

Drive@earth



# GREEN PROCUREMENT GUIDELINE

**September 2016**

 **MITSUBISHI MOTORS CORPORATION**

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## I. Preface

Most countries and regions in the world have established and implemented laws and regulations in order to take measures to strengthen environmental friendliness, and against global warming by greenhouse effect gases, as well as environmental pollution of water and soil by for example hazardous substance such as lead, cadmium, and others. Legal compliance is a condition which does not have to be pointed out, but voluntary environmental friendly activities are forming a company's public image: recently society is more interested in how each company approaches environmental friendly products and production processes, as well as nature's preservation in their business activity.

Automobiles are one of the major consuming products all over the world today. At the same time, automobiles effect the environment both during production and use. Therefore activity for environment in relation to automobile attracts attention. So we at Mitsubishi Motors Corporation (hereinafter "Mitsubishi") are eagerly working to reduce possible environmental impact at our plants by introducing new technologies, such as our electric vehicle and plug-in hybrid vehicle, as well as other improved products, materials and processes.

We all know well that any automobile is the high quality composition of a wide variety of materials and parts which all of you have developed and produced for us. For this reason, reduction of environmental impact is accomplished not only by improvement of the automobile on road but also strong efforts during all activities in complete manufacturing process including all materials and parts that are provided from your company to us. Accordingly, your understanding and cooperation are absolutely necessary for us in order to achieve this target together.

Furthermore, your company's environmental activities aiming to improve each product that you are delivering to Mitsubishi are not limited by simply participating in our environmental approach: they are a part of the environmental activities which the society requires of you. Environmental activities can only be achieved by the joint effort by you and us, and these activities are promoted only by concerted activities.

We are pleased to announce that we are herewith establishing the revised version (September 2016) "Green Procurement Guideline" which strengthens the Mitsubishi approach towards environmental friendly products and production in close cooperation with you, our suppliers. We appreciate your kind understanding and most positive cooperation.

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Yukihiro Hattori

Senior Vice President  
Procurement Group Headquarters



Hitoshi Inada

Chief Environmental Strategy Officer

## II. Basic policy

### 1. Environmental Policy

Mitsubishi formulated a specific Environmental Policy in 1999 to clarify the aims of environmental protection activities.

This policy affirms environmental protection as one of the most important issues for the management and declares Mitsubishi's commitment to undertake environmental protection activities on continuous basis while adopting a proactive stance on environmental management and performance issues.

### Environmental Policy

#### **Basic Policy**

Mitsubishi Motors recognizes that protection of the global environment is a priority for humanity and as such makes the following pledges:

1. Taking a global perspective, we are committed to harnessing all our resources to achieve continuous reductions in the environmental impact of all our corporate activities, spanning development, procurement, production, sales, and aftersales servicing of vehicles.
2. As a good corporate citizen, we are committed to take actions that protect the environment at the level of local communities and society as a whole.

#### **Behavioral Standards**

1. We will endeavor to protect the environment by forecasting and assessing the environmental impact of our products at all stages in their life cycle. Priority is given to the following areas:
  - Prevention of global warming by reducing emissions of greenhouse gases
  - Prevention of pollution by restricting emissions of substances harmful to the environment
  - Reduction of waste and maximizing efficient use of resources by promoting conservation of resources and recycling
2. We will endeavor to improve our environment management practices as part of ongoing efforts to ameliorate the impact on the environment.
3. We will comply with environmental regulations and agreements, and we will work to protect the environment by establishing voluntary management targets.
4. We will encourage our affiliates and suppliers, both in Japan and overseas, to cooperate in working to protect the environment.
5. We will actively disclose environment-related information and will seek the understanding of local communities and of society at large.

## 2. Green Procurement Policy

Mitsubishi declares “Mitsubishi Environmental Policy” to undertake environmental impact reduction through all company activities. In procurement, Mitsubishi defines “Green Procurement” as mentioned below and provides the guidelines for implementing the process in cooperation with our suppliers.

### **“Green Procurement”**

Environmental protection activities starting at procurement stage in order to procure less environmental impact parts and materials (\*1) from our suppliers, who are engaged in environmental impact reduction activities continuously.”

As a part of this initiative, Mitsubishi has been requesting all of its suppliers to acquire and to regularly update environmental management system (see item III. 1) which is an effective tool for continuous activities of environmental impact reduction by establishing, maintaining and improving an environmental management system.

It is a mandatory condition that the parts and material procured shall be compliant with the requirements for Substances of Concern (SOC), as well as all other relevant environmental requirements valid for the product. For this purpose, we will work together in order to establish a full environmental control system by our close cooperation for the complete supply chain. By this guideline again, our suppliers are requested to control the same, not only your own processes itself but also that of your supply chain.

Through these activities, it is expected that initiatives of environmental impact reduction are expanded to all suppliers and realize a sustainable development of society. It is our responsibility for society. In consideration of this, Mitsubishi will take Green Procurement activities with the cooperation of suppliers.

(\*1) including sub-material, machinery equipment, logistic service and etc.

### III. Requirements to Supplier

According to Green Procurement, suppliers are requested to take a necessary action for the items mentioned in below.

Requirements		Suppliers			
		Parts installed on vehicle (including supplementary parts and accessories)	Material & Sub-material for vehicle (including supplementary parts and accessories)	Sub-material and machinery equipment for plant	Logistics
Items	Documents/Data				
1. Acquisition and Updating of Environmental Management System		●	●		
2. Management of SOC					
Reduction of SOC	<ul style="list-style-type: none"> <li>Declaration letter Conformity to Regulations of SOC</li> <li>Engineering standard "Control Criteria of SOC" (MS82-5000)</li> </ul>	●	●	(●)	
Prohibited heavy metals (Lead, Hexavalent chromium, Mercury, Cadmium)	<ul style="list-style-type: none"> <li>Material Specification "Controlled material in use" (ES-56901)</li> </ul>	●	●	(●)	
Data entry of material into IMDS	<ul style="list-style-type: none"> <li>IMDS data entry guideline (HS-0002)</li> </ul>	●	●	(●)	
Data submission to proof IMDS data	<ul style="list-style-type: none"> <li>Data measured by material suppliers</li> </ul>	(●)	(●)	(●)	
Establishment of management for SOC	<ul style="list-style-type: none"> <li>Self-checking sheet on Management of SOC</li> </ul>	●	●	(●)	
Following the management of SOC at sub-suppliers					
Compliance with laws and regulations in Japan, Europe, USA, etc. (display on products and containers, permits for molded parts and chemical substances and their registration)		●	●	(●)	
Submission of information on chemical substances used	<ul style="list-style-type: none"> <li>Safety Data Sheet (SDS)</li> </ul>	(●)	(●)	(●)	
3. Promotion of RRR (Reusability, Recyclability and Recoverability)		●	●	●	
4. Submission of LCA data for managing Environmental Impact					
Submission of LCA data	<ul style="list-style-type: none"> <li>Investigation sheet on LCA</li> </ul>	(●)	(●)	(●)	
5. Initiatives of Reducing Environmental Impact at Suppliers		●	●		
6. Reduction of Environmental Impact in Logistics					
Reduction of CO2 at logistics of Mitsubishi	Monthly data requested by Mitsubishi as consignor				●
Reduction of CO2 at logistics of suppliers		●	●		

(●) requirement to the supplier specified.

## **1 Acquisition and Renewal of External Certification for Environmental Management System**

As a part of environmental conservation activities, Mitsubishi is requesting all of its suppliers to acquire “environmental management system (\*2)” certification to reduce environmental impact and its risk since the year 2000, when the Green Procurement Guideline was issued.

Suppliers who do not acquire such certification yet, are requested to do so now and who have acquired it already are requested to update it for continuous use.

In addition, we request suppliers to voluntarily acquire these certifications and also continue encouraging their subcontractors and other outsourced sub-suppliers to voluntarily acquire external certification, so that the entire supply chain can achieve the target of green procurement.

(\*2) Environmental Management System: ISO14001, Eco Action 21, etc.

## **2. Management of Substances of Concern (SOC)**

Mitsubishi has been promoting the reduction of SOC by strengthening the management of it. Suppliers are requested to follow the requirements for a parts (including supplementary parts and accessories) and material and sub-material.

### **2.1 Suppliers who supply parts, material and sub-material for vehicle**

#### **(1) Prohibition, reduction of substances of concern (SOC)**

##### **1. Compliance with Mitsubishi engineering standard “Control Criteria of Substances Concern” (MS82-5000)**

Mitsubishi has been promoting the prohibition or reduction of SOC in our products. Mitsubishi requests all of its suppliers to conform to Mitsubishi engineering standard “management standard for SOC” (MS82-5000) and MMC specifications that regulate chemical substances listed in GADSL.

The use of prohibited SOC shall be banned in accordance with the regulation and laws applicable. With the condition of complying with the same in each territory, supplier can apply MMC to use of the part containing such SOC, if it is unavoidable to contain it in the part by requesting MMC to change the material specification applied in the drawing. Supplier can deliver such part to MMC after getting MMC approval on it.

##### **2. Prohibited heavy metals (Lead, Hexavalent Chromium, Mercury, Cadmium)**

Mitsubishi has been prohibiting the use of the 4 defined substances according to the currently valid regulation EU ELV directive (2000/53/EC and its valid amendments). Mitsubishi requests all of its suppliers to comply with this regulation, also for parts delivered to the outside of EU countries which may not apply with this regulation:

With the condition of complying with the regulation and laws applied in the territories outside of EU countries, supplier can apply MMC to use of the part containing the 4 defined substances, if it is unavoidable to contain it in the part by requesting MMC to change the material specification applied in the drawing. Supplier can deliver such part to MMC after getting MMC approval on it.

Note: Please refer the detail at Mitsubishi material SPEC ES-X56901 [Controlled Substances for Use]. Mitsubishi will conduct investigation on the content of prohibited material according to the exemptions specified in EU ELV directive.

##### **3. Declaration of Conformity to Regulations on Substances of Concern**

In line with the above 1. 2., Mitsubishi requests all of its suppliers to submit the declaration letter “Declaration of Conformity to Regulations of Substances of Concern” (Attachment 1) to Mitsubishi.

#### **(2) Material data entry into IMDS (\*3)**

Suppliers are requested to enter the material data according to the “IMDS data



entry guideline” (HS-0002) for the following cases.

- [Parts]       - specified by Mitsubishi
- implementing engineering or process change on or after  
                  Production Part Approval Process (PPAP)
- Including declarable substances
- [Materials]   - specified by Mitsubishi
- Including declarable substances

Suppliers are also requested to enter the material data till the deadline required by Mitsubishi. Those data will be used for a confirmation of the conformity on EU ELV directive and other regulations and for the recycling ratio required for homologation of vehicles according to EU RRR directive.

The back up data such as the one measured by material manufacturer and others should be collected and kept in the suppliers’ file for the one to proof the data entered.

Mitsubishi will request suppliers to submit such proofing data as occasion requires.

(\*3) IMDS: “International Material Data System”, collecting material data through specified internet tool.

### **(3) Self-checking on Management of SOC**

Suppliers are requested to perform a “Self-checking report on Management of SOC” (to be distributed separately).

Note that Mitsubishi may request submission of check results and audit of your system when it is necessary, and we request your cooperation.

### **(4) Follow-up the management of SOC at Sub-suppliers**

It is important to manage SOC from the beginning at the material stage and suppliers are requested to follow-up the management of SOC at your sub-suppliers too.

Check the management conditions of your procurement sources, and if there is a deficiency in the system, give corrective instructions.

### **(5) Compliance with laws and regulations in Japan, Europe, USA, etc. (display on products and containers, permits for molded parts and chemical substances and their registration)**

When any environmental law or regulation mandates displays on products or packaging, or when constituents and intentional discharge of mixtures and articles require permits and registrations, please follow the procedures MMC separately instructs.

## **2.2 Suppliers who deliver chemical substances contained in parts, sub-materials, etc.**

For reducing the amount of emissions and transference of objected substances detailed in PRTR (\*4), the department in charge of chemical substance management of the plant and the department in charge of logistics and supplementary parts may request the suppliers to submit SDS (\*5) "Safety Data Sheet".

(\*4) PRTR: Pollution Release and Transfer Register, which is a system that totals and announces the quantities of noxious chemicals emitted into the atmosphere and public water areas or transferred outside business sites as waste substances.

(\*5) SDS: Safety Data Sheet, which is a document that summarizes the safety and toxicity data and the handling and first-aid treatment for individual chemicals and should be submitted by the shipper to the delivery destination for the purpose of providing information.

## **3. Promotion of RRR (reusability, recyclability and recoverability)**

Mitsubishi has been promoting RRR (reusability, recyclability and recoverability) and therefore supplier is requested to follow the approaches mentioned below for the all parts, materials and sub-materials delivered to Mitsubishi

### **3.1 Material Selection**

#### **(1) Reduction of a kind of Materials**

A kind of material in use should be reduced and unified as much as possible.

#### **(2) Reuse of Recycled Materials**

Material in use should be selected from a recycled material as much as possible.

#### **(3) Use of Materials to be recycled easier**

Material in use should be selected from the material, recycled easier as much as possible and avoid to use the material, not recycled easily such as a composite.

#### **(4) Use of Plant-based materials**

The product should use, to the extent possible, plastics or synthetic fiber made of plant material that has been verified in terms of reduced environmental load.

### **3.2 Resource Conservation**

#### **(1) Streamlined Design**

Miniaturized design with lighter weight where possible.

#### **(2) Reduction of Parts**

Design to unify and integrate parts where possible.

### **(3) Long Life**

Parts design for common use and to improve durability where possible.

### **3.3 Easier Dismantling**

Design of parts with focus on easy dismantling

### **3.4 Prohibition of Reuse Parts**

The following parts listed in EC Directive 2005/64EC (RRR) Annex V are prohibited to be reused in the construction of new vehicles:

- All airbags, including cushions, pyrotechnic actuators, electronic control units and sensors (if airbags are inserted into the steering wheel, the wheel itself)
- Automatic or non-automatic seat belt assemblies, including webbing, buckles, retractors, pyrotechnic actuators
- Seats (only in cases where safety belt anchorages and/or airbags are incorporated in the seat)
- Steering lock assemblies acting on the steering column
- Immobilizers, including transponders and electronic control units
- Emission after-treatment systems (e.g. catalytic converters, particulate filters)
- Exhaust silencers

### **3.5 Marking of Material**

Labeling and identification of vehicle components having a weight of more than 100 grams of plastic and rubber should be adopted.

## **4. Submission of LCA data for managing Environmental Impact**

Mitsubishi is continuously aiming to improve less environmental impact products to a society through the products' life cycle by the method of LCA (\*6).

For this purpose, suppliers may be requested to submit LCA data individually in order to record not only Mitsubishi own environmental effect but also the same of the supply chain.

MMC will adapt the LCA data check and the survey sheet individually for each part based on the general rules summarized in subsections (1) and (2) below; the partners should submit their data accordingly.

Please fulfill and submit the check sheet according to "Guideline of LCA data check" delivered separately.

(\*6) LCA: "Life Cycle Assessment", a method of recording environmental impact quantitatively through production to disposal.

### **(1) Guideline of Investigation**

1. Targets of investigation: Partners' parts mounted on the target vehicle types for the investigation (e.g., new type vehicles) specified by MMC
2. Investigation items
  - Amount of energy used
  - Amount of emission to air, such as CO<sub>2</sub>, NO<sub>x</sub> and etc
  - Amount of disposal, etc
3. Partners may be requested to make a comparison with the parts of the target vehicle types to be compared (e.g., conventional type vehicles).

### **(2) Manner of data submission**

1. Document: LCA data check sheet (sample in Attachment 2)
2. Schedule of submission: within 2 months after Mitsubishi request
3. Department to be submitted: CSR & Environment Activities Dept.

## **5. Initiatives of Reducing Environmental Impact at Suppliers**

Mitsubishi's focus is on the environmental management activities to promote integrated improvement in various activities at not only Mitsubishi plants but also sales companies in Mitsubishi group.

At suppliers, it is requested to implement the following 4 initiatives

- Reduction of CO<sub>2</sub> emission
- Reduction of waste disposal
- Reduction of VOC (Volatile Organic Compounds) emission
- Reduction of substances objected by PRTR

Suppliers who do not have a certification of environmental management system will be requested to be audited on their activities by Mitsubishi.

## 6. Reduction of Environmental Impact in Logistics

To prevent global warming, Mitsubishi is developing ways of reducing CO<sub>2</sub> at every stage including a reduction of environmental impact in logistics.

### (1) Logistics of Mitsubishi

Logistic companies consigned by Mitsubishi for a transportation of vehicle, parts for mass production and service, are requested to cooperate with Mitsubishi to reduce CO<sub>2</sub> emission.

Those companies are requested to report periodically to Mitsubishi for the data required according to the measures for a consignee by the revised energy conservation act, such as amount of transportation, energy consumption, etc.

The documents required and schedule to be submitted are informed by the department concerned separately.

**1. Vehicle (export)** : Vehicle Management Group, Logistics Planning Dept.

**Vehicle (in Japan)** : Sales Development Dept.

### 2. Parts for production

•Engine, Transmission: Distribution Planning Group, Power Train Plant

•KD parts : KD Logistics Dept.

•Procurement distribution parts : Logistics Planning Dept.

**3. Service parts** : Distribution Techniques Group, Global After Sales Logistics Dept.

### (2) Logistics of suppliers

Suppliers, who deliver parts, materials and etc to Mitsubishi, are requested to promote a reduction of CO<sub>2</sub> emission, including energy conservation and a reduction of material at packaging.

#### IV. Reference

#### Reference and Departments in charge at Mitsubishi (as of September, 2016)

References of Green Procurement Guideline are mentioned in bellows.

Items		Page	Document/Data	In charge	Tell
General				Procurement Planning Dep.	0564-32-4111
Acquisition of environmental management system		5		ditto	ditto
Management of SOC	Prohibition, reduction of SOC	6	Declaration of Conformity to Regulations on Substances of Concern (Attachment 1)	ditto	ditto
	Data entry of material into IMDS	7	IMDS data	CSR Planning & Environmental Affairs	03-6852-2478
	Data submission to proof the IMDS data	7	Data measured by material suppliers	ditto	ditto
	Establishment of management for SOC	7	Self-checking report on Management of SOC” (To be distributed separately)	Procurement Engineering	0564-31-2963
	Following the management of SOC at sub-suppliers				
	Compliance with laws and regulations in Japan, Europe, USA, etc.	7	Documents to be notified, Safety Data Sheet (SDS)	CSR Planning & Environmental Affairs Materials Engineering	03-6852-2478 0564-31-3046
Submission of information on chemical substances used	8	Safety Data Sheet (SDS)	Administration Dept. Production Dept. in each Plant	respectively	
Promotion of RRR (reusability, recyclability and recoverability)		8		Materials Engineering	0564-31-3046
Submission of LCA data		10	Investigation sheet on LCA (Attachment 2)	CSR Planning & Environmental Affairs	03-6852-2478
Initiatives of Reducing Environmental Impact at Suppliers		11		ditto	ditto
Reduction of Environmental Impact at logistics of Mitsubishi	12		Data of vehicle transportation (export)	Logistics Planning Dept.	0564-31-0921
			Data of vehicle transportation (in Japan)	Sales Development Dept.	03-6852-3794
			Data of Engine, Transmission transportation	Power Train Plant Distribution Planning Group	075-864-8027
			Data of KD parts transportation	KD Logistics Dept.	0564-31-1547
			Data of procurement distribution	Logistics Planning Dept.	0564-31-0921
			Data of service parts transportation	Global After Sales Logistics	03-6852-4261

To: MITSUBISHI MOTORS CORPORATION

**Declaration of Conformity to Regulations on  
Substances of Concern**

We hereby declare that all parts, materials and sub-materials we supply to MITSUBISHI MOTORS CORPORATION and its affiliated companies all over the world (collectively "Mitsubishi") conform to the standards and specifications described below.

1. The parts, materials and sub-materials we will supply to Mitsubishi henceforth (hereinafter, collectively the "Parts") contain neither Substances of Concern ("SOC"), nor substances outside their exemption period, all as specified in the Mitsubishi standards described below effective at the time of delivery ("Mitsubishi Standards"), whether or not such Mitsubishi Standards are specified in Mitsubishi drawings. Unless otherwise specified in this declaration, all capitalized terms used herein shall have the same meaning as in the Mitsubishi Standards.

- |  |
|--|
| <ul style="list-style-type: none"><li>•the Mitsubishi engineering standard "Control Criteria of Environmental-Impact Materials" (MS82-5000)</li><li>•the Mitsubishi material SPEC "Controlled Substances for Use" (ES-X56901)</li><li>•any additional Mitsubishi engineering standard and/or SPEC for SOC which is issued due to the establishment, revision or amendment of laws and regulations.</li></ul> |
|--|

2. If we notice that any Parts contain a Declarable Substance, then we will immediately inform that fact to MITSUBISHI MOTORS CORPORATION or the affiliated company to which such Parts were delivered.
3. If any Parts are found to contain prohibited substances, or substances outside their exemption period, we will get the approval of Mitsubishi on changed Part drawings to conform to the relevant regulations by Mitsubishi's engineering change order in order to supply conforming Parts.
4. We will make sure to inform Mitsubishi without delay by Part Submission Warrant ("PSW") at the beginning of production part approval process ("PPAP"), and/or by design or production process change report after PPAP, that the Parts contain neither SOC nor substances outside their exemption period.
5. If Mitsubishi suffers any damages, costs or expenses due to delivery of Parts containing SOC and/or substances outside their exemption period, we will compensate Mitsubishi for all such damages, costs and expenses in accordance with the Claim Compensation Agreement.

(Company Name)

Signature of duly authorized company representative:

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Name:

Title:

Date



Investigation sheet on LCA

Date

The data collection period: The productive activity is assumed to be a unit for one year.	
Period of data collector	Person in charge

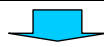
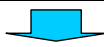
Data collection process explanation		1) Target product	2) Range of process
Main process and explanation			
1)	(Explanation)		
2)	(Explanation)		
3)	(Explanation)		
4)	(Explanation)		
The main name and explanation			
1)	(Explanation)		
2)	(Explanation)		
3)	(Explanation)		

Input

Part or Material	Weight	Number	Total weight	Unit	Utility	Unit
1)	kg			kg	Electric power	
2)	kg			kg	Purchased electricity	kWh
3)	kg			kg	Private power generation	kWh
					Air	Nm3
					Pressure=	
					Steam	MJ
					Pressure=	
					Water	L
					Fuel of thermal energy	
					City gas	Nm3
					Kerosene	L
					Heavy oil	L
					LPG	Nm3
					Others	
					Diesel oil	L
Total weight						kg
Gas(When using it)						kg
Content(1)						kg
Content(2)						kg
Content(3)						kg
消耗品(資材)Sub material on production process						
1)						kg
2)						kg
Total weight						kg
Comment, Addition(Material can be appended in case of space shortage)						



<b>Process</b>	
1) Note(The reference, data, and the process explanation)	



Output

Waste	Disposer, Recycle method	weight	Unit
Recycle material			
1)			kg
2)			kg
Disposal			
1) Oil			kg
2) Water			kg
Comment, Addition(Material can be appended in case of space shortage)			

Product	weight	number	Weight	Unit
1)		kg		kg
2)		kg		kg
3)				
4)				
Total weight of product				
Comment, Addition(Material can be appended in case of space shortage)				