



Green Purchasing Guidelines

November 2016
Hino Motors, Ltd.

Table of Contents

Introduction	1
2020 Environmental Initiative Plan	2
Revision Details	3
Requests for Business Partners	4
1 Establishing Environmental Management System.....	5
1.1 Establishing Environmental Management Structure.....	5
1.2 Promoting Environmental Management throughout the Product Life Cycle.....	6
2 Reducing Greenhouse Gas Emissions.....	7
3 Promoting Resource Recycling.....	9
4 Reducing Impact on Water Environment	11
5 Managing Chemical Substances.....	12
6 Fostering a Society in Harmony with Nature.....	16
Glossary	17
Laws, Regulations and Policy.....	17
Other Glossary.....	18

Introduction

The corporate mission of Hino Motors, Ltd., is to “make the world a better place to live by helping people and goods get to where they need to go.” As a good corporate citizen, Hino Motors treats environmental initiatives as a top management priority and is working hard to deliver results in this area.

Curbing global warming and reducing pollution are global-scale issues that the human race must work together to solve. In this light, we recognize that the social responsibilities Hino Motors must fulfill are growing as the Group globalizes its business operations. To help realize the sustainable development of the planet and human societies, it is essential for all employees, together with suppliers, to work continuously to make a social contribution and protect the environment.

In December 2015, we identified and set out the areas where Hino Motors should make a contribution over the medium to long term and launched our 2020 Environmental Initiative Plan. This is the sixth plan of its kind, covering the period from 2016 to 2020. Aiming to be a company that contributes to sustainable social development, in this latest plan we have further enhanced our measures to address the existing priority tasks of building a low-carbon society, creating a closed-loop economy, and conserving the environment while fostering a society that harmoniously coexists with nature. In particular, the new plan incorporates various issues that are increasingly the subject of international discussion, such as reducing CO2 emissions, addressing resource depletion, and maintaining biodiversity. To respond to these issues, all companies must engage in business activities in a way that is considerate of the environment. Hino Motors is committed to being proactive in its efforts, and has reflected this approach in its 2020 Environmental Initiative Plan.

In this context, we have reviewed and enhanced the Hino Green Purchasing Guidelines, which were issued in May 2012, and have published this revised version to reflect recent changes in environment-related laws and regulations as well as regulatory trends.

As we step up environmental initiatives on the basis of strong partnerships with our suppliers, we would deeply appreciate your understanding of the objectives of these guidelines. We look forward to collaborating with you in implementing them.

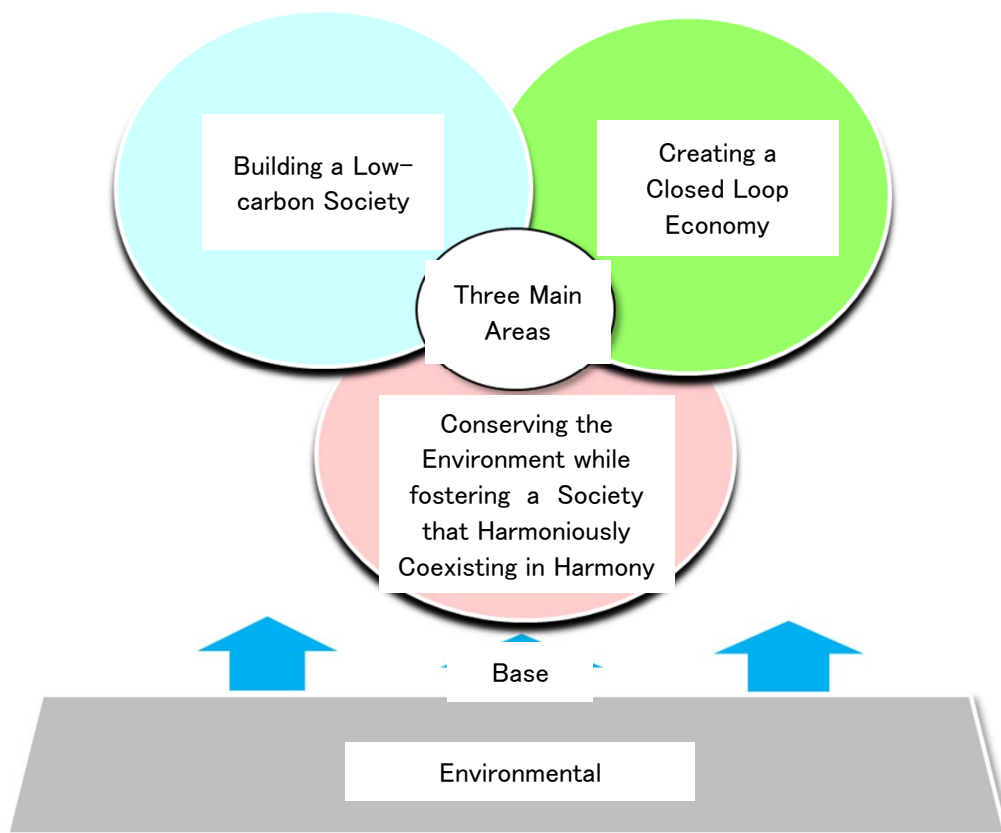
Hiroshi Kokaji
Executive Vice President
Member of Board

2020 Environmental Initiative Plan

In our determination to fully consider the global environment, we launched our 2020 Environmental Initiative Plan, which is based on The Hino Credo, our CSR Policy and social trends. The plan sets the following as priority tasks: building a low-carbon society, creating a closed-loop economy, and conserving the environment while fostering a society that harmoniously coexists with nature, and environmental management. At Hino Motors, we will do our utmost to address these priority tasks, seeking to ensure that we can reduce environmental impact and achieve harmony with the global environment across the entire lifecycle of our products.

We will further strengthen cooperation with stakeholders who share our aspirations and work together with them to combine new ideas, actions and technologies that will contribute to the sustainable development of human societies.

Priority Tasks in the Environmental Initiative Plan



Revision Details

We revised this guideline in light of the Hino Environmental Action Plan 6 and external trends.

The overview of each chapter is as follows.

1. Establishing Environmental Management System《Enhanced initiative》

In order to perform supply chain management entirely, business partners and your upstream business partners (e.g. your tier 1 or tier 2 suppliers) are required to confirm the environmental management system.

You are also required to consider environmental impact throughout the product life cycle when you promote the environmental management system.

2. Reducing Greenhouse Gas Emissions《Enhanced initiative》

Business partners are requested to develop products and services that reduce greenhouse gas emissions, and reduce GHG emissions at your operation base and in logistics.

3. Promoting Resource Recycling《Enhanced initiative》

In order to promote usage of recycling materials, Hino requests that business partners develop technology and products that use recycling materials or recyclable materials and products considering proper treatment. Furthermore, you are required to reduce waste at operation base and usage of packaging materials in logistics.

4. Reducing Impact on Water Environment《Enhanced initiative》

Business partners are required to reduce impact on natural environment caused by water usage at operation base.

5. Managing Chemical Substances《Updated details》

We have updated the information according to the practical operation. Please confirm the details and follow the guidelines.

6. Fostering a Society in Harmony with Nature《New》

Business partners need to consider biodiversity in the product and service, and implement various initiatives to foster a society in harmony with nature.

Requests for Business Partners

Hino focuses on environment-friendly business operation. We request all business partners to follow legal compliance in each country or region and ask to conduct following request.

We will confirm the following requests in the practical business operation accordingly and will request for necessary improvements considering the result.

List of requests

Items			Applicable business deal	Boundaries			
				Product Service * 1	Operation base * 2	Logistics * 3	
1	1. 1	Establishing Environmental Management System	Establishment of environmental management structure	All	—	○	—
	1. 2		Promotion of environmental management throughout the product life cycle	All	○	○	○
2	Reducing Greenhouse Gas Emissions	Promotion of environmental management throughout the product life cycle	All	○	○	○	
3	Promoting Resource Recycling	Promote resource recycling of delivered products and resource recycling at operation base and in logistics	All	○	○	○	
4	Reducing Impact on Water Environment	Reduction of impact on “water resource” and “water quality”	All	—	○	—	
5	Managing Chemical Substances	(1) Management of elimination or reduction in use of chemical substances in relation to “parts, accessories, raw materials” for vehicles and outsourcing development vehicles including packaging materials for these products	Outsourcing development vehicles, parts, accessories, raw materials, packaging materials	○	—	○	
		(2) Management of elimination or reduction in use of chemical substances in relation to “raw materials, indirect materials, packaging materials used at operation base	Raw materials, indirect materials, packaging materials, equipment, construction, cleaning landscape	○	—	—	
6	Fostering a Society in Harmony with Nature	Considering to biodiversity and fostering harmony with nature	All	○	○	○	

*1 Product and Service: Outsourcing development vehicles, parts, accessories a), raw materials, indirect materials b), packaging materials c), equipment, construction,

cleaning and landscaping e) are applicable. (Logistics service is applicable to *3.)

*2 Operation base: Plants, R&D centers, offices, sales offices and logistics facilities where they are relevant to business operation. (Logistics partners and service providers are also included.)

*3 Logistics: Delivery logistics and logistics performed at the request of Hino d) are applicable.

Business deal category by basic agreement

Business deal	Applicable basic agreement
a) Outsourcing development vehicles, parts, accessories	Business partners who concluded a “Customize and Redesign Supply Basic Agreement” or a “Parts Supply Basic Agreement”
b) Raw materials, indirect materials	Business partners who concluded a “Materials Supply Basic Agreement”
c) Packaging materials	Some business partners who have concluded a “Materials Supply Basic Agreement” or a “Parts Supply Basic Agreement”, and business partners who have a contract for equipment packaging work
d) Logistics (request of Toyota)	Some business partners (logistics companies) who have concluded a “Service Outsourcing Basic Agreement”
e) Equipment, construction, cleaning, landscaping	Business partners who have concluded an “Equipment/Facility Supply Basic Agreement”, a Subcontracting Basic Agreement” or a “Service Outsourcing Basic Agreement”

Hino has been promoting various environmental initiatives through communication with a contact person who takes responsibility for the environment in business partners. We request that new business partners assign such person, and continuously promote internal environmental initiatives.

1 Establishing Environmental Management System

1.1 Establishing Environmental Management Structure

Hino undertakes systematic management of environmental conservation activities and engages continuously to improve these activities. As Hino's business partners, you are required to establish environmental management, and implement such activities for continuous improvement.

<p>In order to ensure proper environmental management, as our business partners, you are required to acquire and renew "ISO14001" or other certification systems* approved by a third-party certification organization. We will check on the certification acquisition status of our business partners accordingly.</p> <p>Additionally, in order to realize the entire supply chain management, business partners are required to confirm, advise and direct on environmental management system to the upstream business partners, (e.g.your tier 1 suppliers) and roll out and enlighten them to the farther level where necessary.</p>	<p>Applicable business partners</p> <p>All</p>
---	--

(*Please consult applicable standards accordingly.

1.2 Promoting Environmental Management throughout the Product Life Cycle

Hino has been introducing comprehensive Eco Vehicle Assessment System (LCA). We evaluate and strive for reduction of environmental impact in each stage of the product life cycle. Our business partners need to consider environmental impact throughout the product life cycle from the development stage, and implement initiatives to reduce such impact on environment.

Promote environmental management throughout the product life cycle of the delivered goods and respond to Eco-VAS (LCA)

Business partners are required to promote environmental management throughout the product life cycle and submit Eco-VAS (LCA) data to confirm environmental performance.

(*) Including service

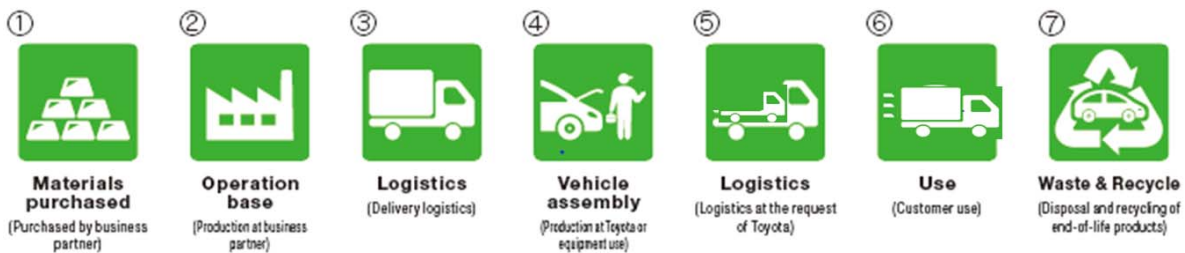
a) Promote environmental management considering throughout the product life cycle of the delivered products

Applicable business partners

All

Business partners are requested to consider the contents of “2. Reducing Greenhouse Gas Emissions”, “3. Reducing Impact on Water Environment”, “4. Promotion of Resource Recycling”, “5. Management of Chemical Substances” and “6. Establishment of a Society in Harmony with Nature”, and promote environmental management reduce throughout the product life cycle of the delivered products to environmental impact.

Example of the product life cycle of the delivered products (The following icons from ① to ⑦ correspond to the description on Page 7 to 8.)



b) Responding to Eco-VAS (LCA)

Applicable business partners

Parts and raw material for Eco-VAS

In order to confirm environmental performance, we request business partners who deliver to the applicable parts and raw materials for Eco-VAS (LCA) to submit Eco-VAS (LCA) related data (such as energy consumption volume during parts or raw materials production, GHG, NOx emissions to the air, and waste volume etc.)

In the scope of Eco-VAS (LCA), we may confirm the change in the environmental impact of any newly adopted parts or design modified parts in comparison with existing parts. For those who will be the intended business partners for Eco-VAS (LCA), our responsible person will directly communicate with you for more details of submission data.



The chief engineer responsible for vehicle development sets the environmental impact reduction targets for a vehicle at the planning stage, and continually checks target-achievement status from the start of the development process through to the start of production.

Items for assessment of the environmental impact under Eco-VAS are (six categories) fuel efficiency, emissions, noise, disposal recovery rate, substances of concern, and life cycle environmental impact.

2 Reduc Greenhouse Gas Emissions

Hino evaluates greenhouse gas (GHG) emissions throughout the product life cycle and strives to reduce them.

Operation bases including worldwide consolidated companies set ambitious GHG emissions target to work on various environmental improvement activities. Our business partners need to take an active approach to reduce GHG emissions by evaluation of product or service life cycle and target setting at your operation bases.

Reducing GHG emissions throughout the product life cycle of the delivered products (*)

Throughout the product life cycle (life cycle icons from ① to ⑦ on Page 6), business partners are required to develop low GHG emission products and proactively make a proposal on daily work to us.

(*) Including service

a) Reducing GHG emissions by materials purchased (Life cycle①)

Business partners are requested to implement the following activities to reduce GHG emissions from the products you purchased (from as far back as upstream procurement to production.

- Reduce usage of raw materials by using weight saving of parts
- Promote low GHG emission raw materials during production
- Promote usage of recycling materials
- Promote usage of biomass materials

Applicable business partners

All

b) Reducing GHG emissions at operation base (Life cycle②)

Business partners are requested to manage and reduce actual GHG emissions during production. Also, we will confirm overall GHG emissions and reduction activities at operation bases other than production base such as plant, R&D facility, office, sales offices and logistics facility by designated survey format. (We will directly communicate with the intended business partners.)

Applicable business partners

All

c) Reducing GHG emissions at logistics (Life cycle ③,⑤)

Business partners are requested to reduce GHG emissions from delivery logistics 1) and logistics performed at the request of Hino 2)

1) Delivery logistics (③)

Business partners are requested to reduce GHG emissions from delivery logistics. Document submission is not required, however, we will confirm activity status, where necessary.

2) Logistics performed at the request of Hino (⑤)

Business partners are requested to grasp indicators such as fuel consumption, distance traveled and fuel efficiency that indicate monthly results and Gentan-i, and to submit CO2 emission report of the previous month in a designated form at the beginning of each month in order to regularly report the activity status.

Applicable business partners

1) **Parts,
accessories,
raw materials,
indirect materials,
equipment**
2) **Logistics**

<p>d) Reducing GHG emissions at use stage (Life cycle⑥)</p> <p>At design and development stage of the delivered products, you are requested to design and develop products that contribute to GHG emissions reduction (fuel efficiency improvement) when completed vehicles are traveling.</p>	<p>Applicable business partners</p> <p>Outsourcing development vehicles, parts, accessories, raw materials, indirect materials</p>
---	---

<p>e) Reducing GHG emissions at disposal and recycling (Life cycle⑦)</p> <p>At design and development stage of the delivered products, you are requested to design and develop products that contribute to GHG emissions reduction when your products are recycled or are of no use.</p> <p>* Please refer to Chapter 4 b) “Develop materials and products considering proper treatment, reuse and recycling at disposal stage of end-of-life products”.</p>	<p>Applicable business partners</p> <p>All</p>
---	---

<p>f) Reducing GHG emissions (Life cycle ②, ④)</p> <p>Business partners who use chlorofluorocarbon (CFC) at your operation base or CFC contained products are requested to change them to low GWP CFC.</p> <p>We request to understand your equipment with CFC and make a sure inspection according to law/regulation.</p> <p>Use and Proper Management of Fluorocarbons” which stipulates proper treatment of used fluorocarbons through their recovery and destruction put in force from April 1, 2015.</p>	<p>Applicable business partners</p> <p>Business partners who deal with CFC</p>
--	---

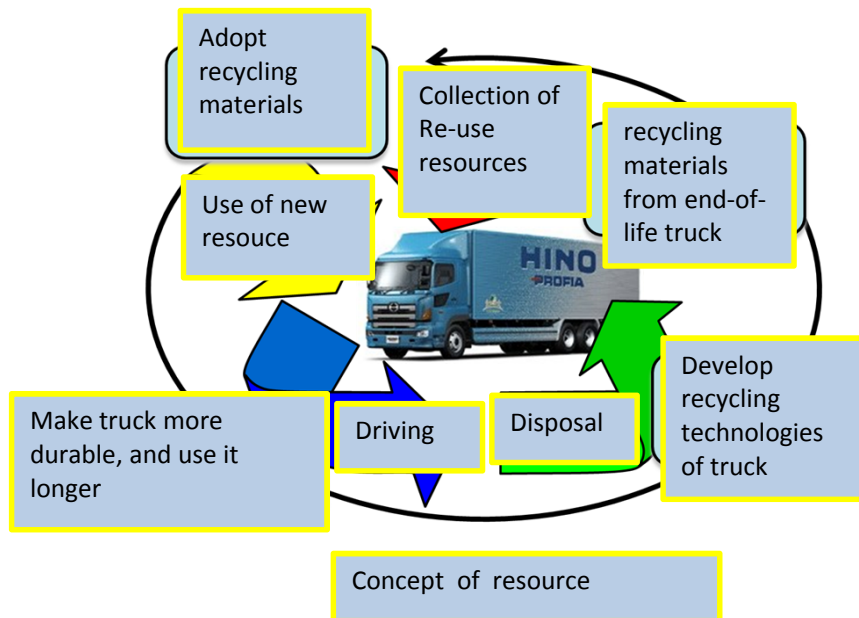
<p>g) Reducing GHG emissions from installing equipment (Life cycle ④)</p> <p>Business partners are requested to design, develop and propose equipment that contributes to reduce GHG emissions (energy efficiency improvement) from the production equipment delivered to Hino.</p> <p>* Hino has introduced energy management system (ISO 50001), and has been proactively working on Reducing energy use and GHG emissions.</p>	<p>Applicable business partners</p> <p>Equipment</p>
--	---

3 Promoting Resource Recycling

Hino has been promoting various resource recycling initiatives such as utilization of recycling materials, recyclable design, waste reduction activities in addition to legal compliance in and outside Japan such as Automobile (ELV) Recycling Law in Japan, EU ELV Directive and EU Resource Efficiency Policy. Business partners are requested to implement resource recycling initiatives.

Promoting resource recycling of the delivered products including service, resource recycling at operation base and in logistics

In order to promote resource recycling in delivered products, at operation base and in logistics, business partners are requested to reduce dwindling resource usage in products, to properly treat after use, to develop products considering recycling, and proactively make proposals on the daily work to us. You are also asked to reduce waste, to recycle resources at operation bases, and to reduce usage of packaging materials.



a) Developing technology to reduce usage of dwindling resources to be used in the delivery products

In order to reduce the usage of dwindling resources, business partners are requested to develop the following technology and proactively make proposals on daily work to us. We will check on utilization ratio of the recycling materials where necessary.

- Promote resource saving design
- Promote utilization of recycling materials
- Promote closed-loop recycling
- Promote utilization of biomass materials

* For biomass materials, please pay sufficient consideration to biodiversity. (For details, please see Chapter 6 Establishment of a Society in Harmony with Nature.)

Applicable business partners

All

<p>b) Developing materials and products considering proper treatment, reuse and recycling at disposal stage of end-of-life products</p> <p>Business partners are requested to implement the following activities so that end-of-life products can be properly treated, reused and recycled at the time of disposal, and proactively make proposals on daily work to us.</p> <ul style="list-style-type: none"> • Materials selection • Easy to remove/dismantle • Easy disposal process • Longer product life <p>Furthermore, you are requested to explain the proper treatment method and recycling method where necessary. In case where it is unlikely to perform proper treatment of the new materials or products, please contact our responsible person in advance.</p>	<p>Applicable business partners</p> <p style="text-align: center;">All</p>
--	---

<p>c) Reducing waste at operation base and promote recycling</p> <p>For the waste materials at operation bases such as plants, R&D facility, offices, sales offices and logistics facilities, business partners are requested to reduce waste and promote recycling. You are not required to submit any documents to us, but we will confirm your activities where necessary.</p>	<p>Applicable business partners</p> <p style="text-align: center;">All</p>
--	---

<p>d) Reducing usage of packaging materials in logistics</p> <p>Business partners are requested to reduce usage of packaging materials in logistics. You are not required to submit any documents to us, but we will confirm your activities where necessary.</p>	<p>Applicable business partners</p> <p style="text-align: center;">parts, accessories, raw materials, indirect materials Logistics Outsourcing development</p>
--	---

5 Managing Chemical Substances

Hino has been implementing initiatives to manage chemical substances (i.e. elimination or reduction in use) and improving recycling rate ahead of Japanese and overseas legislations, such as the EU ELV Directive, the EU REACH Regulation and the Chemical Substances Control Law of Japan. All applicable business partners are required to deliver parts and raw materials in compliance with laws, Hino standards, and various quality management manuals pertaining to the following items, and report the history of their use to Hino.

(1) Management of elimination or reduction in use of chemical substances in relation to “parts, accessories, raw materials (*)” for vehicles and outsourcing development vehicles including packaging materials for these products
(*) Materials that remain in the vehicle or part at point of sale

Business partners are required to eliminate or reduce chemical substances at development, design preparation/mass production stage and packaging materials, and to manage materials marking of plastics and rubber products.

a) Managing chemical substances at development/design and mass production stage

- Please manage chemical substances elimination, reduction and use information control with Hino technical standards, “Control Method for Substances of Environmental Concern (TSZ0001G)”.
- In case that newly-parts and raw materials are adopted or changes are made in raw materials including mass change, please make sure to submit data of materials and chemical substances used in products into IMDS by the designated deadline.

For “Control Method for Substances of Environmental Concern (TSZ0001G)”, please use the latest version. Aforementioned document will be revised once a year in accordance with regulation trends in each country and our policy.

Hino has been implementing IMDS-based material data management globally as a tool for management of chemical substances and recycling rate.

For data entry into IMDS, please refer to “IMDS User Manual” and “Hino IMDS Data Entry Manual”.

- When we request survey on raw materials or chemical substance data for individual parts or raw materials to business partners, please make sure to submit data into IMDS by the designated deadline.
- We may perform process audit of business partners where necessary at the stage of development, design, production preparation and mass production.
- In order to be consistent with details reported by IMDS, business partners are requested to manage purchasing parts and materials not to incorporate them in the production process. We also ask you to submit data where necessary.

Applicable business partners

**Outsourcing
development
vehicles, parts,
accessories,
raw materials,**

<p>b) Managing chemical substances in packaging materials</p> <ul style="list-style-type: none"> ■ When introducing new packaging materials, select materials that do not contain any of the prohibited or restricted substances specified in aforementioned TSZ0001G. <p>For 11 prohibited substances including 4 heavy metals, we request to submit Non-content Report.</p> <p>In case of overseas regulations, we request to submit document such as registration sheet, report on materials contained and so on.</p> <p>Please ask our relevant department about the detail.</p>	<p>Applicable business partners</p> <p>Outsourcing development vehicles, parts, accessories, raw materials, indirect materials</p>
--	---

<p>c) Material labeling on plastic/rubber parts</p> <ul style="list-style-type: none"> ■ Laws and regulations in relation to this issue started from Europe, and it tends to expand. ■ In 1992, Hino adopted material labeling for plastic/rubber parts that meets the international standards regardless of destination. ■ This material labeling applies to over weighing 100g plastic parts and 200g rubber parts, however, we ask business partners to label materials weighing 100g or less as much as possible. 	<p>Applicable business partners</p> <p>Outsourcing development vehicles, parts, accessories</p>
---	--

(2) Managing elimination or reduction in use of chemical substances in relation to “raw materials (*1), indirect materials, packaging materials (*2)” used at operation base

- (*1)Materials that don't remain in the vehicle or part at point of sale
- (*2)Packaging materials which are delivered to logistics centers of Hino

Business partners are requested to eliminate or reduce in use of chemical substances used in raw materials indirect materials and packaging materials at operation bases, and materials delivered or brought in to Hino.

a) Managing chemical substances to be delivered or brought in to Hino

- Please ensure that all materials (including oil/lubricant contained in equipment, and agrochemicals and other chemicals) to be delivered or brought in to Hino do not contain any of the prohibited substances in raw materials and indirect materials

Please refer to list of All Hino prohibited substance shown in other sheet

Applicable business partners

**Raw materials,
indirect materials,
packaging materials,
equipment,
construction,
cleaning, landscaping**

b) Managing raw materials and indirect materials

- When planning to adopt new raw materials or indirect materials, please submit following sheet to following division.
“Prohibited substance non-content report” to Safety & Environment Div.
“Safety Data Sheet (SDS)” to adoption planning division

- In order to keep SDS updated, please upload the latest version immediately in case of change in descriptions due to law amendment.

Applicable business partners

**Raw materials,
indirect materials**

c) Managing chemical substances in packaging materials

- We request not to include prohibited substance in packing materials
Please submit Prohibited substance non-content report or latest SDS, after confirming that 11 prohibited substances including 4 heavy metals in packing materials.
Please submit registration sheet and report on materials contained in case of regulations in foreign countries.
Please submit to Safety & Environment Div. latest SDS in case of its change.

Please refer to list of All Hino prohibited substance shown in other sheet

Applicable business partners

Packaging materials

(3) Managing elimination or reduction in use of chemical substances in the business activities of the business partners

In addition to (1) and (2), we would like to request our business partners to eliminate or reduce chemical substances in the business activities.

- Reducing VOC emissions
- Reduction in the discharge of substances subject to the PRTR law

Applicable business partners

All

**11 prohibited substances including 4 heavy metals:
Lead(Pb), Mercury(Hg), Cadmium(Cd), Hexahydric-chrome(Cr+6)
Asbestos, PBB, PBDE, HBCD, Deca-BDE, PFOS, DMF
(as of Nov., 2016)**

PBB:Polybrominated biphenyls

PBDE:Polybrominated diphenyl ethers

HBCD:Hexabromocyclododecane

Deca-BDE:Deca-brominated biphenyls

PFOS:Perfluorooctanesulfonic acid

DMF:Dimethyl fumarate

Note: Applicable substance is subject to change due to regulation change.

Ensuring Compliance with REACH and Other Global Regulations on Chemical Substances

Following the World Summit on Sustainable Development held in Johannesburg in 2002, and adoption of the Strategic Approach to International Chemicals Management (SAICM), there have been an increasing number of chemical substance management regulations being implemented globally.

The international trend in regulations on chemical substances is changing from hazard management, which focuses only on the toxicity of individual substances, to risk management, which takes into consideration the degree of impact on people, plants and animals.

For this reason, it is necessary to also consider in what sort of situation the chemical substances are being used.

In addition to the Japanese Chemical Substances Control Law, and the European ELV Directive and REACH Regulation, North America and Asia are introducing their own regulations on chemical substances. These regulations require corporations to collect information on the chemical substance content of their products and manage their supply chains.

6 Fostering a Society in Harmony with Nature

Hino understands that harmonising with nature is fundamental of business activities. We undertake society in harmony with nature from nature conservation to biodiversity.

We request that business partners give a maximum consideration to biodiversity, as well as implement to establish a society in harmony with nature.

Delivered products (*) and activities at operation base which contribute to biodiversity and promote harmony with nature

Hino requests that business partners deliver products, implement activities at operation base with a focus on biodiversity, and minimize adverse effect on the nature. Furthermore, you are requested to proactively propose products that contribute to biodiversity.

(*) Including service

a) Deliver products that contribute to biodiversity

Business partners are requested to develop products that minimize effect on biodiversity tracking back to raw materials. Especially, in case of using plant-derived raw materials, you are required to substantially consider biodiversity. We will check if there are no effect on biodiversity during raw material production where necessary.

Applicable business partners

All

b) Activities at operation base that contribute to biodiversity

Business partners are requested to formulate environmental policy on biodiversity and minimize effect on nature caused by development. We will check on activity status where necessary. In addition to collaboration or partnership with regions or NGOs which tackle nature conservation, we would like to ask you to implement such activities as much as possible to make nature environment ever better.

Applicable business partners

All

c) Harmony with nature by promoting activities from Chapter 1 to 5

Promoting activities from “1. Establishment of Environmental Management System”, “2.Reducing GHG Emissions”, “3. Reduce Impact on Water Environment”, “4. Promotion of Resource Recycling”, “5. Management of Chemical Substances”, which lead to indirectly establishment of a society in harmony with nature. Therefore, we would like to ask you to strengthen such activities considering a society in harmony with nature.

Applicable business partners

All

Glossary

Laws, Regulations and Policy

(1) Automobile (ELV) Recycling Law

In order to promote the recycling and proper handling of End-of-Life Vehicles, the Automobile (ELV) Recycling Law enforced in 2005 obliges automobile manufactures and related business operators to play appropriate roles.

(2) EU ELV Directive

The ELV Directive on the recycling of End-of-Life Vehicles, entered into force in 2000 (2000/53/EC).

To reduce the environmental impact of End-of-Life Vehicles, this directive requires member states to restrict the use of chemical substances in vehicle parts and establish a network for recovering ELVs to increase the recycling rate.

This directive does not apply to certain chemical substances that cannot be replaced by other substances

(3) EU Resource Efficiency Policy

It stipulates the basic policy to aim for establishment of sustainable and high resource efficiency recycling-based society, in consideration of reliability.

(4) EU REACH Regulation

EU's regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals, entered into force in 2007 < (EC) No1907/2006 >

It places greater responsibility on industry to manage chemical substances. Under this regulation, each company is required to identify chemical substances used by the company or contained in its product and assess the risks from them.

(5) Chemical Substances Control Law of Japan

The law pertaining to the examination of chemical substances, and regulation of their manufacture, etc. enacted in 1974.

This law requires prior examination of new industrial chemical substances and regulation of their manufacture and import into Japan depending on the hazardous properties of the substances. The primary objective of this law is to protect human health and plants/animals from possible hazards from chemical substances by evaluating the bioaccumulation potential, of degradation properties, and toxicity chemical substances and controlling their manufacture and import.

(6) TSCA (Toxic Substances Control Act) of the USA

This act, instituted in 1976, is intended to protect human health and the environment from exposure to hazardous chemicals.

Under the TSCA, the Environmental Protection Agency (EPA) requires information management (reporting and record-keeping), testing, and restrictions relating to chemical substances and/or mixtures, and regulates the production, importation, use, and disposal of specific chemicals.

(7) EU's Packaging and Packaging Waste Directive

The directive on packaging and packaging waste, entered into force in 1994 (94/62/EC)

To reduce the environmental impact by packaging, this directive requires the member states to restrict the use of chemical substances in packaging materials and establish a recovery and recycling system to increase the recycling rate.

(8) EU CLP Regulation

EU's regulation on the Classification, Labeling, and Packaging of substances and mixtures, entered into force in 2009 <(EC) 1272/2008>

This regulation has replaced earlier relevant directives to comply with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). This regulation requires EU-based manufacturers and importers of chemical substances to classify the substances by hazard, notify the classification to the appropriate governmental agency, and affix labels to chemical substances.

(9) PRTR (Pollutant Release and Transfer Register) System

PRTR is a system to grasp and collect data, and disseminate information on the amount of various hazardous chemical substances released in the environment, transferred from industrial facilities contained waste, and how they generated.

Any industrial facility that is using more than a certain amount of specified hazardous chemical substances is required to report the amounts of such chemicals released annually or transferred from facility, whereupon the administrative body collects and disseminate such information.

(10) The Aichi Biodiversity Targets

New global target for post 2011 pertinent to biodiversity, which was adopted at the 10th Conference of the Parties in 2010

(11) The National Biodiversity Strategy of Japan 2012–2020

National basic plan pertinent to conservation and sustainable use of biodiversity based on “Convention of Biological Diversity” and “Basic Act on Biodiversity”

Other Glossary

(1) ISO 14001

International standards pertinent to environmental management system

(2) Life cycle

All stages ranging from raw material procurement, production, distribution, use, maintenance, disposal to recycling of products and services

(3) LCA (Life Cycle Assessment)

A method of evaluating a product's environmental impact on products and services throughout the product life cycle, from design, production, use to disposal

(4) Eco-VAS (Eco-Vehicle Assessment System)

Hino's comprehensive environmental impact evaluation system that allows the systematic assessment of the environmental impact a vehicle will have as the result of its production, use and disposal

(5) Low GWP chlorofluorocarbon (CFC)

CFC with low Global Warming Potential (GWP), which has less effect on global warming.

(6) ELV (End of Life Vehicle)

Any vehicle that has come to the end of its useful life under the Automobile (ELV) Recycling Law, all vehicles collected by collection operators are defined as ELV.

(7) Closed-loop recycling

Wastes such as scrap of end-of-life product are recycled into the same products.

(8) Vehicle parts

Parts for mass-produced or special purpose vehicles, and service parts

(9) Raw materials

Sheet steel, steel, coating, adhesives, oil, coolants, etc. used at Hino vehicle production plants

(10) Indirect materials

Cleaning solvents, cutting oil etc. that are not part of a vehicle but are used at Hino vehicle production plants. In some cases, paint and adhesive can be included.

Please note that indirect materials in this guideline are different from Hino sub-materials to unify them.

(11) Accessories

Genuine Hino parts installed at Hino dealerships (e.g. floor mats, side door deflectors, navigation systems, etc.)

(12) Packaging materials

Packaging materials delivered directly to Hino, and those used for the shipment/transportation of vehicle parts and accessories

(13) VOC (Volatile Organic Compounds)

Volatile organic compounds, such as solvents of paints and adhesives that tend to evaporate under normal temperatures and pressures

(14) IMDS (International Material Data System)

Standardized system to collect material data in the automotive industry. Suppliers of vehicle parts, etc. are requested to enter data on product materials and contained chemical substances using a standardized format and process.

(15) SDS (Safety Data Sheet)

This describes necessary information to safely handle chemical substances or raw materials containing chemical substances

(16) GADSL (Global Automotive Declarable Substance List)

Standardized list of reportable chemical substances in the automotive industry. The list has been agreed upon by the automotive manufacturers, automotive parts suppliers, and chemical manufacturers in Japan, Europe, and the U.S. to use when data is entered into the IMDS.

MEMO

Supplement

1. We shall not disclose any report or documentation provided by business partners externally.
2. The contents of this guideline are subject to change due to revision of laws and regulations or internal rules. Please check our website for updates accordingly.



Hino Motors, Ltd.
PURCHASING OPERATIONS MANAGEMENT Div.
Published: November 2016