

TDK Group – Human Rights Statement

https://www.tdk.com/corp/en/sustainability/social/supplier_responsibility/sus30000.htm

This statement discloses the TDK Group's initiatives in regard to human rights in the business and supply chain of the TDK Group, as required by the UK Modern Slavery Act. This statement reports the activities conducted FY 2018 (from April 1, 2018 to March 31, 2019).

1. About the TDK Group

The TDK Group consists of TDK Corporation, headquartered in Japan, and 139 consolidated subsidiaries around the world (as of March 31, 2019). Our focus is on information and communications technology, automotive, industrial and consumer electronics markets. TDK's comprehensive portfolio features passive components such as ceramic, aluminum electrolytic and film capacitors, magnetics, high-frequency, and piezo & protection devices. Our product spectrum also includes sensors and sensor systems such as temperature and pressure, magnetic and MEMS sensors. In addition, TDK provides power supplies and energy devices, magnetic heads, and more. The portfolio is marketed under the product brands TDK, EPCOS, InvenSense, Micronas, Tronics and TDK-Lambda. The company has a network of design and manufacturing locations and sales offices in Asia, Europe, North and South America.

Detail of TDK Group (TDK Worldwide)

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

2. Our Approach

The TDK Code of Conduct (Charter of Corporate Behavior) 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."

Since the UN Human Rights Council adopted the "protect, respect, and remedy" framework, known as the Ruggie Framework, with regard to business and human rights in 2008, a series of international Corporate Social Responsibility ("CSR") guidelines and UN and EU policies have been introduced in accordance with the framework, and several jurisdictions around the world have enacted laws addressing human rights in the context of international business. Specifically, these include the conflict minerals clause in the US Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in 2010, the

Transparency in Supply Chains Act enacted in the US State of California in 2010, the UN Guiding Principles on Business and Human Rights in 2011, the Modern Slavery Act in the United Kingdom in 2015, and EU regulation on conflict minerals in 2017. This trend represents a strong appeal to companies to specifically identify human rights issues in their business activities and take appropriate action.

The TDK Group Policy on Human Rights was formulated in 2016. TDK promotes the correct understanding, awareness, and improvement of human rights issues, including social issues, not only in business activities within the Group itself but also in the value chain.

TDK Code of Conduct

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

TDK Group Policy on Human Rights

https://www.tdk.com/corp/en/sustainability/social/supplier_responsibility/sus31000.htm

3. Due Diligence

- Communication with External Parties

We continue to strive to identify and engage with human rights issues by acquiring information from many sources.

2017 Targeting Human Rights Responses at the Supply Chain

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

https://www.tdk.com/corp/en/sustainability/important/society_and_environmental/sus10000.htm

2015 CSR Promotion in the Supply Chain

Invited Mr. Masaki Wada of Energetic Green for an exchange of opinions concerning what is expected of TDK to promote CSR in the supply chain.

<https://www.tdk.com/corp/en/sustainability/dialog/sus30000.htm>

2014 Identification of Human Rights Issues through Dialogue with Stakeholders

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

https://www.tdk.com/sustainability/social/supplier_responsibility/pdf/rep14000.pdf#page=9

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

Participated in the Human Rights Due Diligence Workshop, organized by the Caux Round Table Japan. We contributed to identifying human rights issues related to the

manufacturing sector, while sharing expertise with members from nine other companies, NGOs, and experts (10 associations).

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

- Group Internal Initiatives

TDK implements annual CSR self-assessments and labor and human rights/corporate ethics related risk assessments based on the Responsible Business Alliance (RBA) Code of Conduct at all Group manufacturing sites. These are supervised by TDK's CSR Headquarters Group. In addition, every two years, we conduct CSR self-audits in manufacturing sites located in China and the high-risk countries of Asia, using third-party auditing companies, including customer CSR audits.

In fiscal 2018, TDK implemented CSR self-assessments at all of its 81 manufacturing sites. Among 34 targeted sites in China and Asia, independent third-party CSR audits were conducted at five sites that had not undergone customer CSR audits over the last two years.

- Labor Dispatch Company Oriented Initiatives

The high-risk countries of Asia including China, where human rights and recruitment risks are considered to be high, improper management practices by labor dispatch companies are frequently discovered.

In fiscal 2018, we conducted CSR self-assessments that included labor dispatch companies used by manufacturing sites in the high-risk countries of Asia including China.

- Supplier Oriented Initiatives

In order to promote CSR procurement, TDK implements annual CSR self-assessments of its suppliers on the basis of items required by the RBA. Furthermore, TDK has been conducting CSR audits of its suppliers, selecting targeted suppliers in consideration of their importance in the delivery of products to customers and our reliance on them.

In fiscal 2018, CSR self-assessments confirmed that 94.4% of suppliers of our Group companies were CSR compliant, a 3.2% improvement over fiscal 2017. We will continue to strengthen our efforts with regard to Group companies and suppliers.

4. Major Initiatives Related to Human Rights

- Prohibition of Child Labor and Forced Labor

The TDK Code of Conduct strictly prohibits child labor and forced labor and demands the

same commitment from suppliers. For example, at our manufacturing sites in China, we adhere to strict age check procedures to prevent any use of child labor and implement monitoring by headquarters, including of contract manufacturers.

In fiscal 2018, no case of child labor was discovered.

- Protection of Foreign Workers

Foreign workers are susceptible to becoming victims of forced labor and human trafficking, due to their low social and economic position, especially non-skilled workers. Measures are being implemented to protect the human rights of and provide relief to such individuals. In Malaysia, the problem of forced labor involving foreign workers became a social issue. In fiscal 2013, we began to assess the problem, and have since then devised and implemented countermeasures based on the results. We will continue our efforts to monitor and correct any instances of forced labor through our supply chain.

- Working Hours and Fair Wage Management

We use dedicated labor management systems at each of our sites and pay wages based on appropriate work performance management. In China, where extended continuous working hours of employees have become a problem, we began in 2015 to strengthen the monitoring of production sites by headquarters. The high-risk countries of Asia have been included in the monitoring since fiscal 2017.

- Prohibition against Discrimination

We ensure equal opportunities for all employees by avoiding direct or indirect discrimination among our employees in respect of employment, treatment (compensation, opportunities to participate in training sessions, advancement opportunities, etc.) and other similar matters, based on race, beliefs, gender, religion, nationality, ethnicity, age, marital status, disability, sexual preference, gender identity, military status, genetic information, social status, etc. Our purchasing transactions (including contracts and subcontracting) are carried out not only on the basis of economic rationales, but in an effort to fulfill our social responsibility in complying with laws and regulations, and respecting human rights and labor rights.

- Freedom of Association

TDK and some of our subsidiaries have labor unions.

In addition, in countries where labor unions are not permitted under local laws, regulations, and labor customs, and in Group companies where there are no unions, TDK holds sincere

dialogue directly with employees or employee representatives based on the TDK Code of Conduct. In this manner we work to build sound relationships and resolve issues regardless of the circumstances. In all cases, we respect our workers' rights to freely form or join organizations of their choosing, and we do not discriminate or retaliate against workers who participate or seek to participate in organizations which bargain collectively or seek to bargain collectively such as labor unions.

- Responsible Sourcing of Minerals

TDK began 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).

In fiscal 2018, according to the conflict mineral survey conducted by TDK Group, no minerals involved in the funding of armed forces in the DR Congo or adjoining countries have been found. In order to reduce involvement not only in conflicts but also serious human rights violations and environmental pollution, TDK has expanded the scope of its responsible sourcing of minerals beyond those from conflict-affected and high-risk areas. In January 2019, we revised our policy, which is now entitled the “TDK Group Policy on Responsible Sourcing Minerals.” Under this revised policy, TDK will continue to promote responsible sourcing of minerals throughout the supply chain, including minerals such as tantalum, tin, tungsten, gold and cobalt, which may be sourced from not only conflict areas but also areas with high risks of misconduct, including human rights abuses and environmental destruction.

TDK Group Policy on Responsible Sourcing Minerals

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

Responsible Sourcing of Minerals

https://www.tdk.com/corp/en/sustainability/social/supplier_responsibility/sus20000.htm

5. Training

TDK raises awareness of human rights issues through e-learning or in person training of all of our employees including those in the UK. Through training of internal auditors based on RBA requirements and CSR training that takes regional characteristics into consideration, we have been able to identify problems where they arise, including in China, Malaysia and

Japan. In the supply chain, meanwhile, TDK provides educational tools to promote awareness at the time of CSR self-assessments.

In fiscal 2018, we conducted the following training sessions:

- **CSR training in Indonesia for the people in the sites in Malaysia and Indonesia (20 persons participated)**
- **CSR session in China : On the TDK Code of Conduct and discussions on labor management (19 persons participated)**

This statement was reported to and approved by the Board of Directors on August 28, 2019.

Date _____

Signed by

Shigenao Ishiguro
President & CEO
TDK Corporation