



NIPPON SEIKI

Green Procurement Guidelines



NIPPON SEIKI CO.,LTD.

April, 2019 8th Edition

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2. Purpose

NS is promoting activities to achieve environment-friendly product and manufacturing over the entire life cycle in every business field. To "procure environment-friendly products from suppliers promoting environmental business activities" and "manage necessary chemical substance data to be communicated within the supply chain or with customers", we have clarified our requirements in this "NS Green Procurement Guidelines".

3. Scope of Application

These guidelines (8th Edition) are effective from April 1st, 2019.

These guidelines are applied to the following products which are procured by NS Group and contained in our products.

- | | | |
|-------------------------|---|---------------------------------------------------|
| 1) Material | : | Resin pellet, Paint, Printing ink, Minerals, etc. |
| 2) Product, Part | : | Electronic parts, Mechanical parts, screw, etc. |
| 3) Secondary Material*1 | : | Solder, Adhesive agent, Stamping ink, etc. |
| 4) Packaging Material*2 | : | Card box, Plastic bag, Cushioning, Label, etc. |

The above 1) to 4) are hereinafter called "products".

*1: Secondary Material: All materials which are included in the final product delivered to NS Group, or used in the product manufacturing process, but not included in the final product delivered to NS Group.

*2: Packaging Material: All materials used for wrapping, protecting and shipping of products delivered to NS Group. Packaging materials, such as trays, cushioning, cartons, and returnable boxes, disposed by NS or at logistics sites, or returned to suppliers are exempted from this application.

4. Definitions

EU RoHS Directive: The Restriction of the Hazardous Substances

EU legislation restricting the use of hazardous substances in electrical and electronic equipment.

As for environmentally hazardous substances, the use of ten (10) substances are restricted; lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), Polybrominated diphenyl ethers (PBDE), Bis (2-ethylhexyl) phthalate (DEHP), Butyl benzyl phthalate (BBP), Dibutyl phthalate (DBP), Diisobutyl phthalate (DIBP)

<ref: EU RoHS Directive>

http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm

Regulation of Phthalates (Four kinds), please refer to "6. Compliance with Regulations of Environmentally Hazardous Substances"

Phthalates (Four kinds): Bis (2-ethylhexyl) phthalate (DEHP), Dibutyl phthalate (DBP), Benzyl butyl phthalate (BBP), Diisobutyl phthalate (DIBP)

EU ELV Directive: End of Life Vehicles

EU legislation of vehicle recycling and environmentally hazardous substances.

As for environmentally hazardous substances, the use of four (4) heavy metals are restricted; lead, mercury, cadmium, and hexavalent chromium.

<ref: EU ELV Directive and Annex II (Exemption List)>

http://ec.europa.eu/environment/waste/elv_index.htm

EU REACH Regulation : Registration, Evaluation, Authorization and Restriction of Chemicals
EU legislation of registration, evaluation, authorization and restriction of chemical substances.
To comply with the regulation, companies must register and manage the risks of the chemical substances they manufacture and market in the EU.

Chemical Substances of Very High Concern (SVHC) may be used only with authorization.

Manufacturing, importing and use of unauthorized substances are restricted.

<ref: REACH by ECHA (EUROPEAN CHEMICALS AGENCY)>

http://ec.europa.eu/environment/chemicals/reach/reach_en.htm

Details of regulated substances --> <https://echa.europa.eu/information-on-chemicals>

SVHC : Substances of Very High Concern

Substances of Very High Concern defined in EU REACH Regulation.

<ref: Candidate List by ECHA>

<http://echa.europa.eu/web/guest/candidate-list-table>

EU Packaging Directive(Directive 94/62/EC):

European Parliament and Council Directive on packaging and packaging waste.

<Ref: EU Packaging Directive>

http://ec.europa.eu/environment/waste/packaging/index_en.htm

GADSL : Global Automotive Declarable Substance List.

A harmonized chemical substances management list prepared by
Global Automotive Stakeholders Group (GASG), a global team from the automotive,
automotive parts supplier (tier supplier) and chemical/ plastics industries.

<Ref: GADSL>

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

GHG : Greenhouse Gas

Gas in an atmosphere that absorbs and emits radiation within the thermal infrared range,
which cause the greenhouse effect.

NS targets the following six types of gasses.

- CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide), HFC (hydrofluorocarbon),
PFC (Perfluorocarbon), SF₆ (sulfur hexafluoride)

CMS : Chemical substances Management System

A system that manages environmentally hazardous substances contained in products.

Prohibited Substances:

Substances which use or use exceeding the restricted amount in the product
are prohibited by regulations and relevant guidelines of Japan and other countries.

Management Required Substances:

Substances of which inclusion, amount, including part, purpose, and etc. need to be managed.

Homogeneous Material:

Defined by EU RoHS Directive and EU ELV Directive.

Means a material that cannot be disjointed or separated into different materials
by mechanical actions.

5. Requirements to Suppliers

Green Procurement Requirements List

Documents to be Submitted	What to Submit	When to Submit					Remarks
		At Start of Procurement	Periodic survey (once a year)	At Planning for New Items	At Any Changes	At Request (Changes in)	
(1) Establishment of Environment Management System (EMS)	"Green Procurement" Self-Evaluation Sheet	<input type="radio"/>					
	"EMS・CMS" Self Check List	<input type="radio"/>	<input type="radio"/>				
	Quality (Environment) Assessment Sheet	<input type="radio"/> *1)					*1) Checked when NS visits for assessment as necessary.
(2) Establishment of Chemical Substance Management System (CMS)	"Green Procurement" Self-Evaluation Sheet	<input type="radio"/>					
	"EMS・CMS" Self Check List	<input type="radio"/>	<input type="radio"/>				
	Quality (Environment) Assessment Sheet	<input type="radio"/>			<input type="radio"/> *2)		*2) Checked when NS visits for assessment as necessary.
	Declaration of Non-Use of RoHS Restricted Substances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/> *3)	<input type="radio"/>	*3) Only when stated content is changed due to relocation of production site, etc.
	Chemical substance survey forms			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Whenever there is change in the content.
	Pre-IPP Application				<input type="radio"/>		Submit 6 months prior to the change.
	Product Specifications			<input type="radio"/>	<input type="radio"/>		When there is change in specs.
Parts Inspection Report				<input type="radio"/>	<input type="radio"/>	When there is change in report. (Depends on the changes)	
(3) Reduction of environmental impact ・Grasp / reduce GHG emissions ・Promotion of Resources Recycling ・Conservation of Biodiversity	"Green Procurement" Self-Evaluation Sheet	<input type="radio"/>					
	"EMS・CMS" Self Check List	<input type="radio"/>	<input type="radio"/>				
	GHG survey sheet		<input type="radio"/>				

(1) Establishment of Environment Management System

For establishing and maintaining Environment Management System, please acquire ISO 14001 or certification from external authority complying with ISO 14001.

For suppliers not certified, establishment of an environment management system equivalent to ISO 14001 is requested. Progress of establishment shall be confirmed in "Green Procurement" Self-Evaluation Sheet and "EMS・CMS" Self Check List.

(2) Establishment of Chemical substances Management System (CMS)

Suppliers delivering products to NS are requested to establish CMS.

Management of specified chemical substances contained in products are required under laws and regulations of Japan and other countries. To satisfy these requirements,

each company is required to manage the chemical substances contained in products with "appropriate and effective" means through the supply chain. Progress of establishment shall be confirmed in "Green Procurement" Self-Evaluation Sheet and "EMS・CMS" Self Check List.

① Requirements to Suppliers regarding CMS

No.	Requirements	Summary
1	Policy	Declare policy of actions by managements.
2	Define Management Criteria	Define management procedures to satisfy laws/ regulations, industrial voluntary standards, and customer requirements.
3	Define Scope of Management	Define "product", "process", "constituent materials", "chemical substances" to be managed.
4	Set Targets and Plan Implementation Process	Define and revise targets and plans.
5	Define Organizational System, Responsibility and Authority	Define roles and responsibility of depts. engaged in management.
6	Design/ Development	Confirm compliance with requirements in design / development
7	Collect and Confirm Chemical Substance Data included in Products	Systematize collection and confirmation of data from supplier.
8	Sourcing Management	Communicating requirements with suppliers.
9	Acceptance Verification	Confirm conformity with company criteria when accepting purchased materials.
10	Process Control	Define management items of process where chemical substance amount changes. Identification control <u>and prevention (erroneous use, mixing and contamination) , etc.</u>
11	Shipping Verification	Confirm compliance with company criteria when shipping.
12	Traceability	Define product traceability.
13	Change Control	Define process when changes in chemical substance management has occurred. (e.g. design, process, supplier)
14	Process for Non-Conformity	Define process when non-conforming product is found.
15	Training	Define details of training.
16	Documentation and Control	Define procedures of keeping documents and records.
17	Communication	Establish system for sharing information.
18	Performance Evaluation and Improvement	Evaluation and improvement of the management by internal audit.
19	Management Review	Improvement of issues by managements.

② Consistent Management of Chemical Substances

Suppliers are required to consistently manage that the delivered products do not include prohibited substances, or the restricted substances included are within the threshold value.

⇒ page 7, 6. Please observe the requirement.

※Some prohibited substances were used for various applications in the past as additive agents to achieve product performance characteristics. These might even be included in current products.

Various cases of erroneous use, mixing, and contamination of prohibited substances have been reported, including those usually contained in raw materials in nature, remaining in products after generation as by-products or used as subsidiary materials in the manufacturing process, being mixed into products due to shared production lines or the use of alternative materials available in inventory.

Suppliers are requested to properly control prohibited materials in order to prevent their mixture into products in excess of the threshold value by understanding their characteristics and tracking their history, including those exempt from laws and regulations.

(3) Reduction of environmental impact

① Grasp / reduce GHG emissions

- Suppliers are requested to know and to reduce the amount of Greenhouse Gas emissions.
- Actions are taken to establish system to know and to reduce the amount of GHG emissions and energy consumption.

⇒ Please submit the investigation sheet of page 8, 6 (2) ④.

- ② Promotion of Resources Recycling
- a) Suppliers are requested to propose and use materials that contribute to recycling-oriented manufacturing. NS promotes effective utilization of resources. "Materials that contribute to recycling-oriented manufacturing" means;
 - Materials which contribute to reduce necessary resources for manufacturing.
 - Materials which contribute to enhance utilization of recycled resources.
 - Materials which contribute to reuse packaging materials for shipping.
 - b) Reduction of waste discharge and promotion of recycling
 - c) Conservation of Biodiversity
 - Suppliers are asked to promote actions to conserve biodiversity.
 - Please define the policy and take actions for conservation of biodiversity.

6. Compliance with Regulations of Environmentally Hazardous Substances

All products delivered to NS shall comply with various regulations related to environmentally hazardous substances. Requirements are specified as the following.

We appreciate your cooperation for providing us information.

(1) Management of Environmentally Hazardous Substances

① EU RoHS Directive

Refer to the following website for exemption list.

http://ec.europa.eu/environment/waste/rohs_eee/legis_en.htm

Phthalates(Four kinds), and prohibit the inclusion in the new product. Threshold : 0.1wt%(1,000ppm)

No.	Phthalates(Four kinds)		CAS No.
1	Bis (2-ethylhexyl) phthalate (DEHP)	※	117-81-7
2	Dibutyl phthalate (DBP)	※	85-68-7
3	Benzyl butyl phthalate (BBP)	※	84-74-2
4	Diisobutyl phthalate (DIBP)	※	84-69-5

※ Ref. Commission Delegated Directive (EU) 2015/863

Prohibit the inclusion of Phthalates(four substances) in delivered items to the NS group.

Expiry date for export and sales to EU: July 21, 2019.

(NS set a voluntary deadline and prohibit the use from delivered goods after July 22, 2018.)

② EU ELV Directive

Refer to the following website for exemption list.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:085:0003:0007:EN:PDF>

③ EU REACH Regulation

Please confirm the Candidate List and inform us when any SVHC is included in the product.

<http://echa.europa.eu/candidate-list-table>

In addition, confirm the Authorization List, and in principle SVHC to be posted will be prohibited substances of NS and prohibited to be used / included in future products.

<https://echa.europa.eu/authorisation-list>

Communication of REACH SVHC in automotive industry is based on

"AUTOMOTIVE INDUSTRY GUIDELINE ON REACH ver. 3.1"

<http://www.acea.be/industry-topics/tag/category/reach>

④ GADSL

GADSL is a list established for automotive industry which includes substances specified in EU RoHS Directive, EU ELV Directive and REACH SVHC.

Please comply with the latest edition.

No prohibited substances should be included in delivered products.

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

⑤ EU Packaging Directive:

Content of four heavy metals (lead, cadmium, mercury, and hexavalent chromium) in total with the mass of materials constructing the packaging must be less than 100ppm by weight. Materials constructing the packaging are parts which can be easily separated (e.g. "corrugated board" used for packing the product, "adhesive tape" used for assembly in a corrugated box package, and "label" used for indication are to be considered as separate materials)
http://ec.europa.eu/environment/waste/packaging/index_en.htm

(2) Submission of Environmental Data

【At the start of trading, Periodic survey (once a year)】

① "Green Procurement" Self-Evaluation Sheet

Suppliers should evaluate and submit the environmental management system at the start of trading. Available at the following web site.

Form found at: <http://www.nippon-seiki.co.jp/csr/eco/green/>

② "EMS·CMS" Self Check List

Suppliers self-evaluate the establishment progress of EMS and CMS and submit it. Available at the following web site.

Form found at: <http://www.nippon-seiki.co.jp/csr/eco/green/>

③ Declaration of Non-Use of RoHS Restricted Substances

Suppliers should survey the inclusion status of RoHS regulated substances and submit it.

Trading companies shall request manufacturers to restrict usage of RoHS restricted substances.

"Declaration of Non-Use of RoHS Restricted Substances" shall be submitted within three (3) business days when requested.

The guaranteed value is a guarantee that is less than the regulation value, and it is not a guarantee below the control value.

Form found at: <http://www.nippon-seiki.co.jp/csr/eco/green/>

④ GHG survey Sheet

When requested, please provide us GHG data related to products delivered to NS, using the specified form for survey.

[Occasional (non-periodic) survey]

Suppliers are asked to submit Chemical substance survey forms for newly supplying products.

Chemical substance survey forms (◎ : Mandatory, — : Only upon request)

Survey Form	Type of Item Delivered				Submit to
	Raw Materials	Products, Parts	Secondary Materials	Packaging	
⑤ Precision Analysis Data of RoHS Restricted Substances	◎	◎	◎	◎	Requested Dept.
⑥ (M) SDS	◎	—	◎	—	↑
⑦ chemSHERPA (Jul. 2018~)	—	◎	◎	◎	↑
⑧ JAMA/JAPIA Standard Material Datasheet	◎	◎	◎	—	↑
⑨ IMDS	◎	◎	◎	—	↑

- ⑤ Precision Analysis Data of RoHS Restricted Substances
Please complete the form found at: <http://www.nippon-seiki.co.jp/csr/eco/green/>
Precision analysis data such as ICP data certifying the non-use of the ten (10) substances restricted by EU RoHS Directive shall be submitted for each homogeneous material.
Please use the provided form.
- ⑥ (M)SDS
Please provide us the data referring to the following website.
ref.: Ministry of Economy, Trade and Industry
http://www.meti.go.jp/policy/chemical_management/law/msds/4.html
- ⑦ chemSHERPA
A new information transfer scheme was released by The Ministry of Economy, Trade and Industry in October, 2015.
The application is governed by The Joint Airicle Management Promotion Consortium(JAMP) same as JAMP-AIS.
Available at the following web site.
<https://chemsherpa.net/chemSHERPA/tool/>
- ⑧ JAMA/JAPIA Standard Material Datasheet
A standardized constituent investigation sheet prepared by JAMA (Japan Automobile Manufacturers Association) and JAPIA (Japan Auto Parts Industries Association)
Available at the following web site:
<http://www.japia.or.jp/>
Please contact us for the password.
- ⑨ IMDS
A collective material data system for environmentally hazardous substances used by automotive industry.
Registration at the following web site:
<http://www.mdssystem.com/>
Please submit data to 18363 (IMDS COMPANY ID of NS)

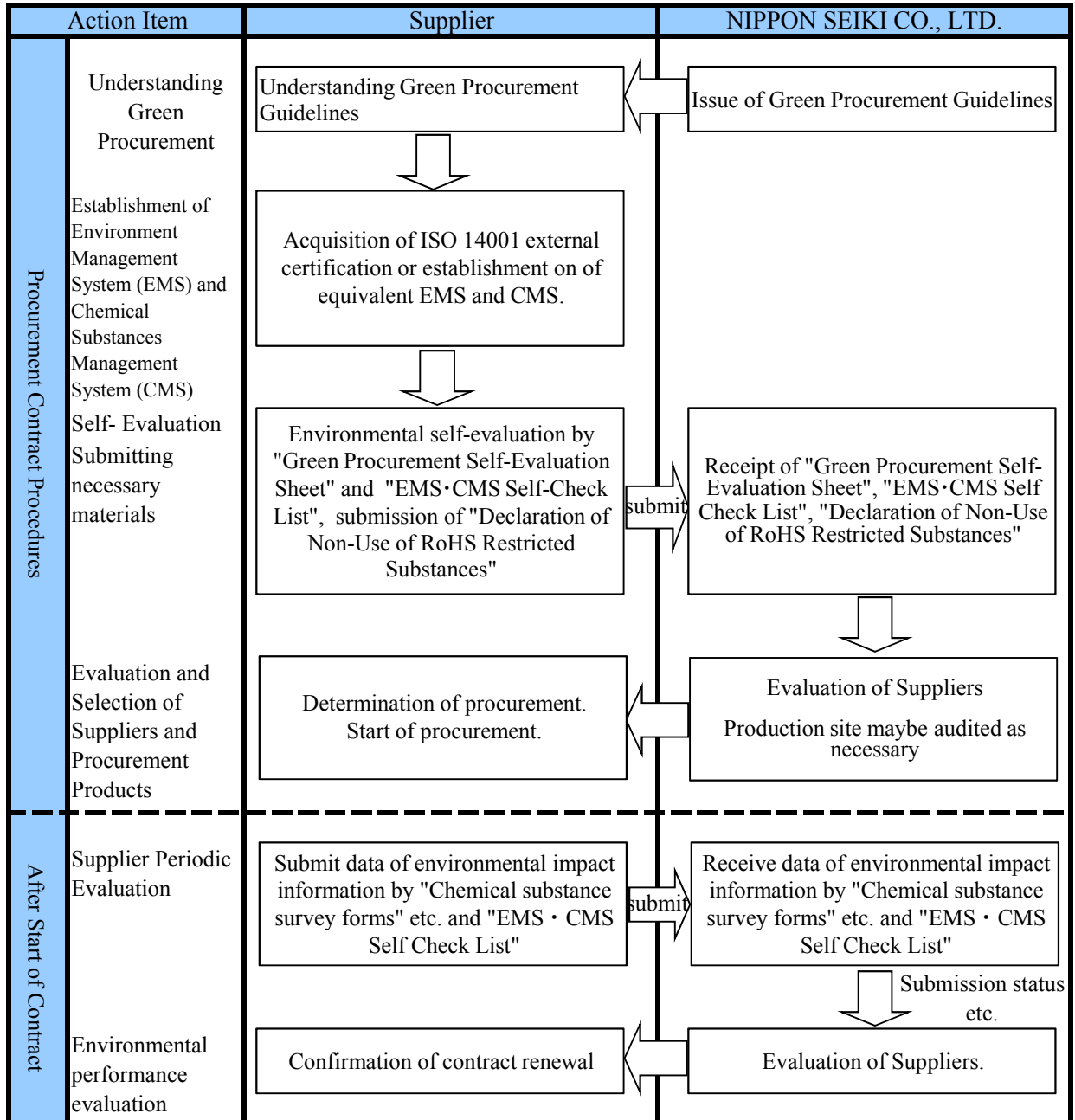
Each investigation form or data shall be resubmitted if any change occurs due to revisions of restricted substances or application exemptions.

Specific investigation sheet/form may be required upon some customer specific requirements on chemical substance management.
Compliance to these requirements are also necessary.

7. Procurement Contract Procedures

Based on provided documentations, suppliers' business activities and products will be evaluated for its conformity with NS Green Procurement Guidelines.

With the evaluation result, NS procures materials satisfying NS Green Procurement Guidelines from suppliers satisfying NS Green Procurement Guidelines.



Suppliers are requested for improvement measures against any unsatisfactory results found in self-evaluation. We may visit suppliers for auditing to have better understanding of actual situation. Suppliers are also requested for supervising Tier 2, Tier 3, etc. suppliers. We appreciate your cooperation.

8. Revision History

Edition No.	Date	Changes
1st	July 26th, 2005	Establish
2nd	February 1st, 2010	Fully Revised and Updated
3rd	March 15th, 2013	Fully Revised and Updated
4th	August 1st, 2014	7 pages: URL change of Europe REACH rule
5th	April 1st, 2016	Additional requirements : 2,7 pages: Phthalates(Four kinds) ((EU) 2015/863) 3,7 pages: EU Packaging Directive 8 pages: URL change of JGPSSI Survey Response Tools
6th	April 1st, 2017	Revised requirements: 2,7page:Phthalates(Four kinds) ((EU) 2015/863) Revised Investigation form: 7,8page:Additional form "chemSHERPA" Deleted form "JGPSSI"
7th	April 1st, 2018	<ul style="list-style-type: none"> •4 page: URL of REACH Regulation was changed •4 page: CMS was added •5 to 10 pages:" EMS • CMS Self Check List" was added •5 page: Green Procurement Requirements List was changed •6 page: Waste emission reduction and recycling promotion was added •8 page: ((2)Provision of environmental information according to the timing of submission was changed •9 page: The expiration date of use of JAMP AIS and chemSHERPA was changed
8th	April 1st, 2019	<ul style="list-style-type: none"> •6 page: 5.(2)① 10 Added " prevention (erroneous use,mixing and contamination)" for process control. •6 page: 5.(2)② Add notes to thoroughly manage chemical substances. •7 page: 6.(1)① Clarified the time limit of Prohibited inclusion of Phthalates(four substances) and Threshold.. •8 page: 6.(2) Removed JAMP AIS from chemical substance survey format.

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NIPPON SEIKI

NIPPON SEIKI CO., LTD. GREEN PROCUREMENT GUIDELINES