

# NGK Group Corporate Business Principles

To continuously realize the NGK Group Philosophy, the role of the NGK Group is to take the lead in the realization of a sustainable society by creating added value that will benefit society and generating employment, through autonomous and responsible behavior under fair and free competition, based on the NGK Group Basic Sustainability Policy. To this end, regardless of its location, the NGK Group will comply with the letter and spirit of relevant laws and regulations and international rules and will fulfill their social responsibility with a strong sense of ethical values, by acting in line with the following eight principles.

## 1. Realization of a Sustainable Society



We will create new value through the provision of products and services which contribute to the community in order to realize a sustainable society.

## 2. Respect Human Rights



We will strictly comply with international standards of human rights and respect diversity.

## 3. Provide a Safe and Enjoyable Work Environment



We will provide a safe and enjoyable work environment that is comfortable for everyone to work in.

## 4. Honest Business Activities



We will undertake fair and transparent business activities with integrity and strictly comply to international standards, the law and regulations of each country and region.

## 5. Disclosure of Company Information and Accountability



We will promote a healthy and transparent management by active disclosure of information and discussions with stakeholders.

## 6. Permeate Social Responsibility into our Supply Chain



We will promote a structure that undertakes social responsibility with respect to our trade counterparts and the overall supply chain.

## 7. Preservation of Global and Planetary Environment



We will work to preserve and resolve problems regarding global and planetary environment.

## 8. Cooperation with the Region and Community



As a good corporate citizen, we will contribute to the development of the region and community.

Top management will recognize that it is the role to realize the spirit of the principles, build effective governance systems for the conduct of business, and strive to raise awareness of the principles spirit within the NGK Group and the entire NGK group to achieve its full compliance. Top management will also encourage behavior based on the principles within supply chain of the NGK Group. In the event of the NGK Group violating the spirit of the principles, top management will proactively take responsibility to respond to the situation, including resolving the problem, investigating the causes, and preventing the problem from recurring.

# NGK Group Code of Conduct

## 1. Realization of a Sustainable Society



**We will create new value through the provision of products and services which contribute to the community in order to realize a sustainable society.**

- We will provide products and services that contribute to carbon neutrality and the digital community through technological innovation and face challenges to society through our business.
- We will openly respond to new demands or requests for improvement from our customers and society by developing and improving products and services.
- By providing high quality products and services whereby safety is a main consideration and which comply with environmental rules, we can earn the trust of customers and the community.

## 2. Respect Human Rights



**We will strictly comply with international standards of human rights and respect diversity.**

- We will respect the individuality and independence of each employee, value women's equal rights and refrain from discrimination on the basis of race, national origins, gender, sexual orientation and gender identity, age, religion, belief, existence of disabilities or any other aspect.
- We will prevent the occurrence of harassment or offensive or \*1inhumane treatment in the workplace and take prompt and appropriate action in case it occurs.
- We will undertake business activities without the use of \*2forced labor or child labor. We will strictly comply with the law and regulations of each country and region relating to labor and provide appropriate working conditions for young workers.
- We will not violate the rights of indigenous peoples and others by acquiring, developing or otherwise using land, forests or water resources in connection with our business activities, including forced evictions and the appropriation of targeted resources.

< Supplementary explanation of terms >

\*1Inhumane treatment includes violence against workers, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical oppression, bullying, public humiliation, disgrace or exposure, and verbal abuse.

\*2Forced labor refers to forced, bonded (including debt bondage) or internment camp labor, involuntary or exploitative prison labor, slave labor or human trafficking.

## 3. Provide a Safe and Enjoyable Work Environment



**We will provide a safe and enjoyable work environment that is comfortable for everyone to work in.**

- We will strictly comply with the law and regulations of each country and region relating to labor and provide proper working conditions, such as working hours, holidays, leave, wages and benefits.
- We will respect our employees' rights to freedom of association and collective bargaining in accordance with the law and regulations of each country and region.

- We will strictly comply with the law and regulations of each country and region relating to safety and sanitation, provide our employees with a safe and secure workplace and strive to ensure that they are physically and mentally healthy.
- We will aim to facilitate the creation of a healthy work-life balance and support a variety of working styles.
- We will build trust through sincere dialogue and discussions with employees.
- We will provide employees with opportunities for education and opportunities to develop their motivation and abilities.

#### 4. Honest Business Activities



**We will undertake fair and transparent business activities with integrity and strictly comply to international standards, the law and regulations of each country and region.**

##### • [Ethical business activities]

Being part of the international community, we will abide by domestic and international laws and regulations, respect the culture and history of each country and region and act with integrity and high ethical standards. We will respect existing rules and approach our work with confidence.

##### • [Anti-corruption]

We will strive for comprehensive prevention of corruption by prohibiting <sup>\*3</sup>bribery, embezzlement, situations whereby there is a breach of trust, <sup>\*4</sup>conflict-of-interest, <sup>\*5</sup>insider trading, <sup>\*6</sup>money laundering, obstruction of justice and any other abuse of authority or position for the benefit of an individual or organization.

< Supplementary explanation of terms >

<sup>\*3</sup> Bribery refers to the act of offering money, gifts or services (bribery) to third parties in order to obtain illicit profit, or the act of accepting any such bribery. In order to prevent acts constituting bribery from occurring in connection with our company, we maintain healthy relationships with our stakeholders, including public and government officials, in the countries and regions where we operate. We refrain from accepting such bribes from third parties in accordance with the local laws and regulations. We only offer gifts or entertainment in case there is a legitimate business reason to do so and to a socially accepted extent; we will not regularly offer gifts or entertainment. In addition, we will refrain from making small payments (facilitation payments) to public officials in order to facilitate and expedite routine services, such as obtaining permits and/or licenses and customs clearance. We are using and appropriately managing company assets exclusively for legitimate business purposes. These assets include cash, equipment, software and vehicles. We will not utilize such assets for the benefit of any individual or third party.

<sup>\*4</sup> Conflict of interest refers to obtaining personal benefits at the expense of the interests of our companies or offering benefits to third parties, including relatives and friends, such as selecting as trade counterparts those who have personal interest or conducting businesses that are competitive with the businesses of our companies.

<sup>\*5</sup> Insider trading refers to buying or selling securities, including shares, based on the knowledge of material non-public information about our companies, trade counterparts and others. In order to avoid such occurrence, we must handle such material information carefully.

<sup>\*6</sup> Money laundering refers to any concealment or misrepresentation of funds obtained through illegal activities, such as tax evasion or window-dressing.

•【Fair competition】

We recognize the importance of free competition in the market and will practice fair and free competition in compliance with the competition laws applicable to each country and region. We will never undertake cartel activities with competitors or other acts that are suspected to fall under such activities.

•【Assured performance of contract】

We will live up to the trust of our customers and trade counterparts by always fulfilling our contracts and agreements in good faith.

If any issues should arise which may prevent us from fulfilling our contracts as originally agreed upon, we will discuss such issues with our counterparts and perform our duties in accordance with the new terms agreed upon by all parties.

We will never enter into any contracts that violate social norms or the law and regulations.

•【Protection of personal and confidential information】

In compliance with the laws and regulations and internal rules regarding personal information, we will collect and use personal information only when there is a legitimate business purpose to do so. We will keep any personal information we obtain under strict control. In addition, we will take stringent control measures to prevent any leaks of confidential information of our companies and third parties.

•【Protection of intellectual property rights】

Intellectual property rights are a management resource vital to our business. We will actively create, protect and utilize <sup>\*7</sup>intellectual property rights.

We will take the necessary and appropriate steps to eliminate fake/counterfeit goods and strive to prevent any infringement of third party intellectual property rights.

< Supplementary explanation of terms >

<sup>\*7</sup> Intellectual property rights include patents, utility models, designs, trademark rights and copyrights.

•【Strict export and import controls】

In the export of products and other cargo, technology and software, we will comply with relevant laws, regulations and internal rules, and exercise appropriate export controls, in order to maintain the peace and security of the international community. When we import or export products and others, we will submit proper customs declarations in accordance with the relevant laws and regulations of each country and region.

•【Ensuring the quality and safety of products and services】

We will always strive to improve the quality of our products and services through a dialogue with our customers.

We will acquire, store and verify our product quality data in accordance with our obligations to our customers. We will never commit any wrongful acts, such as stealing, forging, replacing or concealing data. In the event of an accident or malfunction, appropriate action will be taken immediately.

Should there be any concern that our products or services may affect the safety of our customers, we will respond promptly and appropriately to prevent the occurrence or expansion of any such incident.

·**[Accurate record]**

To ensure timely and appropriate disclosure, we will comply with applicable laws, regulations and internal rules. We will establish and properly operate an internal control system to accurately record and report financial and other information. All records will be properly stored, disposed of, and deleted in accordance with applicable laws, regulations and internal rules.

·**[Dealing with anti-social forces]**

We will stand firm against anti-social forces and have no involvement with them. When contacted by anti-social forces, we will not respond individually, but immediately report it to our supervisors (department in charge).

·**[Maintaining fair relations with the administration]**

We will strive to maintain a highly transparent, healthy and fair relationship with the political and administrative sectors, abiding by the law and regulations of each country and region in connection with political contributions and donations. We will not act to invite suspicion or distrust from the community.

·**[Business risk management]**

We will practice risk management with a constant awareness of the risks involved in our operations. We will strive to identify and prevent from materializing potential risks. In cases where a risk materializes, we will respond promptly and strive to minimize the impact on our stakeholders.

·**[Establishment of a whistleblowing system and prohibition on retaliation]**

If we become aware of or suspect a compliance violation, we will promptly report it to our supervisors or the whistleblower hotline. We will not retaliate against anyone who files a report in any way.

## 5. Disclosure of Company Information and Accountability



**We will promote a healthy and transparent management by active disclosure of information and discussions with stakeholders.**

- We will accurately and promptly disclose information required by society.
- We will pay close attention to the views of our stakeholders and fulfill our obligation to be accountable. We will build mutual trust with our stakeholders through continuous dialogue.

## 6. Permeate Social Responsibility into our Supply Chain



**We will promote a structure that undertakes social responsibility with respect to our trade counterparts and the overall supply chain.**

- We will respect our trade counterparts as equal partners and work to build a trust relationship and promote mutual development.
- We will contribute to the safety and growth of the region and society through responsible procurement of resources and the promotion of green procurement.
- We will ensure respect for human rights, a positive working environment and honest business activities supported by compliance with the law and regulations throughout our supply chain.

## 7. Preservation of Global and Planetary Environment



**We will work to preserve and resolve problems regarding global and planetary environment.**

- We will provide products and services that contribute to the preservation of the global and planetary environment, such as contributing to carbon neutrality.
- We will directly address the impact of our business activities on the environment by, for example, working to build a circular economy and effectively use water resources.
- We will work for the preservation of biological diversity and sustainability.
- We will strictly comply with the law and regulations relating to the environment in each country and region.

## 8. Cooperation with the Region and Community



**As a good corporate citizen, we will contribute to the development of the region and community.**

- As members of the region and community, we will actively undertake activities that contribute to society. We will also cooperate and collaborate with a wide range of stakeholders.
- We will actively promote and support activities in which employees voluntarily participate in order to contribute to the community.