

TDK Corporation
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Tokyo, 103-6128, Japan

May 24, 2021

Beatriz Balbin
Chief
Special Procedures Branch
OHCHR
Via email:

Subject: JOINT COMMUNICATION FROM SPECIAL PROCEDURES

Dear Ms. Balbin,

Thank you for your outreach to the TDK Group dated March 12, 2021 (Reference: AL OTH 156/2021). We have reviewed the situation you presented and appreciate the opportunity to respond. As explained below in response to specific questions, we wish to state at the outset that the TDK Group maintains policies and procedures to respect human rights and does not tolerate human rights abuses in our supply chains.

First, in response to Question 1 and 2 from your letter, we would like to assure you that the TDK Code of Conduct and the TDK Supplier Code of Conduct include respect for human rights and expressly prohibit any form of forced labor in our supply chains. We have published the “TDK Group Policy on Human Rights” to clearly show our stance and approach to human rights issues.

Moreover, the TDK Group is a member of the Responsible Business Alliance (RBA), a nonprofit coalition dedicated to improving social, environmental, and ethical conditions in their global supply chains, and the TDK Group is committed to conducting business operations in accordance with the RBA Code of Conduct.

The TDK Group undertakes human rights due diligence processes and promotes its due diligence activities in line with the procedures set out in the UN Guiding Principles on Business and Human Rights. We also keep an open dialogue with internal and external stakeholders to make our activities more effective. Details on our human rights due diligence process are public and available for you to review in several languages on the TDK [website](#).

In response to Question 3, based on the approach of our policies described above, we conduct due diligence checks on human rights issues in our supply chains, focusing on the activities at manufacturing sites, through a combination of self-assessments, on-site audits, trainings, and dialogues.

For our own manufacturing sites, the TDK Group implements annual Corporate Social Responsibility (CSR) self-checks and risk assessments for labor and business ethics, based on the RBA Code of Conduct, at all TDK Group manufacturing sites. In addition, we undergo CSR audits at manufacturing sites located around the world periodically, including customer audits. We also undertake additional activities considering the types of risks in specific countries and regions. This includes, for example, initiatives to prevent child labor and to monitor and manage working hours in specific countries.

For our suppliers, the TDK Group implements CSR self-checks based on items required by the RBA and continued monitoring of suppliers. These self-check items include labor and human rights, safety and

health, and other related areas. Furthermore, to confirm the actual status of their efforts and to detect and correct any inappropriate practice at an early stage, we conduct CSR audits of our suppliers, selecting targeted suppliers considering their importance for the delivery of products to our customers and our overall reliance on them.

Further details on our initiatives for prevention and reduction of human rights risks are publicly available in several languages on the TDK [website](#).

In response to Questions 4 and 5, in addition to CSR self-checks and on-site audits stated above, the TDK Group raises awareness of human rights and related policies by providing e-learning or in-person training on CSR that is given to all TDK Group employees annually. Furthermore, we provide training on specific topics for employees who need a deeper understanding of related topics to fulfill their roles. This includes explanations of the RBA Code of Conduct, CSR internal auditor training, and explanations focusing on labor agency management at regional HR meetings etc.

For suppliers, in addition to our prohibition of discrimination and forced labor stated in the TDK Supplier Code of Conduct and contracts, educational materials for new suppliers also explain TDK's requirement of respect for human rights, including the prohibition of forced labor. Furthermore, we share our policies with our main suppliers regularly.

In response to Questions 6 and 8 of your letter, based on our review to date, the TDK Group has not found any evidence of abuses as described in the letter in our business operations, or those of our suppliers. The TDK Group has no information that it has caused or contributed to alleged adverse impacts as described in the letter.

It is important to note that if any deviation from the TDK Group policies on human rights were to occur in our supply chains, we would conduct investigations based on our policies. If we were to determine any deviation in our own companies, we would immediately stop or improve the practice. If a deviation were identified with suppliers, we would first request the relevant supplier to stop or improve the practice, and in case the supplier did not do so, we would undertake required measures up to and including the cancellation of our business relationship with the supplier.

As for Question 7, the TDK Group has established a global whistle-blowing system that allows TDK Group employees to seek guidance on, or report any corporate ethics issues, including potential human rights concerns. These reports may be made directly or through internal or external helplines that are independent from employees' own reporting lines. For external stakeholders, we communicate and respond through the inquiry contacts on the TDK Group website.

Based on the framework of the UN Guiding Principles on Business and Human Rights, the TDK Group will continue our historical practices to respect human rights across our business. We are committed to taking necessary steps as part of our consistent and ongoing corporate social responsibility efforts throughout our supply chains.

Thank you again for your outreach and the opportunity to respond.

Best regards,

Shigenao Ishiguro
President and CEO
TDK Corporation