



Nitto Group

Green Procurement Standards

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Nitto Group

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1 Regarding the Green Procurement Policy

1.1 Objectives and Matters for Promotion

The Nitto Group is required to pay consideration to the preservation of the global environment in its procurement activities as well, and it is thought that this will lead to the group fulfilling its social corporate responsibility. Through such activities, in other words, by promoting green procurement, it will be possible to provide environmentally friendly products to customers, and will also lead to our suppliers also contributing to the preservation of the global environment; therefore, we think that these activities have significant meaning across the entire supply chain.

Under such a concept, in the “Basic Procurement Policy”, which indicates the policies for procurement activities at the Nitto Group, the promotion of green procurement is prescribed as a part of the preservation of the global environment.

This Green Procurement Standards promote the following items toward the realization of green procurement, and indicates measures towards this as well as the request for the cooperation of our suppliers.

- Purchase of green materials
- Implementation of investigation for ascertaining compliance and contained chemical substances
- Promotion of initiatives for the reduction of environmental impact of suppliers

1.2 Request for Cooperation with Green Procurement

Green procurement cannot be realized solely by the initiatives of the Nitto Group, but rather requires the cooperation of all suppliers comprising the supply chain. In regard to the [Global Environmental Preservation (Green Procurement)] items of the “CSR-Based Procurement Guidelines”, which show our expectations of suppliers, we ask that suppliers take the following measures in relation to the aforementioned matters for promotion.

- Please endeavor to make improvements and developments in order to minimize the use of resources and energy, as well as the impact on the environment caused by your corporate activities. In addition, in regard to product waste as well, please engage in initiatives to reduce this via efforts such as recycling.
- Please promote green procurement in order to minimize environmental impact.
- Please proactively develop and propose environmentally friendly products.
- Please establish a system for the ascertaining and managing of chemical substances contained in products. In addition, please promptly respond to requests for the provision of information on chemical substances that are issued by the Nitto Group.

As the Nitto Group will continue to engage in green procurement initiatives in the future, we ask for the cooperation of suppliers.

2 Scope of Application of the Standards

These standards are applied to products and services that are purchased at Nitto plants within Japan, as well as Nitto Group companies within Japan.

In addition, purchased items referred to here includes all raw materials, components, parts, sub-materials such as packaging materials, services, consigned manufacturing products, devices, and facilities, etc., which are purchased and delivered within Japan, including imported goods.

3 Selection for Purchased Material

3.1 Basic Policy in Materials Selection

At the Nitto Group, in the selection of items to be purchased, in addition to quality, price, delivery date, safety, and service, etc., we believe that the product being environmentally friendly is also important. At this point we will move on to the selection of procurement materials from such perspectives. In addition, in regard to environmental impact in the manufacturing process and transportation of products, as we believe that this is one of the elements comprising the environmental impact of products, the Nitto Group also places emphasis on these areas.

In the selection of production equipment and facilities, work environmental impact, including energy consumption per unit of production and technology to reduce the energy used when operating and working on these, as well as countermeasures to noise, are items that are emphasized in selection.

A request may be made for the provision of information such as documents and data as judgment materials during the selection process for items to be purchased.

3.2 Material Selection Standards

The Nitto Group requires that items to be purchased comply with the laws and regulations prescribed by the government. In addition, the Nitto Group prescribes its own prohibited chemical substances, and products containing such substances are not eligible to be purchased.

Products that conform to regulations and standards prescribed by governments, the industry, and organizations to show that due care to the environment has been paid in the products and their distribution, as well as certified products and services, will be positively considered in the selection of materials. In addition, we ask that you proactively obtain and conform to such regulations, standards, and certifications.

In regard to furniture and general office supplies, products recommended by the following corporations and agencies will be used with preference.

- “Green Procurement Guidelines”... Green Procurement Network Issuance
- “The basic policy of the Act including designated procurement items and evaluation criteria”
...Ministry of the Environment
- “Environmental label”... That bearing the eco mark of the Japan Environment Association

Other varying judgment criteria may be in place at different group companies and plants. For detailed information, please check with the respective procurement department.

4 Investigation of Contained Chemical Substances

4.1 Request for Cooperation in Investigation of Contained Chemical Substances

It is internationally required to minimize the impact on people and the environment caused by chemical substances, and laws have been formulated in various countries to this end. From the perspective of compliance, as well as of fulfilling corporate social responsibility, we also consider it important for the Nitto Group to ascertain and control the chemical substances that are handled.

In order to ascertain and manage chemical substances, it is necessary to understand what kind of chemical substances are contained in products and raw materials that are purchased. It is only possible to take the appropriate measures upon learning this information.

In regard to the chemical substances that comprise products and raw materials purchased at the Nitto Group, there may be cases where, from the perspective described above, suppliers are asked to provide a written response. Suppliers are asked to promptly respond to investigation.

4.2 Regarding the Investigation of Contained Chemical Substances

4.2.1 Investigation Request and Response Method

Requests for the investigation of contained chemical substances will be made by the Nitto Group via e-mail, telephone or fax, etc. An explanation will be provided on the investigation content and response method at the time the investigation is requested. In addition, in terms of the response method, a request may be made to respond through the use of Nitto's "Chemical Information System (CHI)".

In the event of there being something that is unclear in an investigation, please contact the respective procurement department.

4.2.2 Investigation Frequency

Investigation on contained chemical substances are mainly performed in cases such as the following.

- 1) When the purchase of new products and raw materials is approved
- 2) When there is an amendment to (a) relevant domestic or international legal regulation(s) or standard(s)
- 3) When an investigation is deemed necessary at the Nitto Group and each plant

Please be advised in advance that investigation is generally performed on an irregular schedule.

4.2.3 Checklists for Investigation

In the investigation of contained chemical substances, we may ask for the submission of both checklists that are widely used in the industry, as well as the Nitto Group's own checklists. Please check that you are using the latest version of checklists at the time of submission.

You can download Nitto Group checklists from Nitto's website.

[\(https://www.nitto.com/jp/en/about_us/procurement/checklist/\)](https://www.nitto.com/jp/en/about_us/procurement/checklist/)

- A) Green Procurement Supplier Evaluation checklist
- B) CSR Procurement Checklist

- C) SDS (Safety Data Sheet)
Please submit an SDS regardless of the presence or absence of legal regulations concerning its provision. When creating an SDS, please ensure that it is compliant with the effective JIS standard.
- D) Laws/ Regulations Compliance Table
- E) Specified Chemicals Containing Information Sheet
(chemSHERPA-CI or chemSHERPA-AI)
- Please create a response using the Joint Article Management Promotion-consortium (JAMP) “chemSHERPA-CI” “chemSHERPA-AI” data entry support tool.
The data entry support tool may be obtained from the chemSHERPA website.
 - For chemical products, please use “chemSHERPA-CI”, and submit in “.shci” file format.
In addition, for articles, please use the “chemSHERPA-AI” data entry support tool, and submit in “.shai” format.
 - In regard to the transmission standard for component information, please act in accordance with Annex 1.
- F) Chemical Composition List
- G) Investigation report for Candidate List substances of very high concern for Authorization contents under REACH regulation
- H) Certificate of Non-Use of Prohibited Chemical Substances and Analysis Data
- In regard to the prohibited chemical substances stated in the certificate of non-use, it is prohibited to intentionally add these to purchased materials, and in addition, you will be asked to guarantee, in regard to items with a threshold, that the concentration is below said threshold.
 - A list of chemical substances subject to the certificate of non-use, as well as the thresholds thereof, is stated in Figure 2 of the certificate of non-use; please refer to this at your convenience.
 - In Figure 2 of the certificate of non-use, please also submit analysis data for the substances for which it is required.
- I) Report of the registration status of the contained substances in chemicals on the inventory (abbreviation: The Inventory Survey Sheet)
- Please submit this checklist only if the delivered product is a chemical product.
- J) Chemical substance investigation requested independently by Nitto Group companies and operating entities
- You may be requested to take part in separate investigation in association with the judgment of status, such as where a new hazard is identified.

5 Regarding Consideration of the Environment

5.1 Ongoing Initiatives to Reduce Environmental Impact

As described in Chapter 3, it is important for products and services themselves to be environmentally friendly, and it is also necessary to pay due care to the environment for all processes relating to products and services in the same manner.

We ask that suppliers engage in measures to reduce the environmental impact, such as resource saving and energy saving in all processes until the actual supply of products and services, including the manufacturing process, the packaging of products, and shipment, etc. It is important for such activities to reduce the environmental impact to be conducted on an ongoing basis, and the Nitto group expects its suppliers to engage in such activities. In addition, it is strongly recommended from this perspective that an environmental certification such as ISO14000 is obtained.

The Nitto Group works on initiatives to reduce environmental impact in the manufacture and shipment, etc., of products in the same manner. Specifically, focus is paid on activities that lead to the reduction of resource usage, reduction of the emission of organic solvents, and the improvement of energy consumption per unit of production. In regard to technology and new raw materials that will lead to effective improvements in such activities, we ask that our suppliers proactively engage in technical development, introductions, and proposals.

5.2 Chemical Substances Control

In order to minimize environmental impact, it is important to ascertain the chemical substances that are used in raw materials and in the manufacturing process. This is an important measure because it will not only lead to the reduction of the environmental impact of products and environmental conservation in the manufacturing process, but also to the ascertaining of chemical substances contained in products, the ensuring of safety, safety and hygiene management in the manufacturing process, as well as reports to the government and related bodies, etc.

From such a perspective, we request that suppliers build a system for ascertaining and managing the chemical substances handled. We also ask that suppliers build a system which allows for prompt responses to investigation on contained chemical substances.

6 Regarding Supplier Evaluations

6.1 Evaluation Objectives and Methods

As the Nitto Group promotes green procurement, we would like to trade with suppliers that engage in activities towards reducing environmental impact. In addition, this is because such a concept will lead to reduced environmental impact across the entire supply chain, as well as the ability to provide environmentally friendly products to society.

Therefore, the Nitto Group may request the submission of a check sheet and questionnaire in order to evaluate its suppliers' environment-related initiatives. We ask for your understanding and hope for your cooperation.

In addition, response status such as the response rate to contained chemical substance investigation requested by our company, as well as the response deadline compliance rate, may be made one of the evaluation items.

6.2 Evaluation Results

In regard to the results of the questionnaires and check sheets submitted by suppliers, you may be asked to check the details of these individually, upon confirmation within the Nitto Group. In addition, we may visit directly and conduct an audit based on the results of these. We ask for your cooperation in such cases.

Furthermore, in the event of a problem being found as a result of the check sheet, questionnaire, or audit, or as a result of the response status of included chemical substance investigation, we may make requests and provide guidance on improvements.

In the event of a lack of progress or failure to cooperate in regard to a major issue or request for improvement indicated by the Nitto group, please be advised that it may be necessary for us to take action such as reducing or suspending transactions.

7 Report Content Correction Request

In regard to information that is disclosed through investigation and questionnaires, etc., issued by the Nitto Group, in the event of the content being revised based on the amendment of a law or a new discovery, or in the event of correcting an error, etc., please promptly inform our company of the content of the revision.

In addition, in the product manufacturing process, in the event of a change of raw materials, manufacturing devices, manufacturing method, or measuring method, please promptly inform us of this. In the event of a change that may have a particular impact on the characteristics of the product, please contact us as soon as possible.

In regard to supplier help desks and representatives that are requested to assist with chemical substance investigation by our company, please provide us with contact information in advance. In addition, in order to prevent the misunderstanding and non-reaching of information, please contact us in the same manner in the event of a change to this.

8 Confidentiality

The information that is obtained through investigation and questionnaires, etc., stated in the green procurement standards will be used within the Nitto group for the objectives of chemical substances control and occupational safety and health, risk management, and base data for responses to customers on our group's products, etc. In addition, all personal information, product information, and component information, etc., learned through investigation is managed appropriately so that it is not leaked.

9 Contacts for investigation inquiries

For inquiries concerning the Green Procurement standards, please contact the NITTO DENKO CORPORATION Procurement Division (refer to the reverse).

In regard to the questionnaire and chemical substance investigation help desk, this shall be the business department or group company procurement department conducting the audit. Please send inquiries, such as on questions about an investigation, upon checking the investigation request document, etc.

End

Appendix

Terminology

Green procurement... In the purchase of raw materials, etc., performance of procurement activities where selection is performed with priority to items that are environmentally friendly and that have a low environmental impact.

Basic procurement policy... The policy for procurement activities across the entire Nitto Group. Can be downloaded from the Nitto website.

CSR-based Procurement Guidelines

... Explains the CSR initiatives by Nitto across the entire supply chain, and summarizes Nitto's expectations of suppliers. Can be downloaded from the Nitto website.

Raw materials... Chemical substances and raw materials that directly comprise the products manufactured and sold by our company. Packaging materials, etc., are not included.

Chemical Information system

... In chemical substance inclusion investigation, etc., Nitto's IT system for allowing everything from investigation requests to responses to be performed online.

Abbreviation: CHI (CHEMical Information system).

CSR... "Corporate Social Responsibility"

Chemical substance... A chemical element or compound that either exists in nature or is obtained through a manufacturing process. (JIS Z 7201:2012)

Mixture... A mixture intentionally comprising two or more chemical substances. (JIS Z 7201:2012)

(Note) Examples are paints, inks, alloy ingot, solder, and resin pellets, etc.

Composition... Element that constitutes a chemical product. (JIS Z 7201:2012)

(Note) "Element" indicates a chemical substance that constitutes a chemical product, or, if difficult to identify a single substance, is identifiable by its origin or formula.

Chemical product... Chemical substance and/or mixture. (JIS Z 7201:2012)

Article... An item of specific shape, appearance or design created during manufacture which substantially determines functions in final use rather than functions provided by its chemical composition. (JIS Z 7201:2012)

(Notes) Examples of articles are metal plates, gears, integrated circuits, electric appliances transport equipment, etc.

Relevant standard for chemical management

... Law/regulation and/or industry criteria as the basis to define declarable substances.

Declarable substance... Chemical substances subject to data provision in accordance with relevant standards.

Industry criteria... Standards with regard to management of chemicals in products in the industry, as developed and publicized by each industry association. (JIS Z 7201:2012)

Inventory... Generally refers to "catalogs", etc., however here refers to the chemical substance list prescribed by the chemical substance management / regulations of each country.

ISO14000... The general name for the international standard (IS) for environmental management systems issued by the International Organization for Standardization (ISO).

Annex 1

Criteria for transferring composition information shall be as shown in Table 1.

These criteria are applicable to weight concentration on a per-product basis for chemical products and on a per-material basis for articles.

For facilitating transfer of composition information, the chemSHERPA introduces the threshold of 0.1wt% as its own voluntary criteria.

Table 1 - Criteria for providing composition information

Threshold under regulations		Concentration of declarable substance	Whether to transfer composition information
Clarified as reportable application, or application unknown	Prescribed threshold is greater than 0.1wt%	Equal to or greater than allowable concentration under Regulations	Requires providing composition information, including declarable substances.
		Equal to or greater than 0.1wt% of chemSHERPA's voluntary criteria and below allowable concentration under Regulations	Provide composition information including declarable substances, in line with voluntary criteria under chemSHERPA.
		Below 0.1wt% of chemSHERPA's voluntary criteria	Not required to provide composition information on declarable substances. Optional reporting.
	Prescribed threshold is equal to or below 0.1wt%	Equal to or greater than allowable concentration under Regulations	Requires providing composition information of declarable substances in products.
		Below allowable concentration under Regulations	Not required to provide composition information of declarable substances in products. Optional reporting.
	Clarified as other than reportable application		Equal to or greater than 0.1wt% of chemSHERPA's voluntary criteria
		Below 0.1wt% of chemSHERPA's voluntary criteria	Not required to provide composition information of declarable

(Note)

“Threshold under Regulations” in table1 indicates allowable concentration of declarable substances under a relevant standard selected from regulations. If there is more than one value, the most stringent shall be used in principle.

Source: Rules on the Use of Information on Chemicals in Products Under the chemSHERPA(Ver.1.1) Compliance

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The latest “Nitto Group Green Procurement Standards” can be downloaded from the Nitto website at the following URL.

https://www.nitto.com/jp/en/others/about_us/procurement/green/file/standards.pdf

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