

|  | <b>Companies' approach</b>  |
|--|---|
| <p><b>□ Background and purpose of accounting</b></p> | <ul style="list-style-type: none"> <li>SUZUKI group has been committed to the manufacturing and sales of motorcycles, automobiles and outboard motors, etc. as our focus of business. SUZUKI group supposes that there is a potential to largely reduce GHG emissions in our business activities through purchase of raw materials and parts and manufacture/sales of completed products. Thus, SUZUKI group will recognize and reduce GHG emissions due to not only our business activities but also the entire supply chain.</li> </ul> <p>&lt; Our lineup of products &gt;</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>Automobile: “HUSTLER”</b></p> </div> <div style="text-align: center;">  <p><b>Motorcycle: “Hayabusa”</b></p> </div> <div style="text-align: center;">  <p><b>Outboard motor: DF200A</b></p> </div> </div> |
| <p><b>□ Utilization of accounting results</b></p>    | <ul style="list-style-type: none"> <li>Through the disclosure of information about our accounting results on our website or in environmental reports, we can enable environmental communication with our stakeholders.</li> </ul>   |
| <p><b>□ Benefits of accounting</b></p>               | <ul style="list-style-type: none"> <li>By identifying and understanding which Categories, and to what extent, involve higher GHG emissions, we will be able to focus on and take measures for such priority target areas along the entire supply chain in order to drive emissions reduction.</li> <li>As we are seeing an increasing demand from CDP or other entities for Scope 3 emissions information disclosure and their reductions, we will be able to respond promptly to such requests.</li> </ul>   |
| <p><b>□ Internal system for accounting</b></p>       | <ul style="list-style-type: none"> <li>The relevant department responsible for our environmental activities generally undertakes and organizes the task of supply chain emissions accounting across the company. The department uses those necessary data collected from the relevant departments/divisions (e.g. actual results of sales of products, weight of materials that make up products, and financial information) to account for our supply chain emissions.</li> </ul>  |

## Companies' approach

### □ Efforts to reduce supply chain emissions

- Our Category 11 emissions (Use of sold products) represent a large part of our total GHG emissions across the entire supply chain, and accordingly we will be looking to reduce GHG emissions under Category 11 by increasing fuel economy of vehicles.
- Seeking to contribute to controlling global warming and air pollution, SUZUKI group has been committed to the global promotion of a widespread use of “environmentally benign” minivehicles and other compact vehicles. The Group commits itself to make efforts to promote the “production of small and subcompact vehicles” and the “development of environmentally benign products” needed by customers, and “to be small, less, light, short and beautiful” on every side of organization, facilities, parts, environment and so on as well as production, with the slogan, "Small Cars for a Big Future", and has been working for the efficient, well-knit and healthy management.

### □ Issues in supply chain emissions accounting

- In the case of an organization, like our company, developing business operations on a global basis, it is difficult itself to capture and understand the quantity of activities (e.g. energy usage, amount of waste generated, and volume of transportation of goods), which requires a greater workload in supply chain emissions accounting.
- We are currently using domestic emission factors, in the absence of any applicable overseas emission factors, for business activities abroad, and therefore our recent accounting results lack accuracy.

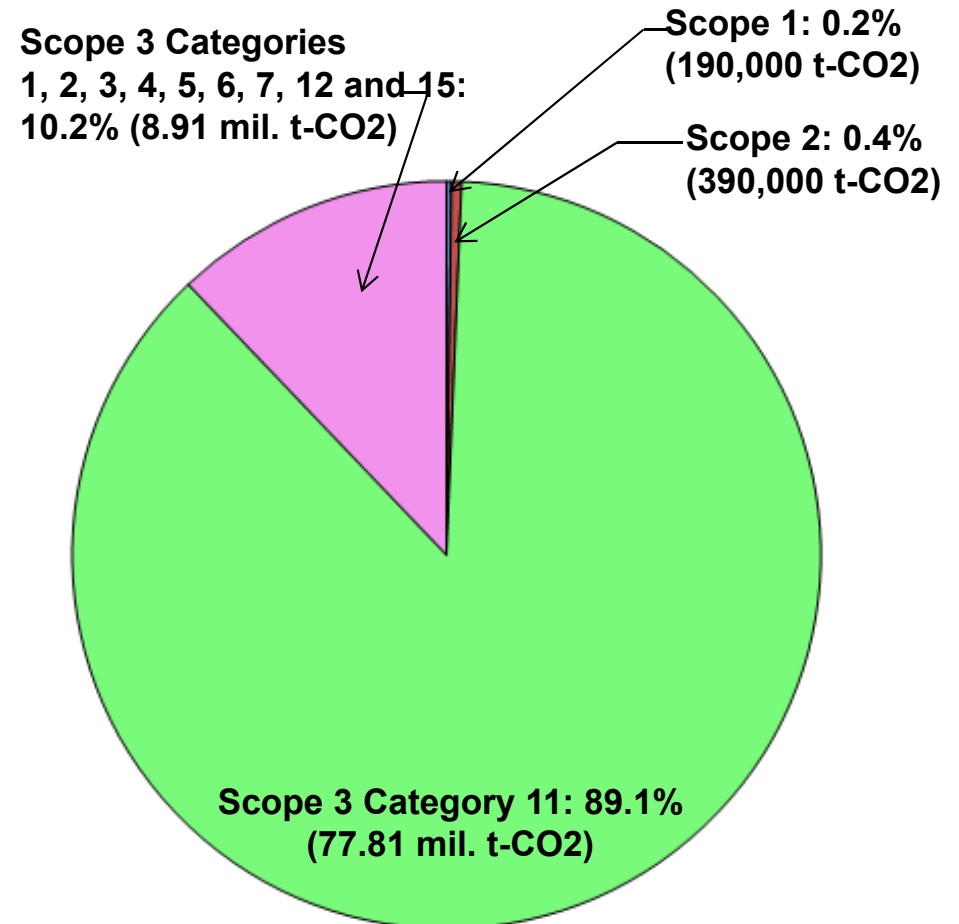
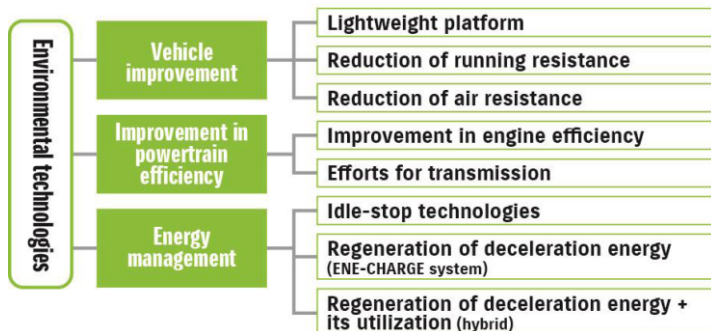
| Category  | Accounting methods  |   |
|---|---|---|
|   | Activity data   | Emission factor   |
| Category 1: Purchased goods and services                                    | <ul style="list-style-type: none"> <li>Amount of raw materials and other materials procured, by type</li> </ul>   | <ul style="list-style-type: none"> <li>Emission factor by type of raw materials and other materials (CFP-DB)</li> </ul> |
| Category 2: Capital goods   | <ul style="list-style-type: none"> <li>Amount of investment in capital goods</li> </ul>   | <ul style="list-style-type: none"> <li>Emission factor per amount of money*</li> </ul>                                  |
| Category 3: Fuel and energy related activities not included in Scope 1 or 2 | <ul style="list-style-type: none"> <li>Electricity and fossil fuel energy usage and water usage</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor per energy used (CFP-DB)</li> </ul>                              |
| Category 4: Transportation and delivery (upstream)                          | <ul style="list-style-type: none"> <li>Transportation in ton-kilometers used by us as the owner of goods and by suppliers</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor per transportation in ton-kilometers (CFP-DB)</li> </ul>         |
| Category 5: Waste generated in operations                                   | <ul style="list-style-type: none"> <li>Amount of waste discharged, by type</li> </ul>   | <ul style="list-style-type: none"> <li>Emission factor by waste type*</li> </ul>  |
| Category 6: Business travel   | <ul style="list-style-type: none"> <li>Transportation expenses paid</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor per transportation expenses paid*</li> </ul>                     |
| Category 7: Employee commuting  | <ul style="list-style-type: none"> <li>Transportation expenses paid</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor per transportation expenses paid*</li> </ul>                     |
| Category 8: Leased assets (upstream)  | <ul style="list-style-type: none"> <li>Not accounted for</li> </ul>   |   |
| Category 9: Transportation and delivery (downstream)                        | <ul style="list-style-type: none"> <li>Transportation in ton-kilometers for sold products</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor per transportation in ton-kilometers (CFP-DB)</li> </ul>         |
| Category 10: Processing of sold products                                    | <ul style="list-style-type: none"> <li>Excluded from accounting because we recognize that our main business is to sell finished vehicles, resulting in much less impact of emissions associated with processing.</li> </ul> |   |
| Category 11: Use of sold products   | <ul style="list-style-type: none"> <li>Fuel economy, and annual mileage, of sold products, by region</li> <li>Based on years of use</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor per energy used (CFP-DB)</li> </ul>                              |
| Category 12: End-of-life treatment of sold products                         | <ul style="list-style-type: none"> <li>Amount of waste discharged, by type</li> </ul>   | <ul style="list-style-type: none"> <li>Emission factor by waste type*</li> </ul>  |
| Category 13: Leased assets (downstream)                                     | <ul style="list-style-type: none"> <li>Not accounted for</li> </ul>   |   |
| Category 14: Franchises   | <ul style="list-style-type: none"> <li>Not accounted for (However, not relevant when it comes to Japan because we have no franchisees domestically.)</li> </ul>   |   |
| Category 15: Investments  | <ul style="list-style-type: none"> <li>Of Scope 1 and 2 emissions from investee companies, our emissions allocated are calculated according to the share holding ratio.</li> </ul>  |   |

\* "Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain"

## Accounting results

- The results of accounting for our overall GHG emissions across the entire supply chain in FY2013 have shown that Category 11 emissions from the “Use of products sold by SUZUKI” represent 87.2% of the total, the largest source of our GHG emissions. The fact has led us to consider and recognize Category 11 to be a “Hot Spot,” which involves higher GHG emissions, and accordingly, we will be driving emissions reduction by focusing on this target area of “Hot Spot” as our priority along the entire supply chain.
- < Our efforts for environmental technologies aimed at reducing GHG emissions >  
Seeking to develop environmentally superior products, SUZUKI group will be committed to the following initiatives:

### Future efforts for environmental technologies



**FY2013 Overall Supply Chain GHG Emissions: 87.29 mil. t-CO2**

“2014 Suzuki Environmental & Social Report,” which contains the details of our environmental and social efforts in FY2013, is available at: <http://www.globalsuzuki.com/corporate/environmental/report/> \* Following revisions in our Scope 3 accounting methods, the figures have been different.