

**SUZUKI**

***CSR Guidelines for Suppliers***

September, 2016

Suzuki Motor Corporation

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## **1. Introduction**

Since the foundation in 1920, we Suzuki consistently had aimed at making the valuable products by focusing on customer satisfaction and had strived to work on the useful and efficient management (what we call in the “smaller, fewer, lighter, shorter and cleaner way”) in all scenes as one.

In 2020 we will see the 100<sup>th</sup> anniversary of our company. Prior to that, in 2015 we established our “New Mid-Term Management Plan” and are working on such activities as preparing the infrastructure improvement for manufacturing to strengthen the business foundation so that we can enhance corporate value to grow in the coming 100 years.

Each Company has the mission to consider the safety of customers, conservation of environment, laws and social norms to run the business while keeping the proper relationship with his own stakeholders and we have ever strived to fulfill these social responsibilities.

We have had the trust from society by constructing the mutual relationship with our suppliers as a business partner in particular, sharing the value and purpose and by doing purchasing activities based on the philosophy and principles.

On the other hand, accompanied by globalization in business, we also have multinational and diversified suppliers. As a result of that trend, we are not only expected to comply with laws and norms of each country but also to fulfill the social responsibilities considering his culture and history.

We are going to fulfill our social responsibilities by strengthening mutual understanding and trust with our stakeholders, while we hold coexistence and co-prosperity in high esteem with our suppliers all over the world.

Considering these social demands, this time we put together the basic concept and issues to address with our suppliers related to social responsibilities as “CSR Guidelines for Suppliers”. So we would like you to understand the main point of these guidelines and promote the activities to fulfill the corporate responsibilities with us.

And we also would like you to develop and promote the same activities as this to your suppliers.

September, 2016  
Kazuhiko Ayabe

SUZUKI MOTOR CORPORATION  
Managing officer  
Executive General Manager, Purchasing

## 2. CSR at Suzuki

CSR (Corporate Social Responsibility) is the autonomous activities for each company to keep on growing and enable society to continuous development based on the mutual understanding and trust with such stakeholders as customers and suppliers. Our whole company is pushing ahead with these activities.

### 2-1. Corporate Philosophy

Suzuki is trying to be a company who is trusted by customers, suppliers, shareholders and local communities and contributes to international communities.

#### “Suzuki Group Code of Conduct”

(Enacted on April 12, 2016)

Note: The following is the summary.

- (1) **Realization of products and services of superior value**  
We Suzuki Group will provide products and services exceeding customers' expectations
- (2) **Activities on Quality**  
We will develop and produce high quality products and provide after-sales services considering customers' safety and security with first priority.
- (3) **Respect of Human Rights**  
We will be aware of international norms pertaining human rights and respect fundamental human rights with reference to laws in each country or region.
- (4) **Occupational Safety / Traffic Safety**  
We will review the workplace environment to create safe workplace. And also we will thoroughly carry out education on safety to prevent occurrence of occupational injury.
- (5) **Promoting “Kaizen Activities” and Observing Basic Business Rules**  
We encourage employees to come up with inventive ideas to improve the workplace. Suggestions from employees on Kaizen will be evaluated and effective measures will be adopted and widespread amongst our group companies for a growth of the entire group.

## (6) Compliance

While we acknowledge the existence of difference in laws related to competition such as Antitrust Law and laws related to fair trading by each country or region, we will grasp the difference and carry out training on employees to observe laws and societal norms in their respective countries and regions.

## (7) Environmental Activities

In accordance with “Suzuki Global Environment Charter\*”, each of us as a member of Suzuki Group will make every effort to preserve global environment.

## (8) Refusing relations with antisocial forces

We will thoroughly refuse any relationship with antisocial forces and organizations which are threatening the order and safety of civil society.

\*Suzuki Global Environment Charter:

Suzuki established “Suzuki Global Environment Charter” on March, 2002 as our basic policy including our related companies to address the activities for environmental conservation.

### Suzuki Global Environment Charter

#### 【 Environmental Concept 】

In order to hand over the beautiful earth and affluent society to next generations, we must all realize that the actions of each and every one of us have a great effect on our earth's future, so we must make every effort to preserve our environment.

#### 【 Basic Environmental Policies 】

- Strictly observe environmental laws and also follow our own standards.
- Reduce the pressure placed on the environment resulting from our business activities and products.
- Maintain and improve upon our environmental management system.
- Promote environmental communication.

## 2—2. Our Basic Policy on CSR

- **For Customer Satisfaction**

While keeping in step with the times and taking the opinions of the public into full consideration, we use our knowledge and skills to create useful products of real value that satisfy the customer. And we do our best to provide quick, reliable and stress-free sales and after sales services in order to enhance customer satisfaction.

- **For Prosperous Coexistence**

We cooperate with our business partners on even ground to maintain confidential and prosperous relationships for manufacturing “worthwhile” products.

- **For Comfortable and Worthwhile Workplaces**

We create a workplace based on the following points that allows for employee self-improvement and advancement.

- 1) Create a safe and healthy workplace for employees.
- 2) Create a system that fairly evaluates and supports those who want to take the initiative in advancing their careers.
- 3) Create a good and stable employer-employee relationship.

- **For Improvement of Corporate Value**

We disclose information promptly, appropriately and fairly and strive to improve our corporate value.

- **For Global Environmental Conservation**

We acknowledge that activities in environmental conservation are the most important part of business management. Environmental conservation is promoted in accordance with our “Suzuki Global Environment Charter” through our business activities and products in order to achieve a society with sustainable development.

- **For a community-Friendly Company**

We contribute to the development of social community through positive communications with local communities and social action programs, and act as a responsible member of society.

### **3. Suzuki Purchasing Policy**

Suzuki makes “*Develop products of superior value by focusing on the customer*” our motto first of all and would like to contribute to society. In order to fulfill that goal, we develop our purchasing activities based on three basic policies as follows.

In line with this concept, we open the door to do business with all companies regardless of the size of the business, the amount of purchases, nationality and area who belong to.

#### **3 – 1. Three Basic Policies**

##### **1) Global Purchasing**

Cooperating with our production bases all over the world, we are going to push ahead with optimized purchasing on a global basis. To be more specific, we began shifting purchasing operations from in each production base to worldwide to supply Suzuki Group with parts, raw materials and other things which we procure from all over the world.

##### **2) Bulk and Centralized Purchasing**

We are purchasing goods and services in such ways as in bulk or centralized according to segment, model and production plant etc. to decrease cost, and we are also going to do it through various ways like standardization and integration of specifications of parts.

##### **3) Development Purchasing**

We try to decrease cost by having our suppliers involved in the new product development and achieve the cost target by developing new model elaborately before the start of mass production for the cost to be managed well and made clear in every developing stage.

These policies bring advantages not only to Suzuki but also to suppliers as our business partner. Those advantages represent stable business backed by mass production and accumulation of technical knowledge.

## 4. CSR Guidelines for Suppliers

Accompanied by the globalization of business, issues to be considered are increasing more than ever. Suzuki would like you to understand these guidelines and fulfill your social responsibility in accordance with these ones.

### 4-1. Safety / Quality

- **Providing products and services that meet customers' needs**  
We develop and provide “socially-useful products\*”, understanding the customers' needs.
  - \* Socially-useful products:  
Products which are easy for anyone to use irrespective of age, gender, and disability; or which are friendly to environment in terms of energy-saving, resource and environment conservation.
- **Sharing appropriate information about products and services**  
We provide customers with appropriate information related to products and services.
- **Ensuring safety of products and services**  
We produce products and services that meet the safety laws and regulations prescribed in each country and region, and provide customers with those ones.
- **Ensuring quality of products and service**  
We establish and manage company-wide processes to secure good quality.

### 4-2. Human Rights / Labor

- **Eliminating discrimination**  
We do not discriminate people in any situation of employment on the grounds of their race, ethnic group, nationality, religion or gender.
  - \* Any situation of employment:  
Recruitment, hiring, promotion, wages, dismissal, retirement, work assignment, punitive action, etc.



## ● Respecting human rights

We do not allow any forms of harassment\* on the grounds of race, ethnic group, nationality, religion or gender.

\* Any forms of harassment:

Sexual harassment, power harassment by violent language or coercive action, abuse, corporal punishment, and others

## ● Prohibiting child labor

We do not permit using children for labor force who have not reached the legal age of employment in each country and region.

## ● Prohibiting forced labor

We do not engage in the use of forced labor, ensuring that all labor is voluntary and that employees are free to leave their jobs.

## ● Not using conflict minerals causing human rights infringement

We aim at not using conflict minerals\* for materials when we make products that could cause the infringement on human rights, and strive to take appropriate actions according to the situation we correctly grasped.

\* Conflict minerals:

Minerals produced in the conflict region to fund the activities of armed groups

## ● Wages

We comply with the laws on remuneration related to minimum wages, overtime work, payroll deductions, piecework wages, and other benefits in each country and region.

## ● Working hours

We comply with the laws in each country and region related to the determination of working hours (including overtime work) as well as the provision of holidays and annual paid leave.

## ● Dialogue with employees

We undertake the consultation and dialogue with representatives of employees or employees themselves.

We recognize the rights for employees to form an association freely in accordance with the laws in each country and region.

## ● Safe and healthy working environment

We strive to give the highest priority to the safety and health of employees, preventing accidents and disasters.

### 4-3. Environment

- **Implementing environmental management**

In order to promote wide-range environmental activities, we establish company-wide processes which we continuously operate and improve while complying with the laws in each country and region

- **Reducing greenhouse gas emissions**

In order to contribute to preventing global warming, we promote to reduce greenhouse gas emissions by managing our business activities. In addition to that, we address the effective utilization of energy.

- **Preventing air, water, and soil pollution**

We comply with the laws in each country and region concerning air, water, and soil pollution, continuously monitoring and reducing contaminants to prevent environmental pollution.

- **Saving resources and reducing wastes**

We reduce the final disposal volume of wastes through the effective utilization of energy while complying with the laws in each country and region related to the appropriate disposal and recycling of wastes.

- **Managing chemical substances**

We manage chemical substances with the potential to pollute the environment properly.

(For more details, refer to “SUZUKI GREEN PROCUREMENT GUIDELINE” which stipulates items to work on.)

We do not have our products contain chemical substances in each country and region where those are prohibited by the laws.

We also do not use prohibited chemical substances in manufacturing process. As to chemical substances under the laws in each country and region, we report the amounts of those emissions to the relevant authorities.

When you are requested to submit the data about chemical substances from us, you report it to us.

## 4-4. Compliance

### ● Compliance with laws

We comply with the laws.

We prepare and manage some systems needed for compliance such as policy, organization, code of conduct, reporting system, and training program and others.

### ● Compliance with competition laws

We comply with the competition laws in each country and region, and we do not engage in such conducts as private monopoly, unfair restraint of transaction (cartel, bid-rigging, etc.), unfair trade practices, abuse of superior bargaining position.

### ● Preventing corruption

We make political donations in accordance with the laws in each country and region to strive to build transparent and fair relationship with political organizations and the government.

We do not offer or accept entertainment, gifts, money to or from business partners for the purpose of securing and maintaining unfair privileges and preferential treatment.

### ● Refusing relations with antisocial forces

We thoroughly refuse any relationships with antisocial forces\* and organizations which are threatening the order and safety of civil society.

\* Antisocial forces:

Any group or individual pursuing illicit financial gain by violence, power, and fraudulence

### ● Managing and protecting confidential information

We obtain the personal information of customers, third parties and our employees and the confidential information of customers, third parties and our employees by due process. We also protect such information by managing strictly and being used within the law.

### ● Managing export trading

We follow appropriate procedures to control exportation of technology and products regulated by the laws in each country or region.

- **Protecting intellectual property**

We protect intellectual property rights owned by or belong to us and do not engage in illegal acquisition, illegal use, and infringement of intellectual property rights owned by or belong to the third party.

**4–5. Information Disclosure**

- **Information disclosure to Stakeholders**

We disclose such information as financial status, results and business activities to our stakeholders in a timely and appropriate manner. And we also make efforts to maintain and develop mutual understanding and relationship of trust through open and fair communication.

## ***5. Request to Our Suppliers***

The supply chain of auto industry is multilevel and so complicated that there is the possibility to cause a violation of the law and to threaten the safety, human rights of employees and environment.

### ■ ***Some Requests to Our Suppliers***

#### **① Arousing law abiding spirit**

We would like you to take measures not to violate the laws and make a corporate culture for it by strengthening the management system and corporate governance based on the internal control.

#### **② Making universally known about your policy and these guidelines to your supply chains**

On condition that we don't do business with those suppliers who repeatedly violate the law and cannot see a prospect for improvement, we would like you to make universally known to your whole supply chain about your policy and these guidelines.

#### **③ Measures to be taken in case of violation of the laws**

Should the violation of the laws occur in your business activities which would impact on our business and society, please make sure to report to Suzuki immediately and investigate into the cause of that violation. At the same time, we request you to submit Suzuki the measures to prevent it.



September, 2016  
SUZUKI Motor Corporation  
Purchasing Division