

initiative 2



Initiative 2: Affect Purchasing Behaviour

Develop a simplified approach to product selection in order to promote energy efficient products.
Remove cooling only products.
Adapt IT infrastructure to support specification and quotations under the Green Gateway Initiative.
Motivate customers to make the most sustainable purchasing decision.
Reward and recognise corporations and individuals that promote best practice.
Reward sales people for increasing sales of products from the 'green list'.
Appoint a Sustainability Manager and promote all policies throughout the Company.

Mitsubishi Electric LES has a unique opportunity to utilise its market footprint to affect the purchasing decisions that exist throughout its supply chain.

Develop a simplified approach to product selection in order to promote energy efficient products.

Mitsubishi Electric LES produces a wide range of air conditioning and heating equipment, with each product range appropriate for particular applications.

The Company has reviewed the performance of all of its products and has developed a 'green list' which identifies the products which perform most efficiently, producing the lowest volume of CO₂ emissions.

The criteria for a product being on the 'green list' are as follows:

- a. An energy level of B or above (this is the same qualification as ECA)
- b. Having a Coefficient of Performance (COP) greater than 3 for cooling and 3.4 for heating
- c. It must be an inverter driven solution, due to seasonal efficiency benefits.

This 'green list' provides a useful tool for account managers and customers to choose products for installation with the lowest level of CO₂ emissions.

Looking at a particular product range, four models will feature on the 'green list' and one model does not qualify as its energy label is C/C:

M Series Inverter Heat Pump, R410A Wall Mounted System

MODEL REFERENCE		MSZ-GA25VA	MSZ-GA35VA	MSZ-GB50VA	MSZ-GA60VA	MSZ-GA71VA
CAPACITY (kW)	Heating (nominal)	3.2 (0.9-4.5)	4.0 (0.9-5.0)	5.8 (0.9-7.8)	6.8 (0.9-8.1)	8.1 (0.9-9.6)
	Cooling (nominal)	2.5 (0.9-3.0)	3.5 (1.0-3.9)	5.0 (0.9-5.8)	6.0 (0.9-6.7)	7.1 (0.9-8.3)
	Heating (UK)	2.65 (0.75-3.75)	3.3 (0.75-4.15)	4.8 (0.75-6.5)	5.65 (0.75-6.75)	6.75 (0.75-8.0)
	Cooling (UK)	2.5 (0.9-3.0)	3.45 (1.0-3.85)	4.95 (0.9-5.75)	5.95 (0.9-6.65)	7.05 (0.9-8.25)
SHF (nominal)		0.79	0.76	0.69	0.79	0.71
COP / EER (nominal)		4.21 / 3.91	3.79 / 3.24	3.41 / 3.03	3.51 / 3.11	3.31 / 2.93
ENERGY LABEL Heating/Cooling		A / A	A / A	B / B	B / B	C / C

Remove cooling only products.

Mitsubishi Electric LES will remove all cooling only products from its range. This will encourage the use of heat pumps for heating that offer significant benefits compared to fossil fuel boilers and prevent any possibility of the cooling system fighting the heating system that the end-user has made operational.

Adapt IT infrastructure to support specification and quotations under the Green Gateway Initiative.

Mitsubishi Electric LES is developing its quotations system to incorporate the level of CO₂ emissions, running costs as well as the capital cost of a proposed heating and cooling system.

The Company will offer customers a range of solutions, from the client specified installation to the 'green list' alternative, with the accompanying level of CO₂ emissions and running costs.

The customer will then be well-informed to decide the most appropriate equipment. This enhanced quotation system will be available for all account managers to use as well as available at head office.

Motivate customers to make the most sustainable purchasing decision.

As outlined above, Mitsubishi Electric LES will promote the 'green list' to its customers to encourage customers to select products with the lowest CO₂ emissions. Each year the Company will recognise these purchasing decisions with an award for the contractor who has purchased the highest proportion of products from the 'green list' and after the second year an award will also be given to the contractor who has made the biggest increase in purchases from the 'green list'. Mitsubishi Electric LES will also present an award to the corporate end user who purchases the most from the 'green list' each year.

Reward sales people for increasing sales of products from the 'green list'.

In order to encourage the maximum use of the 'green list' with its customers, Mitsubishi Electric LES will recognise the sales person who sells the highest volume of products from the 'green list' with an award, which will be presented at the annual Sales Conference.

Reward and recognise corporations and individuals that promote best practice.

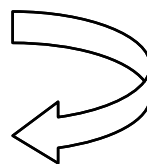
Mitsubishi Electric LES plans to develop a programme of recognition for all its customers who purchase products from its 'green list'. For example, providing a plaque to customers which is displayed on buildings: "This building is fitted with the most energy efficient heating and cooling system available, using Mitsubishi Electric LES products, and is meeting CO₂ emission targets".

Appoint a Sustainability Manager and promote all policies throughout the Company.

Mitsubishi Electric LES will appoint a Sustainability Manager who will champion sustainability policies throughout the Company. It is envisaged that this role will encompass these main areas:

- a. Full assessment of the needs of customers, ensuring that the solutions the Company is providing are sustainable
- b. Provision of training for the designers who work for consultants and contractors, as well as the engineers. In the training for engineers include an explanation of the tipping point between replacing and repairing equipment, and the benefits to the client
- c. Usage of an easy to use tool for detailing the savings in selecting different units for the same job. The example below shows gives the different Coefficient of Performance (COP) for three 5kw cassette split systems on offer, with a 15% improved performance of one over the other two:

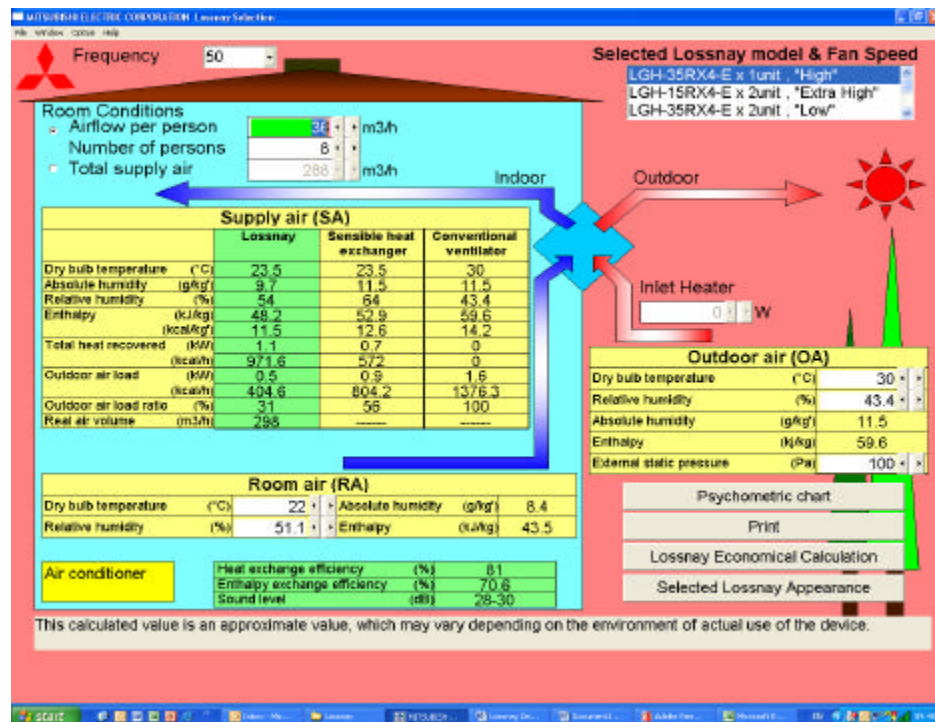
5kw Cassette	COP
Power Inverter	3.23
Standard cassette	2.81
S-type cassette	2.82



15% better performance

- d. Advice on possible grants for customers

- e. Generate knowledge of all competing technologies, combined heat and power (CHP), Biomass, four pipe fan coil, chilled ceilings to provide a comprehensive assessment
- f. Providing account managers with support on sustainability issues, for example providing a rationale on why the equipment chosen has been selected, what the savings in CO₂ are between the new scheme and that originally proposed by the client and running lifetime costs for quotations
- g. Promote usage of the software which calculates which Lossnay models should be installed. An example screen from this software:



- h. Communicate to account managers and customers the benefits of replacing equipment, rather than fixing it, in certain circumstances.

Expected outcomes from this initiative:

From the current levels of split systems sales, 50% of sales are for systems with the highest efficiency and 50% of sales are for systems with medium efficiency. By 2010 we expect 75% of split systems sales to consist of the highest efficiency systems.