

# **NGK Group's Supply-Chain CSR Guideline**

June, 2018 (Version 5.1)

**NGK INSULATORS, LTD.**

Corporate Communications Dept.

Purchasing Dept.

## **NGK Group's Supply-Chain CSR Guideline**

The NGK Group performs fair, free, and transparent transactions. We are promoting CSR activities with our suppliers where we procure materials, parts, and devices, etc.

To achieve this, we ask that our suppliers understand and support the following "NGK Group's Supply-Chain CSR Guideline", while also requesting their suppliers to undertake similar activities.

### **[Supply-Chain CSR Guideline]**

#### **■ Open & Fair**

##### **1. Open, fair and honest procurement**

###### **1-1 “Prevent corruption”**

We will not give unlawful donations, payment, prices, or financial or non-financial benefits or other gifts to any stakeholders for the purposes of unfair profit, or the acquisition or maintenance of preferential treatment.

###### **1-2 “Respect and protect intellectual property rights”**

We will protect the intellectual property rights belonging to our company or under our company’s jurisdiction, while also refraining from unlawfully obtaining or using the intellectual property of a third party or infringing upon their intellectual property rights.

###### **1-3 “Comply with competition laws”**

We will comply with the competition laws of each country and region, and refrain from unjust transactions such as private monopolization, unreasonable restraint of trade, and abuse of superior bargaining position.

###### **1-4 “Comply with export control laws”**

We will conduct the appropriate export procedure and control for technologies and items with restrictions by the law and ordinances of each country and region.

###### **1-5 “Responsible resource/material procurement”**

For raw materials that may cause social problems such as human right infringements and poverty (e.g. conflict minerals: the four minerals of tin, tantalum, tungsten and gold obtained in the Democratic Republic of the Congo and surrounding nations, and minerals that are the source of funds for armed forces in the same areas), we will conduct procurement activities with consideration to the influence by the items’ use on the local community, and implement measures to avoid use of any items if any concern exists.

##### **2. Pursuit of competition principles and profitability**

###### **2-1 “Pursuit of competition principles and profitability”**

Based on the market’s competition principles for material procurement, we will continually strive to provide items of optimum quality, at appropriate prices, with the shortest possible delivery time, and with long-term stability.

## ■ Partnership

### 3. Mutual prosperity based on mutual trust with suppliers

#### 3-1 “Disclose information to stakeholders”

We will disclose any useful information to stakeholders concerning management, treasury, environmental preservation, social contribution etc., at appropriate times and in appropriate methods, while also striving to maintain and develop mutual understanding and trust with stakeholders through open and truthful communication.

#### 3-2 “Information security”

We will install defensive measures against computer network threats, and monitor to ensure damage is not done to our own company and others.

Any personal information from customers, third parties, or employees, or sensitive information from customers or third parties, must be obtained in a legitimate manner, used appropriately, and managed and stored securely.

#### 3-3 “Contribute to the community”

As good corporate citizens, we will actively and continuously conduct activities to contribute to the local communities in which our places of business are located, and to the global society.

## ■ Relationship with Society

### 4. Compliance with laws

#### 4-1 “Compliance with laws and ordinances”

We will comply with the laws and ordinances of each nation and region. We will establish and operate the necessary policies, frameworks, codes of conduct and education to thoroughly promulgate compliance throughout the entire company.

#### 4-2 “Respect for basic human rights and abolish discrimination”

We will respect people’s basic human rights, and will not discriminate due to race, nationality, belief system, gender or disability. We will provide equal opportunities and fair treatment.

#### 4-3 “Prohibit forced labor”

We will ensure that all labor is performed at the employee’s free will and that employees are able to resign freely, while also refraining from forced labor.

#### 4-4 “Prohibit child labor”

We will not employ children below the legal minimum working age of the country or region.

#### 4-5 “Wages”

We will comply with national or regional laws and ordinances concerning wages such as minimum wage amount, overtime, payroll deductions, and piece work payments.

#### 4-6 “Working hours”

We will comply with national or regional laws and ordinances concerning the determining of employees’ working hours, holidays, annual leave, etc.

#### 4-7 “Safety and hygiene”

We will secure a safe and healthy work environment for employees to work in, while also striving to prevent accidents and fire.

4-8 “Dialogs/discussions with employees”

We will ensure that employees can communicate via dialogs or discussions with management, without feeling concerned about retaliation, threats, or persecution.

4-9 “Elimination of anti-social forces”

We will eliminate relations with anti-social forces and groups that threaten the social order and safety.

**5. Protection of the natural environment**

5-1 “Compliance with laws and ordinances”

We will comply with national or regional laws and ordinances concerning the environment.

5-2 “Environmental management”

We will construct a company-wide environmental management system, and strive to continuously operate and improve it.

5-3 “Reduce greenhouse gas emissions”

We will monitor greenhouse gas emissions that result from business activities, and promote activities to reduce them.

5-4 “Conserve resources, and reduce waste”

We will dispose of waste items appropriately, while also striving to control the amount of waste created, promote recycling, and utilize materials effectively.

5-5 “Management of chemical substances”

We will appropriately manage chemical substances used in business activities, reduce their amount and strive to prevent contamination of the air, water or soil.

We will conduct steadfast management of the chemical substances contained in products.

5-6 “Efforts in biodiversity conservation”

We will make efforts to conserve biodiversity.

5-7 “Efforts with regard to water resources”

We will make efforts to develop risk management of water resources and efficient use of water at each manufacturing site.

■ **Request concerning agreement with the NGK Group’s Supply-Chain CSR Guideline**

We ask that, upon reading the “NGK Group’s Supply-Chain CSR Guideline,” you answer the following questions.

Question -1 Did you understand the main meaning of the “NGK Group’s Supply-Chain CSR Guideline”?

- 1. Yes
- 2. Partially
- 3. No

If the answer is not “Yes”, please specify which parts you did not understand, and the reason for this.

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Question -2 Do you agree to comply with the “NGK Group’s Supply-Chain CSR Guideline”?

- 1. Yes
- 2. I agree to comply with part of it
- 3. No

If the answer is not “Yes”, please specify which parts you did not understand, and the reason for this.

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■ **Person responsible for this response**

Company \_\_\_\_\_

Department \_\_\_\_\_

Position \_\_\_\_\_

Name \_\_\_\_\_

E-mail address \_\_\_\_\_

Please write your e-mail address again for confirmation

E-mail address \_\_\_\_\_

The above “Request concerning agreement” will be used by both the NGK INSULATORS, LTD. and NGK Group companies\*. The objective of the responses is to confirm awareness of the guideline and suppliers’ agreement with it, as well as to gain an understanding of the points with which suppliers do not agree.

The personal information you provide with the above response (name, contact details etc) will only be used for the above stated objective. If you do not approve of the content being requested, please contact us in writing to let us know.

We very much appreciate you taking time from your busy schedule to respond, and ask for your understanding and cooperation.

Managing body in charge of the shared use of responses: NGK INSULATORS, LTD., Purchasing Department

\* Specific group company names can be found at the following page of the NGK’s website.  
<https://www.ngk.co.jp/info/network/index.html>