

SEI Guidelines for Green Quality Purchases

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Sumitomo Electric
Industries, Ltd



SEI Guidelines for Green Quality Purchases **(For Business partners)**

Sumitomo Electric Industries, Ltd
Quality Management Division

1. Introductions

Sharing the recognition of the importance of building up a society that is sustainable and environmentally-friendly”, the Sumitomo Electric Industries, Ltd.(hereinafter called “SEI”) group, while advancing environmental preservation activities diligently and steadily from a global point of view, is supplying to the society a wide range of products and the challenging development of new products and technologies.

In order to reduce the negative impact of our products on the environment it is critical to purchase raw materials and components with a low environmental load from the market favorably. In July, 2003 we established “Green Procurement Guidelines” to advance our pro-environmental procurement. Since then we have been able to advance the green procurement supported by suppliers’ better understanding and cooperation.

In 2012 we changed the title of SEI Green Procurement Guidelines to “**SEI Guidelines for Green Quality Purchases**” (hereinafter called “this guide”) and also revised its contents in consideration of our customers’ requests and the latest trends in the industry. We would like to ask our suppliers for their continued cooperation.

2. Scope

This guide shall be applied to the following products and materials sold to an “SEI customer[#]”.

[#]: a company or division which belongs to SEI group and purchases goods

- Finished products, raw materials, components and semi-finished products to be integrated into SEI products or placed on the market as SEI products.
- Materials ancillary to SEI products such as packaging materials, labels, manuals, etc.
- Supplementary materials used in the manufacturing processes of SEI products
- Catalogs, brochures, sales promotion goods, etc. that an SEI customer circulates

outside the company.

- Packaging and packing materials and components for products and materials sold to an SEI customer.

However, following items shall be exempted from the scope of this guide.

- Reagents used for analysis, testing, etc.
- Production equipment and its parts or tools.
- The items that SEI customer specifies as exemption from the scope of this guide in writing (including e-mail).

Furthermore, packaging materials and components which are used for packing products and materials sold to an SEI customer is also subject to the requirement of this guide because of the possibility that these packaging materials might be placed on the market together with SEI products.

3. Requirements

We seek to have business together with suppliers whose products have a low impact on the environment and who are actively working on quality activities and environmental preservation activities. From this point of view, below are the requirements to be applied to the suppliers in order to comply with this :

(1) Requirements related to the products sold to SEI customer

1. In principle, suppliers shall assure that their product sold to an SEI customer contains no “Prohibited Substances^{*1}” of SEI.

2. In principle, suppliers shall disclose relevant information about inclusion of “Controlled Substances^{*2}” of SEI.

(NOTE: Several SEI customers put their own established standards into effect to control chemical substance in their products. In such case substances to be controlled and/or rules for substance control shall be specified by their own standards.)

3. If requested by SEI customer, in accordance with relevant agreements, the suppliers shall inspect chemical substance contents in products, parts and materials sold to the SEI customer and report the result of those inspections to the SEI customer.

4. Suppliers shall implement the adequate management of chemical substances in products sold to SEI customer. And suppliers shall report on the status of the implementation of their management to SEI customer at its request.
5. This guide is not comprehensive guide for complying with all the regulations required to the products sold to SEI customer. If products contain substances being subject to legal obligations that are not listed in this guide, supplier also shall comply with such relevant obligations.

(NOTE: For example, the Law on Industrial Safety and Hygiene, the Law concerning Pollutant Release and Transfer Register, the Poisonous and Deleterious Substances Control Law, and the like requires manufacturer or supplier to inform about inclusion of specific chemical substances by providing document like SDS and attaching label on products by compulsion.)

6. In case where the product sold to SEI customer is “substance” or “mixture” provided by "the Act on the Evaluation of Chemical Substances and Regulation of their Manufacture, etc", whether each of contained substance in the product is "Existing Substance" or "New Substance" provided by that law shall be reported by suppliers..

*1: “Prohibited Substances” of SEI group are listed in Appendix-1, “SEI Standards for Chemical substance management, ”and are divided into two ranks, Rank A or B. Substances specified as “Rank A” shall be prohibited from being contained in the substance, mixture or article. Substances specified as “Rank B” shall be prohibited from being contained in substance and mixture.

*2: “Controlled Substances” of SEI group are listed in “SEI Standards for Chemical substance management”, Appendix-1 to this guide, and are divided into two ranks, Rank C or D. Substances specified as “Rank C” shall be controlled and disclosed relevant information about its inclusion in substance, mixture and article. Substances specified as “Rank D” shall be controlled and disclosed relevant information about its inclusion in substance and mixture. Relevant information about inclusion shall include at least substance name, substance ID (like CAS RN and EC No.), content, containing part and use of each contained substances.

(2) Requirements related to suppliers’ manufacturing process

Substances listed in Table 3 of “SEI Standards for Chemical substance

management” or equivalent shall be prohibited from using in the manufacturing process of products sold to SEI customer.

(3) Establishment of quality / environmental management systems

Suppliers shall acquire at least ISO 9001, ISO 14001 certifications or a similar third-party standard such as the Ministry of the Environment’s “Eco-Action 21”, or shall establish their own environmental management system conforming to ISO 9001 and ISO14001 standards.

(4) Implementation of environmental preservation activities

Suppliers shall implement environmental preservation activities not only for preventing pollution such as air pollution or water pollution, but also for the prevention of global warming, resource-saving or reducing waste, the preservation of biodiversity and expanding environmentally friendly products.

The prohibited substances and threshold values described in (1) above, and exempted usage of substances totally banned for manufacturing and some substances described in (2) above are listed in the Substance Standards.

4. Implementation procedure of this Guide

This guide should be implemented according to the following procedure.

- (1) Suppliers are requested to complete “Form-1 Self-evaluation Sheet” which is coming with “SEI Guidelines for Green Quality Purchases”. SEI customer would assess suppliers based on completed “Self-evaluations Sheet”.

< Timing of request >

- With the evaluation of suppliers for continued business relationships planned by SEI customer
- During or before revising specifications of a purchasing goods
- During or before making order for new goods
- On other occasions when SEI customer needs re-assessment of supplier such as by significant revision of this Guide

< Procedure >

1. suppliers are requested to complete a self-evaluation sheet
 2. suppliers submit finished sheet to the person in charge at SEI customer
- (2) As for a substance specified as Rank A or B substances of SEI, a copy of Form -2 “Certification that Product Contains No Prohibited Substances” as well as a copy of the self-evaluation sheet mentioned above shall be submitted to SEI customer.
- (3) The inspection of chemical substances contained in products, parts and materials provided by Section 3-(1)-3 of this guide shall be conducted by using the tools or forms for material declaration for product. And those tools or forms shall be designated by SEI customer.

Typical tools or forms are listed below. But the list below does not cover all the tools used by SEI customer. Suppliers shall confirm the adequate tools or forms for your SEI customer in advance.

In cases where product to be sold to SEI is substance or mixture, (M)SDS of the product shall be submitted to SEI customer, in order to clearly state the inclusion of substances to be controlled in the product. Because some substances are subject to legal requirement on reporting their inclusion only when they are contained in substances or mixture other than articles, their inclusion in article might not be possible to be informed by these typical tools or forms. Especially the reporting on inclusion of Rank B or D substances is not mandatory for typical tools or forms.

Typical Tools or Forms	
(1) “JAMP MSDS plus” and “JAMP AIS” Established by Joint Article Management Promotion-consortium (JAMP)	
(MSDS plus)	http://www.jamp-info.com/msds
(AIS)	http://www.jamp-info.com/ais
(2) “JAMA/JAPIA Standard Material Datasheet (JAMA sheet)” Established by Japan Automobile Manufacturers Association (JAMA) and the Japan Auto Parts Industries Association (JAPIA)	
(JAMA sheet)	http://www.japia.or.jp/datasheet/
(3) “JGPSSI Survey Response Tools” (IEC62474 compliant) ^{*3} Established by the domestic VT62474 (JPNC), succeeding organization of now-defunct Japan Green Procurement Survey Standardization Initiative (JGPSSI).	
(Survey Response Tools)	http://vt62474.jp/toolv431.html

*3: While JIG101 has already evolved into IEC62474, the material declaration tool or

form for IEC62474 has not been available yet as of this time. Instead tentatively the domestic validation team for IEC62474 in Japan, "VT62474 (JPNC)", establishes "JGPSSI Survey Response Tools" (Ver. 4.3 or later) as compatible tool for IEC62474. As to the details about IEC62474, please refer to web site of VT62474 (JPNC).

- (4) As described in 3-(1)-4 of this guide, each procedure for proper control of chemical substances in products, such like development of management system and communication of information of chemical substances shall follow the criteria provided in JIS Z 7201 "Management of Chemical Substances in Products - Principles and Guidelines" or equivalents (e.g. the 3rd or later edition of "Guidelines for the Management of Chemical Substances in Products" issued by Joint Article Management Promotion-consortium (JAMP)).
- (5) We may audit our suppliers from the view point of the survey of chemical substances contained in products and supplier's management of chemical substances concerned. We would like suppliers' cooperation with this auditing.
- (6) Please accept that personal information and confidential business information (CBI) provided to SEI customer to comply with this guide might be shared inside of SEI group if necessary. However, we should sufficiently manage such CBI provided by our suppliers and it should be used only for appropriate purpose to control chemical substances in products.
- (7) Regarding our losses caused by one of 2 reasons described below, SEI customer reserve the right to claim compensation for the loss to suppliers based on liabilities for defect warranty and the agreement between SEI customer and suppliers.
 - Prohibited substances contained in products despite suppliers declaration about no inclusion of or inclusion at less than threshold value of "Prohibited substances".
 - Controlled substances contained in products without reporting or at a higher concentration than suppliers reporting value.
- (8) SEI group will give, based on information provided to us, a higher procurement priority to a supplier that has gained a higher evaluation ranking in relation to implemented environmental measures, in addition to the traditional evaluation criteria such as quality, price and delivery speed.

5. Others

The following appendices and forms are attached with the Guidelines. When applying, please use the latest version of each one.

Appendix -1: “SEI Standards for Chemical Substance Management”

Form -1: “SEI Guidelines for Green Quality Purchases Self-evaluation sheet”

Form -2: “Certification that Product Contains No Prohibited Substances”

This guide ,appendices and forms to this guide are able to be downloaded from the URL below.

SEI WEB site: <http://www.sei.co.jp/csr/index.html>

(→→→ See “Download Guidelines”)

<Revision history>

■ As [SEI Guidelines for Green Quality Purchases]

5 th edition	Document No.	Date of issue
	Quality—All—006 Appendix	2012.07.05
Revised contents and those reasons	<ol style="list-style-type: none"> 1. Name of “Green Procurement Guidelines” was revised and re-established as an Appendix of Quality-All-006, “Quality Control for Supplied/Purchased Items”, and its name changed to “SEI Guidelines for Green Quality Purchases”. A list of prohibited substances, content-controlled substances and substances to be eliminated from supplier's manufacturing process was established as Appendix -1 to this Guide, “Standards for contained chemical substances”. 2. Requirement for reporting whether it's existing or new in the Law Concerning the Examination and Regulation of Manufacture, etc of Chemical Substances” was added in “3. Requirements” - (1) -6. 3. “(4) Implementation of environmental preservation activities” was added in “3.Requirements”. 4. The description regarding deadline for total elimination was deleted. 5. The item regarding handling of CBI, as item (6) and the item regarding the liabilities for defect warranty for losses caused by insufficient suppliers reporting contents, as item (7) in “4. Implementation procedure of Guidelines” was added. 	
6 th edition	Document No.	Date of issue
	Quality—All—006 Appendix	2013.11.01
Revised contents and those reasons	<ol style="list-style-type: none"> 1. To harmonize revised “Standards for contained chemical substances”, <ul style="list-style-type: none"> - Name of “Standards for contained chemical substances” was changed to “Standards for controlling chemical substances” - “Content-control substances” was changed to “Controlled substances” - Definition of “Prohibited substances (Rank A/B)” and “Controlled substances (Rank C/D)” was added in footnote. 2. URL for downloading this guide and/or appendixes was added. 3. Requirements of 3-(1)-5 were revised for complying with the requirement not only of submitting SDS and labeling, but also of all the relevant legal requirements. 4. Appendix-2, “the Survey Method for Chemical Substance Content in Products” was deleted. Instead typical material declaration tools for chemical substances in products, like tools of JAMP, JGPSSI and JAMA/JAPIA, were listed in “4. Implementation procedure of Guidelines”. Additionally the requirement for submitting (M)SDS was specified to make the inclusion of Rank B or D substances clear, because the requirement on reporting of their inclusion is uncertain under those tools. 5. Requirement for referring to JIS Z 7201 “Management of chemical substances in products-Principles and guidelines” was specified. 	

<Former revision history>

■ As [Green Procurement Guidelines]

【First edition】 Established in July, 2003

【Second edition】 Revised in April, 2005

① Chemical substances of concern revised:

10 substance groups of prohibited substances that had in fact little possibility of being included in products and materials delivered to SEN were deleted. 8 substance groups targeted for total elimination were integrated to the prohibited substance category. Furthermore, 3 substance groups including TBTs were added to the prohibited substance category, and prohibited substances were defined in the same way as the 15 substance groups (*1) listed in JGPSSI Level A List. 2 substance groups were added to the substances to be eliminated from suppliers' manufacturing process category.

② Implementation procedure of Guidelines revised:

Timing for supplier self-evaluation and a method for chemical substance content survey were added.

*1: Complying with the 2004.06.03 Second Edition Guidelines of Japan Green Procurement Survey Standardization Initiative (JGPSSI). See <http://home.jeita.or.jp/eps/>

【Third edition】 Revised in April, 2006

① An item added to the requirements for supplied products listed under item 3-(2), stipulating that suppliers shall carry out the management of chemical substances contained in products and report on whether substances are being managed properly as and when necessary. The method for carrying this out shall be an equivalent to the one stated in the JGPSSI's Guidelines for the management of Chemical Substance in Products (*2).

*2: See JGPSSI's Guidelines for the management of Chemical Substances in Products at URL, http://210.254.215.73/jeita_eps/green/green8.htm

② Method for surveying the amounts of chemical substances in products, parts and materials described in Item 3-(2)-② revised based on the JGPSSI 2006.01.13 Third Edition (*3).

*3: See JGPSSI Ver.3 Material Composition Survey and Response Manual at URL, http://210.254.215.73/jeita_eps/green/green11.htm

- ③ Major items added that were exempted additionally under the October 2005 EU Commission Decisions concerning Major Usage for Prohibited Substances and Time of Prohibitions for Supply listed in Table 4 (Commission Decisions, 2005/717/EC and 2005/747/EC). Usage of substances changed to banned one for substances whose stipulated period for total elimination has expired.
- ④ Threshold values for prohibited substance listed in Table 5 (cadmium and its compounds) revised.

【Fourth Edition】 Revised in April, 2008

- ① A paragraph on the compliance with the laws and regulations concerned regarding the prohibition of use of chemical substances and provision of information required legally was added to “4. Implementation procedure of Guidelines”.
- ② Content-controlled substances are newly designated. In connection with this designation, a paragraph was added to 3-(2), Requirements related to products delivered to SEN, requiring supplier to disclose information on contents of content-controlled substances. The content-controlled substances designated in the Guidelines are identical to those of Level B specified in JIG-101A.
- ③ Modifications were made to the prohibited substances listed in Table 1 as follows:
(Modifications resulting from the revision of JIG)
 - The word “some” was placed before the designations of substances, TBTs and TPTs, short-chain chlorinated paraffins, and azo dyes and pigments, respectively.
 - Polychlorinated terphenyls (PCTs) were added to PCBs; and
 - A note in parentheses, (for use with cloth and leather products only), was added after “azo dyes and pigments.”
 (Other modifications)
 - Perfluorooctane sulphonates (PFOS) and their salts were added to the prohibited substances.
- ④ Designations of new applicable laws and regulations were added to the “Applicable laws and regulations” boxes in Table 1.

- ⑤ “Table 2 Content-controlled substances”_was inserted. As a result of this addition, “Table 2 Substances to be eliminated from suppliers’ manufacturing process” is renumbered “Table 3”.
- ⑥ “Table 3 Certain amines that must not be generated by the decomposition of azo compounds” was renumbered “Table 6-14 Certain amines that must not be generated by the decomposition of azo compounds”.
- ⑦ Table 4-1 and Table 4-2 were integrated into Table 4-1; as a result, Table 4-(3) was renumbered “Table 4-2”.
- ⑧ Low-temperature solder was added to the “Exemption” box coming under the “Title” box, “Substance group: Cadmium and its compounds”, in Table 4-1.
- ⑨ Usage listed in Table 4-1 for which the deadline for total elimination had been passed was changed to prohibited usage.
- ⑩ The threshold value for cadmium in Table 5 was changed from 0.0075wt%(75ppm) to 0.01wt% (100ppm).
- ⑪ The threshold value for short-chain chlorinated paraffins in Table 5 was changed from 1wt% to 0.1wt% (1,000ppm).
- ⑫ The definition of the threshold value in Table 5 was added to the notes for Table 5.
- ⑬ Regarding the substances for which the threshold values are specified in Table 5, the requirement for the disclosure of the information on the contents for the case where such substance(s) is (are) contained intentionally is added.
- ⑭ Detailed lists of chemical substances were added to Tables 6-A 1 to 16 and Tables 6-B 1 to 9.

【Fourth Edition First Revision】 Revised in July, 2008

- ① Paragraph (8) of “4. Implementation procedure of Guidelines”, on compliance with the relevant laws and regulations regarding the prohibition of use of chemical substances and provision of legally-required information, was moved to “(2) Requirements related to products delivered to SEI group” of “3. Requirements”.
- ② A change was made to classify “Deca-BDE (deca bromide) (RoHS) in resins” as a prohibited substance in Table 4-1. (This change resulted from the

exclusion of Deca-BDE from the exemption list of the RoHS directive.)