

Mitsubishi Electric Group

# Green Accreditation Guideline



## Introduction

In 2019, the Mitsubishi Electric Group established Environmental Sustainability Vision 2050 to define its long-term environmental activities. It charts the Group's future course up to 2050 for implementing key activities to reduce its environmental impact and fortify its foundation of comprehensive environmental management. These activities are based on the Group's "Environmental Declaration: Protect the air, land, and water with our hearts and technologies to sustain a better future for all" and the "Three Environmental Action Guidelines: 1. Apply diverse technologies in wide-ranging business areas to solve environmental issues, 2. Challenge to develop business innovations for future generations, and 3. Publicize and share new values and lifestyles."

The procurement of materials that minimize environmental burdens, commonly called green procurement, is indispensable to providing environmentally friendly products and services. Based on this understanding, the Mitsubishi Electric Group formulated the Mitsubishi Electric Group Green Procurement Standards in September 2000 to promote such green procurement activities. The standards have thereafter been revised regularly in response to trends and developments in Japanese and international laws and regulations and other factors.

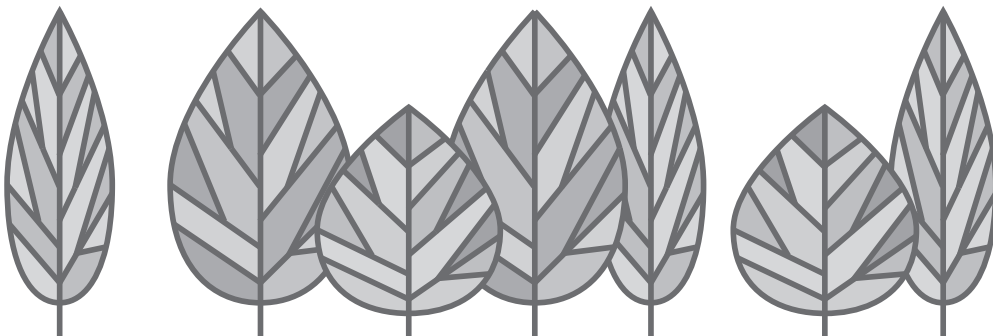
By their very nature, green procurement activities are not viable without the precious understanding and support of our suppliers. It is in this spirit, therefore, that we ask for your continued cooperation and assistance in raising the caliber of partnership with suppliers on the green procurement front to develop these activities even further.

**Mitsubishi Electric Corporation  
Corporate Purchasing Department**

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# I. Green Procurement Approach

## 1. Objectives and Sphere of Application

### (1) Green Procurement Objectives

The Mitsubishi Electric Group promotes green procurement through strong partnerships with its suppliers, striving to supply customers with environmentally conscious products. By continuously reducing environmental burdens in the entire value chain, including procurement and production, as well as by strengthening its governance, we aim at building a sustainable society oriented toward the future by protecting the air, land, and water with our hearts and technologies.

### (2) Green Procurement Sphere of Application

This Guide is utilized in the procurement activities of all materials delivered to the Mitsubishi Electric Group (\*1).

(\*1) Materials: Includes production materials used in Mitsubishi Electric Group products (raw materials, processed materials, parts, units, OEM, packaging materials used for product shipment), packaging materials for delivering such production materials to the Mitsubishi Electric Group, as well as indirect materials used in Mitsubishi Electric Group production processes (gas, chemicals and equipment, materials impossible to install in or attach to products). While other transactions (software, labor contracts, etc.) are generally excluded from Green Procurement surveys, when the need arises there may be cases when requests will be issued for such surveys by specific Mitsubishi Electric Group places of business.

## 2. Green Procurement Standards

### 2-1. Requests to Suppliers

In addition to Mitsubishi Electric Group's conventional procurement standards pertaining to quality ("Q"), cost ("C"), delivery ("D") and service ("S"), we also prioritize the environment-based initiatives of suppliers ("E") as a key procurement standard in advancing business transactions.

#### (1) Approach to Environmental Management Systems

① Certification by a third party of the Environmental Management System (EMS) established by the Mitsubishi Electric Group based on the ISO14001:2015 standard.

The following third-party certifications are identically handled as ISO14001 certification.

- a. EMAS (EU Eco-Management and Audit Scheme)
- b. Eco Action 21
- c. Eco Stage 2 or higher in case of Eco Stage
- d. Step 2 or higher in case of the KES (the Kyoto Environmental Management System)
- e. Step 2 or higher in case of regional EMS (only KES mutually recognized EMS)

② If not receiving ISO14001 or other third-party certification, the following requirements must be satisfied.

- a. Maintain a "corporate ideology," "policy," "autonomous standards and targets" or "action plan to achieve the policy and targets" pertinent to environmental protection.
- b. Establish control managers, organizations, committees and other units pertaining to environmental protection, in providing effective environmental management with the goal of lowering environmental impact.
- c. Act in compliance with all laws and regulations pertaining to environmental protection.
- d. Maintain a scheme for internal audits of environmental protection approaches.
- e. Actively promote environmental protection schemes in the following areas (evaluations through maintaining schemes and the use of autonomous standards).
  - ( i ) Energy management
  - ( ii ) Greenhouse gases emissions management and reduction
  - ( iii ) Waste management
  - ( iv ) Chemical substance management
  - ( v ) Product assessment (including training in Design for Environment)
  - ( vi ) Environmental protection education
  - ( vii ) Environmental risk management
  - (viii) Water-related risk management (measures against physical risks such as floods and droughts, and understanding of the consequences of water pumping on surrounding areas and water resource areas)
  - ( ix ) Sustainable procurement selection (biodiversity protection considerations and environmental assessment implementation at the beginning of operation)
  - ( x ) Verification and requirements regarding the environmental management system of their own suppliers
- f. Clarification of methods of response to emergencies relevant to environmental protection.

#### (2) Environmental Protection Considerations in Product Design, Manufacturing Processes and Materials

There are occasions when requests may be issued for implementation of product assessments, as well as requests for disclosure of the results of such assessments to the Mitsubishi Electric Group.

##### ① Effective resource utilization

- a. Environmentally-conscious use of resources
  - ( i ) Conservation of water, trees, metals and other natural resources
  - (ii) Reduction of packaging materials
  - (iii) Reduction of materials used at manufacturing
  - (iv) Minimization of emissions and waste at manufacturing
- b. Active reuse programs
  - ( i ) Simplified reuse
  - (ii) Extended service life
- c. Exploration of recycling potential (use of recycling materials, reuse of parts)
- d. Consideration for disassembly/crushing processing ease, other processing and disposal ease.

- ② Efficient energy use
  - a. Minimize energy use throughout the entire lifecycles of all materials delivered to the Mitsubishi Electric Group (manufacturing, shipping and other stages).
  - b. Efforts to improve the energy efficiency of the actual materials delivered to the Mitsubishi Electric Group in terms of their power consumption, standby power and other pertinent aspects (compliance with EU ErP Directive and other regulations).
- ③ Reduction of greenhouse gases emissions
  - a. Consideration for reduction of CO<sub>2</sub> emissions from energy sources
  - b. Consideration for reduction of greenhouse gases emissions not related to energy production
- ④ Concern for impact of environmental hazard substances
  - a. Proper chemical substance management and emissions curbs at the company and business locations
    - ( i ) Responses to environmental controls pertaining to chemical substances in force at the global level or in individual countries or regions where the Mitsubishi Group maintains companies or other business operations.
  - b. Responses to proper management and legal systems of chemical substances contained in products Based on consideration for the following types of legal systems and other controls in force in Japan and other countries, proper and legal compliance is exercised over chemical substances throughout all stages of suppliers' procurement, manufacture, storage and shipment activities.
    - ( i ) Japanese Law Concerning Examination and Regulation of Manufacture, etc. of Chemical Substances, J-MOSS (JIS standard: C0950).
    - (ii) EU RoHS directive (RoHS2), ELV directive, EU Parliament and Council Directive on Packaging and Packaging Waste, Battery Directive.
    - (iii) Ministry of industry and information Technology of the People's Republic of China Measures for the Administration of the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products.
    - (iv) EU REACH rules, CLP regulation.
    - ( v ) Legal systems in other countries.
    - (vi) Mitsubishi Electric Group independent regulations advanced through customer demands and other foundations.

## 2-2. Standards for Handling Environmental Hazard Substances Contained in Materials Delivered to the Mitsubishi Electric Group

In addition to controls exercised over substances determined to be environmental hazards by the Mitsubishi Electric Group, surveys are conducted of environmental hazard substances contained in all materials delivered to the Group, in concerted efforts to lower the environmental impact of those procured materials.

### (1) Handling and Classifying Standards for Environmental Hazard Substances

Green procurement "environmental hazard materials" are recorded in the attached "Green Procurement Inspection Target Chemical Substance List," the handling of which is divided and defined through the following three levels.

- ① Level I (substances banned from being contained or attached): Substances exerting a conspicuous impact on human health or the ecosystem, substances for which use is banned or restricted under Japanese laws, or substances for which use is voluntarily banned by the Mitsubishi Electric Group.
- ② Level II (substances scheduled for elimination): Substances not corresponding to Level I, but targeted for content elimination through domestic or overseas laws or Mitsubishi Electric Group autonomous controls.
- ③ Level III (quantifiable substances): Substances not corresponding to Level I or Level II, but for which steps are required to ascertain their content.

### (2) Communication of Chemical Substances Contained in Products through Green Procurement

Information concerning chemical substances contained in Mitsubishi Electric Group products is disclosed and communicated according to a common format prescribed by the JAMP Guidelines for the Management of Chemicals in Products and other standards.

JAMP (Joint Article Management Promotion-consortium) <https://chemsherpa.net/>

### (3) Standards for Revising Environmental Hazard Substance List

"Environmental hazard substances" are subject to change as a result of future expansion and updates in knowledge, trends in laws and regulations and other factors. To promote pertinent activities to address these changes, the Mitsubishi Electric Group carries out regular revisions as required in its "Green Procurement Inspection Target Chemical Substance List." The latest edition of this list is posted on the Group's website.

## II. Supplier Evaluation

The Mitsubishi Electric Group has become a member of the Responsible Business Alliance (RBA)(\*2). On the occasion of the Group joining the RBA, Mitsubishi Electric's original Green Accreditation System will be replaced by an RBA-compliant evaluation system. Major suppliers will be asked to carry out the evaluation once a year as a rule, and will be notified of the evaluation details when the request for evaluation is made.

(\*2) Responsible Business Alliance: A non-profit organization of major corporations committed to strengthening social, environmental, and ethical responsibilities in global supply chains. RBA issues a Code of Conduct and provides various programs, training opportunities, and evaluation tools to support the continuous improvement of corporate efforts to fulfill their responsibilities.

### III. Requests to Suppliers

The Mitsubishi Electric Group utilizes the RBA-compliant Mitsubishi Electric Group Supplier Evaluation it receives from its suppliers, as well as the results of actual surveys of chemical substances included in products, to supply customers with environmentally conscious products and ensure thorough compliance with all regulations. In this spirit, suppliers are requested their cooperation in the following surveys, together with efforts to promote environmental protection activities and reduce environmental impact within the entire value chain.

#### 1. Request for Cooperation in Supplier Evaluation

Suppliers are asked for their cooperation in the RBA-compliant Mitsubishi Electric Group Supplier Evaluation as mentioned under II. Supplier Evaluation.

#### 2. Requests for Understanding and Guarantees Regarding Environmental Hazard Substances and Cooperation in Content Surveys

With regard to materials delivered to the Mitsubishi Group, suppliers are requested to cooperate in ascertaining whether the environmental hazard substances determined by the Mitsubishi Electric Group (attached "Green Procurement and Inspection Target Chemical Substance List") are present, and if present in what content. The cooperation of suppliers may be requested regarding the guarantees (or statements) and surveys recorded in (1) through (4) below. Mitsubishi Electric likewise reserves the right to request the same types of guarantees (or statements) and surveys with regard to the use and reduction status of environmental hazard substances at all materials production processes.

It is requested that all survey responses be made with full attention to detail and accuracy. Errors in the response contents may result in product recalls and in certain cases removal of products from the market altogether, creating the possibility that major losses could be incurred.

(1) Response to RBA-compliant Mitsubishi Electric Group Supplier Evaluation

(2) Guarantees (or statements) that use is banned or discontinued

① Guarantee of non-use (or conformity statement) of Mitsubishi Group Level I substances (banned from being contained or attached):

Suppliers are requested to provide guarantees (or statements) that no Level I substances are used in materials.

② Guarantee of non-use (or conformity statement) of the ten substances regulated under the RoHS directive:

As necessary, suppliers will be requested to provide guarantees (or statements) that materials delivered to the Mitsubishi Electric Group contain none of the ten substances regulated under the EU RoHS directive. The cooperation of suppliers is requested in such cases.

(3) Checks of dates of discontinuance of use of control target substances

As necessary, checks will be conducted in relation to materials delivered to the Mitsubishi Electric Group of the dates of discontinuance of use of substances targeted by domestic or international laws and regulations.

(4) Disclosure and provision of data concerning chemical substances contained in products

As necessary, Mitsubishi Electric Group may examine data concerning chemical substances contained in products in relation to materials delivered to the Group using the chemSHERPA-AI/CI schemes developed and recommended on the initiative of the Ministry of Economy, Trade and Industry and run by JAMP. In such case, suppliers will be required to disclose or provide such data.

① Suppliers are requested to make sure that any of substances restricted by laws that are said not to be contained in the survey of chemical substances do not contain. If changes (including addition and modification of substances restricted by laws) occur in data regarding processed materials, production methods or chemical substances contained in products, the suppliers will be asked to disclose or provide the new data without delay.

② Within the Mitsubishi Electric Group, suppliers are asked to provide data concerning chemical substance content using the management system for chemical substances contained in products of the Group (MelHA-Ro-Web). User registration is required to use this system. The Mitsubishi Electric Group will make requests regarding user registration and provision of data as necessary. Suppliers will be, therefore, required to answer by imputing and uploading data using this system. (Suppliers will receive more details from the Mitsubishi Electric Group contact person that requested their company.)

#### 3. Bans and Reduction of Environmental Hazard Substance Content

Suppliers are requested to make efforts to ban the use of substances classified as Level I in the attached "Green Procurement Inspection Target Chemical Substance List", and to reduce the content of substances classified as Level II. If the use of a substance is banned due to revisions in Japanese or international laws and regulations or other reasons, the suppliers will be asked to ban the use of such substance by the date stipulated by the Mitsubishi Electric Group contact person.

#### 4. Resource Conservation Efforts

With regard to all materials delivered to the Mitsubishi Electric Group, consideration is requested for efforts to reduce, while promoting reuse and recycling of those materials.

#### 5. Energy Conservation Efforts

With regard to all materials delivered to the Mitsubishi Electric Group, consideration is requested for efforts to conserve energy throughout the entire lifecycles of those materials.

## 6. CO<sub>2</sub> and other Greenhouse Gases Emissions Reduction Efforts

With regard to all materials delivered to the Mitsubishi Electric Group, consideration is requested for efforts to reduce CO<sub>2</sub> and other greenhouse gas emissions throughout the entire lifecycles of those materials. To evaluate the measures taken by each supplier (by office units) to reduce CO<sub>2</sub> and other greenhouse gas emissions, the Mitsubishi Electric Group asks suppliers to share data regarding Scope 1 (direct emissions, such as their fuel consumption and the amount related to industrial processes), Scope 2 (indirect emissions through the use of electricity, steam, and heat supplied by other companies), and Scope 3 (indirect emissions from outside the scope of their business activities) emissions in relation to their manufacturing processes and their transportation of products they deliver to the Group. (\*3)

(\*3) Values calculated in conformity with the laws and regulations on the promotion of global warming countermeasures.

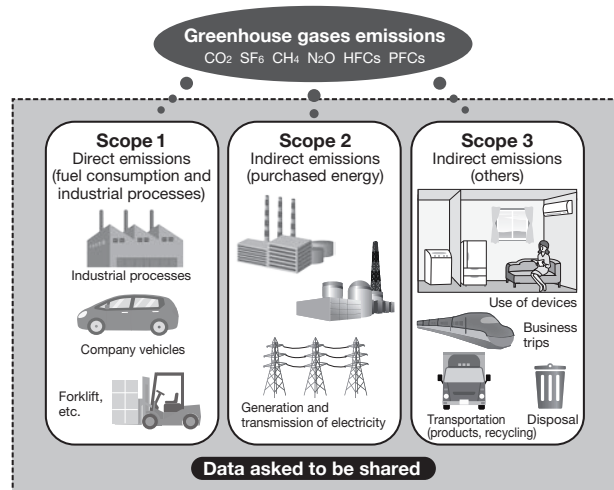


Fig. 1 Outline of Scope 1, Scope 2, and Scope 3 emissions

## 7. Environmental Impact Reduction through Partnerships with Suppliers

Feedback will be furnished to suppliers on the results of surveys conducted by the Mitsubishi Electric Group, along with other efforts aimed at promoting environmental-related communication. Suppliers are requested to cooperate by using these survey results to take measures to reduce environmental impact within the entire value chain and to manage environmental risks. Such measures should include working on their own suppliers.

## 8. Collect End of Life Materials

With regard to environmental hazard substances contained in materials delivered to the Mitsubishi Electric Group, when information is not properly disclosed or it becomes difficult for the Group to properly dispose of the materials in question, requests may be made for suppliers to collect (remove from premises) and dispose of the materials.

## 9. Promote Green Procurement

To help reduce environmental impact, requests are made for energetic promotion of Green Procurement of products and materials for which such procurement is possible.

## 10. Sign Agreements to Reduce Environmental Impact

As required, requests may be made to enter into agreements calling for cooperation in surveys or providing other support.

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This Green Procurement Standards Guide is subject to revision in accordance with future changes in Japanese and international laws or social developments.

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