

Green Procurement Guideline of NOK Group



October 1, 2021 (Ver.5)

NOK CORPORATION

The original text of this guideline is Japanese.

The Japanese version will be the official version.

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- Attachment-1: Substances Impacting on Environment Managed by NOK Group and Relevant Commentary
- Attachment-2: List of Group Companies within Scope of Application

1. Preface

We wholeheartedly appreciate your incessant and full assistance and support for the procurement and production activities of each company of NOK Group (hereinafter, referred to as 'each company of the Group') on a daily basis.

Each company of the Group produces a number of mechanical parts for industrial use including sealing products using high-polymer materials such as synthetic rubbers and resins, such automobile-related parts as vibration prevention rubbers, parts for construction machinery, such electrical and electronic parts as used for smart phones and as such, rolls around the periphery of photosensitive elements of OA equipment, releasing agents, greases and lubricants. We have delivered products most of which contribute to protecting environment through such environment-conscious design and production as leading not to leaking such fluids as oils and to being light in weight with lower friction all over the world.

In the activities above, various natural resources, energy and water resources are consumed and industrial wastes arise. On a daily basis, each company of the Group has been wrestling with mitigating the impact on environment invited by such consumption and wastes and accomplishing the social responsibility imposed on us through promoting the reduction of the substances impacting on environment and contributing to protecting global environment and establishing recycling society. Each company of the Group has made a public statement on the basic policy on environment including, among others, compliance with the relevant regulations, reduction of impact on environment, saving energy and recycling of natural resources, management of chemical substances and communication with neighboring communities since 2001.

In turn, the global environment has aggravated year by year with the rising of the sea level and abnormal weather due to global warming and the depletion of natural resources and unmanageable amount of generated industrial wastes and so on. Under the circumstances, the operational activities taken environment further into account have been socially demanded to the entities and such demand has been strengthened each year. In recent years, the government of each country all over the world has been advocating and calling for its nationals the creation of sustainable society over the ages ahead through 'SDGs' and the realization of carbon neutral society where the emission of CO₂ is constrained or reduced if possible over the life cycle (operational activities including processes of procurement, use and disposition of raw materials).

Each of the Group has been proceeding with its operational activities through using products and services exclusively provided by our esteemed suppliers including raw materials, parts, sub-materials as well as packing materials and stationery and office utensils. In order for each of the Group to accomplish the social responsibility together with our esteemed suppliers and respond to the demand from our clients and communities, the cordial cooperation from our esteemed suppliers is indispensable.

We would like our esteemed suppliers to understand the gist and contents of 'Green Procurement Guideline of NOK Group' (hereinafter, referred to as 'the Present Guideline') and to cooperate with us accordingly.

Operating officer Corporate Procurement Management office
Yukio Yamazaki

Operating officer Corporate Environmental Management office
Shuro Tsuruta

2. Basic Policy on Environment

Policy

On the premise that the entities are members of society, we strive to manage the protection of environment over the future generations ahead by each employee's realizing that the operational activities and the resulting products and services give influence on global environment as a whole and stipulating our basic policy on environment to contribute to creating the society sustainable to develop.

1. Striving to reduce impact on environment by promoting the improvement of technical assets and the development of products taken environmental protection into account based on our conventional eigen technical knowledge.
2. Promoting saving energy in order to prevent global warming and promoting the recycling of natural resources, regeneration of such resources and reduction of industrial wastes to match the recycling society.
3. Trying to improve on the continuous reduction of impact on environment in cooperation with affiliated companies including the entities with whom we do business and striving to manage chemical substances, to prevent the pollution of the global environment and to wrestle with the problem with impact on waterside environment based on targets set by NOK CORPORATION Central Environmental Conservation Committee.
4. Promoting environment conservation activities while complying with the relevant regulations, ordinances of regional autonomous bodies and agreements with neighboring communities.
5. Observing self-imposed regulations of the same line of business and the entities with whom we do business and actively wrestling with requisites on environment from stakeholders.
6. Disclosing information on environment conservation activities and social contributions and trying to have communication with neighboring communities and societies.
7. Trying to improve on global environment consciousness by each employee's recognizing diversity of living creatures and importance of global environment conservation as a good corporate civilian and to continuously improve on environmental management system.

Stipulated on September17, 2001

Revised on April 1, 2021

NOK CORPORATION President And Representative Director

NOK CORPORATION Chairman of Central Environmental Conservation
Committee

Masao Tsuru

As for the basic policy on environment of each company of the Group, please look at its own homepage (refer to the following URL).

NOK Corporation:	https://www.nok.co.jp/csr/environment/management.html
NOK Klueber Co., Ltd. (NKL):	https://www.nokklueber.co.jp/quality/
Unimatec Co., Ltd. (UMT):	https://www.unimatec.co.jp/eco/
Synztec Co., Ltd. (SZT):	https://www.synztec.co.jp/csr/environment_policy/

3. Matters for which 'In-House management' and 'Papers Submission' are solicited to our Esteemed Suppliers

The matters for which the in-house management and papers submission among others are solicited to our esteemed suppliers according to the Present Guideline are as follows (Table-1).

Table-1 Matters for which the in-house management and papers submission among others are solicited

Solicitation	Summary	Prescribed Form to be Submitted	Due Date for Submission
(1) Establishment of 'Environment Management'	Acquisition of external authentication such as 'ISO14001' and 'Eco Action21' or corresponding management	Form-1	Upon Receipt of Present Guideline
(2) Management of Substances Impacting on Environment and Provision of Information by Esteemed Suppliers ¹⁾	Establishment of Management System of Substances Impacting on Environment	Form-3	
	Management of Prohibited Substances Described in NOK Group's List of Substances Impacting on Environment and Declared Substances		
	Provision of Information such as RoHS 10 Substances Analysis Result	Form-2	Upon Each Company of the Group Soliciting
	Provision of Information on Substances Impacting on Environment such as Raw Materials and Parts according to chemSHERPA	chemSHERPA File ²⁾	
	Provision of Information on Substances Impacting on Environment such as Raw Materials and Parts according to IMDS	By IMDS	
	SDS ³⁾ Official Languages: Japanese and English Regulations must be matched with those of a country in issue. For other languages, let's discuss	Form: in compliance with JIS Z7253	
Presence or Absence in content of Substances whose Transfer should be Grasped (Chemical Substances Management ACT)	Arbitrary Form		
(3) Reporting Occurrence of Violation against Environment-related Regulations	Reporting Occurrence of Violation against Environment-related Regulations to Each Company of the Group	Form-5	Upon Violation Occurring

1) As for submission on our esteemed suppliers' products (molded products and chemical products) for which each company of the Group has provided raw materials, sub-materials, production processes and so on and which such company has designated and committed for production, please coordinate with the procurement contact person of each company of the Group.

2) The preparation tool is available from 'Data Entry Support Tool' in the homepage of chemSHERPA.

* URL Address: <https://chemsherpa.net/english/tool/>

There are two formats according to a mode as noted in Table-2 at the next page.

Chemical Products: 'SHCI File (extension: shci)' prepared by chemSHERPA-CI

Molded Products: 'SHAI File (extension: shai)' prepared by chemSHERPA-AI

To note, when submission is prepared by chemical substances information handling tools such as IMDS and JAPIA sheets other than chemSHERPA, there are some cases where coordination is required in advance.

Our esteemed suppliers who are incapable of submission according to chemSHERPA, they have another option through Form-4: Statement of Contained Chemical Substances, but they need to consult with the procurement contact person of each company of the Group beforehand.

3) If the chemical products whose modes are raw materials or agents are subjected to SDS submission, please proceed accordingly. Please submit the latest version according to the form in compliance with JIS Z7253.

(1) Establishment of 'Environment Management System'

Each company of the Group has been wrestling with sustainable improvement by organizationally carrying out the environment conservation activities. We would like our esteemed suppliers who have supplied us with raw materials, parts constituting the products of each company of the Group, sub-materials as well as packing and packaging materials, facilities and utilities among others also to establish the management system centered on which improvement on such activities is to be continuously promoted.

For that purpose, we would like our esteemed suppliers to acquire external authentication of 'ISO14001' and 'Eco Action 21' and keep them intact or to perform the corresponding management. Let us excuse to check the situation in which the acquisition of such external authentication comes along and the receipt of the present Guideline by our esteemed suppliers through Form-1: Statement of NOK Group Green Procurement Guideline Receipt.

(2) Management of Substances Impacting on Environment and Provision of Information by our Esteemed Suppliers

a. Management of Substances Impacting on Environment such as Raw Materials and Parts to be Delivered

Each company of the Group has performed the thorough risk management of substances impacting on environment in accordance with domestic and oversea statutory regulations.

Such substances impacting on environment as being prohibited from production and from use are stipulated in such statutory regulations. Further, on the background of such statutory regulations, the clients of each company of the Group have asked us to prohibit the use of substances subjected to such regulations. In view of the foregoing, we would like our esteemed suppliers who supply us with raw materials, parts (those constituting a part of our products) constituting the products of each company of the Group, sub-materials, packing and packaging materials, inks for labelling, writing utensils and facilities as illustrated in Table-2 to deliver your products based on standard schedules presented by each company of the Group in conjunction with the relevant rules and regulations and to report (presence or absence of use or content) the substances impacting on environment contained in your products.

Please let us coordinate with our esteemed suppliers who supply us with finished products on a separate basis.

Table-2 Subject Products and Definition

Products	Mode		Definition
Raw Materials, Parts (constituting our products)	Chemical Products	Substances	Their compounds obtained through some production processes or elements. Corresponding to raw materials and solvents (Ex: rubber/resin polymers, agents compounded in rubber such as vulcanizers, solvents)
		Mixtures	Mixtures, solutions or agents comprising two or more substances (Ex: unvulcanized rubbers, adhesives, chemical processing agents, coating agents, paints for coating, greases, identification markers, antirust oils)
	Molded Products	Objects provided with a specific shape, surface or design to define their functions. (Ex: vulcanized rubbers, metal fittings, springs)	
Sub-materials (those not left in our products)	Chemical Products		Chemical products temporarily used for manufacturing our products (Ex: releasing agents, anti-adhesive agents, solvents for cleansing)
	Molded Products		Molded products temporarily used for manufacturing our products (Ex: gloves, provisionally retaining tapes, protection films)
Packing and packaging materials (including inks for labelling, writing utensils)			1. Materials for packing and packaging the products of each company of the Group, drying agents, antirust papers, inks for labelling, writing utensils. 2. Materials for packing and packaging which are used for transporting and delivering your products to each company of the Group
Facilities, jigs and tools (which are used in the production processes and indirectly related with your products)			Facilities, jigs and tools (molds) required for manufacturing our products and tool kit boxes used in the production processes. Bands for conveyance and conveyors. Mats used for inspection work. Oils and greases in use for facilities.

b. Guarantee of Products being free from Prohibited Substances

- (a) The management classes for prohibition and declaration are stipulated in NOK Group's list of Substances Impacting on Environment (Attachment-1). We would like our esteemed suppliers to deliver your products free from prohibited substances to each company of the Group. However, your products for which each company of the Group has accepted the use or content of such substances are excluded from this agreement.

As for the following RoHS 10 substances of those subjected to the regulations of EC Directive (ELV, RoHS) among the prohibited substances, we would like our esteemed suppliers to submit Form-2: Check List of Presence or Absence of Substances Impacting on Environment upon each company of the Group soliciting.

1. As to such six substances as lead, mercury, cadmium, hexavalent chromium, PBB and PBDE, confirmation of products being free from such substances based on their analysis test and confirmation of presence or absence of such substances throughout the supply chain viewed retrospectively (obtaining and managing nonuse warrant and so forth)
2. As to specific phthalate esters or four substances (DEHP, DBP, BBP, DIBP), survey/confirmation of presence or absence of such substances throughout the supply chain viewed retrospectively

Further, when each company of the Group asks our esteemed suppliers to submit the result of the analysis test to clarify that such substances are not contained, we would like you to respond to such request through discussions. Please keep the evidences or proofs of such test on your part (on our esteemed suppliers) and submit them upon each company of the Group soliciting.

- (b) Please let us excuse to confirm information on the presence or absence of prohibited substances through chemSHERPA, IMDS sheets and so forth. To note, when submission is prepared by chemical substances information handling tools such as IMDS and JAPIA sheets other than chemSHERPA, there are some cases where coordination is required in advance. Our esteemed suppliers who are incapable of submission according to chemSHERPA, they have another option through Form-4: Statement of Contained Chemical Substances, but they need to consult with the procurement contact person of each company of the Group beforehand.
- (c) We would like our esteemed suppliers to manage the deliveries to each company of the Group such that they do not contain more than the threshold value of the prohibited substances prescribed in NOK Group's list of Substances Impacting on Environment (Attachment-1). Where it is found that they contain more than their threshold value, please advise us immediately.
- (d) As for the deliveries for which you have answered that they do not contain substances impacting on environment at the time of surveying such substances, please manage them such that they should never contain such chemical substances. When it is found that such deliveries contain such substances, please let us know immediately.

c. Establishment of Management System of Substances Impacting on Environment

We would like our esteemed suppliers also to establish the management system of substances impacting on environment especially regarding your products delivered to each company of the Group.

In order to check the management system, we would like you to perform self-inspection based on Form-3: Management System Check Sheet of Substances Impacting on Environment *1 for submission. To note, please strive to establish such management system as allowing deficient items to improve.

Further, please let us excuse to conduct audit by each company of the Group based on the consent of our esteemed suppliers for the purpose of checking the real situation of your

'establishment of management system of substances impacting on environment' where appropriate.

*1 Each company of the Group is adopting 'Annex E: Check Sheet, Version 4.01 of Guidelines for the Management of Chemicals in Products (CiP), Edition 4.0' published by JAMA as the management system check sheet of substances impacting on environment.

The latest version is available from <https://chemsherpa.net/english/docs/guidelines>

Our esteemed suppliers wishing to submit the check sheet attached with the management guideline for chemical substances contained in products published by JAMA (Japan Automobile Manufacturers Association Inc.) are requested to advise to each company of the Group accordingly.

d. Contact to NOK Group on Occurrence of Production Process Change and as such

We would like you to provide us with information in advance when change in design and production process related with chemical substances throughout our esteemed suppliers and the supply chain might arise. Especially when there is such change with regard to the substances impacting on environment managed by each company of the Group, please provide the procurement contact person of each company of the Group with such information without delay.

(3) Reporting on Occurrence of Violation against Regulations Related to Environment

We would like our esteemed suppliers to comply with the domestic environment-related laws and regulations with respect to your operational activities.

Regarding environment-related regulations and other legally applicable requisites on the establishments of our esteemed suppliers which carry out the development, production and marketing of the articles delivered to each company of the group, when the official organizations have ordered the person in charge of such establishments to take the measures necessary for improvement or imposed punishment on him/her, please advise us accordingly.

Please fill in Form-5: Environment-related Incident Report to provide us with the details.

4. Matters based on which 'Concrete Action (Activity)' is solicited to our Esteemed Suppliers

In the present guideline, the matters based on which 'Concrete Action (Activity)' is solicited to our esteemed suppliers are as follows (Table-3).

Table-3 Matters Solicited to you for Concrete Action (Activity)

Solicited Matters	Summary	Form
(1) Activity on Environmental Protection Related to your Business Operation	Compliance with environment-related laws and regulations	Submission unrequired
	Performance of environment conservation activities	
(2) Such as CO ₂ Reduction upon Transportation between our Esteemed Suppliers and Each Company of the Group	Reduction of consumed energy and emitted CO ₂ regarding transportation of raw materials and so on delivered to each company of the Group	
	Reduction of packing and packaging materials of raw materials and so on delivered to each company of the Group	

(1) Activity on Environmental Protection Related to Business Operation of our Esteemed Suppliers

Each company of the Group has complied with environment-related laws and regulations, managed and promoted its environment conservation activities centering on the reduction of grasped consumed energy, the reduction of emitted greenhouse gas (such as CO₂) and the reduction of emitted VOC or the following environment-related targets.

We would like our esteemed suppliers also to actively promote the compliance of environment-related laws and regulations and business-related environment conservation activities.

a. Action Items on Environment

- (a) Reduction of Grasped Consumed Energy
- (b) Reduction of Emitted Greenhouse Gas (such as CO₂)
- (c) Management of Chemical Substances
- (d) Reduction of Emitted VOC
- (e) Reduction of Emitted Substances Subject to PRTR
- (f) Promotion of Recycled Natural Resources
- (g) Reduction of Generated Industrial Wastes (final disposal)
- (h) Reduction of Consumed Water and Management of Sewage and its Effective use
- (i) Reduction of Consumed Natural Resources in Depletion
- (j) Taking Due Care of Diversity of Living Creatures

(2) Such as CO₂ Reduction upon Transportation between our Esteemed Suppliers and Each Company of the Group

We would like our esteemed suppliers to reduce consumed energy and emitted CO₂ with respect to the transportation of the deliveries such as raw materials and parts supplied to each company of the Group.

We would like you to reduce the packing and packaging materials to cover the deliveries such as raw materials supplied to each company of the Group. However, when the specifications of the packing and packaging materials are replaced with another ones, please do so after the approval from each company of the Group is secured in order to avoid quality or transportation-related problems.

5. Handling of Guidelines

The handling of the present guideline with respect to our esteemed suppliers is as follows.

- (1) For the new esteemed suppliers, upon the mutual transaction starting, the present guideline is advised to them from the competent department of each company of the Group.
- (2) When there is a separate request for submission of papers from each company of the Group, please respond to it on a separate basis.
- (3) Each time the present guideline is revised, it is advised to our esteemed suppliers in subject from the competent department of each company of the Group.

6. Handling of Private Information

The personal information of our esteemed suppliers as filled in is used solely for the green procurement-related matters.

7. Terminology

(1) chemSHERPA

This is the common scheme usable over the whole supply chain to handle information on chemical substances in products. The data entry support tool for molded products (chemSHERPA-AI) and the data entry support tool for chemical products (chemSHERPA-CI) are ready for use on the homepage of chemSHERPA, from which data entry support tools, information on substances subject to management, samples of data cases and so forth are downloadable.

* Homepage of chemSHERPA: <https://chemsherpa.net/english>

* The maintenance and support of the former survey tools or JAMP-AIS, JAMP-MSDSplus ended at the end of June, 2018 and were replaced with these chemSHERPA ones.

(2) GADSL (Global Automotive Declarable Substance List)

The list of chemical substances subject to management among the automobile industry, which is managed by three industries or finished cars manufacturers, parts manufacturers and chemicals/materials manufacturers centered on the trilateral regions of Asia, USA and EU.

(3) IEC62474

This is one of international standards established by IEC (International Electro technical Commission), in which 'Material Declaration (information transfer of constituting materials/contained substances) regarding Electric and Electronic Industries and their Products' is stipulated. In Japan, the domestic organization or the domestic VT62474 takes the charge of collecting public opinions and transmitting information. To note, JGPSSI (Japan Green Procurement Survey Standardization Initiative) is evolutionally dissolved in May, 2012 and most of its activities was transferred to the domestic organization (Domestic VT62474) of IEC/TC111.

* What is IEC ? : the international organization that develops and publishes international standards with regard to electric and electronic technologies and the relevant technologies

* What is TC111 ? : one of IEC's expert committees

(4) ISO14001

This is one of the standards established by ISO (International Organization for Standardization) in 1996, in which such requisites as ordering the organizations (such as entities and autonomous bodies) to continue their business or operational activities without impacting on environment are stipulated.

(5) IMDS (International Material Data System)

This is the system used by the supply chain of the automobile industry for collecting information on chemical substances contained in products, in which the car manufacturers of Asia, USA and EU participate for management and which is used as the global standard for the management of chemical substances among the automobile industry.

* Homepage of IMDS: <https://public.mdsystem.com/en/web/imds-public-pages/home>

(6) JAMP (Joint Article Management Promotion-consortium)

It is formally called as Article Management Promotion Council, which is the entity initiated for the purpose of making prevail the concrete mechanism of properly managing information on chemical substances contained in the articles (another appellation of parts and molded products) and smoothly disclosing and transferring such information among the supply chain.

* Homepage of JAMP: <https://chemsherpa.net/english/jamp/about>

- (7) JAPIA Unified Data Sheet (commonly called as JAPIA Sheet)
This is the information transfer tool of data on chemical substances contained in products, which is mainly used by the supply chain of the automobile industry and utilized for information management and transfer as the one to support and supplement the IMDS. Since the support for JAMA/JAPIA Unified Data Sheet (commonly called as JAMA Sheet) ended at the end of September, 2020, this tool initiated its operation from October, 2020 as the successor of the JAMA Sheet. The slips are downloadable from the homepage of JAPIA (Japan Auto Parts Industries Association).
- * Homepage of JAPIA: <http://www.japia.or.jp/en/top/>
- (8) PRTR System (System of Registering Discharge and Transfer of Chemical Substances or Pollutant Release and Transfer Register)
This is the mechanism to grasp, sum up and laid-open discharge into environment or transfer as industrial wastes of chemical substances designated by government ordinances and as such by the operators who produce, use and release such substances.
- (9) VOC (Volatile Organic Compounds)
This is the general appellation of compounds easily volatile into the atmosphere such as toluene, benzene and dichloromethane under normal temperature and pressure.
- (10) Eco Action 21
This is the environment program promoted by Ministry of Environment making small-scale operators as targets.
- (11) ELV Directive of EU (EU Directive of End of Life Vehicle)
This is the directive on the recycling of automobiles established in EU and the restrictive use of heavy metals or four substances (lead, cadmium, mercury and hexavalent chromium).
- (12) REACH Rules of EU (Registration, Evaluation and Authorization of Chemicals)
The EU rules on registration, evaluation, authorization and restriction on chemical substances.
- (13) RoHS Directive of EU (EU Directive on Restriction of the use of certain Hazardous Substances in electrical and electronic equipment)
This is the directive established in EU to restrict the use of heavy metals or four substances (lead, cadmium, mercury and hexavalent chromium) and specific bromine-based fire-retardants (Polybrominated biphenyl (PBB) and Polybrominated diphenyl ether (PBDE)) as well as specific phthalate esters (Bis (2-ethylhexyl) phthalate (DEHP), Dibutyl phthalate (DBP), Bis (Butyl benzyl) phthalate (BBP) and Diisobutyl phthalate (DIBP)).
- (14) Diversity of Living Creatures
The expression meaning that the living creatures on the earth are rich in variety or the ecological system itself which is complex and diverse.
- (15) SDS (Safety Data Sheet)
Upon the assignment or provision of chemical substances and mixtures containing such substances, this sheet is used as an instrument to explicitly describe information on the physical and chemical natures, risk/hazard and handling of such substances to advise the counterpart of such information to whom such substances are assigned or provided.
- (16) JIS Z7253
This is one of the Japanese national standards called as JIS (Japanese Industrial Standards), in which the standards for and the measuring methods of Japanese industrial products are prescribed and 'Method of Transferring Information on Risk and Hazard of Chemicals Based on GHS: Labelling within Premises and Safety Data Sheet (SDS)' is stipulated.
- * GHG is the abbreviation of 'The Globally Harmonized System of Classification and Labelling of Chemicals', the literary translation in Japanese of which is 'The Globally Harmonized System concerning Classification and Labelling of Chemicals' and which was adopted in July, 2003 in the form of UN recommendation.

Points of Contact on Green Procurement Guideline of NOK Group

- * Procurement Contact Person of Each Company of the Group

Opinions on Present Guideline as a Whole

* NOK CORPORATION

Procurement Control Department, Corporate Procurement Management office:

TEL 03-5405-6382

Environmental Management Department, Corporate Environmental Management Office :

TEL 0466-35-4612