

Hitachi Astemo Group Sustainable Procurement Guidelines

Green Procurement Guidelines

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Hitachi Astemo, Ltd.

Procurement Functional Division

These guidelines are attached to the Hitachi Astemo Group Sustainable Procurement Guidelines and provide specific guidelines for green procurement.

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A. Requests to our suppliers for their cooperation in green procurement investigations

With the support of our suppliers, the Hitachi Astemo Group will reinforce its endeavors to provide environmentally conscious products. Our suppliers (in an upstream supply chain) are encouraged to cooperate with us in the investigation of their status.

1. Investigation overview

(1). Investigation categories

Investigations are to be conducted for each of the following categories:

- ① The status of the supplier's environmental activities
- ② The status of reduction of the environmental burden of procured products
- ③ Information about chemical substances included in procured products

(2). Method for replying to investigations

- (1) Status of environmental protection activities of procurement partners
- (2) Status of reduction in environmental impact of deliverables
- (3) Information on chemical substances contained in deliverables

Hitachi Astemo basically asks suppliers to provide information through IMDS.

In some cases, depending on the circumstances of the OEM, we may request the information using JAPIA sheets, etc.

Please contact the IMDS Service Center for information on how to obtain an IMDS company ID and how to operate IMDS.

Please refer to the User Manual and Recommendations below.

IMDS Service Center

Phone number : 03-4530-9270

E-mail : jpimds-helpdesk@dx.com

·Material Data System (IMDS) User Manual

IMDS Top page (<https://www.mdsystem.com/>)

·IMDS Recommendations link

IMDS Top page (<https://www.mdsystem.com/>)

- IMDS : The International Material Data System is an online system for automobile manufacturers and parts suppliers to uniformly manage information on materials used in automobiles.
- JAPIA Sheet : Japan Automobile Manufacturers Association, Inc. Sheet is a format created and managed by the Japan Auto Parts Industries Association (JAPIA) to report information on parts and materials used in automobiles.

(3). Investigation frequency

① Regularly evaluate the environmental protection activities of partners and ② the environmental load reduction of products supplied to Hitachi Astemo. Please modify and update the input. ③ Information about the chemical substances contained in the product will be investigated and entrusted as needed. Please use IMDS or JAPIA form to answer.

2. Content of investigation

(1). The status of environmental activities of suppliers

Investigations of the following items will be made for each supplier (or each business place of a supplier):

(a) Items related to environmental certifications

■ Acquisition of the ISO 14001 certification or other external certifications approved by Hitachi Astemo

- 1) Already obtained the ISO 14001 certification.
- 2) Already obtained another EMS certification.
- 3) Facilitating or have finalized a plan to acquire external certifications including ISO 14001.

(b) Items related to endeavors for Green Procurement

■ Status of planning Green Procurement

- 1) Implementing Green Procurement.
- 2) Planning to implement Green Procurement.

(c) Items related to environmental activities (20 items)

■ Corporate philosophy and policy

- 1) Have a corporate policy for environmental protection
- 2) Setting environmental guidelines to ensure continuous improvement in the prevention of global warming, the cyclical use of resources, and the preservation of the ecosystem.
- 3) The company's environmental policy is committed to observing legal restrictions.
- 4) Company environmental policy is known to all employees and available to any third party.

■ Plan and organization

- 5) Have a goal/target for environmental protection.
- 6) Assigning specific organizations/persons to carry out relevant responsibilities toward the goal/target.
- 7) Have an implementation plan to achieve the goal/target.

■ Environment assessment/system

Control and assess the following items in the manufacturing process to strive for improvement:

- 8) Reducing water pollution.
- 9) Reducing air pollution.
- 10) Reducing noise and vibration.
- 11) Treating waste properly and reducing the amount of waste disposal.
- 12) Reducing energy consumption (electricity, gas, fuel, etc.).
- 13) Purchasing raw materials to reduce environmental burdens.
- 14) Reducing the use and discharge of hazardous chemical substances.
- 15) Have a product assessment program.
- 16) Have a systematic plan for emergencies.
- 17) Have any internal environment audit program.

■ Provision of education, training, and information

- 18) Implementing an environmental education program.
- 19) Implementing training for personnel engaged in work that might significantly affect the environment.
Have a list of such personnel.

- 20) Providing information related to environmental protection.
- (d) Manufacturing process information
- Use or non-use of ozone-layer-depleting substances in the manufacturing process
 - 1) Used in the product manufacturing process.
 - 2) Not used in the product manufacturing process.
 - 3) Under survey

(2). The status of reducing the environmental burden of procured products

- (a) Reducing the environmental burden of delivered products (12 items)
- Regarding products the Hitachi Astemo Group procures from suppliers, suppliers are requested to comply with the items below. Suppliers are also requested to make the same considerations for raw materials and parts that they procure themselves.
- Resource saving
 - 1) Making an effort to reduce weight and size.
 - 2) Using recycled parts or resources (recycled material content rate).
 - 3) Taking into consideration product durability improvement.
 - 4) Endeavoring to properly use water.
 - Energy saving
 - 5) Taking into consideration energy saving during use/stand-by time (reduction rate of energy).
 - Recycling
 - 6) Collecting and recycling products (recycling rate).
 - 7) Using uniform and standardized materials.
 - 8) Considering ease of disassembly and sorting.
 - Packaging materials
 - 9) Reducing packaging materials and considering collection, reuse, and recycling.
 - Provision of information
 - 10) Providing environmental information related to products.
 - Preservation of ecosystems
 - 11) Endeavoring to reduce the burden on ecosystems
 - 12) Endeavoring to properly use chemical substances.

(3). Information about chemical substances included in procured products

- (a) Login information through IMDS
- (b) Login information through the JAPIA form.

B. Regulating chemical substances included in suppliers' products

(1) Restrictions on the use of specific substances in Hitachi Astemo Group

Hitachi Astemo Group has stipulated the restrictions on the use of specific substances in parts and components, raw materials including packaging materials, and designated indirect materials (including indirect materials shipped together as product components) according to the restrictions on the use of specific substances. (Incorporating regulations and customer requirements into this standard will cause time delay. Regulations and customer requirements take precedence over this standard, so please pay attention to it in application.)

After opening a trading account, you will be able to view the regulations restricting the use of certain substances.

(2) Warranty of non-inclusion of chemical substances in procured products

In the Basic Agreement entered into when trading materials, the Hitachi Astemo Group requests our suppliers to make certain considerations for the environment. Regarding chemical substances in their products, suppliers are requested to conduct quality control by warranting the non-inclusion of chemical substances in their products as necessary. If non-inclusion of chemical substances in products is stated as a purchase specification requirement in the trade, documentations such as "Warranty of Non-Inclusion Concerning Banned Chemical Substances in Products" (Warranty of Non-Inclusion) must be submitted to the Hitachi Astemo Group as a delivery specification requirement. "Non-inclusion" indicates that the following is rationally proved regardless of whether inclusion of the substance is intentional: - Certain chemical substances are not included, or they are included but at an amount less than the designated threshold value

(3) Guidelines for regulating information about chemical substances included in products (prohibition and control)

When collecting information about chemical substances contained in products, choose the best way to do so from an economical and engineering standpoint.

(4) Regarding changes in materials, manufacturing methods, and information about included chemical substances

If any changes in materials, manufacturing methods, production location, major manufacturing equipment, persons in charge of manufacturing, etc. are to be made for procured products, suppliers are required to submit a notice about the details of the change and the scope of effect each time. In addition, for information on inclusion of chemical substances, submission of a notice is mandatory when a new inclusion is discovered, or when previously-reported inclusions have changed.