Supply Chain Management

Fundamental Policies on Procurement (Purchasing/CSR Procurement Policies)

In pursuit of customer satisfaction with respect to manufacturing, G-TEKT shall engage in procurement activities in accordance with three fundamental policies:

- 1. Compliance and green procurement
- 2. To maintain a fair and healthy relationship with suppliers (from Our Code of Conduct)
- 3. Mutual prosperity based on mutual trust

We will raise awareness on CSR procurement involving the use of supplier status regarding efforts on compliance and eco-friendliness as well as human rights and labor environment as a criterion for doing business, and ask our suppliers to share in our approach of making products in an eco-friendly manner in compliance with laws and regulations.

Activity Guidelines

- 1. Formulate the CSR procurement policies and guidelines
- 2. Investigate the current status of the supplier
- 3. Propose to the supplier and implement corrective and/ or improvement measures
- 4. Conduct audits of the supplier

Communication with Suppliers

In order to beat the tough environment as "Team G-TEKT", we are endeavoring to enhance cost competitiveness, safety and quality by creating opportunities to share information with clients at all times. As part of communication with our clients, we also hold a convivial gathering with our clients every year, in which G-TEKT's policies are explained to them.



New Year's reception for clients

Measures against Conflict Minerals

Tin, tantalum, tungsten and gold (3TG) mined in the Republic of Congo and surrounding countries are called conflict minerals due to concerns that they serve as a financial source for armed groups, in addition to concerns of inhumane labor, child labor and human rights violations, etc. at the mining sites. While the G-TEKT Group does not use these minerals directly, we have been conducting investigations since 2013. Based on investigation findings, neither purchasing nor use of conflict minerals has been confirmed throughout the entire supply chain. We will continue to conduct investigations on conflict minerals into the future.

G-TEKT's Supplier CSR Guidelines Revised

In April 2016, we formulated and published the "G-TEKT's Supplier CSR Guidelines" to further clarify G-TEKT's expectations to our suppliers and have them understand and share it at a deeper level. Considering recent social changes, such as changes in the business environment and transformations in the automobile industry due to the evolution of Al and IoT, we have decided to review items such as human rights, discrimination and forced labor, which have become international issues, and issue the revised guidelines. We have worked together with suppliers, in the belief that it is important for CSR activities to involve not only activities relating to environmental problems but also those involving the entire supply chain, such as compliance with laws and regulations, respect for human rights, occupational safety and quality. We ask our main suppliers to respond to a self-inspection questionnaire and conduct interviews to evaluate their current status based on their answers. We not only give them feedback, but also take actions including proposing improvement measures aimed at identifying and resolving issues in the supply chain. We will continue engaging in initiatives to enhance our CSR system in the supply chain together with suppliers.

Suppliers' Quality Award

Given that quality management including suppliers is important for maintaining a high level of quality, G-TEKT conducts quality improvement activities together with suppliers. We have established the "Suppliers' Quality Award Scheme" to express G-TEKT's appreciation and respect especially to suppliers who have achieved quality targets, and to motivate other suppliers to make quality improvements. In 2018, we granted the award to three outstanding suppliers based on their performance in the previous fiscal year. The Award Scheme has helped push up the level of quality overall. In addition, we invited them to GTL (G-TEKT Tokyo Lab) for a tour after the awards ceremony this year, and were able to share the progress of G-TEKT's R&D and quality control efforts.



Plant visit



The award ceremony