

2021

Green Procurement Guidelines

(Edition 14)



スタンレー電気株式会社
STANLEY ELECTRIC CO., LTD.
Stanley Group

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1. Introduction

Recently, global and environmental problems such as global warming, hazardous substances contained in products, and destruction of the ecosystem have been expanding, and thus the roles of companies have become more and more important.

Since Stanley Group (hereinafter referred to as “Stanley”) positions these problems as the most important subject of management, we will put individual and organizational powers together, enhance approaches to the environment, and drive forward to have the next generations take over the rich nature on the earth.

In addition, the reduction of environmental impacts related to the life cycle of products as a whole through procurement, production, sales, application, disposal, and recycling in terms of raw materials is required for environmental conservation activities, and environmental approaches taken by individual companies are still insufficient.

For this reason, we, Stanley, will carry out a reduction of environmental impacts and risks together with suppliers by promoting the eco-friendly procurement of materials as a link in the chain of procurement policies. Suppliers understanding of Stanley’s idea about environmental conservation activities and their cooperation in complying with these guidelines are greatly appreciated.

Stanley Electric Co., Ltd.

Yasuaki Kaizumi, Environment Superintendent Managing Director

Tatsuaki Tomeoka, Purchasing Superintendent Director

2. Stanley's Environmental Activities

With the aim of proactively engaging in environmental conservation activities, Stanley has established "Basic Environmental Philosophy" and "Environmental Policies" as well as announced an "Environmental Statement."

1) Environmental Statement

We are committed to making environmental conservation efforts to achieve the goal of "not producing," "not using" and "not disposing" of substances that have an impact on the environment in order to become more environmentally friendly.

2) Basic Environmental Philosophy

Stanley group will strive to "create new values in harmony with the environment" through all our corporate activities by reducing the environmental impact to a bare minimum, so that we can pass on the immeasurably rich blessings of our earth and its ecosystem to the next generation in a healthy state.

3) Environmental Policies

We recognize the role and responsibilities that each of us assumes in regard to initiatives for environmental protection and act in accordance with the Basic Environmental Philosophy throughout our business activities, chiefly our automotive equipment, component, and electronic application product businesses.

- (1) We set environmental targets throughout the lifecycle of our business operations, products and services, and promote environmental protection on a global scale, including the prevention of pollution, the mitigation of climate change, and the use of sustainable resources.
- (2) We observe the environmental regulations of each country and region as well as other environmental agreements we conclude with other parties, applying voluntary standards of our own when necessary.
- (3) We perform continual improvement of our Environmental Management System to enhance our environmental performance.
- (4) We communicate our Basic Environmental Philosophy and Environmental Policies to all the persons working for Stanley Group, and we also gain the understanding and cooperation of our suppliers through informational efforts.
- (5) We make our Basic Environmental Philosophy and Environmental Policies accessible to the general public, and we report the progress of our environmental activities in order to increase communication with the local community, when requested.
- (6) We actively participate in the environmental conservation activities of the local communities in collaboration with governmental agencies or other local or affiliated organizations.

3. Request for Suppliers

1) Understanding and cooperation with Stanley's environmental targets and requirements

Using its Basic Environmental Philosophy and Environmental Policies as a basis, Stanley prepares documents that explain environmental targets and requirements and distributes them to its suppliers (specifically, management or those responsible). We appreciate suppliers' understanding of these documents fully and cooperating in achieving the targets.

2) Request to establish Environmental Management System (EMS)

- (1) Suppliers are requested to acquire Eco Partner Certificates to establish, maintain and improve the Environmental Management System (hereinafter referred to as "EMS") by obtaining ISO14001 or equivalent certificates or by receiving a Stanley EMS audit. Procedures to acquire the Eco Partner Certificate are as follows.

<Procedures to acquire an Eco Partner Certificate>

When a supplier begins a new transaction, choose A, B, or C of "Environmental Conservation Activities Category" based upon the "Procedure for Selecting an Environmental Conservation Activities Category" shown in Fig. 1 and submit an "Application for an Environmental Conservation Activities Category" and "Questionnaire regarding Acquisition of Approval Certificate." The supplier is requested to acquire an Eco Partner Approval Certificate by following the procedure mentioned below. If the supplier is not approved as an Eco Partner, transactions with Stanley shall be reconsidered.

[Refer to Fig. 2 for Environment Management System Development Flow (Flow of certificate of an Eco Partner)]

(1) "Category A"

- Suppliers that have already obtained ISO 14001 Eco-Action 21, Eco-Stage, EMAS or KES certification are requested to submit a copy of the registration certificate and appendix issued by the certification body or other documents verifying the acquisition of certification. Please submit these once again when the certification has been renewed.
- Suppliers that plans to acquire ISO 14001, Eco Action 21, Eco Stage, EMAS or KES certifications are requested to submit a copy of the contract document with the certification body that has granted the certification or a certification acquisition plan to which the company seal is affixed. When certification is acquired, submit a copy of the registration certificate and appendix or other documents verifying the acquisition of certification.

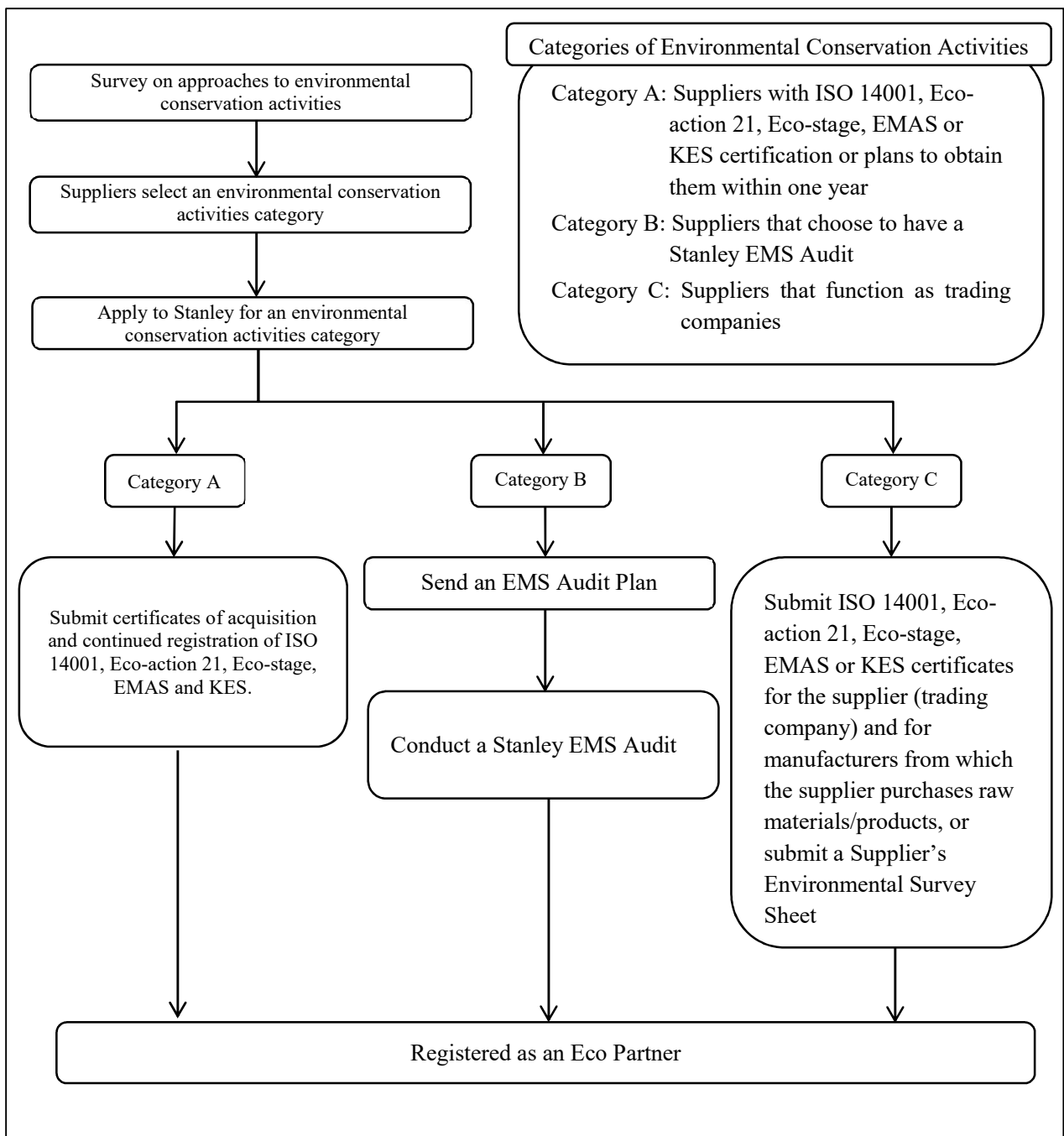
(2) "Category B"

- Suppliers are requested to undergo an Environmental Management System (EMS) Audit (hereinafter referred to as EMS Audit) conducted by Stanley. The audit date will be decided later based on consultation.
- When the audit date has been decided, we will send you an "Audit Plan".
- Stanley auditors will visit the supplier and conduct an onsite EMS Audit.
- If nonconformity is revealed by the EMS Audit, a Supplier's Environmental Audit Report will be issued. We ask the supplier to take corrective action and submit a progress report.
- Based on a final judgment, the supplier will be registered as an Eco Partner.

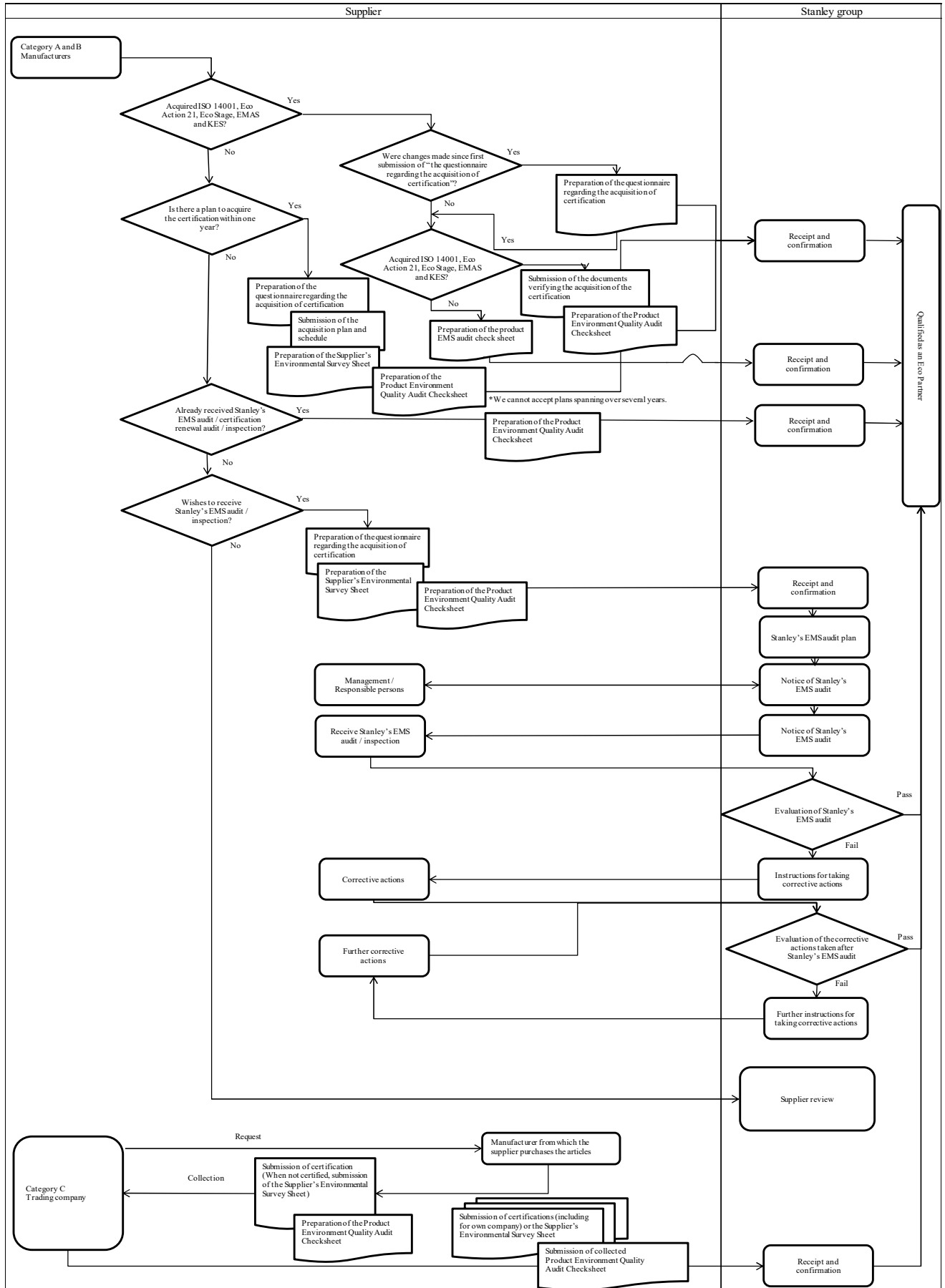
(3) “Category C”

- If a supplier is a trading company, the company is requested to examine the status of acquisition of ISO 14001, Eco Action 21, Eco Stage, EMAS or KES certification of the manufacturers from which the supplier purchases the articles. The supplier is also requested to submit “a copy of the registration certificate and appendix of the audit / registration body or other documents verifying the acquisition of the certification” or “the supplier’s environmental survey sheet” and “a copy of the registration certificate and appendix of the audit / registration body or other documents verifying the acquisition of the certification” of the trading company itself or “the supplier’s environmental survey sheet”.

<Fig. 1: Procedure for Selecting an Environmental Conservation Activities Category>



<Fig. 2: Environment Management System Development Flow (Flow of **certificate** of an Eco Partner)>



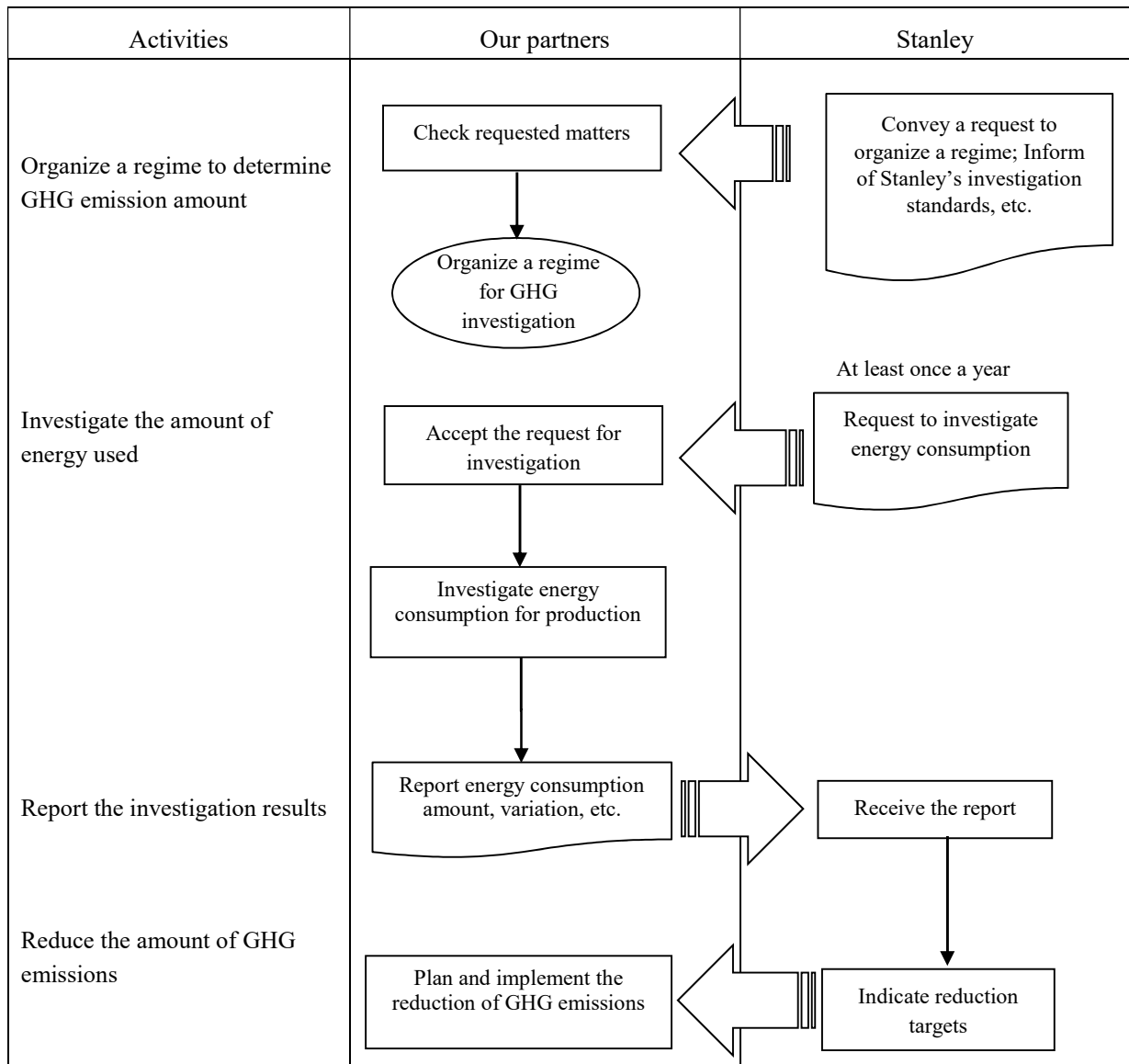
- (2) Regarding submission of “Supplier’s Environmental Survey Sheet” and “Questionnaire regarding Application Form for Environmental Conservation Activities Category and Acquisition of Approval Certificate”

In addition to a document reporting efforts being made, the supplier is requested to submit “Copy of the registration certificate and appendix of the audit / registration body or other documents verifying the acquisition of the certification”, “Supplier’s Environmental Survey Sheet” and “Questionnaire regarding Application Form for Environmental Conservation Activities Category and Acquisition of Approval Certificate”. The supplier is requested to answer these queries without fail (requests to target suppliers).

3) Approach to understand and reduce greenhouse gas emissions (GHG)

Suppliers are requested to determine the amount of GHG emissions first and then to engage in activities to reduce GHG emissions. As Stanley will carry out these activities according to the following procedure given in Fig. 3, your cooperation will be greatly appreciated.

<Fig. 3 Flow of Determination and Reduction of GHG Emissions>



- (1) Determination of GHG emissions and submission of achievement results

Suppliers are each asked to organize a regime capable of adopting the Stanley-designated method of determining GHG emissions amounts and supplying GHG emissions data to Stanley.

(2) Reduction of GHG emissions amount

Suppliers are each asked to undertake activities to reduce GHG emissions, such as more efficient use of energy. The reduction targets will be shared by suppliers and Stanley through briefing meetings and other opportunities. Suppliers are also asked to present plans and actual results on their GHG emissions reduction efforts. GHG (greenhouse gases) are as follows.

- | | | |
|--------------------------------------|-------------------------------|---|
| (1) CO ₂ (carbon dioxide) | (2) CH ₄ (methane) | (3) N ₂ O (nitrogen monoxide) |
| (4) HFCs (hydrofluorocarbons) | (5) PFCs (perfluorocarbons) | (6) SF ₆ (sulfur hexafluoride) |

4) Request to promote the activities for reduction of the amount of waste generated and the amount of water usage

Our company is actively promoting the activities to **recycle and reduce waste and water** in production processes and physical distribution. We ask the suppliers to set goals and make utmost efforts for achieving those goals in your business activities in accordance with the activities promoted by the government bodies or the organizations you belong to (such as industry associations).

Please note that we may request you to monitor the amount of waste generated and the amount of water usage and report the results.

5) Request to promote resources recycling

When deciding specifications of our products, our design and development departments may consult with suppliers. Suppliers are kindly requested to propose materials that may contribute to promotion of recycling-oriented production based upon Stanley's philosophy by making best use of resources and adopting such activities. Materials that will contribute to recycling-oriented production are as follows:

- Materials that will contribute to reduction of input materials
- Materials that will contribute to expanding use of recycled resources
- Materials that will contribute to reduction of packaging materials for product transportation

6) Other requests

(1) Request for submission of data

Submission data in Table 1 is kindly requested to be submitted within a specified time limit. Further, notification of forms to be submitted, regarding (1), (3), (4), (6), and (7) will be sent at the time of submission requests from Stanley.

(2) Dealing with provided information

We will never disclose the information to outside but share it inside the company.

However, if it is necessary to disclose provided information, this will be handled via consultations.

<Table 1 List of data to be submitted>

Approached items	Data to be submitted	Time to submit					Remarks
		Whenever submission requests are issued	Periodic (once a year)	Periodic (once in three years)	When a new transaction starts	When SDSs are revised	
Establishment of EMS	(1) Application Form for Environmental Conservation Activities Category and Acquisition of Approval Certificate				○		<ul style="list-style-type: none"> To be submitted when a new certification is acquired or the existing certification has expired To be distributed by Stanley when requested to submit
	(2) Copy of EMS certificate of registration by third party certifying body			○	○		<ul style="list-style-type: none"> Suppliers with EMS certificates are targeted.
	(3) Supplier EMS check sheet			○	○		<ul style="list-style-type: none"> Applicable to the suppliers who have not acquired the EMS certification and wish to have our audit / inspection Drafted / recorded by Stanley auditors
	(4) Supplier's Environmental Survey sheet		○		○		<ul style="list-style-type: none"> Applicable to the suppliers who have not acquired the EMS certification designated by our company To be distributed by Stanley when requested to submit
	(5) SDS sheet (Safety Data Sheet)	○				○	<ul style="list-style-type: none"> Latest version complying with GHS and the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (PRTR Act)
Understanding and reduction of GHG emissions	(6) GHG Emissions Achievement Data	○					<ul style="list-style-type: none"> To be distributed by Stanley when requested to submit
Other	(7) Receipt for Quality/Environmental Related Materials• Confirmation forms				○		<ul style="list-style-type: none"> Requests will be made to confirm the Basic Environmental Philosophy, Environmental Policies, Green Procurement Guidelines, and Product Chemical Substance Management Standard available from Stanley's website

4. Request to conduct thoroughgoing management of **substances contained in products**

Compliance with the Stanley Product Chemical Substance Management Standard (SPCS)

- We ask that suppliers please comply with the Stanley Product Chemical Substance Management Standard (SPCS) attached separately regarding the chemical substances contained in the raw materials, parts, products (including sub-materials), and packaging materials procured by Stanley, as well as the chemical substances used during the manufacturing stage.

5. Publication History

Edition	Date of publication	Revised contents
1	April 1, 2000	Newly established
2	April 1, 2005	
3	August 1, 2009	
4	September 1, 2010	<ul style="list-style-type: none"> • Addition of forms • Content modification of environmental conservation activities
5	September 1, 2011	
6	April 1, 2012	<ul style="list-style-type: none"> • Addition of “Understanding and reduction of GHG emissions”
7	September 1, 2013	<ul style="list-style-type: none"> • Review of “Basic Environmental Philosophy” and “Environmental Policies”
8	April 1, 2015	<ul style="list-style-type: none"> • Combined with former “Green Procurement Guidelines Appendices” Annex 1, Form 1 and Form 2 are added. • Definition of terminology is added. • “Name of Rank Category and Definition of Category” is modified. • Modification and addition regarding contents related to “Submission Forms for Information on Chemical Substances Contained in Products” • Addition of “3) Regarding information management at change point” • Modification of “Certificate of the Non-containment of Prohibited Substances” • Addition of “Fig. 3. Chemical Substances Investigation Flow (at 4M change)” • Addition of “Request to promote resources recycling” • Addition of “Table 3 List of data to be submitted” • Updating of “Management Criteria for Substances of Environmental Concern” • Deletion of SVHC list • Addition of revision history, and other items
9	April 1, 2016	<ul style="list-style-type: none"> • Revised the Management Criteria for Substances of Environmental Concern (Annexes 1 – 5) • Reviewed the definitions for the management classifications in Table 1 • Entry added on handling information on chemical substances contained in products • Entry added on calculating containment concentrations • Revised “Form 1. Certificate of the Non-containment of Prohibited Substances”
10	June 1, 2017	<ul style="list-style-type: none"> • Revisions to our Management Criteria for Substances of Environmental Concern (Annexes 1, 2, 4, and 5-2) • Revised “Form 1. Certificate of the Non-Containment of Prohibited Substances”
11	September 3, 2018	<ul style="list-style-type: none"> • Revision of “2) Request to establish the Environmental Management System (EMS)”

		<ul style="list-style-type: none"> • Revision of “Table 2: Submission Forms for Information on Chemical Substances Contained in Products” • Revision of “Table 3: List of data to be submitted” • Addition of “5) Request to promote the activities for reduction of the amount of waste generated and the amount of water usage” • Revision of Management Criteria for Substances of Environmental Concern (Annexes 1, 2, 4 and 5-1) • Revision of “Form 1: Certificate of the Non-Containment of Prohibited Substances”
12	September 2, 2019	<ul style="list-style-type: none"> • The requirements pertaining to the Managing Chemical Substances in Products were removed from the Green Procurement Guidelines and enacted in the form of the Stanley Product Chemical Substance Management Standard (SPCS). • Revised “Table 1. Timing for submitting the list of data to be submitted”
13	September 22, 2020	<ul style="list-style-type: none"> • Revision of “2.3) Environmental Policies” • Revision of “1) Understanding and cooperation with Stanley’s environmental targets and requirements” under “3. Request for Suppliers” • Revision of “2) Request to establish the Environmental Management System(EMS)” under “3. Request for Suppliers” • Revision of “Fig. 1 Procedure for Selecting an Environmental Conservation Activities Category” • Revision of “Fig. 2 Environment Management System Development Flow (Flow of qualification of an Eco Partner)” • Revision of “6) Other requests” under “3. Request for Suppliers” • Revision of “Table 1: List of data to be submitted”
14	September 28, 2021	<ul style="list-style-type: none"> • Changed the Environment Superintendent and Purchasing Superintendent Director • Revised “3) Approach to understand and reduce greenhouse gas emissions (GHG)” under “3. Request for Suppliers” • Revised “4) Request to promote the activities for reduction of the amount of waste generated and the amount of water usage” under “3. Request for Suppliers” • Revised “6) Other requests” under “3. Request for Suppliers” • Changed description for “4. Request to conduct thoroughgoing management of substances contained in products” • Revised “Table 1: List of data to be submitted”

Date implemented: **September 28, 2021**

If you have any question, please feel free to contact us.

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