



Respect for human rights and diversity

Background of setting the issue of materiality

With rapid business expansion in recent years, Murata has grown into a global company with diverse employees. In order for employees with various backgrounds to challenge each other and grow together, the human rights of each employee need to be respected. Based on that belief, Murata has set this key issue.

Our goal

We aim for sustainable growth leveraging diverse human resources globally, understanding and respecting the concept of human rights.

Human Rights and Labor Policies

To be an innovator who can provide solutions to customer problems and social problems leveraging diverse human resources, it is essential to respect the human rights of individuals. Murata has set its "Human Rights and Labor Policies" based on that belief.

The policies reflect human rights awareness embedded in the Murata Philosophy and the company's history, while specifying our commitment to respect, protect, and not violate the basic human rights of each employee. We held discussions with management on how recent business expansion has been affecting human resources, organizations and local communities, conducted analysis on the expectations from stakeholders, and reflected the results in the policies.

We will continue such initiatives globally based on the advice of experts.

However, Murata will continue to prepare for future challenges, review the status of human rights management systems at each worksite and follow up as necessary, with the headquarters taking the main role. In addition, for the matters to be considered from a global perspective, the Group will make improvements as a whole. As Murata's business evolves and expands, various issues regarding human rights may arise. Murata will continue to regularly implement human rights due diligence.

Education of human rights

Murata started a review on education that is already being conducted, as it considers raising employee awareness as one of the important ways of addressing human rights issues. In Japan, harassment is a familiar problem to everyone, and therefore Murata has held educational sessions on the Human Rights and Labor Policies and harassment.

In addition, humanitarian affairs personnel at each Japanese group company held a study session online together to discuss topics such as what human rights means from a global perspective, what kinds of human rights issues are occurring now, and the human rights risks that Murata could encounter. The results of this study session will be used in setting goals for each worksite.

In fiscal 2020, educational sessions were held among domestic worksites, however, we will consider holding such sessions targeting overseas worksites.

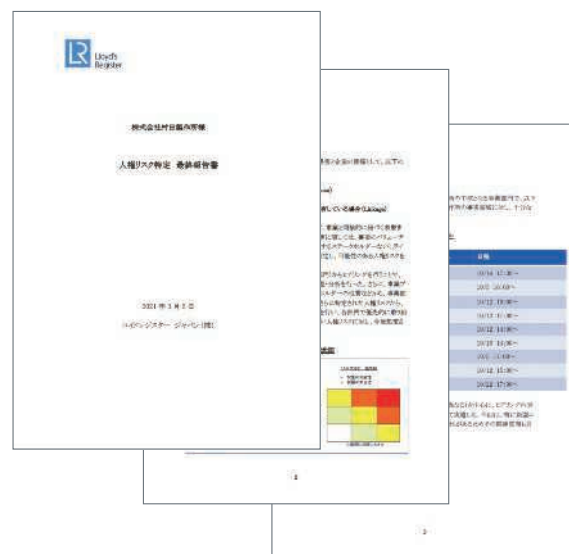
Approach to Human Rights and Labor Policies

https://corporate.murata.com/en-global/csr/people/human_rights

Human rights due diligence

With the help of external experts, we reviewed our human rights due diligence system and established a process to reconfirm and improve the actual state of each plant and each business from various perspectives, such as forced labor (including child labor, foreign workers, and working hour issues etc), gender disparity, various forms of harassment, impact on the community, and the impact of products on society. In the process, Murata ensures there is no violation of human rights, such as forced labor or trafficking in persons, as well as identifies risks. Human rights due diligence is also reviewed and discussed between directors at the Management Committee.

In the due diligence process undertaken recently, we found no major issues to be addressed.



Culture of leveraging diverse individual strengths and collaboratively working together

Murata regards diversity and inclusion as accepting and leveraging not only visible diversity such as gender, age and race, but also qualities and strengths such as thoughts, knowledge, experiences, and viewpoints. We are implementing initiatives to develop a culture focused on mutual trust and cooperation.

Promotion of Women's Participation and Advancement in the Workplace and Promoting an understanding of SOGI

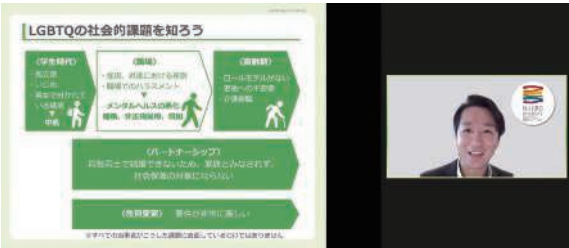
As part of initiatives for diversity, Murata promotes women's advancement and raises awareness for various SOGI*.

Murata Manufacturing Co., Ltd. has set targets regarding female career advancement: 1) proportion of women in technical fields in new graduate for career-track hiring: 10% or more; and 2) proportion of women in managerial positions: 10% by the end of fiscal 2030. Murata continually holds seminars especially for female new graduates who seeks employment in technical positions. As a result, the proportion of women to the total new graduates for career-track positions has been 10% or more for fiscal 2017 to fiscal 2020. The number of female employees in engineering positions has been steadily increasing.

To improve the proportion of women in managerial positions, Murata has newly introduced a specialty managerial level to provide more opportunities for them in fiscal 2019. Murata also endeavors to establish a female network through medium-to long-term career development support and discussion sessions.

Regarding various SOGI, Murata held a discussion session targeting directors and department heads, at which they exchanged opinions and deepened their understanding. Murata has also held SOGI study sessions in Japan for supervisors and other employees, and a total of 466 employees have participated. Murata will continuously hold such study sessions to raise employee awareness. We will also take initiatives to change facilities such as toilets and change rooms that are easy to use for everyone regardless of the SOGI.

* SOGI: Sexual Orientation & Gender Identity



SOGI workshop

Promotion of diversity and inclusion
<https://corporate.murata.com/en-global/csr/people/employees#id3>

Developing human resources globally

At Murata, we see the fostering of human resources as our most important management objective and we have formulated the policy for fostering Human Resources. We are working to ensure that the policy becomes entrenched in the company, while continuously making efforts to solve problems.

We offer various training programs to our employees and support their career formation, such as by providing education and work opportunities that enable each individual to make the most of their strengths and unique characteristics and maximize their innate talents and abilities. Due to the expansion of production and mergers and acquisitions (M&A) outside of Japan, the ratio of employees outside of Japan has reached 60%. Accordingly, Murata has been holding global human resources meetings regularly, and discussing and implementing various measures such as promotion of talent management and dissemination of the Murata Philosophy while strengthening human resources development not only in Japan but also globally. In addition, Murata is increasing hiring of workers overseas in preparation of further business expansion in global markets.

In fiscal 2007, we launched a rotation system to hire such human resources and promote hiring of individuals to positions suited to their skills on the global level. Under the rotation system, we dispatch local employees at overseas sites to affiliates in Japan or in other countries. As of fiscal 2020, the system had rotated a total of 958 people. During fiscal 2020, the number of dispatched employees decreased year on year due to the impact of immigration restrictions, etc. resulting from the COVID-19 pandemic.

Going forward, Murata will aim to increase the ratio of employees at overseas indirect divisions who have work experience at other sites.

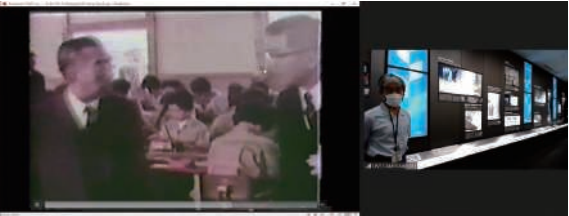
We aim to increase this ratio from 5% in fiscal 2020 to 7% in fiscal 2024 and 10% in fiscal 2030, in order to promote the use of human resources with work experience at other overseas sites, and to create opportunities for global interaction. We will manage the organization with a greater focus on autonomy, collectiveness and evolution through developing human resources with diverse viewpoints and experiences.

Dissemination of the Murata Philosophy

Now that we have expanded our business globally and that work styles and the way of thinking are more diversified, it has become more important than ever to share Murata's values among all employees. At Murata, we make continuous efforts to deepen understanding of the Murata Philosophy on a global basis by providing training sessions in which our executives communicate the Murata Philosophy, offering opportunities to discuss the Murata

Philosophy in the workplace, and holding workshops at group companies in Japan and overseas. We also provide opportunities to learn the founder's ideology and Murata's history by utilizing Murata Innovation Museum, which opened in 2019. In fiscal 2020, there were less opportunities for the employees to communicate with each other in person due to the COVID-19 pandemic, however, we strived to actively pervade the management philosophy by holding online discussions between directors, online tours at the Murata innovation museum, etc.

For more information on the Murata Philosophy, see:
(▶ p.3 What Murata creates)



Murata Innovation Museum online tour

Employee engagement initiatives

Since 2004, Murata has been engaged in various activities to reform its organizational culture in order to build a corporate culture that fosters employees' motivation and growth. Murata believes it is important to ensure that each and every employee feels rewarded and grows through their work. Based on that belief, we conducted employee surveys to grasp the current situation, analyzed the issues and have been making improvements. We have implemented the PDCA cycle at a global level after conducting a world-wide employee survey from fiscal 2021. As part of "Mid-term Direction 2024," we aim to raise the ratio of employees who return positive answers in employee engagement to 70% by fiscal 2024 and 76% or higher by fiscal 2030.

Responsibility to and actions concerning employees
<https://corporate.murata.com/en-global/csr/people/employees>

TOPICS

Global activities towards "One Murata"

Since 2013, Murata has held global human resources meetings in which human resource officers at overseas sites get together and discuss solutions to global issues.

Murata also has implemented "global project activities," which include four themes of 1) Talent management, 2) Compensation (review of remuneration), 3) Utilization of IT by Millennials, and 4) Dissemination of the Murata Philosophy, under a slogan of "One HR, One Murata." Themes 1) and 2) mainly consist of members in managerial positions, and 3) and 4) consist of mainly young employees. Management is also involved in these activities. We aim to have all members learn a lot of things and grow through these activities, as well as achieve the themes. As online meetings have gained popularity, these meetings are more accessible by young employees who would not have participated otherwise and they are held more frequently.

In these global project activities, the participants are required to have a global perspective or a broader perspective, not just see things from an ordinary point of view. In addition, more effort and

time for understanding one another are required when discussing with global members from various backgrounds and with differences of position and language barriers. They may experience a conflict and may need patience, however the process of deliberating and considering together enables the participants to grow further.

The project started in January 2021, and we hope the members will come up with new ideas through active discussion. Murata will continue to take various measures to build a culture of collaboration in which diverse talents are fully utilized.



Global project