

Green Procurement Guideline

(Vol.3.0)



Clarion Co., Ltd.

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To continue to enjoy our affluent society and pass it to the next generation, it is increasingly necessary to build a sustainable society in consideration of the relationship between the environment, society and economy and the situation of the present age, while paying attention to the international movement. Placing the global environment as the very crucial issue for all mankind, Clarion group is aiming at achieving environmental conservation for the better society.

It is essential to recognize the importance of purchasing function while necessary measures shall be taken against environmental problems in corporate management, in other words, appropriate measures shall be taken at the stage of purchasing materials and parts in order to reduce environmental loads through the provision of products and services. These materials and parts largely affect the reduction of environmental loads at the stage of their use including energy saving, proper disposal, recycling and other measures after use. Furthermore, they are closely linked with the control of chemical substances and measures against pollution.

Nowadays our customers request for chemical substances contained in products became more stringent and Clarion adopted JAMA/JAPIA Standard Material Datasheet from 2007. Under these circumstances, Clarion decided to use “Chemical control list by (*) Hitachi AMS” from this guideline.

In order to procure goods with less environmental loads, we will endeavor to build trade relationship by clarifying the range of responsibility based on trust, and therefore our suppliers' understanding and cooperation are really appreciated.

(*)Hitachi AMS : Hitachi Automotive systems, Ltd.

Clarion Co., Ltd.
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1. Clarion Group Environmental Policy

We, Clarion group Companies, acknowledge that preservation of the environment is one of the most important issues in the management of an enterprise. We shall act in our business activities of designing, producing and selling of products mainly of vehicle mounted information systems, promoting global “Monozukuri”(product making) aiming at less burden on the environment, and make efforts to realizing the sustainable society with following measures.

- 1) We shall evaluate environmental effects through our products and services, set up environmental objectives and targets, which shall be reviewed every year for continuous improvement for less burden on environment.
- 2) We shall promote efforts to offer more environment-friendly products and services with reduction of hazardous substances requiring less natural resources and energy consumption.
- 3) We shall promote saving energy in our activities and make efforts for mitigation global warming.
- 4) We shall take measures for less waste output and promotion of recycling and aim to bring about recycling based society.
- 5) We shall make efforts for greening by tree planting and improving appearances, at the same time to preserve the natural environment and mitigation of influence to ecology.
- 6) We shall take preventive measures against possible environmental pollution from wastewater and leakage of oil or hazardous substances from offices and factories.
- 7) We shall comply with all laws and regulations, other requirements acknowledged by the Group and other self-designated standards concerning the environmental preservation.
- 8) We shall let all employees be aware of the environmental policy and shall improve their knowledge regarding environmental preservation.
- 9) This Environmental Policy shall be made publicly known, and we shall actively promote information disclosures and other communication with outside the company.

March 11, 2008
Tatsuhiko Izumi
President

2. Clarion Group's philosophy of green procurement

2.1 Purpose of green procurement

Clarion Group hopes to help conserve the global environment and contribute to building a sustainable society by providing the society with low-impact products developed, designed, and produced by Clarion Group.

As part of this activity, green procurement aims at the procurement of products and services that impose less environmental load in view of proper use of chemical substances, energy efficiency, longer durability, resource conservation, ease of recycling, disassembling, and disposing of parts, from suppliers who are positively addressing environmental activities.

2.2 Requests to our suppliers

In order to promote green procurement, Clarion Group is requesting suppliers' cooperation with the following:

- Suppliers are requested to positively address environmental activities.
- Suppliers are requested to reduce the environmental load of products to be delivered to Clarion Group.

The details are shown below.

(1) Items related to environmental activities of suppliers

- (i) Suppliers are requested to make an action plan for Environmental Management System (EMS), and to implement and manage that plan.
- (ii) In the case that Clarion Group conducts an audit for green procurement, suppliers are requested to endeavor to fulfill the items specified in 4.2(1)(c) Items related to environmental protection activities (19 items).
- (iii) Suppliers are requested to construct a system that properly controls chemical substances included in their products.
- (iv) We reckon that obtaining international environmental certifications, such as ISO14001 and EMAS, and Japanese environmental certifications, such as Eco Action 21, is an effective measure to manage EMS efficiently. Therefore we recommend that our suppliers obtain and maintain these environmental certifications.

(2) Items related to environmental load reduction of products to be delivered

For environmental load reduction of products to be delivered, suppliers are requested to make efforts in accordance with 4.2(2)(a) Environmental load reduction of products to be delivered (10 items).

EMS: Environmental Management System; Promoting business while

systematically considering environmental protection

ISO14001: Composed of ISO registration bodies (International Organization for Standardization); internationally recognized environmental certification system

EMAS: Eco-Management Audit Scheme; Environment management system of the EC (at that time) enforced in April 1995.

Eco-Action 21: Environmental certification system for small to medium enterprises, promoted by the Institute for Global Environment

3. Regulating chemical substances included in suppliers' products

3.1 Chemical substances regulated by Clarion Group

Clarion adopted "Chemical substance list by Hitachi AMS" as Clarion chemical substance guideline. List provides for the level of the individual substances is placed on the WEB. All your supplied material/parts should comply with this list.

Please regard "Chemical substance list by Hitachi AMS" as "Clarion chemical substance guide line" on our drawing.

This list can be downloaded from following URL.

(Please inquire "User Name" and "Password" to log in from our Procurement Section.)

<ftp://ct-tech.tech.clarion.co.jp>

3.2 Chemical substances information included in suppliers' products

Please report all chemical substances contained in the material/parts with JAMA/JAPIA Standard Material Datasheet.

4. Request to our suppliers for their cooperation of green procurement

With the support of our suppliers, Clarion Group will reinforce its endeavors to provide environmentally conscious products. Our suppliers(in an upstream supply chain) are encouraged to cooperate with us in regards to promote this activities.

4.1 Promotion of environmental philosophy

It is to be conducted for each of the following categories:

- (i) The supplier's environmental activities
- (ii) Environmental load reduction of the procured products

4.2 Contents of environmental activities

(1) Environmental activities of suppliers

The following items will be made for each supplier.

(a) Items related to environmental certification

- Acquisition of ISO 14001 certification or other external Environment certifications

(b) Items related to endeavors for "Green Procurement"

- Planning green procurement

(c) Items related to environmental activities (19 items)

- Corporate philosophy and policy

- 1) Have a corporate policy regarding environmental protection
- 2) Have set up an environmental policy and committed continuous improvement and pollution prevention efforts.
- 3) The company's environmental policy commits to observe legal restrictions.
- 4) Company environmental policy is known to all employees and available to any third party.

- Plan and organization

- 5) Have a goal/target for environmental protection.
- 6) Assign specific organizations/persons to carry out relevant responsibilities toward the goal/target.
- 7) Have an implementation plan to achieve the goal/target.

- Environment assessment/system

Control and assess the following items in the manufacturing process in an effort for improvement:

- 8) Reduce water pollution.
- 9) Reduce air pollution.
- 10) Reduce noise and vibration.
- 11) Treat waste properly and reduce the amount of waste disposal.
- 12) Reduce energy consumption (electricity, gas, fuel, etc.)
- 13) Reduce the use and discharge of hazardous chemical substances.
- 14) Have a product assessment program.
- 15) Have a systematic plan for emergency.
- 16) Have any internal environment audit program.

- Provision of education, training, and information

- 17) Implement an environmental education program.
- 18) Implement training for personnel engaged in work that may significantly affect the environment. Have a list of such personnel.
- 19) Provide information related to environmental protection.

(d) Manufacturing process information

- Reduction of ozone layer depleting substances in the manufacturing process

(2) Environmental load reduction of the procured products

(a) Environmental load reduction of products to be delivered (10 items)

With regard to the products Clarion Group procures from suppliers, suppliers are requested to make efforts in accordance to the items below. Suppliers are also requested to make the same considerations for the raw materials and parts that they procure themselves.

- Resource saving

- 1) Make an effort to reduce weight and size.
- 2) Use recycled parts or resources (Recycled material content rate).
- 3) Product durability improvement is considered.

- Energy saving

- 4) Energy saving during use/stand-by time is considered (Reduction rate of energy).

- Recycling

- 5) Collect and recycle products (Recycling rate).
- 6) Uniform and standardize materials.
- 7) Consider ease of disassembling and sorting.

- Packing materials

- 8) The supplier is reducing packing materials and giving consideration to collecting, reusing, and recycling.

- Provision of information

- 9) The supplier is providing environmental information related to products.

- Chemical substances

- 10) The supplier is endeavoring to properly use chemical substances.

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