# **Suzuki Motor Corporation - Climate Change 2019**

## **C0. Introduction**

## **C0.1**

### **(C0.1) Give a general description and introduction to your organization.**

Established in March 1920 (Taisho 9) as Suzukishiki-Oriki Co., Ltd. The company name was changed to SUZUKI Motor Co., Ltd. in June 1954 (Showa 29). October 1990 (Heisei 2) Changed the company name to SUZUKI Co., Ltd. Our main business is to manufacture and sell four-wheeled vehicles, motorcycles, outboard machines, electric wheelchairs, etc. In addition, we develop logistics and other services related to each business. The company's capital is 138.0 billion yen, sales are 3,757.2 billion yen, operating income is 374.2 billion yen, net income is 215.7 billion yen, and the number of employees is 35,179, both as of the end of March 2018. Net sales, operating income, net income, and number of employees are consolidated total).

## **C0.2**

### **(C0.2) State the start and end date of the year for which you are reporting data.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Start date** | **End date** | **Indicate if you are providing emissions data for past reporting years** | **Select the number of past reporting years you will be providing emissions data for** |
| Row 1 | April 1 2017 | March 31 2018 | No | <Not Applicable> |

## **C0.3**

### **(C0.3) Select the countries/regions for which you will be supplying data.**

Australia

Austria

Belgium

Cambodia

Canada

China

Colombia

France

Germany

Hungary

India

Indonesia

Italy

Japan

Mexico

Myanmar

New Zealand

Pakistan

Philippines

Poland

South Africa

Spain

Taiwan, Greater China

Thailand

United Kingdom of Great Britain and Northern Ireland

United States of America

Viet Nam

## **C0.4**

### **(C0.4) Select the currency used for all financial information disclosed throughout your response.**

JPY

## **C0.5**

### **(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Equity share

## **C-TO0.7/C-TS0.7**

### **(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?**

Light Duty Vehicles (LDV)

## **C1. Governance**

## **C1.1**

### **(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## **C1.1a**

### **(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

|  |  |
| --- | --- |
| **Position of individual(s)** | **Please explain** |
| President | SUZUKI recognizes that responding to climate change is one of the most important management issues. Details of environmental issues, such as climate change, will be discussed and resolved at the SUZUKI Environmental Committee, chaired by the President, and the executives serve as committee members. In addition to the contents of the SUZUKI Environmental Committee's resolutions and management, important matters related to environmental issues, such as climate change, are reported by the President to the Board of Directors (consisting of 8 directors including 2 outside directors) and discussed and resolved. |

## **C1.1b**

### **(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

|  |  |  |
| --- | --- | --- |
| **Frequency with which climate-related issues are a scheduled agenda item** | **Governance mechanisms into which climate-related issues are integrated** | **Please explain** |
| Scheduled – some meetings | Reviewing and guiding strategy  Monitoring and overseeing progress against goals and targets for addressing climate-related issues | Details of environmental issues, such as climate change, will be discussed and resolved at the SUZUKI Environmental Committee, chaired by the President, and the executives serve as committee members. Taking into account the impact of climate change on business risks, we make decisions and reviews strategies, and evaluate targets and progress. If the target has not been reached, give instructions to the department in charge as necessary. In addition to the contents of the SUZUKI Environmental Committee's resolutions and management, environmental issues will be reported by the President to the Board of Directors (consisting of 8 directors including 2 outside directors) and will be discussed and resolved. |

## **C1.2**

### **(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

|  |  |  |
| --- | --- | --- |
| **Name of the position(s) and/or committee(s)** | **Responsibility** | **Frequency of reporting to the board on climate-related issues** |
| President | Both assessing and managing climate-related risks and opportunities | Half-yearly |

## **C1.2a**

### **(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

【Evaluation】

In order to deliberate and decide on important management issues and measures, including environmental issues such as climate change, the SUZUKI Environmental Committee, chaired by the President, and the executives serve as committee members, discusses important matters related to SUZUKI's environmental issues. The contents of the SUZUKI Environmental Committee resolution will be reported from the President to the Board of Directors (consisting of 8 directors including 2 outside directors).

【Responsibility】

The President serves as the chairman of the SUZUKI Environmental Committee, which discusses important issues related to SUZUKI's environmental issues, including climate change. SUZUKI recognizes that environmental issues, are the most important business issues for SUZUKI. We also clearly recognize that environmental issues are major risks in SUZUKI's business but, at the same time, these issues also can lead us to business opportunities. In order to lead to the realization of a society capable of sustainable development and survival of our company that SUZUKI aims to achieve, we are promoting measures to address environmental issues, including climate change, under the strong leadership of the top executives of the company.

【Content of Responsibility】

The SUZUKI Environmental Committee deliberates and decides on important matters in SUZUKI's environmental management, including the formulation of SUZUKI's environmental vision, medium- to long-term environmental plans, confirmation of progress in environmental plans, and decisions on environmental issues.

【Monitoring】

The SUZUKI Environmental Committee is held regularly once every six months, and as needed, extraordinarily. The SUZUKI Environmental Committee deliberates and decides on SUZUKI's environmental vision, the formulation of medium- to long-term environmental plans, and the response to environmental issues. In addition, under the direction of the chairman and committees in consideration of the progress of the global target for reducing CO2 emissions, the SUZUKI Environmental Committee is implementing further energy-saving initiatives to reduce global CO2 emissions based on our evaluation of environmental factors.

## **C1.3**

### **(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

## **C1.3a**

### **(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

### **Who is entitled to benefit from these incentives?**

Other, please specify (This program is for employees of SUZUKI Corporation, excluding managers, or groups and groups to which employees belong.)

### **Types of incentives**

Monetary reward

### **Activity incentivized**

Emissions reduction project

### **Comment**

This program is for employees of SUZUKI Corporation, excluding managers, or groups and groups to which employees belong. In accordance with the following selection criteria for energy reduction initiatives and the development of fuel efficiency improvement technologies for products, the awards are given in three categories: Grand Award, First Award, and the Excellence Award. ・When a significant result is achieved in the increase of production or the increase in efficiency. ・When increase of credit or profit, or improvement and progress of technology and products is made by a beneficial invention or improvement. ・When it is recognized, as a result of adoption or examination, that there is a significant effect by a proposal for improvement, idea, or opinion.

### **Who is entitled to benefit from these incentives?**

Other, please specify (スズキグループ会社の従業員、または従業員所属する団体・グループ)

### **Types of incentives**

Monetary reward

### **Activity incentivized**

Emissions reduction project

### **Comment**

This program is for local employees of SUZUKI Group companies. In accordance with the following selection criteria for energy reduction initiatives and the development of fuel efficiency improvement technologies for products, the award is given in the category of "Best Domestic and Overseas Subsidiary Award". ・When a significant result is achieved in the increase of production or the increase in efficiency. ・When increase of credit or profit, or improvement and progress of technology and products is made by a beneficial invention or improvement. ・When it is recognized, as a result of adoption or examination, that there is a significant effect by a proposal for improvement, idea, or opinion.

## **C2. Risks and opportunities**

## **C2.1**

### **(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **From (years)** | **To (years)** | **Comment** |
| Short-term | 0 | 1 | SUZUKI has set a short-term time frame as one year. Because it is very simple and effective time frame to understand the current situation in the case of numerical planning etc. By backcasting the targets from SUZUKI Environmental Plan 2020, a five-year medium-term plan for fiscal 2016 to FISCAL 2020, each department is making short-term annual plans. The progress of the environmental plans is published and managed annually by the SUZUKI CSR and Environmental Reports. |
| Medium-term | 1 | 5 | SUZUKI has set a medium-term time frame as five years. For realization of the SUZUKI Global Environment Charter, we have formulated “SUZUKI Environmental Plan 2020”, a five-year medium-term plan from FY2016 to FY2020, to achieve our targets from four perspectives; "Reduction of global warming", "Promotion of environment conservation", "Promotion of 3R" and "Enhancement of environment management". “SUZUKI Environmental Plan 2015”, a medium-term plan set up as the first stage of the environmental plan from FISCAL 2011 to FISCAL 2015, achieved almost all the targets. In addition to publishing the progress of the initiatives in the SUZUKI CSR and Environmental Reports every year, the results of the five-year initiative are published in the SUZUKI CSR Environmental Report as a summary as the initiatives reach their final year. |
| Long-term | 5 |  | SUZUKI has set a long-term time frame as more than five years. We are currently working on developing an environmental vision for 2050 and an environmental implementation plan for 2030. |

## **C2.2**

### **(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

## **C2.2a**

### **(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency of monitoring** | **How far into the future are risks considered?** | **Comment** |
| Row 1 | Six-monthly or more frequently | >6 years |  |

## **C2.2b**

### **(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.**

【Specification and evaluation of risk】

We specify and evaluate all environmental risks such as climate change in consideration of external evaluations by ESG investors and new social expectations and requests such as of SDGs.

【Risk assessment process】

With regard to the climate change issues specified and evaluated above, we are prioritizing on two axes: "Importance in business activity of SUZUKI (development, supply, production, physical distribution and sale, etc.)" and "Importance to stakeholders", and conduct materiality evaluations based upon these priorities. We set environmental targets for the entire company based on the important issues extracted by the materiality evaluation. Each division sets targets based on the targets of the entire company, and each headquarters develops a plan in line with the targets. Progress of the program is checked by the SUZUKI Environmental Committee. We are currently considering ways to assess risks that the future climate change situation and the following changes in laws and regulations will have on SUZUKI’s business activities in anticipation of the world in 2050.

【How we define "having a significant financial and strategic impacts on business"】

We define those that have a great impact on sales, such as gain or loss of sales opportunities, improving or loss of productivity, and increase in the value of the product and corporate image by achieving fuel efficiency goals or fines due to unmet fuel efficiency targets, as "having a significant financial and strategic impacts on business"

## **C2.2c**

### **(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

|  |  |  |
| --- | --- | --- |
|  | **Relevance & inclusion** | **Please explain** |
| Current regulation | Relevant, always included | SUZUKI’s products are sold globally in various countries and regions. If SUZUKI’s products fail to achieve the CO2 emission standards imposed on the product, there is a risk that it will lead to fines and suspension of sales, which will have a significant impact on SUZUKI’s sales, corporate image, product development, and more. The Legal Certification Department collects information about various laws and regulations imposed on products through sales agents in each country. After the response method is examined at the development meetings, the information will be reported and deliberated by the Board of Directors and management meetings, and will be reflected in SUZUKI’s product development. |
| Emerging regulation | Relevant, always included | The government of India, where SUZUKI has a market share of more than 50% in the four-wheel market, is beginning to move towards 30% EV penetration by 2030. This information was reported at an early point to the headquarters from local subsidiaries such as Maruti SUZUKI India Ltd.. If we were unable to collect the information at an early point and SUZUKI would fail to bring EVs to market by the time the EV plan is implemented in India, there will be a risk that the current occupancy rate in the Indian market, which SUZUKI places as the top of the top priorities, will fall. After the amount of money needs for future investment and how to respond to the issue are discussed in the Business Planning Office, information on these new regulations is reported and deliberated by the Board of Directors and management meetings, and is reflected in SUZUKI’s business and business plans. |
| Technology | Relevant, always included | The spread of electric vehicles such as HV and EV is expanding all over the world. For SUZUKI to respond to this trend, there are management risks such as increase in R&D costs, occurrence of new capital investment, and securing and cultivating human resources. After the Technical, Production, and Product Planning Departments have determined the equipment, human resource, costs, and time required to respond to the new trend, these risks are reported and deliberated by the Board of Directors and management meetings, and is reflected in the specific business plan. |
| Legal | Relevant, always included | Promotion of the use of renewable energy such as the RE100 is expanding around the world as climate change countermeasures. For example, in Haryana, India, where Maruti SUZUKI India Ltd. is located, the use of renewable energy is mandatory. If we violated the law, we would have been imposed a fine and other penalties that leads to risk damaging SUZUKI’s corporate image. This information about the regulation of the renewable energy in Haryana was collected by local agents and expatriates. As the countermeasures to the regulation, an installation of solar power plants was the examined by local employees and production equipment divisions, and the result was reported and deliberated at the Board of Directors and management meetings, as the result, solar power plants were installed in India. |
| Market | Relevant, always included | SUZUKI is developing products that meet the needs of customers in each country. For example, in India, where SUZUKI has a share of 50% in the four-wheel market, there is a growing need for environmentally friendly vehicles such as HV and EV. Because our market share is significant, there is a great risk of drop in sales if we fail to bring products that meet the needs of its customers to the Indian market. We collect information about our customers' needs through local distributors. After the information is reviewed at development meetings, it is reported and deliberated by the Board of Directors and management meetings, and is reflected in Vitara Brezza and other product development. |
| Reputation | Relevant, always included | ESG investment is expanding around the world, and there is a growing demand from investors for the disclosure of climate-related corporate information, as for the basis for their investment decisions. If investors judged that SUZUKI’s commitment to climate-related issues is not enough based on the low ratings of CDP and MSCI or the status of approvals such as the SBT initiative and the recommendations of TCFD, there is a risk that it will affect SUZUKI’s corporate image and value, such as a decline in stock price or divestment. As for what SUZUKI is required to do with environmental issues, the Corporate Planning Office collects and analyzes information by conducting dialogues with investors and other stakeholders. The results of the analysis were reported and deliberated by the Board of Directors and management meetings, and are reflected in SUZUKI’s IR strategy. |
| Acute physical | Relevant, always included | In recent years, natural disasters such as floods have occurred in various parts of Japan due to large typhoons and guerrilla downpours. In 2011, SUZUKI’s Thai motorcycle plant suffered flood damage and lost 2.4 billion yen, and BCP measures were reviewed at our offices in Japan. Mainly by the General Affairs Division, the Production Facilities Division, the Technical Equipment and Safety Division, etc., we are extracting risks caused by the geographical environment of SUZUKI’s offices and plants in Japan and preparing specific countermeasures for those risks. Those risks were deliberated at the Board of Directors and management meetings, and as the result, the motorcycle office and its production plant were relocated to higher ground, and bulking up of the block wall on the flood gate and the site boundary was carried out, as a measure against flooding in the premises of the head office. |
| Chronic physical | Relevant, always included | A large amount of water is required at the stage of washing and painting for automobile production, however water shortages have been a serious problem in India. If the water needed for automobile production cannot be secured, there is a risk of production suspension. Regarding the water situation in India, we gathered information through local subsidiaries such as Maruti SUZUKI India Ltd., and used WRI's Aqueduct evaluation tool to understand water risks at the region. This information was analyzed by the Production Equipment Division, etc., and the introduction of water reuse facilities was proposed. After the review, the proposal was reported to the Board of Directors and management meetings, and water recycling facilities have installed at production plants in India. As the result, Maruti SUZUKI India Ltd. has achieved a 100% circulation of water. |
| Upstream | Relevant, always included | In recent years, typhoons and torrential rains have caused many natural disasters such as floods in various parts of Japan. The Great East Japan Earthquake was an opportunity for SUZUKI to strongly recognize that SUZUKI's head office will have difficulty continuing its business due to tsunamis and liquefaction phenomena in the event of a huge Nankai Trough earthquake. Since many of SUZUKI's business partners are also scattered around Hamamatsu City, Shizuoka Prefecture, where SUZUKI's head office is located, there is also the risk of supply chain disruption, such as a suspension of parts supply. Information about these risks is reflected in SUZUKI’s BCP measures after the Purchasing Department has grasped the recovery capabilities of business partners. |
| Downstream | Relevant, always included | In recent years, typhoons and torrential rains have caused many natural disasters such as floods in various parts of Japan. As an efficient means of transportation to reduce CO2 emissions, we are sending products to remote locations by sea. However, vehicles collected in ports are at a risk of damaged by gusts and salt. The sales department with help of other departments is collecting information about these risks and taking countermeasures for them. |

## **C2.2d**

### **(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

【Management process of risk and opportunity】

For passing on the beautiful earth and affluent society to the next generation, SUZUKI considers environmental issues such as global warming to be one of the most important issues in our business activities. Based on the environmental philosophy and basic environmental policy set forth in the SUZUKI Global Environmental Charter, SUZUKI has formulated SUZUKI Environmental Plan 2020 to solve the issues extracted by materiality assessment and is working to reduce environmental impact of our business. To effectively reduce environmental impact of our business, we have established a comprehensive Environmental Management System within the SUZUKI Group to address environmental issues with a whole. For solving environmental issues occurs in various fields such as development, production, logistics, markets, and offices with the EMS, the environmental targets of SUZUKI Environmental Plan 2020 were send down to each department in charge. In the process of addressing issues, we communicate with each companies and departments, as well as stakeholders through the EMS.

For achieving the targets of SUZUKI Environmental Plan 2020, we are confirming the progress of the plan at the SUZUKI Environmental Committee (Chairman: President, Committee members: Executives) held regularly, once every six months, to promote business activities that reduce the impact on the environment by continuously improving our business through PDCA. In response to natural disasters such as abnormal weather, we have formulated capital investment plans to avoid risks premeditatedly. In addition, for responding to issues of high urgency and importance, we have established a risk management system that will promptly discuss and resolve issues at management meetings.

【Case study of Transition Risk and Opportunity 】

SUZUKI manufactures two-wheeled, four-wheeled, outboard engine, globally in various countries and regions, mainly in Asia. These countries and regions have various regulations and targets, including regulations on CO2 emissions for products. For example, CAFE (Corporate Average Fuel Economy) regulations for four-wheeled vehicles in the USA have been introduced in the EU, and Japan has also decided to adopt the regulation after 2020. If SUZUKI fails to meet the CAFE regulations, there are risks of fine, loss of sales opportunities, and damage the corporate image.

Information on fuel efficiency regulations is collected by the Regulatory Certification department and Sales department through agents and expatriates in each country, and information is reported to related departments such as design and development departments. After the development meetings seek and decide how to respond to these information, the information is passed to the Board of Directors and management meetings, and after deliberations and resolutions, it is reflected in product development to minimize risk. SUZUKI has also set a target to reduce CO2 emissions when using four-wheeled vehicles worldwide under the SUZUKI Environmental Plan 2020, a medium-term environmental target for 2020, at the SUZUKI Environmental Committee. Based on this target, each department has made plans, proceeded with concrete initiatives, and confirmed this progress at the SUZUKI Environmental Committee once every six months.

【Case study of physical risk and opportunity】

In recent years, natural disasters such as floods have occurred in various parts of Japan due to large typhoons and guerrilla downpours. In the wake of the Great East Japan Earthquake in 2011 and flood damage at the Thai motorcycle plant, we have conducted risk assessments, including for natural disasters such as tsunami and abnormal weather, and restructured our Risk Management System within the company to strengthen BCP measures at our offices in Japan. As the result of the risk assessments, it is confirmed that matters evaluated as high urgency and importance will be immediately reported to the Board of Directors and management meetings to be discussed and resolved. As for reducing flood damage caused by abnormal weather such as guerrilla rains or by great earthquakes, the head office Takatsuka Plant and the Toyokawa plant in Toyokawa City, Aichi Prefecture were relocated to higher ground in the Miyakoda area of Hamamatsu City (more than 50 m above sea level).

SUZUKI has formulated a long-term capital investment plan as part of its BCP measures, and is investing in BCP measures in line with the contents of the plan.

## **C2.3**

### **(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.3a**

### **(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Risk 1

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type**

Transition risk

### **Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

### **Type of financial impact**

Increased costs and/or reduced demand for products and services resulting from fines and judgments

### **Company- specific description**

SUZUKI is affected by the following regulations in Japan, India, Europe, etc., which are the main markets for our automobile sales. In addition to these regulations, tax incentives have been implemented to promote the development and dissemination of environmentally friendly vehicles such as fuel-efficient vehicles. 1. Japan ・2020, 2025 Fuel Economy Regulations ・Eco-car tax cuts and subsidies 2. Europe ・EU CO2 Emissions Regulations (2020, 2030) 3. India ・India 2022 Fuel Economy Regulations, the 2030 Agenda for Sustainable Development SUZUKI faces the risk of tightening environmental regulations imposed on vehicles worldwide, and failing to comply with regulations could lead to a decline in the company's image and increased operating costs due to fines. If the contents of the regulations are tightened more than SUZUKI’s expectations, an increase in man-hours and parts and material costs, additional investment of equipment, etc. may occur. In addition, there is also a risk of losing the opportunity to increase sales if SUZUKI is unable to bring the target product to market, for tax incentives for environmentally friendly products.

### **Time horizon**

Current

### **Likelihood**

Virtually certain

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

0

### **Potential financial impact figure – maximum (currency)**

3248050000

### **Explanation of financial impact figure**

Description of financial impact For example, if an automobile company exceeds the European vehicle CO2 emissions target (120gCO2/km), a surcharge will be imposed according to the degree of excess. The unit price of the surcharge (per new car, excess 1gCO2/km) is 95 € /unit (approx. 12.350 yen). If SUZUKI is able to comply with the regulations, the financial impact will be 0 yen, which is the minimum amount. The maximum amount was calculated as the average CO2 emissions of 263,000 vehicles sold by SUZUKI in Europe in fiscal 2017 exceeded 1 gCO2/km.

### **Management method**

SUZUKI obtains information on new laws and regulations through agents and expatriates in each country and share the information with relevant departments as regulatory reviews. The relevant department will promote development so that we can respond by the start date of the regulations. The management cost described the environmental costs at SUZUKI’s headquarters in fiscal 2017, including fuel efficiency improvements for gasoline vehicles, exhaust gas countermeasures, and costs related to the development of next-generation vehicles.

### **Cost of management**

52970000000

### **Comment**

### **Identifier**

Risk 2

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type**

Physical risk

### **Primary climate-related risk driver**

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

### **Type of financial impact**

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

### **Company- specific description**

In recent years, floods and other disasters have occurred frequently in many parts of the world due to extreme weather (typhoons and heavy downpours) that are thought to be affected by climate change. Currently, SUZUKI is expanding its business activities globally around the world, with the majority of its activities in India and other Asian regions. If a typhoon or heavy downpour hits a production base directly, there is a possibility that delays or outages in the purchase or production of raw materials and parts, in sales of products, and in the provision of logistics and services, may occur not only in Japan but also at overseas bases. In addition, even if SUZUKI’s production base is not directly affected, it could be affected in the same or other way if suppliers are damaged. If these physical effects cause delays or outages, and the time to recover is prolonged further, it may adversely affect SUZUKI's performance and financial position.

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Medium-high

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

2400000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

The massive flooding in north central Thailand in October 2011 caused delays and outages in parts procurement at Thai SUZUKI Motor Co, Ltd. (TSM), a Subsidiary of Thailand, which manufactures and sells motorcycles and outboard vehicles. As a result, TSM's plant operations were suspended from October 12 to November 30, 2011. Operating income for the two-wheeled business in fiscal 2011 improved by 8.4 billion yen compared to the previous fiscal year, but operating losses of 2.4 billion yen were incurred due to the impact of large-scale floods in Thailand [including the effects of the strong yen], and the amount of loss was stated as the potential financial impact.

### **Management method**

For minimizing the impact of disaster risks such as floods, SUZUKI has taken various preventive measures, such as participation in disaster insurance, and the diversification of production and research bases. For example, based on lessons learned from disasters such as large-scale floods in Thailand and the Great East Japan Earthquake in March 2011, we are working on disaster prevention measures at each plant, formulating a more effective business continuity plan (BCP), and working to strengthen the supply chain on a global scale. In October 2011, a large-scale flood in north central Thailand affected suppliers in Thailand, and there was a risk of shutdown not only at Thai SUZUKI Motor Co. Ltd. TSM, but also at production sites in Japan. However, since several suppliers had established an alternative supply system by the time of the disaster, the adverse effects on operations at production bases in Japan was avoided. Management costs include the relocating of the two-wheeled development and design base located a few hundred meters from the sea, and the Toyokawa plant and the two-wheeled engine plant to the high ground in the northern part of Hamamatsu City, as well as the costs incurred.

### **Cost of management**

61000000000

### **Comment**

The risk management expense includes the installation cost of SUZUKI's new facilities, the survey cost considering the risk of floods and heavy rains, and the cost of payment of disaster insurance.

### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type**

Transition risk

### **Primary climate-related risk driver**

Market: Changing customer behavior

### **Type of financial impact**

Reduced demand for goods and/or services due to shift in consumer preferences

### **Company- specific description**

In recent years, customers' interest in environmental issues, concerns about fluctuations in fuel costs, etc. have increased, and at the same time, demand for environmentally friendly products, including fuel-efficient vehicles, is increasing. As customer consumption behavior and preferences change in the direction of environmental consideration, if SUZUKI fails to bring environmentally friendly products (light vehicles and small vehicles) to market in a timely manner, it will lead to a decrease in sales share and sales and, furthermore, it may adversely affect SUZUKI's business performance and financial position.

### **Time horizon**

Medium-term

### **Likelihood**

Likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

2145000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Considering the increasing attention to economically and environmentally friendly products, if SUZUKI fail to meet market needs, the decline in sales could impose a significant financial impact on SUZUKI. In particular, SUZUKI's four-wheeled business accounts for 90% of SUZUKI's consolidated sales, the impact of the four-wheeled business on SUZUKI's finances is significant. In fiscal 2017, SUZUKI's sales of four-wheeled business in Japan were 1081.3 billion yen. The financial impact figures were set up assuming that SUZUKI's flagship product was sold 15,000 fewer units in competition with rivals in fiscal 2017.

### **Management method**

SUZUKI is conducting research and development of products based on the market trends survey by the Automobile Manufacturers Association (JAMA) or of our own, as well as SUZUKI's original technology roadmap and product plan, which looking ahead to the next 20 years. In addition, SUZUKI has consistently pursued the best of small cars, and by further improving the performance of running, design, safety, as well as by improving fuel efficiency through the adoption of “SUZUKI GREEN Technology”, we are pursuing the market needs of light and small vehicles that are loved by many customers. The management cost describes the environmental costs at SUZUKI's headquarters in fiscal 2017, including the cost of improving fuel efficiency of gasoline vehicles, measures against exhaust gases, and the development of next-generation vehicles.

### **Cost of management**

52970000000

### **Comment**

## **C2.4**

### **(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.4a**

### **(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Opp1

### **Where in the value chain does the opportunity occur?**

Customer

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

### **Type of financial impact**

Increased revenue through demand for lower emissions products and services

### **Company-specific description**

In recent years, customers' interest in environmental issues, concerns about fluctuations in fuel costs, etc. have increased, and at the same time, demand for environmentally friendly products, including fuel-efficient vehicles, is increasing as well. As customer consumption behavior and preferences change in the direction of environmental consideration, if SUZUKI cannot bring environmentally friendly products (light vehicles and small vehicles) to market in a timely manner, it will lead to a decrease in sales share and sales. It may adversely affect SUZUKI's business performance and financial position.

### **Time horizon**

Short-term

### **Likelihood**

Very likely

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

2145000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

In fiscal 2017, SUZUKI's sales of four-wheeled business in Japan were 1081.3 billion yen. The financial impact figures were set up assuming that SUZUKI's flagship product was sold 15,000 more units in competition with rivals in fiscal 2017.

### **Strategy to realize opportunity**

The cost of realizing the opportunity describes the environmental costs of research and development in Japan in fiscal 2017, including the cost of improving fuel efficiency, exhaust gas countermeasures, and the development of next-generation vehicles.

### **Cost to realize opportunity**

52970000000

### **Comment**

### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Customer

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

### **Type of financial impact**

Increased revenue through demand for lower emissions products and services

### **Company-specific description**

SUZUKI is affected by the following regulations in Japan, India, Europe, etc., which are the main markets for automobile sales. In addition to these regulations, tax incentives have been implemented to promote the development and dissemination of environmentally friendly vehicles such as fuel-efficient vehicles. 1. Japan 2020, 2025 Fuel Economy Regulations 2. Europe EU CO2 Emissions Regulations (2020, 2030) 3. India India 2022 Fuel Economy Regulations, the 2030 Agenda for Sustainable Development Selling products adapted to the strengthening of fuel efficiency regulations and tax incentives as described above will lead to improved environmental image for SUZUKI, as well as an opportunity to increase sales of environmentally friendly vehicles.

### **Time horizon**

Medium-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

274864000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

SUZUKI's four-wheeled business accounts for 90% of SUZUKI's consolidated sales. The potential financial impact figures were calculated based on SUZUKI's four-wheel sales growth rate and four-wheel sales (3435.8 billion yen) for fiscal 2017.

### **Strategy to realize opportunity**

The cost of realizing the opportunity describes the costs of research and development in Japan in fiscal 2017, including fuel efficiency improvements for gasoline vehicles, exhaust gas countermeasures, and costs related to the development of next-generation vehicles.

### **Cost to realize opportunity**

52970000000

### **Comment**

### **Identifier**

Opp3

### **Where in the value chain does the opportunity occur?**

Direct operations

### **Opportunity type**

Resilience

### **Primary climate-related opportunity driver**

Other

### **Type of financial impact**

Other, please specify (To provide a stable product by risk diversification)

### **Company-specific description**

SUZUKI is trying to decentralize the risks in the wake of the Great East Japan Earthquake and the Floods in Thailand. SUZUKI is producing products all over the world and manages its supply chain globally. For example, in the event of a flood in Indonesia and a disaster in which business activities are difficult, it is possible to continue sales activities by exporting products from India. In addition, even if suppliers are affected by the disaster and it is difficult to procure parts, we will be able to procure parts from third countries, therefore it will not affect production activities as long as the company’s production facilities are still available. Furthermore, because, assuming the Nankai Trough Great Earthquake, we have constructed a test course with the same experimental equipment as the Sagara Test Course in Rotak, Haryana, India, it is possible to continue to conduct research and development activities in case of great disaster in either region.

### **Time horizon**

Medium-term

### **Likelihood**

About as likely as not

### **Magnitude of impact**

Medium-high

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

2400000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

The potential financial impact figure was based on the assumption that no operating losses occurred during the 2011 floods in Thailand.

### **Strategy to realize opportunity**

The cost of realizing the opportunity was described the construction cost of the R&D center and test course built in Rotak, Haryana, India (20 billion rupees) in Japanese yen.

### **Cost to realize opportunity**

31370757320

### **Comment**

## **C2.5**

### **(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

|  |  |  |
| --- | --- | --- |
|  | **Impact** | **Description** |
| Products and services | Impacted | As a result of our materiality assessment in CSR activities, "Development and dissemination of environmental technologies" is identified as one of the most important issues for SUZUKI. The move to promote the adoption of automotive EV in India has had a major impact on SUZUKI's product plans, which has a 50% market share in India. Specifically, the company has entered into a business alliance with Toyota to introduce EVs into the Indian market, to expand electric vehicles by providing HV technology from Toyota, and to improve fuel efficiency of small engines. |
| Supply chain and/or value chain | Impacted for some suppliers, facilities, or product lines | As a result of our materiality assessment in CSR activities, SUZUKI identifies “Supply chain management” as one of the most important issues. SUZUKI is promoting the reduction of CO2 emissions throughout the supply chain, and in the SUZUKI Green Procurement Guidelines, we are requesting a reduction in CO2 emissions as one of the environmental initiatives in our business activities. In particular, we are confirming major business partners’ status of their CO2 emission reduction plans and activities once a year, making some positive impact on business partners. |
| Adaptation and mitigation activities | Impacted | As a result of our materiality assessment in CSR activities, SUZUKI identifies “Reduction of CO2 emissions” as one of the most important issues. For the purpose of suppressing global warming, SUZUKI has been in full operation since 2016 with “SUZUKI Makinohara Solar Power Plant” (20MW maximum capacity, annual power generation capacity of 32,200 MWh, and total construction cost of approximately 7.9 billion yen). SUZUKI’s Solar power generation business is also operating a 0.9MW power plant at the Hamamatsu Plant and a 4MW power plant in Nishi-ward, Hamamatsu City, which has a major impact on its business activities. |
| Investment in R&D | Impacted | As a result of our materiality assessment in CSR activities, "Development and dissemination of environmental technologies" is identified as one of the most important issues for SUZUKI. SUZUKI sells two-wheeled, four-wheeled, and outboard engine globally in various countries and regions, mainly in Asia. Various regulations and targets are established in each country and region, including CO2 emission regulations for products. These regulations have a significant impact on product development, such as SUZUKI's investment in HV and EV technology. Research and development expenses for fiscal 2017 were 119.3 billion yen (115.7 billion yen in FY2016), which is on an increasing trend year by year. As a result, three mild HV models (Siaz, Baleno and Ertiga) have been released in India, and have been well received. |
| Operations | Impacted | As a result of our materiality assessment in CSR activities, SUZUKI identifies “Reduction of CO2 emissions” as one of the most important issues, and “SUZUKI Environmental Plan 2020” aims to reduce CO2 emissions in production activities by 10% per global production volume (compared to FY2010). An infrared mold heater was introduced in the casting process of the Sagara Plant in a concrete effort to achieve the target. Compared to the conventional gas burner type, energy consumption was reduced by 58%. This initiative has had a significant impact on SUZUKI's business activities, including being deployed to the SUZUKI Group in Japan and overseas. |
| Other, please specify | Please select |  |

## **C2.6**

### **(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.**

|  |  |  |
| --- | --- | --- |
|  | **Relevance** | **Description** |
| Revenues | Impacted | SUZUKI has been launching hybrid and mild hybrid vehicles on the market in fiscal 2014. Due to the growing market needs for environmentally friendly products and the enhancement of the product lineup, the sales ratio is increasing year by year. In India, sales have also been growing with the launch of three mild HV models: Siaz, Baleno and Ertiga. In fiscal 2017, sales in Japan were 1081.3 billion yen, an increase of 7.9% from the previous year. In addition, since the sales of four-wheeled hybrid vehicles in Japan accounted for more than 50% (45% in fiscal 2016), the impact on sales is significant. |
| Operating costs | Impacted | SUZUKI invests in the establishment of lithium-ion battery plants in India, and for its research and development (advance development of next-generation environmentally friendly vehicles such as EV, PHV, HV, etc.), recruitment and cultivation of human resources. Research and development expenses for fiscal 2017 were 119.3 billion yen (FY2016: 115.7 billion yen). The impact of the operating costs is significant because research and development expenses to bring products that meet market needs to the market are increasing year by year. |
| Capital expenditures / capital allocation | Impacted | SUZUKI is actively investing in capital expenditures (establishment of lithium-ion battery plants in India, installation of solar panels and the introduction of energy-saving equipment such as switching to LED lighting equipment). SUZUKI's capital expenditures for fiscal 2017 were 53.6 billion yen. The impact of capital expenditures is significant because the costs of development of environmental technologies to dealing with climate change are expected to increase in the future. |
| Acquisitions and divestments | Not yet impacted | SUZUKI believes that the spread of compact cars is essential to contributing to solving global environmental problems under the slogan of "small cars for a big future." Although the company is offering vehicles to be selected by a large number of customers in emerging markets such as India where population growth is rapid, as well as in developed markets like Japan and Europe, we never have yet experienced a serious managemental problem, such as acquisitions and divestments. However, depending on the future trend, for example, if an event such as a significant decrease in demand for gasoline vehicles occurs, there is a possibility that the impact of serious managemental problems, such as acquisitions and divestments extends over a long period of time. |
| Access to capital | Not yet impacted | SUZUKI has borrowed money from banks in the past to introduce equipment for global warming countermeasures. At that time, SUZUKI’s environmental initiatives were evaluated that we were able to receive preferential interest rate loans. So far, there has been no case where environmental response has become a problem or has had affected on capital. For Green Bonds and Taxonomy may have an impact on our funding in the future, we are considering how to respond to these new environmental financial instruments. |
| Assets | Not yet impacted | SUZUKI’s stock price has hit a record high of 7,680 yen in 2018, reflecting strong sales in India, driven by strong market expansion and shareholder expectations for a technical tie-up with Toyota. We have not yet experienced any negative impact on the assets with environmental issues, such as a decline in stock price due to a lack of efforts to combat climate change. |
| Liabilities | Not yet impacted | Water-related risks such as flooding at existing SUZUKI’s plants are evaluated and addressed using WRI's AQUEDUCT evaluation tool. SUZUKI’s domestic production bases were relocated to higher ground by investing 61 billion yen as part of a tsunami countermeasure against the Nankai Trough Great earthquake. The relocation is also effective for flooding and flooding measures against typhoons and guerrilla downpours, and we believe that even during these disasters, operations at factories and equipment will not be affected. However, we are aware that in the event of a natural disaster that exceeds expectations and damage occurs in factories and equipment, there is a possibility that a medium-term debt risk associated with compensation may occur. |
| Other | Please select |  |

## **C3. Business Strategy**

## **C3.1**

### **(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

## **C3.1a**

### **(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

No, but we anticipate doing so in the next two years

## **C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b**

### **(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b) Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.**

In development, we plan to complete it within the next 2 years

## **C3.1c**

### **(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

【Impact on Business Policy and Business Strategy 】

The results of climate change scenario analysis published by the IEA and IPCC will be reflected in laws related to CO2 emission regulations, such as fuel efficiency regulations in each country. Therefore, the impact of these climate scenario analysis results on the market is enormous that SUZUKI needs to carefully examine the results of those analyses in order to develop products that compliant with regulations. SUZUKI recognizes that responding to climate change is one of the most important management issues, and it is necessary for management to make decisions about environmental issues, including climate change.

To address environmental issues such as climate change, the SUZUKI Environmental Committee, chaired by the President and CEO and executives serves as committees, conducts detailed deliberations and formulation of environmental plans and visions, as well as confirmation of progress after the plan has been formulated.

In formulating the plan, the Environment Division collects information on environmental laws and regulations and listens to relevant departments to make proposals to the Environment Committee. We have formulated the SUZUKI Environmental Plan 2020, a medium-term environmental plan for fiscal 2020, and are working on environmental issues under "Team SUZUKI" system that includes affiliates both in Japan and overseas.

【Relationship between business strategy and CO2 emission reduction target / energy conservation targe】

SUZUKI has set CO2 reduction targets for products, production, and domestic transportation activities under the SUZUKI Environmental Plan 2020, a medium-term environmental plan. In terms of products, we aim to reduce CO2 emissions when using products worldwide compared to FY2005, 28% of four-wheeled vehicles, 20% of motorcycles, and 10% of outboard engine, and in production activities, we aim to reduce the SUZUKI Group's CO2 emissions per global production volume by 10% compared to FY2010. We also aim to reduce CO2 emissions for all domestic transportation activities by 14% per unit of sales compared to FY2010. We are currently considering formulating a CO2 emission reduction target for 2050 in line with the IEA and the Paris Agreement.

【Management Decisions】

T he Indian market, which is in urgent need of environmental response, is waiting for the introduction of environmentally friendly vehicles such as HVs and EVs. Under these circumstances, in November 2017, SUZUKI agreed with Toyota Motor Corp. to work together to build a cooperative relationship to introduce EVs to the Indian market around 2020. Furthermore, in March 2018, the both companies agreed to provide HV and other mutual supplies to stimulate sales competition in the Indian market while strengthening the product lineup of the two companies. SUZUKI also established a lithium-ion battery plant in cooperation with Toshiba and Denso to provide a stable supply of lithium-ion batteries in India. SUZUKI has started selling three mild HV models in India in 2018: Siaz, Baleno and Ertiga, as well as begun testing the EV vehicles for the launch of EV in 2020.

【 Which aspects of the climate change problem have affected the strategy 】

Strengthening fuel efficiency regulations (CAFE: Corporate Average Fuel Efficiency) and EV plans of each country had a major impact on SUZUKI’s business strategy. In particular, the EV plan in India, which is driving SUZUKI’s profits, had a major impact on SUZUKI’s product development and other business activities. We are aiming to introduce HV and EV into the Indian market with the appropriate timing for further expand from the current 50% share, to make a positive impact on SUZUKI’s financial position. In addition, we are continuously and systematically investing in management resources (such as Human resource, Physical resource, and Financial resource) in response to environmental issues in order to have a positive impact on the financial side of the future. In addition to the fact that SUZUKI’s specialty small cars have become less suitable for market needs due to changes in consumer preferences, SUZUKI decided to withdraw from Chinese market in light of the introduction of new energy vehicle regulations, which began in January 2019, and SUZUKI’s sales in the Chinese market.

【What strategic advantages you have over competitors】

SUZUKI’s strategic advantage lies in the development and sale of “fuel-efficient vehicles that are affordable for customers around the world”. SUZUKI has environmental technology to produce small fuel-efficient vehicles, even HVs, and is good at providing high-quality products to customers at low prices through thorough cost reductions. SUZUKI believes that the spread of such products is the way we can contribute the most to controlling global climate change.

Light vehicle technology that SUZUKI has consistently accumulated in the light vehicle market is suitable for making affordable vehicles in emerging countries. In recent years, we have been actively developing models equipped with SUZUKI GREEN Technology, an environmental technology that can be offered at affordable prices, and are providing small vehicles with excellent fuel efficiency, mainly in India and Asia, as well as in Japan.

## **C3.1g**

### **(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?**

When SUZUKI began to formulate its medium-term environmental target, SUZUKI Environmental Plan 2020, we were not able to formulate environmental targets based on climate change scenario analysis, mainly because we did not have enough knowledge of climate scenario analysis. However, SUZUKI is always aware that our business is to produce products that use fossil fuels and emits CO2 in its business activities, and recognizes that we are at major challenge of reducing global CO2 emissions. For this reason, we are keeping a close eye on the movement of the international community, such as the Paris Agreement, and the SUZUKI Group in Japan and overseas is working together to promote activities in response to environmental issues such as Reduction of CO2 emissions in production, reduction of CO2 emissions in product use, development of next-generation vehicles such as EVs and fuel cell motorcycles.

For our next environmental plan to be based on the results of the climate change scenario analysis, we are currently working on creating climate change scenario analysis.

## **C4. Targets and performance**

## **C4.1**

### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Intensity target

## **C4.1b**

### **(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

### **Target reference number**

Int 1

### **Scope**

Scope 1 +2 (market-based)

### **% emissions in Scope**

88.9

### **Targeted % reduction from base year**

10

### **Metric**

Metric tons CO2e per vehicle produced\*

### **Base year**

2010

### **Start year**

2016

### **Normalized base year emissions covered by target (metric tons CO2e)**

0.315

### **Target year**

2020

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **% of target achieved**

79

### **Target status**

Underway

### **Please explain**

This target is a CO2 reduction target for the production activities of the SUZUKI Group in Japan and overseas. The target is expected to be achieved through energy-saving activities such as conversion to high energy-efficiency equipment, like the shift to inverter type facilities, fuel conversion, and installation of solar power panels at domestic and overseas plants.

### **% change anticipated in absolute Scope 1+2 emissions**

-10

### **% change anticipated in absolute Scope 3 emissions**

0

## **C4.2**

### **(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

## **C4.3**

### **(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## **C4.3a**

### **(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

|  |  |  |
| --- | --- | --- |
|  | **Number of initiatives** | **Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked \*)** |
| Under investigation | 0 | 0 |
| To be implemented\* | 9 | 1519 |
| Implementation commenced\* | 25 | 3744 |
| Implemented\* | 14 | 1012 |
| Not to be implemented | 0 | 0 |

## **C4.3b**

### **(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

### **Initiative type**

Energy efficiency: Building services

### **Description of initiative**

Other, please specify (Review of air conditioning duct layout in welding process)

### **Estimated annual CO2e savings (metric tonnes CO2e)**

4

### **Scope**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

111000

### **Investment required (unit currency – as specified in C0.4)**

0

### **Payback period**

No payback

### **Estimated lifetime of the initiative**

1-2 years

### **Comment**

Review of air conditioning duct layout in welding process

### **Initiative type**

Energy efficiency: Processes

### **Description of initiative**

Process optimization

### **Estimated annual CO2e savings (metric tonnes CO2e)**

6

### **Scope**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

636000

### **Investment required (unit currency – as specified in C0.4)**

0

### **Payback period**

No payback

### **Estimated lifetime of the initiative**

1-2 years

### **Comment**

Power reduction by pressure control in accordance with line operation

### **Initiative type**

Energy efficiency: Processes

### **Description of initiative**

Process optimization

### **Estimated annual CO2e savings (metric tonnes CO2e)**

18

### **Scope**

Scope 1

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

4706000

### **Investment required (unit currency – as specified in C0.4)**

0

### **Payback period**

No payback

### **Estimated lifetime of the initiative**

<1 year

### **Comment**

Reduced energy by steamless

### **Initiative type**

Energy efficiency: Processes

### **Description of initiative**

Machine replacement

### **Estimated annual CO2e savings (metric tonnes CO2e)**

205

### **Scope**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

2441000

### **Investment required (unit currency – as specified in C0.4)**

7322000

### **Payback period**

1-3 years

### **Estimated lifetime of the initiative**

<1 year

### **Comment**

Converting compressors to inverter type

### **Initiative type**

Energy efficiency: Processes

### **Description of initiative**

Machine replacement

### **Estimated annual CO2e savings (metric tonnes CO2e)**

11

### **Scope**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

344000

### **Investment required (unit currency – as specified in C0.4)**

1650000

### **Payback period**

4 - 10 years

### **Estimated lifetime of the initiative**

<1 year

### **Comment**

Miniaturization of water supply pumps

### **Initiative type**

Energy efficiency: Processes

### **Description of initiative**

Machine replacement

### **Estimated annual CO2e savings (metric tonnes CO2e)**

155

### **Scope**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

1109000

### **Investment required (unit currency – as specified in C0.4)**

30092000

### **Payback period**

>25 years

### **Estimated lifetime of the initiative**

<1 year

### **Comment**

・Renewal of deteriorated air-compressor ・Renewal of the washing preheating furnace

### **Initiative type**

Process emissions reductions

### **Description of initiative**

Changes in operations

### **Estimated annual CO2e savings (metric tonnes CO2e)**

435

### **Scope**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

255000

### **Investment required (unit currency – as specified in C0.4)**

0

### **Payback period**

No payback

### **Estimated lifetime of the initiative**

1-2 years

### **Comment**

Power reduction by reviewing the operation method of roof fan equipment in welding process

### **Initiative type**

Process emissions reductions

### **Description of initiative**

New equipment

### **Estimated annual CO2e savings (metric tonnes CO2e)**

93

### **Scope**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

2006000

### **Investment required (unit currency – as specified in C0.4)**

315550000

### **Payback period**

16-20 years

### **Estimated lifetime of the initiative**

<1 year

### **Comment**

Introduction of high pressure compressor

### **Initiative type**

Process emissions reductions

### **Description of initiative**

Process materials selection

### **Estimated annual CO2e savings (metric tonnes CO2e)**

87

### **Scope**

Scope 1

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

23894000

### **Investment required (unit currency – as specified in C0.4)**

56200000

### **Payback period**

1-3 years

### **Estimated lifetime of the initiative**

<1 year

### **Comment**

Reduction of LPG usage by changing the air conditioning system from gas-fired to electric

## **C4.3c**

### **(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

|  |  |
| --- | --- |
| **Method** | **Comment** |
| Internal finance mechanisms | The amount of Co2 reduction is one of the key criteria for investing in emission reduction activities, but SUZUKI does not invest solely in CO2 reduction. SUZUKI makes final investment decisions, considering the effects of energy use efficiency, CO2 reduction, reduction of operating costs, and improvement of operational and production efficiency. |

## **C4.5**

### **(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## **C4.5a**

### **(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

### **Level of aggregation**

Group of products

### **Description of product/Group of products**

SUZUKI’s product can reduce CO2 emission with the excellent fuel-efficiency, for not only small vehicles, but also light vehicles are equipped with "hybrid", "mild hybrid", and "S-energy charge", which is the crystal technology of "SUZUKI GREEN Technology".

### **Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product and avoided emissions

### **Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Life Cycle Asessment)

### **% revenue from low carbon product(s) in the reporting year**

52

### **Comment**

SUZUKI conducts environmental assessments using LCA method, which allows us to evaluate the impact on the environment throughout the product lifecycle, from raw material extraction to its disposal, by specific numerical values, and calculates them in terms of CO2. Using this data, we publish how much CO2 is reduced by our products than conventional vehicles. It is also used as an indicator of further reductions in the future. The percentage of low-carbon products in the reported year is the percentage of hybrid vehicles in the overall sales of four-wheeled vehicles in Japan. Including vehicles equipped with lithium-ion batteries, it accounts for 62% of total domestic sales.

## **C5. Emissions methodology**

## **C5.1**

### **(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### **Scope 1**

### **Base year start**

April 1 2010

### **Base year end**

March 31 2011

### **Base year emissions (metric tons CO2e)**

573246

### **Comment**

### **Scope 2 (location-based)**

### **Base year start**

April 1 2010

### **Base year end**

March 31 2011

### **Base year emissions (metric tons CO2e)**

510722

### **Comment**

### **Scope 2 (market-based)**

### **Base year start**

April 1 2010

### **Base year end**

March 31 2011

### **Base year emissions (metric tons CO2e)**

447528

### **Comment**

## **C5.2**

### **(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

Act on the Rational Use of Energy

## **C6. Emissions data**

## **C6.1**

### **(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?**

### **Reporting year**

### **Gross global Scope 1 emissions (metric tons CO2e)**

597347

### **Start date**

April 1 2017

### **End date**

March 31 2018

### **Comment**

## **C6.2**

### **(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.**

### **Row 1**

### **​Scope 2, location-based​**

We are reporting a Scope 2, location-based figure

### **Scope 2, market-based**

We are reporting a Scope 2, market-based figure

### **Comment**

## **C6.3**

### **(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

### **Reporting year**

### **Scope 2, location-based**

644898

### **Scope 2, market-based (if applicable)**

611835

### **Start date**

April 1 2017

### **End date**

March 31 2018

### **Comment**

## **C6.4**

### **(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## **C6.5**

### **(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.**

### **Purchased goods and services**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

8312069

### **Emissions calculation methodology**

Amount of Activity: Amount of raw materials supply, ton-kilometer of supplier transportation Emissions Unit Value: The emissions unit value of raw material (CFP-DB), the emissions unit value of ton-kilometers (CFP-DB)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Capital goods**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

731880

### **Emissions calculation methodology**

Amount of Activity: The price of capital goods Emissions Unit Value: The emissions unit value of amount of financial investment (from Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain), the emissions unit value of ton-kilo (CFP-DB)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Fuel-and-energy-related activities (not included in Scope 1 or 2)**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

173638

### **Emissions calculation methodology**

Amount of Activity: Amount energy consumption for electricity and fossil fuels, and water consumption Emissions Unit Value: the emissions unit value of energy (CFP-DB)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Upstream transportation and distribution**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

62370

### **Emissions calculation methodology**

Amount of Activity: Amount of raw materials supply, ton-kilometer of supplier transportation Emissions Unit Value: The emissions unit value of ton-kilometers (CFP-DB)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Waste generated in operations**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

3892

### **Emissions calculation methodology**

Amount of Activity: Amounts of processed/recycled waste, by type of waste and processing method Emissions Unit Value: Emissions unit value for the type of waste and processing method (from Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Business travel**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

11480

### **Emissions calculation methodology**

Amount of Activity: Expenditures for transportation costs Emissions Unit Value: Emissions unit value for expenditures for transportation costs (from Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Employee commuting**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

48428

### **Emissions calculation methodology**

Amount of Activity: Expenditures for transportation costs Emissions Unit Value: Emissions unit value for expenditures for transportation costs (from Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Upstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Not calculated because there is no relevant information.

### **Downstream transportation and distribution**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

751297

### **Emissions calculation methodology**

Amount of Activity: Ton-kilometers of transported sold products Emissions Unit Value: Emissions unit value for ton-kilometers (CFP-DB, from Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Processing of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Not calculated because there is no relevant information.

### **Use of sold products**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

66779603

### **Emissions calculation methodology**

Amount of Activity: Consider fuel economy, annual mileage, and number of years of use for products sold by region

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **End of life treatment of sold products**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

29281

### **Emissions calculation methodology**

Amount of Activity: Amounts of processed/recycled waste, by type of waste and processing method Emissions Unit Value: Emissions unit value for the type of waste and processing method (from Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain)

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Downstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Not calculated because there is no relevant information.

### **Franchises**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

Not calculated because there is no relevant information.

### **Investments**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

510787

### **Emissions calculation methodology**

Considering the ratio of shares held and the scope1 and 2 emissions of investee.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

### **Explanation**

### **Other (upstream)**

### **Evaluation status**

Please select

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

### **Other (downstream)**

### **Evaluation status**

Please select

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Explanation**

## **C6.7**

### **(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

## **C6.10**

### **(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

### **Intensity figure**

0.3218

### **Metric numerator (Gross global combined Scope 1 and 2 emissions)**

1209182

### **Metric denominator**

unit total revenue

### **Metric denominator: Unit total**

3757219000000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

8.7

### **Direction of change**

Decreased

### **Reason for change**

Consolidated sales for the year reported as denominators increased 587.7 billion yen(18.5%) compared to the previous year. Domestic sales (up 7.6%) and sales in India and Europe (up 23.8%) resulted in a decline in emissions unit vale as sales reached record highs. SUZUKI’s net sales and operating income for fiscal 2017 were at an all-time high.

### **Intensity figure**

3622474

### **Metric numerator (Gross global combined Scope 1 and 2 emissions)**

1209182

### **Metric denominator**

vehicle produced

### **Metric denominator: Unit total**

3338000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

0.3

### **Direction of change**

Decreased

### **Reason for change**

Production in the year of the report, which is the denominator figure, increased by 264,000 units (8.6%) from the previous year. On the other hand, with regard to GHG emissions, which is the numerator, we implemented CO2 reduction initiatives such as "Adjustment and optimization of equipment operating conditions", "Consolidation and miniaturization of facilities", "Loss reduction; halt of energy supply when the line is stopped, turn lights off when not needed, and etc., ", "conversion to high-efficiency equipment such as inverters". Due to the increase in the number of production units, the increase in GHG emissions was able to be reduced, resulting in an improvement in the emissions unit value per production for the reported year.

## **C7. Emissions breakdowns**

## **C7.1**

### **(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

## **C7.1a**

### **(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

|  |  |  |
| --- | --- | --- |
| **Greenhouse gas** | **Scope 1 emissions (metric tons of CO2e)** | **GWP Reference** |
| CO2 | 597347 | IPCC Fifth Assessment Report (AR5 – 100 year) |

## **C7.2**

### **(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

|  |  |
| --- | --- |
| **Country/Region** | **Scope 1 emissions (metric tons CO2e)** |
| Japan | 178511 |
| Other, please specify (Asia, Oceania) | 399825 |
| Other, please specify (Europe, Middle East, Africa) | 18286 |
| Other, please specify (North, Central South America) | 725 |

## **C7.3**

### **(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

## **C7.3c**

### **(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

|  |  |
| --- | --- |
| **Activity** | **Scope 1 emissions (metric tons CO2e)** |
| Production | 538775 |
| Non-production | 58571 |

## **C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4**

### **(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Gross Scope 1 emissions, metric tons CO2e** | **Net Scope 1 emissions , metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Electric utility generation activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 538775 | <Not Applicable> | Fill in CO2 emissions from production activities. |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C7.5**

### **(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country/Region** | **Scope 2, location-based (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** | **Purchased and consumed electricity, heat, steam or cooling (MWh)** | **Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)** |
| Japan | 393602 | 360538 | 728892 | 728892 |
| Other, please specify (Asia, Oceania) | 233110 |  | 337279 |  |
| Other, please specify (Europe, Middle East, Africa) | 15308 |  | 54265 |  |
| Other, please specify (North, Central, South America) | 2878 |  | 7216 |  |

## **C7.6**

### **(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

## **C7.6c**

### **(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

|  |  |  |
| --- | --- | --- |
| **Activity** | **Scope 2, location-based emissions (metric tons CO2e)** | **Scope 2, market-based emissions (metric tons CO2e)** |
| Production | 562722 | 535866 |
| Non-production | 82176 | 75968 |

## **C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7**

### **(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Scope 2, location-based, metric tons CO2e** | **Scope 2, market-based (if applicable), metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 562722 | 535866 | Fill in CO2 emissions from production activities. |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C-TO7.8**

### **(C-TO7.8) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.**

### **Activity**

Light Duty Vehicles (LDV)

### **Emissions intensity figure**

0.000105

### **Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e**

66779603

### **Metric denominator**

p.km

### **Metric denominator: Unit total**

633495760500

### **% change from previous year**

-1.7

### **Vehicle unit sales in reporting year**

3223897

### **Vehicle lifetime in years**

15

### **Annual distance in km or miles (unit specified by column 4)**

10000

### **Load factor**

1.31

### **Please explain the changes, and relevant standards/methodologies used**

The load factor is the average number of passengers in the OD survey result of 2015 nationwide and street traffic situation survey, by the Ministry of Land, Infrastructure, Transport and Tourism.

## **C7.9**

### **(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

## **C7.9a**

### **(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Change in emissions (metric tons CO2e)** | **Direction of change** | **Emissions value (percentage)** | **Please explain calculation** |
| Change in renewable energy consumption |  | <Not Applicable> |  |  |
| Other emissions reduction activities | 6274 | Decreased | 0.6 | With initiatives for reducing CO2 emission such as, "Adjustment and optimization of equipment operating conditions", "Consolidation and miniaturization of facilities", "Loss reduction; halt of energy supply when the line is stopped, turn lights off when not needed, and etc., ", "conversion to high-efficiency equipment such as inverters" in reported year, we achieved a reduction of 6711.6[t-CO2] year-on-year at our own plants in Japan (Kosai, Iwata, Sagara, Osuga, Toyokawa, and Takatsuka). As a result, the CO2 emission was decrease by 6274.2/1,117,192\*100=0.56 [%]. |
| Divestment |  | <Not Applicable> |  |  |
| Acquisitions |  | <Not Applicable> |  |  |
| Mergers |  | <Not Applicable> |  |  |
| Change in output | 91989 | Increased | 8.2 | In the reporting year, the number of four-wheeled vehicles produced in Japan was 971,000 units, an increase of 100,000 compared to the previous year. As a result, the scope 1 and 2 in Japan increased by 539,049/511,255\*100=5.4% year-on-year. Scope 1 and 2 in Japan accounted for 45% of total emissions, an increase of 5.4\*0.45=2.4%. In addition, the number of four-wheeled vehicle production overseas was 2,367,000 units, an increase of 164,000 units compared to the previous year. As a result, the scope 1 and 2 of overseas bases excluding Japan increased by (670,132/605,937)\*100=10.6% year-on-year. Scope 1 and 2 in overseas bases accounted for 55% of total emissions, an increase of 10.6\*0.55=5.8%. |
| Change in methodology |  | <Not Applicable> |  |  |
| Change in boundary | 8 | Increased | 0 | With the start of operation of overseas manufacturing subsidiary (SUZUKI Thilawa Motor Co,Ltd., Ltd.), the number of target bases increased. 8t-CO2 has increased. |
| Change in physical operating conditions |  | <Not Applicable> |  |  |
| Unidentified |  | <Not Applicable> |  |  |
| Other |  | <Not Applicable> |  |  |

## **C7.9b**

### **(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## **C8. Energy**

## **C8.1**

### **(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## **C8.2**

### **(C8.2) Select which energy-related activities your organization has undertaken.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertakes this energy-related activity** |
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

## **C8.2a**

### **(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Heating value** | **MWh from renewable sources** | **MWh from non-renewable sources** | **Total MWh** |
| Consumption of fuel (excluding feedstock) | LHV (lower heating value) | 0 | 2857463 | 2857463 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 0 | 1127652 | 1127652 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 46265 | <Not Applicable> | 46265 |
| Total energy consumption | <Not Applicable> | 46265 | 3985115 | 4031380 |

## **C8.2b**

### **(C8.2b) Select the applications of your organization’s consumption of fuel.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertakes this fuel application** |
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of heat | No |
| Consumption of fuel for the generation of steam | Yes |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | Yes |

## **C8.2c**

### **(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### **Fuels (excluding feedstocks)**

Motor Gasoline

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

164739

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

### **Fuels (excluding feedstocks)**

Kerosene

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

11298

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

### **Fuels (excluding feedstocks)**

Diesel

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

93979

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

### **Fuels (excluding feedstocks)**

Other, please specify (A type heave oil)

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

11034

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

7554

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

### **Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

383176

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

56538

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

### **Fuels (excluding feedstocks)**

Compressed Natural Gas (CNG)

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

1940085

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

0

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Comment**

### **Fuels (excluding feedstocks)**

Town Gas

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

253153

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

0

### **MWh fuel consumed for self-generation of steam**

30470

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

26395

### **Comment**

## **C8.2d**

### **(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

### **Compressed Natural Gas (CNG)**

### **Emission factor**

2.69

### **Unit**

metric tons CO2 per metric ton

### **Emission factor source**

By the value of energy consumption per weight and CO2 emissions per energy unit from “2006 IPCC Guidelines for National Greenhouse Gas Inventories”.

### **Comment**

The coefficient is calculated by taking into account the conversion of the IPCC coefficient to CO2 (44/12).

### **Diesel**

### **Emission factor**

3.18

### **Unit**

metric tons CO2 per metric ton

### **Emission factor source**

By the value of energy consumption per weight and CO2 emissions per energy unit from “2006 IPCC Guidelines for National Greenhouse Gas Inventories”.

### **Comment**

The coefficient is calculated by taking into account the conversion of the IPCC coefficient to CO2 (44/12).

### **Kerosene**

### **Emission factor**

3.15

### **Unit**

metric tons CO2 per metric ton

### **Emission factor source**

By the value of energy consumption per weight and CO2 emissions per energy unit from “2006 IPCC Guidelines for National Greenhouse Gas Inventories”.

### **Comment**

The coefficient is calculated by taking into account the conversion of the IPCC coefficient to CO2 (44/12).

### **Liquefied Petroleum Gas (LPG)**

### **Emission factor**

2.98

### **Unit**

metric tons CO2 per metric ton

### **Emission factor source**

By the value of energy consumption per weight and CO2 emissions per energy unit from “2006 IPCC Guidelines for National Greenhouse Gas Inventories”.

### **Comment**

The coefficient is calculated by taking into account the conversion of the IPCC coefficient to CO2 (44/12).

### **Motor Gasoline**

### **Emission factor**

3.07

### **Unit**

metric tons CO2 per metric ton

### **Emission factor source**

By the value of energy consumption per weight and CO2 emissions per energy unit from “2006 IPCC Guidelines for National Greenhouse Gas Inventories”.

### **Comment**

The coefficient is calculated by taking into account the conversion of the IPCC coefficient to CO2 (44/12).

### **Town Gas**

### **Emission factor**

0.00229

### **Unit**

metric tons CO2 per metric ton

### **Emission factor source**

According to the published value of the gas supply company.

### **Comment**

### **Other**

### **Emission factor**

3.13

### **Unit**

metric tons CO2 per metric ton

### **Emission factor source**

By the value of energy consumption per weight and CO2 emissions per energy unit from “2006 IPCC Guidelines for National Greenhouse Gas Inventories”.

### **Comment**

The coefficient is calculated by taking into account the conversion of the IPCC coefficient to CO2 (44/12).

## **C8.2e**

### **(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Total Gross generation (MWh)** | **Generation that is consumed by the organization (MWh)** | **Gross generation from renewable sources (MWh)** | **Generation from renewable sources that is consumed by the organization (MWh)** |
| Electricity | 634770 | 457876 | 46265 | 3237 |
| Heat | 0 | 0 | 0 | 0 |
| Steam | 95531 | 95531 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

## **C8.2f**

### **(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

### **Basis for applying a low-carbon emission factor**

Other, please specify (Fill in the comments.)

### **Low-carbon technology type**

Wind

### **Region of consumption of low-carbon electricity, heat, steam or cooling**

Asia Pacific

### **MWh consumed associated with low-carbon electricity, heat, steam or cooling**

1441

### **Emission factor (in units of metric tons CO2e per MWh)**

0

### **Comment**

For the domestic plants, we have installed two wind power generation facilities at the Kosai plant and one in the training center, and are actively using alternative energy. These are power generation facilities owned, managed and operated by the company, and do not issue or sell its Tradable Green Certificates.

### **Basis for applying a low-carbon emission factor**

Other, please specify (Fill in the comments.)

### **Low-carbon technology type**

Hydropower

### **Region of consumption of low-carbon electricity, heat, steam or cooling**

Asia Pacific

### **MWh consumed associated with low-carbon electricity, heat, steam or cooling**

39

### **Emission factor (in units of metric tons CO2e per MWh)**

0

### **Comment**

For the domestic plants, a small hydroelectric power generation using the water receiving pressure of industrial water is introduced at the Kosai plant. It is a power generation facility owned, managed and operated by the company, and does not issue or sell its Tradable Green Certificates.

## **C-TO8.4**

### **(C-TO8.4) Provide any efficiency metrics that are appropriate for your organization’s transport products and/or services.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric figure**

0.36

### **Metric numerator**

tCO2

### **Metric denominator**

Production: Vehicle

### **Metric numerator: Unit total**

1209182

### **Metric denominator: Unit total**

3338281

### **% change from previous year**

-0.3

### **Please explain**

The value of the numerator is a conversion of the number of four-wheeled vehicle.

## **C9. Additional metrics**

## **C9.1**

### **(C9.1) Provide any additional climate-related metrics relevant to your business.**

## **C-TO9.3/C-TS9.3**

### **(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Sales

### **Technology**

Conventional hybrid

### **Metric figure**

462000

### **Metric unit**

Units

### **Explanation**

The number of HEV sold worldwide by SUZUKI in fiscal 2017 is filled in. 14.3% of global sales are HEV.

## **C-TO9.6/C-TS9.6**

### **(C-TO9.6/C-TS9.6) What is your investment in research and development (R&D), equipment, products and services and which part of it would you consider a direct investment in the low-carbon transition?**

### **Activity**

Light Duty Vehicles (LDV)

### **Investment start date**

April 1 2017

### **Investment end date**

March 31 2018

### **Investment area**

R&D

### **Technology area**

Other, please specify (improvement of fuel efficiency)

### **Investment maturity**

Applied research and development

### **Investment figure**

52970000000

### **Low-carbon investment percentage**

21-40%

### **Please explain**

Environmental costs for research and development in Japan in fiscal 2017, including the cost of improving fuel efficiency, exhaust gas countermeasures, and the development of next-generation vehicles, amounted to 529.7 billion yen.

## **C10. Verification**

## **C10.1**

### **(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

|  |  |
| --- | --- |
|  | **Verification/assurance status** |
| Scope 1 | No third-party verification or assurance |
| Scope 2 (location-based or market-based) | No third-party verification or assurance |
| Scope 3 | No third-party verification or assurance |

## **C10.2**

### **(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we are waiting for more mature verification standards and/or processes

## **C11. Carbon pricing**

## **C11.1**

### **(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

## **C11.2**

### **(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## **C11.3**

### **(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

## **C12. Engagement**

## **C12.1**

### **(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, other partners in the value chain

## **C12.1a**

### **(C12.1a) Provide details of your climate-related supplier engagement strategy.**

### **Type of engagement**

Information collection (understanding supplier behavior)

### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

### **% of suppliers by number**

8.9

### **% total procurement spend (direct and indirect)**

69.2

### **% Scope 3 emissions as reported in C6.5**

### **Rationale for the coverage of your engagement**

SUZUKI’s major business partners in Japan

### **Impact of engagement, including measures of success**

1. Measurement standard of the collaboration results For example, with regard to the calculation and understanding status of greenhouse gases and the formulation of reduction targets, a separate questionnaire survey is conducted to measure the achievement rate (coverage rate) of CO2 reduction targets in our supply chain, and measure results based on the coverage rate at the time of the previous survey. 2. A case study of the good achievement Through our cooperative initiatives, more than 85% of our main business partners have set targets/policies for reducing CO2 emissions, and the rate is increasing slightly each year.

### **Comment**

## **C12.1c**

### **(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.**

We receive transportation data such as total mileage and fuel consumption in the transportation of SUZUKI finished vehicles and parts every quarter from the transportation operator entrusted with transportation. Based on this information, we measure the effect of reducing CO2 emissions through initiatives such as SUZUKI’s efforts as a shipper (shortening transport routes and improving delivery methods) and improvements in the fuel efficiency of delivery vehicles of transport operators.

## **C12.3**

### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

## **C12.3b**

### **(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## **C12.3c**

### **(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

### **Trade association**

JAMA（Japan Automobile Manufactures Association, inc）

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

The Japan Automobile Manufacturers Association (JAMA) considers efforts to control global warming by reducing CO2 emissions as an urgent issue, and is promoting integrated initiatives to reduce CO2 emissions, including improving fuel efficiency, developing next-generation vehicles, improving traffic volume, and raising awareness of eco-driving.

### **How have you influenced, or are you attempting to influence their position?**

SUZUKI’s President and Vice President serve on the Board of Directors of the Automobile Manufacturers Association. We are working to contribute to the development of the economy and the lives of the people by also sending members from our company to various committees, subcommittees, and working groups of the Japan Automobile Manufacturers Association.

## **C12.3f**

### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

SUZUKI executives have joined the Japan Automobile Manufacturers Association's committee on climate change issues to ensure that their involvement in policy is consistent with SUZUKI’s strategy. In addition, our staffs from each relevant department of the company attend the meeting of the Climate Change Committee to make sure that our strategy is in line with the details.

## **C12.4**

### **(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

### **Publication**

In voluntary sustainability report

### **Status**

Complete

### **Attach the document**

[2018\_enve\_all.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/8v47QQyBR0CKWDYx9Tg2dA/2018enveall.pdf)

### **Page/Section reference**

・Governance (119-128) ・Emissions figures (30-32, 47) ・CO2 emission reduction target (47)

### **Content elements**

Governance

Emissions figures

Emission targets

### **Comment**

In governance, we explained corporate governance and compliance and risk management systems. In the CO2 emissions figures, we disclosed the scope 1,2,3, LCA, average fuel efficiency of four-wheeled vehicles, and five years of CO2 emissions from global production bases. In the CO2 emission reduction target, we disclose the targets until 2020 and progress to the reporting year.

### **Publication**

In voluntary communications

### **Status**

Complete

### **Attach the document**

[seminar2015\_01\_03.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/BEdkGwXMTEGSUP9cJbPCmA/seminar20150103.pdf)

### **Page/Section reference**

・Emissions figures (9)

### **Content elements**

Emissions figures

### **Comment**

The results of the calculation were disclosed in SUZUKI’s presentation "Calculation of supply chain greenhouse gas emissions" at the supply chain emission calculation seminar.

## **C14. Signoff**

## **C-FI**

### **(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## **C14.1**

### **(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|  |  |  |
| --- | --- | --- |
|  | **Job title** | **Corresponding job category** |
| Row 1 | 取締役常務役員 | Director on board |