

# Third-party Opinions

## NTN Corporation's CSR Report: A third-party opinion

Junko Edahiro

The CSR report of NTN Corporation was earnest and solid, just like last year's report. Bearings are not something that most people see every day, but explaining in the introduction what kind of role you fill in society – how you are reducing energy losses and protecting the global environment through Tribology – is an excellent approach. The reader can see the role you play in energy conservation, in rail transport, and in wind power generation.

I was impressed with the message from NTN Top Management as well. The ideas of creating a bearing with light and wind and universal perspective express what NTN executives are thinking and what they are trying to achieve.

Last year I said that I wanted you to express your CO<sub>2</sub> reduction targets not in emissions rate but in total emissions. You did that this year, and I thought this was a big step. Even with NTN's large increase in production resulting from the increased awareness of energy conservation around the world, your strong will to decouple the CO<sub>2</sub> emissions with the increased production is apparent.

I have some additional suggestions for you to step up your action.

1. I encourage you to think of CSR management not just in terms of risk, compliance, and governance – that is, not harming society – but also in proactively creating value for society and encouraging positive contributions from your employees.
2. Generally, you have a lot of reporting of your systems and specific initiatives. However, take for example, your employee diversity or your environmental management systems – you should express why these are important to you and have a company stance that expresses what you want to achieve with these initiatives. If a company starts to think just about what's on the surface, the reason for these initiatives comes across as “we're doing it because everyone is doing it” or “we're doing it because it's right,” and it is truly a lost opportunity.
3. Initiatives such as opening up the external consultation desk to suppliers are excellent, but I encourage you not just to explain the system in general terms, but also to report your performance, a self-evaluation of the company, and your policies going forward.
4. I encourage you to use this report not only to devise targets, introduce the initiatives to achieve the target,

and report on the results, but also to talk about initiatives to follow in order to repeat the PDCA cycle. For example, what target do you have for modal shift in the future?

5. I hope for more in terms of vision and long-term targets related to your global warming measures. Your current target, which is to achieve a 10% reduction over fiscal 2007 by 2010, should serve as a medium-term target underpinning your vision and long-term targets.
6. Your 99% product container recovery rate and your contribution to recycling in your own industry and others in the form of the grinding swarf briquetting machine are examples of some of the superb initiatives you have. But what kind of company is NTN trying to become with these various initiatives? Japan's population is shrinking, and your current primary customers in the automobile industry are changing; what kind of role do you seek to fill? I hope that you are able to do some long-term planning for these scenarios and come up with a report that explains that your fundamental activities do deal with change.
7. In order to do this, I encourage you to try co-creative communication with your stakeholders including NGOs. Changing a company requires fresh outside ideas.

I look forward to seeing your changes and progress.



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She has a Master's degree in Educational Psychology from the University of Tokyo. Her career is multi-faceted and is focused on the environment. In addition to heading two companies as an environmental journalist, she is also an author, speaker, translator, and runs an environmental NGO.

She has made waves by informing people and connecting them to each other while also researching systems to change behaviors. Her numerous books include “Anything Is Possible If You Wake Up at 2 A.M.,” “What I can Do for the Earth,” “How to Fix the Earth,” and “Escaping the Energy Crisis.” Her translations include “An Inconvenient Truth,” “The Limits to Growth,” and “CO<sub>2</sub> Diet.”