

Murata Manufacturing Co. Ltd.

TICKER
TKS:6981

MARKET CAPITALIZATION
US\$31 billion

HEADQUARTERS
Japan

DISCLOSURES
UK Modern Slavery Act: Yes
California Transparency in Supply Chains Act: Yes

TARGETS
None

OVERALL RANKING

30 out of 49

([2018 Rank](#): 26 out of 40)

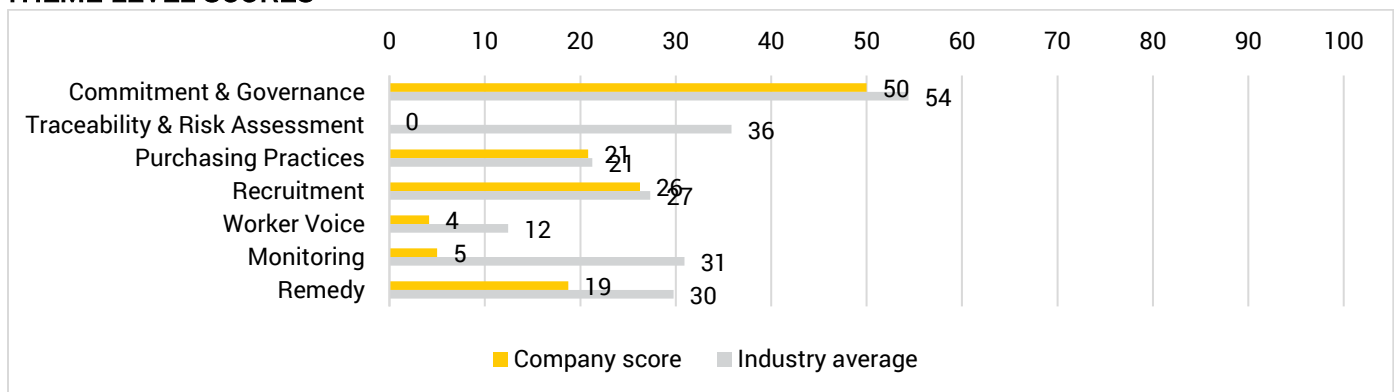
OVERALL SCORE

18 out of 100

SUMMARY

Murata Manufacturing Co. Ltd. (Murata Manufacturing), a supplier to companies such as Amazon and Apple, ranks 30th out of 49 companies and discloses less information on its forced labor policies and practices than its peers. Since 2018, the company has improved by disclosing that it has adopted the Responsible Business Alliance’s code as its supplier code. The code prohibits worker-paid recruitment fees and passport retention and requires that employment agreements be in supply chain workers’ native languages. Compared to 2018, the company’s score decreased by one point, as the company did not improve its performance and disclosure across themes. The company’s score is based on providing some disclosure on themes other than Traceability & Risk Assessment. The company has an opportunity to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Worker Voice.

THEME-LEVEL SCORES



Research conducted through October 2019 or through January 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company’s positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

KEY DATA POINTS**SUPPLIER LIST**

No

NO-FEE POLICY

Yes (Employer Pays Principle)

AVERAGE SUPPLIER SCORE

N/A

REMEDY FOR SUPPLY CHAINS WORKERS

No

HIGH-RISK SOURCING COUNTRIESLikely from Malaysia and/or China¹

LEADING PRACTICES

None.

NOTABLE FINDINGS

Supplier Code of Conduct: Murata Manufacturing discloses that it asks suppliers to adhere to version 6.0 of the Responsible Business Alliance (RBA) Code of Conduct, which includes standards on forced labor. It also requires that suppliers cascade the standards to the next tier of suppliers.

Recruitment: The company's supplier code of conduct prohibits worker-paid recruitment fees and requires that fees are reimbursed to workers where paid. In addition, it prohibits the retention of workers' passports and identification documents.

Corrective Action Plans: The company reports that it develops corrective measures in accordance with the results of audits and states that it periodically follows up with the progress of corrective actions.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of its first-tier suppliers, the countries in which its below-first-tier suppliers operate, the countries from which it sources raw materials at high risk of forced labor, and several data points on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Purchasing Practices: To enforce its expectations with its suppliers, the company may consider integrating its supply chain policies addressing forced labor and human trafficking into contracts with its suppliers and requiring suppliers to do the same. The company is further encouraged to adopt responsible purchasing practices (such as improving planning and forecasting) and to provide procurement incentives (such as price premiums or increased orders) to suppliers to encourage or reward good labor practices.

Worker Voice: The company is encouraged to take steps to ensure that a formal mechanism to report grievances to an impartial entity regarding labor conditions in the company’s supply chains is available and communicated to its suppliers’ workers and relevant stakeholders (e.g., worker organizations or labor NGOs). Further, the company may consider disclosing data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism.

ENGAGED WITH KNOWTHECHAIN

Yes ([Provided Additional Disclosure](#)).

¹ Most electronic devices are produced at least in part in China and/or Malaysia, two countries where electronics may be produced using forced labor. KnowTheChain (June 2020), “[2020 KTC ICT Benchmark Report](#).”