



# GREEN PROCUREMENT GUIDELINES

– Toward realization of  
“sustainable development of society” –

6th edition



August 2024  
SMK Corporation

## 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 preservation of biological diversity 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.

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

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.

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# Contents

I. SMK Environmental Charter .....	3
II. Philosophy .....	4
1. Objectives	
2. Green procurement	
3. Procurement standard	
4. Extent of application	
5. Definition	
III. Survey .....	6
1. Particulars	
2. Method and frequency	
IV. Confidentially .....	7
V. Amendments .....	7
VI. Contact .....	7
Reference. Glossary of Terms .....	8

## **I. SMK Environmental Charter**

### **Basic Philosophy**

The SMK Group pursues environmental conservation 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. Establish an internal system to promote environmental conservation activities, establish and periodically review environmental targets, and promote continuous improvement to achieve the targets.
2. Aim to reduce greenhouse gas emissions and achieve carbon neutrality in our business activities.
3. Develop environmentally-friendly products (energy- and resource-saving, reduction of environmentally hazardous substances, etc.).
4. Aim to minimize the environmental impact caused by procurement and production activities.
5. Aim to reduce waste through efficient use of resources, promotion of reuse and recycling, and other resource recycling efforts.
6. Promote business activities that consider the relationship with water resources and biodiversity.
7. Comply with the laws, regulations, agreements, etc. of the countries and regions where the SMK Group is located.
8. Conduct environmental education and awareness activities to raise employees' environmental awareness and promote environmental conservation activities.

## II. Philosophy

### 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 aims to encourage procurement of less environmentally hazardous materials, parts and products from suppliers that are promoting activities to contribute to global environmental preservation represented by, for example, prevention of global warming by containment of emission of carbon dioxide, reduction of industrial waste and preservation of biological diversity.

### 3. Procurement standard

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

① Efforts to curb global warming

- 1) Set numerical target and practice energy saving
- 2) Using renewables
- 3) Preparing for use of renewables
- 4) Trading carbon credits

② ISO14001 and other public system conformable to ISO14001

- 1) Qualified for ISO14001 or other public system conformable to ISO14001
- 2) Working towards qualification for ISO14001 or other public system conformable to ISO14001
- 3) Making ISO14001 compliant activities

③ Green procurement

- 1) Green procurement in place

(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) If SMK's supplier is a trading company, its suppliers.

- (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	Stated in the "SMK Controlled Chemical Substances Standard" <sup>*1</sup> . They are classified into the following 2 types: <ul style="list-style-type: none"> <li>1) Completely prohibited substances Substances already prohibited from use without regard to applications</li> <li>2) Application-specific prohibited substances Prohibited substances with exceptional applications</li> </ul>
Restricted substances	Those of the substances specified as prohibited in the "SMK Controlled Chemical Substances Standard" <sup>*1</sup> , which have a period of grace
Controlled substances	Substances besides prohibited substances and restricted substances whose content status should be controlled
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.

#### 1. Particulars

- (1) Environmental preservation activities  
Survey of your efforts for approach to GHG (green house gas) emissions, 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

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

Type of business	Items of survey regarding environmental hazardous substances
Raw material/ Electronic part manufacturers	<ul style="list-style-type: none"> <li>•Survey of contents of environmental hazardous substances JAPIA Standard Material Datasheet*<sup>2</sup> chemSHERPA*<sup>3</sup> IMDS*<sup>4</sup></li> <li>•Content data of substances SMK specified etc.</li> </ul>
Piece part suppliers and Assembly business partners	<ul style="list-style-type: none"> <li>•Survey of contents of environmental hazardous substances JAPIA Standard Material Datasheet*<sup>2</sup> chemSHERPA*<sup>3</sup> IMDS*<sup>4</sup></li> <li>•Contents data of substances SMK specified etc. (unnecessary for SMK-supplied materials)</li> </ul>
Consumables manufacturers	<ul style="list-style-type: none"> <li>•Ingredients table, Contents of substances SMK specified</li> </ul>

- (3) Confirmation of the above survey will be conducted at the time of on-site audits.

## **IV. Confidentially**

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 consent of the submitter.

## **V. Amendments**

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. Contact**

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

Material Section of the Production Management Department on

phone 81-3-3785-2727

or Environmental Protection Dept. on

phone 81-3-3785-5058



## Reference. Glossary of Terms

\*1 "SMK Controlled Chemical Substances Standard"

An agreement that defines the prohibited substances. Suppliers are requested to submit it before starting business with SMK.

\*2 JAPIA Standard Material Datasheet

JAPIA Standard Material Datasheet has been agreed to by the JAPIA Sheet meeting including the JAPIA(Japan Auto Parts Industries Association) to investigate into materials and substances contained in products.

JAPIA website address: <https://www.japia.or.jp/en/top/>

\*3 chemSHERPA

chemSHERPA is a scheme that facilitates sharing information on chemical substance promoted by JAMP, released in October 2015 at the initiative of the Ministry of Economy, Trade and Industry.

chemSHERPA website address: <https://chemsherpa.net/english>

\*4 IMDS

IMDS, International Material Data System, is a material data system that facilitates sharing information on chemical substance developed by European and American automobile manufacturers, VDA (Verband der Automobilindustrie), and German IT company, and IMDS has become a global standard used by almost all automobile manufacturers around the world.

IMDS website address: <https://public.mdssystem.com/en/web/imds-public-pages>