

April 2019

To all our suppliers

Re: Revision of the Green Procurement Guidelines

As we have informed you, the 8th version of our Green Procurement Guidelines will come into effect as of April 1, 2019, replacing the previous “Green Procurement Guidelines” Ver. 7. The reasons behind the revision included the revision of the statutory regulatory measures concerning the chemical substances in the products, as well as additions and/or changes to the threshold range in the list of the substances our customers have requested us to avoid or control.

Please review the outline of the revisions in the following section.

1. Revisions

1) Green Procurement Guideline

The following content will be added and modified in the text of the Green Procurement Guideline.

1)-1 With respect to procurement items associated with production activities (*1), if there is a risk that these procurement items directly contact with our products and transferred their chemical components to our products, provision of information on the chemical substances contained may be requested to confirm that prohibited substances are not used.

*1: “Procurement items associated with production activities” comprises machinery, tools and jigs as well as indirect materials such as coatings, cleaners or other chemicals. Since Phthalate esters, which will be added as prohibited substances in the European RoHS Directive in July 2019, have a risk of transferring the components, management of these indirect materials shall be reinforced.

1)-2 Regarding the evaluation criteria for suppliers (*2), the decision criteria (total appraisal score) will be modified as follows, and a new decision method based on Essential items (*3) has been added.

Rank	Total appraisal score (current version)	Total appraisal score (after modification)	Decision criteria
S	Attained ISO 9001 and ISO 14001 certification and an overall score of at least 90%	Attained ISO 9001 and ISO 14001 certification and Essential items are all conforming and an overall score of at least 85%	Pass (priority supplier)
A	An overall score of at least 90%	Attained one of ISO 9001 and ISO 14001 certification, or neither of them and Essential items are all conforming and	

		an overall score of at least 85%	
B	At least 70% but below 90%	Essential items are all conforming and an overall score of at least 60% but below 85%	Need to take corrective action (may stop dealing with such suppliers if corrective action is not done)
C	Below 70% and if an audit sheet is not submitted	Below 60% or any of the Essential items is non-conforming or if an audit sheet is not submitted	

*2: JDI Group conducts appraisals of the status of the establishment of a management system of chemical substances contained in products and of environmental conservation activities undertaken by its suppliers, using the “JDI environment-audit-sheet,” which is based on the Guidelines for the management of chemicals in products “Check Sheet” provided by the Joint Article Management Promotion-consortium (JAMP); however, evaluation criteria shall be reviewed due to the revision of the Check Sheet provided by JAMP in March 2018.

*3: Essential items refer to particularly important items, in terms of chemical substances contained in products, among all evaluation items in the “JDI environment-audit-sheet.” If any of the Essential items is “non-conforming,” it shall be subject to corrective actions. Essential items are designated by JDI from the “JDI environment-audit-sheet.”

1)-3 Following description will be added regarding the packaging materials for delivery of procurement items (*4); there is a possibility that submission of environment information such as an analysis report and SDS (MSDS) may be required. In this case, if we request them individually.

*4: Packaging materials for delivery of procurement items refer to all packaging materials used by our suppliers to deliver procurement items to JDI.

1)-4 With respect to materials to be analyzed for an analysis report, description will be added regarding the content of request that, if requested by our customers, procurement items in a liquid state (examples shown below) should be analyzed in the state after product molding (after drying). (e.g. flux, adhesive, coating agent, paste agent, ink, paint, resist, etc.)

1)-5 Following description will be added regarding the content of request that when making an agreement with JDI for delivery specification concerning “procurement items such as materials related to products,” the statement of “the JDI Green Procurement Guideline shall be strictly observed” shall be stipulated in the specification in principle.

2) Standard of prohibited and controlled substances in product for JDI

Several prohibited and controlled substances will be added to “Table 1: Standard of prohibited and controlled substances in product for JDI” annexed to the Green Procurement Guideline. Some of the threshold values for the substances listed in Table 1 will also be modified. Please refer to the attached files for details of the content modified.

3) Certification of non-use of environment-related substances

The format of the “Certification of non-use of environment-related substances” form, annexed to the

Green Procurement Guidelines, has been revised.

***Acceptability of the old format**

For cases in which the request for investigation has been made to our jDesc on or before March 31 documents in the old format will be acceptable provided the response is registered by the end of April. Otherwise, please register the response using the new format.

4) JDI environment-audit-sheet

The format of the “JDI environment-audit-sheet,” annexed to the Green Procurement Guidelines, will be revised.

Depending on the preparatory situation of the audit, an old version of the “JDI environment-audit-sheet” may be used for evaluation. In such cases, decisions are made based on the evaluation criteria of the said version of the “JDI environment-audit-sheet” (Regarding the use of an old version, it is also described in the text of the Green Procurement Guidelines.)

2. Green Procurement Guidelines renewal survey

We plan to carry out a survey of the suppliers registered with jDesc to determine their progress regarding the revised “Green Procurement Guidelines” i.e. acquiring the documentation and updating it accordingly. We plan to start the survey after April.

We plan to request that survey respondents use the system of “jDesc Survey Site.” When the e-mail request to the survey respondents arrives from the system, please respond following the instructions as to how to respond and how to operate it that are provided in the email from the system.

3. Website update

The respective texts for the revisions are scheduled to be available online on our website from **April, 2019**.

Japanese: <http://www.j-display.com/company/procurement/supply.html>

English: <http://www.j-display.com/english/company/procurement/supply.html>

4. Contact address for questions related to the revision

Development Management Section, R&D Promotion Dpt., R&D Div. in JDI

E-mail address to inquire: green.proc.zz@j-display.com

Sincerely yours,

Japan Display Inc.

Procurement Div.

R&D Promotion Dpt., R&D Div.