

Partnerships

In order to keep Murata an indispensable part of society, we strive to strengthen our partnerships by valuing the connections with not only our customers but also our suppliers and local communities. We are building solid trusting relationships by communicating Murata’s approach to our entire supply chain, and are involved in community outreach activities so that our local communities will be proud to have Murata’s presence.

Promotion of CSR procurement with emphasis on partnerships with suppliers

“...being trustworthy and, together with all our stakeholders, thankful for the increase in prosperity.”

This is a passage from the Murata Philosophy.

The ideas on which we place the utmost importance in doing business with our suppliers are summarized here.

With “equitability, fairness, and transparency” as the philosophy of our procurement activities, Murata has been cultivating partnerships aimed at coexistence and mutual prosperity with our suppliers, based on the Purchasing Policies. These ideas will not change in the future, and we will fortify them further in order to achieve mutual prosperity with our stakeholders.

We are required to strengthen our efforts to reduce CSR related risks, in particular anti-corruption and an approach for conflict minerals, and we are mainly working on the following three aspects of CSR procurement.

1. We request our suppliers to comply with the Murata CSR Charter which is based on the Murata Philosophy, and the summarized Our Expectations of Suppliers, which is based on the Murata CSR Charter.
2. At the time of opening an account, we request our suppliers to sign a CSR Agreement and agree to implement activities that are compliant with the Code of Conduct of the Responsible Business Alliance (RBA).

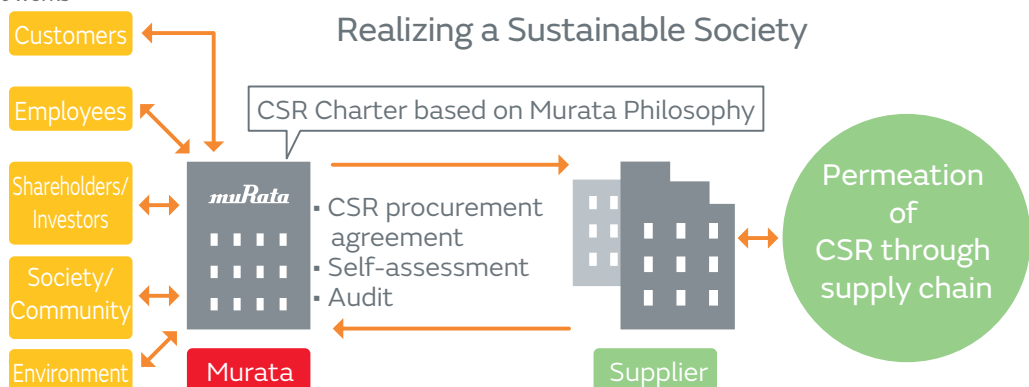
3. From 2017, we began using the Checklist for CSR Compliance Status, which enables our suppliers themselves to self-assess their CSR compliance status, visualize problems, and share the results with Murata. By having discussions on these problems and corrective measures between the two parties, we aim to make more efficient and fundamental solutions.

In order to implement these measures effectively, Murata believes that it is important not to impose CSR compliance activities unilaterally but to cooperate with our suppliers based on the partnerships we have cultivated so far.

In recent years, we have been expected to expand the scope of these CSR activities not only to companies with whom we have relationships but also across the entire supply chain. Based on the spirit of the Murata Philosophy, Murata will continue to build long-term trust and strong partnerships by aiming for coexistence and mutual prosperity with our suppliers, while further expanding and enhancing our CSR procurement and realizing the supply chain that assures our stakeholders of safety.

Purchasing Policy: <https://www.murata.com/en-global/about/procurement/policy>
 Our Expectations of Suppliers: <https://www.murata.com/en-global/about/procurement/expectations>

How CSR procurement works



Promoting responsible mineral procurement

Serious human rights violations have become a social problem in mineral procurement, and interests in responsible mineral procurement are rising.

Murata regards this as part of our corporate social responsibility (CSR) efforts, and conducts surveys and provides information in compliance with the industry standards based on our responsive policies (<https://www.murata.com/en-global/about/csr/mineral>). Furthermore, as an internal framework, the CSR Management Committee, chaired by a Representative Director, shares information with top management on activities, progress, and any issues regarding responsible mineral procurement, and makes any decisions.

In response to requests from our customers for our supply chain information, we provide information using the CMRT (Conflict Minerals Reporting Template) issued by the RMI (Responsible Minerals Initiative). We also regularly conduct surveys on our suppliers to keep the information updated. We continue to carry out our efforts to reduce risk and make our supply chain transparent by working together with our suppliers for improvement. This entails reviewing reported information in line with the internal standards prescribed based on the OECD Due Diligence Guidance and carrying out corrective measures, and so forth.

Murata Manufacturing Co., Ltd. is also a member company of the Responsible Minerals Trade Working Group at Japan Electronics and Information Technology Industries Association (JEITA), and of the Responsible Minerals Initiative (RMI). We are proactively working on issues that are difficult to solve as an individual company, such as creating industry-wide frameworks.

We also participate in the JEITA-sponsored Responsible Minerals Sourcing Inquiry Briefings as a lecturer.

Due to the EU's Conflict Minerals Regulation that will become effective in 2021 and growing awareness of human rights issues, the scope of responsible mineral procurement is being further extended to more regions, risks, and minerals. Murata is currently preparing our

response to these developments in cooperation with the industry peers. We are planning to provide customers with supply chain information based on industry standards regarding new areas such as Annex II of the OECD Due Diligence Guidance, Conflict Affected and High-Risk Areas (CAHRAs), and cobalt. With regard to battery products, we have already initiated efforts for a transparent supply chain that includes cobalt.

Despite the increasing difficulty of responding to the expansion and changes in various requirements, Murata will continue to actively address these issues. It is also our intention to ensure the transparency of our supply chain and to soon realize CSR procurement including responsible mineral procurement by closely cooperating with our customers, suppliers, and the industry, etc., more than ever.

We believe that advancing and realizing these initiatives is important not only to assure our stakeholders of safety and security but also to deliver Murata's sustainable growth.

Promoting responsible mineral procurement

- 1 Working within the framework of CSR procurement activities based on the Murata Manufacturing CSR Charter.
- 2 Building a management framework in accordance with the OECD Due Diligence Guidance.
- 3 Using the above mechanisms to promote responsible procurement of minerals used by Murata, such as by preventing the financing of armed groups for conflict minerals (gold, tin, tantalum, tungsten) through continued efforts to use low-risk components and materials. Also, refusing to conduct procurement from companies that are clearly involved in conflicts or human rights violations.
- 4 Conducting sensible and efficient procurement in a sincere manner, based on industry standards, and in close collaboration with industry organizations.
- 5 Sharing information regarding minerals that are obtained through the supply chain with partner companies as quickly as possible.

Activities to contribute to society and local communities

Basic policies for activities to contribute to society and local communities

Murata desires to be a company whose presence in local communities is considered the pride and joy of those communities. Making effective use of its resources (employees, expertise, facilities and funds), Murata constantly makes contributions to society and local communities.

Commitment to Society	Commitment to Local Communities	Commitment to Employees
We will pay attention to social challenges and practice corporate philanthropy taking advantage of Murata's characteristics.	To make our presence a source of pride in the communities in which we operate, we will fulfill our roles and responsibilities according to the regional needs and characteristics.	We will value employees' ideas and participation, encourage and support individual employees to actively seek connections with society and local communities.

Activities to assist with nurturing children who will forge the future

As a manufacturing company, in order to communicate the job details of engineers who are the backbone of manufacturing and what is interesting about engineering work, Murata offers science education and visiting classes for elementary and junior high school students.

Murata's domestic and overseas affiliated companies lecture on how the mechanisms of our original bicycle-riding robot, MURATA BOY, work, and what it was like during the development stage, deliver electronics workshops, and hold environmental classes to raise interest in environmental conservation on an ongoing basis. During fiscal 2017, we held 123 science education and visiting classes in total. We will continue our activities with a desire to be a company that gives

dreams and hopes to children who will be responsible for the future.

Greening activities harmonized with local cultures and nature

By formulating its Green Basic Policy and based on the view that it is a corporate social responsibility to create, maintain, and nurture cultural atmospheres in local communities, each of our business sites is engaged in greening activities that harmonize with local cultures and nature. We open our business sites to local communities for their enjoyment every season. During fiscal 2017, we opened a total of 83 business sites to the public.

We are also working on ecosystem conservation through activities such as "Murata Forest," where our employees conduct forest conservation activities with support from local residents.

Academic support activities

The Murata Science Foundation was established in 1985 to contribute to the advancement of science and technology through academic promotion. The Foundation gives grants to research contributing to the improvement and development of science and technology and the solutions to various problems in the humanities and social sciences, and encourages international exchange among researchers.

During fiscal 2017, the Foundation provided a total of 290 million yen in grants, comprising 141 research project grants, 38 study group grants, and 99 cases of overseas dispatch assistance. In the 32 years since the establishment of the Foundation, the cumulative grants amount to 3.2 billion yen.

Topic Inspiring future innovators

An important part of Murata's mission is to invest in and inspire the next generations of innovators, in order to sustain a continuous improvement in our shared world. Raising global awareness for the importance of studies in science, technology, engineering and mathematics (STEM) is one of the initiatives Murata has undertaken towards fostering the development of our future innovators. In 2017, Murata teamed with Walt Disney Parks Creative Entertainment and the non-profit organization, Science from Scientists to develop The SpectacuLAB, an interactive science and technology show that opened at Innoventions® Pavilion in Epcot® at Walt Disney World Resort.®

