



# Green Procurement Guidelines

May 2018

T.RAD Co., Ltd.

## Green Procurement Guidelines

- 1) Introduction
- 2) Environmental Principle
- 3) Environmental Policy
- 4) Green Procurement Requirements
  - ① Purpose of Green Procurement
  - ② Subjects of Green Procurement
  - ③ Goals of Green Procurement
- 5) Fulfillment and Enhancement of Environmental Management System
  - ① Acquisition and Update of Environmental Management System Certification
  - ② Control for Substances of Concern of Parts and Materials Delivered to T.RAD
  - ③ Environmental Engagement relating to Business Operation of Suppliers
  - ④ Reduction of Packaging and Packing Materials for Logistics
  - ⑤ Observance of Idle Stop Practices

## 1) Introduction

We wish to express our gratitude for the continued support and cooperation of our manufacturing and procurement activities.

Since the company's establishment in 1936, the T.RAD Group foundation of our business has been the stable partnership with all of our suppliers. We will continue to base our business growth on mutual reliance with all business partners.

T.RAD develops and manufactures clean products, while at the same time participating in activities to reduce the environmental burden under the key management principle "Conservation of Earth's Environment and Contribution for Achievement of Affluent and Happy Society."

We must maintain a greater awareness of the needs of society and the environment by using parts and materials for products that create less of an environmental burden. T.RAD alone cannot achieve the goal alone. We require cooperation and close coordination from all our suppliers.

We would like to ask our suppliers to understand the intension and requirements of this guideline and to cooperate with us to achieve our goals.

Toru Yamazaki  
Director



## 2) Environmental Principle

T.RAD Co., Ltd., and the worldwide T.RAD Group Companies (hereinafter referred to as “T.RAD”), aim to become the world’s No. 1 manufacturer of heat exchanger systems. Giving the first priority on love to environment, every employee works on conservation of environment, biodiversity and nature and contributes and contributes to develop affluent and happy society.

## 3) Environmental Policy (Code of Conduct)

In order to achieve the environmental principle, T.RAD shall assess the environmental impacts throughout all lifecycle stages of our products, establish objectives and goals for conservation of environment and biodiversity, and utilize and continually improve the environmental management system throughout the organization of T.RAD in order to achieve an affluent and happy society.

- ① Establish and enhance the environmental management system and endeavor to strengthen management for a sustainable environment.
- ② Endeavor to improve the level of environmental conservation by coordinating and cooperating with suppliers.
- ③ Establish and implement a system for the engineering and development in consideration of the earth’s environment.
- ④ Comply with environmental regulations and other requirements and establish self-imposed standards to improve the level of environmental conservation.
- ⑤ Strengthen and implement educational programs to develop an awareness of the environment by all members of the T.RAD organization.
- ⑥ Proactively disclose environmental information in order to establish communication with stakeholders.
- ⑦ Endeavor to conserve environment, biodiversity and nature through proactive involvement in community activities.
- ⑧ Reduce emissions of greenhouse gases to prevent global warming.
- ⑨ Reduce emissions of pollutants into the environment to prevent pollution.
- ⑩ Endeavor to recycle and save resources for effective utilization and reduction of waste.

#### 4) Requirements of Green Procurement

##### ① Purpose of Green Procurement

In order to enable the manufacture of environmentally responsible products, green procurement intended for procurement of materials that create less of a burden on the earth's environment shall be introduced to achieve a sustainable society in partnership with suppliers who are also proactive in environmental conservation activities.

##### ② Subjects of Green Procurement

Procurement of materials (raw materials and indirect materials) and parts (purchased parts and supplier parts) for the T.RAD manufacturing operations shall be covered in the Green Procurement Guidelines.

##### ③ Goals of Green Procurement

In order to minimize the load on the earth's environment throughout the areas of operations relating to all stages of the product lifecycle (development, engineering, procurement of parts and materials, manufacture, transportation, and use), green procurement, or the procurement of parts and materials with less of an environmental load, is essential as well as implementing less environmental burdensome manufacturing activities and developing less environmentally burdensome products when in use and after disposal.

#### 5) Fulfillment and Enhancement of the Environmental Management System

T.RAD expects that all suppliers worldwide will provide us with high quality products on a long term and stable basis, based on regulatory compliance, respects for the norms of society, and consideration of the environment. We request that our suppliers implement the following:

Details of the requirements differ depending on the supplier category. Refer to the table below.

Environmental Aspect	Supplier Category		
	Parts	Raw Materials and Indirect Materials	Logistics
1 Acquisition and update of environmental management system certification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 Control for substances of concern of parts and materials delivered to T.RAD			
①Control of substances of concern and an increase in recycling			
Discontinuation of banned substances			
Reduction of restricted substances	<input type="radio"/>	<input type="radio"/>	
3 Environmental activities related to business operations of the supplier			
①Compliance with environmental regulations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
②Improvement in environmental performance	<input type="radio"/>	<input type="radio"/>	
4 Reduction in CO <sub>2</sub> emissions and packaging and packing materials for logistics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5 Observance of Idle Stop Practices			<input type="radio"/>

① Acquisition and Update of Environmental Management System Certification

T.RAD manages environmental conservation activities in an organized manner and is committed to continual improvement. Thus, we ask all suppliers to establish a management system that implements environmental conservation activities and allows continual improvement. Consequently, we ask our suppliers to obtain “Environmental Management System” certification. Also we ask our suppliers acquired the Environmental Management System certification to update it and organize the continual acquisition.

In addition, we ask for your cooperation in the survey Environmental Management System certification as needed.

Environmental Management System : ISO 14001, KES, Eco Action 21 or any other.



② Control of Substances of Concern of Parts and Materials Delivered to T.RAD

We ask you to implement the following procedure according to the relevant regulations and our in-house provisions for parts and materials delivered to us.

※Prohibit the use of asbestos

※Control and self-check substances of concern for abolition of the six SOC's (lead, cadmium, mercury, hexavalent chromium, PBB, and PBDE) in use.

※Reduce the use of SOC's other than the six SOC's, such as PVC and VOC's.

※Control, report, and exchange information on the restricted chemical substances under REACH of EU.。

※Submit environmental data for the lifecycle assessment (LCA)

Energy Consumption; emissions of CO<sub>2</sub>, NO<sub>x</sub>, and other greenhouse gases into the atmosphere; and waste volume

※Reduce waste and increase the recycle ratio.

③ Environmental Engagement relating to Business Operation of Suppliers

In addition to the activities described in ① and ② above, we ask suppliers for proactive participation in environmental activities in business operations.

※Compliance with the relevant environmental regulations.

※Enhancement of activities for conservation of environment, biodiversity and nature, and control of chemical substances.

※Expedient presentation and submission of the relevant documents upon request.

Details of the designated chemical substance refer to the T.RAD Standard No. 003-01-01-A "Standard for Control of Substance of Concern".

④ Reduction of Packaging and Packing Materials for Logistics

Reduce packaging and packing material for parts and materials delivered to us and/or increase the use of returnable packing cases.

⑤ Observance of Idle Stop Practices

Revision. No.	Date	Revision Detail
△1	December, 2007	Addition of reference document. Addition of Text.
△2	July, 2009	Deletion of reference document, Addition of Text
△3	July, 2010	Addition of word "biodiversity"
△4	May, 2018	Change officer name