

Sumitomo Electric Group Guidelines for Green Quality Purchases

(For Business partners)

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Sumitomo Electric Industries, Ltd.



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Sumitomo Electric Industries, Ltd.
Safety & Environment Department

1. Introductions

Sharing the recognition of the importance of building up a society that is sustainable and environmentally-friendly," the Sumitomo Electric Industries, Ltd. Group (hereinafter called "SEG"), while advancing environmental preservation activities diligently and steadily from a global point of view, is supplying to the society a wide range of products and the challenging development of new products and technologies.

In order to reduce the negative impact of our products on the environment it is critical to purchase raw materials and components with a low environmental load from the market favorably. In July, 2003 we established "Green Procurement Guidelines" to advance our pro-environmental procurement. Since then we have been able to advance the green procurement supported by suppliers' better understanding and cooperation.

These Guidelines are a set of SEG's basic principles for green procurement. Therefore actual implementation rules or standards of each Production Group or SEG company may differ from the guide. In such a case, the implementation rules or standards of the Production Group or SEG company take priority. Suppliers shall confirm the applicable implementation rules, standards and their versions with procurement personnel of the recipient in advance.

We would like to ask our suppliers for their continued cooperation so that they can achieve appropriate green procurement by SEG.

2. Scope

These Guidelines shall be applied to the following products and materials sold to an "SEG customer."

- Finished products, raw materials, components and semi-finished products to be integrated into SEG products or placed on the market as SEG products.
- Materials ancillary to SEG products such as packaging materials, labels, manuals, etc.
- Supplementary materials used in the manufacturing processes of SEG products
- Catalogs, brochures, sales promotion goods, etc. that an SEG customer circulates outside the company.
- Packaging and packing materials and components for products and materials sold to an SEG customer.

However, following items shall be exempted from the scope of these Guidelines.

- Reagents used for analysis, testing, etc.

- Production equipment and its parts or tools.
- The items that SEG customer specifies as exemption from the scope of these Guidelines in writing (including e-mail).

Furthermore, packaging materials and components which are used for packing products and materials sold to an SEG customer is also subject to the requirement of these Guidelines because of the possibility that these packaging materials might be placed on the market together with SEG products.

3. Requirements

We seek to have business together with suppliers whose products have a low impact on the environment and who are actively working on quality activities and environmental preservation activities. From this point of view, below are the requirements to be applied to the suppliers in order to comply with this :

(1) Requirements related to the products sold to SEG customer

1. In principle, suppliers shall assure that their product sold to an SEG customer contains no "Prohibited Substances"^{*1} specified in Annex-1: "SEG Standards for Chemical Substance Management" of these Guidelines or other criteria concerning chemical substances provided by SEG for the same purpose (hereinafter referred to as "Substance Standards").
2. In principle, suppliers shall disclose relevant information regarding the inclusion, contained amounts, contained parts, and purposes of "Controlled Substances"^{**2} specified in the Substance Standards.
3. If requested by an SEG customer, in accordance with relevant agreements, suppliers shall inspect the chemical substance content of products, parts, and materials sold to the SEG customer and report the results of those inspections to the SEG customer.
4. Suppliers shall implement the adequate management of chemical substances in products sold to SEG customer. And suppliers shall report on the status of the implementation of their management to SEG customer at its request.
5. If products contain substances subject to legal obligations, suppliers shall comply with such obligations. (For example, substances for which there are regulatory requirements such as the provision of SDSs or the attachment of labels under the Industrial Safety and Health Act, Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement, and the Poisonous and Deleterious Substances Control Act, etc.)
6. In cases where the product sold to SEG customer is a "substance" or "mixture" provided for in the Act on the Regulation of Manufacture and Evaluation of Chemical Substances; whether each substance contained in the product is an "Existing Substance" or a "New Substance" provided for by the Act shall be reported by the suppliers.

*1: "Prohibited Substances" of SEG are listed in Annex-1, "SEG Standards for Chemical Substance Management," and are divided into two ranks, Rank A or B. Substances

specified as "Rank A" shall be prohibited from being contained in the substance, mixture or article. Substances specified as "Rank B" shall be prohibited from being contained in substance and mixture.

*2: "Controlled Substances" of SEG are listed in "SEG Standards for Chemical Substance Management," Annex-1 to these Guidelines, and are divided into two ranks, Rank C or D. Substances specified as "Rank C" shall be controlled and disclosed relevant information about its inclusion in substance, mixture and article. Substances specified as "Rank D" shall be controlled and disclosed relevant information about its inclusion in substance and mixture. Relevant information about inclusion shall include at least substance name, substance ID (like CAS RN and EC No.), content, containing part and use of each contained substances.

(2) Requirements related to suppliers' manufacturing process

Substances listed in the Substance Standards or equivalent shall be prohibited from using in the manufacturing process of products sold to SEG customer.

(3) Establishment of quality / environmental management systems

Suppliers shall acquire at least ISO 9001, ISO 14001 certifications or a similar third-party standard such as the Ministry of the Environment's "Eco-Action 21," or shall establish 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 for the prevention of global warming, resource-saving or 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 these Guidelines

These Guidelines should be implemented according to the following procedure.

- (1) Suppliers are requested to complete Form-1 "SEG Guidelines for Green Quality Purchases Self-evaluation Sheet." SEG customer should assess suppliers based on the completed "Self-evaluation Sheet."

< Timing of request >

- With the evaluation of suppliers for continued business relationships planned by SEG customer
- During or before revising specifications of a purchasing goods
- During or before making order for new goods
- On other occasions when SEG customer needs re-assessment of supplier such as by significant revision of these Guidelines

< Procedure >

1. Suppliers are requested to complete the Self-evaluation Sheet.
2. Suppliers submit the completed Self-evaluation Sheet to the person in charge at SEG customer
- (2) As for prohibited substances specified as Rank A or B substances of SEG, Form-2 "Certification that Product Contains No Prohibited Substances" as well as the Self-evaluation Sheet mentioned above shall be submitted to SEG customer.
- (3) The disclosure of information on inclusion described in Section 3-(1)-2 and inspection of chemical substances contained in products, parts, and materials described in Section 3-(1)-3 of these Guidelines shall be conducted using the tool provided in the information sharing and exchange scheme designated by the respective Production Group or SEG company. Typical information sharing and exchange tools are listed below, but not all tools used by SEG are covered. Suppliers shall confirm suitable tools with the SEG customer's personnel responsible for ordering.

Some substances, mainly Rank B and D substances, might not be fully recognized using these information sharing and exchange schemes. Suppliers shall submit the latest SDS for any supplies (especially chemical substances and mixtures) for which the provision of an SDS is required by the time these are delivered and subsequently submit the revised SDS each time it is revised.

Typical Information Sharing and Exchange Schemes
(1) chemSHERPA (for chemical products: chemSHERPA-CI, for articles: chemSHERPA-AI) • Scheme details and tools are available at: https://chemsherpa.net/ • Operating organization: Joint Article Management Promotion-consortium (JAMP)
(2) IMDS (International Material Data System) • Scheme details and tools are available at: https://public.mdsystem.com/ja/ • Operating organization: IMDS Steering Committee
(3) JAPIA Standard Material Datasheet • Scheme details and tools are available at: https://www.japia.or.jp/work/kankyou/japiasheet/ • Operating organization: the JAPIA Sheet Liaison Group

- (4) Procedures for establishing a system for adequately managing chemical substances in supplies and reporting the status of the implementation of supplier's management described in Section 3-(1)-4 of these Guidelines shall meet criteria that conform to JIS Z 7201 "Management of Chemical Substances in Products - Principles and Guidelines" (for example, "Guidelines for the Management of Chemicals in Products" issued by JAMP).
- (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) Please accept that personal information and confidential business information (CBI) provided to SEG customer to comply with these Guidelines might be shared inside of SEG if necessary. However, we should sufficiently manage such CBI provided by our suppliers and it should be used only for appropriate purpose to control chemical substances in products.
- (7) Regarding our losses caused by one of 2 reasons described below, we reserve the right to claim compensation for the loss to suppliers based on liabilities for defect warranty and the agreement between SEG and suppliers.
- Prohibited substances contained in products despite suppliers declaration about no inclusion of or inclusion at less than threshold value of "Prohibited substances."
 - Controlled substances contained in products without reporting or at a higher concentration than suppliers reporting value.
- (8) SEG 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 annex and forms are attached to these Guidelines. When applying, please use the latest version of each one.

- Annex-1: "SEG Standards for Chemical Substance Management"
- Form-1: "SEG Guidelines for Green Quality Purchases Self-evaluation Sheet"
- Form-2: "Certification that Product Sold to SEG Customer Contains No Prohibited Substances"

-These Guidelines, annex and forms to these Guidelines are able to be downloaded from the URL below.

Guidelines for Customers

<https://sumitomoelectric.com/jp/sustainability/csr/guideline>

<Revision history>

【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 in the same way 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 the one 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 the 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 “Table 2 Content-controlled substances”_was inserted. As a result of this addition, “Table 2 Substances to be eliminated from suppliers’ manufacturing process” is 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 0.0075 wt%(75 ppm) to 0.01 wt% (100 ppm).
- ⑪ The threshold value for short-chain chlorinated paraffins in Table 5 was changed from 1 wt% to 0.1 wt% (1,000 ppm).
- 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 SEG” of “3. Requirements.”
- ② A change was made to classify “Deca-BDE (deca bromide) (RoHS) in resins” as a prohibited substance in Table 4-1. (This change resulted from the exclusion of Deca-BDE from the exemption list of the RoHS directive.)

5 th edition	Document No.	Date of issue
	Quality—All—006 Appendix	2012.07.05
Revised contents and those reasons	1. Name of “Green Procurement Guidelines” was revised and re-established as an Appendix of Quality-All-006, “Quality Control for Supplied/Purchased Items,” and its name changed to “SEG Guidelines for Green Quality Purchases.” A list of prohibited substances, content-controlled substances and substances to be eliminated from supplier's manufacturing process was established as Appendix - 1 to these Guidelines, “Standards for contained chemical substances.” 2. Requirement for reporting whether it's existing or new in the Act on the Regulation of Manufacture and Evaluation of Chemical Substances was added in “3. Requirements” - (1) -6. 3. “(4) Implementation of environmental preservation activities” was added in “3. Requirements.” 4. The description regarding deadline for total elimination was deleted. 5. The item regarding handling of CBI, as item (6) and the item regarding the liabilities for defect warranty for losses caused by insufficient suppliers reporting contents, as item (7) in “4. Implementation procedure of Guidelines” was added.	
6 th edition	Document No.	Date of issue
	Quality—All—006 Appendix	2013.11.12
Revised contents and those reasons	1. To harmonize revised “Standards for contained chemical substances,” - Name of “Standards for contained chemical substances” was changed to “Standards for controlling chemical substances” - “Content-prohibited substance” and “Content-controlled substances” were changed to “Prohibited substances” and “Controlled substances,” respectively. - Definition of “Prohibited substances (Rank A/B)” and “Controlled substances (Rank C/D)” was added in footnote. 2. URL for downloading these Guidelines and/or appendixes was added.	

	<p>3. Requirements of 3-(1)-5 were revised for complying with the requirement not only of submitting SDS and labeling, but also of all the relevant legal requirements.</p> <p>4. Appendix-2, “the Survey Method for Chemical Substance Content in Products” was deleted. Instead, JAMP, JAMA/JAPIA and JGPSSI were listed as typical information sharing and exchange tools in “4. Implementation procedure of these Guidelines.” Additionally the requirement for submitting (M)SDS was specified to make the inclusion of Rank B or D substances clear, because the requirement on reporting of their inclusion is uncertain under those tools.</p> <p>5. Requirement for referring to JIS Z 7201 “Management of chemical substances in products-Principles and guidelines” was specified in (4) of “4. Implementation procedure of these Guidelines.”</p>	
7 th edition	Document No.	Date of issue
	Quality – All – 006 Attachment	2018.08.22
Revised contents and those reasons	<p>1. A clear statement was added to the main section that implementation rules or standards of a Production Group or SEG company take priority in cases where such implementation rules or standards of the Production Group or SEG company differ from these Guidelines.</p> <p>2. Since the download services of JAMP MSDS plus/AIS and JGPSSI Survey Response Tools, listed as typical information sharing and exchange tools, ended at the end of June 2018, JAMP MSDS plus/AIS and JGPSSI Survey Response Tools were deleted from the list of typical information sharing and exchange tools in “4. Implementation procedure of these Guidelines.” Instead, chemSHERPA-CI/-AI (IEC62474 conformity) were added.</p>	
8 th edition	Document No.	Date of issue
	Quality – All – 006 Attachment	2024.02.20
Revised contents and those reasons	<p>1. Among the typical information sharing and exchange tools, the JAMA/JAPIA Standard Material Datasheet has been changed to the JAPIA Standard Material Datasheet. Also, with the addition of the IMDS, a standard for the automotive industry, information sharing and exchange tools have been integrated into information sharing and exchange schemes.</p>	
9 th edition	Document No.	Date of issue
	Quality-All-006 Attachment	2025.01.20
Revised contents and those reasons	<p>1. The wording about SDS in (3) in “4. Implementation procedure of these Guidelines” was revised to require that suppliers should submit SDS for products by the time these are delivered and each time it is revised.</p> <p>2. Other minor corrections were made to words and phrases.</p>	