



Green Procurement Guidelines

2nd Edition

August 2024
Energywith Co., Ltd.
Procurement Department

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Attachment 1 "Survey of chemical substances"

1. Energywith Group's philosophy of green procurement

1.1 Purpose of green procurement

As global warming, resource depletion, ecosystem destruction, and other environmental issues grow more serious, companies face increasing demands and expectations to reduce the environmental burden of their business activities.

Our goal is to achieve a more sustainable society by promoting global production that reduces the environmental burden of a product throughout its life cycle.

Environmental Vision

Energywith will resolve environmental issues and achieve both a higher quality of life and a sustainable society through its Social Innovation Business in collaborative creation with its stakeholders.

As part of this activity, green procurement aims for procurement of products and services that impose less environmental burden through the proper use of chemical substances, preservation of ecosystems, energy efficiency, longer durability, resource conservation, ease of recycling, disassembling, and disposing of parts, from suppliers who are positively addressing environmental activities.

1.2 Requests to our suppliers

The Energywith Group asks for suppliers' understanding.

- Suppliers are requested to positively address environmental activities.
- Suppliers are requested to reduce the environmental burden of products delivered to the Energywith Group.

The details are shown below.

(1) Items related to the environmental activities of suppliers

(i) Suppliers are requested to make, implement, and manage an action plan for Environmental Management System (EMS)

(ii) In the case that the Energywith Group conducts an audit for green procurement, suppliers are requested to fulfill the items specified in 3.2(1)(c) Items related to environmental protection activities (20 items)

(iii) Suppliers are requested to construct a system that properly controls chemical substances included in their products.

(iv) We believe that obtaining international environmental certifications, such as ISO14001 and EMAS, and Japanese environmental certifications, such as KES, Eco Stage, and Eco Action21, is an effective measure for efficiently managing EMS. We therefore recommend that our suppliers obtain and maintain these environmental certifications.

(2) Items related to reducing the environmental burden reduction of delivered products

To reduce the environmental burden of delivered products, suppliers are requested to comply with 3.2(2) Reducing the environmental burden of delivered products (12 items)

EMS:Environmental Management System; promoting business while systematically considering environmental protection

ISO14001:Composed of ISO registration bodies (International Organization for Standardization); an internationally recognized environmental certification system

EMAS:Eco-Management Audit Scheme; environment management system of the EC(at that time)enforced in April 1995.

KES:Environmental certification system in Japan for small to medium enterprises, promoted by a specified non-profit organization,KES Environment Agency

Eco-Stage:Environmental certification system for small to medium enterprises, promoted by a limited-liability intermediate corporation, Eco Stage institute

Eco-Action 21: Environmental certification system for small to medium enterprises, promoted by the Institute for Global Environment Strategies-Center for Sustainability

(3) Items related to management of information on chemical substances present in supplied products

In order to use the presence of chemical substances in supplied products for work such as information disclosure in supply chains, follow the instructions in Chapter 3 to report management and information on the presence of chemical substances.

2. Regulating chemical substances in suppliers' products

2.1 Chemical substances regulated by the Energywith Group

The Energywith Group uses the "chemical substances regulated by the Energywith Group guidelines" to classify chemical substances contained in procured products into two separate categories, prohibited substances and controlled substances.

■ Chemical substances regulated by the Energywith Group guidelines

Classification	Regulated substances	Main legal regulations
Level 1– Prohibited substances	These chemical substances are prohibited for inclusion in supplied products. Under regulations inside and outside Japan, these chemical substances are basically prohibited for use in products(including packaging), but might be used in products supplied to the Energywith Group. For details, see Separate table 1 or Attached list 1.	See Separate table 1 or Attached list 1
Level 2– Controlled substances	Under regulations inside and outside Japan, these are substances whose actual use must be known, and for which appropriate management is required, or controlled substances whose recycling and proper disposal must be considered. This also includes substance groups whose inclusion in supplied products might be restricted according to utility. For details, see Separate table 2 or Attached list 2.	See Separate table 2 or Attached list 2

Note that the regulation factors (Such as substance groups, control levels, and threshold values) might vary depending on the operating division in the Energywith Group due to circumstances such as industry trends. Pay attention to the division's requested items, and check the items accordingly.

In addition, we might request an investigation of the chemical substances used in the production, storage, and transport stages before delivery (even if the substances are not included in the delivered products) with the objective of conserving supplies.

Suppliers' cooperation is also requested.

2.2 Warranty of non-inclusion of chemical substances in procured products.

In the Basic Agreement entered into when trading materials, the Energywith Group requests our suppliers to make certain considerations for the environment. Regarding chemical substances in their products, suppliers are requested to conduct quality control by warranting the non-inclusion of chemical substances in their products as necessary.

If non-inclusion of chemical substances in products is stated as purchase specification requirement in the trade, documentations such as "Warranty of Non-Inclusion Concerning Banned Chemical Substances in Products" (Warranty of Non-inclusion) must be submitted to the Energywith Group as a delivery specification requirement.

"Non-inclusion" indicates that the following is rationally proved regardless of whether inclusion of the substance is intentional:

- Certain chemical substances are not included, or they are included but at an amount less than the designated threshold value.

2.3 Guidelines for regulating information about chemical substances contained in products (prohibition and control)

When collecting information about chemical substances contained in products, choose the best way to do so from an economical and engineering standpoint.

Use of level 1 prohibited substances groups is basically prohibited according to regulations inside and outside Japan, so legally, their non-inclusion in products must be guaranteed.

For level 2 controlled substance groups, appropriate management of inclusion information is required regardless of whether the substances are included in the products. Suppliers are requested to file reports in all cases; even statements such as "There is no information available that shows inclusion of the chemical substances" are to be reported when appropriate.

2.4 Regarding changes in materials and manufacturing methods, and information about contained chemical substances

If any changes in materials and manufacturing methods, production location, major manufacturing equipment, persons in charge of manufacturing, etc. are to be made for procured products, suppliers are required to submit a notice about the details of the change and the scope of effect each time. In addition, for information on inclusion of chemical substances, submission of a notice is mandatory when a new inclusion is discovered, or when previously-reported inclusions have changed.

3. Request to our suppliers for their cooperation in green procurement investigations

With the support of our suppliers, the Energywith Group will reinforce its endeavors to provide environmentally-conscious products. Our suppliers (in an upstream supply chain) are encouraged to cooperate with us in the investigation of their status.

3.1 Investigation overview

(1) Investigation categories

Investigations are to be conducted for each of the following categories:

- (i) The status of the supplier's environmental activities
- (ii) The status of reduction of the environmental burden of procured products
- (iii) Information about chemical substances included in procured products

(2) Investigation replying method

Note that the regulation factors might vary depending on the operating division in the Energywith Group due to circumstances such as industry trends.

3.2 Content of investigation

(1) The status of environmental activities of suppliers.

Investigations of the following items will be made for each supplier (or each business place of a supplier):

(a) Items related to environmental certifications

■ Acquisition of the ISO 14001 certification or other external certifications approved by Energywith

- 1) Already obtained the ISO 14001 certification.
- 2) Already obtained another EMS certification.
- 3) Facilitating or have finalized a plan to acquire external certifications including ISO 14001.

(b) Items related to endeavors for Green Procurement

■ Status of planning Green Procurement

- 1) Implementing Green Procurement.
- 2) Planning to implement Green Procurement.

(c) Items related to environmental activities (20 items)

■ Corporate philosophy and policy

- 1) Have a corporate policy for environmental protection.
- 2) Setting environmental guidelines to ensure continuous improvement in the prevention of global warming, the cyclical use of resources, and the preservation of the ecosystem.
- 3) The company's environmental policy is committed to observing legal restrictions.
- 4) Company environmental policy is known to all employees and available to any third party.

■ Plan and organization

- 5) Have a goal/target for environmental protection.
- 6) Assigning specific organizations/persons to carry out relevant responsibilities toward the goal/target.
- 7) Have an implementation plan to achieve the goal/target.

■ Environment assessment/system

Control and assess the following items in the manufacturing process to strive for improvement:

- 8) Reducing water pollution.
 - 9) Reducing air pollution.
 - 10) Reducing noise and vibration.
 - 11) Treating waste properly and reducing the amount of waste disposal.
 - 12) Reducing energy consumption (electricity, gas, fuel, etc.).
 - 13) Purchasing raw materials to reduce environmental burdens.
 - 14) Reducing the use and discharge of hazardous chemical substances.
 - 15) Have a product assessment program.
 - 16) Have a systematic plan for emergencies.
 - 17) Have any internal environment audit program.
- Provision of education, training, and information
- 18) Implementing an environmental education program.
 - 19) Implementing training for personnel engaged in work that might significantly affect the environment. Have a list of such personnel.
 - 20) Providing information related to environmental protection.

(d) Manufacturing process information

■ Use or non-use of ozone-layer-depleting substances in the manufacturing process

- 1) Used in the product manufacturing process.
- 2) Not used in the product manufacturing process.
- 3) Under survey.

(2) The status of reducing the environmental burden of procured products
Regarding products the Energywith Group procures from suppliers, suppliers are requested to comply with the items below. Suppliers are also requested to make the same considerations for raw materials and parts that they procure themselves.

■ Resource saving

- 1) Making an effort to reduce weight and size.
- 2) Using recycled parts or resources (recycled material content rate)
- 3) Taking into consideration product durability improvement.
- 4) Endeavoring to properly use water.

■ Energy saving

- 5) Taking into consideration energy saving during use/stand-by time (reduction rate of energy)

■ Recycling

- 6) Collecting and recycling products (recycling rate)
- 7) Using uniform and standardized materials.
- 8) Considering ease of disassembly and sorting.

■ Packaging materials

- 9) Reducing packaging materials and considering collection, reuse and recycling.

■ Provision of information

- 10) Providing environmental information related to products.

■ Preservation of ecosystems

- 11) Endeavoring to reduce the burden on ecosystems.
- 12) Endeavoring to properly use chemical substances.

- (3) Information about chemical substances concluded in the procured products
Please follow the instructions in Attachment 1 (Survey of Chemical Substances).
(i) Basic product information
(ii) Product composition information
(iii) Information about inclusion or non-inclusion of regulated chemical substances
(iv) Information about the submission or non-submission of a Warranty of Non-inclusion

Table 1 (Level 1: Prohibited substances group list)

NO	Chemical Substances	Legal Limit	Reference laws
1	Cadmium and its Compounds *1	100ppm or less 100ppm or less (packing materials)	RoHS directive (EU) Packaging directive (EU)
2	Hexavalent chromium Compounds *1	1000ppm or less 100ppm or less (packing materials)	RoHS directive (EU) Packaging directive (EU)
3	Lead and its compounds *1	1000ppm or less 100ppm or less (packing materials)	RoHS directive (EU) Packaging directive (EU)
4	Mercury and its compounds *1	1000ppm or less 100ppm or less (packing materials)	RoHS directive (EU) Packaging directive (EU)
5	Polybromobiphenyl group (PBB group)	1,000ppm or less	RoHS directive (EU)
6	Polybromodiphenyl ether group (PBDE group)	1,000ppm or less	RoHS directive (EU)
7	Tri-substituted organostannic compounds *2 Tributyltin compounds(TBT) Triphenyltin compounds(TPT) Bis (tributyltin) oxide (TBTO), etc.	Intentional use is prohibited, however, 1000ppm or less as tin	Japan Chemical Examination Law/Type 1 specified chemical substances REACH regulation (EU)
8	Polychlorinated biphenyl (PCBs)	Intentional use is prohibited	Japan Chemical Examination Law/Type 1 specified chemical substances POPs
9	Polychlorinated terphenyls (PCTs)*2	Intentional use is prohibited	REACH regulation (EU)
10	Polychlorinated naphthalene (with 1 or more chlorines)	Intentional use prohibited	Japan Chemical Examination Law/Type 1 specified chemical substances
11	Short-chain paraffin chloride *2*3	Intentional use is prohibited	POPs REACH regulation (EU)
12	Asbestos group*2	Intentional use is prohibited, however, 1000ppm or less	REACH regulation (EU)
13	Ozone layer depleting substances *4(Class 1)	Intentional use is prohibited	Montreal Protocol on substances that Deplete the Ozone Layer
14	PFOS and its analogous compounds	Intentional use is prohibited	Japan Chemical Examination Law/Type 1 specified chemical substances POPs
15	2-(2H-1,2,3-Benzotriazole-2-YL)-4,6-di-tert-Butylphenol	Intentional use is prohibited	Japan Chemical Examination Law/Type 1 specified chemical substances REACH regulation (EU)
16	Hexachlorobenzene	Intentional use is prohibited	Japan Chemical Examination Law/Type 1 specified chemical substances REACH regulation (EU) Regulation on Classification,
17	Dimethyl fulmarate(DMF) *2	0.1ppm or less	REACH regulation (EU)
18	Hexabromocyclododecane (HBCD or HBCDD)	Intentional use is prohibited	Japan Chemical Examination Law/Type 1 specified chemical substances POPs
19	Bis(2-ethylhexyl)phthalate (DEHP)	1000ppm or less	RoHS directive(EU) Products or parts correspond to EU
20	Benzyl butyl phthalate (BBP)	1000ppm or less	RoHS/Cat8 & 9:
21	Dibutylphthalate(DBP)	1000ppm or less	TranSlation to Level I in 18th January, 2021
22	Diisobutyl phthalate (DIBP)	1000ppm or less	REACH regulation (EU)
23	Perfluorooctanoic acid (PFOA) and its salts and PFOA-related compounds	Intentional use is prohibited, and PFOA and its salts must be below 0.025 ppm. The total of PFOA-related compounds must be below 1 ppm.	POPs Law Concerning the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Class I Specified Chemical Substances)
24	Perfluorocarboxylic acids with 9 to 14 carbon atoms (C9-C14 PFCAs) and their salts and C9-C14 PFCA-related compounds	Intentional use is prohibited, and C9-C14 PFCAs and their salts must be below 0.025 ppm. The total of C9-C14 PFCA-related compounds must be below 0.26 ppm.	REACH Regulation (EU)
25	Perfluorohexane sulfonic acid (PFHxS) and its salts and PFHxS-related compounds	Intentional use is prohibited	POPs
26	Dechlorane Plus	Intentional use is prohibited	POPs
27	2-(2H-Benzotriazol-2-yl)-4,6-di-tert-pentylphenol (UV-328)	Intentional use is prohibited	POPs

Table 2 (Level 2: Controlled substances group list)

NO	Chemical Substance or substance group name
1	Antimony and its compounds *6
2	Arsenic and its compounds *6
3	Beryllium and its compounds *6
4	Nickel and its compounds *6
5	Selenium and its compounds *6
6	Un-specific brominated flame retardants *7
7	Polyvinyl chlorides (PVCs) and its mixture, its copolymer
8	Phthalate esters other than No.19–No.22 of Separate table 1 List
9	Ozone-layer-depleting substances (Class II :HCFC) *8
10	Radioactive substances
11	Di-substituted organostannic compounds (DBT, DOT, etc.)
12	Cobalt and its compounds
13	Azodyes and azocolourants which form specific amines
14	Formaldehyde
15	Benzene
16	Fluorine-based greenhouse gases
17	2,4,6-Tri-tert-butylphenol (2,4,6-TTBP)
18	Phenyl isopropyl phosphate (PIP (3:1))
19	Pentachlorothiophenol (PCTP)
20	Hexachlorobutadiene (HCBD)
21	Per- and polyfluoroalkyl substances (PFAS)
22	Decabromodiphenyl ethane (DBDPE)
23	Polycyclic Aromatic Hydrocarbons (PAHs) as restricted substances /REACH
24	REACH/restriction substances
25	REACH/authorization substances
26	REACH/SVHC

*1: For metals, alloys are included.

*2: REACH /restriction substances whose utility and treatment is judged to satisfy all regulations.

*3: Applies to short-chain chlorinated paraffins of carbon chain length 10 through 13.

*4: Class I substances according to the Montreal Protocol on substances that Deplete the Ozone Layer. (ozone-depleting chemicals excluding HCFC)

*5: For packaging materials, the total of four substances must be 100ppm or less.

*6: For metals, alloys are included.

*7: Those other than PBBs and PBDEs listed in Separate table 1 (Prohibited).

*8: Class II substances according to the Montreal Protocol on Substances that Deplete the Ozone Layer.

Survey of chemical substances included

■ Survey of chemical substances included in raw materials, parts, and half-finished and finished products

To determine each denominator and numerator, follow the definitions for calculating the content percentage of the mass of included chemical substances shown below.

Even if the content percentage is no more than the threshold value, follow the policy for registering surveyed values.

	Unit of survey	Unit and definition of surveyed values	Policy of registering the surveyed values	
			Substance intentionally added	Substance potentially added unintentionally
Level 1 Prohibited substances group	RoHS:For each homogeneous materials Not RoHS:For each supplied product or for each arbitrary class into which supplied products are divided	Unit: a)The mass of the denominator and the mass of the numerator or b)The mass and cocentration of the denominator for each region that includes chemical substances Definition: The maximum value (theoretical or actual measured value)	Register regardless of the value.	Also register if the substance is potentially added.
Level 2 Controlled substances group		Unit:The mass of the substances concerned included in each delivered product, or the mass of the substances concerned included in each class obtained by dividing delivered products into arbitrary classes Definition: The mean value (theoretical or actual measured value) or the maximum value (theoretical or actual measured value)	Register regardless of the value.	Also register if presence is confirmed and the value is obtained.

– Note that individual controls for substances groups not listed above might also be requested depending on the product group to be surveyed.

– Some prohibited substances were used for various applications in the past as additive agents to achieve product performance characteristics. These might even be included in current products.

Various cases of erroneous use, mixing, and contamination of prohibited substances have been reported, including those usually contained in raw materials in nature, remaining in products after generation as by-products or used as subsidiary materials in the manufacturing process, being mixed into products due to shared production lines or the use of alternative materials available in inventory.

Suppliers are requested to properly control prohibited materials in order to prevent their mixture into products in excess of the threshold value by understanding their characteristics and tracking their history, including those exempt from laws and regulations.

■ Definition of the denominator and the numerator for calculating the content percentage of the mass of included chemical substances

(1) Definition of the denominator

RoHS regulations: Homogeneous materials

Regulations other than RoHS: For each procured product or for each arbitrary class into which procured products are divided

【Definition of homogeneous material】

Homogeneous material refers to material that cannot be mechanically separated into other materials.

The following are homogeneous substances or homogeneous materials:

Composites	Judgement criteria
Chemical compounds, polymer alloys, metallic alloys, etc.	Homogeneous materials
Materials that have undergone painting, printing, plating (chromate treatment) or other treatments	Individual monolayers are considered homogeneous material. (In the case of zinc plating chromate treatment, the zinc plating layer and the chromate treatment layer are considered separate homogeneous materials. However, if it is difficult to obtain the values for individual monolayers by separating multilayers, the minimum separable unit is considered a homogeneous material unit (JIS C 0950))

(2) Definition of a numerator

“Chemical substances” refers to chemical elements or compounds.

Chemical substances	Definition of a numerator
Metals and metallic compounds etc.	Mass of metallic elements
Substances other than metals and metallic compounds	Mass of the chemical substance

The molecular mass relevant to the CAS number is to be filled in (actually larger than the mass of metallic elements in the molecule) for the potential REACH SVHC.

No.	Revised month	Revision History
2nd Edition	Aug 2024	Revised Table 1 and 2