Supply chain management

In procurement, we consider social and environmental factors in addition to business continuity plan (BCP) and quality, cost, and delivery (QCD). Our goal is a resilient, sustainable supply chain built on ethical and fair transactions for mutual trust and shared success with suppliers.

Building sustainable partnerships

The Miraca Group is partnering with suppliers in its efforts to foster a healthy and prosperous society. Each year, the Procurement Division visits at least 10 suppliers internationally to verify their quality maintenance efforts and systems. Suppliers that can't be visited are given questionnaires on quality and environmental issues. By prioritizing suppliers in the selection process that have active CSR programs, such as those working to obtain ISO certification or develop rules on waste management, we hope to broaden our social impact. For that purpose,

we also plan to develop a procurement policy that covers the entire Miraca Group.

Number of suppliers SRL Group: 303 Fujirebio Group: 292 Total **595**

Key questionnaire questions

- Have you established an environmental conservation policy and made employees aware of it?
- Do you have a planning process for achieving goals and targets?
- Do you set goals and targets related to environmental conservation?
- Do you provide environmental education or training for employees?
- Do managers review targets and plans to make continual improvements?

International standards and conflict minerals

Fujirebio sets policies to ensure that its procurement and purchasing operations are legally compliant and socially sound. Policies on environmental performance set criteria for product selection, stipulating that "measures to prevent environmental pollution are appropriate" from manufacture through delivery. When necessary, Fujirebio works with suppliers to meet the EU's Restriction of Hazardous Substances (RoHS) Directive and standards on conflict minerals. The company also has thoroughly reviewed purchasing provisions in the Medical Device Single Audit Program (MDSAP) regulations and works to comply with regulations in each country. Going forward, Fujirebio plans to address labor conditions and human rights as supply chain issues.

Purchasing and procurement policies (Fujirebio)

- 1. Select and purchase, under fair competition, products that meet quality requirements
- 2. Aim for mutual success and stability built on a long-term relationship of trust
- 3. Strive to reduce purchasing costs and stabilize procurement through purchasing from multiple sources
- 4. Establish and develop a purchasing organization that adapts quickly to changing demands from regulations, quality management, and environmental systems



Communicating with suppliers during the 2018 Hokuriku blizzard

The winter storm on the Sea of Japan coast had made conditions virtually impossible. Due to the closure of the Hokuriku Expressway and a massive stall on National Route 8, we arrived at the decision to sit still until road conditions improved. SRL, however, provided vital assistance by

organizing the actions that could be taken by their sales offices

and by Tonami. Our quick decision to take an atypical approach helped move things in the right direction, but it was the support of everyone involved that pulled us through. We are grateful for it. Koji Hori

Executive Officer, Logistics Headquarters Logistics Support Department Manager, Logistics Solution Div. TONAMI TRANSPORTATION CO., LTD.