

Suncall Group Green Procurement Guidelines

Ver 6.0

Fine Precision, Nano Solution



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Procurement and Logistics Management Department, Planning and Administration Division
Safety and Environmental Maintenance Department, Quality, Safety, and Environment Division

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1. Introduction

In recent years, society has become more aware of global environmental protection, including global warming, natural resource depletion, and hazardous substance-containing product issues. At the same time, corporate roles and responsibilities are becoming increasingly important.

Suncall Group (hereinafter “we”) positions addressing environmental issues as an important challenge in its business activities to promote manufacturing mindful of environmental conservation and cuts on environmentally hazardous substances in all the processes from development via production to disposal and recycling, while strengthening the development of environment-friendly products and technologies. At the same time, we hope to contribute to the realization of a low-carbon society.

What matters in these efforts is to enhance the understanding and environmental awareness of individuals involved in all business operations. To achieve this goal, we must share the same environmental philosophy with Suppliers to promote environmental activities throughout the supply chain. We recently issued our Green Procurement Guidelines to ask Suppliers for further cooperation and efforts of environmental conservation activities in procuring parts, materials, and other supplies.

We ask Suppliers to understand the intent of these efforts and cooperate with us.



Procurement and Logistics Management Department, Planning and Administration Division
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2. Commitment to Environmental Conservation

Aiming to become a company in harmony with humans, the environment, and communities, we shall contribute to building a recycling society and developing a sustainable society through all business activities in product development, production, and sales.

Fundamental Philosophy
<p>As a member of the global community, we shall take all measures available for natural environment conservation in business activities revolving around the business theme of creating technology-intensive precision products on the bases of the utmost respect for public virtues and respect for human dignity and conserve valuable resources to contribute to global environmental conservation.</p>
Action Policies
<ol style="list-style-type: none"><li data-bbox="327 1048 1406 1178">1. We shall actively commit to environmental conservation in business activities for electronic and information equipment-related parts, automotive product-related parts, and precision functional materials.<li data-bbox="327 1238 1406 1368">2. We shall promote our environmental management system and pursue continuous environmental improvements to the extent technically and economically possible to prevent pollution.<li data-bbox="327 1429 1406 1509">3. We shall adhere to relevant environmental laws, regulations, and agreements to address environmental conservation.<li data-bbox="327 1570 1406 1749">4. To promote environmental conservation, we shall specify environmental objectives and targets and address waste reduction, energy savings, resource savings, and global warming gas emissions cuts. In addition, our environmental targets shall be periodically reviewed and revised as necessary.<li data-bbox="327 1809 1406 1890">5. We shall consider environmental conservation around local communities and pursue business activities with local stakeholders' trust.<li data-bbox="327 1951 1406 1989">6. These policies shall be disclosed upon request from outside the company.

3. Green Procurement

For procurement items constituting products and goods we manufacture and sell, we shall procure low-environmental load procurement items from Suppliers with an established environmental management framework as part of our efforts to promote global environment load reduction.

4. Requests to Suppliers

4.1 Legal and regulatory compliance

Suppliers are asked to comply with relevant laws and regulations in the countries and regions of their business activities.

4.2 Establishment and maintenance of environmental management systems

Suppliers delivering us materials, parts, and indirect materials are asked to address the establishment and maintenance of an environmental management system certified by a third party according to ISO 14001, Eco-Action 21, or KES so that they can systematically manage environmental conservation activities and continuously implement improvements.

Suppliers with an established and maintained environmental management system are asked to maintain and improve the operation of that system.

4.3 Control and reduction of environmentally hazardous substances

Countries worldwide, including European countries, are tightening regulations on environmentally hazardous substances. While ensuring legal and regulatory compliance and reducing the use and discharge of substances that may significantly affect the environment, we perform environmental risk assessments during the business activities' planning phase to prevent pollution due to environmentally hazardous substances.

Suppliers are also asked to ensure rigorous control of environmentally hazardous substances.

(1) Provision of information on environmentally hazardous substances and materials and chemical ingredients

Suppliers intending to deliver us materials, parts, and indirect materials are asked to provide us with information on chemical substances or material components specified by our requesting departments or persons.

(2) Submission of certificates of non-inclusion of substances prohibited by the CSCL and Declarable Substance Lists

Suppliers intending to deliver us materials, parts, and indirect materials may be asked to submit certificates of non-inclusion concerning European ELV Directive/REACH Regulations.

(3) Provision of risk and hazard information on raw materials, indirect materials, and other supplies for our in-house use

Suppliers intending to contract works, cleaning, or landscaping are asked to ensure that materials to be delivered or materials to be brought in (including lubricants and chemicals supplied with equipment) do not contain substances prohibited from manufacturing, Class I designated chemical substances, and other substances unusable without permission under such regulations as the Industrial Safety and Health Law and the Chemical Substances Control Law.

For operational details, see “Suncall Environmentally Hazardous Substances Control Standards.”

4.4 Commitment to environmental load reduction

(1) Improvement of environmental performance

Suppliers are asked to actively commit to cutting CO₂ emissions, waste, PRTR-controlled substances emissions, and VOC emissions and improving energy intensities.

(2) Reduction of life-cycle CO₂ emissions from products and services

Suppliers commissioned to deliver us purchased items and logistics service providers commissioned to handle the logistics of our products are asked to set targets for their products, services, and hubs and to address the reduction of CO₂ emissions.

(3) Water consumption reduction

Depletion of water resources is a globally important issue. Suppliers are asked to commit themselves to water consumption reduction through water consumption estimation, daily improvements, and other efforts.

(4) Reduction of packing/packaging materials

Suppliers are asked to deliver us purchased items wrapped in packing/packaging materials to maintain quality, prevent damage in transit, and for other protective purposes. At the same time, however, Suppliers are asked for cooperation and proposals for improved or simplified packing/packaging, switching to returnable containers, and other measures contributing to waste cuts to minimize the environmental impacts of packing/packaging waste.

(5) Reduction of CO₂ emissions from logistics

Logistics service providers to us are asked to reduce CO₂ emissions from our outsourced logistics and intensity indicators (fuel consumption, traveling distance, fuel mileage, etc.).

(Informative tips) The following table shows the environmental efforts we ask from Suppliers:

No	Efforts		(i)	(ii)	(iii)	(iv)	(v)	(vi)	Special remarks (Forms to be submitted etc.)
			Materials/product members	Packing/packaging materials	Equipment/equipment parts	Delivery items other than those in (i) to (iii)	Works/maintenance, etc.	Logistics	
1	Legal and regulatory compliance		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2	Control and reduction of environmentally hazardous substances	Provision of information on environmentally hazardous substances and materials and chemical ingredients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			IMDS, JAMA Sheet
		Submission of certificates of non-inclusion of substances prohibited by the CSCL and Declarable Substance Lists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Certificate of non-inclusion
		Provision of risk and hazard information on raw materials, indirect materials, and other supplies for our in-house use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3	Commitment to environmental load reduction	CO ₂ emissions reduction	<input type="checkbox"/>						
		Reduction of PRTR-controlled substances emissions and VOC emissions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
		Waste generation reduction	<input type="checkbox"/>				<input type="checkbox"/>		
		Water consumption reduction	<input type="checkbox"/>				<input type="checkbox"/>		
		Reduction of packing/packaging materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
		Reduction of CO ₂ emissions from logistics						<input type="checkbox"/>	

5. Operation of the Green Procurement Guidelines

Suppliers are asked to submit the following forms to promote green procurement:

(i) Submission of the Green Procurement Questionnaire for Suppliers (Attached Sheet 1)

- ISO 14001 certification status
- Status of commitment to green procurement
- Information on the management framework for environmentally hazardous substances
- Information on environmental conservation activities

(ii) Submission of Declaration of Non-inclusion (or Inclusion) of Environmentally Hazardous Substances

Delivery items to us shall be checked against Attachment 1) Form Submission Check Flow. The results shall be recorded and submitted in the Declaration of Non-inclusion of Environmentally Hazardous Substances (Attached Sheet 2) or Declaration of Inclusion of Environmentally Hazardous Substances (Attached Sheet 3).

(iii) Submission of Environmental Contact Officer Registration (Attached Sheet 4)

A Supplier's Environmental Contact Officer shall be registered based on the information submitted and shall be the contact person for environment-related inquiries after registration. Suppliers are asked to notify us using the same form when their contact person is changed.

Attachments

- Attachment 1) Form Submission Check Flow
- Suncall Environmentally Hazardous Substances Control Standards
Attached Table 1) Environmentally Hazardous Substances Control Standards (Automotive Parts)

<<Forms>>

- Green Procurement Questionnaire for Suppliers (Attached Sheets 1-1 and 1-2)
- Declaration of Non-inclusion of Environmentally Hazardous Substances (Attached Sheet 2)
- Application for Inclusion of Environmentally Hazardous Substances (Attached Sheet 3)
- Environmental Contact Officer Registration (Attached Sheet 4)

6. Submission of Forms

[Deadline for submission]

When requested by our responsible department for submission, Suppliers are asked to adhere to the prescribed deadline.

[Method of submission]

Suppliers are asked to submit the prescribed form by mail.

[Submitted/addressed to]

Procurement and Logistics Management Department, Planning and Administration
Division, Suncall Corporation

14 Nishiura-cho, Umezu, Ukyo-ku, Kyoto 615-8555 Japan

Call the following phone number for inquiries, consultations, or other clarifications about form submission:

Procurement and Logistics Dept.: Phone: +81-75-881-4441

Information submitted to us will be used to report to environment-related customers or public agencies and will not be disclosed for any other purpose.

7. Terms and Definitions

- REACH (Registration, Evaluation, Authorization, and restriction of CHemicals)

Comprehensive regulations on chemical substances in Europe. For raw materials and indirect materials produced or imported in Europe, it is mandatory to register chemical substances contained in them. For products and parts, disclosing information about inclusions of the substances of very high concern (SVHC) designated by these regulations is mandatory. These legal regulations have been effective since June 2007, expanding in stages the range of regulated chemical substances and that of control targets.

- RoHS (Restriction of the use of certain Hazardous Substance in electric and electronic equipment)

Directives on the restriction of the use of certain hazardous substances. Established in Europe, these directives restrict the use of four heavy metal substances (lead, cadmium, mercury, and hexavalent chromium) and specified bromine-based flame retardants (PBB and PBDE).

- ELV (End of Life Vehicle)

European end-of-life vehicle directives. Established in Europe, these directives restrict the recycling of automotive vehicles and the use of four heavy metal substances (lead, cadmium, mercury, and hexavalent chromium).

- GADSL (Global Automotive Declarable Substance List)

A chemical substance list publicly disclosed by the Global Automotive Stakeholders Group (GASG). This list includes certain information on chemical substances that are contained in parts and materials supplied through supply chains to OEMs (Original Equipment Manufacturers/complete vehicle manufacturers), are current/future targets of regulation, or adversely affect human health and the environment.

<http://www.gadsl.org/>

- IMDS (International Material Data System)

An internet-based system that collects environment-related information on parts and materials in supply chains of the automotive industry for many multinational automotive manufacturers.

- JAMA Sheet

A form agreed upon by the Japan Automobile Manufacturers Association, Inc. (JAMA) to be used for surveys on materials and compounds contained in products.

- SDS (Safety Data Sheet)

Material safety data sheet. This document contains the information necessary to ensure the safe handling of a chemical product (product name, manufacturer's name, chemical substance's properties, handling method, types of risks and hazards, safety measures, emergency measures, etc.).

- PRTR (Pollutant Release and Transfer Register)

The Pollutant Release and Transfer Register is a system used by the national government, trade associations, and other institutions to monitor, compile, and publish data on emissions of hazardous chemical substances into the environment and their sources or amounts transferred in waste to outside establishments.

- VOC (Volatile Organic Compounds)

“Volatile organic compounds” is the collective term for substances that easily volatilize into the air at ordinary temperature and pressure and is used to refer mainly to artificially synthesized substances. Gasoline, thinners, alcohol, and similar substances are also included in the category of VOC.

- Supply chain

The whole flow from raw materials procurement to sales, which includes inter-corporate cooperation until the delivery of manufactured products to consumers (and may include the design/development process and the after-sale stages until disposal).

- Life cycle

All stages from procurement of raw materials for products and services via production, distribution, and use/maintenance until disposal/recycling.

Revision History

Ver	Date of revision	Revision description
Ver 1.0	February 13, 2005	Established
Ver 2.0	March 14, 2008	Full revision
Ver 2.1	July 1, 2011	Change of Environmental Executive Officer; revision of the Suncall List of Environmentally Hazardous Substances Prohibited for Use/Inclusion (Appendix Tables 1 and 2)
Ver 3.0	July 1, 2013	<ul style="list-style-type: none"> • Change of Environmental Executive Officer; revision of the Suncall List of Environmentally Hazardous Substances Prohibited for Use/Inclusion (Appendix Tables 1 and 2) • Declaration of Non-inclusion of Environmentally Hazardous Substances (Attached Sheet 2) or Declaration of Inclusion of Environmentally Hazardous Substances (Attached Sheet 3) became the form to be submitted per the Environmentally Hazardous Substances Check Flow (Appendix Table 3).
Ver 4.0	April 1, 2015	Change of Environmental Executive Officer Revision of the Suncall List of Environmentally Hazardous Substances Prohibited for Use/Inclusion (Appendix Tables 1 and 2)
Ver 5.0	April 1, 2017	Change of Environmental Executive Officer Revision of (Appendix Table 1) Environmentally Hazardous Substances Control Standards (Automotive Parts) and (Appendix Table 2) Environmentally Hazardous Substances Control Standards (Electrical and Electronic Products)
Ver 6.0	March 1, 2023	Text fully revised