Initiatives on social issues through business activities overall

Management transformation | Higher level portfolio management
前向きな経営基盤の形成 | Preparation for 2030

In order to focus on to get where Murata wants to be under our Vision 2030, we have set nine key issues (materiality) from the perspective of "contributing to solving social issues through our business" and "initiatives on social issues through business activities overall," starting from social issues. Through the resolution of these issues,

we will create innovations to reduce social and environmental burdens that occur throughout the supply chain surrounding Murata, and build business processes that are in harmony with society.

For the process of identifying material issues, please see here. https://corporate.murata.com/en-global/csr/way_of_thinking/materiality#id3
For more information on each materiality initiative, please see here. https://corporate.murata.com/en-global/csr/way_of_thinking/activities

Medium-term target results (fiscal 2019-2021)

Key areas	Key issues	Target	Main results	Evaluation
Environment	Strengthening Murata's response to climate change ▶P.65	• To set up procedures for investigating suppliers' current circumstances and requesting the establishment of said targets, in order to establish Greenhouse gas ("GHG" below) reduction targets to achieve SBT*1. • To limit the volume of GHG emissions to below 1.4 million t-CO2e for fiscal 2021. • To reduce GHG emissions of domestic logistics to 2.0 kg/million yen in real manufacturing output. • To expand the range of included factors in logistics GHG emissions.	• Received SBT certification and reviewed details of Scope 1–3 reduction initiatives. • Achieved GHG emissions of 1.4 million t-CO2e (Scope 1 + 2) in fiscal 2021, achieving the goal. • In real production primary units, GHG emissions in domestic logistics for fiscal 2021 were 1.4 kg/million yen, achieving the goal. • Started investigation into a system for identifying GHG emissions in distribution.	○
	Use of sustainable resources ▶P.71	• To improve our ratio of waste output to production by 7% for fiscal 2021 (compared to the fiscal 2016-2018 average). • To improve our ratio of water use to production by 6% for fiscal 2021 (compared to the fiscal 2016-2018 average). • To examine industry trends and regulations for resource recycling. • To establish a feasible plastic recycling system and verify its economic effect.	• For fiscal 2021, the ratio of waste output to production improved by 12% at the same output level, achieving the goal. • For fiscal 2021, ratio of water use to production improved by 16% at the same output level, achieving the goal. • Investigated waste material and water-related resource recycling regulations and industry trends. • Built a feasible scheme, verified its economic effectiveness, and organized the issues.	○
	Preventing pollution and managing chemical substances ▶P.72	• To apply green procurement based on Murata standards*2 to materials, parts and products supplied to Murata. • To manage environmentally hazardous substances based on the Murata standards*2. • To reflect internal and external demands regarding chemical substances contained in products in product specifications. • To proactively respond to changes in the external environment. • To create a management system for our global VOC*3 emissions.	• Identified social trends regarding chemical substances and on revisions to laws, and reflected these in the company standards. • By applying green procurement (materials, parts, and products) based on the company standards and thorough management of environmentally hazardous substances, appropriately reflected internal and external demands regarding chemical substances contained in products in product specifications. • Established medium- to long-term goals on VOC emission reduction on a global basis.	○
	Strengthening Murata's response to climate change Use of sustainable resources Preventing pollution and managing chemical substances	• To experiment with methods of preserving resources and preventing the emission of environmentally harmful substances by paying attention to environmental concerns at the product planning and design stage.	• Continued to perform activities originating in the business divisions to reduce the environmental load, and studied the mechanism which pays attention to environmental concerns from the product planning and design stages.	○
Social	Secure and safe workplace and health management ▶P.73	• Reduction of work accidents — We will not allow serious accidents leading to death or lasting impairment to occur. — To the accident rate per 1,000 workers will be limited to 1.6 or less. • Promotion of health management • To reduce risks in the field of health management as part of Murata's business operations.	• Reduction of work accidents — No serious accidents leading to death or lasting impairment occurred, achieving the goal. — The accident rate per 1,000 workers was 1.70, which did not achieve the goal of 1.6 or less. • Reevaluated the health management plan, established a conference to increase the effectiveness of the health management plan, and implemented measures. • Determined the policies for responding to the novel coronavirus infection (COVID-19) and carried out the necessary measures.	△
	Respect for human rights and diversity ▶P.75	• To firmly establish a "Management System on Human Rights and Labor" and make improvements. • To expand and enhance employee education to raise awareness of human rights, labor, and harassment. • To promote diversity and inclusion.	• Firmly established the "Management System on Human Rights and Labor" and made improvements through the PDCA cycle. However, the system has not been adopted in some areas such as new locations and small-scale worksites. • Implemented human rights education, lectures by outside experts, educational activities on SOGIE, and other initiatives to help employees closely understand Murata qualities as stated in the management philosophy. • In addition to promoting understanding of diversity and inclusion, the following measures were taken: • Increased the ratio of women in technical fields for new graduate in career-track hiring at Murata Manufacturing Co., Ltd. on a non-consolidated basis (fiscal 2021 result: 14.8%) • Set a medium- to long-term target for the ratio of women in managerial positions at Murata Manufacturing Co., Ltd. on a non-consolidated basis (10% by the end of fiscal 2030) • Established a special subsidiary to provide opportunities for persons with disabilities to feel a sense of purpose in working.	△
	Coexistence with local communities ▶P.77	• To realize our founder's philosophy on a global level.	• Enacted the Guidelines of Contribution Activities for Society and Community, and implemented activities in accordance with the guidelines. • Deepened our relationship with local communities through STEAM*4 and environmental education and promoted support for the development of the next generation.	○
Governance	Appropriate business transactions ▶P.78	• To develop global compliance activities overseas in cooperation with overseas control companies.	• Established practical guidelines for preventing cartels, continuously implemented training for employees, and improved the operation of the cartel control process. • Revised the Basic Policy for Prevention of Bribery, enacted regulations that establish a bribery prevention management system, and improved in-house training.	○
	Business continuity management (BCM)*5 ▶P.79	• To embed risk management at the global level. • To develop BCPs, prevent risks, and reduce losses when risks occur.	• Implemented risk surveys and evaluation across the entire company twice per year. • Introduced new company-wide risk management audits by the Audit Department. • Conducted BCP drills to confirm the efficacy of loss limitation strategies and prevention strategies for risks, and took all necessary measures.	○
	Information security ▶P.80	• To achieve a situation where the PDCA (Plan-Do-Check-Act) system for information security measures at the global level are functioning effectively and the concept of data security has become a part of daily operations.	• Continuously implemented human, technical, and physical measures to detect risks, respond to persistent risks, and maintain and improve the level of information security. • An incident occurred where a Murata outsourcing partner inappropriately handled personal information and other data. In response to this, we have confirmed how data is being managed when we provide such data to any outsourcing partner in order to prevent a similar incident from occurring. For details of the incident, please see here. https://corporate.murata.com/en-global/newsroom/news/company/general/2021/0805	△

Medium- to long-term target (fiscal 2022-)

Key areas	Key issues	Target
Environment	Strengthening Murata's response to climate change ▶P.65	Fiscal 2024 targets: Amount of GHG emissions (Scope 1 + Scope 2): 20% reduction vs. fiscal 2019 Renewable energy implementation rate: 25% Fiscal 2030 targets: Amount of GHG emissions (Scope 1 + Scope 2): 46% reduction vs. fiscal 2019 Amount of GHG (Scope 3): 27.5% reduction vs. fiscal 2019 Renewable energy implementation rate: 50% Fiscal 2050 targets: Renewable energy implementation rate: 100%
	Use of sustainable resources ▶P.71	Fiscal 2024 targets: Rate of use of sustainable resources*6: 1% improvement from fiscal 2021 results*8; resource recycling rate*7: 5% improvement from fiscal 2021 results*8 Fiscal 2030 targets: Rate of use of sustainable resources: 25%; resource recycling rate: 50% Fiscal 2050 targets: Rate of use of sustainable resources: 100%; resource recycling rate: 100%
	Preventing pollution and managing chemical substances ▶P.72	Fiscal 2024 targets: Serious environmental incidents: 0; amount of VOC emissions: Equal to or lower than fiscal 2021 emissions Chemicals used for cleaning must not contain specific VOCs. Fiscal 2030 targets: Serious environmental incidents: 0; amount of VOC emissions: 30% reduction vs. fiscal 2021
Social	Secure and safe workplace and health management ▶P.73	Fiscal 2024 targets: Fatal serious accidents: 0; accident rate per 1,000 workers: Less than 1.35 Fire accidents: 30% reduction 30% reduction compared with average for fiscal 2019-2021; subjective health view: 80% (with 14% reporting extremely good health) Fiscal 2030 targets: Workplaces must allow employees to work in a spirited manner, without any fatal serious accidents or employee injuries/accidents. Fatal serious accidents: 0; accident rate per 1,000 workers: Less than 1.0 Fire accidents: 0; subjective health view: 80% (with 20% reporting extremely good health)
	Respect for human rights and diversity ▶P.75	Fiscal 2024 targets: Percentage of overseas indirect employees*9 with experience working at other sites: 7% Ratio of women in managerial positions: 4% (Murata Manufacturing Co., Ltd. on a non-consolidated basis) A PDCA cycle according to the Management System on Human Rights and Labor must be implemented at each worksite. Fiscal 2030 targets: Percentage of overseas indirect employees with experience working at other sites: 10% Ratio of women in managerial positions: 10% (Murata Manufacturing Co., Ltd. on a non-consolidated basis)
	Coexistence with local communities ▶P.77	Fiscal 2024 targets: Must continue to value communication with local residents and promote contribution activities with the goal of resolving local issues. Fiscal 2030 targets: Must continue to value communication with local residents and promote contribution activities with the goal of resolving local issues.
Governance	Appropriate business transactions ▶P.78	Fiscal 2024 targets: Antimonopoly Act: Laws/ordinances and internal rules/procedures must be deployed and implemented globally. Bribery: In regions with a high corruption index, bribery management and prevention systems compliant with company policy must function and systems for reporting to headquarters must be established. Fiscal 2030 targets: Antimonopoly Act: Laws/ordinances and internal rules/procedures must be deployed and implemented globally. Bribery: All affiliated companies must establish bribery management and prevention systems compliant with company policy, and must maintain zero incidents of bribery/corruption.
	Business continuity management (BCM) ▶P.79	Fiscal 2024 targets: BCP that satisfies requirements must be established at domestic worksites and plants. BCP for handling disasters that might occur in our overseas locations must be formulated at each worksite and plant. Fiscal 2030 targets: A company-wide BCM must be established so that, if a disaster occurs, sites not affected by the disaster can cooperate quickly in order to maintain the business continuity of the entire Murata Group. Autonomous BCM activities must be performed, such as conducting periodic trainings at worksites and plants to verify and improve BCP effectiveness. Measures must be taken for a Nankai Trough earthquake, which is expected to cause major damage.
	Information security ▶P.80	Fiscal 2024 targets: Incidents determined to be potentially serious: 0; employee training ratio*10: 100% Fiscal 2030 targets: Incidents determined to be potentially serious: 0; employee training ratio: 100%

*1 Science Based Targets: Quantitatively based scientific goals regarding long-term scenarios for greenhouse gas reductions.
*2 Standards that designate substances to be managed as regulated by Murata among environmentally harmful substances included in Murata's products and materials, and establish regulatory rank for each substance.
*3 Volatile Organic Compound: One of the causes of air pollution, and a standard that sets a regulatory rank.
*4 An approach in which education focusing on creativity is combined with education focusing on science and mathematics.
*5 Business Continuity Management: Management activities are operated on an ongoing basis to formulate, maintain, and renew a Business Continuity Plan (BCP), to take preventative measures, and to conduct education and training for permeating initiatives.
*6 Resources at low risk of depletion, which Murata can use continually into the future by taking steps such as building recycling schemes.
*7 Percentage of Murata's outputs (emissions) that are recycled as circulating resources
*8 Actual figures for fiscal 2021 are currently being compiled.
*9 Applies to overseas local staff, excluding those transferred from Japan to overseas
*10 Ratio = (Number of sites that have conducted training) / (Total number of sites)