

(Supplementary Data to NGK Group's Supply-Chain CSR Guideline)

NGK Group's Green Procurement Standard

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NGK INSULATORS, LTD.

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I. The NGK Group's Environmental Efforts

1. Core Policy on the Environment

In April 2021, the NGK Group established the NGK Group Vision: Road to 2050 along with the NGK Group Environmental Vision. The NGK Group Environmental Vision is centered on making contributions to carbon neutrality, a recycling-oriented society, and harmony with nature. In April of the same year, we revised NGK's Core Policy on the Environment based on the NGK Group Environmental Vision. On the basis of the revised policy, the NGK Group works to reduce the environmental impact of business activities, and actively strives to help protect the environment by developing products and technologies to that end by following the Guidelines for Environmental Action.

NGK's Core Policy on the Environment

Recognizing that protecting the environment is a vital issue that all of humanity must face, the NGK Group formulated its Core Policy on the Environment in April 1996 in order to bring its corporate activities into harmony with the environment. Based on the NGK Group Environmental Vision announced in April 2021, we will promote initiatives to contribute to carbon neutrality, a recycling-oriented society, and harmony with nature. On the basis of this policy, the NGK Group works to reduce the environmental impact of business activities, and actively strives to help protect the environment by developing products and technologies to that end.

Environmental Action Guidelines

- (1) Strive to develop, design, and manufacture products that contribute to the environment and products with low environmental impact.**
- (2) Work to reduce the environmental impact arising from business activities. Conduct design reviews to scientifically study and evaluate the environmental impact of business activities.**
 - 1) Promote energy conservation measures and expand the use of renewable energy for all processes and facilities, and make efforts to control CO2 emissions.**
 - 2) Promote resource saving and recycling, and make efforts to control the generation of by-products.**
 - 3) Manage the risks of water resources and strive to make effective use of water in our business activities.**
 - 4) Through the appropriate use and control of chemical agents, work to reduce the risks inherent in toxic substances.**
 - 5) Give precedence to environmentally friendly materials, parts, products, and facilities in procurement and purchasing, strengthening cooperative alliances with our business partners.**
- (3) Enhance environmental management systems from a global perspective while continuously reducing our environmental impact.**
- (4) Not only abide by environmental laws, regulations, and other requirements, but also institute voluntary standards and work to improve our own environmental conservation.**
- (5) Provide environmental information to the public at the appropriate time and pursue dialogue with all stakeholders. Proactively develop social action programs. Also, engage in education and publicity in order to improve employees' environmental consciousness.**

2. Basic Policy of Green Procurement

According to the Core Policy on the Environment, NGK enacted its Basic Policy of Green Procurement in April 2000 and NGK has since been working on reduction of environmental impacts.

Basic Green Procurement Policy

- 1) Implement Green Procurement procedures for raw materials, parts, manufacturing facilities, sub-materials, office supplies, and all other purchased goods and services.**
- 2) Give precedence to products and services with good quality, price, and delivery terms that also feature a low environmental impact, as well as to corporations which give important consideration to environmental protection.**

II. The NGK Group's Green Procurement Standard

1. Perspective of the NGK Group's Green Procurement

The entire NGK Group is working together to reduce environmental burden. However, in addition to our own commitment and activities within our group, we feel that cooperation and coordination with our business partners and suppliers is also essential in reducing environmental burden in a more practical and effective way. When choosing products and services, as well as considering the quality, costs and timely delivery, the NGK Group gives precedence to companies that recognize the importance of global environment conservation and to products with low environmental burden.

The NGK Group confirms that its business partners and suppliers are committed to environmental conservation by having them agree to abide by the NGK Group's Supply-Chain CSR Guideline.

2. Standards for Purchased Goods and Services

1) Common Standard

NGK and its Group Companies will purchase Goods and Services preferentially which meet with the following requirements as "Green Items":

- (1) Corresponding to any of the following:
 - a. Long life items (a longer life than other existing items)
 - b. Items which are made of recyclable materials or reusable materials.
 - c. Items which are easier to recycle or easier for classified disposal.
 - d. Items which have less environmental impact at the time of disposal
 - e. Items which contribute to generous environmental conservation such as energy-saving or resource savings.
- (2) Items which are undertaken with regard to the following conditions:
 - a. Items which adopt proper countermeasures for environmental preservation at each phase of the manufacturing process
 - b. Items which are not difficult to dispose.
 - c. Items of which quality and safety meet related laws and regulations.

2) Standards for Each Purchase Category

In addition to the above, for the following categories, in principle, items must meet the standards described below.

<Generally purchased goods>

- In Japan, products must comply with environmental standards signified by marks including Eco Mark and Green Mark and with the guideline of Green Purchasing Network (GPN).
- Outside Japan, products must generate low environmental burden in compliance with standards such as those signified by European ECO Level etc.

<Raw materials, parts, components, auxiliary materials, products and so forth>

- Raw materials, parts, components, auxiliary materials, products and so forth delivered to NGK or its Group Companies must not contain any Prohibited Substance as listed in Appendix 1.
- When delivering raw materials, a part, a component, an auxiliary material, a product or the like which contains any of the Controlled Substances listed in Appendix 1, information about this substance must be submitted to NGK or each of its Group Companies concerned.
- Raw materials, parts, components, auxiliary materials, products and so forth must comply with applicable laws, regulations, codes and standards that govern the regions or the countries where NGK or its Group Companies receiving such items are present.

Appendix A lists examples of substances falling under the Prohibited Substance standards stipulated in Appendix 1. Appendixes B-1 and B-2 list examples of substances falling under the Controlled

