

# Green Procurement Standards

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FUNAI ELECTRIC CO., LTD.

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## Introduction

Guided by the principals behind our corporate Environmental, Occupational Health and Safety Chapter, “To adopt continual product improvements, to continually promote ever deeper trust, and to seek further harmony and mutual prosperity” FUNAI ELECTRIC CO., LTD. (hereinafter referred to as “Funai Electric” or “Funai”) has set forth environmental policies ensuring that every employee is committed to protecting the earth's environment, and taking the needs of the environment into consideration in all company operations.

To ensure that these activities achieve their aim, Funai has been promoting Green Procurement (the use of environmentally friendly articles, materials and products) in all product areas, not only within the company, but also in conjunction with our business partners.

These “Green Procurement Standards” (hereinafter referred to as “these Standards”) consolidate our requests for information on business partners’ chemical substance management systems, proof of legal compliance, and reporting of information on chemical substances included in each article and material.

Your understanding and cooperation would be highly appreciated.

## Funai Electric Environmental Policies

We shall practice ethical management and comply with all laws and regulations.

1. We shall take the initiative in voluntarily eliminating the use of hazardous substances and shall offer environment friendly products.
2. We shall establish goals for environmentally conscious design and shall offer environment friendly products.
3. We shall implement initiatives to attain zero emissions.
4. We shall establish environmental goals, conduct periodic reviews, and implement continual improvements.
5. We shall provide all employees with environmental education and shall strive to adopt environmental improvements.

# 1. Objective

The objective of these Standards is to request that our business partners provide us with information on chemical substances in all articles and materials they supply, and on their management systems for such substances, in order to further improve the environmental quality of our products through compliance with laws and regulations and procurement of materials and articles with less environmental load.

# 2. Scope of Application

These Standards apply to our business partners' chemical substance management systems and to all incoming items (including articles, materials, unit items, accessories, indirect materials, printed matter, service parts for repair, packaging materials and transport packaging) that make up Funai Electric products, and their package, indirect packaging materials, protective materials for transportation which do not make up your products.

# 3. Definition of Terms

## 1) Parts & Materials:

Chemicals, mixture, articles, unit part (articles made up by multiple parts, mixture or chemicals) which is not only a part of finished product but a part before production.

Accessories and printing materials bundled with the product are also defined as a part or a material in this Green Procurement Standard.

## 2) Packaging materials, protective materials:

Packaging materials, protective materials are all products of any nature, made from any materials, which are used for the purposes of encapsulation, protection, handling, delivery and presentation of items, ranging from raw materials..

## 3) Transport packaging and containers:

Transport packaging and containers are aggregate packaging for transport of all items, ranging from raw materials.

## 4) Contamination:

Contamination includes, for example, contamination caused by mixup of foreign matter remaining in production equipment or transportation containers, migration pollution caused by the contact of production equipment, packaging material, packing material, transport packaging, or shipping containers which include the banned chemical substance.

In this standard, migration pollution by the restricted phthalate esters against the parts and materials making up the product by the contact of packaging material, packing material, transport packaging, or shipping containers which include the banned chemical substance is taken up as a special management risk.

## 5) Homogenous materials:

Homogenous materials are materials that cannot be mechanically disjointed into different materials. The term "homogenous" means "of uniform composition throughout."

Examples of homogenous materials are: plastics, ceramics, glass, metals, plating, paper, raw boards, resins and coatings.

The term "mechanically disjointed" means that the materials can be separated by mechanical actions such as: unscrewing, cutting, crushing, grinding and abrasive processes.

## 6) Impurities:

Impurity means an unreacted raw material, a reaction catalyst, an indicator, a by-product (one produced by a reaction different from the intended reaction), and the like other than a target component. A chemical substance intentionally added regardless of composition is not an impurity but a intentionally added substance.

## 7) Intentionally added:

“Intentionally added” means that a material has been deliberately used during formation of a product, and its continued presence in the product is desired to provide specific characteristics, appearance, properties, attributes, or quality.

## 8) Laws and regulations:

“Laws and regulations” includes laws and international protocols/agreements related to chemical substances in products. Even if international protocols agreements haven’t enshrined in to laws in each member country, those correspond to “Laws and regulations”.

## 9) Threshold level:

Threshold level is maximum allowable volume, or maximum allowable concentration level, of a chemical substance in a component or material, as prescribed under law.

## 10) Compliance with relative laws and regulations:

It means complying with environmental laws and regulations for substances listed in ANNEX II-1. However, in case a substance is out of scope for environmental laws (application, usage, etc.), it will not be subject to compliance.

## 11) IEC62474:

IEC (International Electrotechnical Commission) is the world’s leading organization that prepares and publishes International Standards for all electrical, electronic and related technologies. IEC62474, is an international standard for exchanging constituent material data and providing requirements. "Material declaration specifies what kind of substance, substance group and material classification should be included" and "specification concerning data format for exchanging data of material declaration".

## 12) JAMP:

“JAMP” stands for Joint Article Management Promotion-consortium. JAMP is a Japanese cross-industry council that aims to promote the establishment and dissemination of effective and workable mechanisms to facilitate appropriate management of information on chemical substances contained in articles (a collective term for articles, articles, etc.), and the disclosure and transmission of such information across the supply chain.

## 13) Self-Declaration of Conformance:

Based on "Guidelines for management of chemicals in products (CiP) Edition 4.0" distributed by JAMP, establish and maintain a management system for CiP, self-evaluate the management system using AnnexE Check Sheet 4.01 (JAMP check sheet Ver.4.01 For FUNAI), then document the self-declaration of conformance by Annex F Self-Declaration of Conformance.

## 14) Chemical substances:

Chemical substances are elements or compounds that either exist in nature or are obtained through a manufacturing process. Example: lead (element), lead oxide (compound), polyvinyl chloride (chemical compound). The number of the registration of a chemical information retrieval system of the Chemical Abstracts Service of USA (CAS numbers) is designed for all chemical elements and most those compounds. CAS numbers for surveyed substances are listed in each Annex.

## 15) Mixture:

A mixture is intentionally comprises two or more individual chemical substances. Examples include solder prior to use, paints, inks, adhesives, alloys, and resin pellets.

## 16) 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.

Note: Examples of articles are metal plates, gears, integrated circuits, electric appliances, transport equipment, etc.

## 17) Exclusive parts for medical equipment:

Exclusive parts for medical equipment are parts which are categorized as “Categories 8” , and applicable to “Annex4” in RoHS Directive (EU Directive 2011/65/EU). Please refer to the following URL in detail.

URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011L0065&from=en>

## 18) chemSHERPA:

“chemSHERPA” is the scheme to transmit an information of chemical substances in products promoted by Japanese Ministry of Economy and compliant to IEC62474

JAMP took over the business operation in April 2016.

Web site: <https://chemsherpa.net/>

## 4. Requests for Business Partners

Funai sincerely requests its business partner to understand the contents of this Green Procurement Standard well and accommodate below 2 requirements about Chemical in Article.

1. To build, deploy, and manage chemical substance control system including chemical management, survey and information provision according to this Green Procurement Standards. Please refer to 4.1 for the detail
2. To comply with requirements in this Green Procurement Standards.

Please refer to 4.1-4.6 for the detail.

### 4.1. Self-evaluation and control of contained chemical substance management systems

#### 4.1.1. Request to submit self-evaluation of your contained chemical substance management systems

Funai will only accept the delivery of articles and materials from the business partners who have established and who are appropriately administering the chemical substances management system.

Please submit the document specified in Annex1 “Submission Format List”, one by company.

Even if the business partner is a kind of trading company, said company needs to submit it. To do so, upstream management of suppliers is necessary. However, regarding the manufacturing field, you may attach the document from your supplier instead. For details, please refer to “Guidance for the Management of Chemical Substances in Products And the Information Transfer / Disclosure - Trading House”.

#### 4.1.2. Request on your self-management for contact contamination of the parts or the materials by package, protective materials, fixtures or tools

The parts or the materials which will be delivered to a Funai facility might be affected by contamination of phthalate ester that migrates due to contact with or through packaging, protection materials or manufacturing equipment during supplier’s process or transportation.

Funai requests its suppliers to properly manage their processes to avoid such contamination problems for the delivery of parts or materials to a Funai facility

Furthermore, Funai might ask your cooperation to submit a report of your contamination management system as necessary.

#### 4.1.3 Self-declaration of conformity

Funai requires submitting self-declaration of conformity to assure your respect of our latest green procurement standard including the subjects mentioned in 4.1.1 and 4.1.2.

Please refer to Annex 1 “Submit format list” and select the appropriate format, and submit the declaration with for all of your relative sites

## 4.2. Chemical Substance Classifications

Chemical substances in articles and materials are roughly divided into two classifications, “banned or restricted substances” and “managed substances” according to the relative laws or regulations, or Funai’s voluntary management.

### 4.2.1. Banned or restricted substances

Chemical substances for which usage is banned or restricted by a law or a regulation of a government or a state  
Definition of Banned or restricted substances conforms to banned or restricted substances in the latest IEC62474 – Material Declaration for Products of and for the Electrotechnical Industry – issued 2014 by IEC. Articles and materials delivered to Funai shall comply with the latest version of said laws and regulations. Articles and materials with the substances exceeding their threshold level are not accepted by Funai. Funai’s business partners are required to assure that they comply with said laws and regulations on banned or restricted substances in Annex II-1.

In addition, Funai's business partners are required to assure that they comply with threshold level of Funai voluntary banned or restricted substances.

They fall into the following two categories:

Banned or restricted substances by law

- Level A: Chemical substances banned or restricted at the homogenous materials level  
Example: Substances covered by the RoHS Directive  
For Level A substances, our business partners are required to assure their compliance with their relative laws and regulations, and requested to report their content information.
- Level B: Chemical substances banned or restricted at the article or material level  
Examples: Asbestos, PCBs, etc.  
Funai voluntary banned or restricted substances
- Level C: Chemical substances banned or restricted at the article or material level.

#### 4.2.2. Managed substances

These are chemical substances which are not banned or restricted by law, but for which the presence or absence, is to be monitored and managed. They fall into the following two categories:

- (1) Substances for which management is legally mandated  
Substances for which laws and regulations mandate the monitoring and management of content information.
- (2) Substances that Funai voluntarily manages  
Substances for which there are no legal prescriptions, but for which Funai voluntarily monitors and manages content information

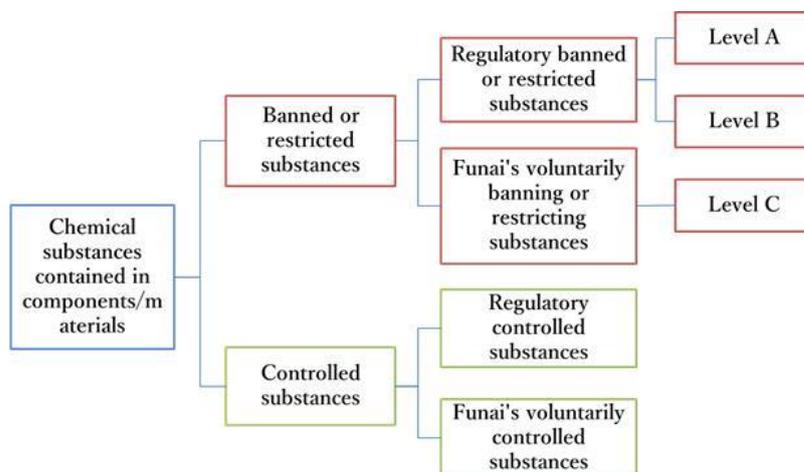


Fig.1 Schematic diagram of chemical substance classifications

#### 4.3. Assurance of Compliance with Legal Bans and Restrictions

All articles and materials delivered to Funai must comply with the latest environmental laws and regulations of each country, and article and materials with chemical substance content rates exceeding the legal limit are not acceptable. To ensure it, we require the guarantee of compliance with each country's laws and regulations.

The definition of words and classification are shown 4.2.1.

Please see the Annex 2 "Substance list" for the detail of each substance.

#### 4.4. Assurance of observance of Funai voluntary bans or restrictions

To ensure that our business partner complies with Funai voluntary bans or restrictions rule, we require them to submit

“The guarantee of non-use of Funai voluntary banned or restricted substances “for each article.

“Non-use” means to comply with Funai standard level.

The definition and classification of Funai voluntary banned or restricted substances are shown on 4.2.1.

Please see the Annex III-1 “Substance list” for the detail of each substance.

Please refer to Annex 1 “Submission format list” to have it.

## 4.5. Reporting of Contained Chemical Substances in Each Article/Material

Information of the contained chemical substances in article and materials shall be submitted for each article and material for EACH Funai part number.

In case your role is trading in this business, please communicate well to the manufacturer about our green procurement standards, and provide sufficient guidance to ensure the manufacturer understands our chemical substance management systems.

Please ask the manufacturer to make all required reports to provide Funai its correct information.

### 4.5.1. Reporting of banned or restricted substance information

Some of RoHS directive exemptions have an expiration date of validity. Some of exemptions are revised sometimes.

When there is any revision on RoHS directive exemption, we require the supplier to re-submit the report as specified in Annex 1 “Submission format list” for respective item related to the RoHS exemption.

In case of any material or process modification of your item in order to deal with revised exemption, please apply for 4M1E to Funai.

Funai will never accept or receive an item complying with expired RoHS exemption.

### 4.5.2. Reporting of Chemical Substances Contained in Each article/material

#### 4.5.2.1. Substances for which control is legally mandated

Please refer to Annex II-2 “Substance list” for the detail of each substance.

We require that the substance report covers all substances on the candidate list of substances of very high concern for Authorization (SVHC on CL) officially stated on the European chemical agency (ECHA) web page from 1st release to the latest.

Therefore, every time a new SVHC on CL is announced by ECHA, Funai may request you to report the chemical content information for specific parts and materials as necessity.

Also note that the packaging and transportation material delivered from outside of EU to Funai facility located inside of EU is subject to the reporting as the managed substances by legal restraints.

#### 4.5.2.2. Substances that Funai voluntarily manages

Please refer to Annex III-2 “Substance list” for the detail of each substance.

In case a Funai’s voluntarily controlled substances which are listed in Annex III-2 “Substance list” with respective CAS numbers are contained, based on the known information, please include it with CAS number as “optional reporting substance” in the format supplied at Annex 1 “Submission format list”.

## 5. Request of temporarily additional survey for new regulated substances and/or upon customer requirement

Funai may request the supplier to submit a temporarily supplemental survey against additional regulated substances and/or customer's requirement for specific parts/materials.

Funai will send a request letter "temporarily supplemental survey on additional regulated substances and/or customer's requirement with the request details.

## 6. Compliance to newly added banned / restricted substances

Based on revision of law and regulations and international treaty, scientific knowledge and social circumstances, new substances might be added to Funai banned / restricted substance list, and forms for submission might also be changed. Please visit Funai website often to find the latest requirement.

## 7. Other requirements about the survey

In case that additional chemical substance survey is needed due to laws, regulations or our customer's requirements, we will request our supplier to submit related documents separately.

## 8. Submission of third party's precision chemical analysis

In case Funai needs an evidence to make sure the material compliance but has not been able to obtain enough by Funai's in-house analysis or Funai is required to show any evidence of product's compliance by an authority, Funai may request to related component supplier to provide an additional data based on a precision chemical analysis of the relevant articles and materials. When we are required to submit analytical data for four phthalate in conformity with RoHS Directive ((EU) 2015/863) by our customers, in order to satisfy the requirement, we might have to request our supplier to provide a screening inspection data or the data based on third party's precision qualitative analyses of the relevant article and materials, which provide scientific and objective proof of the content rate of relevant chemical substances.

"Screening data" has to be issued by a third-party body that has inspected the item based on a screening test method introduced at IEC62321-8. In case one or more of these 4 phthalate content rate exceeds 500ppm according to the screening data, another precision quantitative analyses precision data is required.

## 9. Confidentiality

Submitted information shall not be shared out of Funai Group<sup>1)</sup>.

If Funai needs to disclose this information due to unavoidable reason, information which leads to specify the supplier will be removed before disclosure

In case Funai is requested to disclose its supplier information, Funai will consult with the supplier in advance.

Funai Group companies which are listed on our website

## 10. Re-submission of green procurement documents due to 4M1E changes

### 10.1. 4M1 E reporting format

In case of any change on 4M1E; Man, Machine, Material, Method and/or Environment of product, but the supplier part number remains unchanged, the supplier needs to submit the 4M1E report prior to the change so that Funai can investigate the item if the chemical load remains the same as previously approved condition. Please download Funai original 4M1E report format at Funai web site.

### 10.2 Re-submission of green procurement documents due to 4M1E changes

If any changes related to chemical substance information in products and/or chemical substance management system are accompanied by 4M1E changes, please submit document related to green procurement again.

## 11. Submission

Please submit the required documents indicated in Annex I “Submission\_Format\_List” to the person(s) in charge of the engineering, purchasing or other relevant division of Funai Electric, in an **electronic data files**.

Please don't modify, add, or delete any part of the original format, but only fill the suitable word in the blank.

If there is any additional text to add, please mention it on another file and submit it together with the original submission materials.

The information you have reported will be utilized as the materials for our in-house management of chemical substances, responses to our customers, etc. or compliance with laws and regulations.

## 12. Storage period of submitted materials

Please retain and store the submitted documents and the materials at your end at least 11 years after submission

## 13. Registration and updating of your contact window

In order to communicate directly with your representative, the requirements about the content of a chemical substance in all articles and materials you supply us, please formally inform us of the person(s) in charge who become a contact person(s) as your representative.

Moreover, when there is any change of contact person(s), please immediately contact Funai by e-mail at the following address (14. Inquiries).

## 14. Inquiries about Funai Green Procurement

Product Environmental Office, Quality Headquarters, FUNAI ELECTRIC CO., LTD.

7-7-1 Nakagaito, Daito, Osaka 574-0013

TEL: +81 72-870-4459 (Direct)

E-mail: [funai\\_green@funai.co.jp](mailto:funai_green@funai.co.jp)

Inquiries in Japanese and English are welcome.