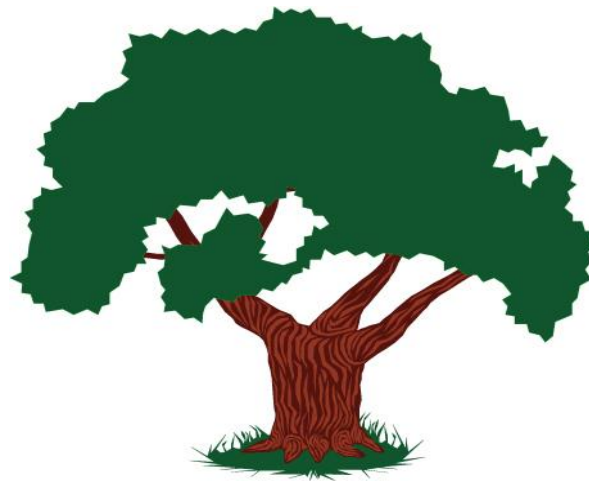


NPT approach to green procurement



NPT Green Procurement Guideline

Version 7

NAMIKI PRECISION (THAILAND) CO., LTD.

Introduction to NPT approach to green procurement

The 21st century is often referred to as the 'Century of the Environment' as many companies including Namiki Precision (Thailand) Co., Ltd. have agreed to implement environmental preservation activities for the sake of future generations.

Our company is committed to the slogan "Sustainable development" and we place great importance on certification; we obtained our ISO14001 certificate in December 2000.

We give careful consideration to providing best-in-class product quality at reasonable prices, always taking into account the environmental aspect.

This guideline explains the basic concept of NPT's green procurement principles in order that our company and our suppliers can achieve continual improvement.

Should there be any change in circumstances or any change in applicable legal or other requirements, the Green Procurement Guideline will be revised, and suppliers will be expected to submit an updated questionnaire to NPT. Suppliers will be ranked according to the criteria outlined in this guideline. We look forward to your cooperation as our green partners.

NPT green procurement policy

In recognition of the environmental conservation as one of the most important missions given to mankind and we have strived to be an environmentally friendly company.

Although the control of our internal system is important, we also recognize that our suppliers have an important role in minimizing the environmental burden throughout our products life cycle.

In so doing, Namiki Precision (Thailand) Co., Ltd. commits to procure the **"Environmentally Preferable Products"** by,

- Procure from suppliers who proactively promote the environmental protection.
- Procure the materials and products that are environmental friendly and do not contain harmful substances.

NPT intends to fulfil the customer's environmental requirement to gain their great satisfaction.



Mr. Akinori Sato
 Chief Operating Officer
 Namiki Precision (Thailand) Co., Ltd.
 9-Mar-2010

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NPT Green procurement guideline

1. Purpose

The environmental policy of Namiki Precision (Thailand) Co., Ltd. (NPT) commits to providing best-in-class products that are environmentally friendly and fully comply with international requirements for controlled chemical substances and environmental-related systems.

This document is established for green procurement activities in order to effectively minimize the use of environmental-related hazardous substances in materials/supplies based on the NPT environmental policy in terms of sustainable development.

This is also a guideline for procurement activities that provides criteria for purchasing components with the intention of selecting only those products that have low environmental impact and doing business with only those suppliers that have implemented environmental preservation activities.

2. Scope of application

This guideline is applicable to all suppliers that provide products to our company, e.g., materials or supplies including services, chemical substances and packing materials.

3. Terms and definitions

Terms and definitions used in this guideline refer to those mentioned in the ISO14001 standard.

- **Product assessment:**

The assessment of the environmental impact of a product throughout its design process.

The term "product assessment" refers to the notion that the raw material production, manufacture, distribution, use, recycle and disposal including transportation steps must be assessed. This might lead to product design change where necessary in order to minimize the environmental impact of a product or to optimize the environmental performance of a company.

- **RoHS:** Restriction of the use of certain hazardous substances in electrical and electronics equipment. (Standard to Directive 2002/95/EC of the EU Parliament and the Council of January 27, 2003 on the restriction of the use of certain hazardous substances in electrical and electronics equipment. (Pb, Hg, Cr+6, PBB and PBDE to be less than 1000 ppm and Cd to be less than 100 ppm.)
- **Sustainable development:** The main principle to bear in mind when developing a product or process, in order to minimize environmental impact, reduce energy and raw material waste, or to make the best use of resources.

4. NPT Environmental preservation activities

4.1 Environmental principle

NPT applies unique, clean technology to prevent pollution and protect the global environment.

The activities are intended to enhance the overall performance of environment preservation and contribute to human health.

4.2 Environmental activities

NPT has established an environmental objective and target consistent with its environmental policy, including the commitment to prevent pollution and strive for continual improvement.

Our activities are performed in a manner that respects nature, and we strive to protect and improve the global environment. The environmental objective and target is subjected to periodic review at which time all technological options and business requirements are taken into account.

In order to improve the effectiveness of our environmental performance, NPT has implemented an environmental management system (EMS) and obtained ISO14001 certification in the year 2000.

NPT's environmental policy is also made available to the public.

5. NPT Green procurement

5.1 Basic concept of green procurement

NPT intends to minimize the hazardous substance content in our products, which requires the kind cooperation of our green partners. The following is a list of activities to help us reach our green procurement goal.

1) Procurement of components from suppliers who implement environmental preservation activities

Basically, our suppliers are required to conduct activities that demonstrate their commitment to environmental preservation.

The Purchasing Dept. will consider whether or not a supplier has obtained ISO14001 certification by a certificate body (CB), ensuring the effective implementation of an environmental management system. Suppliers certified by a CB will be given high priority during the procurement process.

2) Procurement of components, services and packing materials with low environmental impact

For all product components including packing materials used for the product or in a product process. NPT intends to use only those components that have low environmental impact or those that are specifically designed for the environment (*ecodesign*).

5.2 Green Procurement Standard

NPT has established a green procurement standard including the evaluation criteria for suppliers and component procurement.

The main point to review is environmental activities in relation to the environmental impact of the supplier's products.

1) Criteria for component selection

Regarding the selection criteria for purchasing components, not only is quality and price considered, but NPT also takes into account the chemical substances contained in a single part.

NPT prefers products with low environmental impact in line with good quality and reasonable price.

Basic principle of hazardous substance reduction and minimization

- ☑ Products from suppliers should comply the NPT chemical standard described on page 7 of this guideline.
Exceptions may be considered in the case of a supplier that intends to minimize the use content of the controlled substance in the product.
- ☑ Products should use minimal natural resources and consume little energy.
- ☑ As with products, suppliers should minimize the use of natural resources, promoting the use of returnable containers. The control of chemical substances in packing materials should also be taken into account.
- ☑ Suppliers' activities must comply with regulations and other requirements concerning waste disposal laws, the energy saving laws, etc.
- ☑ Product assessment results, e.g. ICP data, MSDS or MIL sheets, should be available upon request.
- ☑ Environmental-related information on products must be communicated to the public.
- ☑ The use of recycled resin in molding part is prohibited.
However, if the chemical content in a single part comply NPT chemical standard, it can be accepted upon our approval. (For further information, please contact our Purchasing officer)

(1) Evaluation items concerning chemical substances contained in products

- Suppliers must provide NPT with the "Environmental questionnaire concerning chemical substances" (FORM 2) and ICP data or material analysis certificate, RoHS certificate.
- Components shall comply the NPT chemical standard.

2) Criteria for supplier selection (Based on Q-C-D-S-E principle)

When selecting a supplier, **Quality**, **Cost**, **Delivery**, and **Service** performances are the main items to be considered.

Also taken into account is the supplier's **Environmental** preservation activities.

(2) Evaluation items concerning environmental management system (ISO14001)

- The supplier is certified according to ISO14001 by an external certification body.
- The supplier plans to obtain ISO14001 certification within a year.
- The supplier has no plans to obtain ISO14001 certification.

(3) Evaluation items concerning environmental preservation activities

(Optional: if the supplier has obtained ISO14001 certification, this item can be omitted.)*

- Employee awareness and environmental policy
- Environmental management plan and company organization
- Environment assessment system
- Training and internal communication

For suppliers, please note the following items:

- Supplier ranking is judged from the evaluation items, e.g., chemical substances contained in a product, environmental management system (ISO14001) and environmental preservation activities.
- Supplier ranking is divided into 3 categories: **Green (Pass)**, **Yellow (Pass with condition)** and **Red (Fail)**

<p>< G > <i>Pass</i></p>	<ol style="list-style-type: none"> 1. The breakdown of substances in the supplied component complies with NPT's chemical standards. 2. The supplier has obtained ISO14001 certification.
<p>< Y > <i>Pass with condition</i></p>	<ol style="list-style-type: none"> 1. The breakdown of substances in the supplied component complies with NPT's chemical standards. 2. The supplier has not yet obtained ISO14001 certification, but evaluation through the NPT green procurement survey is higher than 85 points.
<p>< R > <i>Fail</i></p>	<ol style="list-style-type: none"> 1. The supplied component does not comply with NPT's chemical standards. 2. The supplier has not yet obtained ISO14001 certification and has no plans to do so. Evaluation through the NPT green procurement survey is lower than 85 points.

- The evaluation results and ranking will be communicated to the supplier.
- If the supplier's ranking is " G or Y ", business dealings can continue without any problem.
- In the case of a supplier failing the evaluation, any newly issued purchase orders to that supplier might be temporarily suspended until the supplier implements improvement measures.
Or, business dealings with this supplier might be terminated.

6. NPT Supplier requirements

NPT expects suppliers to cooperate by replying to the two enquiries. Please take note of the following memorandum conditions:

1. NPT Green procurement survey (FORM 1)

This questionnaire requests information about the supplier's activities to promote environmental preservation, including the establishment of an environmental management system.

2. Environmental questionnaire concerning chemical substances (FORM 2)

- In order to confirm the status of controlled substances in suppliers' products including the contents, we ask you to complete the "Environmental questionnaire concerning chemical substances" and submit it to NPT together with the material ingredient list, ICP data or MSDS.
- If a controlled substance is used in your manufacturing process, please submit the material ingredient list, ICP data or MSDS as well.

3. Conclusion of the memorandum agreement to minimize controlled substances

When NPT need to confirm the minimization of controlled substances in products provided by the supplier, not only must the above-mentioned questionnaires be submitted to NPT, but the supplier must also conclude a memorandum agreement with NPT.

NPT is very proud to have such great support from all our suppliers.

Our green procurement activities contribute to environmental awareness and minimize the impact on the environment. Your cooperation and support makes it possible for us to provide the global market with environmentally friendly products of unsurpassed quality.

For suppliers, please support us by completing the following:

- Fill out the **NPT Green procurement survey (FORM 1)** and **Environmental questionnaire concerning chemical substances (FORM 2)** attached to this guideline.
Return the completed survey to our Purchasing officer.
It is strongly recommended for you to stamp your company seal on the questionnaire.
- For new supplier, we request your cooperation in submitting the "NPT Green procurement survey" (FORM 1) and "Environmental questionnaire concerning chemical substances" (FORM 2) to NPT. In case the supplier is ISO14001 certified, "NPT Green procurement survey" (FORM 1) can be omitted, only ISO14001 certificate is required to submit to NPT.
- For a supplier which the name has changed, we request your cooperation in submitting the "NPT Green procurement survey" (FORM 1)
- If the base raw material of a component or a process condition is changed, or if a chemical substance used in a component is changed, the supplier is required to submit the "Change application from supplier" so NPT could consider whether it is necessary for the supplier to resubmit the "Environmental questionnaire concerning chemical substances" (FORM 2) again.
Thank you for your cooperation.

Conclusion

In the efforts made towards protecting the environment and achieving the objectives of this guideline, suppliers must undertake the following:

- Every effort must be made to minimize the use of hazardous substances in all products.
- Packing material must be returnable or must at least minimize the use of resources.

Should you have any further question or require additional information of substances in group list, please ask our Purchasing officer.

NPT chemical standard

(For substance list and CAS No. refers to NPT chemical substance list : version 7)

Substance name	Standard	Threshold
Cadmium and compounds*	Content in homogenous material is less than 0.01% by weight Use in packaging and packaging inks prohibited	100 ppm Prohibited
Hexavalent chromium and compound *	Content in homogenous material is less than 0.1% by weight Use in packaging and packaging inks prohibited	1,000 ppm Prohibited
Mercury and compounds*	Content in homogenous material is less than 0.1% by weight Use in packaging and packaging inks prohibited	1,000 ppm Prohibited
Lead and compounds*	Content in homogenous material is less than 0.1% by weight Use in packaging and packaging inks prohibited	1,000 ppm Prohibited
Polybrominated Biphenyls (PBBs)* Polybrominated Diphenyl ethers (PBDEs)*	Content in all applications is less than 0.1% by weight of homogenous material	1000 ppm
Brominated flame retardant	Content in application is less than 0.09% by weight of homogenous material	900 ppm
Organic tins compound	Prohibited in all applications as intentionally added.	Prohibited
Polychlorinated Biphenyls (PCBs)	Prohibited in all applications as intentionally added.	Prohibited
Polychlorinated Terphenyls (PCT)	Content of impurity from natural raw materials and processes is less than 0.005% by weight of homogenous material.	50 ppm
Polychlorinated Naphthalene (PCN) (Cl=>3)	Prohibited in all applications as intentionally added.	Prohibited
Polyvinyl Chloride (PVC)	Prohibited in all applications as intentionally added.	Prohibited
Chlorinated Paraffins (PCs)	Prohibited in all applications as intentionally added.	Prohibited
Aliphatic CHCs	Content in application is less than 0.09% by weight of homogenous material	900 ppm
Chlorine and compounds	Content in application is less than 0.09% by weight of homogenous material	900 ppm
Ozone depleting substance	Prohibited in all applications.	Prohibited
Antimony and compounds	Content in application is less than 0.09% by weight of homogenous material	900 ppm
Asbestos	Prohibited in all applications as intentionally added.	Prohibited
Azo colorant & pigment	Prohibited in all applications as intentionally added.	Prohibited
Carcinogens, mutagens and reproductive toxins (CMR)	Any content must be reported.	To be reported
Radioactive substance	Prohibited in all applications.	Prohibited
Formaldehyde	Prohibited in applications where surface are intended to come into direct and prolonged contact with human skin.	Prohibited
Arsenic and compounds	Content in all applications is less than 0.1% by weight of homogenous Prohibited in all applications as intentionally added.	1,000 ppm Prohibited
Beryllium and compounds	Prohibited in all applications as intentionally added.	Prohibited
Bismuth and compounds	Content in all applications is less than 0.1% by weight of homogenous material	1000 ppm
Nickel and compounds	1) Prohibited in applications where surface are intended to come into direct and prolonged contact with human skin. 2) Any content of nickel in alloy must be reported.	Prohibited To be reported
Cobalt and compounds	Any content must be reported.	To be reported
Selenium and compounds	Content in all applications is less than 0.1% by weight of homogenous material	1,000 ppm
Phthalates	Prohibited in all applications as intentionally added.	Prohibited
Benzene	Content in all applications is less than 0.1% by weight of homogenous material	1,000 ppm
Endangered species of flora and fauna	Any content must be reported.	To be reported

Substance name	Standard	Threshold
Isocyanates	Any content must be reported.	To be reported
Nonyl Phenols (NP) and Nonylphenol Ethoxylates (NPE)	Prohibited in all applications.	Prohibited
Perfluorooctane sulfonates (PFOSs)	Content in all applications is less than 0.005% by weight of homogenous material	50 ppm
	Prohibited in all applications as intentionally added.	Prohibited
Perfluorooctanic acids (PFOAs)	Any content must be reported.	To be reported
Substances that may cause skin sensitization	Any content must be reported.	To be reported
Dimethylfumarate (DMF)	Prohibited in all applications.	Prohibited
REACH Substances of Very High Concern (SVHC)	Prohibited in all applications.	Prohibited

* Exemption/allowable use is referred to EU RoHS directive.

Changes history

No.	Changes detail	Edition date
1. Version 1 (The 1st edition)		9-Feb-2007
	Established the system of green procurement at NPT and first issue of green procurement guideline.	
2. Version 2 (The 2nd edition)		15-Feb-2007
2.1	Arranged chemical substance list to be controlled by adjusting substance level to be in accordance with Namiki group includes, - Polyvinyl Chloride (PVC) from level 2 to level 1 - Tributyl Tin Oxide(TBTO), Tributyp Tins (TBTs) & Triphenyl Tins (TPTs), Polychlorinated Naphthalenes (Cl=>3), Asbestos and Radioactive Substances from level 3 to level 1 - Bismuth and Bismuth Compounds, Nickel and Nickel Compounds, Selenium and selenium Compounds and Magnesium from level 3 to level 2	
2.2	Changed the revision of environmental questionnaire concerning chemical substances to add column of CAS No., Abolition plan and Abolition shcedule.	
3. Version 3 (The 3rd edition)		26-Oct-2007
3.1	Added the mention of not to use the recycled resin in modling parts with the exemption.	
3.2	Added details for the supplier to stamp company seal on the questionnaire.	
4. Version 4 (The 4th edition)		27-Feb-2008
4.1	Arranged chemical substance list to be controlled by adding e.g. Aliphatic CHCs, Benzene, Carcinogens, mutagens&reproductive toxins Cobalt, Endangered species of flora and fauna, Isocyanates, Nonyl Phenols & Nonylphenol Ethoxylates, Perfluorooctane sulfonates (PFOSs) and Substances that may cause skin sensitization	
5. Version 5 (The 5th edition)		14-Feb-2009
5.1	Revised the NPT chemical standard.	
5.2	Added new substance; chlorine compound, PFOAs, REACH SVHC.	
5.3	Changed the revision of environmental questionnaire concerning chemical substances and the green procurement survey.	
6. Version 6 (The 6th edition)		9-Mar-2010
6.1	Updated the green procurement policy to approve by COO, NPT's top management	
7. Version 7 (The 7th edition)		28-May-2012
7.1	Revised the NPT chemical standard by changing the standards of Organic tins compound, Aliphatic CHCs, Asbestos and Azo colorant & pigment, Formaldehyde, Arsenic and compounds, Nickel and compounds, PFOSs	
7.2	Changed the revision of environmental questionnaire concerning chemical substances	

NPT Green Procurement Survey

Company information

Company name	
Address	
Tel.	
Fax.	

Company seal

Completed by	
Section/Position	
E-mail address	
Date completed	

1. Environmental management system (ISO14001)

	Yes	No	Certification period	CB & Certificate no.
The company has obtained ISO14001 certification.				
The company plans to obtain ISO14001 certification.			when?	
The company has no plan to obtain certification.				

* Please attach copy of your ISO certificate

2. Environment preservation activity (Companies with ISO14001 certification can omit this item.)

Evaluation item	Evaluation criteria	Yes	No	Points
Environmental commitment and policy	• Do you have a documented environmental policy?	5	0	
	• Does your policy state a commitment to preventing pollution and striving to make continual improvement?	5	0	
	• Does the policy mention legal compliance?	5	0	
	• Can you ensure that the policy is communicated to all employees and the public?	5	0	
Environmental plan and organization	• Do you have environmental objectives and targets?	5	0	
	• Do you have an environmental plan to approach the objectives and targets?	5	0	
	• Do you clearly mention the function and responsible person for the plan?	5	0	
	• Are environmental progress and results available upon request?	5	0	
Environmental evaluation system	Does your company strive to control and assess the following items?			
	• Water pollution	5	0	
	• Air pollution	5	0	
	• Noise and vibration	5	0	
	• Waste disposal	5	0	
	• Energy (Electricity, gas, fuel, etc.)	5	0	
	• Do you use prohibited substances in your products?	5	0	
	• Do you have a product assessment system?	5	0	
	• Do you have a plan for responding to emergency situations such as an accident or fire?	5	0	
• Do you conduct internal environmental audits?	5	0		
Environment education	• Do you conduct training or activities related to the environment in the company?	5	0	
	• Is education and training implemented for persons whose work can cause an impact on the environment?	5	0	
	• Does your company disclose environmental information to the public?	5	0	
Total 1		0		

3. Evaluation items of chemical substances contained in products

Evaluation criteria	Yes	No	Points
(1) The supplier has provided an "Environmental questionnaire concerning chemical substances" and the ICP data or material analysis certificate, RoHS certificate to NPT.	5	0	
(2) Does the product of your company comply with NPT chemical standard?	5	0	
Total 2		0	

★ **Judgment** (to be filled in by NPT)

Comment	Total points	Evaluation ranking
	110	

ISO	Purchasing	Checked	Approved

【グリーン調達取引先調査票】

会社の情報

会社名	
所在地	
電話番号	
FAX番号	

Company seal

回答担当者	
部署・位置	
E-mail	
回答日	

1. 環境ISO14001認証取得に関する項目

	Yes	No	取得日	認証機関・登録番号
ISO14001外部認証を既に取得している。				
ISO14001外部認証の取得計画がある。			計画はいつですか。	
1年以内にISO14001外部認証の取得の予定あり				

* ISO登録証のコピーを提出してください。

2. 環境保全活動に関する項目 (ISO認証がある場合は記入不要)

項目	評価基準	Yes	No	評価
企業理念・方針	● 環境方針に関する企業理念がある。	5	0	
	● 環境方針を定め、継続的な改善及び汚染の予防を誓約していますか。	5	0	
	● 環境方針で法規制の遵守を明記されていますか。	5	0	
	● 環境方針を全ての従業員に徹底させ、第三者が入手可能になっているか。+2	5	0	
計画・組織	● 環境保全に対する目的、目標がある。	5	0	
	● 目的・目標を達成するための実行計画がある。	5	0	
	● 目的・目標を達成するための組織・責任者が明確になっていますか。	5	0	
	● 環境保全活動保全活動に関する取組内容およびその結果を報告できる。	5	0	
環境評価システム	・以下の項目を管理・評価し改善に努力しているか。			
	● 水質汚濁	5	0	
	● 大気汚染	5	0	
	● 騒音、振動	5	0	
	● 廃棄物処理	5	0	
	● エネルギー(電気、ガス、燃料など)	5	0	
	● 弊社の禁止物質が遵守されていますか。	5	0	
	● 製品アセスメントの仕組みがありますか。	5	0	
教育訓練・情報提供	● 緊急時(事故、災害など)に対する仕組みがありますか。	5	0	
	● 環境内部監査の仕組みがありますか。	5	0	
	● 全従業員に対し、定期的に環境関連教育・啓発活動を実施していますか。	5	0	
	● 環境に著しい影響を与える可能性のある作業に従事する者には、別途教育訓練を実施し、作業リストを作成していますか。	5	0	
	● 自社の環境保全に関する情報公開をしていますか。	5	0	
	Sum 1		0	

3. 製品に環境負荷低減に関する項目

評価基準	Yes	No	評価
(1) NPTのEnvironmental questionnaire concerning chemical substances、ICPデータ又は、部品分析報告書、RoHS認定書をNPTに提出していますか。	5	0	
(2) 製品の負荷物質はNPT chemical standardに満たしますか。	5	0	
	Sum 2		0

★ 判定 (NPTにて記入)

コメント	評価結果	評価ランク
	110	

ISO	Purchasing	Checked	Approved

Environmental Questionnaire Concerning Chemical Substances

(Refer to NPT chemical substance list edition___)

Supplier name: _____

Part name: _____ Part code: _____ Revision: _____

Base raw material: _____ Treatment: _____

Substance declaration

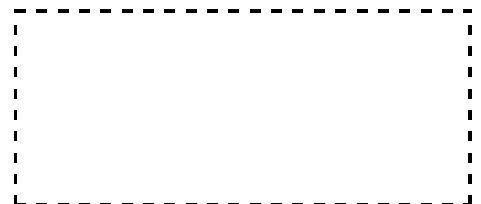
- Our product supply to Namiki Precision (Thailand) does not contain substance listed in NPT chemical substance list.
- Our product supply to Namiki Precision (Thailand) contain substance listed in NPT chemical substance list as below table,

Contained substance	CAS No.	Content rate (ppm)	Abolition plan (Y/N)	Abolition schedule	Purpose of use
Sample					
<i>Nickel</i>	<i>7440-02-0</i>	<i>500</i>	<i>No</i>	<i>-</i>	<i>Plating</i>
<i>Antimony trioxide</i>	<i>1309-64-4</i>	<i>2,500</i>	<i>Yes</i>	<i>Jan. 2012</i>	<i>Flame retardant</i>

Completed by: _____

Position: _____

Date: _____



Company seal

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