

**azbil Group**  
**Requirements for**  
**Managing Packaging**  
**Materials**

For packaging material suppliers

**First Edition: March, 2015**

***azbil***

# Requirements for Managing Packaging Materials

## Table of contents

1. The azbil Group's Position on Green Procurement
2. Terms and Definitions
3. Procedural Flow Chart
4. Requirements for Packaging Material Suppliers
5. Related Forms

# Requirements for Managing Packaging Materials

## 1. The azbil Group's Position on Green Procurement

The azbil Group considers the environment as an important management issue. The Group Philosophy states that one of the Group's basic goals is to "contribute to global environmental preservation," as well as "to realize safety, comfort and fulfillment in people's lives" by means of "human-centered automation." Environmental policy is also stated in the Group's conduct guidelines.

Accordingly, the Group views contributing to global environmental conservation and establishing a sustainable society by providing customers with environmentally aware products and services to be a pillar of its business activities. Moreover, some chemical substances are regulated by laws and regulations in Japan or overseas. It is the company's duty to provide customers with products that are in compliance with the laws and regulations for chemical substances.

In order to achieve the aims outlined above, the azbil Group has defined in the azbil Group Environmental Charter that "We prefer to purchase materials and equipment that contribute to reduction of the burden on the environment." In keeping with the Charter, the Group has decided to procure its products from suppliers that give priority to addressing global environmental conservation. Furthermore, the Group has decided to procure materials from suppliers who manage chemical substances so that no substances that are harmful to the environment are contained in the materials.

For the purpose of green procurement, the Group has established procedures for evaluation and selection of materials, as well as establishing the items and steps that are necessary in order to maintain environmentally friendly procurement. We therefore ask for your understanding and cooperation.

## 2. Terms and Definitions

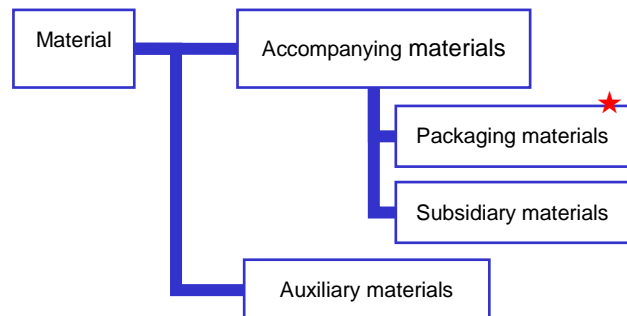
This section explains the terms and definitions that are important for green procurement.

### (1) Material, auxiliary material, and subsidiary material

These items are required for manufacturing products. They could also be called "parts" or "raw materials," but as a cover term we use "materials."

Materials

A generic term that includes "accompanying materials" and "auxiliary materials".



### Accompanying material.

Accompanying materials include the following "subsidiary materials":

- [1] Parts and raw materials: exterior parts, packing materials (cardboard, wood, adhesive tape, cable ties, plastic bags, packing sheets, buffer material, indicator labels, ink, paint, etc.), packaging parts (stick magazines, reels, trays, carrier tape, bulk cases, etc.), electric components, mechanical parts, semiconductor components, PCBs, etc.

★ Note: packaging materials includes those that are used for procurement of materials and that reach the azbil Group's customers.

Example: packaging for AC adapters and communication cables, packaging for products manufactured by sub-contractors, packaging and wooden crates for items purchased by factories, wooden crates, etc.

- [2] Assembly parts: functional units, module units, PCB assembly units, etc.
- [3] Accessories: accessory parts for using equipment (AC adapters, remote controllers, power supply cables, etc.)
- [4] Subsidiary materials: adhesive agent, soldering material, adhesive tape, caulking agent, welding material, filler and other materials to be used for assembling products.
- [5] Instruction and installation materials

# Requirements for Managing Packaging Materials

[6] Repair service kit

## Auxiliary material

Materials that are used in the manufacturing process and do not normally remain in products, such as cleaning agents, mold release agents, cutting fluid, lubricating oil for press work, etc. In our chemical-substances management system these are subject to restriction. Make sure that these are not confused with the subsidiary materials listed in [4] above.

### (2) Chemical-substances management system (CMS)

This term reflects the azbil Group's stance with regard to managing and restricting chemical substances related to products.

CMS is an abbreviation for chemical-substances management system.

This is the system for managing the entire supply chain of materials used for products, order to prevent admixture and contamination of hazardous chemical substances. Chemical substances subject to this management system are not only those that are to be contained in materials but also those that are to be contained in auxiliary materials to be used for production of materials.

The system runs the plan-do-check-act (PDCA) cycle of policy-making, planning, implementation and operation, auditing, management review, and policy-making again, aiming at improvements in a planned manner. Materials that are recognized by the azbil Group as subject to management under the CMS are called "**CMS materials**" and the suppliers who deliver those materials to the azbil Group are called "**CMS suppliers**." Methods of certification involved in auditing, etc., are defined in "azbil Group Guidelines for the Establishment of a Chemical Substances Management System"(Attachment 2).

Materials other than the above "CMS certified materials" are called "general materials", and suppliers other than the above "CMS suppliers" are called "general suppliers".

### (3) Contained, impurity

**Contained:** this refers to the inclusion of any chemical substance as a component part or ingredient in a material. Chemical substances may be contained in residue from the manufacturing process (solvent, mold release agent, cutting fluid, etc.) and in residual impurities.

In other words, this refers to any chemical substance added to, contained in, or attached to the parts and units comprising the products or raw materials used therein, whether intentionally or otherwise. It includes cases where those substances are unintentionally contained or attached to products somewhere in the manufacturing process. Therefore, this refers to a condition in which such a substance remains with the product at the end of the manufacturing process.

**Impurity:** a naturally-derived substance that is contained in a material and cannot be technically removed by a material manufacturer in its purification process for its material production process. Also, a substance that is produced in a synthetic reaction and that cannot be removed completely for technological reasons.

### (4) RoHS compliance

These specifications ensure that the amount of 6 substances (mercury, lead, cadmium, hexavalent chromium, PBB and PBDE) restricted by the EU's RoHS Directive<sup>1</sup> should not exceed the defined limits. Items that comply with the specifications are used as "RoHS-compliant" materials and products.

---

<sup>1</sup> "Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment"

# Requirements for Managing Packaging Materials

## (5) Designated chemical substances

Chemical substances that are subject to restriction and management other than RoHS compliance are designated upon request by the corporate units procuring them.

## (6) Content limit

For designated substances, this is the maximum allowable amount of the substance that a product can contain.

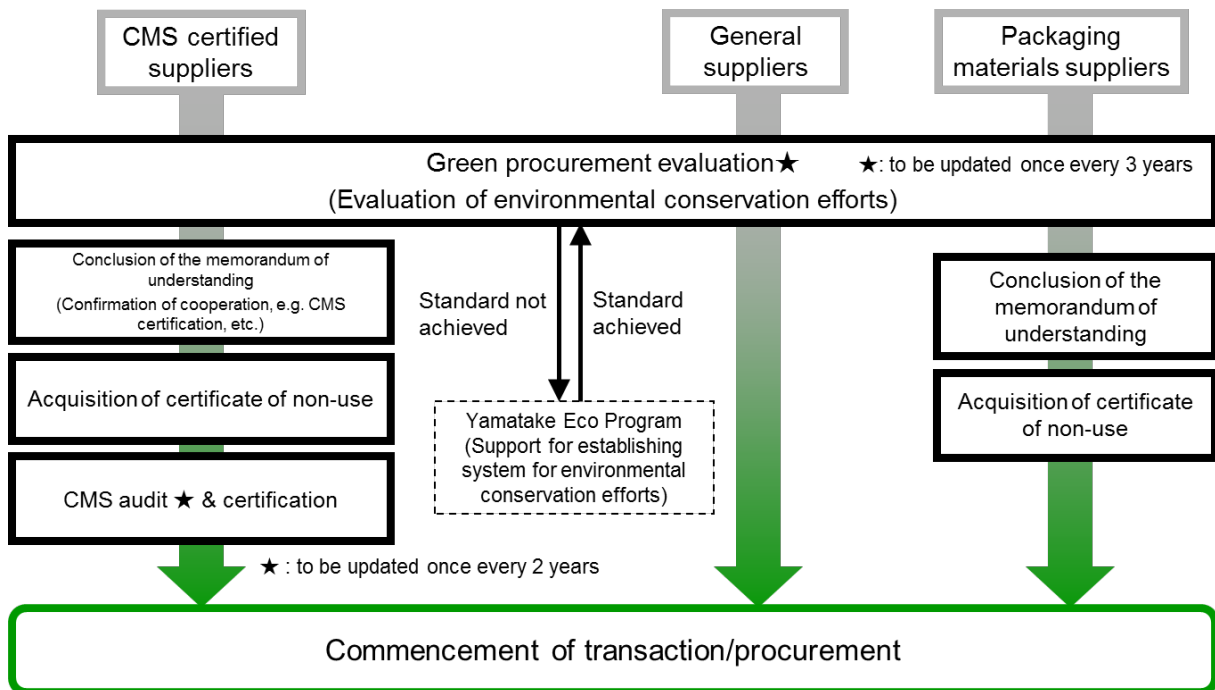
### 3. Procedural Flow Chart

The flow chart below summarizes the green procurement procedure for our suppliers. This procedure is implemented based on the category of material purchased from the supplier:

- CMS certified suppliers: suppliers who deliver CMS certified materials
- Packaging materials suppliers: suppliers who deliver packaging materials.

These categories may overlap.

Figure 1.1. Summary of green procurement procedure for suppliers



For more information on the following, refer to the specified section.

Green procurement evaluation:	“azbil Group Green Procurement Standard”
Requirements for packaging materials:	Section 4
Requirements for CMS-certified materials:	“azbil Group Guidelines for the Establishment of Chemical Substances Management Systems”

# Requirements for Managing Packaging Materials

## 4. Requirements for packaging materials suppliers

Suppliers who deliver materials to be used for packaging azbil Group products must agree to the “Agreement on Chemical Substances Contained in Procured Products” (Form 3) and submit the “Certificate of non-use of chemical substances in packaging materials for the azbil Group” (Form 10) for all packaging materials to be delivered.

This is required because the azbil Group must comply with the EU Directive on Packaging and Packaging Waste (94/62/EC and 2004/12/EC, as well as other amendment directives) along with the laws and regulations for packaging materials that have been established in other countries. As a general rule, the azbil Group requests suppliers to comply with the restrictions defined in the “Certificate of non-use of chemical substances in packaging materials for the azbil Group” for all packaging materials.

Submission of the “Certificate of non-use of chemical substances in packaging materials designated for products” (as instructed in drawings) will be requested by the procurement department. Submission of the “Certificate of non-use of chemical substances in packaging materials for transportation and delivery” (to be procured by the distribution center, etc.) will be requested by the Shipping Department, etc.

If the amount of any substance is found to have exceeded the specified limit, the azbil Group may request the submission of analytical data and implementation of corrective action, etc.

Note: The “Memorandum of understanding on chemical substances contained in materials delivered to the azbil Group” is also used for **CMS certification**, and therefore, is not needed again if it has already been concluded.

### 4.1 Definition of packaging materials

Packaging refers to products of all types and materials that are used by manufacturers for users or consumers in order to contain, protect, handle, deliver, or provide goods ranging from raw materials to processed items. This document does not apply to packaging that is collected and reused by the transportation companies or suppliers, without disposal within the azbil Group or by the final consumer. However, packaging concerning which doubts remain should be treated as packaging materials subject to management.

### 4.2 Examples of packaging materials

For reference, examples of packaging materials are given below.

Classification of packaging materials

Classification of packaging materials	
Packaging materials accompanying azbil Group products	Packaging that is disposed within the azbil Group business facility
	Packaging that reaches end users
Packaging materials for azbil Group products	
Heavy-duty shipping materials	

(1) Examples of packaging materials disposed of within azbil Group business facilities



- Cardboard boxes containing parts
- Staples
- Adhesive tape
- Film tape
- Protective bags (plastic bags)
- Buffering material
- Polypropylene strapping bands

## Requirements for Managing Packaging Materials

(2) Examples of packaging materials that reach the end users, such as parts packaging



- Packaging for AC adapters, connection cables, etc.
- Packaging of accessories for azbil Group products
- Stickers (labels) affixed to the above-mentioned packaging
- Packaging for products manufactured by sub-contractors
- Packaging for items purchased by factories

(3) Examples of packaging materials for azbil Group products



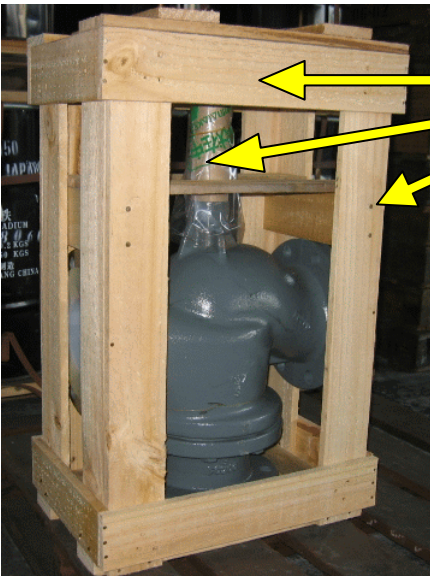
- Cardboard boxes
- Buffering material for products (paper / plastic foam)
- Protective sheets (made of paper / plastic foam)
- Staples for instruction manual and other documents
- Stickers (labels)



- Plastic bags, antistatic bags
- Adhesive tape
- Twist ties, cable ties
- Decorative protective film

(4) Heavy-duty shipping materials

Wooden crates for valves, pallets for packing products collectively, stretch film for collective packing, etc.



- Wooden crates
- Protective film
- Nails

# Requirements for Managing Packaging Materials

## 4.3 Examples of items that are confused with packaging materials

(These are deemed to be **product parts**.)



- CD cases
- Ink cartridges (for recorders)



## 4.4 Pollution control

When restricted chemical substances, or any unchecked material such as ink in the process for manufacturing packaging materials delivered to the azbil Group, are included, the supplier must make a survey of the chemical substances in accordance with section 4.5, "Required standard for packaging materials," use only items that do not contain such substances or whose amount does not exceed the limit, and implement thorough identification and segregation to avoid admixture of unacceptable substances in order to prevent any contamination by chemical substances used in the manufacturing process. In addition, when any pollutant is used in the process, the supplier must clean and/or wash equipment, etc., that may have been contaminated during the process in order to prevent contamination and admixture before manufacturing the packaging materials to be delivered to the azbil Group. The supplier shall also provide pollution control and identification management for the waste cloth used for cleaning and wiping, etc.

## 4.5 Required standard for packaging materials

The table shown below indicates the designated chemical substances and their limits in packaging materials.

Table 4.1. Substance limits in packaging materials

Designated chemical substances cadmium, lead, mercury, and hexavalent chromium	
•	The included amount of these four designated chemical substances in the total mass of packaging materials must be 100 ppm or lower as a ratio of mass. Intentional inclusion is prohibited.

## 5. Related Forms

Form No.	Form name
Form 3	Agreement on Chemical Substances Contained in Procured Products
Form 10	Certificate of non-use of chemical substances in packaging materials for the azbil Group

(End)



# Requirements for Managing Packaging Materials

Contact:

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

©2015 Azbil Corporation All RIGHTS RESERVED.

**Azbil Corporation / The azbil Group**  
**First Edition: March, 2015**



**azbil**