

# **Green Procurement Guidelines**

(5th Edition)



## **Green Products**

November 1, 2009

**FUJITSU TEN LIMITED**

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## Attachments .

- “Guideline for Establishing SOC Management System”
- “List of Environmental Hazardous Substances in Production Process”
- “SOC Verification Evidence List”

# 1. Introduction

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The twenty-first century is referred to as the environmental century. We, FUJITSU TEN GROUP (referred to as "We" hereinafter), are actively promoting corporate activities in all phases of the product life cycle ranging from development and designing up to production, marketing, and eventual scrapping of commercial products by prioritizing "global environmental conservation" as one of the most important issues in our corporate management.

In recent years, the regulations for "the nonuse of toxic substances" and "the recycling of refuse" have rapidly been promoted in our corporate activities, and it is important for us to more effectively comply with those regulations. In order to fulfill social responsibilities as a corporate entity under the above circumstances, we consider that it is vitally important to more closely coordinate with all the associated suppliers who are constantly providing us with extensive cooperation in research, development, designing, procurement, and other fields

Taking these developments into consideration, we have reviewed the Green Procurement Guideline and expanded our activity scope from parts and materials for products to all transaction items. We will continue to strengthen and enhance the SOC management system through our supply chain, together with all associated suppliers who have been promoting activities for complying with increasingly severe environmental regulations.

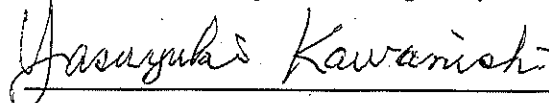
In particular, in the development of "green products", it is necessary for us to steadily reduce environmental loads and avoid environmental risks by implementing a comprehensive approach with all our suppliers throughout all business activities. Further, as the green product market has been expanding, customers have been demanding that we disclose the precise and timely environmental load information on products, as requirements. In order to quickly and faithfully respond to the customer's requests via communication with them, it is important for us to establish such a system and an infrastructure capable of efficiently examining and collecting environmental information related to individual products and parts and materials used on the unit basis.

As a response to all environmental conservation and regulations, we will thoroughly implement environmental assessments for our overall business activities based on the guidelines and precise and timely environmental information. We will also strictly manage environmental information provided by all our suppliers to promote green procurement activities.

We hereby express our deepest gratitude for overall cooperation rendered by all our suppliers in the diversified fields to date. As we intend to further promote environmental conservation activities, we cordially ask for your lasting support for promoting our green procurement activities.

FUJITSU TEN LIMITED

Director, General Manager Purchasing Group



Director, In charge of Environmental Protection



## 2. FUJITSU TEN GROUP Environmental Policy

FUJITSU TEN LIMITED ranks the environment as one of the most important issues of business management. Hence, the FUJITSU TEN GROUP has duly established the “FUJITSU TEN'S Commitment To The Environment” as the practical policy for dealing with environmental problems. We determined the fundamental principles, fundamental policies, and action directives as shown below.

### FUJITSU TEN Global Environmental Charter

#### 1) Fundamental Principles

The Fujitsu Ten Group is aware of the close connections between the global environment and our business activities, products and services related to the industries of automotive electronics, entertainment, and information technology. With our promotion of environmental management, we are contributing to the development of a green 21st century and meeting our social responsibilities as a corporate citizen.

#### 2) Fundamental policies

##### (1) Comprehensive measures

Seek for the latest environmental technology, and globally promote environmental protection by cooperating with affiliated companies and suppliers, in order to reduce environmental risk and continuously improve environmental performance in every area of our business.

##### (2) Thoroughness of basics

Promote effective and positive environmental preservation activities rooted in our actual business activities by setting Action Plan. We achieve upward spiral for our environmental management system based on ISO 14001, and respond to customers requests and social trend not to mention the compliance with environmental regulations related to our business activities, products and services.

##### (3) Coordination and collaboration with society

In our role as a corporate citizen, we shall proactively assist in planning and support the environmental policies of national and regional governments and other measures that contribute to society. Together with this, we disclose and clarify the achievement of our environmental protection through business activities and environmental performance of our product and service through media such as Sustainability Report and product specifications while cherishing communication with customers.

#### 3) Action directives

(1) Promote site-specific environmental protection efforts that seek to minimize resources extraction, environmental discharge and environmental risks by enriching coordination of environmental management within Fujitsu Ten Group, in order to fulfill social responsibility as a global corporation.

We shall take measures to cope with the global warming by adapting “Green Process”, novel energy sources, etc.

We shall take measures for saving and recycling resources by urging the 3R (Reduction, Reuse, and Recycling) actions.

We shall take measures to reduce environmental risks caused by chemical substances and also to decrease the use thereof via the introduction of the green process.

(2) In order to provide our customers with the green products filled with the highest level performance characteristics compatible with the environment on a timely basis, we, as a global supplier, shall strengthen our cooperative system with the associated companies and suppliers so that the latest environmental technologies can properly be applied to our products.

-Global warming measures through green process and adoption of new energy, etc.

-Resource saving and recycling measures through promotion of 3R (Reduce, Reuse, Recycle).

(3) Promote green procurement and green logistics in order to save resource and energy, ban the use of hazardous substances, and reduce waste generation in supply chain of production such as procurement, sales, logistics and product disposal.

(4) Raise the awareness of our entire staff through substantial environmental education and awareness raising activities as well as brush-up of management method in order to achieve spiral-up of environmental management.

#### [Others]

1. This Charter shall be regularly reviewed.

2. This Charter shall be communicated to all the employees and disclosed to public.

### 3. Green Procurement Policy

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#### 3-1. Basic policy

Item	Green Procurement Policy
Management	(1)We shall strengthen and enhance the Environmental Management System(EMS) by implementing the following: 1. Establish the basic EMS(certification by external official body) 2. Establish the SOC management system through our supply chain.  (2)We shall comply with the environmental regulations related to our business activities.
Procurement of parts and materials	(3)We shall procure green parts and materials (disuse of hazardous substances, energy/resource saving, recycling friendliness, etc) conforming to the environmental conservation.

#### 3-2. Environmental Awards for Suppliers

We shall choose, based on our assessment criteria, the best achievements among our suppliers who achieve developing our green products or reducing SOC in the factory. We shall recognize these achievements in our supplier assessment and give an award to respective suppliers.

### 3-3. Important enforcement items

#### 3-3-1. We shall reflect the achievement of green procurement policy in our assessment of suppliers, and procure from these suppliers who have established their EMS system.

##### (1) Survey on suppliers' environmental activities

We shall do research mainly on suppliers establishment of EMS and improvement of SOC management.(Field research may be conducted as needed.)

##### [Point]

- Establishment of EMS
- Gateway Management through the supply chain (flow of environmental information/procurement of parts and materials/management of processing companies)

Specified Substances of Concern(referred to as "specified SOC" hereinafter)

( ) Principle of Non-inclusion Management

**i) Gateway Management:** To control inclusion/non-inclusion of specified SOC from raw materials.

**ii) Traceability:** To be able to trace back to raw material stage for components used in **parts** through our supply chain.

**iii) Management liability:** To verify via an appropriate means whether the information on the chemical ingredients contained is correct for all parts and materials.

( ) specified SOC : Banned substances/declarable substances set by our "FDC-002 Control Criteria for SOC in Parts and Materials"

##### (2) Evaluation of suppliers environmental reports on parts and materials

We shall evaluate status of reports by "JAMA Standard Material Datasheet" and "SOC Verification Evidence List (Incl. analysis evidence)" and other documents.

#### 3-3-2. We shall conduct non-inclusion management of specified SOC.

We shall implement the following for specified SOC

##### (1) Verification of design information

We shall verify material information by "JAMA Standard Material Datasheet"

##### (2) Verification of non-inclusion of 4 substances (lead, cadmium, mercury, hexavalent chromium) prohibited by European ELV(End-of-life Vehicle)

- We shall verify the non-inclusion of 4 substances prohibited by European ELV by evidence(analysis evidence) for initial product of newly-employed parts and materials.
- We shall continually implement proper inspection(analysis) to monitor for procuring parts and materials.

***If the usage or inclusion of specified SOC is found, we shall regard it as an important quality problem and take immediate corrective actions for that.***

## 4. Green Procurement Guidelines (Requirements to Suppliers)

All our suppliers are requested to keep and improve their management systems based on the Environmental Management System(EMS). We shall ask all our suppliers to understand and respond to the requirements in the following table.

< Table 1. List of Requirements for Green Procurement Guidelines >

[mark : request]      : Essential for all      : Essential when required      : Self-activity

Requirements	Object suppliers		
	Parts & materials for our products		Other than parts & materials for products (Note1)
	Parts/Products	Materials/Indirect materials	
<b>(1) Establishment of Environmental Management System (EMS)</b>			
(1)-1. Establishment of basic EMS			
(1)-2. Improvement of the system for managing the Substances of Concern (SOC)			
<b>(2) Management of parts, products, packaging materials supplied to us and materials &amp; indirect materials used by us</b>			
(2)-1. Management of object substances in "FDC-002 Control Criteria for SOC in Parts and Materials"			
(2)-2. Management of materials & SOC and provision of information			
(2)-3. Activities for controlling & reducing banned substances (with restriction in application) and declarable substances			
(2)-4. Consideration for energy saving, resource saving/recycling, and Volatile Organic Compound(VOC) reduction			
(2)-5. Activities for LCA(Life Cycle Assessment)			
(2)-6. Research on other environmental concerns			
<b>(3) Environmental Consideration for Overall Business Activities</b>			
(3)-1. Compliance with environmental related regulations			
(3)-2. Improvement of environmental performance			

(Note1): Other than parts & materials for products:  
 "Facilities", "Software/Services", "Logistics", "Supplies", "Buildings/Constructions" etc.

# (1) Establishment of Environmental Management System (EMS)

## (1)-1. Establishment of basic EMS

We shall ask all our suppliers to establish an EMS for obtaining an external official body certificate such as ISO14001.

As a general rule, acquisition of the EMS certificate based on the certified standards of an external official body

Provisionally, approval by supplier's own EMS and by the Fujitsu Group Environmental Management System (FJEMS):

For details, please contact our purchasing department.

Certified standards of external official body

Certified Standards	Names of agency	Detailed information
ISO14001	International Organization for Standardization	JIS Q 14001: 2004
Program for assessing environmental activities	Ministry of Environment	<a href="http://www.env.go.jp/policy/j-hiroba/PRG/index.html">http://www.env.go.jp/policy/j-hiroba/PRG/index.html</a>
Kobe Environment Management System (KEMS) and those standards certified by other locally authorized organizations equivalent to KEMS	Kobe Environmental Forum, etc.	<a href="http://www.h7.dion.ne.jp/~kems/">http://www.h7.dion.ne.jp/~kems/</a>

## <Check/report on Environmental Management System (EMS)>

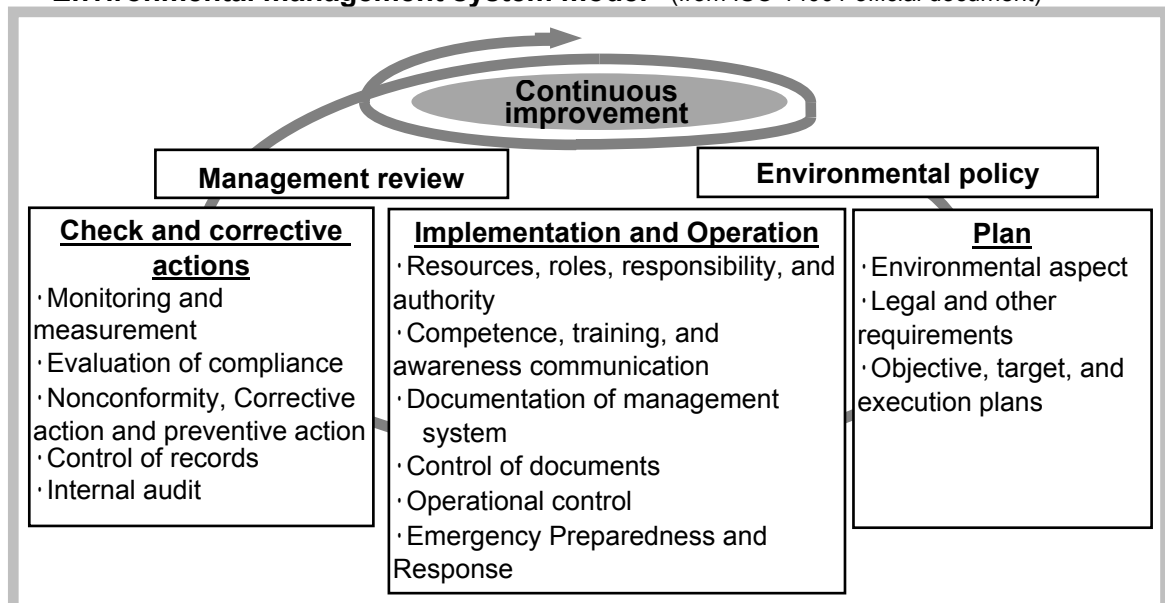
We shall check on the progress of the EMS establishment, and ask for your co-operation.

- (a) For ongoing suppliers: once a year, as a rule
- (b) For suppliers starting an account(incl. new manufacturer): start-up date(as needed)

We ask suppliers to promptly report any change in EMS certificates(new certificate, change of certificate agent, certificate cancellation) or the like.

*Activities for continuous improvement are kindly requested.*

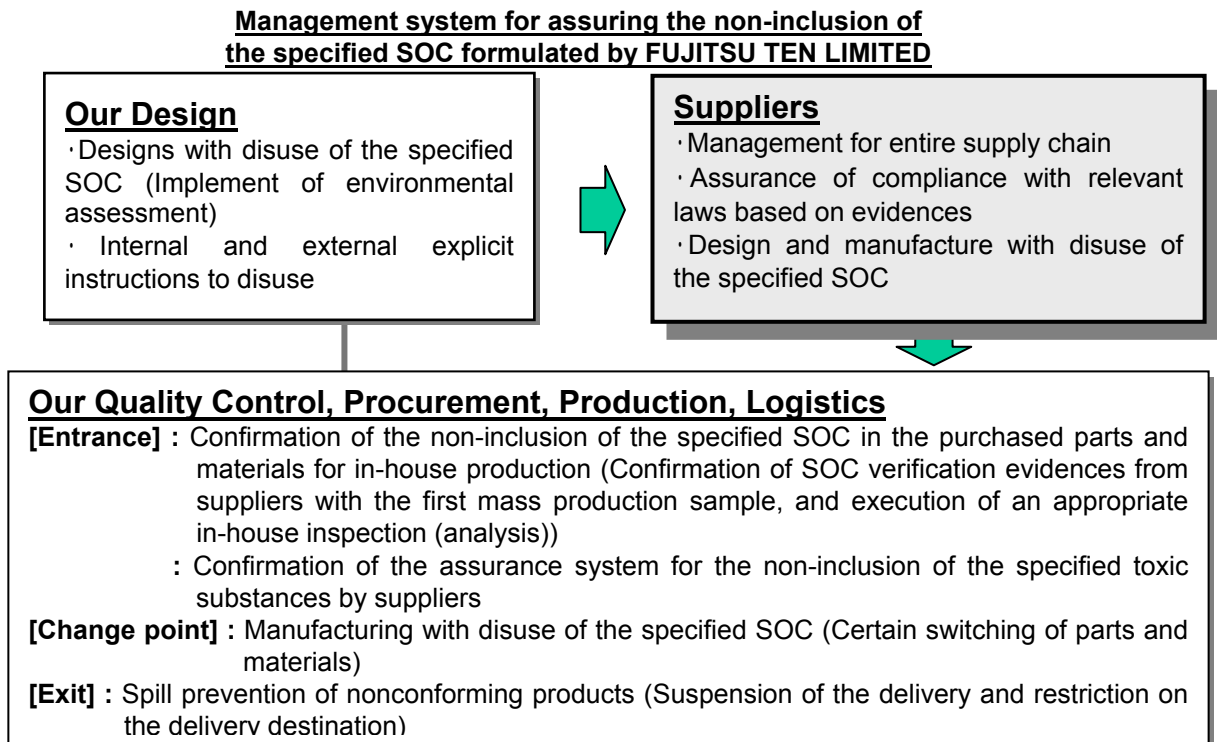
**"Environmental management system model"** (from ISO 14001 official document)



## (1)-2. Improvement of the system for managing the specified SOC

We regards the inclusion of any specified Substances of Concern (SOC) as the “important quality problems”, and thereby shall strengthen our management system to prevent the inclusion from externally defluxion. We shall ask suppliers to establish a management system through the supply chain for assuring the non-inclusion of any specified SOC, as it is the important requirement for guarantee of quality in response to the environmental restrictions.

As for environmental information, we shall ask suppliers to establish a system that can promptly provide necessary information to us in case of, for example, specified SOC usage report through the supply chain by procurement sources (e.g. raw material manufacturers) or a revision of GADSL by addition of SVHC(Substances of Very High Concern) designated by European REACH.



### <Check/report on the system for managing Substances of Concern (SOC) >

We shall check on the improvement of the system for managing Substances of Concern(SOC), and ask for your co-operation.(incl. site survey as needed)

- For ongoing suppliers: once a year, as a rule
- For suppliers starting an account(incl. new manufacturer): start-up date(as needed)

### **References for establishment of SOC management system**

"Guidelines for Establishing Specified SOC Management System"  
This is a summary of the important processes for assuring the continuous compliances with laws.

**(2) Management of parts, products, packaging materials supplied to us and materials & indirect materials used by us**

**(2)-1. Management of object substances in “FDC-002 Control Criteria for SOC in Parts and Materials”**

We have summarized banned substances and declarable substances as “specific SOC” in our “FDC-002 Control Criteria for SOC in Parts and Materials.” We ask all the suppliers to constantly update the relevant information.

Please pay attention to the version of GADSL designated in the FDC-002 which is revised according to the trend of environmental regulations.

**“Global Automotive Declarable Substance List (GADSL)”**

Located at: <http://www.gadsl.org/>

*FDC-002 is one of our engineering standards. Please contact our purchasing department for how to obtain this standard.*

**(2)-2. Management of materials & SOC and provision of information**

We basically ask all the suppliers to manage Substances of Concern(SOC) and deliver the parts and materials according to the “FDC-002 Control Criteria for SOC in Parts and Materials.”

In order to confirm all the parts and materials supplied to us comply with related regulations and to supply products environmental information to delivery destinations, we ask all the suppliers to submit the material information used in the parts and materials supplied and information on SOC inclusion based on the “FDC-002 Control Criteria for SOC in Parts and Materials.”, using the JAMA Standard Material Data Sheet. As for the 4 substances (lead, cadmium, mercury, hexavalent chromium) prohibited by European ELV, a report of non-inclusion verification result with analysis data is also requested.

Please refer the “Table 2” for the material information and SOC information to be reported.

**<List of requirements for material and SOC information >**

[mark : request] : Essential when required

Requirements	Object suppliers	
	Parts & materials for our products	
	Parts/products	Materials/Indirect Materials
1 JAMA Standard Material Data Sheet		
2 SOC Verification Evidence List SOC Verification Evidence		
3 Material Safety Data Sheet (MSDS)		

## Report by “JAMA Standard Material Data Sheet”

### (a) Report format

As for the JAMA Standard Material Data Sheet, the one on the public home page of Japan Auto Parts Industries Association (JAPIA) is the latest edition.  
Please download it and use it.

### (b) New report and revised report

i) For the newly applied or design changes, please report them before receiving drawings and request for design and development of parts (after final specifications). In case an individual due date is set, please report on time.

**\* Report to: [jama\\_soc@tm.ten.fujitsu.com](mailto:jama_soc@tm.ten.fujitsu.com) (address for environmental information report/Questions)**

ii) We ask all our suppliers to report again without delay using the JAMA Standard Material Data Sheet, in case any change arises in what has been reported, such as that the GADSL is revised by addition of SVHC (Substances of Very High Concern) designated by the European REACH regulations or that any specified SOC is found to be included by the report from procurement sources (e.g. raw material manufacturer).

iii) We may ask suppliers to report individually for existing parts and materials. Thank you for your cooperation.

## Report of “SOC Verification Evidence List & SOC Verification Evidence”

### (a) Report format

“SOC Verification Evidence List” is published on our Home page, as an attachment to this guideline. The one on the home page is the latest edition. Please download it and use it.

### (b) New report and revised report

i) Please complete reporting of the newly applied or design change by initial inspection/first delivery

**\* Report to: [jama\\_soc@tm.ten.fujitsu.com](mailto:jama_soc@tm.ten.fujitsu.com) (address for environmental information report/Questions)**

ii) Please report without delay any changes in what has been reported.

iii) We may ask suppliers to report individually for existing parts and materials. Thank you for your cooperation.

### (c) Subject substances to report

4 substances prohibited by European ELV (lead, cadmium, mercury, hexavalent chromium)

### (d) Analysis method and threshold

The analysis method and threshold shall conform to the “FDC-009 Analytical Method and Verification Criteria for Substances of Concern”

*FDC-009 is one of our engineering standards. Please contact our purchasing department for how to obtain this standard.*

## Report of “Material Safety Data Sheet (MSDS)”

We ask suppliers to report the materials/indirect material used by us, using the MSDS.

### **(2)-3. Activities for controlling & reducing banned substances (with restriction in application) and declarable substances**

With the engineering development of alternate product (material), the environmental regulations tend to be strengthened also for the substances temporarily exempted from banned use or the declarable substances, as well as disuse of banned substances.

We ask all our suppliers to positively restrict or reduce the use of Substances of Concern (SOC) which are expected to become prohibited in the near future.

### **(2)-4. Consideration for energy saving, resource saving/recycling, and VOC reduction**

We ask all our suppliers to apply all possible engineering approaches for products useful for the following.

- Reduction of power consumption during use and stand-by

- Downsizing, Weight saving

- Reduction of VOC

- Consideration of 3R(Reduce/Reuse/Recycle)

As for products and packaging materials, layout and material usage of 3R are requested.

### **(2)-5. Activities for LCA(Life Cycle Assessment)**

We are promoting activities to reduce environmental loads in the product life cycle (life length of raw material, design, manufacturing, logistics, use, and disposal). These activities require also an understanding of environmental impact through the supply chain. We may be asking suppliers to submit the data on energy usage and emission of CO<sub>2</sub>,NO<sub>x</sub> into the air in suppliers production activities. Thank you for your cooperation.

### **(2)-6. Research on other environmental concerns**

We may ask for suppliers support for our research on the materials and environmental hazardous substances or condition survey of overall production activity in response to strengthening environmental regulations or requirements from customers. On a timely basis we shall clarify the purpose of our research and ask for the cooperation of suppliers.

#### **Proposals on the products supplied to us:**

We shall ask all the suppliers to submit in advance "Request for Design Change", "Request for Process Change" or "VE/VA Proposals" in case suppliers implement "design change" or "process change" for the products supplied to us, related to **(2)-3. Activities for controlling & reducing banned substances (with restriction in application) and declarable substances, or (2)-4.Consideration for energy saving, resource saving/recycling, and VOC reduction, etc.**

### **(3) Environmental Consideration for Overall Business Activities**

#### **(3)-1. Compliance with environmental related regulations**

We shall ask all the suppliers to comply with the environment-related regulations in business activities. We consider the substances listed in the "**List of Environmental Hazardous Substances in Production Process**", attached to these guidelines and subject to the restriction by the PRTR Law, as objects to be managed and reduced.

Suppliers who deliver parts and materials used in our products (including individual product packaging materials) must not use banned substances in the production process of those parts and materials.

For restricted substances, take measures to eliminate all such substances from that application by the date specified for banning of use.

For banned substances and restricted substances, refer to the "List of Environmental Hazardous Substances in Production Process"

(If substances are newly added to the banned list, we shall inform you of the date specified for banning of use in advance.)

#### **(3)-2. Improvement of environmental performance**

We shall ask all our suppliers to make proactive and environmentally friendly approaches in their usual business activities for prevention of global warming, conservation of biodiversity and so on through various forms of cooperation with a wide range of social strata. Specifically the following are the items to be achieved.

- Energy saving and reduction in greenhouse gas emissions(CO<sub>2</sub>, Methane, Chlorofluorocarbon, etc)
- Reduction of PRTR subject substances emissions
- Reduction of VOC emissions into the air
- Promotion of 3R(Reduce/Reuse/Recycle)
- Participation in local conservation projects

## 5. Application of Guidelines

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### (5)-1. Notice of Green Procurement Guidelines

(1) We provide the latest edition of "Green Procurement Guidelines" (body text) and its attachments on FUJITSU TEN open home page. Suppliers are requested to respond based on the latest edition of the guidelines.

If any discrepancy in contents arises between the Japanese edition and the English edition, the contents of the Japanese edition shall have priority.

Japanese version located at: <http://www.fujitsu-ten.co.jp/ecology/guideline/guideline.html>

English version located at: <http://www.fujitsu-ten.co.jp/english/ecology/index.htm>

(2) We shall introduce the "Green Procurement Guidelines" to the new suppliers when the start of business has been determined.

(3) When the "Green Procurement Guidelines" (body text) and attachments are revised, we also inform our suppliers of the revised version.

### (5)-2. Handling of information confirmed or submitted by our suppliers

Information obtained from items confirmed and from reports submitted by our suppliers is effectively used for the following purposes:

(1) Information on the establishment status of environmental management system of suppliers

This information is used as basic data for current evaluation of green procurement activities and for promotion of future activities in our group companies.

When disclosing information such as our "Sustainability Report" and external "Responses to Questionnaire" to outside organizations, such information is processed statistically so that the suppliers who provided the information will not be identifiable.

(2) Environmental information concerning the parts and materials delivered by suppliers

This information is used as basic data for constructing an environmental database for parts and materials of our group companies.

This information is also used as basic data when disclosing product environmental information to customers.

Where parts and materials delivered by suppliers are found to violate any related laws and regulations, such information may be disclosed to outside organizations (e.g. customers).

## ■ Explanation of Expressions and Abbreviations

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- EMS: Environment Management System
- GADSL: Global Automotive Declarable Substance List
- IMDS: International Material Data System, Environmental database for automotive parts prepared by world leading automotive manufacturers
- JAMA Standard Material Data sheet: A unified format by “Japan Automotive Manufacturing Association” for reporting materials information
- LCA: Life Cycle Assessment, A method to quantitatively assess environmental impact in each stage of the product cycle and to implement environmental load reduction measures in the stage of product design and development
- MSDS: Material Safety Data Sheet, Data sheet for chemical substances safety. It may be simply called SDS (Safety Data Sheet)
- PRTR: Pollutant Release and Transfer Register, Chemical substances emission prevention control promotion act
- SOC: Substances of Concern
- SOC regulations: Laws/Bylaws/Agreements about substances of concern and customer individual requirements, etc
- SVHC: Substance of Very High Concern
- VOC: Volatile Organic Compound
- EU ELV Directive: European End of Life Vehicles directive
- 4 Substances Prohibited by European ELV: lead(Pb), cadmium(Cd), mercury(Hg), hexavalent chromium(Cr6<sup>+</sup>)
- European REACH regulations: Registration, Evaluation, Authorization and Restriction of Chemicals, Regulations on manufacturing/import of chemical goods in Europe
- Specified SOC: Banned Substances and Declarable Substances designated in our Engineering Standard”FDC-002 Control Criteria for SOC in Parts and Materials”
- Indirect Material: Materials used and left attached to our products(Solder, Flux, Adhesive, etc)

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### [Revision History]

2002	(The 1st edition)	Establishment
November 18, 2002	(The 2nd edition)	Goal setting of Green Procurement / Maintenance situation judgment of EMS
May 2, 2005	(The 3rd edition)	A part of investigation method of SOC is changed to the format conforming to JAMA
May 1, 2006	(The 4th edition)	Investigation method of SOC is changed to the format of JAMA Standard material Data Sheet
November 1, 2009	(The 5th edition)	Expansion of activity scope to include suppliers of other than parts and materials. Addition of compliance with REACH.

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FUJITSU TEN Green Product Symbol Mark

For inquiries, contact the following:

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