

AMADA Group

Green Procurement Guideline



Ver.4. 2

2023.01.26



Introduction

In April 2010, AMADA Group announced the “AMADA Group Environmental Declaration”. It is a pledge for AMADA businesses to strive to connect with the customers, society, then to the world, through the concept: *Linkage through Eco-conscious Manufacturing*. Under this declaration, AMADA Group is currently putting effort into the preservation of the global environment in each business field regarding the products, including but not limited to its: planning, development, procurement, production, commercialization, services, disposal and recycling.

Further on, to progress environmentally friendly manufacturing (*monozukuri*) to its full extent, AMADA Group believes that it is absolutely essential to procure materials with a lower environmental load (hereafter green procurement) from suppliers that are actively working on environmental protection. As a policy regarding the procurement of materials required for products, the Green Procurement Guideline was established, and are actively promoting this.

Green procurement can be a challenge without the understanding and cooperation of suppliers, therefore it is very important to promote this idea altogether. AMADA Group asks for all suppliers to kindly agree with its efforts to preserve the global environment, and for their further support and cooperation. Thank you.

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1. AMADA Group's Environmental Principles

AMADA Group thinks that preservation of the earth, a small planet in macrocosmos, for the next generation is the biggest theme for human beings. Based on this idea, AMADA Group positions environmental preservation as one of its important management issues, and is committed to contributing to a prosperous future for people around the world through eco-friendly manufacturing(*monozukuri*), in order to pass down this beautiful earth to our descendants.

◇AMADA Group's environmental policies

1. Provision of products and services for preservation of the environment
Evaluate environmental load throughout the product life cycle, provide energy-saving and resource-saving products and services which are free of hazardous substances, and contribute to environmental preservation and the economy.
2. Reduction of environmental load in business activities
In every process of business activities, thoroughly pursue reduction of environmental load by promoting energy efficiency improvements, energy saving, resource saving and recycling. Also, aggressively promote green procurement and try to eliminate the use of hazardous substances.
3. Biodiversity activities
Grasp effects of business activities on the natural environment and contribute to building a biodiversity-nurturing society in concert with stakeholders.
4. Compliance with environment-related laws
Comply with environment-related laws and other agreements concluded with stakeholders.
5. Continuous improvement of the environmental management system
Build an environment management system and make continuous improvement of it. Grasp the effects of business activities, products and services on the environment. Set environmental goals and targets and reduce environmental load as well as prevent contamination.
6. Enhancement of education about environment
Provide education aimed at environment preservation to improve employees' sense of responsibility as a member of the company and also boost awareness of environment preservation.

2. The idea of Green Procurement

2.1 The aim of Green Procurement

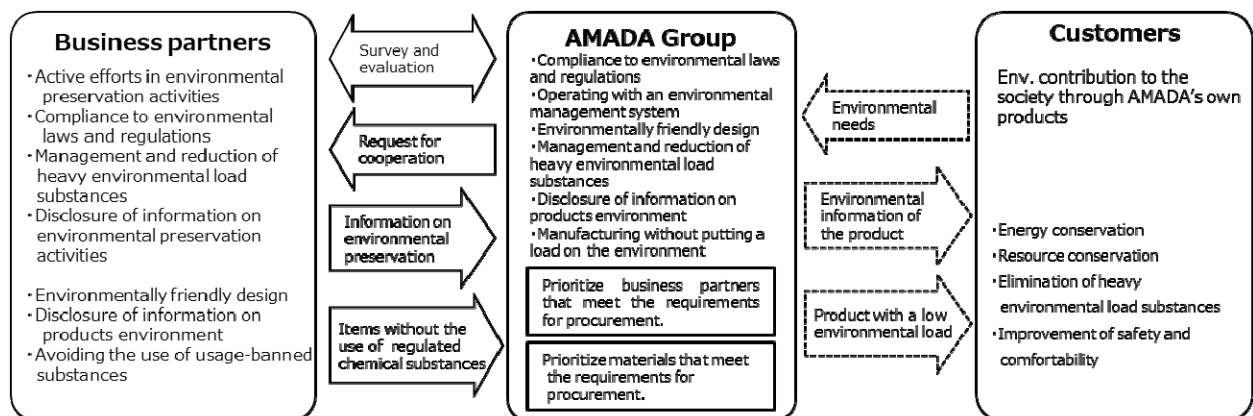
AMADA Group is promoting green procurement to stimulate *environmentally friendly manufacturing*, which is aimed to *pass down this beautiful earth to our descendants*.

Promoting green procurement, AMADA Group will prioritize business with suppliers active in environmental preservation activities, taking steps toward a resource circulating society.

2.2 Green Procurement Efforts

AMADA Group will implement the following efforts to promote green procurement.

- (1) Prioritize business with suppliers active in environmental preservation activities.
 - ① Survey and evaluate each environmental preservation activity.
 - ② Request for cooperation / prioritized business based on the evaluation.
- (2) Procure lower environmental load materials (items without regulated chemicals).
 - ① Survey and evaluate the environmental load of materials to be procured.
 - ② Select / prioritize materials based on the evaluation.
- (3) Comply with environmental laws and regulations.



AMADA Group Green Procurement

- * AMADA Group, as part of an environmentally friendly design, implements a product assessment during the development of new products, and makes them available with a low environmental load. Avoiding the use of every regulated chemical substance could be a challenge, whether they are restricted by regulations overseas, such as the RoHS directive, or domestic laws. Taking into consideration the need to prevent the attachment of regulated chemicals on our customers' processed items, as well as the disposal of consumables, etc., the products of AMADA Group developed after August 2007 have sequentially undergone product assessment with the measures below:
- ① not using regulated chemicals where AMADA Group products may come into contact with the customers' product;
 - ② not using regulated chemicals in parts included in the regular maintenance and inspection list (items subject to the regular maintenance and inspection list in the instruction manuals); and
 - ③ not using regulated chemicals in consumable parts (items subject to consumable parts in the instruction manuals).

AMADA Group prioritizes procurements from suppliers that are actively participating in environmental preservation activities, such as ISO14001 certified companies, as well as the procurement of materials without regulated chemicals. From suppliers, AMADA Group asks for their cooperation by participating in environmental preservation activities, while complying with laws and regulations, avoiding the use of regulated chemical substances, etc. to fulfil this guideline.

2.3 Scope

The scope of this guideline are as follows.

(1) AMADA Group procurements

*The procurements apply to every item consisting in the products that are commercialized or delivered by AMADA Group, including the materials, sub-materials, parts and consumables that are required for manufacturing, as well as their maintenance parts, packing materials, etc. (Includes procurements that will not directly contact the human body which are integrated inside the mechanisms such as modules, units and/or ASSY items, etc., and also other procured items such as oil and grease).

(2) Products that are commercialized and / or delivered with the AMADA Group trademark but are designed / manufactured by a third-party contracted with AMADA Group. (Including commercialized products that are integrated with a product(s) from other company(ies)).

(3) Suppliers that supply AMADA Group with item(s) that fall under the scope written above.

2.4 Evaluation and Selection Criteria

There are two separate criteria for suppliers and procurements regarding its evaluation and selection.

(1) Evaluation / selection criteria for suppliers

In addition to quality (Q), cost (C), delivery term (D) and services (S), the evaluation scope includes environmental preservation activities (E) as well as the management of chemical content.

① Method of evaluation

For environmental preservation activities, the evaluation of suppliers will be made using the **【Form No.1】 A Survey for “Green Procurement” Partners**.

Trading companies and agencies are also subject to this evaluation. Business partners of AMADA Group linked through trading companies or agencies are also subject to this evaluation.

② Selection criteria

The total score of evaluated items in **【Form No.1】 A Survey for “Green Procurement” Partners** will be given a rank. AMADA Group will prioritize procurements from suppliers that are ranked S, A or B on quality (Q), cost (C), delivery term (D), services (S), environmental preservation activity (E) and the management of chemical content.

(2) Evaluation / selection criteria for procurements

In addition to quality (Q), cost (C), delivery term (D) and services (S), the evaluation scope for procurements include the content status of regulated chemical substances, determined by AMADA Group.

① Method of evaluation

For procurements, evaluation will be made through *chemSHERPA-CI*, *chemSHERPA-AI*, non-usage verification form, etc.

※AMADA Group may specify the chemical content(s) as a base of a survey.

② Selection criteria

Evaluating the content of chemical substances based on the answers from *chemSHERPA-CI*, *chemSHERPA-AI*, non-usage verification form, etc., AMADA Group will prioritize procuring products that does not contain regulated chemical substances, determined by AMADA Group. Products that contain regulated chemicals will be exchanged in a timely manner.

3.How to Obtain the Guideline, Survey, etc.

The documents listed below (PDF and EXCEL) can be obtained from the AMADA Group website.

- ① AMADA Group *Green Procurement Guideline*
- ② **【Form No.1】** *A Survey for “Green Procurement” Partners*
- ③ *Attachment: A list of Regulated Chemicals*

AMADA website address

https://www.amada.co.jp/ja/sustainability/eco_products/planning/

- ④ *chemSHERPA* format link

<https://chemsherpa.net/tool>

※Please refer to the manual to obtain this document.

4.Request for Cooperation from Suppliers

AMADA Group is currently strengthening its effort to provide the customers with environmentally friendly products, by utilizing data regarding: the suppliers’ status on environmental preservation activities, as well as the reduced environmental load of procurements.

From suppliers, AMADA Group asks for the continuance of their environmental preservation activities to achieve a resource circulating society, and for their cooperation in the “survey on the environmental preservation, regarding environmental preservation activities and procurements” and “AMADA Group’s green procurement”.

4.1 Survey on the Environmental Preservation, regarding Environmental Preservation Activities and Procurements

4.1.1 Scope of the Survey

- (1) On the efforts of suppliers regarding environmental preservation activities:
Refer to 2.2 *Green Procurement Efforts*.
- (2) On reducing the environmental load of procurements:
Procurements or products that apply to 2.3 *Scope* (1) to (3).
- (3) Target of the survey and document(s) that are to be submitted are listed below:

	<i>【Form No.1】 A Survey for “Green Procurement” Partners</i>	<i>chemSHERPA-CI, chemSHERPA-AI or Non-usage Verification Form</i>
Manufacturer	To be submitted	To be submitted
Trading Company/ Agency	To be submitted	To be submitted
Contracted Manufacturer	To be submitted	To be submitted

*Manufacturer: Suppliers that supply their own product(s) (standard commercial goods or specific commercial goods produced under AMADA Group instruction).

*Trading company / agency: AMADA Group asks trading companies or agencies to survey and report on procurements from manufacturers or other partnering companies.

*Contract manufacturers: Suppliers that mainly supply products under AMADA Group’s instruction with drawings, etc.

*For AMADA Group contracted manufactured items, suppliers are asked to survey and report on procurements from manufacturers or other partnering companies, if they are independently procuring items from those partners or manufacturers.

4.1.2 Content of the Survey

- (1) On the efforts of the suppliers' environmental preservation activities:
 - items listed on *【Form No.1】 A Survey for "Green Procurement" Partners*
- (2) On items regarding regulated chemical content in the procurements:
 - items listed on *chemSHERPA-CI*, *chemSHERPA-AI* or the non-usage verification form.

4.1.3 Method of the Survey and how to Answer

- (1) An AMADA Group personnel will request the suppliers to answer the survey.
- (2) Suppliers are asked to send the answers to the AMADA personnel in charge, principally by e-mail. If the use of e-mail is not available, please send them by post or FAX.
- (3) If the content from previous answers are to change, please contact AMADA Group.

4.1.4 Handling of the Survey

The submitted survey will be an internal document of AMADA Group, and will not be publicized to an external entity. However, environment related data of procurements (name of the chemical content, its quantity, etc.) will be used in a report for AMADA Group clients.

4.1.5 Timing of the Survey

The surveys will take place mainly when the disclosure of product information is demanded from a stakeholder(s), when laws and regulations are revised, etc. When this occurs, the procurement personnel from AMADA Group will send a request for suppliers to answer the surveys, and its reply must be made by the deadline. Also, if a supplier revises their own rules and change a part to a new piece, he/she shall immediately contact the procurement personnel at AMADA Group.

4.1.6 How to fill out the Form

Please select the applicable survey from *【From No.1】 A Survey for "Green Procurement" Partners*, *chemSHERPA-CI*, *chemSHERPA-AI* or non-usage verification form and fill them out referring to their examples.

4.1.7 Contact

For questions regarding this topic, please contact the department below or the sector that requested for the survey.

AMADA Co., LTD. Environment Promotion Department

Phone: +81-463-96-3275

Fax: +81-463-96-3487

E-mail: env_csr@amada.co.jp

4.1.8 Instructions for Filling out the Survey on Chemical Content

Please follow the instructions below when filling out *chemSHERPA-CI*, *chemSHERPA-AI* or the non-usage verification form.

(1) Scope of content:

Principally, any chemical substance that is intentionally added or clearly included for special purpose(s) must be described within the product *content*, regardless of its quantity. Please mention if they were added intentionally or not, and if its content is within or will exceed the threshold in its applicable law(s).

(2) Handling of foreign matters:

If any chemical substance is in its content without being intentionally added or included for special purpose(s), but as a foreign matter, please indicate this as a *foreign matter* in the *Chemical Usage* column.

* Foreign matter is a substance that is either a content within natural materials that cannot be completely removed during the refining process, or what is produced as a reaction that cannot be removed technologically.

(3) Filling out the use of chemical substance(s):

Please fill out the primary purpose for the use of the chemical content of interest. e.g.) chromate treatment, anti-rusting, soldering, painting, plasticizing, foreign matter, additives, etc.

(4) Terms to mention in the *Notes* column:

If there are any important points regarding the use of the product, please mention them in the *Notes* column.

(5) To submit with *chemSHERPA*:

If you would like to submit with chemSHERPA, please fill out the form referring to the *Management Guideline*.

JAMP website

<https://chemsherpa.net/docs/guidelines>

4.2 Request to Avoid the use of Regulated Chemical Substances

Following 5. *Policies on Chemical Substance Management Ranks*, please avoid the use of regulated chemical substances.

If there is a technological barrier to prevent its use, please mention the reason(s) for this in the non-usage verification form.

When replacing items with regulated chemical substances to what is not, please maintain the product to its original quality.

5. Policies on Chemical Substance Management Ranks

5.1 Purpose

The objective of these policies is to maintain or improve the environmental quality of our products; by identifying heavy environmental load usage-banned substances within the content of procurement items (in the products sold or delivered to Amada group customers), and by having this strictly acknowledged within AMADA Group and its suppliers.

5.2 Scope

Equivalent to Section 2.3 "Scope" (1) to (3).

5.3 Definition of Terms

This guideline defines the terms below as follows.

(1) Usage-banned substances:

Substances that are prohibited from being used under current domestic or overseas laws, regulations, etc.

(2) Usage-limited substances:

The usage-limited substances are chemicals that are listed in the REACH Regulation: Substances of Very High Concern (SVHC).

·Chemicals listed on both (1) and (2) could be revised, added, etc. when domestic or overseas laws, regulations, etc. are revised.

(3) Heavy environmental load substances within the content of procurements, etc.

·Indicates substances that were used intentionally on a product (parts, pieces, etc.) and/or substances that remained or were attached to the final product or its parts, pieces, etc. after being used in its manufacturing process.

·Substances that do not remain on the product even if they were used in the manufacturing process are out of scope. Thus, substances included in solvents, cleaning agents, coating solutions, etc., that are used in the manufacturing process, or substances included within the processing machine(s), etc. are not concerned if they are not to remain on the final product.

5.4 Operating with Usage-Banned or Limited Substances

(1) Responding to laws and regulations

AMADA Group has selected banned substances based on major domestic and overseas laws, regulations, etc. However, it does not cover every law and regulation, etc. Please comply with each law, regulation, etc. at the time of procurement. The primary laws and regulations that have been referred to determine the criteria for selection are as follows:

- Chemical Substances Control Law (CSCL)
- Industrial Safety and Health Act
- Poisonous and Deleterious Substances Control Act
- Ozone Layer Protection Act
- RoHS 2 Directive (10 restricted substances)
- Clean Air Act of 1963 (USA)
- Montreal Protocol
- Stockholm Convention on Persistent Organic Pollutants (POPs)
- IEC62474
- REACH Regulation: Substances of Very High Concern (SVHC)
- REACH Regulation Annex XVII
(Previously 76/769/EEC: [...] restrictions on the marketing and use of certain dangerous substances and preparations)
- TSCA (Toxic Substances Control Act)
- WFD (Waste framework Directive) (Substances to be registered for inclusion are the same as in the REACH regulation)

(2) Operating with usage-banned substances

- Please comply with regulations for substances if they are designated with value restrictions (thresholds).

Nonetheless, the use of parts that fall under Category 9 of RoHS directive within the RoHS 2 directive (10 restricted substances) will be permitted until July 2021, following its regulations.

- AMADA Group asks for all suppliers to submit *chemSHERPA-CI*, *chemSHERPA-AI* or the non-usage verification form for the usage status survey.

(3) Operating with usage-limited substances

- The chemicals listed on REACH Regulation Substances of Very High Concern (SVHC) will be determined as usage-limited substances.

The submission of *chemSHERPA* is generally required for usage-limited substances, however, if there may be any difficulties in its submission, including the submission of the non-usage verification form, AMADA Group will discuss each case to make a final decision.

(4) Revision of chemicals listed in the *Attachment: List of Regulated Chemical Substances*

Chemical substances listed in the *Attachment: List of Regulated Chemical Substances* could be added, etc. when domestic or overseas laws, regulations, etc. are revised.

5.5 Handling of Oils and Greases (Mixture)

The submission of SDS will be mandatory for oils that are distributed domestically. For overseas, the submission of SDS that can be supported at the destination is required.

6. Supplementary Provision

This guideline is due to be revised when necessary, according to changes in the society, laws and regulations, etc.

Revision History

Version	Date of Establishment / Revision	Content(s) of the Revision
Ver.1.0	Apr. 1 st , 2004	First version issued
Ver.1.1	Nov. 10 th , 2004	【Form No.2】 separated to 【Form No.2】 (1) and (2) Addition of 【Form No.3】
Ver.1.2	Jan. 19 th , 2005	Value restrictions added in 5.4 <i>Operating with Usage-ban Level I and II</i> (refer to <i>A List of Restricted Substances</i>)
Ver.1.3	Jul. 14 th , 2006	<ul style="list-style-type: none"> Stamp column added in 【Form No.2】 (2) and 【Form No.3】 Changed the aimed deadline for the total abolition of Usage-ban Level II items
Ver.2.0	Aug. 1 st , 2007	<ul style="list-style-type: none"> Format change in 【Form No.2】 (2) due to the change in content of the product assessment Changed the names of chemical groups and chemicals in the <i>Attachment (1) A list of Regulated Chemicals</i> and <i>Attachment (2) Details of Regulated Chemicals</i>
Ver.2.1	Oct. 1 st , 2009	<ul style="list-style-type: none"> Added chemical groups and chemicals (PFOS) on <i>Attachment (1) A list of Regulated Chemicals</i> and <i>Attachment (2) Details of Regulated Chemicals</i>
Ver.3.0	Oct. 31 st , 2011	<ul style="list-style-type: none"> Changed the AMADA Group environmental policy Added the response to REACH regulation
Ver.3.1	Apr. 1 st , 2012	<ul style="list-style-type: none"> Changed the symbol mark on the cover page Deleted 【Form No.2】 (1) Integrated 【Form No.2】 (2) and 【Form No.3】 , and changed its name to 【Form No.2】 (2) a Added the website link and the e-mail address
Ver.4.0	Apr. 1 st , 2020	<ul style="list-style-type: none"> 2.4 Evaluation / Selection Criteria <ol style="list-style-type: none"> Evaluation / selection criteria of suppliers <ol style="list-style-type: none"> Selection criteria Added the response to chemical content Evaluation / selection criteria of procurements Added ① Evaluation method and ② selection criteria; <i>chemSHERPA-CI</i> and <i>chemSHERPA-AI</i> 3. How to Obtain the Guideline, Survey, etc. Added the address link to <i>chemSHERPA</i> 4.1.1 Scope of the Survey Changed trading companies and agencies

		<p>to <i>To be submitted</i></p> <p>4.1.8 Instructions for Filling out the Survey on Chemical Content</p> <p>Added <i>chemSHERPA</i></p> <ul style="list-style-type: none"> • Section 3. Changed the website address • Section 4. Changed the point of contact • Section 5. Policies on Chemical Substance Management Ranks <p>5.3 Changed the definition of terms:</p> <ul style="list-style-type: none"> • Removed <i>Usage-Ban Level I and II</i>, replaced with usage-banned and limited substance levels <p>5.4 Operating with Usage-Banned or Limited Substances</p> <ul style="list-style-type: none"> • Deleted two German regulations and added <i>IEC62474</i> and <i>REACH SVHC, Annex X VII</i> • <i>76/769/EEC</i> includes <i>Annex X VIII</i> • Added contents regarding operations with usage-banned and limited substances <p>Added 5.5 Handling of Oils and Greases (Mixture)</p>
Ver.4.1	Oct. 1 st , 2020	<p>3.How to Obtain the Guideline, Survey, etc.</p> <ul style="list-style-type: none"> • Change in the AMADA website address <p>4.1.7 Contact</p> <ul style="list-style-type: none"> • Change in the inquiry <p>5.4 Operating with Usage-Banned or Limited Substances</p> <p>(1) Responding to laws and regulations</p> <ul style="list-style-type: none"> • TSCA(Toxic Substances Control Act) • WFD(Waste framework Directive) <p style="text-align: right;">Addition</p>
Ver.4.2	JAN. 26 th , 2023	<p>4.1.7 Contact</p> <ul style="list-style-type: none"> • Change of Inquiry Department Signature <p>5.4 Operating with Usage-Banned or Limited Substances</p> <p>(1) Responding to laws and regulations</p> <ul style="list-style-type: none"> • Addition of comments on WFD substances <p>(2) Operating with usage-banned substances</p> <ul style="list-style-type: none"> • Deleted category 9.