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 Policies¹. These ideas will not change in the future, and we will fortify them further in order to achieve mutual prosperity with our stakeholders. In addition, we will proactively work on reducing CSR risks in our procurement supply chain, such as prohibiting child labor, forced labor, and discrimination by gender or religion, and responsible mineral procurement.

At present, Murata is 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 Suppliers², 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. We have regularly conducted these activities each year, and plan to continue their implementation going forward.

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.

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¹ Purchasing Policy
https://www.murata.com/en-global/about/procurement/policy
² Our Expectations of Suppliers
https://www.murata.com/en-global/about/procurement/expectations
Serious human rights violations have become a social problem in mineral procurement, and interests in responsible minerals 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. 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 minerals procurement, and makes any decisions.

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 minerals procurement is being further extended to more risks, regions, and minerals. Murata is currently preparing our response to these developments in cooperation with industry peers. We are planning to provide stakeholders with supply chain information based on industry standards regarding new areas such as the response status to new risks including OECD Annex II risks and OFAC Regulations, usage of minerals produced in Conflict Affected and High-Risk Areas (CAHRAs), and cobalt usage status. With regard to some products, we have already initiated efforts for a transparent supply chain for cobalt.

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 RMI. By joining organizations that take the initiative in the industry, 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.

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

We will continue to assure our stakeholders of safety and security by advancing and realizing these initiatives.

### Promoting “Responsible Minerals Procurement”

- **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.
  - Toward achieving harmony among people, organization and society
    - Based on the above-mentioned basic policies, we are primarily engaged in activities to “assist with nurturing children who will forge the future,” “environmental conservation,” and “activities to support local communities,” in order to achieve “harmony among people, organization and society,” which is one of the three issues of Mid-term Direction 2021.
    - Assist with nurturing children who will forge the future
      - As a monozukuri (manufacturing) company, we conduct activities in an attempt to convey what is interesting about scientific technologies to children, such as providing science education, environmental education, and lessons for elementary and junior high school students, factory tours, and accepting participants of volunteer experience, with the aim of assisting the development of human resources who will be able to create innovations in the future. During fiscal 2018, we carried out 236 activities in total.

### Activities to contribute to society and local communities

#### Responsive policies for responsible minerals procurement

<table>
<thead>
<tr>
<th>1</th>
<th>Working within the framework of CSR procurement activities based on the Murata Manufacturing CSR Charter.</th>
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<tbody>
<tr>
<td>2</td>
<td>Building a management framework in accordance with the OECD Due Diligence Guidance.</td>
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<tr>
<td>3</td>
<td>Using the above mechanisms, we continue our efforts to use low-risk components and materials to promote responsible procurements of minerals used by Murata, such as to prevent financing of armed groups through our minerals supply chain including gold, tin, tantalum, tungsten, and cobalt, and to protect human rights and promote fair trade. Also, refusing to conduct procurement from companies that are clearly involved in conflicts or human rights violations.</td>
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<tr>
<td>4</td>
<td>Conducting sensitive and efficient procurement in a sincere manner, based on industry standards, and in close collaboration with industry organizations.</td>
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<tr>
<td>5</td>
<td>Sharing information regarding minerals that are obtained through the supply chain with partner companies as quickly as possible.</td>
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</tbody>
</table>

#### Environmental conservation

By formulating its Green Basic Policy, each of our subsidiaries and business sites is engaged in greening activities, forest conservation activities, environmental conservation activities, and other activities that harmonize with local cultures and nature. During fiscal 2018, we carried out 21 activities in total.

#### Activities to support local communities

At our subsidiaries and business sites both in and outside of Japan, Murata provides support for local communities that fit their specific needs and characteristics.

[URL](https://www.murata.com/en-global/about/csr/people/society)