

Chery Jaguar Land Rover Supply Chain Sustainability Web Guide

Supplier Environmental & Social Requirements

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1. Introduction

This Sustainability Web Guide is integral to Chery Jaguar Land Rover (CJLR) Limited's and its Affiliates' ("We") approach to Sustainability. It outlines the environmental and social requirements we expect our suppliers to adhere to in order to support the delivery of CJLR's corporate responsibility goals.

This web guide is supplemental to the:

This Web-Guide forms part of any Purchase Order issued by CJLR to a supplier incorporating CJLR's applicable set of terms and conditions of purchase, as referred to or identified on the Purchase Order.

For the purpose of any CJLR terms and conditions of purchase that refer to "Seller" as opposed to "Supplier", any reference in this Web-Guide to "supplier" shall be deemed to be a reference to the "seller" in such terms.

2. CJLR's Approach to Sustainability

CJLR is committed to acting honestly, ethically and with integrity. This includes respecting and supporting the basic human rights of all people within CJLR's business and throughout its supply chain.

Operating as a responsible and sustainable business is fundamental to preserving the strong reputation of CJLR's brands, securing its license to operate, delivering sustainable growth, and retaining the trust of its stakeholders. CJLR's approach to sustainability is integral to the way we work and covers our approach to the environmental, social and economic impacts of operating.

As one of the leading vehicle manufacturer, we have a significant role to play in maximizing the benefits of vehicle design, engineering and manufacturing to reduce any negative environmental and social impacts. We are committed to making our operations and our vehicles as sustainable as possible while maintaining the high quality our customers expect.

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“Our Environmental Performance Requirement Specification” policy reflects our sustainability principles and commitments to society, the environment, customers and suppliers (See Appendix A).

3. Standard Environment Expectations of Suppliers

Chery Jaguar Land Rover's Approach to Environment

As part of CJLR's Blueprint for Lasting Success, our focus on environmental protection helps the business anticipate and respond to the challenges and opportunities posed by our changing operating environment.

Environmental Protection is one of CJLR's business passions and touches every aspect of our business. We are delivering our environmental protection approach through shaping efficient, smart connected vehicles for our customers, transforming operations through water, energy and waste reductions, and working collaboratively with our suppliers

The importance which CJLR places on environmental issues as a business represents an opportunity for our suppliers, to continue supporting our current and future requirements.

Expectations

CJLR requires suppliers with manufacturing facilities to obtain certification from an accredited third party that all such facilities meet ISO 14001 (or equivalent). This is a mandatory requirement for JLRQ status. (For more information on ISO 14001 see Appendix E).

CJLR expects its suppliers to comply with all laws and regulations including those which pertain to the environment. Regulatory compliance is not only limited to those statutory requirements from environmental government departments and regulatory bodies (e.g. Ministry of Ecology and Environment of the People's Republic of China), but also to requirements of other bodies (e.g. the local water authority). Compliance is also required to regulations which, whilst not derived primarily out of the need for environmental protection, do nonetheless, help to minimize environmental impact (e.g. Transportation of Dangerous Goods regulations).

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Although the examples provided are China focused, CJLR expects suppliers to comply with all regional laws and regulations.

All goods and services supplied to CJLR must be aligned to our environmental requirements, and any other applicable legislation. Suppliers are also required to have a process to cascade all environmental requirements to sub-tier suppliers upon request.

Suppliers acting as sub-contractors will be required to comply with all local requirements as specified by the terms and conditions of the contract (e.g. health, safety and the handling of waste materials as detailed in Appendix D).

Other Requirements

Other regional, local or commodity specific requirements may be specified. These include but are not limited to:

- Establishing environmental work plans, including legal requirement follow-up and improvement plans;
- Environmental training of suppliers' employees and sub-contractors;
- Sub-contractors working on premises must be informed and agree with local procedures;
- Product specific requirements (as specified by requester);
- Waste management (See Appendix D) and environmental testing suppliers must fulfil all local requirements for handling of waste, chemicals, emergencies, etc.

Nominated Environmental Champion

Given the importance CJLR places on environmental challenges both current and future, we request that each of our suppliers nominate an Environmental Champion through which future strategy and requirements can be communicated. You should provide us with the following details:

- Environmental Champion Name
- Current Position
- Contact Telephone Number

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- Contact Email Address

4. Standard Corporate Social Responsibility Requirements of Suppliers

CJLR's Approach to Corporate Social Responsibility

CJLR is committed to doing business in the right way and expects anyone working for or on behalf of CJLR to meet the highest ethical standards. The standards of behavior we expect are set out in the CJLR Code of Conduct and supporting corporate policies. We expect suppliers to act in accordance with the principles and standards.

- We do not tolerate bribery or corruption in any form;
- Everyone in our work environment must be treated with dignity and respect;
- We respect the human rights and dignity of all our stakeholders; and
- We do not use forced labour in any form

Please refer to our corporate website and familiarize yourself with CJLR's Code of Conduct and supporting corporate policies which we expect our suppliers to adhere to.

Expectations

We require all suppliers to comply with the Compliance and Laws related provisions in the CJLR Terms and Conditions. We expect suppliers to comply with the laws of the countries in which they operate and any other laws which apply to them. We require suppliers to comply with certain fundamental protections that may, in some instances, exceed standards set by local law. These protections are mandatory requirements. At a minimum, CJLR encourages suppliers to follow the Minimum Standards of Working conditions. (See Appendix F)

Appendix A- Links to Internal and External Sites

Title/Site	Site
ISO	www.iso.org
Ministry of Ecology and Environment of China	http://www.mee.gov.cn/
All-China Federation of Trade Unions	http://www.acftu.org/
International Labour Organization	https://www.ilo.org/global/lang--en/index.htm
CJLR Code of Conduct	https://cjl原因.portal.ap1.covapp.io/documents/10182/34182/Code+of+Conduct/97b486d6-6109-46ce-b95f-cf13fd8ba15d
General Terms and Conditions for Non-Production Goods and Services	https://cjl原因.portal.ap1.covapp.io/reference
General Production Purchasing Terms and Conditions	https://cjl原因.portal.ap1.covapp.io/reference

Appendix B- Engineering Requirements

Substances of Concern (SoC)

CJLR has legal and corporate requirements which dictate what substances and chemicals are not permitted to be used in our vehicles or facilities. These are detailed in the JLR Restricted Substance Management Standard (RSMS), STJLR.99.9999. This standard, which is reissued annually, can be found on the CJLR Supplier Portal and is also available from your buyer at CJLR Purchasing.

All products coming into CJLR facilities and/or used in CJLR vehicles shall comply with the requirements identified in the latest version of this standard.

SOC Reporting (IMDS & CJLR Supplier Portal)

All CJLR suppliers are required to submit IMDS data according to the reporting requirements in the RSMS, STJLR.99.9999. Suppliers are required to update their IMDS data if there is a change in Global Automotive Declarable Substance List (GADSL) content for parts that they still supply to Chery Jaguar Land Rover. If a sub-tier supplier has provided updated information on the composition then this updated information must be communicated to Chery Jaguar Land Rover in IMDS.

Compliance with the RSMS is consistent with CJLR's environmental responsibility and conformance to governmental regulations globally. Full compliance is a requirement and key element of JLRQ (Jaguar Land Rover Quality Award), PPAP/PSW and Program Engineering Sign-off events.

Suppliers are required to:

1. Ensure that products comply with CJLR's RSMS requirements and that these requirements are communicated down their supply chain.
2. Ensure that products are adequately reported in IMDS, with all GADSL substances declared at the JLR PCDS <PEC> (Preliminary Engineering Completion) gateway (or equivalent gateway for programs using other Production Development Systems).

Suppliers must mark polymeric (plastic and rubber) components over a specified weight with material type to support end of life use of materials, according to the following ISO standards: ISO 1043 parts 1 and 2 and ISO 11469.

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Vehicle Interior Environment

New CJLR programmes have vehicle interior environment requirements. These requirements are detailed in STJLR.51.5229. This aims to minimise occupant exposure to chemicals used in automobile manufacture. The requirements are designed to ensure CJLR can comply with existing market requirements for cabin air quality. In summary this standard limits the emissions of volatile organic compounds (VOCs) from materials and parts. Solvent based adhesives, sealants and lacquers have an adverse effect on the VOC emissions of parts and will require a change to water based adhesives in the majority of cases in order to meet these requirements.

Design for Environment

CJLR aspires to leadership in minimising the environmental impact of our products across their life cycle to address the current and future needs and expectations of our customers and their communities.

Design for Recyclability, Vehicle Recyclability and End of Life

Recycling vehicles at the end of their lives must be considered early and as an integral part of the vehicle development process to enable conservation of natural resources and timely recovery of material.

CJLR is working towards facilitation of recycling and safe dismantling of our products and their components at the end of their life through means such as material selection, assembly and disassembly techniques and manufacturing processes.

Compliance with all applicable legislation is the minimum required position. CJLR encourages suppliers to understand that the products they supply CJLR will form part of an urban mine ensuring vehicles are economically recyclable.

Suppliers are expected to support vehicle recyclability targets and end of life requirements through:

- Appropriate component design;
- Appropriate material handling processes (such as safe removal at end of life)
- Timely submission of IMDS data (as required by the Restricted Substance Management Standard); and
- Adhering to the Supplier CPA for Jaguar or Land Rover components: Environmental Requirements.

In addition, CJLR requires incorporation of “design for recyclability” in all model programs, during manufacture,

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during product lifetime and eventual decommissioning in line with the requirements that are detailed in the Environment attachment to the Engineering Statement of Work (available from your buyer at CJLR Purchasing).

Material Sustainability and Recyclability

CJLR is committed to reducing the overall environmental life cycle impacts of our vehicles. Material sustainability, cost effective materials delivering the required performance and with a lower environmental impact across the lifetime of our products, and ease of recycling are some of the criteria incorporated in the selection and use of materials. Where feasible and economically practicable, CJLR will consider and promote the use of materials that are both recyclable at end of life and contain recycled or renewable material that reduces the overall environmental impact over the life of our vehicles.

Suppliers must identify recycled and / or renewable material solutions for components referenced in CJLR's target part list in the Environment attachment to the Engineering Statement of Work. These materials should be the default material selection for target parts. If the recycled / renewable material is not adopted a written justification must be provided by the supplier to CJLR detailing why it cannot be used for components identified in the Supplier Environmental Guidelines for Components. New developments / non target parts should also be explored and recommendations can be evaluated with the relevant CJLR materials engineer. Such requirements are outlined as part of the sourcing pack.

Life Cycle Assessment (LCA)

For CJLR, sustainable material sourcing reduces the environmental impacts across the lifetime of our products in a cost effective way remains key to our future vision and this must be reflected in how we develop business relations with our suppliers.

Suppliers have an obligation to report material data to support legislative compliance. Using the same material data suppliers can demonstrate reduced environmental impacts of their product solutions by using Life Cycle Assessment. This will support our actions to identify and reduce embedded carbon and other environmental impacts in our products and business activities. Current regulatory developments are underpinned by LCA thus it is important to CJLR as a core environmental impact measure. CJLR expects suppliers to demonstrate the use of LCA in sourcing new parts with the aim of showing improving trends in environmental impact reduction.

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Please refer to CJLR's environmental targets shown earlier in this document.

This focus on LCA has seen CJLR develop and deploy internally a rapid life cycle assessment tool. This tool provides a consistent approach to measuring the environmental impact of materials and components and enables a comparison of suppliers as part of the RFQ process.

CJLR will be working with suppliers to understand and reduce key environmental impacts (production methodology, where produced, materials used, use of the component and disposal) of our products. To do this, CJLR will seek collaboration with suppliers to work together towards a solution that provides environmental, social and economic benefits. If requested to participate, please provide resources to support the activity.

Appendix C- Corporate Social Responsibility Requirements

Opportunity for All

CJLR is committed to equal opportunities for all employees, and to fostering diversity in its work force. When recruiting, developing and promoting personnel, our decisions will be based solely on performance, merit, competence and potential. Our hiring policies and practices require that there be no discrimination because of race, color, religion, age, gender, sexual orientation, gender identity, national origin, disability, or veteran status, and other factors that may be covered by local law. Each of us is expected to follow these principles in the way we work with one another. CJLR recognizes that diversity in our work force is a valuable asset, and we strive to provide an inclusive work environment in which different ideas, perspectives, and beliefs are considered and respected.

Harassment

We all have the right to do our work without being subject to harassment and abuse. Harassment can include language or conduct that may be derogatory, intimidating or offensive to others. Don't make jokes, use language, or participate in activities that may be offensive to others. Discourage others from engaging in such behavior and report them if they do. As a precaution, always think about how something could be perceived by others. We will not tolerate any violence or threats of violence in our places of work.

Bribery and Corruption

CJLR Personnel and those representing us, including agents and intermediaries, shall not directly or indirectly offer, promise, pay, request or receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favours for the conduct of our business.

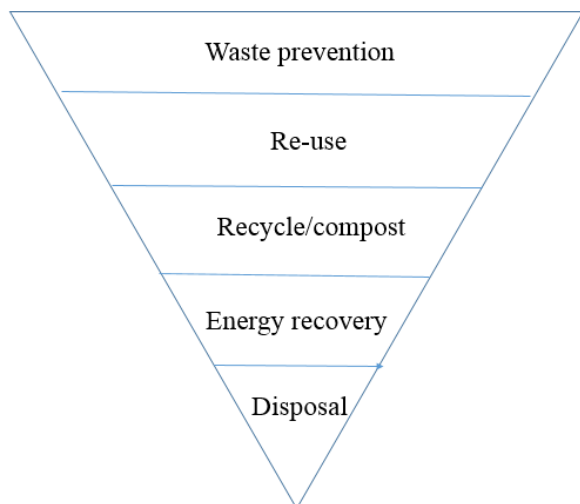
CJLR has a policy not to engage in any act that could possibly be construed as giving or receiving a bribe (or "kick-back" or "facilitating payment"). This is especially true when dealing with government officials. Not only is it against CJLR policy, but it is also against the law. Most countries have laws that prohibit bribing local or foreign

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officials. This is true even in countries where it may seem that payments to government officials are considered a normal part of doing business. Even in situations where agents are engaged to sell CJLR's products, the company must take measures to guard against using agents that give bribes. In some instances CJLR can be held liable for the actions of the agents it hires. Never give anything of value to a government official (including political parties, royalty, employees of public bodies, and people who engage in official business in state organs, state-owned companies and enterprises, state-owned institutional organizations and people's organizations and other people who engage in official business according to law) and their relatives in order to obtain or retain business, or to gain competitive advantages.

Appendix D- Waste Hierarchy

CJLR is committed to reducing waste and applying the Waste Hierarchy triangle demonstrated below.



Summary	Stages	Include
Reduce	Waste Prevention	Using less material in design and manufacture. Keeping products for longer; re use. Using less hazardous materials
Re-Use	Preparing for Re-Use	Checking, cleaning, repairing, refurbishing or remanufacturing whole items or spare parts
Recycle	Recycling	Turning waste into a new substance or product. Includes composting (as a last resort) if it meets quality protocols.
Recovery	Recovering Energy	Includes anaerobic digestion, incineration with energy recovery, gasification and pyrolysis which produce energy (fuels, heat and power) and materials from waste; some backfilling.
Remove	Disposal	Landfill and incineration without energy recovery.

Appendix E- ISO 14001

Expectations

CJLR requires all production and non-production suppliers with manufacturing facilities to obtain certification from an accredited third party that all such facilities meet ISO 14001 or equivalent (to be referred to as “ISO 14001” therein) as a mandatory requirement for JLRQ status. The requirement for certification by an accredited third party registrar will help demonstrate that all of our suppliers are working to meet their local legal and regulatory requirements, and have actionable continuous improvement plans for the significant environmental aspects of their businesses.

Suppliers that have non-manufacturing sites with significant environmental impact will also be expected to achieve and maintain third party ISO 14001 certification or equivalent.

Frequently Asked Questions

What is the requirement?

Third Party Certification to ISO 14001 by an accredited registrar. Ask your local Purchasing contact for any additional information.

Which suppliers are required to certify?

All tier 1 production suppliers and non-production suppliers with manufacturing sites (e.g. machinery & tooling and industrial materials suppliers) that provide product to CJLR.

What about non-manufacturing suppliers?

All suppliers are encouraged to implement an Environmental Management Standard (EMS). Nonmanufacturing supplier sites with significant environmental impact may also be expected to achieve and maintain ISO 14001 certification. All suppliers are encouraged to review their entry on the VENDOR CODE database (via the buyer)

Are all the supplier's sites required to be certified?

All manufacturing sites owned by the supplier that provide product to CJLR directly must be certified.

What about sub tier suppliers?

Sub tier suppliers are strongly encouraged to certify to ISO 14001. Tier 1 suppliers are also asked to encourage sub tier suppliers.

What about satellite assembly facilities?

Yes, these are required as well and considered a "manufacturing site".

Will CJLR accept supplier self-declarations of compliance to ISO 14001 requirements?

No, only third party certifications are accepted.

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Why is third party certification required? -- Why can't we self-certify?

The requirement for third party certification will help ensure all of our suppliers are working to meet their local legal and regulatory, as well as Chery Jaguar Land Rover environmental requirements. It enables suppliers to have actionable continuous improvement plans on any significant environmental aspects of their business. Third party certification will ensure your EMS works.

Will CJLR accept EMAS instead of ISO 14001?

Yes, CJLR will accept EMAS (Eco-Management and Auditing Scheme); however, we encourage suppliers to pursue dual certification to ISO 14001/EMAS at their next scheduled certification audit.

Will CJLR accept Chemical Manufacturer's Association's Responsible Care (RC) instead of ISO 14001?

Yes, CJLR will accept RC 14001 with RC third party certification if that supplier meets both RC and ISO 14001 confirmed by using the RC system.

Is the 2004 ISO Standard valid?

The ISO 14001 has been updated from 2004 standard to a 2015 standard. All suppliers are expected to transition to the 2015 standard by September 2018 when the 2004 standard certification will no longer be valid.

What type of information does CJLR require?

A copy of ISO certificate (non-editable electronic version)

What happens if a supplier does not meet the ISO 14001 requirement?

Environmental performance is a key supplier performance metric--ISO 14001 certification status will affect future sourcing decisions. New business may not be awarded to suppliers without certification.

Also, JLRQ applications require ISO 14001 certification. ISO 14001 is a requirement for all existing JLRQ suppliers.

Appendix F- Minimum Standards or Working Conditions

CJLR expects suppliers to adopt and enforce similar but not less stringent guiding principles as follows:

1. Provide policy or documentation to verify no child labour (below the age of 16) is occurring, unless this is part of a government authorised job training or apprenticeship program that would be clearly beneficial to the persons participating.
2. Provide policy or documentation to verify no forced or compulsory labour and human trafficking is occurring.
3. Identify the practices and systems regarding wages and benefits, deductions, fines/penalties, and pay dates for employees.
4. Demonstrate that all employees are paid at least minimum wage, or living wage for countries that have adopted this policy.
5. Identify the process of employee self-termination before the end of their contract.
6. If employee benefits or money is withheld, explain. However, employee personal identifying documentation, e.g. passport, should never be withheld.
7. Describe disciplinary processes and procedures including those authorized to discipline workers.
8. Define which employees have signed employee contracts and describe the information included on such contracts. If not all employees have signed contracts then explain why this is occurring.
9. Describe how management recruits and trains new employees.
10. Outline employee-management relationships and interactions, especially the conditions for negotiations and work-place grievances.
11. Provide any documentation on discrimination cases and/or reports filed in the last five years to verify they will not tolerate harassment or discrimination on the basis of race, caste, religion, colour, ancestry, marital status, gender, gender reassignment, sexual orientation, pregnancy, maternity, age, nationality, ethnic origin, disability, veteran status or any other category protected by applicable law.
12. Outline methods of reporting safety-related incidents, cause analysis and corrective/proactive measures.
13. Provide Company fatality/injury/illness/lost work-day cases for each of the last 5 years.
14. Define how the health of the workforce is monitored on an on-going basis.
15. Provide details of any governmental visits relating to health and safety matters, documents pertaining to citations, fines, or rulings, including abatement/resolution and current status regarding any health and safety matters.
16. Detail processes for preventing and managing on-site emergencies, inclusive of business resumption strategies and plans.
17. Identify workplace safety inspection process.
18. Identify the measures used to evaluate safety performance and the responsibility that employees have for the achievement of these objectives.
19. Provide health and safety training structure as well as the process that identifies all safety related training given to employees. Include the percentage of the workforce that has received safety training in each of the last 5 years.
20. Provide examples of the methods used to validate the effectiveness of your health and safety management (e.g. internal or external audits, etc.).
21. Provide evidence, in the form of recorded work hours and policy communication to employees, which

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demonstrates working hours are within legal limits.

22. Demonstrate an understanding of all applicable legal requirements including any recent changes.

The principles are consistent with, and in many instances derives from, the following human rights framework and charter,

- The United Nations Universal Declaration of Human Rights,
- The United Nations Global Compact
- The Organisation of Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The Global Sullivan Principles of Social Responsibility.