



KUBOTA Group Green Procurement Guidelines

(5th edition)

April 2014

KUBOTA Corporation

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1. Introduction

The KUBOTA Group regards the “Administrative Principle” expressing the mission of the company as the foundation of corporate activities.

KUBOTA Group enacted the Kubota Global Identity as a universal corporate principles in order to promote business activities throughout the group based on the spirit and values passed down since the establishment of the Company in Oct.2012.

Kubota Global Identity

■Spirits

Work for the development of society by drawing on all of our capabilities and know-how to offer superior products and technologies. Build today and open the way to tomorrow, with the aim of bringing prosperity to the company and happiness to employees. Challenge the unknown with creativity and courage.

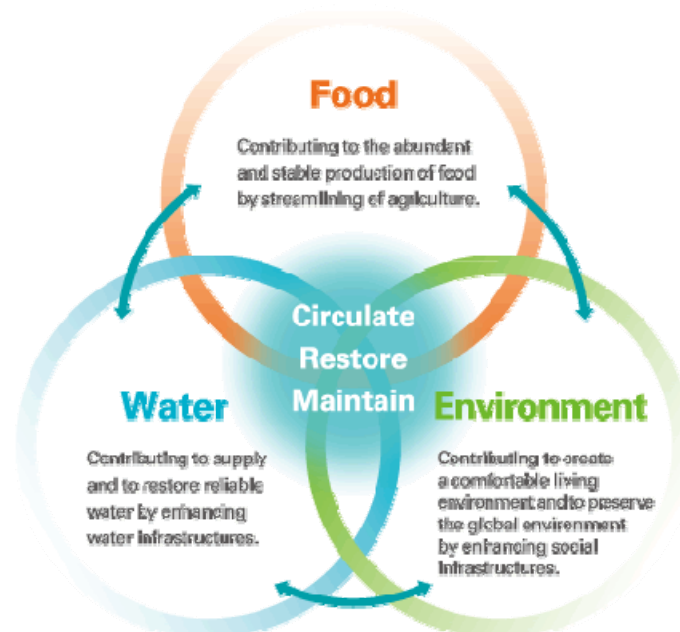
■Brand Statement

For Earth, For Life
Kubota

■Mission

Food, water and the environment are indispensable for human beings. The KUBOTA Group continues to support the future of the earth and humanity by contributing products that help the abundant and stable production of food,

KUBOTA GLOBAL LOOP = Relations among food, water, and the environment
Food, water and the environment are not separate themes, but linked closely to each other.



These Guidelines summarize the green procurement standards for suppliers, as part of the commitment of the KUBOTA Group to protecting the earth’s environment.

The KUBOTA Group expresses our sincere gratitude to all suppliers for their past and future understanding and cooperation.

2. Environmental business policy of the Kubota Group

“Environmental Declaration” and “Basic Environmental Action Policy” are designated based on the Administrative Principle.

Kubota Group Environment Charter

- The Kubota Group aspires to create a society where sustainable development is possible on a global scale.
- The Kubota Group contributes to the conservation of global and local environments through its environmentally friendly operations, products, and technologies.

Kubota Group Environmental Action Guidelines

1. Environmental Conservation Efforts in All Business Activities

- (1) We promote environmental conservation measures in all stages of our corporate activities, including product development, production, sales, physical distribution, and service.
- (2) We also request that our suppliers understand the importance of environmental conservation efforts and cooperate in this regard.

2. Global Environmental Conservation

- (1) We promote global environmental conservation measures for stopping climate change, creating a recycling- based society, and controlling chemical substances.
- (2) We promote global environmental conservation by providing technologies and products contributing to solving environmental problems.
- (3) We strive to ensure our corporate activities are friendly to the natural environment and biodiversity.

3. Environmental Protection to Create a Symbiotic Relationship with Local Societies

- (1) We make efforts in the reduction of environmental risks and promote our business activities with proper consideration for the protection of local environments, including pollution prevention.
- (2) We actively participate in environmental beautification/education activities in local communities.

4. Our Voluntary and Organized Efforts in Environmental Conservation

- (1) By introducing the environmental management system and establishing voluntary targets and action plans, we work on our daily business operations.
- (2) We endeavor to enhance environmental awareness through active environmental education/enlightenment activities.
- (3) We actively provide the stakeholders with environment-related information.
- (4) We collect stakeholders' opinions broadly through environmental communication, and reflect the findings in our environmental activities.

3. KUBOTA Group Green Procurement Guidelines

Scope of Application

“KUBOTA Group Green Procurement Guidelines” apply to products, raw materials, components, secondary materials, packaging materials and other items (all collectively referred to in this document as “products”) procured by the KUBOTA Group.

Definition

“Green procurement” denotes the procurement of products with a reduced environment impact from parties that engage in environmental activities.

Basic Stance on Green Procurement

The KUBOTA Group is committed to the procurement of products with a reduced environmental impact from suppliers that engage in environmental activities, as part of its commitment to providing society with products that are friendly to global and local environments.

Green Procurement Standards

To enable green procurement, the following standards for suppliers are set out:

Standards for suppliers

Item		A supplier for the KUBOTA Group should:
1	Environmental management system	(1) Have obtained ISO 14001 certification. (2) Have obtained third-party certifications, such as the Eco-Management and Audit Scheme(EMAS) , the Planet Positive certification , the Eco Stage certification and the Eco Action 21 certification.
2	Control of chemical substances contained in products	(1) Be ready to cooperate in investigations of the chemical substances contained in products in response to our requests. (2) Have required your suppliers to control chemical substances contained in products properly.
3	Corporate philosophy and policy	(1) Have adopted a corporate philosophy or policy relating to the environment.
4	Organization and structure	(1) Have made clear which organization and individuals are responsible for environmental management.
5	Compliance	(1) Have identified environment-related laws and regulations and others , including chemical substance controls, that are relevant to their business activities and practice compliance. (2) Have not been subject to any penalty for the violation of any law or regulation in the past two years.

6	Reduction of environmental impacts	(1) Have adopted self-control standards for the prevention of air pollution, water pollution, noise and vibration to implement the voluntary control. (2) Have set a goal for reducing energy consumption and greenhouse gas emissions at the stages of production and distribution to encourage improvements. (3) Have set a goal for waste reduction and recycling into resources to encourage improvements.
		(4) Engage in activities designed to reduce the environmental impact, such as the simplification of packing and packaging materials and the establishment of a system for collecting such materials. (5) Engage in activities given consideration to conservation of biodiversity.
7	Education	(1) Provide environmental education for employees and undertake activities that improve awareness of the environment.
8	Information disclosure	(1) Make environmental information available on the Internet, in environmental reports or by other means.

To enable preferential procurement of eco-friendly products, the eco-friendliness standards for products procured from suppliers are set out as follows.

Eco-friendliness standards for products

Item		A product for the KUBOTA Group should:
1	Resource saving, recycling and durability	(1) Be smaller in size and weight than other products with comparable functions, containing reduced quantities of materials and components. (2) Adopt recycled materials and components. (3) Have a longer life span than other products with comparable functions.
2	Energy saving and greenhouse gas reduction	(1) Be superior in energy efficiency to other products with comparable functions. (2) Emit lower greenhouse gases than other products with comparable functions. (3) Excel in logistical efficiency.

3	Substances of Concern (in products and packaging materials)	<p>(1) Have all chemical substances that are contained in both the product itself and in its packaging materials identified and be ready to answer the investigation request using the industry-standard format.</p> <p>(2) Contain or use none of the substances to be prohibited specified in “Table 1 in Substances of Concern List” which is Appendix of “KUBOTA Group Green Procurement Guidelines”, nor the substances specified separately by the procurement sections.</p> <p>(3) To be adapted to the conditions for the substances to be restricted specified in “Table 2 in Substances of Concern List ” which is Appendix of “KUBOTA Group Green Procurement Guidelines”.</p> <p>(4) Have controlled the content or use of substances to be controlled specified in “Table 3 in Substances of Concern List ” which is Appendix of “KUBOTA Group Green Procurement Guidelines” and the substances specified separately by the procurement sections.</p>
		<p>Explanatory note Reference: Substances of Concern List Table 1: Substances to be prohibited (referred to above (2)) Table 2: Substances to be restricted (referred to above (3)) Table 3: Substances to be controlled (referred to above (4))</p>
4	Recycling and disposal	<p>(1) Have higher waste recycling potential than other products with comparable functions.</p> <p>(2) Have a waste collection, recovery and treatment system.</p> <p>(3) Be free from discharge of any hazardous substance at the time of disposal.</p>
5	Packaging materials	<p>(1) Be packed and packaged using simplified materials.</p> <p>(2) Have a system for collection and recovery of packaging materials.</p>
6	Information disclosure	<p>(1) Have environmental impact information disclosed.</p>

4. Use of this Guidelines

Request for Self Assessment and Improvement

The KUBOTA Group asks suppliers to perform a self assessment. To facilitate this, the KUBOTA Group’s procurement sections will send each of them a survey sheet prepared on the basis of its green procurement standards. The results of self assessment will be aggregated at the procurement sections to enable a comprehensive evaluation. Each supplier will be given a request for improvement based on the results of assessment. No information about assessment results will be disclosed to outsiders.

Request for Cooperation in the Fact-Finding Survey

Depending on the results of the assessment described above, some personnel from the KUBOTA Group may visit suppliers’ establishments to conduct interviews. We ask

for the cooperation of suppliers in this event.

5. Other

These Guidelines may be subject to revision and modification as appropriate, following amendments to laws, regulations and internal rules.

April 2008 Established
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