

Building and maintaining fair relationships with suppliers

P16 CSR Policy 8

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

Hitachi Chemical's website provides information on worldwide procurement sites and includes a procurement list to facilitate preparation of product proposals from suppliers. Upon 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.

In fiscal 2008, we sent our Primary Concepts of Purchasing Business to all suppliers to promote CSR activities across the supply chain. We also requested their understanding of our approach and cooperation with our initiatives.

Preliminary registration under the REACH Regulation* was completed in December 2008 and full-scale preparation for official registration began in fiscal 2009. We are currently seeking confirmation from suppliers on registering related materials.

* REACH (Registration, Evaluation, and Authorization of Chemicals): EU law under which all chemical substances are registered by usage and assessed for risk; only those products confirmed to be safe may be imported and used while those of high risk are subject to approval and restriction.

Strengthening partnerships with suppliers

P16 CSR Policy 8

The Hitachi Chemical Group implements SCM (Supply Chain Management) and reinforces relationships with raw materials suppliers to enhance the quality of products delivered to our customers.

We proactively communicate with suppliers by holding presentation meetings, taking the initiative to disclose information on our website and conducting surveys of our suppliers, while supporting suppliers that seek to develop their own environment management systems.