

**SUZUKI GREEN
Policy**

**Pak Suzuki
Green Procurement Guideline**

Established 18-March.-2019

Pak Suzuki Motor Co., Ltd

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Appendix 1 [Suzuki Controlled Chemical Substances List]

Related Document Forms

<available from our Procurement Division or Technical Management Department - Certification
"Pak Suzuki Green Procurement Promotion Agreement "
"Environmental Survey Report A"
"Environmental Survey Report B"
"SOC Management System Self-Check Sheet" (New/Regular)

1. Introduction

Dear Suppliers,

Suzuki Group is realizing that actions of each and every one of us have a great effect on our earth's future in order to pass on to the next generation a clean environment and bountiful society, so we are making every effort to preserve our environment.

And we, Pak Suzuki commit itself in promoting "production of small and subcompact vehicles" and "development of environmentally benign products" needed by customers based on the slogan, "Small Cars for a Big Future", and make efforts to be "Smaller, Fewer, Lighter, Shorter, and Cleaner" on every side and works for the efficient, well-knit and healthy management.

We shall establish our compliance for law, regulation, and standard in order to implement this management. Also we shall construct trust relationship with customers, suppliers, shareholders, communities and our employees.

We have published "Green Procurement Guideline" to procure parts, materials and others with no/less environmental pollutant under this condition.

We would like to request all our suppliers to understand this condition, and agree our "Green Procurement Guideline".

18-March-2019
Pak Suzuki Motor Co., Ltd

2. Environmental Charter

Pak Suzuki 's environmental activities are guided by the Suzuki Global Environment Charter, which was established in March 2002 (revised in December 2006).

Based on the concept of Environment Charter, we are systematically promoting environmental protection activities throughout the entire organization.

Suzuki Global Environment

[Environmental Concept]

Knowing that the actions of each of us will bring about a great effect on our earth's future, Suzuki will make best efforts for environmental conservation in order to pass on to the next generation a clean environment and a bountiful society.

[Basic Environmental Policies]

- Strictly observe environmental laws and follow our own standards.
- Reduce environmental impact substances in our business activities and our products.
- Continuously improve our environmental management system.
- Aggressively promote environmental communications.

3. Concept of Green Procurement

3-1 Definition of Green Procurement

Pak Suzuki defines "Green Procurement" as follows:

Green Procurement = "Purchasing Green Products from Green Suppliers"

<Green Products>

Parts, Accessories, Raw Materials, Direct Consumable, Packaging Material, & Machinery Equipments (hereafter called "parts and others")

=

- Parts and others that conform to laws and regulations controlling environmental impact substances (substances of concern)
- Parts and others that do not contain prohibited substances and can be certified on that matter

<Green Suppliers>

Suppliers that are playing active roles in environmental protection

=

- Suppliers making efforts to establish Environmental Management System
- Suppliers making efforts to establish SOC Management System

3-2 Pak Suzuki Green Procurement Policy

Based on the "Suzuki Global Environment Charter", we are playing active roles in global environmental protection through low carbon society and biodiversity conservation, going hand-in-hand with our suppliers in order to realize a sustainable development society.

As one of the activities of executing our corporate social responsibility, we are promoting "Green Procurement".

Green Procurement Policy = "We Purchase Green Products from Green Suppliers"

3-3 Scope of Green Procurement Guideline

The Guideline shall apply to parts and others procurement and delivery activities for Pak Suzuki 's plants.

(1) Starting date of application

The Guideline will become effective on 18th March 2019

(2) Coverage

The Guideline shall cover all suppliers that deliver parts and others to Pak Suzuki 's plants.

For the parts and others that are delivered to our overseas plants, we also encourage the relevant suppliers for global environmental protection activities.

3-4 Green Procurement Promotion System

The "Green Procurement Promotion System" established in Pak Suzuki Motor Co., Ltd is aggressively promoting Green Procurement through good communication with relevant stakeholders.

4. Requests to Suppliers

The following activities for Green Procurement are requested in order to ensure "procurement of Green products from Green suppliers" in accordance with Pak Suzuki Green Procurement Policy.

The requested items consist of :-

- (1) "Compliance with Environment Related Regulations";
- (2) "Establishment of Environmental Management System";
- (3) "Establishment of SOC Management System";
- (4) "Environmental Efforts in Suppliers' Business Activities";
- (5) "Submission of Green Procurement Related Documents";
- (6) "Others".

Although "Establishment of SOC Management System" is separated from "Establishment of Environmental Management System" in this guideline, you may incorporate the SOC management in the Environmental Management System or Quality Management System.

The requested activity items are listed below by category of suppliers.

As the requested activities vary depending on the category of supplier, please carefully check the following "Green Procurement Activity List".

	Categories of suppliers				
	Contained in our products		Not contained in our products		
	Parts	Raw Material & Direct Consumables	Vehicle Accessories	Packing & Packaging materials	<*3> Machinery Equipment
4-1 Compliance with Environmental Regulations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4-2 Establishment of Environmental Management System	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4-3 Establishment of SOC Management System					
(1) Appointment of person in charge of SOC Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
(2) IMDS data input Or specific forms of documents designated by Pak Suzuki shall be submitted.	<input type="radio"/>	<input type="radio"/>	-	-	-
(3) Compliance with Suzuki Engineering Standard "SES N 2402"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	-	-
Non-use of prohibited substances <*1>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(4) Control of Tier 2 and other suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
(5) Implementation of audit by Pak Suzuki.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	-
4-4 Environmental Efforts in Suppliers' Business Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4-5 Submission of Green Procurement Related Documents					
(1) "Pak Suzuki Green Procurement Promotion Agreement"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	-
(2) "Environmental Survey Report A" and "Environmental Survey Report B"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(3) "SOC Management System Self-Check Sheet"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	-	-
4-6 Others (*2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(*1) Refer to "Suzuki Controlled Chemical Substances" (Appendix 1).

(*2) In the case where imported products or parts may contain asbestos, an asbestos-free certificate is separately required, and sampling inspection is performed to check if it is contained or not.

(*3) Machinery Equipments:

Inclusion in scope: Machines used for inhouse manufacturing. Indirect Consumables used in machines limited to oils, grease & coolant.

Exclusion from scope: R&D & Quality Assurance Testing Equipements & Office Stationery

"Future Action : Based on feedback from suppliers"

4-1 Compliance with Environmental Regulations

Suppliers are requested to abide with all applicable Environmental laws and regulations.

4-2 Establishment of Environmental Management System

We prioritize business relations with suppliers that are playing active roles in environmental protection (by implementing the following item 1 or 2).

* Refer to 4-5 (2) "Environmental Survey Report A" and "Environmental Survey Report B".

(1) Having already acquired an external certificate of Environmental Management System

* The external certificates include ISO 14001 (international)

(2) Having not acquired any external certificate of Environmental Management System, but making efforts to establish own Environmental Management System

Other priorities are as follows:

- (1) Little noise, vibration or bad odor during use
- (2) Low levels of chemical, air, water, and land contamination during disposal
- (3) Resource or energy saving realized through the use of recycled materials or parts or downsizing
- (4) Employment of recyclable design
- (5) Disclosure of environmental data on Direct Consumables
- (6) Efforts for resource saving, recycling, weight reduction and chemical substance reduction also concerning packaging materials.

4-3 Establishment of SOC (Substance of Concern) Management System

Pak Suzuki will preferentially do business with suppliers that are making efforts for SOC management.

* Refer to 4-5 (3) "SOC Management System Self-Check Sheet".

- (1) Suppliers are requested to assign a person in charge of SOC management.
- (2) Also, a person in charge of IMDS data input shall be assigned for entering the data on chemical substances contained in products at the request of Pak Suzuki Motor Co., Ltd (Or specific forms of documents designated by Pak Suzuki shall be submitted.)
<Need for IMDS>
 - (i) To confirm (demonstrate) non-use of prohibited substances
 - (ii) To check for inclusion of SVHC and if any, to figure out the contents (REACH regulation in Europe)
 - (iii) To calculate the recyclability and recoverability (ELV Directive in Europe)
 - (iv) To calculate shredder-dust reference weight (Japanese legislation to automobile recycling)

- (3) Suppliers are requested to conform to Suzuki Engineering Standard "SES N 2402".
Also, they are requested not to use the prohibited substances indicated in "Suzuki Controlled Chemical Substances List" (Appendix 1)

<Categories of suppliers>
Parts, Raw Materials, Direct Consumable, Accessories,

Suppliers are requested not to use the prohibited substances indicated in "Suzuki Controlled Chemical Substances List" (Appendix 1).

<Categories of suppliers>
Packing/Packaging materials, Machinery and equipment

- (4) Control of Pak Suzuki Tier 1 suppliers on Tier 2 and other suppliers
Since the automobile industry has a very broad base consisting of a large number of subcontractors, cooperation among the entire supply chain including Tier 2 and other suppliers is necessary. Pak Suzuki only request Tier 1 suppliers to take this activity forward with Tier 2, Tier 3 and other suppliers (sub contractors) and request them to confirm to applicable environmental laws and regulations, Establish EMS and SOC management system and make efforts to reduce SOC in their business activities.
- (5) Implementation of audit by Pak Suzuki
Apart from the conventional Quality Audit on parts and others, there may be cases where audits on Environmental Management System and SOC Management System are conducted, on which your cooperation is requested.

4-4 Environmental Efforts in Supplier's Business Activities

Suppliers are requested to make the following efforts for reducing environmental impact substances in their business activities.

- (1) Reduction of CO₂ emission
 - (2) Reduction of VOC emission
 - (3) Reduction of waste
 - (4) Reduction of water consumption
 - (5) Promotion of energy saving
- * Submission of relevant data on the above items is not required.

4-5 Submission of Green Procurement Related Documents

- (1) "Pak Suzuki Green Procurement Promotion Agreement"
To strengthen mutual understanding on Green procurement, suppliers are requested to submit "Pak Suzuki Green Procurement Promotion Agreement" (hereafter called "Agreement") as evidence of agreement about "Pak Suzuki Green Procurement Guideline" (which is subject to occasional revision).
- (1) New suppliers shall submit it before starting business with us.
 - (2) Regular suppliers that have not submitted it yet shall submit it immediately.

* For the "Agreement" form, contact our Procurement Division or Technical Management Department - Certification Section.

* In the case where "Pak Suzuki Green Procurement Guideline" is revised, Pak Suzuki will provide a revision notice. Suppliers that have already submitted the Agreement shall check the revised guidelines, and if any objection against the revision, shall contact us within 90 days after our revision notice e-mail date. If we receive no contact or inquiry within that time limit, it is deemed that the revised version has been accepted.

(2) "Environmental Survey Report A" and "Environmental Survey Report B"

* For "Environmental Survey Report A" and "Environmental Survey Report B", contact Pak Suzuki Procurement Division or Technical Management Department - Certification Section.

These reports are related to suppliers' "Establishment of Environmental Management System".

(1) New suppliers are requested to submit the reports at the time of supplier selection.

- "Environmental Survey Report A" required for confirmation of external certificate of Environmental Management System
- "Environmental Survey Report B" required for confirmation of current status of voluntary establishment of Environmental Management System

** Suppliers that have already acquired an external certificate are requested to submit "Environmental Survey Report A".*

Suppliers that have not acquired an external certificate yet are requested to submit both "Environmental Survey Report A" and "Environmental Survey Report B".

(2) Regular suppliers, that have newly acquired, renewed or altered an external certificate of Environmental Management System or are forced to cancel it, are requested to the above report.

(3) "SOC Management System Self-Check Sheet"

* For "SOC Management System Self-Check Sheet" contact Pak Suzuki.

This check sheet is used for survey on the current status of "Establishment of SOC Management System".

(1) New suppliers are requested to submit the reports at the time of supplier selection. < New Items >

After starting business with us, the new suppliers shall follow the procedure described in the next paragraph "(2) Regular suppliers".

(2) Regular suppliers are requested to perform a self check on < Regular Items > once a year and submit the check sheet to us upon request.

4-6 Others

In the case where imported products or imported parts may contain asbestos, an asbestos-free certificate is separately required, and sampling inspection is performed to check if it is contained or not.

In such a case, our person in charge will inform the relevant supplier(s) about the required documents and other requests, for which cooperation will be appreciated.

5. Others

5-1 Handling of "Pak Suzuki Green Procurement Guideline"

The Guideline is announced and revised as follows.

- (1) "Pak Suzuki Green Procurement Guideline" is available on website.
✖website : <https://www.paksuzuki.com.pk/>
- (2) In the case of revision of the Guideline and "Suzuki Controlled Chemical Substances List (Appendix A-1)", Procurement Division of Pak Suzuki will provide all suppliers with the relevant information by e-mail.
After revision, the revised document will become effective.

5-2 Handling of Submitted Data

All of the data submitted by suppliers will be used only within **Pak Suzuki** as confidential information and will not be disclosed outside the company.

It should be noted, however, such information may be provided to a governmental agency or public environment related organizations such as certification body if such a request is made.

5-3 Contact and Recipient of Documents

PROCUREMENT DIVISION AND TECHNICAL MANAGEMENT DEPARTMENT - CERTIFICATION SECTION
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5-4 Revision Record

	Date of revision	Revision detail
Established	18th March 2019	
1st revision		
2nd revision		
3rd revision		
4th revision		