## The TDK Group's Materiality

TDK believes it is important to promote CSR activities that respond to changes in stakeholders and the social and business environment surrounding the Group. From fiscal 2013 TDK has promoted the study of materiality in accordance with the fourth edition of the Global Reporting Initiative guidelines (GRI-G4),\* and in fiscal 2015, with the approval of management, we finalized our materiality. Here we introduce the process and results. With regard to the designated important CSR issues of "Contribute to the World through Technology," "Develop Human Resources," "Consider the Societal and Environmental Impact of the Supply Chain" and "Develop and Prosper in Harmony with the Global Environment," a new activity portfolio was launched from fiscal 2016.

\* The details of the Materiality Finalization Process may be viewed on the following website. http://www.global.tdk.com/corp/en/csr/csr\_philosophy/csr02000.htm

## The Materiality Finalization Process

GRI-G4 made a revision from requiring comprehensive information disclosure to requiring information disclosure with the focus on materiality. The objective of this revision was to encourage companies to determine their reporting content purposefully by getting management to be more deeply involved in CSR. TDK held discussions with stakeholders outside the company, implemented a dialogue with management, and finalized materiality through the following process.



## Finalization of the Materiality

The prioritization in Steps 2 and 3 was conducted on the basis of 46 items chosen in consideration of items required by the GRI-G4, and 19 material issues were identified. These issues were further sorted and classified and finally condensed into the following 10 important themes for the promotion of activities from now on. After approval has been received from the Executive Committee, the competent departments in the TDK headquarters are taking the initiative in setting key performance indicators in coordination with TDK Group companies in order to promote related activities.

$\wedge$		Important CSR Issues	Important Themes
mportance for stakeholders High	Contribution to regions and communities  Protection of water resources	1 Contribute to the World through Technology	Contribute to resolving social issues through development and provision of new products in three priority markets     Pursue zero-defect product quality
		2 Develop Human Resources	Develop global human resources     Cultivate a corporate culture that respects diversity
		Consider the Societal and Environmental Impact of the Supply Chain	Consider the work environment at manufacturing sites Consider the work environment of suppliers Response to conflict minerals
		Develop and Prosper in Harmony with the Global Environment	Reduce environmental load throughout life cycle stages     Creating a framework for gauging product contributions
		Management	Ensure corporate governance and compliance
	Business activities in consideration Supply of product information of biodiversity to consumers		
		Import	ance for the TDK Group High