

Respect for human rights

Basic view

To become an innovator by leveraging diverse human resources, it is essential to respect the human rights of individuals. Based on this belief, Murata's Human Rights and Labor Policies specify the commitment of each executive and employee to respect, protect, and not violate the basic human rights of all stakeholders. We aim to reduce risks and improve governance as well as to establish sustainable business foundation by understanding the broadening scope of human rights and respecting human rights throughout the value chain.

To this end, Murata is working to develop human rights policy and establish human rights due diligence and complaint handling mechanisms in accordance with the United Nations Guiding Principles on Business and Human Rights. In addition to the company-wide human rights due diligence, we have established a Human Rights and Labor Management System at each business site. With the system, we run through the PDCA cycle by conducting annual risk assessments for each business site to identify their unique risks; proposing and administering goals and plans; monitoring, evaluating, and making necessary corrections; and conducting management reviews.

Murata's initiatives on human rights

(FY)	
2002	<ul style="list-style-type: none"> Established the Corporate Ethics Policy and Code of Conduct
2009	<ul style="list-style-type: none"> Established the CSR Charter Adopted the RBA Code of Conduct in the Procurement Policy
2012	<ul style="list-style-type: none"> Established Human Rights and Labor Policies
2013	<ul style="list-style-type: none"> Adopted the Conflict Minerals Reporting Template (CMRT) for survey answers
2015	<ul style="list-style-type: none"> Developed a human rights management manual and the Human Rights and Labor Committees began operations
2016	<ul style="list-style-type: none"> Implemented self-assessment for existing suppliers
2019	<ul style="list-style-type: none"> Renewed the Human Rights and Labor Policies through social requirements and dialogues with stakeholders Adopted the Cobalt Reporting Template (CRT) for survey answers
2020	<ul style="list-style-type: none"> Conducted company-wide human rights risk assessments Enhanced compliance consultation hotlines (added the Harassment Consultation Desk)
2021	<ul style="list-style-type: none"> Invited outside experts to provide lectures on human rights to all employees Established a risk assessment process for new business partners
2022	<ul style="list-style-type: none"> Joined RBA Conducted regular audits for existing suppliers Performed measures against new minerals such as mica Established the Human Rights Committee independent of the CSR Management Committee

Topics Established the Human Rights Committee

Murata has been promoting various initiatives to respect human rights, including the establishment of the Human Rights and Labor Policies. In recent years, there has been growing international interest in efforts to respect human rights through the corporate value chain. Against this backdrop, to strengthen company-wide efforts, we established the Human Rights Committee in fiscal 2022 as a subordinate committee of the CSR Management Committee, with a member of the Board of Directors and Executive Vice President serving as a person in charge. At the committee, relevant divisions hold discussions to ensure that we can cope with human rights risks in all of our business activities in a timely manner in response to rapidly changing stakeholder demands. Going forward, we will strengthen the system of human rights due diligence, centered on the Human Rights Committee.

Human rights education

Murata provides necessary human rights education according to the risks that are likely to arise for individual countries. In Japan, we regularly check employees' understanding of the Human Rights and Labor Policies. In addition, we focus on harassment education to make employees aware that their own actions can affect human rights so as to prevent such incidents before they occur. We designate December, the month in which the Universal Declaration of Human Rights was proclaimed, as Human Rights Month, so that our employees have an opportunity to understand the impact of our business activities on human rights and to review their own actions.

In addition to human rights education for general employees, we have long provided education for those in charge of human rights management. In June 2023, we held a lecture meeting with outside experts on the theme of "Business and human rights—

Considering the connections between human rights and business/work" for global personnel and managers, including those in charge of human resources, general affairs, procurement, and sustainability promotion departments. A total of 165 participants from domestic and overseas sites learned about recent global trends, promotion of human rights initiatives based on the Guiding Principles, and concepts such as grievance mechanisms. Appreciating the importance of fostering awareness among each and every employee, we will strengthen our education system.

Percentage of people trained in human rights (Fiscal 2022)

	General training	Manager training
Total (Consolidated in Japan)	95.4%	96.4%

Note: Percentage of domestic employees who have taken e-Learning

PDCA in human rights due diligence

Murata runs a PDCA cycle to identify and evaluate negative impacts, prevent and reduce negative impacts, perform monitoring, and disclose information in accordance with UN Guiding Principles on Business and Human Rights.

P Identification and evaluation of negative impact

Murata conducted a company-wide risk assessment in fiscal 2020 to analyze potential human rights risks throughout its business. In order to understand human rights issues to be addressed, we are mapping any risks of potential human rights violations such as forced labor (including issues with child labor, foreign workers, and working hours), gender discrimination, harassment, labor organization rights (freedom of association and collective bargaining rights), our impact on local communities, and the impact of our products on society.

In fiscal 2023, we are further identifying and evaluating negative impacts, deepening our efforts, and verifying the existence of new risks, with the help of outside experts.

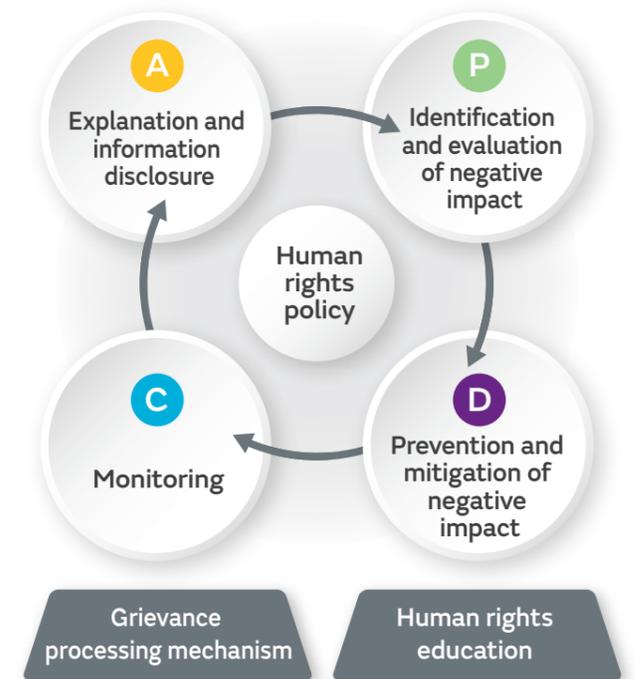
D Prevention and mitigation of negative impact

To prevent and mitigate negative impacts, we share human rights risks identified through assessments and stakeholder complaints with relevant internal departments.

Examples of specific initiatives

- We found that an agent recruiting foreign workers for our overseas factories had received deposits from workers to prevent them from canceling their travel. To prevent recurrence of this issue, we urged the agent to stop taking deposits from workers, and at the same time, interviewed the hired workers.
- We conduct regular audits of suppliers and support improvements, and conduct assessments of high-risk minerals such as cobalt in the OECD due diligence process.

* For details on our actions concerning suppliers, please see CSR procurement promotion, on page 83.



C Monitoring

At Murata, we monitor our work conditions and working hours, exchange opinions with labor unions and other organizations, and conduct employee surveys. We also implement a risk assessment system for suppliers.

A Explanation and information disclosure

Murata discloses information through its website and integrated report (Murata Value Report).

Implementation of a complaint handling mechanism (grievance mechanism)

Murata has established multiple contact points to receive reports and consultations from stakeholders in order to promptly implement appropriate corrective measures in the event of negative human rights impacts. Each contact point accepts reports under real names or anonymously and offers an accessible environment with multiple languages supported. For employees, we have third-party contact

points in addition to internal contact points. Furthermore, Murata has established dedicated consultation services for suppliers. Murata also accepts reports and consultations from a wide range of stakeholders, including members of local communities.

*For details on consultation hotlines and the number of reports and consultations, please see Compliance, on page 89.