

Mitsubishi Electric Group

Green Accreditation Guideline



June 2019

Introduction

The Mitsubishi Electric Group since fiscal year 1993 has adopted a vigorous and independent stance on environmental protection, rooted in the increasingly systematic approach to its corporate Environmental Plan. Working through all aspects of its business activities and employee initiatives, Mitsubishi has championed the basic environmental conviction of mobilizing both past and forthcoming technologies to effectively enhance the ecosystem, while reducing environmental impact and fortifying the foundation of comprehensive environmental management.

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 and to support “Green Accreditation” among our suppliers. The Mitsubishi Electric Group has been regularly revising these standards based on the evolution of 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 precious 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, the Group aims at building a sustainable society, which is a society based on low-carbon economy, recycling-oriented and that makes it possible for the humanity to live in harmony with nature by protecting biodiversity.

(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), 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. Supplier Selection Evaluation Standards

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.

The selection evaluation standards applied to these "E" approaches are detailed below.

(1) Approach to Environmental Management Systems

- ① Establishment of the Environmental Management System (EMS) based on certification under ISO14001 standards. In addition, when receiving approval under EMAS (EU Eco-Management and Audit Scheme), KES (the Kyoto Environmental Management System) and other third-party certification, the handling is identical to certification under ISO14001.
- 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 DFE training)
 - (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 the EU ErP Directive).

- ③ Reduction of greenhouse gases emissions
 - a. Consideration for reduction of CO₂ 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) China Center for Information Industry Development "Methods for Preventing Electronic Information Product Contamination."
 - (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. Green Accreditation

The "Green Accreditation" plan advanced by the Mitsubishi Electric Group is utilized to judge and accredit the supplier selection evaluation standards determined by the Group, as well as the suppliers that satisfy the standards for the handling of environmental hazard substances contained in delivered materials. Mitsubishi conducts "Green Accreditation" oriented surveys of suppliers, and subsequently grants preference in procurement to suppliers that obtain the said accreditation. The goal of this scheme is to respond in dependable fashion to national and international laws and regulations on contents of chemical substances in products.

1. Survey Targets

The targets of the Green Accreditation program consist of manufacturers, processing suppliers and trading companies delivering materials to the Mitsubishi Electric Group. Suppliers that are not asked to undergo the Green Accreditation survey are excluded by the Mitsubishi Electric Group as targets for Green Accreditation. Suppliers in this latter category consist of those engaged in transactions of products other than materials (including software, labor contracts, construction contracting, OA related service parts, prototype products, measuring instruments, rentals, etc.); and suppliers that have not been requested by the Group to ban or reduce specified chemical substances in light of the fact that the products being handled are not included in the sphere of targets under relevant laws and regulations. The Mitsubishi Electric Group reserves the right to enact changes in the sphere of the survey targets due to revisions in national and international environmental laws and regulations or other reasons.

2. Surveys

(1) Green Accreditation Flow

- ① The Mitsubishi Electric Group requests suppliers to submit to the survey for Green Accreditation.
- ② Following the format listed below, suppliers fill out the “Mitsubishi Electric Group Questionnaire for Green Accreditation and CSR Procurement” for submission to the Mitsubishi Electric Group.
- ③ The submitted questionnaires are scored, with the suppliers informed of the results. Suppliers failing to receive Green Accreditation are asked to submit an improvement plan aimed at securing acquisition of Green Accreditation within one year’s time.

Chart 1 Assessment Results

Question I. Survey on environmental management approaches

A	B	C	D	E
○ Priority transaction (Level: High)	○ Priority transaction (Level: Medium)	○ Transaction continued (Priority: Low)	× Transaction reduced	× Transaction terminated

Question II-IV. Survey on approaches to the EU RoHS directive (RoHS2), ELV directive, EU CLP regulation, and substances contained in the core management list of the Chinese RoHS and other such directives

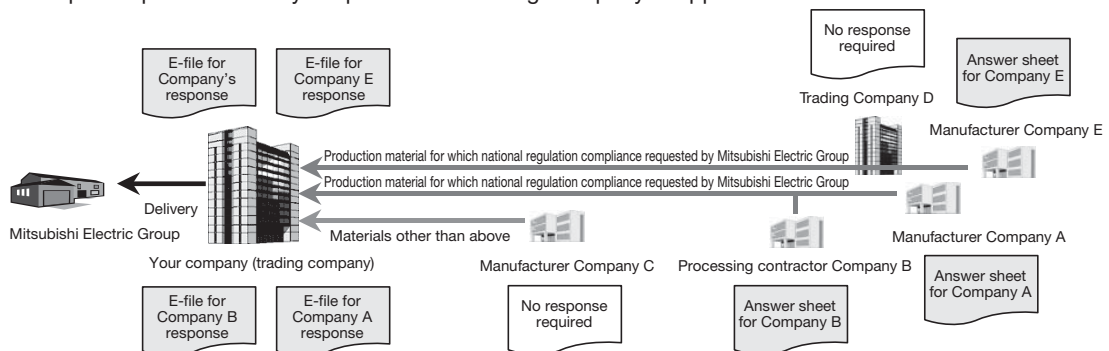
Rank 1	Rank 2
○ Accredited	× Not accredited

- ④ Suppliers that are not accredited will be subject to the survey for Green Accreditation again within a year.
- ⑤ When changes occur in response contents, suppliers are requested to promptly submit a corrected questionnaire. This will be followed by a new assessment of the resubmitted version.

(2) Supplier Response Procedures

- ① Download the “Mitsubishi Electric Group Questionnaire for Green Accreditation and CSR Procurement” from the Mitsubishi Electric Corporation website. Mitsubishi Electric Corp. Green and CSR Procurement web page: <http://www.mitsubishielectric.com/company/about/procurement/green/downloads/index.html>
- ② When your company or place of business is a “trading company,” you may be requested to obtain responses to the survey from your suppliers.
 - (i) When requested by the Mitsubishi Electric Group to arrange for all supplied goods to comply with the various national chemical substance regulations in force, in the interest of ensuring thorough compliance with the said regulations, requests will be issued to respond to the survey for Green Accreditation not only to your company but also to manufacturers and processing contractors that act as your suppliers. We thereby request your time and effort in preparing the responses for your own company, as well as obtaining responses to the survey from your suppliers (manufacturers or processing contractors).
 - (ii) For overseas suppliers, you are requested to forward those entities an English, Chinese or other language version of the survey form and the Green Procurement Standards, and then to collect the responses (trading companies in Japan are asked to input the responses in the Japanese survey form and to submit the results as electronic data.)
 - (iii) When procurements from suppliers are made through separate companies (trading companies, etc.), it is requested that thorough steps be taken to obtain survey responses from the suppliers in question.

Graph 1 Sphere of Survey Requested of “Trading Company” Suppliers



- ③ Enter your responses, referring to the sample responses on the survey form.
- ④ When entering responses, click on the “Self Assessment”^{*1} button and confirm your rank. When failing to satisfy Green Accreditation standards (Rank A, B or C for Question I, Rank I for Question II to IV), in Question VII enter future plans, schedules and other details designed to strengthen your corporate response. When satisfying Green Accreditation standards, there is no need to respond to Question VII. As this survey is conducted in conjunction with a survey on CSR procurement initiatives, please respond to Question V, and to Question VIII in case there are relevant items.

*1 “Self Assessment” is available in Japanese only.

- ⑤ Check that no omissions have been made, and submit the completed form to the Mitsubishi Electric Group contact point that originally requested your company to respond to the survey. Submit your responses by email, CD-ROM or other means in Excel format.

(3) Points of Attention, etc.

- ① Because the survey results will impact the procurement policy of the Mitsubishi Electric Group, it is requested that no errors be made in the entries. If entry errors do occur or changes occur in the details listed, it is requested that a corrected version be submitted immediately. If such errors are not corrected, strict action will be taken in accordance with the basic business contract in force.
- ② If forgeries in materials non-use guarantees (or conformity statements) or content information survey responses result in damages to Mitsubishi Electric, any previously issued Green Accreditation status will be revoked.

3. Green Accreditation Expiration Date

The expiration date for “Green Accreditation” by the Mitsubishi Electric Group shall be the end of the fiscal year falling three years after the date of issue, with that information to be entered on the Green Accreditation certificate. (For example, accreditation issued in July 2017 would expire on March 31, 2021 – the final day of fiscal year 2020.) Notwithstanding, Mitsubishi Electric reserves the right to resurvey or reauthorize prior to expiration of the accreditation when revisions in the survey contents is required due to changes in Japanese or international laws or regulations. In such cases, the latest accreditation will be considered to be valid.

III. Requests to Suppliers

The Mitsubishi Electric Group utilizes the “Mitsubishi Electric Group Questionnaire for Green Accreditation and CSR Procurement” received 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 engage in thorough compliance with all regulations. In this spirit, the cooperation of suppliers is requested in the following surveys, together with effective approaches to environmental protection activities and efforts to curb global warming and to reduce environmental impact within the entire value chain.

1. Requests for Cooperation in Green Accreditation

It is requested that environmental management systems be established through attainment of certification under ISO14001 standards, together with the promotion of environmental protection activities satisfying the standards set forth in Chapter I, Part 2 of this Guide. To determine whether specific supplier environmental impact reduction activities do in fact satisfy the Mitsubishi Electric Green Accreditation standards, suppliers may be subjected to a survey described in Chapter II, Part 2 of this Guide designed to encourage “Mitsubishi Electric Group Questionnaire for Green Accreditation and CSR Procurement”, and are requested to cooperate in this process.

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 Mitsubishi Group Questionnaire for Green Accreditation and CSR Procurement

(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 recommended 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 (MelHARo-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 inputting 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. CO₂ 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 the CO₂ and other greenhouse gases emissions throughout the entire lifecycles of those materials.

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. This Guide may also be accessed on the following Mitsubishi Electric Corporation website.

<http://www.mitsubishielectric.com/company/about/procurement/green/downloads/index.html>



for a greener tomorrow

Eco Changes is the Mitsubishi Electric Group's environmental statement, and expresses the Group's stance on environmental management. Through a wide range of businesses, we are helping contribute to the realization of a sustainable society.



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