



Way of Life!

Maruti Suzuki Green Policy

Maruti Suzuki Green Procurement Guideline

Oct. 1, 2015 Revised version

October 2015
Maruti Suzuki India Limited

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Appendix 1 [Suzuki Controlled Chemical Substances List]

Related Document Forms

<available from our Supply Chain or Green Procurement Promotion Section>

"Maruti 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,

We really appreciate your assistance for our R&D, production and purchasing activities. Since we established "Green Procurement Guideline" in May 2013, we have been striving to protect global environment as our corporate social responsibility, gaining your kind understanding and close cooperation for which we would like to express our deepest gratitude.

In order to respond to new environmental preservation movements, such as tightening of regulations on environmental impact substances, we have so far reviewed and revised various standards and control criteria including "Green Procurement Guideline".

As part of the above efforts, we would like to inform you about the following revision of the Guideline.

Major points of the revision are as follows:

- (1) "Establishment of SOC Management System" has been newly added.
- (2) A request for "SOC Reduction Efforts in Suppliers' Business Activities" has been added.
- (3) Compliance with Suzuki Engineering Standard "SES N 2402 (SOC restriction)" has been added.
- (4) "SOC Management System Self-Check Sheet" form has been created and added.
- (5) Scope expended to "Machinery Equipment" supplier

To keep up with globalization of R&D, purchasing, production and sales activities, we will more aggressively promote the environmental protection activities.

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

October 2015
Maruti Suzuki India Limited

2. Environmental Charter

Maruti 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 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 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

Maruti 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 Maruti 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 Maruti Suzuki's plants.

(1) Starting date of application

The Guideline will become effective on 1st Oct. 2015

(2) Coverage

The Guideline shall cover all suppliers that deliver parts and others to Maruti 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.

* Plants.

- (1) Gurgaon
- (2) Manesar
- (3) Manesar Powertrain

3-4 Green Procurement Promotion System

The "Green Procurement Promotion System" established in Maruti Suzuki India Limited 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 Maruti 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".

Green Procurement Activity List	Categories of suppliers				
	Phase 1			Phase 2	
	Contained in our		Not contained in our products		
	Parts	Raw Material & Direct Consumables	Vehicle Accessories	Packing & Packaging materials	<*3> Machinery Equipment
4-1 Compliance with Environmental Regulations	○	○	○	○	○
4-2 Establishment of Environmental Management System	○	○	○	○	○
4-3 Establishment of SOC Management System					
(1) Appointment of person in charge of SOC Management	○	○	○	○	<input type="checkbox"/>
(2) IMDS data input (Phase 1- For Europe & Japan Export Models Phase2- All future Models having SOP from Jan 2018)	○	○	-	-	-
(3) Compliance with Suzuki Engineering Standard "SES N 2402"	○	○	○	-	-
Non-use of prohibited substances <*1>	○	○	○	○	○
(4) Control of Tier 2 and other suppliers	○	○	○	○	<input type="checkbox"/>
(5) Implementation of audit by Maruti Suzuki India Ltd.	○	○	○	○	-
4-4 Environmental Efforts in Suppliers' Business Activities	○	○	○	○	○
4-5 Submission of Green Procurement Related Documents					
(1) "Maruti Suzuki Green Procurement Promotion Agreement"	○	○	○	○	-
(2) "Environmental Survey Report A" and "Environmental Survey Report B"	○	○	○	○	○
(3) "SOC Management System Self-Check Sheet"	○	○	○	-	-
4-6 Others (*2)	(○)	(○)	(○)	(○)	(○)

(*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"

Implementation of Phase-1 is from Oct'15 and for Phase-2 is Jan'18.

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

Maruti 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 Maruti Suzuki India Limited. (Or specific forms of documents designated by Maruti Suzuki India Limited 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)

With regard to SOC certification, MSIL request suppliers to enter the data on environmental impact substances contained in all parts and materials delivered to MSIL.

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

[Suzuki IMDS Utilization Manual]

<https://public.mdsystem.com/web/imds-public-pages/home>
[HELP](#) ⇒ [FAQ](#) ⇒ [OEM Specific Information](#) ⇒ [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)

<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 MSIL 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.
MSIL 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 Maruti 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 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) "Maruti Suzuki Green Procurement Promotion Agreement"
To strengthen mutual understanding on Green procurement, suppliers are requested to submit "Maruti Suzuki Green Procurement Promotion Agreement" (hereafter called "Agreement") as evidence of agreement about "Maruti 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 Supply Chain Department or Green Procurement Promotion Section.

* In the case where "Maruti Suzuki Green Procurement Guideline" is revised, MSIL 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 MSIL

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 MSIL.

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 "Maruti Suzuki Green Procurement Guideline"

The Guideline is announced and revised as follows.

- (1) "Maruti Suzuki Green Procurement Guideline" is available on the Maruti Suzuki website.
<http://www.marutisuzuki.com/our-policies.aspx>
- (2) In the case of revision of the Guideline and "Suzuki Controlled Chemical Substances List (Appendix 1)" Supply Chain Department or Green Procurement Promotion Section 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 Maruti 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

Supply Chain Division

Maruti Suzuki India Limited,

Palam Gurgaon Road, Gurgaon – 122015 (Haryana), India

Tel : 0124 - 4393492

Email : greenprocurement@maruti.co.in

5-4 Revision Record

	Date of revision	Revision detail
Established	May 3, 2013	
1st revision	Oct. 1, 2015	<ul style="list-style-type: none">- Establishment of SOC Management System- Specified the compliance with Suzuki Engineering Standard "SES N 2402 (SOC restriction)"- Added the request for Suppliers' efforts for SOC reduction in their business activities"- Created and added "SOC Management System Self-Check Sheet"- Scope expended to "Machinery Equipment" supplier

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