



Green Purchasing Guidelines

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Akebono Brake Industry Co. Ltd.

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1. Akebono's Engagement in Environment

1-1 Basic Philosophy for Environment

We,

Based on Akebono's philosophy and The Declaration for the 21st Century, will continuously contribute to creating new VALUE for the Society of the 21st Century and for the Environment.

Also, we aim to preserve the environment for every person living in this world and are engaged in a voluntary and continuous development of a wealthy Society by ensuring the safety of the global environment.

1-2 Basic Policy for Environment

- 1) Starting from products development and design, we are actively engaged in considering the safety and the environment protection and in promoting techniques and products that do not use harmful substances for the environment.
- 2) Every employee is aiming at continuous reduction of the use of hazardous substances for the environment in order to construct a closed-loop materials-cycle society by promoting Energy saving, Resources saving, Diminution of waste and Recycling.
- 3) Without consideration of the place (home or abroad), we naturally comply with laws, regulations, agreements that concern the environment. Moreover by setting voluntary management standards of environment issues, we aim at improving the level of management.
- 4) For our engagement in protecting the environment to be widely understood, we continuously disclose information and attempt to cooperate with the local community in order to implement a better living environment.

2. Akebono's Green Purchasing Philosophy

2-1 Green Purchasing Objectives

The objectives of Akebono Brake Group Green Purchasing is to contribute to the construction of a closed-loop materials-cycle society by reducing the production of products harmful for the environment. To achieve this objective, Akebono Brake will seek to purchase parts, raw materials, sub-materials*, auxiliary materials**, general materials*** low in harmful substances from suppliers that take the environment into consideration.

For that reason, a partnership with the suppliers based on their commitment to reduce the use of the substances hazardous for the environment is indispensable. We expect our suppliers to fully understand this point and ask for their cooperation.

* "sub-materials" are the ingredients used during the manufacturing process (such as machining oil, organic solvent, washing liquid, paints, other chemicals for treatment)

** "auxiliary materials" are the materials used during manufacturing and supplying (such as packing, wrapping, label, ink, shipping carton)

*** "general materials" are such standard items as office supply, printer paper, lighting bulb, computer, printer and work uniform.

2-2 Akebono Brake Commitment

Based on the construction of Suppliers Environmental Management System (EMS) and on the compliance of regulations regarding business itself and supplied products, the following points have been decided by Akebono.

(1) Acceleration of preferential purchasing from suppliers that are engaged in environmental conservation:

Akebono Group evaluate purchase item and its supplier based on this Green Purchase Guideline and purchase items from suppliers with priority who contribute to reduce environmentally harmful substances.

(2) Increase in purchasing parts, raw materials, sub-materials, general materials that are low on harmful substances for the environment.

(3) For General Materials that are used in Akebono Group, the Guidelines issued by Green Purchase Network (GPN) applies.

Additionally suppliers are requested to establish its Quality Management System to assure quality, and to make and maintain its documents. As to Quality Management System, please refer to "Supplier Quality Manual".

2-3 Guidelines Implementation Timing and Coverage

- (1) Implementation timing: This initiative starts from January 2006 for parts and materials, from January 2007 for general materials,
- (2) Coverage: Production materials (parts, raw materials), sub-materials, auxiliary materials and general materials supplied to Akebono Brake group companies, and the Suppliers who deliver these items.

2-4 Suppliers' Evaluation and Selection Criteria (Green Purchasing Criteria)

(1) Evaluation points of the 「Environmental Management System (EMS)」

- ① Possession of ISO 14001 certification or certification by a third-party institution.
- ② In case you don't have yet ISO 14001 certification or similar certification by a third-party institution, the following evaluation criteria must be fulfilled.
 - a) The managers must express their corporate commitment for the preservation of the environment;
 - b) Existence of a policy, objectives, execution plan related to the environment;
 - c) Compliance with the regulations related to the protection of the environment;
 - d) Establishment of a structure to implement environmental management with reduction goal;
 - e) Internal position of the organizational structure, person in charge of the management, clarification of functions
 - f) Systematic management of energy, wastes and chemical substances;
 - g) Take measures to prevent air, soil, underground water pollution;
 - h) Project and implement improvement of manufacturing process taking in consideration environmental issues;
 - i) Be sure to manage the substances included in manufactured goods that impact the environment, or plan to implement such measures;
 - j) Plan and implement information-disclosure and training concerning preservation of the environment for the employees.

(2) Evaluation criteria

Based on the above criteria, the suppliers, in accordance with the "Environmental Management System Questionnaire"(Appendix 1) and the "Regulation of Substances Harmful for Environment"(Appendix 3) will provide proof data sheet showing that the use of the substances is forbidden or limited, or will provide MSDS (Material Safety Data Sheet) regarding the demand of appropriate control, as well as its plan for reduction of such substances. Our company will evaluate the results and implement preferential purchasing from suppliers that are engaged in environmental conservation activities.

(3) Regulation for Control of Harmful Substances for Environment

Based on “Harmful Substances for Environment Ranking” (Appendix 2) and on “Regulation for Control of Harmful Substances for Environment” (Appendix 3), to realize and to record the presence of harmful substances for environment, the content (quantity) and the reason for the presence in the delivered goods, and provide us with its reduction plan for the substances, if necessary to increase purchase ratio of environment friendly materials of production materials (parts, raw materials), sub-materials, auxiliary materials and general materials.

(4) Requirement for General Materials

We created ①common standard for all purchase items with product life cycle taken into consideration and ②option standard for particular products, for all General Materials with other companies’ examples as reference. For the option standard, we use Green Purchase Guideline (GPN) as it is. The homepage address for GPN is following: <http://www.gpn.jp/select/guidelines/guideline.htm>

① Common Standard:

This applies to all purchase items in common to save energy, to save natural resources, and to avoid environmentally harmful substances. Those items that we follow particular environmental programs shall be individually worked on.

1-1 Substances prohibited to use:

Not allowed to contain per “Harmful Substances for Environment Ranking” (Appendix 2)

1-2 Substance limited to use:

To eliminate or reduce as much as possible per “Harmful Substances for Environment Ranking”(Appendix 2)

1-3 Environment Friendly Design:

To encourage a design that uses recycled or reusable materials, enables replacement, recycle, reuse for longer life, or classified discard.

② Optional Standard:

This is a guideline for each individual product category listed below of environmental points to be considered when products are purchased. Optional standard may be revised or renewed per social conditions or requirements. The details of the below standard shall be referred to GPN Green Purchase Guidelines.

2-1 OA Paper: Content Ratio of Reused Paper, White Lightness (GPN-GL1)

2-2 Personal Computer: Power Consumption, Auto Energy Saving Feature (GPN-GL4)

2-3 Copy Machine · Printer · Fax Machine: Power Consumption, Power Consumption on Stand-by Mode, Recycling Cartridge (GPN-GL2)

2-4 Office Supply: Replaceable Consuming Parts, Reusable, Classification of Discard (GPN-GL6)

2-5 Work Uniform: Reused Artificial Fabric, Recycling (GPN-GL13)

2-6 Lighting: Lighting Efficiency, Life, Energy Saving Feature (GPN-GL8)

3. Request to Suppliers

3-1 Construction of EMS - Verification of Maintenance Conditions

We ask you to implement EMS in accordance with ISO14001 certification, or with the standards indicated in the above article 2-4 (1) and to promote in your company the whole environmental conservation activities. Furthermore, please investigate and answer the handed over “Environment Management System (EMS) Questionnaire” (Appendix 1).

Moreover, your EMS can be structured in an independent management system, or included in quality management system or in any other management system.

3-2 Realizing Presence of Harmful Substances for Environment

(1) We ask for the kind cooperation of our suppliers for all the parts, raw materials, sub-materials and auxiliary materials supplied to our company as we want to know the presence or absence, the content... of the substances provided in “Regulation for Control of Harmful Substances for Environment” (Appendix 3).

(2) When supplying parts, raw materials, sub-materials, auxiliary materials, please submit the data showing that you comply with the control value required in the “Regulation for Control of Harmful Substances for Environment”. Based on European regulation (End of Life Vehicle) or else, as for the prohibition of use or for the reduction in use of the 4 regulated substances indicated in the Appendix 4, the data from a special examination is required. For an appropriate control is requested, Material Security Data Sheet (MSDS Appendix 5) based on Pollutant Release and Transfer Register Law (PRTR Japanese Law) must be submitted.

① No special form is designated but please see Appendix 5 for items to be reported.

② Those suppliers who already submitted the MSDS must tell us accordingly, but need to submit the new MSDS when process change, specification change, sub-supplier change are occurred.

(3) Suppliers of parts, raw materials, sub-materials, auxiliary materials are requested to eliminate those harmful substances restricted by “Regulation for the control of the harmful substances for the environment”, and to reduce or to make an appropriate control the harmful substances for the environment in accordance with the ranking per Appendix 2 whenever necessary. Furthermore they are requested to do the same in their production processes to eliminate, or to reduce the harmful substances.

(4) Suppliers of General Materials supplied to Akebono group must conform to the requirement outlined in 2-4(4). At the same time, we request information about any products which meet the Green Purchase Guideline. We also encourage any suggestions regarding environmental consideration besides the common standard.

3-3 Investigation Target

The targets of the EMS investigation are the production materials (parts, raw materials, sub-materials, auxiliary materials, general materials). Office supplies, equipments, etc., are to be excluded. Moreover, in case suppliers are trading companies or agents, they are responsible for the manufacturers of the supplied goods to fill the required documents.

3-4 Investigation Timing

Investigation of the EMS occurs, in principle once a year. But, to be sure that changes in the content of inspection data (control value required in the “Regulation for Control of Harmful Substances for Environment”) as well as in the content of MSDS, or changes in manufactured goods or manufacturing processes do not occur, every 6 months, a voluntary inspection has to be done and if one of the previous points suffered changes, questionnaire and data sheets must be submitted again. Moreover, the new suppliers, on the occasion of manufacturing audit, must submit questionnaire and Data Sheet.

3-5 Filing Time Limit:

Filing must be done with Akebono by July 1 every year unless otherwise informed.

3-6 Information Security

The contents of your reply will be of use only to our company and will not be disclosed outside.

4. How to Use This Guidelines

Regarding the suppliers, the management of the guidelines is as follows:

- ① The present guidelines are presented to the public on our company website.
- ② For the new suppliers, the present guidelines are explained and the website presented before the audit of manufacturing process.
- ③ In case of revision of the present guidelines, information will be presented to the public on our website and each time it happens, the person in charge of this subject in our Purchasing department will contact you.

5. Inquiries

For advice or anything else concerning this matter, please contact Purchasing Quality

Section of Purchasing Planning Department.

Akebono Brake Industry Co. Ltd.

Purchasing Quality Section, Purchasing Planning Department, Purchasing Division

TEL : 048-560-1510

FAX : 048-560-2892

6. Appendixes:

- * Appendix 1: Environment Management System (EMS) Questionnaire
- * Appendix 2: Harmful Substances for Environment Ranking
- * Appendix 3: Regulation for Control of Harmful Substances for Environment
- * Appendix 4: 4 Substances Restricted in the End of Life Vehicles Regulation
(Europe)
- * Appendix 5: Material Safety Data Sheet (MSDS)

◆ Environment Management System (EMS) Questionnaire

(In case you have more than one factories, please make a copy of these documents)

Reply date	/ /	Supplier Code	
Company		Person in charge of filling this documents	
Representative		Name	
Factory evaluated		Function	
		TEL&FAX	
Main items produced		Email	

(1) Conditions of Obtaining ISO 14001 (or else) Certification

(Please put a circle in the every item corresponding to your situation*)

	Status of certification	Your situation*	Certification Inspection	Certification institution	Certification number
①	ISO14001 certification already acquired		Date		
②	ISO14001 certification acquisition planned		Planned date		
③	No plan of obtaining ISO14001				
④	Other certification than ISO14001 already acquired		Date		
⑤	Other than ISO14001 certification acquisition planned		Planned date		
⑥	Name of the name of the environment management system (other than ISO14001)				
⑦	No plan of obtaining any certification				

(2) Environment Protection Commitment (self evaluation)

(Note): In the preceding paragraph: “Conditions of obtaining ISO 14001(or else) certification”, if you selected “ISO14001 certification already acquired” or “Other certification than ISO14001 already acquired”, you do not need to fill the following part.

Item		Evaluation criteria	A (3 points)	B (2 points)	C (1 point)	Mark
Industrial Philosophy/ Policy	Environment protection philosophy	①There is an Industrial Philosophy about environment protection	Existence	—	Absence	
	Environment policy	②In your environment policy is made a pledge to continuous improvement and pollution prevention	Continuous improvement and pollution prevention are done	From time to time improvement are done	Not done	
		③In your environment policy, the laws and regulations that you follow are defined and the involvement is compliance is stated.	The law and voluntary control we apply are clearly stated	Only the law we apply is clearly stated	Not done	
		④Our environment policy is strictly followed by all our employees and is externally disclosed.	Disclosure to the employees and to external people	Disclosure only to employees	Not done	
Plan organization /	Purpose and goal	⑤ There is a goal of environment protection.	Yes	—	No	
	System and responsible party	⑥ To fulfill the goal, an organization is set and a person in charge is designated	Yes	—	No	
	Realization plan	⑦ To fulfill the goal, there is a realization plan	Yes	—	No	
Environmental Aspects / System	Management /Evaluation	⑧ There is a goal of using less energy and the quantity used is controlled, evaluated and on decrease.	There are plan and already achievements	Planned	Not done	
		⑨ Voluntary objectives of waste reduction are set, controlled and evaluated.	Evaluation control is done and cuts in waste are under progress	There are voluntary objectives	Not done	

		⑩ Voluntary objectives of air pollution reduction are set, controlled, evaluated and improved	Evaluation control is done and cuts in pollution are under progress	There are voluntary objectives	Not done	
		⑪ Voluntary objectives of water pollution reduction are set, controlled, evaluated and improved	Evaluation control is done and cuts in pollution are under progress	There are voluntary objectives	Not done	
		⑫ Voluntary objectives of soil pollution reduction are set, controlled, evaluated and improved	Evaluation control is done and cuts in pollution are under progress	There are voluntary objectives	Not done	
		⑬ Voluntary objectives of noise / vibration reduction are set, controlled, evaluated and improved	Evaluation control is done and reduction of nuisance are under progress	There are voluntary objectives	Not done	
		⑭ We are not using in our company Specified Chlorofluorocarbon or 1,1,1-Trichloroethane	Total abolition	We are planning to find substitutes	In use	

Item		Evaluation criteria	A (3 points)	B (2 points)	C (1 point)	Mark
Environmental Aspects / System	Management /Evaluation	⑮ We are taking in consideration manufacturing process environment and doing improvement	Evaluation control is done and reduction of nuisance are under progress	There are voluntary objectives	Not done	
		⑯ A structure and standards are set prior production of goods to evaluation the effects on the environment. (Product assessment)	There are plans and already achievements	Planned	Not done	
	Inspection	⑰ There is a internal audit structure that works on inspecting the previous point (goals, plan, management system)	There is a structure and audits are regularly done	A simple structure exists	Absence	

	Emergency	⑱ In case of emergency, there are rules and a structure to handle the situation	Already operating based on standards and manual	There is a structure	Absence	
Training / Education		⑲ Trainings related to environment are done to employees	There are plans and already achievements	Planned	Not done	
		⑳ Employees engaged in manufacturing process that can possibly notably impact the environment receive special trainings. A list of these employees exists and is and managed.	There are plans and already achievements	Planned	Not done	
Information disclosure		㉑ Information about your company's environment policy is disclosed on your website, reports...	Information are disclosed periodically	Irregular disclosures are done, only when necessary	Not done	

(3) Your Commitment in Green Purchasing

(Please put a circle in the cell corresponding to your situation)

Item	Your situation
We are implementing Green purchasing	
We are planning to implement Green purchasing	
We have no plan so far	

✧ Thank you for your kind collaboration

◆ Harmful Substances for Environment Ranking

The targeted chemical substances are classified and controlled in 3 levels in the following table

Management level	Targeted substances	Example of execution
Use prohibited	Production or use of these substances are prohibited or strictly restricted by laws or regulations	Prohibit the production or the use. In case of use, plan to abolish completely it.
Use limited	Substances that will be regulated in the future or substances whose effluent standards were established by law	Investigate for substitutes or reduction methods, and draw a reduction plan
Information of use Appropriate control	Based on the GADSL (Global Automotive Declarable Substance List), substances whose usage must be reported.	Appropriate management is carried out and efforts are made on emission reduction.

◆ Regulation for Control of Harmful Substances for Environment

1. Substance Code of this regulation is based on CAS (Chemical Abstract Services).
2. Restricted, Limited Use or Controlled Harmful substances for the environment
 - (1) Based on GADSL (Global Automotive Declarable Substance List)
 - (2) Risk Rank is defined per each of Chemical Abstract Service (CAS) Codes.

Please ask Purchasing Quality Section for more details of the Regulation.

◆ 4 Substances Restricted in End of Life Vehicles Regulation (Europe)

Target	European regulation	Japanese regulation
Cadmium	0. 0 1 %	0. 1 %
Lead	0. 1 %	1. 0 %
Mercury	0. 1 %	1. 0 %
Chromium 6	0. 1 %	0. 1 %

◆ Material Safety Data Sheet (MSDS)

To manage with precision chemical substances, it is necessary for the company handling these chemicals or products containing them, to know the components, their nature and the way to handle them.

When a company is supplying chemical substances or products to its clients, it must provide the information about these substances in a document called Material Safety Data Sheet (MSDS). In The Pollutant Release and Transfer Register Law (PRTR: Law Concerning Reporting, etc. of Release of Specific Chemical Substances to the Environment and Promotion of the Improvement of Their Management), the government ordinance indicates that concerning the Specified Class I Designated Chemical Substances, the Specified Class II Designated Chemical Substances and the parts that contains these substances, it is an obligation to provide the MSDS (Art. 14).

Please see the following homepage for details.

http://www.meti.go.jp/policy/chemical_management/law/msds/msds71.htm

Akebono Brake Industry Co. Ltd.