

Working with Suppliers

What Society Needs from Us

We work to ensure a stable supply of products to customers by conducting CSR activities throughout the supply chain. We keep close ties with our suppliers so that transactions are fair and so that we can procure eco-friendly materials and equipment.

Procurement Policies

Renesas Electronics provides suppliers with equal opportunities for competition, while engaging in fair, impartial and open business transactions. In addition, Renesas Electronics has always given priority to "Green Procurement," which essentially means purchasing materials, equipment and services having minimum impact on the environment from suppliers who give extra consideration to environmental issues. The Company also undertakes extensive CSR activities throughout the entire supply chain by incorporating compliance, risk-management and human-rights-protection perspectives into its environmental approach. We understand that cooperation of all the partners involved in our supply chain, as well as close collaboration with these partners, is the key to successfully conducting these activities.

Procurement Policies

1. Provision of opportunities for fair competition

We provide information on procurement in an appropriate and timely manner in order to offer opportunities for fair competition to all domestic and overseas companies who express an interest in working with us.

2. Fair evaluation and selection of suppliers

We employ a comprehensive supplier evaluation and selection process that considers: the reliability of the potential supplier's management; the prices, quality, delivery timelines and advanced technical features of the products and services to be procured; and the supplier's CSR policies.

3. Development of mutual trust

We value communication with our suppliers and always strive to form relationships of mutual trust that will grow stronger in the years to come.

4. Management and protection of information

We recognize the value of the information that we obtain through our procurement transactions, and we manage it appropriately.

CSR Procurement Initiatives

Renesas Electronics has established several CSR initiatives that we hope our suppliers will follow, including "Practice social responsibility to protect the environment," "Practice social responsibility for fair business and corporate ethics," "Practice social responsibility for quality and safety," "Practice social responsibility for information security," "Practice social responsibility for health and safety," and "Practice social responsibility for human rights and labor." We ask our suppliers to work with us to advance these goals.

Promoting Green Purchasing

Renesas Electronics is promoting green procurement. Specifically, the Company prioritizes the procurement of eco-friendly raw materials and other materials free of hazardous substances from suppliers who are proactively promoting environmental protection. Requirements for suppliers have been compiled as Green Procurement Guidelines. These guidelines are disclosed to all suppliers. In addition, Renesas Electronics conducts periodic investigations on the environmental measures implemented by suppliers. Furthermore, the Company performs examinations of suppliers' products to confirm that these products comply with the European Union's RoHS Directive* and other environmental laws and regulations. These examinations are promoted based on the understanding and cooperation of our suppliers.

We also practice green purchasing of goods such as office supplies and IT equipment. When we select such goods, we give preference to eco-friendly products based on the environmental burden data for each item. Our green purchasing rate in fiscal 2012 exceeded 80%, more than meeting our target (75%).

*RoHS Directive: A European Union directive limiting the content of specified hazardous substances (lead, mercury, cadmium, hexavalent chromium and brominated flame retardants PBB and PBDE) in electric and electronic devices

 [Green Procurement Guidelines \(Website\)](http://www.renesas.com/media/comp/eco/green/guideline_en.pdf)
www.renesas.com/media/comp/eco/green/guideline_en.pdf

Initiatives Against the Conflict Minerals Problem

In the Democratic Republic of the Congo and some of its neighboring countries in Africa, several minerals are a revenue source for armed groups and may lead to violations of human rights and the prolonging of conflicts. The US passed the Dodd-Frank Wall Street Reform and Consumer Protection Act in July 2010, in part due to such concerns. It requires public companies to disclose information about their use of conflict minerals (gold, tantalum, tungsten, tin, etc.). The Renesas Electronics Group has no intention of being complicit with violations of human rights. We are working to eliminate conflict minerals from our supply chain and are procuring mineral resources responsibly.

BCP Initiatives with Suppliers

Renesas Electronics requests that its suppliers notify it immediately in the event that they are affected by natural disasters or major accidents. The Company has a system in place to ensure that, in such an event, information from suppliers reaches all concerned employees, both in Japan and overseas, regardless of when the event occurs. Based on this system, the employees in question take appropriate measures in a swift manner.

Communication with Suppliers

Smooth communication with suppliers is essential for Renesas Electronics Group business activities. Suppliers keep us informed about trends in the electronics industry and their own industries and provide valuable suggestions to the Group for the development of society.

Collaborating with Sales Partners

In order to provide more meticulous service in regions throughout Japan and around the globe, Renesas Electronics is promoting sales activities in cooperation with sales partners, in addition to carrying out direct sales of its products through its local sales subsidiaries. Specifically, in Japan Renesas

Comment from a Distributor

Jun Wakamiya

Director of Quality Safety, & Environment Control Office/Compliance Office, Tachibana Eletech Co., Ltd.

My company practices CSR based on corporate governance to pursue sustainability and increase stakeholder satisfaction. Compliance, risk management and quality, safety and environmental management are at the core of our initiatives. We provide original training with a particular focus on raising compliance awareness, using case studies from our own company. We have established a disaster BCP to give our customers and all other stakeholders safety and a feeling of trust. One environmental initiative is to respond flexibly and provide product chemical content information to customers when they ask for it. This is how we are working with Renesas Electronics as a sustainable enterprise to increase customer satisfaction and contribute to society.

Electronics holds meetings with executives of distributors at least twice a year. At these meetings, we share the Company's policies and the policies of each business unit, while exchanging opinions and information. Furthermore, the Company holds working-level meetings with distributors' staff members once a month to provide information regarding future product lineups and technologies. In this way, we continue to strengthen mutual understanding. Outside Japan, Renesas Electronics holds "Distributor Meetings" at least once a year and management-level quarterly review meetings with distributors in order to confirm local sales policies and business continuity plans (BCPs), and solve region-specific problems in an effective manner. The Company also holds frequent regular meetings with sales personnel to tackle individual business issues that arise in the course of their operations. In addition, content and outcome of the meetings with distributors held in Japan is shared with their local subsidiaries, and such information is deliberated upon at regular meetings to solve region-specific issues. Meanwhile, the Company uses opinions and feedback provided by its overseas sales partners through these meetings to promote deeper understanding of its technologies, products and solutions among customers. More specifically, we hold regular semiconductor seminars in Tokyo, Osaka and other locations in Japan several times a year while staging the Renesas Developers' Conference (DevCon) in the United States and the Industrial Open Day (IOD) in Europe once every two years through collaboration with our overseas sales partners. As explained above, the Renesas Electronics Group is constantly strengthening its sales partnerships to strategically enhance its sales activities.

Comment from a Distributor

Masakazu Horinouchi

Project Manager, 1st Renesas Electronics Semiconductor Marketing Department, 1st Semiconductor Business Headquarters, Ryosan Company, Limited

As an electronics system coordinator, we at Ryosan Company, Limited have an information function, technical solutions function and distribution function. Through these roles, we contribute to customers' product development and meet customers' various needs. Above all, we share the latest information and news about problems with Renesas Electronics, our largest supplier of products, based on each business division's policies, so that we can provide customers with optimal solutions. We meet regularly to discuss specifications for the next generation of products and we work diligently every day to meet our aim of providing customers with ideal products superior to those of the competition.