

# Compliance

## Basic view

Based on the Murata Philosophy, which is our management philosophy, Murata engages in fair business activities and hopes to continue to be a company which is trusted by society. We believe that observing compliance, based on legal requirements and a high degree of business ethics, is essential in order to create new forms of value and achieve robust, sustainable growth amidst changing business opportunities while building relationships of trust with stakeholders. Toward getting where Murata wants to be, at Murata, we strive to raise awareness of compliance among all Group officers and employees through comprehensive observance of our Corporate Ethics Policy and Code of Conduct.

We have translated the Corporate Ethics Policy and Code of Conduct from Japanese into, English, Chinese, and other local languages and distributed copies to all Group officers and employees. In addition, the company continuously delivers global messages from the top management and conducts job-grade specific training and education to raise awareness on compliance. Furthermore, with regard to the compliance items articulated in the Corporate Ethics Policy and Code of Conduct, the company implements measures to mitigate risks according to the changes in the environment and its businesses.

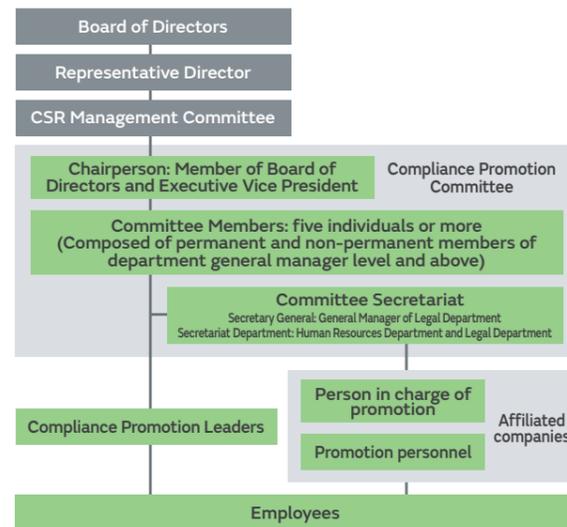
## Promotion structure

Murata has established a Compliance Promotion Committee underneath the CSR Management Committee. The Compliance Promotion Committee revises the Corporate Ethics Policy and Code of Conduct, plans and implements awareness-raising activities, and deliberates and makes decisions on the basic direction to take in the global promotion of compliance. The matters decided by the Committee are shared with the entire Group by those in charge of promoting compliance appointed at affiliated companies in Japan and overseas. The Compliance Promotion Leader selected for each department also shares and delivers the information provided in the Corporate Ethics Policy and Code of Conduct and at e-learning at their department compliance promotion meetings..

Compliance promotion activities and operation status of the reporting system (i.e. the number and summary of reported cases) are reported to the Board of Directors twice a year and are also audited annually by the internal audit departments to ensure an appropriate level of response. Group companies are also being audited by Responsible Business Alliance (RBA)-approved auditors.

Moreover, Murata has established and is operating a global compliance system led by our Compliance Promotion Committee

to expand our compliance activities globally. Our regional headquarters act as the heads of the activities in their respective regions, taking into account the local laws, regulations, and social systems, and conduct compliance activities in cooperation with our group companies in each region.



## Initiatives to prevent corruption

Murata's CSR Charter and Corporate Ethics Policy and Code of Conduct define how to prevent bribery, antitrust violations, Subcontract Act violations, insider trading, conflicts of interest, and other types of corrupt acts (such as inappropriately providing or receiving benefits). Murata strives to ensure compliance and prevent corruption as the foundation of our

daily business activities and duties. In our training or awareness-raising activities, we require our employees to immediately report any misconduct or violation of laws, regulations, ethics or any actions that may lead to such misconduct or violations to the relevant department or reporting/consultation hotline.

## Corruption risk initiatives

In the course of its global operations, Murata has worked to prevent antitrust violations and bribery as corruption risks of particular importance. In 2014, Murata released the Basic Policy for Prevention of Cartels and Bribery (available in Japanese, English and Chinese) as an addendum to the Corporate Ethics Policy and Code of Conduct in order to disseminate Murata's attitude throughout the Group.

In order to effectively mitigate risk of violation of antitrust laws and bribery, Murata has set rules based on the result of

risk surveys conducted globally and disseminated these rules within the company through messages from the President and training. We also conduct annual online training and secure the commitment of each individual officer and employee.

For more detailed information on our initiatives, including preventing corruption, Subcontract Act violation prevention, insider trading prevention, conflicts of interest prevention, and export control compliance, please see here.



## Whistle-blowing system and consultation hotlines

In order to prevent, early detect, and respond to compliance violations, Murata has introduced a whistle-blowing system within Murata Manufacturing Co., Ltd. and its domestic and overseas affiliated companies. In the event that acts such as corruption which violate or may violate ethics, laws and regulations are discovered, the whistle-blower may use their real name or remain anonymous. In addition to establishing internal hotlines as points of contacts for receiving reports and consultation requests, we have established external hotlines which provide support in local or multiple languages in order to prepare an environment which makes it easier to submit reports and seek consultation. In the event that a report or consultation is received, the Compliance Promotion Committee leads the response, coordinating with relevant departments to quickly check and investigate the facts and the relevant laws and rules to the extent possible. On that basis, the existence or nonexistence of a compliance violation is recognized and response measures such as correction and recurrence prevention are taken as necessary. In addition to protecting the anonymity and privacy of

whistle-blowers, we take steps to prevent whistle-blowers from being unfairly disadvantaged due to their reporting, by prohibiting retaliatory actions against whistle-blowers. Feedback on the findings and details of the investigation are given to the whistle-blowers in an appropriate manner.

## Compliance assessment and response

During fiscal 2022, approximately 108 reports and consultation requests were received through the domestic compliance hotline. A majority of the reports and consultation requests were related to issues such as harassment, human rights infringement, and labor management. All reports and consultation requests were investigated to determine whether a compliance violation had occurred, and then handled appropriately as required, while taking the wishes of the whistle-blowers. In fiscal 2022, there were no violations required to be disclosed by law, and no fines or settlements were incurred that required disclosure in the audited financial statements.

## Number of reports and consultations in FY2022

