



Company Engagement Questions:

KnowTheChain Information and Communications Technology Sector benchmark

Companies can use these questions to provide additional information relevant to KnowTheChain's benchmarking of companies commitments and programs targeted at addressing human trafficking and forced labor in the supply chain.

Please note that answers to these questions will be made publicly available on the [website of Business & Human Rights Resource Centre \(BHRRC\)](#), one of the partners in KnowTheChain. The project will maintain a strict standard of only including information provided via a company's public website or BHRRC's website in the evaluation.

Please send your answers to Annabel Short, Program Director, Business & Human Rights Resource Centre: short@business-humanrights.org, with a cc to Megan Wallingford, Senior Advisor, Advisory Services, Sustainalytics: megan.wallingford@sustainalytics.com.

We encourage companies to answer as many of the questions as possible. You may wish to focus particularly on those for which your company currently does not have information available on its website.

Name of company: [Murata Manufacturing Company, Ltd.](#)

Documents

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

[Our CSR Charter and our Human Rights and Labor Policies](#) clearly articulate our stance on preventing forced labor in our supply chain.

- CSR Charter :

<http://www.murata.com/en-global/about/csr/charter>

- Human Rights and Labor Policies :

<http://www.murata.com/about/csr/people/employees.aspx#employees01>

[In the Agreement to the Policies and Code Concerning CSR Procurement](#), we obtain the agreement of our suppliers to prohibit forced labor.

Commitment and governance

Awareness and commitment

2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.

In our CSR Charter and our Human Rights and Labor Policies, we have clearly stated our commitment to work to prevent human trafficking and forced labor.

- CSR Charter :

<http://www.murata.com/en-global/about/csr/charter>

- Human Rights and Labor Policies :

<http://www.murata.com/about/csr/people/employees.aspx#employees01>

Supply chain standards

3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.

We have disclosed Our Expectations of Suppliers on our website and ask new suppliers to agree to follow the EICC Code of Conduct when starting business with them.

- Our Expectations of Suppliers :

http://www.murata.com/en-global/about/procurement/expectations?intcid5=com_xxx_xxx_cmn_hd_xxx

We review Our Expectations of Suppliers once a year.

Note on EICC membership: Many ICT companies are members of the Electronics Industry Citizenship Coalition, EICC. If your company is a member and provides a link from its own website to the latest version of the EICC Code (i.e. version 5.1 effective January 1, 2016), then that code will be considered by KnowTheChain in reviewing the company's supply chain standards.

While we are not a member of the Electronics Industry Citizenship Coalition (EICC), we endorse the aim of each item in the EICC Code of Conduct, including items on forced labor.

The requirements given in the EICC Code of Conduct are reflected in our supply chain standards: Our Expectations of Suppliers and the Agreement to the Policies and Code Concerning CSR Procurement.

Management

4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe their scope of responsibility.

Our Director in Charge of Human Resources is responsible for the content and implementation of policies relevant to the prevention of human trafficking and forced labor within the Murata Group.

Our Director in Charge of Global Sourcing is responsible for ensuring that we do business with suppliers who do not engage in human trafficking and forced labor.

Training

5. Does your company conduct training programs for internal decision-makers and suppliers on risks, policies and standards related to human trafficking and forced labor? Please describe.

We ensure that our employees are thoroughly informed of our CSR Charter and our Human Rights and Labor Policies and periodically provide them with necessary training.

Stakeholder engagement

6. In the last three years, has your company engaged a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives on human trafficking and forced labor, especially as it relates to the supply chain? Please describe with whom your company has engaged, the purpose of the engagement, and your company's role.

We have not engaged with such organizations within the last three years.

Traceability and risk assessment

Traceability and risk assessment

7. Please describe your company's supply chain tracing and risk assessment processes. Include any specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group.

We distribute a Check List for CSR Compliance to our suppliers. We collect the check lists and use them to conduct risk assessment.

We have never discovered specific incidents such as forced labor in our suppliers.

Transparency

8. Does your company disclose a) identified forced labor risks b) the names and locations of first-tier suppliers, and c) some information on suppliers beyond the first tier? If yes, please provide a URL.

At present, we do not do business with suppliers that have forced labor risks.

Purchasing practices

Purchasing practices

9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.

We use Our Expectations of Suppliers and the Agreement to the Policies and Code Concerning CSR Procurement to request CSR compliance on the part of our suppliers, and we strive to avoid and reduce risks by distributing and collecting a Check List for CSR Compliance.

Supplier selection

10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them? Please describe.

In addition to credit management, we take CSR aspects, including forced labor, into consideration when selecting suppliers, and we conduct a document review using a Check List for CSR Compliance when starting business with a new supplier.

11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands?

We share suppliers' capacity by maintaining close communication with suppliers.

Also, we try to level orders in an effort to avoid having a great effect on suppliers' quality, cost, and delivery (QCD).

Integration into supplier contracts

12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

When starting business with new suppliers, we ask them to submit the Agreement to the Policies and Code Concerning CSR Procurement.

The Agreement to the Policies and Code Concerning CSR Procurement requests compliance with the EICC Code of Conduct and also gives consideration to forced labor and human trafficking.

Cascading standards

13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

In the Agreement to the Policies and Code Concerning CSR Procurement, we request compliance with the EICC Code of Conduct, which asks suppliers to impose requirements on their own suppliers that are the same as our requirements.

Recruitment

Recruitment approach

14. Please describe your company's recruitment approach, including whether your company requires recruitment agencies in its supply chain to uphold workers' rights, whether it has a policy on direct employment, and whether it requires suppliers to disclose to the company the recruiters that they use.

We require recruitment agencies to comply with our CSR standards, the EICC Code of Conduct, and the JEITA Supply Chain CSR Deployment Guidebook. We only contract with recruitment agencies that agree to this requirement.

Recruitment fees

15. Please describe your company's approach to recruitment fees, including whether your company requires that no fees be charged during recruitment processes, and whether and how it ensures that fees paid are reimbursed.

We require that there be zero recruitment fees paid by workers to recruitment agencies.

Also, we verify through periodic audits that there are zero recruitment fees.

Recruitment audits:

16. Does your company audit recruiters to assess risks of forced labor and human trafficking?

We audit recruitment agencies, and those audits include assessment of forced labor and human trafficking risks.

Worker voice

Communication of policies to workers

17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain.

We provide training on human rights and labor to employees in the Murata Group.

Also, we ask our suppliers to use the Agreement to the Policies and Code Concerning CSR Procurement in conducting CSR initiatives, including providing their own employees with training.

Worker voice

18. Please describe how your company engages with workers outside of the context of the factories in which the work (whether directly or in partnership with stakeholders).

We periodically conduct a questionnaire survey to listen to feedback from workers and have also established consultation hotlines that workers can use.

We also periodically hold recreational events for company management and employees to get to know each other.

Worker empowerment

19. Please elaborate on whether and how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing where there are regulatory constraints on freedom of association.

Through the Agreement to the Policies and Code Concerning CSR Procurement and the Check List for CSR Compliance, we require suppliers to ensure workers' right to organize. This is how we ask suppliers to respect the right of workers to organize.

Grievance mechanism

20. Please describe your company's grievance mechanism, including whether it is available to suppliers' workers, and how it is communicated to suppliers' workers.

Internal Grievance Mechanism:

We have established external consultation hotlines that anyone can use to make anonymous consultations.

Grievance Mechanism for Suppliers:

The Transaction Guidance for Suppliers that we distribute to all our suppliers includes contact information for whistleblowing.

Monitoring

Auditing process

21. Please describe your companies auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents, and c) interviews with workers.

First, we require each supplier to conduct a self-audit using our Check List for CSR Compliance.

Then, based on the self-audit results, we audit suppliers with low scores and suppliers with problematic answers.

Audit disclosure

22. Does your company disclose a) the percentage of suppliers audited annually b) the percentage of unannounced audits c) information on who carried out the audits, and d) a summary of findings, including details of any violations revealed? Please provide a URL.

We do not disclose our record of CSR auditing of suppliers, but we do disclose the percentage of suppliers that have submitted the Agreement to the Policies and Code Concerning CSR Procurement in response to our request for CSR compliance.

This Agreement covers 95% of our suppliers in Japan and 90% outside Japan.

- Percentage of Suppliers that have undertaken CSR Agreements :

<http://www.murata.com/en-global/about/csr/people/suppliers>

Remedy

Corrective action plans

23. Does your company have a process for creating corrective action plans? Please describe this process and the elements of a corrective action plan.

We formulate corrective measures based on the results of CSR audits conducted by the EICC and customers, and periodically follow up on the progress of corrective measures.

Remedy

24. Does your company have a process to provide remedy to workers in its supply chain, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes of this program.

We strive to prevent forced labor and human trafficking by carrying out initiatives such as those described above within the Murata Group.

Thus far, we have never discovered an instance of forced labor and human trafficking within our company or our supply chain.