

Green Procurement

The Murata Group has established a green procurement system that classifies procured parts and materials into those used in production and those used in non-production applications. Through this system, we can determine in advance the environmental soundness ("greenness") of these parts and materials.

Green Procurement and Green Purchasing Initiatives

Green Procurement

We have evaluated the "greenness" of our suppliers and have formulated a system that is reflected in our business dealings.

Evaluating the "Greenness" of New Suppliers

In considering the purchase of materials to be included in our products, used in production process, used for product packaging, and so on, we conduct an "evaluation of supplier greenness" before dealing with a new supplier. We carry out surveys of their acquisition of third-party certifications such as ISO14001 and the systems they have devised for managing environmentally hazardous chemical substances. We evaluate the results in addition to examining quality, cost, delivery time, and other factors. We employ these criteria when considering whether to do business with a prospective supplier.

Evaluating the "Greenness" of Current Suppliers

We evaluate the greenness of current suppliers at fixed intervals. As a result, we can provide instruction regarding management systems for environmentally hazardous chemical substances and can request that they acquire third-party certifications such as ISO14001 registration.

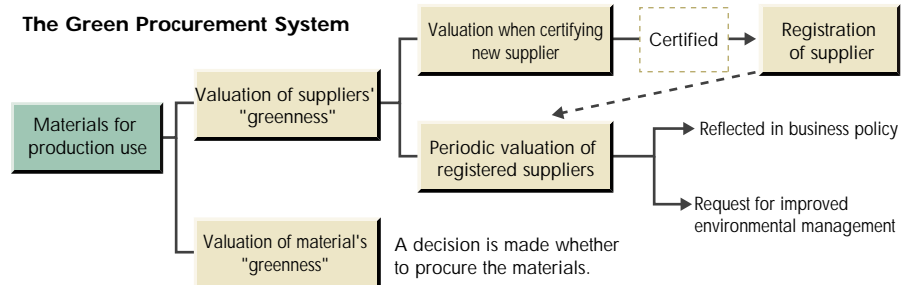
Evaluating the "Greenness" of Materials

We evaluate the greenness of procured materials and have devised a system for determining whether to adopt a particular material.

As for materials (chemical substances, products and packaging) used in products of the Murata Group, we apply a "greenness" inspection to determine whether chemical substances prohibited by laws and regulations are included.

Our expert staff conduct particularly stringent examinations of chemical substances. In September 2003, we introduced a system by which we register in our database only those chemical substances that have passed our inspection. Thus, we cannot procure any chemical substance that is not registered in this database.

In 2004, we will introduce a similar system for products and packaging materials.



Sample Details of a Greenness Evaluation

Details of Evaluation

Supplier's

- Environmental management system
- Circumstances of environmental implementation
- Environmental impact

Material purchasing

- Status of chemical substances



Green Purchasing

This is a system by which we preferentially purchase goods that comply with the Law on Promoting Green Purchasing as well as goods bearing the Eco Mark certification. This applies to goods not directly related to the production of Murata products, such as office supplies and equipment.

Initiatives of Okayama Murata Manufacturing

Okayama Prefecture established the "Okayama Eco Plant" certification system as a way of promoting its eco-friendly corporate management ordinance under the Basic Law for Establishing a Recycling-based Society. Okayama Murata Manufacturing Co., Ltd. was recently granted this certification, primarily for its public disclosure of the content of its green procurement initiatives, such as its purchase of eco-friendly recycled goods and its certification of ISO14001 registration.

