



Co-existence with the globe

# GREEN PROCUREMENT GUIDELINES

- Toward realization of  
“sustainable development of society” -



April 2004  
SMK Group



## Foreword

Amid increasingly growing recognition among us humans nowadays that "global environmental issues are vitally important", our endeavor for prevention of global warming by containment of emission of carbon dioxide, structuring of an economic society where reduction and recycling of industrial waste is daily life and prevention of environmental contamination through control of chemical substances is becoming more and more crucial for our future.

The SMK Group has promoted its endeavor in most respects in development of products and in all activities made by our factories and other business locations in an environmentally considerate manner, under the recognition of "the environment is one of the important matters for corporate management". Without strengthened environmental preservation activities and placing importance on procuring less environmentally hazardous substances, it is difficult to make such endeavors more effective and fruitful.

To help materialize such an idea together with its suppliers by creating more environmentally friendly products with a serious focus placed on the environment, the SMK Group has developed a Green Procurement Standard.

Success in our Green Procurement program totally depends on the support of you, our suppliers. It is sincerely requested that all our suppliers understand the importance of environmental preservation and provide us with support for successful implementation of this procurement program.

April 1, 2004

SMK Corporation

KANEYOSHI Toru, Vice President,  
Environmental Protection Department

HOSOYA Yu, Vice President,  
Production Management Department



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## **I. SMK Environmental Charter**

### **Basic Philosophy**

The SMK Group pursues environmental preservation as well as economic development, by integrating its current technological strengths and creating advanced technology. As a good corporate citizen, every one of us will contribute to the promotion of sustainable global development.

### **Action Guidelines**

- (1) Develop environmentally friendly products
- (2) Reduce waste by using everything to its fullest extent
- (3) Preserve natural resources and saving of energy
- (4) Encourage 3R (reduce, reuse and recycle)
- (5) Realize waste-free procurement and manufacturing



## II. Philosophy behind Our Green Procurement Program

### 1. Objectives

The objectives of promotion of Green Procurement are to provide our customers with environmentally considerate products through developing and designing them to be the least environmentally hazardous, and consequently to contribute to global environment preservation efforts by establishment of a recycling society.

### 2. Green procurement

Our Green Procurement program is to encourage procurement of less environmentally hazardous materials, parts and products from suppliers which are active in making efforts for further consideration of environmental issues.

### 3. Procurement standard

(1) Suppliers who will be given priority for procurement are those who have been making efforts for environmental preservation.

① ISO14001

- 1) Qualified for ISO14001
- 2) Working towards qualification for ISO14001
- 3) Making ISO14001 compliant activities
- 4) Preparing ready for commencement of ISO14001 compliant activities

② Green procurement

- 1) Green procurement in place
- 2) Preparing ready for commencement of Green Procurement

(2) Procurement will be made of less environmentally hazardous materials, parts and products.

① Measures for prohibited substances --- Eliminated and substituted

② Measures for restricted substances --- Efforts for reduction in use under way

③ Measures for controlled substances --- Implementation of appropriate control

### 4. Extent of application

(1) To suppliers

- 1) All SMK suppliers
- 2) SMK suppliers' sources should SMK suppliers be trading houses

(2) To goods

① To products

- 1) Products which the SMK Group designs, manufactures and sells/distributes



- 2) Products which the SMK Group assigns third parties to design and manufacture for sales/distribution by the SMK Group as if manufactured by it
- 3) Products which the SMK Group is assigned by third parties to design and manufacture  
(Parts and materials specified by third parties are excepted)

② To materials

- 1) Parts, materials and sub-materials which the SMK Group designs and assigns third parties to manufacture
- 2) Parts, materials and sub-materials which third parties are assigned to design and manufacture
- 3) Parts, materials and sub-materials of supplier's specification which SMK procure

③ Other items

- 1) Consumables to be used within the SMK Group
- 2) Packaging materials which vendors use for shipment and/or protection of SMK products
- 3) Slips to be used within the SMK Group or with our suppliers

## 5. Definition

The definition of some terms used in this document shall mean:

Term	Definition
Prohibited substances	Classified into the following 2 types: ① Completely prohibited substances Substances already prohibited from use without regard to applications ② Application-specific prohibited substances Application-specific controlled substances, classified for control in 3 levels of "Already prohibited", "Will be prohibited starting the date separately established" and "Prohibited when a substitute is established". Level 1: Applications for which use has been already prohibited Level 2: Application for which the timing of prohibition has been decided Level 3: Applications for which use is acceptable until a substitute material is established
Restricted substances	Substances for which total prohibition or application-specific prohibition is not scheduled but for some specific products use has been prohibited or prohibition is scheduled depending on market requirements
Controlled substances	Substances which are covered by the PRTR (Pollutant Release and Transfer Register) law, or the like, and amounts of which contained in parts are to be discovered. They are likely to be prohibited or restricted in the future



Term	Definition
Timing for prohibition	Timing when delivery to our company of goods containing prohibited substances will be prohibited
Contents	Whether intentional, the state where addition, mixing or attachment of substances to materials has been made, to include those scientifically created or left to remain in manufacturing processes

### III. Survey

In line with the idea of Green Procurement, we, the SMK Group will conduct, prior to a sourcing decision, a survey of the following items, with environment-related items added, as well as the previous evaluation items.

#### 1. Particulars of survey

- (1) Environmental preservation activities  
Survey of your efforts for approach to ISO14000 and Green Procurement
- (2) Efforts for environmental preservation for procured goods  
Survey of non-use or amounts of contents of environmental hazardous substances

#### 2. Method and frequency of survey

- (1) Survey of your environmental preservation activities  
A survey form will be forwarded to new suppliers when we are to commence business, or periodically to current suppliers (every year), for their completion and return to us.
- (2) Survey of the degree of environmental preservation efforts for procured goods
  - ① Request for periodic submission of a type-of-business-specific survey form for environmentally hazardous substances

Type of business	Items of survey regarding environmental hazardous substances
Raw material manufacturers	Survey of contents of environmental hazardous substances (or non-use certificate, as appropriate)
Electronic part manufacturers	JEITA type survey of contents of environmental hazardous substances
Piece part suppliers	Survey of environmental hazardous substances in sub-materials (unnecessary for SMK-supplied materials)
Suppliers for SMK's internal consumables	Survey of environmental hazardous substances in materials used in such consumables (as with raw material manufacturers)

- ② Request for submission of non-use certificates when commencing procurement
- ③ Request for submission of content measurement reports and/or MSDS, as necessary
- (3) Confirmation of the above survey will be conducted at the time of on-site audits.



#### **IV. Handling of findings from surveys**

Results of surveys submitted will be handled as SMK's internal materials. They shall not be disclosed to parties external to SMK organizations without the relevant supplier's consent.

#### **V. Amendments to These Guidelines**

Amendments may be made to these Guidelines depending on varying social conditions and/or legal regulations, as appropriate. Suppliers will be informed of such amendments as made.

#### **VI. Queries about These Guidelines**

Please refer queries found during operation of these Guidelines to either of the following SMK departments:

Material Section of the Production Management Dept on phone 81-3-3785-2727 or fax 81-3-3785-1068, or

Environmental Protection Dept on phone 81-3-3785-5058, or fax 81-3-3785-2904.