Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

**INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING**

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company’s supplier code of conduct; and

**Response:**

Murata is an RBA member and discloses “Murata Group Supply Chain CSR Procurement Guideline.” These standards are based on the RBA Code of Conduct.

**Evidence:**

- Murata Joins the RBA, an Industry Coalition Promoting Corporate Social Responsibility in Global Supply Chains | Murata Manufacturing Co., Ltd.
- Murata Group Supply Chain CSR Procurement Guideline
  
  murata_group_supply_chain_csr_procurement_guideline

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

**Response:**

Murata supply chain policies are published on website as "Murata Group Supply Chain CSR Procurement Guidelines", and the effectiveness of these guidelines is confirmed through CSR audits
and other means. Before conducting CSR audits, we hold briefings for suppliers to help them understand the auditing methods and other matters, and during audits, we check the methods, answer individual questions, and support improvement efforts in an effort to improve effectiveness.

Evidence:

・ Murata Group Supply Chain CSR Procurement Guideline
  [murata_group_supply_chain_csr_procurement_guideline]

・ Responsibility to and Actions Concerning Suppliers (CSR Procurement Initiative)
  [Responsibility to and Actions Concerning Suppliers (CSR Procurement Initiative) | Murata Manufacturing Co., Ltd.]

**INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY**

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

Response:

We are continuously and systematically promoting CSR management, such as Murata's sustainability initiatives, and are responding to ESG issues through the CSR Management Committee, which is responsible for dissemination of CSR within the company and centralized responses outside the company. Labor rights, including those of suppliers, are deliberated by the CSR Management Committee and reported to the Board of Directors. As an example, the UK Modern Slavery Act statement deliberated here is published in the name of the CEO.

In addition, executive compensation is ESG-linked compensation, and the company as a whole is responding to ESG issues.

Evidence:

・ For information on the CSR Management Committee, please see CSR Activity Promotion System.
  [System of Promoting CSR activities | Murata Manufacturing Co., Ltd.]

・ Please see the below URL for the UK Modern Slavery Act Statement.
  [ModernSlavery-E2021 (murata.com)]

・ For ESG-linked executive remuneration, please refer to the policy on remuneration for directors.
  [System of Promoting CSR activities | Murata Manufacturing Co., Ltd.]

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and
2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

Response:

The CSR Management Committee, which promotes CSR management continuously and systematically, such as Murata’s sustainability initiatives, instills CSR within the company and conducts integrated responses outside the company, supervises the Supplier Code of Conduct. In addition, the CSR Management Committee reports SAQ and audit results to suppliers, which are reported to and supervised by the Board of Directors.

Evidence:

- Please see Responsibilities and Actions for Suppliers (CSR Procurement Initiatives)
  Responsibility to and Actions Concerning Suppliers (CSR Procurement Initiative) | Murata Manufacturing Co., Ltd.
- For information on the CSR Management Committee, please see CSR Activity Promotion System.
  System of Promoting CSR activities | Murata Manufacturing Co., Ltd.
- Please see the below URL for the UK Modern Slavery Act Statement.
  ModernSlavery-E2021 (murata.com)

**INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY**

3.1 the names and addresses of first-tier suppliers;

Unable to answer due to non-disclosure

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

Unable to answer due to non-disclosure

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

We have confirmed that we are procuring minerals from three countries: DRC, Burundi, and Rwanda. We have confirmed that no raw materials are used.

**INDICATOR 4: RISK ASSESSMENT**
4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

4.2 details on forced labour risks identified in different tiers of its supply chains; and

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

Response:
As an example of what we did about the consultation with relevant stakeholder, we addressed it on our CSR website as below.

Evidence:

“As an example of one of our initiatives, we conducted a risk analysis in order to identify risks that are likely to occur and found that there was a high risk of engineers working long hours. We then established a cooperative labor and management body for discussion between labor unions members, business divisions, and the HR department. We currently monitor business plan progress and working hours every quarter, in order to prevent engineers from working long hours during busy periods in important businesses. (we were able to reduce engineer overtime in applicable departments in fiscal 2021 to 84% of that the previous year).”

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS
Unable to answer due to non-disclosure

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers’ and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES
6.1 commits to responsible buying practices in its contracts with suppliers;

Response:
Promise responsible purchasing behavior by concluding an agreement that not only Murata but also suppliers will comply with the content of the CSR Procurement Guidelines, including conflict minerals, as a contract document at the start of transactions.

Evidence:

- Murata Value Report 2021

  p93-96_e.ashx (murata.com)

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

**INDICATOR 7: RECRUITMENT-RELATED FEES**

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and
7.3 In the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

Response:

We had a case that we make re-payment at the event it discovers that fees have been paid by workers hired in our supply chains. We worked on the supplier to make re-payment and improve the process to prevent such cases.

We hereby conducted the process and also clearly mention about that in the Human Rights and Labor Policy as below.

Evidence:


“3. Prohibition of forced labor-(3) When concluding labor agreements, Murata will take the following measures to ensure that forced labor does not occur:-c. No fees, guarantee money, or other monies, regardless of designation, will be collected or received. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.”

<table>
<thead>
<tr>
<th>INDICATOR 8: RESPONSIBLE RECRUITMENT</th>
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</table>

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

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<thead>
<tr>
<th>INDICATOR 9: FREEDOM OF ASSOCIATION</th>
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<td>Unable to answer due to non-disclosure</td>
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9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.
10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

Response:

In order to prevent, quickly detect, and respond to compliance violations, Murata has introduced an internal reporting system within Murata Manufacturing and its domestic and overseas affiliated companies. In the event that acts such as corruption which violate or may violate ethics or laws and regulations are discovered, the individual submitting the report may use their real name or remain anonymous. In addition to establishing an internal tip line within Murata Manufacturing and its domestic and overseas affiliated companies as a point of contact for receiving reports and consultation requests, we have established a multilingual support service outside the company for individuals to receive support in their native languages.

Our grievance channels can be used by the topics related to the prohibition of forced labor and workers' rights. The compliance reporting desk and harassment consultation desk are not only for employees, but also temporary workers and their families. Contractors and others use the contact point of the contracting company, and the contractor company and our company regularly confirm the contents. We regularly hold roundtable discussions with local communities to communicate complaints, etc. In addition, we have set up a contact point where anyone can contact us on the website.

In addition, we provide our suppliers in Japan with a dedicated e-mail address for the "Dedicated Consultation Service," which enables them to consult with us by e-mail together with the transaction handbook at the start of the transaction. Suppliers in Japan can report and consult through this service using their real names or anonymously in the event that an act that violates ethics, laws, corporate ethics policy, corporate ethics policy, or code of conduct, such as corruption, is discovered.

In the event that a report or consultation is received, under the supervision of the Compliance Promotion Committee Chairperson, the Compliance Promotion Committee Secretariat carefully and quickly reviews the information, decides an appropriate initial response, and confirm and investigate the facts of the incident and any relevant laws, regulations, and rules to the extent possible, coordinating with relevant departments as needed. If it is determined that a compliance violation is occurred, corrective or remedial measures are implemented, such as improving a business system or rule, or take disciplinary action against the violator. Even if it is determined that no compliance violation has occurred, appropriate measures are also taken as necessary. In addition to protecting the anonymity and privacy of whistle-blowers, we take steps to prevent whistle-blowers from being unfairly disadvantaged by their reporting by prohibiting retaliatory actions against whistle-blowers and making this known to employees. Whistle-blowers who report violations under their real names will be provided with findings and details in an appropriate manner. To the extent possible, whistle-blowers who report anonymously will also be given feedback.

We strengthen our stance on compliance by continually urging suppliers to make use of this mechanism when appropriate.

Evidence:
• The Whole Grievance Mechanism

Please see “Whistle-blowing System”.

• For suppliers

We distribute the following materials and provide e-mail addresses to our suppliers at the start of the transaction.

* This document is in Japanese only.

• For migrant (contract) workers

We are distributing the following flyers.
10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

Response:

In fiscal 2021, we received approximately 110 reports and consultations through our domestic chip line on our website. Reports and consultations from suppliers are also included in this data. Most of the reports and consultation requests were related to issues such as labor management and harassment, of which 82 were harassment cases. All reports and requests for consultation were investigated to determine whether non-compliance had occurred and were handled appropriately where appropriate, taking into account the wishes of the individual filing the report. As a result, there were no major incidents leading to lawsuits.

Evidence:

・ Please see “Whistle-blowing System”.

Compliance | Murata Manufacturing Co., Ltd.
・ The Grievance Mechanism for human rights and labor


10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

Response:

In the following materials, we stipulate that "We will take appropriate measures to ensure that you are not treated disadvantageously because of reporting. Your privacy is strictly protected, and the content of reports will not be disclosed to people other than those who need to know. Personal information of those who have reported or consulted will be used only for investigations correction, and feedback. We will not disclose or provide personal information to third parties without the consent of the person in question (except when disclosure is required by laws and regulations, or when joint use by our affiliated companies is necessary for investigation, response, or feedback). For other information on the handling of personal information, please refer to the following URL.


As shown in this description, we publicly state to prohibit retaliation against suppliers' workers who use the mechanism and indicate that we will not retaliate against such workers.

Also, in our website, we describe that "The design and operation of the internal reporting system are regularly reviewed and revised, through reviews in departments responsible for the internal reporting system". Since the department responsible for the internal reporting system receives feedback from suppliers’ workers through the operation of the mechanism, they use this feedback in the design and/or performance of the mechanism.
We also stipulate at our website that “If it is determined that a compliance violation is occurred, corrective or remedial measures are implemented, such as improving a business system or rule, or take disciplinary action against the violator”.

Reports and consultation from suppliers are included in this description. This shows that we improve our business system or rule including our management system based on the report and consultation from suppliers.

Evidence:

・ Privacy Policy

  Privacy | Murata Manufacturing Co., Ltd.

・ Grievance Mechanism for suppliers

We distribute the following materials to our suppliers at the start of the transaction.

* This document is in Japanese only.
11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

Response:

Murata is an RBA member and supports monitoring the supply chain through RBA VAP audits. Murata audits our important suppliers in accordance with its CSR procurement guidelines. In audits, in addition to checking samples of pay slips and other measures to ensure that employees are paid overtime in accordance with regulations, we also check dormitories, cafeterias and work sites and conduct interviews with employees in an effort to obtain a more accurate picture of the actual situation.
Evidence:

- Murata Joins the RBA, an Industry Coalition Promoting Corporate Social Responsibility in Global Supply Chains | Murata Manufacturing Co., Ltd.

- Murata Group Supply Chain CSR Procurement Guideline

murata_group_supply_chain_csr_procurement_guideline

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

Response:

In the past audits, we have made several requests for improvement regarding human rights, including the establishment of a policy stating that no child shall be employed, the establishment of a whistleblower system, and the exceeding of 60 hours per week by employee sampled in the audit.

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers’ rights and priorities).

Response:

Labor union constituted by workers has monitored workers’ rights and priorities as mentioned on the website below.

Evidence:

Responsibility to and Actions Concerning Employees | Murata Manufacturing Co., Ltd.

“Recognizing that labor disputes can be resolved through mutual understanding and trust, on the basis of dialogue between parties, we strive for corporate development and for the realization of stability in employees’ lifestyles from the standpoint of both labor and management. Labor-related systems and standards are set, changed, and reviewed through discussions with the labor unions, and are carried out on a basis of mutual agreement. At domestic Group companies with no labor unions, there are organizations that represent employees known as employee associations, to which every employee other than management belongs. In addition to holding discussions and exchanging views with top management, these groups facilitate communication among employees. Meetings are held at appropriate times to explain labor-related systems and standards to management and newly appointed officers, who do not belong to unions or employee associations.”

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and
Response:

We constantly check the number of the cases of child labor violations continuously zero as you can see on the website. We closely make communications with all sites to see the potential complaints.

Also, we reported the result of complaints received by the line. We communicate with stakeholders accordingly. We continuously report working time and communicate with the labor union if a complaint is regard of labor management, for example.

Evidence:


Cases of child labor violations in the past five years

<table>
<thead>
<tr>
<th>FY</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</table>

Compliance | Murata Manufacturing Co., Ltd.

“During FY 2021, approximately 110 reports and consultation requests were received through the domestic tip line. The majority of reports and consultation requests were related to issues such as labor management and harassment. All reports and consultation requests were investigated to determine whether a compliance violation had occurred, and then handled appropriately as required, while taking the wishes of the individual submitting the report into consideration.”

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

Response:

We are implementing the following initiatives for communication and exchange as a result of working on the voices of local communities as mentioned on our website.

Evidence:


“Therefore, in regard to the hiring of employees, we strive to consider the impact on local communities while actively conducting local hiring to create employment in local communities. Moreover, we establish periodic opportunities to exchange opinions with everyone in the local community to avoid causing various problems including human rights issues arising from Murata factories.”
In addition, with the increase in foreign workers at Murata, we are dispatching Japanese language instructors to elementary schools, donating supplies for Japanese language educational environments, supporting the endowment of Portuguese language courses at local universities, and gifting Portuguese books to nearby libraries to make it easier for the workers to coexist with local communities.

As an example, Fukui Murata Manufacturing is hosting a Portuguese language course for its employees. It has become an ambitious undertaking with the number of persons wishing to participate exceeding the class capacity, and some participants even stating that they will "try a morning greeting in Portuguese starting from tomorrow." We hope that initiatives such as this will lead to more active communication between employees and foreign workers.”

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

Response:
We reported as below as the result of the dialogue with the stakeholders affected in the allegations.

Evidence:

Compliance | Murata Manufacturing Co., Ltd.

“During FY 2021, approximately 110 reports and consultation requests were received through the domestic tip line. The majority of reports and consultation requests were related to issues such as labor management and harassment. All reports and consultation requests were investigated to determine whether a compliance violation had occurred, and then handled appropriately as required, while taking the wishes of the individual submitting the report into consideration.”

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company’s supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

Response:

We regularly hold opportunities to exchange opinions with members of the local community, one of our stakeholders. If the complaint is due to a relationship with the community, we will engage in dialogue on this occasion. Please see the website below.

Evidence:

“As stated in the basic policy on social and local community contribution activities, Murata hopes to be "a company whose presence in local communities is a source of pride and joy to those communities."

Therefore, in regard to the hiring of employees, we strive to consider the impact on local communities while actively conducting local hiring to create employment in local communities. Moreover, we establish periodic opportunities to exchange opinions with everyone in the local community to avoid causing various problems including human rights issues arising from Murata factories.

In addition, with the increase in foreign workers at Murata, we are dispatching Japanese language instructors to elementary schools, donating supplies for Japanese language educational environments, supporting the endowment of Portuguese language courses at local universities, and gifting Portuguese books to nearby libraries to make it easier for the workers to coexist with local communities."

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

Response:
We regularly hold opportunities to exchange opinions with members of the local community, one of our stakeholders. If the complaint is due to a relationship with the community, we will engage in dialogue on this occasion. Please see the website below.

Evidence:

“As stated in the basic policy on social and local community contribution activities, Murata hopes to be "a company whose presence in local communities is a source of pride and joy to those communities."

Therefore, in regard to the hiring of employees, we strive to consider the impact on local communities while actively conducting local hiring to create employment in local communities. Moreover, we establish periodic opportunities to exchange opinions with everyone in the local community to avoid causing various problems including human rights issues arising from Murata factories.

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**NON-SCORED RESEARCH**

**Reporting Legislations**

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.
Yes/No. Please provide link to a publicly available statement.

Yes

In accordance with the Modern Slavery Act that came into force in the UK in 2015, we have released the following statement on slavery and human trafficking.

ModernSlavery-E2021 (murata.com)

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

No

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

No

High Risk Sourcing

Please indicate whether your company sources from China or Malaysia. Note where a company does not provide this information, KnowTheChain will review the company’s website as well as third party sources to identify relevant information.