

Introduction

Environmentally conscious corporations are calling the 21st century the “Century of the Environment” because civilization cannot grow without harmonizing with the natural world. Businesses are strongly urged to point their business activities in a direction that will lead to the formation of a “recycle-oriented socio-economic system”.

The Yanmar Group, in full recognition that it does handle products that can impose Environmental Load, undertakes to contribute to the growth of a sustainable society as a pioneer in energy technology. Environmental considerations are also shown in our business activities as our group action policy is to “We do Group-wide environment management”, “We establish voluntary environmental regulations in order to achieve superior levels of environmental conservation”, “We promote of environmental conservation by throughout the Yanmar Group”, “We actively share the environmental conservation information with internally and externally” We promote the environmental management effective measures systematically and on a continuous basis”.

Our products are made with parts and materials provided by many suppliers. In view of that, our efforts alone do not suffice towards reducing environmental load across all stages of production; it is absolutely essential that our suppliers from whom we purchase items, parts and materials cooperate in our environmental efforts as well.

Based on this belief and foundation, Yanmar is proactively promoting “green procurement” because it is “important and necessary for environment-friendly production to procure eco-friendly materials of low environmental load”. This Guideline summarizes our green procurement standards for our suppliers and our request for the suppliers’ cooperation to further enhance our environmental performance.

We have now released the seventh edition of our “Green Procurement Guideline”.

We ask for your continued support and cooperation on this important matter.

Procurement Division,
YANMAR GLOBAL EXPERT CO., LTD.

Technology Strategy Division, Innovation & Technology Division,
YANMAR HOLDINGS CO., LTD.

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1. Yanmar Group's Philosophy and Activities concerning Environmental Protection

1.1 Yanmar's Global Environmental Charter

(1) Environmental Philosophy

The Yanmar Group aims to contribute to the sustainable development of society by constructing a harmonious relationship between the group development and the needs of the environment.

(2) Action Guidelines (Excerpt)

- ① We position environmental preservation as one of the most important management objectives of the Yanmar Group for the purpose of group-wide environment management.
- ② We strictly observe the laws of all countries and the ordinances and regulations of all districts where we conduct production activities, and when necessary establish voluntary environmental standards in order to achieve superior levels of environmental conservation.
- ③ The Yanmar Group Global Environment Committee establishes the environmental promotion guidelines and disseminates them throughout the group for the overall promotion of environment preservation by the group.
- ④ We actively disseminate environmental preservation information internally and externally to promote the understanding of the need for cooperation in the promotion of efficient environmental preservation activities.
- ⑤ We promote effective measures systematically and on a continuous basis in the following four environmental areas:
 - (i) Establishing technologies that contribute to environmental preservation and products and services that reduce environmental load
 - (ii) Reducing environmental load in each stage of business operations
 - (iii) Joining forces and cooperating with external parties to contribute to local communities and disseminate environmental information
 - (iv) Raising environmental awareness among employees, internal environmental education, lifestyle innovation, etc.

1.2 Environmental Vision (Excerpt)

We revise our “Environmental Vision” for 2020’s assessment and decided the direction of Yanmar group environmental activities. Order to achieve environmental vision we pursue for reducing the environmental load of products.

YANMAR GROUP ENVIRONMENT VISION 2030

The Yanmar Group recognizes that our products have an impact on the environment and as a pioneer in energy technology, we are committed to realizing a sustainable society.

① Preventing Global Warming

- Reduce CO2 emissions throughout the entire product life cycle
- Reduce CO2 emissions intensity stemming from business activities by 30% compared to FY 2005 levels.

② Contributing To A Sustainable Society

- Reduce waste stemming from business activities
- Promote the effective use of recycled resources
- Promote the 3Rs (Reduce, Reuse, Recycle)

③ Reducing and Controlling Environmentally Hazardous Substances

- Reduce the use of hazardous substances
- Manage hazardous substances across the entire supply chain

④ Biodiversity Initiatives

- Promote business activities in line with co-existence with nature
- Offer products and services that contribute to preserving the ecosystem

2. Green Procurement Guidelines

These guidelines outline the principles by which the Yanmar Group promotes global environmental protection under the spirit of our Yanmar’s Global Environmental Charter.

Item: Refers to chemicals, parts, and finished goods delivered by suppliers to Yanmar Group companies. Includes packaging materials and protective materials used for item packaging.

2.1 Scope of Applicability

These guidelines are applicable to the procurement of the following.

1. Products which are developed by Yanmar Group companies.
2. Parts/raw materials /supplementary materials/spare parts used in the products mentioned in 1. above.

Note: May not be applicable in some cases

2.2 Green Procurement Selection Criteria

The following selection criteria are set for green procurement.

- ① Criteria for Selecting Suppliers
- ② Criteria for Selecting Materials

(1) Criteria for Selecting Suppliers

In addition to selecting suppliers based on quality, price and delivery dates, Yanmar shall include a preference for suppliers that establish an environmental management system and voluntarily introduce environmental protection activities.

1. Environmental Management Systems (EMS)

1. The supplier must conduct environmental protection activities under an ISO 14001-accredited or similar EMS.
2. The supplier must have a corporate philosophy and policy on environmental protection activities, which must be known by all departments and employees, and disclosed to the general public.
3. The supplier must have an organization for promoting environmental protection activities and have environmental management plans.
4. The supplier must establish and continually improve an evaluation and management system for assessing the environmental aspects of its item, and its compliance with pertinent laws and regulations.
5. The supplier must impart environmental education and awareness activities to its employees and contractors.
6. The supplier must be involved with resource conservation, energy conservation and the streamlining of distribution.

2. Thorough management of environmentally hazardous substances contained in items
 1. A system has been established for managing environmentally hazardous substances.
 2. Submission of required information in relation to the inclusion of environmentally hazardous substances in Items.
 3. Use of information system which Yanmar Group designates to enable investigation into inclusion of chemical substances in items, and submission of chemical data
 4. Requests for appropriate management of environmentally hazardous substances upstream in the supply chain.
 5. Acceptance of audit inspections relating to environmentally hazardous substances.

(2) Criteria for Selecting Materials

In addition to selecting materials based on the required quality, functionality, economic feasibility and logistics, Yanmar requires that materials provided by suppliers satisfy the below requirements for reducing environmental load.

1. Materials must comply with all applicable laws and regulations
2. Chemicals used in products must place low environmental load on the air, water and soil.
3. The use of recycled resources and items and item miniaturization must be employed to reduce resource and energy consumption.
4. Materials must be designed for recycling.
5. Environmental information on materials must be disclosed.
6. Packaging materials must conserve resources, be recyclable, and reduce waste volume and chemical content.
7. The contained amount of environmentally hazardous substances as specified in 2.3 below is understood and satisfies the Yanmar Group criteria

2.3 Restrictions of Use for Environmentally Hazardous Substances

The latest version of YIS V-0001J “Restrictions of Use for Environmentally Hazardous Substances” shall be complied with.

Use of the below substances shall be prohibited, or managed so as to understand the quantity of any such included substances.

(1) YANMAR Group prohibited substances

Substance groups whose use is prohibited. The substance groups are as follows:

Asbestos, ODSs (such as CFCs, HCFCs), PCBs, PBB/PBDE, mercury, cadmium, hexavalent chromium, lead, RCF (Refractory ceramic fibers), and PFOA, its salts, and PFOA-related substances

(2) Prohibited substances subject to separate actions

Substances that are prohibited from being used/contained at a percentage content above the threshold value as set forth in the laws/regulations of each country/region.

(3) Substances subject to separate investigation

Substances whose use/presence or percentage content should be investigated pursuant to the laws/regulations of each country/region.

3. Record of Revisions

First Edition April 2003

Second Edition December 2006

Third Edition August 2010

Fourth Edition August 2011

Fifth Edition September 2012

- Attached material Revision5.11 September 2012
- Attached material Revision5.20 March 2013
- Attached material Revision5.21 October 2013
- Attached material Revision5.30 May 2014
- Attached material Revision5.31 March 2015
- Attached material Revision5.40 March 2016
- Attached material Revision5.50 September 2016
- Attached material Revision5.51 March 2017

Sixth Edition June 2019

Seventh Edition September 2020

If you have any inquiries regarding these guidelines, please use the contact form below. When making an inquiry, please specify the relevant department/responsible person.

<https://www.yanmar.com/global/support/contact/form/>