

NGK Group Code of Conduct Guidebook



To all members of the NGK Group

Matters with which all NGK Group officers and employees must comply are outlined in the NGK Group Code of Conduct. The NGK Group reinforces its expectation of behavior in accordance with this Code of Conduct through notices issued at the beginning of each fiscal year as well as through messages from the heads of each headquarters and business group.

To promote a further understanding of the conduct expected of NGK Group members, we have created a Guidebook outlining details examples.

This Guidebook includes descriptions of “Our mindset and behavior” expected of the NGK Group for the various matters outlined in the Code of Conduct. We ask that all Group members proactively use this Guidebook both in your personal conduct and in the workplace.

This Guidebook is distributed as a PDF file and is posted to the NGK website, and is available for browsing at any time via your computer or smartphone.

Contents

[Guidebook text]

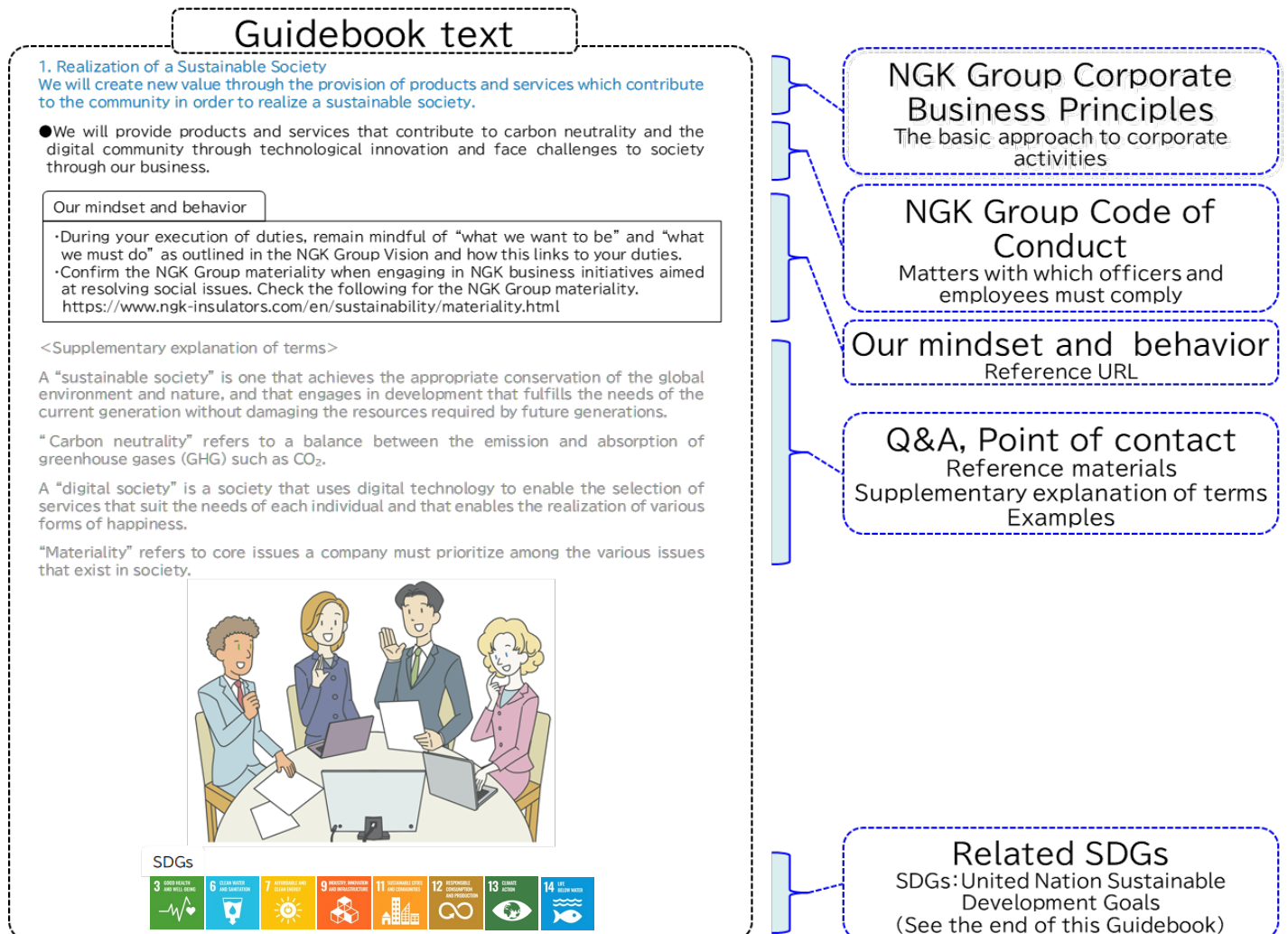
1. Realization of a Sustainable Society	P.3~P.4
2. Respect Human Rights	P.5~P.7
3. Provide a Safe and Enjoyable Work Environment	P.8~P.9
4. Honest Business Activities	P.10~P.19
5. Disclosure of Company Information and Accountability	P.20
6. Permeate Social Responsibility into our Supply Chain	P.21~P.22
7. Preservation of Global and Planetary Environment	P.23~P.24
8. Cooperation with the Region and Community	P.25

[Other themes related to ESG issues] P.26

[NGK Group Corporate Business Principles and Code of Conduct (full)]

[United Nations Sustainable Development Goals]

Configuration of this Guidebook



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.

Our mindset and behavior

- During your execution of duties, remain mindful of how “what we want to be” and “what we must do” as outlined in the NGK Group Vision relate to your duties.
- Refer to the NGK Group materiality to confirm NGK’s business initiatives aimed at resolving social issues. Check the following for the NGK Group materiality.
<https://www.ngk-insulators.com/en/sustainability/materiality.html>

<Supplementary explanation of terms>

A “sustainable society” is one that achieves the appropriate conservation of the global environment and nature, and that engages in development that fulfills the needs of the current generation without damaging the resources required by future generations.

“Carbon neutrality” refers to a balance between the emission and absorption of greenhouse gases (GHG) such as CO₂.

A “digital society” is a society that uses digital technology to enable the selection of services that suit the needs of each individual and that enables the realization of various forms of happiness.

“Materiality” refers to material issues a company must prioritize among the various issues that exist in society.



SDGs



- We will openly respond to new demands or requests for improvement from our customers and society by developing and improving products and services.

Our mindset and behavior

- Proactively interact with external parties and maintain a strong interest in various matters, such as societal trends, customer feedback, and new technology.
- Respond promptly and diligently to complaints and accidents. Accurately confirm facts, identify causes, and work towards recurrence prevention.



SDGs



- 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.

Our mindset and behavior

- Conduct risk assessments, prioritize safety, and ensure that design and development processes include environment considerations.
- Pursue reliable quality from the perspective of the customer and consistently provide reliable products and services to ensure their peace of mind.

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.

Our mindset and behavior

- Understand the importance of human rights, and work towards mutual acceptance and respect.
- Respect the individuality, independence, and diversity of others in the workplace and treat others fairly without discriminatory approaches or bias.
- Promote the utilization of diverse human resources.
- Give appropriate consideration to the religious practices of others and to persons with disabilities.



SDGs



- 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.

Our mindset and behavior

- Understand that the majority of harassment occurs due to miscommunication or the inability to empathize with the other party's position or feelings by one or both parties.
- If you encounter harassment, do not hesitate to consult those around you.
- Supervisors should proactively engage in appropriate communication to foster a workplace environment with a sense of openness.
- Is the instruction you are providing for the sake of work improvement? Do not engage in instruction comprising violent language or reprimands that deny a person's character or dignity. Also, do not provide guidance that constitutes an invasion of privacy.
- Furthermore, do not engage in the harassment or mistreatment of vendors and other external partners (this also applies to settings such as dinners, events, and parties).

<Supplementary explanation of terms>

A “workplace” refers not only to the location where an employee works normally, but also to locations that are substantially an extension of the workplace, including business trip destinations and events such as dinner parties.

*1 Inhumane 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.



SDGs



- 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.

Our mindset and behavior

- Do not use, be complicit in, or benefit from forced labor or child labor.
- Make sure to conduct age confirmation to prevent the use of child labor.
- Be aware of young workers' labor conditions to prevent illegal and hazardous labor that could damage their health and safety.

<Supplementary explanation of terms>

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

- 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.

Our mindset and behavior

- Exercise adequate caution to ensure that the business activities do not cause air, soil, or water pollution, or infringe on the rights of local residents (including indigenous communities) or affiliated parties to live healthy, pleasant lives.
- Be conscious of the impact of human rights violations when business activities are related to persons in socially vulnerable positions or conflict regions.

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.

Our mindset and behavior

- Ensure the appropriate reporting of work hours (overtime, etc.).
- Work to promote paid leave use and increase usage rates.

- 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.

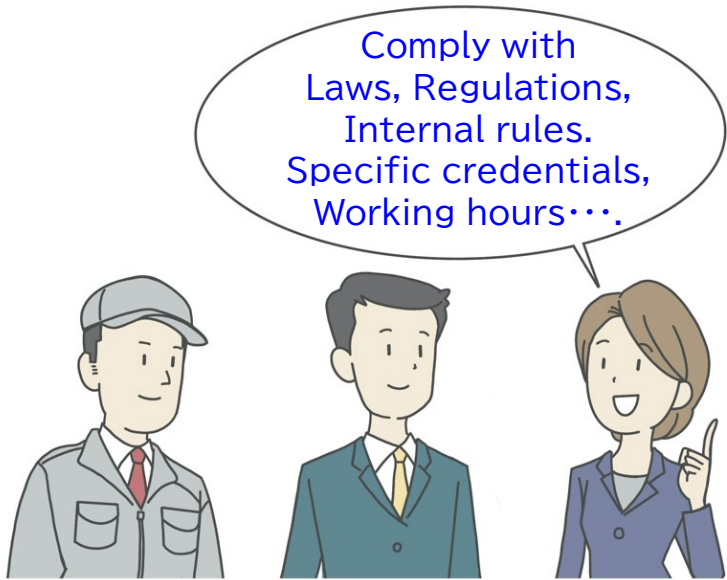
Our mindset and behavior

- Respect the rights of freedom of association and collective bargaining. Work to build positive labor relations and promote the creation of a labor environment that is motivating for all.
- The exercising of the rights of freedom of association and collective bargaining shall be viewed not as opposition, but as an opportunity for constructive dialogue.

- 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.

Our mindset and behavior

- Recognize that the safety and health of laborers is the foundation of business, and work to strengthen related activities.
- Comply with laws, regulations, and internal rules concerning occupational safety.
 - Be attentive of information received from safety and health management departments concerning revisions to laws and regulations, and respond as necessary.
 - Ensure that work requiring specific credentials is conducted by persons with said credentials.
- Continuously work to improve workplace environments and increase safety and health levels.
- Work to eliminate long overtime to prevent damage to health.



- We will aim to facilitate the creation of a healthy work-life balance and support a variety of working styles.

Our mindset and behavior

- Be accepting and respectful of diverse working styles.
- Promote the utilization of diverse human resources.
- Work to improve workplace comfort and motivation.

- We will build trust through sincere dialogue and discussions with employees.

Our mindset and behavior

- Engage in constructive dialogue to build smooth labor relations and work towards problem resolution.
- The company, labor unions, and employees must work to share their respective perspectives on the operating environments and issues of each organization, and strive to stimulate communication between labor and management towards engagement based on a sense of unity.

- We will provide employees with opportunities for education and opportunities to develop their motivation and abilities.

Our mindset and behavior

- Cultivate advanced knowledge, skills, abilities or a combination of them, and a proactive approach to problems.
- Demonstrate teamwork and persistently produce results.
- Autonomously grow and continuously change oneself and the company.

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.

Our mindset and behavior

- Prioritize compliance in your actions.
- Be mindful to communicate proactively and create a workplace that promotes consulting and respecting one another.
- If you discover a compliance infraction, be brave and: (1)Do not run away from it , (2)Do not hide it , (3)Do not pretend you didn't discover it
- Are your actions something you can take pride in sharing with your family?

<Q&A>

Q:What should I do when I don't know or am unsure of what decision to make?

A:Consult with your supervisor or the Compliance Department.

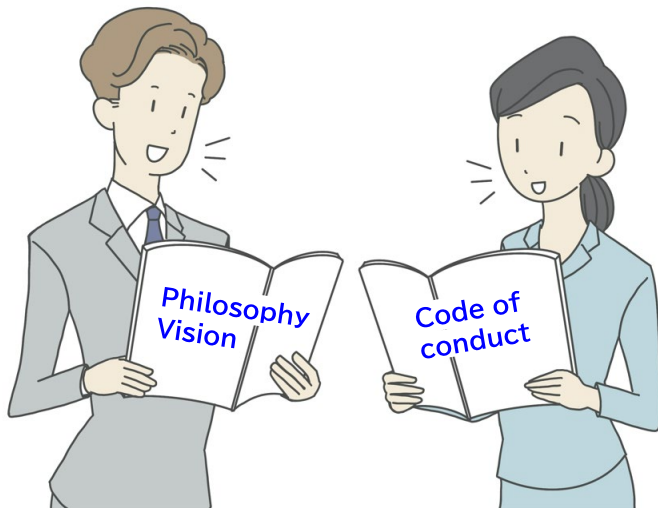
Don't try to carry the burden by yourself. Being open about issues will enable you to take appropriate action.

If circumstances make it difficult to consult with your supervisor or the Compliance Department, then you can consult via a helpline or hotline.

<Supplementary explanation of terms>

“Compliance” is the act of meeting the expectations of stakeholders.

“Stakeholders” refers to parties that have direct or indirect interests in the company, including customers, shareholders, business partners, employees, and society.



SDGs



●【Anti-corruption】

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

Our mindset and behavior

- Do not engage in corrupt practices as they interfere with legal business activities and solicit human rights violations by preventing economic growth and the elimination of poverty.
- Do not offer or accept entertainment, cash, or cash equivalents for the purpose of gaining improper benefits or personal gain. If you receive such offers, firmly decline them.
- Do not engage in corruption through any agent or consultant.

<Q&A>

Q: A supplier sent me a 5,000 yen gift certificate as a sign of appreciation for attending in briefing for a new product we are considering adopting. What should I do?

A: Immediately return it. It is extremely inappropriate to receive any cash equivalents or high-priced gifts during the process of selecting new products.

<Point of Contact> NGK Group Compliance Department

<Supplementary explanation of terms>

^{*3} 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. It is also important that we use and appropriately manage company assets, such as cash, equipment, software, and vehicles, exclusively for legitimate business purposes and not for the benefit of ourselves or any third party.

^{*4} 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.

^{*5} 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.

^{*6} Money laundering refers to any concealment or misrepresentation of funds obtained through illegal activities, such as tax evasion or window-dressing.



SDGs



●【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.

Our mindset and behavior

- Identify your competitors.
- If you have a reasonable need to contact competitors in the course of business, do not discuss prohibited matters (such as unfair trade restrictions or anything that might suggest such actions).
- In the event a competitor attempts to discuss prohibited matters, immediately stop the conversation and report that attempt to the hotline.

<Q&A>

Q:Can we instruct the distributor on the resale price for the products sold to them?

A:Instructing (binding) the distributor on the resale price is a violation of competition law. It is absolutely prohibited.

<Point of Contact> NGK Group Compliance Department

<Supplementary explanation of terms>

“Prohibited matters (such as unfair trade restrictions or anything that might suggest such actions) ” as outlined below.

- Assignment of product sale price, sales volume, customers , sales commission, sales region, etc.
- Product production volume, production capacity, raw material procurement volume, facility operation rates, capital expenditure plans, etc.
- Assignment of order recipient or bid price, etc., during a bid



SDGs



●【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.

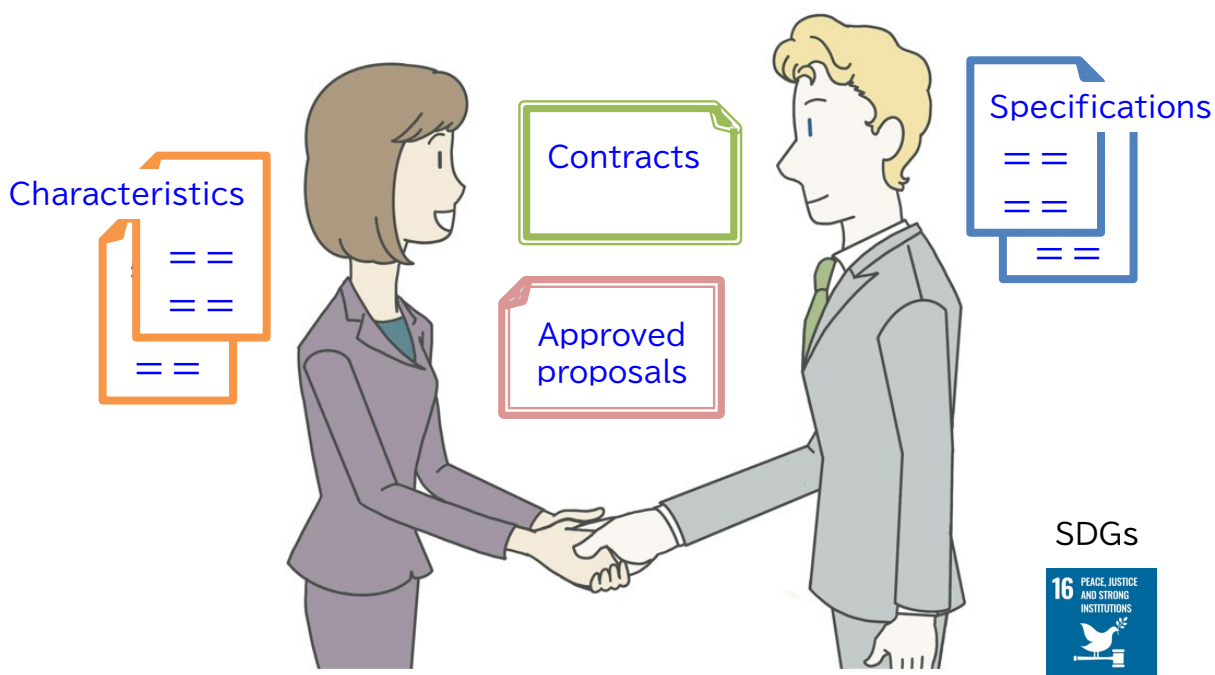
If any issues should arise which may prevent us from fulfilling our contracts as originally agreed upon, we will discuss such issues with our counterparts and perform our duties in accordance with the new terms agreed upon by all parties.

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

Our mindset and behavior

- Make sure to comply with matters stipulated in contracts. Consult with your supervisor immediately if it becomes known that your products will not satisfy the stipulated specifications or properties.
- In executing business activities, immediately revise contracts in the event that you and the other party (parties) have agreed and executed matters differently from the details of a contract.
- Regularly review contents of contracts to confirm you are complying with them.

<Point of contact> NGK Legal Department



●【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.

Our mindset and behavior

- Be aware that a leak could influence the individuals that provided information and cause a loss of social trust, so work to prevent personal information leaks.
- Set access privileges for personal information and company confidential information, and regularly conduct reviews.
- When outsourcing personal information handling, select appropriate subcontractors and conclude appropriate contracts. Also, regularly confirm the status of the subcontractor's management structure for personal information.
- Handle corporate confidential information with the same care as personal information to prevent leaks.
- Do not discuss corporate confidential information while on public transportation, in taxis, or at a dining establishment.
- Do not photograph the insides of the company or upload to the internet or social media without permission.
- When taking devices containing corporate confidential information outside the company, always carry them with you and be careful of potential loss or theft.

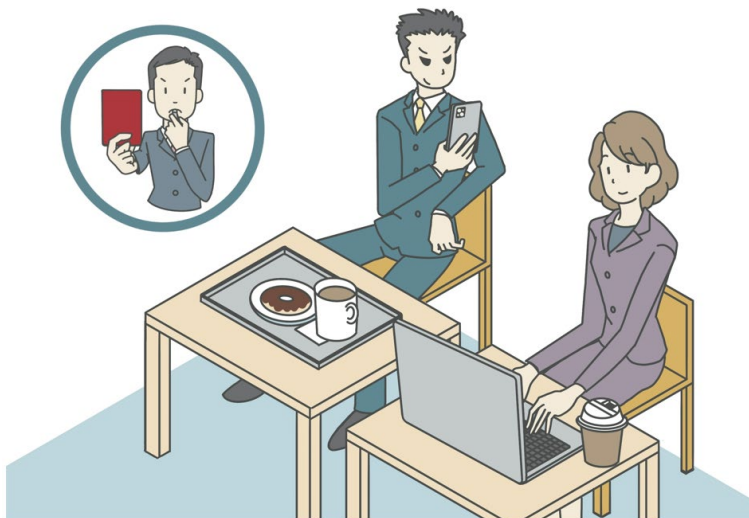
<Q&A>

Q:A former employee wants to contact my colleague and asked me for their company email address . Am I allowed to provide that information?

A:No, this is not allowed. There is the possibility that this information could be used for crimes or other malicious purposes. Regardless of the circumstances, make sure you receive consent from the individual in question prior to providing the personal information of another person.

<Point of contact> NGK General Affairs Department

[Reference material:Electronic Information Security Handbook]



SDGs



●【Protection of intellectual property rights】

Intellectual property rights are a management resource vital to our business. We will actively create, protect and utilize ^{*7}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.

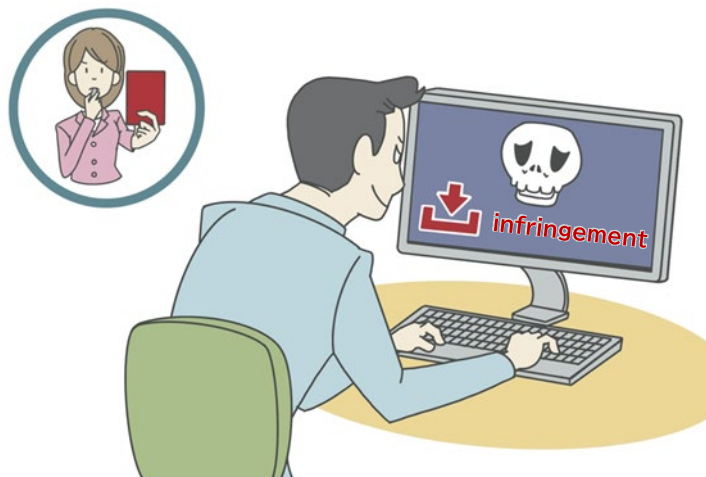
Our mindset and behavior

- Intellectual property is an extremely important management resource and a source of a company's competitiveness. Make a point to proactively create, protect, and utilize intellectual property.
- In the event of any infringement on the company's intellectual property rights, the company will claim those rights. Contact the Intellectual Property Department if you notice any counterfeit or imitation products, or any infringement.
- We also respect the intellectual property rights of others. Conduct sufficient research to ensure you do not infringe on any third-party intellectual property rights in your daily work. It is illegal to implement a patent, download or copy software, images, etc., without the authorization of the rights holder.
- If you encounter any problems or are unsure about something, do not make decisions on your own. Consult with the specialized department.

<Point of contact> NGK IP Strategy Department

<Supplementary explanation of terms>

^{*7} Intellectual property rights include patents, utility models, designs, trademark rights and copyrights.



SDGs



●【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.

Our mindset and behavior

- When importing or exporting goods, technology or software, comply with the relevant laws and regulations of each country and region, and make sure to complete procedures required by company rules.
- When exporting goods, technology or software, confirm the end use and user in advance to ensure that exported goods will not be used in weapons.
- If internal confirmation procedures determine that the license of administrative authorities is necessary to conduct exporting, then do not conduct exporting without obtaining a license in advance from administrative authorities.
- A violation of import/export regulations could subject the company to severe penalties, including import/export restrictions or the revocation of import/export licenses. Such actions could also result in criminal penalties assessed against the individual, so make every effort to prevent violations.

<Q&A>

Q:I presented and discussed product drawings during a web meeting with a group company outside of our country. Is there any problem?

A:Presenting product drawings to a group company outside our country constitutes the exporting of technology. As such, you must confirm in advance whether company rules require you to obtain license. If it is unclear, please inquire with the department in charge.

<Point of contact> NGK Legal Department, NGK Purchasing Department



SDGs



●【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.

Our mindset and behavior

- If you are unsure of the details of a promise made to a customer or it becomes difficult to fulfill a promise, immediately communicate with the customer to negotiate, and then fulfill the matters agreed upon with the customer. Also, ensure there is mutual confirmation of the agreed-upon matters and maintain records of agreements.
- In response to complaints or inquiries from customers, sufficiently confirm facts, share information with relevant departments, and work to resolve the issue rapidly.
- If you have doubts about making judgments regarding measurement data, etc., make sure you consult with a superior instead of making a decision on your own.
- If you notice even minor abnormalities in tests or measurements, pause testing or measurements and immediately notify a supervisor.

<Q&A>

Q: The delivery of parts specified by the customer was delayed, which will delay the delivery of the finished product. We have a part in inventory that achieves the same performance so I could use that. Is it acceptable to use the part without contacting the customer?

A: No. Notify the customer and receive approval prior to using it. If you do not receive approval, then take other measures such as adjusting the delivery date.

●【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.

Our mindset and behavior

- When creating records, record the facts to ensure the creation of accurate records.
- Do not create false records, modify data, or conduct false expense reporting or accounting.

<Q&A>

Q: I confirmed the product inventory on-site and entered the data count into the computer. When I rechecked it at a later date, the count was different. Since it was already past the reporting deadline, I was unable to revise the data. Is it acceptable to leave it as is?

A: No. Notify your supervisor as soon as you learn of this situation and revise the data. Failing to issue a report or make revisions despite noticing a data error could make you subject to disciplinary action.

●【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).

Our mindset and behavior

- Do not get involved with anti-social forces.
- Do not agree to demands such as accepting expensive magazine subscriptions or paying protection money at construction sites. Report such demands immediately to your supervisor.
- Do not provide entertainment or other conveniences to anti-social forces or use their influence.
- When engaging in transactions, confirm that the other party is not involved with any anti-social forces and make sure to include clauses in the contract to eliminate anti-social forces.

<Point of contact> NGK General Affairs Department



SDGs



●【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.

Our mindset and behavior

- Do not provide entertainment for the purpose of gaining favor during permit approval procedures.
- Also work to enlighten and reinforce awareness among the subcontractors to whom we outsource work (agents, consultants, etc.) of the need to maintain appropriate relations with administrative authorities.

Reference the following guidelines regarding gifts to public officials in Japan.

- Rules for maintaining ethics for national public servants
<https://www.jinji.go.jp/content/900020277.pdf>
- Examples of ethics regulations for national public servants (Easy to understand Q&A)
<https://www.jinji.go.jp/content/000000404.pdf>

<Q&A>

Q: Is there any problem with sending a seasonal gift to the prefectural workers who is in charge of permit approval?

A: Even if you have no intention of gaining favor, do not send gifts as such actions around the inspection period for permit approval could invite suspicion.

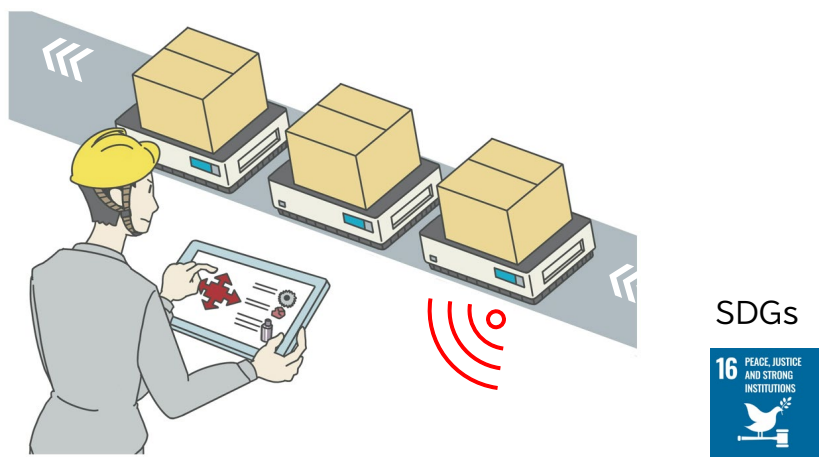
<Point of contact> NGK Group Compliance Department

●【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.

Our mindset and behavior

- Ascertain your work-related risks and work towards prevention.
- Are the following types of risks present in your workplace?
 - Hinderances to your work caused by insufficient skills succession or human resource development
 - Loss of opportunities due to delays in responding to customer requirements or development delays
 - Deviation from prescribed procedures due to the prioritization of deadlines or development schedules
 - Health damage resulting from excessive workload or extended working hours
 - Accidents or production disruptions caused by inadequate maintenance and management of facilities
- Notify a supervisor immediately if a problem occurs.



●【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.

Our mindset and behavior

- With compliance violations or actions suspected of being a violation, if you are unable to consult with your workplace supervisor, then consult with or issue a report to the helpline or hotline established for each Group company outside Japan. Check the following for the whistleblowing system.
<https://www.ngk-insulators.com/en/sustainability/governance-compli-structure.html>
- The NGK Group prohibits retaliatory actions against whistleblowers and people who seek consultation. If you discover a violation, make a report and do not turn a blind eye. Your voice can help stop or prevent violations.

<Point of contact> NGK Group Compliance Department

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.

Our mindset and behavior

- Proactively disclose information related to company performance and products.
- Immediately notify a supervisor if you discover any fraud or defective products.
 - Failing to disclose serious fraud or defective products is not only a betrayal of public trust, but could also lead to accidents.
- If you receive an external request for company information, contact the Public Relations Department instead of trying to respond by yourself.



Website



Newspaper



Internet



TV

SDGs



- 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.

Our mindset and behavior

- Strive for proactive two-way communication that diligently responds to reader opinions regarding our integrated report, website, and other media.
- Promote dialogue with the local community by holding various events and plant tours to expand public understanding of our business activities.
- Work together towards resolving common social issues by promoting enhanced dialogue and collaborating with stakeholders, such as engaging in social contribution activities.

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.

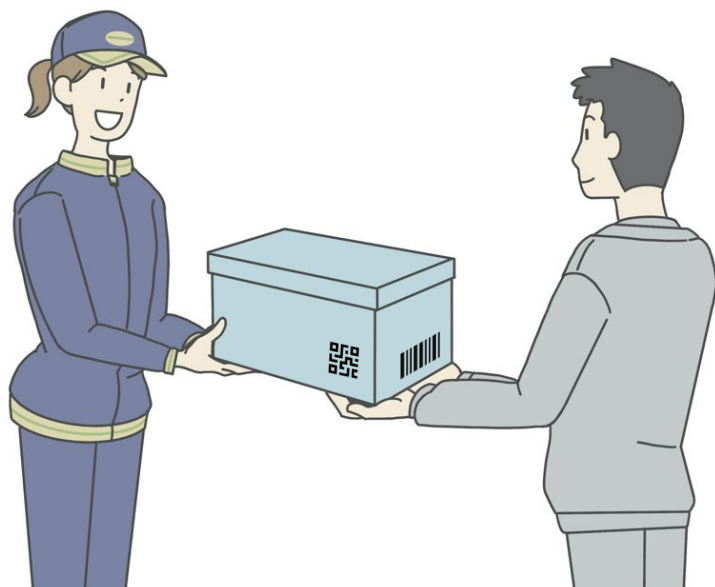
- We will respect our trade counterparts as equal partners and work to build a trust relationship and promote mutual development.

Our mindset and behavior

- Engage in fair, open, and transparent transactions with business partners.
- Promote open and fair principles and select transaction counterparts who are not motivated by vested interests.
- Comply with the Subcontract Act and do not engage in unfair business practices that abuse our advantageous position, including unjustly setting subcontract proceeds, refusing to receive products, or returning products without just cause.
- It is strictly forbidden to provide favors for personal gain.
- Pursue quality, price, delivery terms, stable procurement, etc. based on careful dialogue and negotiation with business partners.

<Supplementary explanation of terms>

For example, the Subcontract Act in Japan (Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) is a law that was enacted to control the abuse of advantageous positions by purchasing companies against subcontractors.



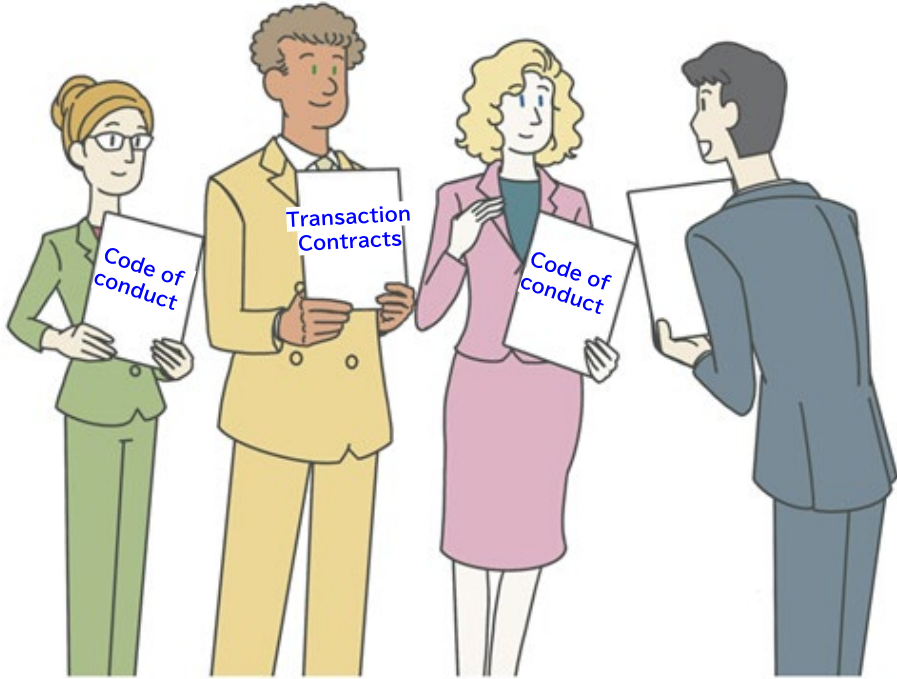
SDGs



- We will contribute to the safety and growth of the region and society through responsible procurement of resources and the promotion of green procurement.

Our mindset and behavior

- Work to fulfill our social responsibility throughout the entire supply chain.
- During the procurement of mineral resources, confirm that we are not procuring conflict minerals that serve as a source of capital for armed forces conducting inhumane activities in conflict regions.
- Work with business partners to promote the use of clean energy and the expanded adoption of environmentally friendly materials, parts, products, facilities and other purchased goods and services.



SDGs



- 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.

Our mindset and behavior

- Require thorough compliance with laws and regulations and respect for international norms, including human rights.
- Ensure awareness of NGK Group policies, guidelines, corporate business principles, code of conduct and work to ensure compliance.
- If you identify a matter that requires improvement, collaborate with relevant parties to work towards the appropriate and effective implementation of corrective action and improvements.

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.

Our mindset and behavior

- Work to promote the development, design, and manufacturing of products and services that contribute to the environment or that have a low environmental load.
- Promote the efficient use of energy and work to reduce CO₂ emissions by implementing energy conservation measures and adopting renewable energy in processes and facilities.

- 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.

Our mindset and behavior

- Contribute to the establishment of a circular economy by offering products and services designed from the perspective of the efficient use of resources and long-term use.
- Work towards energy conservation and resource conservation in all processes, from research, development, and design, to procurement, production, sales, logistics, and disposal.

energy conservation	<ul style="list-style-type: none"> - Promote improvements to equipment and processes by reviewing conditions such as shortening drying and firing times. - Conduct energy conservation patrols and review air conditioning ranges and temperature settings.
resource conservation	<ul style="list-style-type: none"> - Promote reductions to raw materials loss and in-process reuse. - Promote the 3Rs (reduce, reuse, recycle), separate waste, and promote paperless workflows. - Work to use water resources effectively.
- Take advantage of product and service characteristics such as durability and repairability, to promote the provision of products and services designed for long-term use.

- We will work for the preservation of biological diversity and sustainability.

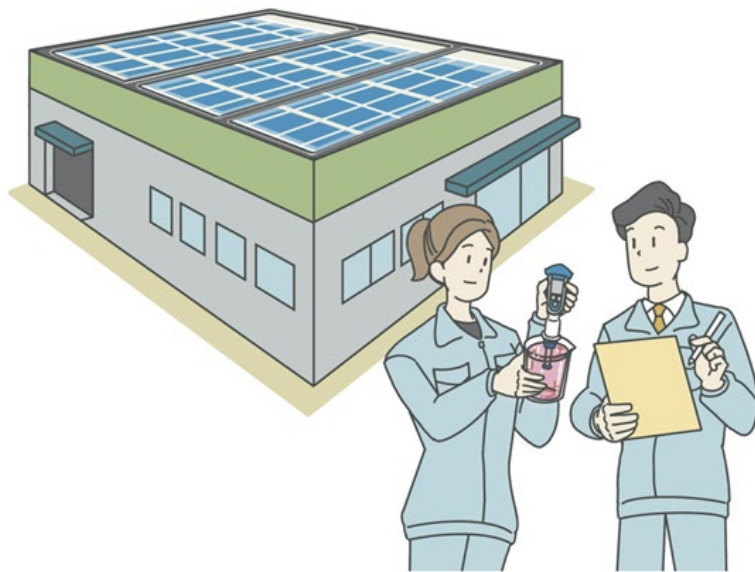
Our mindset and behavior

- Contribute to the conservation and restoration of biodiversity and realize harmony with nature by conducting business activities and social contribution activities with an awareness of the connection between the nature and the regions in which we operate.
- Ensure environmental management, including the efficient use of resources and energy, the monitoring of water quality and air quality, the reduction, reuse, and recycling of waste materials, risk assessment, auditing, education, and committee activities.
- Work with local communities and local governments to actively participate in social contribution activities such as the conservation of natural protected areas, forest maintenance, tree planting, and coastal, river, and wetland area maintenance.
- Actively participate in educational activities to deepen our understanding of and raise awareness for biodiversity.

- We will strictly comply with the law and regulations relating to the environment in each country and region.

Our mindset and behavior

- Check to ensure compliance with environmental laws, ordinances, and standards.
- Check applicable laws and regulations and emission standards to which your department must adhere.
- Keep accurate records of measurements for water quality, air quality, etc.
- Make sure to submit reports for any equipment that requires notification to the government.
- If you discover anything abnormal, notify your supervisor and the facility manager immediately.



SDGs



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.

Our mindset and behavior

- As a member of society, strive to be a corporate citizen that is trusted by the local community. Cooperate and collaborate with various partners and engage in social contribution activities that meet the needs of each community.
- Engage in social contribution activities in the fields of **people and education**, **environment**, and **community relations**.

<Point of contact> NGK General Affairs Department

- We will actively promote and support activities in which employees voluntarily participate in order to contribute to the community.

Our mindset and behavior

- Convey the joy of manufacturing to children, who will lead the future, and support educational activities that can help develop local communities.
- Proactively engage in harmony with nature and contribute to conserving the global environment.
- Be interested in social issues, strive to coexist with the local community as a trusted corporate citizen, and take part in developing appealing communities.
- Participate in local clean-up activities, natural environment conservation activities, and volunteer activities at various events.

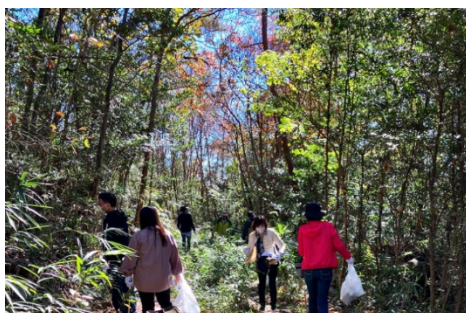
<Point of contact> NGK General Affairs Department

<Example>

- Fields of focus and its initiatives for social contribution



People and education:
Japanese class



Environment:
Minnano Mori Mizunami



Community relations:
Wheelchair tennis

- Volunteer activities for various events: marathons, scientific experiment demonstrations, etc.

SDGs



[Other themes related to ESG issues]

While currently this does not apply to the NGK Group, the Drive Sustainability automotive industry sustainability guidelines require business partners to address the following. If a similar case occurs within the NGK Group, this content may be adopted into the Code of Conduct in the future.

[Private or Public Security Forces]

While currently not applicable to the NGK Group, the following type of sustainability guidelines have been adopted within the automotive industry.

Suppliers should not commission or use private or public security forces to protect business projects if, due to a lack of training or control on the part of the company, the deployment of said security forces could lead to human rights violations.

For example, there are cases of assigning armed security forces in countries or regions overseas with poor public safety as a measure against acts of terrorism by armed organizations. It is required that such a security structure does not lead to infringing on the human rights of employees or other persons.

[Animal Welfare]

While currently not applicable to the NGK Group, the following type of sustainability guidelines have been adopted within the automotive industry.

Suppliers should respect the five animal freedoms concerning animal welfare formulated by the World Organization for Animal Health (WOAH). No animal should be raised and killed for the single purpose of being used in an automotive product.

Animals must not be cruelly or unnecessarily injured. For example, during the manufacturing of leather car interior, and all reasonable steps must be taken to avoid animal suffering during work.

The five freedoms of animals defined by the World Organization for Animal Health (WOAH) are as follows:

- (1) Freedom from hunger, malnutrition and thirst
- (2) Freedom from fear and distress
- (3) Freedom from heat stress or physical discomfort
- (4) Freedom from pain, injury and disease
- (5) Freedom to express normal patterns of behavior



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 >

^{*1}Inhumane 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.

^{*2}Forced 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 ^{*3}bribery, embezzlement, situations whereby there is a breach of trust, ^{*4}conflict-of-interest, ^{*5}insider trading, ^{*6}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 >

^{*3} 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.

^{*4} 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.

^{*5} 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.

^{*6} 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 ^{*7}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 >

^{*7} 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.

Our efforts to realize a sustainable society are themselves contributions to the SDGs.

SUSTAINABLE DEVELOPMENT GOALS



SDGs (Sustainable Development Goals) are 17 goals and 169 targets (achievement criteria) adopted by the United Nations in 2015 to realize a sustainable world, and have become a guideline for many global companies.