

Global Promotion of CSR Procurement

The MinebeaMitsumi Group, as a company expanding its business globally, is promoting CSR in its supply chain in order to fulfill its responsibilities to society.

Promotion of CSR Procurement

As the scope of corporate social responsibility expands, issues emerging in the supply chain are arising as a business risk, which could also impact upon the brand value of the MinebeaMitsumi Group. We believe that by meeting the demands of society throughout the supply chain, we can realize prosperity based upon mutual trust with our suppliers. For this reason, our Group established the MinebeaMitsumi Group CSR Procurement Guidelines* in March 2012, and works to promote CSR-based procurement.

In particular, since FY2013, we have asked suppliers to respond to our MinebeaMitsumi Group CSR Procurement Self-assessment Checklist, whereby we strive to entrench our guidelines and to be aware of current circumstances. The checklist includes 54 questions in five areas defined by our guidelines: Overall CSR Promotion; Labor; Health and Safety; Environmental Conservation; and Ethical Management.

We began to conduct this survey in Japan in 2013, followed by our main overseas bases in Thailand, China, Malaysia, and Singapore, whereby we have been able to confirm the current circumstances at suppliers who account for 72% of our business in financial terms in the countries targeted. Of a total of 500 points, our suppliers have averaged 476 points, significantly higher than our baseline standard. This survey allowed us to confirm that there were no major problems.

With the business integration in January 2017, our Group's network has grown further. Moving forward, we will accelerate the promotion of CSR procurement under our new post-integration structure to build a supply chain which allows us to fulfill our responsibilities to society.

* With the business integration of Minebea and Mitsumi Electric in January 2017, the name of our guidelines was adapted for the MinebeaMitsumi Group, and the respective guidelines were updated.

► Chronology of CSR Procurement Promotion

FY2011–2012

- Establishment of the CSR Procurement Guidelines
- Holding of Dialogue with Suppliers

FY2013

- The MinebeaMitsumi Group devised a CSR Procurement Self-assessment Checklist for distribution among and collection from suppliers in Japan.

FY2014

- Distribution among and collection from suppliers in Thailand

FY2015

- Distribution among and collection from suppliers in China

FY2016 Initiatives

In FY2016, we requested suppliers to two plants in Singapore and one plant in Malaysia, which together represent 72% of all supplies procured in those countries in monetary terms, to respond to our Self-assessment checklist. Our suppliers have averaged 479 points, significantly higher than our baseline standard. This demonstrates that our suppliers take CSR very seriously and are responding to our requests. For suppliers who do not reach full marks on the checklist, we conduct individual hearings regarding their circumstances to ensure there are no issues.

► Results of Self-assessment Checklist Survey (Average Score of Each Item)

■ Average for Singapore and Malaysia

