relevant to taxes is executed under the responsibility of the CFO of the Group who delegates certain portion to subgroup tax departments and persons in charge of taxes at each group entity.

Tax Risk Management

- The tax function minimizes tax risk by working closely with business and other departments and sharing information of transactions. It strives to prevent unnecessary disputes by building strong technical positions through planning, implementation, and documentation.
- TDK Group makes all decisions through the analysis of other factors including financial return, financial risk, and potential reputational risk as well as taxes.
- In cases where the Group identifies tax uncertainties, the cases shall be appropriately reported to the managerial decision-making bodies and the CFO of the Group. Decisions to be taken follow usual Group procedures.
- In cases of significant transactions where applicable tax laws and regulations could be interpreted in a broad range of meanings or there are no clear regulations, the Group seeks to minimize tax risks through actions such as seeking advice from external advisors, obtaining advance pricing arrangements/agreements or rulings from tax authorities where necessary.
- The Group regularly monitors compliance in accordance with laws and regulations relevant to tax risk management.

Tax Strategy and Tax Planning

- As mentioned above, TDK Group seeks to maximize corporate value while maintaining full compliance with all applicable tax laws and regulations. The Group continuously monitors the changing tax environment as well as its evolving business models, identifies both tax risks and benefits under the changes of tax environment and business models, and adapts to changes as necessary to achieve its business objectives.
- With regard to transactions where a significant level of tax impact is expected and/or which show a high degree of tax uncertainty, the Group managerial decision-making bodies and procedures generally seek external tax advice to decide how the Group responds.

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- As a matter of principle, the Group does not intentionally implement artificial tax avoidance structures.
In addition, the Group will never make tax avoidance by using subsidiaries in which countries or regions are no tax or low tax rates and are secrecy jurisdictions (so-called “tax havens”).

Transfer pricing

- TDK Group calculates the pricing for the intercompany transaction in accordance with the OECD Transfer Pricing Guidelines and the laws and regulations of each country or region and also in accordance with the “arm’s length principles”. In addition, the TDK Group makes the appropriate amount of tax payments in appropriate tax jurisdictions based on the value created through its business activities.

Relationship with Tax Authorities

- TDK Group seeks to build a good, faithful, and professional relationship with tax authorities of countries and regions.
- The Group responds to tax audit inquiries and requests from the tax authorities in accordance with applicable tax laws and regulations and in a faithful, courteous, professional, and timely manner.
- In cases where conflicts with the tax authorities occur, the Group defends its position professionally and in good faith, and seeks to achieve a rational and transparent audit resolution in accordance with applicable tax laws and regulations.

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Our Approach

In order to ensure the continuous improvement of information security, the TDK Group has built a global information security management structure based on its Basic Policy on Information Security and conducts activities accordingly.

Basic Policy on Information Security

General Direction

This Policy shall apply to the TDK Group.

The TDK Group shall work on maintenance and enhancement of the security of information, recognizing that it is indispensable to secure personal information and trade secrets (including information on or received from customers) appropriately, and ensure the correctness and accuracy of financial information as well as business continuity in order for us to make ourselves highly reliable and more satisfactory to our stakeholders.

We all shall execute the following seven actions as the concrete guidelines of actions.

Action Guidelines

1. Observance of Laws and Regulations

In the handling of information, we shall observe laws and regulations concerning “the prevention of alteration, leakage, unauthorized access, and unlawful use of information,” “requiring reliability of information and correctness in disclosure,” and “protecting personal information,” and “business requirements including terms and conditions of contracts with customers” in the respective countries and regions.

2. Information Security Management System

We shall establish a system to manage and govern information security organically and define its role and responsibility.

3. Implementation of Measures for Risk Management

We shall find out threats and vulnerability in light of confidentiality, completeness, and availability and implement sufficient measures in response to the risks. In addition, we shall make sure to implement the measures for information security with the company regulations set in accordance with this Policy.

4. Provision of Resources

The management shall provide management resources necessary to execute this Policy.

5. Continuous Improvement of Information Security

We all shall endeavor to continue to improve the information security in response to changes in risks arising from transformation in internal and external circumstances.

6. Strict Actions

Should there be a violation of this Policy or the company regulations, the management shall take a strict action in accordance with the Code of Conduct and the Work Rules.

7. Dealing with incidents and accidents

Should there be an incident and accident related to the information security, we shall endeavor to take an appropriate action and work to prevent a recurrence.

Established July 1, 2005
Revised on January 1, 2025
Noboru Saito
President & CEO
TDK Corporation

Governance

TDK has set up the Information Security Committee under the Executive Committee to adopt measures in response to information security risks in the Group as a whole. The Information Security Committee is chaired by a corporate officer and reports to the Representative Director, President and CEO once every quarter and to the Audit & Supervisory Board members twice a year.

In addition, to strengthen information security governance throughout the TDK Group as a whole, TDK has set up deliberative bodies comprising representatives in each region around the world.

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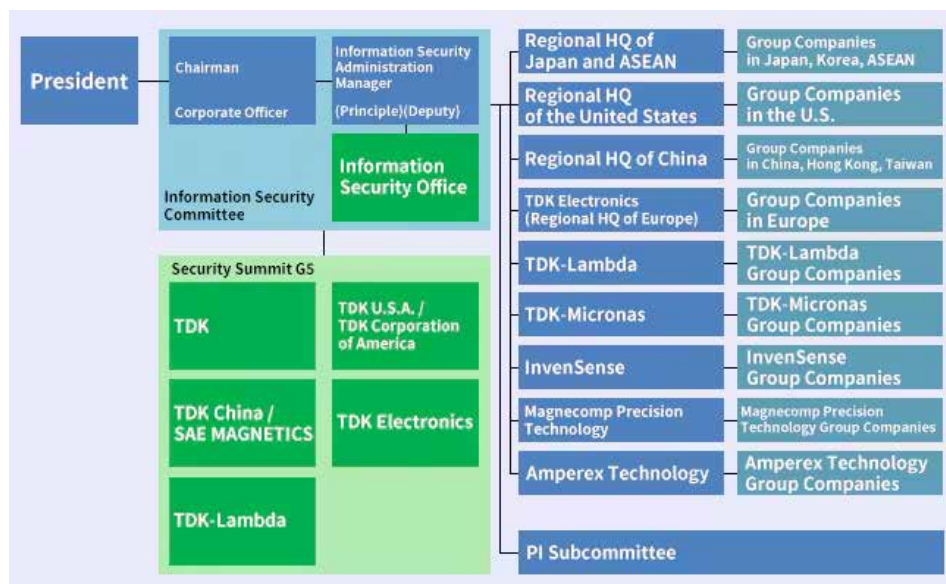
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Information security management organization (As of April 1, 2024)

TDK requests the appointment of an information security administration manager in each company and operates a system by which a report is submitted to the Information Security Committee whenever, for example, an information security incident occurs or an employee notices something suspicious. In addition, based on the above governance setup, we stipulate the reporting route in response to the level of seriousness and emergency of an incident. In the case of a serious incident occurring or being detected, the Information Security Committee would respond swiftly in conjunction with the Crisis Management Committee.

Information Security Education

To maintain and enhance information security throughout the entire TDK Group, we implement information security education and email training for all employees more than once a year.

Strategy

Since such occurrences as the stoppage of production, sales, marketing, R&D, and other activities due to cyberattacks and the loss of trust and reliability due to the leakage of information have a serious business impact, TDK considers information security to be an important management issue.

To prevent the occurrence of damage and to minimize damage in the event of an incident, TDK is strengthening information security measures based on the Cybersecurity Framework of the US National Institute of Standards and Technology (NIST) ((1) govern, (2) identify, (3) protect, (4) detect, (5) respond, (6) recover).

[Principal Measures]

- Building of Zero Trust ((2) identify, (3) protect, (4) detect)

To prevent the occurrence of damage and to minimize damage in the event of an incident, we will tackle the building of Zero Trust. Zero Trust means constantly restricting and monitoring access to all users, devices, and networks, thus preventing attacks from outside and controlling internal proliferation.

- Supply-chain security ((1) govern)

To prevent TDK's business activities from coming to a halt, we will get a grasp of the state of information security and make improvements not only at TDK but at all TDK Group companies.

- Measures to counter the risk of internal irregularities ((3) protect, (4) detect, (5) respond)

To prevent the loss of trust and reliability due to the leakage of information, we will prevent internal irregularities by using AI monitoring tools, etc.

- Incident response ((5) respond, (6) recover)

We have established the Computer Security Incident Response Team (CSIRT) as an organization to respond to information security incidents in a manner that minimizes damage and enables speedy recovery, and we have stipulated our response setup and response plan should an information security incident occur in the Computer Security Incident Response Plan (CSIRP).

Furthermore, we will continue to expand education and training for employees, such as targeted email attack training, and respond to risks that cannot be covered by the system with the might of the entire TDK Group.

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Risk Management

Regarding external risks, we carry out constant monitoring from the Internet side from the perspective of hackers launching cyberattacks and swiftly take action in the case of risks of high vulnerability requiring countermeasures. The results of this monitoring are reported to management, including reports to the president, once every quarter.

Regarding internal risks, we report measures to counter the takeout of information by employees to the Enterprise Risk Management (ERM) Committee and receive a review.

Metrics and Targets

Medium- to Long-Term Targets

• Zero Trust

To prevent the occurrence of damage and to minimize damage in the event of an incident, we will tackle the building of Zero Trust. Zero Trust means constantly restricting and monitoring access to all users, devices, and networks, thus preventing attacks from outside and controlling internal proliferation. We will build Zero Trust appropriate to TDK's business environment.

Fiscal 2025 : Stipulate a definition of TDK Zero Trust and achieve the targets for the first fiscal year in every company of the TDK Group.

Fiscal 2027 : Realize the achievement levels of TDK Zero Trust stipulated in fiscal 2025.

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goals	Achievements
Assessment of vulnerabilities by an external disclosure environment evaluation system : 800 or more points out of a total of 950 points for all assessed systems (Grade A)	Achieved 800 or more points (Grade A) for all assessed systems.

[Main Achievements]

TDK strengthened information security measures in accordance with the NIST Cybersecurity Framework.

- We evaluated vulnerabilities in all TDK Group companies as seen from the Internet (using an external disclosure environment evaluation system) and identified and improved vulnerabilities ((2) identify, (3) protect, (4) detect).

- We checked the state of information security in our supply chain and supported improvements ((2) identify, (3) protect).

TDK's initiatives were introduced in the case list of Declaration of Partnership Building efforts compiled by Japan's Small and Medium Enterprise Agency:

[Declaration of Partnership Building \(PDF\)](#)

- We blocked unauthorized cloud services by means of a mechanism to detect the state of use of dangerous cloud services ((2) identify, (3) protect, (4) detect).
- We implemented training related to information security incidents ((5) respond, (6) recover).
- As a measure to counter the risk of internal irregularities, we endeavored to prevent internal irregularities by introducing AI monitoring tools ((3) protect, (4) detect, (5) respond).
- We implemented information security education and email training ((3) protect).

Evaluations and Future Activities

In fiscal 2024 we carried out constant monitoring from the Internet side from the perspective of hackers launching cyberattacks and, based on cooperation among all TDK Group companies, shared information on the state of progress of improvements regarding risks of high vulnerability requiring countermeasures, built competitive and cooperative relations, and took swift action, so we were able to achieve our goals.

Going forward, we will consider the building of Zero Trust to be a priority theme, clearly define TDK's Zero Trust for all TDK Group companies, and build an even sounder information security setup.

Initiatives

We will consider the building of Zero Trust to be a priority theme, clearly define TDK's Zero Trust for all TDK Group companies, and build an even sounder information security setup.

Zero Trust means constantly restricting and monitoring access to all users, devices, and networks, thus preventing attacks from outside and controlling internal proliferation. We will build Zero Trust appropriate to TDK's business environment.

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- [Supply-chain security](#)

To prevent TDK's business activities from coming to a halt, we will deploy the following measures in all TDK Group companies and promote an understanding of the state of information security and improvements not only at TDK but in the supply chain as well:

- Checking of the information security management setup and operational rules by questionnaires
- Checking of vulnerabilities using an external disclosure environment evaluation system
- Checking of actual operational conditions by individual surveys

[Introduction of TDK's Declaration of Partnership Building initiatives]

TDK's initiatives relating to supply-chain security were introduced in the case list of Declaration of Partnership Building efforts compiled by Japan's Small and Medium Enterprise Agency:

[Declaration of Partnership Building \(PDF\)](#)

Identification and improvement of vulnerabilities

We carry out constant and global monitoring from the Internet side from the perspective of hackers launching cyberattacks and swiftly take action in the case of risks of high vulnerability requiring countermeasures. Furthermore, one or more times a year we implement third-party vulnerability diagnosis in the TDK Group so as to identify and improve vulnerabilities in the management of information security.

Strengthening of response to security incidents

We have established the Computer Security Incident Response Team (CSIRT) as an organization to respond to information security incidents and have stipulated our response setup and response plan should an information security incident occur in the Computer Security Incident Response Plan (CSIRP).

The TDK Group has formulated a Business Continuity Plan Relating to Information Security (IT-BCP) and stipulates in advance how to respond in the case of an information security incident arising. In addition, we implement IT-BCP training one or more times a year and, in light of the results, regularly review the plan.

Protection of personal data

Based on the TDK Privacy Policy, TDK endeavors to protect personal data and privacy. In addition, we stipulate the TDK Personal Data Protection Basic Policy as part of the TDK Privacy Policy, which is applicable to all personal data handled by TDK.

Related link

[TDK Personal Data Protection Basic Policy](#)

The TDK Group considers personal data also to be one aspect of information security, and we endeavor to properly manage personal data through our information security setup. We check the state of personal data management annually and make corrections and improvements in accordance with the results.

We have established the Personal Data Protection Subcommittee under the Information Security Committee. This subcommittee, which has been designated as the body in charge of protecting personal data, serves as the contact for inquiries related to the handling of personal data.

Filing of Complaints Regarding Privacy Violations

In fiscal 2024 there were no reports or receipt of complaints in Group companies concerning the infringement of customer privacy or the loss of customer data. We also do not use customer data for secondary purposes.

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Quality Assurance

[Our Approach](#)
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Our Approach

TDK pursues the corporate mission of contributing to society through the manufacture and supply of outstanding electronic components.

“Quality” is the key management axis in this quest, positioned as the top priority in activities aimed at realizing top-caliber products built to consistently live up to customers’ expectations.

Positioning “quality” as a crucial management cornerstone, we prioritize quality in our activities to deliver high-quality products and continuously meet customer expectations. Specifically, our quality assurance activities focus on the three themes of “People,” “Technology,” and “Systems,” aiming to achieve “zero defects” throughout the product lifecycle—from shipping, distribution, assembly by set manufacturers, usage by end-users, to disposal.

We adhere to the philosophy that “quality cannot be guaranteed through final inspection!” Instead of relying on the final inspection to eliminate defective products, we strive to ensure product quality by building quality into each process and producing 100% defect-free products.

We aim to instill this quality mindset, emphasizing quality improvement from the upstream stages of product design, process design, and equipment development. By eradicating defects, we achieve high-quality products that satisfy and earn the trust of our customers.

Governance

General manager of headquarters quality assurance function, which role is to be filled by a corporate officer, supervises QA activities in the Group as a whole, endeavors to share and develop principles and policies, and promotes activities by the entire Group toward their realization. In addition, each business division has a QA function, the head of which supervises and executes QA activities in the division.

TDK is a company with operational sites globally. The company deploys its quality assurance activities while maintaining close communications with all its sites, and fully leverages DX to conduct quality-related education, as well as in compliance and international standard responses, and in improving its reliability technology.

In the event of a situation involving a serious quality issue with the potential to exert significant societal impacts, the general manager of headquarters quality assurance function promptly reports the situation to the Enterprise Risk Management (ERM) Committee, with statuses escalated to the TDK Group Representative Director, President and CEO and the corporate officers in the relevant function or business.

Initiatives for quality assurance activities are reported to the Board of Directors and audited by the Audit & Supervisory Board members. Additionally, quality meetings are held involving management and regular reports are made.

Awards are presented annually to quality assurance activities recognized as having achieved outstanding outcomes at the TDK Group, and these outcomes are then disseminated and deployed throughout the company as best practices, with the aim of promoting quality improvements and increasing the motivation of TDK Group team members (employees).

Strategy

As a company which is responsible for the design, manufacture, and supply of products, quality assurance is one of our most urgent priorities. Additionally, by strengthening quality assurance from the upstream management, we enhance the motivation of our team members through recognition and awards for departments that achieve excellent results.

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Risk Management

The TDK Group implements Enterprise Risk Management (ERM) activities. In these activities, as quality risks, which represent situations with the potential to exert significant societal impacts, the company manages compliance with performance and safety with the potential to endanger or impact the lives of consumers; as well as those pertaining to compliance with international standards; the Restriction of Hazardous Substances (RoHS) Directive; Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation; and the Energy-related Products (ErP) Directive, through appropriately identifying and responding to opportunities and risks.

Metrics and Targets

Medium- to Long-Term Targets

Our Medium- to long-term targets for quality assurance is “Transformation to upstream management.” Under the three quality themes of “People,” “Technology,” and “Mechanisms,” TDK promotes a wide range of initiatives. These include quality improvements instigated by our team members; the development of small-group activities to enhance our Monozukuri power; promoting quality education utilizing DX; design reviews utilizing AI to enhance upstream management; and the improvement of product reliability technology to cater to future client requirements and applications.

Goals and Achievements in Fiscal 2024

Fiscal 2024 Goal	Achievements
Expand quality education globally by utilizing digital transformation (DX)	Created and deployed online content for quality education

Evaluations and Future Activities

Fiscal 2025 Goal
Enrich online content for quality education by utilizing digital transformation (DX)

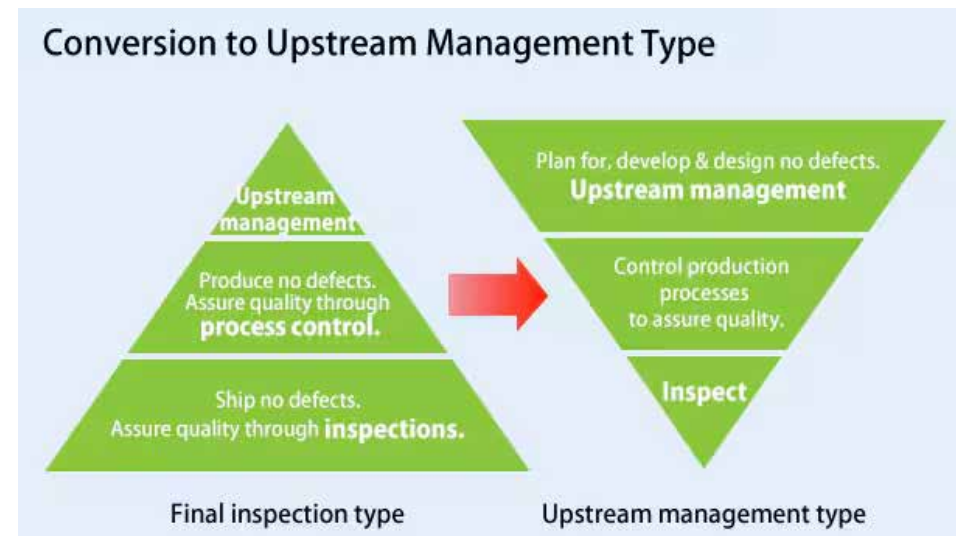
Initiatives

Top Priority Measures in the “Advance to Zero Defects”

The following activities are being forwarded toward achieving “Advance to Zero Defects,” a constituent of TDK’s basic approach to quality assurance.

(1) Strengthened design development processes

In its quest for zero defects, TDK thinks it is necessary to build product development systems capable of turning out 100% good products in design activities. More specifically, steps are taken to define risks prone to occur in each product development process at an early stage, thereby creating and applying an upstream management type quality assurance system to eliminate such problems at the design phase.



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(2) Strengthened product manufacturing processes

To achieve “Zero Defect Quality,” product design must be accompanied by worksite competence to establish reproducible manufacturing processes that eliminate variations. The main aspects that result in quality variations are “Equipment” and “Operations.” Variations caused by equipment were reduced by the introduction of the “Equipment Variation Assessment Method.” Variations caused by operations were addressed by the “Co-creation Challenge Activities” implemented as a small group activity. Along with this, steady endeavors to raise quality awareness and furnish quality education through small group activities are mustered to forge and uphold a “Quality First” corporate organization and culture.

TDK continues to enhance its engineering and Monozukuri power with further strengthening of its product manufacturing processes. This is all part of the company’s relentless push to supply customers with higher quality products in more timely fashion.

(3) Strict compliance for quality assurance

We strive to fulfill our social responsibilities with high ethical standards in conducting corporate activities in compliance with laws and social norms. Toward this end, we continue working to improve product quality through the pursuit of zero defects, try to foster an awareness of what it means to place top priority on quality, and perform checks through compliance audits for quality.

(4) Responses to product security

In recent years, there have been incidents of new types of problem relating to IoT products that connect to networks including not just harm caused by cyber-attacks that exploit vulnerabilities via networks such as leaks of handled data or data tampering but also the use of hacked devices by attackers to cause harm.

In light of the circumstances, TDK implements countermeasures in our IoT products according to the product functions, features, sales format, and other conditions. For example, it is necessary to take into consideration security in various stages such as using secure development methods and function safety structures from the component purchasing and production processes to the design stage, and after products are sold, maintenance methods such as firmware updates throughout operation and maintenance of applications that are installed on user devices.

Security measures for IoT products are an essential technology for the coming era of digital transformation, and TDK has positioned IoT product security as an issue of product quality. In cooperation with relevant Functions, TDK has established implementation structures and rules to respond to cyber security issues including incidents involving TDK IoT products and will strive to provide products that gain the trust and confidence of customers.

(5) TDK’s continuous implementation of quality education to team members

Learning lessons from a past humidifier accident, TDK regularly implements education for all team members of the TDK Group to raise their awareness of the top priority that must be given to product safety and quality. The content of videos used as materials in this educational program is regularly updated to take account of incidents occurring and requirements in the market.

In addition, to advance the program globally, TDK is promoting expansion in terms of its availability in multiple languages and various methods of transmission.

Related link

[Message from General Manager of Quality Assurance HQ \(Pursuit of Zero-Defect Product Quality\)](#)

Prevention and Control of Exposure to Hazardous Substances in Products

To prevent and control exposure to hazardous substances that originate with our products and that could threaten people’s health and the environment, in 2004 TDK introduced an Environmental Product Quality Management system that is operated under our Quality Management System (QMS).

To clarify chemical substances that should be prohibited from our products or identified, TDK has compiled in-house standards based on related industrial standards, such as the International Electrotechnical Commission’s IEC 62474 (Material Declaration for Products of and for the Electrotechnical Industry) and the Global Automotive Stakeholder Group’s Global Automotive Declarable Substance List.

As a components manufacturer in the middle of the supply chain, we implement this system thoroughly for prevention and control at each of these stages purchasing, Creating and Making, and selling.

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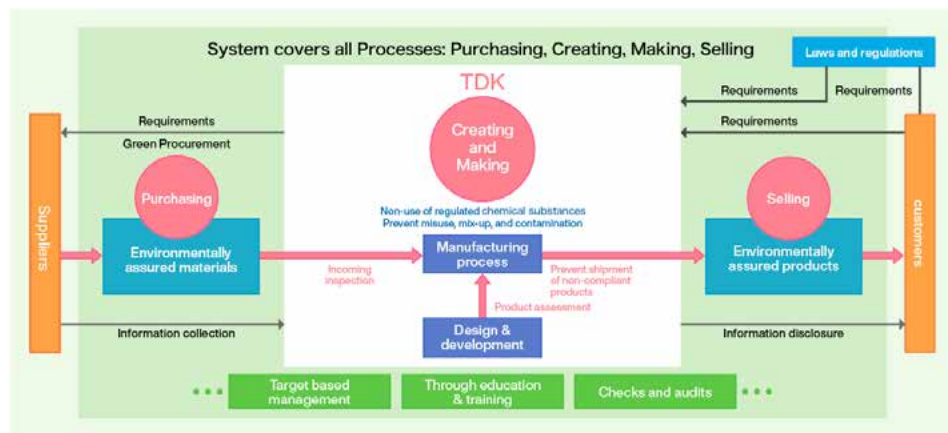
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Environmental Product Quality Management overview

Purchasing (1) – Green procurement

We established the TDK Chemical Substance Contained for Product Standards to ensure that no regulated chemical substances are contained in our products. We also established the TDK Green Procurement Standards, requiring of suppliers that Purchased Products contain no regulated chemical substances.

In addition, we request suppliers to report chemical substances contained in their products that should be identified, including notification to them of information on substances of very high concern in the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation.

Related link

[The TDK Green Procurement Standards](#)

Purchasing (2) – Incoming inspection

TDK carefully audits information provided by suppliers regarding chemical substances contained in Purchased Products to verify compliance with the TDK Green Procurement Standards.

To prevent the possibility of regulated chemical substances being present due to human error or other causes, in response to the risk level, TDK measures the amount of specific chemical substances contained in procured products through analytic tests conducted at the time of acceptance and prevents regulated chemical substances from entering the manufacturing process. Incidentally, the definition of risk level, frequency of measurements, and so on are continuously being revised based on performance.

Making – Environment-conscious design (ecodesign) and product assessment

As an industrial manufacturer, our basic approach to protecting the environment is to carefully assess all aspects of a product in the design and development stage. We believe that it is at this stage that a product's effect in reducing the environmental load, in other words, its contribution to the goal of sustainable development and the circular society, is decided.

Environmental considerations are a key aspect of elevating quality. We see environment-conscious design and product assessment as a way to prevent later claims and complaints. In each of the various processes from procurement of parts and materials, to manufacturing, distribution, usage, and disposal, we identify elements that have particular bearing on the environment, and we promote the development of new and sometimes revolutionary technologies to realize improvements.

Creating – Preventing misuse, mix-ups and contamination

TDK has a framework in place to ensure that the use of banned chemical substances is not tolerated, and to minimize the risk of misuse, mixing (including migration through contact, etc.), and contamination at mass production sites, such as in manufacturing processes, or at storage areas or warehouses. The measures taken consist of careful identification and control, separation, the establishment of procedures and standards, first-in and first-out practices, and controls for warehouse acceptance and dispatching. In processes involving such equipment as solder tanks, where there is a possibility of contamination, we control lead levels using simplified test methods that have been developed jointly with solder manufacturers.

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Selling (1) – Preventing shipment of non-compliant products

TDK supplies electronic components to customers in a wide range of industries, including not only the electric and electronic equipment business, in which the RoHS Directive is applied, but also the automotive, medical device, and other industries, and we have to meet various legal and customer requirements. In the case of the RoHS Directive, some customers desire products in compliance with the directive, and some customers not marketing in the European Union request products not conforming to the directive for the purpose of, for example, securing a higher level of product reliability. To prevent non-compliant products from being shipped erroneously, we have registered RoHS Directive compliance data for all of the products in our sales management computer system. This system automatically checks orders against customer specifications both at the time of order acceptance and when issuing shipping instructions. When a product that does not comply with the RoHS Directive is to be shipped, an electronic “customer confirmation received” form must be completed before the product can be shipped.

Selling (2) – Information disclosure

TDK has in place a framework for disclosing information on chemical substances contained in its products that is tied to our efforts to ensure the non-use of chemical substances that TDK has banned. To respond promptly and accurately to inquiries from customers on chemical substances contained in products, we have implemented groupware to consolidate the management of processes extending from acceptance of customer inquiries by the sales departments to providing replies by the technical departments.

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Governance Data

Corporate Governance

Composition	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Number of directors	Persons	7	7	8	7	7
Men		7	6	7	6	6
Women		0	1	1	1	1
Outside directors		3	3	3	3	3
Women ratio		0	14.3	12.5	14.3	14.3
Number of Audit & Supervisory Board members	Persons	5	5	5	5	5
Men		4	4	4	4	4
Women		1	1	1	1	1
Outside directors		3	3	3	3	3
Women ratio		20	20	20	20	20
Number of corporate officers	Persons	18	19	18	18	18
Men		18	19	18	18	18
Women		0	0	0	0	0
Non-Japanese		7	8	8	9	9
Women ratio		0	0	0	0	0

Board of Directors and Audit & Supervisory Board	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Number of meetings of the Board of Directors	Times	13	14	14	14	14
Attendance ratio of outside directors	%	100	97	100	98	100
Attendance ratio of outside Audit & Supervisory Board members		97	100	100	100	97
Number of meetings of the Audit & Supervisory Board	Times	14	14	14	15	15
Attendance ratio of outside Audit & Supervisory Board members	%	97	100	100	100	97

Remuneration	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Directors (excluding outside directors)	Millions of yen	268	497	454	390	413
Outside directors		55	48	48	52	58
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)		58	61	62	62	62
Outside Audit & Supervisory Board members		30	35	36	42	43

Business Ethics and Compliance

Business ethics and compliance	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Number of consultations and reports to help lines	Numbers	46	54	79	141	151
Number of instances of material non-compliance with TDK Code of Conduct	Instances	0	0	0	0	0
Total amount of political contribution (Japan)	Millions of yen	0	0	0	0	0

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Supply Chain

Manufacturing site initiatives	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Number and implementation ratio of manufacturing sites covered by CSR self-checks	Site	78	79	80	80	78
	%	100	100	100	100	100
Number of manufacturing sites covered by labor, human rights, and business ethics risk assessment	Site	78	79	80	80	78
	%	100	100	100	100	100
Number of manufacturing sites performed CSR voluntary audits by third-party organizations	Site	5	6	5	10	6
Number of employees participated in CSR internal auditor training (accumulated)	Persons	303	303	333	374	532

Customer satisfaction	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
% of customers covered by the satisfaction evaluation*1	%		50.9	49.9	48.0	59.8
Percentage of satisfied customers*2	%		93.1	94.7	94.0	94.2

Sustainable procurement	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Number of dispatch companies covered by CSR self-check (dispatch companies used by manufacturing sites in high-risk countries of Asia)	Company	73	78	68	61	49
	%	100	100	100	100	100
CSR-compliant supplier ratio	%	96.1	98.0	99.0	100	100

Responsible sourcing of minerals	Unit	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Ratio of suppliers confirmed conflict-free*3	%	93.1	94.5	93.6	86.5	90.9
Number of conflict minerals survey*4	Numbers	2,423	2,832	2,810	3,167	3,221

*1 % of sales amount (consolidated)

*2 Since each Group company and business unit conducts different surveys, the results are recalculated based on certain criteria and reported as the percentage of satisfied customers.

*3 The target mineral is 3TG.

*4 Number of responses that were generated by TDK Corporation

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[State of Inclusion in ESG Evaluation / Indexes, Etc.](#)
[Other External Recognition and Awards](#)
[TDK again named among Clarivate Top 100 Global Innovators](#)

State of Inclusion in ESG Evaluation / Indexes, Etc. (As of November 14th 2024)

SRI Indexes

• FTSE4 Good Index Series

This index, provided by FTSE Russell (based in the UK), is designed to measure the performance of companies implementing strong ESG measures.

[FTSE4 Good Index Series \(Link to external site\)](#)


• FTSE Blossom Japan Index

This index, provided by FTSE Russell (based in the UK), is designed to measure the performance of Japanese companies with outstanding ESG responses.

[FTSE Blossom Japan Index Series \(Link to external site\)](#)


• FTSE Blossom Japan Sector Relative Index

This index, provided by FTSE Russell (UK), is designed to be sector neutral and to reflect the performance of Japanese companies with outstanding ESG responses.

[FTSE Blossom Japan Sector Relative Index \(Link to external site\)](#)


**FTSE Blossom
Japan Sector
Relative Index**

• MSCI ESG Leaders Indexes

This index, provided by MSCI (based in the USA), selects companies with outstanding ESG evaluation.

[MSCI ESG Leaders Index \(Link to external site\)](#)


• MSCI Japan ESG Select Leaders Index

An index provided by MSCI (USA) that selects Japanese companies with excellent ESG initiatives from the constituents of the MSCI Japan IMI Index by industry.

[MSCI Japan ESG Select Leaders Index \(Link to external site\)](#)

2024 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

• MSCI Nihonkabu ESG Select Leaders Index

An index provided by MSCI (USA) that selects Japanese companies with excellent ESG initiatives from the constituents of the MSCI Japan IMI Index by industry.

[MSCI Nihonkabu ESG Select Leaders Index \(Link to external site\)](#)

2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

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- Morningstar Japan ex-REIT Gender Diversity Tilt Index

This index, provided by Morningstar (USA), uses the gender equality scoring methodology of Equileap and is designed to facilitate investment placing the emphasis on companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees irrespective of their gender.



- S&P/JPX Carbon Efficient Index

This index, jointly developed by S&P Dow Jones Indices and the Tokyo Stock Exchange, is designed to measure the performance of companies in the Tokyo Stock Price Index (TOPIX) while overweighting or underweighting those companies that have lower or higher levels of carbon emissions per unit of revenue.



- Sompo Sustainability Index

This index is compiled based on the results of the Buna-no-Mori Environmental Questionnaire and ESG Management Survey conducted by SOMPO Risk Management Inc.



Evaluation

- S&P Global Sustainability Yearbook Member

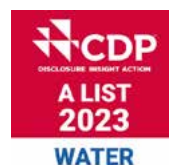
In sustainability assessment by S&P Global (USA), companies achieving a score within the top 15% of their industry are selected as Sustainability Yearbook Members. TDK was chosen as a Sustainability Yearbook Member 2024.



- CDP Climate Change: A-

CDP Water Security: A (four consecutive years)

TDK received the above rating out of eight levels (A, A-, B, B-, C, C-, D, and D-) from CDP, an international nonprofit organization that addresses environmental issues, such as climate change



- CDP Supplier Engagement Rating: Supplier Engagement Leader (four consecutive years)

In the Supplier Engagement Rating, answers provided to the CDP Climate Change Program are used to evaluate companies by items relating to governance, targets, Scope 3 emissions, and value chain engagement. TDK was highly praised because, among other things, it promotes environmental activities working with suppliers and discloses Scope 3 emissions.



- Ecovadis

EcoVadis, an international sustainability ratings organization assesses the sustainability activities of companies more than 130,000 corporations in more than 180 countries and over 220 industries. TDK has received a “Gold Medal” by EcoVadis. The top 5% of all assessed companies are awarded the Gold Medal.



[EcoVadis \(Link to external site\)](#)

- Health & Productivity Management Organization Recognition Program

The Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi jointly implement the health and productivity management organization program. TDK has been recognized as one of the Health & Productivity Management Outstanding Organizations for two consecutive years.



- Kurumin Mark

The Kurumin Mark is a program under the Act on Advancement of Measures to Support Raising Next-Generation Children to certify childcare supporting companies.



- PRIDE Index

TDK received the highest rating of GOLD in the PRIDE Index, for its efforts related to sexual and gender minorities.



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Other External Recognition and Awards



Selected as an “Environmentally Sustainable Company” and “Environmentally Disclosing Progress Company” at the ESG Finance Awards Japan



In the 5th ESG Finance Awards Japan sponsored by the Japanese Ministry of the Environment, TDK was selected as an Environmentally Sustainable Company whose degree of disclosure fulfillment meets certain standards and also as an Environmental Disclosure Progress Company in recognition of its high level of improvement in disclosure and expectation of further development.

TDK again named among Clarivate Top 100 Global Innovators



TDK has been recognized as a Clarivate Top 100 Global Innovator TM2024 for its innovation and leadership in digital transformation (DX) and energy transformation (EX) for the smart society . (Clarivate has its headquarters in London.) It is the tenth time for TDK to receive this accolade. Since 2012 the Top 100 Global Innovators has identified companies at the pinnacle of the global innovation landscape by measuring the ideation culture that produces patents and puts them at the forefront. In a record nine years on the prestigious list, this recognition further cements TDK as an industry leading solution provider and ecosystem partner for customers designing and building transformational technologies. Starting with more than 14,000 organizations, Clarivate selects the most innovative companies based on multiple criteria. In addition to the amount of patents granted in the past five years, criteria include influence, success, geographic investment, and rarity. This time TDK received particularly high evaluations for influence and rarity.

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ESG Research

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Corporate Philosophy and Long-Term Vision
Key Issues (Materiality) of TDK
Sustainability Promotion Structure
Efforts to Achieve the SDGs
Stakeholder Engagement
Fund Procurement through ESG Finance

Environment	State of Initiatives	Location on "Sustainability" Website
Environmental Management	TDK has established the TDK Group Occupational Health/Safety and Environmental Charter as the environmental policy of the entire TDK Group with the aim of contributing to the sustainable development of society. As basic plans for specific activities based on this charter, we have formulated the TDK Environmental Vision 2035 and TDK Environment, Health and Safety Action 2025 action plans and are making efforts to put them into practice.	Environmental Policy and Environmental Vision
		Environmental Management System
		Goals and Achievements
		Facilities with ISO14001 and ISO50001 Certification
		Social and Environmental Consideration at Manufacturing Sites
		Environmental Data

Climate Change	In the TDK Group Occupational Health/ Safety and Environmental Charter, we clearly state that we will strive to transition to a decarbonized society and promote the use of renewable energy. And in the TDK Environmental Vision 2035 and TDK Environment, Health and Safety Action 2025 action plans, which were compiled based on this charter, we stipulate goals relating to climate change, such as the target of improving CO ₂ emission intensity. TDK is promoting initiatives toward the achievement of these goals.	Environmental Policy and Environmental Vision
		Goals and Achievements
		TCFD/TNFD
		Climate Change Initiatives
		Third-Party Assurance
Pollution & Resources	In the TDK Group Occupational Health/ Safety and Environmental Charter, we clearly state that we will strive to use resources and energy efficiently and effectively in production activities, and that we will recycle effectively and produce no waste. And in the TDK Environmental Vision 2035 and TDK Environment, Health and Safety Action 2025 action plans, which were compiled based on this charter, we stipulate goals relating to the effective use of resources, such as the target of improving waste intensity. TDK is promoting initiatives toward the achievement of these goals. Indeed, from the perspective of the effective use of resources, TDK is promoting efforts to curb the discharge of waste itself too.	Third-Party Review of Environmental Performance Data
		Environmental Data
		Environmental Policy and Environmental Vision
		Goals and Achievements
		Environmental Management System
Water Security	In the TDK Group Occupational Health/Safety and Environmental Charter, we clearly state that we will strive to use resources efficiently and effectively in production activities. And in the TDK Environmental Vision 2035 and TDK Environment, Health and Safety Action 2025 action plans, which were compiled based on this charter, we stipulate goals relating to water resources, such as the target of improving water withdrawal intensity. TDK is promoting initiatives toward the achievement of these goals. Moreover, we conduct surveys relating to water risks in each country and region and endeavor to understand and manage water risks at manufacturing sites.	Initiatives for the Circular Economy
		Responsible Management of Chemical Substances
		Environmental Data
		Environmental Policy and Environmental Vision
		Goals and Achievements
		Water Resources Conservation
		Environmental Data

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Product Stewardship / Environment-Conscious Products	For some time now TDK has been promoting such activities as the introduction of product assessment to evaluate the impact of products on the environment throughout their entire life cycle and the certification of excellent environment-conscious products. In addition to these activities, we are also promoting activities to reduce CO ₂ emissions by products and have compiled guidelines on the calculation of product contributions as criteria to quantify the reduction of CO ₂ emissions by products and know-how as environmental contributions.	Environment-Conscious Products Lifecycles and Product Assessment Climate Change Initiatives Third-Party Review of Environmental Performance Data
Green Procurement	In our Purchasing Policies, we clearly specify the need for green procurement. TDK is promoting green procurement with the aims of contributing to a lightening of the environmental load and giving priority to the procurement of purchased products that enable us to fulfill our social responsibility.	Sustainable Procurement Procurement (Purchasing Principles, Purchasing Policies, TDK Supplier Code of Conduct)
Biodiversity	In the TDK Group Occupational Health/Safety and Environmental Charter, we clearly state that we will work on the conservation of the global environment, including biodiversity. Additionally, we disclose TDK's biodiversity initiatives in accordance with the TNFD framework.	Environmental Policy and Environmental Vision TCFD/TNFD Addressing Biodiversity

Society	State of Initiatives	Location on "Sustainability" Website
Labor Practices	Based on the TDK Code of Conduct, we are endeavoring to build an environment in which team members (employees) with diverse personalities can display their abilities. Among other things, TDK respects diversity in the employment and utilization of human resources, promotes a work-life-balance, and organizes human-resource development programs.	Code of Conduct
		Respect for Human Rights
		Social Data
		Diversity, Equity & Inclusion
		Talent Attraction & Retention
		Human Resources Development
		Social and Environmental Consideration at Manufacturing Sites
Human Resources Development	TDK implements various measures, such as human-resource development systems, globally with the aim of building an environment in which diverse Group companies and outstanding human resources can display their abilities as members of the TDK Group.	Human Resources Development
		Social Data

Diversity, Equity & Inclusion	The TDK Group comprises numerous Group companies operating globally. To continuously generate innovative creations and achieve corporate growth, it is important to create an environment where team members with diverse personalities can demonstrate their abilities. TDK is promoting activities tailored to the specific circumstances of each region.	Diversity, Equity & Inclusion Social Data
Talent Attraction & Retention	Recognizing the importance of retaining highly motivated team members in order to become a more innovative and resilient company, TDK promotes the development of various measures and the improvement of its workplace and systems.	Talent Attraction & Retention Health and Productivity Management Social Data
Respect for Human Rights	TDK has formulated the TDK Group Policy on Human Rights and, based on the framework of the UN Guiding Principles on Business and Human Rights, is promoting initiatives for the correct understanding, recognition, and improvement of human rights issues not only in business activities within the TDK Group itself but throughout the entire value chain.	Respect for Human Rights Code of Conduct TDK Group Policy on Human Rights TDK Supplier Code of Conduct
Occupational Health and Safety	TDK has formulated the TDK Group Occupational Health/Safety and Environmental Charter and engages in various efforts to form safe and healthy workplace environments, including organizational improvements and operations to make the health and safety management system function effectively and risk reduction activities, such as risk assessment and education and training.	Health and Safety Social Data Social and Environmental Consideration at Manufacturing Sites Health and Productivity Management Facilities with ISO45001 Certification
Customer Relationship Management	TDK is promoting activities with the aim of becoming a company that is trusted by customers.	Customer Satisfaction Quality Assurance
Corporate Citizenship and Philanthropy	Based on TDK's Basic Concept of Contributing to Society, we are promoting our own original social contribution activities.	Social Contribution Activities

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Governance	State of Initiatives	Location on "Sustainability" Website
Corporate Governance	Based on the TDK Basic Policy on Corporate Governance, we are continuously trying to enhance our corporate governance by building structures and mechanisms.	Corporate Governance
		Governance Data
Compliance / Anti-Corruption	We are endeavoring to foster a sincere, fair, and transparent corporate culture and to build a global compliance management setup with the aim of responding to the trust and expectations of customers and society.	Code of Conduct
		Corporate Ethics and Compliance
		Policy on Relations with Business Partners
		Governance Data
Business Ethics	Based on the TDK Code of Conduct, we have built a global corporate ethics management system and conduct efforts to disseminate awareness among directors and team members and to encourage apt behavior, including the establishment of a mechanism by which team members can report internally or consult on problems relating to corporate ethics anonymously.	Code of Conduct
		Corporate Ethics and Compliance
Risk Management	To respond to risks occurring in our business activities, TDK has established various committees under the Executive Committee and is compiling countermeasures and responses to issues.	Risk Management
Supply Chain Management	TDK is promoting initiatives that take account of society and the environment not only at TDK's manufacturing sites but throughout the entire supply chain, including suppliers. TDK is a member of the Responsible Business Alliance (RBA). By implementing self-assessments, audits, and so on in accordance with the RBA's standards, we evaluate the state of implementation of CSR activities at our manufacturing sites and try to make continuous improvements. In addition, regarding suppliers, we promote not only sustainable procurement activities but also responsible mineral procurement.	Social and Environmental Consideration at Manufacturing Sites
		Sustainable Procurement
		Procurement (Purchasing Principles, Purchasing Policies, TDK Supplier Code of Conduct)
		Respect for Human Rights
		Responsible Sourcing of Minerals
		Governance Data
Tax Transparency	TDK has established and is promoting our Global Tax Policy.	Tax Strategy

Information Security / Privacy Protection	Based on the Basic Policy on Information Security, TDK has built a global information security management setup and is promoting activities with the aim of maintaining and improving information security.	Information Security
Quality Assurance	TDK is promoting Group-wide activities toward advancing to zero-defect.	Quality Assurance

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GRI Standards Table

Statement of use	TDK Corporation has reported the information cited in this GRI content index for the period [April 1, 2023 to March 31, 2024] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

General Disclosures

GRI Items	Disclosure	Location
GRI 2: General Disclosures 2021	The organization and its reporting practices	
	2-1 Organizational details	About TDK TDK at a Glance
	2-2 Entities included in the organization's sustainability reporting	About TDK TDK at a Glance
	2-3 Reporting period, frequency and contact point	About "Sustainability" website
	2-4 Restatements of information	Mentioned in the notes on the relevant pages.
	2-5 External assurance	About "Sustainability" website
		Third-Party Review of Environmental Performance Data
		Third-Party Assurance
	Activities and workers	
	2-6 Activities, value chain and other business relationships	About TDK TDK at a Glance
		TDK Worldwide
		Sales by Region
		Sales by Segment
		Sustainable Procurement
	2-7 Employees	About TDK TDK at a Glance Social Data
	2-8 Workers who are not employees	
	Governance	
	2-9 Governance structure and composition	Corporate Governance
		Governance Data
	2-10 Nomination and selection of the highest governance body	Corporate Governance

	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Sustainability Promotion Structure
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Key Issues (Materiality) of TDK
	2-14 Role of the highest governance body in sustainability reporting	New Materiality and Promotional Setup
	2-15 Conflicts of interest	Corporate Governance
		Code of Conduct
	2-16 Communication of critical concerns	Corporate Governance
		Sustainability Promotion Structure
		Corporate Ethics and Compliance
		Risk Management
	2-17 Collective knowledge of the highest governance body	Sustainability Promotion Structure
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance
	2-19 Remuneration policies	Corporate Governance
	2-20 Process to determine remuneration	Corporate Governance
	2-21 Annual total compensation ratio	
	Strategy, policies and practices	
	2-22 Statement on sustainable development strategy	Message from the President and CEO
		CPSO Message
	2-23 Policy commitments	The TDK Group Occupational Health/Safety and Environmental Charter
		TDK Group Policy on Human Rights
		Social Contribution Activities
		Sustainable Procurement
		TDK Group Policy on Responsible Sourcing Minerals
	2-24 Embedding policy commitments	Quality Assurance
		Environment
		Health and Safety
		Respect for Human Rights
		Social Contribution Activities
		Sustainable Procurement
		Responsible Sourcing of Minerals
		Quality Assurance

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	2-25	Processes to remediate negative impacts	Risk Management
			Respect for Human Rights
			Corporate Ethics and Compliance
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Ethics and Compliance
	2-27	Compliance with laws and regulations	Corporate Ethics and Compliance
	2-28	Membership associations	Sustainability Promotion Structure
Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	Social Data

Material Topics

GRI Items	Disclosure	Location
GRI 3: Material Topics 2021	3-1	Process to determine material topics New Materiality Identification Process
	3-2	List of material topics New Materiality and Promotional Setup
	3-3	Management of material topics New Materiality and Promotional Setup

Economic

GRI Items	Disclosure	Location
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed
	201-2	Financial implications and other risks and opportunities due to climate change TCFD/TNFD Investor Relations Securities Report
	201-3	Defined benefit plan obligations and other retirement plans Investor Relations Securities Report
	201-4	Financial assistance received from government
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage
	202-2	Proportion of senior management hired from the local community
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported Social Contribution Activities
	203-2	Significant indirect economic impacts
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers

GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption Corporate Ethics and Compliance
	205-2	Communication and training about anti-corruption policies and procedures Corporate Ethics and Compliance
	205-3	Confirmed incidents of corruption and actions taken (N/A)
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices (N/A)
GRI 207: Tax 2019	207-1	Approach to tax Tax Strategy
	207-2	Tax governance, control, and risk management Tax Strategy
	207-3	Stakeholder engagement and management of concerns related to tax Tax Strategy
	207-4	Country-by-country reporting

Environmental

GRI Items	Disclosure	Location
GRI 301: Materials 2016	301-1	Materials used by weight or volume
	301-2	Recycled input materials used
	301-3	Reclaimed products and their packaging materials
GRI 302: Energy 2016	302-1	Energy consumption within the organization Environmental Data
	302-2	Energy consumption outside of the organization Climate Change Initiatives Environmental Data
	302-3	Energy intensity Climate Change Initiatives
	302-4	Reduction of energy consumption Environmental Data
	302-5	Reductions in energy requirements of products and services
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource Water Resources Conservation Environmental Data
	303-2	Management of water discharge-related impacts Water Resources Conservation Environmental Data
	303-3	Water withdrawal Water Resources Conservation Environmental Data
	303-4	Water discharge Environmental Data
	303-5	Water consumption Water Resources Conservation

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GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	TCFD/TNFD
	304-2	Significant impacts of activities, products and services on biodiversity	Environmental Policy and Environmental Vision TCFD/TNFD
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Change Initiatives Environmental Data
	305-2	Energy indirect (Scope 2) GHG emissions	Climate Change Initiatives Environmental Data
	305-3	Other indirect (Scope 3) GHG emissions	Climate Change Initiatives Environmental Data
	305-4	GHG emissions intensity	Climate Change Initiatives
	305-5	Reduction of GHG emissions	Climate Change Initiatives Environmental Data
	305-6	Emissions of ozone-depleting substances (ODS)	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Data
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Initiatives for the Circular Economy
	306-2	Management of significant waste-related impacts	Initiatives for the Circular Economy
	306-3	Waste generated	Environmental Data
	306-4	Waste diverted from disposal	Environmental Data
	306-5	Waste directed to disposal	Environmental Data
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable Procurement
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement

Social

GRI Items		Disclosure	Location
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	
	401-3	Parental leave	Social Data

GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
	403-3	Occupational health services	Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	Health and Safety
	403-6	Promotion of worker health	Health and Productivity Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Social Data
	403-9	Work-related injuries	Social Data
	403-10	Work-related ill health	Social Data
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social Data
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Resources Development Diversity, Equity & Inclusion
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Resources Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Governance Data Social Data
	405-2	Ratio of basic salary and remuneration of women to men	Investor Relations Securities Report
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Respect for Human Rights
			Respect for Human Rights
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Social and Environmental Consideration at Manufacturing Sites Sustainable Procurement Responsible Sourcing of Minerals TDK Code of Conduct

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GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respect for Human Rights
			Social and Environmental Consideration at Manufacturing Sites
			Sustainable Procurement
			TDK Code of Conduct
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	
	413-2	Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable Procurement
	414-2	Negative social impacts in the supply chain and actions taken	Respect for Human Rights
			Sustainable Procurement
			Responsible Sourcing of Minerals
GRI 415: Public Policy 2016	415-1	Political contributions	Governance Data
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Quality Assurance Customer Satisfaction
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	(N/A)
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Environment-Conscious Products Quality Assurance
	417-2	Incidents of non-compliance concerning product and service information and labeling	
	417-3	Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	(N/A)

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Environment

Topic	Accounting Metric	Code	Response/Location
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-EE-130a.1 TC-SI-130a.1 TC-SC-130a.1	Climate Change Initiative Environmental Data
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-EE-150a.1 TC-SC-150a.1	Initiatives for the Circular Economy Environmental Data
	Number and aggregate quantity of reportable spills, quantity recovered	RT-EE-150a.2	Environmental Data
Environmental Footprint of Hardware Infrastructure	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SI-130a.2	Water Resources Conservation Environmental Data
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	TC-SC-110a.1	Climate Change Initiatives Environmental Data
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TC-SC-110a.2	Climate Change Initiatives

Social Capital

Topic	Accounting Metric	Code	Response/Location
Product Security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	As a response to IoT products supplied by TDK, we adopt countermeasures in accordance with functions, characteristics, sales pattern, etc. Quality Assurance (Responses to product security)
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	Information Security
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	Information Security
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	TC-SI-230a.1	Information Security

Human Capital

Topic	Accounting Metric	Code	Response/Location
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-330a.1 TC-SI-330a.3	TDK has compiled and is promoting a Diversity & Inclusion Policy. Diversity, Equity & Inclusion Social Data
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SI-330a.1 TC-SC-330a.1	Social Data
	Employee engagement as a percentage	TC-SI-330a.2	Social Data
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	TC-SC-320a.1	Health and Safety

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Business Model & Innovation

Topic	Accounting Metric	Code	Response/Location
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-HW-410a.1 RT-EE-410a.1 TC-SC-410a.1	<p>TDK does not disclose ratios by earnings, but we clarify chemical substances that are prohibited from being contained in products or should be declared.</p> <p>Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)</p>
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	TC-HW-410a.2	<p>TDK does not have any products that are eligible for EPEAT registration, but we do compile environmental labels and conduct inspections and certification according to our own standards. Furthermore, in addition to management in each process of procurement, design, manufacturing, and sale, we also endeavor to ensure proper information disclosure regarding the complete abolition of chemical substances that TDK prohibits from being contained in products.</p> <p>Environment-Conscious Products</p> <p>Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)</p>
	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	TC-HW-410a.3 RT-EE-410a.2	<p>TDK does not have any products that are eligible for ENERGYSTAR registration, but we do compile environmental labels and conduct inspections and certification according to our own standards. Furthermore, in addition to management in each process of procurement, design, manufacturing, and sale, we also endeavor to ensure proper information disclosure regarding the complete abolition of chemical substances that TDK prohibits from being contained in products.</p> <p>Environment-Conscious Products</p> <p>Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)</p>
	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-HW-410a.4	<p>Since TDK does not sell final products, we do not engage in the retrieval of used products. However, we are conducting various activities, such as efforts to reduce wasted materials, such as lead and copper, in the production process and advocating the goal of reducing the environmental load throughout a product's lifecycle.</p> <p>Environmental Policy and Environmental Vision</p>

Supply Chain Management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-HW-430a.1	<p>TDK joined the RBA in 2020 and, in compliance with RBA standards, makes efforts toward continuous improvement in the two stages of self-assessment and auditing. Furthermore, as a supplier selling products to customers, TDK implements self-assessment, auditing, and training according to RBA standards at its manufacturing sites as well.</p> <p>Sustainable Procurement</p>
	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	TC-HW-430a.2	<p>Social and Environmental Consideration at Manufacturing Sites</p>
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-HW-440a.1 RT-EE-440a.1 TC-SC-440a.1	<p>TDK has formulated a policy relating to responsible sourcing of minerals and, with regard to mineral problems relating not only to conflicts but also to risks and wrongdoings involving human rights violations, environmental destruction, etc., is promoting responsible sourcing of minerals throughout the entire supply chain.</p> <p>Responsible Sourcing of Minerals</p>

Leadership & Governance

Topic	Accounting Metric	Code	Response/Location
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	RT-EE-510a.1	<p>Corporate Ethics and Compliance</p>

Activity Metrics

Activity Metric	Code	Response/Location
Number of units produced by product category	TC-HW-000.A	<p>TDK does not disclose the number of units produced, but we do disclose sales by product.</p> <p>FY March 2024 Financial Results (Sales by Product) page 5/34</p>
Area of manufacturing facilities	TC-HW-000.B	<p>TDK does not disclose area, but we do disclose manufacturing site information here.</p> <p>TDK Worldwide</p>
Percentage of production from owned facilities	TC-HW-000.C	-

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Target	Location
1. End poverty in all its forms everywhere	
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
3. Ensure healthy lives and promote well-being for all at all ages	TDK Group's Approach to the SDGs and its Activities
	Contribution to the SDGs through Products
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Social Contribution Activities
5. Achieve gender equality and empower all women and girls	TDK Group's Approach to the SDGs and its Activities
	Human Resources Development
	Diversity, Equity & Inclusion
	Social Data
	Governance Data
6. Ensure availability and sustainable management of water and sanitation for all	Environmental Policy and Environmental Vision
	Environmental Management System
	Water Resources Conservation
7. Ensure access to affordable, reliable, sustainable and modern energy for all	TDK Group's Approach to the SDGs and its Activities
	Contribution to the SDGs through Products
	Climate Change Initiatives

8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	TDK Group's Approach to the SDGs and its Activities
	Respect for Human Rights
	Social and Environmental Consideration at Manufacturing Sites
	Sustainable Procurement
	Human Resources Development
	Diversity, Equity & Inclusion
	Health and Safety
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	TDK Group's Approach to the SDGs and its Activities
	Contribution to the SDGs through Products
10. Reduce inequality within and among countries	
11. Make cities and human settlements inclusive, safe, resilient and sustainable	TDK Group's Approach to the SDGs and its Activities
	Contribution to the SDGs through Products
12. Ensure sustainable consumption and production patterns	TDK Group's Approach to the SDGs and its Activities
	Contribution to the SDGs through Products
	Environmental Policy and Environmental Vision
	TCFD/TNFD
	Climate Change Initiatives
	Water Resources Conservation
	Initiatives for the Circular Economy
	Responsible Management of Chemical Substances

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13. Take urgent action to combat climate change and its impacts	TDK Group's Approach to the SDGs and its Activities
	Contribution to the SDGs through Products
	Environmental Policy and Environmental Vision
	TCFD/TNFD
	Climate Change Initiatives
	Environmental Data
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Environmental Policy and Environmental Vision
	TCFD/TNFD
	Addressing Biodiversity
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	TDK Group's Approach to the SDGs and its Activities
	Corporate Governance
	Corporate Ethics and Compliance
	Respect for Human Rights
	Responsible Sourcing of Minerals
	Social and Environmental Consideration at Manufacturing Sites
	Sustainable Procurement
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	TDK Group's Approach to the SDGs and its Activities
	Stakeholder Engagement
	Social Contribution Activities

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