

Sustainability Report 2025

TDK Transformation

Accelerating transformation
for a sustainable future



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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 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.

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

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

We also report, in a way that makes clear how much progress is being made, information relating to our materiality, focusing on the efforts made by the diverse team members of TDK United to accelerate the transformation of TDK itself, and to enhance corporate value, so that TDK can continue contributing toward the transformation of society through its businesses.

In the shareholder and investor information on TDK’s website, we explain our policies and strategies relating to the enhancement of corporate 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. We hope that you will find this content useful.

[Investor Relations](#)

[Integrated Reports](#)

Positioning of the Sustainability Website



Period Covered

FY March 2025 (April 1, 2024 to March 31, 2025 / the fiscal period ended March 31, 2025)

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

Organizations Covered

TDK Group (TDK Corporation and 147 consolidated subsidiaries in Japan and overseas as of March 31, 2025)

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

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Major Organizational Changes During the Period Covered

With the establishment of the AI venture, TDK SensEI Pte. Ltd., we have launched a new Edge AI Business Division, led by TDK SensEI.

[New AI venture to advance industrial machine health through edge AI and sensor fusion](#)

[Announcement of personnel and organization changes](#)

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](#)

Update Period

July 2025 (previous update: July 2024; next update scheduled for July 2026)

Reference Guidelines

Global Reporting Initiative (GRI) Sustainability Reporting Standards
Sustainability Accounting Standards Board (SASB) Standards

Contact

[CSR Contact](#)

Disclaimers

Disclaimer regarding forward-looking statements

Certain information on the Sustainability Website contains forward-looking statements such as plans, policies, management strategies, targets, schedules, understandings, and evaluations with respect to the TDK Group. These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, understandings, and evaluations of the TDK Group in light of information currently available to it, and contain known and unknown risks, uncertainties, and other factors. The TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties, and other factors, the TDK Group's actual results, performance, achievements, or financial positions could be materially different from any future results, performance, achievements, or financial positions expressed or implied by these forward-looking statements.

Disclaimer regarding the ESG Data

TDK's ESG data is distributed in the form of Microsoft Excel files. TDK Corporation shall bear no liability in relation to the downloading, viewing or other use of these data, or for any damage, etc. suffered by a data user or third party as a result of such use.

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Message from the President and CEO

In these turbulent times, we will enhance our own capabilities and strengthen the collective efforts of TDK United.

Noboru Saito

Representative Director, President and CEO



Q1. What is your overall impression of performance from the previous fiscal year (FY March 2025)?

A1. We achieved initial targets for all the financial KPIs outlined in the Medium-term Plan. In particular, free cash flow (FCF) significantly outperformed initial assumptions.

In May 2024, we published the “TDK Transformation” as our Long-term Vision and the position we aim to establish for the TDK Group in 10 years. Furthermore, we released a Mediumterm Plan that represents our three-year action plan (FY March 2025 to FY March 2027) for achieving that vision. This Medium-term Plan was formulated based on backcasting from our Long-term Vision. (See page 21)

During the previous fiscal year, the initial year of the Medium-term Plan, we achieved record high performance with consolidated net sales improving by 4.8% year on year to ¥2,204.8 billion and operating profit increasing by 29.7% year on year to ¥224.2 billion. We also achieved initial assumptions for all financial KPIs, including ROE of 9.5%, ROIC of 6.7%, and operating profit margin of 10.2%.

Looking at free cashflow (FCF), which we position as an important management indicator, year-end FCF was ¥201.0 billion, which was significantly higher than initial assumptions (¥15.0 billion). This is the result of increased profit as well as benefits of reductions to capital expenditures (CAPEX) and working capital. To put it another way, I view this performance as the result of our capability to recognize that there are elements of our external environment that we cannot change. Thus, while we do pay close attention to external factors, we focused on capitalizing on our own capabilities in areas that we can control, such as CAPEX and inventory management.

Financial KPI progress

		FY3/25 Result	FY3/27 Plan
Growth	Net sales (¥ billion) (CAGR)	2,204.8	2,500.0 (approx. 5%)
	ROE	9.5%	10% or more
Efficiency	ROIC (BizROA) (>WACC)	6.7% (<7.0%)	8% or more
	OP margin	10.2%	11% or more
	Shareholders' equity ratio	50.8%	50% level
Financial soundness	D/E ratio	0.34x	0.3-0.4x
	Exchange rate assumptions	¥152.66/US\$	¥135/US\$

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Since assuming the role of CEO three years ago, I have continuously promoted the importance of enhancing our own capabilities by focusing on the things we can do ourselves and the things we should do ourselves. Just in the past year, the environment influencing our business has seen incredible uncertainty and dynamic change. Amid such an environment, I believe that being able to achieve that performance was the result of our global team members (employees) identifying changes in our external environment

while steadily working to enhance their own capabilities in their respective roles.

Looking at our current environment, there is great uncertainty concerning the outlook for the global economy. While we cannot change our external environment, we do have significant room to improve our quality, productivity, and technological capabilities; our fundamental capability as a manufacturing business. This is why I challenge our team members around the world to “Control the Controllable”; the idea that we should focus our efforts on grasping our current situation and using our own capabilities to control what we can. For our manufacturing sites as well, we promote the concept of “China plus,” through which we address geopolitical risks by dispersing manufacturing to sites in India and countries in Southeast Asia.

To strengthen our dialogue with investors, this year’s Integrated Report is configured based on our formula for enhancing corporate value. The current Medium-term Plan outlines three key points – “Strengthen management focusing on cash flows,” “Enhance business portfolio management (Emphasizing ROIC),” and “Evolve the Ferrite Tree (pre-financial capital)” – regarding which we are proactively implementing measures. The key points reflect our approach that maximizing FCF generation, reducing costs of capital, and increasing expected growth rate are critical to enhancing corporate value. In relation to first point, strengthening management focusing on cash flows, as previously noted, the first year of the Medium-term Plan was successful to our assumption at the beginning of the FY March 2024 outlining three-year cumulative FCF of ¥260.0 billion. We are also making steady progress on the remaining two key points.

Q2. You promote proactive business portfolio management but did you make progress on measures directed at businesses to be intensively monitored?

A2. Of the 27 CBUs to be intensively monitored, we successfully turned around one CBU and decided to sell or terminate operations for seven CBUs. We will continue to strengthen activities with our primary focus on advancing our growth strategy.

We also made progress on the second key point of our Medium-term Plan, enhancing business portfolio management, during FY March 2025. Based on our approach that the most important element of business portfolio management is promoting growth strategy, we hold discussions with the heads of each of the nearly 80 cashflow business units (CBUs) to determine what each unit needs to do for the TDK Group to achieve growth.

To address the 27 CBUs to be intensively monitored with low BizROA (ROIC) and business potential, since May 2024 we conducted discussions on 27 CBUs and examined and implemented measures for early turnaround. As a result, during FY March 2025 we successfully turned around one CBU, HDD suspensions, and profits are also improving for HDD heads.

On the other hand, as of the end of April 2025 we decided on the sale or termination of business for seven CBUs. Among these, we decided that the continuation of business under new ownership was the optimal course for magnet application products (mag rolls), which were a part of the magnets business, and camera module micro actuators, and reached an agreement of business transfer. We also decided on the termination of business for a total of three CBUs: photovoltaic (PV) and Semiconductor Embedded in SUBstrate (SESUB) for high-frequency (HF) components, which fall under the Passive Components segment, and Electric Double-layer Capacitors (EDLC) in the Other segment.

For the remaining 19 CBUs, we will continue to implement measures internally towards achieving a turnaround while also advancing discussions on strategic options from various perspectives. For the magnets business, we are working to reduce quality costs, which has been an ongoing issue. In addition to conventional products for the automotive market, we are also reevaluating our product composition to capture demand related to renewable energy as we work to improve our revenue structure.

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Q3. How will you strengthen the businesses you position as growth areas?

A3. We are proactively investing in the AI ecosystem market, which we position as our highest-priority growth driver.

As proactive business portfolio management, we will work to turn around businesses to be intensively monitored while also aggressively implementing measures for businesses in the key growth areas with strong growth potential.

We view AI-related markets as incredibly powerful growth drivers towards realizing our Long-term Vision, TDK Transformation. Currently, the macro-trend of transformation driven by AI is developing rapidly in various domains. Looking at this trend from our perspective, we anticipate that the permeation and expansion of AI will have a positive influence on numerous business domains in which the TDK Group is involved.

TDK contributes to the entire AI ecosystem



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For example, our electronic components are expected to contribute power savings and address increasing power consumption by data centers. Increasing data accumulation at data centers is also expected to serve as a tailwind for HDD heads and suspensions. Additionally, the silicon anode batteries we launched to market roughly two years ago provided higher energy density compared to existing products and demand is increasing with the growth of AI smartphones, which require batteries with high energy density. The expanding adoption of AI will also lead to increased data utilization, which is expected to lead to increased demand for sensors as well.

In this sense, we expect to see significant growth not only for data centers and servers, but also for edge AI devices, AI-powered vehicles and infrastructure, and domains such as semiconductor manufacturing equipment. The permeation and expanded adoption of AI in society will serve as a growth driver for various TDK businesses. As such, we define this broad range of AI-related markets as “AI ecosystem market.” In our business portfolio management, we already position many of the businesses related to this AI ecosystem market as key growth areas. Moving forward, we will also utilize our strategic investment budget towards aggressively investing in such businesses.

In addition to current businesses, we also plan to invest proactively in various new domains that will contribute to the development of the AI ecosystem, including M&A as described below.

One such domain is predictive maintenance for the industrial equipment market. In March 2025, we released “edgeRX,” a new product targeting this domain. Offered by TDK SensEI, a new company established in July 2024, “edgeRX” provides real-time monitoring of machinery and equipment malfunctions in manufacturing and logistics operations.

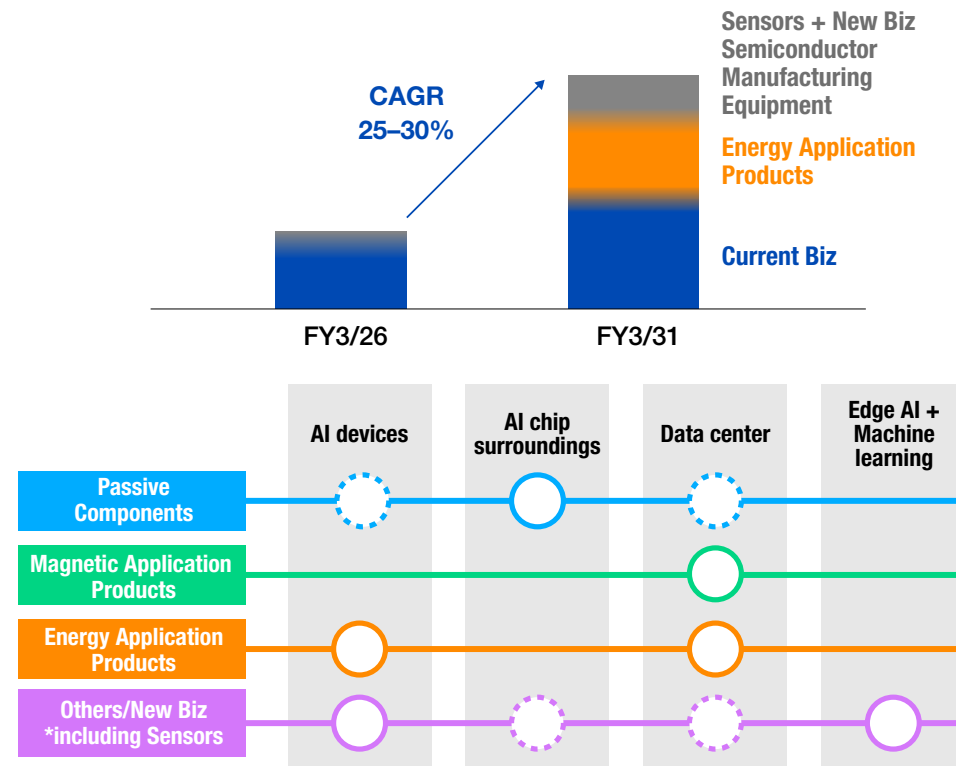
We will also strengthen our technology development for AR glasses, a market that is projected to see medium- and long-term growth. We will offer diverse solutions targeting this market that will contribute to the size and weight reductions for and the increased efficacy of AR glasses. Planned solutions include ‘ultra-compact full color laser modules’, which are one-tenth the size of conventional modules, Piezo Haptics for bone conduction speakers, lithium-ion batteries, and all-solid-state batteries.

In addition to these current products, to further strengthen the AR glasses-related technology, we acquired SoftEye, Inc., based in US, as announced in June 2025. SoftEye brings expertise in algorithms, camera, and low-power chip design, and it enables low-power eye tracking and object recognition.

[*TDK acquires SoftEye to enable artificial intelligence within smart glasses and grow its AI ecosystem business](#)

We also have high expectations for the semiconductor manufacturing equipment domain. While we have not particularly highlighted our efforts thus far, we are building a strong position in this domain based on the factory automation (FA) technology which we have cultivated through our work on automatic mounting machines for electronic components and clean technology. Moving forward, we plan to increase strategic investments, particularly for post-process products such as flip-chip bonding, a domain that is expected to increase in importance with further advancements in AI.

Sales for AI Market (FY3/26 Forecast·FY3/31 Target)



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Products		Major application and functionality
Current Biz	Passive Components	- Contribute to semiconductor performance and respond to designs based on higher speeds and redundancy - Power unit systems
	HDD heads and suspensions	Ensure data reliability, contribute to increased data storage density, and low power consumption
	Medium capacity batteries	- Secure redundancy for data center electricity - Size reductions for Battery Backup Units
	Semiconductor manufacturing equipment	- Contribute to process innovation in semiconductor manufacturing - Strengthen load ports, etc., and enhance materials and manufacturing technology
	Sensors + New Biz	- Provide the extra added value of AI-enhanced sensors - Launch software business featuring SensEi, etc.

At present (as of April 2025), net sales from the AI ecosystem market only represent a little over 10% of total net sales. However, we project that we can achieve an annual growth rate of 25% to 30% over the medium- to long-term. Offering a diverse range of products, services, and solutions that contribute to the development of the AI ecosystem market will contribute to social transformation and drive sustainable growth for TDK. In that sense, I believe these efforts are directly linked to the realization of the TDK Transformation outlined in our Long-term Vision.

Q4. What initiatives are you implementing to strengthen pre-financial capital?

A4. To strengthen pre-financial capital, we created a new CHRO position to focus on human capital. We also established a new Sustainability Committee to implement Group-wide initiatives in the various sustainability fields as a core corporate undertaking.

Borrowing from the growth process of a single tree, TDK uses the term “Ferrite Tree” to refer network of technology that started with the magnetic material ferrite and has expanded since our founding. I view non-financial capital, our technological capabilities, human capital, organizational capabilities, and customer base, as representing the roots of this Ferrite Tree, roots that grow into thick trunks above ground and enable the branches and leaves to expand. This non-financial capital goes on to support the growth of financial capital, which leads to the creation of new value. Based on this thinking, we define them as ‘pre-financial capital’.

Among all pre-financial capital, I focus most on people. Since assuming the role of CEO, I have consistently stressed, both internally and externally, that people are at the root of TDK’s sustainable growth. TDK’s strength is not simply that we have diverse human resources. I believe our true strength lies in our capability to maximize the potential of that diversity. 80% of TDK’s nearly 100,000 employees joined the Group through M&A and nearly 90% are of a nationality other than Japan. Showing mutual respect for culture, proactively incorporating good ideas, and learning from each other is a mentality that has permeated throughout the entire Group.

As a measure related to people, we repositioned the HR Division as a core function for promoting Group-wide corporate strategy and in April 2025 we created a new Chief Human Resource Officer (CHRO). We appointed Andreas Keller to the position of CHRO. Keller, who up to the previous fiscal year was in charge of HR and sustainability, has a broad perspective and vast experience. I expect that fully incorporating his talents into corporate strategy will enable us to further enhance the human resource management of our global enterprise.

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In addition to people (human capital), we are looking to overall enhance the strength of our core pre-financial capital. To this end, we redefined TDK sustainability as the pursuit of achieving long-term enhancements in corporate value by providing value to customers and society through our business operations. From the perspective of long-term enhancements in corporate value, we positioned initiatives related to the various sustainability fields (human capital, climate change, human rights, etc.) that influence our Group, both internally and externally, as key issues. To identify the impact of risks and opportunities of each fields and formulate appropriate strategy and business model capable of responding to those impacts, we developmentally dissolved the Sustainability Promotion HQ, which previously operated separately from the Corporate Strategy HQ. In April 2025, we established Sustainability Promotion Group as an entity that operates within the Corporate Strategy HQ. Furthermore, to address the need for a Group-wide approach to engaging in a wide range of sustainability fields, in April 2025 we also established a Sustainability Committee comprised of members from multiple organizations.

Q5. You embrace TDK United as TDK’s ideal organizational culture but what type of value is created through this culture?

A5. There is the benefit of being able to take an approach through which we provide value as a package across all our businesses and products. Instead of striving for uniform to our diverse members, we incorporate the beneficial elements of each other to form connections. Through this mentality, we work together on corporate activities towards the realization of TDK Transformation.

The term TDK United represents an organizational culture that aims for a unique fusion that creates value through teamwork by promoting mutual understanding while developing the strengths of each individual and company. Instead of striving for conformity from our diverse members, we incorporate the beneficial elements of each other to form connections through which we engage in corporate activities.

Under a governance policy of “Empowerment & Transparency” we have established basic rules that we apply worldwide as “Global Common Regulations (KITEI)” to enforce governance. At the same time, we actively promote the empowerment to regional headquarters and core subsidiaries to enable members to maximize their individuality and capabilities on the front lines of business. I believe that the interaction and fusion of different cultures and personalities under such an organizational structure and corporate culture is what leads to the creation of innovative technologies and products.

I myself worked overseas for nearly 20 years in countries such as Germany, Hungary, and the USA. Having been involved in business expansion and organizational development in each location, I had many opportunities to experience the strengths of TDK first-hand from a perspective other than the Global HQ. From my current position in the Global HQ, I continue to communicate one-on-one with executive members around the world on a monthly basis.

The realization of TDK United will not only change how we develop technologies and products, but also how we approach customers. For example, the AR glasses in the AI ecosystem I mentioned earlier incorporate a variety of our products. By offering them as a package rather than as individual components, we should be able to create more value. Moving forward, we hope to create new approaches like this that leverage the strengths of TDK United for more customers.

TDK Ventures, which serves as a corporate venture capital (CVC,) makes strategic investments and collects information in a timely manner on technologies that expected to see long-term growth. Both the Corporate Marketing & Incubation (CM&I) HQ and Corporate R&D continuously evaluate how technology trends will affect our business.

When we identify information that could benefit our business, we work with business companies (BCs) towards achieving rapid commercialization. We refer to such dynamic Groupwide and cross-border initiatives as our “value creation chain”. In cases where initiatives transcend the boundaries of a current business division, then we may create a new organization to move the project forward, like we did with TDK SenseI.

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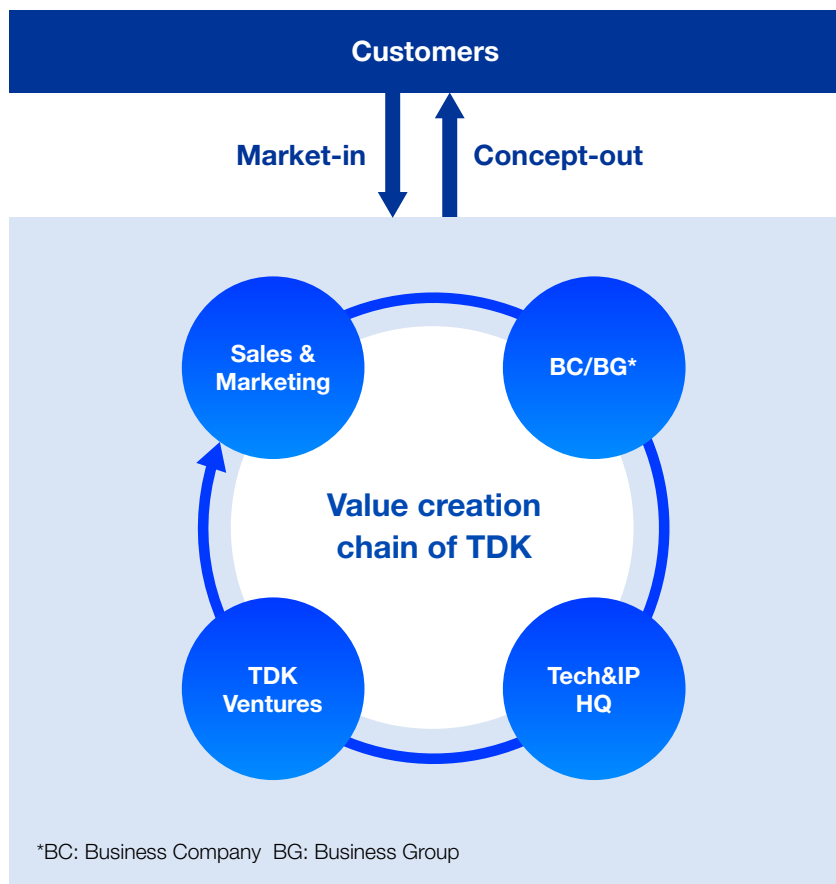
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Responding to market potential/needs in a cross-sectional manner



Q6. Lastly, please discuss your commitment to stakeholders.

A6. As the lead manager of TDK United, I will support TDK team members in enhancing our own capabilities through “the endless pursuit of something better” to realize TDK Transformation. We hope you will continue to hold high expectations for TDK’s growth potential.

This December (2025), TDK will celebrate our 90th anniversary. Even after 90 years, our Corporate Motto of “Contribute to culture and industry through creativity” and our Corporate Principles of “Vision, Courage, Trust” remain unchanged. We also strive to pass down the corporate culture rooted in this motto and principles. One aspect of this corporate culture is the “TDK Venture Spirit.” The spirit of boldly taking on new challenges and learning from failure has been shared and passed down through the Group since our founding, and is something we hope to pass on to the future. We also strive to pass on the importance of “diversity” as a driving force for TDK. To maximize the strengths of diversity, it is important that we embrace a culture of “functional equality.” This means that although there are hierarchical positions, there are no hierarchical roles or functions; everyone is on an equal footing and able to speak freely about what they think is right, regardless of their position. I want to ensure that this open organizational culture is valued and passed to future generations.

At the same time, there are many things we must change as a corporation aiming for sustainable growth. The “TDK Transformation” outlined in our Long-term Vision also refers to a transformation for TDK itself. Our operating environment is continuously subject to dynamic change. However, if we carefully analyze the conditions we are facing, we should be able to identify many things that can be changed by tapping into our own capabilities. My own transformation is centered on communication. We have increased the amount of dialogue with shareholders and investors by 30% and the number of people with whom we meet by 60% compared to the previous fiscal year.

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Internally, we proactively hold town hall meetings and group meetings in various locations to convey our Long-term Vision, the “TDK Transformation,” to team members around the world. This promotes team members embracing our vision as something that applies to them on a personal level. I see my role not as an orchestra conductor, but as the lead manager of a jazz band called TDK United who has gathered an ensemble of players with a wide variety of talents, techniques and personalities. My mission is to achieve our Long-term Vision by creating an environment in which all members, who are full of diversity and embrace the TDK Venture Spirit, are highly motivated to pursue the TDK Transformation as if it were their own goal.

We also want to transform the strength of the TDK corporate brand. Since withdrawing from the cassette tape business more than 10 years ago and fully becoming a B2B enterprise, we have recognized the need to increase recognition of the TDK brand among the general public. We are a global company that supplies essential parts in various domains that support the development of society, so addressing how we increase our brand recognition and elevate our presence within society is a core corporate issue for TDK. To this end, we have begun Group-wide branding activities to revamp TDK’s brand identity and foster a new brand image. Rather than pursuing this as a standalone project, we are linking this initiative with other corporate activities such as recruitment, investor relations, and sales and marketing. As my own project, I launched a task force that included leaders from not only public relations but also various other functional departments.

To put it another way, one could say that unresolved issues are challenges that we can change by applying our own capabilities. In other words, those challenges represent potential. TDK still has room to improve its own capabilities. Evolution stops the moment you think you have achieved the best. More than ever, I intend to convey this message to our 100,000 TDK United team members around the world and encourage them to engage in “the endless pursuit of something better” rather than simply aiming for the best. I would also like to ask all stakeholders for their understanding of the great growth potential that TDK holds, and I look forward to your continued long-term support and expectations.



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Organizational restructuring to strengthen sustainability management: Integration of the Sustainability Promotion Group into the Strategy Division

Taro Ikushima

Corporate Officer General Manager,
Corporate Strategy HQ



The various sustainability fields (human capital, climate change, human rights, etc.) have the potential to exert a major impact on TDK both internally and externally, and it is expected that they will pose both risks and opportunities in the execution of business. By identifying these risks and opportunities, we need to properly understand their impact on TDK's corporate value and connect this impact to the enhancement of corporate value by building the optimum company-wide strategy and business model to deal with it. For this purpose, to promote management that synchronizes the sustainability of society and the sustainability of the TDK Group (the long-term enhancement of corporate value), and the sustainability of society, we developmentally dissolved the Sustainability Promotion HQ, which was a separate body from the Corporate Strategy HQ, and in April 2025 placed it within the Corporate Strategy HQ as the Sustainability Promotion Group.

Establishment of the Sustainability Committee

The TDK Group newly established the Sustainability Committee in April 2025. With the aim of synchronizing the sustainability of society and the sustainability of the Group (the long-term enhancement of corporate value), the Sustainability Committee identifies sustainability-related risks and opportunities, establish and manage company-wide material issues, review them as internal and external environments change, and address sustainability-related regulations.

Positioning of the Sustainability Committee

The various sustainability fields that exist both within and outside our company (such as human capital, climate change, and human rights) is not something that can be address by individual organizations, must be addressed through company-wide efforts. Therefore, we established the Sustainability Committee, comprising members from across multiple organizations, in April 2025 under the Executive Committee Meeting (ECM), which consists of corporate officers.



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Message from the CHRO



TDK's Diversity, Its Strengths, and What Are the Big Jazz Bands?

Amongst the different types of pre-financial capital, TDK Group considers human capital to be important. TDK's competitive advantage lies not only in the diversity of human resources, but also in its organizational culture that maximizes the potential of this diversity. Of the approximately 100,000 team members we currently have, 80% joined us through M&A activities. Different talents and personalities coming together has sparked innovation through connection, harmony and collaboration, which has led to the commercialization of cutting-edge technologies. We do not see ourselves as an orchestra, but as musicians in a big jazz band with unique talents, skills, and personalities. The diversity of the big "TDK United" jazz band embodies a crucial part of our Human Resources strategy - Diversity, Equity and Inclusion (DE&I).

By nurturing an organizational culture which respects the existing culture of acquired companies, values innovation born from the coming together of different perspectives, and encourages both self-initiative and co-creation which is the best expression of our team members' creativity, passion, and drive, we can say that diversity has become the source of TDK's competitive advantage. With empowerment and transparency as our governance policy, we believe that strengthening ties across the boundaries of TDK's diverse businesses and human resources, one of our core strengths, will enhance our ability to envision the future and to bring it to life. Without the shared responsibility and collaboration amongst TDK Group team members(employees) to work together across departmental and organizational boundaries, we risk falling into silos within the organization.

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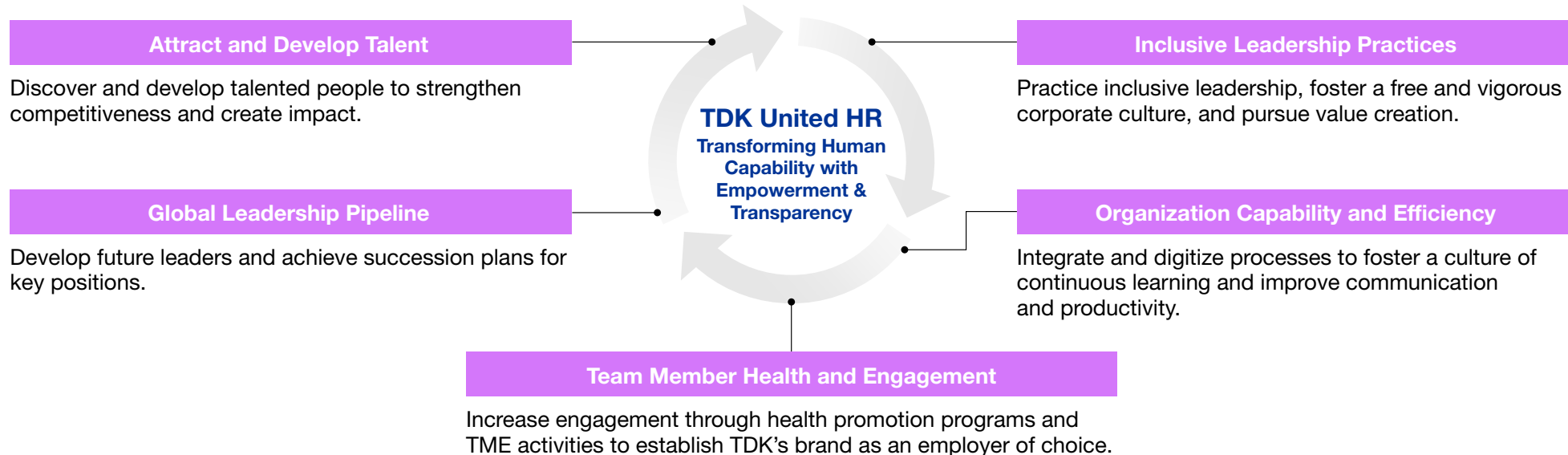
Structure for Promoting the Global Human Resources Strategy

In order to further enhance our unique competitive advantage, we believe it is important to have an organizational structure that allows us to develop and promote HR strategies across TDK globally. Although TDK is headquartered in Japan, its global HR function is located in Munich, Germany, and its members, including leaders, come from different operating companies and regions. This not only avoids a biased approach but also enhances the effectiveness of collaborations between the global, regional and the local subsidiary HR teams. Our global initiatives act as a platform to unite our diverse businesses and enhance our ability to innovate thorough the creativity and collaboration of our diverse talents.

Our Long-term people strategy

Long-term People Vision

Leaders and HR Functions collaborate to increase value of human capability in talent, organization and leadership. 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.



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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
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Corporate Motto

Contribute to culture and industry through creativity

夢
信
頼
勇
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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.

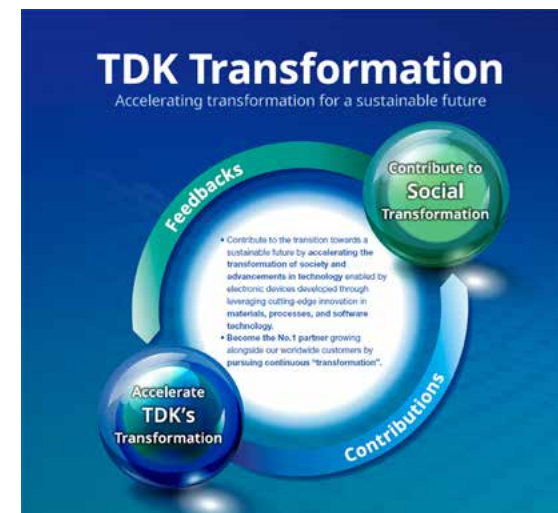
Trust : Always try to build trust. Trust is born from a spirit of honesty and service.

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](#)

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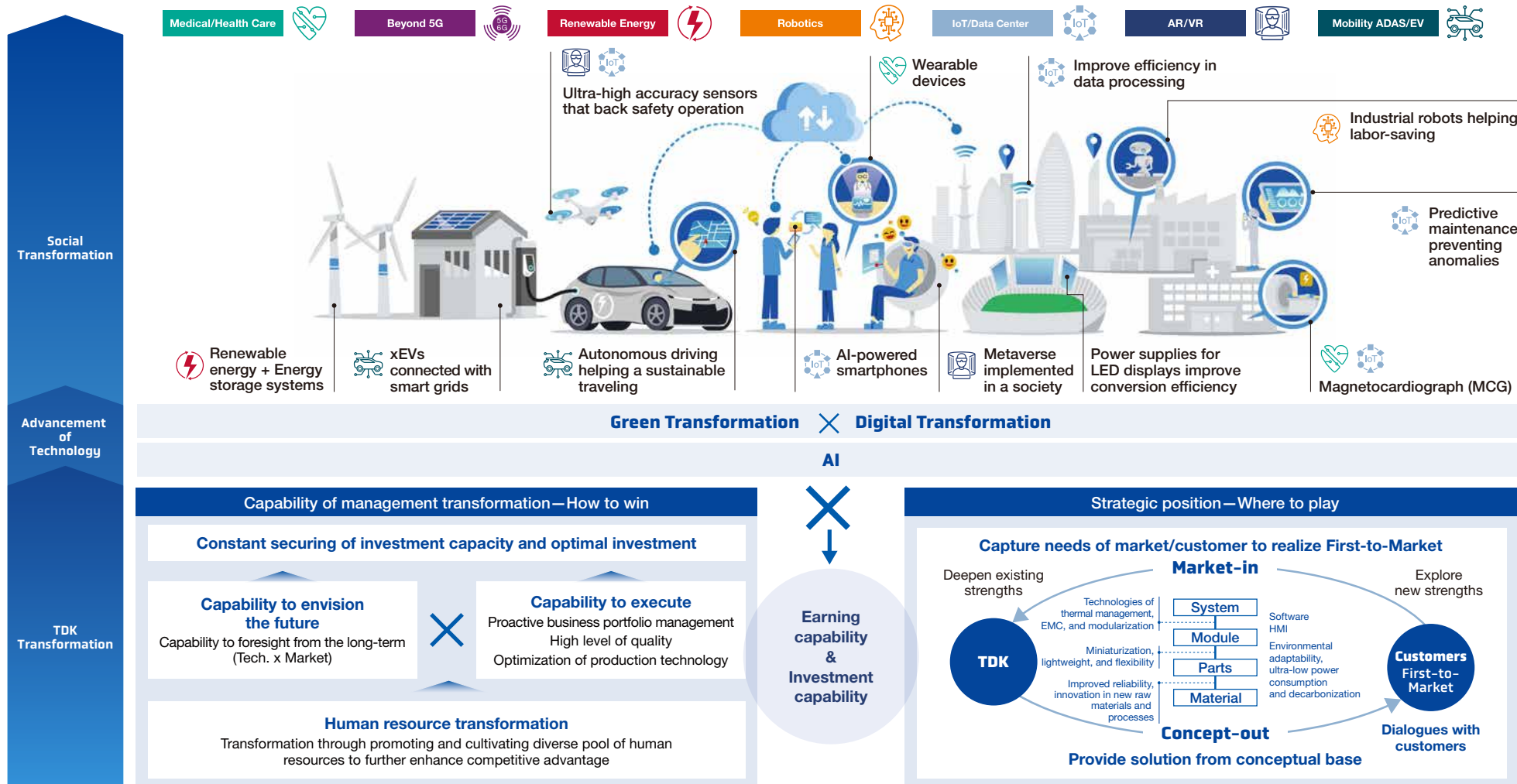
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Contribute to Social Transformation



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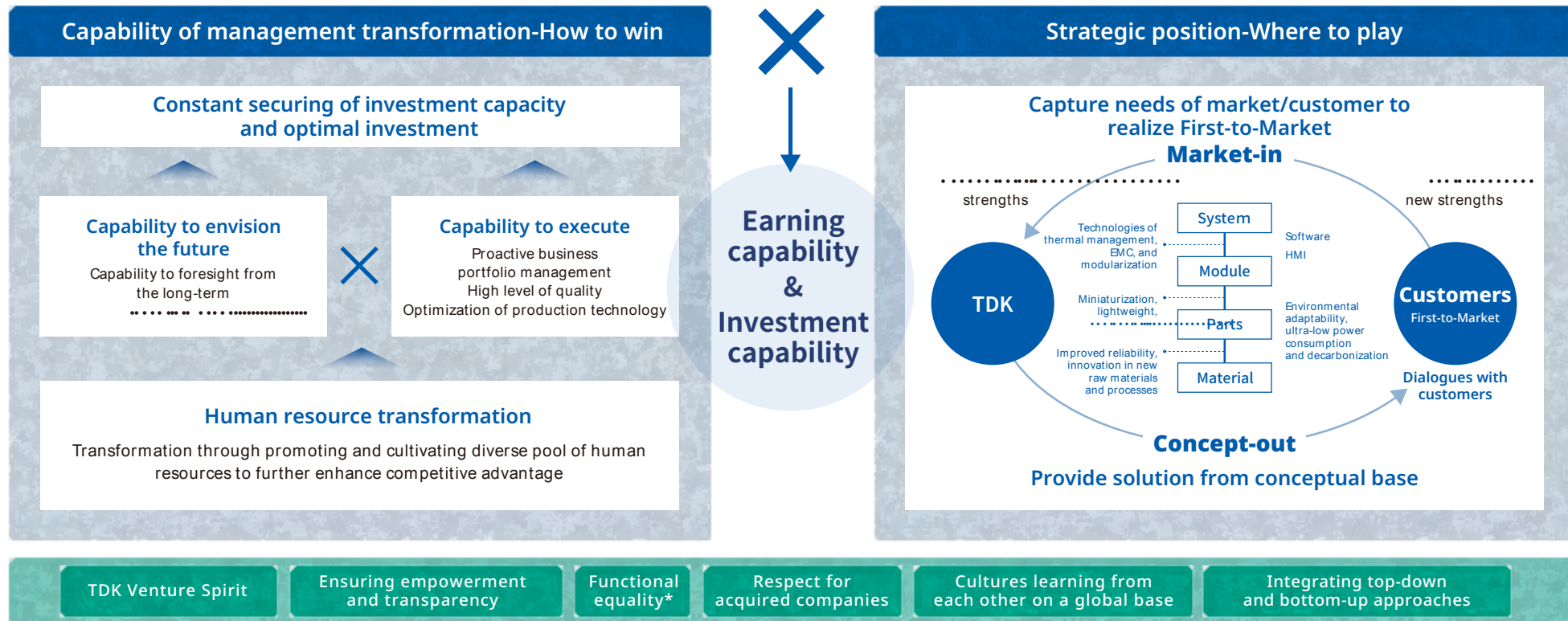
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TDK Transformation

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



* Functional equality - is one of our values to encourage discussions in an open and equal atmosphere, based on functions (roles) rather than hierarchy.

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Value Creation Process to Realize the Long-term Vision

Output

Products and services



Activity

Business model

Capability of
management
transformation

Strategic
position

INPUT

Pre-financial
capital

Materials x Process technology x Software technology

Human capital

Organizational
capability

Customer base

Outcome

Impact



Green Transformation



Digital Transformation

AI

- Realize a zero-carbon society
- Improve energy efficiency
- Industrial revolution of the skies

- Close the digital divide
- New experiences through the social implementation of metaverse
- Predictive maintenance preventing anomalies
- Improve data efficiency for a wealthy life
- Extension of healthy life expectancy

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Medium-Term Plan

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Basic Approach to Materiality

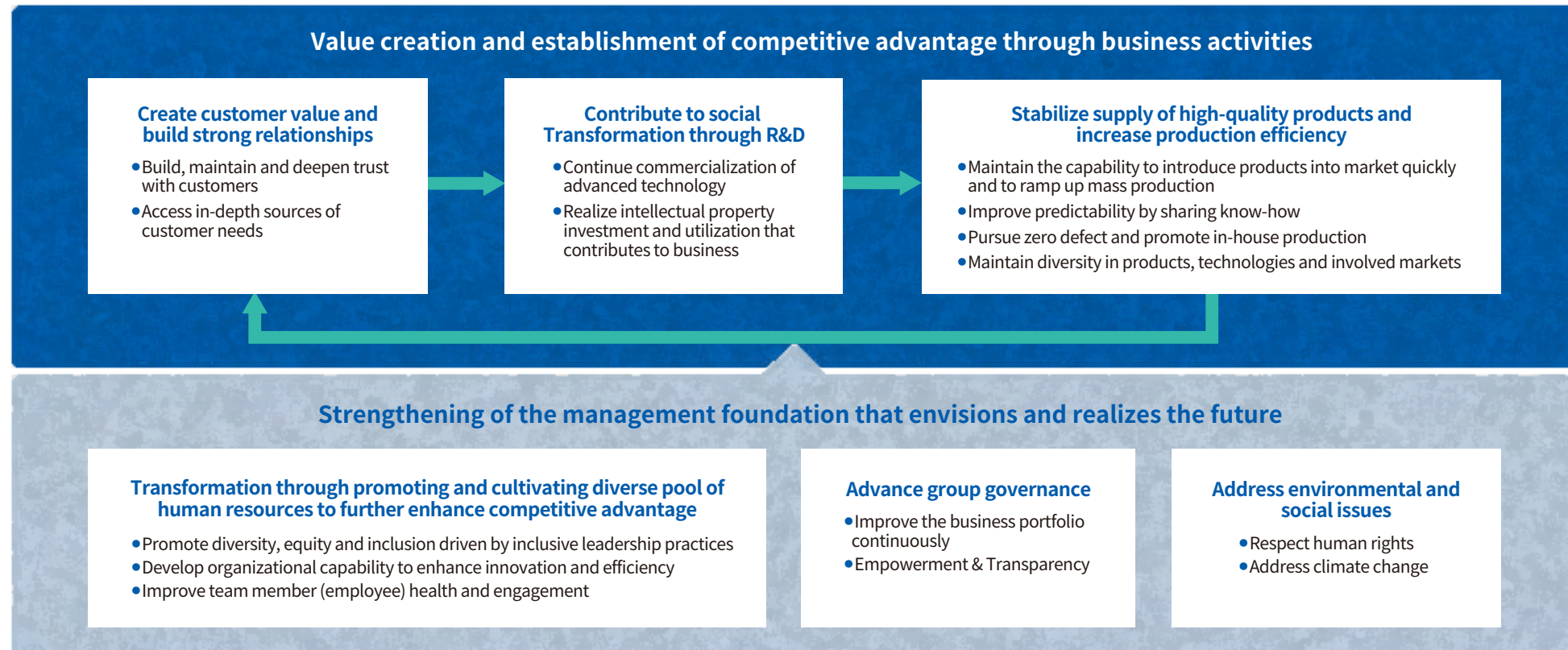
Key Issues (Materiality) of TDK

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 FY March 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)



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List of KPIs

The following have been set as KPIs for materiality.

Area		Theme	Background of materiality setting and vision	Main KGIs/KPIs* for long/mid- term	Target* for mid-term KPI	Progress as of FY March 2025
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	Ensure the diversity of the TDK Group's human resources and promote leadership practices that enable each individual to fully develop their abilities and strengths.	L Improve diversity in management team M Female ratio of participants in Global Management Development Programs	30%	26%
		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.	L No. of business entrepreneurs developed ** M Number of overall participants in Global Management Development Programs	500 participants or more per 3 years	179 participants per year
		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.	L Improve Engagement survey score M 1) Engagement survey measurement (communication) 2) Participant rate of engagement survey	1) 75 points or more 2) 80% or more	1) 68 points 2) 90%
Governance	Advance group governance	Improve the business portfolio continuously	Optimize the corporate-wide business portfolio by identifying areas that need to be put in place.	L Weighted average score of business portfolio M The amount of loss reduction in a business with operating losses that is to be intensively monitored.	Target achieved: 100%	Target achieved: 32%
		Empowerment & Transparency	Strengthen risk management by strengthening group governance and introducing a new ERM system, which TDK's governance is based on a policy of Empowerment & Transparency.	L No. of significant Global Common Rule (GCR) violations M No. of follow-ups for significant GCR violation	100%	— (For the first year, follow-up targets were identified.)
Environmental and Social Issues	Address 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.	L Mitigated/corrected significant risks from supplier audits M Ratio of progress in planning annual onsite audits	100%	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.	L CO ₂ net emissions M 1) Scope 1+2 emissions reduction 2) Basic unit for energy reduction	1) 42% (Progress toward FY March 2031 target as of FY March 2022) 2) 15.7% (Progress toward FY March 2027 target as of FY March 2021)	1) 47.7% (Progress toward FY March 2031 target as of FY March 2022) 2) 30.5% (Progress toward FY March 2027 target as of FY March 2021)
Customer	Create customer value and build strong relationships	Build, maintain and deepen trust with customers	Aim to increase customer satisfaction and expand our market share by building, maintaining, and deepening relationships of trust with our customers, taking advantage of our extensive track record of business with industry-leading customers.	L Customer satisfaction survey score** M Resolved and feedbacked rate for issues identified from the survey**	100%	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.	L No. of future pillar businesses to be created through collaboration with related divisions M Launch of new business divisions	Target achieved: 100%	Target achieved: 50%
R&D	Contribute to social Transformation through R&D	Continue commercialization of advanced technology	Create future core businesses through collaboration with related divisions to search for technological seeds that will create new markets and cultivate new customers for the realization of social transformation.	L No. of themes transferred for the creation of future pillar businesses by promoting collaboration with related divisions M No. of theme selected and started	4 cases per 3 years	2 cases per year
		Realize intellectual property investment and utilization that contributes to business	Create value by linking our intellectual property investment strategy to the goals of our business and R&D strategies: business success and R&D strategy success.	L Percentage of intellectual assets (patents) tied to IP strategy for business and R&D themes M Elaborating IP strategy	Target achieved: 100%	Target achieved: 100%
Design Production	Stabilize supply of high-quality products and increase production efficiency	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 system based on an aggressive culture.	L Success rate for new product introduction** M Completion rate of quality improvement activities of new product samples**	100%	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.	L Percentage of new products launches achieved** M Progress on new product development plan**	Progress rate against the plan: 100%	Progress rate against the plan: 97%
		Pursue zero defect and promote in-house production	Improve our competitive advantage by making it difficult for other companies to enter the market and imitate us, through improvement activities aimed at achieving a zero defect rate and thorough in-house production of production tools and jigs, as well as in-house production of product components.	L Total failure cost ratio M No. of completed various types of quality compliance training	3 sessions per year	4 sessions per 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 lineups, as well as the diversity of process technologies. Further promotes collaboration strategically and proactively.	L Market share of specific business** M Score of customer satisfaction survey**	Target achieved: 100%	Target achieved: 101%

* KGIs for

L

 =Long-term, KPIs for

M

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

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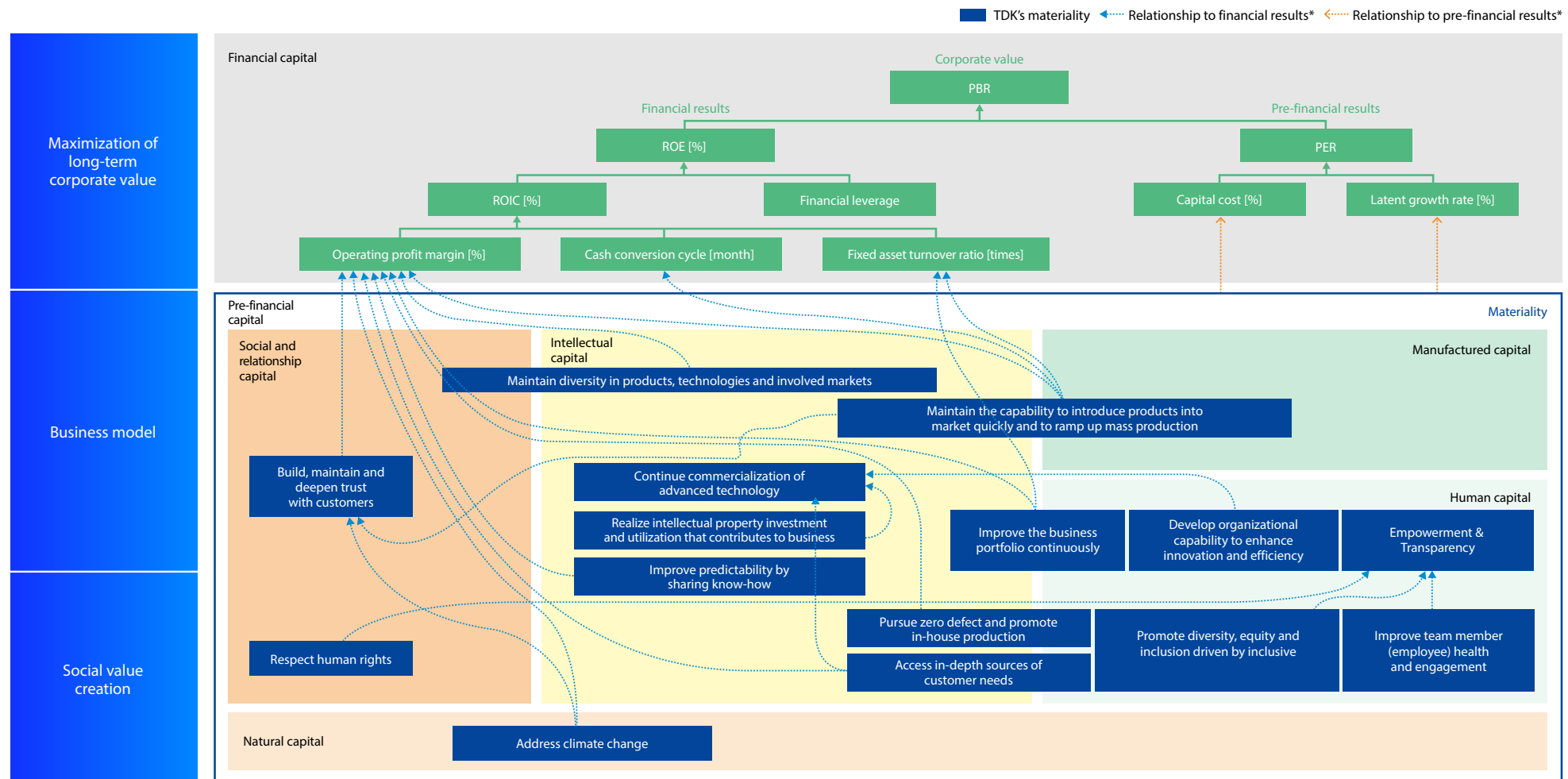
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Relationship between Materiality and Corporate Value

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.



* The relationship to financial results is set for the short and medium-term (for approx. 3 years), and the relationship to pre-financial results is set for the long-term (for over 3 years).

Sustainability | Sustainability Management | Key Issues (Materiality) of TDK

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. The materiality was discussed by the Executive Committee and, once finalized, it was submitted to the Board of Directors. To achieve the goals of our Long-term Vision, we are committed to addressing the key issues that constitute our materiality by prioritizing them when allocating the organization's management resources.

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.

TDK's materiality has been formulated in line with our Long-term Vision. Going forward, when drawing up our Medium-term Business Plan or annual business plan, we will adjust our materiality as necessary based on changes in the external or internal environment.

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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Materiality Progress Report

The TDK Group has set key performance indicators (KPIs) for its materiality (key issues), and is proceeding with activities directed toward achieving these KPIs. Our performance in FY March 2025 in terms of attaining the medium-term KPI goals was as follows.

Human Resources

Transformation through promoting and cultivating diverse pool of human resources to further enhance competitive advantage

Theme:

Promote diversity, equity and inclusion driven by inclusive leadership practices

Background of materiality setting and vision:

Ensure the diversity of the TDK Group's human resources and promote leadership practices that enable each individual to fully develop their abilities and strengths.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Improve diversity in management team [M] Ratio of female participants in Global Management Development Programs	30%	26%

Theme:

Develop organizational capability to enhance innovation and efficiency

Background of materiality setting and vision:

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.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] No. of business entrepreneurs developed** [M] Number of overall participants in Global Management Development Programs	500 participants or more/3 years	179 participants/year

Theme:

Improve team member (employee) health and engagement

Background of materiality setting and vision:

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' engagement and health so that each individual can fully demonstrate their abilities.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Improve Engagement survey score [M] 1) Engagement survey measurement (communication) 2) Participant rate of engagement survey	1) 75pts. or more 2) 80% or more	1) 68pts. 2) 90% or more

Governance

Advance group governance

Theme:

Improve the business portfolio continuously

Background of materiality setting and vision:

Optimize the corporate-wide business portfolio by identifying areas that need to be put in place.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Weighted average score of business portfolio [M] Amount of loss reduction in businesses to be intensively monitored	Target achieved: 100%	Target achieved: 32%

Theme:

Empowerment & Transparency

Background of materiality setting and vision:

Implement TDK's governance based on a policy of Empowerment & Transparency, with the strengthening of risk management by enhancing group governance and introducing a new ERM system.

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Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] No. of significant Global Common Rule (GCR) violations [M] No. of follow-ups for significant GCR violation	100%	(In the first fiscal year, subjects for follow-up were identified)

Environmental and Social Issues

Address environmental and social issues

Theme:

Respect human rights

Background of materiality setting and vision:

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.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Mitigated/corrected significant risks from supplier audits [M] Ratio of progress in planning annual onsite audits	100%	100%

Theme:

Address climate change

Background of materiality setting and vision:

Strengthen our activities to reduce greenhouse gas emissions and promote measures to address climate change in order to realize a net-zero CO₂ emissions society by 2050.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] CO ₂ net emissions [M] 1) Scope 1+2 emissions reduction 2) Reduction in energy use on an emissions intensity basis	1) 42% (Target for FY March 2031, compared to FY March 2022) 2) 15.7% (Target for FY March 2027, compared to FY March 2021)	1) 47.7% (Target for FY March 2031, compared to FY March 2022) 2) 30.5% (Target for FY March 2027, compared to FY March 2021)

Customer

Create customer value and build strong relationships

Theme:

Build, maintain and deepen trust with customers

Background of materiality setting and vision:

Aim to increase customer satisfaction and expand our market share by building, maintaining, and deepening relationships of trust with our customers, taking advantage of our extensive track record of business with industry-leading customers.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Customer satisfaction survey score** [M] Resolved and feedbacked rate for issues identified from the survey**	100%	100%

Theme:

Access in-depth sources of customer needs

Background of materiality setting and vision:

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.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] No. of future pillar businesses to be created through collaboration with related divisions [M] Launch of new business divisions	Target achieved: 100%	Target achieved: 50%

R&D

Contribute to social Transformation through R&D

Theme:

Continue commercialization of advanced technology

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Background of materiality setting and vision:

Create future core businesses through collaboration with related divisions to search for technological seeds that will create new markets and cultivate new customers for the realization of social transformation.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] No. of themes transferred for the creation of future pillar businesses by promoting collaboration with related divisions [M] No. of theme selected and started	4 themes/3 years	2 themes/year

Theme:

Realize intellectual property investment and utilization that contributes to business

Background of materiality setting and vision:

Create value by linking our intellectual property investment strategy to the goals of our business and R&D strategies: business success and R&D strategy success.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Percentage of intellectual assets (patents) tied to IP strategy for business and R&D themes [M] Elaborating IP strategy	Target achieved: 100%	Target achieved: 100%

Design and Production

Stabilize supply of high-quality products and increase production efficiency

Theme:

Maintain the capability to introduce products into market quickly and to ramp up mass production

Background of materiality setting and vision:

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 system based on an aggressive culture.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Success rate for new product introduction** [M] Completion rate of quality improvement activities of new product samples**	100%	100%

Theme:

Improve predictability by sharing know-how

Background of materiality setting and vision:

Continuously improve predictability up to mass production to enhance manufacturing capabilities for launching new products and improve the new product launch rate.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] New product launch achievement rate** [M] Rate of progress with new product development plan**	Plan progress rate: 100%	Plan progress rate: 97%

Theme:

Pursue zero defect and promote in-house production

Background of materiality setting and vision:

Improve our competitive advantage by making it difficult for other companies to enter the market and imitate us, through improvement activities aimed at achieving a zero defect rate and thorough in-house production of production tools and jigs, as well as in-house production of product components.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Overall failure cost ratio [M] No. of instances of implementation of quality compliance training (of various types)	3 per fiscal year	4 per fiscal year

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Theme:

Maintain diversity in products, technologies and involved markets

Background of materiality setting and vision:

Aim to expand the range of our proposals by maintaining a wide variety of markets and product lineups, as well as the diversity of process technologies. Further promotes collaboration strategically and proactively

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2025
[L] Market share of specific business** [M] Score of customer satisfaction survey**	Target achieved: 100%	Target achieved: 101%

* Except where otherwise specified, [L] (long-term) refers to a period of 10 years, and [M] (medium-term) refers to a period of three years.

** Some businesses are excluded.

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Governance

Under the supervision of the Board of Directors, the Sustainability Promotion Department, in collaboration with various departments at the global headquarters, formulates activity policies and measures related to sustainability. The Chief People and Sustainability Officer (CPSO*) oversees 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 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.

(Compensation-related Disclosure)

- The post-vesting share-based compensation for executive officers, and for directors who also serve as executive officers, may include Performance Share Units (PSUs), which is a type of share-based compensation linked to performance, calculated in terms of shares in the Company or in cash, based on the extent to which the performance targets set in the Medium-term Plan have been achieved, and paid after the end of the fiscal year in question. The evaluation criteria for the awarding of PSUs include pre-financial indicators such as climate change and indicators relating to human capital.

Risk Management

To achieve sustainable growth and address factors (risks) that hinder the achievement of organizational goals, the TDK Group 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 the environment (including climate change), talent acquisition and development, human rights, and other sustainability-related risks are also assigned to risk owner departments and managed by designated executive officers.

Organizational Restructuring

TDK positions measures relating to aspects of sustainability (including climate change, human capital, human rights, etc.) that affect the company, both internally and in terms of the external environment, as important materiality (key issues) for TDK as a whole. To identify the impact of the risks and opportunities associated with each aspect of sustainability, and to establish an appropriate strategy and business model to address them, rather than having the Sustainability Promotion Department as a separate organization outside the Corporate Strategy HQ, in April 2025 we established a new Sustainability Promotion Group within the Corporate Strategy HQ.

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In addition, in order to drive management that is directed toward realizing the objectives outlined above, in April 2025 the TDK Group established a new Sustainability Committee combining cross-unit functions. With the aim of realizing coordinated efforts directed toward enhancing the sustainability of society and the sustainability of TDK, the Sustainability Committee will be identifying risks and opportunities relating to sustainability, setting the Group's materiality, performing progress management in relation to this materiality and adjusting it as necessary in line with changes in the internal and external environment, and responding to sustainability-related legislation. In line with the organizational restructuring outlined above, the role of CPSO is being eliminated; instead, starting from April 2025, a CHRO is being appointed to oversee TDK's human talent strategy.

In-house Awareness Raising

To realize effective promotion of sustainability, the TDK Group believes that it is important for every team member to possess basic knowledge regarding sustainability, for them to understand the background to the need for corporate sustainability initiatives and understand TDK's approach to sustainability activities, and for them to incorporate this awareness into their own work. Accordingly, we provide lecture-style training programs tailored to meet the needs of each job grade, including initial training for new hires, as well as lectures by external experts, and dissemination of relevant information using the company intranet.

In addition, management and head office divisions engage in timely dialogue with asset managers, and the Corporate Strategy HQ's Sustainability Promotion Group engages in dialogue with each business group to promote business development that takes the SDGs as the starting point.

In 2024, we held an internal study session on the topic of how to implement information disclosure properly.

Related link

[TDK Group's Approach to the SDGs](#)
[Stakeholder Engagement](#)

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 take social issues and social needs including customer needs, as the starting point. The award is presented in recognition of cutting-edge projects and initiatives such as new product development that contributes toward solving society's problems, strategies to combat climate change, sustainable use of resources, realizing economic revitalization at the community level, and reducing environmental impact.

The award is given to individuals, divisions, and business groups that are recognized as having achieved particularly outstanding results. The best practice highlighted through the award is shared throughout the entire TDK Group, and is disseminated horizontally. Through this award program, we are encouraging the provision of products and services that contribute toward 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 refer to 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 \(Link to external site\)](#)
[TCFD/TNFD](#)
[Climate Change Initiatives](#)
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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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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," 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.

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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 the TDK Group 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 FY March 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.

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 FY March 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).

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Related link

[Business Creation Starting from Social Issues](#)

[Seven Seas](#)

Enhancing the Objectivity and Accurateness of Disclosed Information

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

[Third-Party Assurance](#)

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

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Business Creation Starting from Social Issues

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

3.6

- 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

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

3.3

3.4

3.8

3.9

- 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

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)



V2X



Safety



Medical &
Healthcare



Smart Watch/
Activity Tracker

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Ensure access to affordable, reliable, sustainable and modern energy for all



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
- Energy storage systems

SDG target

7.2

7.3

4 To dramatically increase the rate of improvement in the efficiency of energy use worldwide

TDK's products and technologies with the potential to contribute

- Cutting-edge technology that can reduce the consumption of electric power

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



Smartphones/Tablets/
Mobile Routers



Smart Watches/
Activity Trackers



xEV



AR/VR



Industrial Robots

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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

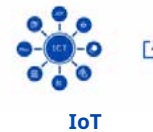
11.2

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)



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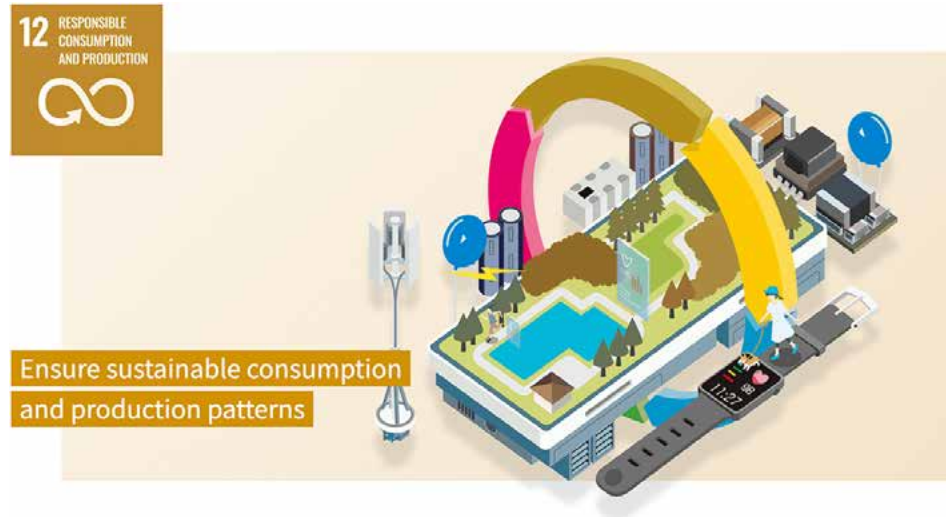
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TDK's aims

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
- Components and modules for wireless data communication systems
- Radio wave absorbers using biomass material

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)

[Pattern Coil for Wireless Charging: Development of the World's First Ultra-thin Wireless Power Transfer Coil, Designed for use with Qi-enabled Smartphones](#)

[Discover the New Environmentally Friendly Radio Wave Absorber Made from Sugarcane-Derived Biomass Polyethylene](#)

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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 meeting needs for large electric currents and high voltage to promote the utilization of renewable energy
- Lightweight 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)



Smart Energy



Photovoltaic/Energy
Storage Systems



Wind Power
Generation



xEV



E-bikes & Pedelects



EV Fast Chargers



Smart Meters

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Contribution to the SDGs through Products

Contribution to the SDGs through Products

Introducing TDK Group's products that contribute to the SDGs.

TDK Corporation

An optical transmission system underpinned by temperature sensor miniaturization



Optical transmission systems have been evolving at an impressive pace, as seen for example in 5G communications and the LiDAR technology used to maintain a safe distance between vehicles. One particularly important product in the optical transmission systems field is laser diodes, which are very widely used because they make it possible to achieve high laser output with a small device. Temperature control is an important issue for laser diodes, because the wavelength changes depending on the temperature.

A negative temperature coefficient (NTC) thermistor is a temperature sensor utilizing a semiconductor material for which the resistance value falls as the temperature rises. TDK's wire bondable NTC thermistor uses innovative process technology and materials technology to realize small device size and also enable convenient mounting with wire bonding that allows a high degree of flexibility in terms of placement. By making it possible to have the NTC thermistor located close to the laser diode, it facilitates high-precision temperature detection.

The small size of this product also helps to reduce transportation costs and reduce CO₂ emissions, while the lower power demand contributes toward a reduction in electric power consumption.



Related Information

[NTCWS series: Wire Bondable NTC temperature sensor](#)

TDK Corporation

Helping to drive EV adoption by using TMR angle sensors to realize highly efficient e-motor control



As environmental consciousness has grown, there has been an ongoing shift toward electric vehicles (EVs) in the mobility sector. When electric motors (e-motors) are used as the motive power for vehicles, they need to provide both efficiency and performance. Rotary angle detection for e-motors plays an important role in underpinning the precision and efficiency of the vehicle control system. Currently, the mainstream solution for this is the resolver, but resolvers present problems in terms of both cost and size, and these issues constitute a major obstacle impeding the evolution of angle sensor technology, so there is a clear need for a new approach.

The tunnel magneto resistance (TMR) angle sensor is a type of magnetic sensor that detects the direction of a magnet's magnetic field. Able to perform high-precision detection of rotation angles, it facilitates efficient vehicle control. TDK's TMR angle sensors use innovative process technology to deliver industry-leading high-precision angle detection. Our TMR angle sensors also provide very stable output across a wide temperature range, and so do not require temperature correction processing, which helps to reduce the size and cost of the vehicle control system as a whole, thereby making the system more efficient.

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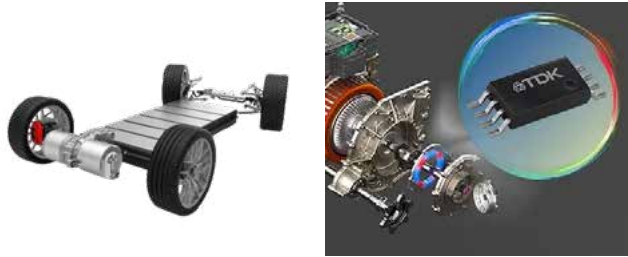
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Related Information

[Higher Value Engineering than Resolvers! TMR Angle Sensors as Advanced Solution for E-Motor](#)

[TMR Angle Sensors](#)

TDK Electronics AG

Film capacitors with increased sustainability along the life cycle for railway applications



With the growing concern about environmental issues, considerable attention is being paid to the concept of a modal shift in freight transport away from road transport using trucks, to transportation by rail or ship, which supports large-volume transport while also being environmentally friendly. Power electronics technology, which enables the efficient conversion and control of electric power, has an important role to play in energy saving for rail transport. TDK's ModCap film capacitors employ cutting-edge design techniques to realize modularization with industry-leading standardized specifications, creating a capacitor that is small, light, reliable, and durable.

The ModCap series film capacitors are made using bio-derived, sustainable film. By using environmentally friendly materials, they make a positive contribution to the environment right from the first stages of product manufacturing. All the products in the ModCap series are made using bio-circular materials.

To eliminate unnecessary wastage of material by extending component life-cycles, and to ensure appropriate management of waste, TDK has been undertaking research on how to realize the circular economy. While collaborating with a supplier on related R&D, it was suggested that the bio-based film used in the food sector could be used in the manufacturing of capacitors. This bio-based film has the same electrical properties as conventional products. The technology can also be applied to other types of film capacitor besides ModCap.



TDK Corporation

Sensing solutions for construction sites to help drive DX in the construction sector



Construction is an important sector which creates the buildings and infrastructure that are so vital to us in our daily lives. In recent years, however, the construction sector has been faced with various problems, including labor shortages, safety concerns, and environmental issues.

On construction sites and civil engineering work sites, being aware of ground displacement and structures tilting is a very important aspect of project management, for safety reasons. In the past, in order to measure ground displacement or the incline of structures, it was necessary to install sensors at specific measuring points, which were connected to a data logger by cables to enable data collection.

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On construction sites that cover a large area, a great deal of time and effort had to be spent on connecting up multiple measurement points with cables. This kind of situation is one example of why it is vitally important to promote DX throughout the construction sector, so as to realize greater efficiency.

The incline measurement system that TDK has developed utilizes a 3-axis MEMS accelerometer and innovative data processing technology to realize high-precision measurement. The system uses 920MHz band wireless communication, which enables long-distance data communication that is free from interference from Wi-Fi or Bluetooth signals. Measurement data from multiple inclinometers is collated on cloud server or PC, allowing centralized management and remote monitoring. The incline measurement system is designed so that, if the measured data hits a specified level, a notification e-mail will be sent to the relevant personnel. When setting up the system, because there is no longer a need to link the different devices together by cable, the amount of cabling work that needs to be done on site is significantly reduced. The main type of sensor terminal used with this system is a wireless high-precision inclinometer, which is battery-powered, with an energy-saving design that enables over three years of continuous operation (assuming that data is sent every 10 minutes), thereby reducing the burden of battery replacement.

With systems like this that make effective use of sensor technology, TDK is contributing toward the DX of the construction sector.



Related Information

[Wireless High-precision Inclinometer \(in Japanese\)](#)

TDK SenseI

Realizing predictive maintenance for industrial machinery by integrating edge AI with sensor technology



Factories and other production sites need to minimize downtime by preventing machinery and equipment from malfunctioning. Rather than waiting for something to go wrong before dealing with it, if a problem can be predicted in advance, then it is possible to perform preventive maintenance that will improve the equipment availability rate and enhance productivity.

TDK SenseI's edgeRX is a platform that uses AI-enabled edge sensor devices to monitor the status of industrial machinery. By integrating AI algorithms, edge computing and high-performance sensor devices, edgeRX enables monitoring of industrial machinery in real time, while also generating insights that can help to reduce downtime and improve productivity, and providing an alert function that notifies users when it is time to perform maintenance.

Related Information

[Launch of edgeRX, a New Platform that Realizes Predictive Maintenance for Industrial Machinery](#)

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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Stakeholder Engagement

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

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	• Performance briefing • Investors meetings • General meeting of shareholders

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	• 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 collaborate in various business fields in relation to TDK and our suppliers' technologies and know-how.
Engagement methods	• Daily communication with suppliers • Supplier briefings • Implementation of audits of suppliers • Supplier summit

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	• Labor-management dialogue • Feedback to in-house newsletters • Workplace communication • Various award programs • Engagement surveys

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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 local communities and provides quality employment to local communities. We also contribute to the reduction of environmental impact with innovative technology.
Engagement methods	• Social gatherings in local communities • Social contribution activities

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	• 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	• Acquisition of information through sales • Feedback to development

Stakeholder Dialogue

Holding of an internal study session on how best to implement the disclosure of information

We recently held an internal study session to strengthen understanding of what information TDK needs to disclose, and why. A total of 84 team members (employees) from the departments responsible for compiling and publishing the company's Integrated Report, financial statements, and Sustainability Website content took part in the activity. The study session began with an opening address by the chair of the Disclosure Committee, followed by a lecture by an external expert, Mr. Minoru Matsubara, Managing Executive Officer and head of the Responsible Investment Division at Resona Asset Management Co., Ltd. Comments from participants included "It clarified the issue of who information should be disclosed to, and I was able to get a better understanding of what is required when implementing disclosure, which was great," and "I hope that the company continues to hold this kind of study session in the future."



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.

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Clicking on each theme will open related dialogue articles.

Date of implementation	Theme
Feb. 6 – Mar. 14, 2024	New Long-term Vision and Identifying Materiality
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](#)

[Implementation Guidelines for Fund Procurement through ESG Finance](#)

[TDK Sustainable Finance Framework](#)

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 FY March 2026 compared to FY March 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 FY March 2026.
Attributes of bonds	The achievement status of SPTs (1) and (3) will be assessed based on performance in FY March 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 FY March 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 FY March 2026 compared to FY March 2015," we achieved a 32% improvement in FY March 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 FY March 2036 with FY March 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 FY March 2026* compared to FY March 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 FY March 2026*

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

SPT-1: Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in FY March 2026 compared to FY March 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	FY March 2015	FY March 2019	FY March 2020*	FY March 2021*	FY March 2022*	FY March 2023*	FY March 2024*	FY March 2025*	SPT-1 FY March 2026
CO ₂ emissions intensity indexed to FY March 2015 as 100	100	91.9	86.9	90.9	68.0	48.2	29.9	30.7	70.0

*The figures for FY March 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	2024	SPT-2 2025
CDP Climate Change score	D	A-	A-	A-	A-	A-	A	AorA-

SPT-3: Achieve to raise the ratio of renewable energy sources to 50% of electricity consumption in FY March 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	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024	FY March 2025	SPT-3 FY March 2026
Ratio of electricity from renewable energy sources (%)	20.3	18.2	23.9	30.0	39.9	55.2	61.2	50.0

*The figures for FY March 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 multilayer 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

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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.



[Click Here >](#)

Related link

[The TDK Group Occupational Health/Safety and Environmental Charter](#)

[Environmental Management System](#)

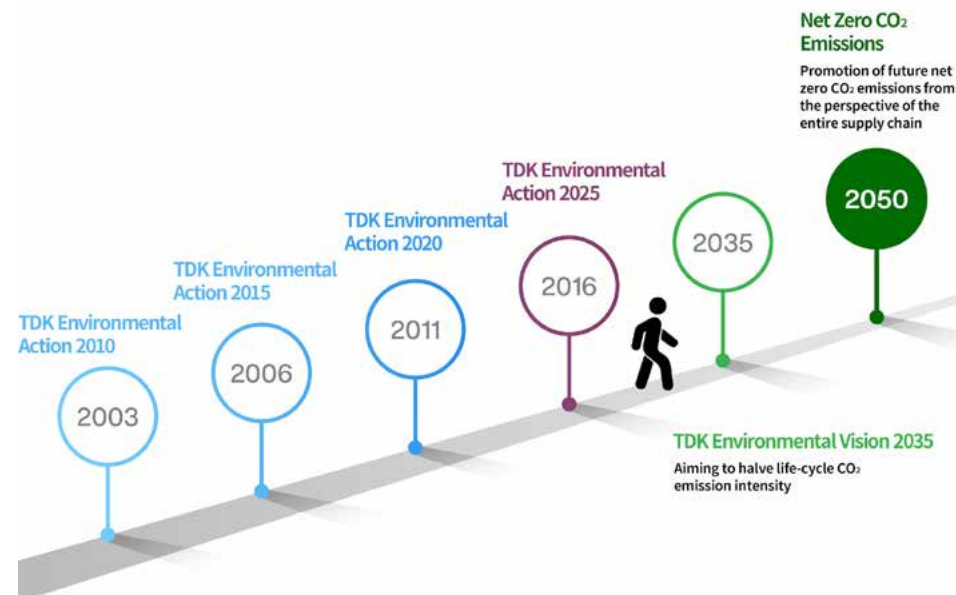
[Environmental Education](#)

Looking Ahead to 2050

One key issue (materiality) that TDK will be addressing to achieve its TDK Transformation 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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[Materiality Identification Process](#)

TDK Environmental Vision 2035



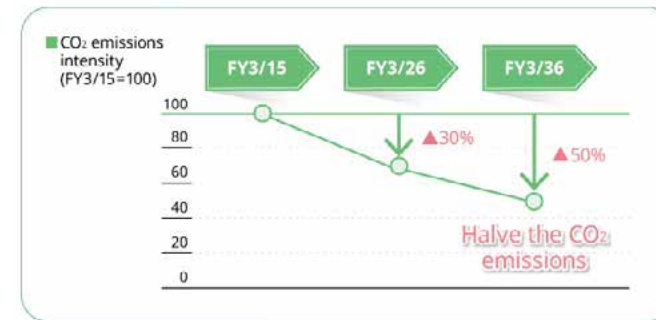
Halving the CO₂ emissions intensity from a life-cycle perspective by 2035

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 FY March 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.

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.

Superseding Vision 2035, in 2024 we formulated a new long-term vision: TDK Transformation-Accelerating transformation for a sustainable future. The TDK Environmental Vision 2035 remains in effect as part of this new vision.



*Vision 2035: This corporate vision, formulated in 2015, commits TDK to "revitalizing and protecting the global environment and creating a pleasant and safe society."

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".

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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.



Related link

[Action Plan in TDK Environment, Health and Safety Action 2025* and FY March 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

Noboru Saito
President & CEO, TDK Corporation

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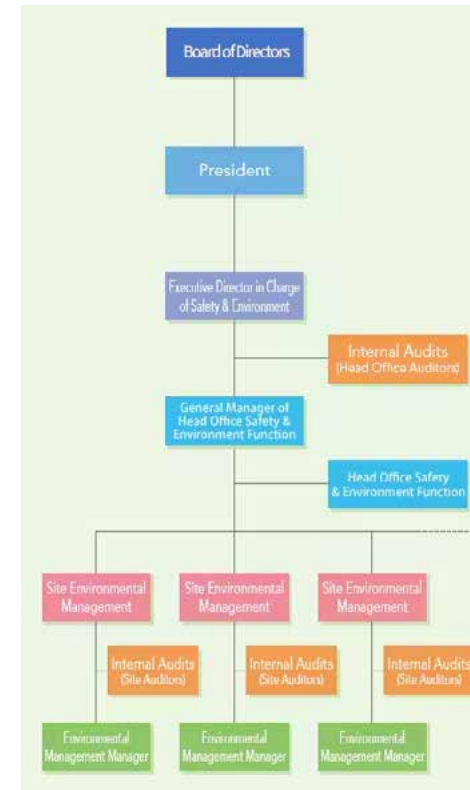
[Operation of the TDK Environmental Management System](#)

[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 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 proactively engaged in environmental activities, and we have acquired ISO 14001 certification (the international standard for environmental management systems) at 95% of our manufacturing sites.

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.

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[Facilities with ISO14001 and ISO50001 Certification](#)

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

[Goals and Achievements](#)

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.

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 FY March 2025 were as follows:

■ Excellent overall score

TDK Taiwan Corporation
Magnecomp Precision Technology Public Co., Ltd.
TDK Corporation Mikumagawa Plant
TDK-Micronas GmbH

■ Outstanding activities in a specific field

[Energy] TDK Korea Co., Ltd.
TDK Hungary Components Kft.
[Health/safety] TTDK Xiamen Co., Ltd.

Related links

[Initiatives for the Circular Economy](#)

[Health and Safety](#)

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Facilities with ISO14001 and ISO50001 Certification

(As of June 1st 2025)

ISO14001:2015

Facility	Country	Certificate Number	Certification Body
TDK Corporation The Safety, Environment, and Social Group of the Sustainability Promotion HQ Mikumagawa Factory Asama Techno Factory Kofu Factory Narita Factory Shizuoka Factory Inakura Factory (East site) Inakura Factory (West 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) Inakura Factory (West 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. Jiangmen Real Faith Pingzhou Electronics Co., Ltd.	P.R. China	00224E34326R4L-1 00224E34326R4L-2 00224E34326R4L-3	IQNET
SAE Magnetics (Dongguan) Limited	P.R. China	02123E11411R8L	CCCI
AFI Technologies (Chang An) Ltd.	P.R. China	02125E10003R7L	CCCI
SAE Components (ChangAn) Limited	P.R. China	02125E10003R7L-1	CCCI
SAE Technologies Development (Dongguan) Co., Ltd.	P.R. China	02123E11411R8L-1	CCCI
Ningde Amperex Technology Limited	P.R. China	CN09/31828.01	SGS
Dongguan Poweramp Technology Limited.	P.R. China	CN19/32001	SGS
Acrathon Precision Technologies (Dongguan) Co., Ltd.	P.R. China	02124E10605R5M	CCCI
TDK-Lambda (China) Electronics Co., Ltd.	P.R. China	02122E10703R5M	CCCI
TDK Taiwan Corp.	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 PCL. Magnecomp Precision Technology PCL (KCMA Plant)	Thailand	25884/G/0001/UK/En 25884/A/0003/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-Micronas GmbH	Germany	UG0268-2023	INTECHNICA
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
TDK Philippines Corporation	Philippines	50500402EMS:21	IQNET

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Sustainability | Environment | Goals and Achievements

Action Plan in TDK Environment, Health and Safety Action 2025* and FY March 2025 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, 2025

Tasks	FY March 2024				FY March 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	Deteriorated by 2.7% compared with the previous fiscal year	Not achieved	Improve CO ₂ emission intensity from energy use by 1.8% compared with the previous fiscal year	- Reduce CO₂ emissions by equivalent to 2.0% of the previous fiscal year - Set voluntary CO₂ emissions reduction targets based on the SBTi standards	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	Deteriorated by 1.5% compared with the previous fiscal year	Not achieved	Increase energy productivity by 2.8% compared with the previous fiscal year	- Reduce energy consumption by equivalent to 2.0% of the previous fiscal year by energy-saving activities - Calculate emission intensity target values based on energy consumption, and formulate and implement emissions reduction plans - Visualize detailed energy consumption in production - Develop production processes with higher energy productivity		-		
(1)-b Expand renewable energy usage	Implement efforts to achieve 50% renewable energy by 2025 (Scope 2)	Promote measures to achieve targets (Scope 2)	61.2% renewable energy achieved, compared with a target of 45% for FY March 2025	Achieved	Achieve a renewable energy adoption rate of 50%	- Explore potential sources for purchasing renewable energy - Promote measures to achieve area targets (Scope 2)		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 2.4% compared with the previous fiscal year	Achieved	Improve water withdrawal intensity by 1.5% of the previous fiscal year	- Improve water usage (water withdrawal) intensity by 1.5% of the previous fiscal year at each manufacturing site - Improve the recycling ratio of water - Review waste water measurement methods and implement impact assessment	3	Create reduction activities equivalent to 30% improvement of CO ₂ emissions	Improve CO ₂ emissions intensity from a lifecycle perspective by 50%	
(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	Deteriorated by 5.0% compared with the previous fiscal year	Not 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 - Reduce materials procurement costs - 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	Reduced global logistics CO ₂ emissions Logistics CO ₂ emission intensity deteriorated by 3.9% compared to the previous fiscal year	Not achieved	Promote reduction of environmental load through activity of Scope 3	- Promote the use of low environmental load materials (Category 1) - Promote efforts to reduce CO₂ emissions in logistics globally (Category 4) - Promote the circular economy throughout the organization - Promote measures to expand sales in the renewable energy market (Category 11)				
(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 29.0% 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 - Adjust the product contribution calculation guidelines - Set targets for CO₂ emissions reduction in absolute terms				
(6)Development and Expansion of Products and Solutions to Achieve a Net-Zero Society by 2050	- 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	Establish the criteria needed for evaluating products based on SDG Goals 7 and 13	Achieved	- Develop and expand sales of products and solutions that realize a net-zero society - Providing products and solutions that enable an efficient energy society through energy storage, conversion, and control	- Visualize products that contribute toward achievements of SDG Goals 7 and 13, using the criteria formulated in the previous year - Conducting SSRS dialogues with all BC/BG 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 the use of hazardous substances through voluntary substitution, responding to customers' requests, and enhancing the efficiency of resource utilization	Achieved	Reduce the impact of chemicals on 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	Number of trees planted outside the company: Over 900 Contributing to the local community by improving the school environment and supporting education at local elementary schools	Achieved	Preserve the environment and biodiversity	- Evaluate nature-related risks, impacts and dependencies, based on the Taskforce on Nature-related Financial Disclosures (TNFD) guidelines - Promote nature conservation activities - 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	FY March 2025			
	Objectives	Practical Activities	Achievements	Status
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	Zero significant labor accidents	Achieved

Tasks	FY March 2026	
	Objectives	Practical Activities
Working environment improvement	(10)-a • Achieve zero significant labor accidents*4 at manufacturing and R&D facilities • Achieve zero accidents involving fires at manufacturing and R&D facilities	Implement measures to eliminate or reduce potential sources of danger or harm in the workplace
	(10)-b • Implement due diligence throughout the supply chain in line with the RBA*5 Code of Conduct	Promote continuing improvement activities in line with the RBA Code of Conduct

*1 Scope No.: based on GHG Protocol

*2 SSRS: Sustainable Strategy Review Sheet

*3 BC/BG: Business Companies / Business Groups

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

*5 RBA: Responsible Business Alliance

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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, TDK aims 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 conducting an analysis and assessment of 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 TDK's 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 environment-related activities 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.

Environment-related activities are overseen by the officer in charge of Safety & Environment. The Safety & Environment Group holds the executive responsibility for implementing measures to address environmental 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 environmental initiatives. Matters deemed to have a significant impact on management are deliberated at management meetings, and when necessary, at the Board of Directors' meetings.

At TDK, importance is placed on linking remuneration with both short-term and medium- to long-term performance while continuously pursuing a competitive compensation system to attract and retain diverse and talented personnel. This approach encourages Directors to act toward improving corporate performance and stock price, thereby contributing to the sustainable enhancement of corporate value across the Group. For Corporate Officers and Directors who also serve as Corporate Officers, Performance Share Units (PSUs) are adopted as a form of performance-linked stock compensation granted after the performance period. The number of TDK shares and cash delivered is determined based on the achievement of performance targets set in the medium-term management plan. Among the PSU evaluation indicators, the CO₂ emissions reduction target from the medium-term management plan is included as a non-financial goal. The degree of achievement of performance targets shall vary from 0% to 100% depending on the degree of achievement of consolidated performance targets outlined in the medium-term management plan. The CO₂ target was selected to help address climate change and connect environmental value to business growth.

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Related link

[Remuneration for Directors and Audit & Supervisory Board Members](#)

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.

(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](#)
[Sustainable Procurement](#)
[Respect for Human Rights](#)

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 advancement 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: FY March 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.

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2.2 Evaluation of dependencies and impacts on natural capital

To understand the relationship between TDK's business activities and natural capital across its direct operations as well as its upstream and downstream value chains, we evaluated dependencies and impacts for each business sector. Heat maps of dependencies and impacts are shown in Figures 1 and 2, respectively.

As a manufacturer in the electronic components sector, TDK shows a moderate dependency on water supply and regulation services in its direct operations while having a high impact in areas such as climate change, water use, and pollution. Infrastructure, such as factories, is associated with a high impact from land-use changes, which may negatively affect ecosystems depending on the location.

In the upstream value chain, especially in raw material procurement, there is a tendency toward very high impacts on land use, climate change, water use, soil contamination, and water pollution. As the value chain moves further upstream, the interface with nature increases, resulting in greater dependencies and impacts. Some raw materials handled by TDK fall under the High Impact Commodity List (HICL) identified by the Science Based Targets for Nature (SBTs for Nature) framework, which designates commodities with significant environmental impact. These include copper, nickel, lithium, gold, silver, and platinum. Raw materials containing these minerals are considered to have particularly high impacts on natural capital.

Value chain	Business activity processes	Dependence on nature											
		Provisioning services				Regulating services							
		Freshwater	Biomass	Genetic resources	Other resources	Pollutant purification	Air purification	Water purification	Noise attenuation	Flow regulation	Climate regulation	Flood and storm protection	Soil and sediment retention
Development and design	Product design and development	-	-	-	-	-	VL	-	VL	-	-	VL	-
Raw material procurement	Natural resource extraction	M	-	-	-	-	-	-	-	M	M	-	L
Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	L	-	-	-	-	L	-	L	-	-	-	L
	Production of electronic devices, components, and hardware	M	-	-	-	L	-	L	M	M	-	M	VL
Sales	Transport and sales	-	-	-	-	-	-	-	-	-	L	-	VL
Use	Product use	M	-	-	-	-	-	VL	-	-	L	-	-

Figure 1: Heat map (dependence)

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Value chain	Business activity processes	Impacts on nature											
		Land, freshwater, and marine use change			Climate change	Resource use/restoration		Pollution/remediation					Invasive alien species
		Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Water use	Use of other resources	Solid waste	Non-GHG air pollution	Soil contamination	Water pollution	Disturbance	Introduction of invasive species
Development and design	Product design and development	VL	-	-	VL	VL	VL	VL	VL	VL	VL	VL	-
Raw material procurement	Natural resource extraction	H	M	-	H	H	H	M	M	M	M	M	L
Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	VH	-	-	-	L	-	-	-	M	M	-	-
	Production of electronic devices, components, and hardware	-	-	-	H	H	-	H	M	H	H	M	-
Sales	Transport and sales	-	-	-	VL	VL	-	VL	VL	VL	VL	-	-
Use	Product use	-	-	-	M	L	-	M	-	-	L	-	-

Figure 2: Heat map (impact)

Related links

[Resources – Science Based Targets Network \(Link to external site\)](#)

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

For 74 of TDK's direct business sites, we assessed spatial risk information for nature-related items using the WWF Risk Filter Tools (Biodiversity Risk Filter/Water Risk Filter). Based on the previously presented heat maps of dependence and impact, we evaluated 34 items—including water, ecosystems, pollution, and land use change—by compiling risk scores for each site and conducting site-level reassessments. Of the 34 items, 13 were deemed irrelevant, 11 had risk assessment scores ranging from Low to Middle, and 10 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, items such as water (water scarcity, water quality) and climate change (landslides, extreme heat, tropical cyclones) were identified at multiple sites. Several sites were found to be affected by risks related to biodiversity, such as protected areas, conservation areas, and key biodiversity areas. Based on these analyses, we identified key nature-related issues and evaluated TDK's risks and opportunities.

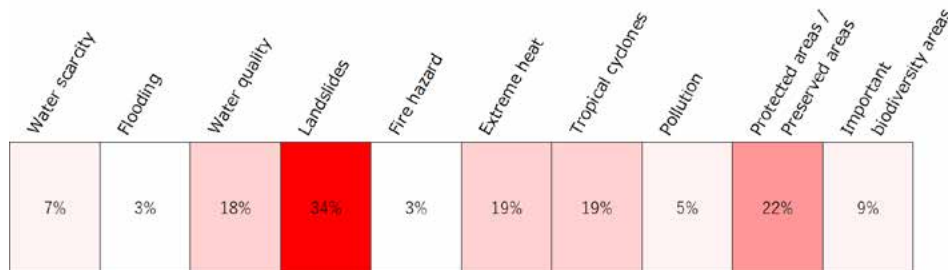


Figure 3: Proportion of TDK Business Locations with Potentially High Nature-Related Risks

2.4 Risks and opportunities (TCFD/TNFD)

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

(Physical risks)

Regarding climate change, we have identified increased business risks due to the intensification of wind and water-related disasters, as well as a rise in landslides and flooding. The financial impact is estimated to be 4.9 billion yen.

As a risk related to both climate change and natural capital, the decline in water resource availability has been identified. TDK conducted scenario-based analysis for all production sites using water risk analysis tools to identify regions with high water risk. Based on the findings, each site implements countermeasures tailored to its physical risks, promotes BCP (Business Continuity Planning) measures, and strengthens its BCM (Business Continuity Management) systems. For soil and water pollution risks, TDK is taking measures such as reduction, reuse and recycling, and advanced wastewater treatment. 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.

(Transition risks)

Regarding climate change, under the 1.5°C scenario where decarbonization policies result in stricter regulations across various countries, we recognize transition risks such as the introduction of carbon pricing and a potential increase in the cost of 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.

As for natural capital, transition risks include the strengthening of regulations on emissions and recycling obligations, conservation of water sources, tightening of laws and ordinances related to protected areas and land use change, rising raw material procurement costs, and a potential decline in ESG external evaluations. We will continue to manage these risks appropriately through our environmental management system while closely monitoring external developments.

(Opportunities)

TDK recognizes the expansion of products for the renewable energy market and environmentally conscious products as business opportunities. In particular, the accelerating adoption of electric vehicles and other low-carbon automobiles is expected to drive growth in sales of sensor application products for the automotive market. The financial impact of this opportunity is estimated at 197 billion yen, with an anticipated investment of 35 billion yen to realize its potential.

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Table 1: Risks and opportunities

Risks

Classification					Occurrence*	Main countermeasures
Risks	Physical	Acute	Intensification of wind and water-related disasters, increased landslide and flooding risks	Climate change Nature capital	Short / Long Term	Implementation of site-specific flood countermeasures, BCP measures, and establishment of BCM systems
		Chronic	Decline in water resource availability	Climate change Nature capital	Short / Long Term	Reduction of water consumption
			Soil contamination caused by emissions	Nature capital	Short / Long Term	Prevention, reduction, reuse, and recycling of emissions
			Water pollution	Nature capital	Medium / Long Term	Advancement of wastewater treatment
	Transition	Policy	Strengthening of climate change measures: carbon pricing / national carbon reduction targets	Climate change	Medium / Long Term	Expansion of renewable energy use toward achieving net zero CO ₂ emissions by 2050
			Strengthening of regulations on emissions and mandatory recycling	Nature capital	Medium / Long Term	Strengthening of emissions management
			Strengthening of regulations and ordinances on water source conservation, water intake, pollution, protected areas, and land use change	Nature capital	Medium / Long Term	Strengthening of water risk management
		Market	Rising cost of renewable energy	Climate change	Medium / Long Term	Improvement of energy efficiency at manufacturing sites
			Increased raw material procurement costs	Nature capital	Medium / Long Term	Monitoring of raw material price trends, implementation of risk hedging at procurement, and execution of long-term supply contracts
			Growing customer demand for environmentally conscious products and services	Climate change Nature capital	Medium / Long Term	Use of sustainable raw materials
		Reputation	Friction with surrounding communities, reputational damage, and decline in external ESG evaluations	Climate change Nature capital	Medium / Long Term	Appropriate disclosure of environmental data

*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.

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Opportunities

Classification					Occurrence*	Main countermeasures
Opportunities	Businesses	Resource efficiency	Manufacturing of low-CO ₂ products through the use of renewable energy	Climate change	Medium / Long Term	Expansion of low-CO ₂ products through process improvement
			Reduction in the use of natural resources	Nature capital	Medium / Long Term	Reduction of raw material usage through product miniaturization
			Reduction of environmental impact through the use of recycled materials	Nature capital	Medium / Long Term	Use of sustainable raw materials
			Reduction of water use and mitigation of water risk through recycling	Nature capital	Medium / Long Term	Introduction of systems to improve water use efficiency
	Nature	Products and services	Provision of products and services for decarbonized markets	Climate change	Medium / Long Term	Expansion of product offerings for the renewable energy market
			Reduction of environmental impact through the collection and resource recovery of used products	Nature capital	Medium / Long Term	Sustainable battery manufacturing processes
		Market	Customer preference for products aligned with decarbonization and nature-positive goals	Climate change Nature capital	Medium / Long Term	Development of technologies such as all-solid-state batteries and water-related businesses
		Reputation	Enhancement of brand image through disclosure of environmental policies	Climate change Nature capital	Short / Long Term	Formulation of renewable energy implementation plans Updating of environmental vision and setting/disclosure of long-term goals in line with sustainability trends
		Sustainable use of natural resources	Reduction in the use of virgin raw materials with high environmental impact	Nature capital	Medium / Long Term	Conservation of natural resources through the use of sustainable raw materials
			Sustainable water use through water consumption reduction, water source conservation, and groundwater recharge	Nature capital	Medium / Long Term	Promotion of water-positive initiatives around business sites
		Protection, restoration, and regeneration of ecosystems	Biodiversity conservation, restoration, and creation initiatives in regions surrounding business sites	Nature capital	Medium / Long Term	Ecosystem restoration through reforestation and related activities

*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.

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Related links

[Environmental Management System](#)

[Addressing Biodiversity](#)

[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).

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 environment-related risks, and if these are assessed as significant through business risk analysis and evaluation, they are treated as management targets.

The Safety & Environment Group, which leads the TDK Group's environmental activities, identifies risks and opportunities related to environmental items 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.

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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.

Related link

[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. We obtained SBT certification for our Near Term target in June 2024 and for our Net Zero target in February 2025.

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 FY March 2015 (Scope 1, 2, 3)
	Improve CO ₂ emissions intensity by 30% by 2025, compared with FY March 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 FY March 2025

FY March 2025 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	Deteriorated by 2.7% compared with the previous fiscal year
Improve energy consumption intensity by 1.0% of the previous fiscal year	Deteriorated by 1.5% compared with the previous fiscal year
Implement efforts to achieve 50% renewable energy by 2025 (Scope 2)	61.2% renewable energy achieved, compared with a target of 45% for FY March 2025
Reduction of CO ₂ emissions through Scope 3 category-specific initiatives	
Promote reduction of environmental load through activity of Scope 3	Reduced logistics CO ₂ emissions Logistics CO ₂ emissions intensity deteriorated by 3.9% compared to the previous fiscal year

GHG emissions (kt-CO ₂)	FY March 2025
Total emissions	21,955
Scope 1	134
Scope 2	756
Scope 3	21,064

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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.

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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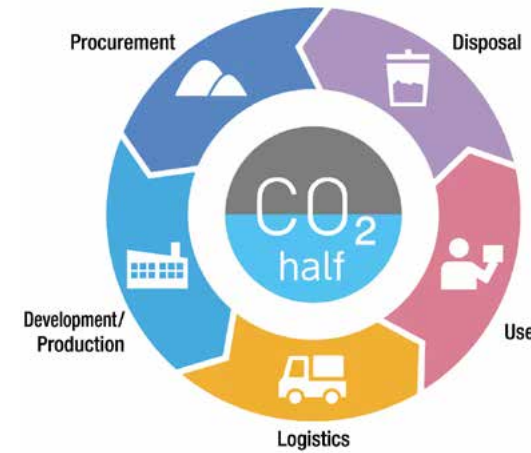
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Our Approach

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 Head Office Safety & Environment Function 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 FY March 2031 compared to FY March 2022 (the base year). In FY March 2025, we implemented emission reduction measures with two key suppliers, achieving an annual reduction of approximately 38 tons of CO₂. 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 FY March 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. From FY March 2025, we expanded the scope to include both domestic and overseas suppliers, recognizing a total of four suppliers: two in Japan, one in the Greater China region, and one in Asia.

Furthermore, we continue to strengthen supplier engagement by holding webinars for production material suppliers in Japan and overseas.



Supplier Environmental Award Trophy for FY March 2025

• 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 steam and compressed air heat) <production>



We have begun operating a steam-driven air compressor utilizing recovered compression heat at our Honjo Factory East Site. This system allows for the generation of compressed air without electricity by using the pressure reduction energy from steam, which had previously not been utilized.

In addition, the heat generated during air compression—previously discarded—is recovered and used to preheat boiler feedwater, thereby enabling maximum utilization of unused energy within the system.

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The CO₂ reduction effect compared to a conventional air compressor system is estimated at 11%.

Going forward, we will also be considering the introduction of this system at other TDK factories in Japan, thereby actively contributing to the realization of a sustainable society by expediting the pace of our energy-saving initiatives.



Steam-driven air compressor

Used to preheat steam boiler feedwater

- 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 FY March 2025, the contribution to CO₂ reduction through our products increased by 35.2% compared to the previous fiscal year, reaching 7.038 million tons. Additionally, in terms of intensity, there was a 29.0% improvement compared to the previous fiscal year, significantly exceeding our target. In FY March 2025, 77.5% 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
- Enhanced loading efficiency to reduce the need for truck rental

- Enhanced loading efficiency to reduce the need for truck rental



As part of TDK's CO₂ reduction measures in relation to logistics, we are promoting activities to reduce the use of rented trucks for transportation between our business locations and for transportation to airports, etc. (for export). Through close collaboration between our various divisions and our logistics departments, we are making operations more efficient to reduce the number of trucks needed. Eliminating unnecessary truck movements also reduces CO₂ emissions in logistics. Through this initiative, we have realized a reduction in CO₂ emissions equivalent to approximately 7.7 tons of CO₂ per month.

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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 (reuse of PC) <disposal>



As part of our circular economy activities, TDK Technical Center (Ichikawa City, Chiba Prefecture) began reusing previously discarded PCs in FY March 2025. A PC reuse scheme has been established-covering the processes of receiving, unpacking and inspection, data erasure, sorting, and refurbishment-thereby promoting the reduction of environmental loads. The CO₂ reduction achieved in FY March 2025 was approximately 4.6 kg.

Response to TCFD

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

Governance

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

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	• Promotion of the effective use of energy, expanded use of renewable energy, etc. at manufacturing sites toward the realization of net-zero CO ₂ emissions in 2050
	Increase of energy costs due to rise in renewable energy ratio	Risk and opportunity	Medium/Long Term	• Promotion of the effective use of energy at manufacturing sites toward the realization of net-zero CO ₂ emissions in 2050 • Promotion of the development of products for renewable energy, etc.
	Increase in price of cobalt and lithium	Risk	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.
	Increase of new business chances due to expansion of EV market	Opportunity	Medium/Long Term	• Promotion of product development with an eye on EV market expansion
	Development of next-generation battery materials	Risk and opportunity	Long Term	• Promotion of the development of all-solid-state batteries
	Increase of customer demands regarding RE100	Risk and opportunity	Short/Long Term	• 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	• 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.

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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 FY March 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 FY March 2015 (Scope 1, 2, 3)
Action Plan in TDK Environment, Health and Safety Action 2025	- Improve CO₂ emissions intensity by 30% by 2025, compared with FY March 2015 (Scope 1, 2, 3) - Achieve renewable energy target of 50% by 2025 (Scope 2)

Goals and Achievements in FY March 2025

FY March 2025 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	2.7% deterioration compared to the previous fiscal year
Improve energy consumption intensity by 1.0% of the previous fiscal year	1.5% deterioration compared to the previous fiscal year
Installation rate of renewable energy electricity in FY March 2026 : 50% (Scope 2)	In FY March 2025, 61.2% was implemented against the target of 45%
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 emissions intensity deteriorated by 3.9% compared to the previous year

Evaluations and Future Activities

Reduction of CO₂ emissions at manufacturing sites

In FY March 2025, although we proceeded with the adoption of renewable energy, manufacturing sites' CO₂ emissions rose by 7.6% from the previous year to 890,000 tons due to increased energy use. Going forward, we will promote reduction efforts rooted in manufacturing activities across the entire Group based on a policy, as advocated in TDK's key issues (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 FY March 2025, TDK continued logistics CO₂ reduction activities at overseas sites and has been advancing the development of 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 FY March 2025 amounted to 7.038 million tons, up 35.2% over the previous fiscal year. The intensity improved by 29.0% 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.

FY March 2026 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 FY March 2026: 50% (Scope 2)
Reduce CO ₂ emissions from a life cycle perspective
Promote reduction of environmental load through activity of Scope 3

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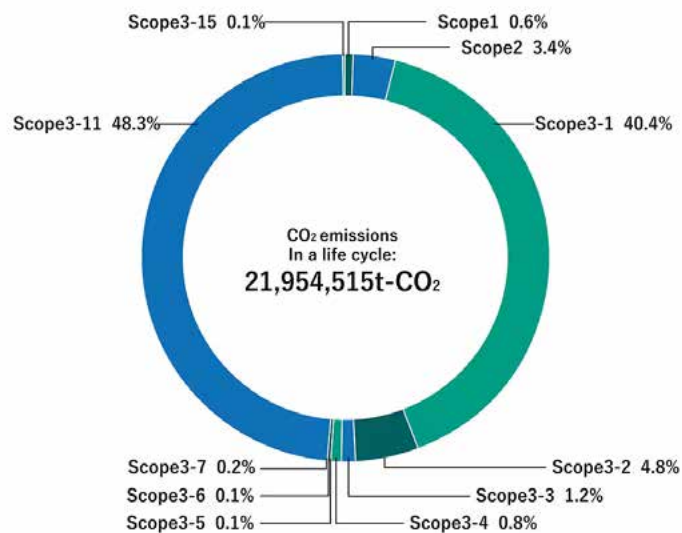
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Related link

[Goals and Achievements](#)

Breakdown of Environmental Impact (CO₂ Emissions)



GHG emissions (kt-CO ₂)	FY March 2025
Total emissions	21,955
Scope 1	134
Scope 2	756
Scope 3	21,064

CO₂ Emissions by Category and Scope

Scope		Outline	CO ₂ emission
	(Category)		(t-CO ₂)
Scope 1		Production	134,174
Scope 2		Production	755,955
Scope 3		Total	21,064,386
	1	Purchased goods & services	8,861,632
	2	Capital goods	1,050,312
	3	Fuel- and energy-related activities	273,203
	4	Upstream transportation & distribution	181,231
	5	Waste generated in operations	16,892
	6	Business travel	13,717
	7	Employee commuting	43,980
	8	Upstream leased assets	Not applicable
	9	Downstream transportation & distribution	Not applicable
	10	Processing of sold products	Not applicable
	11	Use of sold products	10,601,985
	12	End-of-life treatment of sold products	Not applicable
	13	Downstream leased assets	Not applicable
	14	Franchises	Not applicable
	15	Investment	21,434
Scope1+2+3			21,954,515

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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 (26 sites in Japan + 53 sites overseas, 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 (26 sites in Japan + 53 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. 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 (26 sites in Japan + 53 sites overseas, 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 years prior to FY March 2023, the amount of activity is calculated by multiplying the purchase value by the emissions intensity.

	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 IDEA, or transportation cost See intensity.
	Category 5	Waste generated from operations	Manufacturing sites and main offices (26 sites in Japan + 53 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 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 years prior to FY March 2023, the amount of activity is calculated by multiplying cost of waste disposal by the emissions intensity.
	Category 6	Business trip	TDK consolidated targets	Based on the GHG Protocol, figures are calculated by multiplying the number of employees by the emissions intensity per employee. For emissions intensity, refer to the emission intensity database for calculating GHG emissions of organizations through their supply chains. For years prior to FY March 2024, the amount of activity is calculated by multiplying business trip costs by the emissions intensity.
	Category 7	Employee commuting	TDK consolidated targets	Based on the GHG Protocol, figures are calculated by multiplying the number of employees by the emissions intensity per employee. For emissions intensity, refer to the emission intensity database for calculating GHG emissions of organizations through their supply chains. For years prior to FY March 2024, the amount of activity is calculated by multiplying commuting costs by the emissions intensity according to the means of transportation.
	Category 8	Leased assets (Upstream)		Use of leased equipment is reported as Scope 1 and 2 emissions.

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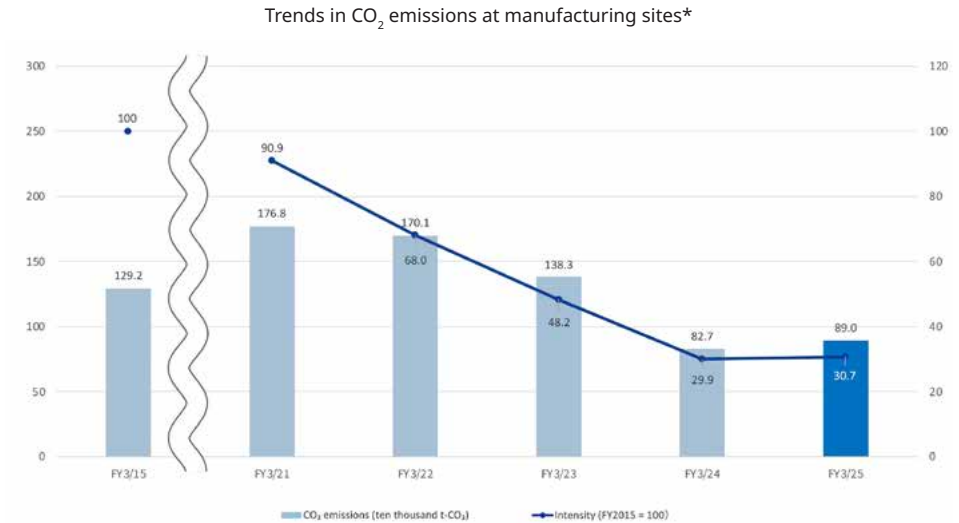
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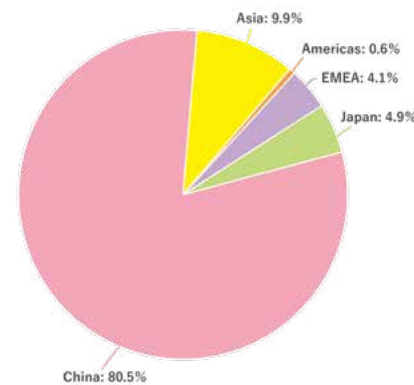
	Category 9	Transportation and distribution (Downstream)		Not applicable as TDK is an electronic component manufacturer.
	Category 10	Processing of sold products		Not applicable because the emissions associated with the processing of TDK products by our customers are small and diverse, making the estimate unreasonable.
	Category 11	Use of products sold	TDK major product lines	Based on the GHG Protocol, the 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 TDK 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	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

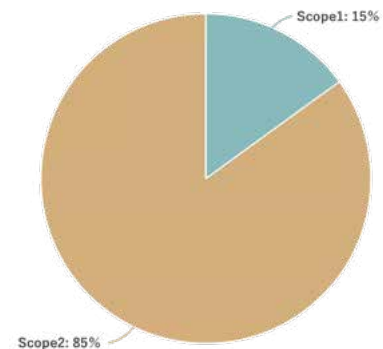


*The measurement and calculation methods, as well as the numerical results for FY March 2020 and beyond, have been verified by a third-party.

FY March 2025 emissions by region
(TDK Group total emissions)



FY March 2025 emissions by scope
(TDK Group total emissions)



* Scope 1: Direct emissions of CO₂ deriving from energy use in corporate activities, such as the burning of fuel in factories, etc. The emissions coefficient used is based on Japan's Act on Promotion of Global Warming Countermeasures; the calculation method was determined with reference to the Act.

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* Scope 2: Indirect emissions of CO₂ associated with energy use in corporate activities, such as the use of electric power. The market-based method outlined by the GHG Protocol was used to calculate emissions. For Japan, the adjusted emissions coefficients of the individual electric power companies were used, based on Japan's Act on Promotion of Global Warming Countermeasures. For countries and regions other than Japan, the emissions intensity of the individual power companies, or the latest available emissions intensity for each region, was used; in cases where this information was difficult to obtain, the emissions intensity noted in the IEA Emissions Factors was used.

The disclosed figures are certified through third-party verification.

Trends in total energy use and intensity

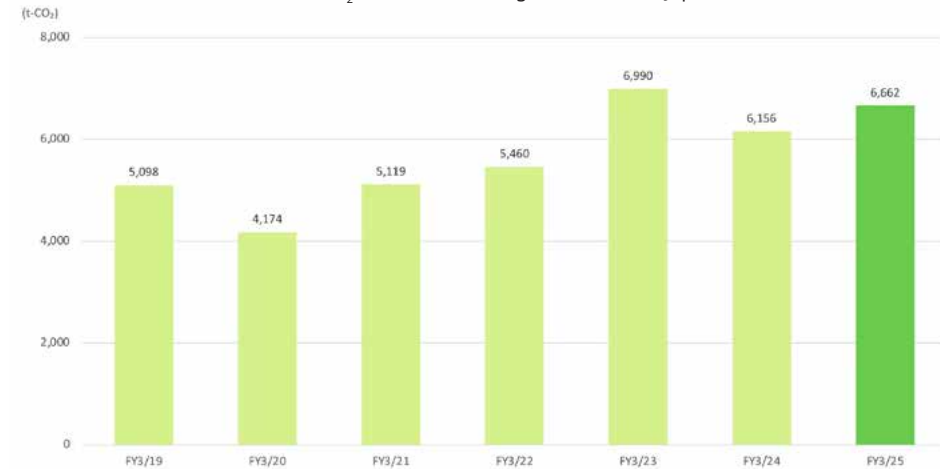


Renewable energy electricity installation ratio



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.

Trends in CO₂ emission reductions by product*



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* The calculation method was reviewed by a third party.

* The product contributions have been calculated based on internal guidelines compliant with “TR62716 Guidance on Quantifying Greenhouse Gas Emission Reductions from the Baseline for Electrical and Electronic Products and Systems” formulated by the International Electrotechnical Commission (IEC); and the “Guidance on Calculating GHG Emission Reductions Contribution of Electronic Components” (Version 2) formulated by the Japan Electronics and Information Technology Industries Association (JEITA)

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.

Starting from FY March 2025, TDK Thailand has been using renewable energy generated by solar panels installed on its factory roofs, under a long-term power purchase agreement (PPA). In this way, TDK Thailand has been able to generate 19% of all electric power used in the factory from within its own site.

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



*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, 2025)

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 Factory, 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)
- 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 8

- SAE Components (ChangAn) Ltd.(Dongguan, China)
- TDK-Lambda (China) Electronics Co., Ltd. (Wuxi, China)
- TDK (Zhuhai FTZ) Co., Ltd. (Zhuhai)
- TDK (Zhuhai) Co., Ltd. (Hongqi)
- TDK (Xiamen) Electronics Co., Ltd. (Xiamen, China)
- TDK (Xiaogan) Co., Ltd. (Xiaogan, China)
- TDK Dalian Corporation (Dalian, China)
- TDK (Suzhou) Co., Ltd.

Asia 8

- 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)
- TDK (Thailand) Co., Ltd. (Rojana, Thailand)
- Magnecomp Precision Technology Public Co., Ltd. KCMA plant (Wangnoi, Thailand)
- TDK Electronics (Malaysia) SDN. BHD. (Johore, Malaysia)
- TDK Philippines Corporation (Laguna, Philippines)
- PT TDK ELECTRONICS INDONESIA (Batam, Indonesia)

Americas 3

- TDK-Lambda Americas Inc. Neptune Office (NJ, USA)
- Headway Technologies, Inc. (CA, USA)
- TDK Electronics do Brasil Ltda. (Gravataí, Brazil)

Europe, Middle East, Africa 13

- 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)

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- 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 Electronics s.r.o. (Sumperk, Czech Rep.)
- 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 Dongguan Technology Co., Ltd.
- Guangdong TDK Rising Rare Earth High Technology (Meizhou, China)
- Magnecomp Precision Technology Public Co., Ltd. (Wangnoi, Thailand)
- TDK India Private Limited (Nashik, India)

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 61.2%. (As of March 31st 2025)

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 implementing energy productivity (EP) activities aimed at improving the efficiency of energy resources from the standpoint of production technology, thereby reducing energy consumption.

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 team members (employees) through awareness-raising and environmental education programs.

Energy Productivity (EP) Activities

TDK has long promoted energy-saving initiatives, but given the Company's current stage of growth, there are limits to how much total energy consumption can be reduced. In response, we are shifting from a primary focus on energy saving to a broader approach that emphasizes the effective use of energy—namely, improving energy productivity.

Energy productivity, defined as revenue divided by energy consumption, is a new guiding principle that TDK is adopting with the goal of doubling energy productivity over 25 years from 2020 to 2045. Through EP activities—our central approach—we aim to address climate change risks. EP activities represent an ongoing initiative that incorporates an energy perspective into the quality improvement and productivity enhancement efforts that have always been fundamental to TDK's manufacturing. Through EP activities, we will both strengthen our manufacturing capabilities and accelerate CO₂ reduction. TDK is committed to achieving both further corporate growth and meaningful contributions to a sustainable society through the promotion of EP activities.

Holding the Supplier Sustainability Summit

Related link

[Sustainable Procurement](#)

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 issuing a public statement to distance ourselves or withdrawing from the organization.

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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.

[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), an organization that certifies total greenhouse gas emission reduction targets scientifically aligned with the goals set by the Paris Agreement.

Related link

[TDK achieves verification of net-zero targets by the Science Based Targets initiative \(SBTi\)](#)



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 Group Business Partner 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:

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- (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

Risks and opportunities

The Head Office Safety & Environment Function 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

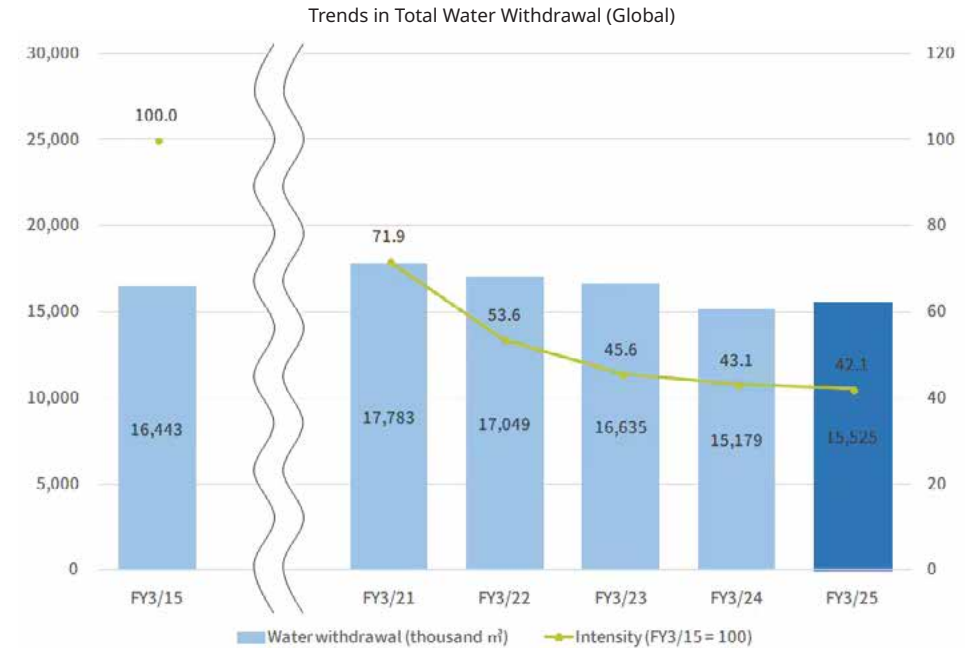
After grasping issues regarding water-resource initiatives in the scientific, regulatory, and social fields that are occurring or may occur around the world and, centering on the Head Office Safety & Environment Function, sorting out the risks and opportunities, we aim to make improvements by addressing 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

Goals and Achievements in FY March 2025

FY March 2025 Goal	Achievements
Improve water withdrawal intensity by 1.5% compared with the previous fiscal year	Improved by 2.4% compared with the previous fiscal year



Evaluations and Future Activities

TDK sets numerical targets for water withdrawal. In FY March 2025, TDK's total water withdrawal amounted to 15,525,000m³, which was up 2.3% from the previous fiscal year. In addition, intensity improved by 2.4% 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 Aqueduct,² 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 36,000m³ in FY March 2025 (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).

FY March 2026 Goals
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 team members (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 Head Office Safety & Environment Function, 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 key issue (materiality) that TDK will address to achieve this long-term vision is “implementing solutions to social and environmental issues.” Going forward, the Head Office Safety & Environment Function 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 FY March 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 by enhancing resource efficiency throughout product life cycles, advancing the reduction of resource use and the conversion of waste into resources. 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

TDK's Board of Directors receives quarterly reports on the execution of environmental activities 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 role

At the management meetings, reports are received from the executive departments on the status of goal achievement and risks.

Environmental activities are overseen by the officer in charge of Safety & Environment. The Safety & Environment Group holds the executive responsibility for implementing measures to address environmental 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 environmental initiatives. Matters deemed to have a significant impact on management are deliberated at management meetings, and when necessary, at the Board of Directors' meetings.

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 capital, including 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.

Dependence and Impact

In order to understand the relationship between business activities and natural capital through direct operations and upstream and downstream value chains, TDK evaluated the dependence and impact of each business sector. Figures 1 and 2 show the dependence on and impact of natural capital in heat maps. (This is not an analysis of TDK's specific dependence and impact.)

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Value chain	Business activity processes	Dependence on nature											
		Provisioning services				Regulating services							
		Freshwater	Biomass	Genetic resources	Other resources	Pollutant purification	Air purification	Water purification	Noise attenuation	Flow regulation	Climate regulation	Flood and storm protection	Soil and sediment retention
Development and design	Product design and development	-	-	-	-	-	VL	-	VL	-	-	VL	-
Raw material procurement	Natural resource extraction	M	-	-	-	-	-	-	-	M	M	-	L
Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	L	-	-	-	-	L	-	L	-	-	-	L
	Production of electronic devices, components, and hardware	M	-	-	-	L	-	L	M	M	-	M	VL
Sales	Transport and sales	-	-	-	-	-	-	-	-	-	L	-	VL
Use	Product use	M	-	-	-	-	-	VL	-	-	L	-	-

Figure 1: Heat map (dependence)

Value chain	Business activity processes	Impacts on nature											
		Land, freshwater, and marine use change			Climate change	Resource use/restoration		Pollution/remediation					Invasive alien species
		Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Water use	Use of other resources	Solid waste	Non-GHG air pollution	Soil contamination	Water pollution	Disturbance	Introduction of invasive species
Development and design	Product design and development	VL	-	-	VL	VL	VL	VL	VL	VL	VL	VL	-
Raw material procurement	Natural resource extraction	H	M	-	H	H	H	M	M	M	M	M	L
Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	VH	-	-	-	L	-	-	-	M	M	-	-
	Production of electronic devices, components, and hardware	-	-	-	H	H	-	H	M	H	H	M	-
Sales	Transport and sales	-	-	-	VL	VL	-	VL	VL	VL	VL	-	-
Use	Product use	-	-	-	M	L	-	M	-	-	L	-	-

Figure 2: Heat map (impact)

As an electronic components manufacturer, TDK's direct operations are suggested to have a high impact in areas such as solid waste and soil contamination, etc. Further upstream in the value chain, there tends to be a high impact on land use, waste, soil contamination, and water pollution in processes such as resource extraction, raw material production, and electricity procurement. The further upstream in the value chain, the more direct the interaction with nature becomes, and accordingly, the greater the impact.

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Risks and Opportunities

Risks and opportunities related to resources are shown in Table 1.

Physical risks include potential soil and water pollution caused by emissions from factory operations. Transition risks include tighter regulations on emissions, rising waste management costs, and the potential decline in external ESG evaluations. Countermeasures include reducing emissions, promoting reuse and recycling, and disclosing environmental data appropriately. In response to regulations on critical raw materials and risks associated with customer demands or obligations to adopt low-impact materials, opportunities include the use of sustainable raw materials such as recycled metals and biomass.

Opportunities also include the use of raw materials that do not rely on natural resources, product miniaturization, and sustainable product design.

Classification					Occurrence*	Main countermeasures
Risks	Physical	Chronic	Soil contamination and water pollution	Emissions	Short / Long Term	Prevention, reduction, reuse, and recycling of emissions
	Transition	Policy	Strengthening of regulations on emissions and mandatory recycling	Emissions	Medium / Long Term	Strengthening of emissions management
			Regulations on important raw materials / Mandatory use of raw materials with low environmental impact	Raw materials	Medium / Long Term	Use of sustainable raw materials
		Market	Increased waste management costs	Emissions	Short / Long Term	Strengthening of waste management
			Increased raw material procurement costs / Growing customer demand for environmentally conscious products and services	Raw materials	Medium / Long Term	Use of sustainable raw materials
		Reputation	Friction with surrounding communities, reputational damage, and decline in external ESG evaluations	Emissions	Short / Long Term	Appropriate disclosure of environmental data
Opportunities	Businesses	Resource efficiency	Reduction in the use of natural resources	Raw materials	Medium / Long Term	Reduction of raw material usage through product miniaturization
			Reduction of environmental impact through the use of recycled materials	Raw materials	Medium / Long Term	Use of sustainable raw materials
		Products and services	Providing products and services that reduce environmental impact	Raw materials Emissions	Medium / Long Term	Sustainable product design
		Reputation	Enhancement of brand image through disclosure of environmental policies	Emissions	Short / Long Term	Updating of environmental vision and setting / Disclosure of long-term goals in line with sustainability trends
	Nature	Sustainable use of natural resources	Reduction in the use of virgin raw materials with high environmental impact	Raw materials	Medium / Long Term	Conservation of natural resources through the use of sustainable raw materials

Table 1: Risks and opportunities related to resources

*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.

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Risk Management

Process for identifying and evaluating environmental dependencies, impacts, risks, and opportunities

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 Head Office Safety & 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.

The identification and evaluation of environmental dependencies, impacts, risks, and opportunities were conducted using the Relationship Map between the Electrical and Electronics Industry and Biodiversity, ver. 3.0. This tool is aligned with the LEAP approach recommended by the TNFD and is designed to extract material items related to “dependence and impact,” “risks and opportunities,” and “business actions” across the product lifecycle. In addition, ENCORE was used to support the evaluation of dependencies and impacts by industry sector.

Related Information

[Relationship Map between the Electrical and Electronics Industry and Biodiversity, Ver. 3.0 \(Link to external site, in Japanese\)](#)

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

Environmental Risk Management Process

At TDK, the Enterprise Risk Management (ERM) Committee, chaired by a corporate officer appointed by the President and CEO, carries 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 environment-related risks, which are treated as management targets if deemed significant through business risk analysis and evaluation. The Safety & Environment Group, which leads the promotion of environmental activities across the TDK Group, is responsible for identifying environmental risks and opportunities, implementing countermeasures, and conducting monitoring.

Company-Wide Risk Management Process

Risk management framework

TDK implements Enterprise Risk Management (ERM) activities across the organization to appropriately manage and proactively address factors (risks) that may hinder the achievement of organizational goals—as part of its pursuit of sustainable growth. To formulate and implement ERM-related measures and strengthen risk management activities, TDK has established the ERM Committee, chaired by an corporate officer appointed by the President and CEO.

The ERM Committee conducts analysis and evaluation of company-wide risks, identifies those requiring countermeasures, and assigns a risk owner department, implementing department, and relevant departments for each risk to ensure appropriate management. The risk owner department is responsible for establishing minimum requirements and rules for the risk management framework, compiling risk assessment results and reporting. The implementing department is responsible for building the necessary systems for managing the assigned risks, planning and executing specific countermeasures, and monitoring progress.

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The results of risk analysis and evaluation by the ERM Committee, along with the status of countermeasures for significant risks, are deliberated by the Executive Committee and reported to the Board of Directors.

Implementation of countermeasures

The ERM Committee communicates the countermeasures for each risk to the respective risk owner departments, implementing departments, and related departments. The implementing departments work closely with related departments to implement or instruct the necessary measures for the risks assigned to each TDK Group company. Based on instructions from the implementing departments, each TDK Group company carries out countermeasures for each risk accordingly.

Monitoring and improvement

The implementing departments regularly monitor the status of countermeasure implementation for the risks under their responsibility and verify whether those risks are being adequately controlled. The risk owner departments, in turn, verify whether the implementing departments are appropriately monitoring the implementation status.

Based on the monitoring results compiled by the implementing departments, the ERM Committee may issue recommendations for improvement to the risk owner departments or implementing departments if deemed necessary.

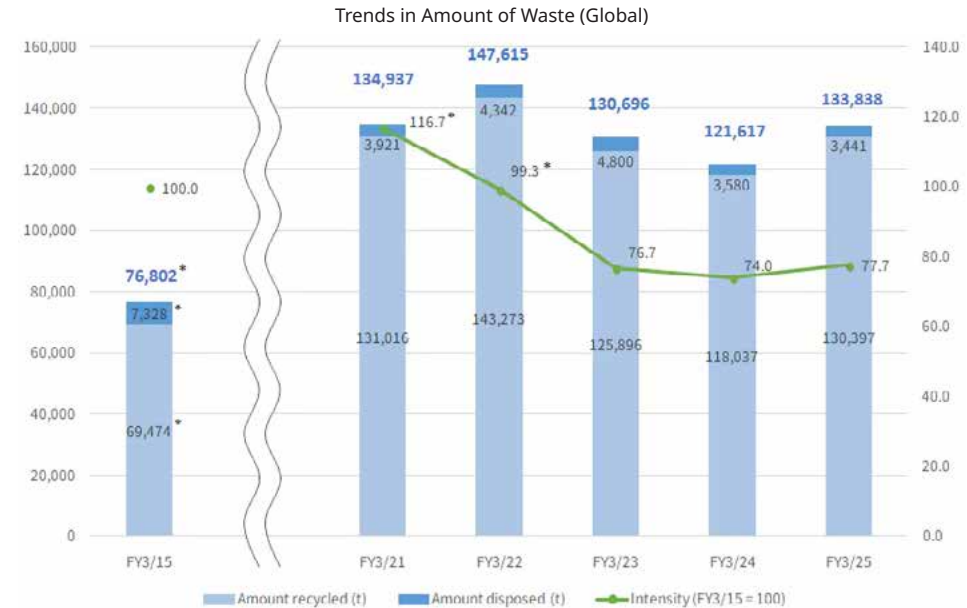
Related Information

[Risk Management](#)

Metrics and Targets

Goals and Achievements in FY March 2025

FY March 2025 Goal	Achievements
Improve waste intensity by 1.5% compared with the previous fiscal year	Deteriorated by 5.0% compared with the previous fiscal year



Evaluations and Future Activities

In FY March 2025, despite efforts to optimize the amount of resources inputted to match the production items and despite promoting waste reduction activities, the total amount of waste generated increased by 10.0% year-on-year to 133,838 tons. Waste generation intensity deteriorated by 5.0% compared to the previous fiscal year, so we did not meet our target in this respect. Going forward, we will be proceeding with thorough-going efforts to improve production processes, and we will be striving to bring waste generation under control by both making resource inputs more efficient and improving yield rates.

FY March 2026 Goal
Improve waste intensity by 1.5% compared with the previous fiscal year

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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 awareness among team members (employees) regarding the effective use of resources and waste reduction 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.

Introduction of workwear made from recycled in-house waste film in Japan starting June 2025

At TDK, efforts are underway to reuse waste film generated during the manufacturing process of multilayer ceramic capacitors. As part of a broader circular initiative, starting in April 2023, TDK began reusing this waste film in newly redesigned workwear in Japan—specifically in the production of summer jackets. This initiative was made possible through a collaboration between TDK, Toray Industries, Inc., and Onward Corporate Design Co., Ltd.

To support this effort, TDK developed and installed its own slitter machine to remove ceramic residue from the surface of the waste film, establishing a recycling system capable of collecting films suitable for reuse. Toray contributed with mechanical recycling technology that removes surface impurities from the film and oversees an integrated supply chain from recycling to spinning and textile production (fabric), achieving consistent quality control and high traceability. Onward Corporate Design then used the recycled yarn and fabric produced by Toray to manufacture the workwear, drawing on its extensive experience supplying uniforms to approximately 2,000 companies. By focusing on the everyday uniforms worn by team members, this initiative not only supports the realization of a sustainable society but also further enhances environmental awareness among team members.



Related Information

[In June 2025, TDK introduced new workwear made from recycled film used in its own production processes in Japan \(in Japanese\)](#)

■ 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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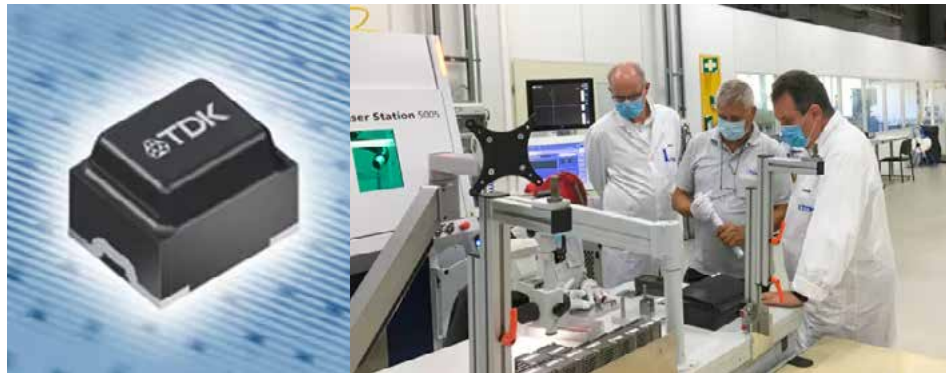
Product focused initiatives

■ 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



■ Wireless Charging Coil Featuring a Low-Waste Manufacturing Process

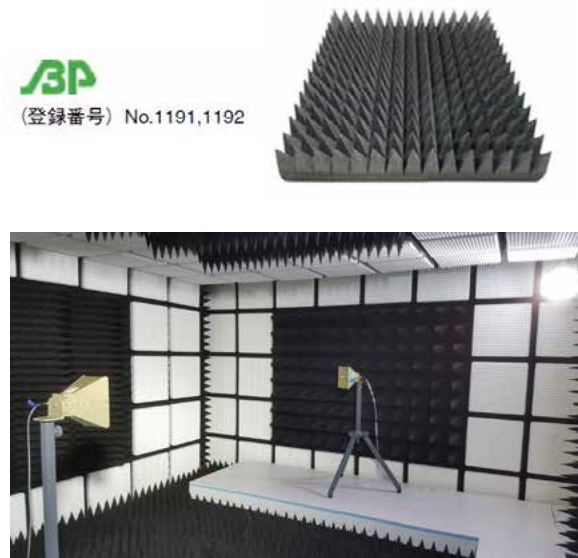
TDK has developed an ultra-thin pattern coil compatible with both MPP and EPP wireless charging standards. The copper plating used in the pattern coil is applied only to the necessary areas to form the pattern, eliminating the need to remove excess copper as required in other processing methods. As a result, this coil adopts a low-waste manufacturing process that reduces material loss.

Related Information

[Pattern coil for wireless charging: TDK has developed the world's first ultra-thin pattern coil for wireless charging that is suitable for use in all Qi-compliant smartphone models \(in Japanese\)](#)

■ 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).



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Related Information

[\[Sustainability and TDK\] Discover the New Environmentally Friendly Radio Wave Absorber Made from Sugarcane-Derived Biomass Polyethylene](#)

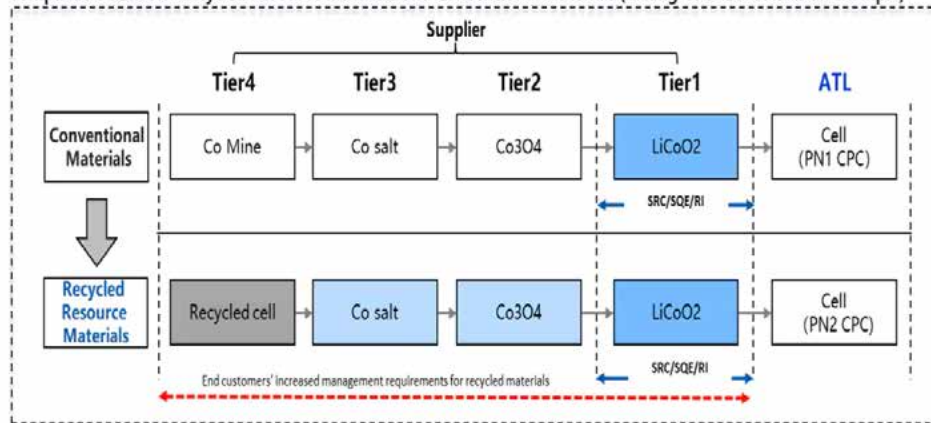
[Radio wave absorbers: TDK launches environmentally sustainable radio wave absorbers using biomass material](#)

■ 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.

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)



E-Waste and Textile Waste Collection Project

TDK Thailand (TTL) partnered with two local companies to promote renewable energy and drive sustainable environmental improvement. In collaboration with AIS, a leading telecommunications service provider, TTL carried out the Toward Zero E-Waste Campaign, collecting and processing 92 electronic waste items totaling 11 kg, resulting in a CO₂e reduction of 0.000575 tons. TTL also launched the “Bring Waste Back Home” project in partnership with Better World Green PCL. From June to September 2024, 250 kg of textile waste collected from team members was converted into energy, achieving a CO₂e reduction of 0.0062 tons. Through these initiatives, TTL continues to advance sustainable environmental conservation.

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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

Responsible Departments

Product Chemical Substance Management: Quality Assurance Group
Chemical Substance Management in Manufacturing Processes: Safety & Environment Group

Management of Chemical Substances in Products

The Quality Assurance Group of 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 Group of 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 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, etc., on chemical substance management in manufacturing processes.

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Strategy

Management of Chemical Substances in Products

The TDK Group aims to provide products with a low environmental impact. In doing so, we comply with international rules, national and regional laws and regulations, and industry association standards related to chemical substance management. Furthermore, we seek to understand the underlying principles and values of these regulations and may consider proactively restricting the use of certain substances in TDK products ahead of regulatory enforcement.

Management of Chemical Substances in Manufacturing Processes

By understanding the essence and values of international rules, national and regional laws and regulations, and industry association standards, we proactively and strategically engage in initiatives to enhance corporate value.

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

Management of Chemical Substances in Products

TDK operates the “Environmental Product Quality Management System” (EPQMS), introduced in 2004, as part of its overall Quality Management System (QMS). Through this system, we ensure thorough prevention and control at each stage of the product lifecycle-“buying,” “creating and making,” and “selling.”

Related link

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

Management of Chemical Substances in Manufacturing Processes

We manage operations by confirming handling precautions and applicable regulations through the use of GHS-compliant labels and Safety Data Sheets (SDS).

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Metrics and Targets

Management of Chemical Substances in Manufacturing Processes

Goals and Achievements in FY March 2025

FY March 2025 Goal	Achievements
Mitigation of impacts on people and the environment from chemical substances	Reduced the use of hazardous substances through voluntary substitution, responding to customers' requests, and enhancing the efficiency of resource utilization

Evaluations and Future Activities

FY March 2026 Goals
Mitigation of impacts on people and the environment from chemical substances

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Management of Chemical Substances in Products

In the context of the increased stringency of laws, regulations, and international conventions relating to the management of chemical substances in products-including the EU RoHS Directive, EU REACH Regulation, EU ELV Directive, 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." All TDK products*¹ comply with the RoHS Directive. Furthermore, as a proactive measure, TDK has prohibited the inclusion of certain substances in its products, such as PIP (3:1), restricted under the U.S. TSCA, and Dechlorane Plus and UV-328, which have been designated for elimination under the POPs Convention, prior to their enforcement by major countries. Introduced in 2004, the Environmental Product Quality Management System (EPQMS) is operated within our broader Quality Management System (QMS) and ensures thorough prevention and control across each stage of the product lifecycle-"buying," "creating and making," and "selling."

*1 Excluding some products based on customer specifications

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 is increasingly being recognized as a long-term global risk second only to climate change. Throughout the entire product lifecycle—from raw material procurement to disposal—there is a growing demand for activities that avoid, mitigate, and restore adverse impacts on biodiversity, and that contribute to Nature Positive.

The TDK Environmental Charter clearly states that we are to consider contributions to ecosystems and take proactive action at all times. We promote initiatives for the conservation and restoration of biodiversity in collaboration with external partners such as local communities. In addition, we seek to avoid business activities in regions or surrounding areas that are deemed important for biodiversity at the value chain level.

Related links

[World Economic Forum \(WEF\) “The Global Risks Report 2025” \(PDF / Link to external site\)](#)
[The TDK Group Occupational Health/Safety and Environmental Charter](#)
[Environmental Conservation Activities \(Social Contribution Activities\)](#)

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. Since 2024, TDK has been disclosing integrated reporting aligned with both the TCFD and TNFD frameworks.

Governance

Monitoring by the Board of Directors

TDK’s Board of Directors receives quarterly reports on the execution of environmental activities 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 role

At the management meetings, reports are received from the executive departments on the status of goal achievement and risks. Environmental activities are overseen by the officer in charge of Safety & Environment. The Safety & Environment Group holds the executive responsibility for implementing measures to address environmental 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 environmental initiatives. Matters deemed to have a significant impact on management are deliberated at management meetings, and when necessary, at the Board of Directors’ meetings.

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 involve 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 that can contribute to the safeguarding and restoration of biodiversity, in line with the LEAP approach of the TNFD

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Dependence on and impact on natural capital

In order to understand the relationship between business activities and natural capital through direct operations and upstream and downstream value chains, TDK evaluated the dependence and impact of each business sector. Figures 1 and 2 show the dependence on and impact on natural capital in a heat map. (This is not an analysis of TDK's specific dependence and impact.)

Value chain	Business activity processes	Dependence on nature											
		Provisioning services				Regulating services							
		Freshwater	Biomass	Genetic resources	Other resources	Pollutant purification	Air purification	Water purification	Noise attenuation	Flow regulation	Climate regulation	Flood and storm protection	Soil and sediment retention
Development and design	Product design and development	-	-	-	-	-	VL	-	VL	-	-	VL	-
Raw material procurement	Natural resource extraction	M	-	-	-	-	-	-	-	M	M	-	L
Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	L	-	-	-	-	L	-	L	-	-	-	L
	Production of electronic devices, components, and hardware	M	-	-	-	L	-	L	M	M	-	M	VL
Sales	Transport and sales	-	-	-	-	-	-	-	-	-	L	-	VL
Use	Product use	M	-	-	-	-	-	VL	-	-	L	-	-

Figure 1: Heat map (dependence)

Value chain	Business activity processes	Impacts on nature											
		Land, freshwater, and marine use change			Climate change	Resource use/restoration		Pollution/remediation					Invasive alien species
		Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Water use	Use of other resources	Solid waste	Non-GHG air pollution	Soil contamination	Water pollution	Disturbance	Introduction of invasive species
Development and design	Product design and development	VL	-	-	VL	VL	VL	VL	VL	VL	VL	VL	-
Raw material procurement	Natural resource extraction	H	M	-	H	H	H	M	M	M	M	M	L
Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	VH	-	-	-	L	-	-	-	M	M	-	-
	Production of electronic devices, components, and hardware	-	-	-	H	H	-	H	M	H	H	M	-
Sales	Transport and sales	-	-	-	VL	VL	-	VL	VL	VL	VL	-	-
Use	Product use	-	-	-	M	L	-	M	-	-	L	-	-

Figure 2: Heat map (impact)

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As a manufacturer in the electronic components sector, TDK shows a moderate dependency on water supply and regulation services in its direct operations. At the same time, there is a relatively high impact associated with water use and water pollution. Additionally, infrastructure such as factories is found to have a high impact due to land-use changes, which may adversely affect ecosystems depending on the location.

In the upstream value chain—particularly in resource extraction, raw material production, and electricity procurement—there is a tendency toward very high impacts related to water use and water pollution. The further upstream in the value chain, the more direct the interactions with nature, leading to greater impacts.

Risks and Opportunities

Risks and opportunities related to biodiversity are shown in Table 1. For physical risks, there are potential risks related to the reduction of water resources and water pollution. Transition risks include the tightening of environmental regulations and the potential decline in external ESG evaluations. Countermeasures for these risks include strengthening water risk management and ensuring appropriate disclosure of water-related environmental data.

Opportunities include enhancing competitiveness through more advanced water use, expanding water-related business, and implementing activities such as afforestation to support the conservation, restoration, and creation of biodiversity in regions surrounding business sites.

Classification					Occurrence*	Main countermeasures
Risks	Physical	Chronic	Decline in water resource availability	Water resources	Short / Long Term	Reduction of water consumption
			Water Pollution	Wastewater	Medium / Long Term	Advancement of wastewater treatment
	Transition	Policy	Strengthening of regulations and ordinances on water source conservation, water intake, pollution, protected areas, and land use change	Water resources, wastewater	Medium / Long Term	Strengthening of water risk management
		Reputation	Friction with surrounding communities, reputational damage, and decline in external ESG evaluations	Water resources, wastewater	Medium / Long Term	Appropriate disclosure of water-related environmental data
Opportunities	Businesses	Resource efficiency	Reduction of water use and mitigation of water risk through recycling	Wastewater	Medium / Long Term	Introduction of systems to improve water use efficiency
		Market	Expansion of low-carbon and resource-circulating businesses	Water resources, wastewater	Medium / Long Term	Expansion of water-related business
		Reputation	Enhancement of brand image through disclosure of environmental policies	Water resources, wastewater	Short / Long Term	Updating of environmental vision and setting/disclosure of long-term goals in line with sustainability trends
	Nature	Sustainable use of natural resources	Sustainable water use through water consumption reduction, water source conservation, and groundwater recharge	Water resources	Medium / Long Term	Promotion of water-positive initiatives around business sites
		Protection, restoration, and regeneration of ecosystems	Biodiversity conservation, restoration, and creation initiatives in regions surrounding business sites	Biodiversity	Medium / Long Term	Ecosystem restoration through reforestation and related activities

Table 1: Risks and opportunities related to biodiversity

*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.

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Risk Management

Process for identifying and evaluating environmental dependencies, impacts, risks, and opportunities

The identification and evaluation of environmental dependencies, impacts, risks, and opportunities were conducted using the Relationship Map between the Electrical and Electronics Industry and Biodiversity, ver. 3.0. This tool is aligned with the LEAP approach recommended by the TNFD and is designed to extract material items related to “dependence and impact,” “risks and opportunities,” and “business actions” across the product lifecycle. In addition, ENCORE was used to support the evaluation of dependencies and impacts by industry sector.

[Relationship Map between the Electrical and Electronics Industry and Biodiversity, Ver. 3.0 \(Link to external site, in Japanese\)](#)

Environmental Risk Management Process

At TDK, the Enterprise Risk Management (ERM) Committee, chaired by a corporate officer appointed by the President and CEO, carries 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 environment-related risks, which are treated as management targets if deemed significant through business risk analysis and evaluation. The Safety & Environment Group, which leads the promotion of environmental activities across the TDK Group, is responsible for identifying environmental risks and opportunities, implementing countermeasures, and conducting monitoring.

Company-Wide Risk Management Process

Risk management framework

TDK implements Enterprise Risk Management (ERM) activities across the organization to appropriately manage and proactively address factors (risks) that may hinder the achievement of organizational goals-as part of its pursuit of sustainable growth. To formulate and implement ERM-related measures and strengthen risk management activities, TDK has established the ERM Committee, chaired by an corporate officer appointed by the President and CEO.

The ERM Committee conducts analysis and evaluation of company-wide risks, identifies those requiring countermeasures, and assigns a risk owner department, implementing department, and relevant departments for each risk to ensure appropriate management. The risk owner department is responsible for establishing minimum requirements and rules for the risk management framework, compiling risk assessment results and reporting. The implementing department is responsible for building the necessary systems for managing the assigned risks, planning and executing specific countermeasures, and monitoring progress.

The results of risk analysis and evaluation by the ERM Committee, along with the status of countermeasures for significant risks, are deliberated by the Executive Committee and reported to the Board of Directors.

Implementation of countermeasures

The ERM Committee communicates the countermeasures for each risk to the respective risk owner departments, implementing departments, and related departments. The implementing departments work closely with related departments to implement or instruct the necessary measures for the risks assigned to each TDK Group company. Based on instructions from the implementing departments, each TDK Group company carries out countermeasures for each risk accordingly.

Monitoring and improvement

The implementing departments regularly monitor the status of countermeasure implementation for the risks under their responsibility and verify whether those risks are being adequately controlled. The risk owner departments, in turn, verify whether the implementing departments are appropriately monitoring the implementation status.

Based on the monitoring results compiled by the implementing departments, the ERM Committee may issue recommendations for improvement to the risk owner departments or implementing departments if deemed necessary.

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Metrics and Targets

Please refer to the TCFD/TNFD

[TCFD/TNFD](#)

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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 FY March 2025 TDK’s total water withdrawal amounted to 15,525,000 m³, which was up 2.3% from the previous fiscal year. However, intensity improved by 2.4% 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.



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"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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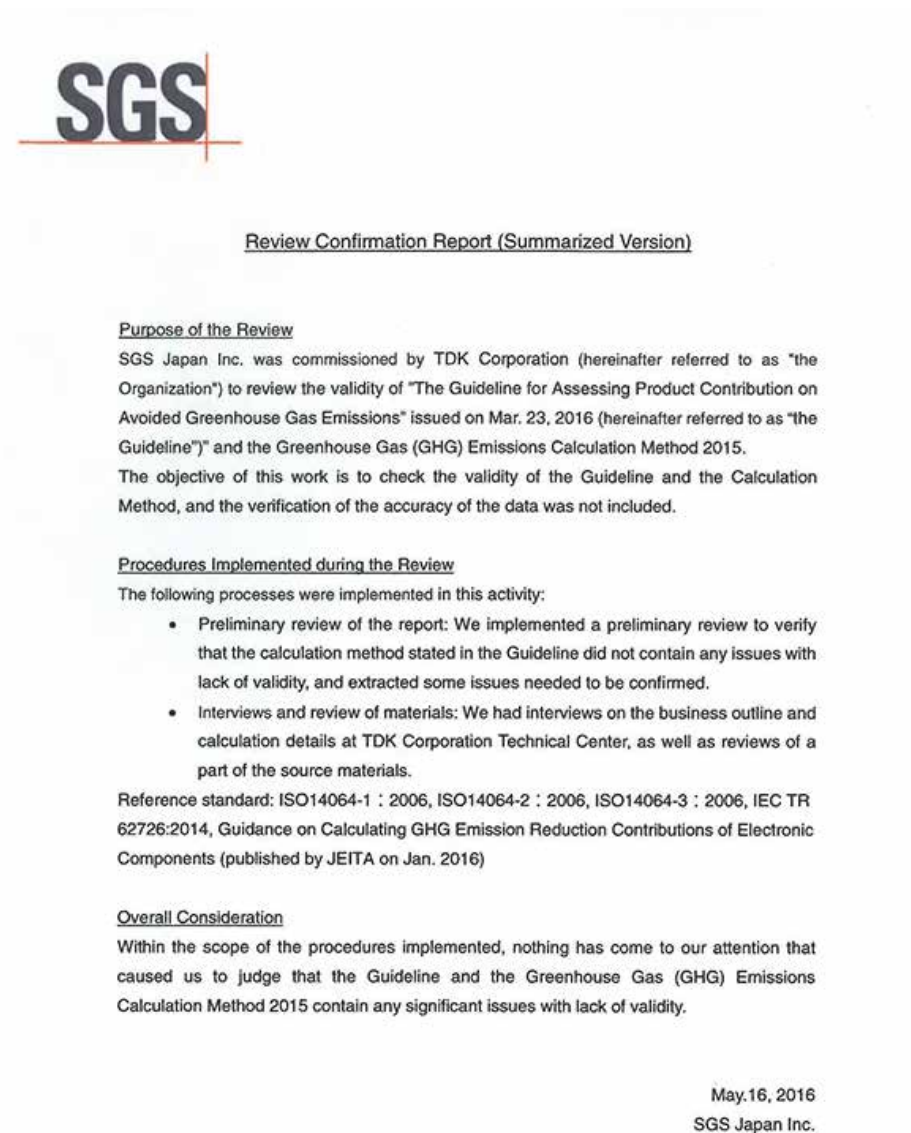
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Third-Party Review of Environmental Performance Data

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



[Third-Party Assurance](#)

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A History of TDK's Environmental Activities

2025	Feb. TDK named climate leader on CDP's annual 'A-List' for climate change and water security
	Feb. TDK achieves verification of net-zero targets by the Science Based Targets initiative (SBTi)
2024	Jun. TDK receives SBT certification of its 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 FY March 2019
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)

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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
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 (starged 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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Respect for Human Rights

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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 countries throughout 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, the EU Batteries Regulation in 2023, and the EU Corporate Sustainability Due Diligence Directive in 2024. 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 (UNGP), 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 Group Business Partner 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 Group Business Partner Code of Conduct](#)

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Governance

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.

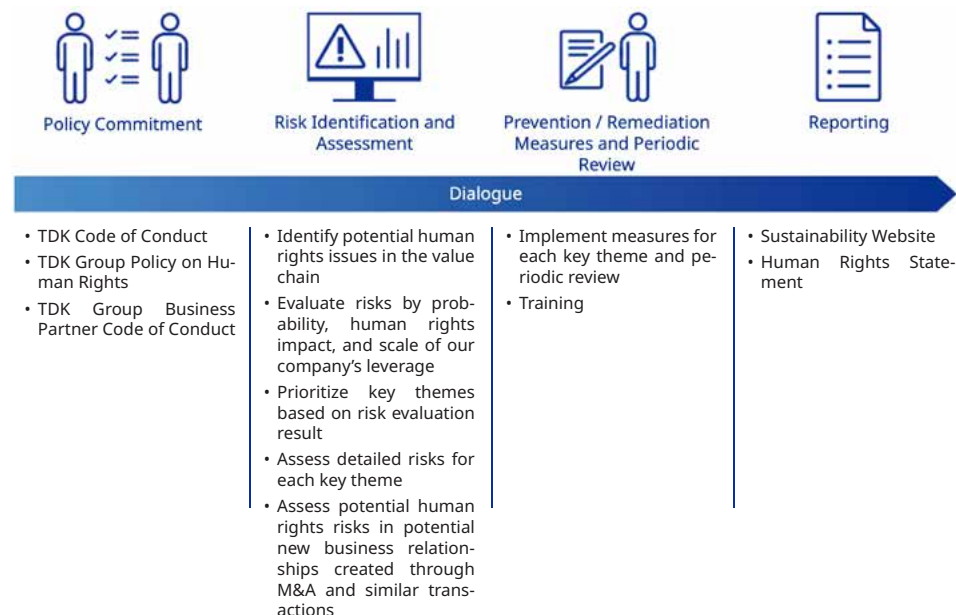
In addition, on April 1, 2025 we established a Sustainability Committee chaired by an executive officer appointed by the President and CEO, which is overseen directly by the Executive Committee, and which provides a venue for discussion of matters relating to the promotion of sustainability at TDK as an important issue of company-wide significance.

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 UNGP and the OECD Due Diligence Guidance for Responsible Business Conduct. 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 reviews 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 FY March 2024, as we reviewed key issues (materiality) in the formulation of a new Medium-Term Plan to begin from FY March 2025, we conducted reassessments of "Potential human rights risks that may be addressed by the TDK Group" and "Priority issues on which to focus."

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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 that may be addressed by the TDK Group."

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

Value chain	Procurement		Development and Manufacturing		Sales
Potentially affected stakeholders	Employees of sub-contractors, suppliers and labor agencies	Communities/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	○	-	○	-	-
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	TDK's initiatives
Responsible sourcing of minerals	• Child labor, forced labor, human trafficking	Responsible Sourcing of Minerals
Respecting human rights of employees at our manufacturing sites	• Working hours • Occupational safety and health • Discrimination (treatment of employment, pay, training, promotion, etc.) • Harassment	Social and Environmental Consideration at Manufacturing Sites
Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)	• 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	Sustainable Procurement

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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 FY March 2025 at TDK. We also prohibit child labor and forced labor in the TDK Group Business Partner 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.)

Working Hours and Fair Wage Management

At each site, the principle of equal pay for equal work is respected, based on the relevant labor laws and regulations in that country, and appropriate wages, allowances, bonuses, other temporary payments, and retirement benefits are defined in work rules and labor agreements (such as collective labor agreements). 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 Group Business Partner 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 promotes safe and healthy working conditions in line with the TDK Group Occupational Health/Safety and Environmental Charter, which was updated in 2022. We also established a 'Health and Safety' agenda in the TDK Group Business Partner 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 Group Business Partner 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.

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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.

TDK Corporation holds regular labor-management council meetings, and strives to build and maintain a relationship of trust between labor and management through communication via various consultative bodies.

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 Group Business Partner 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](#)
[Health and Safety](#)
[TDK Group Business Partner Code of Conduct](#)
[Responsible Sourcing of Minerals](#)
[Sustainable Procurement](#)
[Social and Environmental Consideration at Manufacturing Sites](#)

Metrics and Goals

Goals and Achievements in FY March 2025

FY March 2025 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

With regard to issues that need to be prioritized as being of key importance, TDK undertakes activities aimed at preventing and mitigating risk, referencing the UNGP and the RBA Code of Conduct, assessment items and audit framework. In 2020, TDK joined the 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. 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).

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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.

For more details, please see the following:

[Responsible Sourcing of Minerals](#)

Respecting human rights of employees at our manufacturing sites

TDK recognizes that, in our role as a supplier, striving to give due consideration to social and environmental concerns at TDK Group manufacturing sites, and fulfilling our responsibilities to society, is very important for the long-term continuation of our business. Using a three-stage framework that covers self-assessment, auditing, training and dialogue, we strive to identify problems and realize continuing improvement.

Every year, we implement CSR self-checks and labor/corporate ethics risk assessment at all our manufacturing locations, based on the RBA framework. These activities are overseen by the Safety & Environment Group at the head office. Besides this, we are aiming to ensure that all manufacturing sites undergo either an RBA certification audit, a CSR audit conducted by a customer, or a simplified CSR assessment based on the RBA auditing criteria. If problems are discovered at a manufacturing site while implementing these activities, we will consider appropriate response measures and implement corrective action.

For more details, please see the following:

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

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

The TDK Group will be working together with its business partners to not only comply with legal requirements and social norms, but also to live up to social responsibilities to respect human rights and help safeguard the global environment.

As an enterprise that has production sites all over the world, the TDK Group has drawn up the TDK Purchasing Policies in line with, and to put into practice, the Group’s Purchasing Principles, and conducts purchasing activities in accordance with these Policies.

The TDK Group strives to realize continuing improvement through the implementation of a two-stage process of self-assessment followed by auditing, referencing the RBA criteria and taking into account the current state of transactions with (and business content of) materials suppliers, contracted manufacturers, and staffing agencies.

For more details, please see the following:

[Sustainable Procurement](#)

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

Related link

[Governance Data](#)

Training

TDK raises awareness of human rights issues through e-learning or in person training that is given to all of our employees in key roles, 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 FY March 2025, TDK implemented CSR internal auditor training on a global scale. A total of 115 employees took part in the training, and the number of internal CSR auditors increased by 75.

In Japan, 23 employees from related functions took part in lectures given by external experts relating to human rights issues (including grievance mechanisms).

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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 TDK website. In response to inquiries on human rights issues made by some external organizations in FY March 2025, 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.

The following activity was held in FY March 2025:

- Discussion and clarification of where TDK aims to be in light of recent developments in business and human rights
Regular dialogue has been held between TDK's senior management and human rights experts, with external experts on human rights issues being invited to participate in dialogue with the leadership team of TDK's Sustainability Promotion Headquarters.

Dialogue held in the past

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 links

[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 \(in Japanese\)](#)

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 \(in Japanese\)](#)

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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Related link

[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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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

[Our Approach](#)

[Initiatives](#)

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.

Initiatives

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

[Featured Stories](#)

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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 Human Resources Officer (CHRO), who reports into the President and CEO of TDK. The CHRO 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](#)

[Human Resources Development](#)

[Talent Attraction & Retention](#)

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Human Resources Development

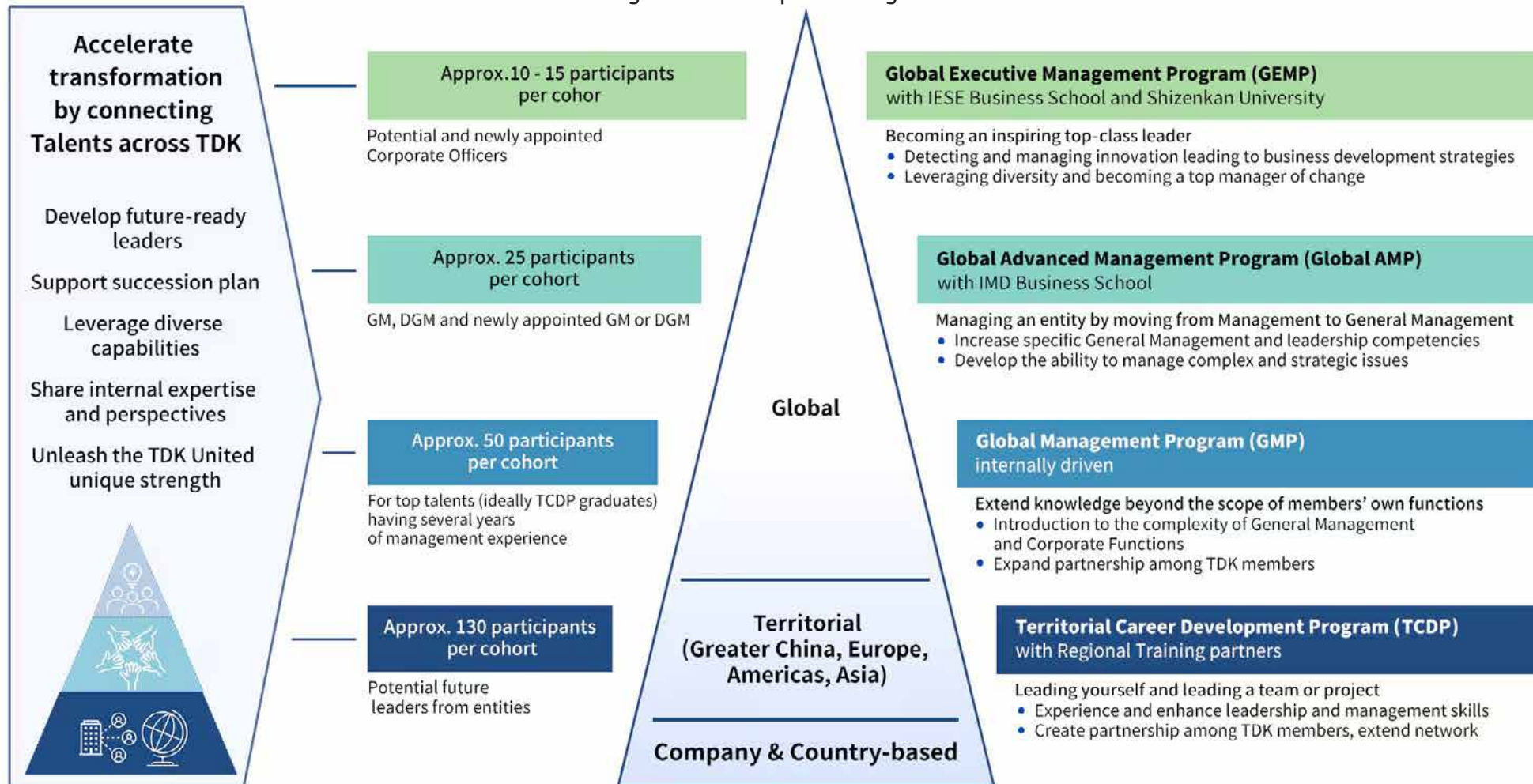
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Our Approach

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 Human Resources 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 submit the nominations which are reviewed and validated by the President & CEO, and the Chief Human Resources Officer.

The CEO, the General Manager of Corporate Strategy, and the CHRO 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 actively contribute to the learning modules through coaching, mentoring and experience sharing.

Territorial Career Development Program (TCDP):

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

Please see the link for the governance system of human resources as a whole.

Related Information

[Human Resources](#)

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:

- 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 to ensure an impactful learning experience for TDK's leaders. Evaluation results are reported on an annual basis to the respective stakeholders and are integrated into a continuous improvement process.

Ensure quality of diversity:

In the nomination process, the Human Growth Team actively strives to represent the best future talent in the programs, including a diverse range of locations, genders, functional disciplines and cultures. TDK aims to increase the female representation in leadership positions; This is why particular attention is paid to the representation of women in the Global Management Development Programs.

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Ensure the quality of candidate profiles:

The corresponding committee and board members identify and select the high potentials to be exposed to the programs. The Succession Planning process combined with the Executive Development activities also contributes to building a sustainable global leadership pool.

Metrics and Targets

Medium- to Long-Term Targets

Human Growth department provides integrated and inclusive learning opportunities to increase the value of human capability and accelerate transformation by connecting Talent across TDK.

Execute Global Management Development:

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

Our leaders lead by example. They actively demonstrate inclusive practices, are capable of driving transformation whilst performing, experience and leverage the unique strength of diversity at TDK. They promote clear goals, open feedback, broad & collective value creation.

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Targets and Achievements in FY March 2025

FY March 2025 Targets	Achievements
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.	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. Recent TCDP project examples: 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 is being followed by a global challenge in 2025 combined with the World Athletic Championship. Currently, 14% of TDK's team members within Europe – considering a high variety of TDK locations and functions – have taken part of this initiative, rising trend. In 2025, we anticipate more team members will participate as Health is an opportunity to connect via a global platform with universal purpose.
GMP: Successful run of the cohort by creating effective synergies and conveying a deep understanding of TDK's structure (50 participants per year).	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 53 participants in the FY March 2025 cohort.
Continue developing executive talent, transformative leadership competencies and future-readiness capabilities through Global Advanced Management Program (Global AMP). Accelerating connections across TDK to enable transformation.	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 learning, program design evolves with the changing business circumstances and strategy of TDK. Quantitative benefit of Global AMP Every year, Global AMP the participants deliver on average four Impact Projects. The impact projects are a critical component of the 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. Recent examples: 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 on 2 FY by running 3 pilots in different Factories, from very different technologies and Business Companies proving the solution is scalable. "GAMPBot: Connecting Innovators, Accelerating Transformation": This Impact project team worked on a solution to resolve a pain point which has been expressed in our team member engagement surveys: remove barriers to execution and increase productivity. The team developed a scalable generative AI solution (in experimentation phase) that can conduct human-like conversations to connect innovators. The positive outcome is to connect the experts, increase the speed of sharing, production and material know-how and by this accelerate product innovation as TDK United.
Prepare for the third cohort of the Global Executive Management Program (GEMP)	The design of the GEMP journey is adapted to the changing business circumstances and addresses the future challenges of TDK. Create a long-lasting and valuable experience for the participants who will build their vision and strategy for TDK and materialize innovation and entrepreneurship within TDK. Example from last GEMP: Creation of a new Company (TDK SensEI), expanding the Business Portfolio and enabling TDK to ride on both AI and Sustainability mega trends to contribute to energy efficiency, decarbonization through smart manufacturing.

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Evaluations and Future Activities

FY March 2026 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, increasing female representation, and expanding network and connections to enhance innovation, competitiveness and promote culture. Due to the high demand, the program is expanded in some regions (100 - 130 participants in total worldwide, reaching almost the number of 800).
GMP: Successful run of the cohort by creating effectful synergies and conveying a deep understanding of TDK's structure (~50 members and passing the number of 100). Actively integrating inclusive leadership practices, sharing expertise and perspectives, increasing gender diversity to create leadership impact.
Global AMP: Successful run of the FY March 2025 cohort (~25 participants per year and passing the number of 130 alumni).
Focus on enhancing business entrepreneurship and innovative capabilities to meet the changing needs of the future, driving transformation whilst performing in today's business, accelerating connections across TDK to enhance agility, experiment the unique strength of diversity at TDK and lead-by-example to inspire.
GEMP: Further development and integration of the GEMP initiatives into the long-term strategy of TDK. The program creates a process – beyond training – that materializes innovation and entrepreneurship within TDK. The next GEMP cohort will be in 2026 (~10-15 participants per reaching the number of 35 alumni).

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Initiatives

TCDP (Territorial Career Development Program)

TCDP is a 10-month journey encompassing in person and virtual modules in four territories: Greater China, Other Asia & Japan, Americas, and Europe.

Training is focused on leadership essentials, managing self, managing a team through empowerment and inclusive leadership practices, mobilizing and communicating to drive change, communicating and presenting to inspire, and materializing value through a business project providing the opportunity to apply what the participants are learning, and accelerating connections and networking across functions, companies and countries.

The goal of TCDP is to strengthen the performance, engagement 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.

(from ~1700 to ~800 characters)

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, global succession planning for key positions and the development of globally capable leaders who can contribute to diverse fields and cultures.

GMP (Global Management Program)

GMP is a 2-year journey, with 6 in person modules taking place in different TDK locations worldwide. It is a program for engaged managers with several years of experience and high potential for higher positions within the TDK Group.

The program widens perspectives beyond own business and functions, increases leadership skills, creates awareness about the challenges of General Management. It creates strong bonding and partnership among the participants from different TDK entities, functions, business environment & culture.

The modules are very diverse: participants learn, among others, about Leadership in a global and intercultural context, Business Strategy, Speaking and presenting with impact and TDK's diverse technologies and business by visiting different sites and interacting with the local Management.

In complement, a dedicated online GMP curriculum is available in the TDK Digital Learning platform 'Weconnect' which enriches the learning. (From ~1500 to ~940 characters)

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 AMP is an 8-month journey encompassing 3-in-person modules, 1 online module and several virtual sessions. Participants are General Managers and Deputy General Managers (or candidates who are newly promoted to such positions). The goal of the program is to support & empower participants to be future-ready leaders, 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 projects-based learning approach which is linked to TDK strategic issues and enables collaboration and knowledge sharing in the TDK context and value creation for the organization. At the end of the Global AMP journey, the participants present their project and strategy to execution to the TDK Top Management. (from ~1300 to ~830 characters)

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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)

GEMP accelerates bonding and collaboration at the highest levels of the company, bridging Eastern and Western leadership philosophy and serving the Top Executives' succession plan. It's an 8-month program, with 3 in-person modules of a week each. Participants are potential or newly appointed Corporate Officers. The program is triggered by the revision of the mid-term plan.

Long term vision and strategy are brought into projects with the objectives of exploring the future with an entrepreneurial mindset and of getting TDK's Top Management approval for strategy execution.

GEMP's dynamic design supports TDK in its mission of creating a stronger resilience through the deployment of inspiring and transformative top class leadership crossing borders and cultures. (from ~1050 to ~760 characters)

Business benefits:

- Lead by example: The GEMP program reinforces TDK's United spirit, transformation and value creation mindset among the participants, related group companies, and corporate functions.
- Drive transformation: GEMP brings the participants to a higher level of awareness regarding the mega trends and major transformations; as well as creating 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 strategy). The program provides a space to materialize innovation and entrepreneurship within TDK.

World-wide Communication & English Training

The Global Communication & English (GCE) program is dedicated to fostering seamless communication among TDK team members. We have implemented an annual enrollment system that incorporates a Blended Learning approach, designed to maximize outcomes. Each year, English training commences in April, following a comprehensive assessment of training needs conducted through an oral English proficiency evaluation.

Beyond the standard training offerings, the GCE project is committed to supporting targeted team member profiles who necessitate enhanced English proficiency to fulfill their specific roles. These individuals may be engaged in international assignments, participating in management development programs, or emerging as global leaders.

The GCE team is now advancing to the third stage by introducing informal learning through the TDK English Club. This initiative provides a safe space for team members to practice English within the organization.

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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

In 2020, a DE&I Promotion Department was established within the Japan HR Division, Human Resource HQ, and in 2023, a global DE&I team consisting of HR department leaders from Asia, Europe and US was established. With the aim of encouraging inclusive behavior on a global scale and creating individual and organizational accountability for DE&I, we are working to raise awareness of DE&I in collaboration with the human resources and business divisions across the globe and in each region.

In addition, the plans and progress of activities are regularly reported to the Board of Directors.

Please see the link for the governance system of human resources as a whole.

Related Information

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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 career growth and development of female team members.

As stated by our CEO, Noburu Saito, in our 2024 Integrated Report (0000_h1h4_en), "It has been 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... 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."

Based on this idea, we are focusing on the active participation of women as part of diversity, further bringing out their abilities, value, and potential, and linking this to the growth of the TDK Group.

Related Information

[Integrated Report 2024 \(p.7\)](#)

Goal by 2035

As a milestone, we have decided to carry out activities by setting the percentage of female in managerial roles by 2035, which is the 100th anniversary of our founding.

Achievements and Goals of ratio of women in managerial positions (%)

	Achievements			Goal	
	2023	2024	2025	2030	2035
TDK Group	22	22	23	25	-
TDK Corporation	4.3	4.8	5.3	-	15

Related link

[Social Data](#)

Goals and Achievements in FY March 2025

FY March 2025 Targets	Achievements
Production of a handbook for understanding the LGBTQ community. (activities of TDK Corporation)	The handbook is currently in production and is expected to be completed in April 2024.

Evaluations and Future Activities

FY March 2026 Goals
Female Participation Rate in GMDP : 30%

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The goals above are designed to ensure fair and equal representation of all team members in TDK's Global Management Development Programs. TDK ensures that team members are nominated / selected based upon contribution and merit.

Initiatives

International Women's Day Week

Since being officially recognized by the UN in 1975, International Women's Day, which is celebrated on 8th March, has become a day to recognize the achievements of women in the social, economic, cultural and political spheres, and various events are held around the world to mark the occasion.

While progress has been made, we recognize that the journey towards gender equality and organizational change is not yet complete. We are committed to furthering the development and celebrating the achievements and contributions of women within our company, our industry, and beyond,

The five days from March 3 to 7, 2025 were designated as International Women's Day (IWD) Week. CEO Noburu Saito and TDK's Corporate Officers sent powerful video messages of support to all female TDK team members. Mr. Saito also posted a message about the importance of International Women's Day to TDK on the International Women's Day website. Regional and local IWD events were held throughout the global TDK organization. For a detailed report, please see the link below. (Link to an article on the TDK HP 'News Centre')

We have been actively engaged in various activities to promote the development of female employees, including seminars, mentoring programs, and dispatching employees to external training institutions from TDK Corporation (Japan). However, we aim to take these efforts to the next level. Taking International Women's Day as a stepping stone, we will continue to work toward creating an inclusive corporate culture where all employees feel a sense of belonging and can contribute to the transformation of the company and society to the fullest extent possible.



Related Information

[TDK Celebrated International Women's Day 2025](#)

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Initiatives supporting LGBTQ+

TDK strives to create an inclusive environment and feeling of belonging for all team members. In support of the LGBTQ+ community and TDK's LGBTQ+ team members, we partnered with Out Japan, an LGBTQ+ advocacy group, in 2023 to host an information session for Corporate Officers and Managers about challenges faced by the LGBTQ+ community. Since then TDK Corporation (Japan) has been working on activities such as e-learning education for team members, education for recruitment staff, the establishment of consultation services, and the introduction of regulations regarding same-sex partnership. Currently we are working on activities to expand the circle of LGBTQ+ allies.

TDK Corporation participated in the Tokyo Rainbow Pride event held in April 2024 and announced both internally and externally that the TDK Group is an LGBTQ+ ally. In June, LGBTQ+ awareness month, the TDK logo was colored in rainbow colors, and the TDK Group's solidarity with the LGBTQ+ community was communicated globally via multiple social networking services.

In addition, TDK Corporation received the Gold Award in the 'PRIDE Index 2024', an evaluation index for initiatives supporting the LGBTQ+ community certified by the general incorporated association "work with Pride".

The TDK Group will continue to practice inclusive leadership and create a sense of Belonging amongst all of its team members in order to achieve its Long-Term Vision of accelerating the transformation of society towards a sustainable future.



Inclusive Leadership Practices

TDK made inclusive leadership practices a key component of its Long-Term Vision (Accelerating transformation for a sustainable future) and People Strategy. In 2024 we conducted in-depth research, including interviews with each of our Corporate Officers, to identify the defining traits of inclusive leadership at TDK:

- Accountability
- Collaboration
- Inclusion
- Respect
- Encouragement
- Self-Awareness

Our inclusive leadership practices model was introduced to the top leadership of TDK as well all members of our Territorial Career Development Program, a five-module program designed to enhance the leadership capability of supervisors and managers.

Continued participation in Dow Jones Sustainability Index

TDK continues to hold itself accountable for DE&I outcomes through participation in the Dow Jones Sustainability Index, a family of benchmarks that identify and track the stock performance of the world's leading companies based on their sustainability performance, encompassing economic, environmental, and social criteria.

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Strategic partnership with Women in Electronics

TDK partnered with Women in Electronics (WE), an organization dedicated to advancing gender parity in the electronics industry through their program pillars of leadership growth and development, mentorship, and community. TDK's corporate commitment to fostering inclusion aligns perfectly with WE's mission. This alignment demonstrates a mutual dedication to empowering both men and women in the electronics industry with leadership tools, career resources, and fresh perspectives to drive true innovation in our industry. Over 50 TDK female team members from the Americas and Europe are now WE members.

Related Information

[Practicing inclusive leadership to foster a sense of belonging and empower TDK team members to create impact](#)

[DE&I in TDK: Part 1 Diversity: The Strength to Shape the Future](#)



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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
Long-term Incentives (LTI)	

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.

Please see the link for the governance system of human resources as a whole.

Related Information

[Human Resources](#)

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.

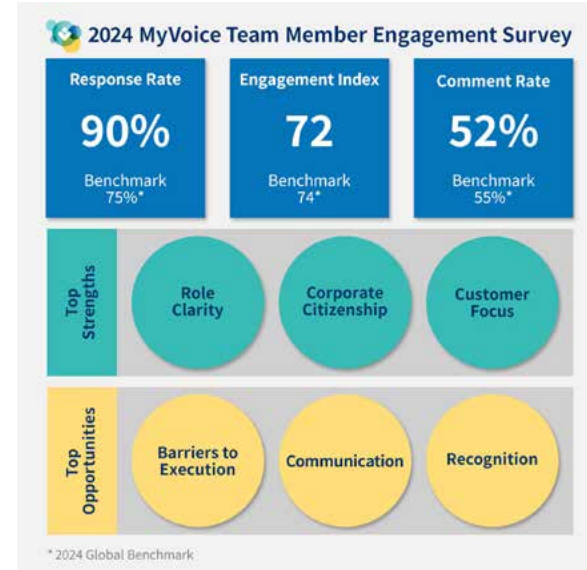
Initiatives

Team Member Engagement

We measure and improve engagement through our annual My Voice Team Member Engagement Survey. By conducting a yearly survey, we can assess current sentiments, measure progress, and continuously improve our workplace.

To reinforce accountability for the survey and ensure actions are taken on the results, the following KPIs are embedded in TDK's Medium-Term and linked to remuneration of Corporate Officers:

- Achieve a Survey Response Rate of 80% or more
- Achieve a Communication Score of 75 or more



Elevating our Global Employer Brand

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.

Visualization of the HR skills of Group team members

We are continuing with the introduction of a global HR system to unify and visualize TDK's talent across the Group, with a focus on talent management and development. In this system, called the TDK Talent Management System (TMS), we are digitalizing various HR processes such as performance evaluation, skills and competency management, career & succession planning and development planning. This system is an important initiative of our Long Term People Strategy as it enables us to better understand the individual capabilities of our diverse talent in Group Companies across the globe and support development. Going forward, our aim is to introduce it to all TDK team members.

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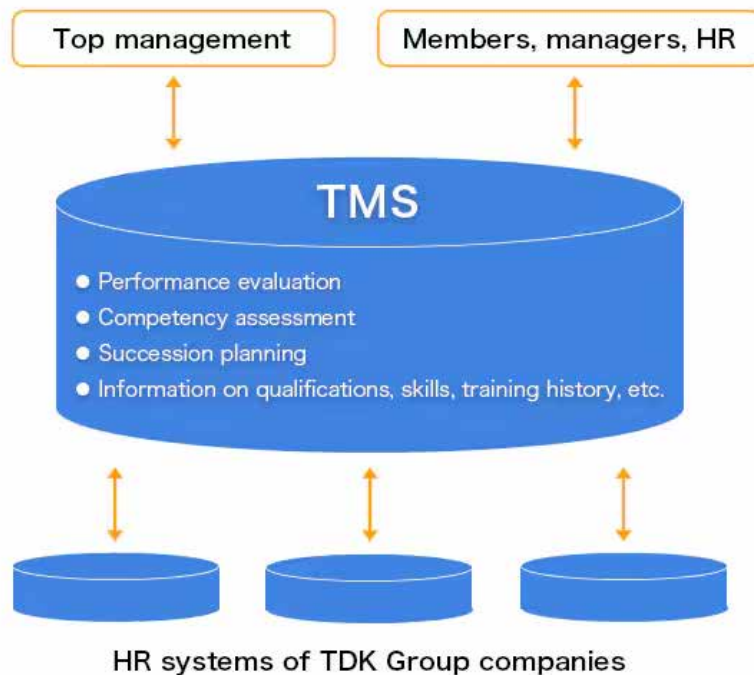
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Conceptual chart of TMS



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)

Tele-work 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.

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.

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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.

Workstyle Options to Accommodate Spousal Relocation

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Promotion of Paid Leave Utilization

From the second year of employment onward, employees with an attendance rate of 80% or higher in the previous fiscal year are granted up to 24 days of annual paid leave, depending on their years of service. To encourage the use of paid leave, we have introduced a planned leave system in which each employee sets their preferred dates for taking paid leave at the beginning of each fiscal year, allowing for systematic utilization. In addition to taking paid leave in full-day units, employees can also take leave in half-day increments. We also recommend setting consecutive days off or combining paid leave with holidays to enable longer vacations.

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 2024, 306 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.

Long-term Incentives (LTI)

The Long Term Incentive (LTI) program is designed to foster a TDK United spirit, as well as increase motivation and morale for improving consolidated business performance as TDK Group. We introduced the stock compensation scheme for team leaders in key positions in the group companies. The program was started in 2021 and has been steadily expanded in the last 4 years with feedback from our stakeholders.

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Health and Productivity Management

[Our Approach](#)

[Governance \(TDK Corporation\)](#)

[Strategy \(TDK Corporation\)](#)

[Risk Management](#)

[Metrics and Targets \(TDK Corporation\)](#)

[Initiatives \(TDK Corporation\)](#)

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

Noboru Saito
President and CEO

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.

Please see the link for the governance system of human resources as a whole.

Related Information

[Human Resources](#)

Education and Awareness Raising

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: Executive Vice Presidents Andreas Keller



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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.

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 as an important management issue and approaches it as a long-term human resource strategy.

Additionally, they promote health & productivity 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

Within ERM, risks related to talent acquisition and development are managed and health indicators that could lead to them are closely monitored.

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Metrics and Targets (TDK Corporation)

Metrics

Health Index : TDK Group Compaies in Japan

No	Index Item	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
1	Percentage of regular health check-ups*	98.9	98.5	99.9	99.9	99.9
2	Participation rate of stress check*	90.3	89.2	84.6	82.1	92.5
3	Number of participants of walking campaign	605	592	885	1,248	1,780
4	Participation rate of measures on women's health issues	-	-	-	72.0	87.1
5	Smoking rates	27.3	26.5	26.0	26.0	25.8
6	Percentage of persons with an exercise habit	20.7	22.2	22.9	23.6	24.7
7	Percentage of persons of adequate weight	63.2	63.7	63.6	63.8	63.4

*1 Results for TDK Corporation

Performance Index : TDK Group Compaies in Japan

No	Index Item	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
1	Absenteeism (hours)*1,2	-	-	-	-	7.99
2	Presenteeism (%)*1,3	-	-	-	-	82.9
3	Engagement Index *4	-	-	72*5	72*5	72

*1 Results for TDK Corporation

*2 Measured by employee survey as the number of hours absent, late, or left early due to health problems in the past three months

*3 Measured using SPQ (Single-Item Presenteeism Question). Indicates subjective performance level (%) in the past month

*4 The average score of questions for "Satisfaction" and "Recommend" in our team member engagement survey

*5 Shows the results of the survey conducted in February 2023

Evaluations and Future Activities

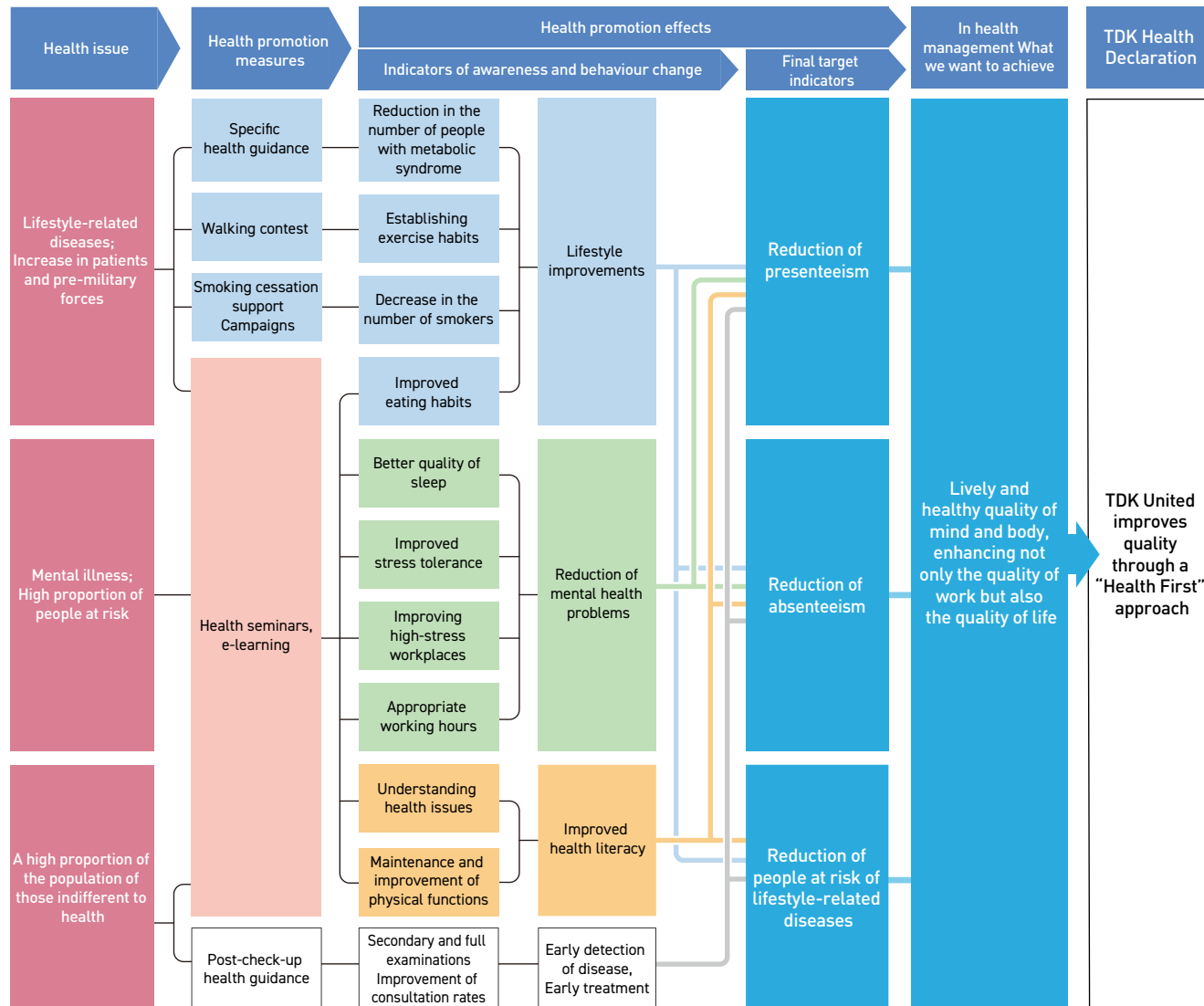
As a result of our health promotion activities, we have been awarded the "Excellent Health and Productivity Management Recognized Corporations" for three consecutive years. In the future, we will strive to realize a sustainable and healthy society by further developing our health promotion activities, 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.

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Initiatives (TDK Corporation)

Strategy Map

Lifestyle-related diseases: Increase in the number of employees with lifestyle-related diseases or at risk of developing them



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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 specialized 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.

e-learning

Based on the strategy map, we continuously conduct health literacy education to enable team members to manage their own health. Last year's specific program content included "Protecting Teeth from Periodontal Disease," "Adult Food and Nutrition Education (Part 1 & 2)," "Health Literacy for New Supervisors," and "Health Issues for the Working Generation: Menstruation, PMS, Fertility, and Menopause for Both Genders."

Health Survey: To understand the health issues within TDK group companies in Japan and utilize this information for future health promotion measures, a health survey provided by The Health & Productivity Management Alliance was conducted. This survey focused on the correlation between health issues and performance levels or performance decline, conducting an analysis of relevant factors.

Health Promotion General Meeting: Held annually, the Health Promotion General Meeting aims to strengthen collaboration among medical staff, HR managers, and the Health Promotion section to advance health promotion activities. The meeting includes a speech by the director in charge of health promotion, a report on the status of health & productivity management measures, and group discussions facilitated by external experts to share and identify health issues.



TDK will continue to prioritize improving presenteeism and absenteeism among team members and reducing the risk of lifestyle-related diseases. Through these health promotion activities, we aim to decrease the number of individuals experiencing mental health issues and enhance health literacy, thereby improving the overall performance and health quality of the organization.

Acquired certification as an excellent health management company

TDK was recognized for the third consecutive year by the Ministry of Economy, Trade, and Industry (METI) and NIPPON KENKO KAIGI (Japan health council) in the "Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)"



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Our Approach

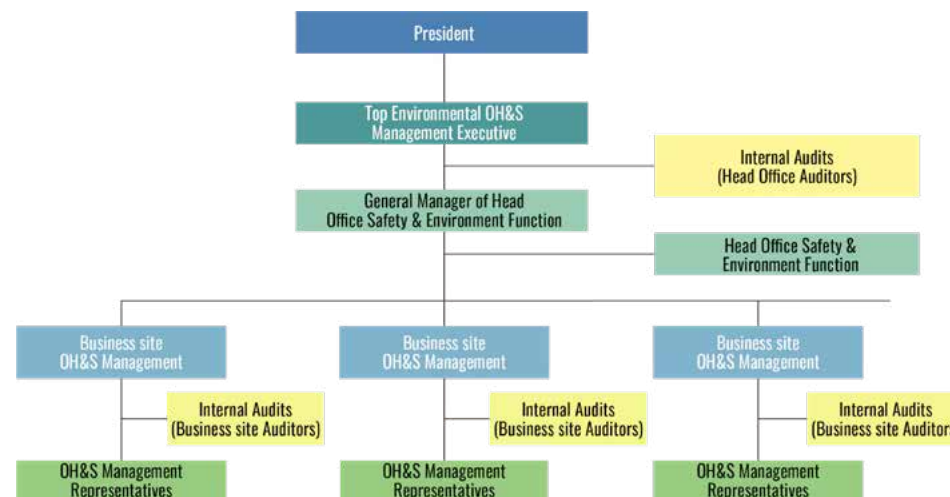
The TDK Group Occupational Health / Safety and Environmental Charter

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 2025, 80% 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

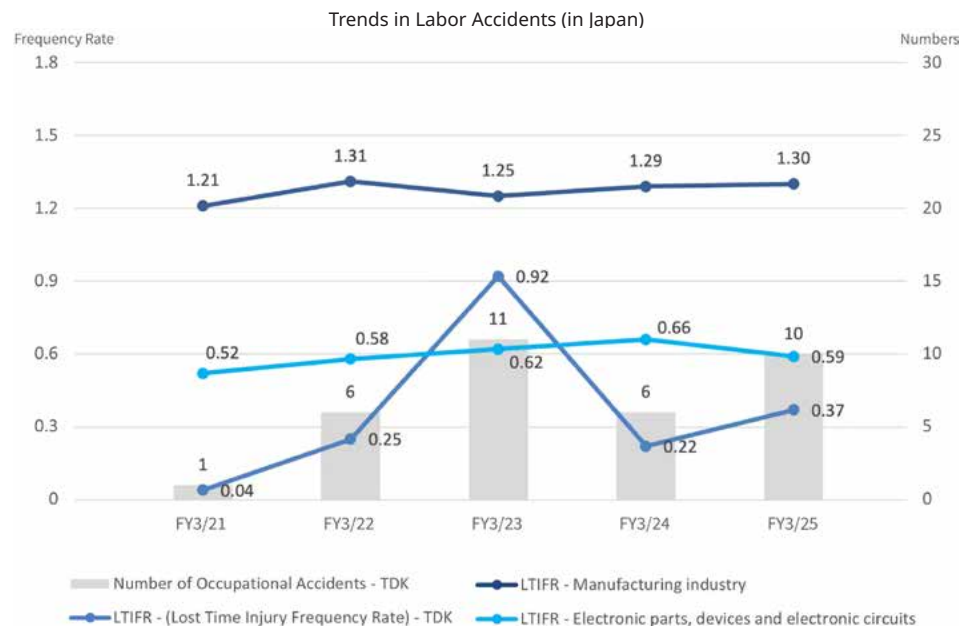
Related Link

[Facilities with ISO45001 Certification](#)

Metrics and Targets

Goals and Achievements in FY March 2025

FY March 2025 Goal	Achievement
Achieve zero significant labor accidents	Zero significant labor accidents



Related Link

[Social Data](#)

Evaluations and Future Activities

In FY March 2025, there were no fatal or significant labor accidents* within the TDK Group. Going forward, we will continue our efforts to prevent labor accidents through activities aimed at eliminating and reducing risks, as promoted under the TDK OHSMS. In the event that a labor accident occurs, we carry out investigations into the root causes and implement fundamental countermeasures, review procedures, and ensure proper communication to maintain safety and prevent recurrence.

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

FY March 2026 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. In addition, to address risks identified at individual sites, we put risks in priority order, formulate action plans and targets, and take action to realize improvement.

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 16,739 (2,909 in FY March 2025)



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 and Safety Initiatives in Our Supply Chain

The TDK Group has established a TDK Group Business Partner 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 2025)

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) Inakura Factory (West 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) Inakura Factory (West 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	02123511389R5L	CCCI
SAE Components (Chang An) Limited	P.R. China	02125S10004R1L	CCCI

AFI Technologies (Chang An) Ltd.	P.R. China	02125S10003R6L	CCCI
Ningde Amperex Technology Limited	P.R. China	CN19/31372.01	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. Jiangmen Real Faith Pingzhou Electronics Co., Ltd.	P.R. China	00224E34326R4L-1 00224E34326R4L-2 00224E34326R4L-3	IQNET
TDK Taiwan Corp.	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 PLC.	Thailand	25884/K/0001/UK/En	URS
TDK (Malaysia) Sdn. Bhd.	Malaysia	01 213 117285	TUV
TDK-Lambda EMEA	UK	OHS 609627	BSI
TDK-Lambda Ltd.	Israel	106055	IQNET
TDK Electronics AG	Germany	10000458801-MSC-RvA-DEU	DNV

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Social Contribution Activities

[Our Approach](#)

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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.

Initiatives

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

[TDK Museum's Community Activities](#)

Sports, Art and Culture Activities

Official Partnership with McLaren Racing

In 2024, TDK signed an official partnership agreement with McLaren Racing, Ltd. TDK and McLaren will be working together to make a technological contribution in the field of e-Mobility (xEV), which is helping to build a sustainable society in the future, and in the area of eSports, which brings people emotion and excitement. TDK's cutting-edge devices have been adopted for use in the Nissan e-4ORCE 05, the racing car used in the NEOM McLaren Formula E team, where it helps to make Formula E races inspiring and exciting. We are aiming to provide even more support for the development of e-mobility through our wide range of sensors, passive components, and DC-DC converters.

In the gaming field, we are working together with the McLaren Shadow F1 Sim Racing team, using TDK's technology to contribute toward the evolution of gaming. (Our partnership with McLaren Racing has officially concluded at the end of July 2025.)

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Providing Sponsorship for the World Athletics Championships

Aiming to be a company that continues to bring stakeholders inspiration and excitement, TDK provides support for sporting and cultural activities. We have been a sponsor of the World Athletics Championships ever since they were first held in 1983. In our Rising Stars program, which we launched in 2017, schoolchildren who are interested in athletics have the opportunity to meet top athletes, and to experience the venues where high-level international competitions take place. A total of 16 children took part in Rising Stars at the 2023 World Athletics Championships in Budapest, where they received coaching advice on how to run better from three leading athletes, were able to experience actually running round the relay race track, and were interviewed by the media.

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 June 2024, a total of 74 employees and family members took part in an activity to spread fertilizer to help the growth of beech tree saplings that had been planted the previous year. A tree-planting activity had been planned for October 2024, but unfortunately this had to be cancelled because of bad weather; a tree-planting activity will be held in 2025.

Social Welfare and Local Community Service Activities

TDK conducts its business activities on a global basis. We endeavor to apply TDK's 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 2024, following on from a similar activity held in the previous year, a group of 98 volunteers from TDK (of which 93 were new employees) took part in an activity to provide support for post-disaster recovery in the city of Kamaishi in Iwate Prefecture (which was severely affected by the Great East Japan Earthquake of 2011). After learning about environmental activities at a local lecture hall, the volunteers helped with weeding in rapeseed fields and spread netting to protect the crops from birds, as well as assisting with other measures to safeguard the crops from animal pests. The volunteers also viewed vehicles powered by biodiesel made from rapeseed oil, and took part in an educational tour of eco-houses that make effective use of solar power. Participating in this activity helped to strengthen the volunteers' interest in environmental activities. Going forward, we intend to continue holding activities of this type.

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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 Sustainability Committee (in April 2025), 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 FY March 2025). 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. In addition, members of the Management Review & Support Group, an internal auditing unit, attend meetings of the ERM Committee as observers, and monitor the Committee's activities. The Full-time Audit & Supervisory Board Member also performs monitoring of the ERM Committee, for example by meeting with the Committee's chair.

[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 by external experts on geopolitical risks (for All Directors and Audit & Supervisory Board Members)
- 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](#)

We have recognized as a recent emerging risk the fact that the U.S. is considering raising tariffs on products from other countries besides China. (As it not possible to accurately predict which countries and which products will be affected, we cannot assess the likely impact on the TDK Group. If the U.S. does raise import duty on TDK's products, we will aim to reduce the impact by adjusting our logistics system, and by passing on the price increase to customers if necessary.)

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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 strengthens prevention of recurrence. The Compliance Committee approves company-wide compliance activity policies and plans, selects risks that we will focus on with respect to compliance, assigns individual risks to risk owner divisions, and provides instructions to and monitors risk owner divisions.

Related link

[Corporate Ethics and Compliance](#)

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.

Related link

[Information Security](#)

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.

Related link

[Information Disclosure \(Japanese only\)](#)

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 the assessment of critical risks and the status of countermeasures are deliberated at the Executive Committee and reported to the Board of Directors.

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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), headquarter 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, and evaluates any residual risks that the Group could still face following the measures that have been implemented already, to facilitate implementation of the activities described in the "Risk Management" section above. For any residual risks that are felt to be relatively high, the headquarters function (or business group for certain risks specific to respective businesses), as the division with ownership over the risk at the Group level, first performs self-assessment of the likelihood of the risk becoming actualized, and of any vulnerabilities in the system for mitigating the potential impact if the risk does become actualized. After discussing the results of this assessment with the secretariat of the ERM Committee, measures are formulated and implemented to eliminate any vulnerabilities. With regard to other risks, the risk owner assesses the likelihood of the risk becoming actualized, and formulates and implements measures to mitigate the potential impact if the risk does become actualized.

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 an emergency, 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 is applicable to all emergencies globally, regardless of the type of disaster or the cause event, and we are focusing on 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 also conduct regular 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 for the launch, establishment, and operation of the Corporate Crisis Management Headquarters, which would be led by the 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 we will continue to strive for day-to-day improvements in the effectiveness of our BCP for emergency situations.

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(Activity case study) Practice session for the launch and establishment of the Corporate Crisis Management Headquarters, held in October 2024



The director of the Corporate Crisis Management Headquarters (President and CEO) and the deputy director (Senior Executive Vice President and CFO) working to ensure that all personnel have a shared understanding of the problems faced



Members of the various teams within the Corporate Crisis Management Headquarters identifying and discussing problems

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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, and 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, selects priority risks to be addressed by the Group, assigns and evaluates 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 that they carry it around with them. Employees 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.

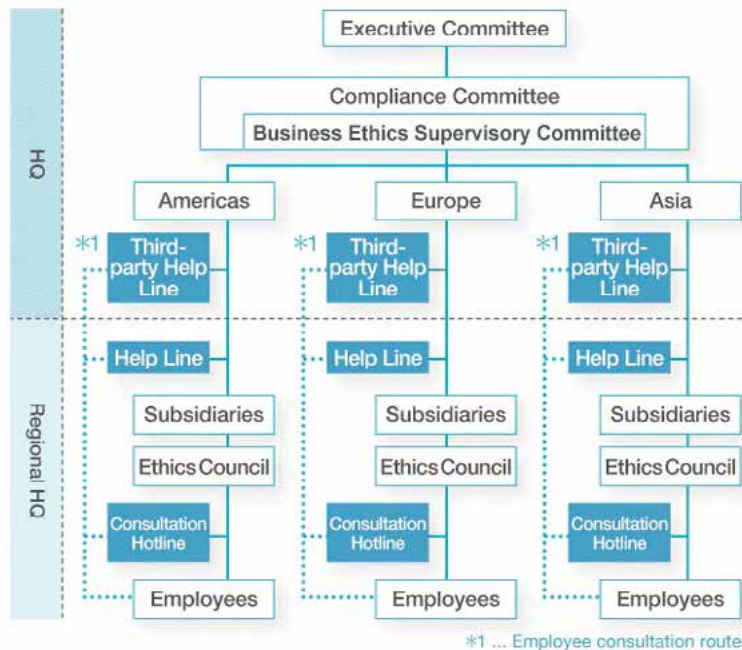
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Risk Management

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, 2025

Number of Consultations and Reports to Helplines (Global)

FY March 2021	54
FY March 2022	79
FY March 2023	141
FY March 2024	151
FY March 2025	178

The scope of figures includes the Ethics Councils and affiliates.

Initiatives

Preventing Discrimination & Harassment

TDK Corporation has established "Detailed Regulations on the Prevention of Harassment," which define harassment and prohibited acts, and has set up helplines to which people can submit complaints and a harassment consultation desk in each region to provide an environment that enables team members to easily consult on harassment.

When a report has been received, if the results of an investigation conducted by the Business Ethics Supervisory Committee, the Ethics Council or a related division confirm that there has been a violation of the TDK Code of Conduct, then punitive action will be taken against the infringing party, while also safeguarding the person who submitted the report to ensure that they do not suffer adverse treatment or harm.

TDK provides harassment prevention education for all team members that makes extensive use of e-learning. Besides introducing case studies of incidents that have actually occurred at TDK, this e-learning also includes learning content that should be of widespread use in preventing harassment from occurring.

TDK also provides training for these team members with human resources functions (including managers), covering harassment case studies, how to handle requests for consultation regarding harassment, and how to deal with cases of harassment when they occur.

Initiatives to prevent harassment are being implemented globally, and in the ASEAN region in particular, efforts are being made to prevent harassment by conducting training based on specific case studies.

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Related links

[TDK Code of Conduct](#)

[Respect for Human Rights](#)

Educating Employees on How to Use Helplines

Information on how to use consultation helplines is being disseminated to team members through education and training (including e-learning covering corporate ethics) as well as through the use of posters to spread awareness of helplines, the posting of information on the company intranet, and the distribution of cards bearing the helpline number, etc.

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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 Group Business Partner 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 Group Business Partner Code of Conduct grounded in the Group's TDK Purchasing Policies. The Code of Conduct asks suppliers to comply with the code of behavior stipulated by the Responsible Business Alliance (RBA), and also 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, management systems, and supply chain measures. 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. When selecting suppliers, we will be proactively seeking to work with companies that have expressed their agreement with the TDK Group Business Partner Code of Conduct.

Related links

[Procurement \(Purchasing Principles, Purchasing Policies, TDK Group Business Partner Code of Conduct, Green Procurement Activities\)](#)

[Policy on Relations with Business Partners](#)

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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.

TDK's Sustainable Supply Chain Management



[Sustainable Procurement > Governance](#)

How this operates in practice is explained in the “Initiatives” section below.

Sustainable-procurement education

The procurement department has created an e-learning course titled “Sustainability and CSR” that is available to all team members (employees). This course aims to promote understanding of the importance of sustainable procurement among procurement stakeholders.

We have also established classes relating to sustainable procurement, with the aim of providing e-learning content that all team members can utilize. In addition, we invite instructors from third-party organizations to give lectures to help cultivate personnel able to perform on-site CSR audits on suppliers' premises.

For those personnel working in procurement-related units, both in Japan and overseas, we have provided a webinar on data management for promoting the reduction of Scope 3 CO₂ emissions. Those personnel who successfully complete this training are deemed to have demonstrated their ability to apply the skills required for their role.

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

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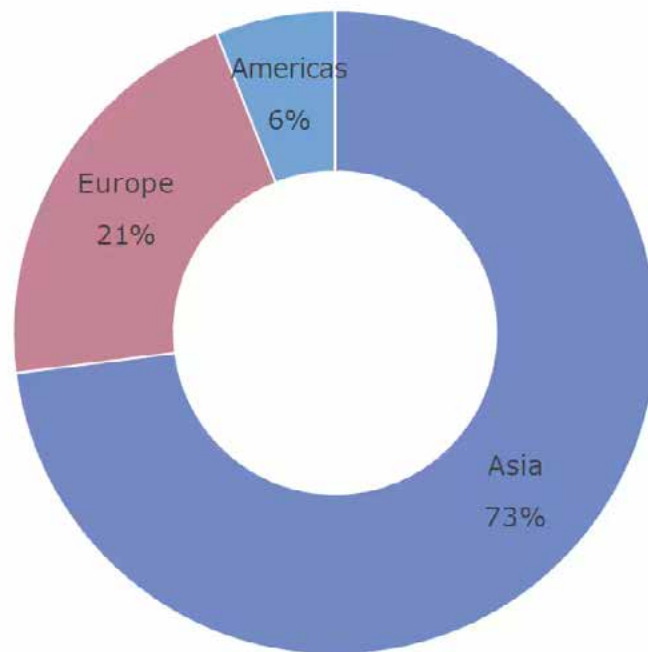
Strategy

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 FY March 2025. By using due diligence in the supply chain, we are aiming to realize the respect for human rights which forms part of TDK's materiality. 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.

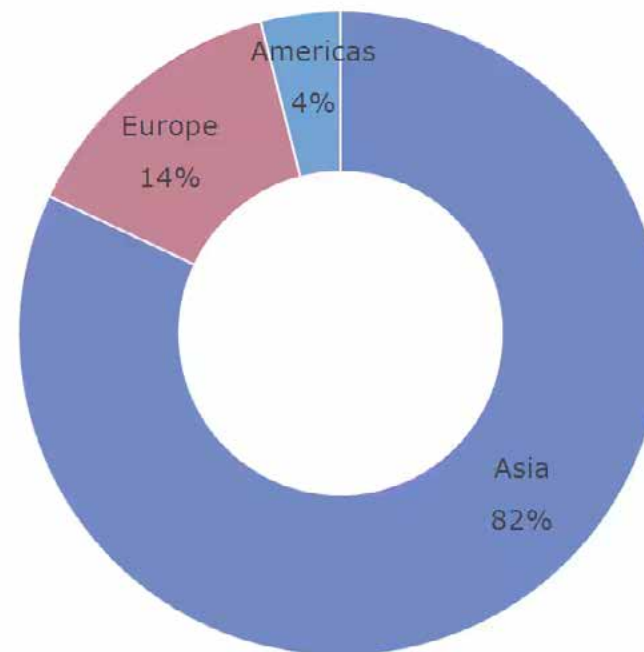
TDK Group Supply Chain

As of March 2025, TDK Group conducts business with approximately 3,900 material suppliers worldwide (excluding businesses from which we procure non-production materials such as office supplies and equipment), with an annual procurement amount of approximately 600 billion yen.

Number of suppliers by region



Purchase amount by region



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 TDK 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 are providing thorough education for our team members, including training on sub-contracting laws.

Metrics and Targets

Medium- and Long-term Goals

To ensure that we respect human rights (which forms part of TDK’s materiality) in relation to suppliers, we perform CSR audits. If we discover any non-conformance that is particularly serious, we implement corrective measures and improvement activities.

Goals and Achievements in FY March 2025

FY March 2025 Goals	Achievements
Percentage of key suppliers implementing self-checks (FY March 2025-2026)	61%
Achieve 100% implementation of CSR self-checks at sub-contractors (FY March 2025-2026)	32%
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

We have maintained a supplier CSR conformity rate of 100%. Starting from 2024, we are implementing self-assessment for key suppliers every two years, with the first set of results due to be published towards the end of FY March 2026.

In FY March 2025, we achieved our goal of implementing on-site CSR surveys at 46 suppliers. In 2025, we planned to implement on-site CSR surveys at 50 suppliers.

FY March 2026 Goals
Achieve CSR compliant supplier rate of 100% (FY March 2025-2026)
Achieve 100% implementation of CSR self-checks at sub-contractors (FY March 2025-2026)
Achieve 100% implementation of CSR self-checks at labor agencies used by manufacturing sites in the high-risk countries in Asia

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Initiatives

Sustainable Supply Chain Management Initiatives

(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. In addition, we formulated the TDK Group Business Partner Code of Conduct in October 2024, establishing common requirements that all suppliers are expected to comply with.

(2) Supplier Screening

TDK Group identifies critical suppliers for each business, taking into account the following requirements:

- 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 2025, we have identified approximately 660 companies as key suppliers, accounting for 76% of the total annual purchase amount across the group. Additionally, we have identified 38 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 63 items based on RBA standards, focusing on areas that TDK considers 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 FY March 2025, we conducted CSR self-checks on 1,417 companies (including 403 key suppliers) and confirmed that approximately 3,900 material suppliers (excluding non-production material suppliers such as office supplies) are CSR-compliant suppliers.

(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 2024, we implemented audits at approximately 70 companies in and outside Japan, and discovered two instances of non-conformity. Having discovered that one supplier was requiring employees to work excessively long hours, and that another was failing to provide health checkups for employees, we provided guidance to the suppliers in question, and got them to make changes to the relevant internal rules. We subsequently confirmed the status of implementation of corrective measures, verifying that the problems had been remedied.

For some audits, suppliers undergo RBA VAP audits conducted by third-party organizations and share the reports through RBA-Online, which helps improve efficiency.

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.

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.

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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.

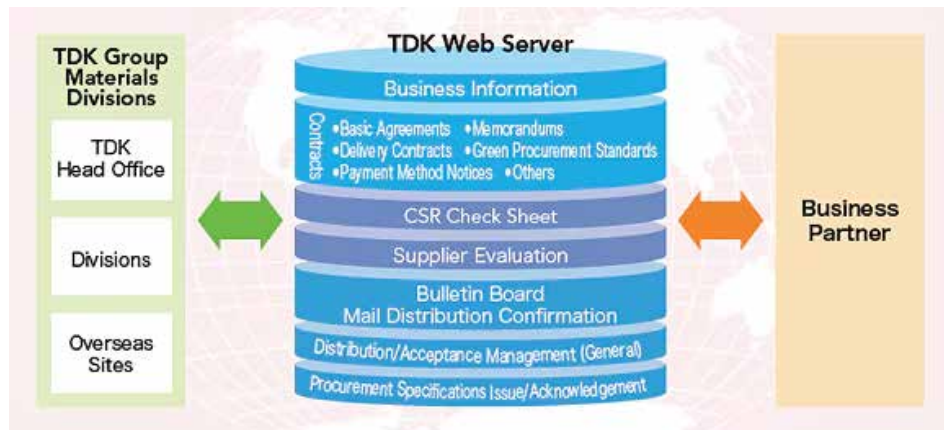
*The chemical substances in the evaluation are based on the "TDK Green Procurement Standards."

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.



Green procurement

In order to promote green procurement aimed at prioritizing purchase of products that contribute to reducing the burden on the environmental and that fulfill social responsibility. TDK's Green Procurement 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. In December 2024, we revised the annexes to the Standards, adding a number of new substances, including DP and UV-328, to the list of prohibited substances.

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.

Responsible Raw Materials Procurement

In line with the TDK Group Occupational Health/Safety and Environmental Charter, we strive to reduce the burden on the environment, by reducing CO₂ emissions, energy use, and water use throughout the product lifecycle, from procurement through development, manufacturing, delivery, and use to disposal. To promote these efforts, we have put in place a framework, under the supervision of the responsible director, to clarify roles and responsibilities in regard to environmental activities. These activities have positive spillover effects on suppliers throughout the value chain, on external contractors and other business partners, and on our customers. "Resources," as defined in our basic policy for this area, includes raw materials.

For example, our procurement-related units have been collaborating with suppliers and other external stakeholders, and have succeeded in building the electronics industry's first recycling system for reusing the PET film used in the production of multilayer ceramic chip capacitors (MLCCs).

We also perform risk assessment in relation to raw materials suppliers using CSR assessment, to verify that suppliers' production processes do not have negative impacts on the environment or on society. If serious negative impacts on the environment or on society are identified, we arrange for corrective measures to be taken promptly and strive to address the problem and mitigate its impact, thereby contributing toward the realization of a sustainable society.

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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.

Supplier Education and Capacity Building

TDK organizes seminars and offers individual support on several CSR-related topics with the aim of strengthening the initiatives of our suppliers.

- Individual support to strengthen information security at suppliers and contract manufacturers has been provided to several dozen companies, with support continuing for several months for each company. In this way, we have been able to ensure that these companies have the technology in place to make them more resilient to cyber-attacks.

- TDK also conducts surveys of suppliers' environmental initiatives to reduce CO₂ emissions, etc. Based on the results obtained in these surveys, we have for five years now been holding supplier award activities and providing feedback on the survey results. This feedback includes not only the assessment results, but also information on where each company's performance stands within its peer group. We have also been arranging for lecturers from CDP to provide webinars for a total of approximately 150 companies to explain the CDP Supply Chain Program. Additionally, we conducted on-site energy-saving diagnostics for several suppliers, offering advice on how to reduce electricity consumption. These activities have been recognized, with TDK receiving an A rating in the CDP Supplier Engagement Assessment for five 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.

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Concern for Human Rights in Relation to Employees of Suppliers (Including Contract Manufacturers and Staffing Agencies)

Initiatives Targeting Materials Suppliers

As part of our promotion of CSR-aware procurement, we implement CSR self-checking (based on the items required by the RBA) within the supplier approval process. In principle, self-checking is performed by all suppliers when TDK first starts doing business with them, and starting from FY March 2025, in the case of key suppliers, it continues to be implemented once every two years after that. The self-check items include items relating to human rights aspects of labor affairs, health & safety, and other human rights related matters. We also implement on-site CSR audits, selecting audit recipients in light of the importance of the products that they supply, TDK's degree of dependence on them, etc. Regarding the CSR self-check results for materials suppliers to TDK Group companies in FY March 2025, the CSR-compliant supplier rate (based on verification since beginning to do business with that supplier) was 100%, meeting our target.

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. We set ourselves the target of assessing all of our contract manufacturers over the two-year period from FY March 2025 to 2026; in FY March 2025, the first year of implementation, assessment was performed for 32% of contract manufacturers.

In the case of contract manufacturers that are highly dependent on TDK, we also implement CSR audits, based on the RBA standards. In FY March 2025, we implemented CSR audits for three companies in Japan and one company overseas.

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 every year 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 FY March 2025, self-checks were conducted at all 60 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.

Holding of the Supplier Sustainability Summit (SSS)

TDK has held its first sustainability event for suppliers. The Supplier Sustainability Summit (SSS) was held to explain to suppliers TDK's goals and requirements in relation to sustainability, supply chain resiliency, information security, and CSR, and as a venue for appealing to suppliers to work together with TDK in these areas. The SSS was held online on a global scale, with representatives of approximately 140 of TDK's key suppliers taking part (182 individual participants from 22 countries).



[Supplier Sustainability Summit\(SSS\) Record](#)

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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 recent years, the scope covered by the issue of responsible sourcing of minerals, etc. originating in conflict zones and high-risk areas has expanded, with the aim of controlling not only possible exacerbation of conflicts but also serious human rights abuses and pollution. Due to the special characteristics of TDK's products (i.e., electronics components, etc.), the manufacturing of these products inevitably involves the use of various minerals, including tantalum, tin, tungsten, and gold.

With this in mind, in January 2019 we revised the "TDK Group Policy on Responsible Sourcing of Minerals." The revised policy stipulates that TDK will work to promote responsible sourcing of minerals throughout the supply chain, in relation not only to conflict but also to risks and injustices relating to infringement of human rights, environmental destruction, etc. (including OECD Annex II risks)

Related link

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

Governance

One of the materiality (key issues) items that underpins the creation of value by TDK is the need to address environmental and social issues. A key topic identified in this area is to respect human rights, and this includes activities relating to the responsible sourcing of minerals.

We hold review meetings on a monthly basis to discuss and report on the progress made with these activities; this in turn is reported to the business planning function, which reports to the Board of Directors on an annual basis.

In terms of practical implementation, in order to manage risks and opportunities relating to minerals procurement, our headquarters procurement function is responsible for conducting an annual survey of suppliers, while our headquarters quality assurance function liaises with customers, and our sustainability promotion function monitors industry trends. Investigation and response systems have been 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 of Minerals." The Policy stipulates the promotion of responsible sourcing of minerals throughout the supply chain, 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*¹.

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(1) Establishment of a robust corporate management system

- Formulate a policy on responsible sourcing of minerals
- Retain CMRT*² for a five-year period

(2) Identification and investigation of risks in the supply chain

- Survey suppliers using CMRT/EMRT*³
- Declare TDK's expectations (use of RMAP*⁴-compliant smelters) to coincide with survey requests

(3) Establishment and implementation of strategies to address the identified risks

- Request the exclusion of any non-compliant 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*⁵/JEITA)

(5) Issuance of an annual report on supply chain due diligence

- Include annual report on activities on the company website

*1 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

*2 Conflict Minerals Reporting Template

*3 Extended Minerals Reporting Template

*4 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.

*5 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 FY March 2025

FY March 2025 Goals	Achievements
A ratio of at least 90% of suppliers whose procurement of conflict minerals (3TG: tantalum, tin, tungsten, and gold) is confirmed as being from RMAP-compliant smelters	93.9%

Evaluations and Future Activities

In FY March 2025 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. For 3TG, the share of suppliers confirmed as procuring from RMAP-compliant smelters was 93.9%. For FY March 2026, 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.

FY March 2026 Goals
A ratio of at least 90% of suppliers whose procurement of conflict minerals (3TG) is confirmed as being from RMAP-compliant smelters

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Initiatives

■ Risk Identification Process

-Implementation of surveys in Group companies and promotion of conflict-free sourcing

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 FY March 2025, surveys were implemented at Group companies, and the ratio of suppliers confirmed to be conflict-free was 93.9%, achieving our target.

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 procurement from RMAP-compliant cobalt refineries. In 2025, we will expand the scope of the minerals covered by our surveys.

■ 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 FY March 2025:

- Participated in the activities of the Responsible Minerals Trade Working Group's Education and PR Team. A responsible minerals sourcing survey presentation was held, both in person and online, with the aim of helping representatives of secondary suppliers (and below) to develop awareness of responsible minerals sourcing issues and understand the survey methods used. TDK collaborated on the holding of the event, with TDK staff taking part as panelists, and also providing advice in the individual consultation sessions that followed the presentation. Presentations of this type are also being implemented online on a regular basis, with TDK staff providing advice in the individual consultation sessions.
- TDK has participated in the Conflict-free Sourcing Working Group together with automotive manufacturers, providing feedback on the survey manual and related tools.
- As a leader of the Responsible Minerals Trade Working Group's Communication Team, TDK has been involved in revising the ESG criteria for refinery auditing in line with the expansion of the scope of subject minerals. TDK has offered its views regarding the format for the reporting template, has undertaken follow-up on developments regarding the revision of the IPC-1755 Responsible Sourcing of Minerals Data Exchange Standard, and has undertaken collation of views within JEITA. In addition, in line with the above developments, TDK has held seminars, and TDK representatives have served as main speaker at related events.
- TDK has held two meetings to exchange views with upstream suppliers.
- TDK has held numerous meetings to exchange views with representatives of the RBA (and of the RMI) and with other stakeholders involved with responsible sourcing of minerals.

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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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.

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Social and Environmental Consideration at Manufacturing Sites

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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

The Safety and Environment Group 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

We promote our CSR activities based on TDK Transformation, our 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.



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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

The Safety and Environment Group 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 FY March 2025

FY March 2025 Goal	FY March 2025 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
Achieve 100% implementation of either RBA-authorized audit (VAP, AMA, or CMA) or CSR assessment based on the RBA's VAP standards at least once during the three-year period from 2024 to 2026	Achieved implementation at 21% of sites in FY March 2025
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

We have begun implementing a program to have either RBA-authorized audit or CSR assessment based on the RBA's VAP standards performed at least once during the three-year period from FY March 2025 to 2027 at all manufacturing sites. In FY March 2025, audits were performed at 21% of manufacturing sites, achieving our goal for the first year of the Medium-term Plan.

FY March 2026 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)
Achieve 100% implementation of either of RBA-authorized audit, customer CSR audit, or CSR assessment based on the RBA standards 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 where necessary. In FY March 2025, of all the sites where CSR Self-Check was conducted, feedback to improve issues was provided to two sites at which issues were identified as a result of evaluations.

Labor and Corporate Ethics Risk Assessments

Every year, risks relating to labor and corporate ethics are evaluated and analyzed at all manufacturing sites, and risk mitigation is performed (environmental and health and safety evaluations are performed separately).

The items to be checked are updated each year based on social trends, etc. After the responsible personnel at each site have completed the questionnaire, the Sustainability Promotion Department assesses risks and provides the sites with feedback on the results of their assessment. If residual risks are discovered, plans for improvement are formulated and the issues are corrected at each affected site, so as to minimize risk. By performing the PDCA cycle at each site, we aim to achieve ongoing improvement.

In FY March 2025, we conducted labor and corporate ethics risk assessment based on Version 8.0 of the RBA standards. Based on the assessment results, latent risks were identified at 19 sites; the implementation of remedial measures had been completed at all these sites by the end of the fiscal year.

Audits

The main types of CSR audit promoted by TDK are RBA-authorized audits and CSR assessments based on the RBA's auditing standards. By conducting audits based on the RBA standards, we have constructed a mechanism to ensure that the levels of labor affairs, health and safety, environment, ethics, and management systems are maintained at a global standard.

In addition, we have set ourselves the goal of having either RBA-authorized audit or CSR assessment based on the RBA's auditing standards performed at least once during the three-year period from FY March 2025 to 2027 at all manufacturing sites. In FY March 2025, audits were performed at 21% of manufacturing sites, achieving our goal for that year.

	Frequency	Target site	Content
RBA-authorized audit	Starting FY March 2025, launched initiative to conduct either an RBA-authorized audit or a CSR assessment based on the RBA audit standards 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)
CSR assessment based on the RBA audit standards		Site where no RBA-based audit has gone in	- CSR assessment based on the RBA audit standards - Carried out by the headquarters or each regional CSR group
Customer CSR audit	As necessary	Sites requested by customers	Performed based on customer's audit standards
Internal audit	Every year	Site where high-level management is requested	- Management status confirmation through regular internal audit and 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

Trainings and Dialogues

With a systematic understanding of RBA and customer requirements related to CSR, we provide timely training for quick responses.

In FY March 2025, we held CSR internal auditor training provided by an RBA-authorized auditing firm on a global basis. In the ASEAN region, we arranged for on-site auditing to be performed by a third-party organization, and we implemented training to upgrade the skills of CSR internal auditors.

On-site Auditing of Contract Worker Agencies

We have been implementing on-site CSR auditing at our manufacturing sites, targeting suppliers (including staffing services firms and other service providers). If issues are discovered, we implement monitoring of every stage from the formulation of improvement plans through to the completion of corrective action.

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Consideration for Human Rights in Relation to Employees at TDK Manufacturing Sites

We conduct CSR self-checking based on RBA standards, and labor and corporate ethics risk assessment, for all manufacturing sites in the TDK Group on an annual basis. This is overseen by the Sustainability Promotion Department. In addition, we have set ourselves the goal of having either RBA-authorized audit or CSR assessment based on the RBA's auditing standards performed at least once every three years at all manufacturing sites. When issues are discovered during the implementation of these measures, we require the affected site to draw up a plan for improvement and implement corrective action.

In FY March 2025, CSR self-checking using RBA self-assessment, and labor and corporate ethics risk assessment, were performed at all 75 of our manufacturing sites. Risk assessment in relation to human rights covered forced labor, harassment, and management of service providers such as contract worker agencies, cafeteria management firms and security firms. The labor and corporate ethics risk assessment identified latent risks at 19 sites; the implementation of remedial measures had been completed at all these sites by the end of the fiscal year. Going forward, we will continue to implement initiatives, using the measures outlined above, to reduce the risk of human rights infringements.

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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.

When undertaking risk management in relation to tax, we follow our company-wide risk management process, implementing a PDCA cycle that includes a series of tax-related risk management activities—identification of tax-related risk, assessment, deliberating on and implementing countermeasures, and monitoring—until improvement has been made.

Initiatives

Implementation of Fiscal Year-end e-Learning in Japan

In Japan, we have implemented fiscal year-end e-learning for all company employees, from directors on down. This was conducted so as to raise awareness of the importance of compliance in relation to thorough implementation of proper tax handling, not engaging in the alteration or destruction of documents, not attempting to conceal or falsify facts, and other aspects of tax compliance.

Implementation of Education for Personnel Responsible for Tax Matters in the U.S.

Study sessions were held for personnel responsible for tax matters in the U.S., with the company responsible for overseeing operations in the U.S. playing a central role; the matters covered in the study sessions include changes to the tax system in the U.S., performance of tax-related tasks, etc.

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Holding of a Meeting for Personnel Responsible for Tax Matters in China

A China region tax matters meeting was held in Shenzhen, with the company responsible for overseeing operations in China playing a central role, to strengthen understanding of changes to the tax system in China and of the Global Minimum Tax, etc. among personnel responsible for finance and accounting. A total of around 70 personnel from all of TDK's businesses in China attended the meeting.

Holding of a Meeting for TPOs in Europe

A transfer pricing study session was held, with the company responsible for overseeing operations in Europe playing a central role, that brought together transfer pricing officers (TPOs) in the Europe region.

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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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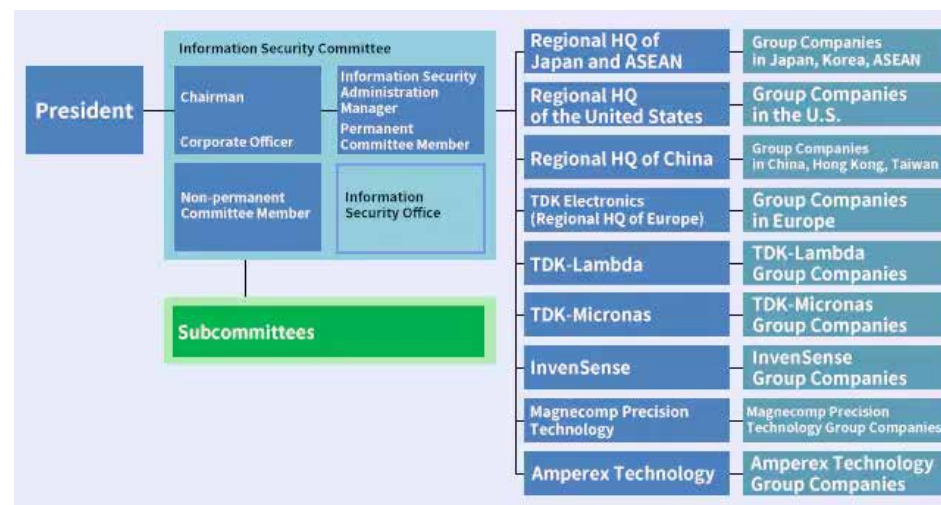
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[Basic Policy on Information Security](#)

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 its information security governance, TDK has put in place a system whereby representatives of both head office functions and regional head-quarters can be asked to serve as non-permanent members of the Information Security Committee, thereby enabling it to respond flexibly depending on the issue being addressed.



Information security management organization (As of June 2025)

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 a team member (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 within the TDK Group, we implement information security education and e-mail security training for our team members. The entire TDK Group keeps to enhance the education and training to team members by such as reflecting the latest security trends so that we will respond to risks that cannot be covered by the system.

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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 TDK Zero TrustTDK Zero((2) identify, (3) protect, (4) detect)
To prevent the occurrence of damage and to minimize damage in the event of an incident, we will undertake the building of TDK 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 TDK Zero Trust in a manner appropriate to TDK's business environment.
- Supply-chain security ((1) govern)
To prevent TDK's business activities from coming to a halt, we are monitoring the state of information security and making 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).

Risk Management

The Information Security Committee conducts surveys of the latest security trends, and reports on the results to senior management. With regard to risks that are of significant concern, we verify the status of risk countermeasures within the TDK Group, and in the case of risks that require additional response measures, we formulate appropriate measures and then roll them out throughout the TDK Group. We also liaise with the Enterprise Risk Management (ERM) Committee in regard to enterprise-level risks.

As regards external risks, we are constantly evaluating risks from the perspective of hackers who might launch cyber-attacks, and from the perspective of the Internet. In the case of high-risk vulnerabilities that need addressing, we take action promptly.

We make use of a website protection service to block external attacks on our website.

With regard to internal risks, we are implementing countermeasures to prevent team members from disclosing information outside the company without authorization.

Metrics and Targets

Medium- to Long-Term Targets

- TDK Zero Trust
To prevent the occurrence of damage and to minimize damage in the event of an incident, we will undertake the building of TDK 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 TDK Zero Trust in a manner appropriate to TDK's business environment.
- 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)

FY March 2025: Define TDK Zero Trust, and set goals to be achieved during the period of the current Medium-term Plan.

FY March 2027: Achieve goals by the final year of the Medium-term Plan.

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Goals and Achievements in FY March 2025

FY March 2025 Goals	Achievements
Define TDK Zero Trust, and set goals to be achieved during the period of the current Medium-term Plan	Defined TDK Zero Trust, set goals to be achieved, and promoted activities for achieving the goals
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; we also expanded the scope of related activities undertaken within the TDK Group ((1) govern).
- We continue to conduct training on information security incidents (for management and overseas business sites, etc.) ((5) respond, (6) recover).
- As a measure to counter the risk of internal irregularities, we introduced AI monitoring tools to our overseas business sites and strengthened our measures to prevent internal irregularities ((3) protect, (4) detect, (5) respond).
- We implemented information security education and email training ((3) protect).

Evaluations and Future Activities

In FY March 2025, which was the first year of implementation for building TDK Zero Trust, we clarified the definition of TDK Zero Trust throughout the TDK Group, and formulated the plan for realizing it.

In this fiscal year, we built the necessary framework through collaboration between TDK Group companies, and promoted related activities.

We aim to achieve the goals that were set in FY March 2025 for the final year of implementation of the Medium-term Plan by FY March 2027.

Initiatives

[Initiatives to Strengthen Information Security]

• Building TDK Zero Trust

In FY March 2025, we defined TDK Zero Trust, set goals for its realization, and promoted activities directed at the achievement of these goals.

• Supply-chain security

To prevent interruption to TDK's business activities, we have been rolling out the following measures across all TDK Group companies, proceeding with the clarification of information security status not only in TDK but also in the supply chain, and making improvements where needed.

In light of the latest changes in the information security environment, we have expanded the scope of our activities.

- Using questionnaire surveys to verify the state of the information security management system and the rules governing its operation
- Using an external disclosure environment evaluation system to determine vulnerabilities
- Using individual surveys to verify actual operational status

• Strategies to Address Risks Relating to Internal Irregularities

To prevent the loss of trust and confidence due to the leaking of information, we have expanded the adoption of AI monitoring tools to include overseas business sites, and we have been implementing various measures to counter risks relating to internal irregularities.

• Incident Response

We implemented incident response training for senior management, clarifying the role that senior management are expected to play, and how they should respond.

For frontline personnel who will actually be implementing the response to incidents, we implemented incident response training at our business locations in Japan and overseas, and we clarified the procedures that should be followed when an incident occurs.

[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 \(PDF\)](#)

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Information Security Education

To maintain and enhance information security throughout the entire TDK Group, we implement information security education and training in dealing with targeted e-mail attacks for all team members at least once a year.

Information security education is implemented for computer users at each Group business site. The content and frequency of the education is tailored to suit the environment and current status of each site.

With the e-mail training, an e-mail modeled on a real phishing e-mail is sent to each team member, to verify the number of team members who open the attachment or click on the URL.

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.

External Certification of Information Security Management

A number of TDK Group business sites have been awarded Trusted Information Security Assessment Exchange (TISAX) information security certification, which was initiated by the German Association of the Automotive Industry (VDA).

Related Information

[Certification according to TISAX](#)

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 FY March 2025 there were no reports or receipt of complaints in Group companies concerning the infringement of customer privacy or the loss of customer data. There were also no instances of using customer data for secondary purposes.

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Basic Policy on Information Security

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

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Quality Assurance

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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 FY March 2025

FY March 2025 Goal	Achievements
Expand the provision of new quality education content that makes effective use of DX	Successfully expanded the provision of new quality education content that makes effective use of DX

Evaluations and Future Activities

FY March 2026 Goal
Implement periodic revision of quality education content

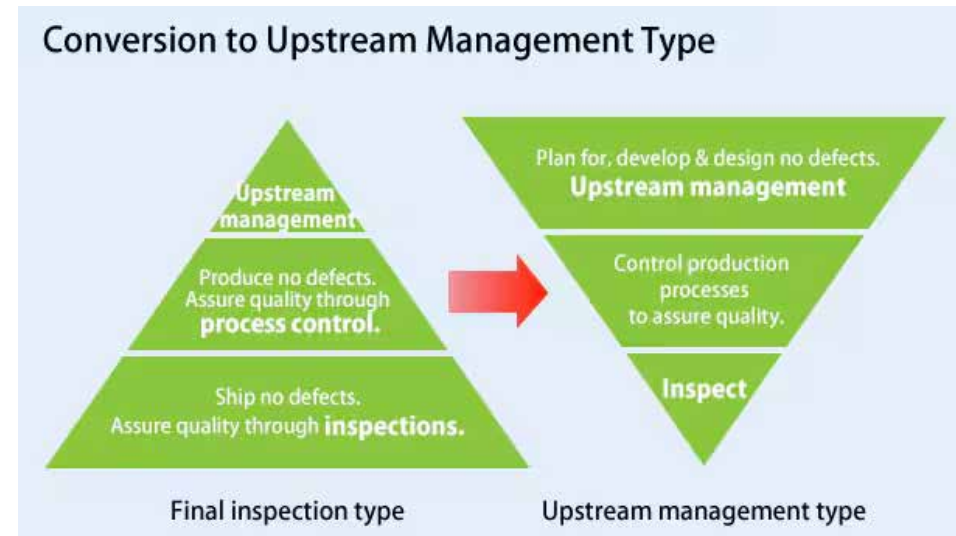
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Top Priority Measures in the “Advance to Zero Defects”

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 work-site competence to establish reproducible manufacturing processes that eliminate variations. The main factors that result in quality variations are equipment and operations. Variations caused by equipment have been reduced by clearly defining requirements when designing equipment and by clarifying maintenance procedures; variations caused by operations have mainly been addressed using small group activities. Besides these measures, we are also working steadily to raise quality awareness through ongoing quality education using small group activities, thereby building a “Quality First” corporate culture.

TDK will continue striving to enhance its Monozukuri through further strengthening of its product manufacturing processes, to provide customers with high quality products in a timely manner.

(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 regard to product security, we have been implementing secure development and have taken measures to address vulnerabilities. In response to the introduction of the Cyber Resilience Act by the European Union, we have collated the relevant requirements and undertaken analysis to determine where there is any divergence, and we are working to update our existing secure development efforts and measures to address vulnerabilities.

With regard to vulnerabilities, rather than utilizing a “human wave” approach to data collection, we are proceeding with the adoption of software that can be used for system checks, thereby enabling rapid transmission of security-related information and facilitating effective status monitoring. In addition, it can be anticipated that, by adopting a framework for compiling and managing the software bill of materials (SBOM), it will be easier to determine whether existing vulnerability data is accurate.

We are also working to satisfy stakeholders’ needs by providing product security rules and tools not only for IoT-enabled equipment, but also for other industrial machinery and for products that incorporate digital elements.

(5) TDK’s continuous implementation of quality education for team members

Having learned the lesson from the incidents involving our humidifier products, TDK implements regular employee education to strengthen awareness of the need to prioritize product safety and quality.

This education is implemented globally for all TDK Group team members. The content is updated regularly in light of any incidents that have occurred in the market and in response to changing requirements, and we are also expanding the range of languages in which the training is provided, and the methods through which it is delivered.

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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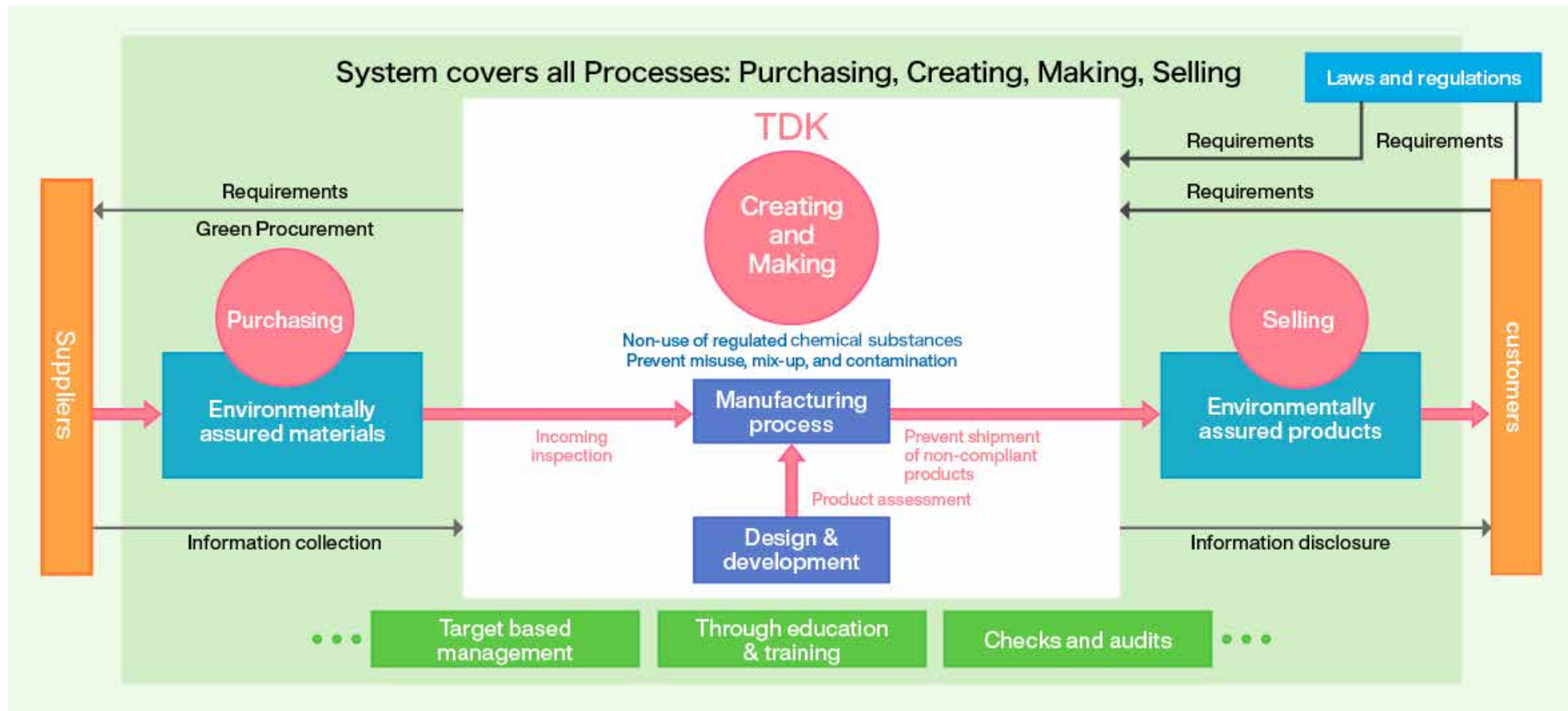
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Environmental Product Quality Management overview

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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.

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, TDK has registered RoHS Directive compliance data for all of the products in its 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.

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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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Recognition from Society

State of Inclusion in ESG Evaluation / Indexes, Etc. (As of July 31st, 2025)

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 Index Series \(Link to external site\)](#)

- **MSCI Selection Indexes**
This index, provided by MSCI (based in the USA), selects companies with outstanding ESG evaluation.

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



- **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 \(Link to external site\)](#)

2025 CONSTITUENT MSCI NIPPONKABU 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.



- **SX Brand 2025**
The SX Brand is a group of progressive companies that enhance their ability to generate growth capital in a sustainable manner through SX (Sustainability Transformation) to with the aim of improving corporate value.



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- 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 over-weighting 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 2025.



- CDP Climate Change: A (first time)

CDP Water Security: A (five 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 (five 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 150,000 corporations in more than 185 countries and over 250 industries. TDK has received a “Platinum Medal” by EcoVadis. The top 1% of all assessed companies are awarded the Platinum 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. In 2025, TDK has been recognized as one of the Health & Productivity Management Outstanding Organizations for three consecutive years.



- Kurumin Mark

The Platinum Kurumin is a recognition under the Act on Advancement of Measures to Support Raising Next-Generation Children for childcare-supporting companies that meet especially high standards.



- 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



TDK has been recognized as a Clarivate Top 100 Global Innovator™ 2025 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 11th 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 year, TDK received particularly high evaluations for influence.

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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

[A Third-Party Assurance by SGS Japan Inc. PDF](#)

Translation

15 July 2025
Opinion No : SGS25/116

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 2024 indicated with ★ (hereinafter referred to as "the Statement") in "TDK Corporation website -Sustainability - ESG Data -TDK ESG Data 2025" (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 1-8, 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 calculation method and the status of internal controls over the Statement.
- Analytical procedures and inquiries regarding quantitative data.
- On-site inspection of TDK Corporation / TDK Electronics Factories Corporation Inakura Factory(East site) and Kofu 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 is 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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Independent Assurance Report

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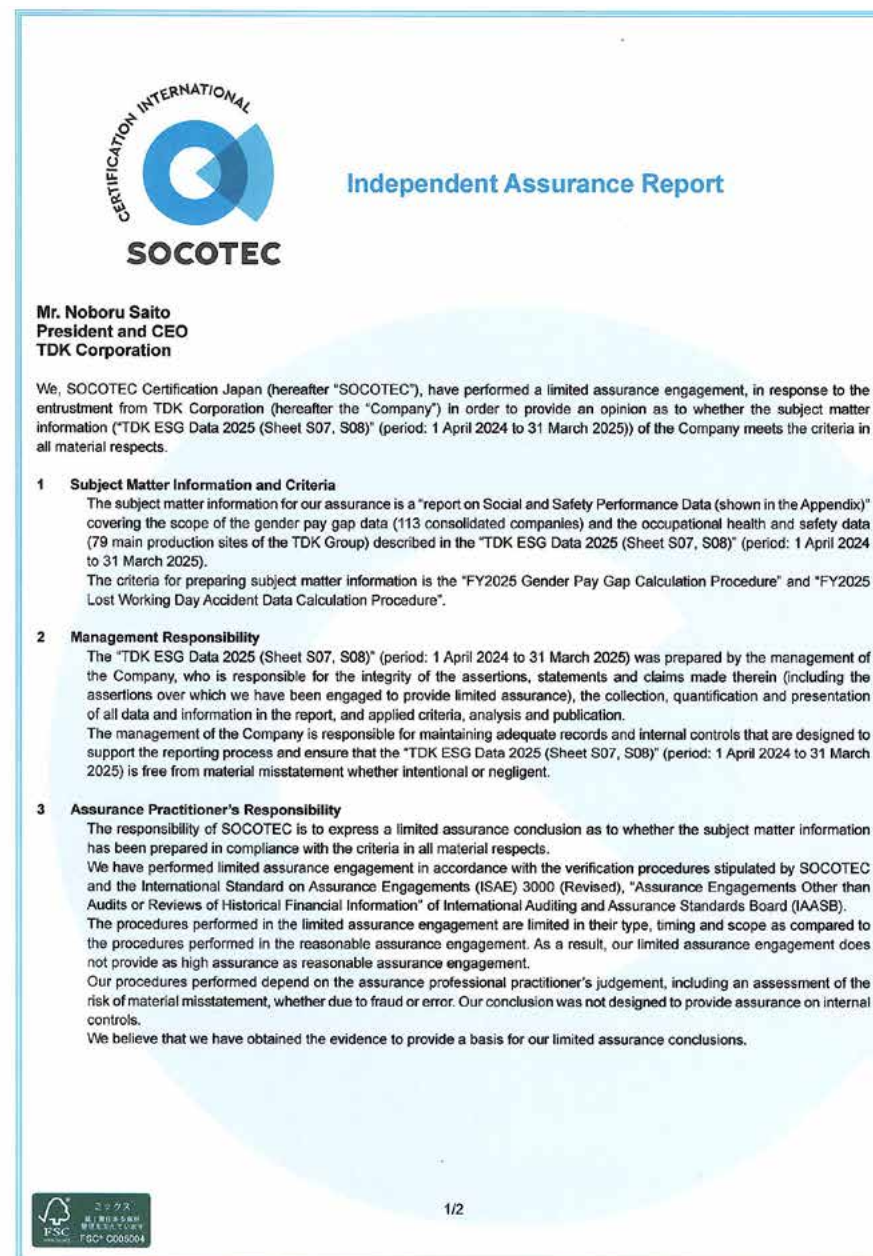
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TDK's Gender pay gap and Health and safety data undergo third-party assurance by SOCOTEC Certification Japan.

[A Third-Party Assurance by SOCOTEC Certification Japan PDF](#)

For data guaranteed by a third party, see the ★ symbols in the ESG Data.

[ESG Data](#)



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ESG Data

[Governance Data](#)

[Environmental Data](#)

[Social Data](#)

We have collated environmental, social, and governance data for past years, and make these data available in Microsoft Excel format.

[ESG Data \(97KB\)](#)

Please see the following link for the third-party assurance report.
For data guaranteed by a third party, see the ★ symbols in the ESG Data above.

[Third-Party Assurance](#)

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Environmental Data

<GHG emissions>

- Scope 1, Scope 2, Scope 3
- Scope 3 (by category)

<Energy>

- Total energy consumption
- Total renewable energy use
- Percentage of total renewable energy used
- Percentage of total renewable energy-derived electricity used

<Water>

- Incoming water
- Water discharging
- Water consumption

<Waste>

- Total non-hazardous waste
- Total hazardous waste
- Total waste

<Compliance with laws and regulations and accidents>

- Regulatory exceedances and accidents
- Fines of US\$10,000 or more
- Amount of fine (US\$10,000 or more)

<Atmosphere>

- PRTR substance emissions (Japan)
- SOx emissions (Japan)
- NOx emissions (Japan)
- Soot and dust emissions (Japan)
- Volatile organic compounds (VOC) emissions

<Data by site>

- Electricity (purchased) usage
- Fuel consumption
- Water resources (water withdrawal)
- Discharge (total emissions)
- Discharge (amount recycled outside the company)

<Environmental accounting (Japan)>

[ESG Data \(97KB\)](#)

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Social Data

Global

<Employment>

- Consolidated number of employees
- Ratio of Employees by Nationality
- Total employee turnover rate
- Voluntary employee turnover rate

<Diversity>

- Ratio of female in all managerial position
- Ratio of female in junior managerial position
- Ratio of female in middle managerial position
- Ratio of female in top managerial position
- Ratio of female in managerial positions in revenue-generating functions
- Ratio of female in STEM-related positions
- Ratio of employees with disabilities
- Annual training hours per employee

<Staff training>

- Annual training hours per employee
- Average amount spent per employee on training and development
- Number of Territorial Career Development Program (TCDP) graduates
- Number of Global Management Program (GMP) graduates
- Number of Global Advanced Management Program (GAMP) graduates
- Number of Global Executive Management Program (GEMP) graduates
- Number of participants in the global English training program

<Freedom of association>

- Ratio of employees represented by a union or covered by collective bargaining agreements

<Hiring>

- Total number of new employees hired
- Percentage of open positions filled by internal candidates

<Team member engagement>

- Response rate
- Ratio of employees with top level of engagement
- Comment rate
- Engagement index

<Gender pay gap (non-adjusted)>

- Salary
- Bonus
- Coverage (% of employees covered)

<Health and safety>

- Number of accidents resulting in lost work time
- Number of significant labor accidents
- Number of deaths due to workplace accidents
- Lost time injury frequency rate

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TDK Corporation

<Employment>

- Number of employees
- Average age
- Continuous service
- Recruitment of new graduates
- Mid-career recruitment
- Ratio of mid-career recruitment in newly hired employees
- Total employee turnover rate
- Voluntary employee turnover rate

<Work-life balance>

- Employees taking child care leave
- Ratio of employees returning to work
- Male childcare leave acquisition rate
- Paid leave acquisition rate
- Number of employees taking nursing care leave

<Diversity>

- Ratio of female in all managerial position
- Ratio of female senior managers
- Ratio of female managers
- Ratio of female assistant managers
- Gender pay gap rate
- Ratio of employees with disabilities

<Staff training>

- Education and training expenses
- Cumulative total of participants in overseas trainee program
- Cumulative total of engineers sent to overseas universities

<Job satisfaction>

- Response rate
- Ratio of employees with job satisfaction

<Percentage of employees who participate in the employee stock ownership plan>

[ESG Data \(97KB\)](#)

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Governance Data

Corporate Governance

<Officers>

- Number of directors
- Number of Audit & Supervisory Board members
- Number of corporate officers

<Board of Directors>

- Number of meetings
- Attendance ratio of outside directors
- Attendance ratio of outside Audit & Supervisory Board members

<Audit & Supervisory Board>

- Number of meetings
- Attendance ratio of outside Audit & Supervisory Board members

<Remuneration>

- Directors (excluding outside directors)
- Outside directors
- Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)
- Outside Audit & Supervisory Board members

Business Ethics and Compliance

<System>

- Number of consultations and reports to help lines Business ethics

<Business ethics>

- Number of instances of material non-compliance with TDK Code of Conduct

<Political contribution>

- Total amount of political contribution (Japan)

Supply Chain

<Initiatives as a supplier>

- Number and implementation ratio of manufacturing sites covered by CSR self-checks
- Number of manufacturing sites covered by labor, human rights, and business ethics risk assessment
- Number of manufacturing sites performed CSR voluntary audits by third-party organizations
- Number of employees participated in CSR internal auditor training (accumulated)
- Percentage of customers covered by the satisfaction evaluation
- Customer satisfaction index

<Initiatives as a buyer>

- Number of dispatch companies covered by CSR self-check (dispatch companies used by manufacturing sites in high-risk countries of Asia)
- CSR-compliant supplier ratio

<Responsible sourcing of minerals>

- Ratio of suppliers confirmed conflict-free
- Number of conflict minerals survey

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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 refer to 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.

[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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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
		Third-Party Review of Environmental Performance Data
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.	Environmental Policy and Environmental Vision
		Goals and Achievements
		Environmental Management System
		Initiatives for the Circular Economy
		Responsible Management of Chemical Substances
		Environmental Data
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.	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 Group Business Partner 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.	TDK Code of Conduct
		Respect for Human Rights
		Social Data
		Human Resources
		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
		TDK Code of Conduct
		TDK Group Policy on Human Rights
		TDK Group Business Partner 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 set-up with the aim of responding to the trust and expectations of customers and society.	TDK 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.	TDK 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 Group Business Partner 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, 2024 to March 31, 2025] 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 the "Sustainability" Website
	2-4	Restatements of information Mentioned in the notes on the relevant pages.
	2-5	About the "Sustainability" Website
		Third-Party Review of Environmental Performance Data
		Third-Party Assurance
	Activities and workers	
	2-6	About TDK – TDK at a Glance
		TDK Worldwide
		Investor Relations – Financial Highlights
		Sustainable Procurement
	2-7	Employees About TDK – TDK at a Glance Social Data
	2-8	Workers who are not employees
	Governance	
	2-9	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 Sustainability Promotion Structure
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Promotion Structure
	2-15	Conflicts of interest	Corporate Governance TDK Code of Conduct (Corporate Standards of Business 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
			Message from the CHRO
			Message from the Sustainability Committee Chair
	2-23	Policy commitments	The TDK Group Occupational Health/Safety and Environmental Charter
			TDK Group Policy on Human Rights
			Sustainable Procurement
			TDK Group Policy on Responsible Sourcing Minerals
	2-24	Embedding policy commitments	Environment
			Health and Safety
			Respect for Human Rights
			Sustainable Procurement
	2-25	Processes to remediate negative impacts	Responsible Sourcing of Minerals
			Risk Management
			Respect for Human Rights
			Corporate Ethics and Compliance

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	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 Materiality Identification Process
	3-2	List of material topics Materiality Progress Report
	3-3	Management of material topics Sustainability Promotion Structure

Economic

GRI Items	Disclosure	Location
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed Investor Relations – Financial Highlights
	201-2	Financial implications and other risks and opportunities due to climate change TCFD/TNFD Investor Relations – Securities Reports
	201-3	Defined benefit plan obligations and other retirement plans Investor Relations – Securities Reports
	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 Climate Change Initiatives Environmental Data
	302-5	Reductions in energy requirements of products and services Climate Change Initiatives
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
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 Addressing Biodiversity
	304-2	Significant impacts of activities, products and services on biodiversity Environmental Policy and Environmental Vision TCFD/TNFD Addressing Biodiversity

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	304-3	Habitats protected or restored	Addressing Biodiversity
	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 Reports
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
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Respect for Human Rights
			Social and Environmental Consideration at Manufacturing Sites
			Sustainable Procurement
			Responsible Sourcing of Minerals TDK Code of Conduct (Corporate Standards of Business 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 (Corporate Standards of Business Conduct)
GRI 410: Security Prac- tices 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: Lo- cal Commu- nities 2016	413-1	Operations with local community engage- ment, impact assessments, and development programs	
	413-2	Operations with significant actual and poten- tial negative impacts on local communities	
GRI 414: Sup- plier 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: Cus- tomer 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 infor- mation and labeling	Environment-Conscious Products Quality Assurance
	417-2	Incidents of non-compliance concerning prod- uct and service information and labeling	
	417-3	Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breach- es of customer privacy and losses of customer data	(N/A)

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Electrical & Electronic Equipment

Sustainability Disclosure Topics & Metrics

Topic	Metric	Code	Response/Location
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	RT-EE-130a.1	Climate Change Initiative Environmental Data
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	RT-EE-150a.1	Initiatives for the Circular Economy Environmental Data
	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	RT-EE-150a.2	Environmental Data
Product Safety	(1) Number of recalls issued, (2) total units recalled	RT-EE-250a.1	-
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	-
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	RT-EE-410a.1	TDK does not disclose ratios by earnings, but we clarify chemical substances that are prohibited from being contained in products or should be declared. Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	RT-EE-410a.2	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. Environment-Conscious Products Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)

	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	TDK does not have any products that are eligible for ENERGISTAR 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. Environment-Conscious Products Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1	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. Responsible Sourcing of Minerals
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	RT-EE-510a.1	Corporate Ethics and Compliance
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	-
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	RT-EE-510a.3	-

Activity Metrics

Activity Metric	Code	Response/Location
Number of units produced by product category	RT-EE-000.A	TDK does not disclose the number of units produced, but we do disclose sales by product. FY March 2025 Financial Results (Sales by Product) page 8/35
Number of employees	RT-EE-000.B	Social Data

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Search by SDGs

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	Contribution to the SDGs through Productss
	Business Creation Starting from Social Issues
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	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	Contribution to the SDGs through Productss
	Business Creation Starting from Social Issues
	Climate Change Initiatives

8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Respect for Human Rights
	Social and Environmental Consideration at Manufacturing Sites
	Sustainable Procurement
	Responsible Sourcing of Minerals
	Human Resources Development
	Diversity, Equity & Inclusion
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Health and Safety
	Contribution to the SDGs through Productss
10. Reduce inequality within and among countries	Business Creation Starting from Social Issues
11. Make cities and human settlements inclusive, safe, resilient and sustainable	Contribution to the SDGs through Productss
	Business Creation Starting from Social Issues
12. Ensure sustainable consumption and production patterns	Contribution to the SDGs through Productss
	Business Creation Starting from Social Issues
	Environmental Policy and Environmental Vision
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13. Take urgent action to combat climate change and its impacts	Contribution to the SDGs through Products
	Business Creation Starting from Social Issues
	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	Corporate Governance
	Corporate Ethics and Compliance
	Respect for Human Rights
	Responsible Sourcing of Minerals
	Social and Environmental Consideration at Manufacturing Sites
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17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Stakeholder Engagement
	Social Contribution Activities

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