

Achieving Green Procurement

To advance the creation of environmentally friendly products, we revise the Green Procurement Guidelines as needed and ask for the cooperation of and provide support to our suppliers.

Promoting Green Procurement

The Group promotes green procurement activities, which entail preferential purchase of products, parts and materials with low environmental impact. The standard governing these activities is posted on our website as the Green Procurement Guidelines. In fiscal 2006, we revised the chemical substance management standards in accordance with the enactment of the RoHS Directive (an E.U. directive restricting the use of six designated substances in electronic and electrical devices: lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls [PBB] and polybrominated diphenyl ether [PBDE]).

The number of Group suppliers in Japan grew by 13 companies, to 566, in fiscal 2007. We continue carrying out inspections of these suppliers, using a supplier assessment system that gives suppliers an A, B, C, or D grade. For suppliers graded B, C or D, we request improvement and have set up a contact point to support them in their efforts.

In fiscal 2007, we worked to maintain consistent operations according to the guidelines whenever possible in dealing with diverse customer demands. We aim to respond nimbly to the REACH regulations (regulations concerning the registration, evaluation, approval, and restriction of chemical substances; enacted in June 2007), participate in JAMP (Japan Article Management Promotion-consortium: an industry organization that promotes activities to encourage the creation and dissemination of mechanisms to smoothly disclose and transmit chemical substance information within supply chains) and cooperate in establishing a system of standards to transmit information on chemical substances with minimal difficulty.

Initiatives for Environmental Regulations


In response to the enactment of the RoHS Directive in the European Union in July 2006, the Group strengthened its checking procedures upon receipt of procured products in fiscal 2007 and is channeling resources into confirming the status of RoHS compliance, including the formulation of checking procedures to identify high-risk incoming products.

The Group receives written guarantees from its suppliers to verify that each of the parts making up the products supplied does not contain regulated substances. However, since in some cases the six regulated substances are contained in stabilizing agents, flame retardants, pigments, and other substances within the parts, we perform analyses with our own x-ray fluorescence spectrometers and commission analyses from outside laboratories to confirm that each of the parts contains none of the regulated substances.

Furthermore, to comply with the REACH regulations, which went into effect in June 2007, we are working to check on whether registration is required, identify and disseminate the requirements for molded products within the Group, and prepare for implementation of a system to collect information on the chemical substance content of purchased products.



Regulated substance content inspection

Example Initiative	Citizen Machinery
<p>A Head Start on RoHS Compliance for Machine Tools</p> <p>Machine tools are not currently subject to either the E.U. RoHS Directive or Chinese RoHS. However, as a member of the Citizen Group with its emphasis on environmental management, Citizen Machinery commenced preparations in fiscal 2007 to voluntarily completely eliminate use of the substances regulated, irrespective of whether the category of equipment is subject to regulation.</p> <p>Starting with new products released in fiscal 2008, the company will ensure that all models are RoHS compliant.</p>	 <p>Cincom A32</p>

Example Initiative	Citizen Watch
<p>Intensive Management for Products Designated as High Risk</p> <p>Although all the Group's watch and clock products are already RoHS compliant, we continue to verify the status of procured materials.</p> <p>For example, the red, orange, yellow, and green paint used on watch and clock faces and the colored plastic used in the parts formerly contained minute quantities of lead or cadmium to bring out the colors.</p> <p>We have completely switched over to alternatives for all materials produced in Japan, but more cautious handling is required for materials procured from overseas. Therefore, Citizen Watch designates watch and clock components such as the face and other parts as high-risk parts and has begun intensive management on such products, which includes establishing inspection procedures implemented upon receipt of materials to verify with certainty that regulated substances are not used.</p>	