

SEI Guidelines for Green Quality Purchases

(For Business partners)

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Sumitomo Electric
Industries, Ltd



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Sumitomo Electric Industries, Ltd

Quality Management Division

1. Introductions

Sharing the recognition that 「It is important to build up a society that is sustainable and environmentally-friendly」, the Sumitomo Electric Industries, Ltd. (hereinafter referred to as SEI) group, while advancing environmental preservation activities persistently and steadily from a global point of view, is supplying to society a wide range of products and the challenging development of new products and technologies.

To realize products that burden the environment less, it is essential to procure raw materials and components that burden the environment less. We established [the Green Procurement Guidelines] in July, 2003 to advance the procurement of materials that take environmental impact into consideration. Ever since then, we have been able to advance green procurement thanks to our suppliers' understanding and cooperation.

Recently, we reformed the Green Procurement Guidelines to 『**SEI Guidelines for Green Quality Purchases**』 and also revised its contents in consideration of our customers' requests and the latest trends in the industry. We would like to ask our suppliers for their continued cooperation.

2. Scope

The Guidelines apply to the following products and materials to be purchased by the SEI group.

- SEI products and raw materials, components and semi-finished products for SEI products
- Materials ancillary to SEI products such as packaging materials, labels, manuals, etc.
- Supplementary materials used in the manufacturing processes of SEI products
- Catalogs, brochures, sales promotion goods, etc. that the SEI group circulates outside the company
- Packaging and packaging components for products and materials delivered to the SEI group

However, we exclude items that apply to the following cases from our objectives.

- Reagents used for analysis, testing, etc.

- Production equipment, equipment parts and tools
- Items being excluded from the Guidelines are clearly written in specifications, drawings, etc. in the SEI group and items that the SEI group designates for exclusion via documentation (including E-mails) when ordering.

Incidentally, packaging and packaging components for products and materials delivered to the SEI group may end up circulated as SEI products. Due to this possibility, packaging and packaging components are subject to the Guidelines.

3. Requirements

We seek to conduct business with suppliers whose products have a low impact on the environment and who are actively working on quality activities / environmental preservation activities. From this point of view, the requirements to apply to the Guidelines are specified below.

(1) Requirements related to products delivered to the SEI group

- ① Suppliers, in principle, shall certify that products delivered to the SEI group contain no prohibited substances listed in Appendix -1 of the Guidelines 『Standards for chemical substances in products』 (latest edition) or listed in any standards regarding chemical substances in products that the SEI group declares with the equivalent purpose (hereinafter, referred to as Substance Standards).
- ② Suppliers, in principle, shall disclose information on the contents of content-controlled substances, such as inclusion, the amount, parts, usage, listed in the Substance Standards regarding products delivered to the SEI group.
- ③ At the SEI group's request, suppliers shall cooperate with the surveys of chemical substances contained in products, parts, and materials delivered to the SEI group.
- ④ Suppliers shall carry out the management of chemical substances in products delivered to the SEI group and be able to report on whether substances are being managed properly as and when necessary.
- ⑤ Regarding chemical substances that are not designated as prohibited substances or the like in the Substance Standards, the suppliers shall comply with the laws and regulations concerned without fail if such substances fall under the substances whose use is prohibited by the Law on Industrial Safety and Hygiene, the Law concerning the Evaluation of Chemical Substances and Regulation of Their Manufacturing, etc., and the like and under the substances for which provision of information in writing or other forms is mandatory under the Law on Industrial Safety and Hygiene, the Law

concerning Pollutant Release and Transfer Register, the Poisonous and Deleterious Substances Control Law, and the like.

- ⑥ In cases where the delivered items are not [products] described in the Law Concerning the Examination and Regulation of Manufacture, etc of Chemical Substances but substances / mixtures, suppliers shall report whether each contained substance is an existing substance or a new substance in the Law Concerning the Examination and Regulation of Manufacture, etc of Chemical Substances.

(2) Requirements related to suppliers' manufacturing process

Use of substances listed in the Substance Standards is prohibited in the manufacturing process of products delivered to the SEI group.

(3) Establishment of quality ・ environmental management systems

Suppliers must have either ISO 9001, ISO 14001 certifications or a similar third-party standard such as the Ministry of the Environment's "Eco-Action 21", or have their own environmental management system conforming to ISO 9001 and ISO14001 standards.

(4) Implementation of environmental preservation activities

Suppliers shall implement environmental preservation activities not only for preventing pollution such as air pollution or water pollution but also activities for the prevention of global warming, resource-saving/reducing waste, the preservation of biodiversity and expanding environmentally friendly products.

The prohibited substances and threshold values described in (1) above, and exempted usage of substances totally banned for manufacturing and some substances described in (2) above are listed in the Substance Standards.

4. Implementation procedure of Guidelines

The guidelines will be implemented as follows.

- (1) Suppliers are requested to complete Form — 1 『SEI Guidelines for Green Quality Purchases Self-evaluation sheet』. Results of self-evaluations will be assessed by the SEI group.

<Timing of request>

- ・ The time of evaluation of suppliers for continued business relationships planned by the SEI group
- ・ When the specifications of a procured item are to be changed
- ・ When a newly procured item is contracted by delivery

- On other occasions such as revision of the Guidelines when an investigation is called for
<Procedure>

- Suppliers are requested to complete a self-evaluation sheet, and this sheet is to be submitted to the contact personnel at the respective concerned purchasing department in the SEI group.

(2) As for a substance slated for immediate prohibition as a constituent, a copy of Form -2 『Certification that Product Contains No Prohibited Substances』 as well as a copy of the self-evaluation sheet mentioned above are to be submitted.

(3) When carrying out the survey of chemical substances contained in products, parts and materials described in Section 3-(1)- ③, it must follow Appendix – 2 『the Survey Method for Chemical Substance Content in Products』.

(4) The approach to the management of chemical substances in the supplied products described in 3-(1)- ④ and reporting on whether management is conducted properly shall follow the method described in the “Guidelines for the Management of Chemical Substances in Products” issued by the Joint Article Management Promotion-consortium (JAMP) and the Japan Green Procurement Survey Standardization Initiative (JGPSSI), or the “JAMA / JAPIA Standard Material Datasheet (JAMA sheet)” designated by the Japan Automobile Manufacturers Association (JAMA) and the Japan Auto Parts Industries Association (JAPIA), or equivalents.

(5) We may audit our suppliers from the view point of the survey of chemical substances contained in products and supplier’s management of chemical substances concerned. We would like suppliers’ cooperation with this auditing.

(6) Regarding personal information and confidential information provided to SEI and affiliated companies for the Guidelines, this might be shared between SEI and affiliated companies or between affiliated companies. Please be forewarned. However, we will sufficiently manage information provided by our suppliers and it won’t be used for improper purposes.

(7) Regarding our losses caused by the 2 cases below, suppliers shall be accountable for liabilities for defect warranty based on contracts with suppliers.

- Prohibited substances in products that suppliers answered as prohibited substance-free, or contamination over threshold values

- Content-controlled substances at a higher concentration than suppliers answered

(8) The SEI group will give, based on information provided to us, a higher procurement priority to a supplier

that has gained a higher evaluation ranking in relation to implemented environmental measures, in addition to the traditional evaluation criteria such as quality, price and delivery speed.

5. Others

The following appendices and forms are attached with the Guidelines. When applying, please use the latest version of each one.

- Appendix -1 : 『Standards for chemical substances in products』
- Appendix -2 : 『the Survey Method for Chemical Substance Content in Products』
- Form -1 : 『SEI Guidelines for Green Quality Purchases Self-evaluation sheet』
- Form -2 : 『Certification that Product Contains No Prohibited Substances』

<Revision history>

■ As [SEI Guidelines for Green Quality Purchases]

5 th edition	Document No.	Date of issue
	Quality — All — 006 Appendix	2012.07.05
Revised contents and those reasons	① We changed the name of the existing 「Green Procurement Guidelines」 to 「SEI Guidelines for Green Quality Purchases」 and made it an Appendix of Quality — All — 006 「Quality Control for Supplied ・ Purchased Items」. Also, we made a list of prohibited substances, etc as Appendix -1 「Standards for contained chemical substances」 of the Guidelines. ② We added ⑥ (Reporting whether it's existing / new in the Law Concerning the Examination and Regulation of Manufacture, etc of Chemical Substances in 「3. Requirements」 - (1). ③ We added 「(4) Implementation of environmental preservation activities」 in 「3. Requirements」. ④ We deleted the description regarding deadline for total elimination. ⑤ In 「4. Implementation procedure of Guidelines」, we added the item regarding handling provided information (6) and the item regarding the liabilities for defect warranty for losses caused by answer contents (7).	
edition	Document No.	Date of issue
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Revised contents and those reasons	—	

<Former revision history>

■ As [Green Procurement Guidelines]

【First edition】 Established in July, 2003

【Second edition】 Revised in April, 2005

① Chemical substances of concern revised:

10 substance groups of prohibited substances that had in fact little possibility of being included in products and materials delivered to SEN were deleted. 8 substance groups targeted for total elimination were integrated to the prohibited substance category. Furthermore, 3 substance groups including TBTs were added to the prohibited substance category, and prohibited substances were defined as the same as the 15 substance groups (*1) listed in JGPSSI Level A List. 2 substance groups were added to the substances to be eliminated from suppliers' manufacturing process category.

② Implementation procedure of Guidelines revised:

Timing for supplier self-evaluation and a method for chemical substance content survey were added.

*1: Complying with the 2004.06.03 Second Edition Guidelines of Japan Green Procurement Survey Standardization Initiative (JGPSSI). See <http://home.jeita.or.jp/eps/>

【Third edition】 Revised in April, 2006

- ① An item added to the requirements for supplied products listed under item 3-(2), stipulating that suppliers shall carry out the management of chemical substances contained in products and report on whether substances are being managed properly as and when necessary. The method for carrying this out shall be an equivalent to that stated in the JGPSSI's Guidelines for the management of Chemical Substance in Products (*2).

*2: See JGPSSI's Guidelines for the management of Chemical Substances in Products at URL, http://210.254.215.73/jeita_eps/green/green8.htm

- ② Method for surveying amounts of chemical substances in products, parts and materials described in Item 3-(2)-② revised based on the JGPSSI 2006.01.13 Third Edition (*3).

*3: See JGPSSI Ver.3 Material Composition Survey and Response Manual at URL, http://210.254.215.73/jeita_eps/green/green11.htm

- ③ Major items added that were exempted additionally under the October 2005 EU Commission Decisions concerning Major Usage for Prohibited Substances and Time of Prohibitions for Supply listed in Table 4 (Commission Decisions, 2005/717/EC and 2005/747/EC). Usage of substances changed to banned one for substances whose stipulated period for total elimination has expired.

- ④ Threshold values for prohibited substance listed in Table 5 (cadmium and its compounds) revised.

【Fourth Edition】 Revised in April, 2008

- ① A paragraph on the compliance with the laws and regulations concerned regarding the prohibition of use of chemical substances and provision of information required legally was added to "4. Implementation procedure of Guidelines".

- ② Content-controlled substances are newly designated. In connection with this designation, a paragraph was added to 3-(2), Requirements related to products delivered to SEN, requiring supplier to disclose information on contents of content-controlled substances. The

content-controlled substances designated in the Guidelines are identical to those of Level B specified in JIG-101A.

③ Modifications were made to the prohibited substances listed in Table 1 as follows:

(Modifications resulting from the revision of JIG)

- The word “some” was placed before the designations of substances, TBTs and TPTs, short-chain chlorinated paraffins, and azo dyes and pigments, respectively.
- Polychlorinated terphenyls (PCTs) were added to PCBs; and
- A note in parentheses, (for use with cloth and leather products only), was added after “azo dyes and pigments.”

(Other modifications)

- Perfluorooctane sulphonates (PFOS) and their salts were added to the prohibited substances.

④ Designations of new applicable laws and regulations were added to the “Applicable laws and regulations” boxes in Table 1.

⑤ A table, “Table 2 Content-controlled substances”, was added. As a result of this addition, “Table 2 Substances to be eliminated from suppliers’ manufacturing process” was renumbered “Table 3”.

⑥ “Table 3 Certain amines that must not be generated by the decomposition of azo compounds” was renumbered “Table 6-14 Certain amines that must not be generated by the decomposition of azo compounds”.

⑦ Table 4-1 and Table 4-2 were integrated into Table 4-1; as a result, Table 4-(3) was renumbered “Table 4-2”.

⑧ Low-temperature solder was added to the “Exemption” box coming under the “Title” box, “Substance group: Cadmium and its compounds”, in Table 4-1.

⑨ Usage listed in Table 4-1 for which the deadline for total elimination had been passed was changed to prohibited usage.

⑩ The threshold value for cadmium in Table 5 was changed from 0.0075wt%(75ppm) to 0.01wt% (100ppm).

⑪ The threshold value for short-chain chlorinated paraffins in Table 5 was changed from 1wt% to 0.1wt% (1,000ppm).

⑫ The definition of the threshold value in Table 5 was added to the notes for Table 5.

⑬ Regarding the substances for which the threshold values are specified in Table 5, the requirement for the disclosure of the information on the contents for the case where such substance(s) is (are) contained intentionally is added.

- ⑭ Detailed lists of chemical substances were added to Tables 6-A 1 to 16 and Tables 6-B 1 to 9.

【Fourth Edition First Revision】 Revised in July, 2008

- ① Paragraph (8) of “4. Implementation procedure of Guidelines”, on compliance with the relevant laws and regulations regarding the prohibition of use of chemical substances and provision of legally-required information, was moved to “(2) Requirements related to products delivered to the SEI group” of “3. Requirements”.
- ② A change was made to classify “Deca-BDE (deca bromide) (RoHS) in resins” in Table 4-1 as a prohibited substance. (This change resulted from the exclusion of Deca-BDE from the exemption list of the RoHS directive.)