

CSR Management

CSR Charter

TAIYO YUDEN's management philosophy is to support the happiness of employees, contribute to local communities, and take responsibility for providing returns to shareholders. The Group works hard to build good relationships with all stakeholders and to raise its corporate value. To present this way of thinking more clearly to stakeholders, in 2005, the CSR Charter (TAIYO YUDEN Group's Charter on Social Responsibility) was established. The following year, in 2006, specific action policies were established in the form of a CSR Code of Conduct (Code of Conduct Regarding Social Responsibilities of the TAIYO YUDEN Group) to ensure that employees adhere to the letter and spirit of the CSR Charter.

CSR Charter

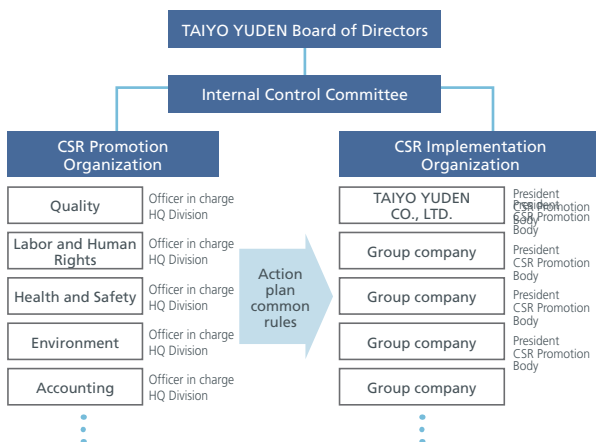
<https://www.yuden.co.jp/or/company/sustainability/management/charter/>

CSR Code of Conduct

<https://www.yuden.co.jp/or/company/sustainability/management/rule/>

CSR Activities Promotion Framework

In the TAIYO YUDEN's CSR activities, overall management is provided by the Internal Control Committee. The promotion organization is comprised of officers in charge and HQ divisions appointed for each provision of the CSR Code of Conduct (Code of conduct regarding social responsibilities of TAIYO YUDEN Group) and each applicable risk, and management is carried out according to a system (the Compliance and Risk Management System) implemented by each group company in accordance with the activity policy and rules in common established by the promotion organization.



Compliance and Risk Management

At TAIYO YUDEN compliance and risk management is a key activity of our CSR management system. The laws and regulations that require compliance are listed by organization

along with the risks that might adversely affect business, and regulatory compliance procedures and risk mitigation measures are drafted and implemented as part of the system. New laws/regulations and risks are regularly added to the list and the compliance procedures and mitigation measures pertaining to existing laws/regulations and risks are reassessed for aptness each fiscal term. We are making thorough efforts to achieve regulatory compliance and prevent and minimize risks.

Specific Risks and Their Countermeasures

Measures Aimed at Business Continuity

TAIYO YUDEN could suffer shutdowns or see significant damage at its manufacturing facilities due to natural disasters such as earthquakes, typhoons, floods, or accidents. In response to this risk, TAIYO YUDEN implements the following three measures, and by calling on suppliers to also implement and follow these same measures, is constructing a business continuity plan (BCP) covering the entire supply chain as part of its effort to create a stable supply system.

- Securing sufficient inventory until production lines can be restores
- Dispersing production facilities throughout the world
- Having a dispersed lineup of material and parts suppliers

Adapting to Changing Environmental Regulations

The TAIYO YUDEN Group is subject to a variety of environmental laws and regulations in each of the countries in which we operate, including regulations related to hazardous substances, the disposal of industrial waste, and the prevention of pollution in the air, water, and soil. Regulations in this area are becoming stricter with each passing year, raising the possibility of additional restrictions on our business activities. In order to adapt to the changing regulatory environment, TAIYO YUDEN has been working to continue its business without disruption, including by ending the use of hazardous substances and launching new processing facilities.

Information Security Initiatives

TAIYO YUDEN considers information security initiatives to be a priority area. An Information Security Committee chaired by the Officer in charge of information security has been established to deliberate on security policy and measures and roll them out globally. Specific initiatives include measures to prevent vulnerability to cyber attacks, measures against advanced viruses, training sessions for all employees to improve companywide awareness of security and levels of conduct, as well as training for corporate officers.