

SUZUKI GREEN Policy

Green Procurement Guideline of Magyar Suzuki Corporation Ltd.

Issued on 28th September 2023
by Magyar Suzuki Corporation Ltd.

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1. Introduction

Dear Suppliers,

We truly appreciate your kind support in our R&D, production and purchasing activities.

As a part of our corporate social responsibility, we strive to protect the environment globally, therefore we put forth our global environmental principles in our Green Procurement Guideline first issued in 2003. In order to reach our goals, we would like to ask for your kind support and close cooperation.

In order to respond to new environmental preservation movements, such as tightening of regulations on environmental impact substances, we revised our standards and control criteria, and issue the latest version based on the revision.

The following items were revised in the guideline:

4-3. (3) Establishment of SOC Management System, 5-1. (2) Handling of "Green Procurement Guideline of Magyar Suzuki Corporation Ltd.": The access route to Suzuki Controlled Chemical Substances List (Appendix 1) has been clarified.

4-5. (1) Submission of Green Procurement Related Documents, 5-1. (1) Handling of "Green Procurement Guideline of Magyar Suzuki Corporation Ltd.": The link to upload the Green Procurement Guidelines has changed (<https://www.suzuki.hu/corporate/en/company/environment/environment-green-factory>).

To keep up with globalization of R&D, purchasing, production and sales activities, we will more actively promote the environmental protection activities not only in Europe, but also in all relevant countries and regions throughout the world.

Therefore, your understanding and further assistance for our activities would be highly appreciated.

28th September 2023
Magyar Suzuki Corporation Ltd.

2. Suzuki Global Environment Charter

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 this charter, we are systematically promoting environmental protection activities throughout the entire organization.

Suzuki Global Environment Charter

[Environmental Concept]

Knowing that the actions of each of us will bring about a great effect on our Earth's future, Suzuki will make its 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 protection system.
- More powerfully indicating our requirements related to environmental protection in our communication.

3. Concept of Green Procurement

3-1. Definition of Green Procurement

Suzuki defines "Green Procurement" as follows:

Green Procurement = "Purchasing green products from green suppliers"

<u>Green products</u>		
Parts, raw materials, sub-materials, packaging materials, machinery and equipment (hereafter called "parts and others") that have low environmental burden.	=	Parts and others that conform to laws and regulations controlling environmental impact substances (substances of concern) Parts and others that certifiably do not contain prohibited substances
<u>Green suppliers</u>		
Suppliers that are playing an active role in environmental protection	=	Suppliers making efforts to establish Environmental Protection System Suppliers making efforts to establish SOC (Substances of Concern) Management System

3-2. Policy of Green Procurement

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 sustainably developing society.

As part of our corporate social responsibility activity, we are promoting and supporting "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 Magyar Suzuki Corporation Ltd. plants, offices, etc.

(1) Starting date of application

The Guideline became effective on 25 of Sept 2015.

(2) Coverage

The Guideline shall cover all suppliers that deliver parts and others to Magyar Suzuki Corporation Ltd. plants, offices, etc.

3-4. Green Procurement Promotion System

The "Green Procurement Promotion Section" newly established in our Purchasing Department is aggressively promoting Green Procurement through good communication with relevant in-house departments.

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 Suzuki Green Procurement Policy. The requested items consist of (1) "Compliance with Environment Related Regulations", (2) "Establishment of Environmental Protection System", (3) "Establishment of SOC Management System", (4) "Environmental Efforts in Suppliers' Business Activities", (5) "Submission of Green Procurement Related Documents", and (6) "Others".

Although "Establishment of SOC Management System" is separated from "Establishment of Environmental Protection System" in this guideline, you may incorporate the SOC management in your environmental protection 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".

Green Procurement Activity List	Categories of suppliers				
	Built-in components		Not built-in components		
	Car parts	Raw Material and Sub-materials	Vehicle accessories	Packaging materials	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 Protection 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="radio"/>
(2) IMDS data input	<input type="radio"/>	<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="radio"/>
(5) Implementation of audit by Magyar Suzuki Corporation Ltd.	<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) "Magyar Suzuki Corporation Ltd. 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.

4-1. Compliance with Environmental Regulations

Suppliers are requested to conform to environmental laws and regulations as part of corporate social responsibility (CSR).

4-2. Establishment of Environmental Management System

We prefer 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), ECO-ACTION 21 (Japan), and ECO-STAGE (Japan).

(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) Striving for recycling
- (5) Disclosure of environmental data on sub-materials
- (6) Efforts for resource saving, recycling, weight reduction, and chemical substance reduction in packaging materials as well

4-3. Establishment of SOC Management System

Magyar Suzuki Corporation Ltd. will preferentially do business with suppliers that are making efforts in establishing an SOC management system.**

** 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, the person in charge of IMDS data input shall be assigned for providing the data on chemical substances contained in products at the request of Magyar Suzuki Corporation Ltd. (Should be submitted on a specific document designated by Magyar Suzuki Corporation Ltd.)

Necessity of IMDS:

- (i) To confirm non-use of prohibited substances (certification)
- (ii) To check for inclusion of SVHC (Substances of Very High Concern) 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)

With regard to SOC certification, Magyar Suzuki Corporation Ltd. requests suppliers to enter the data on environmental impact substances contained in all parts and materials delivered to Magyar Suzuki Corporation Ltd.

Details of the relevant parts and entry deadlines will be forwarded to suppliers separately from „IMDS office”.

Please use the latest OEM Specific information (Suzuki), at www.mdssystem.com -> IMDS Information Pages -> Help -> OEM Specific Info -> Suzuki

- (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).

<u>Categories of suppliers</u> Car parts, raw/sub-material, vehicle accessories
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For suppliers not having "SES N 2402 (SOC restriction)", contact our Purchasing Department or Green Procurement Promotion Section.

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

<u>Categories of suppliers</u> Packaging materials, equipment and machinery
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"Suzuki Controlled Chemical Substances List" on the Suzuki webEDI interface, follow these steps:
<https://webedi.suzuki.hu/webedi/site/login.php> -> Main site -> Purchasing Department -> Environmental Policy

- (4) Control of Tier 2 and other suppliers

Since the automobile industry has a very broad base consisting of a large number of subcontractors, cooperation throughout the entire supply chain including Tier 2 and other suppliers is necessary.

Therefore, all of the suppliers including Tier 2, Tier 3 and other suppliers (subcontractors) are also requested to conform to environmental laws and regulations, and to establish Environmental Management System (ISO 14000) and make efforts to reduce SOC in their business activities.

- (5) Implementation of audit by MSC

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 Suppliers' Business Activities

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

- | | |
|---|------------------------------------|
| (1) Reduction of CO ₂ emission | (4) Reduction of water consumption |
| (2) Reduction of VOC emission | (5) Promotion of energy saving |
| (3) Reduction of waste | |

Submission of relevant data on the above items is not required.

4-5. Submission of Green Procurement Related Documents

- (1) "Magyar Suzuki Corporation Ltd. Green Procurement Promotion Agreement"

To strengthen mutual understanding on Green procurement, suppliers are requested to submit "Magyar Suzuki Corporation Ltd. Green Procurement Promotion Agreement" (hereafter called "Agreement") as evidence of agreement about "Magyar Suzuki Corp. 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, please contact our Purchasing Department.

In the case the "Magyar Suzuki Corporation Ltd. Green Procurement Guideline" is revised, we upload it (including the date of modification) to our website: <https://www.suzuki.hu/corporate/en/company/environment/environment-green-factory>. Our Purchasing Department or Green Procurement Promotion Section 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 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 our Purchasing Department.

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” → For confirmation of external certificate of Environmental Protection System

Environmental Survey Report „B” → For confirmation of own Environmental Protection 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 submit above report.

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

For "SOC Management System Self-Check Sheet", contact our Purchasing Department or Green Procurement Promotion Section. 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.
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 parts may contain asbestos, an asbestos-free certificate is separately required, and sampling inspection must be performed by supplier 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 "Green Procurement Guideline of Magyar Suzuki Corporation Ltd."

The Guideline is announced as follows.

- (1) "Magyar Suzuki Corporation Ltd. Green Procurement Guideline" is announced in the following Magyar Suzuki Corporation Ltd. web site.
<https://www.suzuki.hu/corporate/en/company/environment/environment-green-factory>
- (2) In the case of revision of the Guideline and "Suzuki Controlled Chemical Substances List (Appendix 1)" (<https://webedi.suzuki.hu/webedi/site/login.php> -> Main site -> Purchasing Department -> Environmental Policy) , our Purchasing Department or Green Procurement Promotion Section will notify all suppliers with the relevant information. After it, this document will become effective.

5-2. Handling of submitted Data

All of the data submitted by suppliers will be only used within Magyar Suzuki Corporation Ltd. 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 of each country if such a request is made.

5-3. Contact and Recipient of Documents

Purchasing Division

Responsible Buyer of your company

supported by Unit / Group Leaders

Executive General Managers of Purchasing Division

Magyar Suzuki Corporation Ltd.

H-2500 ESZTERGOM

Schweidel Jozsef street 52.

Email: greenproc.MSC.PU@suzuki.hu

Zoltan LIEBL

Jun SATO

5-4. Revision Record

	Date of issue	Details
Established	25 Sep 2015	
Modification	15 Oct 2018	5-1 (1) new link on web
		5-3 updated contact person
Modification	10 Sept 2019	4-3 Updating the Suzuki IMDS manual link
Modification	12 Feb 2020	5-3 updated contact person
Modification	11 May 2020	4-3 Updating the Suzuki IMDS manual link
		5-1 (1) Updating the Green Procurement Guideline link
Modification	06 August 2021	4-3 Deletion of IMDS Utilization manual's direct link
		4-3 Addition of IMDS Utilization manual's location on the website
Modification	30 September 2021	4-3 (2) IMDS data input: necessary for vehicle accessories as well
		4-5. The link to upload the Green Procurement Guidelines has changed. We have modified the notification method when the document is updated.
		5-1. The method of notification have changed when "Green Procurement Guideline of Magyar Suzuki Zrt." and the "Suzuki Controlled Chemical Substances List (Appendix 1)" is updated.
Modification	28 September 2023	4-5. (1) 5.-1.(1) The link to upload the Green Procurement Guidelines has changed and the next points 4.-3. (3) 5.-1. (2) added a link to the "Suzuki Controlled Chemical Substances (Appendix 1)". Spelling errors corrected and other formal errors corrected.