

# Green Procurement

## Promoting green procurement

With the cooperation of partners, the Hitachi Chemical Group preferentially purchases products, parts, and raw materials that exert less impact on the environment based on the Green Procurement Guidelines the Group formulated in 2001.

## Reducing environmental impact in cooperation with suppliers

Based on its Green Procurement Guidelines, the Hitachi Chemical Group increases the ratio of purchases from suppliers who have established environmental management systems. We also purchase products bearing the Eco Mark and investigate hazardous chemical substances contained in raw materials.

With the cooperation of partners, Hitachi Chemical confirmed that six chemical substances listed in the EU's RoHS Directive had been eliminated from 5,241 procured materials by the

end of 2005. In addition to these six substances, the Hitachi Group identified 25 prohibited and controlled substances and requested suppliers to appropriately control such substances and provide notification of their inclusion.

The ratio of Hitachi Chemical suppliers certified under ISO 14001, JISQ 14001, KES,<sup>\*1</sup> or other relevant environmental management systems (green supplier ratio<sup>\*2</sup>) rose to 70% in 2005, up 9% from the previous year. The Group targets 100% in 2006. Hitachi Chemical supports its partners in establishing their environmental management systems by offering advice on acquiring EMS certification and using a checklist for confirming the level of EMS compliance.

Office and stationery supplies are also subject to green procurement under which the Group purchases goods that bear the Eco Mark or are in compliance with the Law on Promoting Green Purchasing. In 2005 the ratio of green procurement was 56% on both a con-

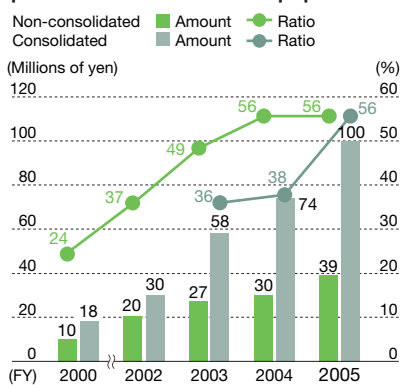
solidated and non-consolidated basis.

An electronic ordering/purchasing system called "e-sourcing" is used to improve the efficiency of green procurement in the Group.

<sup>\*1</sup> KES: Environmental management system devised by Miyako Agenda 21 Forum.

<sup>\*2</sup> Green supplier ratio: number of companies with an environmental management system (including companies in the development process)/number of major suppliers.

## Amount and ratio of green procurement of office equipment



## Voices

### We actively support suppliers in establishing their EMS



**Yukihiro Irie**  
Procurement Department

Hitachi Chemical's Green Procurement Committee establishes concrete action programs to promote green procurement and implement these programs within and outside the Company. Committee members consist of staff from the procurement departments of the Head Office and four major works. We strive to steadily achieve our targets by having staff of the manufacturing sites play a major role

in the committee.

One of the actions adopted by the committee is a program to support suppliers in establishing their own environmental management systems (EMS). In addition to ISO 14001, the most widely used EMS systems, including new systems such as KES, Eco-Stage, and Eco-Action 21, have been established as standards alongside ISO 14001 as the awareness of environmental conservation grows. The Hitachi Chemical Group drew up a KES-based certification called HI-KES<sup>\*</sup> and recommends suppliers obtain the certification. Our procurement staff explains the HI-KES to each supplier and also introduces it to suppliers at meetings.

In addition, we started activities to broaden the use of this EMS by establishing evaluation sheets for confirming the level of compliance with EMS requirements in suppliers' sites and utilizing it as our supplier certification

program. Due to these efforts, our Green supplier ratio reached 70%. Some of the suppliers who obtained HI-KES certification in 2005 referred to our support for establishing an EMS in the environmental report.

<sup>\*</sup> HI-KES: A Hitachi Group's system to support environmental conservation activities of customers who haven't acquired ISO certifications. It provides opportunities to share information on the environmental conservation activities through the various meetings to the customers who have acquired KES certification followed by participating in environmental seminars conducted by Hitachi Co., Ltd.

## Green supplier ratio of Hitachi Chemical

