

# **Green Procurement Guideline**

Version 1.1

April, 2009 Update

JVC Kenwood Group

# Table of Contents

|   |         |
|---|---------|
| Introduction .....  | 2       |
| Fundamental Policy of Green Procurement .....                               | 3       |
| 1. Objectives of Green Procurement Guideline .....                          | 3       |
| 2. Scope .....  | 4       |
| 3. Definition.....  | 4       |
| 4. JVC Kenwood Specific Chemicals.....                                      | 6       |
| 5. Requirements to Our Suppliers.....                                       | 6       |
| 6. Providing Survey Information and Other Information .....                 | 7       |
| 7. Analysis of Contained Chemicals .....                                    | 9       |
| 8. Survey Strategy for Products for Automobile Manufacturer (Car OEM) ..... | 9       |
| 9. Handling of Information.....   | 10      |
| 10. Contact for This Green Procurement Guideline .....                      | 10      |
| Appendix  |         |
| 1. Regulations List .....   | 11 - 13 |
| 2. Revision History.....  | 14      |
| Related document JVC Kenwood Specific Chemicals List (separate files)       |         |
| 1. JVC Kenwood Specific Chemicals List                                      |         |
| 2. JVC Kenwood Specific Chemicals Details                                   |         |
| Related document Forms on chemicals contained in products (separate files)  |         |
| - Material Contents Report  |         |
| - Examples of Material Contents Report                                      |         |
| - Material Classification List  |         |
| Related document Green Procurement Assessment (separate files)              |         |
| - Green Procurement Assessment Form   |         |
| - Examples of Green Procurement Assessment Form                             |         |
| - Green Procurement Assessment Operation Manual                             |         |
| - Green Procurement Assessment Chemicals Control Manual                     |         |
| Our company WEB site can obtain Related document.                           |         |
| URL: <a href="http://www.jk-holdings.com/">http://www.jk-holdings.com/</a>  |         |

## Introduction

Special thanks for your continuous support for our environment conservation activities.

We have seriously thought that it is one of the social responsibilities that business should take to work with environment issues, including global warming. We will be advancing efforts to improve the global environment for the future and striving for realizing realization of society.

We will be respecting the environment in every aspect of our business activities and continually reducing the environmental loads that may pose during products' lifecycles, such as producing and selling. As one of the approaches for the above, we believe it important to initiatively purchase components and products that can pose less environmental loads.

Especially, the consciousness of social responsibilities and morals in environmental issues, as well as compliance with various severe regulations including the recent REACH, has been required increasingly and more strictly than ever for business activities. Upon the business integration, we and our affiliate companies have renewed the "Green Procurement Guideline" and will be aggressively promoting environmental activities with the concept of prosperous coexistence with all of our suppliers.

We hope that all of our suppliers understand our idea on environmental issues and deploy efforts to reduce environmental loads and provide us environmentally conscious components and products. Your sincere understanding and cooperation will be highly appreciated.

**JVC KENWOOD Holdings, Inc.**

**Environmental Sustainability Office  
Integrated Synergy Development Division**

## **Fundamental Principle**

**In all the aspects of our business activities, we fulfill our social responsibilities through continual improvement of the global environment and contribute to realization of sustainably developing society.**

## **Fundamental Policy of Green Procurement**

- 1. We comply with every law and regulation related to environmental activities and other requirements we consent to.**
- 2. We, in order to provide products with less environmental loads, initiatively purchase components or products that consider their impact on the environment.**
- 3. We promote our business with companies that are actively developing environmental activities.**
- 4. We work toward effective uses of limited earth resources and aim for a recycle-oriented society.**

### 1. Objectives of Green Procurement Guideline

The purpose of this guideline is to describe our idea on control of chemicals contained in products and the strategy of surveys for the control, which should apply when we and our affiliated companies procure components from our suppliers. Note that this guideline has been compiled so that we can cope with the current trend in various international chemicals control, such as the REACH.

## 2. Scope

This guideline applies to all the purchases to be procured as materials, components, and products that make up merchandise that our affiliated companies in Japan and overseas will sell. This guideline also applies to any other purchases related to the manufacturing activities for those goods.

For information on how to survey products to be sold to automobile manufacturers (Car OEM), refer to Section 8.

## 3. Definition

The definitions of the terms used in this guideline are as follows:

- Materials, components, and products  
As an example: Include raw materials, accessories, components, unfinished products, purchased products, sales promotion goods, and packaging materials.
- For the definitions of terms related to the JAMP and JGPSSI, such as MSDS, JAMP MSDS-plus, JAMP AIS, and CAS number, refer to the "Guidelines for the Management of Chemical Substances in Products" of the JAMP and JGPSSI.
- JGPSSI (Japan Green Procurement Survey Standardization Initiative)  
An association for promoting streamlined green procurement through standardized surveys of chemicals and materials for green procurement within supply chains.  
[http://210.254.215.73/jeita\\_eps/green/](http://210.254.215.73/jeita_eps/green/)
- JIG (Joint Industry Guide)  
A guideline drawn up by the JGPSSI (Japan), CEA (USA), and EICTA (Europe) to standardize surveys for green procurement.

- JAMP (Joint Article Management Promotion-consortium)  
An association for establishment and promotion of specific mechanisms that can be used to appropriately control information on chemicals contained in products (articles) and smoothly disclose and communicate the information within supply chains.  
<http://www.jamp-info.com/>
  
- JAMA (Japan Automobile Manufacturers Association, Inc.)  
An association consisted of automobile manufacturers in Japan.  
<http://www.jama.or.jp/>
  
- JAPIA (Japan Auto Parts Industries Association)  
An association consisted of automobile component manufacturers in Japan.  
<http://www.japia.or.jp/>
  
- GADSL (Global Automotive Declarable Substance List)  
A common list of controlled chemicals, which has been established by the GASG (Global Automotive Stakeholders Group) consisted of automobile manufacturers, automobile component manufacturers, and chemicals manufacturers in Japan, USA, and Europe. The listed chemicals are defined with codes P (prohibited) or D (declarable).  
<http://www.gadsl.org/>
  
- REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)  
A law for chemicals control of the European Union,  
enacted through the EC Regulation No. 1907/2006.

## 4. JVC Kenwood Specific Chemicals

Specific chemicals are categorized into banned chemicals and restricted chemicals.  
For the complete list, refer to " Related document: JVC Kenwood Specific Chemicals List."

## 5. Requirements to Our Suppliers

### 5.1 Requirements on Environment Management System

In order to survey each supplier's environment management system, we ask each supplier for cooperation in the Green Procurement Assessment described in Section 6.1. For suppliers that we will be continuing business with, we also ask them for self-assessment and reporting with the Green Procurement Assessment Form. Depending on the assessment results and business status, we may conduct audits of the supplier. We notify each supplier of periods in which we expect the supplier to conduct the Green Procurement Assessment.

### 5.2 Requirements on Chemicals Contained in Materials, Components, and Products

- Materials, components, and products should comply with the applicable threshold level specified in the latest "JVC Kenwood Specific Chemicals List."
- Upon our request, each supplier should be able to provide us information that demonstrates the compliance mentioned above, not later than a date we specify. Delay in providing the information may be reflected in green procurement assessment of that supplier.
- Each supplier should make efforts to ensure that necessary information is thoroughly communicated to the upper stream of its supply chains, including its suppliers and its secondary suppliers.  
Information obtained from its supply chains should be kept for a required period by the law and regulation.
- Whenever the information each supplier has already provided us needs to be revised based on new information obtained, the revised information should be provided.
- Each supplier should continually make efforts to obtain the latest information on domestic and overseas regulations and comply with them.

### 5.3 Requirements on Manufacturing Processes

- Each supplier should not use any of the Class 1 ozone depleting substances, specified in the Montreal Protocol, in its manufacturing processes.
- Each supplier should make efforts to ban or restrict the use of the Specific Chemicals for tools and facilities that will be used in its manufacturing processes, considering transfer of the chemicals to the products.

## 6. Providing Survey Information and Other Information

Necessary forms are available at our Web site, which each supplier can download. Completed forms should be submitted in their original electronic data formats.

Our Web site URL: <http://www.jk-holdings.com/>

### 6.1 Green Procurement Assessment

The Green Procurement Assessment intends that each supplier conducts self-assessment of its chemicals control system to know whether and how it is working. The ultimate objective is that, through the Assessment, each supplier establishes and maintains its control system for chemicals contained in its products and deploys continual improvement of that system. For a supplier who just enters business with us, we will conduct an audit of that supplier based on provided Assessment results and take the audit results into consideration to determine the business terms with that supplier.

For how to conduct the Green Procurement Assessment, refer to " Related document: Green Procurement Assessment Operation Manual."

When determining the overall evaluation of each supplier, we take account of the evaluation results of the Green Procurement Assessment (designated as "E"), as well as the evaluation results of appropriate quality ("Q"), appropriate costs ("C"), and stable delivery ("D").

Suppliers who comprehensively address those themes will be chosen with higher priorities when we purchase goods.

## 6.2 Forms on Contained Chemicals and Their Precedence

Each supplier should complete and provide one of the forms listed below, on contents and chemicals used in all the materials, components, and/or products delivered to us. As far as possible, those forms should be used as per precedence of the order of this listing:

Forms on chemicals contained in products:

- (Priority level 1)"JAMP AIS"
- (Priority level 2)"Material Contents Report": Our own form
- (Priority level 3)"JGPSSI Survey Response Tool"

- \* The "Material Contents Report" is a form that can be commonly used among the car OEM, commercial, consumer, and business areas.
- \* As we are taking part of the activities to promote the "JAMP AIS," we highly encourage each supplier to use the "JAMP AIS."
- \* For suppliers who provide answers with the "JGPSSI Survey Response Tool," separate surveys may be required occasionally, such as when a regulation has been revised, because the information that form carries is relatively limited.
- \* When a change occurred in the mention contents by new knowledge or the trend of laws and regulations, please send the new file again after having updated report contents of the file that you had submitted.  
(Example: The addition of the SVHC substances of REACH)
- \* For materials to be used in our manufacturing processes, we may request additional information, including MSDS and JAMP MSDS-plus.

## 7. Analysis of Contained Chemicals

- We may analyze products delivered from a supplier to confirm that information the supplier has provided is consistent with actual products.
- For analysis methods for restricted substances specified in the RoHS Directive, among the banned substances, refer to the IEC62321 standard.

## 8. Survey Strategy for Products for Automobile Manufacturer (Car OEM)

For materials, components, and products for car OEM uses by J & K Technologies Corp., we request the supplier to conduct additional surveys on the GADSL substances and report the results with the forms listed below.

Note that separate surveys based on client's request may occasionally need to be conducted.

### 8.1 Survey Request and Precedence

For materials, components, and products for car OEM uses, we request a survey by issuing the "Environmental Survey Request for OEM Components."

The "Environmental Survey Request for OEM Components" includes description of the forms listed below, which should be submitted. The supplier should provide answer based on the description.

- (1) (Priority level 1)"JAMA/JAPIA Standard Material Datasheet"
- (2) (Priority level 2)"Material Contents Report" (used commonly with commercial, consumer, and business uses)
- (3) "GADSL Contents Report"
- (4) "SOC Evidence Data List"
- (5) Evidences (analysis data obtained from an analyzer including an ICP)

\* The "Material Contents Report" is a form that can be used commonly among the car OEM, commercial, consumer, and business uses. Therefore, once the form has been submitted with all the contents disclosed for a product, another form that describes the same information for the same product does not need to be provided.

\* The "JGPSSI Survey Response Tool" is not allowed to be used as an alternative.

## 9. Handling of Information

Information provided is to be handled and shared as internal information within our group, and will be never made public outside the group. Information based on the "Environmental Survey Request for OEM Components," however, may be used as evidences that need to be presented to our clients.

## 10. Contact for This Green Procurement Guideline

For consultation about this Green Procurement Guideline and its relevant documents, contact the representative department of the firm that issues survey request.

## Appendix 1: Regulations List

The following table shows laws and regulations related to chemicals with the JGPSSI JIG Levels of A and B and chemicals that we have voluntarily banned. It also shows some examples of the uses of those chemicals in the electronic industry.

Note that this table does not necessarily include all the relevant laws and regulations.

It is each vendor's responsibility to obtain and understand the latest legislation information.

### Banned Substances

| Substance Group                                       | Regulation Information  | Examples of Uses  |
|---|---|---|
| Asbestos  | EU: Directive for restrictions on the marketing and use of certain dangerous substances and preparations (76/769/EEC) and its amendments (83/478/EEC; 85/610/EEC; 87/217/EEC; 91/659/EEC; 99/77/EEC)<br>USA: Toxic Substances Control Act (restricts new uses)<br>Switzerland: Ordinance on the reduction of risks linked to chemical products (ORRChim)<br>Germany: Germany: ChemVerbotsV (Chemicals Prohibition Ordinance)  | Brake lining pad, insulator, filler, abrasive, insulator, filler, pigment, paint, talc, adiabatic material  |
| Azo dyes/Pigments                                     | EU: Directive for restrictions on the marketing and use of certain dangerous substances and preparations (76/769/EEC) and its amendments (2002/61/EC;2003/03/EEC),(EC)No 1907/2006 SVHC<br>Germany: Lebensmittel- und Bedarfsgegenständegesetzes (Food and Necessary Articles Gazette)  | Pigment, dyes, colorants  |
| Cadmium/Cadmium Compounds                             | EU: Directive for restrictions on the marketing and use of certain dangerous substances and preparations (76/769/EEC) and its amendments (91/338/EEC); EU/ELV Directive (2000/53/EC); RoHS Directive and its amendments (2002/95/EC)<br>USA: California Electronic Waste Recycling Act SB 20, amended by SB 50 and AB 575<br>China: Management Measures on EIP Pollution Control<br>Japan: Revised law for Promotion of Effective Utilization of Resources (J-Moss)   | Pigment, paint, ink, physical contact, plating, anti-corrosion treatment, dye, paint drying agent, surface treatment, chromate treatment, paint adhesion enhancement, anti-rust, stabilizer, plating material, pigment for resins, fluorescent, electrode, solder material, contact, zinc plating, PVC stabilizer, battery                              |
| Hexavalent Chromium/<br>Hexavalent Chromium Compounds | EU: EU RoHS Directive and its amendments (2002/95/EC); EU/ELV Directive (2000/53/EC)<br>USA: California Electronic Waste Recycling Act SB 20, amended by SB 50 and AB 575<br>Japan: Revised law for Promotion of Effective Utilization of Resources(J-Moss)<br>China: Management Measures on EIP Pollution Control  | Pigment, paint, ink, catalyst, plating, anti-corrosion surface treatment, dye, paint drying agent, surface treatment, chromate treatment, paints adhesion enhancement, anti-rust  |
| Lead/Lead Compounds                                   | EU: Directive for restrictions on the marketing and use of certain dangerous substances and preparations (76/769/EEC) and its amendments (86/677/EEC); EU/ELV Directive (2000/53/EC); EU RoHS Directive and its amendments (2002/95/EC),(EC)No 1907/2006 SVHC<br>Germany: ChemVerbotsV (Chemicals Prohibition Ordinance)<br>USA: California Proposition 65 Settlement; California Electronic Waste Recycling Act SB 20, amended by SB 50 and AB 575;<br>China: Management Measures on EIP Pollution Control (No. 39)<br>Japan: Revised law for Promotion of Effective Utilization of Resources (J-Moss) | Rubber hardener, pigment, paint, lubricant, plastic stabilizer, battery material, free-machining alloy, optical materials, X-ray shielding in CRT glass, electrical solder material, mechanical solder material, curing agent, vulcanizing agent, enhanced dielectric material, resin stabilizer, plating material, alloy component, additive for resin |

| Substance Group  | Regulation Information  | Examples of Uses   |
|--|---|--|
| Mercury/Mercury Compounds                                    | EU: Directive for restrictions on the marketing and use of certain dangerous substances and preparations (76/769/EEC) and its amendments (86/677/EEC, 91/157/EEC, 98/101/EEC); EU RoHS Directive and its amendments (2002/95/EC)<br>USA: Connecticut: C.G.S., Chapter 446m, Section 224-612-625, Mercury Reduction and Education; Rhode Island: Chapter 23-24.9, Mercury Reduction and Education Act; Vermont: Title 10, Chapter 164, Comprehensive Mercury Management; California Electronic Waste Recycling Act SB 20, amended by SB 50 and AB 575;<br>China: Management Measures on EIP Pollution Control<br>Japan: Revised law for Promotion of Effective Utilization of Resources (J-Moss) | Fluorescent bulb, contact point material, pigment, anti-corrosion, switches, high-efficiency phosphor, antibacterial treatment   |
| Ozone Depleting Substances                                   | Japan: Law Concerning the Protection of the Ozone Layer through the Control of Specified Substances and others Montreal Protocol<br>USA: 1990 revision of Article 611 of the Clean Air Act<br>EU: Regulation No. 2037/2000 on substances that deplete the ozone layer   | Refrigerant, foaming agent, extinguishant, solvent cleaner   |
| Polybrominated Biphenyls (PBBs)                              | EU: EU/RoHS Directive and its amendments (2002/95/EC)<br>Canada: SOR/2003-99, Prohibition of Certain Toxic Substances Regulation 2003<br>China: Management Measures on EIP Pollution Control<br>EU: 76/769/EC Marketing and Use of Dangerous Substances as amended by 83/264/EEC<br>Japan: Revised law for Promotion of Effective Utilization of Resources(J-Moss)  | Flame retardant  |
| Polybrominated Diphenylethers (PBDEs)                        | EU: EU/RoHS Directive and its amendments (2002/95/EC)2002/95/EC (EU/RoHS Directive and its amendments); 76/769/EC Marketing and Use of Dangerous Substances and amendments: (2003/11/EEC for Penta BDE, Octa BDE)<br>China: Management Measures on EIP Pollution Control;<br>USA: US States Law (Hawaii, Maine for penta BDE and Octa BDE)<br>Japan: Revised law for Promotion of Effective Utilization of Resources (J-Moss)   | Flame retardant  |
| Polychlorinated Biphenyls and Terphenyls (PCBs, PCTs)        | Japan: Law concerning the Examination and Regulation of Manufacture etc. of Chemical Substances (Class 1 chemical substances)<br>EU: 76/769/EEC, Marketing and Use of Dangerous Substances<br>Germany: ChemVerbotsV (Chemicals Prohibition Ordinance)   | Insulation oil, lubricant oil, electrical insulation medium, solvent, electrolytic solution, plasticizers, flame retardants, coatings for electrical wire and cable, dielectric sealants |
| Polychlorinated Naphthalenes (three or more chlorine atoms)  | Japan: The Law concerning the Examination and Regulation of Manufacture etc. of Chemical Substances (Class 1 chemical substances)   | Lubricant, paint, stabilizer for resin (for enhancement of electric characteristics, flame resistance, and water resistance), electric insulation material, flame retardant              |
| Radioactive Substances                                       | USA: U.S. Nuclear Regulatory Commission Title10 CFR Part 20 (Annex C);<br>Japan: Laws for the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors, 1986  | Optical properties (thorium), measuring devices, gauges, detector  |
| Certain Shortchain Chlorinated Paraffins (C10 – C13)         | Norway: Regulations relating to restrictions on the use of chemicals and other products hazardous to health and the environment (Product regulations – updated November 2006)<br>EU: Marketing and Use Directive (76/769/EEC +2002/45/EC),(EC)No 1907/2006 SVHC   | Plasticizer for PVC, Flame retarders such as fiber, rubber, paints, sealing materials, and adhesives   |
| Certain Tributyl Tin (TBT) and Triphenyl Tin (TPT) compounds | Japan: The Law concerning the Examination and Regulation of Manufacture etc. of Chemical Substances (Class 2 chemical substances)   | Stabilizer, antioxidant, antibacterial and antifungal agents, antifoulant, antiseptic, anti-fungal agent, paint, pigment, antistaining   |
| Tributyl Tin Oxide (TBTO)                                    | Japan: The Law concerning the Examination and Regulation of Manufacture etc. of Chemical Substances (Class 1 chemical substances),(EC)No 1907/2006 SVHC   | Antiseptic, antifungal agent, paint, pigment, antistaining, refrigerant, foaming agent, extinguishant, solvent cleaner   |

| Substance Group                  | Regulation Information  | Examples of Uses  |
|----------------------------------|---|---|
| Formaldehyde                     | (1) Germany: ChemVerbotsV (Chemicals Prohibition Ordinance)<br>(2) Denmark: Formalin regulation<br>(3) California, USA: Formaldehyde reduction regulation (ACTM, new sections 93120-93120.12) | (1) and (3) Apply to woodworks, including furniture and pallets, which can emit formaldehyde.<br>(2) All woodwork, such as loudspeakers, racks, and pianos, that use wood components assembled using formalin adhesives |
| Perfluorooctane sulfonate (PFOS) | EU: Ban of use of PFOS in accordance with the Directive 76/769/EEC+2006/122/EC, Canada: (SOR/2008-178 May29, 2008)  | Water repellent, waterproof agent for paper, foam extinguishers, floor polish grease, oil, and the like used for coating, surface activity, or flame retardation  |

#### Materials and Chemicals from Restricted Substances (JIG Level B)

| Materials/Substances                                  | Regulation Information  | Examples of Uses   |
|---|---|--|
| Antimony/<br>Antimony<br>Compounds                    | Not applicable<br>Level B Materials/Substances  | Pigment, paint, catalyst, lead-free solder, stabilizer, n-type dopant, flame retardant, polymerization catalyst                    |
| Arsenic/<br>Arsenic Compounds                         | (EC)No 1907/2006 SVHC<br>Level B Materials/Substances   | Pigment, paint, dye, antifoamer for glass, III-V group semiconductor substrate (GaAs), flame retardant                             |
| Beryllium/<br>Beryllium<br>Compounds                  | Not applicable<br>Level B Materials/Substances  | Ceramics, metal alloy, copper-beryllium alloy, catalyst, precipitation hardening alloy, copper-beryllium alloy for springs, solder |
| Bismuth/<br>Bismuth Compounds                         | Not applicable<br>Level B Materials/Substances  | Lead-free solder, solder   |
| All Brominated Flame Retardants except PBBs and PBDEs | (EC)No 1907/2006 SVHC<br>Level B Materials/Substances   | Flame retardant, package molding sealing, plasticizer for PVC  |
| Nickel (only for specific applications)               | EU: 76/769/EEC, Marketing and Use of Dangerous Substances and Amendments (94/27/EC)<br>Level B Materials/Substances | Stainless, plating, earphones or headphones as an example of direct contact with skin for a long time                              |
| Certain phthalates                                    | (EC)No 1907/2006 SVHC<br>Level B Materials/Substances   | Plasticizer, dye, pigment, paint, ink, adhesive, lubricant   |
| Selenium/<br>Selenium<br>Compounds                    | Not applicable<br>Level B Materials/Substances  | Photoreceptor, pigment, ink, catalyst, oxidizer, semiconductor material, light receiving element, photocell                        |
| Polyvinyl Chloride (PVC)                              | Not applicable<br>Level B Materials/Substances  | Insulator, chemical resistance, transparency, sheath material  |

#### Others, Regulated by end product

|        |   |                    |
|--------|---|--------------------|
| Others | EU: Package Directive (94/62/EC) and its amendments (2004/12/EC, 1999/177/EC)<br>USA: Regulations for heavy metals in packaging (17 states)   | Packaging material |
|        | EU: Battery Directive 2006/66/EC<br>Argentina: Law No.26.184 Portable Power and Resolution<br>Peru: Reglamento Técnico para. Pilas y Baterías de Zinc Carbón, No. 018-2005-PRODUCE<br>Korea: Law No. 8486<br>Taiwan: Announcement about regulation of manufacturing, import, and marketing of batteries<br>Brazil: Brazil CONAMA Resolution 401/2008<br>Turkey: USED BATTERIES AND ACCUMULATORS CONTROL REGULATION No.25569 | Batteries          |

## Revision History

| No. | Revised Section  | Revision  |
|-----|--|---|
| 1   |  | Issue of the Version 1(first edition) on December, 2008   |
| 2   | JVC Kenwood Specific Chemicals List<br>Green Procurement Assessment Form<br>Material Contents Report | Issue of the Version 1.1 on April, 2009<br>· Specific Chemicals List is separated, and REACH SVHC is added.<br>· Green Procurement Assessment Form is separated from Forms.<br>· The error check function is added to Material Contents Report. |
|     |  |   |
|     |  |   |
|     |  |   |
|     |  |   |
|     |  |   |