SMC's Corporate philosophy is that 'the preservation of the global environment is the most important issue for all human beings and efforts to ensure a comfortable environment must be made through all our business activities. SMC develops and supplies environmentally-friendly products and are continuously seeking to mitigate any adverse environmental impact. As part of this continuous improvement programme we are looking at the total process for our products from design and production to use and waste (end of life), and are now implementing Green Procurement for raw materials, component parts, semi-finished product, finishes and packaging purchased.

This guide shows our environmental philosophy, but successful Green Procurement cannot be achieved without the co-operation of our Suppliers and we request that our suppliers give their full co-operation and support.

**Purpose**
This guidance document is intended to show how SMC's policy regarding the global environment can be furthered through Green Procurement. However, Green Procurement cannot succeed without the Suppliers' full co-operation and support.

**Scope of Green Procurement**
This applies to the procurement of raw materials, component parts, and semi-finished products, finishes and packaging materials purchased which comprise the product or part sold by SMC. Priority being given to that with the least environmental impact as well as price and Quality.

**Environmental Impact Substance**
A substance, which does or could give rise to an adverse impact on the environment or human health.

**Prohibited Substance**
An environmental impact substance, which is prohibited from use immediately due to legislation or at the request of the customer. E.g. RoHS (Restriction of Hazardous Substances).

**Disused Substance**
An environmental impact substance, which is going to be prohibited from use by forthcoming legislation or at the request of the customer at a specified future date.
TITLE: GREEN PROCUREMENT GUIDE

Reduced Substance
An environmental impact substance, whose content will be reduced by SMC should this be required by customers.

Controlled Substance
A substance which needs to be reported on at the time of delivery should the customer require this.

SMC Product Considerations for Green Procurement

Reduction of Environmental Impact Substances
To reduce the content of environmental impact substances contained in SMC products, packaging and production processes as specified. E.g. generation of toxic gases during incineration once discarded.

Reduction of Noise, Vibration and Odour
To prevent or reduce the generation of noise, vibration and odour while the product is in use.

Energy Savings
To reduce power and air consumption when the product is in use and to reduce power consumption from material selection.

Resource Savings
To reduce the use of resources in SMC Products by:
- reduced size and weight
- reduced number of component parts
- reduced number of raw materials used
- reduced use of composite materials
- increased use of recyclable parts
- reduced size of printed circuit boards
- increased product life
- reduced product failure ratio and improvements in productivity
- improved decomposability
Transport and Packaging
To reduce packaging material consumption and to increase the re-use of packaging materials.

Waste
To improve the decomposability and to reduce the number of material types.

Disclosure of Information
SMC takes a positive attitude for the disclosure of the following information - Environmental policy, material descriptions for parts, battery descriptions and clarification on waste disposal requirements.

Supplier Selection
In selecting Suppliers, SMC will evaluate the environmental management system as described below:
- the environmental management system is or will be established
- the environmental legislation and regulations are complied with
- the Supplier's Management recognises SMC's Green Procurement
- confirmation of the existence of environmental impact substances
- employees receive training on environmental issues
- prompt communication regarding environmental information

Quality, price, delivery and service are also taken into consideration as part of the selection process. A Supplier with ISO14001 certification is given priority.

Supplier Requirements
The Supplier is encouraged to establish and maintain an environmental management system and SMC will provide assistance with this if required. SMC shall, as appropriate, undertake a factory audit to evaluate the environmental management system. During this audit improvements may be identified and the Supplier should manage the implementation of these.

Environmentally Beneficial Activities
The Supplier is required to consolidate deliveries to SMC giving benefits to both parties as well as the environment:
- reduced transport miles
- reduced fuel consumption
- reduced emissions
- reduced costs

The Supplier is required to minimise the amount of packaging used when supplying goods to SMC. All packaging supplied should be readily recyclable. In some cases returnable reusable packaging can be introduced and if this is appropriate SMC will discuss this with the Supplier.

Confidentiality
The results of audits and evaluations provided by suppliers is treated as confidential and will not be disclosed to other parties. However, the environmentally related data for purchased materials (Material declarations, MSDS, composition table etc.) may be used to report to our customers.

Notes
SMC specified environmental impact substances are subject to change, which may be due to legislation or customer demands.

Please sign to declare you have read and understood the information above, and will comply to this guide as much as reasonably practicable.

Signature

Name

Date