

# Green Procurement Guidelines

Requests for “Responsible Procurement”

Ver.4.0

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Nihon Parkerizing Co., Ltd.

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## 1. Preliminary

March 01, 2025  
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General Manager of Technical Division  
Nihon Parkerizing Co., Ltd.

"The 2030 Agenda for Sustainable Development Goals (SDGs)" were adopted at a UN General Assembly on September 25, 2015. People worldwide have an eye for crises such as environmental destruction and human rights abuse. Nihon Parkerizing Co., Ltd. is also engaging in CSR activities as we recognize the social responsibilities of corporations and aim to communicate with and contribute to the neighborhood. At the same time, we try to minimize any adverse impacts on the environment and people in our day-to-day activities. After analyzing the potential impacts of our business on the environment and people, we have concluded that we are concerned about the manufacturing, sale and use of chemical products, which is one of our core businesses. That is why we have initiated "Chemical Substances Control activities" in addition to our quality and environmental management activities. These initiatives have been ongoing since 2014.

Nihon Parkerizing's chemical substances control covers the entire lifecycle of chemical substances (product supply chain). They are raw materials procurement (including their manufacture by suppliers and the preceding stage), research and development, manufacturing, and use by our customers and end-users for the disposal of chemical substances. The ultimate goal is to reduce a wide range of risks throughout the life cycle mentioned above, including eliminating hazards and toxicity to people and the environment, improving the work environment and protecting human rights. For this purpose, it is necessary to "ensure that substances that are highly hazardous or of concern to humans or the environment are investigated and identified" with the cooperation of our business partners in order to control substances of concern. Nihon Parkerizing published its "Green Procurement Guidelines" and related documents on October 1, 2018.

Nihon Parkerizing publishes these Green Procurement Guidelines and related documents on our website and updates them as necessary with social conditions. We will continue to engage in chemical substance management activities as these are important for accumulating scientific knowledge and responding to changing social conditions. Therefore, we would like to ask our suppliers and other stakeholders to check the latest information as necessary and immediately report any new information to our company.

## **2. Nihon Parkerizing's Green Procurement Guidelines**

### **( 1 ) Purpose**

Nihon Parkerizing's chemical substances management covers the entire life-cycle of chemical substances (product supply chain) from raw materials to research and development, product manufacture, product transport and sale, use of products by our customers and the disposal of products by end consumers (including derivative products). The company is committed to supplying products with a low environmental load, with the ultimate goal of reducing a wide range of risks by eliminating danger and toxicity to people and the environment, improving the working environment, protecting the human rights of communities and sustainability of the global environment. We will promote the following activities:

- ① Preferential procurement from suppliers who adopt products (raw materials) and containers with low environmental impact and who are actively engaged in measures to reduce the environmental load.
- ② Activities to reduce hazardous and toxic substances in collaboration with suppliers
- ③ Activities to shut down procurement from armed forces and inhumane companies (Responsible Mineral Procurement Survey)

### **( 2 ) Definitions**

- ① Products and commodities: A general term that includes raw materials that are used for the manufacturing and sale of products and the packaging materials and containers used for raw materials.
- ② Suppliers:

- Companies and individuals who deliver products and commodities to Nihon Parkerizing whether directly (manufacturing companies) or indirectly (via an agent).

- Companies and individuals who deliver to Nihon Parkerizing containers used for packing the products of Nihon Parkerizing.

### ( 3 ) Scope of application

These Guidelines apply to the products and commodities and the containers used for packaging products.

## **3 . Green Procurement Standards**

Nihon Parkerizing's Green Procurement Standards are set forth below.

We appreciate your cooperation.

(Please refer to "Explanation of Standards" below for details.)

- 1) Submit a Self-check Assessment Report
- 2) Conclude a Memorandum on the Management of Controlled Substances
- 3) Comply with the Nihon Parkerizing Chemical Substance Management Standards
- 4) Comply with the Prohibited and Controlled Substances for Packaging List
- 5) Submit Safety Data Sheets (SDS) in compliance with GHS (Japanese)
- 6) Affix labels
- 7) Give prior notice of reasons for changes
- 8) Prevent leakage of raw materials
- 9) Complete Survey on Responsible Procurement of Conflict Minerals

### **Request to Suppliers**

- 1) Development and introduction of containers that have a low environmental load for packaging products and commodities. Promotion of green procurement by Suppliers.
- 2) Promotion of green procurement by Suppliers.

- 3) Reducing the environmental load of containers for packaging products and commodities, and logistics, production and construction work by conserving resources and energy, reducing waste, extending product life and reducing CO2 emissions.

#### Supplementary Provisions

1. The company will update these Guidelines when necessary in response to changes in circumstances in society and other reasons.
2. The company will not disclose externally any survey results submitted by our Suppliers in accordance with these Guidelines. However, we will use the aggregate information as data in our reports. In that case, we will ensure that Suppliers cannot be identified.

## **4. Explanation of Standards**

### **1. Submit a Self-check Assessment Report**

In the past, we have asked suppliers to submit a “Self-check assessment report for management of chemical substances contained in products” to check the management status of chemical substances contained in products. We have also requested a “Self-check assessment report” for our quality management system. Since chemical substance management and quality management are closely related, we have integrated the two reports.

Please submit the Self-check Assessment Report for each chemical substance management system\*1 that you operate. It will remain valid for five years. After submission, we will conduct an audit. If the assessment results meet our standards (pass), we will continue our business relationship. If the result does not meet our standards (failure), we will continue to do business with you, but we will make a “request for improvement” and the transaction will become a “transaction with conditions”.

Note 1: If the chemical substance management system differs for each factory or product type, we will ask you to answer and submit the information individually.

The “Self-check Assessment Report” for distributors is intended to question your approach to chemical substance management, and it is assumed that the final result will be a passing grade. We do not assume any measures for failure. Even if the “Self-check Assessment Report” submitted by a distributor is incomplete, if the supplier's “Self-check Assessment Report” passes the test, the distributor will be judged to be in compliance with our chemical substance management standards.

### **2. Conclusion of a "Memorandum on Management of Chemical Substances Contained" (hereinafter a "Memorandum")**

After receiving a Self-check Assessment Report and ascertaining other relevant information, we will conclude the above Memorandum. The details in the Memorandum will be decided based on the status of Corporate Social Responsibility (CSR) procurement activities. We will disclose the Memorandum in advance, so please check and understand the contents carefully before concluding the Memorandum. This form will not be posted on our website. It will be sent separately.

### **3. Compliance with the Nihon Parkerizing Chemical Substance Management Standards\* (see website)**

Please comply with the Chemical Substance Management Standards of Nihon Parkerizing. Please refer to the attached "Nihon Parkerizing Chemical Substance Management Standards". We have identified prohibited substances, substances to be reduced and substances to be controlled based on Japanese and international regulations on the management of chemical substances and on the degree of hazard of chemical substances and have compiled a list of prohibited/reduced/controlled chemical substances. Nihon Parkerizing's Chemical Substance Management Standards can be found on our website. Please check the Nihon Parkerizing Chemical Substance Management Standards regularly and manage products and commodities within the control ranges of the Standards. Please let us know immediately if there are changes or incidents that we need to be aware of.

(1) Non-use of banned chemical substances in products supplied to Nihon Parkerizing

Do not use the banned chemical substances listed in the Nihon Parkerizing Chemical Substance Management Standards. If a banned substance is detected in products delivered to Nihon Parkerizing or its customers, the deliveries of such products will be temporarily suspended. Substances with defined threshold values should be controlled not to exceed those ranges. Similarly, if the value has exceeded the specified range, the deliveries will be temporarily suspended.

(2) Chemical substances to be reduced or controlled

We have selected target chemicals to be reduced from among chemicals that the Nihon Parkerizing consumes a large amount of and that may pose a risk to people and the environment. Regarding chemical substances to be controlled, we have selected substances that Nihon Parkerizing has determined need to be controlled based on Japanese and international regulations and from the perspective of social responsibility. Regarding substances that we have determined are hazardous to people and the environment, we will prohibit their use as for prohibited chemical substances, and establish thresholds. Unintentional contamination should be foreseen and monitored to the same extent as prohibited chemical substances.

**4. Comply with Prohibited and Controlled Substances for Packaging List (See website)**

Please comply with the List of Prohibited and Controlled Substances for Packaging established by Nihon Parkerizing. Please check that the prohibited substances are not contained in packaging materials (bags, cans, drums, and plastic drums). If

packaging materials contain such substances, there is a risk that they may leach out into raw materials delivered. Even if a banned substance is used in the material, if the surface in contact with the raw material is covered with a coating that does not contain the banned substance and we judge that the leaching of the banned substance can be prevented, the use of the banned substance is permitted. Please check the List of Prohibited and Controlled Substances for Packaging on the website of Nihon Parkerizing.

#### **5. Submit Safety Data Sheets (SDS) in compliance with GHS (Japanese)**

SDSs must be submitted as they contain information for handling the raw materials delivered, such as the chemical and physical characteristics, applicable laws and regulations, toxicity and emergency procedures. (No need to resubmit if already submitted.) Please submit the latest SDS. When revisions are made to an SDS, please submit the revised version promptly to our Procurement Group. If there is an undisclosed CAS No. for an ingredient, please provide a separate report on the relevant ingredient's hazards, toxicity, and handling precautions.

#### **6. Affix labels**

Please affix labels that match the content of the SDS. If an SDS is revised, please check the details written on labels and update the labels if necessary. For products already in being traded, please check the content of the label and SDS and submit a sample of the revised label if changes are required. Submit a revised SDS to the Procurement Group if revisions are made.

#### **7. Advance notice**

If you make any changes (changes in raw materials manufactured or manufacturing processes) that conflict with our Chemical Substance Management Standards, please notify the Procurement Group at least six months in advance. A decision on whether or not to continue using the substance will be made based on a comprehensive assessment of the name of the substance, the amount contained and other details. Please inform the Procurement Group at least six months in advance if you change SDS and labels. Depending on the timing of amendments to relevant laws and regulations, it may not be possible to give six months' notice, in which case, please give information without delay.

#### **8. Preventing leakage**

The packaging of products and commodities should be made of materials that will not leak during transport to our company, during acceptance, and after acceptance,

until used in manufacture by our company. Pallets should also be inspected when making a shipment to prevent damage to the cargo and leakage during transport. In addition, the adhesion of contents to the outside package may cause contamination inside our factories after acceptance. Please ensure that raw materials do not adhere to the outside container during filling.

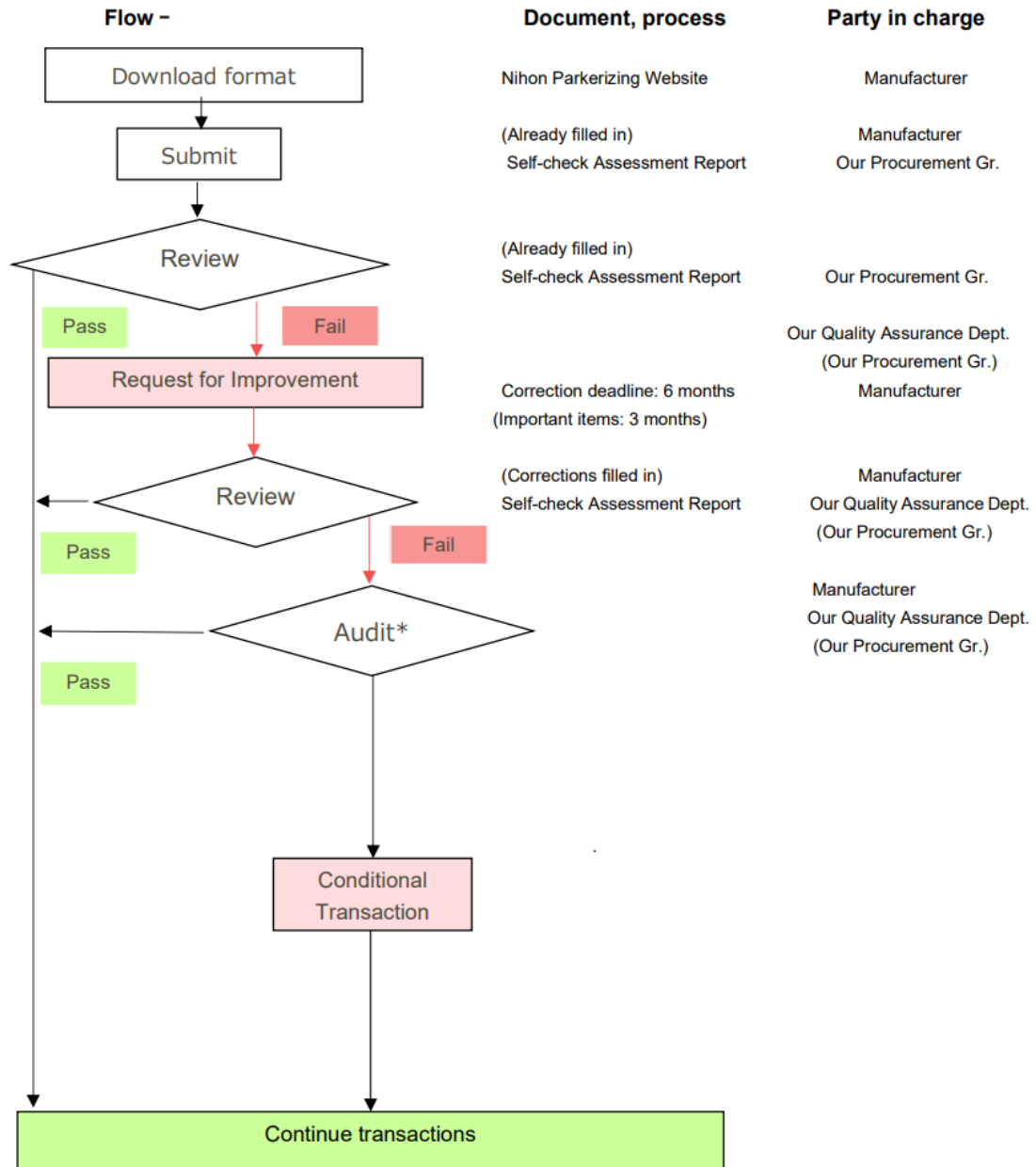
**9. Request for cooperation with our Responsible Mineral Procurement Survey**

In order to shut down procurement from armed forces and inhumane companies, we will identify suppliers of minerals (gold, tin, tantalum, tungsten, cobalt, mica)\*2 with particularly high impact. Procurement from suppliers identified as having a problem as a result of the survey will be suspended. We will conduct a survey annually. We will distribute a dedicated survey sheet for the survey and ask for your cooperation in responding by the due date.

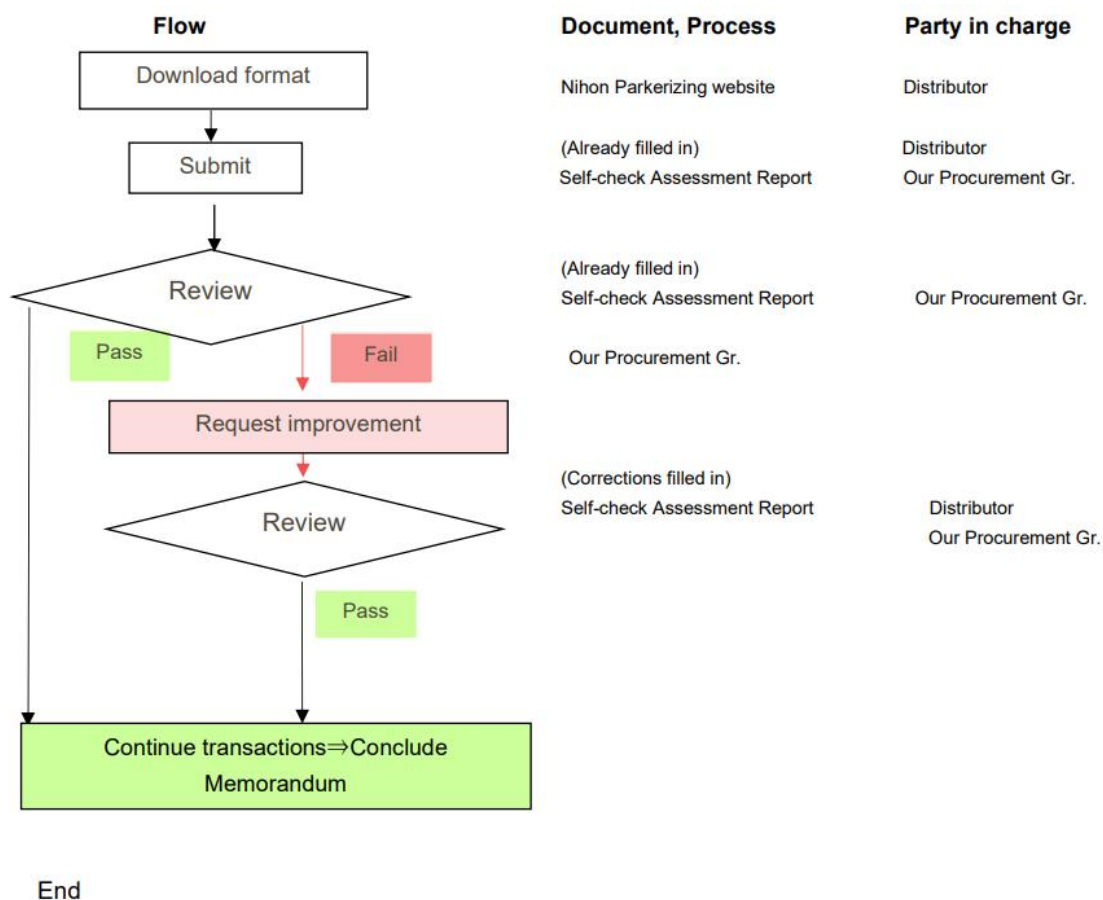
Note 2: Target minerals as of 31 August, 2024

## 5. Flowchart for our evaluation of Self-check Assessment Reports

### For manufacturer



## For distributors



Thank you for your understanding and cooperation.

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