

*Mitutoyo Corporation*  
*Green Procurement Guidelines*

*3rd Edition*

August 22, 2023

Mitutoyo Corporation

**Mitutoyo**

## Contents

Chapter 1	Introduction.....	3
Chapter 2	Policy Orientation of Mitutoyo Group Green Procurement Efforts .....	4
Chapter 3	Management Standards for Chemical Substances.....	5
	3.1 Objectives	
	3.2 Scope of Application	
	3.2.1 Scope of application to products	
	3.2.2 Scope of application to parts and materials	
	3.3 Definition of Terms	
	3.3.1 Chemical substances	
	3.3.2 Management standards	
	3.3.3 Prohibited substances	
	3.3.4 Managed substances	
	3.3.5 Upcoming regulated substances	
	3.3.6 Contained	
	3.3.7 Intentionally added	
	3.3.8 Impurities	
	3.3.9 Threshold value	
Chapter 4	Requests for Suppliers .....	7
	4.1 Prohibition of containing prohibited substances	
	4.2 Assessment of Chemical Substances Contained in Delivered Parts and/or Materials	
	4.2.1 Scope of assessment	
	4.2.2 Assessment forms	
	4.2.3 Assessment and contact	
	4.3 Management of “Managed substances” and “Upcoming regulated substances”	
	4.4 Submission of Check Sheet for Chemical Management System	
	4.5 Inspection Structure for Acceptance of Parts and/or Materials	
	4.6 Product Substitution Proposals	
	4.7 Handling of Guidelines	

## Chapter 1: Introduction

The Mitutoyo Group, consisting of Mitutoyo Corporation, its Japan-based subsidiaries (with the exception of Mitutoyo Foods Corporation) and its overseas affiliates (referred to hereinafter as the Mitutoyo Group), strive to achieve its goal of contributing to society through precision measurement technologies, as outlined in the Mitutoyo group's management philosophy. Out of the six guidelines in Mitutoyo's management principles is "Support and promote global peace, human happiness and harmony with the environment" in line with our environmental policy, Mitutoyo Group prioritize reducing the impact on the environment throughout all our business processes, recognizing global environmental conservation as a crucial aspect.

In recent years, there has been a growing trend of an increasing number of chemical substances being prohibited or restricted in terms of their use and content by laws and regulations related to chemical substances in various countries and regions, including the Stockholm convention on Persistent Organic Pollutants (POPs convention).

These Guidelines are based on Article 31 (Environmental Compliance) of the Mitutoyo Corporation Basic Business Contract, Article 21 (Green Procurement) of the Mitutoyo Master Purchase Agreement and/or the Green Procurement Contract, and require suppliers to ensure compliance with the applicable chemical substance restrictions.

Understanding on the part of suppliers is essential to the promotion of this activity, and we are committed to moving forward together with our suppliers to further strengthen our business relationships in the interest of environmental protection. We ask for the support and cooperation of all concerned.

In order to undertake our responsibilities toward the environment together with our suppliers, Mitutoyo Corporation looks forward to building preferential relationships with those suppliers who respect the standards contained in the Guidelines. Furthermore, in our transactions generally, we will be implementing assessment of chemical substances contained in delivered components and materials and submission of Absence Declaration. Again, we ask for the support and cooperation of all concerned.

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Mitutoyo Corporation

## **Chapter 2: Policy Orientation of Mitutoyo Group Green Procurement Efforts**

In seeking to achieve the Mitutoyo Group management principles to “support and promote global peace, human happiness and harmony with the environment,” we understand global environmental conservation to be an important element of our business activities, and the Mitutoyo Group as a whole is thus engaged in efforts aimed at environmental conservation.

- (1) We strictly observe legal regulations and other requirements with respect to the environment, and seek to prevent contamination.
- (2) We seek to develop environmentally compatible products that are considerate of the environment.
- (3) With respect to our suppliers and the materials, etc., that we procure, we conduct environmental impact assessments and evaluations, and promote materials procurement activities that are considerate of the environment.

## Chapter 3: Management Standards for Chemical Substances

### 3.1 Objectives

In order to strictly observe legal regulations concerning chemical substances contained in materials and parts constituting products of the Mitutoyo Group, management standards for such substances shall be clearly delineated, the content thereof shall be understood by all persons associated with green procurement both within and outside the specific company concerned, shall be strictly observed, and furthermore, methods of facilitating understanding shall be appropriately updated and administratively maintained. The objectives of the foregoing are strict observance of legal regulations on the part of customers, suppliers and Mitutoyo Group companies, reduction of environmental impact and the assurance of safety with respect to risks stemming from harmful substances.

### 3.2 Scope of Application

These Guidelines shall be applied to suppliers delivering parts and materials for the products indicated below to the Mitutoyo Group via purchasing divisions.

#### 3.2.1 Scope of application to products

- (1) Products designed and/or manufactured and sold by the Mitutoyo Group.
- (2) Products for which design and/or manufacturing is consigned to a third party, and which are sold under trademarks of the Mitutoyo Group.
- (3) Products of other companies that are purchased by Mitutoyo Group and are assembled into and/or connected and then sold as final products (including personal computers, printers, etc.).
- (4) Products for which design and/or manufacturing is consigned to the Mitutoyo Group by a third party. Guidelines shall not apply to parts and materials that are specifically designated by such third parties.

For products to which Guidelines apply as stated above, the scope of application shall include products procured from overseas, including the country(ies) in which the Group company is located.

#### 3.2.2 Scope of application to parts and materials

Applied to parts, materials, and other articles used in products subject to “3.2.1 Scope of application to products” above.

Applicable parts and/or materials, etc., are as follows:

- (1) Materials and semi-processed parts.
- (2) Semi-finished products (parts for assembly including but not limited to functional units, modules, and mounting boards).
- (3) Parts (including but not limited to electrical and/or electronic components, mechanical components, screws, terminals, semiconductor devices, printed circuit boards, and recording media).
- (4) Accessories for using equipment (such as external power supply apparatus including but not limited to power cables, harnesses, and AC adaptors, and accessories including but not limited to remote controls and computer mouse devices).
- (5) Secondary materials used in products (such as compositional materials including but not limited to adhesives, adhesive tape, soldering materials, putty materials, glues and explanatory labels).
- (6) Product related documentation including but not limited to user’s manuals, warranties, and catalogs (for promotional use).
- (7) Packaging and packing materials (including but not limited to bags, cushioning materials, rust-resistant packing materials, sheets, industrial wrap, cardboard, tape, banding materials, labels, printing ink, paint, lumber, nails and staples).

For items to which Guidelines apply as stated above, the scope of application shall include items procured from overseas, including the country(ies) in which the Group company is located.

### **3.3 Definition of Terms**

Terms are defined below with respect to these management standards for chemical substances.

#### **3.3.1 Chemical substances**

Those chemical substances for which management standards have been established by the Mitutoyo Group, due to legal regulations in Japan or overseas affecting such substances that may be contained in parts and/or materials from which Mitutoyo Group products are composed, and/or in consideration of customer requests for substance management.

#### **3.3.2 Management standards**

Management standards are applied to "prohibited substances", "managed substances" and "Upcoming regulated substances" as represented respectively by substance names, CAS numbers, etc., appearing in the separate "List of Relevant Chemical Substances."

#### **3.3.3 Prohibited substances**

Substances that are prohibited for use and intentional addition to components, materials, and packaging materials that constitute products, depending on their intended application.

#### **3.3.4 Managed substances**

Substances for which use or content is not restricted, but whose content data should be monitored and managed from the perspective of environmental impact and proper disposal.

#### **3.3.5 Upcoming regulated substances**

Substances that are currently under deliberation for regulatory measures and have the potential to become prohibited in the future. It is recommended to explore alternative options before they are officially stipulated by laws and regulations.

#### **3.3.6 Contained**

The addition, filling, mixing and/or affixing to component parts or materials of a product, or a raw material used in such parts or materials, regardless of whether or not such addition is intentional. (This includes cases of unintentional mixing or affixing in the product manufacturing process.)

#### **3.3.7 Intentionally added**

The intentional use during product and/or parts manufacture, in cases where its continued presence is desirable in order to facilitate specific properties, appearance and/or quality.

#### **3.3.8 Impurities**

Naturally occurring substances contained in industrial materials that cannot be technologically removed during purification processes, and substances that form in the process of synthesis reactions and which cannot be technologically removed.

#### **3.3.9 Threshold value**

The concentration limit for a contained chemical substance, which, if surpassed, must be managed or monitored in accordance with these standards, regardless of whether or not the addition of the substance is intentional.

## Chapter 4 Requests to Suppliers

### 4.1 Prohibition of containing the prohibited substances and Submission of Absence Declaration

Parts and/or materials delivered to the Mitutoyo Group (excepting those parts and materials originally supplied by the Mitutoyo Group) shall not contain any prohibited substances on the separate “List of chemical Substances” in an attached format. This requirement is concerned with product quality and in cases where the delivered parts and/or materials contain any prohibited substances without the consent of Mitutoyo Group, this will be regarded as non-conformity and the supplier shall assume liability for non-conformity of contract (claims, losses, damages). The same shall apply in cases where the delivered parts and/or materials contain any prohibited substances at or above their respective threshold values if specified.

### 4.2 Assessment of Chemical Substances Contained in Delivered Parts and/or Materials

#### 4.2.1 Scope of assessment

(1) To be applied to parts and/or materials, etc., delivered by suppliers, that will comprise products of the Mitutoyo Group.

Note, however, that the following parts and/or materials, etc., shall be exempt from assessment:

- Packaging materials used by the supplier for transportation to Mitutoyo purposes.
- Parts and materials supplied by the Mitutoyo Group.

(2) Glues, soldering materials, putty materials, paints, explanatory labels, etc., used for products shall be within the scope of assessment.

Furthermore, for substances and/or applications not specified in these Guidelines, local legal regulations shall be followed in cases where use is prohibited or restricted by such local legal regulations.

#### 4.2.2 Substances requiring assessment

"Prohibited Substances" listed in the attached “List of Relevant Chemical Substances” are applied.

Also, due to local legal regulations and/or customer requests, there are cases where assessment may be applied to substances that are not on the separate “List of Relevant Chemical Substances.”

#### 4.2.3 Assessment

Suppliers are required to ensure that the parts and materials (excluding those supplied by Mitutoyo Group) delivered to all Mitutoyo Group comply with the following regulations. It is imperative that they do not contain any prohibited substances listed in the attached “List of relevant chemical substances” or exceed the specified threshold.

To provide confirmation of compliance, suppliers are requested to submit a “Certificate of Non-Inclusion.”

Please note that even if suppliers don't submit it, does not exempt any party from contractual non-compliance liability. Additionally, suppliers may be asked to provide component data (such as analytical data or chemSHERPA etc.) if necessary. Prompt submission of this information is appreciated.

In the event that the presence of prohibited substances is discovered, suppliers are requested to notify Mitutoyo Group immediately. Furthermore, Mitutoyo Group ask for consideration of alternative options.

Mitutoyo Group may also request assessment to ensure compliance with the laws and regulations of each country or region, or to fulfill customer requests from all Mitutoyo Group.

(Note) We may request assessments in response to the status of laws and regulations in each country or region, or requests from customers of all Mitutoyo Group companies.

#### **4.3 Management of controlled substances and upcoming regulated substances**

While there's no requirement for submitting a "non-inclusion certificate" for managed substances, it may occasionally need to verify the presence of such substances. Suppliers during such instances would be greatly appreciated.

For substances planned for addition, if their inclusion is confirmed, Mitutoyo Group kindly ask that you promptly notify us. These substances fall within the category of chemicals currently being deliberated for potential future legal regulations, including possible prohibition. Mitutoyo Group also recommends considering alternative options prior to any regulatory stipulations.

#### **4.4 Submission of Check Sheet for Chemical Management System**

In order to confirm the state of environmentally-oriented activities on the part of suppliers, suppliers shall cooperate and submit to Mitutoyo Group the assessment using the separate "Check Sheet for Chemical Management System" in an attached format.

Furthermore, so as to ensure that substances of concern appearing on the separate "List of Relevant Chemical Substances" in an attached format are not contained in delivered products, suppliers shall set up the organization of a chemical management system, as indicated below.

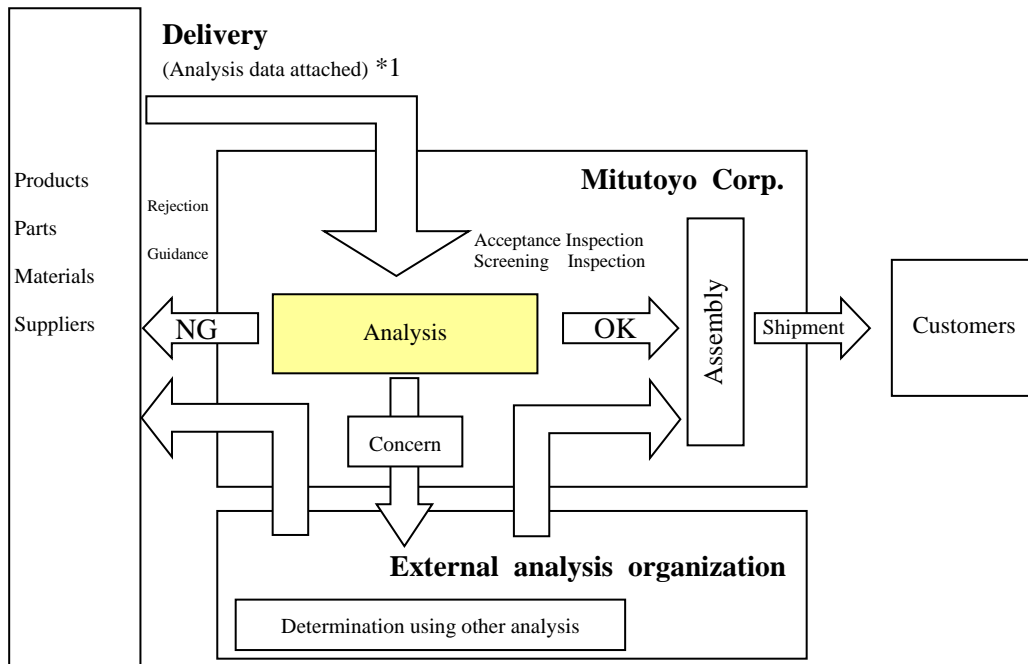
- (1) Understanding on the part of all employees with regard to chemical substance management.
- (2) Periodical review of chemical substance information for parts and materials used.
- (3) Monitoring and control of processes using chemical substances.
- (4) Structuring and maintenance of a compliance framework for legal regulations concerning chemical substances.

#### **4.5. Inspection Structure for Acceptance of Parts and/or Materials**

The diagram below indicates the schematic flow for cases where acceptance inspection is applied by the Mitutoyo Group to products, parts, and/or materials delivered by suppliers.



Fig. 4.1 Acceptance inspection structure for parts and/or materials



<Flow of acceptance inspection by Mitutoyo Group>

- When deemed necessary, products, parts, and/or materials received from suppliers are subjected to acceptance inspection and screening inspection via fluorescent analysis apparatus.
- In cases where acceptance inspection and screening inspection conclusively determines the presence of prohibited substances, the Mitutoyo Group will notify the supplier(s) thereof, and is entitled to return the products, parts, and/or materials to suppliers and seek damage compensation with respect thereto. Further, the Mitutoyo Group may request suppliers to take appropriate countermeasures.
- In cases where screening inspection indicates that the prohibited substance content is in the vicinity of the threshold value (gray zone indicated by ‘concern’ in figure above), a more detailed analysis at an external organization may be requested by the Mitutoyo Group to suppliers.

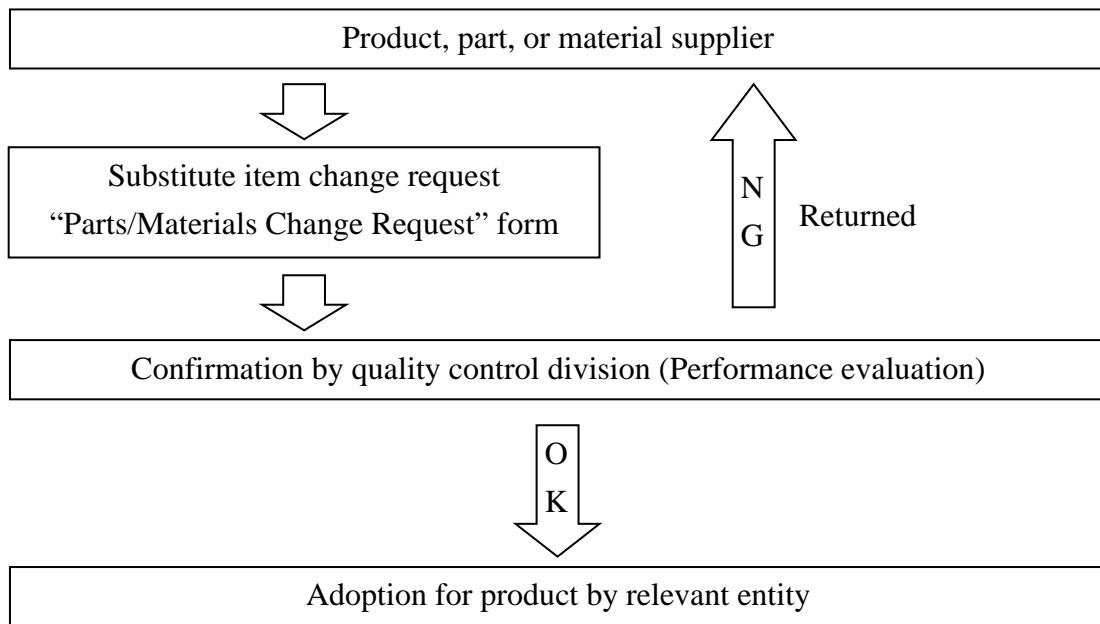
(\*1) In cases where it is difficult for suppliers to attach analysis data at the time of delivery, Mitutoyo Group will determine the necessity of attaching analysis data, by consultation between suppliers and the relevant Mitutoyo Group purchasing division.

#### 4.6 Product Substitution Proposals

In cases where suppliers apply for modification to a substitute item for a product, part and/or material supplied to the Mitutoyo Group, suppliers shall fill out and submit the required portions of the “Product/Process Change Application Form” in an attached form to the relevant Mitutoyo Group purchasing division.

Following the designated procedures, the Mitutoyo Group quality control division will undertake performance evaluation of the substitute item, and will adopt parts and/or materials that pass scrutiny.

In cases where substitution is proposed for a part or material that contains a prohibited or discontinued substance, the Mitutoyo Group quality control division may request submission of required documentation, samples, etc.



#### 4.7 Handling of Guidelines

Guidelines for suppliers are to be handled as follows:

- (1) Relevant purchasing division staffs notify the suppliers of the revision has been published.  
For the details, feel free to check out Mitutoyo website.
- (2) Whenever transactions are initiated with a new supplier, Guidelines are to be provided by the relevant purchasing staff.

#### Revision History

Enactment:	Revision 1	August 2, 2004
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	Revision 3	August 22, 2023

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