



Information on technological development by the Hitachi Chemical Group is published each year in January and July as the Hitachi Chemical Technical Report.



We strive for fairness in material procurement by accepting proposals from suppliers via our website and other channels.

## Partnership with suppliers

### ← P5 CSR Policy ③

#### ● Maintaining fair relations with suppliers

Hitachi Chemical procures materials based on our Primary Concepts of Purchasing Business, which sets the rules for maintaining fair relationships with suppliers and safeguarding impartiality in the selection of suppliers with priority on environment-friendly products and the protection of human rights throughout the supply chain.

Hitachi Chemical's website provides information on worldwide procurement sites and includes a procurement list to facilitate the preparation of product proposals from suppliers. After receiving proposals, we investigate quality, safety, price, delivery and stability of supply, data related to the supplier's capabilities in technology and quality control, and corporate data. Sample products are evaluated before any decision to purchase is made.

Our Primary Concepts of Purchasing Business can be found on our website.

**URL** <http://www.hitachi-chem.co.jp/english/purchase/policy.html>

#### ● Procuring environment-friendly materials

In 2001, the Hitachi Chemical Group formulated its Green Procurement Guidelines, and with the

cooperation of our suppliers, we place priority on purchasing products, parts and raw materials that exert less environmental impact.

Chemical substances have recently become subject to stricter global regulations. We therefore require information on chemical content and appropriate control from our suppliers to proactively prevent any harm to the environment from products delivered to customers by the Hitachi Chemical Group. In 2005, we conducted a supplier survey on six substances controlled by the European Union's RoHS Directive, and consequently increased the number of controlled substances to 25.

Our Green Procurement Guidelines can be found on our website (in Japanese).

**URL** <http://www.hitachi-chem.co.jp/japanese/purchase/green.html>

#### ● Reinforcing our partnership with suppliers

The Hitachi Chemical Group believes in the importance of close relationships with raw materials suppliers to enhance the quality of products delivered to our customers. Based on this belief, we maintain a proactive communication with suppliers by holding presentation meetings, taking the initiative to disclose information on our website and conducting surveys of our suppliers.

We also support suppliers that develop their own environment management systems.

### Supporting suppliers that develop their own environmental management systems

Based on the Green Procurement Guidelines, the Hitachi Chemical Group is expanding the procurement ratio (Green Supplier Ratio<sup>\*1</sup>) of suppliers with environmental management systems and promoting procurement of products with the Eco Mark.

To attain our goal of raising our Green Supplier Ratio to 100% in 2006, we encouraged suppliers to obtain environmental management system certification and provided information on introducing Hi-KES<sup>\*2</sup>

during presentation meetings. With the active cooperation of our suppliers, we successfully achieved our goal.

In 2007, the European Union's REACH took effect, requiring stronger control over chemical substances. The Hitachi Chemical Group considers the development of our environmental management system as the foundation for responding to these new regulations and we intend to actively support the development of environmental management systems

by suppliers.

<sup>\*1</sup> **Green Supplier Ratio:** Number of suppliers who have developed or are developing environmental management systems / total number of suppliers.

<sup>\*2</sup> **Hi-KES:** The Hitachi Group's system for helping suppliers that have not obtained ISO 14001 certification. After certification, opportunities are provided to share information on environmental preservation activities through various meetings.