



Our Basic Approach and Policy to Procurement

In keeping with our Corporate Philosophy, the Subaru Group strives to procure high quality, environmentally friendly parts, materials, and equipment that offer excellent 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

Subaru 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.

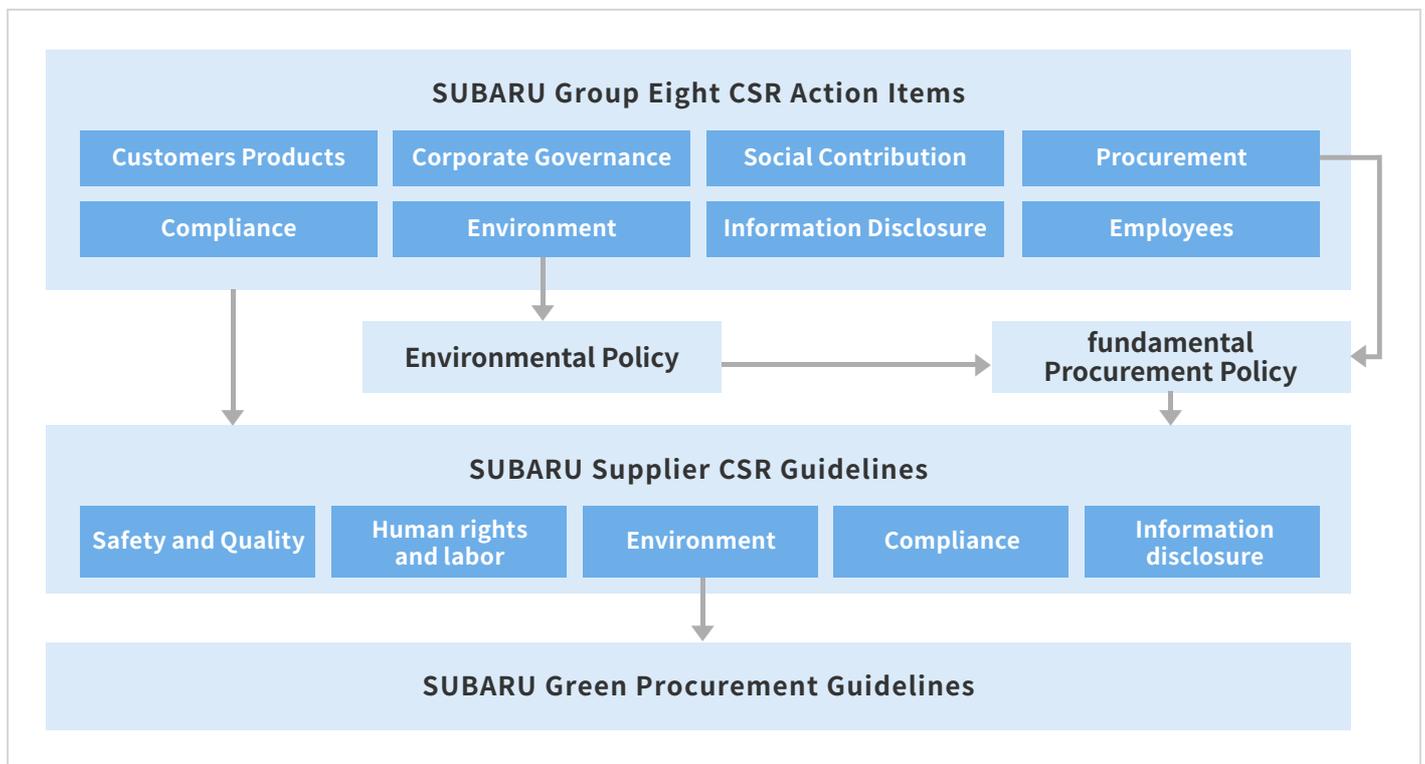
3. Fair and Open Way of Selecting Suppliers

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.

Promotional System for Appropriate Business Practices and CSR Procurement

In the past, the procurement departments of Automotive Business, Aerospace Company, and Industrial Products Division have participated in the Purchasing Environmental Committee, striving to solve environmental issues in the area of procurement. In FY2012, the committee changed its name to the Purchasing Committee and expanded its mission to include the eight CSR action items of our company.

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 supply chain.



Promoting Fair Trade

We have observed the laws and regulations related to procurement, including the Antimonopoly Act and the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors.

Even for employees, we provide legal and regulatory training for those in charge of procurement and transmit alerts on our intranet to ensure that business is conducted properly.

> [Consultation service for promoting fair-trade \(Japanese version only\)](#)  PDF/164kB

Employee Training on Fair Trade in FY2017

Automotive Business

- Reception training for transferees (15 employees)
- Training session on Fair Trade Guidelines (107 employees)
- Test to check understanding of Subcontract Act (141 employees)
- Checks on carrying of Subcontract Act compliance cards: confirmed that all target employees were carrying the cards

Aerospace Company

- Reception training for transferees (7 employees)
- Procurement process training (156 employees)
- Material Department EMS* training (103 employees)
- Briefings on progress status of purchasing reforms (168 employees)

*EMS: an acronym for Environmental Management System

Industrial Products Division

- Reception training for new recruits (2 employees)
- IMDS off-site training (1 employee)

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.

In FY2014, these guidelines were made company-wide including all suppliers of the Automotive Business, the Industrial Products Division and the Aerospace Company, and in FY2016, we revised the content to incorporate the non-use of raw materials that engender social problems, such as conflict minerals.* We are also conducting supplier surveys related to conflict minerals.

Similarly, in FY2016, we revised the guidelines in the form of a joint edition with SIA, our local production plant in the U.S., confirming the integration of procurement policy.

*The SUBARU Green Procurement Guidelines and Green Procurement are embodiments of the SUBARU Supplier CSR Guidelines, “(3) Environment.”

- › [SUBARU Supplier CSR Guidelines](#) PDF/691KB
- › [SUBARU Green Procurement Guidelines*](#) PDF/656KB
- › [Green Procurement Guidelines Aerospace Company*](#) PDF/552KB

*The SUBARU Green Procurement Guidelines and Green Procurement are embodiments of the SUBARU Supplier CSR Guidelines, “(3) Environment.”



SUBARU Supplier CSR Guidelines

Five Topics in the SUBARU Supplier CSR Guidelines

We promote our procurement activities based on the following basic 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
- Non-use of raw materials that engender social problems
- 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 ecosystem

(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

Basic Policy on Conflict Minerals

Some of the minerals (tin, tantalum, tungsten, and gold) produced in the Democratic Republic of the Congo and surrounding countries are said to provide a source of funding for armed insurgents engaged in the infringement of human rights and environmental destruction in the region. As there are concerns that they assist conflict, they are termed conflict minerals.

The Subaru Group has no intention of colluding in the infringement of human rights and environmental destruction by procuring and using conflict minerals. Going forward, we will address the issue of conflict minerals in partnership with our customers and suppliers as our social responsibility in procurement activities.

Communication with Partners

In an effort to share with partners our mid- to long-term management strategies and our sales, production and procurement policies, we have been hosting “Policy Briefings” every spring. We also periodically exchange information by participating in “Cooperation Meetings” comprised of our partners.

Once a year, we award those partners that have particularly contributed to technology and quality.



“General Cooperation Meeting” for SUBARU Automotive Business suppliers



Presentation of quality improvement initiatives at Aerospace Company suppliers’ “Cooperation Meeting”