

GREEN PROCUREMENT STANDARD

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NISSEI CORPORATION

GREEN PROCUREMENT STANDARD

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1. Purpose of Green Procurement

The objective is to reduce the environmental burden resulting from the Nissei's business operations as well as contribute to establishment of a recycling-oriented society by promoting eco-friendly procurement activities so that environmental pollution can be prevented.

* *Business operations* refer to all activities including research and development, production, and sales of products.

2. The Nissei's Activities

(1) Basic Philosophy

The Nissei recognizes that harmony with the environment is an important issue common to all human beings. The Nissei will, through all aspects of its business operations, strive proactively and continuously to reduce the burden on the global environment.

(2) Code of Conduct

- 1) Through its business operations, the Nissei will make efforts to prevent environmental pollution and global warming by promoting energy conservation, resource conservation, waste reduction, reduction of substances of environmental concern, and reduction of greenhouse gas emissions.
- 2) We will make efforts to design, develop, and sell products that take account of the environment.
- 3) We will make efforts to prevent pollution by continuously improving the environment.
- 4) We will comply with the laws, regulations, agreements, customer requirements, and other requirements applicable to our business.
- 5) We will perform activities to contribute to the local society and ensure that biodiversity is considered.

3. Judgment Criteria of Procurement Suitability

In addition to the procurement standards of quality, cost, delivery date, and the like, the Nissei will include the following environmental items (1), (2), and (3) in the standards when judging the procurement suitability.

(1) System for Environmental Conservation Activities

The suppliers' system for environmental conservation activities shall satisfy either one of the following 1) to 3).

- 1) An environmental management system has been established by obtaining the ISO 14001 certificate.
- 2) The supplier participates in the "Environmental Activity Evaluation Program (Eco-Action 21)," which has been established by the Ministry of the Environment.

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3) If the supplier does not satisfy the above 1) or 2), the supplier shall satisfy the environmental management items including the following:

- ① “Environmental policy” and “Environmental objectives and planning to achieve them,” which are related to environmental conservation, have been established.
- ② There is a management representative, organization, or the like responsible for environmental conservation.
- ③ There is a specified emergency response procedure related to environmental conservation.
- ④ The supplier complies with the laws and regulations related to environmental conservation.
- ⑤ The supplier conducts appropriate environmental management activities that have reduction targets.

(2) Environmental Considerations for Delivered Goods

1) Considerations for environmental impact caused by substances of environmental concern

The measures specified in this standard shall be taken for the delivered goods.

2) Design considering the environment

- ① The design shall be effective in reducing the environmental pollutants and the like.
- ② The design shall be effective in resource conservation and energy conservation.
- ③ The resources that are used shall be sustainable.
- ④ Long-term use of the product shall be enabled by re-filling, replacement, or the like.
- ⑤ Ease of recycling shall be considered in the design.
- ⑥ Recycled materials shall be used.
- ⑦ Treatment and disposal shall be easy upon disposal.

(3) Sharing of Information

Information about the environmental conservation activities and the environmental information of the delivered goods shall be shared proactively.

(4) Scope

This standard applies to the following substances handled in the Nissei: (Note 1)

- Parts, materials and sub-materials used for products designed, manufactured, and sold by the Nissei;
- Parts, materials and sub-materials used for products designed and manufactured by the Nissei for a third party;
- Products designed and manufactured by a third party for the Nissei and sold under the Nissei's trade mark;
- Products for sale that incorporate product(s) purchased from another company (or companies);
- Products purchased from another company to be sold “as is”;
- Goods for sales promotion;

Note 1) The applicable contents may be changed only when an agreement is concluded between a supplier and the Nissei.

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(5) Definitions

① Goods

Goods is a general term for parts, materials, sub-materials, products, packaging materials, and the like purchased by the Nissei.

② Chemical products

Chemical products are chemical substances or mixtures.

③ Articles

Articles are items for which the particular shape, appearance or design given during manufacturing is a major determinant of end use function, rather than the functions fulfilled by their chemical composition.

④ Contain

Contain means that substances are added to, filled into, mixed into, or adhered to articles regardless of whether it is due to any intentional act or not.

⑤ Concentration

Concentration refers to the amount of a chemical substance present in a given volume of a homogeneous material that constitutes a part or material.

⑥ Concentration limit

Concentration limit refers to the maximum concentration of a chemical substance allowed in a homogeneous material that constitutes a part or material.

⑦ Homogeneous material

Homogeneous material refers to a material that cannot be separated mechanically into more than one material of different properties. For example, in a steel product that has one layer of paint, the steel is a homogeneous material and the paint is a homogeneous material.

⑧ Impurity

An *impurity* is a substance that is contained in a natural raw material and cannot be removed completely in the process of refinement into an industrial material, a substance generated in the process of synthesis that cannot be removed by technical means, or an outside substance that is mixed in unintentionally in the manufacturing or production processes.

⑨ Intentional use

Intentional use means that substances are deliberately added to parts or materials, or an added material is used in order to add a certain performance, characteristics and functions, or to maintain processing conditions.

⑩ CAS RN®

CAS RN® is an abbreviation of the CAS Registry Number.

The CAS Registry Number in this standard has not been verified by CAS and may be inaccurate.

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4. Request to Suppliers

We will seek the suppliers' cooperation if there is a request from the Nissei.

(1) Investigation of the System for Environmental Conservation Activities

The Nissei will conduct an investigation on the status of the suppliers' environmental conservation activities. Based on the self-evaluation results, the Nissei may make a request for improvements or conduct an on-site investigation.

(2) Compliance with the Nissei's Green Procurement Standard

Suppliers are requested to comply with the Nissei Green Procurement Standard (include the annex "List of Target Chemical Substances" The same applies below.). In order to be compliant, suppliers are requested to understand the contents of the Nissei Green Procurement Standard, and establish and maintain a system to manage the chemical substances in products at suppliers.

We will confirm the management system for chemical substances in products in advance for new suppliers who are starting business with the Nissei.

Please refer to "C0001-A1 Nissei Green Procurement Standard Annex List of Target Chemical Substances" for the chemical substances that are the subject of management by the Nissei.

(3) Submission of "Certificate Concerning Chemical Substances in Products"

Suppliers with transactions at the time of the revision of the Nissei Green Procurement Standard are requested to re-submit the "Certificate Concerning Chemical Substances in Products" after the Nissei Green Procurement Standard is revised.

Suppliers who initiate new transactions with the Nissei are requested to submit the "Certificate Concerning Chemical Substances in Products" before starting transactions.

*The department in charge of procurement in the Nissei will send the paper entry form.

(4) Investigation of Substances of Environmental Concern Contained in the Delivered Goods

The Nissei will basically conduct the following investigation for the goods delivered to the Nissei.

- 1) Submission of "Certificate of Compliance to EU RoHS Directive"
- 2) Submission of chemSHERPA-AI/CI

*What is the Certificate of Compliance to EU RoHS Directive?

It is a form that the Nissei requests suppliers to submit. The purpose of the certificate is to confirm that the goods delivered by the supplier comply with the EU RoHS Directive. The Nissei requests submission of the certificate as required during new adoption, when a material in the delivered parts is changed, and the like.

The department in charge of procurement in the Nissei will send the paper entry form.

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*What is chemSHERPA?

The environmental information communication tool, whose publication is led by the Ministry of Economy, Trade and Industry. The objective of the tool is to unify the various types of environmental information communication tools.

chemSHERPA website : <https://chemsherpa.net/>

The format of “chemSHERPA-AI” shall be used for articles, and the format of “chemSHERPA-CI” shall be used for chemical products. Please download each format from the chemSHERPA website, and submit the format using the dedicated file. Please refer to the chemSHERPA website for the definitions, entry methods, and the like.

(5) Management of Chemical Substances in Products

Suppliers are requested to manage Prohibited Chemical Substances (Level A) as defined in the Nissei Green Procurement Standard Annex List of Target Chemical Substances, so that they do not exceed the content standard value. Conduct investigations on Prohibited Chemical Substances (Level A) and Controlled Chemical Substances (Level B) according to the communication standard of the composition information as defined in the chemSHERPA usage rules.

The investigation shall be conducted based on the information shared through the supply chain.

In order to comply with the Nissei Green Procurement Standard, provide the latest version of the Nissei Green Procurement Standard to upstream suppliers as required.

(6) X-ray fluorescence analysis and phthalate measurement results

The Nissei periodically conducts X-ray fluorescence analysis and phthalate measurements.

In the case the Nissei determines necessary, such as if the measured value exceeds the content standard value or if the measured value is significantly different from the content information, the Nissei will contact the supplier for verification. When the content standard value is exceeded, we will ask suppliers to promptly investigate the cause and deliver goods with content below the content standard value.

(7) Actions when non-compliance occurs

If there is a possibility of prohibited chemical substances being contained beyond the content standard value, immediately contact the Nissei. Also, promptly confirm the level of content, and report on the confirmation results.

Furthermore, if content beyond the content standard value is confirmed, immediately specify the cause and extent of impact and report on the results.

In addition, implement recurrence preventive measures including horizontal expansion.

Compliant products should also be delivered promptly.

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(8) Response to prohibition of containing red phosphorus

Red phosphorous is prohibited from being contained in components that fall under the following.

【Target】

Resin materials used in electric/electronic components

【Content Standard Value】

Prohibited to contain

【Exemptions】

Resin materials that do not contact the conductors

* Suppliers that deliver applicable components are requested to contact the department in charge of procurement of the Nissei.