

TOKAI RIKA GROUP
GREEN
PURCHASING
GUIDELINE



 TOKAI RIKA
TRB

2020

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I . Introduction

We endeavor as part of the Tokai Rika Group to build reliable and constructive relationships with business partners and carry out operations based on our philosophy - To create products to satisfy customers and to contribute to a higher quality of life.

In 1993 Tokai Rika first set mid-and-long term environmental targets to reduce greenhouse gases, waste, and substances of concern (SOCs), aiming to be a company that is friendly to people and the environment. In 2003, the first edition of Tokai Rika Group Green Purchasing Guideline was released to inform our business partners about our environmental policy and make efforts with us.

Amid growing concern over impacts of global warming and SOCs on human health and the environment in recent years, companies are expected to broaden the scope of environmental efforts to the entire product life cycles including supply chains.

Thus, we have established the Tokai Rika Group Green Purchasing Guideline to enforce environmental management for product life cycles, reduce the environmental impacts of water use, and make efforts for a society in harmony with nature.

We would like to share our environmental activities with our business partners in the rapidly changing world, and cooperate with us on efforts described here.



Toshihiro Naijo
Managing Director, TRB Limited

II. Our Environmental Efforts

TRB's environmental efforts are based on our business philosophy and defined in our employee code of conduct for environment, environmental slogan, and environmental policy described below. Green Procurement is one of the important activities where we collaborate with our business partners on environmental sustainability

Business Philosophy

1. To create products to satisfy customers and to contribute to a higher quality of life.
2. To build an energetic and promising business organization by nurturing the spirit of originality, enthusiasm and innovative challenges.
3. To honor the language and spirit of the law and the ethics of every nation, and to work in harmony with nature and local communities.

Employee Code of Conduct

Employees must make good use of energy and natural resources, and reduce environmental impacts. The moderate use of energy and water is a contribution of our company to responsible behavior towards nature.

Environmental Slogan

We are reducing the environmental burden of our corporate activities while achieving harmony between people and their vehicles. By reducing the environmental impact of our production activity, we contribute to preserving nature and to building the good reputation of TRB among local community members.

Environmental Policy

TRB Limited was established as the Tokai Rika group's first assembly plant in Europe, dedicated to supplying the highest quality automotive switch products to Europe's front line vehicle manufacturers.

The site is situated on the St. Asaph Business Park in North Wales and covers an area of some 40,000m². The factory itself has a floor space of 5,600m². Due to the design of the landscape, it is virtually hidden from the A55 expressway. There are in the region of 130-160 employees at the site.

Our operational impacts are primarily the transportation to and from the site, the use of utilities such as electricity, gas and water and the management of our duty of care associated with waste processes. As an assembly plant, process water is not a requirement and emissions to air are negligible.

TRB Limited recognises that a healthy environment and the pursuit of business success are inextricably linked. It is therefore a key responsibility of the Company to protect the environment as an integral part of good business practice.

To accomplish this:-

- 1. We will comply with all applicable legal requirements and any other requirements to which TRB Limited subscribes, and act responsibly towards and communicate as necessary with all interested parties which relate to our environmental aspects.**
- 2. The management team will periodically set and review environmental objectives and targets as a commitment to continually improve the company's environmental performance and proactively monitor the risks and opportunities associated with our activities.**
- 3. We will endeavour to protect the environment whilst carrying out our activities by:**
 - a. Preventing pollution through the mitigation of identified risks,**
 - b. Monitoring our waste output with a view to maximizing recycling opportunities and minimising wastes where possible,**
 - c. Monitoring our utilities/energy usage with a view to minimising the consumption of natural resources,**
 - d. Preserving our plants biodiversity and the promotion of working in harmony with nature.**
- 4. We will provide relevant training and awareness to all persons working for, or on behalf of TRB Limited, so as to minimise the impact of their operations upon the environment.**

III. Requests for Our Business Partners

Based on the Green Purchasing policy, we put a priority on purchasing environmentally friendly products, parts, raw materials, indirect materials, packaging materials, and equipment.

We request our business partners not only to comply with environmental laws and regulations but also to steadily meet the enhanced requirements below. We reserve the right to ask the business partners to report their environmental statuses if needed.

Requirements		○: Applicable partners					Page	
		Parts	Products	Raw materials Indirect materials	Packaging materials	Logistics		Cleaning, Gardening Equipment, Construction
1. Building an environmental management system	(1) Building an environmental management system	○	○	○	○		P5	
	(2) Environmental management throughout product life cycles	○	○				P5	
2. Managing parts and materials delivered to us	(1) Managing SOCs* in products or packaging materials	① Managing material data including SOCs in a development and a design stages	○	○			P7	
		② Managing SOCs in production	○	○			P7	
		③ Managing SOCs in packaging materials	○		○		P7	
		④ Labeling the ingredients of plastic or rubber parts	○				P8	
		⑤ Improving an SOC management system	○	○			P8	
	(2) Managing SOCs used in plants or distribution bases	① Managing SOCs in delivered or brought-in materials		○	○		○	P9
		② Managing SOCs in raw or indirect materials		○				P9
3. Reducing logistics CO ₂ emissions and packaging materials	(1) Our contract logistics					○	P11	
	(2) Delivery from business partners	○	○				P11	
4. Environmental efforts in business partners' operations	(1) Compliance with environmental laws and regulations	○	○	○	○	○	P12	
	(2) Improving environmental performance	○	○	○	○	○	P12	

* Substances of concern

1. Building an Environmental Management System

We systematically manage and continuously improve environmental preservation activities. We request our business partners to promote environmental preservation activities and build an environmental management system that can be changed for the better.

(1) Building an Environmental Management System

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○	○	○	○	

Applicable business partners are requested to: promote environmental preservation activities, build an environmental management system that can be changed for the better, reduce environmental risks, and improve environmental performance.

We ask the business partners about the acquisition of third party certifications via an Environmental Certification Report. Business partners are requested to obtain or renew the ISO 14001 certification or its equivalent for secure environmental management.

Business partners having difficulty in obtaining external certifications are requested to establish an internal promotion organization and an environmental management system, and to conduct self-audits once a year based on a Production Environment Data Sheet.

We reserve the right to request business partners to submit a Production Environment Data Sheet, and conduct audits to verify their management statuses.

Documents to be submitted

Document	Submission time	Receiver
Environmental Certification Report	When opening an account, or when requested	Purchasing Div.
Production Environment Data Sheet		

(2) Environmental Management Throughout Product Life Cycles

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○	○			

We evaluate the environmental friendliness of each product throughout its life cycle, from raw material procurement to product disposal, to reduce environmental impact of our operations. This evaluation requires the environmental data of ours and the supply chain's. Business partners delivering products, parts, raw materials, or indirect materials for a designated product may be requested to submit environmental data as needed.

Category of information and data to be collected

Category	Target part	Required data
Environmental data on parts production	Designated by TRB (Tokai Rika)	<ul style="list-style-type: none">• Energy consumption• Emissions of gases like CO₂ and NO_x• Waste• Water consumption

2. Managing Parts and Materials Delivered to Us

TRB, a chemicals-handling company, appropriately promote risk management as well as legal compliance and customer protection. Business partners are requested to meet the following requirements in preparation for tougher regulations and internal or external release of information.

(1) Managing SOCs in Products or Packaging Materials

We manage substances of concern and raises recycling rates in accordance with laws and regulations in and out of Japan such as ELV (EU) and REACH (EU). Business partners are requested to deliver products and report their consumption data in compliance with laws, regulations, and the in-house standards applicable to Sections ① to ⑤ below.

① Managing Material Data Including SOCs in a Development and a Design Stages

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○	○			

Business partners are requested to:

- Manage information on use, reduction or elimination of SOCs in accordance with TRES-D0110
- Put product materials and chemicals data into IMDS or JAMA/JAPIA Standard Data Sheet by the designated date.
- See the latest GADSL for chemicals to be managed
- TRB manages chemicals in products on a global scale.

② Managing SOCs in Production

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○	○			

- Below are the major chemicals that we manage in accordance with legal and customer requirements.

Lead, cadmium, mercury, hexavalent chrome, asbestos, PBB, PBDE (1-9), deca-BDE, HBCD, PFOS

- Business partners are requested to reduce or eliminate the chemicals above.

③ Managing SOCs in Packaging Materials

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○		○		

Business partners are requested to:

- Reduce or eliminate dimethyl fumarate (DMF) and the 10 substances listed in the previous section from packaging materials
- Cooperate on SOC investigation or reporting upon request of the customers

④ Labeling the Ingredients of Plastic or Rubber Parts

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○				

- In Europe, Japan, Korea, and USA manufactures are legally required to label the ingredients of plastic or rubber parts.
- Tokai Rika's ingredient labeling has been compliant with international standards since 1992 for plastic or thermoplastic elastomer parts weighing 100 g or more, and rubber parts weighing 200 g or more.
- Business partners are expected to label the ingredients of parts lighter than the above as much as possible.

⑤ Improving an SOC Management System

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○				

- Business partners are requested to improve the SOC management system based on the Self-check List for SOC Management System,
- We reserve the right to conduct audits as needed.

Applicable standards and documents to be submitted are listed below. Business partners are requested to be familiarized with the contents and take appropriate actions.

Applicable standards

Scope of business partners	Tokai Rika Standards ³
Parts Products	<ul style="list-style-type: none"> • TRES-D0110 Control Procedures for Substances of Environmental Concern • TRES-D0022 Procedures for Material Marking Indication on Plastic and Rubber Part • Suppliers Quality Assurance Manual
Raw materials Indirect materials	<ul style="list-style-type: none"> • TRES-D0110 Control Procedures for Substances of Environmental Concern • TRES-D0499 List of Oil Brands Available in the Process • List of Approved / Unapproved Indirect Materials (available on website) • Supplier Quality Assurance Manual

³ For documents related to the TRES-D and the TRES-P, see the Supplier Quality Assurance Manual and contact us.

Documents to be submitted

Document or data	Submission time	Receiver
Data entry into IMDS or JAMA/JAPIA Standard Data Sheet	Parts development or design phases Engineering change of production parts (if requested)	Engineering Div.
Parts Inspection Methods Material Inspection Methods	Parts regular production	Requesting div.
Packaging materials: Verification Report on SOC-free Material, or a customer - designated form	Upon request of a customer	Requesting div.

(2) Managing SOCs Used in Plants or Distribution Bases

We proactively reduce or discontinue SOCs used not only in production processes but also in entire production sites. Business partners are requested to reduce or discontinue chemicals in raw materials⁴, indirect materials, packaging materials⁵, or other materials delivered to or brought in our production sites.

⁴ Raw materials that have environmental impacts in the case of physicality change

⁵ Packaging materials delivered to distribution bases

① Managing SOCs in Delivered or Brought-in Materials

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
	○	○		○

Business partners are requested to:

- Eliminate the designated chemicals from delivered or brought-in materials including oils applied to equipment and pesticide. The chemicals are shown in the List of Banned Substances in Raw Materials and Indirect Materials posted on the Tokai Rika Japan's website http://www.tokai-rika.co.jp/company/supply/xls/prohibited_list.xls
- Perform a similar management for packaging materials like insect repellents and antirust agents that release chemicals in a controlled way

② Managing SOCs in Raw or Indirect Materials

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
	○			

- If there is a plan to use a raw material or an indirect material that has not been used before for products including evaluation items and prototype, business partners are requested to submit data necessary for preliminary investigation, such as Safety Data Sheet (SDS) to us.
- If a planned raw or indirect material contains a substance listed in Banned Substances in Raw Materials and Indirect Materials mentioned above, business partners are requested to report to us immediately and replace it by something alternative.
- At the time of SDS update, business partners are requested to immediately report the latest SDS to us.

Applicable standards and documents to be submitted are listed below. Business partners are requested to be familiarized with the contents and take appropriate actions

Related Documents

Scope of business Partner	Related Documents
Raw Materials Indirect Materials	<ul style="list-style-type: none"> List of Banned Substances in Raw Materials and Indirect Materials http://www.tokai-rika.co.jp/company/supply/xls/prohibited_list.xls List of Substances Managed by PRTR-WORLD system http://www.tokai-rika.co.jp/company/supply/xls/control_list.xls
Packaging materials	<ul style="list-style-type: none"> List of Banned Substances in raw materials and indirect materials Control Procedures for Substances of Environmental Concern
Machines, Construction, Equipment, Gardening	<ul style="list-style-type: none"> List of Banned Substances in raw materials and indirect materials

Documents to be submitted

Document or data	Submission time	Receiver
Submission of SDS	When there is a plan to use a raw or indirect material that has not been used before	Requesting div.
Verification Report on SOC-free Material	When a packaging material that has not been used before is delivered	Requesting div.

3. Reducing Logistics CO₂ Emissions and Packaging Materials

We proactively reduce CO₂ emissions (energy consumption) and packaging materials in the distribution system including the supply chain. Applicable business partners are requested to comply with the requirements below.

(1) Our Contract Logistics

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
			○	

Business partners involved in transporting our products and components are requested to understand our efforts for reducing CO₂ emissions and packaging materials, and to cooperate with us for continuous improvement.

For consistent implementation, we may ask the business partners about their monthly results, KPIs (fuel consumption, travel distance, fuel efficiency etc.) and progress as needed.

Documents to be submitted

Document	Submission time	Receiver
CO ₂ Emissions Report	Beginning of a month (if requested)	Production Control Div.
Packaging Materials Consumption Report		

(2) Delivery from Business Partners

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
○	○			

Business partners that deliver products, parts, raw materials, or indirect materials to us are requested to reduce CO₂ emissions and packaging materials in the process. We may ask the business partners about basic information including fuel consumption and travel distance.

4. Environmental Efforts in Business Partners' Operations

Some of our environmental targets are for the entire supply chain. Business partners are requested to be proactive in environmental management in corporate activities.

(1) Compliance with Environmental Laws and Regulations

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Business partners are requested to comply with applicable environmental laws and regulations in corporate activities.

(2) Improving Environmental Performance

Products Parts	Raw materials Indirect materials	Packaging materials	Logistics	Cleaning Gardening Equipment Construction
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Business partners are requested to improve environmental performance in business activities. Although the submission of documents is not required, we may ask business partners about their environmental statuses via a Production Environment Data Sheet.

① Reducing Energy-related CO₂ Emissions

We aim to reduce energy consumption throughout product life cycles including our business partners and their suppliers. Business partners are requested to reduce CO₂ emissions from energy sources such as electricity and fossil fuels.

② Reducing Greenhouse Gas Emissions

Global warming gases include energy-related CO₂, non-energy-related CO₂, methane, nitrous oxides, CFC alternatives such as HFCs and PFCs, and sulfur hexafluoride. Some production processes use or release significant amounts of such gases. Business partners are requested to monitor their consumption and reduce the emissions.

③ Reducing VOC Emissions

Volatile organic compounds (VOCs) can produce photochemical oxidants. Business partners are requested to reduce emissions, for instance, by using alternative materials or collecting emitted VOCs.

④ Reducing Emissions of Harmful Substances

We have been working on the voluntary management and reduction of chemicals bad for the earth. Business partners are requested to reduce the emissions of harmful substances.

⑤ Reducing Waste

Business partners are requested to reduce waste by, for instance, adopting recyclable design, lowering fraction defectives, or selling disused articles.

⑥ Reducing Environmental Impact of Water Use

Business partners are requested to develop and execute a plan of reducing environmental impacts of water use and contamination to sustain water resources. We may request business partners to report their water consumption.

⑦ Understanding a Society In Harmony with Nature and Conservation Efforts

Business partners are requested to implement the following sustainability activities for biodiversity and environmental preservation around their premises.

- Contribution to a society in harmony with nature through the actions ① to ⑥ above
- Environmental conservation cooperation with local communities or organizations, such as tree planting, tree thinning, river cleaning, and local ecology investigation

Laws and Regulations on Chemicals

(1) EU REACH Regulation (EC) No. 1907/2006

The Registration, Evaluation, Authorization and Restriction of Chemicals Regulation (REACH) took effect in 2007 to stipulate companies' responsibility for chemicals management throughout their supply chains. Businesses are required to identify chemicals they use and are contained in their products, and conduct risk assessments.

(2) EU CLP Regulation (EC) No. 1272/2008

The Regulation on Classification, Labeling and Packaging of substances and mixtures (CLP) took effect in 2009 to classify and label hazardous substances based on the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) rules. Chemical manufacturers and importers in Europe are required to classify chemical hazards, notify authorities, and label and package substances appropriately.

(3) EU ELV Directive (2000/53/EC)

The End of Life Vehicles (ELV) Directive, which took effect in 2000, stipulates the building of recovery networks that can restrict chemicals in products and raise recycling rates to minimize the environmental impacts of used vehicles. There are some exemptions for substances that have no reliable alternatives.

(4) EU Packaging and Packaging Waste Directive (94/62/EC)

The Packaging and Packaging Waste Directive, which took effect in 1994, stipulates the building of recovery and recycling systems for restricted use of chemicals in products and high recycling rates to minimize the environmental impact of packaging waste.

(5) US TSCA

The Toxic Substances Control Act (TSCA) was established in 1976 to reduce harmful effects of chemicals on human health and the environment. The US Environment Protection Agency (EPA) manages information on chemical substances and compounds, requires testing and evaluation, and regulates the manufacturing, import, use and disposal of designated chemicals.

Terminology

(1) Green Purchasing

is a policy of priority purchasing of environmentally-friendly parts, materials, indirect materials, and office supplies from business partners who are committed to reducing the environment impacts of their business activities. Our green purchasing policy also applies to logistic services and machineries.

(2) Raw Materials

are materials, such as steels, non-ferrous materials, and plastic, used at our or our business partners' plants to produce parts constituting products.

(3) Indirect Materials

are materials, such as cutting oils, release agents, oils, and detergents, used at our or our business partners' plants to make products, but do not constitute products. Solders, adhesives, sealants, and greases are included in products but are classified as indirect materials.

(4) Packaging Materials

are materials delivered to us to package products, and packaging materials used to transport products and parts.

(5) Life Cycle Assessment (LCA)

is a comprehensive methodology for assessing how products or services affect the environment throughout their life cycles from design to disposal. Or, LCA is a set of procedures for compiling and assessing the inputs, output, and potential environmental impacts throughout the life cycle of a product, from the acquisition of raw materials or the production of natural resources to final disposal.

(6) VOC (Volatile Organic Compounds)

are substances, including paint solvents and adhesives solvents, which are volatile at ordinary temperatures and pressures. VOCs are usually defined as organic chemicals with boiling points below 250°C (482°F).

(7) JAMA/JAPIA Standard Material Datasheet

is an Excel spreadsheet document for investigating materials and compounds contained in products, which is agreed by Japan Automobile Manufacturers Association (JAMA) and Japan Auto Parts Industries Association (JAPIA).

The JAMA/JAPIA Standard Material Datasheet and related documents can be obtained from:

<http://www.japia.or.jp/datasheet/>

(8) GADSL (Global Automotive Declarable Substance List)

is a list of controlled chemicals agreed to by the manufacturers of vehicles, parts and chemicals in Japan, USA, and Europe, used for IMDS. The latest GADSL can be obtained from:

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

Terminology (continued)

(9) **SDS** (Safety Data Sheet)

is a document that contains information necessary to safely handle chemicals and raw materials containing chemicals. SDS is required to comply with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) regulation of each country.

(10) **GHS** (Globally Harmonized System of Classification and Labeling of Chemicals)

is an international system to classify chemicals according to the type and level of hazard, label such information, and make an SDS. Many countries are moving forward on ratification and legislation.

(11) **PBBs** (Polybrominated biphenyls), **PBDEs** (Polybrominated diphenyl ethers), and **Deca-BDE** (Decabromodiphenyl ether)

are brominated flame retardants used for interior materials, seats, carpets, or electric and electronic components.

(12) **HBCDs** (Hexabromocyclododecanes)

are brominated flame retardants used for seat coverings.

(13) **PFOS** (Perfluorooctanesulfonate)

is a fluorochemical surfactant used for semi-conductors, metal plating, or electric and electronic components.

(14) **DMF** (Dimethyl fumarate)

is sometimes used as a fungicide for packaging materials. DMF is prohibited in Europe.

(15) **Society coexisting with Nature**

is a society in which our social and economic activities are in harmony with nature, so that we can sustain biodiversity and continue to appreciate the blessings of nature and natural ecosystem for generations to come.

(16) **Biodiversity**

is the variety and variability of life. Efforts for biodiversity conservation include: the raising of biodiversity awareness throughout the supply chain starting from the mining of natural resources; biotopes and tree-planting in premises; the protection and breeding of rare animals and plants; and the reduction of the use of chemical pesticides and fertilizers.

(17) **Supply Chain**

is the overall flow of producing products with inter-company activities, starting from the procurement of raw materials to selling them to consumers. The supply chain may include a design and development processes and disposal. 7

Issued by:
TRB Limited 31/01/2020

Notes

1. All documents and information provided by our business partners remains disclosed.
2. This guideline may be subjected to the revision of laws, regulations or our rules.
3. For inquiry about this guideline, please contact:
(Purchasing Department, TRB Limited)



TOKAI RIKI CO.,LTD.