

YAMADA

Green Procurement Guidelines

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Yamada Manufacturing co., Ltd.

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1). Introduction (Background of YAMADA Green Procurement Guidelines)

Present day, in order to realize sustainable society, we are required to take action to reduce the environmental impact. With the bases of our supplier' s trust and mutual development, we will be promoting procurement activity with reduction of environmental risks such as greenhouse gas that causes global warming, climate change, waste and hazardous chemicals.

Also, as a responsible member of the society, we will target to becoming accepted in the world as an environmental and people-friendly company by preservation of the environment through our business actively.

For this reduction of the environmental impact, understanding and support not only within YAMADA, but also from our suppliers is essential to cover range from the production of all raw materials, parts and secondary materials, manufacturing and finally to delivered to our customers.

Therefore, as part of YAMADA' s CSR activities, we have established “Green Procurement Guidelines” .

To our suppliers, YAMADA appreciates your understanding of this guideline' s aim and help to support YAMADA' s green procurement activity.

Purchasing Manager, Production Division

2). Environment declaration / Environmental policy

Environmental Declaration

YAMADA, as a responsible member of the society, will target becoming internationally known as an environment and people-friendly company with actively contributing to the preservation of the environment through all business activities.

Environmental Policy

Aiming to becoming “A company that contributes to global environment”, YAMADA will follow the philosophy of the “YAMADA Environmental Declaration” and be actively involved in the following activities.

1. Commit to the continuous improvement of environmental management systems, pollution prevention and environmentally friendly business activities.
2. Comply with environment related laws and regulations that apply to our business activities.
3. Will deliver goods that contribute to the conservation of the environment, and develop environmentally friendly products.
4. Properly manage and aims to minimize waste.
5. Aiming at the conservation of energy and resources, YAMADA will contribute to sustainable society by using less energy and less resource.
6. Promote integrated environmental conservation activities with customers, suppliers and local communities.

This policy is published to all the people who work in YAMADA to recognize their contribution and the meaning if they do not fit in the system. Also, this policy will be published to the public on demand.

3). Green Procurement Guidelines

<Green procurement initiatives>

YAMADA, as a member of responsible society, will aim to contribute to society by implementing a structure that is low emission and low impact to the environment. Therefore, we will also try to reduce products that we purchase from the raw material to the completed parts.

Specifically, YAMADA will develop and design product with the environment in mind, and cooperating with our suppliers for green procurement and green manufacturing to supply our customer with eco-friendly products.

3)-1 Green procurement requirements

YAMADA requests our suppliers with understanding and support to the Green Procurement, such as avoiding contamination by chemical substances, chemicals management and resource utilization (reduce needed resources), energy utilization, etc.

3)-2 Range of Application

1. Object

- All products below (raw materials, parts, secondary materials, logistics/packaging, waste, etc.)

| Category | Contents | Typical purchased goods, services or waste |
|-----------------------|---|---|
| Raw materials | Raw material used to manufacture the products | Aluminum, steel (special steel, steel plate, steel tube, etc.), Resins, metal powder, etc. |
| Parts | Purchase parts, process outsourcing, prototype parts, spare parts used to manufacture the product | Completed parts, machining, die casting, press and forging, heat treatment, surface treatment (plating, anodizing and painting), etc. |
| Secondary materials | Secondary materials used to manufacture the products | Blades, Blade holders, oils, gases, solvents, Paint, additives, adhesives, ink, spray cans and chemicals, welding wire, etc. |
| | Equipment and tooling | Equipment, dies, jigs, construction, remodeling, repair, etc. |
| Packing and Logistics | Packing materials required for the transport of products | Pallets, containers, corrugated cardboard, bags, sheets, films, cushioning, tapes bands, labels etc. |
| | Transportation and storage | Fuel, vehicles, warehouses, etc. |
| Wastes | Waste discharged from the factory (collection, processing, recycling) | Water waste processing, oil waste, scrap (iron, aluminum, plastic), general waste, corrugated cardboard, papers, etc. |

2. Object supplier

- Suppliers with the above trading.

3)-3 Criteria for green procurement

To promote green procurement, YAMADA has listed criteria as below.

3)-4 Criteria for suppliers

| | Item | Criteria |
|---|---|---|
| 1 | Environment and Management | (1) ISO14001 or eco-action 21, etc. (*1), Environmental management system certification. *1: we also recommend light standard burden for SMEs such as Eco-stage, Environmental management system standard (KES) , etc. (2) Please work toward eco-friendly business even if there is no certification. |
| 2 | Compliance with laws and regulations | · Ensure compliance with environment-related laws and regulations. < bellow are sample of national laws and regulations > Water pollution prevention law, noise vibration regulation law, poisonous and deleterious substances control law, fire service law Occupational safety and Health Act, energy conservation Act, radio Act, septic tank law, PRTR law, Automobile recycling law |
| 3 | Environmentally hazardous substances -Understanding -Management -Reduction | (1) Understanding the amount of electricity, gas, gasoline and water used, and also amount of waste produced. (2) Reduction carried out for electricity, gas, gasoline, water, and waste. (3) Simplification and collection (recycling) of packing materials etc. to reduce the use amount. (4) Equipment (new and remodeled) is considered to reduce environmental impact and chosen energy efficiency specifications. (5) When installation of equipment or construction, waste is taken back and proper disposal was done by the builder.. |
| 4 | Management of chemicals substances contained in the product | (1) Manage raw and secondary material' s chemical substance using the law specified Safety Datasheet (SDS). Also it needs to be able to be submitted by demand. (2) Please consider reducing or switching to alternative materials for environmental impact substance (substance with restrictions of use or has regulation on reporting of use). |

4). Requests to Suppliers

<Survey>

To confirm the status of our suppliers, please answer to our environmental management system survey

* Survey frequency: once per year

<On-site confirmation (Supplier visit)>

Please understand that there is a possibility that we ask to visit your site for on-site confirmation of the content on the survey.

5). Environment management system survey

| | Item | Request item | Evaluation criteria | Evaluation | If ○, write evidence contents |
|---|---|---|--|------------|-------------------------------|
| 1 | Environmental policy | Environmental policy | 1) Hold third-party certification for Environmental management system such as environmental management system ISO14001, or the eco action 21, etc. (eco-stage, KES, tec.). | | |
| | | | 2) Has corporate philosophy for environmental conservation. | | |
| | | | 3) Has policy for environmental protection. | | |
| | | | 4) Compliance with law is included in environmental policy. | | |
| | | | 5) Policy is documented and is understood by all employees. | | |
| 2 | Plan and Organization | Purpose, Goals and Implementation plan | 1) There are objectives and targets to achieve the policy. | | |
| | | | 2) Organizations and person responsible is clarified in order to achieve the aims and objectives, | | |
| | | | 3) There is an execution plan with method and means for achieving the goals and objective. | | |
| 3 | Environmental impact, Evaluation and Operation management | Environmental aspects, Operation management, Monitoring and Measurement | 1) Continuous improvement and pollution prevention is promoted for the following. | | |
| | | | ① Air pollution | | |
| | | | ② Water pollution | | |
| | | | ③ Noise/vibration | | |
| | | | ④ Prohibited substance | | |
| | | | ⑤ Waste | | |
| | | | ⑥ Energy (amount of use for electric, Gas, Gasoline, water, etc.) | | |
| 2) Person in responsible is clarified for any jobs or machines that has impact on environment. | | | | | |
| 3) There is a product assessment(※2) for supplying environmentally low impact product. (※2 : Product assessment is preproduction evaluation that checks not only the product' s effectiveness or usefulness, but also the easiness of processing after its use. | | | | | |
| 4) Information is reported when delivering or renewing information regarding raw materials and secondary material with Safety datasheet obligation. | | | | | |
| 4 | Compliance | Formality evaluation on law and other requirements | 1) Laws, regulations and industry rules regarding environment is specified and managed. | | |
| | | | 2) Building and machines that is regulated by environmental relating law is adequately managed. | | |
| 5 | Risk management | Preparedness and response for emergencies | 1) Whether there is a mechanism for emergency. | | |
| 6 | Enlightenment, Education and Information disclosure | Competence, education and training and self-awareness communication. | 1) Eemployees are educated with environment relating training. | | |
| | | | 2) Conducts additional education and training to persons engaged in the work that has an effect on the environment. | | |
| 7 | Self-evaluation | Environmental management system audit management review | 1) Manages and evaluates progress on plans and progress toward target. | | |
| | | | 2) Evaluation results to reflect environmental policy, planning, organization, seeking to improve continuously. | | |
| 8 | Document management | Documentation | 1) Establishes the documented procedure for continuous improvement. | | |

* Please include in the evaluation column. (Yes: ○ No: X Not eligible: -)

Supplier code :

Date submitted :

Company name :

Person in charge (department):

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