

Green Purchasing Guidelines

August 2021 Hino Motors, Ltd.

Table of Contents

Introduction	^゚―ジ 2
Revision Details	3
Hino Environmental Challenge 2050•••••	4
Requests for Business Partners · · · · · · · · · · · · · · · · · · ·	5
1 Establishing Environmental Management System · · · · · · · · · · · · · · · · · · ·	6
1.1 Establishing Environmental Management Structure	6
1.2 Promoting Environmental Management throughout the Product Life Cycle······	7
2 Life Cycle Zero CO2 Emissions Challenge	9
3 Challenge of Minimizing and Optimizing Water Usage	10
4 Challenge of Achieving Zero Waste (Promoting resource recycling)	11
5 Challenge of Minimizing the Impact on Biodiversity	13
6 Compliance with laws and regulations	14
Glossary	18
Laws, Regulations and Policy	18
Other Glossary	19

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 achieve the "sustainable development of society and the the earth, " we need to contribute to society and conserve the environment on an ongoing basis together with our business partners. 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. "CO2 reduction, resource recycling, and consideration for biodiversity," subjects of increasing international debate, require that business activities be in close proximity to the environment of each company. In particular, from the standpoint of global warming, which has a wide-ranging impact, we will collaborate with related industries and pursue all measures from a customer and social perspective to realize "carbon neutrality," which means that the amount of carbon on earth will no longer increase.

Against this backdrop, in October 2017, Hino Motors formulated the "Hino Environmental Challenge 2050" as a new long-term goal, and listed six challenges to be achieved to combat various environmental problems, and declared initiatives to completely eliminate their environmental impact. To systematically achieve this challenge, we established the "Hino Environmental Milestone 2030" in April 2021, and released a revised version that incorporates current social needs and the direction that Hino Motors is taking.

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.

Masato Nishihara

Operating Officer, Purchasing

TREK

Revision Details

These guidelines have been revised based on social trends and the Hino Environmental Challenge 2050.

Details of the revisions are as follows.

Initiatives to date		Initiatives in the Hino Environmental Challenge 2050
Establishing Environmental Management System		Establishing Environmental Management System
Reducing Greenhouse Gas Emissions		Zero CO2 Emissions Challenge
Promoting Resource Recycling		Challenge of Achieving Zero Waste (Promoting resource recycling)
Reduction of impact on "water resource" and "water quality"	⇒	Challenge of Minimizing and Optimizing Water Usage
		Compliance with laws and regulations
Managing Chemical Substances		 Managing Chemical Substances
		 Managing water quality / soil, noise and vibrations
Fostering a Society in Harmony with Nature		Challenge of Minimizing the Impact on Biodiversity

In addition, we will intensify our efforts in accordance with the Hino Environmental Challenge 2050 and the

Hino Environmental Milestone 2030. Specifically, we ask that you set individual goals for each business partner

and work to achieve them.

Hino Environmental Challenge 2050

To stay closely connected with the global environment, we need a "new challenge" that looks 20 to 30 years into the future and is based on the Hino Credo, CSR policy, and social trends. In addition to its management based on environmental laws and regulations, under its six major challenges, including "zero CO2 emissions during life cycles such as new vehicles, factories, and logistics," and "the challenge of minimizing the impact on biodiversity," Hino Motors' will reduce the environmental impact of its entire business and achieve harmony with the global environment. 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.



To systematically promote this, we have set specific intermediate goals as the Hino Environmental Milestone2030.

Hino Environmental Challenge 2050	Pursuing all customer and socially oriented measures	Hino Environmental Milestone 2030	
Life Cycle Zero CO2 Emissions Challenge	Introducing decarbonized energy	Compared to 2013 ▲ 25%	
New Vehicle Zero CO2 Emissions Challenge	Promoting technological development and dissemination, and increasing transportation efficiency	Compared to 2013 ▲40%	
Factory Zero CO2 Emissions Challenge	Promoting decarbonization in the manufacturing process	Compared to 2013 ▲ 40%	
Challenge of Minimizing and Optimizing Water Usage	Reducing usage and rigorously managing wastewater quality	Amount: Water saving and recycling taking into account local water risk Quality: Management based on strict voluntary standards that lead to water environment conservation	
Challenge of Achieving Zero Waste (Promoting resource recycling)	Reducing usage and rigorously managing wastewater quality	Compared to 2018 ▲30%	
Challenge of Minimizing the Impact on Biodiversity	Conducting conservation activities in accordance with the global environment	Creating a factory that is "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.

The target values and specific activities of the Hino Environmental Challenge 2050 are as follows.

As the target values for the "Hino Environmental Milestone 2030" may vary depending on the policies of each country, please contact the Purchasing Operations Management Division or the Safety & Environment Division.

List of requests

Hino Environmental Initiatives			leline List of requests			Boundaries										
		ideline Iapter			Applicable business partners	Products ,	Operatio n bases	Logistics								
						*1	* 2	* 3								
Management to achieve Hino	-	1. 1	Establishing	Establishing Environmental Management System		-	0	-								
Environmental Grallenge 2030 and Alno Environmental Milestone 2030		1. 2	Management System	Promotion of environmental management throughout the product life cycle		0	0	0								
Life Cycle Zero CO2 Emissions Challenge (new vehicle CO2 and factory CO2)		2	Life cycle zero new v	CO2 emissions challenge which include ehicle CO2 and factory CO2 *4		0	0	0								
Challenge of Minimizing and Optimizing Water Usage		3	Minimizing impact on water resources and water quality		All	_	0	I								
Challenge of Achieving Zero Waste (Promoting resource recycling)	4 Prome		Promote resource recycling for zero waste of delivered products and resource recycling at operation base and in logistics			0	0	0								
Challenge of Minimizing the Impact on Biodiversity		5	Considering to bio	diversity and fostering harmony with nature		0	0	0								
			Managing Chemical	 Management of elimination or reduction in use of chemical substances in relation to "parts, accessories, raw materials 	Outsourcing development vehicles, parts, accessories,, raw materials, packaging materials	0	-	0								
Compliance with laws and regulations (continuation of current initiatives)	$\frac{5}{5}$ 6	6	6	6	6	6	6	6. 1	6. 1	6. 1	Substances	(2) Management of elimination or reduction in use of chemical substances in relation to "raw materials, indirect materials, packaging"	Raw materials, indirect materials, packaging materials, equipment, construction, cleaning, landscaping	0	_	-
		6. 2	Management of air, soil, noise and vibration	Promotion of environmental conservation in accordance with the Basic nvironment Law in general production	All	0	0	0								

* 1 Products and Services: Outsourcing development vehicles, parts, accessories a), raw materials, indirect 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.
- * 4 Business partners that deliver parts and raw materials for Eco-VAS (LCA) should make separate individual efforts. (Please see page 7)

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	Some business partners (logistics companies) who have concluded a "Service Outsourcing Basic Agreement"
e)	equipment, construction, cleaning and 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.

	<applicable business="" partners=""></applicable>	
In order to ensure proper environmental management, as our business partners,	All	
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 a	cquisition status of our	
business partners accordingly.		
Additionally, in order to realize the entire supply chain management, business partners a	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.		

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 the environment to zero.



b) Responding to Eco-VAS (LCA)

Parts and raw material In order to confirm environmental performance, we request business partners for Eco-VAS who deliver 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.) We request that you submit the "Material and Parts Manufacturing Environment Data Survey Questionnaire" at the beginning of each fiscal year, so please submit it before the deadline in accordance with the "Material and Parts Manufacturing Environment Data Survey Guidelines." 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.

<Applicable business partners>

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. Life Cycle Zero CO2 Emissions Challenge

We evaluate CO2 emissions throughout the life cycle and implement the challenge of reducing or achieving zero emissions. 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 reducing CO2 emissions to zero by evaluating the product or service life cycle and setting targets at their operation bases.

Implementing the Zero CO2 Emissions Challenge throughout the product life cycle of the delivered products (including services)

Throughout the product life cycle (life cycle icons from ① to ⑦ on Page 7), business partners are required to develop products with the aim of zero CO2 emissions and proactively propose them to Hino Motors in their daily work.

a) Reducing CO2 emissions to zero in purchased materials (Life cycle①)

<Applicable business partners> **All**

We ask that our business partners implement the activities listed below

and take on the Zero CO2 Emissions Challenge in the materials they have purchased (from upstream

procurement to production).

•Reduce usage of raw materials by using ight weight parts

·Promote low GHG emission raw materials during production

•Promote usage of recycling materials

·Promote usage of biomass materials

b) Implement the Zero CO2 Emissions Challenge at operation bases	<applicable business="" partners=""></applicable>		
	All		
Business partners are requested to manage and implement the Zero CO2 Emissions	Challenge during		
production.			
Also, we will confirm overall CO2 emissions and reduction activities at operation bas	es other than production		
base such as plant, R&D facility, office, sales offices and logistics facility by designat	ed survey format.		
(We will directly communicate with the intended business partners.)			

c) Implement the Zero CO2 Emissions Challenge in logistics (Life cycle ③,⑤)	<pre><applicable business="" partners=""> 1)Parts, accessories, raw materials</applicable></pre>
Business partners are required to implement the Zero CO2 Emissions	indirect materials,
Challenge for 1) delivery logistics and 2) logistics performed at the request of Hino	equipment 2)Logistics
1) Delivery logistics (③)	
Business partners are requested to implement the Zero CO2 Emissions Challen	ge for delivery logistics.
Document submission is not required, however, we will confirm activity status, v	vhere necessary.
2) Logistics performed at the request of Hino (5)	
Business partners are requested to grasp indicators such as fuel consumption, o	listance traveled and fuel
efficiency that indicate monthly results and Gentan-i, and to submit CO2 emissi	on report of the previous
month in a designated form at the beginning of each month in order to regularly	report the activity status.

d) Implement the Zero CO2 Emissions Challenge at usage stage (Life cycle⁶)

At the design and development stage of the delivered products, you are required

to design and develop products that contribute to reducing CO2 emissions to zero

(fuel efficiency improvement) when completed vehicles are running.

e) Implement the Zero CO2 Emissions Challenge in disposal and recycling (Life cycle(7))

At design and development stage of the delivered products, you are requested to design and develop

products that contribute to reducing CO2 emissions to zero when your products are recycled or are of no use.

※ Please also see 4. "Challenge of Achieving Zero Waste (b) Promoting Resource Recycling)"

f) Implement the Zero CO2 Emissions Challenge in delivered equipment (Life cycle (4))

Business partners are requested to design, develop and propose equipment that contributes to reducing CO2

emissions to zero (energy efficiency improvement) from the production equipment delivered to Hino.

g) Implement the Zero Greenhouse Gas Fluorocarbon Emissions Challenge (Life cycle (1),(2))

Business partners who use chlorofluorocarbon (CFC) at your operation base

or CFC contained products are requested to change them to low GWP CFC.

We request to understand your equipment with CFC and make a sure inspection according to law/regulation.

X 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.

<Applicable business partners> **Outsourcing development** vehicles, parts, accessories, raw materials, indirect materials

<Applicable business partners>

All

<Applicable business partners> Equipment

<Applicable business partners> Business partners who

deal with CFC

3. Challenge of Minimizing and Optimizing Water Usage

In the medium to long term, "water resource depletion" is becoming an important issue. We are reducing our impact on "water volume" and "water quality." Specific efforts include the "development and installation of technology to reduce water consumption" and "construction of a water reuse/circulation system."

We ask our business partners to minimize their impact on the water environment.

Request to reduce water usage at domestic operation base and at foreign	<applicable business="" partners=""></applicable>		
operation bases	All		
We request that they reduce water usage at operation bases (plants, R&D facility, offic	es, sales offices		
and logistics facility) considering the water environment in each country or region.			
After evaluating water risk in terms of quantity and quality, we ask that they mplement	the following measures		
to minimize their impact on the water environment.			
•Reduce water usage			
•Use rainwater			
•Use recycling water			
•Improve drainage quality			
•Conserve water intake source			
We will verity your water risk, its countermeasures, past water usage record, and other items using specified			
questionnaires. (Targeted customers will be contacted individually)			

4. Challenge of Achieving Zero Waste (Promoting Resource Recycling)

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, Hino has been promoting various resource recycling initiatives such as the utilization of recycled materials, recyclable design, waste reduction activities, and efforts to reduce this to zero. Business partners are asked to cooperate with the aim of reducing waste to zero.





11

b)	Developing materials and products considering proper treatment,	<applicable business="" partners=""></applicable>		
	reuse and recycling at disposal stage of end-of-life products	All		
	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.			
	•Materials selection			
	•Easy to remove/dismantle			
	•Easy disposal process			
	Longer product life			
	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.			
c)	c) Reducing waste at operation base and promote recycling Applicable business partners>			
		All		
	For the waste materials at operation bases such as plants, R&D facility, offices, sales 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	offices and logistics s where necessary.		
d)	Reducing usage of packaging materials in logistics	<pre><applicable business="" partners=""></applicable></pre>		
	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.	parts, accessories, raw materials, indirect materials, Logistics, Outsourcing development		

5. Challenge of Minimizing the Impact on Biodiversity

Hino understands that harmonizing with nature is fundamental for business activities. We are promoting a society that is in harmony with nature, from nature conservation to biodiversity conservation. We request business partners give a maximum consideration to biodiversity, as harmony with nature is a prerequisite for corporate activities.

Delivered products (including services) 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 products that contribute to biodiversity.

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.

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.

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

Promoting these activities, "1. Establishing Environmental Management System,"

"2. Zero CO2 Emissions Challenge," "3. Challenge of Minimizing and Optimizing Water Usage,"

"4. Challenge of Achieving Zero Waste (Promotion of Resource Recycling)," and "6. Compliance with Laws

and Regulations" indirectly help to create a society that is in harmony with nature.

With respect to these and other initiatives, please strengthen your efforts while keeping in mind the creation

of a society that is in harmony with nature.

<Applicable business partners> All

<Applicable business partners>

All

<Applicable business partners> All

6. Compliance with laws and regulations

6.1 Managing Chemical Substances

Hino has been implementing initiatives to manage chemical substances (i.e. elimination or reduction in use) and 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 "parts, accessories, raw materials (*)" for vehicles and outsourcing development vehicles including accessories, raw materials (*)" for vehicles and outsourcing development vehicles including packaging

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.

(*) Materials that remain in the vehicle or part at point of sale

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 that you submit data where necessary.

<Applicable business partners>

Outsourcing development vehicles, parts, accessories, raw materials • When introducing new packaging materials, select materials that do not contain any of the prohibited or restricted substances specified in the aforementioned TSZ0001G.

 \cdot For 11 prohibited substances including 4 heavy metals, we request that you submit a non -content Report.

In case of overseas regulations, we request that you submit documentation such as registration sheet,

report on materials contained, and so on.

Please ask the relevant department about details.

However, substances subject to the above may be added to accord with legal and regulatory trends.

c) However, substances subject to the above may be added to accord with legal and regulatory trends.

• 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.

<Applicable business partners>

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

<Applicable business partners>

Outsourcing development vehicles, parts, accessories b) Managing raw materials and indirect materials

• When planning to adopt new raw materials or indirect materials, please submit

(*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

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

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

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

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.

c) Managing chemical substances in packaging materials

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 Toyota prohibited substance shown in other sheet

Raw materials, indirect Please ensure that all materials (including oil/lubricant, contained in equipment, materials, packaging

> materials, equipment, construction, cleaning, landscaping

<Applicable business partners>

Raw materials,

indirect materials

<Applicable business partners>

Packaging materials

<Applicable business partners>

(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

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.

(3) Managing elimination or reduction in use of chemical substances in the business activities of the business partners	<applicable business="" partners=""></applicable>
In addition to (1) and (2) , we would like to request our business partners	All
to eliminate or reduce chemical substances in the business activities.	
•Reducing VOC emissions	
 Reduction in the discharge of substances subject to the PRTR law 	

<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.

6.2 Management of air, soil, noise, and vibration

Hino Motors is actively pursuing environmental conservation efforts. We are promoting the management of air, soil pollution, noise, and vibration in accordance with the Basic Environment Law so that we do not damage the environment of residents. We ask that the targeted business partners also prevent pollution and further reduce noise and vibration.

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 of aiming to establish a sustainable and high-resource, recycling-based society.

(4) EU REACH Regulation

EU's regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals, entered into force in 2007 \leq (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 nvironmental impact by packaging, this directive requires that the member 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 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 the "Convention of Biological Diversity" and the "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) Carbon neutrality

To reduce all greenhouse gas emissions to zero by subtracting the amount absorbed by forests from the amount of greenhouse gas emissions such as carbon dioxide.

(4) 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.

(5) 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.

(6) Low GWP chlorofluorocarbon (CFC)

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

(7) 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.

(8) Closed-loop recycling

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

(9) Vehicle parts

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

(10) Raw materials

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

(11) 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. 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.

(12) Accessories

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

(13) Packaging materials

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

(14) VOC (Volatile Organic Compounds)

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

(15) 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 their contained chemical substances using a standardized format and process.

(16)SDS(Safety Data Sheet)

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

(17) 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.

3. For questions about this guideline, please contact the following department.

Purchasing Planning Div. TEL : 042-586-5470 FAX : 042-586-5477

(PS) Hino engineering rule,etc

Techinical Manegement Div. TEL: 042-586-5421







Hino Motors, Ltd. PURCHASING OPERATIONS MANAGEMENT Div. Published: August 2021