

# EKK Green Procurement Guidelines

First edition  
April, 2022  
Eagle Industry Co., Ltd.

## 1. Introduction

Since Eagle Industry Co., Ltd. was established in 1964, we have been supplying mechanical seals, specialty valves and bellows for transport equipment, including automobiles, ships, aircraft, and for rotary machinery, mostly pumps and compressors globally. To fulfill our mission that benefit industries and make people's lives better globally, we develop technologies contribute to resolve social issues, including environmental issues, and also conduct environmental preservation activities.

When we meet our customers' expectations and supply products trusted by society, it is important to reduce environmental impact throughout the product life cycle, from procurement of raw materials to disposal of used products, through cooperation with our supply-chain partners, such as raw materials and parts manufacturers, subcontractors.

"EKK Green Procurement Guidelines" explains our requests to supply-chain partners. We would like to ask for your kind understanding and cooperation with our procurement activities based on this guidelines.

Shinji Abe

Senior Managing Director

General Manager of Safety, Environment & Quality Control Office

## 2. Our philosophy on environmental preservation

Mechanical seals, the EKK Group's main product, prevent gases, oil and other fluids used in machinery from leaking out of the machinery. Because such fluid or gas leaks pollute the environment, we believe we help to preserve the environment by providing high-quality/high performance products.

Additionally, we conduct environmental preservation activities even in our production processes under our environmental policy.

### Environmental Policy

#### Basic concept

Considering that a corporate is a part of society and Seal products, Precision products including valve and metal application product, and Accumulators manufactured by our company can contribute to the environment by preventing pollution and saving energy, Eagle Industry Co., Ltd. and its affiliated companies shall be aware that our activities, products, and services are deeply associated with the global environment. Setting "Compliance" as the basis of our corporate activities, we will pursue the preservation of the global environment voluntarily and continuously.

#### Activity policy



In the development of products, we will keep in mind how they will affect the environment.



Taking life cycle into consideration, we will strive to save resources and energy and to reduce greenhouse gas.



We will endeavor to reduce industrial waste and to promote recycling in order to use sustainable resources.



Taking biodiversity into consideration, we will make continual efforts to improve environmental effects and prevent pollution.



We will comply with regulations and other requirements to which a corporate subscribes. (Other requirements such as industry guidelines related to the environment.)



Through management review, we will set environmental objectives and a target, review them at appropriate intervals, and strive to improve environmental performance continuously.

### 3. Request to supply-chain partners

#### (1) Compliance for deliverables to EKK

As stated in the basic transaction agreement concluded between our company and our supply-chain partners, we request that you comply with the regulations of environment-related laws and regulations regarding the products you deliver to our company. In addition to environment-related laws and regulations, we may make individual requests from our customers, and in such cases, we ask that you respond to such requests based on the specifications we provide.

When requested by our divisions, we will ask you to submit information on the chemical substances contained in the products you deliver to us. The format of the information will be specified by our company on a case-by-case basis.

Please refer to "Table-1" for the details of deliverables covered by this guidelines and "Table-2" for major laws, regulations and industry standards that we administer.

Table-1 Subjects and definitions of deliverables

Subject	Definition
Raw materials, components	Products that form part of our products Note: Processed products (machining, heat treatment, etc.) that use only raw materials and parts supplied by EKK and to which no chemical substances are added are excluded.
Subsidiary materials	Items that EKK purchase as sub-materials and become part of EKK products
Packaging and packing materials	Items used for packaging and wrapping products that EKK ship
Equipment, measuring instruments, jigs and tools, molds	Items used in the manufacturing and inspection processes of EKK products
Consignment production	Products that EKK design and contract manufacturing as our products

Table-2 Major laws, regulations and industry standards that we administer

No.	Regulatory and Industry Standards	Subject deliverables ("●" indicates the subject.)	
		Deliverables that form part of a vessel	Deliverables other than those listed on the left
1	(JP) Chemical Substances Control Law : Class I Specified Chemical Substances	●	●
2	(US) Toxic Substances Control Act (TSCA) : Section 6	—	●
3	(EU) Directive 2000/53/EC (ELV) : Targeted substances	—	●
4	(EU) 2011/65/EU (RoHS) : Annex II	—	●
5	(EU) 2019/1021 (POPs) : Annex I	—	●
6	(EU) REACH (No 1907/2006) : The Candidate List of Substances of SVHC, Annex XIV Authorisation Substances	—	●
7	(EU) REACH (No 1907/2006) : Annex XVII Restriction substances	—	●
8	Global Automotive Declarable Substance List (GADSL)	—	●
9	IEC 62474 DB Declarable substance groups and declarable substances	—	●
10	Ship Recycling Convention	●	—

(2) Building Environmental Management System

We request our supply-chain partners to acquisition of external certification, such as ISO14001 or Eco Action 21, to reduce environmental impact continuously. For supply-chain partners who have not been certified from any third-party certification body, equivalent operation with these certification is acceptable.

(3) Compliance with environmental laws and regulations

We request that our supply-chain partners comply with all environmental laws, regulations, and ordinances related to not only deliverables to us but also your business activities. In case of the any event that may have a significant impact on the environment (air, water, soil, noise, vibration, odor, etc.), please contact our procurement department as soon as possible.

(4) Reduction of environmental impact in business activities

We ask our supply-chain partners to reduce their environmental impact by engaging in the following activities.

- a. Monitoring greenhouse gas emissions such as CO<sub>2</sub>, fluorocarbon etc.
- b. Reducing waste
- c. Effective use of water
- d. Monitoring usage of chemical substances designated by PRTR law
- e. Monitoring usage of VOCs
- f. Consideration for biodiversity
- g. Raising environmental awareness among employees

(5) Reduction of environmental impact during transportation

Please reduce CO<sub>2</sub> emissions related to logistics between our supply-chain partners and EKK through eco-driving, introduction of fuel-efficient vehicles, etc.

4. Documents to be submitted by our supply-chain partners

Every three years, we request our supply-chain partners to submit the "EKK Green Procurement Questionnaire" (Format-1) to check the status of your efforts on the items listed in "3. Request to supply-chain partners". Please submit the questionnaire to our procurement department.

If there are any insufficient efforts (i.e., the answer to this questionnaire is "No"), please improve your efforts.

## 5. Scope of application

This guidelines is applicable to the deliverables to our group companies as shown in "Table-3".

Table-3 Scope of "EKK Green Procurement Guidelines"

No.	Company name	Location
1	Eagle Industry Co., Ltd.	Japan
2	EagleBurgmann Japan Co., Ltd	Japan
3	Okayama Eagle Co., Ltd.	Japan
4	Shimane Eagle Co., Ltd.	Japan
5	Hiroshima Eagle Co., Ltd.	Japan
6	Eagle Industry Hokkaido Co., Ltd.	Japan
7	Eagle Highcast Co., Ltd.	Japan
8	Valcom Co., Ltd.	Japan
9	Eagle Industry(Wuxi) Co., Ltd.	China
10	NEK Co., Ltd.	South Korea
11	Eagle Industry Taiwan Corporation	Taiwan
12	EKK Eagle(Thailand) Co., Ltd.	Thailand
13	P.T. Eagle Industry Indonesia	Indonesia
14	EKK Eagle Products India Pvt. Ltd.	India
15	Eagle Simrax B.V.	Netherlands
16	Eagle Industry France S.A.S.	France
17	Eagle ABC Technology	France
18	Eagle Industry Hungary Kft.	Hungary
19	EKK Eagle Industry Mexico S.A. de C.V.	Mexico

## 6. Handling of this Guidelines

- (1) When we or our group companies start doing business with a supply-chain partner, our procurement department of each company will inform the company of this guidelines.
- (2) The contents of this guidelines will be reviewed every three years and revised if necessary. Whenever we revise this guidelines, our procurement department of each company will notify the applicable our supply-chain partners of the revision.

## 7. Management of Information

We will use the information we obtain from our supply-chain partners based on this guidelines only for the purpose of promoting green procurement, and will not disclose it outside our company without our supply-chain partners' permission.

## 8. Glossary

### (1) ISO14001

One of International Standards issued by "International Organization for Standardization", which specifies requirements that enable an organization to build and continually operate its Environmental Management System.

### (2) Eco Action 21

Eco Action 21 is a Japanese environmental management system settled by the Ministry of the Environment. This system is based on ISO14001, and specifies requirements that enable especially small and medium-sized enterprises to carry out environmental management.

### (3) PRTR

PRTR comes from the initial letters of "Pollutant Release and Transfer Register". Businesses that manufacture or use of the target chemical substances notify the amount of emissions and transfers to the environment, and the government compiles and publishes the data.



(4) VOC

Abbreviation for "Volatile Organic Compounds". A generic term for organic compounds that evaporate easily and become gaseous in the atmosphere, such as toluene, benzene, and dichloromethane.

(5) Chemical Substances Control Law

Abbreviation for "Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc." It establishes a system of prior review of new chemical substances and continuous management of chemical substances after they are put on the market.

(6) Toxic Substances Control Act (TSCA)

"TSCA" is an abbreviation for "Toxic Substances Control Act". It requires prior notification for the manufacture and import of chemical substances that are not on the list of chemical substances known as the "TSCA Inventory".

(7) End-of Life Vehicles Directive (Directive 2000/53/EC)

In order to reduce the environmental impact of end-of-life vehicles, the use of lead, cadmium, mercury, and hexavalent chromium in automobiles is restricted.

(8) RoHS Directive (Directive 2011/65/EU)

An abbreviation for "Restriction of Hazardous Substances Directive". It restricts the use of lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, and four phthalates (DEHP, DBP, BBP, DIBP) in electrical and electronic equipment.

(9) POPs Regulation (Regulation (EU) 2019/1021)

"POPs" is an abbreviation for "Persistent Organic Pollutants". It is the national law in the EU of the Stockholm Convention aimed at reducing POPs.

(10) REACH Regulation (Regulation (EC) No 1907/2006)

"REACH" is an abbreviation for "Registration, Evaluation, Authorization and Restriction of Chemicals". Regulations on the registration, evaluation, authorization and restriction of chemical substances, which also require the communication of information along the supply chain.

(11) Global Automotive Declarable Substance List (GADSL)

A list of chemical substances subject to control in the automotive industry.

(12) IEC 62474

An international standard issued by the "International Electrotechnical Commission". It stipulates the communication of information on chemical substances contained in electrical and electronic equipment products.

(13) Ship Recycling Convention (The Hong Kong Convention)

It requires ships of 500 international gross tons or more to prepare and maintain a material affidavit and inventory (a list of hazardous substances present on the ship), and to dismantle and recycle the ship at a ship recycling facility approved by the competent authority.

9. Revision History

No.	Date	Contents
0	April, 2022	Newly established

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## Contact

Inquiries regarding this guidelines should be directed to our procurement department, which deals with our supply-chain partners.

## Publishing Department

SCM Department, Corporate Strategic Planning Office, Eagle Industry Co., Ltd.

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