



Supplier Environmental Assessment | Promotion of CSR-Based Procurement

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CSR Procurement Guidelines

NOF established CSR Procurement Guidelines in 2022 and is communicating with suppliers to ensure thorough implementation of the Guidelines.

The human rights section of the Guidelines states, “Should any kind of discrimination, harassment, forced or child labor, or other inhumane behavior comes to light, we will take appropriate steps to remedy the situation.” It also states, “We pay attention to working hours, guarantee the payment of appropriate wages and allowances in compliance with laws and regulations, and respect the freedom to join a union and to engage in protest actions.”

The Guidelines’ section on environmentally conscious procurement states, “We push ahead with procurement that gives consideration to environmental preservation, resource conservation and safety, towards the goal of making sustainable society a reality.”

Inclusion of CSR clauses in basic purchasing contracts

When signing a new basic purchasing contract, we decided to add a clause stating efforts to comply with NOF’s CSR Procurement Policy and CSR Procurement Guidelines.

In addition, we will gradually revise our basic purchasing contracts that have already been concluded.

CSR questionnaire

In the procurement unit, we will provide our main suppliers with necessary explanations on NOF’s CSR Procurement Policy and commence questionnaires on the status of CSR activities at our main suppliers, using the global compact format to improve the objectivity of the questionnaire.

Most recently, we surveyed our major suppliers from fiscal 2020 to 2021 and achieved a coverage rate of 84% based on purchase amount. Since fiscal 2022, we have conducted interviews with suppliers who do not practice CSR-based procurement, and have encouraged them to make improvements.

Fair trade practices

The NOF Group is promoting fair trade practices by stipulating compliance with laws such as the Antimonopoly Act and the Subcontract Act, as well as the prohibition of bribery, in the Global Compliance Manual and the Compliance Manual (Japan version) and carrying out ongoing employee education. The above-mentioned initiatives are further promoted under the NOF Group’s Basic Anti-Bribery Policy.

In addition, in order to avoid the risk of violations of “prevention of delay in payment” and “prohibition of reduction of payment” under the Subcontract Act, the NOF Group has standardized payment terms and conditions that comply with the Subcontract Act in a comprehensive and uniform manner at all Group companies in Japan.

Green procurement

NOF has added “environmental friendliness” to its previous criteria for procurement of materials, which are “quality, cost and delivery time.”

In order to confirm the status of suppliers or products in terms of environmental measures, and to procure products with lower environmental load from suppliers that make greater environmental efforts, we have established a list of managed substances, based on which we conduct a survey of suppliers. The managed substances list is decided on the basis of the POPs treaty, RoHS Directive, and REACH regulations, as well as Japan’s Chemical Substances Control Act, Industrial Safety and Health Act, and Poisonous and Deleterious Substances Control Act. The list is reviewed once a year.

Business continuity plan (BCP)

As part of our BCP, our procurement unit is striving to purchase multiple raw materials and reviewing our supply chain in order to ensure stable raw materials procurement in the event of an emergency, such as a natural disaster, equipment malfunction, or transportation disruption.