

CSR Management

CSR Activities Concepts and Systems

Through its products and services, the NGK Group works to create new value that will improve the social environment and fulfill corporate social responsibilities while also earning the hope and trust of everyone in society. Towards this end, CSR promotion items are established according to the NGK Group Guidelines for Corporate Behavior, and, on top of this, each year CSR objectives are drawn up.

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
---	--------------------------	----------------

NGK products and technologies must create new value and contribute to the quality of life. Behavior guidelines for realizing our corporate philosophy Eight CSR actions established to match the eight actions in the Guidelines for Corporate Behavior

I. Realization of Corporate Philosophy Respond to the trust and expectations of society	Provision of products that contribute to a 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 for humanity and ensuring comfortable working environments	<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 the 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
	Cooperation with local communities and promotion of contributions to society	<ul style="list-style-type: none"> ● Provision of scholarships and support for foreign students ● Cooperation with local communities, labor unions, and NPOs in social contribution activities ● Support for volunteer activities by employees
	Communication 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 oneself 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 the 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 for Identifying Materiality

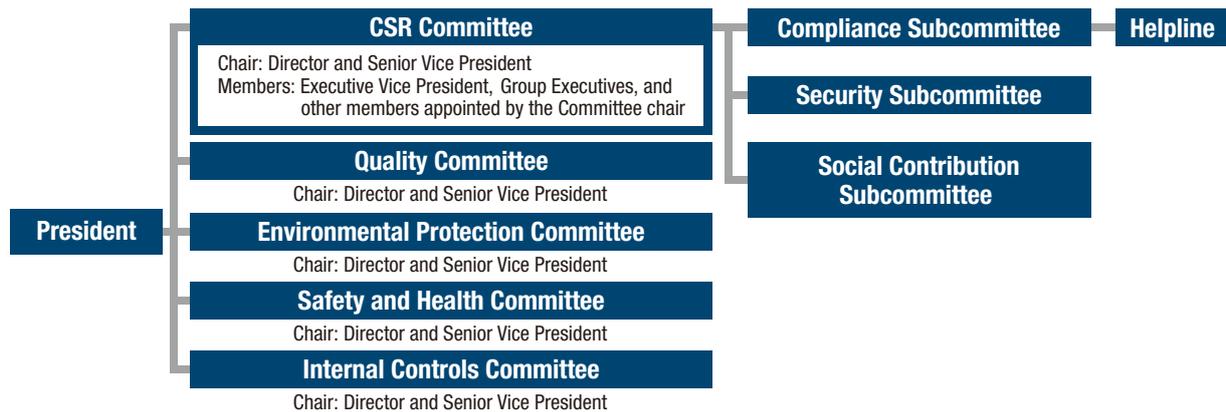
In establishing the CSR promotion items that constitute an integral part of our core values and principles along with the Corporate Philosophy and the Guidelines for Corporate Behavior, we took social trends and needs into consideration and developed systems for information disclosure and promotion.

In line with this policy, we will address the needs of the times appropriately, based on feedback from our stakeholders.

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. It also conducts a wide range of activities, including providing support in matters determined to potentially have a substantial impact on the company, reviewing and evaluating the promotion plans of each subcommittee, and deliberating CSR-related items, determined to be important by the Committee chair.



Human Rights Initiatives

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 promulgate the United Nations “Universal Declaration of Human Rights” and “Guiding Principles on Business and Human Rights.” NGK also actively spreads awareness for protecting human rights by holding seminars on the subject.

Procuring Resources and Raw Materials Responsibly

The NGK Group conducts procurement activities that consider impacts on regional communities stemming from the use of raw materials (e.g. conflict minerals*) with the potential to cause social issues such as human rights violations and poverty, and takes steps to avoid using such materials when there is risk of adverse impact.

*Minerals including tin, tantalum, tungsten, and gold produced in the Democratic Republic of the Congo and surrounding countries, and used as a source of funding for armed conflict in the area.

Position on SDGs

The NGK Group is a signatory to the United Nations Global Compact, which advocates for independent action on the part of companies. We believe that addressing a broad range of social problems through our business activities, while measuring progress against indicators such as the Sustainable Development Goals (SDGs) adopted by the UN, is an important corporate social responsibility.

	Goals	Values provided by the NGK Group
	End poverty in all its forms everywhere	<ul style="list-style-type: none"> • Creating appropriate employment helps to end poverty • NGK's climate change countermeasures help mitigate natural disasters
	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	<ul style="list-style-type: none"> • The social infrastructure created by NGK products helps secure equal access to work opportunities
	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Ceramics for purifying automobile exhaust make exhaust gas clean
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> • Creating appropriate employment gives people the chance to have equal access to education
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • The social infrastructure created by NGK products helps provide more opportunities for women to enhance their abilities • Securing equal opportunities for women to participate and be leaders in society
	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> • Ceramic membrane filters provide highly safe water • Ceramic membrane filters purify wastewater
	Ensure access to affordable, reliable, sustainable, and modern energy for all	<ul style="list-style-type: none"> • Insulators are indispensable to stable power supply • NAS[®] batteries allow stable supply of renewable energy • Ceramics for purifying automobile exhaust make exhaust gas clean, thus enabling clean usage of fossil fuels
	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	<ul style="list-style-type: none"> • Creating appropriate employment and providing employees with a satisfying work environment contributes to economic growth
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	<ul style="list-style-type: none"> • Ceramics used in electronics make ICT cheap and ubiquitous • Ceramics used in semiconductor manufacturing equipment let the semiconductor industry be the foundation for modern daily life • Metal products are widely used in mobile phones, automobiles, industrial equipment, and other devices that undergird modern life
	Reduce inequality within and among countries	<ul style="list-style-type: none"> • We prevent discrimination and take prompt and appropriate action when violations occur

	Goals	Values provided by the NGK Group
	Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> NAS® batteries enable innovation in urban energy management for the creation of sustainable cities
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> We efficiently use the natural resources used to make ceramics
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> NAS® batteries aid in the fight against climate change by allowing stable supply of renewable energy
	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	<ul style="list-style-type: none"> Ceramic membrane filters purify wastewater to prevent marine pollution
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> We protect biodiversity on land owned by NGK
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> We comply with the rules and regulations of the countries and regions in which do business, and ensure respect for and strict compliance with international treaties
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> We encourage and promote effective partnerships among governments, corporations, and society as a whole

Targeted Stakeholder and Response Policies

In addition to promoting understanding regarding the NGK Group among customers, suppliers, shareholders, investors, regional communities, governments, international organizations, universities, research institutes, and employees, we are continuously improving our activities and initiatives through dialogue with all of our stakeholders.

In fiscal 2017, we again conducted the CSR Monitor Survey, which targets general consumers, and the Expectation Survey on CSR Promotion Actions, which targets 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, while our employees expect our CSR activities to provide products that contribute to a better social environment and ensure a comfortable workplace where one's humanity is respected.

We will incorporate the opinions gathered through the surveys 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	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	Collaborative 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 human rights of employees Develop safe and comfortable workplace environments Conduct surveys on workplace environment and employee satisfaction Inculcate corporate philosophy and policies	Company newsletter	Once a month
		<i>Global MIZUHO</i> English-version company newsletter	Twice a year
		Video news	Twice a month
		CSR Talk Live	Approximately 10 times a year
		Intranet	Regularly
		Labor-Management Advisory Board meetings / Regular Labor-Management Council meetings	Once a year / Twice a year
		Survey on workplace vitality	Once in two years
		CRS (Corporate Risk Survey)	Once a year
		Expectation survey on CSR promotion actions	Once a year
		Helpline	Regularly
		Hotline	Regularly