

Risk Management Policy

We adapt from a global viewpoint to changes in the management environment surrounding our group and to the diversification of risks and will foster risk management to reduce or avoid the loss of managerial resources, thereby improving our corporate value.

[Action Guidelines]

- We identify the risks that might hamper the achievement of our management targets from a global and long-term viewpoint and strive to prevent the actualization of these risks in a planned and organization-based manner.
- In the event that such a risk materializes, we strive to minimize the impact on our stakeholders, maintain their trust and prevent the recurrence of similar incidents.

Compliance Policy

With recognition that our company is a member of society, we enhance corporate ethics and understand the spirit and meaning of laws, company regulations, international rules, and social norms in order to appropriately meet social demand and become a company trusted by the international community.

[Action Guidelines]

- We not only comply with laws and regulations, but also act in good faith with common sense and responsibility as a member of society.
- We regularly educate and raise the awareness of all our employees to impart a high level of ethics and correct knowledge, with which they can act voluntarily to prevent a violation.
- Should a violation occur, we will promptly investigate the causes and take remedial actions. We will strive to take appropriate countermeasures to prevent recurrence and fulfill our accountability.

Human Rights Policy

Based on the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights, we understand the need to respect the human rights of all people who are affected by our business activities and will make our best effort to protect the dignity of these people.

[Action Guidelines]

- We do not discriminate against people or infringe upon their human rights based on race, ethnicity, religion, nationality, place of birth, social status, belief, age, disabilities, physical features, gender, sexual orientation and others.
- We do not use child labor or forced labor.
- We do not engage in harassments including sexual harassment and power abuse.
- We identify the negative impact that we could have on human rights through our business activities and try to prevent or reduce such impact.
- In the event of direct or indirect violation of human rights, we protect the victims through appropriate investigations and responses.
- We promote education and enlightenment so that this policy is understood and implemented throughout our business activities.

Quality Policy

We continue to cocreate value with customers and contribute to society in accordance with basic traits of "Quality Product" & "Involvement by all".

[Action Guidelines]

- We constantly consider what we should do to please our customers with our products and services, with a view to increasing our organizational capability.
- We are engaged in quality improvement activities across the company and encourage our employees to achieve higher goals by making the best use of their individual abilities and creativity and uniting their wisdom to address problems and challenging issues.

Information Security Policy

We regard all of our own information assets as one of our management resources. Through the proper protection and effective use of our information assets, we pursue healthy maintenance and development of our business.

【Action Guidelines】

- We establish rules that clearly define the system and responsibilities for the protection and management of all the information assets including the information we keep for our customers, the know-how and intellectual properties owned by our group, and personal information.
- We comply with laws, ordinances, and regulations regarding information security.
- We educate all executives and employees who handle information assets about the importance of information security, and about specific items to be observed.
- We continuously update the information infrastructure for the maintenance and improvement of the confidentiality, integrity, and availability of all the information assets.
- We promote measures to prevent accidents in order to address the risks of information leakage associated with the continuous advancement and sophistication of information technology. Should an accident occur, we will strive to minimize the damage and take preventive measures against recurrence.

Procurement Policy

We aim to realize globally optimal procurement based on our quality products principle. To this end, we focus on strengthening cooperation with suppliers and promoting our CSR efforts throughout our supply chain system, while at the same time striving to carry out proper purchasing transactions when procuring materials and parts, based on the following guidelines:

【Action Guidelines】

- We conduct rational transactions based on fair, transparent, and open competition.
- We comply with procurement-related laws and regulations and foster responsible procurement. We select suppliers based on comprehensive assessment of product quality, technology, prices, deliveries, CSR initiatives, and efforts to continuously make improvements.
- Aiming to procure more eco-friendly products, we strive to promote our green supplier system.
- We enhance mutual trust with our suppliers, who are good partners for us, and strive to realize mutual development.

Information Disclosure Policy

Aiming to become an enterprise capable of receiving great support and popularity from people around the world, we strive to conduct transparent business operations and fair information disclosure.

【Action Guidelines】

- We disclose any corporate information required to be disclosed by the Financial Instruments and Exchange Act and other laws and regulations, in an accurate and timely manner.
- We actively disclose our corporate information, which is not subject to laws and regulations however deemed to be important for stakeholders, through our daily actions, such as issuance of press releases and updates of our website.
- We focus on enhancing communication with our shareholders, investors, and other stakeholders to further promote mutual understanding with them.

Environmental Policy

As a globally developing core manufacturing corporation, we aim to promote environmental conservation activities linked with corporate management maintaining a good balance with corporate growth, based on the participation of all of our employees, in order to contribute to the construction of a sustainable society.

【Action guidelines】

- Through all of our business activities, we make particular efforts to reduce CO₂ emissions toward the realization of a decarbonized society, conserve water resources, manage waste, and develop, offer and expand environmentally friendly products.
- We strive to conserve the ecosystem through the control of chemical substances that place a burden on the environment.
- We strive to raise environmental awareness among our employees to ensure that they all positively participate in activities.
- We observe the laws, ordinances and agreements concerning environmental conservation.
- We aim to substantiate information disclosure to stakeholders and communication activities, and also conduct activities for coexistence with the regional community.
- In order to achieve these targets, we will strive to make ongoing improvements to our environmental management system.

Human Resource Policy

We acknowledge that employees are the most important management resources. In light of this, we respect the diversity and individuality of our employees and promote the cultivation of physically and mentally healthy human beings, striving to promote the further development of our group as a whole.

【Action Guidelines】

- We secure and foster human resources who help pass down our “Quality Product” and “Involvement by all” principles to the following generations. To this end, we provide learning opportunities and other programs to support the career development of all employees.
- We strive to nurture a corporate culture that ensures that people with different qualities can fully realize their own capabilities within our group.

Occupational Health and Safety Policy

With high respect to humanity, we act on occupational health and safety as the company’s starting point.

【Action Guidelines】

- To prevent health damage, injuries at work, and illnesses of employees, we will provide healthy and safety working environment and act to improve physical and mental health.
- We will comply with laws and voluntary regulations regarding Occupational Health and Safety.
- We will continuously improve occupational health and safety management system and health and safety performance.
- We will eradicate injury at work by eliminating hazards for occupational health and safety and by reducing risks.
- We will promote ability and awareness at occupational health and safety through education and enlightenment.
- We will inform all employees about this policy and engage in health and safety activities with the participation of all employees.

Social Contribution Policy

As a good corporate citizen, we at the NGK SPARK PLUG Group aim to contribute to society through the effective use of management resources.

【Action Guidelines】

- We focus on the following activities:
 - Activities closely related to our business fields
 - Activities that respect the cultures of individual countries and local communities, as well as activities that contribute to society such as traffic safety education programs
 - Activities that contribute to the future of society, focusing on environmental conservation, science, and education (in particular the development of next-generation human resources), as well as cultures to be bequeathed to the next generation, etc.
- We strive to create a corporate culture that encourages executives and employees to participate together in social contribution activities as social citizens. We also respect and support their active involvement in society.

Tax Policy

By understanding the spirit and purpose of taxation laws and regulations, we respond appropriately to the demands of society and aim to become a company trusted by the international community.

[Action Guidelines]

- We fulfill our social responsibilities by observing laws on corporate taxation and other tax laws in every country, as well as international taxation standards including the OECD Transfer Pricing Guidelines, the Action Plan on Base Erosion and Profit Shifting, and the arm's length principle of transfer pricing.
- In order to ensure compliance with taxation laws and regulations, we work toward improving our knowledge and gaining a proper understanding of taxation and adopt an attitude of sincerity toward tax authorities to enhance our reliability and transparency.
- We properly manage taxation risks by working toward appropriate declaration and payment of taxes in each country, thereby enhancing shareholder value.
- We never engage in profit shifting to tax havens and other low-tax countries or implement other measures for the purpose of tax avoidance.