

**Nitto Group**  
**Green Procurement Standards**

Fifth Edition  
Revised on August 1st, 2016

**Nitto Group**

Table of Contents:

1. Green Procurement Policy
2. Objectives and Scope of the Green Procurement Standards
3. Initiatives for Green Procurement
4. Evaluation of Suppliers' Efforts for Environmental Conservation
5. Survey on Substances of Environmental Concern in Purchased Materials
  - 5.1. Request for Cooperation for Contained Chemical Substance Management
  - 5.2. Submission of Contained Chemical Substance Documents
  - 5.3. Types of Contained Chemical Substance Documents
  - 5.4. Supplementary Notes on Contained Chemical Substance Documents
  - 5.5. Supplementary Notes on Packaging Materials
6. Further Efforts to Reduce Environmental Impact
  - 6.1. Request for Reduction of Industrial Waste
  - 6.2. Request for Development/Introduction of Raw Materials with Less Environmental Impact
  - 6.3. Production Equipment, Facilities, Supplementary Materials (Process Materials), etc.
  - 6.4. Furniture, Fixtures, and General Office Supplies
  - 6.5. Outsourced Operations
7. Contacts for Survey Inquiries

Exhibit 1: Criteria for Threshold Values

## 1. Green Procurement Policy

The Nitto Group believes that its procurement activities need to consider global environmental conservation, and that such consideration will help to fulfill its corporate social responsibility. Thus, its “Basic Procurement Policy,” which establishes the Group’s principles for procurement activities, prescribes that the organization shall promote green procurement as part of its efforts for global environmental conservation.

However, green procurement cannot be achieved by the Nitto Group’s own efforts alone. Rather, this requires the cooperation of all the suppliers that form its supply chain. To this end, in the Protection of the Global Environmental (Green Procurement) section of the “CSR-Based Procurement Guidelines” which describe expected actions to be taken by its suppliers, those suppliers are asked to make the following efforts.

- Work on making improvements and developments to minimize the amount of resources and energy used and the burden that corporate activities place on the environment. Work on reducing waste through recycling and other initiatives.
- Encourage green procurement so as to minimize the burden on the environment.
- Proactively develop and propose environmentally friendly products.
- Put in place a system that identifies and manages chemical substances contained in products. Promptly respond to requests from the Nitto Group to submit information on chemical substances.

The Nitto Group will remain committed to green procurement in accordance with its “Basic Procurement Policy,” and thus asks for its suppliers’ cooperation.

## 2. Objectives and Scope of the Green Procurement Standards

These Standards describe specific actions for achieving green procurement that are to be taken on Nitto’s production plants and by the Nitto Group companies operating in Japan.

These Standards shall apply to all items purchased by the Nitto Group. These purchased items include all raw materials, parts/components, sub-materials such as packaging materials, items manufactured under contract, devices, facilities, etc., which are purchased and delivered in Japan, whether they are imported goods or not.

### **3. Initiatives for Green Procurement**

In order to help achieve green procurement in Japan, the Nitto Group will implement the following initiatives:

- Evaluation of suppliers' efforts for environmental conservation
- Survey on substances of environmental concern in purchased materials
- Additional efforts to reduce environmental impact

We, at the Nitto Group, ask for suppliers' understanding and cooperation.

### **4. Evaluation of Suppliers' Efforts for Environmental Conservation**

The Nitto Group has a system in place that evaluates the quality, pricing, delivery time, services, etc., offered by suppliers, and incorporates the results of this evaluation process in all future transactions.

Regarding environmental measures in particular, a "Green Procurement Supplier's Evaluation Checklist" is used to assess each supplier's management level.

Suppliers are asked to fill in and submit this Checklist promptly when requested.

Based on the results of our evaluation, we may provide suppliers with guidance/advice or request suppliers to make improvements. We ask for suppliers' cooperation in this regard.

For further information on the Checklist, please refer to the "Green Procurement Checklist" page in the "About Us" section of Nitto's website.

(URL: [http://www.nitto.com/jp/en/about\\_us/procurement/checklist/](http://www.nitto.com/jp/en/about_us/procurement/checklist/))

### **5. Survey on Substances of Environmental Concern in Purchased Materials**

#### **5.1. Request for Cooperation for Contained Chemical Substance Management**

Regulatory requirements for chemical substances have become increasingly demanding in recent years, and the number of substances subject to such requirements is growing.

In response to the changing situation, as noted above, the Nitto Group is working to step up its management of chemical substances contained in purchased materials. In order to ensure such management, we may ask suppliers to submit the documents mentioned below.

We ask suppliers to respond to the Nitto Group's request for submission of documents in a timely manner. We also request that suppliers establish their own systems to precisely identify chemical substances contained in their products.

## 5.2. Submission of Contained Chemical Substance Documents

- Suppliers will be asked by the Nitto Group companies and/or operating entities to take part in surveys, as necessary.
- Suppliers may be requested to use Nitto's "Chemical Information System (CHI)" when giving their answers in the survey. If you have any questions regarding the use of this system, please contact the personnel in charge at the Nitto Group companies.
- Some of the Nitto Group companies and operating entities may set up their own independent green procurement documents and survey items which are not specified in these Standards.
- Suppliers are requested to contact the personnel in charge at the Nitto Group companies involved immediately if there are any changes to be made or any additional matters to be reported in the survey responses submitted to the Nitto Group, or if any new environmental issues are found.
- Survey responses and all other information submitted shall be properly managed within the Nitto Group.

## 5.3. Types of Contained Chemical Substance Documents

- a. SDS (safety data sheet)
- b. Information sheet for specified chemical substances contained in products
- c. Laws/Regulations Compliance Table
- d. Certificate of Non-Use of Prohibited Chemical Substances in Delivered Products (hereinafter referred to as "Certificate of Non-Use")
- e. Contained chemical substance analysis data, including data from ICP analysis (hereinafter referred to as "Analysis Data")
- f. Chemical Composition List for Supplied Products
- g. The Inventory Survey Sheet
- h. Investigation report for SVHCs (Substances of Very High Concern) contents under REACH regulation
- i. Documents independently requested by individual companies and/or operating entities in the Nitto Group, such as survey reports on chemical contents or Certificates of Non-Use
- j. Survey reports on chemical contents that we will request on a case-by-case basis in response to changing situations, such as in cases in which a chemical substance has recently been identified as hazardous.

Forms for documents to be submitted may be revised. Please make sure to use the most updated version for submission.

#### 5.4. Supplementary Notes on Contained Chemical Substance Documents

##### a. SDS (safety data sheet)

- Please provide an SDS regardless of whether or not there are regulatory requirements concerning its submission.
- In particular, please make sure to cover all substances for which controls are required in Japan under the Industrial Safety and Health Act, the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act: Pollutant Release and Transfer Register Act), the Poisonous and Deleterious Substances Control Act, etc.

##### b. Information sheet for specific chemical substances contained in products

- With regard to whether or not specific chemical substances are contained in purchased materials delivered, please answer using the “JAMP MSDSplus” and “JAMP AIS” formats recommended by the Joint Article Management Promotion-consortium (JAMP).
- For definitions of the terms used in the JAMP MSDSplus and JAMP AIS formats, and information on entry forms, etc., please visit JAMP’s website shown below.  
(<http://www.jamp-info.com/>)
- Please use the JAMP MSDSplus format for substances and preparations, and the JAMP AIS format for molded products.
- Please download an entry form from JAMP’s website, and submit data in an XML file format.
- Please include substances specified in the List of JAMP Declarable Substances (refer to JAMP’s website) regardless of whether or not they are corporate secrets.
- For threshold values for inclusion, please refer to the criteria in Exhibit 1.

##### c. Laws/Regulations Compliance Table

- The Laws/Regulations Compliance Table independently created by the Nitto Group is designed to confirm laws and regulations which apply to purchased materials.

##### d. Certificate of Non-Use

- Suppliers are requested to submit a Certificate of Non-Use to guarantee that intentional addition of prohibited substances listed in the Certificate of Non-Use to purchased materials is prohibited, and that for substances for which threshold values exist, their concentrations are lower than their threshold values.
- For entry forms, please refer to the “Green Procurement Checklist” page in the “About Us” section of Nitto’s website.  
([http://www.nitto.com/jp/en/about\\_us/procurement/checklist/](http://www.nitto.com/jp/en/about_us/procurement/checklist/))
- Please confirm the list of chemical substances subject to guarantee of non-use, and their threshold values, which are available in Table 2 in the Certificate of Non-Use.
- Please report any inclusion of prohibited substances exceeding their threshold values immediately if any such inclusion is found.

##### e. Analysis Data

- When submitting a Certificate of Non-Use of Prohibited Chemical Substances in Delivered Products, suppliers are requested to attach analysis data for the substances marked with “Required” in the “Analysis Data” column in Table 2 in the Certificate of Non-Use.
- Information on analytical methods is available for download from the “Green Procurement Checklist” page in the “About Us” section of Nitto’s website.  
([http://www.nitto.com/jp/en/about\\_us/procurement/checklist/](http://www.nitto.com/jp/en/about_us/procurement/checklist/))
- In addition to the submission of a Certificate of Non-Use, additional analyses may be requested as needed, and we ask for our suppliers’ cooperation in such cases.

#### f. Chemical Composition List for Supplied Products

- In order for the Nitto Group to manage chemical substances and provide its customers with information regarding contained chemical substances, suppliers are requested to obtain information on contained chemical substances that are not sufficiently covered only by (a) SDS, and (b) JAMP MSDSplus or JAMP AIS.
- When submitting information, please use the form specified by the Nitto Group.

#### g. Survey lists on the registration status of new chemical substances, in accordance with the notification system of each country

- Please provide information as to whether or not chemical substances contained in purchased materials are registered in each country’s inventory.
- Submission of this document is requested only when delivered products are substances or preparations.

#### h. Investigation report for SVHCs (Substances of Very High Concern) contents under REACH regulation

- This report is designed to confirm whether or not any substance of very high concern (SVHC), as defined by the REACH regulation, is included.

#### 5.5. Supplementary Notes on Packaging Materials

In the case of sub-materials, including packaging materials, the European Parliament and Council Directive on packaging and packaging waste (Directive 94/62/EC) stipulates that the sum of the concentration levels of lead, cadmium, hexavalent chromium, and mercury present in packaging or packaging components shall not exceed 100 ppm.

Suppliers are requested to take the above requirements into consideration when delivering packing materials/sub-materials (including those used for purchased materials) to the Nitto Group.

Suppliers may be requested to confirm information on these materials, and we ask for their cooperation.

## **6. Further Efforts to Reduce Environmental Impact**

### **6.1. Request for Reduction of Industrial Waste**

The Nitto Group asks its suppliers to deliver raw materials, packed in such materials as metal drums, corrugated boxes, pallets, and cushion paper, for such purposes as preserving their quality and protecting them from damage during transport. However, the impact of waste packing materials after use on the environment can be significant.

In order to minimize industrial waste, suppliers are asked to proactively offer proposals to the Nitto Group on development/introduction of new packing materials while working to improve existing packing specifications by taking the concepts of “reducible,” “reusable,” “returnable” and “recyclable” packaging into account.

### **6.2. Request for Development/Introduction of Raw Materials with Less Environmental Impact**

The Nitto Group’s environmental objectives include reducing organic solvent emissions and decreasing energy consumption per unit. To achieve these objectives, the Nitto Group has been searching for/introducing raw materials with less environmental impact, and working to develop alternative technologies.

Suppliers are also asked to proactively provide information and offer proposals on raw materials and technologies that contribute to the achievement of the above objectives.

### **6.3. Production Equipment, Facilities, Supplementary Materials (Process Materials), etc.**

The Nitto Group is striving to decrease energy consumption per unit in its production equipment and to develop energy-saving technologies with the aim of reducing its CO<sub>2</sub> emissions, which are believed to be causes of global warming. The Nitto Group is also seeking to implement noise control measures for its equipment and processes.

When introducing equipment, the Nitto Group conducts preliminary studies, including on whether measures have been taken for such equipment from the aforementioned perspectives. Suppliers are asked to provide the Nitto Group with relevant information/data if requested.

With regard to production equipment, facilities and supplementary materials, suppliers may also be requested to submit the documents specified in Chapter 5 in order to ensure the proper management of contained chemical substances in the Nitto Group.

### **6.4. Furniture, Fixtures, and General Office Supplies**

Furniture, fixtures and general office supplies are selected based on environmental considerations, and goods recommended by the following organizations will be given priority for use.



- Green Purchasing Network: “Green Purchasing Guidelines”
- Ministry of the Environment: “Designated Procurement Items and Their Evaluation Criteria defined in the Basic Policy on Promoting Green Purchasing based on the Act on Promoting Green Purchasing”
- Environmental labeling programs, as typified by the Japan Environmental Association’s “Eco Mark”

Individual companies of the Nitto Group may have different criteria for selecting which goods to purchase. For further information, please contact the procurement departments/sections in the respective companies of the Nitto Group.

With regard to furniture, fixtures and general office supplies, suppliers may also be requested to submit the documents specified in Chapter 5 in order to ensure the proper management of contained chemical substances throughout the Nitto Group.

#### 6.5. Outsourced Operations

In operations (processing, etc.) outsourced by the Nitto Group, careful attention needs to be paid to materials, machines, etc., used and the operation procedures applied, from not only the viewpoint of environmental conservation but also from that of workers’ health and safety.

Any changes in materials, machines, etc., used and the procedures applied in outsourced operations need to be communicated immediately to the personnel in charge at the Nitto Group companies involved in order to discuss the appropriate actions needed to deal with such changes.

### **7. Contacts for Survey Inquiries**

Procurement departments/sections of the respective companies and operating entities in the Nitto Group serve as focal points for green procurement, including surveys based on these Standards. However, the contents of the green procurement standards of individual companies within the Nitto Group may be different from those provided in these Standards. For inquiries and questions regarding the Group companies’ standards, please visit the websites or contact the procurement departments/sections of the respective companies.

End

Exhibit 1

Criteria for threshold values

Criteria for reporting substances subject to control are shown in Table 1.

Table 1: Criteria for reporting substances subject to control

Regulatory threshold values (Note 1)	Concentration (Note 2)	Unintentional inclusion (Note 3)	Intentional addition (Note 4)
Exist	Threshold values or higher	Reports required.	Reports required.
	Lower than threshold values	Reports not required. (Reports required in the cases specified in Note 5.)	
Do not exist	0.1wt% or higher	Reports required.	
	Lower than 0.1wt%	Reports not required. (Reports required in the cases specified in Note 5.)	

Note 1: "Regulatory threshold values" shall mean the concentration levels subject to control under the regulations referred to in the JAMP List of Target Substances under Management.

Note 2: Concentration levels shall be estimated based on analytical data, theoretical projections and past records of management.

Note 3: "Unintentional inclusion" shall refer to the state in which "inclusion is known" but is not the "intentional addition" described in Note 4.

Note 4: "Intentional addition" shall mean the state in which a substance is added to (included in) an object to provide a certain feature to the object. "Impurities, byproducts from reaction, degradation products, residual monomer in polymer," etc. not intended to be added shall not be regarded as intentional addition, but shall be regarded as unintentional inclusion.

Note 5: In the following cases, substances shall be reported as "being present."

<1> It is reasonable to assume that products are used for purposes related to food products and medical care for which a high level of control of target substances is required. (Except for general industrial products)

<2> It is reasonable to assume that when products are used, target substances will be highly concentrated and become subject to regulatory control.

<3> Control of concentrations of target substances is inadequate, and if applicable regulatory threshold values exist, concentration levels may exceed the relevant regulatory threshold values, or if no applicable threshold values exist, concentration levels may exceed 0.1wt%.

<4> Communication of information via the JAMP system is in a transitional stage, and

adopting a conventional method of communication or using a conventional method of communication in parallel is considered to be unavoidable.

<5> Other cases in which reports are considered to be required in the judgment of the company concerned.

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[http://www.nitto.com/jp/en/others/about\\_us/procurement/green/file/standards.pdf](http://www.nitto.com/jp/en/others/about_us/procurement/green/file/standards.pdf)

Issued by: Procurement Business Division, Corporate Infrastructure Sector,

Nitto Denko Corporation

1-1-2, Shimohozumi, Ibaraki, Osaka

567-8680, Japan

Telephone: +81-72-621-0181