

Supply Chain Management

KOITO believes that it is important to fulfill its social responsibility throughout the entire supply chain to practice “Eco-friendly Manufacturing for People and the Earth” through all business activities. Therefore, we have established the Procurement Policy to respond to social demands and expectations and deliver high quality service to our customers while cooperating with suppliers.

KOITO is also presenting expectations on the cost, quality and the elimination of industrial accidents to each supplier to achieve goals together.

We are aiming to materialize a sustainable society throughout the entire supply chain while cherishing the close relationship with our suppliers.



For Procurement Policy, please refer to our Supply Chain Management website.

URL: <https://www.koito.co.jp/english/csr/social/supplychain.html>

Initiatives to Strengthen Cooperation with Business Partners and Promote Co-existence and Co-prosperity

In March 2022, KOITO formulated and announced its Declaration of Partnership Building to strengthen collaboration with our business partners and promote mutual prosperity, as well as to contribute to sustainable growth of the society throughout the supply chain.

The following individual items are clearly indicated as KOITO’s initiatives in the declaration.



- We will Strengthen collaboration with other companies to accelerate open innovation in order to respond to the transformation of automobiles and mobility.
- We will promote information sharing and digitization using IT to improve operational efficiency with related business partners.

Reinforcement of CSR in the Supply Chain

KOITO holds annual Procurement Policy Briefing Session and monthly Supplier Information Liaison Meetings and other opportunities to help our suppliers understand our CSR initiatives. We are also providing consultation as necessary. At the Procurement Policy Briefing Session, we share policies on sales, technology, production, quality and other matters, and also ask our suppliers to thoroughly comply with laws and regulations. We have established a system for suppliers so that they can inform us and promote compliance in the event of their violating the law.

In addition, we encourage our suppliers to actively acquire environmental certification, and check the status of certification every year. In FY 2022, approximately 430 suppliers were eligible for the survey. During fire and disaster prevention inspections to our suppliers, KOITO also confirms

the management system or the amount of organic solvents used by suppliers. In the event that there is a problem with suppliers’ management system or others, we request them to submit an improvement plan and supporting their measures.

As for suppliers who conduct business with the KOITO Group, we ask them to implement environmental and social measures to materialize a sustainable supply chain.

In addition, we are confirming some of our suppliers’ implementation status of overall CSR activities, including quality, human rights, environment, compliance and others.

[KOITO’s CSR activities]

- ① Measures based on the “Guideline for the Right Transaction of Automobile Industry”
- ② Continuous investigation on the inclusion of environmental impact substances
- ③ Continuous annual investigation on conflict minerals
- ④ Thorough compliance with laws and regulations concerning human rights and labor
- ⑤ Thorough implementation of compliance issues in general (Concluding contracts to eliminate anti-social forces, etc.)

[Environmental requests]

- Acquire external environmental certifications such as ISO 14001 and Eco-Action 21
- Ban the use of certain materials under RoHS Directive
- Ensure transparency on substances under REACH Regulation
- Ensure traceability of nanomaterials contained in products
- Formulate environmental policies covering the automobile industry’s key challenges

[Social requests]

- Abolish child labor, forced labor and discrimination
- Promote occupational safety and health
- Secure decent wages and working hours
- Prevent other inhuman behaviors
- Conduct responsible procurement of minerals

Measures on Conflict Minerals

It has become an international concern that some minerals mined in the Democratic Republic of the Congo and nearby nations have been the source of financing for armed forces engaging in human rights violations. The United States defined four types of minerals of tin, tantalum, tungsten and gold produced in these regions as “conflict minerals” in the Dodd-Frank Wall Street Reform and Consumer Protection Act and mandated annual investigations of the use of these minerals and disclose the information.

KOITO avoids the use of conflict minerals along with its suppliers by conducting annual investigations on conflict minerals not to assist human rights violations and environmental destruction and to fulfill its social responsibility throughout the supply chain. When starting business with a new supplier, we carefully examine the results of conflict minerals investigations and consider the feasibility of conducting such transactions.