

Munich, July 9, 2019

## Statement of Continued Support

Message of the Chairman of the Management Board and CEO of TDK Electronics AG

TDK Electronics and its predecessor EPCOS have been a member of the United Nations' Global Compact since 2003. At that time we pledged our support because the aims and objectives of Global Compact as expressed in the Ten Principles are in complete agreement with our own understanding and implementation of corporate responsibility. As a TDK Group Company and, thus, subsidiary of a leading manufacturer of electronic components, modules and systems for all electronics industries with R&D, manufacturing and sales activities around the world, we continue to fully embrace these principles as the essential foundations for good corporate citizenship wherever we do business. Our responsibility to society is clearly documented in the TDK Code of Conduct, from which I quote:

“The TDK Group recognizes its role in resolving social issues through creativity and contributing to society. The TDK Group will continue to respect human rights, comply with relevant laws and regulations and international rules, and will discharge its social responsibility with a strong sense of ethical values for the purpose of creating a sustainable society. These corporate principles are binding for all employees, and implemented in our various corporate governance and management systems.”

Because sustainability is a long-term strategic success factor for not only our company but also the entire supply chain, we partner with our customers and suppliers to create and live a culture of excellence and responsibility that is built on fundamental values such as passion, respect, integrity and discipline. Our philosophy for collaboration with our customers and suppliers is based on mutual expectations and commitments in terms of reliability, transparency, communication and also sustainability. Therefore, we also demand that our suppliers ensure that their organization and also all of their subcontractors and suppliers comply with the Ten Principles.

Our Global Compact Communication On Progress report outlines our activities and achievements in implementing the principles of the Global Compact.

Sincerely,

Signed by

**Joachim Zichlarz**

Chairman of the Management Board and CEO of TDK Electronics AG

## **TDK Electronics AG**

### **Global Compact – Communication On Progress 2019**

TDK Electronics AG (formerly EPCOS AG) is committed to the principles of the Global Compact as a part of its corporate responsibility. The TDK Electronics corporate website provides detailed information to stakeholders about the company's activities in this context. The Corporate Responsibility pages present the [TDK Code of Conduct](#), which specifically provides the standards and guidelines for compliance with all laws, regulations and social norms, to be followed by TDK and its consolidated subsidiaries, as well as all directors, officers, employees and company auditors who are members of the TDK Group. The corporate ethical philosophy and the corporate standards of business conduct detailed in the TDK Code of Conduct are in full agreement with the principles of the Global Compact. Addressing corporate citizenship and corporate governance, they provide ethical guidelines binding for all employees. Details are also available on environmental management, employee safety, and various community involvements.

#### **Responsibility toward society**

A global presence and cultural diversity shape our company and our business activities. We have employees, customers and partners in many countries of the world. Together, they make up an agile network that exchanges goods, services and knowledge and commits to intercultural cooperation. This dialog provides new ideas and insights while arousing sympathy for and creating confidence in our company and its business policies. TDK Electronics maintains close contact with educational institutions around the world. Our experts cooperate in basic research with renowned universities and research institutes.

Our sales companies and regional bases are an integral part of the national economies where they operate. We also see ourselves as a good neighbor in the literal sense, purchasing goods and services locally and providing well-paid jobs by local standards. By buying local goods and services, we promote an efficient supply industry. Our local operations thus create extra jobs indirectly.

Wherever we do business, we see ourselves as a member of the local society in which we operate, and as a good corporate citizen that actively contributes to the community and its environment. Among these we count our support for local clubs, organizations and initiatives – a task that our local companies and their employees around the world fulfill with great commitment.

The following examples stand for the broad range of social contribution activities performed around the world in 2018:

- TDK Electronics' plant in Heidenheim, Germany, actively sponsors the *E-Motion* Formula Student team from nearby Aalen University. Formula Student is an annual student engineering competition. At many universities students build single seat race cars and

compete against teams from all over the world. Currently, the teams are building two cars, an electrical and a self-driving car. The student teams compete against each other in many races in a Formula One setting, where they have the opportunity to demonstrate their performance to experts from the automotive industry. The cars are judged on a number of criteria. The competition is not won solely by the team with the fastest car, but rather by the team with the best overall package of construction, performance, and financial and sales planning. The Heidenheim plant donates EUR 15,000 in cash per year as well as technical testing support in the company's electromagnetic compatibility (EMC) laboratory, including specialized EMC coaching. The student team also has the possibility to use suitable TDK components.

- As part of its corporate commitment to the environment, the TDK Electronics' plant in Batam, Indonesia, has established a Tree for Life Program. In 2018 the annual tree planting program was held at the Duriangkang Reservoir, which is some 10 kilometers from the Batam plant and the most important source of fresh water for Batam Island. The tree planting program serves to improve the storage of precious water in the soil, filter air pollution, remove CO<sub>2</sub> from the air and create habitats for many species in sensitive areas on Batam Island. Trees help to prevent water from evaporating during the dry season by providing shade and keeping the soil around the basin moist. Altogether, some 150 employees participated and planted around 1000 trees.
- As part of its Suliművek Program (support of local schools), which was launched 4 years ago, TDK Electronics' plant in Szombathely, Hungary, completely refurbished the science classroom for physics and chemistry at the city's largest school. The renovation included all of the benches and chairs for the students as well as the special furniture for physics and chemistry experiments. The new classroom was opened with an extraordinary and spectacular physics and chemistry lesson conducted by TV science journalist Nagy Gergő Zoltán. The aim of the Suliművek Program (support of local schools) is to support education in Szombathely at all levels. Besides the renovation of the physics room, the Szombathely plant hosts student visits to the company's production facilities and partners with a local vocational school to offer a dual training program for technicians.
- TDK Electronics plant in Nashik, India, co-sponsored the city's Annual Run for Charity, in which around 13,500 amateur athletes participated. More than EUR 90,000 was raised through entrance fees, corporate and private donations. The company's employees contributed nearly EUR 6,000 and volunteered to manage the event. The Nashik Run Charitable Trust undertakes projects in areas such as improving the quality of education, providing basic infrastructure for schools and providing medical support. For example, in 2018 a total of 350 bicycles were donated to girls from economically challenged families in Nashik district villages. The Nashik Run was founded in 2003 by TDK and Bosch, who are the platinum sponsors of the Charitable Organization.
- TDK Electronics headquarters in Munich, Germany, donated EUR 25,000 for Christmas 2018 to the Stiftung Deutsche Schlaganfall-Hilfe, a German foundation to help prevent strokes and improve care for sufferers. The money is used in the diagnosis and treatment of strokes in children at Germany's first Pediatric Stroke Center at the Dr. von Haunersche

children's hospital run by the LMU University in Munich. While half of all stroke patients are over the age of 75, younger people and children too can be affected. The Pediatric Stroke Center was established in 2014 as Germany's first pilot project to ensure that children are treated as quickly as possible and to provide support to their families.

All of these activities are an integral part of TDK Corporation's overall Social Contribution Activities initiative. Because of long-term success and focus on environmental issues in the communities where the factories are located, TDK recognized the activities in Heidenheim, Batam and Szombathely with TDK Group Social Contribution Activities Awards.

We are convinced that corporate responsibility involves a commitment to society and permanent protection of the environment. To do justice to the diversity of cultures, their values and moral precepts that we encounter, we base our conduct on high ethical standards. Our corporate culture and interpersonal relations within the company, with our customers and with business associates are molded by values such as decency, loyalty, tolerance, and respect for local customs and the law.

TDK Electronics' commitment to human rights, labor standards and the environment date back to its establishment in 1999 and can be traced back even further to its predecessor companies.

### **Systematic corporate social responsibility management**

In 2018 TDK Electronics has continued to make further strides in embedding corporate social responsibility (CSR) in its corporate-wide management systems under the leadership of the Corporate Technology and Quality Department.

CSR coordinators for all TDK Electronics manufacturing locations worldwide track the CSR status of their respective plants using a comprehensive questionnaire that is based on globally established and promoted standard questionnaires. This CSR questionnaire, which goes beyond the scope of the Ten Principles of Global Compact, covers the following key areas that address conformance to the coming CSR guideline:

- Labor
- Ethics
- Health and Safety
- Environment

These questions are an integral part of internal and external CSR assessment audits of conformance to management system requirements in the context of continuous process improvement. In the previous fiscal year a total of 13 CSR assessment audits had been successfully performed by an independent, third-party auditor ([DNV-GL](#), a leading certification institution). A further eight sites will be audited in calendar year 2019. The certificates of assessment of the Ten Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work are posted on the [TDK Electronics website](#).

The ongoing training of CSR coordinators, the management team and employees is a further focus of the company's CSR management. For example, a workshop was conducted in Indonesia for our plants in Southeast Asia in order to provide CSR coordinators an improved understanding of the TDK Electronics' CSR objectives and processes, as well as the 17 Sustainable Development Goals of the UN. In addition, e-learning tools were provided in the corporate Intranet to inform and educate all employees about CSR and business ethics. The objective of all these measures is to ensure full compliance with the TDK Code of Conduct by members of the management teams and all employees.

### **Partnership for sustainability**

TDK Electronics calls on its business partners to ensure that their organization and also all of their subcontractors and suppliers comply with the Ten Principles of the Global Compact. We rely on our suppliers to communicate and actively promote the standards of these principles throughout their entire supply chain. To promote our partnership with suppliers TDK Electronics set up a specific [suppliers' page](#) on the website, which offers a link to the Ten Principles and outlines our philosophy of collaboration in terms of reliability, transparency, communication and sustainability. In addition, all purchase orders issued by the company contain the statement, "TDK Electronics supports the UN's Global Compact Initiative and aligns all of its activities with the initiative's Ten Principles. We rely on you to comply with the standards of these principles," and refer to our suppliers' page.

In order to ensure that the company's sourcing is compatible with its corporate principles TDK Electronics established a general guideline for all employees involved in dealing with external suppliers, service providers, partners or any other third party with the intention of purchasing goods or services. The TDK Electronics [Procurement Policy](#) addresses the fair and impartial selection and evaluation of sources and the company's policy on quotations.

The Procurement Policy also includes TDK Electronics' position on Conflict Minerals – tantalum, tin, tungsten, and gold obtained from mines and areas controlled by armed rebels in the Democratic Republic of the Congo (DRC) or in adjoining countries. These groups have been conducting illegal mining and smuggling of minerals to fund their rebel activities. These actions not only serve to further conflict, but constitute violations of human rights through forced labor and the abusive treatment of local people. TDK Electronics has no intention of supporting the above-mentioned illegal activities and violations of human rights. We place a high priority on communication in our supply chain with regard to such Conflict Minerals, and therefore require our suppliers to disclose such information and, if appropriate, share it with our customers.

## Responsibility for our people

Measures have been implemented in order to ensure adherence to company labor rules. For example, to protect juvenile workers and preclude excessive working hours, the age and working hours of all persons employed in our company are subject to regular checks, as are also the living conditions of workers who reside in dormitories.

We seek to actively nurture the creativity of our employees. Their health and ongoing personal development are matters of prime concern to us. Their knowledge and skills are the basis of our competence, and thus of our business success. Our personal development program, among other things, enables employees to exchange their production experience across different locations and attend production-related training courses, besides attending specialized seminars outside the company.

To prepare our best people for future leadership roles, TDK Electronics has established the Junior Management Circle (JMC). About two-thirds of the top management positions throughout the Group are recruited from this group. On average, 30 people a year participate in the program. As a result, they spend two years in the JMC and represent all the Group's key functions as well as the main regions in which we operate. In addition to the established JMC program, TDK Electronics is now offering additional training programs such as the TDK Career Development Program (TCDP), which was developed for employees with several years of project responsibility, or the Advanced Management Program (AMP) for employees in upper management. Besides these programs for management employees, we also offer all of our employees worldwide a broad spectrum of qualification and continuing training opportunities.

To further improve protection for employees' health and safety at work, TDK Electronics has introduced and maintains an occupational health and safety management system at its production facilities in conformance with OHSAS 18001 (the Occupational Health and Safety Assessment Series). As part of the program, every workplace has been assessed to identify possible threats, provide preventive protection against accidents, and minimize risks. These risk factors not only include mechanical and electrical dangers, hazardous substances, fire risks, and physical stresses and strains, but also psychological factors such as changing working shifts. As part of the management system, occupational safety officers have been appointed for each production facility to oversee and ensure compliance with the occupational safety rules and regulations that have been harmonized for all TDK Electronics production sites. Currently, the British standard OHSAS 18001 is being replaced by the international standard ISO 45001. After the full implementation of this new management system in all production facilities in the coming year, we are planning external certification as a demonstration of our commitment to continuous improvement also in the field of occupational health and safety.

## Responsibility toward the environment

TDK Electronics is committed to protecting the environment as much as possible. As a manufacturer of passive components and electronic systems with factories located around the world, TDK Electronics is continually improving its production processes to conserve energy and reduce CO<sub>2</sub> emissions, to minimize water consumption and waste, and to avoid introducing harmful substances into the environment as much as possible. To support this process, the company's production sites worldwide conduct environmental programs and projects on a regular basis.

In the course of the past fiscal year TDK Electronics has initiated and completed more than 70 projects and actions to increase its energy efficiency and thus minimize its negative impact on the environment. Some examples are:

- Compressed air systems were improved at four of our plants around the world, resulting in noticeable energy savings. For example, we were able to save a total of 750 MWh at our facilities in Málaga, Spain; Šumperk, Czech Republic; Szombathely, Hungary; Deutschlandsberg, Austria; and the plant of our subcontractor in Kutina, Croatia.
- 11 production facilities continued to upgrade their lighting by replacing older fluorescent lights with more energy-efficient LED systems, resulting in estimated energy savings of about 1000 MWh.

Maximizing energy efficiency is one of the essential pillars of TDK Electronics' environmental efforts. In order to achieve all targets concerning the minimization of energy consumption, TDK Electronics has extended its certified ISO 50001 energy management system to all production sites located in the European Union.

## Focus on eco-design in product development

Another chief concern of TDK Electronics is to treat our resources with care. TDK Electronics works continuously to increase its resource efficiency in the design and manufacture of products. In order to determine and document the eco-friendliness of products compared to previous generations the company conducts an internal assessment as a part of the product design process. The analysis covers the amount of materials and energy used in the production process, the energy consumption of the finished products in operation and the recyclability of the products at the end of their life cycle.

TDK Electronics follows the example of TDK and calculates the contribution its products make toward reducing the company's CO<sub>2</sub> balance. Each product's per annum CO<sub>2</sub> emissions based on the energy and material used to produce it and the energy the product consumes in operation over its projected lifetime are compared with the per annum CO<sub>2</sub> emissions of a benchmark product – either the product's predecessor or an exemplary standard product in the market. The difference represents the positive impact of the product on the company's CO<sub>2</sub>

savings. In 2018, TDK Electronics again achieved a balance between all of the CO<sub>2</sub> it emitted and the sum of all CO<sub>2</sub> savings for all products.

### **Energy efficient portfolio**

While the world's appetite for energy is increasing, its reserves of fossil fuels are not. In the debate about climate change, calls for a reduction in carbon dioxide emissions are growing ever louder. In this context, technological solutions that improve energy efficiency are becoming increasingly important. Thus, TDK Electronics offers an ever wider spectrum of products that directly or indirectly improve energy efficiency. Examples of TDK Electronics products in environmental friendly applications include:

- Some 20 different TDK Electronics products, including protection devices, film capacitors, chokes, transformers and thermistors can be fitted in the electronic lamp ballasts and control electronics of energy-saving LED lighting fixtures. Compared to conventional lighting technologies, LED lamps and lighting systems can help cut energy consumption drastically, while significantly extending life expectancy of the lamps.
- New hybrid polymer aluminum electrolytic capacitors featuring extremely low internal resistance contribute to lower losses in the inverters of hybrid electric vehicles.
- High-performance power capacitors are key components in the converter stations of low-loss, long-distance high-voltage direct current (HVDC) transmission links.
- A new MnZn-based PC200 ferrite material, which is characterized by low losses at high frequencies, was developed specifically for power supplies and frequency converters that operate with new, fast-switching power semiconductors. The outstanding properties of this material will enable considerably more compact power supplies to be designed in future. At the same time, its efficiency is improved due to the low losses of the ferrite material.
- TDK Electronics offers innovative power capacitors based on a piezo-ceramic material that features an unrivalled combination of capacitance density and ripple current capability, which enables compact and lightweight traction inverter solutions that save space and energy in electric vehicles.
- Our sensors are used in engine management, for example, to measure the temperature of operating fluids and to measure the pressure in exhaust recirculation systems. Advanced media-resistant pressure sensors measure the pressure in fuel tanks and minimize harmful vapor emissions.
- In both cars and household appliances, TDK Electronics products contribute to easing the burden on the environment. Extremely precise temperature sensors with fast response times enable automotive and home air-conditioners and refrigerators, for example, to be controlled exactly, thus saving energy.



Besides helping to improve energy efficiency, TDK Electronics products also help protect the environment from harmful emissions and substances. For example, the company has introduced sensors that contain no environmentally harmful lead or halogens. In addition, we have developed new robust, high accuracy fuel pressure sensors that are resistant to aggressive fuels. They are used in evaporation emissions control systems that prevent fuel vapor from being discharged into the atmosphere and thus help carmakers to conform with new emissions legislation. The precision pressure sensors monitor the tank pressure either during electrical driving mode or when the vehicle is resting and are able to detect very small deviations.

Our ISO 14001-compliant global environmental management system ensures the same high standards of environmental protection worldwide. This standard applies to all locations. Regular audits by DNV-GL monitor compliance every three years. To date, the auditors have consistently certified the effectiveness of our environmental management system. Our aim, however, is not merely compliance with all statutory and administrative requirements, but the efficient use of precious resources too. In doing so, we avoid hazardous substances and minimize waste.

### **Better protection of the environment**

In fiscal 2019 (April 1, 2018 to March 31, 2019), TDK experienced growing demand for its products. As a result, the production capacity at TDK Electronics was further expanded and more products were manufactured. Due to the increase in production volume, TDK Electronics' energy consumption increased by 1.7 percent to 1233 gigawatt-hours compared to 1213 gigawatt-hours in the previous fiscal year. The carbon dioxide emissions remained the same in absolute terms with 235,000 metric tons.

### **Key environmental indicators in absolute values**

	<b>Unit</b>	<b>2018<sup>1</sup></b>	<b>2019<sup>1</sup></b>
Energy consumption	megawatt-hours (MWh)	1,213,000	1,233,000
CO <sub>2</sub> <sup>2</sup>	tons	235,000	235,000
Water consumption	cubic meters	5,512,000	5,187,000
Waste	tons	23,700	23,400

<sup>1</sup> The TDK Electronics fiscal year goes from April 1 until March 31 of the following year.

<sup>2</sup> The calculation of CO<sub>2</sub> emissions from the use of electrical power is based on supplier-specific conversion factors.

The weight of waste declined to 23,400 metric tons (23,700 metric tons in 2018), and we were able to maintain our recycling rate for waste at 82.4 percent. In total, waste decreased by 1.1 percent compared to fiscal year 2018. Our overall water consumption also decreased by 5.9 percent to about 5.2 million cubic meters (compared to 5.5 million cubic meters in 2018).

### **Key performance indicators in relation to added value**

	<b>Unit</b>	<b>2018<sup>1</sup></b>	<b>2019<sup>1</sup></b>	<b>Difference</b>
Energy consumption	megawatt-hours/1000 EUR	1.13	1.13	<b>0.0%</b>
CO <sub>2</sub> emissions	kilogram/1000 EUR	218	215	<b>-1.6%</b>
Water consumption	cubic meters/million EUR	5,119	4,736	<b>-7.5%</b>
Waste	tons/million EUR	22.0	21.4	<b>-2.9%</b>

<sup>1</sup> The TDK Electronics fiscal year goes from April 1 until March 31 of the following year.

In relation to the company's added value (sales minus cost of materials plus/minus inventory change), however, TDK Electronics was able to make further improvements in the area of water consumption, CO<sub>2</sub> emissions and waste, respectively, and to keep the energy efficiency at a stable level (+0.0%). At the same time, CO<sub>2</sub> emissions relative to added value decreased by 1.6 percent. With this progress, we were able to strongly improve the effectiveness of TDK Electronics' utilization of natural resources compared to 2018. The relative water consumption decreased by 7.5 percent, and the plants succeeded in reducing the total amount of waste relative to the added value by 2.9 percent.

The trend of the key performance indicators shows an improvement in the effectiveness of TDK Electronics' utilization of resources. Over the past four years, the amount of water needed per euro of added value has steadily decreased. On average, TDK Electronics has achieved an annual increase in efficiency regarding water utilization of about 5 percent. More or less the same annual improvements could be achieved concerning the relative amount of waste.

Consumption, emissions and waste fluctuate somewhat over the years. Viewed over the long term, TDK Electronics' performance has developed positively. Since fiscal 2015 energy consumption per added value has been reduced by around 10 percent. Thanks to the fact that a growing share of TDK Electronics' electrical energy is generated from renewable sources, the relative CO<sub>2</sub> emissions have been reduced by 19.5 percent since fiscal 2015. The significant progress in reducing CO<sub>2</sub> emissions could be achieved by using electricity generated by CO<sub>2</sub> neutral energy sources such as hydroelectric power (e.g. in Deutschlandsberg, Austria) and geothermal energy (e.g. in Akureyri, Iceland).

Whenever reasonable, the company wants to purchase energy from renewable sources and minimize the CO<sub>2</sub> emissions caused by energy consumption. TDK Electronics was able to increase the number of locations that are using electricity from 100 percent renewable energy sources to up to six – including the TDK Electronics headquarters in Munich – with more to follow. Since the beginning of the fiscal year ending in March 2019, more than two thirds (68.4%) of the company's total electrical energy consumption was generated from renewable sources.

On all measures, TDK Electronics' environmental performance has developed very positively and we are confident that we will be able to reach our goal of even further reducing our impact on the environment.

## Proactive response to rising environmental protection demands

TDK Electronics' dedication to the environment is summarized in our [environmental management principles](#). These include assessing the environmental impact of new products and processes right from the design stage, and regular monitoring and updating of technological and organizational procedures to ensure ongoing environmental protection.

Since the EU's Directive on the Restriction of Hazardous Substances (RoHS I) went into effect in July 2006, electrical and electronic equipment can be sold in the European Union only if it meets the requirements of this directive. The RoHS Directive aims to eliminate the use of four heavy metals – mercury, chromium, cadmium and especially lead – and also to ban the use of polybrominated biphenyls and polybrominated diphenylethers. In the meantime, the RoHS I Directive has been replaced by the RoHS II Directive. TDK Electronics is fully compatible with all aspects of the [RoHS II Directive](#). In 2018 some phthalate compounds were banned following another update of the RoHS II Directive. Moreover, TDK Electronics restricts the use of halogenated organic substances in its products. Wherever possible and economically feasible, those substances had been replaced by environmentally friendly solutions.

All products that TDK Electronics manufactures in, exports to, or sells in China are affected by China's law entitled *Management Methods for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products*, and known as China RoHS II. TDK Electronics offers its customers an online service to help them comply with the requirements of [China RoHS II](#).

Today's markets demand more and more information about the materials used in electronic components. Material data sheets that are also posted on the Internet provide examples of the typical composition of our product families. On request, we also supply customers with documentary evidence from certified laboratories for substances whose use is restricted in accordance with RoHS.

Compared with RoHS, Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the registration, evaluation, authorization and restriction of chemical substances (REACH) applies to a much wider sector of industry. The purpose of the regulation is to ensure a high level of protection for human health and for the environment. This includes the promotion of alternative methods of assessing the potential risks posed by substances. Under the REACH regulations, manufacturers and importers of substances must obtain all the data needed to assess the substances they produce or import. They must also demonstrate convincingly that their substances are safe to handle for all identified uses and thus harmful effects on human health and the environment can be avoided. Registration is required for each substance produced or imported in quantities of one metric ton or more per year per manufacturer/importer. This is done with the ECHA, the European Chemicals Agency, which is based in Helsinki, Finland.

TDK Electronics has been implementing the REACH requirements since the end of 2006, thus ensuring that it will be able to comply with these within the set time limit. Also, TDK Electronics was involved at a very early stage in the process of developing the REACH regulations. For

example, TDK Electronics supported studies into the impact of REACH on the German economy and helped to draft the final document, Guidance for downstream users. TDK Electronics offers its customers a comprehensive online service about [REACH](#).

TDK Electronics avoids critical substances as much as possible at an early stage of design. The company's certified quality management system includes a material compliance management process. TDK Electronics introduced its Banned and Declarable Substance List as a basic document for material compliance and environmentally friendly products.

Many product and system manufacturers have no choice but to factor environmental considerations into the design of their products. Failure to do so can damage their reputation among consumers, their brand image and, hence, their business. Some of our customers therefore go beyond the requirements of law and impose their demands on the entire supply chain.

### **Active involvement in associations – part of our CSR policy**

TDK Electronics plays an active role in numerous committees, workgroups and commissions in the electronics industry, such as the International Electrotechnical Committee (IEC) and the German Electrical and Electronic Manufacturers' Association (ZVEI Zentralverband Elektrotechnik- und Elektronikindustrie). This enables us to identify future trends in legislation that may affect our business and helps us respond quickly and comprehensively to any resultant laws. Actively shaping future regulations and standards is part of our corporate CSR policy.

---

### **Links to resources on the TDK Electronics website**

- Global Compact [www.tdk-electronics.tdk.com/en/global\\_compact](http://www.tdk-electronics.tdk.com/en/global_compact)
- TDK Code of Conduct [www.tdk-electronics.tdk.com/en/coc](http://www.tdk-electronics.tdk.com/en/coc)
- Corporate responsibility [www.tdk-electronics.tdk.com/en/corp\\_resp](http://www.tdk-electronics.tdk.com/en/corp_resp)
- Partnership with suppliers on sustainability [www.tdk-electronics.tdk.com/en/cr\\_supplier](http://www.tdk-electronics.tdk.com/en/cr_supplier)
- Procurement policy and response to conflict minerals [www.tdk-electronics.tdk.com/en/procurement\\_policy](http://www.tdk-electronics.tdk.com/en/procurement_policy)
- Certificates for CSR assessment audits [www.tdk-electronics.tdk.com/en/certificates](http://www.tdk-electronics.tdk.com/en/certificates)
- Environmental protection [www.tdk-electronics.tdk.com/en/environment](http://www.tdk-electronics.tdk.com/en/environment)
- Environmental management [www.tdk-electronics.tdk.com/en/environ\\_management](http://www.tdk-electronics.tdk.com/en/environ_management)
- Environmental report [www.tdk-electronics.tdk.com/en/environ\\_report](http://www.tdk-electronics.tdk.com/en/environ_report)
- Material data sheets [www.tdk-electronics.tdk.com/en/material](http://www.tdk-electronics.tdk.com/en/material)
- RoHS II Directive of the European Union [www.tdk-electronics.tdk.com/en/rohs](http://www.tdk-electronics.tdk.com/en/rohs)
- China RoHS II [www.tdk-electronics.tdk.com/en/china\\_rohs](http://www.tdk-electronics.tdk.com/en/china_rohs)
- REACH [www.tdk-electronics.tdk.com/en/reach](http://www.tdk-electronics.tdk.com/en/reach)