

Materiality

Procurement activities with an emphasis on environment and society

Basic approach to procurement activities

In April 2021, we formulated a Procurement Policy corresponding to each SDGs. Based on the perspectives of “Fairness/impartiality,” “Compliance with Laws and Regulations,” “Green Procurement,” and “Coexistence and Co-prosperity,” purchasing departments at our head office play a central role in building a relationship of trust with business partners and we are conducting purchasing activities. Based on the “NTN Group Green Procurement Standards,” we are promoting green procurement, which prioritizes environmental preservation efforts and procurement from business partners with superior environmental quality. We have also established “NTN CSR Procurement Guidelines” and are requesting active promotion of CSR activities. We are also working to achieve local procurement at all of our manufacturing sites, including those outside Japan, and to procure materials from optimal locations globally.

In 2022, we announced our “Declaration of Partnership Building” with the aim of building new partnerships by promoting collaboration, coexistence and co-prosperity with business partners in the supply chain and businesses seeking to create value.

Risk management for suppliers

From the viewpoint of risk management, we begin transactions with our business partners after checking their management structure, quality, and environmental management. Even after beginning transactions, we conduct annual survey to confirm our partners’ business conditions, and provide partner-specific follow-ups when deemed necessary. If we determine that a transaction involves a high risk, we strive to minimize our procurement risk and ensure stable procurement by implementing risk reduction measures commensurate with the magnitude of the impact, taking into consideration procurement parts, transaction amounts, etc.

With regard to risks such as natural disasters and infectious diseases, we have established a risk management system to immediately share information with each business site and our business partners, thereby ensuring a proper risk management that enables a stable supply of our products even in an emergency.

CSR questionnaires for suppliers

We conduct annual survey of business partners to further raise awareness of “NTN CSR Procurement Guidelines” and to confirm compliance.

By the fiscal year 2022 questionnaire, the achievement ratio of human rights and labor, quality and safety, and information security was more than 90%. However, the ratio of social contribution and CSR procurement was less than 70%, and it meant that their awareness was not high at this stage.

In recent years, companies have been required to not only achieve corporate performance (economic value), but also to be an entity that is needed by society (social value). To help business partners understand that social value is important, we will continue to engage in awareness-raising activities.

Degree of achievement according to CSR questionnaires



CSR questionnaires for suppliers

Questionnaire items

- 1 Compliance
- 2 Human rights and labor
- 3 Environment
- 4 Quality and safety
- 5 Information security
- 6 Business Continuity Management (BCM)
- 7 Social contribution
- 8 CSR procurement

Please refer to our website for other initiatives related to “Procurement activities with an emphasis on environment and society.”
<https://www.ntnglobal.com/en/csr/sc/client.html>