

Certified as an Excellent Enterprise of Health and Productivity Management in 2018

Anritsu Corporation was certified by the Ministry of Economy, Trade and Industry (METI) of Japan as a White 500 (large enterprise category) company in the 2018 Certified Health and Productivity Management Organization Recognition Program for meeting the selection criteria in a survey conducted by the ministry on regular health check-ups, Life-Work Balance, health maintenance, lifestyle disease prevention, and mental health support. This marks the second consecutive year the Company has received the certification.

The program recognizes enterprises that demonstrate outstanding health and productivity management aligned with the healthcare recommendations of the Nippon Kenko Kaigi. It evaluates companies in the following five aspects, which are also used by the METI and Tokyo Stock Exchange in their joint selection of the Health and Productivity Stock Selection: (1) management philosophy; (2) organizational structure; (3) implementation of systems and measures; (4) evaluation and improvement; and (5) compliance and risk management.



Initiative to realize the Work-Style Reform

To prevent health problems from overwork, the Domestic Anritsu Group promote measures based on the Group-wide management policy to ensure appropriate work hours, including shortening overtime work, minimizing mid-night shift work, and implementing “no overtime” days. We have abandoned the old notion that the best performers work the longest hours. In its place since August 2016 is a new policy under which we expect employees to work, with energy, in the morning hours, and we abolished the flextime program so that all staff begin working at the start of each workday. We basically prohibit work after 7:00 p.m., while also turning off the lights, and promote shorter, streamlined meetings. Moreover, we pursue work-style reform, which raises the level of productivity, thereby allowing us to promote innovation that leads to increased corporate value.

Supply Chain Management

Social issues as a background

Anritsu’s procurement operations are global in scope, reaching beyond Japan and across the world. We offer equal opportunities to every company in Japan and overseas through fair assessment practices.

We strive to respond to the expectations and demands of society across the entire supply chain by developing stronger partnerships through the willing involvement of suppliers and partners in various activities, and by ensuring compliance with relevant laws and regulations, business practices, and social norms as well as initiatives for preserving the local environment.

Policy

We believe in the critical importance of moving as one with the entire supply chain, together with our business partners, in conducting procurement, and linking this activity to the mutual growth of all parties. With this conviction, we established our Basic Rules of Procurement in 2005 to forge partnerships anchored in mutual trust and seek the cooperation of suppliers and business partners.

Details (WEB)
Basic Rules for
Procurement

Structure

Anritsu has procurement bases mainly in the U.S., Europe, China, and Japan, and is working to establish a globally unified set of assessment criteria approved by each location to optimize the mutual use of the supply chain. We intend to promote parts procurement through global collaboration.

Mutual approval is also offered as a means for recognizing business partners that provide us with products we commonly use within the Anritsu Group as a Global Preferred Supplier (GPS). We also intend to shorten time to market for product development by sharing development roadmaps and technological issues with these suppliers. We decided on a common standard for assessing suppliers between our operations in Japan and the U.S., and we selected eight companies to our GPS list to enhance our mutual interests and build stronger relationships.

Medium- to long-term goals

We are working towards the following objectives stated in the GLP2020 new mid-term business plan.

1. Promote global CSR procurement

We are promoting CSR procurement that strictly protects human rights, labor, safety, and health throughout the entire supply chain, including our overseas business partners, thereby working to strengthen the global supply chain. Through our CSR procurement promotion activities based on CSR Surveys of and visits to our business partners, for example, we aim to increase the CSR Survey assessment scores.

2. Promote global green procurement

We are promoting environmentally friendly green procurement throughout the entire supply chain, including our overseas business partners, thereby working to strengthen the global supply chain. By surveying the environmental initiative standing of our business partners and undertaking activities to raise the quality of the environmental initiatives of our business partners, we aim to enhance the ratio of certified Environmental Partners among our business partners.

Progress and challenges

Please see activities

Activities

Anritsu Group CSR Procurement Guideline Formulation

In fiscal 2010, we formulated the Anritsu CSR Procurement Guideline, which complies with the Supply-Chain CSR Deployment Guidebook published by the Japan Electronics and Information Technology Industries Association (JEITA). Along with posting the Guidelines on our website, we also ask that our business partners have an understanding of and take initiatives for CSR Procurement at the outset of business with new business partners and during policy briefings with suppliers and business partners.



Initiatives for CSR procurement

Since fiscal 2011, we have received many letters of consent as we ask for cooperation of business partners in promoting CSR procurement by requesting to submit letters of consent. In addition, we conduct CSR Surveys for the purpose of reviewing the CSR initiatives taken by our business partners. In fiscal 2017, we obtained positive results, with responses from 116 of our major business partners. We also visited our business partners to discuss their CSR activity initiatives. Moreover, we seek cooperation from suppliers on clean procurement every year to achieve transparency in our transactions as we practice compliance. We have set down codes of conduct and matters to be observed by our employees while prohibiting acts such as receiving entertainment and gifts and trading on insider information concerning business partners. Furthermore, we set up the Direct Delivery Mailboxes in the negotiation rooms of our head office and the Koriyama Business Office in an effort to promote CSR procurement based on the direct feedback from our partners.

Green Procurement Guidelines

Anritsu undertakes green procurement in accordance with its Green Procurement Guidelines established in fiscal 1999 by preferentially procuring environmentally friendly parts and materials. In fiscal 2011, we introduced the concept of preserving biodiversity to our activities and began implementing initiatives to deepen supplier understanding of biodiversity preservation. Since fiscal 2016, under our revised Anritsu Group Global Green Procurement Specification, we have sought to unify our green procurement activities with those of Group companies outside Japan that operate manufacturing bases.

Details (WEB)
Anritsu Group
Global Green Procurement
Specification

Environmental Partner Company Certification System

In fiscal 2001, we launched the Environmental Partner Company Certification System to evaluate the status of Anritsu suppliers' environmental management systems and product assessment procedures by ranking them at three levels and encouraging the environmental initiatives of suppliers. In fiscal 2017, we selected four business partners that showed room for improvement regarding the assessment of chemical substances (RoHS) contained in products, in particular, and elevated the Environmental Partner ranking of all four companies through improvement activities.

Currently, the number of certified Environmental Partner Companies stands at 245 (results as of April 30, 2018).

Ratings in the Environmental Partner System

Rank A	Reliable system of management	Anritsu provides support and implemented improvement activities
Rank B	Flawed in certain aspects	
Rank C	No reliable system of management	

Response to conflict minerals

Following the 2012 adoption of the final rule of Section 1502—the conflict minerals provision of the U.S. Financial Reform Bill—Anritsu declared its support and began working with its supply chain to prevent the use of conflict minerals in our products. We also hold briefings for our business partners to prevent any oversights.

We respond to customer inquiries related to this issue by requesting investigations by business partners in Japan and abroad. To date, there has been no use of conflict minerals at Anritsu.

Exhibition of partner products and technologies

In November 2016, we held an exhibition at the Anritsu head office featuring products manufactured by 47 of our partners. The event is held every year to showcase the products and technologies of major business partners that procure products and materials for the Anritsu Group. This year's exhibition acquainted development engineers at Anritsu with new products and technologies such as components for wireless communications (e.g., products for the IoT, M2M, 5G, and in-vehicle markets), components and solutions for optical and electrical high-speed digital transmission, optical parts, general-purpose electric parts for the food and pharmaceutical inspection equipment markets, and components that ensure heat dissipation and electromagnetic compatibility. The event also included seminars featuring lecturers from our business partners, aimed at keeping participants abreast of cutting-edge technologies.

Fiscal 2017 initiatives for the UK Modern Slavery Act

In fiscal 2016, Anritsu Corporation and Anritsu EMEA Ltd. published the UK Modern Slavery Act Statement.

As one of our initiatives for fiscal 2017, we created a task force to conduct human rights due diligence for the related departments, and conducted CSR Surveys of 116 of our major business partners. We determined the human rights risk within the supply chain based on an analysis and evaluation of the CSR Survey response details. As a result, we confirmed that there are no urgent issues as of now and that the human rights risk is low.

Details (WEB)
Respecting Human Rights
and Diversity/Addressing
National Legal Systems

Business partner gathering

In January 2018, we hosted a business partner gathering that drew 283 representatives from 153 Anritsu business partners, including overseas companies. We presented our strategies and business development plans under the theme of 5G/IoT toward becoming a global market leader. We called for an even stronger partnership to expand our value chain through collaboration and co-creation under our global procurement system. Moreover, we presented awards to those of our business partners who excelled in all three aspects of quality, delivery, and pricing.

Promoting Partner QU Proposal Activities

We are promoting the Partner QU (Quality Up) Activity as a communication channel for business partners so that they can offer proposals for improvements, requests, and opinions concerning Anritsu. Not limited to procurement, we also accept proposals in a broad range of other areas, including sales, technology, manufacturing, services, safety, health, and the environment, which are serving to improve our business operations.

A council that promotes and supports the activity deliberates and determines whether or not to adopt the proposals, as well as selects companies to receive awards. In fiscal 2017, we adopted 36 out of 62 improvement proposals, which included changing the design to reduce costs and adopting a different procurement method to speed up delivery.

Collaboration room

We maintain a collaboration room within the Company to revitalize communication between our development engineers and business partners. We invite different manufacturers and agents to dispatch their sales engineers in a daily rotation and provide an environment for generating new solutions.

Quality and Product Safety

Social issues as a background

Our social mission is to contribute to the realization of a safe, secure, and prosperous society. For the purpose of delivering safe products to our customers, the Domestic Anritsu Group has established basic matters regarding measures to prevent product accidents and regarding the response to unexpected accidents as part of our efforts to prevent product accidents. In fiscal 2017, the quality management subcommittee, comprised of the quality managers of each of the Group companies within the Domestic Anritsu Group, initiated an investigation into measures designed to prevent product accidents where the cause resides in the parts and worked to elevate quality across the Group as a means of further strengthening these activities.

[Details \(WEB\)](#)
Quality and Product Safety

Policy

Anritsu Corporation has established quality policies and action guidelines under its corporate philosophy, "Contribute to the development of a safe, secure, and prosperous global society by offering Original & High Level products and services with sincerity, harmony, and enthusiasm," and has been firmly implementing them in order to provide products and services that satisfy customers and society.

Quality Policy

Supply satisfactory products to customers and society with sincerity, harmony, and enthusiasm.

Quality Policy Action Guidelines

- Work with sincerity and seriousness not to make nonconforming products.
- Handle after-processes considering customers and harmony with others.
- Propose improvement with enthusiasm.