

Purchasing

Akebono is working to reduce environmental and social impacts in cooperation with its suppliers.

Promoting CSR and Green Purchasing*

Akebono introduced its Green Purchasing Guideline in 2005, revising it in 2011. Under the guidelines we are considering the environment and CSR from the purchasing stage by working together with suppliers to procure materials, components, and secondary materials that have a low environmental impact. We are also encouraging our suppliers to improve their environmental management performance by recommending activities to acquire external accreditation such as ISO 14001.

* Green Purchasing

Green purchasing refers to the preferential selection and acquisition of products that cause less negative environmental impact. The scope of products covers materials, secondary materials, office articles and equipment used in the course of manufacturing. Manufacture of "Green Products" requires the practice of green purchasing.

Ranking and Management of Environmental Impact Substances under Green Purchasing a Guidelines

Targeted chemical substances are categorized into three ranks and controlled as follows:

Rank	Chemical substances	Examples of control measures
Usage prohibited	Substances that are strictly banned from use and production by law and regulation	Prohibit use/draw up plans for abolishment if there is substance in use
Usage restricted	Substances which are projected to come under legal regulation and substances for which emission regulations are set under existing laws	Conduct research on alternative materials or reduction methods and draw up reduction plan
Proper management of usage information required	Substances listed in GADSL* that is, substances requiring declaration of usage amount	Ensure proper management of usage information and work toward reduction of usage

Response to the Conflict Minerals* Issue

The U.S. Congress passed the "Conflict Minerals Rule," which aims to cut off sources of funding for armed groups in the Democratic Republic of Congo and neighboring countries. The rule requires manufacturers to ensure public disclosure and reporting related to "conflict minerals," obliging them to thoroughly track the origins of minerals that are supplied to them.

Akebono conducts investigations in accordance with industry standards from a CSR procurement perspective and has not found any use of conflict minerals.

* Conflict Minerals

Section 1502 of the Dodd-Frank Act targets minerals containing tungsten, tantalum, gold, and tin produced in the Democratic Republic of Congo and neighboring countries that provide sources of funding for armed groups involved in the conflict.

* GADSL (Global Automotive Declarable Substance List)

A list of chemical substances requiring proper management formulated by automobile manufacturers, their parts suppliers and material suppliers in Japan, the United States and Europe. It is an industrywide standard targeting the following substances, which are possibly contained in parts and materials supplied to automotive manufacturers:

1. Substances that are subject to regulation under the laws of each country
2. Substances that are expected to come under legal regulation
3. Substances with a proven negative impact on health and/or the environment

The list contains substances classified into such categories as "Substances prohibited from use in all applications," "Substances prohibited from use in certain applications or that must be declared if used" and "Substances that must be declared if usage exceeds defined threshold limits."

Supply Chain Safety Promotion

Akebono is taking steps to ensure safety across its supply chains by working to eliminate occupational accidents. We urge our suppliers to create safer, more secure work places by raising the theme of safety at our suppliers meetings held throughout the world and in our Seiwa Kai study sessions consists of major suppliers.

Response to Substances of Very High Concern*

In cooperation with our suppliers, Akebono performs testing of purchased products to determine if they contain substances of very high concern (SVHC*) or banned substances. The tests are performed on the individual product level and their results are communicated back to the suppliers.

* Substance of Very High Concern

A substance may (but not necessarily must) be designated as SVHC if it meets one or more of the following criteria: it is carcinogenic, mutagenic or toxic for reproduction, and in addition is either persistent, bioaccumulative and toxic, or very persistent and very bioaccumulative. Such substances are identified as having probability of causing serious adverse effects to human health or the environment.