



Our Approach to Procurement

In keeping with our Corporate Philosophy, FHI strives to procure parts, materials, and equipment that offer excellent quality, environmental performance, and cost performance. To realize this goal, it is necessary for us to establish relationships with our business partners based on equality, trust, mutual benefit, and dedication to continuous improvement.

Fundamental Procurement Policy

FHI has been promoting procurement activities under the following basic policy.

- ① Compliance & Green Procurement
We engage in procurement activities in a way to harmonize man, society and the environment and conduct transactions paying due care to observe legal and societal rules and to protect the environment.
- ② Establish Best Partnership
We establish "WIN-WIN" relationships with suppliers through transactions based on mutual trust under the doctrine of good faith.
- ③ Fair and Open Way of Selecting Suppliers
In selecting suppliers, the door is wide-open to all firms, domestic and overseas, for fair and equitable business to procure goods and services most excellent from six perspectives: quality, cost, delivery, technical development, management and environment.

Promoting Fair Trade

FHI strictly observes the Antimonopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors, and other laws and regulations related to procurement. We are also engaged in fair trade programs in support of the Fair Trade Guidelines for the Automotive Industry issued by the Ministry of Economy, Trade and Industry in June 2007. As part of these efforts, we offer a hotline for business partners in our supply chain to call in should they have any questions or concerns about FHI's fair trade practices.

Even for employees, FHI provides legal and regulatory training for those in charge of procurement and transmits notices and alerts on our intranet to ensure that business is conducted properly.

 [Consultation service for promoting fair-trade \[PDF: 381KB\]](#)

(Japanese version only)

Revision of CSR Guidelines for Suppliers

Based on the CSR Guidelines for Suppliers issued by Japan Automobile Manufacturers Association, Inc. (JAMA), we have created the SUBARU Supplier CSR Guidelines by incorporating our CSR policy for the business partners of SUBARU Automotive Business. We expect these guidelines will help our partners to conduct further CSR activities and expand such activities jointly with their own business partners.

Until now, FHI implemented the Supplier CSR Guidelines in the SUBARU Automotive Business and Industrial Products Company, however, in FY2014, we revised their content creating a standardized version for all partners companywide, including the Aerospace Company. We have always expected our partners to implement and promote CSR activities that include their suppliers.

From FY2014, FHI began to investigate partners with regard to conflict minerals. We will continue to conduct CSR procurement going forward.



SUBARU Supplier CSR Guidelines

Five Topics in the SUBARU Supplier CSR Guidelines

FHI promotes supplier activities based on the following approach.

① Safety and Quality

- Providing products and services that meet consumer and customer needs
- Providing appropriate information concerning products and services
- Ensuring safety of products and services
- Ensuring quality of products and services

② Human Rights and Labor Issues

- Striving to avoid discrimination
- Respecting human rights
- Prohibiting child labor
- Prohibiting forced labor
- Compliance with the law on remuneration
- Compliance with the law on working hours
- Practicing dialogue and consultation with employees
- Ensuring a safe and healthy working environment
- Providing human resource training

③ Environment

- Implementing environmental management
- Reducing greenhouse gas emissions
- Preventing air, water, and soil pollution
- Saving resources and reducing waste
- Managing chemical substances
- Conservation of the eco system

④ Compliance

- Compliance with laws
- Compliance with competition laws
- Preventing corruption
- Managing and protecting confidential information
- Managing export trading
- Protecting intellectual property

⑤ Information Disclosure

- Disclosing information to stakeholders

 [SUBARU Supplier CSR Guidelines \[PDF: 578KB\]](#)

 [SUBARU Green Procurement Guidelines* \[PDF: 508KB\]](#)

(Japanese version only)

* The SUBARU Green Procurement Guidelines is an embodiment of the SUBARU Supplier CSR Guidelines, "(3) Environment."

Promotional System for Appropriate Business Practices and CSR Procurement

In the past, the procurement departments of the Subaru Automobile Business, Aerospace Company, and Industrial Products Company participated in the Procurement Environmental Committee, which strived to solve environmental issues that arose in the area of procurement. In FY2012, the committee changed its name to the Purchasing Committee and expanded its mission to include both environmental and CSR issues.

The policy of the Purchasing Committee is to facilitate fair procurement practices and encourage CSR at suppliers, thereby helping to ensure fair trade with business partners and cooperative CSR-based procurement throughout the FHI supply chain.

Communication with Partners

In an effort to communalize with partners our mid- to long-term management strategies and our sales, production and procurement policies, FHI has been hosting "Purchasing Policy Briefings" every spring. We also periodically exchange information by participating in "Cooperation Meetings" comprised of our partners.

Once a year, FHI hosts "General Cooperation Meetings" as a venue to speak directly to partners. Those meetings are followed by awards bestowed to those partners that have particularly contributed to technology and quality.