

# SUPPLIER CSR GUIDELINES

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Ver. June 2019 (Rev. 3)

English edition

# Table of Contents

<b>1. Introduction</b>	<b>1</b>
<b>2. Overview and Use of These Guidelines</b>	<b>2</b>
<b>3. CSR Areas and Items</b>	<b>3</b>
(1) Safety and Quality	
(2) Human Rights and Labor	4
(3) Environment	
(4) Compliance	5
(5) Information Disclosure	
<b>4. Our Call to Suppliers</b>	<b>6</b>
(1) Our key initiatives to enhance	
① Legal and regulatory compliance	
② CSR organization and governance	
③ Dissemination to supply chain	
(2) Supplier CSR Confirmation	
① Commitment	
② Assessment by a third party	7
③ Actions in the event of non-compliance	
<b>Revision History</b>	<b>8</b>
<b>SUPPLIER COMMITMENT</b>	<b>9</b>

## 1. Introduction

United Nations adopted SDGs (Sustainable Development Goals) whose specific target is to resolve critical global issues by 2030 aiming at a sustainable society.

Companies are strongly called for a contribution to their solution to the issues.

Under such circumstances, as the expectations and demands of the stakeholders for the approach to CSR have been on the increase, the initiatives toward environment, society and governance are considered to be very important separately from the company's financial indexes. For the automobile industry that has a major impact on the economy, not only the approach of individual companies, but also that of the entire supply chain have come under scrutiny.

As one of these approaches, we Mitsubishi Motors Corporation ('MMC') issued the 'CSR Guidelines for Suppliers' in August 2010, and request our business partners('suppliers') to implement CSR together with us.

In the era when the approach to CSR by companies is critical for the corporate value itself, we have clarified the efforts to be enhanced. This time we sincerely ask you to express your intention toward our CSR initiatives by signing and submitting the 'SUPPLIER COMMITMENT' for the Guidelines and to further promote your implementation of CSR.

We have issued the 'Green Procurement Guidelines' for the environment with which you are complying, but we also ask you that you implement the items listed herein in order to fulfill your social responsibility including environmental protection.

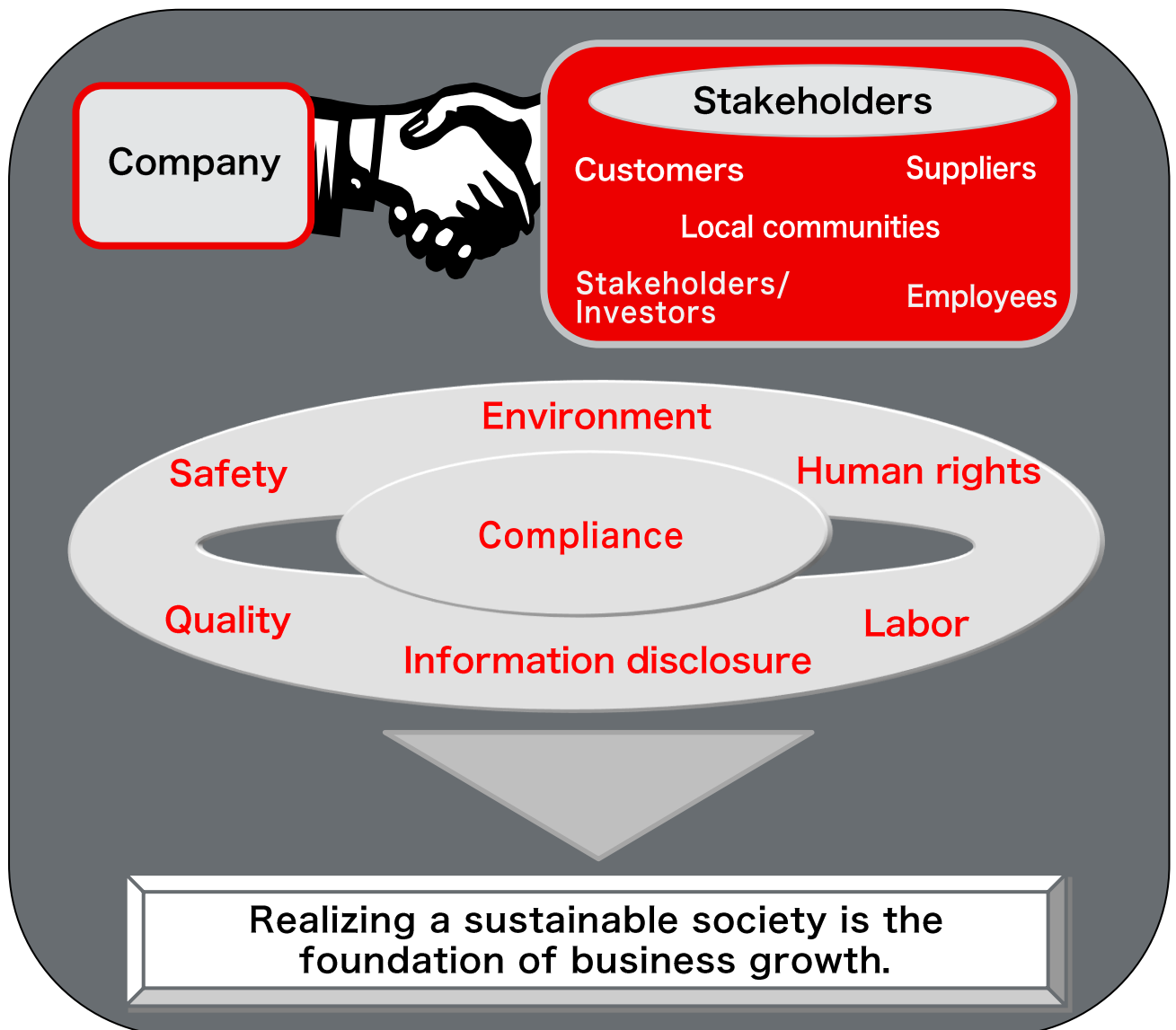
We hope that you utilize the Guidelines for enhancing your CSR implementation and take an action together with us for our sustainable growth.



Yukihiro Hattori  
Senior Vice President  
(Procurement)

## 2. Overview and Use of These Guidelines

These Guidelines are a summary of CSR implementation items for our suppliers. The Japan Business Federation's Charter of Corporate Behavior, originally legislated in 1991 as 'Company's principles of action', was re-issued in a 5<sup>th</sup> revised edition in 2017. The revised edition focuses on achievement of SDGs, and promotes changes in actions such as enhancing corporate management while considering ESG (Environment/Society/Governance) not only to companies but also to their group companies and supply chains. To realize a sustainable society, we have selected 25 items in 5 sectors where expectations on supplier performance are especially high in the automobile industries in accord with the above Charter of Corporate Behavior. Based on complying with these Guidelines, we expect our suppliers to convey this message to your own supply chain.



#### (1) Safety and Quality

##### 1. Providing products and services that respond to the needs of consumers

Socially useful products\* are developed and provided by understanding the needs of consumers and customers.

\* Socially useful products such as those that can be used easily by everyone regardless of age, gender, disability, etc., and those that are earth-friendly and contribute to energy and resource savings and environmental preservation.

##### 2. Providing appropriate information on products and services

Appropriate information on products and services should be provided to consumers and customers.

##### 3. Securing the safety of products and services

The products and services provided should conform to the safety regulations and related laws established for each country.

##### 4. Securing the quality of products and services

A structure for securing the quality of products and services should be built and put into practice throughout the company.

#### (2) Human Rights and Labor

##### 5. Abolition of discrimination

In all cases of employment\*, there must be no discrimination against any race, ethnic group, country of origin, nationality, religion, gender, and so forth.

\* Application, adoption, promotion, wages and salary, dismissal, retirement, business permission, punishment, etc.

##### 6. Respect for human rights

Any harassment in any form within the working place against any race, ethnic group, country of origin, nationality, religion, gender, and so forth must not be permitted.

##### 7. Prohibition of child labor

Employment of a child under the age eligible for work as described by the regulations in each country must not be permitted.

##### 8. Prohibition of forced labor

It shall be guaranteed that all work is voluntary, employees are free to leave their job, and no employee will be forced to work.

##### 9. Wages and salary

The regulations of each country pertaining to minimum wage, overtime work, payroll deductions, wages commensurate with performance, and other benefits, etc., must be observed.

##### 10. Working hours

The regulations of each country pertaining to the number of working hours (including overtime work), and the granting of holidays and annual leave with pay, etc., must be observed.

**(2) Human Rights and Labor**

**11. Discussion and negotiation with employees**

The management should discuss and negotiate in good faith with the employees or a representative of the employees.

The freedom of association by employees should be recognized according to the regulations of each country.

**12. Safe and healthy working environment**

The highest priority should be given to ensuring the safety and health of the employees in carrying out their job duties to prevent accidents and disasters.

**13. Nonuse of raw materials such as conflict minerals that will cause social problems**

To avoid the use of raw materials involving an inhumane act, it is essential to comprehend the situation as well as take appropriate measures.

**(3) Environment**

**14. Environmental management**

In order to promote a wide range of environmental activities, the regulations of each country must be observed, and the structure across the entire company should also be built, put into practice and improved on an ongoing basis.

**15. Reduction of greenhouse gas emissions**

In order to contribute to the prevention of global warming, the emission of greenhouse gases in business operation must be controlled, and the emission reduction activities should be promoted such as working on effective utilization of energy.

**16. Prevention of environmental pollution of the atmosphere, water, soil, and the like**

The regulations of each country pertaining to the prevention of environmental pollution of the atmosphere, water, soil, and the like must be observed. Pollution materials should be monitored and implemented measures for reducing and preventing contaminant from flowing out on an ongoing basis in order to prevent environmental pollution.

**17. Resource saving and waste reduction**

The regulations of each country pertaining to the proper disposal and recycling of waste material must be observed, and also the reduction of the quantity of waste material for final disposal should be addressed by effectively using resources.

**18. Management of chemicals**

Chemical substances that may cause environmental pollution must be appropriately managed. Products must not contain any chemical substances that are prohibited by the regulations of each country. In addition, such prohibited chemical substances should not be used in any production processes, and the emission amount of chemical substances specified by the regulations of each country should be confirmed and reported to the relevant administration department.

**(4) Compliance**

**19. Compliance with regulations**

The regulations of each country must be observed.

The policy and structure as well as the systems such as the action guidelines, reporting system, and education should be maintained and put into practice.

**20. Compliance with competition laws**

The competition laws of each country must be observed, and any acts such as private monopoly, unfair trade restraints (including cartels and collusive bidding), unfair trade methods, and abuse of preferred position should not be performed.

**21. Corruption prevention**

Political donations and contributions, etc. must comply with the regulations of each country in an effort to establish a transparent and fair relationship with the government and relevant administration department.

Business entertaining, gift-giving, and monetary payments for the purpose of making unjustifiable profits and gaining preferential treatment must be avoided.

**22. Management and protection of classified information**

Information on employees, customers, and third parties, as well as classified information on customers and third parties must be obtained in a legitimate manner, and must also be strictly managed, used within the appropriate scope, and securely protected.

**23. Management of export transaction**

Regarding the export of technologies, goods, etc. to which the regulations of each country are applied, proper export formalities and controls must be implemented.

**24. Protection of intellectual property**

The intellectual property rights that are owned by or vested in the company must be protected. In addition, any intellectual property rights of a third party must not be obtained or used illegally, and must not be infringed upon.

**(5) Information Disclosure**

**25. Disclosure of information to stakeholders**

Information on the financial standing and business performance as well as the details of business activities should be disclosed to the stakeholders accordingly and appropriately in an effort to develop and maintain a relationship of mutual understanding and trust with the stakeholders through open and straightforward communications.

### (1) Our key initiatives to enhance

With corporate scandals that happened one after another, society's demands for companies to comply with the laws and social norms are rising. MMC enhances the following three items as our key CSR initiatives especially to address the issues on which the society focuses and request also suppliers to thoroughly work on these initiatives.

#### ① Legal and regulatory compliance

MMC requests suppliers to clarify their stance to comply with the relevant laws so as to strengthen their company rules.

#### ② CSR organization and governance

In order to ensure full compliance with laws and regulations, MMC requests suppliers to establish robust internal CSR organization and governance, and to raise awareness among internal Governance and Audit.

#### ③ Dissemination of the Guidelines to the Supply Chain

MMC requests suppliers to comply with Supplier CSR Guidelines and to disseminate them throughout their supply chain and consignment suppliers.

### (2) Supplier CSR confirmation

#### ① Commitment

MMC requests all our suppliers to read the Guidelines. With regard to compliance and implementation of the matter specified in the Guidelines, "SUPPLIER COMMITMENT" must be signed when the business starts.

For those who already have had business with MMC, once they receive the revised version of the Guidelines issued in June 2019, MMC requests them to submit the signed "SUPPLIER COMMITMENT."

In addition, at supplier selections, MMC confirms that the supplier's activities are continuously in accordance with the Guidelines by answering the questions described in RFQ (Request for Quotation).



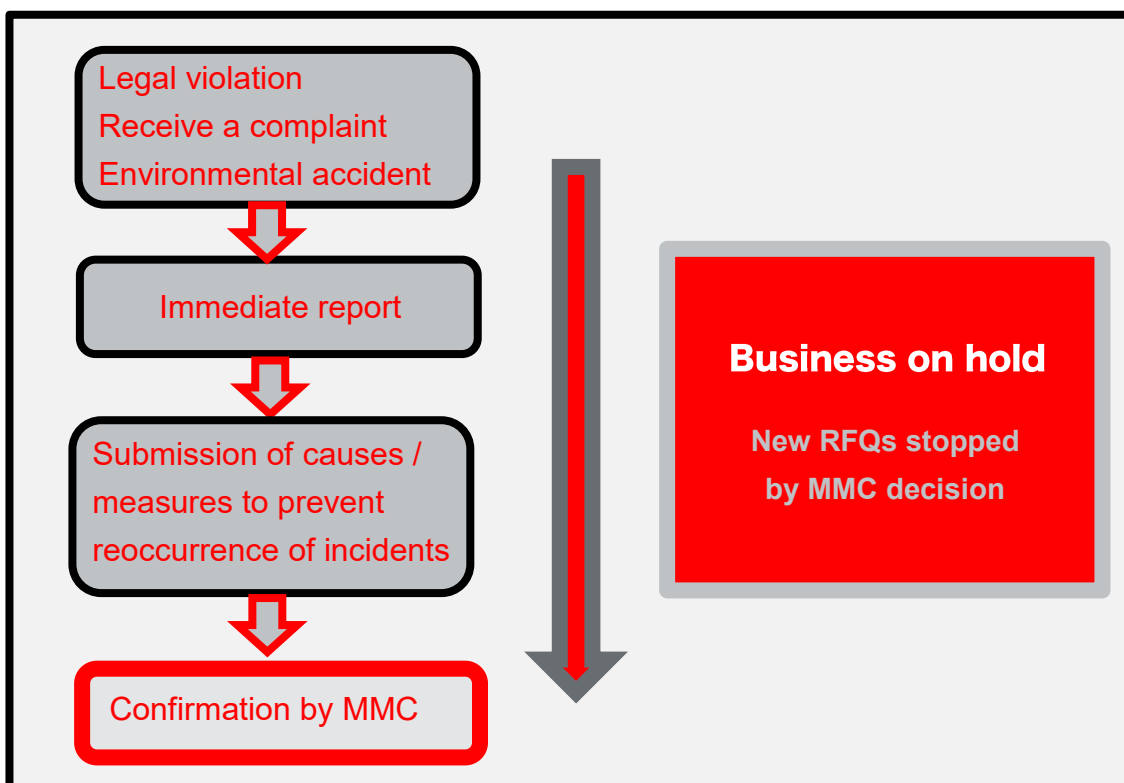
## 4. Our Call to Suppliers

### ② Assessment by a third party

In order to mutually confirm and promote CSR activities, MMC begins the supplier confirmation of agreement with the guidelines. MMC may ask supplier to take a CSR compliance assessment conducted by a third party, a certified organization, for the purpose of understanding the status of supplier's CSR approaches and encouraging suppliers to enhance them. Giving due consideration to business status between MMC and suppliers, the target suppliers for the assessment will be increased in a phased manner. The suppliers shall take such assessment upon request by MMC.

### ③ Actions in the event of non-compliance

In the event that supplier's activities and their supply chain do not conform to CSR guidelines, MMC will request the supplier to clarify and report the full details of the non-compliant incident, emergency measures, causes and corrective measures. The supplier is requested to improve its management system to prevent reoccurrence of incidents (improving work processes, enhancing the supervision system and increasing employee awareness). Until appropriate countermeasures are taken, MMC may temporarily suspend new RFQs to the supplier. In case MMC suffers any damages due to violations of laws under supplier's responsibility, MMC may seek compensation from the Supplier.



## Revision History

Revision Date	Revision No.	Description
August 2010	1 <sup>st</sup> ed.	◆ Issue the first edition
June 2014	Rev.1	<ul style="list-style-type: none"> <li>◆ Revise the guidelines due to the issuance of CSR Report 2014</li> <li>◆ Ensure CSR initiatives and clarify CSR Procurement Policies</li> <li>◆ Select 24 items in 5 sectors that are expected in the automobile industry</li> <li>◆ Start to distribute 'Voluntary Examination Check Sheet'</li> </ul>
March 2017	Rev.2	<ul style="list-style-type: none"> <li>◆ Newly add an item, 'Nonuse of raw materials such as conflict minerals that will cause social problems.'</li> <li>◆ Change to 25 items in 5 sectors</li> </ul>
June 2019	Rev.3	<ul style="list-style-type: none"> <li>◆ In order to clarify requests to our suppliers, newly add one chapter, 'Our call to suppliers'</li> <li>◆ Abolish 'Voluntary Examination Check Sheet.'</li> <li>◆ Start to distribute 'SUPPLIER COMMITMENT.'</li> </ul>

# SUPPLIER COMMITMENT

We hereby agree to deliver all parts, materials, sub-materials as well as services to MITSUBISHI MOTORS CORPORATION in conformity with Supplier CSR Guidelines (Rev.3).

We ensure that our sub-suppliers also understand the Guidelines so that their appropriate implementations should be performed.

Company Name:

Supplier Code:

Address:

Signatory's function/ title:

Signatory's name:

Signatory's email address:

Date :

Signature

Please send the signed form to MMC contacts by postal mail or email.

Administration Group, Procurement Planning Department, Procurement Management Division,  
MITSUBISHI MOTORS CORPORATION

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Issued on June 2019 by

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