



KITZ Group Green Procurement Guidelines (Second Edition)



June 2025
KITZ Corporation

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1. Introduction

Thank you very much for your understanding and cooperation with our production activities.

The KITZ Group (hereinafter referred to as “we,” “us,” or “our”) strives to reduce the environmental impact of its products at all stages of their life cycles in order to protect the irreplaceable earth from environmental pollution and make effective use of limited resources in accordance with the KITZ Group Environmental Philosophy.

Procurement of materials, parts, and packaging materials and components with low environmental impact is essential for providing the market with environmentally friendly “safe and green products.”

In order to create environmentally friendly products and respond to corporate social responsibility as a result of heightened environmental awareness, it is essential that we gain the understanding of our suppliers and work together as a united supply chain. As part of this trend, there are increasing demands both domestically and internationally for companies to establish corporate environmental management systems and promote “**green procurement**,” including reducing and monitoring the amount of chemical substances contained in products that can adversely affect the environment.

In this context, we have established the “KITZ Group Green Procurement Guidelines” in order to comply with laws and regulations and fulfill our social responsibilities. We are committed to promoting environmentally conscious procurement and ask for your understanding and cooperation.

KITZ Corporation

Executive Officer Division Manager, Corporate Planning Division

Supervisor of ESG Yutaka Ota

2. Basic Environmental Policy

2-1. Kitz Group Environmental Philosophy

The Kitz Group aims to be a business group trusted by society by providing environmentally friendly products and services and promoting environmentally friendly business activities.

2-2. Kitz Group Environmental Action Guidelines

We consider the environment to be an important aspect of our management, and each and every employee must proactively implement the following measures.

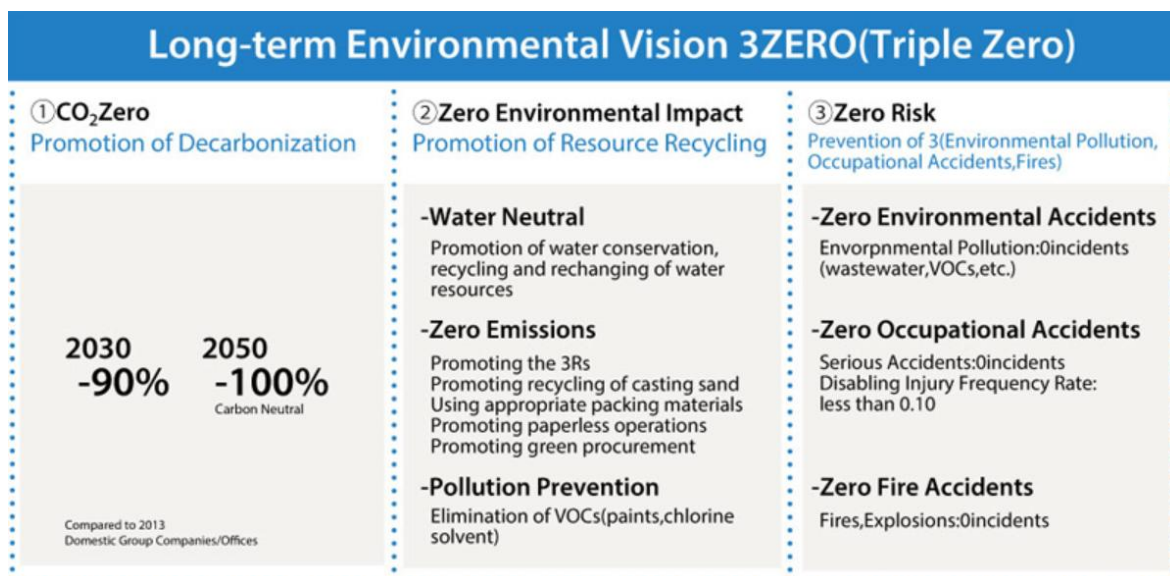
1. Development and provision of environmentally friendly products and services
2. Effective use of resources
3. Waste reduction and promotion of reuse
4. Precautions and prevention related to environmental pollution

2-3. Long-Term Environmental Vision

We have set long- and medium-term environmental goals and are promoting group environmental management.

< Long- and medium-term environmental goals >

Since its foundation, KITZ has been grounded on an integrated production system that starts with raw materials in order to quickly and continuously provide customers with high-quality products, mainly valves. Casting is an important process that requires advanced production technologies and large-scale facilities. On the other hand, it also involves a variety of risks related to energy, waste, and employee safety. For this reason, manufacturing that gives consideration to the environment and safety is essential. Therefore, we are working on business activities based on the “Triple Zero” concept as our long-term environmental vision.



3. Green Procurement Policy

3-1. Basic Policy

In order to provide environmentally friendly "green products," we clarify our approach to comply with environmental laws and regulations both domestically and internationally, and make effective use of limited resources related to chemical substances. In addition, we procure green materials, parts, packaging materials, and products from our suppliers, and aim to reduce environmental impacts, risks, and burdens. We established this policy in consideration of domestic and international laws and regulations and their trends, pollution issues, and the degree of harmfulness of related chemical substances. In this context, we promote the following activities:

- (1) Content management of environmentally controlled substances
- (2) Energy management throughout the life cycle
- (3) Water usage management throughout the life cycle
- (4) Reduction management in the usage of scarce resources
- (5) Conflict minerals management

3-2. Scope of Application

- Suppliers subject to green procurement

The scope of application of these guidelines applies to suppliers related to manufacturing or sale items (1) to (7) shown below.

(1) Products

(2) Parts (metals and non-metals)

(3) Raw materials (metals and non-metals)

(4) Auxiliary materials used for products (paints, coatings, oils and fats, inks, magic markers, etc.)

(5) Packaging materials and instruction materials

(6) Products bearing our brand manufactured by another company and sold by us

(7) Equipment, jigs and tools, secondary materials, office supplies, and consumables that are used by us in manufacturing

- Suppliers whom we request to step up management of their chemical substances contained in products

In principle, suppliers whom we request to step up management of their chemical substances contained in products are those related to manufacturing or sales items (1) to (4) shown above. However, we may request that suppliers individually manage chemical substances in response to market demands. For details, refer to Appendix-1 “Management Standards for Chemical Substances Contained in Products.”

3-3. Matters of Importance in the Selection of Suppliers

We give priority to the following suppliers who are committed to reducing environmental impacts.

- (1) Business operators who proactively provide technologies, raw materials, materials, parts, equipment, and services that contribute to reducing

environmental impacts

- (2) Business operators who proactively disclose information on environmental impacts and chemical substances contained in products
- (3) Business operators who work hard to reduce CO₂ emissions
- (4) Business operators who proactively use renewable energy
- (5) Business operators who are proactively engaged in environmental conservation activities such as obtaining environmental certifications

3-4. Matters of Importance in Procurement (Goods and Services)

We will give priority to procurement articles that meet the following requirements.

- (1) Shall be compliant with environmental laws and regulations
- (2) Shall not contain hazardous chemical substances or reduce the use of them as much as possible even within the limits specified by laws and regulations, in consideration of the natural environment and ecosystem
- (3) Shall be able to be used for a long time through repairs and part replacements
- (4) Shall be designed for recycling to reduce environmental impacts, and be easily classified, disassembled, disposed of, and recycled
- (5) Shall use recycled resources
- (6) Shall be minimized to conserve resources and energy that result in reduced greenhouse gas emissions

4. Requests to Suppliers

4-1. Establishment of an Environmental Management System

We ask our suppliers to take steps to establish, maintain, and improve the environmental management system shown in Table 1 or implement an environmental management system that conforms to it.

Table 1. Environmental Management System

Standard name	Secretariat
ISO14001	International Organization for Standardization
EcoAction 21	Integrated Sustainability Centre, Institute for Global Environmental Strategies
KES	KES Environmental Organization
EcoStage	EcoStage Institute

If necessary, we may conduct interviews with suppliers to confirm the status of their environmental management systems.

4-2. Management of Environmentally Controlled Substances

Our suppliers are requested to control chemical substances listed in Tables 2 to 7 of the attachment to these guidelines, which may significantly damage the health of employees or the environment, therefore they are requested to manage these chemical substances and ensure that they are not used in manufacturing processes, etc.

Our suppliers are requested to submit a research report on chemical substances and controlled substances in products in accordance with Appendix-1 “Management Standards for Chemical Substances Contained in Products.”

4-3. Compliance with and Reporting of Environmental Laws and Regulations

We request all suppliers to closely monitor and strictly comply with the latest trends in environmental laws and regulations both domestically and internationally. If finding any violation of environmental laws or regulations, or any environmental accident that may violate a law or regulation, report it to our Purchasing Department as soon as possible.

4-4. Improvement of Environmental Performance

We are proactively working on reducing energy consumption, greenhouse gas emissions, and waste, and making effective use of water resources in production processes and logistics. Our suppliers are requested to cooperate in improving environmental performance in the following activities.

- (1) Proposal of materials that contribute to energy conservation in products
- (2) Identification and promotion of reductions in energy consumption, greenhouse gas emissions, waste, and water resource usage in business activities
- (3) Reduction in the usage of scarce resources
- (4) Management of smelters of conflict minerals (tin, tungsten, tantalum, gold, cobalt, mica) used in products

5. Documents Submitted by Suppliers

Submit the following documents when requested by us.

- (1) chemSHERPA (chemSHERPA-AI, chemSHERPA-CI) Note 1
- (2) “List of composition” or “SDS”
- (3) Survey of RoHS Directive Prohibited Substances
- (4) Conflict mineral reporting template (CMRT/EMRT)
- (5) Other documents designated by us

Note 1. chemSHERPA-AI, chemSHERPA-CI

Download and prepare the latest information communication sheet, chemSHERPA-AI or chemSHERPA-CI, referring to the Management Guidelines for Chemical Substances Contained in Products on the website of the Joint Article Management Promotion-consortium.

<https://chemsherpa.net/>

6. Contact

Inquiries about the Kitz Group Green Procurement Guidelines:

KITZ Corporation Production and Sales Management Center Supply Chain

Management Division Domestic Purchasing Planning Dept.

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purchase_inquiry@kitz.co.jp (purchasing inquiry counter)

< Revision History >

Revision 00 (2016.12.01) First edition Newly created

Revision 01 (2025.06.06) Second edition Revised

Table 2. Article 55 of the Industrial Safety and Health Act
(Prohibition on Manufacturing and Other Activities)
(Article 16 of the Order for Enforcement of the Industrial Safety and Health Act)

No.	Substance name	CAS No.
1	Yellow phosphorus match	12185-10-3
2	Benzidine and its salts	92-87-5
3	4-Aminobiphenyl and its salts	92-67-1
4	Asbestos (asbestos, crocidolite, chrysotile, amosite, actinolite, anthophyllite, tremolite)	-
5	4-Nitrobiphenyl and its salts	92-93-3
6	Bis (chloromethyl) ether	542-88-1
7	Beta-naphthylamine and its salts	91-59-8
8	Benzene-containing rubber (in which the volume of contained benzene exceeds 5% of the solvent (including diluents) of the rubber)	71-43-2

Table 3. Article 56 of the Industrial Safety and Health Act (Permission for Manufacturing)
(Article 17 of the Order for Enforcement of the Industrial Safety and Health Act)

No.	Substance name	CAS No.
1	Dichlorobenzidine and its salts	1331-47-1
2	Alpha-naphthylamine and its salts	134-32-7
3	Polychlorinated Biphenyls (also known as PCBs)	1336-36-3
4	o-Tolidine and its salts	119-93-7
5	o-dianisidine and its salts	119-90-4
6	Beryllium and its compounds	7440-41-7
7	Benzotrichloride	98-07-7

8	Sample for asbestos analysis (asbestos, crocidolite, chrysotile, amosite, actinolite, anthophyllite, tremolite)	-
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Table 4. "Class 1 Organic Solvents" in Article 1, Paragraph 1-3 of the Ordinance on Prevention of Organic Solvent Poisoning

No.	Substance name	CAS No.
1	1,2-dichloroethylene (also known as acetylene dichloride)	540-59-0
2	Carbon disulfide	75-15-0

Table 5. 9 substances in Article 38-8 of "Application Mutatis Mutandis of the Ordinance on Prevention of Organic Solvent Poisoning" of the Ordinance on Prevention of Hazards due to Specified Chemical Substances

No.	Substance name	CAS No.
1	Chloroform	67-66-3
2	Carbon tetrachloride	56-23-5
3	1,4-dioxane	123-91-1
4	1,2-dichloroethane (also known as ethylene dichloride)	107-06-2
5	1,2-dichloropropane	78-87-5
6	Dichloromethane (also known as methylene chloride)	75-09-2
7	1,1,2,2-tetrachloroethane (also known as acetylene tetrachloride)	79-34-5
8	Tetrachloroethylene (also known as perchloroethylene)	127-18-4
9	Trichloroethylene	79-01-6

Table 6. Specified chlorofluorocarbon provided for in the Act on the Protection of the Ozone Layer
Through the Control of Specified Substances, etc. and Other Measures

No.	Substance name	CAS No.
1	Trichlorofluoromethane (also known as CFC-11)	75-69-4
2	Dichlorodifluoromethane (also known as CFC-12)	75-71-8
3	Trichlorotrifluoroethane (also known as CFC-113)	76-13-1
4	Dichlorotetrafluoroethane (CFC-114)	76-14-2
5	Chloropentafluoroethane (CFC-115)	76-15-3

Table 7. Poisonous and Deleterious Substances Control Act
(List of Specified Poisonous Substances)

No.	Substance name	CAS No.
1	Octamethylpyrophosphoramidate	152-16-9
2	Tetraalkyl lead	75-74-1
3	Diethyl 4-nitrophenyl thiophosphate	56-38-2
4	Dimethyl ethylmercaptoethyl thiophosphate	8022-00-2
5	Dimethyl-(diethylamido-1-chlorocrotonyl)-phosphate	13171-21-6
6	Dimethyl 4-nitrophenyl thiophosphate	298-00-0
7	Tetraethyl pyrophosphate	107-49-3
8	Monofluoroacetic acid	144-49-0
9	Monofluoroacetamide	640-19-7
10	Other than the poisonous substances listed in the preceding items, preparations containing the substances listed in the preceding items and other extremely toxic poisonous substances specified by government ordinance	-