



TOYOTA BOSHOKU

Green Purchasing Guidelines

Ver. 2



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TOYOTA BOSHOKU (CHINA) CORPORATION

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I. Introduction

We would like to express our sincere gratitude for the great support and cooperation of our business partners for our business activities incl. production and purchasing.

Standing on our fundamental principles of promoting corporate growth in harmony with society while fulfilling our responsibilities as a good corporate citizen, we have strived to contribute to the realization of sustainable society while seeking for mutual understanding with our business partners based on our strong trust relationship.

In recent years, global environmental problems have been getting more serious year after year, such as climate change, water scarcity, natural resources depletion and biodiversity crisis. We believe, from the perspective of Corporate Social Responsibility (CSR), that it is necessary for us to take further environmental actions to address those problems.

Against this background, we developed the 'Toyota Boshoku 2050 Environmental Vision', which sets the direction and goals to aim at from a long-term perspective, and announced the 6 stretch goals to achieve by 2050 based on our belief that we need to take on a higher level of challenges for global environment.

In light of the 'Toyota Boshoku 2050 Environmental Vision', we revised the 'Toyota Boshoku Green Purchasing Guidelines'. We appreciate your attention and understanding of our expectations to the guidelines, and hope you work with us by incorporating them in your environmental activities.

In order to accommodate fast-moving environmental changes, we will review the contents as appropriate and make it available to our business partners on our website. We appreciate your cooperation to always refer the latest guideline.

TOYOTA BOSHOKU (CHINA) CO., LTD.

General Manager

KOIDE KAZUO (小出 一夫)

1. Toyota Boshoku 2050 Environmental Vision

Since the merger of the three companies in 2004, Toyota Boshoku has promoted environmental activities by developing environmental action plans every 5 years. However, as we believe we need to set our long-term direction and targets in order to achieve a sustainable growth in future, we have developed the 'Toyota Boshoku 2050 Environmental Vision'. We've started new activities based on the environmental vision that sets 6 stretch environmental goals for 2050 incl. achieving zero CO₂ emissions in our business activity.

We hope to work together with all the stakeholders to achieve those goals and take on the challenges while further strengthening the collaboration.



6 Stretch Environmental Goals

<p>Climate Change</p>  <p>1 Take on the challenge of achieving zero CO₂ emissions generated by TB Group</p>	<p>Resource Depletion</p>  <p>4 Take on the challenge of minimizing the use of natural resources</p>
 <p>2 Take on the challenge of achieving zero life cycle CO₂ emissions</p>	 <p>5 Take on the challenge of minimizing wastes generated by TB Group</p>
<p>Water Scarcity</p>  <p>3 Take on the challenge of eliminating wastewater generated by TB Group by recycling process water in production</p>	<p>Crisis of Biodiversity</p>  <p>6 Take on the challenge of planting 1.32 million trees as part of forest-making activities</p>

Toyota Boshoku 2050 Environmental Vision

2. Overview of the Revision

Toyota Boshoku published the 1st version of the Green Purchasing Guidelines in December, 2011. This time, we revised it in light of the above-mentioned 'Toyota Boshoku 2050 Environmental Vision' and external trends.

So far, we have asked you to establish the environmental management system, but moving forward, we would like you to realize the environmental management for overall supply chain while taking the overall life cycle into consideration. The following is the overview of the revision.

1) Environmental Management System

(1) Establishment of Environmental Management System

In order to perform supply chain management entirely, we added to the action plans the confirmation of the environmental management system with your business partners and upstream business partners. You are also requested to consider environmental impact throughout the product life cycle in promoting the environmental management.

(2) Promotion of Environmental Management for Overall Life Cycle

The water consumption has been added to the environmental data to be submitted to Toyota Boshoku.

2) Management of Products, Parts and Materials Delivered to Toyota Boshoku

(1) Parts / Accessories & Raw materials (Incl. Packaging Materials for Them)

① Management of Substances of Environmental Concern (hereinafter referred to as 'SOC') and Recycling Initiatives

We updated the management of SOC and recycling by integrating the activities from development and design to mass production so that it would match the current operation.

3) Environmental Actions Related to Customers' Business Activities

(1) Request for Cooperation for Product Development and Production Activity of Toyota Boshoku

We appreciate your continued cooperation to design, develop and propose eco-friendly products and equipment that contribute to environmental conservation.

(2) Improvement of Environmental Performance

The 'reduction of chlorofluorocarbon emissions' has been added to the items for performance improvement.

II. Concept of Green Purchasing

1. Purpose of Green Purchasing

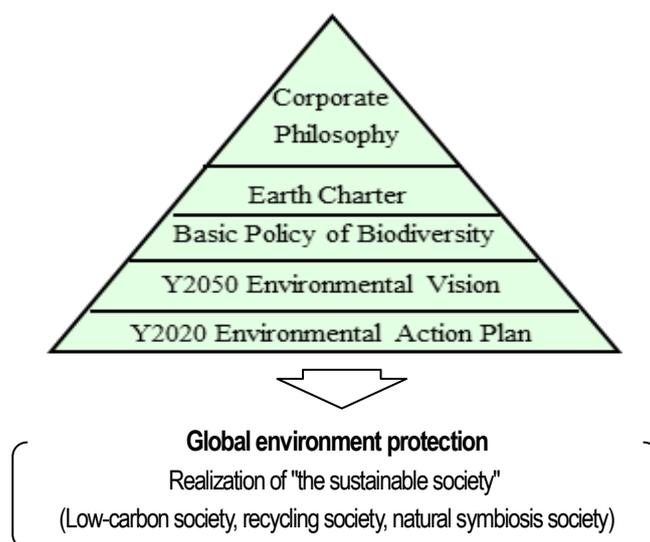
The purpose of Green Purchasing is to promote global environmental protection activity engaging not only us but also our business partners in order to fulfill our corporate social responsibility, contribute to the realization of 'sustainable society' and establish the recycling-based society.

2. Purchasing Policy

Toyota Boshoku purchases parts, raw materials, indirect materials, equipment, facilities and office supplies from a number of business partners. In addition to the conventional purchasing criteria of 'price, quality and delivery', we will also look at environmental aspects and give priority to business partners who are proactively taking actions for global environmental protection incl. the compliance with environmental regulations on the basis of open business relationships.

III. Environmental Policy

Based on our basic philosophy, Toyota Boshoku established the 'Toyota Boshoku Earth Charter', the policy for environmental initiatives, in 2004 and the 'Toyota Boshoku Basic Policy of Biodiversity' in 2011, and developed the '2050 Environmental Vision', a long-term environmental initiative, in 2016. In order to achieve them, we developed the 'Toyota Boshoku Environmental Action Plan', a 5-year mid-term environmental action plan, to promote our environmental initiatives.



1. Corporate Philosophy

The 'Fundamental Principles' are defined as the basic corporate policy to be practiced and pursued by all the executives and employees engaged in the business activities of Toyota Boshoku and TB Group.

- 1. The Company will promote corporate growth while fulfilling the following responsibilities as a good corporate citizen**
 - 1) Maintain ethical values, ensuring that our corporate activities are fair and transparent;
 - 2) Supply safe products that do not harm the environment; Promote corporate activities that help protect the global environment;
 - 3) Create a better society as a member of our local communities.
- 2. The Company will develop innovative technologies and products to deliver quality that satisfies our customers**
- 3. The Company will promote innovative management policies that ensure future corporate growth and the trust of our shareholders.**
- 4. The Company will build and maintain positive labour-management relations, respect the individuality of its employees and create safe and comfortable workplaces.**
- 5. The Company will promote open and mutually beneficial relationships with its business partners in pursuit of long-term growth and prosperity.**

2. Toyota Boshoku Earth Charter

Toyota Boshoku Earth Charter

1. Contribute toward a prosperous 21st century society

Aim for growth that is in harmony with the environment, and set a challenge to reduce environmental burdens throughout all areas of business activities. We will contribute to realise a “sustainable society” by carrying out activities that take into consideration biodiversity and co-existence with the nature.

2. Develop environmental technologies

By seeking to tap the potential offered by environmental technologies, we will produce goods that are both comfortable and ecologically responsible. We will involve ourselves in the development of new technologies that can make worthwhile social contributions.

3. Take action voluntarily

Develop a voluntary improvement plan based on thorough preventive measures and compliance with laws that addresses environmental issues while promoting continuous implementation toward global environmental conservation.

4. Work in cooperation with society

Build close and cooperative relationships with a wide spectrum of individuals and organisations involved in environmental preservation, including related companies and industries.

3. Toyota Boshoku Basic Policy of Biodiversity

Basic Concepts

We, as Toyota Boshoku Group, strive to achieve the maintenance of biodiversity and sustainable use of natural resources.

We also contribute to achieve a society that lives in coexistence with nature. We are in effort to reduce impacts on biodiversity, pursue the possibility of environmental technology that helps to maintain biodiversity through all kinds of business activities.

Action Guidelines

1. Make best use of nature [Pursue environmental technology]

- Development of technology and prevalence of biological resources such as plant-derived materials.
- Promote the development of technologies of recycling design and reduce the weight of automotive parts automotive parts.
- Enhance the management of chemical substances in products

2. Coexistence with nature [Consideration of the impact of business activities]

- Make an effort to understand the impacts of our business activities, and to reduce these impacts continuously.
- Promote efficient utilisation of energy, resource-saving and reduce substances of concern.
- Consideration of the surrounding area to land use.

3. Nurture the nature [Cooperation and collaboration with society]

- Raise the biodiversity-awareness of staff and promote voluntary activities for the conservation of biodiversity.
- Contribute to build a society to cultivate biodiversity such as promoting reforestation globally in cooperation with government, local communities and NGO.

4. Share information [Publicize and open information]

- Publicize activities and results about conservation of biodiversity and share the information with society.

4. Toyota Boshoku Environmental Action Plan

For the purpose of promoting environmental actions, Toyota Boshoku has developed the ‘Environmental Action Plan’ that defines action items and targets in the areas of development, design, purchasing, production & logistics, management and collaboration with society.

The details of the ‘Environmental Action Plan’ are available on our corporate website.

https://www.toyota-boshoku.com/global/pdf/vision-plan_2050_2.pdf

IV. Enhancement and Strengthening of Environmental Management

Toyota Boshoku expects its business partners to ensure a long-term and stable supply of the best products in the world at the lowest price in the most speedy and timely manner based on thorough compliance with all applicable laws, regulations and social norms as well as the consideration for the environment. From the standpoint of customers who purchase our products, we ask you to 'build quality' into all processes from development to production and shipment/logistics.

We request you to ensure to take environmental actions summarized below. Specific requests will vary from industry to industry, so please refer to the table below. Toyota Boshoku will periodically confirm the status of implementation of the activities described in this guidelines based on the content of each activity.

Environmental Action Item	Business Partners					Page No.
	Parts & Accessories	Raw Materials Indirect Materials	Packaging Materials	Logistics	Equipment & Construction/ Cleaning/ Landscaping	
1. Establishment of Environmental Management System						
(1) Establishment of environmental management system	○	○	○	○	○	P7
(2) Promotion of environmental management throughout the entire life cycle	○	○				P7
2. Management of Products, Parts and Materials Delivered to Toyota Boshoku						
(1) Parts/ Accessories/ Raw Materials						
① Management of SOC and recycling	a) Management of SOC during the stages of development, design and mass production	○	○			P8
	b) Management of SOC in packaging materials	○	○			P9
	c) Material labeling on plastic/rubber parts	○				
	d) Improvement of the SOC management system	○	○			
(2) 'Raw Materials, Indirect Materials & Packaging Materials' Used in Plants and Logistics Sites						
① Management of SOC		○	○		○	P10
② Management ensuring non-inclusion of SOC in indirect materials		○				P11
3. Environmental Initiatives Related to Supplier Business Activities						
(1) Request for cooperation to product development and production activity of Toyota Boshoku	○	○			○ (Equipment)	P12
(2) Improvement of environmental performance						
① Compliance with laws and regulations concerning environment	○	○	○	○	○	P12
② Improvement of environmental performance	○	○	○	○	○	
③ Improvement of the SOC management system	○	○	○	○	○	
④ Living in harmony with local communities and nature	○	○	○	○	○	
4. Reduction of CO ₂ Emissions and Packaging Materials in Logistics						
(1) Logistics performed at the request of Toyota Boshoku				○		P13
(2) Delivery of goods to Toyota Boshoku	○	○				

Notes: 1. Parts and accessories: Business partners who have concluded a 'Parts Supply Basic Agreement'

2. Raw materials and indirect materials: Business partners who have concluded a 'Materials Supply Basic Agreement'

3. Packaging materials: Some business partners who have concluded a 'Parts Supply Basic Agreement' or a 'Materials Supply Basic Agreement'

4. Logistics: Some business partners (logistics companies) who have concluded a 'Service Outsourcing Basic Agreement'

5. Equipment, construction, cleaning, and landscaping: Business partners who have concluded an 'Equipment/Facility Supply Basic Agreement', a 'Construction Subcontracting Basic Agreement', or a 'Service Outsourcing Basic Agreement'

1. Establishment of Environmental Management System

Toyota Boshoku systematically manages environmental conservation activities and strives for the continuous improvement of these activities. Business partners of Toyota Boshoku are also requested to establish environmental management structure and implement such activities for continuous improvement.

<p>(1) Establishment of Environmental Management Structure</p> <p>In order to ensure proper environmental management, our business partners are required to acquire and renew "ISO14001" or other certifications * approved by external authorization organizations. We will check on the certification acquisition status of our business partners accordingly. Additionally, in order to realize the entire supply chain management, our business partners are requested to confirm the environmental management system of their business partners and provide advices and instructions to them, and to share information and raise awareness among their upstream business partners as necessary.</p>	<p><Applicable business partners> All</p>
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* Please consult us for applicable standards.

<p>(2) Promotion of Environmental Management throughout the Product Life Cycle</p> <p>Toyota Boshoku uses LCA (Life Cycle Assessment) in an effort to reduce products' environmental impact throughout their life cycle. In promoting this approach, we need to understand environmental impacts caused not only by us but also by our business partners. We will select products and implement LCA as appropriate. Business partners delivering parts and raw materials to Toyota Boshoku are requested to provide relevant environmental data (e.g. energy consumption, CO₂ & NO_x emissions, amount of industrial waste, water consumption, etc.) based on our request. Particularly, in the case of new parts & materials and engineering changes, we may ask our business partners to review if there is any change in environmental load compared to a previous level. Also, our business partners are requested to take actions to reduce environmental impacts throughout product life cycle from the development phase.</p>	<p><Applicable business partners> Parts & Raw Materials</p>
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<Documents to Submit to Toyota Boshoku & Timing of Submission>

Documents to Submit	Destination	Timing of Submission								
<p>Environment data Survey Sheet for Production of Parts and Materials</p> <table border="1" data-bbox="209 1290 919 1442"> <tr> <td data-bbox="209 1290 528 1328"><Items subject to the survey></td> <td data-bbox="528 1290 919 1328"><Survey Items></td> </tr> <tr> <td data-bbox="209 1328 528 1366">•Parts & raw materials selected by Toyota Boshoku</td> <td data-bbox="528 1328 919 1366">•Energy consumption</td> </tr> <tr> <td></td> <td data-bbox="528 1366 919 1404">•Atmospheric release of CO₂ & NO_x emissions</td> </tr> <tr> <td></td> <td data-bbox="528 1404 919 1442">•Amount of wastes •Water consumption</td> </tr> </table>	<Items subject to the survey>	<Survey Items>	•Parts & raw materials selected by Toyota Boshoku	•Energy consumption		•Atmospheric release of CO ₂ & NO _x emissions		•Amount of wastes •Water consumption	<p>Safety, Health & Environmental Div. from each company</p>	<p>Upon our request A request will be made about 2 months prior to the due date.</p>
<Items subject to the survey>	<Survey Items>									
•Parts & raw materials selected by Toyota Boshoku	•Energy consumption									
	•Atmospheric release of CO ₂ & NO _x emissions									
	•Amount of wastes •Water consumption									
<p>Substances of Environmental Concern (SOC) Management System Score Sheet BSQ10701-1 Format 10</p>	<p>Inspection management Div.</p>	<p>When necessary</p>								

2. Management of Products, Parts and Materials Delivered to Toyota Boshoku

In the wake of the agreement at the World Summit on Sustainable Development in Johannesburg in 2002, the participants agreed on the proposal of [To achieve, by the year 2020, the use and production of chemicals in ways that lead to the minimization of significant adverse effects on human health and the environment] in 2006, all countries have actively responded across the world.

Currently, there are about 100,000 kinds of chemical substances being product and sold over the world, including substances that may impact on environment and health, right now, all countries have banned the use of dangerous chemicals in law.

Recent years, for substances other than prohibited, 【All companies to make assessment of the risk of chemical substances, proper using under correct management】 , This has become the main viewpoint.

Against this background, there are several requirement to the companies that using chemical substances.

- ① Grasp the chemical substances used, making risk assessment
- ② Have proper countermeasures to deal with risks
- ③ Provide information to executive branch of government and society

(1) Parts, Accessories & Raw Materials (Incl. Packaging Materials for These Items)

① Management of SOC and Recycling Initiatives

Toyota Boshoku has been implementing initiatives to manage SOC and improve the recycling rates ahead of Japanese and overseas legislation, such as the EU ELV Directive, the EU REACH Regulation, and the Chemical Substances Control Law of Japan. All applicable business partners are requested to deliver parts and raw materials in compliance with relevant laws, Toyota Boshoku standards and various quality management manuals pertaining to items a) through e) below, and to report the history of their use to Toyota Boshoku.

<p>a) Management of SOC and material data at the stages of development and design</p> <ul style="list-style-type: none"> ■ According to the following table showed Toyota Boshoku Standard/Parts /Accessories/Raw Materials to manage elimination and reduction of SOC and material data. ■ Submit material of production and chemical substances data within the specified date. 	<p><Applicable business partners> Parts, Accessories & Raw Materials</p>
<p>b) Management of SOC at the stages of mass production</p> <ul style="list-style-type: none"> ■ For the managed object, our company take following 10 kinds of substances as specified object by following [SOC Management Regulation] in Toyota Boshoku BRQE329 quality management regulation. <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> <p>Pb, Cd, Hg, Cr6+, Asbestos, PBB, PBDE(1~9), Deca-BDE, HBCD, PFOS</p> </div> <ul style="list-style-type: none"> ■ About the substances that need to be managed, take management of elimination and reduction by following BRQE329 [SOC Management Regulation] and various quality management business points(SQAM, etc.). 	<p><Applicable business partners> Parts, Accessories & Raw Materials</p>
<p>c) Management of SOC in Packaging Materials</p> <ul style="list-style-type: none"> ■ Selecting materials that do not contain the substances specified in the above-mentioned BSDZ001 as well as DMF when selecting packaging materials. ■ According to the indication of Toyota Boshoku packing charged division, select 11 kinds of substances which do not contain DMF and control it (incl. elimination and reduction). ■ Submit the [Report on SOC Non-inclusion Assessment Result] after confirmation that there are no 11 kinds of special managed substances in packing material. 	<p><Applicable business partners> Parts, Accessories & Raw Materials Packaging Materials</p>
<p>d) Material Labeling on Plastic & Rubber Parts</p> <ul style="list-style-type: none"> ■ As part of laws and regulations in Europe/Japan/South Korea/USA, there are 'material labeling requirements' in this case. ■ In 1992, Toyota Boshoku introduced material labeling for plastic/rubber parts that meets the international standards. ■ Also labeling materials contained in plastic parts weighing less than 100g as much as possible. 	<p><Applicable business partners> Parts & Accessories</p>

<p>e) Development of SOC Management System</p> <ul style="list-style-type: none"> ■ Improving management system by following [Substances of Environmental Concern (SOC) management system list] which attached in Toyota Boshoku Quality management regulation BRQE329 [Substances of Environmental Concern(SOC) Management Regulation] ■ And, our company will Implement supervision properly, thanks for cooperation. 	<p><Applicable business partners> Parts, Accessories & Raw Materials</p>
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The following is a list of relevant standards and documents to submit. Please refer to them for details and take necessary actions.

<Relevant Standards>

Business Partners	Toyota Boshoku Standards	
Parts & Accessories	Standard	BSDZ0001 'Restrictions on the Use of Substances of Environmental Concern as Materials or Product Components'
		BSDZ0004 'Prohibited and Declarable Substances in Materials and Components'
		BSDZ0008 'Restricted Substances Management Standard'
		BSDZ0011 'Environmental Protection, hazardous material using prohibited materials list'
		BSDZ6005 'Indication Method of Material Marking for Plastic Parts and Rubber Parts'
		BRQE329 'Substances of Environmental Concern(SOC) Management Regulation'
		BSQ10701 'Quality Assurance Manual for Suppliers'
		BSQ10701-1 'Detailed Rules of Production Preparation and Mass Production Control for Quality Assurance Manual for Suppliers'
		BSQ17201 'Substances of Environmental Concern(SOC) Analysis Method and Defining Principle'
		BSQ17201-1 'Substances of Environmental Concern(SOC) Cr6+ Analysis Method and Defining Principle Detail Regulations'
BSQ17201-2 'Substances of Environmental Concern(SOC) Asbestos Analysis Method and Defining Principle'		
BSQ17201-3 'Substances of Environmental Concern(SOC) Specific BFRs Analysis Method and Defining Principle'		
	Manual	'Supplies Anti-Rust Standard'
Raw Materials	Standard	BSDZ0001 'Restrictions on the Use of Substances of Environmental Concern as Materials or Product Components'
		BRQE329 'Substances of Environmental Concern(SOC) Management Regulation'

Please contact responsible departments to obtain relevant Toyota Boshoku Standards.

<Documents to Submit to Toyota Boshoku & Timing of Submission>

Business Partners	Documents to Submit	Submit to	Timing of Submission
Parts & Accessories Raw Materials	Documents specified in IMDS, CAMDS or JAMA/JAPIA Standard Material Datasheet	Material Engineering Development Div.	- Whenever requested - When adopting new parts, accessories and materials - When there is any change in parts, accessories and material structure
	- Inspection Standard/Inspection Standard Sheet" BSQ10701-1 P20~21 - 'SOC-free Evidence Data Table' *BSQ10701-1 Format 8 - 'Initial Stage Control Plan Notice Form' *BSQ10701-1 Format 27 - 'Notice of QA Check Items' *BSQ10701-1 Format 26 - 'Process Change Notice' *BSQ10701-1 Format 71 - 'First Article Measurement Report' *BSQ10701-1 Format 49,51,52	Department responsible for inspection & management	- Whenever requested - Parts, accessories and raw materials At the stages of production preparation & mass production - Process Changing
	Regarding packaging materials - Report on SOC Non-Inclusion Assessment Result*** 「環境負荷物質非含有確認結果報告書」** - 'Inclusion Amount Report'*** 「含有量報告書」** - 'Registration Confirmation Sheet'***	Toyota Boshoku packing charged division	- A month prior to the use of new packaging materials
	'Declaration of Non-inclusion of Prohibited Substances Specified in the China ELV Directive'	Material/Equipment Purchasing Div.	- When starting a new business

* Attached to BRQE329 'Substances of Environmental Concern(SOC) Management Regulation' for Parts, Accessories & Raw Materials.

** Attached to 'Management Manual for Packing Materials Chemical Substances Supplier' for Packaging Materials.

Please contact responsible departments to obtain documents for submission.

(2) 'Raw Materials, Indirect Materials and Packaging Materials Used in Plants & Logistics Sites

Toyota Boshoku has proactively been promoting the voluntary elimination and reduction of SOC used within plants while ensuring the compliance with applicable laws and regulations.

① Management of SOC

<ul style="list-style-type: none"> ■ Please ensure that all materials (incl. oil/lubricant contained in equipment and chemicals incl. agrochemicals) to be delivered or brought in to Toyota Boshoku do not contain any of the prohibited substances specified in 'Toyota Boshoku Management Substances List'. The new supplier who supply raw Material or Indirect Materials to Toyota Boshoku should submit 'Safety Data Sheet (SDS)'. <ul style="list-style-type: none"> * This item shall not be applicable to materials that remain and are used in a solid state (excl. powder) from delivery to shipping and have no possibility of changes in state and by-product generation. 	<p><Applicable business partners></p> <ul style="list-style-type: none"> ·Raw Materials* ·Indirect Materials ·Packaging Materials ·Equipment, Construction, Cleaning & Landscaping
<ul style="list-style-type: none"> ■ Business partners delivering raw materials and indirect materials to Toyota Boshoku are requested to register product information (Chemical composition information & Safety Data Sheet (SDS) in PDF format) on "PRTR WORLD(*)" and submit necessary documents incl. the 'Delivered-material Ingredient Report' and the 'Safety Data Sheet (SDS)'. For the 'Delivered-material Ingredient Report', please enter product information, such as chemical composition of substances contained in the products concerned that are under control by Toyota Boshoku, as well as the "PRTR WORLD Global ID" issued at the point of registration to PRTRWORLD. In order to keep the SDS updated, it is requested that the latest versions of SDS are registered in a timely manner whenever there is any change in their contents due to the revision of laws and regulations. ■ For business partners delivering equipment to Toyota Boshoku and providing construction, cleaning or landscaping, the departments responsible at Toyota Boshoku will confirm the management status as necessary. ■ In order to reduce SOC, our business partners are requested to manage (incl. prohibit, eliminate and reduce the use of) chemical substances contained in indirect materials used at their facilities following the practices at Toyota Boshoku. 	<p><Applicable business partners></p> <ul style="list-style-type: none"> ·Raw Materials & Indirect Materials <p>(Equipment, Construction, Cleaning & Landscaping)</p>
<ul style="list-style-type: none"> ■ Business partners delivering packaging materials to Toyota Boshoku are requested to confirm that substances prohibited for use are not contained in the packaging materials concerned and to submit the 'Report on SOC Non-inclusion Assessment Result'「環境負荷物質非含有確認結果報告書」. 	<p><Applicable business partners></p> <ul style="list-style-type: none"> ·Packaging Materials

② Management to Ensure Non-Inclusion of SOC in Indirect Materials

- When choosing indirect materials, business partners are requested to confirm the non-inclusion of SOC based on Toyota Boshoku BSQ10701- 1, 'Detailed Rules of Production Preparation and Mass Production Control for Quality Assurance Manual for Suppliers' in indirect materials.

<Applicable business partners>
 ・ Indirect Materials

<Relevant Standards>

Raw Materials & Indirect Materials	Business Main Points	Toyota Boshoku Management Substances List'
Packaging Materials	Standard	BSDZ0001 'Restrictions on the Use of Substances of Environmental Concern as Materials or Product Components' 'Management Manual for Packing Materials Chemical Substances Supplier'
Equipment, Construction, Cleaning & Landscaping	Business Main Points	Toyota Boshoku Management Substances List'

Please contact responsible departments to obtain relevant Toyota Boshoku Standards.

<Documents to Submit to Toyota Boshoku & Timing of Submission>

Business Partners	Documents to Submit	Submit To	Timing of Submission
Raw Materials & Indirect Materials (Management of substances prohibited for use & substances under control)	'Safety Data Sheet' ((SDS)	Department responsible for planning	When planning the use of new materials Form-3 shall be submitted when requested by Toyota Boshoku.
	Confirm whether it's appropriate for the SOC material and usage restrictions (BSDZ001)	Department responsible for inspection & management	New Product/Process Changing
	'Report on SOC Non-Inclusion Assessment Result'		New Product/Process Changing(Only for the Product/Parts shipped to Denso and Whenever requested)
Packaging Materials	Regarding packaging materials - 'Report on SOC Non-Inclusion Assessment Result** 「環境負荷物質非含有確認結果報告書」** - 'Inclusion Amount Report** 「含有量報告書」** - 'Registration Confirmation Sheet** 「登録確認書」**	Administration Dept. of individual plants & Production Control Div.	A month prior to the use of new packaging materials
Equipment, Construction, Cleaning & Landscaping	Notify when requesting	Notify when requesting	Whenever requested

* It is requested that the latest versions are registered in a timely manner whenever there is any change in their contents due to the revision of laws and regulations.

** The documents related to packaging materials are attached to 'Management Manual for Packing Materials Chemical Substances Supplier'.

Please contact responsible departments to obtain documents for submission.

3. Environmental Initiatives Related to Business Partners' Business Activities

Toyota Boshoku has been promoting its business activities in an environmentally friendly manner involving its consolidated companies across the world in addition to its own initiatives. Our business partners are also requested to take more proactive actions than ever to contribute to environmental conservation in their business activities.

(1) Request for Cooperation for Product Development and Production Activity of Toyota Boshoku

<p>Toyota Boshoku hopes to contribute to a sustainable society, from the perspective of 'a company focusing on the protection of global environment', through the creation of clean and comfortable products and eco-friendly production activities enabled through the pursuit of environmental technology.</p>	<p><Applicable business partners> • Parts, Accessories & Raw Materials • Indirect Materials & Equipment</p>
<p>We ask our business partners for their further cooperation and proposals for the development of eco-friendly products, and expect business partners delivering production equipment to Toyota Boshoku to design, develop and propose equipment that contribute to environmental protection.</p>	

(2) Improvement of Environmental Performance

<p>① Compliance with Law and Regulations Concerning Environment Our business partners are required to comply with laws & regulations concerning environment in their business activities.</p> <p><Documents to Submit to Toyota Boshoku & Timing of Submission> Although our business partners are not required to submit any document, we will check the status of compliance as necessary.</p>	<p><Applicable business partners> All</p>
<p>② Improvement of Environmental Performance Our business partners are requested to take actions to improve their environmental performance from the following perspectives.</p> <p><Environmental Action Items></p> <ul style="list-style-type: none"> a) Reduction of the emissions of greenhouse gas (incl. CO₂) b) Reduction of chlorofluorocarbon emissions (Shift to low GWP CFC or CFC free operations) c) Reduction of VOC emissions d) Reduction in emissions of substances subjected to the PRTR e) Reductions of waste generated (incl. reduction in the amount of materials used, improvement of yield and recycling of resources) f) Quantitative and qualitative evaluation of water-related risks and countermeasures for risks identified at individual locations & reduction in water consumption <p>*GWP: Global Warming Potential</p> <p><Documents to Submit to Toyota Boshoku & Timing of Submission> Toyota Boshoku will check the progress of its business partners' environmental performance and relevant materials/data as necessary.</p>	<p><Applicable business partners> All</p>
<p>③ Development of Management Structure for SOC Our business partners are requested to develop a management structure to ensure their products do not contain the substances prohibited by Toyota Boshoku. They are also requested to strive to manage and reduce SOC contained in indirect materials.</p> <p><Documents to Submit to Toyota Boshoku & Timing of Submission> Toyota Boshoku will check the implementation status and relevant materials/data as necessary.</p>	<p><Applicable business partners> All</p>
<p>④ Living in Harmony with Local Communities & Nature Our business partners are requested to take actions to establish a symbiotic society with nature while striving to achieve harmony with local communities and nature and the conservation of biodiversity.</p> <p><Documents to Submit to Toyota Boshoku & Timing of Submission> Toyota Boshoku will check the progress in its business partners' actions and relevant materials/data as necessary.</p>	<p><Applicable business partners> All</p>

4. Reduction of CO₂ Emissions & Use of Packaging Materials in Logistics

The cargo transportation (Cargo sector in the overall transportation) accounts for about 10% (as of FY2008) of the overall energy consumption in Japan, and its reduction is a major challenge to be addressed. As such, Toyota Boshoku has been proactively taking actions to reduce CO₂ emissions (energy consumption) in logistics.

In addition, we have been striving to reduce the use of packaging materials. Our business partners are also requested to join our efforts and take environmental actions in their business activities.

<p>(1) Logistics Performed at the Request of Toyota Boshoku</p> <p>Business partners who are engaged in logistics services of products and parts are requested</p>	<p><Applicable business partners> ·Logistics</p>						
<p>to take actions to reduce CO₂ emissions and the use of packaging materials in collaboration with Toyota Boshoku. In an effort to reduce CO₂ emissions in logistics, business partners are requested to keep and report the data on items that indicate a performance and CO₂ emissions per unit transported on a monthly basis.</p> <p><Documents to Submit to Toyota Boshoku & Timing of Submission></p> <table border="1" data-bbox="322 593 1348 676"> <thead> <tr> <th data-bbox="322 593 644 633">Documents to Submit</th> <th data-bbox="644 593 852 633">Submit to</th> <th data-bbox="852 593 1348 633">Timing of Submission</th> </tr> </thead> <tbody> <tr> <td data-bbox="322 633 644 676">Report on CO₂ emissions</td> <td data-bbox="644 633 852 676">Production Control Div.</td> <td data-bbox="852 633 1348 676">Beginning of each month (Results of the previous month)</td> </tr> </tbody> </table> <p>Please contact the Production Control Div. to find out how to obtain documents to submit.</p>		Documents to Submit	Submit to	Timing of Submission	Report on CO ₂ emissions	Production Control Div.	Beginning of each month (Results of the previous month)
Documents to Submit	Submit to	Timing of Submission					
Report on CO ₂ emissions	Production Control Div.	Beginning of each month (Results of the previous month)					
<p>(2) Delivery of Goods to Toyota Boshoku</p> <p>Business partners who deliver parts, raw materials and indirect materials to Toyota Boshoku are requested to take actions to reduce CO₂ emissions in such deliveries. They are also requested to reduce packaging materials. The business partners specified by Toyota Boshoku are requested to keep and report the data on items that indicate a performance and CO₂ emissions per unit transported on a monthly basis.</p>	<p><Applicable business partners> ·Parts & Accessories ·Raw Materials & Indirect Materials</p>						
<p><Documents to Submit to Toyota Boshoku & Timing of Submission> Please contact the Safety, Health and Environment Div. to find out how to obtain documents to submit.</p>							

Laws and Regulations & Glossary Concerning Chemical Substances

(1) EU REACH Regulation:

EU's 'Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals <(EC) No1907/2006>', entered into force in 2007. It places greater responsibility on industry to manage chemical substances. Under this regulation, each company is required to identify chemical substances used by the company or contained in its product and assess the risks from them.

(2) EU CLP Regulation:

EU's 'Regulation on the Classification, Labeling, and Packaging of Substances and Mixtures <(EC) No 1272/2008>', entered into force in 2009. This regulation has replaced earlier relevant directives to comply with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). This regulation requires EU-based manufacturers and importers of chemical substances to classify the substances by hazard, notify the classification to the appropriate governmental agency, and affix labels to chemical substances.

(3) EU ELV Directive (EU-End of Life Vehicle):

The 'ELV Directive on the Recycling of End-of-Life Vehicles (2000/53/EC)', entered into force in 2000. To reduce the environmental impact of End-of-Life Vehicles, this directive requires member states to restrict the use of chemical substances in vehicle parts and establish a network for recovering ELVs to increase the recycling rate. This directive does not apply to certain chemical substances that cannot be replaced by other substances in consideration of reliability.

(4) EU's Packaging and Packaging Waste Directive:

The 'Directive on Packaging and Packaging Waste (94/62/EC)', entered into force in 1994. To reduce the environmental impact by packaging, this directive requires the member states to restrict the use of chemical substances in packaging materials and establish a recovery and recycling system to increase the recycling rate.

(5) TSCA (Toxic Substances Control Act) of the USA:

This act, instituted in 1976, is intended to protect human health and the environment from exposure to hazardous chemicals. Under the TSCA, the Environmental Protection Agency (EPA) requires information management (reporting and record-keeping), testing, and restrictions relating to chemical substances and/or mixtures, and regulates the production, importation, use, and disposal of specific chemicals.

(6) Chemical Substances Control Law of Japan:

The 'law pertaining to the examination of chemical substances, and regulation of their manufacture' enacted in 1974. This law requires prior examination of new industrial chemical substances and regulation of their manufacture and import into Japan depending on the hazardous properties of the substances.

(7) PRTR (Pollutant Release and Transfer Register) System:

The 'Law concerning Pollutant Release and Transfer Register' is abbreviated as the PRTR Law. It was established for the purpose of promoting voluntary improvement of the chemical substance management by business operators and preventing any impediments to environmental preservation. It is a system to grasp, collect and announce the amount of specific chemical substances released in the environment or moved out of industrial facilities for waste treatment by business operators who produce, use and emit specific chemical substances.

Glossary of Other Terms

(1) Raw Materials:

Materials incl. sheet steel, resin pellets, coating and adhesives that are used at production plants and are instructed on product drawings

(2) Indirect Materials:

Materials that are not instructed on product drawings and are used for purposes incl. production, product testing, equipment maintenance, waste water treatment, prototyping, trial productions and study & research.

Coatings and adhesives are included in indirect materials in some cases.

(For details, refer to Toyota Boshoku Safety, Health and Environmental Standards BSK2201, 'Standards for Preliminarily Ensuring the Safety and Health Environment of New Materials')

(3) SOC (Substances of (Environmental) Concern):

Substances contained in parts and materials that could possibly cause concerns for environmental preservation, human health or maintenance of ecosystem.

(4) SDS (Safety Data Sheet):

A sheet describing the information on property and handling of raw materials and indirect materials, which business operators are required to provide when shipping such materials to other parties.

(5) LCA (Life Cycle Assessment):

A method of evaluating a product's environmental impact throughout its whole lifecycle, from production to use and disposal

(6) VOC (Volatile Organic Compounds):

Organic compounds that tend to evaporate under normal temperatures and pressures

(7) GADSL (Global Automotive Declarable Substance List):

A list of reportable chemical substances, common to the automotive industry. The list has been agreed upon by the automotive manufacturers, automotive parts business partners and chemical manufacturers in Japan, Europe and the U.S. to use when data is entered into the IMDS (International Material Data System).

(8) PBB (Poly Brominated Biphenyl) / PBDE (Poly Brominated Diphenyl Ether)/ Deca-BDE (Deca-Brominated Diphenyl Ether):

Brominated flame retardants for application to interior materials, seats, carpets, electrical/electronic components, etc.

(9) HBCS (Hexabromo Cyclododecane)

Brominated flame retardant for application to seat covers

(10) PFOS (Perfluorooctane Sulfonic Acids):

Perfluorinated organic compounds for application as a fluorochemical surfactant in semiconductors, metal plating, electrical/electronic components, etc.

(11) DMF (Dimethyl Fumarate):

Applicable as an antimold agent, but its use is prohibited in Europe.

<Supplement>

1. We shall not disclose any report or documentation provided by business partners to external parties.
2. The contents of this guideline are subject to change due to revision of laws and regulations or our internal rules.
3. For any inquiries regarding this guideline, please contact us at the following numbers.

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