

CSR Management

CSR Activities Concepts and Systems

The NGK Group aims to realize its corporate philosophy through the provision of products and services that will bring new value to society and contribute to the creation of a better social environment. We will fulfill our social responsibilities through these activities, establishing and continually strengthening CSR objectives to meet the expectations and earn the trust of society. CSR objectives are developed every year based on the CSR Promotion Items in line with the NGK Group Guidelines for Corporate Behavior.

Corporate Philosophy

NGK Products and Technologies Must Create New Value and Contribute to the Quality of Life.

NGK Group Guidelines for Corporate Behavior	Action for Promoting CSR	CSR Objectives
Behavior guidelines for realizing our corporate philosophy	Eight CSR actions established to match the eight actions in the Guidelines for Corporate Behavior	Detailed objectives in accordance with eight actions Formulate annual activities plan for each objective
I. Realization of Corporate Philosophy Responding to the trust and expectations of society	Providing products that contribute to better social environment	<ul style="list-style-type: none"> ● Development and provision of products and services that help to preserve the natural environment ● Development and provision of products and services that embody safety and reliability ● Realization of higher quality products and services
II. How to Engage in Business Activities Act with sincerity from a strong ethical stance	Disclosure of corporate information	<ul style="list-style-type: none"> ● Enhancement of corporate information disclosure ● Consistent improvement of internal controls relating to financial reporting
	Thorough enforcement of compliance/ Risk management	<ul style="list-style-type: none"> ● Thorough promulgation of the NGK Group Guidelines for Corporate Behavior through education ● Reinforcement of the risk management system ● Respect and protection of intellectual property rights ● Creation and consistent improvement of a framework for information security ● Strict adherence to the Anti-Monopoly Act, Subcontract Act, and other laws and regulations pertaining to business transactions ● Strict adherence to laws and regulations relating to export control
	Respect of humanity and assurance of comfortable working environment	<ul style="list-style-type: none"> ● Maintenance and consistent improvement of safe and comfortable working environments ● Development of human capital and recruiting of human resources across the Group ● Utilization of diverse human resources ● Support for better balance between work and home life/childrearing
	Implementation of fair, free and transparent transactions	<ul style="list-style-type: none"> ● Fair and honest evaluation of procurement partners, and extensive resource diversification ● Promotion of CSR procurement
III. As a Member of Society Sustainably develop in partnership with society	Preservation of global environment	<ul style="list-style-type: none"> ● Prevention of global warming ● Adoption of environmentally friendly production processes ● Promotion of resource recycling ● Strengthening of global environmental management
	Coordination with local communities and promotion of contribution to the society	<ul style="list-style-type: none"> ● Provision of scholarships and living assistance to foreign students ● Cooperation with local communities, labor unions, and NPOs in social contribution activities ● Support for volunteer activities by employees
	Communications with stakeholders	<ul style="list-style-type: none"> ● Communication with customers and procurement partners ● Interaction with local communities via plant tours and open house events ● CSR Talk Live (Discussions on implementing CSR with every employee class)
Behavioral Guidelines Guidelines indicating how to conduct one self in daily work activities based on the Guidelines for Corporate Behavior	Review activities according to plans each year	

Establishing CSR Promotion Items (Materiality)

Aiming to develop a sustainable society and in consideration of a variety of stakeholder demands, the NGK Group established eight items from NGK Group Guidelines for Corporate Behavior as CSR promotion items determining the specific objectives and achievements for each item. Each year, we verify the achievement status of each objective in an attempt to continuously improve these efforts.

Process of identifying materiality

The NGK Group has identified specific CSR Promotion Items, which constitute our CSR materiality, based on the Corporate Philosophy and the Guidelines for Corporate Behavior. In establishing the CSR promotion items that constitute an integral part of our core values and principles along with the Corporate Philosophy and the Guidelines for Corporate Behavior, we took social trends and needs into consideration and developed systems for information disclosure and promotion. In line with this policy, we will address the needs of the times appropriately, based on feedback from our stakeholders and readers of this report.

Process of establishing CSR Promotion Items

1986	Formulated the Corporate Behavior Principles, Management Philosophy, and code of conduct
1999	Formulated the Guidelines for Corporate Behavior
2008	Revised the NGK Group Guidelines for Corporate Behavior The Guidelines were revised and positioned as guidelines for implementing the Corporate Philosophy from the Corporate Philosophy and CSR viewpoints. With due consideration paid to changes in social issues, the Guidelines set forth the ban on entertainment and gifts for the purpose of gaining dishonest profits, and initiatives for achieving a sound work-life balance.
2009	Established CSR Promotion Items The CSR of the NGK Group was defined as activities to realize our corporate philosophy, and the following promotion items (issues of materiality) were identified. (1) Provision of products that contribute to a better social environment (2) Disclosure of corporate information (3) Thorough enforcement of compliance; Risk management (4) Respect for humanity and assurance of a comfortable working environment (5) Implementation of fair, free, and transparent transactions (6) Preservation of the global environment (7) Coordination with local communities and promotion of contributions to society (8) Communications with stakeholders
2011	Revised the NGK Group Guidelines for Corporate Behavior To meet social demands, such as ISO26000, more appropriately, the Guidelines for Corporate Behavior were fully integrated with the CSR Promotion Items to represent a comprehensive corporate principle.

CSR Promotion Framework

To promote CSR activities, the NGK Group has established the CSR Committee, the Environmental Protection Committee, the Quality Committee, the Safety and Health Committee and the Internal Controls Committee.

In terms of legal and corporate ethics compliance activities, the CSR Committee discusses items necessary to assist decision-making by the president and CSR Committee chair, provides support in matters determined to potentially have a substantial impact on the company, reviews and evaluates the promotion plans of each subcommittee, and conducts a wide range of activities, including the discussion of CSR-related items, determined to be important by the Committee chair.



CSR Objectives and Achievements

*Evaluation standards: ○ Target achieved △ 80% or more of target achieved × Less than 80% of target achieved

Providing Products that Contribute to Better Social Environment

P FY2016 Plan and Targets

D FY2016 Activities Summary

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Development and Provision of Products and Services That Help to Preserve the Natural Environment

Increase sales growth rate for environmental products by 60% or above by fiscal 2020 (compared to fiscal 2013). NAS battery (wider use of renewable energy) DPF, HONEYCERAM, NOx sensor (automobile exhaust gas purification) Low-Level Radwaste Treatment System (NGK Group)	Increase sales growth rate for environmental products by 26% (compared to fiscal 2013) (NGK Group)	○	Increase sales growth rate for environmental products by 30% or above (compared to fiscal 2013) (NGK Group)
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Enhancement of Quality of Products and Services, Development and Provision of Safe and Secure Products and Services

Conduct rigorous verification for modifications and changes to eliminate risks associated with design and manufacturing. Continue to pursue numerical targets for achieving zero major market complaints and reducing defect costs. (NGK Group)	Reduced complaint- and defect-related costs by approx. 20% each; failed to achieve zero major market complaints. (NGK Group)	△	Realize higher quality by enhancing awareness and knowledge of eliminating risks. Continue to pursue numerical targets for achieving zero major market complaints and reducing defect costs. (NGK Group)
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Disclosure of Corporate Information

P FY2016 Plan and Targets

D FY2016 Activities Summary

C Evaluation

A FY2017 Plan and Targets

Enhancement of Corporate Information Disclosure

Enhance and continue to provide fair and honest information disclosure in a timely and appropriate manner. (NGK Group)	Conducted ongoing fair and honest information disclosure in a timely and appropriate manner. (NGK Group)	○	Enhance and continue to provide fair and honest information disclosure in a timely and appropriate manner. (NGK Group)
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Consistent Improvement of Internal Controls Relating to Financial Reporting

Improve items identified during audits. (NGK Group)	Improved all items identified by audits within the fiscal year.	○	Improve items identified during audits. (NGK Group)
Raise efficiency in assessment and audit of processes rated favorably in the previous fiscal year. (NGK Group)	Raised efficiency in assessment and audit of processes rated favorably in the previous fiscal year. (NGK Group)	○	Raise efficiency in assessment and audit of processes rated favorably in the previous fiscal year. (NGK Group)

Thorough Enforcement of Compliance; Risk Management

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Thorough Promulgation of the NGK Group Guidelines for Corporate Behavior Through Education

Continue thorough awareness and inculcation of NGK Group Guidelines for Corporate Behavior and behavioral guidelines. (NGK Group)	Familiarized employees with career training, created a paper on awareness summarizing guidelines of corporate behavior and distributed it to all employees.	○	Continue thorough awareness and inculcation of NGK Group Guidelines for Corporate Behavior and behavioral guidelines. (NGK Group)
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Reinforcement of the Risk Management System

The CSR Committee will regularly follow-up on the status of Company-wide risk countermeasures. (NGK Group)	CSR Committee met three times, followed up on the status of risk countermeasures.	○	The CSR Committee will regularly follow-up on the status of Company-wide risk countermeasures. (NGK Group)
Conduct CSA questionnaires for directors and managers in Group companies in Japan. (NGK Group)	Conducted CSA questionnaires for a total of 458 officers and managers within Group companies in Japan (NGK and Group companies in Japan)	○	Conducted CSA questionnaires for those in the position of section manager/supervisor and above at NGK (NGK and Group companies in Japan)

Respect and Protection of Intellectual Property Rights

Conduct awareness program for manager-level employees. (NGK)	Conducted an awareness program for manager-level employees, inviting external experts, in which 116 employees participated. (NGK)	○	Conduct awareness program for manager-level employees. (NGK)
Continue to conduct small group discussion-based seminars for young engineers and provide e-learning programs for basics of patents. (NGK)	Conducted eight small group discussion-based seminars for young engineers in the R&D and business divisions, attended by a total of 103 employees. Provided e-learning programs on the basics of patents, attended by a total of 58 employees. (NGK)	○	Continue to conduct seminars for young engineers and provide e-learning programs on the basics of patents. (NGK)

Creation and Consistent Improvement of a Framework for Information Security

Continue to follow up on security measures and strengthen software licensing management. (NGK Group)	Visited seven overseas Group companies and checked and provided guidance on IT security measures and software management status. Conducted information security training (including e-learning programs) for a total of 4,613 employees. (NGK Group)	○	Continue to follow up on security measures and strengthen software licensing management. (NGK Group)
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Strict Adherence to the Anti-Monopoly Act, Subcontract Act, and Other Laws and Regulations Pertaining to Business Transactions

Introduce e-learning programs to increase training opportunities. (NGK and domestic Group companies) Create overseas editions of the competition law compliance handbook (U.S., China) Revise the Compliance Card. (NGK and domestic Group companies) Launch e-mail archiving systems for Group companies (Japan and U.S.)	Conducted competition laws training for newly appointed officers, lectures on competition laws compliance (for officers, manager-level employees and salespeople), competition laws training targeting overseas Group companies and Group companies in Japan, and training by division provided by in-house lecturers. Prepared the U.S. and China versions of the Competition Laws Compliance Handbook and distributed them to Group companies in the U.S. and China, respectively. Revised the Compliance Card (NGK and Group companies in Japan)	○	Provided training on relevant matters as a part of position-based internal training. Held seminars given by external lecturers. (Group companies in Japan and overseas Group companies)
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Anti-corruption Measures

Launch internal anti-bribery rules involving foreign public officials. (NGK Group) Provide training for anti-bribery regulations involving foreign public officials. (NGK Group)	Provided training on anti-bribery regulations involving foreign public officials, as part of expatriate training. (NGK Group) Provided training on anti-bribery regulations for nine companies in North America, three companies in Europe and nine companies in Asia. (NGK Group)	○	Provided training on relevant matters as a part of position-based internal training. Held seminars given by external lecturers. (Overseas Group companies)
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Strict Adherence to Laws and Regulations Relating to Export Management

Inculcate thorough awareness of import/export handbook. (NGK)	Organized nine training sessions for responsible persons from each division to raise awareness of the importance of the import/export handbook, attended by a total of approx. 199 persons. (NGK)	○	Inculcate thorough awareness of import/export handbook. (NGK)
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Respect of Humanity and Assurance of Comfortable Working Environment

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A FY2017 Plan and Targets

Maintenance and Consistent Improvement of Safe and Comfortable Working Environments

Focus efforts on safety training to prevent accidents before they occur. (NGK Group)	Promoted experience-based safety training (NGK)	○	Focus efforts on safety training to prevent accidents before they occur. (NGK Group)
Continue health management for employees who routinely work long hours. (NGK)	Reduced the number of employees with more than 80 hours of overtime per month by 60% and continued to offer health management programs, in which 108 employees participated. (NGK)	○	Continue health management for employees who routinely work long hours. (NGK)

Development of Human Capital and Recruiting of Human Resources across the Group

Plan highly effective human resource training. (NGK)	Promoted systematic training through approximately 120 programs.	○	Plan highly effective human resource training. (NGK)
Promote systematic training in attempt to strengthen onsite capabilities. (NGK Group)	Reviewed the content of training given by in-house instructors. Shared textbooks among Group companies. (NGK Group)	○	Promote systematic training in attempt to strengthen onsite capabilities. (NGK Group)
Ongoing language training (Goal: 80% of new hires score 600 or higher on the TOEIC). (NGK)	Provided training amounting to 128 hours per year per employee. A total of 87% of new hires achieved a TOEIC score of 600 points or higher. (NGK)	○	Ongoing language training (Goal: 80% of new hires score 600 or higher on the TOEIC). (NGK)

Utilization of Diverse Human Resources

Maintain disabled employment rate at 2.0% or higher, as required by law. (NGK)	Achieved a 2.03% disabled employee ratio. (NGK)	○	Maintain disabled employment rate at 2.0% or higher, as required by law. (NGK)
Raise career awareness of female employees and provide them with opportunities to demonstrate their potential. Increase the ratio of new female graduate employment and diversity of job assignment for females. (NGK)	Nine employees transferred to main career track positions. New female graduate employment ratio increased to 28.7% from 23.1% in the previous fiscal year. (NGK)	△	Raise career awareness of female employees and provide them with opportunities to demonstrate their potential. Increase the ratio of new female graduate employment and diversity of job assignment for females. (NGK)

Support for Better Balance between Work and Home Life/Childrearing

Work with labor union to promote rectification of long working hours. (NGK)	In cooperation with the workers' union, reviewed causes of increasing overtime work hours and examined and conducted improvement actions, significantly reducing overtime exceeding 45 hours per month. The number of employees who work long hours (exceeding 600 hours per year) has decreased for five consecutive years.	○	Work with labor union to promote rectification of long working hours. (NGK)
Increase use of expanded childrearing support measures. (NGK)	A total of 51 employees (44 females and 7 males) used systems to take a childcare leave of absence; and a total of 57 employees used reduced working hours options for parents of young children. (NGK)	○	Increase use of expanded childrearing support measures. (NGK)

Fair and Honest Evaluation of Procurement Partners and Extensive Resource Diversification

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Fair and Honest Evaluation of Procurement Partners, and Extensive Resource Diversification

Conduct assessments, focusing on new and important suppliers (representing around 10% of all applicable). (NGK)	Visited and assessed a total of 123 suppliers consisting of 21 new and 102 existing companies. (NGK)	○	Conduct assessments, focusing on new and important suppliers (representing around 10% of all applicable). (NGK)
Discuss BCP measures with individual suppliers, considering specific business relationships. (NGK)	Discuss BCP measures with individual suppliers, considering specific business relationships. (NGK)	○	Discuss BCP measures with individual suppliers, considering specific business relationships. (NGK)

Promotion of CSR Procurement

Maintain ongoing activities through reconfirming understanding and agreement of suppliers. (NGK Group)	Changed to a system to obtain written agreements from suppliers every year. (NGK Group)	○	Maintain ongoing activities through reconfirming understanding and agreement of suppliers. (NGK Group)
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Preservation of Global Environment

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Prevention of Global Warming

Basic unit per net sales: Reduce by 9% or more compared to fiscal 2013. (NGK Group)	Curb CO ₂ emissions. Basic unit per net sales: Reduce by 10% or more compared to fiscal 2013. (NGK Group)	○	Curb CO ₂ emissions. Basic unit per net sales: Reduce by 11% or more compared to fiscal 2013. (NGK Group)
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Promotion of Resource Recycling

Curb amount of discarded materials generated. Basic unit per net sales: Reduce by 13% or more compared to fiscal 2013. (NGK Group)	Curb amount of discarded materials generated. Basic unit per net sales: Reduce by 19% or more compared to fiscal 2013. (NGK Group)	○	Curb amount of discarded materials generated. Basic unit per net sales: Reduce by 17% or more compared to fiscal 2013. (NGK Group)
Maintain recycling rate of at least 99% in Japan. (NGK Group)	In Japan: Maintained a recycling rate of 99.2% in Japan. (NGK Group)	○	Maintain recycling rate of at least 99% in Japan. (NGK Group)

Strengthening of Global Environmental Management

Support bases that need to improve risk control; change regulatory value control methods, shifting focus from point-based to trend-based management. (NGK Group)	Introduced a system to take preventative measures by predicting deviations of management status based on the environmental data trend for all Group companies. (NGK Group)	○	Continue to promote initiatives, including trend-based management, environmental risk diagnosis, etc. (NGK Group)
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Coordination with Local Communities and Promotion of Contribution to the Society

P FY2016 Plan and Targets **D** FY2016 Activities Summary **C** Evaluation **A** FY2017 Plan and Targets

Provision of Scholarships and Living Assistance to Foreign Students

Maintain support to foreign students. (NGK)	Provided housing for 40 students from eight countries, and scholarships for 20 students from 11 countries. (NGK)	○	Maintain support to foreign students. (NGK)
Continue to hold language classes and cross-cultural exchange meetings led by foreign students conducted within and outside the company. (NGK)	Held 16 Chinese and 16 Korean language classes, with 24 people from local communities attending each class. Hosted 12 cross-cultural exchange sessions with foreign students from 12 different countries, which were participated in by 23 people from local communities. (NGK)	○	Continue to hold language classes and cross-cultural exchange meetings led by foreign students conducted within and outside the company. (NGK)
Distribute information after support ends. (NGK)	Sent New Year's greetings to approximately 300 supported students, including alumni; and issued NGK International Friendship Club Membership Cards to students upon expiration of the support period. (NGK)	○	Distribute information after support ends. (NGK)

Cooperation with Local Communities, Labor Unions, and NPOs in Social Contribution Activities

Ascertain activity status and maintain distribution of information connected to the upcoming activities at each Group company. (NGK Group)	Received 88 articles from Group companies on social contribution activities, and posted several on NGK's website as a part of corporate information sharing. (NGK Group)	○	Ascertain activity status and maintain distribution of information connected to the upcoming activities at each Group company. (NGK Group)
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Support for Volunteer Activities by Employees

Continue to create an environment enabling employees to easily take part in volunteer activities. (NGK)	Continued to provide employees with various types of volunteer activity opportunities, including: assistance at science events, participation in the Table for Two (TFT), assistance at marathon races, the NGK Eco Point System, and tree-planting projects. (NGK)	○	Continue to create an environment enabling employees to easily take part in volunteer activities. (NGK)
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Communications with Stakeholders

P FY2016 Plan and Targets

D FY2016 Activities Summary

C Evaluation

A FY2017 Plan and Targets

Communication with Customers and Procurement Partners

Hold earnings results presentations for major suppliers. (NGK)	Held earnings results presentations for 131 major suppliers. (NGK)	○	Hold earnings results presentations for major suppliers. (NGK)
Continue to operate the supplier helpline.	Continue to operate the supplier helpline. (NGK)	○	Continue to operate the supplier helpline.
Conduct assessments, focusing on new and important suppliers (representing around 10% of all applicable). (NGK)	Visited and assessed a total of 123 suppliers, consisting of 21 new and 102 existing companies. (NGK)	○	Conduct assessments, focusing on new and important suppliers (representing around 10% of all applicable). (NGK)

Interaction with Local Communities via Plant Tours and Open House Events

Continue to interact with local communities. (NGK)companies)	Interacted with local communities through seven plant tours held at three sites, attended by 219 participants. (NGK)	○	Continue to interact with local communities. (NGK)companies)
Enhance communication with external stakeholders. (NGK)	Exchanged opinions with individuals mainly from local administrations. (NGK)	△	Enhance communication with external stakeholders. (NGK)

CSR Talk Live (Discussions on Implementing CSR with Every Employee Class)

Continue two-way communication events with NGK and domestic Group company employees. (NGK and domestic Group companies)	Held nine Talk Live sessions in eight locations in Japan, attended by approx. 330 employees. The total number of participants so far has reached 3,339 employees.	○	Continue two-way communication events with NGK and domestic Group company employees. (NGK and domestic Group companies)
Enhance CSR-Web content and use it for employee training. (NGK and domestic Group companies)	Established routine operations for real-time information communications and updated contents featuring familiar topics; and initiated employee training. (NGK and Group companies in Japan)	○	Enhance CSR-Web content and use it for employee training. (NGK and domestic Group companies)

Targeted Stakeholder and Response Policies

The NGK Group promotes an understanding of our business among customers, suppliers, shareholders, investors, regional communities, governments, international organizations, universities, research institutions and employees. We are continuously improving our activities and initiatives through dialogues with all our stakeholders.

In fiscal 2016, we conducted the CSR Report Survey targeting general consumers and the Survey of Expectations regarding CSR Promotion Actions targeting our employees.

As a result of these surveys, it was revealed that among the NGK Group's CSR activities, general consumers are interested in the environment and global environmental conservation and that our employees have high expectations for CSR activities leading to the "provision of products that contribute to quality of life."

In order to make continued future contributions to environmental conservation, for which general consumers have shown a special interest, we will promote the provision of products that contribute to quality of life as per the expectations of our employees.

In addition, we will incorporate opinions gathered through the survey into our CSR reporting for next year and beyond as well as our future CSR activities.



Connection with Customers

To earn and maintain the trust of customers, we engage in the creation of new value through the provision of products and services realizing global environmental conservation and social safety and peace of mind from a long-term and global perspective.

Connection with Suppliers

With a basic policy centered on the three principles of openness and fairness, partnership and relationship with society, the NGK Group is engaged in fair, free and transparent business transactions with the procurement partners in our supply chain. We also established a supplier helpline to provide unwavering support for important inquiries in an effort to build and maintain fair supplier relationships.

Connection with Shareholders and Investors

The NGK Group aims to meet expectations for enhanced corporate value through dialogues and efforts to disclose information pertaining to management, finance, products, and services in a timely and appropriate manner.

Connection with Regional Communities

We proactively engage in social contribution activities in response to community needs with the intent of becoming a corporate citizen trusted by society with concern for social issues in all countries and regions where we do business.

Connection with Governments and International Organizations

We proactively participate in international initiatives and other activities in order to realize mutual cooperation as key actors seeking to resolve social problems.

Connection with Universities and Research Institutes

Through research and educational activities based on industry-academia collaboration, we have been pushing forward with the development of scientific technologies and other technologies that will contribute to solving social problems.

Connection with Employees

The NGK Group strives to create a safe and comfortable workplace environment with respect for employee humanity. We also support the growth of human resources and fair treatment enabling each employee to maximize their skills.

Implementation Status of Stakeholder Engagement

Stakeholders	Objectives	Communication methods	Reference page	Frequency
Customers (including general consumers)	Enhance customer services Improve quality	Official website		Regularly
		Contact desk		Regularly
		Participation in exhibitions		A few times a year
		Open innovation		Regularly
Suppliers	Realize fair, free and transparent transactions Exchange information with suppliers Establish better supply chain	Financial results presentations		Once a year
		Supplier helpline		Regularly
		Individual visits to suppliers in Japan and overseas		Regularly
Shareholders and Investors	Enhance corporate value	General shareholders meetings		Once a year
		Information sessions		Twice a year each in Japan and overseas
		Individual visits and interviews		Regularly
		Participation in IR events		Once a year
		Countermeasures for socially responsible investment (SRI)		Regularly
		Official website		Regularly
Regional Communities	Contribute to regional communities as a trusted corporate citizen	Collaboration activities with NPOs, etc.		Regularly
		Volunteer activities by employees		Regularly
		Social contribution activities in cooperation with labor unions		Regularly
		Invitation to plant tours and events		Regularly
Governments and International Organizations	Promote initiatives to solve social problems	Participation in international initiatives		Regularly
Universities and Research Institutes	Develop scientific technologies Develop technologies that will contribute to solving social problems	Joint research		Regularly
Employees	Respect the humanrights of employees Develop safe and comfortable workplace environments Conduct surveys on workplace environment and employee satisfaction Inculcate corporate philosophy and policies	Company newsletters		Once a month
		Video news		Twice a month
		CSR Talk Live		Approximately 10 times a year
		Intranet		Regularly
		Labor-Management Advisory Board meetings and Regular Labor-Management Council meetings		Once a year/ Twice a year
		Survey on workplace vitality		Once in two years
		Compliance awareness survey		Once in two years
		CSA (Control Self Assessment) survey		Once a year
		Expectation survey on CSR promotion actions		Once a year
		Helpline		Regularly
		Hotline		Regularly

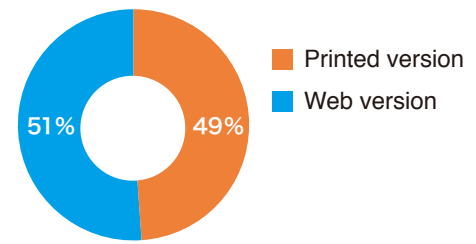
Results of NGK Report Readers Survey

Survey period: August 9, 2016 to October 13, 2016
 Number of respondents: 344

Attributes of survey respondents :

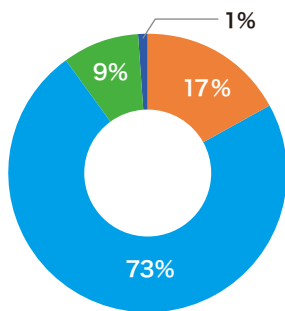
[By gender] Male: 74% Female: 26%

[By age group] Teens and under: 3% 20s: 9% 30s: 19% 40s: 31%
 50s: 24% 60s: 10% 70s: 3%



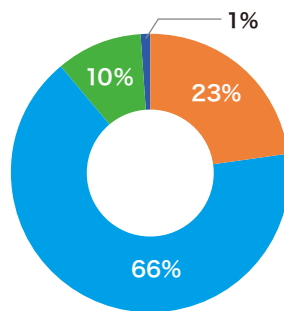
Format of the NGK Report

Q.1 Top Management's Commitment

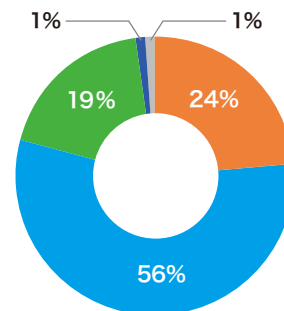


- Message was well delivered
- Message was delivered
- Message was not delivered very well
- Message was not delivered

Q.2 Special Feature: New Five-year Environmental Action Plan and Environmental Products



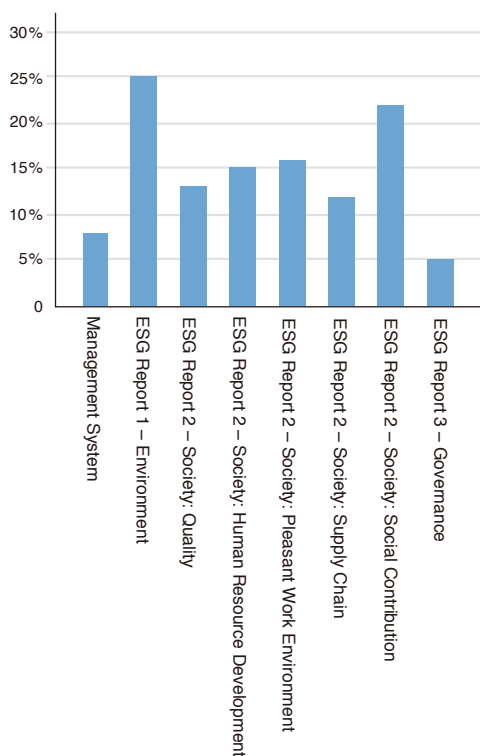
- Message was well delivered
- Message was delivered
- Message was not delivered very well
- Message was not delivered



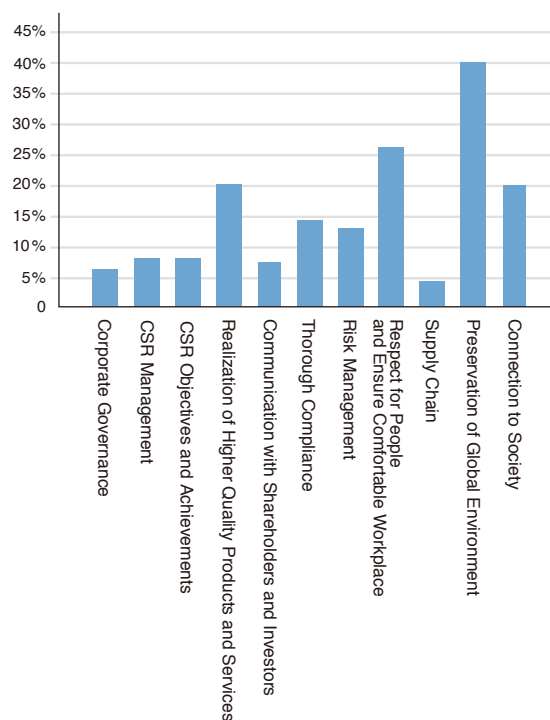
- Can be highly applauded
- Can be applauded
- Average
- Cannot be highly applauded
- Cannot be applauded

Q.3 Items of interest

< Readers of printed version >



< Readers of web version >



Having established respect for humanity in its Guidelines for Corporate Behavior, the NGK Group uses its intranet, which is available to all domestic Group company employees, to explain and disseminate the United Nations "Universal Declaration of Human Rights"^{*1} and "Guiding Principles on Business and Human Rights."^{*2} The NGK Group took advantage of its signing of the UN Global Impact in 2015 as an opportunity to proactively spread awareness about the protection of human rights, and continued to conduct a seminar on human rights in fiscal 2016 by involving its Group companies.

NGK participates in the educational workshop on human rights by the Global Compact Network Japan, studying human rights initiatives. We are also producing materials for internal seminars and training sessions on human rights.

Reference Page

> Promoting Compliance Education

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*1 Adopted on December 10, 1948 at the Third United Nations General Assembly Session, this declaration expresses the rights to which all human beings in all nations are inherently entitled (General Assembly Resolution 217 (III)). The formal name is the Universal Declaration of Human Rights.

*2 UN Guiding Principles on Business and Human Rights: Based on the "Report on Human Rights and Transnational Corporations and Other Business Issues" by John Ruggie, UN Secretary-General's Special Representative for Business and Human Rights (at that time).



The UN Global Compact is a global framework for realizing sustainable growth through companies and organizations acting as good members of society. Participating corporations support ten principles in the areas of human rights, labor, the environment and anti-corruption required in the practice of corporate activities.

[The Ten Principles of the UN Global Compact]

Human Rights Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labor Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labor;
Principle 5: the effective abolition of child labor; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Commencing Human Rights Due Diligence

The NGK Group has commenced human rights due diligence across the Group as of fiscal 2016. Human rights due diligence is a step that should be taken by companies in order to recognize, prevent and address negative impacts on human rights and it involves the formulation of policies related to human rights, assessment of impacts of corporate activities on human rights, follow-up and disclosure of performance results, etc.

In reference to the EICC (Electronic Industry Citizenship Coalition) Code of Conduct and the United Nations' Guiding Principles on Business and Human Rights, the NGK Group set specific survey items with support from external consultants. We embarked on the activities involving Group companies in Japan in November 2016. In fiscal 2017, we will gradually expand the scope of activities to our headquarters and overseas Group companies.

TOPIC

Holding Lectures on Human Rights

From March to April 2017, we held lectures on human rights at NGK headquarters, the Komaki Site and the Chita Site. Under the theme of “Human Rights Risks for Businesses in Emerging Countries: Responsible Labor Management,” the lecture by Ms. Mizue Unno of So-Tech Consulting Inc., who supports corporate activities in the areas of CSR and sustainability, provided a wide range of insights into business and human rights. The participants learned about specific issues and countermeasures including how to protect the human rights of workers in the supply chain of the NGK Group.



Ms. Mizue Unno of So-Tech Consulting Inc.