

Green Procurement Guidelines

Third Edition

March 1, 2019

Sumitomo Wiring Systems, Ltd.

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Procurement Management Division
Sumitomo Wiring Systems, Ltd.

1. Introduction

The Sumitomo Wiring Systems Group implements environmental management, based on the concept of environment protection—developing business while actively consider environment protection for an abundant society. We promote business activities in which all employees care for the environment in daily work. For our main products, wiring harnesses for office equipment and automobiles and peripheral devices, we try to develop products with minimum environmental harm and environmentally friendly recycling material. We procure raw materials and components that have little environmental impact to reduce the environmental harm of final products, and we need our suppliers' cooperation to achieve this goal.

Therefore, we are distributing the Green Procurement Guidelines to clarify the requirements of Sumitomo Wiring Systems Group for our suppliers. We hope the Guideline would help you understand our concept of environmental protection and cooperate to work better.

2. Scope of application

The Guidelines apply to procurement of raw materials, components, electric wires, and auxiliary materials by Sumitomo Wiring Systems Group. These raw materials, components, electric wires, and auxiliary materials include direct materials (components and raw materials comprising products) and indirect materials (Supplementary material used in the period between part manufacturing and delivery) purchased by the SWS Group.

Those raw materials, components, electric wires, and auxiliary materials supplied by SWS Group companies having business with you (hereafter referred to as "business partners") and reagents for analysis, inspection, etc. are excluded.

3. Requirements for suppliers

Sumitomo Wiring Systems Group not only adheres to the indicators of "quality, lead-time, and price," but also active in environmental protection activities. We therefore ask suppliers to implement the following requirements.

3-1 Requirements for environmental protection activities

The Sumitomo Wiring Systems Group gives priority to suppliers who:

- (1) Submit the Green Procurement Agreement (Attachment 2) to business partners.
- (2) Implement the following measures regarding environmental protection:
 - 1) Establishment of Environment Management System.
 - 1. Establishment of Environment Management System and compl with laws and regulations
 - 2. Promotion of environment management throughout the lifecycle of products
 - 2) Reduction of greenhouse gas (GHG)
 - 3) Reduction of impact to waters
 - 4) Promotion of resource recycling
 - 5) Establishment of a society in harmony with natureDetails of 1) to 5) above see Attachment 1 "Requirements for Environmental Protection Activities."

3-2 Requirements for delivered products

Sumitomo Wiring Systems Group requires, as mandatory trade terms, your agreement to comply with the following regarding the procurement activities for the raw materials, components, electric wires, and auxiliary materials.

- (1) For raw materials, components, electric wires, and auxiliary materials designated by customer: hazardous substances controlled according to conditions you agreed with the customers.
- (2) For raw materials, components, electric wires, and auxiliary materials not included in (1) above: products shall be managed and manufactured complying with the standard values of the prohibited substances in the Criteria for Environmentally Hazardous substance Management specified by business partners (hereafter "Environmentally Hazardous substance Criteria"), except those substances which you and business partners agreed to preliminarily include.
- (3) For all raw materials, components, electric wires, and auxiliary materials: necessary data on environmentally hazardous substance management shall be submitted at the first delivery to business partners, and data equivalent to IMDS environmental hazardous substance management system and of actual measurement shall be provided promptly to customers when required.
- (4) Cooperation in reducing the use of substances in the Environmentally Hazardous substance Criteria. You are requested to submit your reduction plans in response to the request from business partners and obtain approval.

For auxiliary materials, you are requested to comply with any supplementary documents in addition to these Guidelines.

- * Environmental hazardous substances in the Environmentally Hazardous substance Criteria are subject to change according to the revision or enactment of relevant laws and regulations. The latest version of the Criteria should always be used.
The renewal of Criteria automatically incorporate in this Agreement.

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4. Submission of the Green Procurement-related documents

Documents (1) and (2) below shall be submitted to business partners by designated time.

- (1) Green Procurement Agreement (Attachment 2)
- (2) Environment Investigation Report (Attachment 3): Two types available for choice: for trading companies and manufacturing companies. Please choose the appropriate one.

<Treatment of the agreement>

- The purpose of the agreement is to confirm that suppliers acknowledge and agree with the contents of Green Procurement Guidelines and cooperate to deal with environmental hazardous substances in future business according to the Environmentally Hazardous Substance Criteria.
- The agreement will be automatically extended every year.
- The Environmentally Hazardous Substance Criteria incorporated in the agreement will be renewed from time to time for best environmental measures. Execution of the agreement shall constitute agreement to any future version of the Criteria. When the Criteria is renewed, business partners will inform you of the revised contents. Prompt investigation shall be conducted according to new standard and declaration shall be made to if any newly prohibited substances is found

(The above does not apply when raw materials, components, electric wires, and auxiliary materials is delivered to SWS Group companies as per customers requirements.)

Please immediately terminate your agreement if there is any difficulty in complying with the Environmentally Hazardous substance Criteria, by submitting application form for the cancellation business partners.

- The agreement will be deemed to be terminated upon receipt of your application for cancellation by business partners.

5. Cooperation in improvements and technological support

We would comprehensively evaluate submitted documents including Environment Investigation Report and Reduction Plan, and we may request improvements from non-complying suppliers. Sumitomo Wiring Systems Group is available for technical and informational support for improvement upon your requirement.

[Attachments]

- Attachment 1: Requirements for Environmental Protection Activities
- Attachment 2: Green Procurement Agreement
- Attachment 3: Environment Investigation Report (for trading companies and manufacturing companies)
- Attachment 4: Environmentally Hazardous substance Criteria