

# **Murata Group Supply Chain CSR Procurement Guideline**

**Procurement Division**

**Murata Manufacturing Co., Ltd.**

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**Ver. 2**



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## 1. Introduction

Due to the rapid globalization of business in recent years, supply chains have become more extensive and complex than ever before. As a result, companies are required to take responsibility for compliance with laws and regulations, respect for human rights, global environmental conservation, occupational safety, information management, and more throughout the supply chain, including stakeholders, and the results of these efforts are now directly linked to the company's social value.

In line with this recognition, Murata hopes to "contribute to the development of culture" as stated in its management philosophy (Murata Philosophy) by creating a virtuous cycle of social value and economic value through its business activities and ESG (Environmental, Social, and Corporate Governance) initiatives, thereby helping to achieve a sustainable society.

As a specific initiative in procurement, we established the Murata Group Supply Chain CSR Procurement Guideline in 2020, and have been asking suppliers to understand the purpose of these guidelines and to practice the necessary actions and activities to comply with each requirement. However, in order to respond to recent international standards on sustainable procurement and new requests from our customers, we have revised these guidelines.

We request that suppliers comply with Murata's CSR procurement policies and requirements and extend them to their own supply chain. We consider each of the requirements in these guidelines to be an important item in business dealings with Murata, and we will periodically check the status of efforts through self-assessments and direct visits to suppliers.

In order to build a sustainable society, Murata will continue to work to fulfill its social responsibility throughout the supply chain while practicing careful communication with suppliers with the aim of coexistence and co-prosperity. We appreciate your understanding and cooperation on this matter.

Director of Procurement Division,  
Murata Manufacturing Co., Ltd.

## 2. Management Philosophy (Murata Philosophy)

Murata's philosophy was created by the founder Akira Murata in 1954. Since that time the world around us has dramatically changed and continues to evolve, but our fundamental mission and values will always remain the same.

### Murata Philosophy

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.

### 3. Related Policies

#### (1) Murata Group CSR Charter

##### 1) Corporate governance

We will fulfill accountability and enhance management transparency, so as to remain open to our communities and society, and continue to be a reliable and respectable company.

- a. We will promote dialog with customers, employees, stockholders/investors, business partners, communities and other stakeholders.
- b. We will work to improve management transparency, improve audit effectiveness, and reinforce the internal control system.

##### 2) Human rights and labor

We will respect the human rights and dignity of individuals.

- a. We will prohibit forced labor, and will not use child labor in any processes.
- b. We will guarantee our employees lawful working hours, holidays/leaves and wages, and eliminate all forms of discrimination against any employee based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status, so as not to tolerate inhumane treatment.
- c. In accordance with the law of each country, we will respect workers' rights to join labor unions, and promote free communication with these unions.

##### 3) Health and safety

We will improve product and service quality and boost employee morale by securing a safe and comfortable working environment and managing employees' health.

- a. We will ensure workplace health and safety and maintain appropriate workplace conditions.  
Should an occupational accident/disease or an emergency occur, we will take appropriate steps by identifying the situation and devising emergency countermeasures.
- b. For manufacturing equipment and facilities and other machinery used, we will take safety measures to prevent accidents and health problems.
- c. We will identify all types of physically demanding work, always surveying the conditions and controlling such work.
- d. We will maintain hygiene in welfare facilities (dormitories, canteens, etc.) so that these facilities are kept safe and clean.

##### 4) Environmental preservation

We aim to realize a society where people can live a healthy life with peace of mind, by reducing negative impact of our corporate activities on society, environment and natural resources.

- a. We will obtain any and all required environmental permits and licenses from administrative bodies in accordance with laws and regulations, and fulfill management and reporting (disclosure) requirements.
- b. We will control chemical substances designated by laws and regulations, and minimize environmental impact of wastewater, sludge, exhaust and other pollutants through application of our voluntary standards in addition to compliance with relevant laws and regulations. We will reduce greenhouse gas emissions and waste by appropriately monitoring and managing them, and setting up voluntary targets.

- c. We will establish and implement the management system to promote environmental activities based on the Plan-Do-Check-Act (PDCA) cycle.

### 5) Fair trade and ethics

We aim to maintain the highest standards of ethics, so as to be a company that fulfills its social responsibility and wins social trust.

- a. In all business relationships, we will prohibit corruption, blackmail and embezzlement, and will not offer or accept bribes or other improper advantages.
- b. We will prohibit abuse of dominant bargaining positions, rejecting all behaviors that impede fair, transparent and free competition.
- c. We will accurately record information regarding its business activities, labor, health and safety, and environmental practices and provide and disclose such information to our stakeholders without falsification or misrepresentation.
- d. We will respect the intellectual property rights of others and will not infringe upon these rights.
- e. We will conduct education and raise awareness to prevent improper conduct.  
As for reporting of improper conduct, we will establish a system to protect the confidentiality of informants, and quickly deal with improper conduct.
- f. We will voluntarily work to contribute to the development of the international community and local communities.
- g. We will never transact with, provide assistance to, or sympathize with antisocial forces that adversely affect public order and sound corporate activities, and will never engage in any other acts that benefit such forces.
- h. We will strive to promote the transparency in supply chains and the responsible procurement of minerals contained in our products.

### 6) Management system

We will establish a system that ensures compliance with this CSR Charter, and continuously improve the system.

- a. We will abide by relevant laws and regulations as well as customer requirements, in conformity with the CSR Charter.
- b. We will design a system to clarify and mitigate risks that may occur in implementing this Charter, and continuously improve the system.

## (2) Human Rights and Labor Policies

We (Murata Manufacturing Co., Ltd. and the member companies of the Murata Group; hereinafter referred to as "Murata") have formulated a CSR Charter, which provides standards to be observed by all individuals working for Murata. Recognizing that human rights are both universal and an important element in business, and that respect for human rights is a social responsibility in the quest to realize sustainable business activities, we hereby establish the following policies:

### 1) Respect for fundamental human rights

- a. Murata will respect internationally-recognized standards and the laws and regulations, cultures, religions, creeds, customs, and histories of all countries and regions where Murata conducts business, and use these as the basis for respecting, protecting, and never violating the fundamental human rights of all Murata employees.
- b. Murata will comply with the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), the two

human rights principles and four labor principles of the United Nations Global Compact, the Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Convention on the Elimination of all Forms of Discrimination against Women, and the Code of Conduct of the Responsible Business Alliance (RBA).

### **2) Prohibition of discrimination and harassment**

- a. Murata will not engage in any form of discrimination or inhumane conduct that harms the personal dignity of employees in employment practices including hiring, wages, promotions, compensation, and availability of education and training.
- b. Murata will not engage in any form of discrimination or offensive and inhumane conduct that harms the personal dignity of employees on the basis of race, color, age, sex, sexual orientation, gender identity or gender expression, race, national origin, disability, pregnancy, religion, political affiliation, union membership, military or veteran status, protected genetic information, current or past marital status, or having children including, for example, violence, gender-based violence, power harassment, sexual harassment, sexual abuse, corporal punishment, emotional or physical oppression, bullying, public shaming, and verbal abuse.
- c. Murata will investigate, examine, or confirm matters that may be grounds for the discrimination set forth above to the minimum extent necessary and by necessary means only in cases where doing so is necessary to comply with laws and regulations or to ensure workplace health and safety or to maintain employee health. Specifically, Murata do not make workers or potential workers to take medical or physical tests, including pregnancy and virginity tests and HIV tests.
- d. Murata will strictly manage personal information (e.g., pregnancy, hepatitis B infection, HIV infection, etc.) obtained through such investigation, examination, or confirmation and shall not use such information for any purpose other than the purposes specified above.

### **3) Prohibition of forced labor**

- a. Murata strictly prohibits any forced labor by employees in its business activities.
- b. Murata will guarantee that all employee labor in its business activities is voluntary and shall cause managers not to force employees to perform labor contrary to their will.
- c. When concluding labor agreements, Murata will take the following measures to ensure that forced labor does not occur:
  - Labor agreements will be concluded in the employee's native language or a language that the employee understands.
  - Employee personal identification documents and work qualification documents issued by a public authority will be confirmed to the minimum extent necessary and by necessary means when concluding a labor agreement, and demands to deliver or entrust original documents to the employer shall not be made.
  - No fees, guarantee money, or other monies, regardless of designation, will be collected or received. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.
  - Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.
  - All workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract.

### **4) Prohibition of child labor and restrictions on the employment of minor workers**

- a. Murata strictly prohibits employment of children in its business activities. In this policy, "child" means a person under the age of fifteen (15) or a person who has not reached the age for the completion of compulsory education in the respective country or region, or the age at which labor is permitted pursuant to the laws and regulations of the respective country or region, whichever is later.
- b. Murata prohibits the employment of workers under the age of eighteen (18) years (referred to as "Minor Workers") at night or on days off or in work that exposes the Minor Worker to health or safety

risks.

- c. Murata shall cause managers not to hire or employ children and not to allow Minor Workers to engage in the work prohibited in Paragraph (1).
- d. When concluding labor agreements, Murata will confirm employee ages using documents issued by public authorities to prevent situations contrary to the preceding three subclauses from occurring.
- e. Murata shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

### **5) Respect for the rights of labor organizations**

- a. Murata will respect and will not infringe on employees' freedom of membership in labor unions and the right of collective bargaining by labor unions in accordance with internationally-recognized standards and the laws and regulations of each country and region where Murata conducts business.
- b. Murata will respect the operations of labor unions, engage in open collective bargaining based on mutual trust, and strive to resolve problems with labor unions through good-faith and constructive discussion, taking into account the labor practices of the relevant region.
- c. Murata will not engage in discrimination, retaliation, harassment, or any other disadvantageous treatment on the basis of employee membership in a labor union, or employees' request for collective bargaining, participation in collective bargaining, or exercise by workers of the right to organize or the right to collective bargaining.

### **6) Ensuring proper working conditions**

- a. Murata will properly comply with working conditions relating to working hours, days off and holidays, breaks, wages, and so on in accordance with the laws and regulations of each country and region where Murata conducts business pursuant to internationally-recognized standards. In cases where there are discrepancies between internationally recognized standards and the laws and regulations of each country and region where Murata conducts business, Murata shall seek methods to comply with internationally-recognized standards.
- b. Murata shall establish reliable working time management systems, accurately record working time and days off in accordance with such systems, formulate rules for proper working time management, and conduct management to prevent deviation from those rules.
- c. Murata shall present to employees pay statements in each employee's native language or a language that the employee understands, pay wages in accurately-calculated amounts by the pay dates accurately specified in accordance with (1) and (2) above, and shall not make any improper deductions.
- d. With respect to the payment of wages pursuant to the preceding paragraph, in cases where minimum wages are specified by the laws and regulations of each country and region where Murata conduct business, Murata will ensure that wages exceed such minimum wages.

### **7) Human rights due diligence**

- a. In order to carry out these policies, Murata will establish a Management Manual on Fundamental Human Rights and Labor Policies, conduct management in accordance with the manual, and make revisions and improvements as necessary.
- b. Murata will periodically and continuously conduct appropriate education for officers, managers, and employees and confirm the status of such education so that human rights due diligence is understood and effectively carried out.
- c. If any circumstances contrary to these policies are discovered, Murata will promptly implement



appropriate corrective measures.

### 8) Support for business partners

- a. Murata will request that business partners throughout the Murata supply chain endeavor to realize a society in which these policies are complied with and shall provide support for those efforts.

## (3) EHS Disaster Prevention Policy

As part of the practice of management philosophy, the Shaze (Murata philosophy), the entire Murata Group work together to reduce the Group's impact on the environment, ensure health and safety, and implement disaster prevention activities.

- 1) The Group will comply with all laws and regulations as well as matters agreed upon with relevant parties.
- 2) The Group will address the following issues throughout its business activities:
  - a. Reducing the Group's impact on the environment
    - Reducing the environmental impacts of our products
    - Preventing environmental pollution
  - b. Ensuring health and safety
    - Eliminating work-related accidents
    - Creating safe and healthy workplaces
  - c. Implementing disaster prevention activities
    - Eradicating fires
    - Minimizing damage from natural disasters
- 3) The Group will establish an EHS disaster prevention management system and continually work toward its improvement.
- 4) The Group will announce this policy both internally and publicly.

## (4) Procurement Policy

Murata is working to realize a sustainable society based on the company's management philosophy. Under this philosophy, the company engages in activities based on a "Procurement Policy" which consists of the "Basic Procurement Policies" and "Procurement Code of Conduct." By acting in accordance with the "Procurement Policy," we build strong partnerships with suppliers and cooperative relationships from a long-term perspective with the goal of realizing a sustainable society throughout the supply chain.

### Basic Procurement Policies

Murata engages in procurement activities under the following basic policies.

- 1) **Legal compliance**  
We observe laws and ordinances, regulations, and company rules, and we conduct business in accordance with social ethics.
- 2) **Fairness**  
We broadly open the door on a global level and strive for equality in business opportunities.

### 3) **Impartial and honest**

We build relationships of trust and cooperation with suppliers and aim to develop strong partnerships with suppliers.

### 4) **Social responsibility**

We fulfill our social responsibility with respect to human rights and the environment, etc. through our procurement activities.

## **Procurement Code of Conduct**

### 1) **Observance of laws, ordinances and social norms**

We observe the applicable laws, ordinances and social norms in the countries and regions where we conduct procurement activities as well as the RBA (Responsible Business Alliance) Code of Conduct.

### 2) **Promotion of sound business management**

In order to continue doing business and build relationships of cooperation and trust with our suppliers, we promote sound and fair procurement activities. Moreover, we disclose the proper information regarding our procurement policy.

### 3) **Emphasis on quality, delivery dates, and stable supply**

In order to provide higher quality products to customers in a timely manner, we require suppliers to observe the prescribed levels of quality and delivery dates as well as maintain a stable supply.

### 4) **Strengthening the ability to respond to demand fluctuations**

Within the rapidly occurring demand fluctuations of the electronics industry, we are required to quickly respond to customer demands at all times. The Murata Group will build a procurement system that is able to flexibly respond to these demand fluctuations.

### 5) **Building supply chain BCP**

We will build a response system across the entire supply chain in preparation for the occurrence of disasters and other unforeseen circumstances in order to continue supplying our customers.

### 6) **Environmentally-conscious material procurement**

We conduct procurement activities which help reduce the global environmental load.  
We promote preferential procurement (green procurement) from suppliers who are actively engaged in materials with a low environmental load and environmental conservation.

### 7) **Observance of information security rules**

We securely store and protect confidential information and personal information which becomes known during the transaction process.

### 8) **Respect for human rights and consideration of the labor environment**

In addition to respecting international standards relating to human rights, we promote procurement activities which consider the labor environment at suppliers.

### 9) **Maintenance of sound business relationships**

With the exception of actions which are clearly permitted under the conventions of social and commercial practices as well as the laws and ordinances which are applied in the countries and regions where procurement activities are carried out, we do not accept offers of entertainment, the receipt of money or goods, or other provisions of convenience. We have established and operate a point of contact for the purpose of consultation regarding acts which are in violation of compliance, etc. or concerns about such actions.

### 10) **Promotion of responsible mineral procurement**

Regarding the procurement of minerals contained within materials, we have a stated response

policy which we strive to carry out. We promote activities with respect to "the achievement of conflict free materials in delivered products" such as establishing and putting into practice an internal control system, surveying the supply chain and carrying out due diligence, and procuring materials only from RMAP conformant smelters.

### **(5) Responsible mineral procurement response policy**

- 1) Address as part of CSR procurement activities based on the Murata Manufacturing CSR charter.
- 2) Build a management system for target minerals included in Murata products which complies with ""
- 3) "OECD Due Diligence Guidance".
- 4) Utilize the system above and continuously strive to use lower risk materials to prevent the funding of armed groups, protect human rights, promote fair trade, and promote responsible procurement of minerals used by the company in the company's supply chain for minerals such as gold/tin/tantalum/tungsten/cobalt/mica, etc. or refrain from engaging in procurement from companies which fall under Annex II risks\* for conflict and human rights violations, etc. in conflict-affected and high-risk areas (CAHRAs).
- 5) Closely cooperate with industry organizations to carry out rational and efficient surveys based on global standards in good faith.
- 6) Share information regarding minerals obtained through the supply chain with partner companies as soon as possible.

#### **\*Annex II risks**

- Human rights violations (child labor, etc.) relating to the mining, transport, and trade of minerals
- Direct or indirect support for non-governmental armed groups
- Illegal acts by public or private security forces (protection money)
- Corruption or falsification of mineral origin
- Money laundering
- Nonpayment of taxes to the government, fees, and mining right fees (tax evasion)

## 4. Our Expectations of Suppliers

In operating a global business, Murata is expected not only to fulfill its own social responsibility but also to see to it that its suppliers throughout the supply chain do likewise.

Accordingly, we ask our suppliers to observe the following commitments.

**1) Observance of laws, ordinances and social norms**

Suppliers are requested to observe all applicable laws, ordinances and social norms related to their businesses as well as the RBA (Responsibility Business Alliance) Code of Conduct.

**2) Promotion of sound business management**

In order to continue doing business and build relationships of cooperation and trust, suppliers are requested to promote sound and fair business management. Moreover, suppliers are requested to disclose the proper information regarding their management policies and business conditions (including their financial condition) to Murata.

**3) Emphasis on quality, delivery dates, and stable supply**

Murata emphasizes quality and delivery dates in order to provide higher quality products to customers in a timely manner. Therefore, we are required to conduct business with suppliers who can observe the prescribed levels of quality and delivery dates and able to supply materials in a stable manner.

**4) Strengthening the ability to respond to demand fluctuations**

Within the rapidly occurring demand fluctuations of the electronics industry, we are required to quickly respond to customer demands at all times. Suppliers are requested to build a system that can flexibly respond to these demand fluctuations.

**5) Building supply chain BCP**

In preparation for the occurrence of disasters and other unforeseen circumstances, we request your cooperation in building a system which shares information with the entire supply chain including suppliers and is able to respond in such a way as to continue the supply.

**6) Environmentally-conscious product supply**

Murata conducts procurement activities which help reduce the global environmental load. We actively adopt materials which do not include toxic chemical substances and promote green procurement which helps reduce the environmental load. Suppliers are also requested to supply environmentally conscious products.

**7) Strengthening technical capabilities which can contribute to product development**

The speed of technical innovation in the electronics industry is extremely rapid, and the possession of cutting-edge technical capabilities is a source of corporate competitiveness. Suppliers are also requested to continuously improve their technical capabilities to promote technical innovation.

**8) Establishment and observance of information security**

Suppliers are requested to securely store and protect confidential information and personal information which becomes known.

**9) Respect for human rights and consideration of the labor environment**

In addition to respecting international standards relating to human rights, suppliers are also requested to engage in procurement activities which consider the labor environment.

**10) Maintenance of sound business relationships**

With the exception of actions which are clearly permitted under the conventions of social and commercial practices as well as the laws and ordinances which are applied in the countries and regions where procurement activities are carried out, suppliers are requested to refrain from

accepting offers of entertainment, the receipt of money or goods, or other provisions of convenience. Please consider establishing and operating a point of contact for the purpose of consultation regarding acts which are in violation of compliance, etc. or concerns about such actions.

### **11) Promotion of responsible mineral procurement**

Murata has a stated response policy regarding the procurement of minerals contained within materials which it strives to carry out. Suppliers are also requested to understand Murata's policy and promote activities with respect to "realizing conflict free materials in delivered products" such as formulating a response policy, establishing and putting into practice an internal control system, surveying the supply chain and carrying out due diligence, and only procuring materials from RMAP conformant smelters.

## 5. Supplier Code of Conduct

This Code was established based on Murata's related policies and the RBA Code of Conduct for the purpose of implementing CSR procurement. We believe that efforts not only by Murata but also throughout the entire supply chain, including suppliers, are indispensable for the implementation of the Code. We therefore ask suppliers to understand the purpose of establishing this Code, to comply with it, and to extend and disseminate it throughout their own supply chain.

Please be aware that if any material noncompliance with this Code is discovered and not corrected within a reasonable period of time, it may affect your future transactions with us.

### (1) LABOR

Suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. The recognized standards, as set out in the References, were used in preparing the Code and may be useful sources of additional information.

Suppliers are expected not only to comply with laws and regulations but also to respect workers' human rights by referring to international human rights standards such as the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the two human rights principles and four labor principles of the UN Global Compact, the Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Convention on the Elimination of All Forms of Discrimination Against Women.

The labor standards are:

#### 1) Freely Chosen Employment

- Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.
- There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers' dormitories or living quarters.
- As part of the hiring process, all workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment.
- Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.
- All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract.
- Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits.
- Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents.
- Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

### 2) Young Workers

- Child labor is not to be used in any stage of manufacturing. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. An appropriate mechanism shall be implemented to verify the age of workers.
- The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported.
- Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.
- Proper management of student workers shall be ensured through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable laws and regulations.
- An appropriate support and training to all student workers shall be provided. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation is provided.

### 3) Working Hours

- Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Working hours are not to exceed the maximum set by local law.
- Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary.
- Workers shall be allowed at least one day off every seven days.
- Efforts must be made to expand systems and create a workplace culture to curb long working hours, taking into account international standards.

### 4) Wages and Benefits

- Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.
- In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted.
- For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.
- All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

### 5) Humane Treatment

- There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment.
- Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

### 6) Non-Discrimination/Non-Harassment

- Suppliers should be committed to a workplace free of harassment and unlawful discrimination.
- Suppliers shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.
- Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation).

### 7) Freedom of Association

- In conformance with local law, suppliers shall respect the right of all workers to form and join trade

unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities.

- Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

## **(2) HEALTH and SAFETY**

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be useful sources of additional information.

The health and safety standards are:

### **1) Occupational Safety**

- Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) are to be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training.
- Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards.
- Reasonable steps must also be taken to remove pregnant women and 'nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

### **2) Emergency Preparedness**

- Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

### **3) Occupational Injury and Illness**

- Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

### **4) Industrial Hygiene**

- Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls.
- If any potential hazards were identified, suppliers shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not feasible, potential



hazards are to be controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

### **5) Physically Demanding Work**

- Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

### **6) Machine Safeguarding**

- Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

### **7) Sanitation, Food, and Housing**

- Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities.
- Worker dormitories provided by the Suppliers or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

### **8) Health and Safety Communication**

- Appropriate workplace health and safety information and training shall be provided in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers.
- Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

### **9) Employee Health Management**

- Appropriate health management programs are to be provided for all employees.
- Appropriate health management serves to prevent and detect employee illness early by providing at least health checkups prescribed in laws and regulations. This includes adequate consideration for prevention of health problems due to overwork and care for mental health.

## **(3) ENVIRONMENT**

Suppliers recognize that environmental responsibility is integral to producing world-class products. Suppliers shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

The environmental standards are:

### **1) Environmental Permits and Reporting**

- All required environmental permits (e.g. discharge monitoring), approvals, and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

## **2) Pollution Prevention and Resource Reduction**

- Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means.
- The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

## **3) Hazardous Substances**

- Chemicals, waste, and other materials posing a hazard to humans or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

## **4) Solid Waste**

- A systematic approach shall be implemented to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

## **5) Air Emissions**

- Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations.
- The performance of its air emission control systems shall be routinely monitored.

## **6) Materials Restrictions**

- All applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal, are to adhere to.

## **7) Water Management**

- A water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination shall be implemented.
- All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal.
- Routine monitoring of the performance of its wastewater treatment and containment systems shall be conducted to ensure optimal performance and regulatory compliance.
- A system to prevent the inflow of pollutants into rainwater drainage channels shall be constructed and implemented to prevent contamination by rainwater drainage.
- Measures to minimize water consumption shall be pursued and implemented.
- Water related risks such as drought, floods and water pollution must be understood.

## **8) Energy Consumption and Greenhouse Gas Emissions**

- A corporate-wide greenhouse gas reduction goal shall be implemented. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal.
- Methods to improve energy efficiency and to minimize energy consumption and greenhouse gas emissions are to be sought. Efforts must be made to reduce greenhouse gas emissions for Scope 3 as for Scopes 1 and 2.

## **(4) ETHICS**

To meet social responsibilities and to achieve success in the marketplace, suppliers and their agents are to uphold the highest standards of ethics including:

### 1) Prevention of Corruption

- There shall be a zero tolerance policy in order to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

### 2) No Improper Advantage

- Economic advantage, whether direct or indirect, must not be received, promised, sounded out or hinted at to civil servants, officials and employees of public organizations or business partners, in order to obtain improper business advantage.
- Entertainment shall not be provided, except for that which is commonly and clearly acceptable under local law and social and business practices.
- Education and training for complying with laws and regulations related to the prevention of bribery is to be provided to employees, etc., and procedures shall be established and implemented to monitor the status of compliance.

### 3) Disclosure of Information

- All business dealings should be transparently performed and accurately reflected on the Participant's business books and records.
- Information regarding participant's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.
- Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

### 4) Intellectual Property

- Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded.

### 5) Fair Business, Advertising and Competition

- Standards of fair business, advertising, and competition are to be upheld.

### 6) Protection of Identity and Non-Retaliation

- Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers\* are to be maintained, unless prohibited by law.
  - A Process for whistleblowers to raise any concerns without fear of retaliation should be communicated and maintained.
- \* Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

### 7) Responsible Sourcing of Minerals

- Suppliers shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.
- The policy must be made public on the supplier's own website, etc.
- The OECD Due Diligence Guidance must be followed, and corrective actions must be taken if problems are found.
- Smelter surveys on their own suppliers based on industry standards must be conducted.
- Suppliers must be required to procure 3TG, cobalt and mica from smelters certified as conformant by third party auditors.
- Due diligence shall be exercised on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

### 8) Privacy

- Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees.
- Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

### **9) Appropriate Import/Export Controls**

- A clear management framework must be maintained and appropriate import/export procedures taken for the import and export of technologies and items regulated under the law, etc.
- “Technologies and items regulated under the law, etc.” refers to components, products, technologies, equipment, software, etc. covered by laws and regulations governing import/export controls, based on international accords (such as the Wassenaar Arrangement). In some cases, certain procedures are required by supervisory authorities. when importing or exporting items, such as obtaining permission from said authorities.

## **(5) BUSINESS CONTINUITY PLAN (BCP)**

Suppliers must develop a business continuity plan (BCP) that anticipates risks in the supply chain. In the event of a risk such as a disaster, suppliers must identify risks in the supply chain, promptly investigate the impact on production and procurement, and disclose that information.

### **1) Development and Management of a BCP**

- A business continuity plan (BCP) must be developed to minimize damage caused by large scale natural disasters and to recover as soon as possible.
- The business continuity plan (BCP) must be improved and reviewed on a regular basis through training and other activities.

### **2) Identification of Important Materials and Risk Measures**

- Materials that would become bottlenecks in the event of a disaster are to be identified, and measures such as diversifying sources and securing inventory are to be clarified.

### **3) Understanding of the Supply Chain**

- The location where purchased items are produced and suppliers' emergency contact information must be identified, and there must be a system to quickly confirm the impact on production and procurement in the event of a disaster.

### **4) Impact Investigation in Disasters**

- In the event of a disaster, the damage to production facilities and buildings and risk/harm to employees as well as the impact on production and procurement must be quickly ascertained, and there must be a system to contact business partners.

## **(6) INFORMATION SECURITY**

- 1) A system must be established and operated for information security within the supplier (e.g., appointment of a responsible person, enactment of rules, regular training for employees, auditing, management of contractors, and leakage response procedures).
- 2) Measures are to be taken to protect against threats from cyber-attacks and other threats to prevent damage to the supplier's own company and others.
- 3) Technical and physical measures must be taken to prevent leaks of confidential information, such as restricting access to files, authenticating users of PCs and other devices, restricting entry to areas where confidential information is handled, locking doors, and controlling access to rooms.
- 4) Confidential information, not only of the supplier's own company but also that received from customers and third parties, must be appropriately managed and protected. In the event of an information security incident involving confidential information received, the source of the confidential information must be notified.

## **(7) MANAGEMENT SYSTEM**

Suppliers shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

### **1) Company Commitment**

- Corporate social and environmental responsibility policy statements affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management, and posted in the facility in the local language.

### **2) Management Accountability and Responsibility**

- Senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs for labor, the environment, health and safety, ethics, BCP and information security ("Items related to this Code") are to be clearly identified.
- Senior management reviews the status of the management systems on a regular basis.

### **3) Legal and Customer Requirements**

- A process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

### **4) Risk Assessment and Risk Management**

- A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with Participant's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

### **5) Improvement Objectives**

- Written performance objectives, targets and implementation plans to improve the Supplier's social, environmental, and health and safety performance, including a periodic assessment of Supplier's performance in achieving those objectives.

### **6) Training**

- Programs for training managers and workers to implement policies, procedures, and improvement objectives for items related to this Code and to meet applicable legal and regulatory requirements.

### **7) Communication**

- A process for communicating clear and accurate information about policies, practices, expectations, and performance to workers, suppliers, and customers.

### **8) Worker Feedback, Participation and Grievance**

- Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement.
- Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

### **9) Audits and Assessments**

- Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

### **10) Corrective Action Process**

- A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

### **11) Documentation and Records**

- Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

### **12) Supplier Responsibility**

- A process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.

## <REFERENCES>

The following standards were used in preparing these guidelines.

- Universal Declaration of Human Rights  
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- ILO\*<sup>1</sup> International Labor Standards  
<https://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm>
- United Nations Global Compact  
<https://www.unglobalcompact.org>
- United Nations Guiding Principles on Business and Human Rights  
[https://www2.ohchr.org/english/bodies/hrcouncil/docs/17session/A.HRC.17.31\\_en.pdf](https://www2.ohchr.org/english/bodies/hrcouncil/docs/17session/A.HRC.17.31_en.pdf)
- RBA\*<sup>2</sup> Code of Conduct 7.0  
<https://www.responsiblebusiness.org/code-of-conduct/>
- Guidelines for Responsible Business Conduct created by the Japan Electronics and Information Technology Industries Association (JEITA)  
<https://www.jeita.or.jp/cgi-bin/public/detail>
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas  
<https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-MineralsEdition3.pdf>
- Responsible Minerals Initiative (RMI\*<sup>3</sup>)  
<https://www.responsiblemineralsinitiative.org/>
- Murata's approach to CSR activities  
[https://corporate.murata.com/en-global/csr/way\\_of\\_thinking/policy](https://corporate.murata.com/en-global/csr/way_of_thinking/policy)

\*1 : International Labour Organization

\*2 : Responsible Business Alliance

\*3 : Responsible Minerals Initiative

**【Document Revision History】**

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