

Supply Chain (Implementation of Fair, Free, and Transparent Transactions)

With a basic policy centered on the three principles of openness and fairness, partnership, and relationship with society, the NGK Group is engaged in fair and honest business transactions with the procurement partners in our supply chain.

Basic Approach

The NGK Group has established the Basic Purchasing Policy in an attempt to conduct fair and honest business transactions and to prosper together with all our procurement partners.

■ Supply chain management system

At NGK, the Purchasing Department is responsible for managing tier 1 suppliers. It also manages tier 2 and beyond suppliers that provide critical items such as raw materials. All supplier management is done in line with NGK's Supplier Management Regulations.

Reference
URL

Helpline for Business Partners
<https://www.ngk-insulators.com/en/info/procure/>



Basic Purchasing Policy

Open and Fair

- Open, fair, and honest procurement
- Pursuit of competition principles and profitability

Partnership

- Mutual prosperity based on mutual trust with suppliers

Relationship with Society

- Compliance with laws
- Preservation of the global environment

■ CSR Procurement Guidelines

The NGK Group created the CSR Procurement Guidelines in fiscal 2010 as a guide to promote CSR procurement across the Group. The Guidelines specifically describe our obligations as a socially responsible buyer as well as our requirements for socially responsible suppliers.

In fiscal 2013, the Guidelines were expanded by being integrated with the previous Green Procurement Guidelines, which set forth rules for preferential purchase of environmentally friendly products and services, and adding provisions of conflict minerals, anti-corruption, human rights, and labor issues.

The expanded CSR Procurement Guidelines are publicly available on our website in multiple languages (Japanese, English, and Chinese).

■ Improving CSR procurement

At the NGK Group, we develop activities to promote CSR procurement, such as visiting individual suppliers and conducting on-site inspections. We also request our suppliers, particularly new companies, to sign an agreement to comply with the CSR Procurement Guidelines.

Looking ahead, we will conduct a survey over the course of 2020 to 2021 in order to ascertain the degree to which suppliers understand and incorporate CSR procurement. We will perform CSR procurement-related audits (via information sessions, seminars, etc.) of suppliers who require support in order to facilitate CSR procurement-related improvement.