



# **Green Procurement Guideline**



**September, 2017**  
**ISUZU MOTORS LIMITED**

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## 1. Introduction

In this day and age, the international community expects companies to make various efforts to curb environmental burden to build a sustainable society.

Isuzu Motors Limited believes it is our mission to aim at becoming a “global leading company in the commercial vehicle and diesel engine industry”, engineer the most fuel efficient and cleanest diesel engines and vehicles equipped with these engines in the quickest and most economical manner, and stably supply the products by respecting the “Isuzu Charter on the Global Environment”, which is the environmental vision of the Isuzu Group.

We believe that we can come up with a broad range of solutions to achieve our mission by promoting environmental management initiatives such as the enhancement of environmental performance, the reduction of GHG (Green House Gas) to combat global warming, and the environmental risk reduction through proper control over environmentally hazardous substances.

Additionally, the international community considers global environmental preservation one of the most common and important global challenges, and thereby expects companies to make additional efforts to convert environmental activities into more global ones.

Under the circumstances, Isuzu aspires to create a sustainable society by actively tackling environmental challenges as well as reinforcing the environmental management of the entire value chain together with our supplies through ever closer communication.

With the background explained above, the “Isuzu Green Procurement Guideline” has been revised to meet the needs of the times and fit with the current social context.

We would like to kindly ask our suppliers to understand the purpose of this guideline and provide us with more cooperation towards Isuzu’s green procurement activities.

Division Executive of Purchasing Division  
Senior Executive Officer

Shigeo Tsuzuki

## 2. Corporate Vision/Corporate Mission

### Corporate Vision

**Isuzu will always mean the best.** A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment.

### Corporate Mission

**Trust, Action, Excellence**

A global team delivering inspired products and services committed to exceeding expectations

## 3. Isuzu Charter on the Global Environment

**We pledge anew to continue our efforts for humanity and global future as we did in the past. This is our pledge for the next 10 years.**



### ◆ Policy Statement

#### - We will create a prosperous and sustainable society.

We will conduct our corporate activities in harmony with the ecosystem to protect this beautiful planet with myriad lives on it, while meeting future generations' hopes for economic and technological progress.

#### - We will reduce environmental impacts throughout our operations

In collaboration with group and affiliate companies, we will continue to reduce impacts to the environment by cutting carbon emissions and recycling resources through all our operations including trucks and other products and services.

#### - We will collaborate with the community and participate in social activities.

As a corporate citizen of the Earth, we will take part in national or community-based ecological or social activities as much as possible to strengthen partnership with the community.

### ◆ Action Guidelines

#### 1. Create a sustainable society

We will achieve an optimum tradeoff between economy and ecology, while offering environmentally-friendly, high-value added products and services to meet customers' needs.

#### 2. Promote environmental technology

We will take the lead in developing technologies aimed at reducing environmental impacts through the product life cycle from changing raw materials in manufacturing process through to end-of-life scrapping.

#### 3. Comply with laws and work towards self-imposed targets.

We will thoroughly comply with environment-related laws and regulations while setting out own goals for critical environmental items, with the aim of ecological preservation.

#### 4. Formulate an environmental management system and collaborate with affiliate companies

We will construct an environmental management system together with all the group companies with which we do business. Through mutual cooperation, we will continue to raise the standards of our environmental activities.

#### 5. Enhance communication with and contributions to society

We will help to create a prosperous society by effectively interacting with local communities through products, services and human resources.

#### 6. Promote of education and training and nurture of environmental awareness

We will make all Isuzu group companies and employees more environmentally aware through education and training.

## 4. Engineering Base Concept



## 5. Basic Purchasing Vision / Basic Policy / Motto

### Basic Purchasing Plan

We at Purchasing Division ensure satisfactory quality, delivery and quantity of purchased parts so that smooth production is achieved through our purchasing activity. We also help provide a new technology through our purchasing activity in the market to contribute to profitability of the company.

### Basic Purchasing Policy

- (1) With quality as our priority, Isuzu seeks to create a system with the aim to offer products that meet the needs of our customers.
- (2) Isuzu aims to procure domestic or overseas parts, under fair competition, if the parts are satisfactory in terms of quality, pricing and delivery.
- (3) Isuzu enhances corporate competitiveness while developing procurement scheme aiming to form win-win relationships with our business partners.

### OPEN(Optimum Procurement to Embody the Needs)

**OPEN** aims at meeting market needs and establishing the optimum procurement route while promoting reform of our procurement activities.

**OPEN** is our procurement motto designed to embody the image of reform and disseminate it inside and outside Isuzu.

Established on July 13, 2010



## 6. Requests to Our Suppliers

Isuzu makes efforts to conduct our business activities in an eco-friendly manner while respecting the "Isuzu Charter on the Global Environment". Based on our policy, we would like to kindly ask our suppliers to properly check their activities towards our requested action items written below in the course of their business operations and to conduct continuous improvement activities if necessary. We would appreciate our suppliers' understanding of the purpose and actions towards the following requests.

Action Items	Categories of Environmental Actions		
	Parts *1	Business Locations *2	Logistics *3
◆ Requests on environmental management			
1. Development of an Environmental Management System	—	○	—
2. Notification of Environmental Administration Manager	—	○	—
3. Compliance to Environmental Laws and Regulations	—	○	—
4. Improvement of Environmental Performance	—	○	—
5. Submission of Self-Evaluation Report on the Environmental Management System and the Confirmation of the Report by Isuzu	—	○	—
◆ Requests Regarding Parts, Materials and Services to be Delivered to Isuzu			
6. Management of Environmentally Hazardous Substances			
(1) Management of Environmentally Hazardous Substances of Parts/Others Delivered to Isuzu (Coverage: Parts, raw and secondary materials to be incorporated into Isuzu final products)			
a) Compliance to ISC-A00-008 "Restricted and Reportable Substances for Parts"	○	—	—
b) Provision of Information on Materials and Environmentally Hazardous Substances	○	—	—
c) Reduction of Environmentally Hazardous Substances	○	—	—
d) Reduction of In-Cabin VOC (Volatile Organic Compounds)	○	—	—
(2) Management of Environmentally Hazardous Substances of Raw/Secondary Materials Used in the Isuzu Premises (Coverage: Materials not to be incorporated into Isuzu final products)			
a) Prohibition of Containing Environmentally Hazardous Materials Designated by Isuzu	○	—	—
b) Provision of Information on Materials and Environmentally Hazardous Substances	○	—	—
c) Appropriate Treatment of Waste Materials Generated from Equipment Installations and Constructions	○	—	—
7. Efforts of Lifecycle Management in the Environment	○	○	○
8. Reduction of the CO <sub>2</sub> Emissions, and Packing/Wrapping Materials in Logistics			
Logistics Outsourced by Isuzu and Logistics Handled by Suppliers for Their Deliveries to Isuzu	○	○	○

- \*1 Outsourced vehicles and components, parts, accessories, raw materials, secondary materials, packing/wrapping materials, equipments and others to be delivered to Isuzu.
- \*2 Business related places such as suppliers' plants, offices, sales branches, logistics facilities and others.
- \*3 Logistics for suppliers' deliveries to Isuzu and logistics outsourced by Isuzu

## **1) Development of an Environmental Management System**

In corporate business activities, it is important to conduct environmental protection activities systematically and continuously. To this end, we believe it is essential to build an environmental management system. That is why Isuzu asks suppliers with whom it conducts business to establish environmental management systems.

Suppliers are asked to acquire and maintain the ISO14001 certification as this is a fundamental standard.

Suppliers who have already established environmental management systems are asked to stay certified and improve the operations based on the certification.

## **2) Compliance to Environmental Laws and Regulations**

Isuzu Motors Limited makes efforts to be thoroughly compliant to laws and regulations as part of its corporate social responsibilities.

Isuzu is premised on compliance to environmental regulations to promote a broad range of environmental activities in the midst of environmental laws and regulations being diversified and multiplied in number as the environmental problems have become global issues.

We ask suppliers to be compliant to environmental regulations in their business activities from a global perspective.

Additionally, we ask suppliers to be fully aware of the revision status of environmental laws and regulations, and to conduct proper responses in the future.

## **3) Improvement of Environmental Performance**

We kindly ask suppliers to actively make efforts to enhance the following environmental performances in their business activities.

- (1) Promotion of energy preservation activities
- (2) Reduction of the emissions of greenhouse gases such as CO<sub>2</sub>
- (3) Reduction of water usage
- (4) Reduction of waste volume and the proper treatment of wastes
- (5) Reduction of emissions of substances designated under PRTR\*1
- (6) Reduction of emissions of VOC\*2

## **4) Management of Environmentally Hazardous Substances**

### **(1) Management of Environmentally Hazardous Substances of Parts/Others Delivered to Isuzu**

Based on SAICM\*3, not only prohibiting and/or reducing the use of possible environmental risk materials, but also laws and regulations based on the concept that these materials should be properly used after evaluating and controlling the risks have been globally enforced.

Isuzu Motors Limited collects, gains knowledge on and properly manages substance content data on the materials and parts procured based on GADSL\*4, the ELV Directive\*5, the REACH regulation\*6 and others.

Regarding the parts and others to be delivered to Isuzu, we kindly ask suppliers to comply with and cooperate on the following items.

**a) Compliance to ISC-A00-008 "Restricted and Reportable Substances for Parts"**

Suppliers are asked to control environmentally hazardous substances in accordance with ISC-A00-008 "Restricted and Reportable Substances for Parts", which is Isuzu's standards. Any substances prohibited under this standards shall not be contained in parts at all, and any restricted substances whose usage is limited under the standards shall not be used beyond the specified usage. Suppliers are also asked to report to Isuzu's relevant department on substances that require reporting.

**b) Provision of Information on Materials and Environmentally Hazardous Substances**

Isuzu collects the data of materials such as parts using IMDS\*7 to reduce environmentally hazardous substances and improve recycling. We kindly ask suppliers to provide parts material data via IMDS if/when Isuzu's relevant department requests for data entry into IMDS.

For entering data into IMDS, please follow the IMDS rules (see recommendations 001-023) and "Isuzu IMDS Operation Manual".

The latest version of the above rules and the manual is available at the IMDS website.

**•Official IMDS web site:**

<https://public.mdsystem.com/en/web/imds-public-pages/home>

**•IMDS rules (see recommendations 001 to 023):**

To view the information on the IMDS website, you firstly need to register on IMDS (company registration required). For registration, log on to the official IMDS website, then go from "For new users of IMDS" to "Company Registration" and click on "Online Registration" and enter required information for the registration. Upon obtaining a user ID and a password, log on to the website from the following URL.

<https://www.mdsystem.com/imdsnt/faces/login>

**•Isuzu IMDS operation manual:**

[https://public.mdsystem.com/documents/10906/17094/isuzu\\_imds\\_entry\\_manual\\_ver.7.0\\_en.pdf](https://public.mdsystem.com/documents/10906/17094/isuzu_imds_entry_manual_ver.7.0_en.pdf)

Isuzu asks suppliers to provide information on the safe handling of secondary materials incorporated into Isuzu final products. If/when Isuzu's relevant department requests for the information provision, please submit SDS\*8 (Safety Data Sheet).

**c) Reduction of Environmentally Hazardous Substances**

Isuzu also makes efforts to reduce environmentally hazardous substances other than the ones whose usage is prohibited.

We ask suppliers to reduce the use of and consider alternatives to the substances whose usage outside its intended application is prohibited or the substances on which reporting is required in accordance with ISC-A00-008 "Restricted and Reportable Substances in Parts".

**d) Reduction of In-Cabin VOC (Volatile Organic Compounds)**

Isuzu Motors Limited makes utmost efforts in manufacturing vehicles with in-cabin VOC in mind, which is based on the "Voluntary Approach to Vehicle Cabin VOC Reduction" defined by JAMA, Japan Automobile Manufacturers Association. Since in-cabin VOC is a mixture of elements volatilized from various parts of the cabin, it is necessary to gain cooperation from suppliers to make continuous efforts to reduce the VOC emitted from the in-cabin parts.

Continuous activities for VOC reduction include the following:

- (1) Not using raw materials which contains VOC
- (2) Preventing VOC contamination in production processes (i.e. production, storage, transfer, etc.)
- (3) Satisfying Isuzu VOC emissions standard as a result of the above

We ask suppliers to continue the above activities for new and changed parts.

## **(2) Management of Environmentally Hazardous Substances of Raw/Secondary Materials Used in the Isuzu Premises**

### **(Coverage: Materials not to be incorporated into Isuzu final products)**

We ask suppliers to take the actions described below against the raw and secondary materials used in the Isuzu premises.

#### **a) Prohibition of Containing Environmentally Hazardous Materials Designated by Isuzu**

For raw and secondary materials used in the Isuzu premises, we put restrictions of "complete usage prohibition" and "partial usage under certain conditions" according to the types of environmentally hazardous substances and the content levels. We ask suppliers to make sure raw and supplementary materials are free of the environmentally hazardous substances specified by Isuzu. For details please contact Isuzu's relevant department located in the Isuzu premises.

#### **b) Provision of Information on Materials and Environmentally Hazardous Substances**

Isuzu also asks suppliers to provide the information of safety handling on raw and secondary materials used in the Isuzu premises. We ask suppliers to submit SDS(Safety Data Sheet) if/when Isuzu's relevant department requests for it.

#### **c) Appropriate Treatment of Waste Materials Generated from Equipment Installations and Constructions**

We ask suppliers to be responsible for the treatment of the wastes generated from suppliers' equipment installation or construction carried out in the Isuzu premises.

## **5) Reduction of the CO<sub>2</sub> Emissions, and Packing/Wrapping Materials in Logistics**

To further reduce CO<sub>2</sub> emissions, Isuzu actively engages in lowering carbon emissions in the area of logistics. On top of this effort, we strive to reduce the usage amount of packing and wrapping materials.

### **Logistics Outsourced by Isuzu and Logistics Handled by Suppliers for Their Deliveries to Isuzu**

Isuzu requests logistics suppliers whom we outsource to transport Isuzu products (complete vehicles, components and parts) and parts for production to join us in improving transport efficiency and energy-saving driving upon understanding Isuzu's actions for CO<sub>2</sub> emission reduction.

We kindly ask suppliers to minimize the usage of packaging and wrapping materials to reduce wastes.

## 7. Other and Glossary

1. Isuzu will not use the information acquired from suppliers for any purposes other than Isuzu Group's environmental promotion activities.
2. The content of the Green Procurement Guideline is subject to change in accordance with revisions in laws, regulations, and Isuzu's internal rules.
3. Contact information for inquiries about this guideline: Purchasing Operations Dept., Purchasing Div., Isuzu Motors Limited. (Tel: 81+(0)466- 45-9547)

\*1 PRTR (Pollutant Release and Transfer Register)

A system designed to gather, calculate and publish the following information about specified chemicals:

From where they come; and in what amount they are released or transferred in the form of wastes

\*2 VOC(Volatile Organic Compounds)

VOC, or volatile organic compounds, include formaldehyde, acetaldehyde, toluene, xylene, ethyl benzene, styrene, tetradecan, etc.

\*3 SAICM (Strategic Approach to International Chemicals Management)

<http://www.env.go.jp/chemi/saicm/>

\*4 GADSL : Global Automotive Declarable Substance List

The Global Automotive Declarable Substance List (GADSL) is the result of the efforts of a global team from the automotive and chemical/plastics industries in Japan, the US and European countries. URL: <https://public.mdsystem.com/en/web/imds-public-pages/gadsl>

\*5 ELV Directive (End of Life Vehicle)

The ELV Directive became effective as the "Recycle Directive on End-of Life Vehicle 2000/53/EC". The directive calls for creating collection platforms to limit the use of the chemical substances in products and achieve high recycle ratios in order to reduce environmental hazardous substances derived from end-of-life vehicles.

\*6 REACH Regulation (The Registration, Evaluation, Authorization and Restriction of Chemicals)

The REACH entered into force in 2007 as the regulation on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH). The regulation calls for companies to be responsible for managing chemical substances and obligates companies not only to know and evaluate the risk of the chemical substances used and contained in their premises but also to manage the chemicals in their supply chains.

\*7 IMDS (International Material Data System)

A system to collect information on the material composition of and chemicals used in parts via the internet

\*8 SDS(Safety Data Sheet)

A safety data sheet on which the information necessary to safely handle raw materials containing chemicals.