

[CSR Activities: Targets and Results]

Social and Environmental Targets and Results

Murata commits itself to continual improvement in priority theme areas through the implementation of a broad range of measures.

■ Social Activity: Targets and Results for Fiscal 2009 and Targets for Fiscal 2010

○: Achieved
△: Nearly achieved

Major Activities	Targets for FY2009	Results for FY2009	Achievement	Targets for FY2010
Promoting development of an internal control system	Develop internal control over financial reporting in compliance with the Financial Instruments and Exchange Law, as well as continuously promote operational standardization, visualization, improvement and reforms; and establish compliance and risk management by building and operating an internal control system to ensure the appropriateness of operations in keeping with corporate law.	In addition to developing internal controls to ensure the appropriateness of operations, Murata continuously promoted operational standardization, visualization, improvement and reforms, and introduced internal controls aimed at ensuring compliance as well as operational effectiveness and efficiency.	△	Promote internal controls aimed at ensuring the appropriateness of operations, as well as continuously promote operational standardization, visualization, improvement and reforms.
	Improve monitoring functions by implementing internal audits by independent third parties and defining the scope of audits based on a risk approach in order to increase transparency and effectiveness.	Under the reorganized internal audit system, the internal audit department assessed and monitored priority areas by following a risk approach, improving transparency and effectiveness.	△	Improve monitoring functions to ensure operational appropriateness to increase the transparency and effectiveness of the corporate governance system.
Promoting compliance	Enhance the compliance system in accordance with internal control and increase the system's effectiveness at all sites.	Conducted survey of all sites in and outside Japan. Compliance system was found to be effective for internal control.	○	Eliminate redundancy and superfluous practices while maintaining internal control effectiveness. Reestablish the compliance system from a cross-group perspective to streamline operation of the system.
	Further enhance the compliance system through systematization and re-establishment in conformity with Murata's management characteristics.	Reviewed compliance promotion within the Murata Group in Japan and decided on transition to the new system starting in FY2010.	△	① Conduct a survey of compliance and test understanding of the Code of Conduct. ② Internally publish how the reporting system has been used. ③ Prepare and distribute a textbook describing the compliance program and ensure the use thereof.
Strengthening risk management	Establish Business Continuity Plans (BCPs) (Ensure that each Group company establishes BCPs in preparation for earthquakes and outbreaks of pandemic influenza).	Established basic BCP regulations in preparation for earthquakes and ensured their establishment in Group companies. Implemented measures against outbreaks of influenza A (H1N1), which caused a global pandemic in 2009.	△	Effectively execute the business risk management cycle of "identification," "analysis and assessment," "formulation and implementation of measures," "monitoring," and "improvement."
	Strengthen information security (Implement Company-wide information leakage prevention measures focusing on IT).	A filtering system to encrypt data and prevent secondary leaks is being introduced step-by-step within the Group.	△	The Risk Management Committee must continue to implement measures against risks in key areas such as information security and BCPs (Business Continuity Plans) in preparation for earthquakes and outbreaks of pandemic influenza.
Society and community	Promote social/community contribution activities with a focus on priority fields.	Not only continued existing activities but opened an electronic craft workshop for elementary and junior high school children using an original electronics hobby kit.	△	Continue social/community contribution activities with a focus on priority fields.
	Organize systems and develop in-house networks to promote activities.	Analyzed activities at subsidiaries and plants to promote the sharing of information with their responsible persons.	△	Strengthening social/community contribution activities with a focus on employee ideas and involvement.
Suppliers	① Promote the conclusion of an agreement with suppliers to obtain their understanding of and support for Murata's CSR procurement policies. ② Hold CSR workshops for suppliers.	① 77% of all suppliers trading with domestic purchasing sites signed the CSR agreement.	○	Japan: Increase CSR agreement share to more than 90% of partners. Overseas: Increase CSR agreement share to 80% of partners starting with pilot sites with the highest purchase amounts.
		② Hosted a CSR workshop in February 2010 for 20 participants from 16 suppliers.		Formulate procedures for concluding and applying the CSR agreement.
	Implement in-house training programs and operational diagnosis to strengthen procurement compliance group-wide.	① Conducted a training program on the Subcontract Law eight times, for a total of 70 participants.	○	Japan: Include CSR in education programs for Purchasing Dept. and implement an annual in-house education program and test.
		② Conducted a training program on legal and contractual matters four times, for a total of 50 participants. ③ Implemented an E-test on compliance for all buyers in Japan. ④ Conducted an operational diagnosis of a purchasing department in Japan.		Overseas: Create textbooks and tests for overseas sites. Implement in-house training programs and operational diagnosis regarding compliance group-wide.
Employees	Continue to implement the system to enable employees to select carrier paths according to their aptitudes.	① Implemented an in-house open recruitment program for eight positions. ② Transferred personnel under the career development program (CDP) for younger employees.	△	Continue to implement the system to enable employees to select carrier paths according to their aptitudes. Promote acceptance of employees on loan from overseas (15 in FY2010).
	Promote a reemployment program for retirees.	Reemployed 277 retirees group-wide.	○	
	Continue to expand career opportunities for women.	Employed many women (39.3% of new employees in FY2009).	○	
	Promote education and awareness-raising programs to prevent harassment.	Provided with managers and executives with regular training to prevent harassment.	△	
	Reestablish a benefit package.	Rebuilt housing benefit program (company dormitories and company housing) with a focus on encouraging employee independence, ensuring security, and increasing motivation.	○	Develop a benefit package with a focus on ensuring diversity and independence.
	Enhance and establish a system to help employees strike a balance between work and family life (work-life balance).	① Started concluding service contracts with outside childcare specialists. ② Provided an explanation about company support for work-life balance in training programs for managers.	○	Enhance and establish a system to help employees strike a balance between work and family life (work-life balance).
	Promote measures to reduce total work hours and promote diverse ways of working.	Broadened the scope of application of the flextime system to reduce total work hours. Flextime workers increased from 2,458 to 3,473. Overtime hours per employee reduced from 21 to 9.3.	△	Promote measures to reduce total working hours and promote diverse ways of working.
	Establish an occupational health and safety management system.	Completed establishment of the organization and rules aimed at introducing an occupational health and safety management system at the Head Office.	○	Achieve certification for the occupational health and safety management system at the Head Office.
	Promote manufacturing education.	Implemented a plant training program for new employees. 122 individuals participated in the 7-month-long program.	○	Provide a simulated production training program for new employees
	Provide training and employ the PDCA cycle to improve management skills.	Implemented a group training program to improve management ability. 190 managers participated.	△	Hold training and employ the PDCA cycle to improve management skills.
		Implemented a training program for 141 chiefs to help them understand their own strong and weak points and improve their on-the-job training skills.	△	

■ 4th Environmental Action Plan: Targets and Results for Fiscal 2009 and Targets for Fiscal 2010 (selection)

○: Achieved
△: Nearly achieved
×: Not Achieved

Major Activities		Targets for FY2009	Results for FY2009	Achievement	Targets for FY2010	
Environmental Management	Environmental Management System	<ul style="list-style-type: none">Start operations of the environmental cost management system overseas.Implement Eco-Factory evaluations for overseas affiliate companies.	<ul style="list-style-type: none">Began aggregating costs at two factories covered by multi-site certification (Wuxi, Shenzhen) .Reviewed desired state of Eco-Factory system and postponed system implementation at overseas subsidiaries.	△	<ul style="list-style-type: none">Unify structure of ISO14001 in ALL Murata.Start publication of an environmental cost management results in OSA factories.	
Supplying environmentally friendly products	Environmentally conscious design	<ul style="list-style-type: none">Continue product assessmentsPrepare for introduction of product assessments taking into account environmental impact in each stage of product life-cycle.	<ul style="list-style-type: none">Created simple LCA calculating software for internal use.Conducted product assessments from life cycle perspective, introduced eco-product certification system.	○	Build a manufacturing structure with a focus on recuding environmental impact of the entire life cycle.	
	Reducing use of environmentally hazardous substances in products	Develop alternative products and prepare for replacements in keeping with the revision of the list of EU RoHS exemptions.	Technology for replacing lead contained in glass with an alternative component is being developed as a priority project.	○	<ul style="list-style-type: none">Push forward "adoption of alternative material" or "switch to an alternative technology" positivelyCope with revision of the list of EU RoHS exemptions.	
		Conduct development and evaluations of alternatives to polyvinyl chloride (PVC) , and prepare for replacements, in order of priority.	Developing alternatives to polyvinyl chloride (PVC) .	○	Reduce use of polyvinyl chloride (PVC) .	
		Conduct development and evaluations of alternatives for brominated flame retardants, and prepare for replacements.	Continued development of alternative products and achieved mass production of some alternative products.	○	Reduce consumption of brominated flame retardants (Targets are as follows:) ① Reduce consumption of brominated flame retardants by 4% compared to FY2006 levels. ② Within FY2010, establish alternative technology that can achieve a 50% reduction in use of brominated flame retardants from FY2006.	
	Reducing use of packaging materials and saving energy in logistics	Reduce amount of taped packaging used for chip monolithic ceramic capacitors and chip ferrite beads per unit of production at domestic sites by at least 47% relative to FY2000.	Reduced the amount by 43% relative to FY2000. Implementation of measures achieved a further reduction, but did not mitigate the impact of an increase in production.	△	Reduce amount of packaging materials used for chip monolithic ceramic capacitors or chip ferrite beads per unit of production by more than 50% compared to FY2000 levels.	
		Reduce CO2 emissions from logistics per unit of net production in Japan by more than 37% relative to FY2000.	Reduced CO2 emissions by 40% relative to FY2000. Target achieved by revising logistic network.	○	Reduce CO2 emissions from logistics per unit of net production in Japan by more than 38% compared to FY2000 levels.	
	Eco-Friendly Business Activities	Global warming prevention	Reduce CO2 emissions per unit of net production in Japan by at least 35% relative to FY1990.	Reduced 47% compared with FY1990. Target achieved by continued implementation of energy-saving measures. The change in CO2 conversion factor made by the power company also contributed.	○	Reduce CO2 emissions per unit of net production in Japan by more than 35% compared to FY1990 levels.
		Resource conservation and waste reduction, reuse, recycling	Reduce total waste emissions per unit of net production in Japan by at least 50% relative to FY2000.	Reduced total waste emissions by 40% relative to FY2000. Benefited from reduced production due to a rapid change in the business environment.	△	Reduce total waste emissions per unit of net production in Japan by more than 55% compared to FY2000 levels.
Attain a waste recycling rate of at least 90% at overseas plants.			Achieved a recycling rate of 87%. Despite newly achieving a recycling rate of 100% at Wuxi and Shenzhen, results fell slightly short of the target.	△	Achieve zero waste emissions in overseas factories.	
Reduce water consumption per unit of net production in Japan by at least 50% relative to FY2000.			Reduced water consumption by 42% relative to FY2000. Failed to achieve target despite achieving a 5% reduction from the figures for the previous year.	△	Reduce water consumption per unit of net production in Japan by more than 55% compared with FY2000 levels.	
Controlling and reducing environmentally hazardous chemical substances used in production processes		Reduce atmospheric emissions of VOCs in Japan by at least 20% relative to FY2000 by implementing measures according to the guidelines for reducing VOCs.	A 7% increase relative to FY2000. Efforts to control atmospheric emissions were continued, but failed to mitigate the effect of an increase in production.	×	Reduce atmospheric emissions of volatile organic compounds (VOC) in Japan by more 30% compared to FY2000 levels.	
		Reduce atmospheric emissions of PFCs in Japan by at least 53% relative to FY2002.	Reduced atmospheric emissions of PFCs by 53% relative to FY2002. Target achieved thanks to progress in replacement by alternatives.	○	Reduce atmospheric emissions of PFCs in Japan by more than 60% compared to FY2002 levels.	
Risk management		Maintain the system for the continuing treatment of soil and groundwater pollution and the minimization of environmental risks.	Implemented measures to accelerate treatment at relevant sites, as planned.	○	Maintain the system for the continuing treatment of soil and groundwater pollution and the minimization of environmental risks.	
Social activities	Community / social contribution activities	Continue "Murata Forest" conservation activities.	Implemented Murata Forest conservation activities once every month. (Total of participants: 500)	○	Continually promote social / community contribution activities and the greening of plants, and ensure that business is deeply rooted in the communities and societies where Murata operates.	
		Continue implementing environmental education programs and environmental fairs for elementary and junior high school children.	Implemented environmental education programs by 19 plants/affiliated companies for about 4,600 children.	○		
		Continue developments under the Mid-Term Greening Plan.	Continued developments under the Mid-Term Greening Plan.	○		