A&D Green Procurement Guidelines

(3rd Edition)

A&D Company, Limited

Controlled Substances Management Committee

1. Introduction

1) Purpose of this document

These guidelines are produced, based on regulations relating to chemical substances both in Japan and around the world, to clarify A&D Group's control methods for chemical substances contained in parts and materials delivered by our suppliers, as well as supplementary materials used in production processes, for the purpose of managing, reducing or eliminating substances that have adverse environmental impacts.

2) Companies within A&D Group to which these guidelines apply

The conditions prescribed within these guidelines shall apply to the following companies:

- A&D Company, Limited
- Kensei Co., LTD
- Litra Co., LTD
- Orientec Co., LTD

3) A&D Group's approach to the Restriction of Hazardous Substances Directive

A&D Group strives to ensure compliance to the stipulations of the RoHS Directive for products we manufacture and sell. Further, A&D group recognizes that there are exemptions to RoHS categories or items, and adjustments to timeframes for compliance, and that we need to respond accordingly to any revisions to this directive with A&D's existing products and new releases.
We ask for the understanding and cooperation of all of our suppliers in our efforts towards RoHS compliance.

4) Definition of terms

Interpretations of general terms used in relation to the management of chemical substances are based upon definitions of terms contained in the "Guidelines for the management of chemical substances in products" published by the Joint Article Management Promotion Consortium (JAMP)

5) Environmental policy

A&D Group acts in accordance with the following environmental policy:

A&D Environmental Policy

Fundamental Principle

A&D recognizes environmental conservation and efforts to protect our "irreplaceable Earth" as the most pressing concern shared by all humankind, and carries out all aspects of our corporate activities with consideration of the intrinsic value of the environment.

Policy

In the course of its business activities focused around development, design and manufacture of electronic weighing devices, medical devices, testing and measuring machines, etc., A&D conducts environmental management based upon the following policies.

1. A&D shall at all times remain aware of the environmental impact of our business activities and our products and services, and, while furthering our pollution prevention practices, aim for continual improvement of our environmental management systems.

2. While fully complying with all laws, regulations, and conventions relating to environmental protection, A&D shall set our own standards for environmental management.

3. Among the areas of environmental impact stemming from our business activities and products and services, particular emphasis shall be given to addressing the following themes of environmental management:

    1) Reduction of electricity consumption for our products at the development and design stage.

2) Reduction at the development and design stage of both the amount of parts and materials that are not easily recycled, and the amount of materials used per function.
3) Implementation of energy conservation practices as part of efforts to prevent global warming.
4) In order to effectively utilize limited resources, reduction of the amount of paper used, and implementation of separation of used paper for recycling.

4. In order to effectively implement these environmental policies, all staff from all sections of the business should address the measures detailed above in a unified manner, while setting agreed aims and objectives for these policies. Further, the level of achievement of these aims and objectives shall be regularly evaluated and reviewed as appropriate to set the foundations for continuous progress and improvement.

5. In order to achieve the aims and objectives of these policies, A&D Group will both familiarize all staff within the organization with its content, and also inform all subcontractors of the intent of this policy, seeking their understanding and cooperation.

This policy has been documented with the intention of public release upon request

Yasunobu Morishima
President and CEO
December 1, 2016

2. Related Documents

Please also refer to the related documents to A&D's Green Procurement Guidelines listed below:

1) Environmental Conservation Activity Evaluation Sheet
2) Guarantee of Non-use of Chemical Substances in Relation to Delivered Products
3) Consent Form for Contact upon 4M Change
4) Standards for Required Contact Relating to 4M Changes
5) List of Managed Substances
6) Attestation to Non-use Certificate

3. Evaluation/Selection

For effective management of the purchase of parts and materials with consideration to their chemical composition, in addition to assessment of quality, cost, and delivery time, the following evaluation/selection processes shall be conducted in relation to chemical substance management:

1) Evaluation of the state of business practices of suppliers in relation to the management of chemical substances.

2) Evaluation and selection of delivered goods with regards to their chemical composition

4. Prior Submission of Documents Requested to Suppliers

As a part of efforts to evaluate the business practices of suppliers in relation to the management of chemical substances, A&D Group requests that suppliers complete the required information prescribed in the following documents and submit the completed forms to the relevant purchasing manager at A&D.

1) Environmental Conservation Activity Evaluation Sheet

An assessment will be performed with regards to chemical substances, including for suppliers who have already performed their own quality evaluations, so suppliers are requested to enter details of their own assessments.

**When corrections or amendments are required based on the submitted results, the supplier will be contacted again.

2) Guarantee of Non-use of Chemical Substances in Relation to Delivered Products

This document guarantees regulatory compliance of suppliers in relation to delivered goods and the provision of chemical substances data. It should be signed by an authorized person of the supplier.

**The content of this written guarantee shall be automatically renewed each year from the date of issue, unless there is a proposed change agreed to by both parties.

3) Consent Form for Contact upon 4M Change

The supplier agrees with this form that, when a change occurs relating to the quality or chemical composition of parts or materials due to a matter arising with

the supplier (or sub-contractors to the supplier), the supplier shall contact A&D Group before any such instance occurs.

**As a necessary measure for ascertaining the cause of any related issues which arise, A&D Group has formulated a “change communication system”, in response to demands from customers and public agencies responsible for the application of relevant laws and regulations. Further, as it is a necessary condition that authorization for a change be obtained in advance from the customer when a change occurs, we ask for the understanding of the supplier on this matter.

**4M stands for “man, material, machine, and method”.

**Prior contact shall be required when any change occurs to which “Standards for Required Contact Relating to 4M Changes”, the related document of A&D Green Procurement Guidelines, is applicable. Contact should be made to the relevant purchasing manager at A&D.

5. Requests for Submission of a Guarantee of Non-use

As a measure for the management of chemical substances in delivered products, when a request for submission is made by A&D Group, we ask for a guarantee to be submitted by email or post certifying the non-use of applicable chemical substances in the delivered product.
Further, when the delivery card is marked “00” or “Rn” in the “chemical substances” column, and there is no reference number (provided by A&D Group) written in the “remarks” column for a non-use certificate, submission of a non-use certificate is compulsory.

**The “n” of “Rn” is managed by a serial number each time and RoHS controlled substance is revised.

<Document submission for currently delivered products and first orders of future new products or changed products>

1) Non-use certificate

Suppliers are asked to obtain the analytical data which will form the basis of chemical substances management for delivered products (see (3) “Archival

documents" below), confirm the contents, and submit the non-use certificate after entering the required information. Further, if suppliers wish for some reasons to use and submit the form other than the non-use certificate, they are kindly asked to inform the A&D Group purchasing manager of that wish.

2) Timeframe for submission

a) Current delivered products

Submission will be requested on a regular basis, so a prompt response is requested.

b) New products (incl. substitutions, products with changes to specifications)

Submission is requested upon first delivery

c) When A&D Group deems submission necessary due to 4M change, etc.

3) Archival documents

Analytical data such as that mentioned below which is either obtained or prepared by the supplier is requested to be properly archived by the supplier for future reference. It is also required by A&D Group to register an A&D item code or a manufacturer's part number to the analytical data. Further, while the submission of analytical data, etc., to A&D Group is unnecessary in principle, in some cases we may request the submission in response to a demand from a customer or public agency, so full cooperation is highly appreciated.

a) AIS: Article Information Sheet (for casts, molds, etc.)

b) MSDS plus (for chemical substances, pharmaceuticals)

c) chemSHERPA-AI, chemSHERPA-CI

d) When AIS, MSDS plus, chemSHERPA-AI, or chemSHERPA-CI is not used

When it is not possible to submit either an AIS, MSDS plus, chemSHERPA-AI, or chemSHERPA-CI, one of the following forms must be used:

- Presently used Suppliers Form

If a separate form is presently being used by the supplier, that form may be used.

- Discrete Analytical Data (replicable)
Data issued by the material maker, data issued by a public analytical laboratory, data measured by in-house analytical equipment, etc. However, this data is limited to that which has been issued within the last year when a non-use certificate is issued.

<Precautions relating to the submission of non-use certificates>

**When is the product is subject to an exemption of the RoHS Directive, this should be clearly stated.

**When the item code on A&D's delivery card and the manufacturer's part number differ, both should be written.

**When it is ascertained that A&D's requests are not being fully met, discussions will be held between the two parties, including a request for correction.

6. Management of Submitted Documents and Analytical Data, etc.

1) Data information relating to chemical substances contained in products received from suppliers will be registered and managed within A&D Group's databases.
2) Managed data information may be required to be submitted to meet the requests of customer or public agencies, so we ask suppliers to be aware of these needs.
3) Any other information will not be submitted to a third party or released publicly without the prior consent of the supplier.

7. Request for Identification

For inspection at the time of A&D Group's incoming inspections, and in order to avoid items becoming mixed up in storage, it is asked that suppliers display or inscribe information on delivered stock, such as "RoHS compliant" on its packaging, etc., whenever possible.

8. Designations of Chemical Substances Subject to Control by A&D Group

Please refer to the List of Managed Substances published as a related document to the A&D Green Procurement Guidelines. Further, as the List of Managed Substances pertaining to these guidelines may be updated as appropriate in response to revisions of associated regulations, we ask suppliers to check the latest

version of the list at the following URL:
http://www.aandd.co.jp/
(Material Procurement Information)

9. Indication Methods for Products from A&D Group

Indication methods for substances found within parts, materials, units and products manufactured according to the specifications of A&D Group that are subject to management of chemical substances are clarified in related documents, as in the following items.

1) Diagrams, specification documents, etc.
Inscribed with "Compliant with A&D Green Procurement Guidelines"

**If the statement above appears, this is verification that no substances from the List of Managed Substances are contained in the product (or are below the accepted threshold)

**For products inscribed with "Compliant with ADS-QC0054", this inscription can be considered to have the same meaning as "Compliant with A&D Green Procurement Guidelines", so we ask our suppliers to be aware of this fact.

2) Memorandums
When either of the following items apply, this will be indicated in a memorandum or other document. In this case, an explanation will be given by the relevant A&D manager on each instance.

a) When indication cannot be made on the diagram, etc. (including cases where specified supplementary materials are indicated by A&D)

b) When there has been a request from a customer for separate management of a chemical substance that does not appear on A&D's List of Managed Substances

10. Inquiries

For inquiries regarding these guidelines, we kindly ask you to first contact the person responsible at your company for sales to A&D Group.

11. Revision History of These Guidelines

September 20, 2010	1st Edition published
October 25, 2011	2nd Edition published
December 1, 2016	3rd Edition published Changed the name of the president and CEO. In section 5, “00” was changed to “00” or “Rn”. In section 5, a note regarding the meaning of the “n” in “Rn” was added. In item 3 of section 5, part c was added and part d was edited to include chemSHERPA-AI and chemSHERPA-CI.