



# **HINO Supplier Sustainability Guidelines**

**Hino Motors, Ltd.**

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# I. Introduction

Given the dramatic changes in the environment surrounding its business, Hino Motors reorganized its corporate philosophy, naming it the HINO Way, in June 2022.

In light of lessons learned from the discovery of years of misconduct in the engine certification application process, the primary goal in creating the HINO Way was to refocus everyone at the Hino Group on the basic commitment to contribute to customers and society. Seeking to ensure that everyone involved shares the important values and aspirations of the Group, the HINO Way provides the basis for the decisions and actions of each and every officer and employee while also demonstrating again the Group's corporate commitment to society.

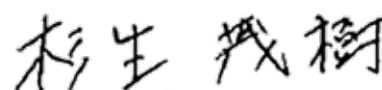
We have also made it clear that we are committed to ensuring sustainability throughout the Hino Group's supply chain by issuing the HINO Sustainability Policy, which constitutes part of the HINO Way, and by identifying material issues we will address in order to live up to the Hino Group's corporate mission.

Now, we have prepared these HINO Supplier Sustainability Guidelines, which are based on the HINO Sustainability Policy and formulated with reference to the Voluntary Action Plan and associated measures published by the Japan Automobile Manufacturers Association (JAMA), as well as the Toyota Group's Supplier Sustainability Guidelines.

These guidelines complement the Group's existing Supplier CSR Guidelines by providing even more detailed guidance and information.

We expect all of our suppliers to comply with these guidelines and to ensure that they are disseminated and practiced throughout the supply chain, including at their own suppliers.

June 2024

A handwritten signature in black ink, consisting of three characters: '杉' (Sugi), '生' (Shi), and '樹' (Ji), which read 'Shigeki Sugiu'.

Shigeki Sugiu  
Operating Officer, Purchasing

## II. The HINO Way and Sustainability Initiatives

### ◆The HINO Way

The HINO Way reflects our return to our origins in terms of contributions to customers and society and summarizes the values and vision that each one of us should hold dear.

With this HINO Way in our hearts, we pledge to cultivate a work culture that prizes mutual respect and empathy, as we provide our uniquely HINO value to customers and society.



### ◆The HINO Credo

#### • Corporate Mission

**We make a better world and future  
by helping people and goods get  
where they need to go.**

#### • Core Principles



**We are committed to acting with integrity  
and in a compliant manner.**

Compliance is the basis of all corporate activities.  
We must act with integrity to meet the expectations of  
our customers and society.



**We support a future society by committing to safety  
and environmental sustainability.**

By providing safe and environmentally friendly products and services,  
we work to solve social issues and challenges for a better future.



**We respect diversity and inclusion,  
and build a safe working environment.**

We respect diversity, recognize the uniqueness of every individual,  
and stand by each other.

We create an open workplace where we collaborate,  
learn, and cooperate with colleagues.

## • “Ideal State” of Hino

### — To achieve the sustainable development of society and the Hino Group

In April 2023, we released the “Ideal State” of Hino, which represents our vision for the Company we aspire to be after we have restored the trust of our stakeholders. In order to work in unison to realize this “Ideal State,” the Hino Group will, by reflecting on its past misconduct, aim to shift away from a quantity-oriented style of management that overemphasized a disproportionate sales volume and market share toward a style of management that focuses on the quality of the value it provides to customers and society, thereby promoting a style of management that emphasizes the growth of personnel as a foundation of corporate management.



## • Materiality — Defining key issues to address

In December 2023, Hino identified eight material issues required to achieve the Group’s corporate mission, “We make a better world and future by helping people and goods get where they need to go.” Through initiatives to address these material issues, we hope to contribute to the realization of a sustainable society while achieving sustainable growth and improving our corporate value.

### Positioning of materialities



### Materialities

Value propositions for society and our customers	Minimization of environmental impact and contribution to the achievement of a carbon-neutral society
	Achievement of a society in which people and goods can move optimally through the products and services, and the use of digital data
	Achievement of a safe and accident-free society
Management base for value propositions	Respect for human rights in business activities
	Corporate governance that supports “working in the right way”
	Respect for employees and active participation of a diverse range of human resources
	Honest dialogue with stakeholders to restore trust
	Maintenance of a strong and sustainable supply chain

## ◆HINO Sustainability Policy

[https://www.hino-global.com/corp/about\\_us/hino\\_cred.html#section-02](https://www.hino-global.com/corp/about_us/hino_cred.html#section-02)

### HINO Sustainability Policy

- The HINO Credo states that “We make a better world and future by helping people and goods get where they need to go.” as our Corporate Mission. Hino Group is determined to contribute to the realization of a sustainable society through solving issues and challenges in relation with flows of people and goods.  
To achieve the above, we, all employees of Hino Group, will act with integrity in accordance with the spirit of this “HINO Sustainability Policy.”

In April 2022, the Hino Group revised and reorganized its corporate philosophy as the HINO Way, and prompted by social demands and changes in the business environment around the Group, transformed our previous CSR Charter into the HINO Sustainability Policy. This policy is a declaration of the contributions that Hino will make toward the achievement of a sustainable society.

Hino will adopt a perspective that takes the sustainability of society into account in its management, and seek to solve social problems through its businesses. Where appropriate, the Management Committee, which is chaired by the President and Member of the Board of Directors, reports and makes decisions on planning and promoting various initiatives and on sharing issues related to sustainability.

### ■ Items in the HINO Sustainability Policy

Basis for corporate activities	<div><div>1</div>Compliance</div> <div><div>2</div>Safety and quality of our products and services</div> <div><div>3</div>Environmental management</div> <div><div>4</div>Respect for human rights</div> <div><div>5</div>Fair transactions and responsible purchasing activities</div> <div><div>6</div>Disclosure and dialogue with stakeholders</div>
Working environment and corporate culture	<div><div>7</div>Working environment and corporate culture to respect employees</div>
Providing value for a sustainable society	<div><div>8</div>Contribution for a sustainable society through our business</div> <div><div>9</div>Engagement in community and contribution to its development</div> <div><div>10</div>Relationships of trust with customers</div>
Crisis management and role of senior management	<div><div>11</div>Thorough crisis management</div> <div><div>12</div>Role and approach of senior management</div>

## ◆HINO Code of Conduct

Click the following link for the full text of the HINO Code of Conduct.

[https://www.hino-global.com/corp/about\\_us/hino\\_cred.html#section-03](https://www.hino-global.com/corp/about_us/hino_cred.html#section-03)

# III. Hino Motors Basic Procurement Policy

Hino Motors carries out procurement according to the following five basic policies.

## **1. Transparent and fair transactions**

The Hino Group conducts transactions with business partners fairly and in good faith, regardless of a supplier's national origin, scale of operations, or past performance. Hino decides which business partners it procures from after due consideration of quality, price, production capacity, and delivery times, as well as their stance on the environment, management stability, and technology development capabilities.

## **2. Establishment of relations built on trust and continuous mutual prosperity**

The Hino Group works closely and communicates directly with business partners in an effort to attain good working relations and mutual prosperity based on mutual trust.

## **3. Promotion of global procurement**

With its goal to be a commercial vehicle maker trusted around the world, the Hino Group promotes procurement from business partners in the areas where the Group conducts business to enable it to contribute to communities as a local enterprise.

## **4. Complying with relevant laws, regulations and terms of contracts**

The Hino Group operates in accordance with social norms and in compliance with laws and regulations, in letter and in spirit. The Group also properly and strictly manages classified information it shares with business partners.

## **5. Promotion of green purchasing**

Based on Green Purchasing Guidelines, the Hino Group works to procure parts, materials, and equipment that have been produced with a low impact on the environment in order to offer environment-friendly products and services.

# IV. HINO Supplier Sustainability Guidelines

## ◆HINO Supplier Sustainability Guidelines

We will implement initiatives based on the policy below, which constitutes one of the components of the HINO Sustainability Policy, as the foundation for our corporate activities.

Source: HINO Sustainability Policy

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### Fair transactions and responsible purchasing activities

HINO Sustainability Policy

- We aim to build relationships of trust with our business partners for mutual development through fair transactions.
- We conduct responsible purchasing activities to ensure that the suppliers in our supply chain also share the values set forth in this Policy, including but not limited to the commitment to compliance, safety and quality, minimizing environmental impact, and respect for human rights.

## (1) Sharing Our Management Commitment

We would like to share our commitment to the following points with all of our suppliers.

### ■Creating workplaces based on respect for humanity

We establish environments in which employees can work with trust in the company and foster a culture which encourages development of human resources.

### ■Manufacturing based on *genchi-genbutsu*

In manufacturing, a commitment to *genchi-genbutsu* is of fundamental importance; in other words, a commitment to exhaustive observation onsite to find the causes behind the facts.

We identify the essence of a situation, quickly build consensus and make decisions, and do our best to execute them.

### ■Continuous improvement (*kaizen*) efforts

We constantly evolve, pursue innovation, and continually strive for improvement.

### ■Two-way communication

Vehicle production is a joint endeavor with suppliers and Hino. The key to success is close two-way communication between the two parties to work as one company.

We pursue frank and open discussions with all partners and move forward with full conviction.



## **(2) Expectations of Suppliers Concerning the Provision of Products and Services**

We expect suppliers to provide the best possible products at the lowest possible cost, in the most timely manner, and on a stable, long-term basis.

We also request that suppliers always undertake product development and manufacturing from the perspective of the customers who purchase our vehicles.

### **Safety**

Manufacturing is carried out by people, and good quality products can only be produced in a safe and healthy working environment. We expect our suppliers to create a working environment in which employees can carry out their work with peace of mind.

### **Quality**

Hino Motors has earned the trust of customers by making quality its highest priority. Customers continue to expect high quality from Hino vehicles. We expect suppliers to understand that quality is an absolute prerequisite for business transactions and to put quality first in development and production.

### **Delivery and Production**

Hino Motors produces only what is needed, when it is needed and in the amounts needed. We expect suppliers to respond flexibly and without errors at each stage of preparing for and implementing production and making deliveries.

### **Cost**

We expect suppliers to offer the most competitive cost in the world. To achieve this, it is important for suppliers to strive for innovation in technology development and production technology while also implementing constant cost reduction efforts.

### **Technology**

The importance of technology is increasing in the three areas of the environment, safety, and comfort. In addition to the demands of society and the global environment, we expect our suppliers to grasp the needs of customers accurately and have the ability to deliver on them ahead of the

competition and at a low cost, to allow as many customers as possible to benefit from new technology.

### **(3) Expectations of Suppliers in the Process of Creating Products and Services**

Hino Motors expects our suppliers to take internal initiatives on the following items.

We also expect our suppliers to strive to disseminate and expand initiatives on the following items with their own suppliers by developing their own sustainability policies and guidelines and implementing awareness-raising activities.

#### **1) Compliance**

##### **<Compliance with applicable laws and regulations and the spirit thereof>**

- Comply with applicable laws and regulations of each country and region and the spirit thereof.
- Establish and implement policies, structures, and mechanisms for ensuring compliance including a code of conduct, reporting system, and training.

##### **<Management and protection of confidential information>**

- Securely manage their own company's confidential information such as trade secrets and use such information appropriately.
- Obtain the confidential information of other companies from authorized personnel by legitimate means. Verify the scope of use and other conditions concerning such confidential information and use it only within the scope allowed, while maintaining its confidentiality and not infringing the rights of the other companies.
- Obtain personal information concerning employees, customers, and business partners only by legitimate means. Securely manage and protect the obtained information and use it only within the scope allowed.

##### **<Protection of intellectual property>**

- Protect and monitor intellectual property rights owned or attributable to their own company against any infringement by a third party.
- Do not infringe the intellectual property rights of a third party, including patents, utility models, designs, and trademarks, through unauthorized acquisition or unauthorized use, or through unauthorized copying of software or books.

##### **<Compliance with competition laws>**

- Do not engage in acts that infringe the competition laws of each country,

including private monopolies, unreasonable restraint of trade (cartels, collusive bidding, etc.), unfair trade practices, or abuse of dominant position.

**<Export controls>**

- Comply with laws and regulations concerning export controls and ensure management of products, technology, and other exports, for instance by confirming whether such exports are subject to regulations and preparing and providing parameter sheets.

**<Preventing corruption>**

- Comply with applicable laws and regulations concerning political donations or contributions and strive to build transparent and fair relationships with political and administrative bodies.
- Do not engage in the giving or receiving of entertainment, gifts, or money with customers, suppliers, and other business partners in order to obtain or maintain undue advantage or unfair preferential treatment.
- Prepare and maintain accounting records (such as forms and account books) that are reasonably detailed, accurate, and fairly reflect all transactions and dispositions of assets without off-balance-sheet transactions, fictitious transactions, or other transactions that are false or misleading.

## **2) Human Rights and Labor**

**We expect suppliers to understand, uphold, and strive to implement the HINO Human Rights Policy.**

**Link: HINO Human Rights Policy**

[https://www.hino-global.com/corp/csr/parts/pdf/Human\\_Rights\\_Policy.pdf](https://www.hino-global.com/corp/csr/parts/pdf/Human_Rights_Policy.pdf)

- Learn from international norms, including the Universal Declaration of Human Rights, uphold the United Nations Guiding Principles on Business and Human Rights, and promote initiatives for respecting human rights based on them.
- Strive to establish and continually implement a system for human rights due diligence (a process implemented to identify, prevent, and reduce negative impacts on human rights) in order to fulfill the responsibility to respect human rights.
- Strive to verify progress and disclose information on initiatives for respecting human rights.
- Expand the consultation hotlines established in each country or region and promote the establishment of effective relief mechanisms.

### **<Prohibition of discrimination and respect and acceptance of diversity>**

- Do not discriminate on any grounds including gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital or parental status in any aspect of employment, including applications, hiring, promotion, compensation, access to training, job assignment, wages, benefits, discipline, dismissal and/or retirement.
- Position diversity and inclusion as an important foundation of management and promote initiatives accordingly.

### **<Harassment>**

- Do not tolerate any form of harassment, including power harassment, sexual harassment, or peer pressure, or any other act that undermines the dignity of an individual.
- Verbal, visual, or physical conduct that interferes with performance, undermines dignity, or creates an intimidating, hostile, or offensive work environment for an employee is considered harassment.
- Report and investigate any complaints about harassment immediately. Also enable employees to report any incidents of harassment without fear of retaliation, intimidation, or bullying.

### **<Child labor>**

- Do not tolerate child labor that deprives children of educational opportunities and forces them to work from an early age interfering with their development.
- The working age shall be 15, the minimum age for employment based on the applicable laws and regulations of each country, or the age at which compulsory education is completed, whichever is the highest.
- Do not use employees under the age of 18 in hazardous work.
- Only permit employment related to vocational training and apprenticeships within the scope of the relevant laws and regulations of each country.

### **<Migrant labor and forced labor>**

- Do not permit any form of forced labor based on violence, intimidation, or debt, or any form of modern slavery, including human trafficking.
- Ensure that all labor is voluntary and that employees are free to leave their jobs.
- Do not require employees to hand over their passports, official identification papers, or work permits as a condition of employment. Do not require an individual to pay any costs considered unreasonable by international standards, such as recruitment fees, etc.

#### **<Wages>**

- Pay employees' salaries in compliance with the applicable laws and regulations of each country related to the minimum wage, overtime, deductions from wages, piece rates, and other elements of compensation.
- Provide the statutory benefits.
- Clearly detail salary and other benefits, welfare benefits, and deductions to employees in a timely manner in compliance with the applicable laws and regulations of each country.

#### **<Working hours>**

Comply with the applicable laws and regulations in each country governing employees' working hours, including overtime.

#### **<Freedom of association>**

- Recognize the right of employees to associate or not to associate freely in accordance with the applicable laws and regulations of the country in which business activities are conducted.
- Ensure employees enjoy the right to communicate openly and directly with management without fear of retaliation, intimidation, or bullying.

#### **<Safe and healthy working environment>**

- Ensure the highest priority is on safety and health at work and strive to prevent occupational accidents so that everyone can work with peace of mind.
- Support efforts to improve the health of employees through health promotion activities at work, guidance for preventing illness, and other means.

### **3) Environment**

#### **<Establishment of an environment management system>**

- Establish an Environment Management System (EMS) to carry out continuous improvement with the aim of securing sustainable coexistence of human beings and the planet. Comply with the applicable environmental laws and regulations in each country and work to maximize environmental performance.

#### **<Life Cycle Zero CO<sub>2</sub> Emissions Challenge>**

- Develop products and services that reduce greenhouse gas emissions and strive to reduce greenhouse gas emissions throughout the life cycle, including at business sites.
- With the aim of achieving carbon neutrality, not only identify emissions, but also strive to grasp the real situation in detail, including procurement of raw materials and parts. Work together with their own suppliers to plan and implement all kinds of reduction measures, including energy savings, improvements to equipment, replacement of materials, and introduction of renewable energy.

#### **<Challenge of Minimizing and Optimizing Water Usage>**

- Work thoroughly to ensure reduction in water usage and management of wastewater while continually assessing impact, taking into consideration the water environment in each country and region.

#### **<Challenge of Achieving Zero Waste (promotion of resource recycling)>**

- In addition to complying with domestic and international laws and regulations, utilize recycled materials, give consideration to recycling in designs, reduce and work toward eliminating waste at sites.

#### **<Challenge of Minimizing the Impact on Biodiversity>**

- Work toward the realization of a sustainable society in which people and nature coexist based on the recognition that biodiversity is a prerequisite for the continuation of corporate activities.

#### **<Legal compliance (management of chemical substances; management of air, soil, noise, and vibration)>**

- Comply with the applicable laws and regulations in each country and region, manage (eliminate, reduce, etc.) chemical substances, and do not use prohibited substances in products and manufacturing processes. Also, report to administrative bodies in accordance with laws and regulations.  
(See Green Purchasing Guidelines for more details on the environment.)

### **4) Responsible Procurement of Resources and Raw Materials**

- Engage in procurement activities with consideration for the impact on the local community of using raw materials that could cause social issues in terms of human rights or the environment, etc. (e.g., conflict minerals, cobalt, natural rubber, etc.). Take steps to avoid use in the case of any concerns.

### **5) Local and Global Communities**

#### **<Community contribution>**

- Focus on the social issues faced by each community and conduct social contribution activities that help to solve such issues in cooperation with the local community in order to promote its prosperity and development.

#### **<Disclosure of information to stakeholders>**

- Disclose information that is useful to stakeholders correctly and in a timely manner, including information on management, financial position, environmental preservation, society, and social contribution, and strive to build and maintain positive relationships with stakeholders through open and fair communication.

## **6) Developing Policies and Guidelines for Suppliers**

- Develop their own individual sustainability policies and guidelines for their own suppliers incorporating the principles outlined above and raise awareness of sustainability initiatives at their own suppliers through educational activities.
- Be conscious of the entire supply chain in the dissemination and implementation of policies and guidelines and take the necessary measures for follow-up and corrective action.

## **7) Compliance with the HINO Supplier Sustainability Guidelines**

- Hino Motors strives to ensure compliance with these guidelines throughout the supply chain which supports its manufacturing. We expect all of our suppliers to thoroughly read and understand these guidelines and take initiatives to ensure the dissemination and practice of the guidelines throughout their own supply chains.
- We may visit supplier factories and other sites as necessary in order to confirm compliance with these guidelines and to promote mutual communication. In some cases, this may take the form of a third-party audit.
- If there are any issues that do not comply with these guidelines, we expect suppliers to report them promptly and take steps to improve.



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