

UK-NSI Co. Ltd.

Driver Information
Systems

Green Procurement Guidelines



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1. Introduction

We appreciate for your continuous support and cooperation in our business activities.

Global environmental issues, such as global warming, resource depletion and ecosystem deterioration, are causing concerns across the world.

UK-NSI Co Ltd, acknowledge global environmental issues as one of the key aspects of management, and we promote activities to achieve: - a sustainable society harmonized with the environment.

Our products consist of parts, raw materials and secondary materials, delivered from suppliers and therefore we believe that cooperative efforts and management among suppliers and the supply chain are essential to satisfy customer's requirements and to contribute to a sustainable society.

Recent regulations, as typified by EU RoHS Directive or EU REACH Regulations, restrict globally, not only locally, the usage of chemical substances.

As global manufacturing and global procurement increase, the scope of management and observation widens, and consequences of derogation of corporate social responsibilities are severe. In view of these changes, "UK-NSI Green Procurement Guidelines" is hereby generated.

The new "UK-NSI Green Procurement Guidelines" includes scope of applications, and additions of requirements to reduce greenhouse gas emissions, to work on conservation of biodiversity, and other requirements necessary for sustainable growth of UK-NSI and our suppliers.

We appreciate your understandings and request your cooperation in data disclosure as necessary.

Green procurement activities can only be promoted with suppliers' understandings of this document ("UK-NSI Green Procurement Guidelines") and UK-NSI will work in partnership with suppliers to comply with these guidelines and work together on environmental issues.

Managing Director

Takanori Nakamura

Purchasing and Logistics Director

Ross Dugmore

2. Purpose

UK-NSI are promoting activities to achieve an environment-friendly product and manufacturing processes in all aspects of its business. To "procure environment-friendly products from suppliers promoting environmental business activities" and "manage necessary chemical substance data to be communicated within the supply chain or with customers", we have clarified our requirements within these Guidelines".

3. Scope of Application

These guidelines are effective from January 1st, 2017.

These guidelines are applied to the following products which are procured by UK-NSI Co Ltd and the NS Group generally and contained in our products.

- | | |
|-------------------------|---|
| 1) Material | Resin pellet, Paint, Printing ink, Minerals, etc. |
| 2) Product, Part | Electronic parts, Mechanical parts, screws, etc. |
| 3) Secondary Material*1 | Solder, Adhesive agent, Stamping ink, etc. |
| 4) Packaging Material*2 | Cardboard, Plastic bags, Cushioning, Labels, etc. |

The above 1) to 4) are hereinafter called "products".

* 1: Secondary Material: All materials which are included in the final product delivered to UK-NSI, or used in the product manufacturing process, but not included in the final product delivered to UK-NSI.

*2: Packaging Material: All materials used for wrapping, protecting and shipping of products delivered to UK-NSI. Packaging materials, such as trays, cushioning, cartons, and returnable boxes, disposed by UK-NSI or at logistics sites, or returned to suppliers are exempted from this application.

4. Definitions

EU RoHS Directive: The Restriction of the Hazardous Substances

EU legislation restricting the use of hazardous substances in electrical and electronic equipment.

As for environmentally hazardous substances, the use of six (6) substances are restricted; lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and Polybrominated diphenyl ethers (PBDE).

<Ref: EU RoHS Directive>

http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm

Regulation of Phthalates(Four kinds), please refer to "7. Compliance with Regulations of Environmentally Hazardous Substances"

Phthalates(Four kinds):Bis (2-ethylhexyl) phthalate (DEHP),Dibutyl phthalate (DBP),Benzyl butyl phthalate (BBP),Diisobutyl phthalate (DIBP)

EU ELV Directive: End of Life Vehicles

EU legislation of vehicle recycling and environmentally hazardous substances.

As for environmentally hazardous substances, the use of four (4) heavy metals are restricted; lead, mercury, cadmium, and hexavalent chromium.

<Ref: EU ELV Directive and Annex II (Exemption List)>

http://ec.europa.eu/environment/waste/elv_index.htm

EU REACH Regulation Registration, Evaluation, Authorization and Restriction of Chemicals

EU legislation of registration, evaluation, authorization and restriction of chemical substances.

To comply with the regulation, companies must register and manage the risks of the chemical substances they manufacture and market in the EU.

Chemical Substances of Very High Concern (SVHC) may be used only with authorization.

Manufacturing, importing and use of unauthorized substances are restricted.

<Ref: REACH by ECHA (EUROPEAN CHEMICALS AGENCY)>

<http://echa.europa.eu/regulations/reach>

SVHC: Substances of Very High Concern

Substances of Very High Concern defined in EU REACH Regulation.

<Ref: Candidate List by ECHA>

<http://echa.europa.eu/web/guest/candidate-list-table>

EU Packaging Directive(Directive 94/62/EC):

European Parliament and Council Directive on packaging and packaging waste.

<Ref: EU Packaging Directive>

<http://ec.europa.eu/environment/waste/packaging/index.en.htm>

GADSL : Global Automotive Declarable Substance List.

A harmonized chemical substances management list prepared by Global Automotive Stakeholders Group (GASG), a global team from the automotive, automotive parts supplier (tier supplier) and chemical/ plastics industries.

<Ref: GADSL>

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

JIG: Joint Industry Guide

Represents industry-wide consensus on the disclosure of relevant chemical substances incorporated into electro technical products.

Established and revised by Consumer Electronics Association (CEA),

DIGITALEUROPE and Japan Green Procurement Survey Standardization Initiative (JGPSSI)

<Ref: JGPSSI>

http://21.0.254.2.1.5.73/jeita_eps/green/greenTOP.html

GHG : Greenhouse Gas

Gas in an atmosphere that absorbs and emits radiation within the thermal infrared range, which cause the greenhouse effect.

UK-NSI target the following six types of gasses.

- CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide), HFC (hydroflurocarbon), PFC (Perfluorocarbon), SF₆ (sulfur hexafluoride)

Prohibited Substances:

Substances which use or use exceeding the restricted amount in the product are prohibited by regulations and relevant guidelines of the UK and other countries.

Management Required Substances:

Substances of which inclusion, amount, including part, purpose, and etc. need to be managed.

Homogeneous Material:

Defined by EU RoHS Directive and EU ELV Directive.

Means a material that cannot be disjoined or separated into different materials by mechanical actions.

5. Requirements to Suppliers

Green Procurement Requirements List

○: applicable

Documents Requirements	What to Submit	When to Submit	Remarks
(1) Establishment of Environment Management System (EMS)	SELF AUDIT	PRIOR TO NOMINATION AND ANNUALLY THEREAFTER	
(2) Consistent Management of Chemical Substances	SELF AUDIT	PRIOR TO NOMINATION AND ANNUALLY THEREAFTER	
(3) Establishment of Chemical Substances Management System (CMS)	SELF AUDIT	PRIOR TO NOMINATION AND ANNUALLY THEREAFTER	
(4) Actions to Know/ Reduce Greenhouse Gas Emissions	SELF AUDIT	PRIOR TO NOMINATION AND ANNUALLY THEREAFTER	
(5) Promotion of Resources Recycling	SELF AUDIT	PRIOR TO NOMINATION AND ANNUALLY THEREAFTER	
(6) Conservation of Biodiversity	SELF AUDIT	PRIOR TO NOMINATION AND ANNUALLY THEREAFTER	

(1) Establishment of Environment Management System

For establishing and maintaining Environment Management System, please acquire ISO 14001 or certification from external authority complying with ISO 14001.

- For suppliers not certified, establishment of an environment management system equivalent to ISO 14001 is requested. Progress of establishment shall be confirmed in Green Procurement Self-Evaluation Sheet.

(2) Consistent Management of Chemical Substances

- ① Suppliers are required to comply with the requirements in Article 7 "Environmentally Hazardous Substance Management of Delivered Items". "Declaration of Non-Use of RoHS Restricted Substances" requires certification of RoHS restricted value, not the controlled value specified by suppliers.

- ② Suppliers are required to prepare and submit "Declaration of Non-Use of RoHS Restricted Substances" upon request of UK-NSI.
- ③ Suppliers are required to consistently manage that the delivered products do not include prohibited substances, or the restricted substances included are within the threshold value.

(3) Establishment of Chemical Substances Management System (CMS)

① Suppliers delivering products to UK-NSI are requested to establish CMS. Management of specified chemical substances contained in products are required under laws and regulations of the UK and other countries. To satisfy these requirements, each company is required to manage the chemical substances contained in products with "appropriate and effective" means through the supply chain.

② Requirements to Suppliers regarding CMS

No.	Requirements	Summary
1	Policy	Declare policy of actions by managements.
2	Define Management Criteria	Define management procedures to satisfy laws/ regulations, industrial voluntary standards, and customer requirements.
3	Define Scope of Management	Define "product", "process", "constituent materials", "chemical substances" to be managed.
4	Set Targets and Plan Implementation Process	Define and revise targets and plans.
5	Define Organizational System, Responsibility and Authority	Define roles and responsibility of depts. engaged in management.
6	Design/ Development	Confirm compliance with requirements in design / development process.
7	Collect and Confirm Chemical Substance Data included in Products	Systematize collection and confirmation of data from supplier.
8	Sourcing Management	Communicating requirements with suppliers.
9	Acceptance Verification	Confirm conformity with company criteria when accepting purchased materials.
10	Process Control	Define management items of process where chemical substance amount changes. Identification control and contamination prevention are also required.
11	Shipping Verification	Confirm compliance with company criteria when shipping.
12	Traceability	Define product traceability.
13	Change Control	Define process when changes in chemical substance management has occurred. (e.g. design, process, supplier)
14	Process for Non-Conformity	Define process when non-conforming product is found.
15	Training	Define details of training.
16	Documentation and Control	Define procedures of keeping documents and records.
17	Communication	Establish system for sharing information.
18	Performance Evaluation and Improvement	Evaluation and improvement of the management by internal audit.
19	Management Review	Improvement of issues by managements.

(4) Knowing and Reducing Greenhouse Gas Emissions

Suppliers are requested to know and to reduce the amount of Greenhouse Gas emissions.
 · Actions are taken to establish system to know and to reduce the amount of GHG emissions and energy consumption.

(5) Promotion of Resources Recycling

Suppliers are requested to propose and use materials that contribute to recycling-oriented manufacturing. NS promotes effective utilization of resources. "Materials that contribute to recycling-oriented manufacturing" means;

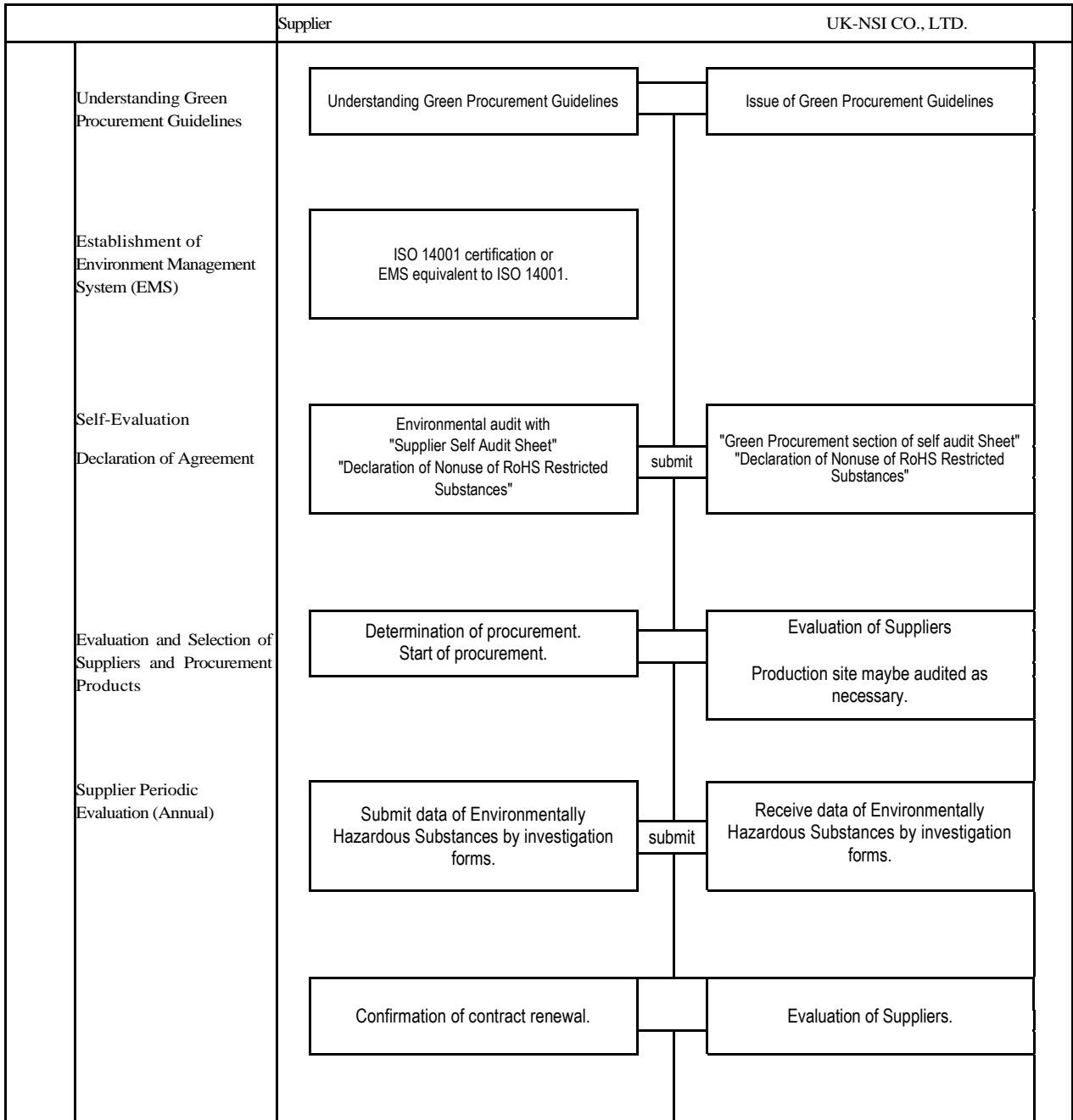
- Materials which contribute to reduce necessary resources for manufacturing.
- Materials which contribute to enhance utilization of recycled resources.
- Materials which contribute to reuse packaging materials for shipping.

(6) Conservation of Biodiversity

Suppliers are asked to promote actions to conserve biodiversity.
 · Please define the policy and take actions for conservation of biodiversity.

6. Procurement Contract Procedures

Based on provided documentations, suppliers' business activities and products will be evaluated for its conformity with UK-NSI Green Procurement Guidelines.
 With the evaluation result, UK-NSI procures materials satisfying UK-NSI Green Procurement Guidelines from suppliers satisfying UK-NSI Green Procurement Guidelines.



Suppliers are requested for improvement measures against any unsatisfactory results found in self-evaluation. We may visit suppliers for auditing to have better understanding of actual situation
 Suppliers are also requested for supervising Tier 2, Tier 3, etc. suppliers.
 We appreciate your cooperation.

7. Compliance with Regulations of Environmentally Hazardous Substances

All products delivered to UK-NSI shall comply with various regulations related to environmentally hazardous substances. Requirements are specified as the following.

We appreciate your cooperation for providing us information.

(1) Management of Environmentally Hazardous Substances

① EU RoHS Directive

Refer to the following website for exemption list.

http://ec.europa.eu/environment/waste/rohs_eee/legis_en.htm

Phthalates(Four kinds), and prohibit the inclusion in the new product.

No.	Phthalates(Four kinds)	CAS No.
1	Bis (2-ethylhexyl) phthalate (DEHP) ※	117-81-7
2	Dibutyl phthalate (DBP) ※	85-68-7
3	Benzyl butyl phthalate (BBP) ※	84-74-2
4	Diisobutyl phthalate (DIBP) ※	84-69-5

※ Ref. Commission Delegated Directive (EU) 2015/863

Deadline of the Containing Phthalates(Four kinds): used until July 21, 2018

(Expiry date for export and sales to EU: July 21, 2019)

If delivered goods to UK-NSI contain the Phthalates(Four kinds), please contact the UK-NSI purchasing department and supply product and concentration details, also please show the plan for the future alternative material.

Phthalates(Four kinds) are approved substance of the REACH Regulation.

It has already been specified in the car manufacturers of prohibited substances.

② EU ELV Directive

Refer to the following website for exemption list. [http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:085:0003:0007:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:085:0003:0007:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:085:0003:0007:EN:PDF)

③ EU REACH Regulation

Please confirm the Candidate List and inform us when any SVHC is included in the product. <http://echa.europa.eu/candidate-list-table>

Communication of REACH SVHC in automotive industry is based on "AUTOMOTIVE INDUSTRY GUIDELINE ON

REACH ver. 3.1" <http://www.acea.be/industry-topics/tag/category/reach>

Compliance with "5.10 Communication Requirements for CL Substances in Articles" are especially required. When the substances of Candidate List are updated to GADSL, its declaration (communication) is required.

④ GADSL

GADSL is a list established for automotive industry which includes substances

specified in EU RoHS Directive, EU ELV Directive and REACH SVHC. Please comply with the latest edition.

No prohibited substances should be included in delivered products. <http://www.gadsl.org/>

⑤ EU Packaging Directive:

Content of four heavy metals (lead,cadmium,mercury,and hexavalent chromium) in total with the mass of materials constructing the packaging must be less than 100ppm by weight. Materials constructing the packaging are parts which can be easily separated (e.g."corrugated board" used for packing the product,"adhesive tape" used for assembly in a corrugated box package, and "label" used for indication are to be considered as separate materials)

http://ec.europa.eu/environment/waste/packaging/index_en.htm

(2) Submission of Environmental Data

Suppliers are asked to submit investigation forms for newly supplying products. Please refer to the following table. (Ⓢ shall be submitted upon request.)

【Investigation Forms】 (Ⓢ : Mandatory ~ - : Only upon request)

Type of Item Delivered Investigation Form	Raw Materials	Products, Parts	Secondary Materials	Packaging	Submit to
1 Precision Analysis Data of RoHS Restricted Substances	Ⓢ	Ⓢ	Ⓢ	Ⓢ	Requested Dept.
2 (M)SDS	Ⓢ	-	Ⓢ	-	↑
3 JAMP AIS	-	Ⓢ	Ⓢ	Ⓢ	↑
4 JGPSSI Survey	-	Ⓢ	Ⓢ	Ⓢ	↑
5 IMDS	Ⓢ	Ⓢ	Ⓢ	-	↑
6GHG Investigation Sheet	-	-	-	-	↑

1 Precision Analysis Data of RoHS Restricted Substances

Please complete the form found on the UK-NSI website.

Precision analysis data such as ICP data certifying the non-use of the following six (6) substances restricted by EU RoHS Directive shall be submitted for each homogeneous material. Please use the provided form.

1) lead, 2) mercury, 3) cadmium, 4) hexavalent chromium,
5) polybrominated biphenyls (PBB), and 6) Polybrominated diphenyl ethers (PBDE).

2 (M)SDS

Please provide us the data referring to the following website.

Ref: Ministry of Economy, Trade and Industry

http://www.meti.go.jp/policy/chemical_management/law/msds/4.html

3 JAMP AIS

To comply with EU REACH Regulation, suppliers shall confirm whether any substances of the Candidate List is contained in products delivered to UK-NSI. Available at the following web site.

Joint Article Management Promotion-consortium

<http://www.jamp-info.com/>

4 JGPSSI Response Tool

The UK-NSI supplier self-audit document (F-023-016) incorporates an environmental audit sheet. This document is to be completed annually by the supplier.

5 IMDS

A collective material data system for environmentally hazardous substances used by automotive industry.

Registration at the following web site:

<http://www.mdssystem.com/>

Please submit data to 7034 (IMDS COMPANY ID of UK-NSI)

6 GHG Investigation Sheet

GHG emissions amount is investigated twice a year.

When requested, please provide us GHG data related to products delivered to UK-NSI, using the specified form for investigation.

Each investigation form or data shall be resubmitted if any change occurs due to revisions of restricted substances or application exemptions.

Specific investigation sheet/form may be required upon some customer specific requirements on chemical substance management. Compliance to these requirements are also necessary.

8. Revision History

Revision No.	Date	Changes

[ISSUED BY]

UK-NSI Purchasing Department

UK-NSI Co Ltd.