



# Green Procurement Guidelines

## Version 4

Revised in August 2023  
CKD Corporation

## **Introduction**

As global environmental problems such as unusual weather due to global warming, ocean pollution, and deforestation become more serious every year, the world is making great strides toward achieving carbon neutrality.

Our company is working on developing and promoting sales of environment-friendly products that utilize automation and fluid control technologies while making use of those irreplaceable natural resources. In terms of purchasing activities, we conduct green procurement activities that take the environment into consideration starting from the procurement stage, but “activities carried out working with suppliers as one” are an essential element in promoting global environmental conservation activities.

We ask our suppliers to understand our company’s approach to environmental activities and its initiatives and to actively promote these activities.

## **Table of Contents**

1. Purpose
2. Scope of Application
3. Green Procurement
4. Standards for Environmentally Sensitive Substances
5. Management of Environmentally Sensitive Substances by Suppliers
6. Submission of Data on the Environmentally Sensitive Substances Contained, Certificates of Non-inclusion of Prohibited Substances, and SDSs

## 1. Purpose

In order to promote green procurement throughout the supply chain, contribute to the realization of a sustainable society by preventing global warming and protecting water resources, and to ensure the management of environmentally hazardous chemicals, CKD will clarify the matters that it requests from suppliers.

The points concerning chemical substance management that we request our suppliers to comply with are as follows.

- Identify the included chemical substances and do not deliver prohibited substances.
- Do not change the chemical substances contained (ingredients) without permission (notification).
- For this reason, carry out data management and process control of the chemical substances contained in products, including secondary suppliers.

## 2. Scope of Application

- a) This applies to the suppliers of raw materials, parts, secondary materials and products purchased by CKD and incorporated into CKD products.
- b) The target products are CKD brand equipment products, OEM products, products whose handling is determined by the Automatic Machinery Business Division, and chemical substances used in suppliers' processes.

## 3. Green Procurement

In accordance with our company's standards, we will give priority to suppliers who are actively promoting environmental conservation.

- a) Establishment of an environmental management system  
We recommend that you obtain ISO 14001 certification or establish any of the following environmental management system based thereon, and perform maintenance and improvement in accordance with the system.
  - Eco Action 21 (EA 21) certification and registration system  
A unique Japanese environmental management system (EMS) developed by the Ministry of the Environment.  
The system is designed to enable a wide range of businesses, including small and medium-sized businesses, to engage in environmental activities effectively, efficiently and continuously.
  - Eco Stage  
This is one of the domestic standards for environmental management systems (EMS) that can be easily introduced by SMEs. It is highly consistent with ISO 14001 and is an effective system for further strengthening management.  
CKD recommend that you obtain Level 2 or higher certification.
  - KES (Kyoto Environmental Management System Standard)  
This is a "simple" and "low-cost" environmental management system that was developed for the purpose of "participation in environmental improvement activities" by all businesses including SMEs.  
CKD recommend that you obtain Step 2 certification.

- b) **Prevention of environmental pollution**  
 Monitor laws and regulations to ensure that prohibited substances regulated by them are not included in raw materials, parts, and products used not only by suppliers but also by secondary suppliers.  
 Our company specifies the prohibited substances that must be guaranteed not to be contained. Please cooperate to prevent the prohibited substances from contaminating other elements.  
 We also ask suppliers to actively cooperate and provide us with information on the chemical substances contained in the products and information on environmental management activities during production. We will preferentially procure raw materials, parts and products with high levels of green procurement in accordance with our company's standards.  
 For plant effluents, we also ask for controlling water pollutants thoroughly to prevent water pollution.
- c) **Energy saving and prevention of global warming**  
 In consideration of reducing energy consumption during manufacturing and transportation, we ask for manufacturing and providing raw materials, parts, and products with low CO2 emissions, including direct and indirect emissions.
- d) **Resource saving and recycling**  
 Also take into consideration a reusable structure and the weight reduction and miniaturization of parts. In addition, use materials that are as easy to recycle as possible for the packing materials, parts, and products to be delivered.  
 In order to protect water resources, we ask for reducing water usage by monitoring the water intake and discharge amounts, saving water and utilizing recycled water.
- e) **Waste Management and Reduction**  
 Appropriately dispose of waste generated as part of the production process and promote recycling and the reduction of waste. At the same time, please consider improving the yield.

#### 4. Standards for Environmentally Sensitive Substances

In response to international regulations on chemical substances, CKD has designated the references for prohibited substances, controlled substances, control standards and control methods.

No.	Standard Name	Standard Number	Overview
1	Control Standards for Environmentally Sensitive Substances	CTS C10001	Environmentally sensitive substances are classified into prohibited substances and controlled substances, and their judgment values (thresholds) are determined.
2	Threshold values and analytical control values for the 10 specified substances in the RoHS Directive	CTS D10010	The threshold values and analytical control values for the 10 specified substances in the RoHS Directive are specified.

3	Guidelines for the management of chemical substances in products (Appendix)	JAMP	The requirements for the common management of chemical substances in products through the supply chain are specified.
---	---	------	---

## 5. Management of Environmentally Sensitive Substances by Suppliers

### 5.1 Management of environmentally sensitive substances

CKD's requirements for the management of environmentally sensitive substances by suppliers are outlined below.

- a) Establish a system for managing and guaranteeing environmentally sensitive substances and clarify the management system and responsible authority.
- b) Create documents of standards for the prohibited substances and methods of controlling environmentally sensitive substances and distribute them to the parties concerned.
- c) Based on the specified standards for environmentally sensitive substances, instruct the reader to use only verified conforming products.
- d) Clarify the procurement routes, notify secondary suppliers of the requirements, and ensure that purchased products meet these requirements.
- e) Conduct the manufacturing process under controlled conditions, thoroughly carry out 4S (Sorting, Setting-in-Order, Shining, Standardizing) and identification control to prevent misuse, contamination, and pollution.
- f) Control documents and records.
- g) For details of the control method, refer to the questions in the Guidelines for the Management of Chemical Substances in Products (Appendix) in Section 7. Also, use them for self-checks and improve any points you judged to be insufficient.

### 5.2 Certification of environmental processes

The CKD certification system is applied to the four environmental processes: soldering, chromating, painting, and electroless nickel plating.

- a) CKD certifies the companies, including secondary suppliers, who conduct these processes. (Outsourcing to non-certified companies is prohibited.)
- b) When certification is required, fill out "RoHS Supplier Certification Application Form (KH-012)", attach the following necessary documents and samples, and apply to the person in charge of procurement at each plant.
  - Analysis data of prohibited substances at suppliers
  - QC process sheet (or work standard)
  - Self-evaluation of the "Process Audit Checklist (QH-058, QH-059, QH-060, QH-068)"
  - "Certificate of Non-Inclusion of Prohibited Substances (TH-097)" for soldering materials and paints

## 6. Submission of Data on the Environmentally Sensitive Substances Contained, Certificates of Non-inclusion of Prohibited Substances, and SDSs

### 6.1 Request for submission of data of the environmentally sensitive substances contained

- a) Submit the data of the substances contained in the JAMP (Joint Article Management Promotion-consortium) format (chemSHERPA-AI or chemSHERPA-CI).
- b) CKD will request an investigation on an individual basis. Your cooperation would be appreciated.

### 6.2 Request for submission of a “Certificate of Non-Inclusion of Prohibited Substances”

- a) Since the information (data) in the JAMP format is not guaranteed values, submit a “Certificate of Non-Inclusion of Prohibited Substances (TH-097)” to guarantee that the prohibited substances specified in “Control Standards for Environmentally Sensitive Substances (CTS C10001)” are not contained.

(Note 1) Suppliers are requested to voluntarily control the substances whose manufacture (import) and/or use are prohibited by domestic laws and regulations. The prohibited substances defined by CKD consist of the substances specified in the RoHS Directive and prohibited substances specified by major Japanese electronics manufacturers (including part of Class 1 specified chemical substances under the Chemical Substances Control Law).

(Note 2) Please submit the JAMP format data and “Certificate of Non-Inclusion of Prohibited Substances” together.

### 6.3 Request for submission of SDS

- a) When requesting a change to a new secondary material (examples: printing ink for nameplates, solder, grease, adhesive, rust preventive oil, etc.) or to a new indirect material (examples: cleaning fluid, rust preventive oil before cleaning, etc.), submit a Safety Data Sheet (SDS) containing information on the properties and handling of the material.