Statement on the UK Modern Slavery Act

This Statement is issued pursuant to Article 54 of the United Kingdom Modern Slavery Act, which was enacted in 2015. Murata Manufacturing Co., Ltd. is cognizant that slave labor and human trafficking are serious global problems and that it must never permit human rights violations in the form of compulsory labor or child labor within the Company or its supply chain. This Statement sets forth the measures that Murata Manufacturing takes to prevent committing or supporting any violations of human rights in its business and supply chain.

1. About Murata Manufacturing

Murata Manufacturing is a general electronic component manufacturer that develops, produces, and sells electronic components based on ceramics. Murata creates innovative products on a foundation of original and accumulated materials development, process development, product design, production technology, and software that supports, analyzes, and evaluates these processes and contributes to the development of an electronics society.

Murata engages in direct and indirect sales in the United Kingdom through our subsidiaries. The subsidiaries with a presence in the United Kingdom are indicated below.


For detailed information about Murata and its business, access the following company website.
https://www.murata.com/en-global/about/company/muratalocations

2. Policy on the Prevention of Slave Labor and Human Trafficking

- Corporate Philosophy

Murata’s corporate philosophy, created by founder Akira Murata in 1954, is as follows:
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.
This corporate philosophy is shared by all employees, and by putting this philosophy into practice, we endeavor to address global issues.

Corporate Philosophy:
https://www.murata.com/en-global/about/company/philosophy

■Murata Manufacturing CSR Charter

In line with its Corporate Philosophy, Murata adopted the CSR Charter as a statement of norms that all persons who work for the Company are to observe with the aim of remaining a company that is trusted by society by committing to observe laws and regulations as well as highly transparent governance, respect for human rights, health and safety, social contribution, and environmental preservation based on a high level of corporate ethics. The Charter expressly provides that we will respect the human rights of each individual, act with dignity, not engage in discrimination or human rights violations for any reason, and treat employees in accordance with the laws of each country.

Murata Manufacturing CSR Charter:
https://www.murata.com/en-global/about/CSR/charter

■Murata Manufacturing Human Rights and Labor Policies

Murata adopted the CSR Charter as a statement of norms that all persons who work for the Company are to observe. Among those norms, we believe that human rights are a universal issue that is crucial for business and that respect for human rights is one of our social responsibilities as we undertake sustainable corporate activities. We establish basic policies on human rights and labor and take measures to respect and protect human rights with respect for humanity as our guiding principle. We expect all companies and individuals involved in our supply chain to support the intent of these policies and to act appropriately to fulfill their social responsibilities.

Murata Manufacturing Human Rights and Labor Policies:
https://www.murata.com/about/CSR/people/employees.aspx#employees01

■ Murata Manufacturing Purchasing Policies and CSR Procurement Guideline

We established Transaction Guidance for Suppliers as a guideline that sets forth the conditions for conducting transactions in the Murata supply chain. The Transaction Guidance indicates that we will fulfill our social responsibilities by complying with laws and regulations and undertaking comprehensive CSR procurement globally that includes consideration for the environment and human rights and expressly states that slave labor and labor through human trafficking may never be
used. In addition to the Transaction Guidance, we request that suppliers comply with the RBA Code of Conduct and the JEITA Supply Chain CSR Deployment Guidebook in accordance with an Agreement to the Policies and Code Concerning CSR Procurement.

Murata Manufacturing Purchasing Policies:
https://www.murata.com/en-global/about/csr/people/suppliers

Our Expectations of Suppliers:
https://www.murata.com/en-global/about/procurement/expectations

3. Measures for the Prevention of Slave Labor and Human Trafficking

- Due Diligence Processes and Risk Assessment

Internal Measures:
In fiscal 2017, primary plants in Japan and overseas (six plants in Japan and four overseas) conducted self-assessments in accordance with the RBA Code of Conduct. Also, plants in Japan established human rights and labor management systems, conducted risk assessments, proposed and implemented targets and plans, carried out monitoring, assessments, and corrective measures, and, through annual management reviews, began implementing reliable PDCA cycles.

Measures Addressing Suppliers:

Slave labor and human trafficking could occur not only within the Murata Manufacturing Group, but also in its supply chain. We work with suppliers to prevent the occurrence of slave labor and human trafficking and conduct periodic surveys of suppliers to prevent human rights risks. For example, we distribute the Checklist for CSR Compliance to suppliers to confirm the status of compliance, including respect for human rights and labor practices, and request improvements based on the response results.

In fiscal 2017, in conjunction with the revision of the RBA Code of Conduct to version 6.0, we updated the content of the Checklist for CSR Compliance. We requested that new suppliers submit an Agreement to the Policies and Code Concerning CSR Procurement and conducted interview-based surveys of suppliers that submitted the Checklist for CSR Compliance and were not in compliance with our criteria in an effort to make more accurate confirmation of the status of CSR compliance. Details of our measures are described on the following website.

Responsibility and actions regarding suppliers:
https://www.murata.com/en-global/about/csr/people/suppliers
Measures Addressing Recruitment Agencies:

In addition to measures taken within the Company and suppliers, the cooperation of recruitment agencies that refer and dispatch human resources is also essential for the elimination of slave labor and human trafficking. To this end, we request that recruitment agencies comply with our CSR standards, the RBA Code of Conduct, and the JEITA Supply Chain CSR Deployment Guidebook in the same manner as suppliers. We also request that recruitment agencies set their recruitment fees to be paid by workers at zero as a general rule, and we conduct periodic surveys that cover slave labor and measure human trafficking risks.

In fiscal 2017, when hiring foreign workers, we performed risk mapping with the cooperation of recruitment agencies and conducted risk assessments regarding the possibility of risks occurring in each process, from recruiting workers in the country of origin to hiring after entry into the accepting country and job separation. The main risks are imposition of excessive fees in the country of origin and differences in the contract received in the country of origin and the actual contract in the accepting country. Based on these results, we requested that recruitment agencies ensure that these risks do not occur and received written agreement regarding compliance.

- Consultation Hotline Established

We established reporting and consultation hotlines at all business sites that can be used by Murata Manufacturing Group employees and dispatched workers and established the Murata Group Non-Compliance Hotline, an external hotline that is operated by a third party, to create an environment where employees and others can anonymously and easily make reports and consult. With regard to supply-chain hotlines, we have an environment where suppliers can make reports and consult. When investigating reports, the privacy of consulting and reporting individuals is protected and measures are taken to prevent any disadvantageous treatment.

- Employee Education

Murata has translated its Corporate Ethics Policy and Code of Conduct based on the CSR Charter into local languages, distributed them to all domestic and overseas sites, and requires all personnel to understand their content and comply with them in all aspects of their work. In addition, October of each year is designated as Compliance Month and employee education is conducted on the Corporate Ethics Policy and Code of Conduct as well as how to use the hotlines.

In fiscal 2017, we conducted human rights and labor education at main production plants that included prevention of compulsory labor and human trafficking in accordance with the human rights and labor management system. We also conducted education for recruitment agencies that hire large numbers of foreign workers to raise awareness, including prevention, of compulsory labor and human trafficking as required by the RBA Code of Conduct.
We periodically conduct education on laws and regulations as well as CSR for employees involved in materials transactions in procurement operations to maintain and raise awareness regarding legal compliance and we strive to raise awareness regarding the elimination of the risk of human trafficking and compulsory labor throughout the supply chain, including suppliers.

4. Future Measures

We will continue to practice the Murata corporate philosophy as a statement of our management principles so that we can contribute to the advancement of society while we work in collaboration with our supply chain to eliminate global human rights problems, including slave labor, human trafficking, child labor, and compulsory labor.

This statement was reported to and approved by the Board of Directors on October 31, 2018.

November 2018

Tsunéo Murata
Chairman of the Board and President
Murata Manufacturing Co., Ltd.