

COMPLIANCE STATEMENT

1. What is compliance at NGK SPARK PLUG?

Compliance means adhering to statutory requirements and self-imposed rules. The aim of this is to avoid the risks of liability as well as other legal disadvantages for the company, its management boards and also for its employees. The internationalisation and globalisation of the markets along with the applicable laws have meant that compliance is becoming an increasingly important and complex task for companies, including NGK SPARK PLUG EUROPE.

In times where society's trust in companies is waning, important principles such as ethics, sustainability, social responsibility and compliance with national and international laws are essential in order for us to be able to preserve, ensure and justify the future success of NGK SPARK PLUG EUROPE.

This is why compliance is about more than just avoiding liability: it serves as the foundation for good business management.

However, compliance also serves to prevent rules from being broken by means of organisational measures as well as to uncover misconduct and impose fair sanctions as a result.

In practice, mechanisms and instruments – so-called compliance management systems – have evolved which ensure compliance within the company. These vary greatly depending on business sector, size and structure as well as on company-specific risks.

In order to meet the ever-growing compliance requirements, NGK SPARK PLUG EUROPE has implemented such a compliance management system.

2. Compliance organisation

The Compliance organisation has been set up in accordance with the individual requirements of NGK SPARK PLUG, with the appropriate human resources and with the powers required. This is important in order to find individual compliance solutions for the relevant operating business models and processes of NGK SPARK PLUG EUROPE.

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We handle compliance-related queries or comments we receive with the utmost discretion and always take great care to protect the person in question and their identity.

3. Preventive elements

a) Creation of a compliance culture

It has to be possible to deduce the commitment to compliant behaviour based on set values from the corporate culture and in particular, that commitment is expressed in the so-called “commitment to compliance” of the management. At the same time, compliance is anchored in middle management. This makes a broad impact because middle management is the “first line of defence” as well as a direct role model for compliant conduct and employees will turn to their superiors first of all.

b) Identification of compliance risks

Basically, the risk of compliance violations cannot be underestimated. The possible consequences can be far-reaching for companies and employees.

The potential consequences of compliance violations are:

- prison sentences for managers and employees
- fines for companies
- claims for damages against companies, managers and employees
- being blacklisted in connection with procurement procedures
- damaged reputation
- loss of competitiveness
- labour law-related sanctions
- risk in the case of integrity checks
- loss of employees and “know-how”

A key element for successfully avoiding compliance violations is the compliance risk assessment. Depending on the business model, the first thing that this will involve is establishing the risks that could arise and the risks that the compliance management system should address.

The concrete threat with regard to each risk will be defined, along with what has already been done to reduce the risk. If necessary, further measures will be developed in order to reduce the risks to a reasonable level in accordance with the risk strategy. The central Compliance organisation will help colleagues by providing a suitable methodology toolbox and will advise the operating units. The Compliance department will aggregate the group compliance programme and monitor the implementation of the measures resulting from the compliance risk assessment which will constitute the compliance program for the following year.

c) Implementation of guidelines, training and advice

Because of the need to comply with international and national law as well as different cultural values in different countries, NGK SPARK PLUG has introduced numerous compliance-related group guidelines of its own, based on these requirements. They include anti-bribery regulations and regulations relating to gifts, invitations and events, donations and sponsoring activities as well as dealing with consultants, agents and competitors.

The introduction of group guidelines is always the responsibility of the management of the group company and is accompanied by communication and training measures. In cases of doubt, employees can contact the Compliance department directly. For us, it is important for employees to receive a prompt response which gives them the confidence to act and opens up the scope for legally admissible actions to be taken.

4. Repressive elements

Despite the best prevention measures, violations of the law and serious breaches of duty can still keep occurring within the company.

In the Compliance department, we depend on collaboration with employees and external consultants in order to detect “non-compliant” behaviour.

NGK SPARK PLUG EUROPE has set its own clear rules for (internal) investigations and verifies all information consistently and in accordance with the law in order to find out whether a violation of statutory or internal requirements has occurred. If information is confirmed by the investigation, the necessary action will be taken. This includes not only appropriate and fair sanctioning under labour law but also the elimination of any weak points in the internal control system.

Possible sanctions include:

- warning
- caution
- transfer
- ordinary/extraordinary termination
- criminal charges
- release

5. Continuous reporting, monitoring and improvement

The status of the compliance organisation, the implementation of training, the results of the risk assessment, any incidents and suspected cases, measures initiated and the suitability of measures from previous audits are all covered in a report regularly submitted to the management.

The compliance management system is checked for appropriateness and effectiveness and continuously improved.



Damien Germès
(Managing Director)



1. Was ist Compliance bei NGK SPARK PLUG?

Compliance bedeutet die Einhaltung gesetzlicher Anforderungen und selbstgesetzter Regelwerke. Ziel ist es, Haftungsrisiken sowie sonstige Rechtsnachteile für das Unternehmen, seine Organe und auch für seine Mitarbeiter zu vermeiden. Auf Grund der Internationalisierung und Globalisierung der Märkte und damit der zu beachtenden Gesetze, wird Compliance immer mehr zu einer wichtigen und komplexen Aufgabe für Unternehmen und damit für NGK SPARK PLUG EUROPE.

Wichtige Grundsätze wie Ethik, Nachhaltigkeit, soziale Verantwortung und die Einhaltung von nationalen wie auch internationalen Gesetzen sind in Zeiten, in denen das gesellschaftliche Vertrauen in Unternehmen nachlässt, essentiell, um den Erfolg von NGK SPARK PLUG in der Zukunft zu erhalten, zu sichern und rechtfertigen zu können.

Compliance ist daher mehr als nur Haftungsvermeidung, sondern dient als Grundlage einer guten Unternehmensführung.

Compliance dient aber auch der Prävention von Regelverstößen durch organisatorische Maßnahmen sowie der Aufdeckung und fairen Sanktionierung von Fehlverhalten.

In der Praxis haben sich Mechanismen und Instrumente herauskristallisiert, sogenannte Compliance Management Systeme, die Compliance im Unternehmen sicherstellen sollen. Diese sind sehr unterschiedlich ausgebildet und hängen von der Unternehmensbranche, -größe und -struktur als auch von unternehmensspezifischen Risiken ab.

Um den immer wachsenden Compliance -Anforderungen gerecht zu werden, ist NGK SPARK PLUG EUROPE dabei ein solches Compliance-Management-System zu implementieren.

2. Compliance – Organisation

Die Compliance -Organisation ist nach den individuellen Erfordernissen von NGK SPARK PLUG aufgebaut und mit

den entsprechenden personellen Ressourcen sowie mit den benötigten Befugnissen ausgestattet. Dies ist wichtig, um für die jeweiligen operativen Geschäftsmodelle und -prozesse von NGK SPARK PLUG EUROPE individuelle Compliance -Lösungen zu finden.

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3. Präventive Elemente

a) Schaffung einer Compliance-Kultur

Das Bekenntnis zu einem regel- und wertekonformen Verhalten muss aus der Unternehmenskultur ableitbar sein und findet seinen Ausdruck insbesondere in dem sogenannten „Compliance-Bekenntnis“ der Unternehmensleitung. Gleichzeitig wird Compliance im mittleren Management verankert werden. Hierdurch wird eine große Breitenwirkung erzielt, weil das mittlere Management die „first line of defense“ sowie direktes Vorbild eines Compliance-konformen Verhaltens ist und sich die Mitarbeiter zunächst an ihren Vorgesetzten wenden.

b) Identifikation von Compliance-Risiken

Die Gefahr von Compliance-Verstößen ist grundsätzlich nicht zu unterschätzen. Die möglichen Konsequenzen können für Unternehmen und Mitarbeiter sehr folgenreich sein.

Potentielle Konsequenzen von Compliance-Verstößen sind:

- Haftstrafen für Führungskräfte und Mitarbeiter
- Bußgelder für Unternehmen
- Schadensersatzansprüche gegen Unternehmen, Führungskräfte und Mitarbeiter
- Schwarze Listen bei Vergabeverfahren
- Reputationsschaden
- Verlust von Wettbewerbsfähigkeit
- arbeitsrechtliche Sanktionen
- Gefahr bei Integritätsprüfungen
- Verlust von Mitarbeitern und „Know-How“

Ein Schlüsselement zur erfolgreichen Vermeidung von Compliance-Verstößen ist das Compliance Risk Assessment. Dabei ist zunächst abhängig vom Geschäftsmodell festzulegen, welche Risiken entstehen

können und mit welchen Risiken sich das Compliance-Management-System befassen soll.

Für jedes Risiko wird definiert, welche konkrete Bedrohung besteht und was bereits getan wurde, um das Risiko zu reduzieren. Sofern erforderlich, werden weitere Maßnahmen entwickelt, um die Risiken entsprechend der Risikostrategie auf ein vertretbares Niveau zu senken. Die zentrale Compliance-Organisation unterstützt die Kollegen dafür durch einen geeigneten Methodenbaukasten und berät die operativen Einheiten. Der Compliance-Bereich aggregiert das Konzern-Compliance-Programm und überwacht die Umsetzung der aus dem Compliance Risk Assessment resultierenden Maßnahmen, welche das Compliance-Programm des Folgejahres darstellen.

c) Implementierung von Richtlinien, Schulungen und Beratung

Auf Grund des Erfordernisses internationales und nationales Recht sowie unterschiedliche kulturelle Wertvorstellungen in verschiedenen Ländern zu beachten, hat NGK SPARK PLUG darauf aufbauend eine Vielzahl eigener Compliance -relevanter Konzernrichtlinien eingeführt. Dazu gehören Regelungen zur Anti-Korruption, zu Geschenken, Einladungen und Events, Spenden- und Sponsoringleistungen, aber auch zum Umgang mit Beratern, Vermittlern und Wettbewerbern.

Die Einführung von Konzernrichtlinien obliegt immer der Geschäftsführung des Konzernunternehmens und wird durch Kommunikations- und Trainingsmaßnahmen begleitet. In Zweifelsfällen können sich die Mitarbeiter an die Compliance-Abteilung direkt wenden. Für uns ist es wichtig, dass die Mitarbeiter zeitnah eine Antwort erhalten, die Handlungssicherheit verschafft und rechtssichere Handlungsspielräume eröffnet.

4. Repressive Elemente

Trotz bester Präventionsmaßnahmen können immer wieder Gesetzesverstöße und schwerwiegende Pflichtverletzungen im Unternehmen vorkommen.

Um „Non compliant“ Verhalten aufzudecken, sind wir in der Compliance-Abteilung auf die Zusammenarbeit mit Mitarbeitern und von externen Beratern angewiesen. NGK SPARK PLUG EUROPE hat sich klare Regeln für (interne) Untersuchungen gegeben und prüft sämtliche Hinweise konsequent und gesetzeskonform nach, um herauszufinden, ob ein Verstoß gegen gesetzliche oder interne Vorschriften vorliegt. Wenn sich Hinweise durch die Untersuchung bestätigen, müssen Konsequenzen gezogen werden. Dazu gehört neben der im Sinne des Arbeitsrecht angemessenen und fairen Sanktionierung auch das Abstellen eventuell vorliegender Schwächen im internen Kontrollsystem.

Mögliche Sanktionierungen sind:

- Ermahnung
- Abmahnung
- Versetzung
- ordentliche/ außerordentliche Kündigung
- Strafanzeige
- Freistellung

5. Kontinuierliche Berichterstattung, Überwachung und Verbesserung

Der Status der Compliance-Organisation, die Durchführung von Schulungen, die Ergebnisse des Risk-Assessment, sämtliche Vor- und Verdachtsfälle, eingeleitete Maßnahmen und die Geeignetheit der Maßnahmen von vorherigen Prüfungen sind Bestandteil eines regelmäßigen Berichts an die Geschäftsleitung. Das Compliance-Management-System wird kontinuierlich auf die Angemessenheit und Wirksamkeit hin überprüft und verbessert werden.



Damien Germès
(Geschäftsführer)

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Tomoko Suzuki
(Managing Director)



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2. Compliance organisation

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Shunichi Inamae
(Managing Director)



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Yoshihiro Goto
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Basically, the risk of compliance violations cannot be underestimated. The possible consequences can be far-reaching for companies and employees.

The potential consequences of compliance violations are:

- prison sentences for managers and employees
- fines for companies
- claims for damages against companies, managers and employees
- being blacklisted in connection with procurement procedures
- damaged reputation
- loss of competitiveness
- labour law-related sanctions
- risk in the case of integrity checks
- loss of employees and “know-how”

A key element for successfully avoiding compliance violations is the compliance risk assessment. Depending on the business model, the first thing that this will involve is establishing the risks that could arise and the risks that the compliance management system should address.

The concrete threat with regard to each risk will be defined, along with what has already been done to reduce the risk. If necessary, further measures will be developed in order to reduce the risks to a reasonable level in accordance with the risk strategy. The central Compliance organisation will help colleagues by providing a suitable methodology toolbox and will advise the operating units. The Compliance department will aggregate the group compliance program and monitor the implementation of the measures resulting from the compliance risk assessment which will constitute the compliance program for the following year.

c) Implementation of guidelines, training and advice

Because of the need to comply with international and national law as well as different cultural values in different countries, NGK SPARK PLUG has introduced numerous compliance-related group guidelines of its own, based on these requirements. They include anti-bribery regulations and regulations relating to gifts, invitations and events, donations and sponsoring activities as well as dealing with consultants, agents and competitors.

The introduction of group guidelines is always the responsibility of the management of the group company and is accompanied by communication and training measures. In cases of doubt, employees can contact the Compliance department directly. For us, it is important for employees to receive a prompt response which gives them the confidence to act and opens up the scope for legally admissible actions to be taken.



4. Repressive elements

Despite the best prevention measures, violations of the law and serious breaches of duty can still keep occurring within the company.

In the Compliance department, we depend on collaboration with employees and external consultants in order to detect “non-compliant” behaviour.

NGK SPARK PLUGS (Eurasia) has set its own clear rules for (internal) investigations and verifies all information consistently and in accordance with the law in order to find out whether a violation of statutory or internal requirements has occurred. If information is confirmed by the investigation, the necessary action will be taken. This includes not only appropriate and fair sanctioning under labour law but also the elimination of any weak points in the internal control system.

Possible sanctions include:

- warning
- caution
- transfer
- ordinary/extraordinary termination
- criminal charges
- release

5. Continuous reporting, monitoring and improvement

The status of the compliance organisation, the implementation of training, the results of the risk assessment, any incidents and suspected cases, measures initiated and the suitability of measures from previous audits are all covered in a report regularly submitted to the management.

The compliance management system is checked for appropriateness and effectiveness and continuously improved.



Genki Suzuki
(Managing Director)



COMPLIANCE STATEMENT

1. What is compliance at NGK SPARK PLUG?

Compliance means adhering to statutory requirements and self-imposed rules. The aim of this is to avoid the risks of liability as well as other legal disadvantages for the company, its management boards and also for its employees. The internationalisation and globalisation of the markets along with the applicable laws have meant that compliance is becoming an increasingly important and complex task for companies, including NGK SPARK PLUGS SA.

In times where society's trust in companies is waning, important principles such as ethics, sustainability, social responsibility and compliance with national and international laws are essential in order for us to be able to preserve, ensure and justify the future success of NGK SPARK PLUG.

This is why compliance is about more than just avoiding liability: it serves as the foundation for good business management.

However, compliance also serves to prevent rules from being broken by means of organisational measures as well as to uncover misconduct and impose fair sanctions as a result.

In practice, mechanisms and instruments – so-called compliance management systems – have evolved which ensure compliance within the company. These vary greatly depending on business sector, size and structure as well as on company-specific risks.

In order to meet the ever-growing compliance requirements, NGK SPARK PLUGS SA has implemented such a compliance management system.

2. Compliance organisation

The Compliance organisation has been set up in accordance with the individual requirements of NGK SPARK PLUG, with the appropriate human resources and with the powers required. This is important in order to find individual compliance solutions for the relevant operating business models and processes of NGK SPARK PLUGS SA.

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We handle compliance-related queries or comments we receive with the utmost discretion and always take great care to protect the person in question and their identity.

3. Preventive elements

a) Creation of a compliance culture

It has to be possible to deduce the commitment to compliant behaviour based on set values from the corporate culture and in particular, that commitment is expressed in the so-called “commitment to compliance” of the management. At the same time, compliance is

anchored in middle management. This makes a broad impact because middle management is the “first line of defence” as well as a direct role model for compliant conduct and employees will turn to their superiors first of all.

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Willie Brewis
(Managing Director)