

KAGA ELECTRONICS

Green Procurement Guidelines (Ver.4.0)

April 1, 2025 (Ver,4.0) Revision

KAGA ELECTRONICS CO., LTD.

INDEX

Environmental policy	3
1. Purpose of these Green Procurement Guidelines	4
2. The Company's Stance on Green Procurement	4
2- 1 Priority Procurement	4
3. The Company's Management Standards for Chemical Substances in Products	4
3- 1 Scope of Application	4
3- 2 "Managed Substances" Whose Use in Supplies Is Controlled	5
4. Requests to Suppliers	5
4- 1 Submission of Receipts, etc., and Conclusion of Agreements to the Effect that Suppliers will Comply with the Guidelines	5
4- 2 Creation and Assessment of Systems for Managing Chemical Substances in Products	6
4- 3 Submission of Documents Related to Information on Chemical Substances in Supplies	6
4- 4 Acceptance Management	6
4- 5 Shipping Management	6
4- 6 Change Management	6
4- 7 Management of Non-conformance	7
4- 8 Traceability	7
4- 9 Document and Record Management	7
4-10 Environmentally friendly initiatives	7
5. Notes	
<*1>~<*3>	8
6. Revision History	9
<Appendix 1> Green Procurement Guideline Receipt Confirmation	10

Environmental policy

Under our corporate philosophy of “Everything we do is for our customers,” the Kaga Electronics Group seeks to meet our customers’ needs while striving for the realization of a sustainable society. To achieve this goal, we are committed to conserving and enhancing the natural environment in order to protect our irreplaceable earth.

- 1 The Kaga Electronics Group shall establish an environmental management system involving all executives and employees (including contract and temporary employees. The same applies hereinafter in this environmental policy). Under this management system, we shall promote global environmental conservation and pollution prevention in all business activities, including the provision of products and services.
- 2 In executing our business activities, we shall strictly adhere to environmental laws, regulations, and requirements as well as comply with all other requirements agreed upon by the Kaga Electronics Group.
- 3 We shall reduce CO2 emissions, promote the use of renewable energy, and thoroughly implement energy and resource conservation initiatives through our business activities to mitigate climate change.
- 4 Products and services handled by the Kaga Electronics Group shall, to the extent possible, meet the following requirements.
 - Must be comprised of environmentally friendly substances
 - Must be able to cut waste through reuse and recycling
 - Must be designed with energy and resource conservation in mind using the latest electronics technology
- 5 We shall raise awareness among our executives and employees regarding environmental and biodiversity conservation, and promote education and training to implement our environmental policy.
- 6 Our Environmental Policy shall be disseminated widely throughout society through such means as the Kaga Electronics Group website and integrated report.

April 1, 2025

KAGA ELECTRONICS CO., LTD.

1. Purpose of these Green Procurement Guidelines

Kaga Electronics (the “Company”) is committed to management that benefits the environment considering global environmental and biodiversity conservation. As part of this commitment, we are promoting “green procurement” to contribute to the realization of a sustainable society through the reduction of environmental impact.

The Green Procurement Guidelines (the “Guidelines”) outline the green procurement standards, which represent our basic stance on green procurement. By presenting these standards, the Guidelines aim to clearly define the specific details of our requests for supplier cooperation regarding components, materials, units, products, secondary materials, and other items (“supplies”). They also aim to ensure compliance with environmental laws and regulations and mitigate the environmental impact across the entire supply chain, including reducing CO2 emissions (greenhouse gases) and promoting the use of renewable energy.

2. The Company’s Stance on Green Procurement

The Company considers it fundamental to our green procurement policy to procure supplies with the lowest possible environmental impact from suppliers who actively promote environmental conservation.

[2-1 Priority Procurement]

As part of our initiatives to promote environmental management, the Company has obtained ISO 14001 certification and is putting it into practice. When procuring supplies, we prioritize suppliers who actively implement the following initiatives.

- Establishment of an environmental management system and acquisition of third-party certification
- Proactive initiatives to reduce environmental impact
- Compliance with environmental laws and regulations
- Efforts to encourage our second-tier and lower-tier suppliers to reduce their environmental impact

3. The Company’s Management Standards for Chemical Substances in Products

Please obtain the latest version of the Management Standards for Chemical Substances in Products from our website or other sources.

[3-1 Scope of Application]

The Guidelines apply to all components and materials (components, materials, units, products (including OEM/ODM products), and secondary materials) procured by the Company for use in electric and electronic products. Additionally, in the case of supplies outside of electric and electronic products (toys, medical devices, automotive products, etc.), cases when separate standards are presented by clients of the Company, etc., the Company may request measures that correspond to management standards that differ from the content of the Guidelines.

[3-2 “Managed Substances” Whose Use in Supplies Is Controlled]

“Managed substances” (Refer to Appendix 1 of the Standards) are those whose use in supplies must be managed. These substances comply with the IEC 62474 international standard (*1) and are categorized into “Prohibited substances” and “Declarable substances.”

Prohibited Substances are those listed as “prohibited” in the List of Managed Substance Groups (refer to Appendix 1 of the Standards), and their use above the threshold value is prohibited.

The Company’s prohibited substances are equivalent to the standards of International Standard IEC 62474 (*1), and consist of chemical substances whose use is prohibited or restricted under laws and regulations in Japan and overseas.

However, that the use of substances stipulated in the “RoHS Directive of the EU (2011/65/EU)” is possible for applications where it is stipulated that the directive does not apply. (See Appendix 5 of the Standards.)

Declarable Substances are those listed as “mandatory for reporting” in the List of Managed Substance Groups. This reporting requirement does not restrict the intentional use of these substances. However if they are contained in concentrations that exceed standard values, the parts that use these substances and the amount contained should be ascertained. Additionally, they should also be appropriately managed from the perspective of considerations when products are recycled and the environmental impact at the time of disposal.

If substances subject to reporting are contained in supplies, please report content information, such as the amount contained, parts that use substances, etc., in a “chemSHERPA – AI File” (*2), etc.

4. Requests to Suppliers

In order to promote green procurement, the Company requests the following from suppliers, who are our business partners.

- (1) Submission of receipts, etc., and conclusion of agreements to the effect that suppliers will comply with the Guidelines
- (2) Creation and assessment of systems for managing chemical substances in products by suppliers
- (3) Conclusion of agreements to ensure the environmental quality of supplies
- (4) Submission of documents related to information on chemical substances in supplies

We request that our suppliers understand and cooperate with the intent of these requests.

In cases where there are separate requirements from clients of the Company, the Company may request measures that correspond to requirements from clients.

[4-1 Submission of Receipts, etc., and Conclusion of Agreements to the Effect that Suppliers will Comply with the Guidelines]

The Company requests the submission of receipts, etc., after receiving the Guidelines of the Company, to confirm the agreement to comply with the content of the Guidelines. In order to ensure the environmental quality of items procured, the Company may also request the conclusion of agreements, memoranda, statements of agreement, etc., concerning chemical substances in products. (This content may also be included in basic agreements, business agreements, etc.)

When there are separate clauses related to chemical substances in products, the separate specifications shall be prioritized. The Company shall take due care with regard to the confidentiality of information submitted.

[4-2 Creation and Assessment of Systems for Managing Chemical Substances in Products]

The Company requests that our suppliers establish systems for managing chemical substances in their products. Additionally, to verify the establishment of these systems, we conduct assessments of suppliers' chemical substance management practices.

In principle, the Company requests that the management of chemical substances in products supplied conforms with the "Guidelines for the Management of Chemicals in Products" issued by JAMP (*3). The Company assesses management systems based on the results of self-audits conducted by suppliers or audits conducted by the Company, using materials such as the "Guidelines for the Management of Chemicals in Products (Edition 4.0) Annex Check Sheet (Version 4.01)" issued by JAMP.

[4-3 Submission of Documents Related to Information on Chemical Substances in Supplies]

The Company requests that suppliers survey the chemical substances in supplies and submit the following documents:

○ Documents that must be submitted

- Statement proving the non-use of prohibited substances
- Information on the content of substances from the managed substance groups in supplies (submitted via chemSHERPA – AI File, etc.)

○ Documents whose submission may be required depending on the type of supplies and necessity:

- ICP analysis data (substances restricted under the RoHS Directive)
- MSDS, MSDS plus, component tables, mill sheets
- Other, documents required by the Company's clients, etc

[4-4 Acceptance Management]

When accepting supplies, please confirm and record that the supplies satisfy the management standards of the Company. It is also important to clarify the method of confirmation at the time of acceptance. (Evaluation method, recording method for evaluation results, identification management method, etc.)

[4-5 Shipping Management]

Before shipping supplies, please check that the standards for managing chemical substances in the products to be shipped have been satisfied, and record the results of this check.

As part of the acceptance and manufacturing process, please reconfirm that all predetermined checks have been performed, and manage product warehouses to ensure there are no mistaken shipments or contamination.

[4-6 Change Management]

If there are any changes to the following information on chemical substances in supplies, please immediately notify the Company, and make the changes after first acquiring information concerning chemical substances in products and checking compliance with management standards, submitting this information to the Company, and obtaining permission from the Company in advance.

- (1) Changes to the raw materials or components used
- (2) Changes to the suppliers of raw materials or components used
- (3) Changes to manufacturing locations or contracted manufacturers
- (4) Changes to manufacturing methods
- (5) Other changes that may impact the information on chemical substances content.

[4-7 Management of Non-conformance]

In the event of any non-conformance in the information on chemical substances in supplies, the Company requests that suppliers promptly notify the Company and related parties, clarify any non-conforming lots, suspend shipments and prevent distribution of these lots, and perform the following management of non-conforming items.

- (1) Immediately notify the Company of any non-conformities
- (2) Identify, separate, suspend shipments, and prevent distribution of non-conforming items (including lot tracing)
- (3) Assess non-conforming items and formulate measures for rectification
- (4) Formulate measures to prevent similar incidents in advance
- (5) Submit and retain related records (reports)

[4-8 Traceability]

In order to perform management in a way that ensures the following items, etc., can be traced from products shipped, please create records, such as lot management record slips and production record slips, and manage the history of products.

- (1) Constituent components and information on chemical substances in those products
- (2) Manufacturing dates and manufacturing lot numbers
- (3) Manufacturing plants and contracted external parties

[4-9 Document and Record Management]

Please systematically manage requirements from the Company related to the management of chemical substances content, as well as information on chemical substances content and management records obtained from suppliers, by organizing related files or electronic media and creating lists of documents.

In principle, please retain the latest version of requirements from the Company, and ensure that they are available for viewing by related departments, through their distribution, the internal intranet, etc.

The retention period for documents is 10 years.

* Under the revised RoHS Directive (Directive 2011/65/EU), documents shall be retained for 10 years.

[4-10 Environmentally friendly initiatives]

- (1) Our initiatives for global environmental conservation

The Company formulated its "Medium- to Long-Term Sustainability Management Plan" in 2021, establishing policies, measures, and targets for ESG issues that the group should address. We work as a united group to promote sustainability management to achieve these goals. In particular, we are working to provide environmentally friendly products and services. We are also striving to understand our energy consumption through business activities, reduce CO2 emissions, and increase our use of renewable energy. Additionally, we give due consideration to the importance of biodiversity. Through these initiatives, we are committed to playing an active role in realizing a society that values the global environment.

Therefore, we request that our suppliers also actively engage in environmental and biodiversity conservation through their business activities.

- a) Understanding energy consumption
- b) Promoting renewable energy use

- c) Reducing CO2 emissions
- d) Conserving biodiversity

(2) Encouragement of upstream suppliers in the supply chain

To promote efforts to reduce our environmental impact across the entire supply chain, we request that our suppliers encourage their upstream suppliers to comply with the Guidelines.

(3) Item regarding supplies – Sustainable raw material procurement

The Company is actively promoting sustainability-focused initiatives when procuring raw materials. In the procurement of natural resources, we not only comply with all relevant laws and regulations, but also take into consideration the impact on the local environment and community, and promote the use of recycled materials. In this way, we are committed to striking a balance between sustainable use of resources and their stable procurement.

We request that our suppliers take the following into consideration when supplying raw materials.

- a) Raw materials produced in compliance with the laws and regulations of the production region.
- b) Raw materials produced in a way that ensures safety and hygiene in the working environment.
- c) Consideration is given to the impact on the local environment and ecosystem arising from raw material extraction and other processes.
- d) Consideration is given to the human rights of workers and the impact on local communities, arising from raw material extraction and other processes.
- e) Consideration is given to ensuring that raw materials and products do not contain conflict minerals (3TG: tin, tungsten, tantalum, gold) that are illegally mined or extracted.

5. Notes

〈 * 1 〉: IEC62474

It is one of the international standards published by the International Electrotechnical Commission (IEC). It is a document that specifies material declarations for the electrotechnical industry and products as the successor to JIG-101 (Material Composition Declaration for Electrotechnical Products).

For details, please refer to the following URL.

URL : <https://std.iec.ch/iec62474/iec62474.nsf/Index?open&q=065709>

〈 * 2 〉: chemSHERPA

It is a general term for the new information transfer scheme for chemical substances contained in products, developed under the leadership of the Ministry of Economy, Trade, and Industry.

For details, please refer to the following URL.

URL : <https://chemsherpa.net/chemSHERPA/>

〈 * 3 〉: JAMP(Joint Article Management Promotion-consortium)

It is the abbreviation for Joint Article Management Promotion-consortium. It is a non-profit organization that promotes the development of a system to facilitate the disclosure and transfer of information on chemical substances in products across the supply chain.

For details, please refer to the following URL.

URL : <https://chemsherpa.net/jamp/about>

6. Revision History

Ver	Date of Revision	Revision Details
1.0	November 2012	Initial Version Established
2.0	April 2014	Revision to reflect the change in the management standards for chemical substances in products to align with IEC 62474 standards
2.1	October 2014	Revision to ensure compliance with IEC62474 D7.00
2.2	April 2015	Addition of [4-7 Document and Record Management]
2.3	June 2016	Revision to ensure compliance with IEC62474 D11.00, including clarification of [3-1 Scope of Application]
2.4	January 2017	Revision to ensure compliance with IEC62474 D13.00
2.5	September 2017	Revision to ensure compliance with IEC62474 D14.00
2.6	December 2018	Revision to ensure compliance with IEC62474 D16.00 / Revision to [3-5 Requirements for Batteries] / Addition of the appendix titled "Green Procurement Guideline Receipt Confirmation
2.7	April 2020	Revision to ensure compliance with IEC62474 D19.00 / Revision to "4. Requests to Suppliers"
2.8	April 2021	Revision to include [3-4 Requirements for Packaging Materials] and [3-5 Requirements for Batteries] in the "Kaga Electronics Management Standards for Chemical Substances in Products -Version 2.8"
2.9	April 2022	Revision to ensure compliance with IEC62474 D24.00
3.0	April 2023	Revision to ensure compliance with IEC62474 D26.00
3.1	April 2024	Revision to ensure compliance with IEC62474 D28.00/ Minor revisions
4.0	May 2025	Revision to ensure compliance with IEC62474 D30.00/ Changes to the environmental policy / Addition of 「4-10 Environmentally friendly initiatives」 / Minor revisions

Date / /

To OO

Green Procurement Guideline Receipt Confirmation

Company name: _____

Department name _____

Name of Responsible Person _____

We have received the "Green Procurement Guidelines – Version____" set by your company and fully understand their contents.

Furthermore, to ensure compliance with the "Green Procurement Guidelines – Version____", we will adhere to the standards required by your company and actively cooperate with any requests related to surveys and other matters.