



azbil Group

Guidelines for the Establishment of a Chemical Substance Management System

For Suppliers
Fourth Edition: March 2022

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1. The azbil Group's position on chemical substance management

1.1 Purpose of establishing guidelines

Reduction of hazardous chemical substances in products

To prevent environmental contamination from hazardous chemical substances contained in our products, the azbil Group endeavors to reduce these substances in targeted products. To support our efforts, we have established "Guidelines for the Establishment of Chemical Substances Management Systems," and we ask for the understanding and cooperation of our business partners in striving to reduce hazardous chemical substances contained in targeted products throughout the supply chain.

The purpose of establishing these guidelines is to define the basic policy and specific activities to be implemented by our business partners to provide assurance regarding the chemical substances contained in our products and to prevent noncompliance caused by inclusion of restricted substances.

Like many other companies, the azbil Group has established a method of CMS certification based on its own chemical substance management system (CMS), and it grants certification under this system.

Hereinafter, the azbil Group Chemical Substance Management System is called the CMS.

1.2 Scope of the guidelines

These guidelines apply to the suppliers of products, parts, raw materials, packaging materials, and other purchased products (hereinafter referred to as CMS materials) that make up Azbil's products. An azbil Group procurement department will notify suppliers of the materials that are subject to CMS management.

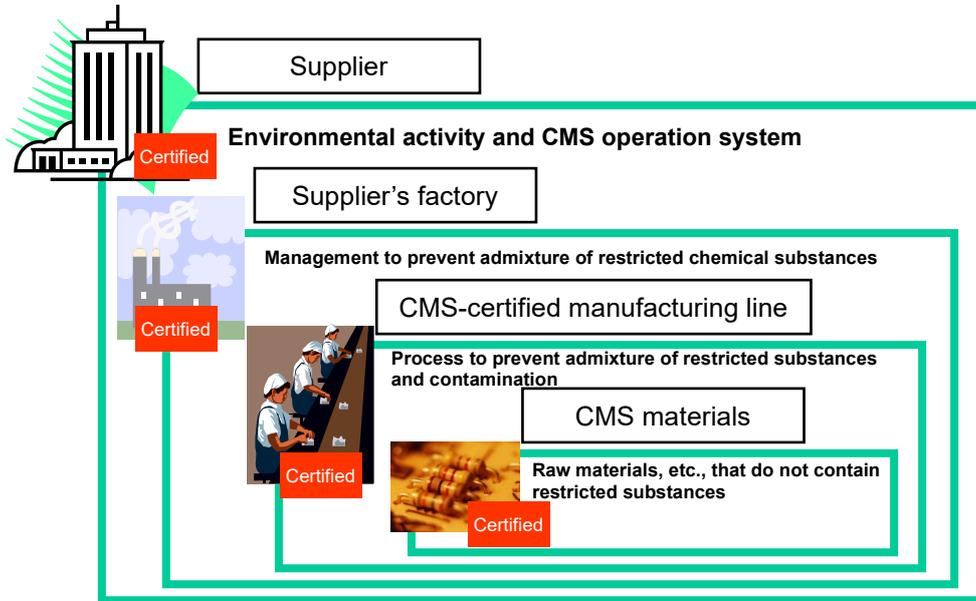
With regard to products subject to the CMS within the azbil Group, the Group will shift in the future to procuring CMS-compliant materials provided by suppliers who have obtained azbil Group CMS certification or another company's certification that has been approved by the azbil Group, so that we can deliver products conforming to market demand that do not include harmful chemical substances.

2. CMS certification system

The azbil Group provides CMS certification for each factory producing materials (products, parts, raw material) delivered to the Group. Suppliers are required to give notification of any change in the processes related to CMS material production. Relevant processes may need to be recertified.

Figure 2 shows a conceptual diagram of CMS certification and an example where recertification is required.

Concept of CMS certification



Auditing of a product's production line can be omitted if the line is already CMS-certified because it produces another CMS material.

Example where recertification is required

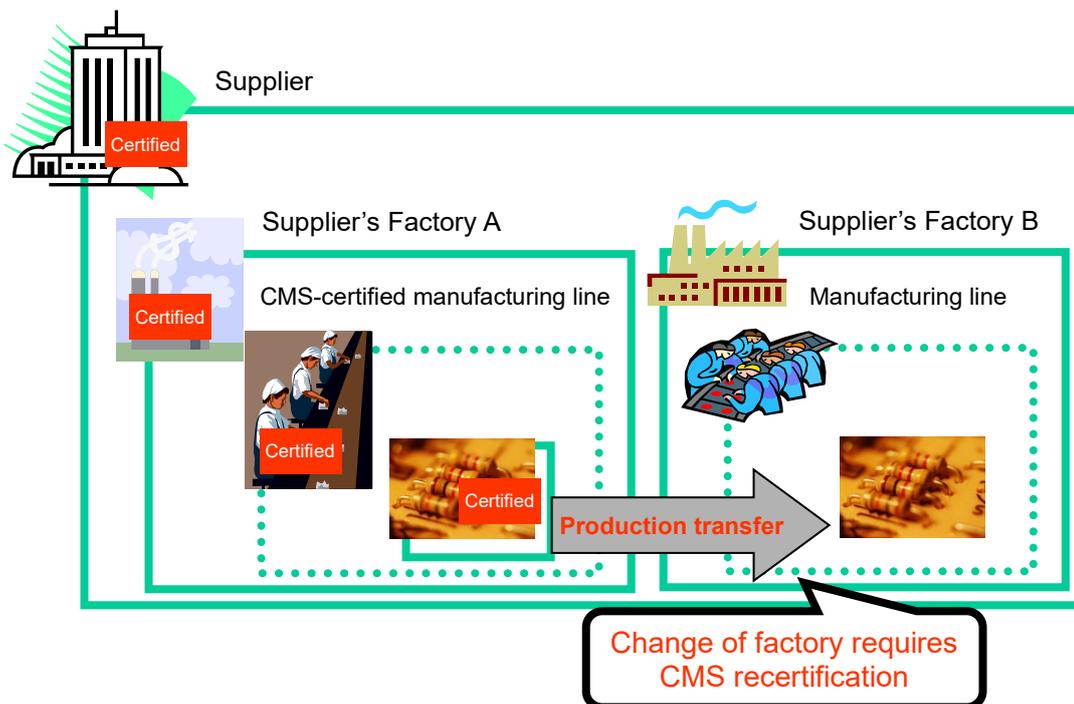


Figure 2. CMS certification, CMS recertification example

3. Procedure for establishing a CMS

3.1 Overview of CMS establishment and CMS certification

Figure 3 shows a flow chart for CMS establishment and CMS certification.

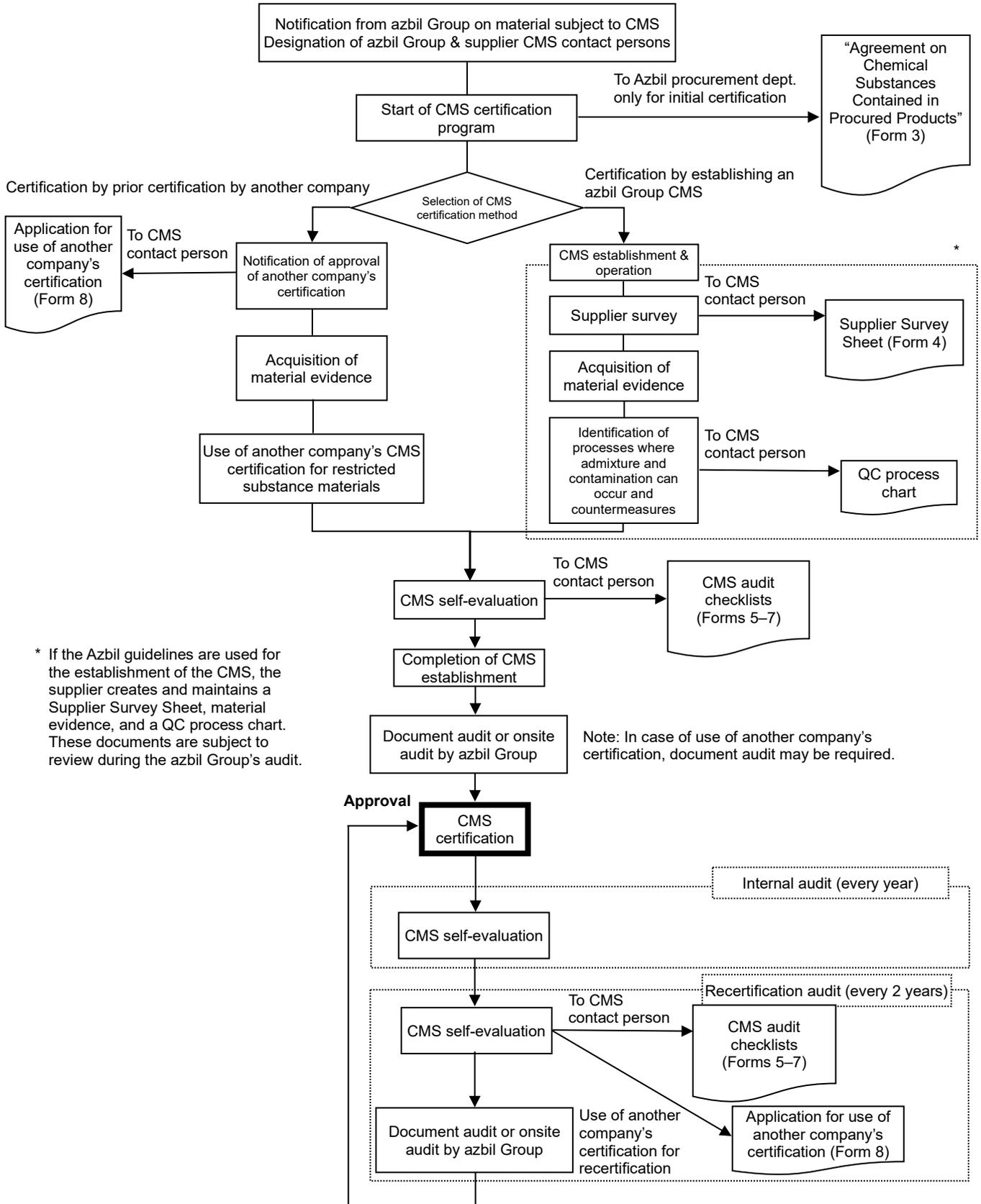


Figure 3. Flow chart of CMS establishment and CMS certification

3.2 Conclusion of the memorandum of understanding

First, the supplier submits the “Agreement on Chemical Substances Contained in Procured Products” (Form 3) in order to obtain CMS certification based on the azbil Group’s guidelines.

3.3 Selection of CMS certification method

The supplier can choose either of the following CMS certification methods.

- Certification through use of prior certification by another company
- Certification through establishment of an azbil Group CMS

(1) Certification through use of prior certification by another company

If the supplier has already obtained chemical substance management certification from another company and if the azbil Group recognizes that certification, the azbil Group can grant the CMS certification without implementing some parts of the procedure, since it considers the supplier’s CMS to already be in place.

However, even if the supplier’s system has been certified by another company, if the certified production line is not the line for the CMS materials delivered to the azbil Group, the certification may not be recognized as valid for azbil Group CMS certification. For details, contact the CMS contact person.

To use another company’s certification in place of azbil Group CMS certification, the supplier must fill in all of the necessary items on the “Application form for use of another company’s certification for azbil Group Chemical Substance Management System Establishment” (Form 8) and submit the form.

(2) Certification through establishment of an azbil Group CMS

The supplier establishes the azbil Group CMS in accordance with these guidelines.

3.4 Establishment of an azbil Group CMS

3.4.1 Overview of azbil Group CMS

The purpose of an azbil Group CMS is to manage the distribution of all the materials necessary for manufacturing CMS materials (raw materials, subsidiary materials, parts, etc.) and confirm that they satisfy the standards for restricted chemical substances to prevent the use of noncompliant or unconfirmed materials.

Appropriate management is required if restricted chemical substances are used in manufacturing processes shared with CMS materials or if the concentration of chemical substances could change due to changes in the constitution of chemical substances, concentration, evaporation, or other causes in manufacturing processes.

3.4.2 Supplier survey

The supplier survey is intended to identify the suppliers of materials that make up CMS materials (raw materials, subsidiary materials, parts, etc.). Use of the “azbil Group CMS Supplier Survey Sheet” (Form 4) is recommended for this supplier survey for the establishment of an Azbil CMS.

You can prevent procurement errors by identifying suppliers, and you can check whether or not measures are required by assessing their risk of incorrect use, admixture of restricted substances, and contamination.

For audit purposes, the “azbil Group CMS Supplier Survey Sheet” (Form 4) must be submitted to the

CMS contact person by the supplier.

3.4.3 Acquisition of material evidence from the supplier

The supplier needs to obtain evidence that shows that the materials from their sub-suppliers that make up CMS materials (raw materials, subsidiary materials, parts, etc.) surveyed in section 3.4 do not contain restricted substances.

Use of “chemSHERPA”^{*} or “Declaration of Non-Use of Chemical Substances in azbil Group Products” is recommended as evidence for the establishment of the Azbil CMS.

** chemSHERPA is a collective term for a common scheme usable across the supply chain to properly manage chemical substances contained in products and continuously observe expanding restrictions.*

For details, refer to the URL below:

<https://chemsherpa.net/>

3.4.4 Identification of processes where incorrect use, admixture, and contamination can occur using the QC process chart and countermeasures

Use of the QC process chart for process management is recommended for the establishment of the Azbil CMS.

The supplier can identify processes that require preventative measures for changes in the constitution of chemical substances, changes in the concentration of chemical substances, and incorrect use, admixture of restricted substances and contamination and specify matters pertaining to management by writing all the materials used in processes (raw materials, subsidiary materials, parts, etc.) in the QC process chart.

The supplier then submits the QC process chart to the CMS contact person for audit purposes. The QC process chart can be in any format.

3.5 CMS self-evaluation

Suppliers are required to do a self-evaluation of their establishment of a CMS and submit the results to the CMS contact person. Suppliers submit the CMS self-evaluation results even if they are using prior certification by another company.

The forms used for the self-evaluation are the “azbil Group CMS Supplier Audit Report” (Form 5), “azbil Group CMS Audit Checklist” (Form 6), and if the supplier has any corrective actions, “azbil Group CMS Audit Findings and Corrective Action Report” (Form 7).

3.6 Completion of CMS establishment

The establishment of CMS is complete when the CMS self-evaluation in section 3.4 is complete.

3.7 Audit by the azbil Group

The azbil Group conducts an audit upon receiving the CMS self-evaluation. For the audit criteria, refer to the requirements in section 5 in these guidelines and the “azbil Group CMS Audit Checklist” (Form 6). For details, contact the azbil CMS contact person.

3.8 CMS certification

Once the necessary documents for the CMS certification are prepared and approved by the certification committee, the supplier is notified of CMS certification.

4. Maintenance of a CMS

This section explains how to use and maintain the CMS.

4.1 CMS operation

(1) Change management

If a raw material or part that is used in CMS materials must be changed, the supplier is required to make an application for the change in advance. This requirement applies to any change in the supplier’s production line or factory that may require auditing by the azbil Group.

(2) Handling of noncompliance

If any case of noncompliance regarding restricted chemical substances occurs in a CMS material item that is delivered, the supplier is required to specify the lot number for the item, prevent further shipment, prevent reoccurrence of the noncompliance, and promptly report the matter to the azbil Group procurement department.

If any noncompliance is found in the acceptance inspection at the time of receiving the items delivered, the supplier may need to cooperate with corrective actions and be subject to an audit by the azbil Group.

4.2 CMS recertification

CMS recertification is conducted about once every two years through an audit by the azbil Group. For details, refer to section 3.6.

5. CMS requirements

The requirements for the azbil Group chemical substances management system are the minimum necessary, and it is recommended that each supplier establish the most appropriate management system for chemical substances in products for itself.

For details on the management system of chemical substances in products, refer to “Guidelines for the Management of Chemicals in Products” issued by the Joint Article Management Promotion-consortium (JAMP).

5.1 Definition of management criteria

Management criteria to be followed should be clarified based on legislation and industry criteria related to management of chemical substances in products, and conveyed to the relevant corporate units.

5.2 Definition of the scope of management

“Organizations,” “business,” “chemical substances,” “accompanying materials,” “processes,” “products,” etc., must be clearly defined, since they determine the scope of application of management criteria for chemical substances in products.

5.3 Establishment of organizational system, responsibility, & authority

Responsibilities and authorities for management of chemical substances in products must be specified.

5.4 Design and development

The conditions in each manufacturing process must be understood and product compliance with the management criteria must be confirmed.

- Design for manufacturing of substances/preparations
- Design for manufacture of articles using substances/preparations
- Design for manufacture of articles using articles

5.5 Purchasing management

- (1) Information regarding chemical substances in purchased products (IN information) must be acquired. Verification that the necessary details are present and that they are compatible with the management criteria is also necessary. For new products and changed products, acquisition and verification of information regarding chemical substances in products in accordance with the management criteria must be complete prior to commencing mass production.
- (2) When a new supplier is selected, the status of management of chemical substances in the supplier’s products must be verified. When continuing with an existing supplier, reconfirmation is conducted as necessary. Measures to be taken upon receiving the results of the verification must be specified. Supplied items requiring verification, as well as criteria, frequency, methods, etc., may be set as appropriate for the risk level.

5.6 Acceptance verification

When purchased products are received, they must be verified as compatible with the supplier's management system criteria. Matters requiring verification, criteria, methods, frequency, etc., may be set as appropriate for the risk level of the purchased products.

5.7 Process management

- (1) Measures to prevent incorrect use, admixture, and contamination subject to management must be implemented.
- (2) It is necessary to ensure that residues do not remain or are not created beyond the chemical substance management criteria due to changes in composition or concentration.
- (3) Any sub-contracted manufacturer is required to manage the processes necessary for sub-contracted manufacturing. Also, the status of management of the sub-contracted manufacturers must be verified on a regular basis.

5.8 Shipping verification

Products cannot be shipped until after verification that all specified items have been checked, including checks done during acceptance and during processing.

5.9 Traceability

Product traceability must be reliable.

5.10 Change control

Rules for control of changes in management of chemical substances in products must be determined, and the following details made clear.

- (1) Elemental changes having possible effects on chemical substances in products. Changes and additions in suppliers, changes in purchased items, and changes in processes and so on (including changes not only in the company such as manufacturing conditions, production facilities, molds, and jigs, but also changes in suppliers, sub-contractors, etc.).
- (2) Company internal and external procedures. Details to be verified, means of verification, approval processes, etc.
- (3) Records, notification, identification information, etc., about changes in methods of transmitting information inside and outside the company.

5.11 Response to nonconformities

Rules for how to deal with noncompliant products (emergency measures, determination of cause, prevention of reoccurrence, sharing of information, etc.) must be determined.

5.12 Training

Details about the training required for the management of chemical substances in products and the personnel to be trained must be identified, and training implemented.

5.13 Management of documentation and records

Rules relating to the management of chemical substances in products must be documented, maintained, and managed. Also, records of the results of operation must be made and stored appropriately.

5.14 Communication

Information on chemical substances in products (OUT information) must be properly provided to suppliers. Inquiries about the system for management of chemical substances in products must be properly handled.

6. Documents necessary for CMS certification

Table 6 lists the documents for certification to be submitted by the supplier based on the method of certification.

Table 6. Necessary documents according to certification method

		Form	CMS certification method	
			Azbil CMS	Certification by another company
Agreement on Chemical Substances Contained in Procured Products		Form 3	✓	✓
CMS Establishment	Application form for use of another company's certification to establish an azbil Group Chemical Substances Management System	Form 8		✓
	azbil Group CMS Supplier Survey Sheet	Form 4	✓	-
	QC process chart	-	✓	-
Self-evaluation & audit	azbil Group CMS Supplier Audit Report	Form 5	✓	✓
	azbil Group CMS Audit Checklist	Form 6	✓	✓
	azbil Group CMS Audit Findings and Corrective Action Report	Form 7	✓	✓

Codes used in Table 6

- ✓ Document submission required.
- Document submission is not compulsory, but appropriate management will be checked by equivalent means in the audit conducted by the azbil Group.

7. Our survey on restricted substances and chemical substances contained in purchased products

For the azbil Group survey on restricted substances and chemical substances contained in purchased products, check the separately distributed “azbil Standards for Hazardous Substances Contained in Products.”

8. List of forms

Table 8 is a list of form Nos. Forms 5, 6 and 7 are contained in one file.

Table 8. List of forms

Form No.	Form Name
Form 3	Agreement on Chemical Substances Contained in Procured Products
Form 4	azbil Group CMS Supplier Survey Sheet
Form 5	azbil Group CMS Supplier Audit Report
Form 6	azbil Group CMS Audit Checklist
Form 7	azbil Group CMS Audit Findings and Corrective Action Report
Form 8	Application form for use of another company's certification for azbil Group Chemical Substances Management System Establishment

Contact:

For inquiries, contact Azbil Corporation or an azbil Group procurement department.

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