

Green Procurement Guideline (for suppliers)

(Ver. 3.01)

Establishment: 20th June 2005

Revision: 13th Nov. 2024

Canare Electric Co., Ltd.

1. Purpose

Canare Electric Co., Ltd. has been addressing green procurement under its environmental philosophy: “we recognize protecting natural environment is our human’s mission and strive to preserve and improve the environment through our business activities”.

This guideline describes the standard and the evaluation method for our green procurement. This purpose is for our company to promote the green procurement in cooperation with our suppliers in order to stabilize and enhance product environment and quality.

2. Scope

2.1. Scope of application to products

- 1) Products designed, manufactured and sold by Canare group
- 2) Products designed and sold by Canare group through commissioning manufacture
- 3) Products designed and sold by Canare group through selection and incorporation of commercialized products.
- 4) Products sold with Canare brand through Canare group’s commissioning design, development and manufacture
- 5) Products mediated for sales by Canare group

2.2. Scope of application to parts, materials, devices, etc.

Parts, materials, devices, etc. used in target products defined in the above 2.1 are subject to this procedure.

- 1) Parts and materials which configure cables, connectors and harness products.
- 2) Electric/electronic parts, semiconductor devices, print circuit boards, mechanism element, etc. which configure electronic products.
- 3) Soldering materials, tape, adhesive agent and printed materials, and another ancillary sub-materials.
- 4) AC adapters, screws and other accessories needed to operate devices.
- 5) Packaging materials used to protect products during transportation.

3. Definition of terms

1) Item

It refers to a product and a part, material, and device configuring a product that is delivered by our supplier.

2) Controlled environmental substance

A substance contained in parts, materials, and devices that is judged to have significant environmental impact on the global environment and human body. They are subdivided into substance groups 3), 4), and 5) below.

3) Prohibited substance

A substance, the use of which is currently prohibited by law, regulations, etc., or this guideline.

4) Controlled substance

A substance, the use of which is not prohibited or restricted, however, has to be controlled properly in consideration of environmental load, and actual status of its application needs to be monitored.

5) Substances of Very High Concern (SVHC)

Substances that are likely to cause harm to human health which is announced by European Chemicals Agency (ECHA) based on the REACH regulation (EC No. 1907/2006). Under the REACH regulation, some of harmful substances defined in Article 57 of the regulation are registered to Candidate List of Substances of Very High Concern for Authorization (hereinafter referred to as candidate list) when they are applicable, and some of them are selected as authorized substances and listed in Annex XIV of REACH. This procedure refers to substances registered in the candidate list for authorization mentioned above. The provision of the REACH regulation does not define the term of SVHC, however, the term is practically used.

6) Containment

It means that a substance, whether intentionally or unintentionally, is added, filled, blended or adhered in/with/to parts, materials or devices that constitute products (it also includes the case where a substance is unintentionally blended or adhered with/to products in the process of processing).

7) Impurity

A substance contained in natural materials that cannot be technically eliminated in the process of refining the materials as industrial materials, or a substance produced in the process of synthesis reaction that cannot be technically eliminated. It is called "impurity" to differentiate it from main raw materials. When an "impurity" substance is used for the purpose of changing the characteristics of a material, it is treated as "contained/containment".

8) Material

A uniform material that cannot be divided any more to achieve its intended use, or a composite material that can be regarded as uniform.

9) Nonconforming item

When any prohibited substance listed in this guideline and contained in products, parts and devices defined in section 2 that we purchased for the purpose of sales is recognized to exceed its threshold value (whether intentionally or unintentionally), it is treated as nonconforming item. When a substance not listed in this guideline has been clearly defined as a prohibited substance due to change in legal and other requirements, the substance is likewise treated as a nonconforming item.

4. Requirements for controlled environmental substances to be included in items

Requirements for controlled environmental substances to be included in items are set based on environmental laws and regulations of Japan and other countries as well as the standards of our client manufacturers, and those requirements are shown in the annex.

* The latest version is available on the official website. ([Environmental Initiatives](#) | [CANARE](#))

5. Implementation at our suppliers

- 1) In the implementation of green procurement for individual products, please comply with the requirements of laws, regulations, industry guidelines, etc. applicable at the time of delivery to our company. Please implement this guideline on that basis. Please instruct suppliers of parts and materials procured for manufacturing of products delivered to us, as well as secondary and subsequent subcontractors, to take on environmental preservation activities in accordance with this guideline, and please confirm through audits, etc. that they meet the requirements. This applies to production processes at contract manufacturers and other activities.

- 2) Implementation by suppliers other than the above
Please instruct the manufacturers of items that suppliers deliver to our company to implement environmental certification activities in accordance with this guideline. After collecting information regarding the fulfillment of this guideline from each manufacturer, please promptly provide it to our company.

- 3) Change to existing delivered item due to supplier-related reasons
If any change occurs related to this guideline (change of production location, parts, devices, materials or manufacturing process, etc.), please report to our company in advance based on the **guidance on application for 4M changes**. * Guidance on application for 4M changes is provided at the start of business.

- 4) As necessary, the article on green procurement may be incorporated in the basic contract, MOU, delivery specifications, etc. individually. In such case, individual specifications will be prioritized for the environmental requirements.

- 5) When implementation of this guideline cannot be accepted due to our customer's request, the customer's guideline may be used for implementing the green procurement in instead.

- 6) Controlled environmental substances used at the stage of research and development are not applicable in this guideline. However, please make sure identification management so as not to contaminate or mix your products to be delivered to us with prohibited substances.

- 7) Green procurement of goods supplied by our company will be implemented by our company.

6. Supplier survey

We consider our suppliers' continuous efforts to improve environmental quality to be an important element of business. For starting and continuing procurement with a supplier, we will conduct a survey on the environmental activities as follows. Each item is evaluated on site during our visit to your premise or in writing we may ask you to fill out a questionnaire, etc. Please disclose the product environmental information or how you address environmental preservation activities actively. We may ask request for improvement or refuse procurement depending on the survey result.

- 1) Implementation status of environmental management system
- 2) Non-use of prohibited substances at each stage of its manufacturing process and supply chain
 - * Example: We will investigate the status of risk management for substances that change or deteriorate due to long-term storage, such as lead-free solder.
- 3) Status of environmental management of secondary or lower-level suppliers
 - * Example: We will investigate items such as measures to prevent environmental pollution by plating businesses.
- 4) Receiving/shipment inspection and lot traceability
- 5) Implementation status of 4M change management
- 6) System for providing and controlling environmental evidence defined in the next clause 7
- 7) Response to nonconformity
- 8) Status of compliance with the latest environmental laws and regulations

7. Environmental and quality evaluation on items

- 1) As to controlled environmental substances contained in items,
 - Please report that the controlled values of containment prohibited substances defined in table 1 of the list of environmental substances are observed.
 - Please report the usage situation for controlled substances defined in table 2 of the list of environmental substances.
- 2) Structure for cooperation with our company

Our company requests for submission of guarantee for controlled environmental substances in our own format, information on various chemical ingredients and ICP analysis data*1 as evidence that items comply with this guideline.

Please submit them promptly upon request by our department in charge of the survey.

 - a) Guarantee for controlled environmental substances contained in products (CEM-G01-01, Attachment 1) and Material Declaration.

b) List of component substances (CEM-G01-03, Attachment 2), or information on chemical ingredients in any of the following formats

- ① MIL sheet (used mainly for metallic materials)
- ② chemSHERPA-CI*2 (used mainly for materials)
- ③ chemSHERPA-AI*3 (used mainly for parts)
- ④ SDS

Please visit the URL listed in the notes described below and confirm the information on these chemical ingredients and ensure to use the latest version of the format. When suppliers have their own format of the ingredient information, use of their format is accepted as long as the format is consistent with the information on the controlled environmental substances defined in this procedure.

SDS that describes the maker of raw materials and major component is helpful information for grasping conditioning agent used for painting, printing, plating and surface treatment. However, there is no obligation to describe minor constituent although it is required by RoHS directive and customers and, therefore, it is not enough as ingredient information to verify compliance with the green procurement requirement.

c) ICP analysis data*1

Target material for analysis is resin, ink and paint, unless otherwise required by customers.

*1 ICP analysis data: an analysis data resulting from inductively coupled plasma - emission spectrophotometric analysis (ICP-OES[ICP-AES]) or inductively coupled plasma - mass spectrometry (ICP-MS) in compliance with IEC62321:2008.

*2 chemSHERPA-CI: a scheme for communicating information on chemical substances contained in products, recommended by the Joint Article Management Promotion-consortium

(JAMP:<https://chemsherpa.net/jamp/about>).

It contains, as material information to supplement SDS, information such as “names of laws and regulations, etc.,” “whether or not substances are contained,” “substance name,” “CAS number,” and “concentration”

*3 chemSHERPA-AI: a scheme for communicating information on chemical substances contained in products, recommended by the Joint Article Management Promotion-consortium

(JAMP:<https://chemsherpa.net/jamp/about>).

It is used to provide downstream users with information such as “mass,” “parts,” “materials,” and “whether or not substances subject to laws and regulations are contained, names of the substances, amounts contained, and concentrations per molded product” for molded products.

(Each URL information was taken as of 2024/11/13)

8. Control of nonconforming items

8.1 Action to take for nonconformity

When a nonconformity occurs, or possibility of occurrence is recognized, suppliers should report it to Canare immediately and take measures to prevent reoccurrence in a thorough manner, e.g. handling of actual item, cause investigation, survey of impact/spread, review of internal rules and regulations.

When occurrence of nonconformity has caused damage to us, we may ask you to bear the expenses for the damage.

In such case, actions to be taken will be determined through consultation between the supplier and our company.

9. Revision record

Date	Revisions
2006/2/7	Table 1 Containment prohibited substances and control values: target and application of polyvinyl chloride reviewed
2010/8/27	1 to 8: Entire review. Table 1 "Containment prohibited substances and control values" updated Table 2, 3 and 4 reviewed
2017/6/12	The item: chemsSHERPA added as the format used for specifying chemical ingredients in 7. For this reason, the previously used List of component substances (CEM-G01-03) was abolished and no longer used for new operation. Table 1: "Containment prohibited substances and control values" updated.
2024/12/1	1 to 8: Entire review Table 1 "Containment-prohibited substances and control values" updated. Enabled the table alone to be updated.

End

Data submitted: _____

To:
Michinao Kondo, General Manager
Quality & Environment Control Department
Canare Electric Co., Ltd.

Guarantee Regarding Environmentally Controlled Substances Contained in Products

We hereby guarantee that the products or parts, including accessories, packaging and all other materials delivered along with the products (or parts), which we (including our subsidiaries and associated companies) supply to you (including your subsidiaries and associated companies), either directly or through third parties, do not contain the environmentally controlled substances in [“Green Procurement Guideline Appendix:Table 1 Containment-prohibited substances and control values”](#).

If it is found that we have run counter to the contents promised, we will not only inform you of this, but also take appropriate measures to correct the situation.

- Concrete regulation values, exemptions from applications, etc. are as stated in “Green Procurement Guideline Appendix Table 1 Containment-prohibited substances and control values” of the latest version as of the date of signing the guarantee.

Items:

(Signature)

Print Name and Title

Date(mm/dd/yyyy)