

3. Green Procurement Policy

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.