

## Statement on the UK Modern Slavery Act

This Statement is issued pursuant to Article 54 of the United Kingdom Modern Slavery Act, which was enacted in 2015. Murata Manufacturing Co., Ltd. is cognizant that slave labor and human trafficking are serious global problems and that it must never permit human rights violations in the form of compulsory labor or child labor within the Company or its supply chain. This Statement sets forth the measures that Murata Manufacturing takes to prevent committing or supporting any violations of human rights in its business and supply chain.

### **1. About Murata Manufacturing**

Murata Manufacturing is a general electronic component manufacturer that develops, produces, and sells electronic components based on ceramics. Murata creates innovative products on a foundation of original and accumulated materials development, process development, product design, production technology, and software that supports, analyzes, and evaluates these processes and contributes to the development of an electronics society.

Murata engages in direct and indirect sales in the United Kingdom through our subsidiaries. The subsidiaries with a presence in the United Kingdom are indicated below.

Murata Electronics Europe B.V., NCL Holdings Limited, Murata Power Solutions (Milton Keynes) Limited, Celab Power Management Limited, Murata Power Solutions (Celab) Limited, pSemi Corporation

For detailed information about Murata and its business, access the following company website.  
<https://www.murata.com/en-global/about/company/muratalocations>

### **2. Policy on the Prevention of Slave Labor and Human Trafficking**

#### **■ Corporate Philosophy**

Murata's corporate philosophy, created by founder Akira Murata in 1954, is as follows:

We contribute to the advancement of society by

Enhancing technologies and skills

Applying scientific approach

Creating innovative products and solutions

Being trustworthy and,

together with all our stakeholders,

thankful for the increase in prosperity.

This corporate philosophy is shared by all employees, and by putting this philosophy into practice, we endeavor to address global issues.

Corporate Philosophy:

<https://www.murata.com/en-global/about/company/philosophy>

■ Murata Manufacturing CSR Charter

In line with its Corporate Philosophy, Murata adopted the CSR Charter as a statement of norms that all persons who work for the Company are to observe with the aim of remaining a company that is trusted by society by committing to observe laws and regulations as well as highly transparent governance, respect for human rights, health and safety, social contribution, and environmental preservation based on a high level of corporate ethics. The Charter expressly provides that we will respect the human rights of each individual, act with dignity, not engage in discrimination or human rights violations for any reason, and treat employees in accordance with the laws of each country.

Murata Manufacturing CSR Charter:

<https://www.murata.com/en-global/about/csr/charter>

■ Murata Manufacturing Human Rights and Labor Policies

Murata adopted the CSR Charter as a statement of norms that all persons who work for the Company are to observe. Among those norms, we believe that human rights are a universal issue that is crucial for business and that respect for human rights is one of our social responsibilities as we undertake sustainable corporate activities. We established basic policies on human rights and labor and take measures to respect and protect human rights with respect for humanity as our guiding principle. We expect all companies and individuals involved in our supply chain to support the intent of these policies and to act appropriately to fulfill their social responsibilities.

Murata Manufacturing Human Rights and Labor Policies:

<https://www.murata.com/about/csr/people/employees.aspx#employees01>

■ Murata Manufacturing Purchasing Policies and CSR Procurement Guideline

We established Transaction Guidance for Suppliers as a guideline that sets forth the conditions for conducting transactions in the Murata supply chain. The Transaction Guidance indicates that we will fulfill our social responsibilities by complying with laws and regulations and undertaking comprehensive CSR procurement globally that includes consideration for the environment and human rights and expressly states that slave labor and labor through human trafficking may never be

used. In addition to the Transaction Guidance, we request that suppliers comply with the RBA Code of Conduct and the JEITA Supply Chain CSR Deployment Guidebook in accordance with an Agreement to the Policies and Code Concerning CSR Procurement.

Murata Manufacturing Purchasing Policies:

<https://www.murata.com/en-global/about/csr/people/suppliers>

Our Expectations of Suppliers:

<https://www.murata.com/en-global/about/procurement/expectations>

#### ■ Promotion of Responsible Mineral Procurement

Serious human rights violations are a problem regarding mineral procurement, and interest in responsible mineral procurement is rising. In accordance with the Murata Manufacturing CSR Charter, we are addressing this problem as a part of our CSR procurement activities. We have created management structures for responsible mineral procurement that comply with the OECD Due Diligence Guidance, promote responsible procurement of the minerals that we use including preventing the provision of funds to armed groups, and implement a policy of not contributing to conflicts and human rights violations.

Promoting “Responsible Minerals Procurement”:

<https://www.murata.com/en-global/about/csr/mineral>

### **3. Measures for the Prevention of Slave Labor and Human Trafficking**

#### ■ Due Diligence Processes and Risk Assessment

Internal Measures:

In fiscal 2018, primary plants in Japan and overseas (six plants in Japan and five overseas) conducted self-assessments in accordance with the RBA Code of Conduct. Also, from the perspective of preventing forced labor, we created and maintain management procedure documents that describe what should be taken into consideration and implemented in each process when hiring foreign workers from dispatch from their home countries, entering the receiving country, pre-labor and post-appointment training, protection and management at the worksite, and return to home countries. Through these measures, we strive to ensure reliable compliance with the RBA Code of Conduct.

Measures in Supply Chains:

Slave labor and human trafficking could occur not only within the Murata Manufacturing Group, but also in its supply chain. We work with suppliers to prevent the occurrence of slave labor and

human trafficking and conduct periodic surveys of suppliers to prevent human rights risks. For example, we distribute the Checklist for CSR Compliance to suppliers to confirm the status of compliance, including respect for human rights and labor practices, and request improvements based on the response results.

With regard to mineral procurement, as a result of the adoption of conflict mineral regulations that will come into effect in 2021 in the EU and rising awareness of human rights problems, the risks, regions, and minerals that are subject to responsible mineral procurement are steadily expanding. Murata Manufacturing is preparing responsive measures in collaboration with the industry. Murata Manufacturing is a member company of the JEITA Responsible Minerals Trade Working Group and the Responsible Minerals Initiative (RMI) to actively address those issues where there are limits to what can be accomplished by a single company, such as development of industry-wide mechanisms.

#### Measures Addressing Recruitment Agencies:

In addition to measures taken within the Company and suppliers, the cooperation of recruitment agencies that refer and dispatch human resources is also essential for the elimination of slave labor and human trafficking. To this end, we request that recruitment agencies sign an agreement to comply with our CSR standards, the RBA Code of Conduct, and the JEITA Supply Chain CSR Deployment Guidebook in the same manner as suppliers. We also request that recruitment agencies set their recruitment fees to be paid by workers at zero as a general rule, and we conduct periodic surveys that cover slave labor and measure human trafficking risks.

In fiscal 2018, we took measures to improve problem areas discovered through audits that we conducted, as well as audits conducted at primary plants in accordance with the RBA Code of Conduct and audits conducted by customers in areas such as worker recruiting and hiring, processes leading up to separation, protection, management and education in the workplace, and living environments including dormitories and other housing provided to workers.

#### ■ Consultation Hotline Established

We established reporting and consultation hotlines at all business sites that can be used by Murata Manufacturing Group employees and dispatched workers and established the Murata Group Non-Compliance Hotline, an external hotline that is operated by a third party, to create an environment where employees and others can anonymously and easily make reports and consult. With regard to supply-chain hotlines, we have an environment where suppliers can make reports and consult. When investigating reports, the privacy of consulting and reporting individuals is protected and measures are taken to prevent any disadvantageous treatment.

#### ■Education

Murata has translated its Corporate Ethics Policy and Code of Conduct based on the CSR Charter into local languages, distributed them to all domestic and overseas sites, and requires all personnel to understand their content and comply with them in all aspects of their work. In addition, October of each year is designated as Compliance Month and employee education is conducted on the Corporate Ethics Policy and Code of Conduct as well as how to use the hotlines.

In fiscal 2018, we conducted human rights and labor education at primary production plants that included prevention of compulsory labor and human trafficking in accordance with the human rights and labor management system. We also engaged in close communications with recruitment agencies that hire large numbers of foreign workers in particular to raise awareness, including prevention, of compulsory labor and human trafficking as required by the RBA Code of Conduct.

We periodically conduct education on laws and regulations as well as CSR for employees involved in materials transactions in procurement operations to maintain and raise awareness regarding legal compliance and we strive to raise awareness regarding the elimination of the risk of human trafficking and compulsory labor throughout the supply chain, including suppliers. Additionally, we are active as an instructor on responsible mineral procurement to provide education in supply chains as part of JEITA Responsible Minerals Trade Working Group measures.

#### 4. Future Measures

We will continue to practice the Murata corporate philosophy as a statement of our management principles so that we can contribute to the advancement of society while we work in collaboration with our supply chain to eliminate global human rights problems, including slave labor, human trafficking, child labor, and compulsory labor.

This statement was reported to and approved by the Board of Directors on November 1, 2019.

November 2019



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Tsuneo Murata

Chairman of the Board and President

Murata Manufacturing Co., Ltd.